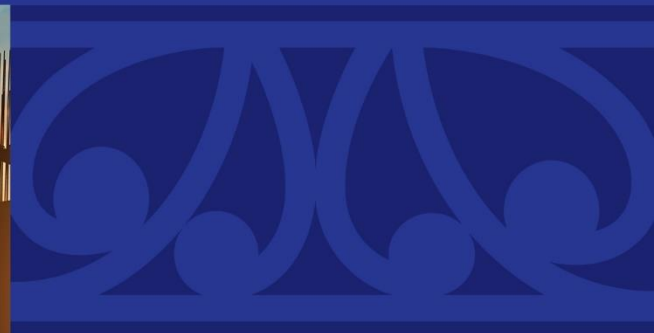


# TASMAN'S 10-YEAR PLAN 2021-2031



Volume One

INCLUDING ANNUAL  
PLAN 2021/2022



Te Kaunihera o  
**te tai o Aorere**





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# NAU MAI -WELCOME





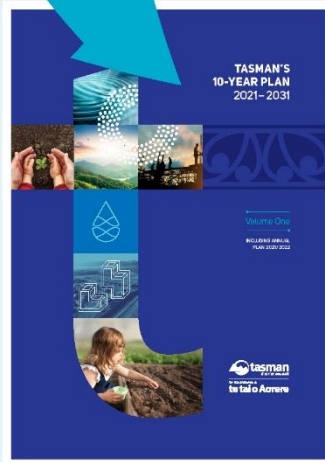
# Welcome to TASMAN'S 10-YEAR PLAN 2021 – 2031

The Council manages millions of dollars of assets on behalf of the community and planning for the future is important. Tasman's 10-Year Plan is how we plan to promote the social, economic, environmental and cultural well-being of Tasman communities now and in the future. It's our blueprint for the next few years.

Tasman's 10-Year Plan  
PUBLIC CONSULTATION



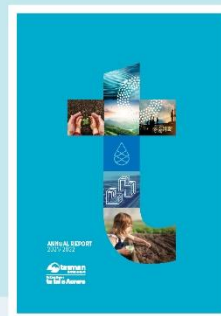
2020 Vision for Tasman  
PUBLIC ENGAGEMENT



## Tasman's 10-Year Plan 2021–2031

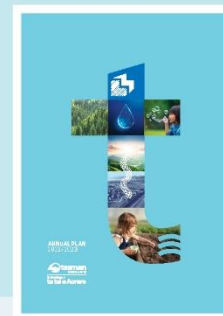
Outlines our vision, community outcomes and strategic direction

- What we plan to do
- What services we plan to provide
- How much it will cost
- How it will be funded



## Annual Report 2021/2022

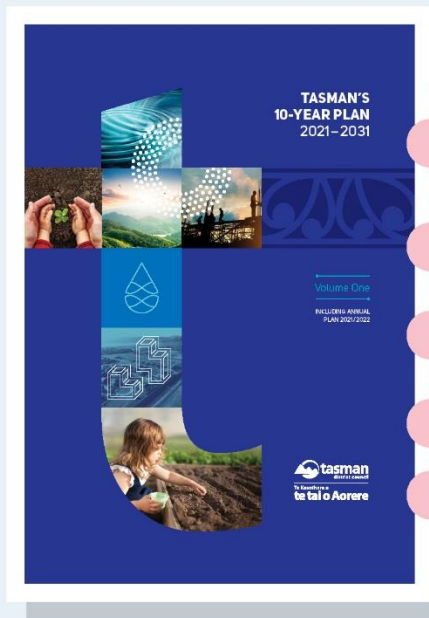
How did we perform against Tasman's 10-Year Plan 2021 – 2031



## Annual Plan 2022/2023

Signals changes from Tasman's 10-Year Plan 2021 – 2031

# How to find your way around TASMAN'S 10-YEAR PLAN 2021 – 2031



## Volume One

The Council's decisions on the key choices in the 'Planting the Seeds for Tasman's Future' consultation document

New projects and changes in Tasman's 10-Year Plan 2021 – 2031

Our financial planning and projected accounting information

The Council's vision, purpose, community outcomes and strategic priorities

The activities and services we intend to provide

## Volume Two

Funding Impact Statement (information on our rating system) and Rating Maps

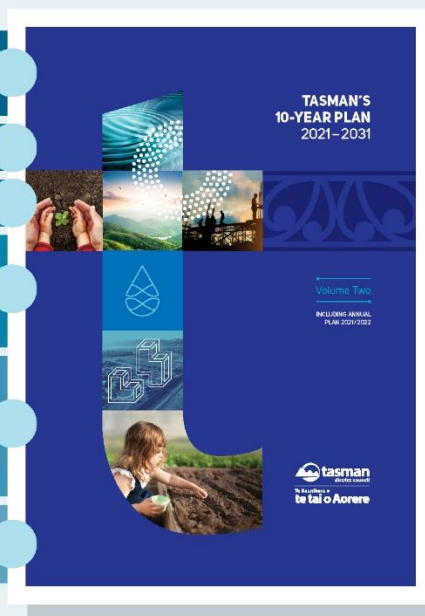
Financial Strategy

Infrastructure Strategy

Revenue and Financing Policy (our policies on funding sources for operational and capital expenditure)

Summary of Council's Significance and Engagement Policy (how Council determines the importance of an issue to inform the extent and form of public engagement expected)

Ngā Iwi and Māori Capacity to Contribute to Decision Making





# MAYOR AND CHIEF EXECUTIVE'S MESSAGE

*Rangatira whenua, kainoho me a mōtau tamariki ka mihi atu ki a koutou, ka nui te manaaki ki a koutou.*

Welcome to Tasman's 10-Year Plan 2021–2031. This document details what we intend to deliver, the costs of providing these services and assets and how we expect to fund them. We really appreciate the time taken by residents and organisations in the District to participate in the early engagement in March/June 2020 and the formal consultation process during March/April 2021. We received 1,719 submissions during the formal consultation process this year and we have carefully considered these submissions in reaching decisions.

We have developed this 10-Year Plan on the back of the uncertainty of the Covid-19 pandemic and in the face of several looming Government reforms which will affect local government. Whilst our regional economy has rebounded strongly from the lockdown restrictions in 2020, the future recovery remains uncertain and some parts of the economy are being more severely affected by the ongoing effects than others. The Council's continued investment in infrastructure and services and central government's stimulus funding helps to support our economy.

The District's growth continues at pace. Our Plan provides the infrastructure necessary to match the projected population expansion with the costs being largely met by those who directly contribute to growth. We have made changes to our Development and Financial Contributions Policy to support intensification of our existing urban areas, to reduce the costs for smaller homes and to provide exemptions to community housing providers. The Council is doing what it can to assist in improving supply of services and zoned land which will help housing affordability in our District, which we know is a matter of great concern to many of our residents, but there are many other factors beyond Council control that will influence this.

Tasman's 10-Year Plan 2021–2031 includes additional resourcing to contribute to a healthy and sustainable natural environment. We plan to deliver on the National Policy Statement for Freshwater Management with increased monitoring and compliance resources and through the review of the Tasman Environment Plan. In the biodiversity space, we will achieve more from improved coordination and better prioritisation through the Tasman Bio-Strategy. We also intend to bolster our resources around weed control and to enhance our focus on forestry management.

Climate change was a major topic raised in feedback on our early engagement process in 2020 and one of our big choices included in our consultation document. This Plan includes funding for adaptation and mitigation which are embedded into our general activities. We will also invest more in monitoring the Council's greenhouse gas emissions and energy efficiency initiatives. We look forward to greater clarity from the Government about the role of central and local government in responding to climate change.

Cost overruns for the Waimea Community Dam were disappointing and created funding challenges. An agreement was reached with Waimea Irrigators Limited over the distribution and funding of those costs that allow irrigators to directly pay for the majority of their share of the cost overruns to Waimea Water Limited, rather than Council collecting their share through a targeted rate on irrigators.

Since 2015, we have been able to maintain annual rates revenue increases of below 3%, and in the last year we instigated a 0% rise in response to Covid-19. Similarly, we have been able to maintain a net



debt cap of \$200 million for the last six years. In this Plan, we have needed to increase our annual rates revenue increases and have increased our net debt cap. We consider that the projected rates increases and debt levels are prudent given the challenges we face as a region particularly to meet the increasing expectations on Council from both residents and central Government, and the need to provide and maintain infrastructure.

With major changes signalled in the way the three waters (water supply, wastewater and stormwater) is delivered and the replacement of the Resource Management Act, we can expect significant changes by the time we undertake the next Long Term Plan in 2024.

A tremendous amount of mahi has gone into the development of this Plan. We would like to extend a big thank you to our Council colleagues and our staff for their energy and effort during the process and to our communities for their participation. The outcome for the communities is better as a result of the public input and comments during the preparation of this Plan.

Ngā mihi maioha

Tim King  
Mayor

Janine Dowding  
Chief Executive Officer



# WHAT TASMAN DISTRICT COUNCIL DOES

Tasman District Council is one of six unitary councils in Aotearoa, meaning we do the work of both a regional council and a territorial authority. We provide a wide and varied range of services to our communities within Tasman District. The work we do includes:

|  |   |   |
|--|---|---|
| <b>Infrastructure Services</b><br>Roads, footpaths, cycleways, stormwater facilities, water and wastewater pipes, treatment plants, waste management facilities  | <b>Community Facilities</b><br>Libraries, recreation centres, sports grounds, reserves, parks environmental restoration work  | <b>Environmental Management</b><br>Freshwater, land use, air quality, biodiversity, biosecurity |
| <b>Regulatory Services</b><br>Animal control parking, noise control, air quality, building and resource consenting, public health, maritime administration, compliance and enforcement   | <b>Strategic Planning for the Future</b><br>Land zoning, future infrastructure provision, financial planning, environmental planning, community and reserves planning | <b>Community Engagement</b><br>Consultation, communication, education, emergency management     |
| <b>Governance and Support Services</b><br>Our governance functions oversee, and our support services underpin, all of the above activities. Without these functions we could not deliver the above services to our communities.<br><br>Support services include: <ul style="list-style-type: none"><li>• Finance and legal</li><li>• Health, safety and wellbeing</li><li>• Information technology</li><li>• Customer services</li></ul> |   |   |

These services and activities all contribute to the environmental, economic, social and cultural well-being of Tasman District.



## 2021 – 2031 AT A GLANCE

Overall, Tasman’s 10-Year Plan 2021–2031 aims to:

- Ensure there is enough zoned and serviced land available to provide sufficient development capacity for new homes and businesses.
- Respond to climate change through projects, initiatives and adaptive planning.
- Focus on building, renewing and maintaining our infrastructure.
- Fund the above by ensuring we apply for Government funding where it is available and increase our borrowing limit to a sensible and prudent level.
- Collect development and financial contributions to pay for the services associated with growth in our District.
- Deliver on priority work programmes – roading, water, wastewater, stormwater, environmental improvements, climate change, recreation and important community spaces and facilities.

Here are some of the key investments we have planned for the next 10 years to ensure Tasman District thrives.

|           |   |          |
|-----------|---|----------|
| 2021-2031 | Replacing/renewing water, wastewater, roading and stormwater infrastructure | \$110.5m |
| 2021-2024 | Improve digital technology and information services                         | \$13.3m  |
| 2021-2031 | Walking and cycling improvements  | \$40.1m  |
| 2023-2024 | Regional Museum Research Facility   | \$3.2m   |
| 2021-2031 | Water safety and source improvements  | \$16.5m  |
| 2021-2031 | Waste management and minimisation improvements                              | \$23.4m  |
| 2021-2031 | Rivers improvements (e.g. stopbanks)  | \$20.0m  |
| 2021-2031 | Other water, wastewater and stormwater improvements                         | \$136.6m |
| 2021-2031 | Growth related infrastructure   | \$95.8m  |
| 2023-2024 | Motueka Community Pool  | \$3.2m   |
| 2026-2029 | Brightwater/Wakefield multi-purpose community facility                      | \$8.6m   |
| 2021-2026 | Iwi partnerships and capacity building                                      | \$2.3m   |
| 2021-2031 | Economic development and tourism  | \$4.35m  |

Refer to our activity management plans for detailed list of all the investments we have planned for the next 10 years – [www.tasman.govt.nz/link/activity-management-plans](http://www.tasman.govt.nz/link/activity-management-plans)

**The inclusion of projects in Tasman’s 10-Year Plan is not a commitment to carry out the projects concerned.**



In our Plan we have listed a wide range of infrastructure and other projects. The inclusion of these projects in the Plan is an indication that we have made financial provision for them. In most cases the projects require business cases, feasibility studies, more detailed design and planning (which may result in variances from the planned budget). Often they require resource consent and/or other types of consents, and more detailed consultation with interested and affected parties. Before any physical works begin, there are several further decisions which the Council will decide whether to: proceed with the project as indicated in Tasman's 10-year Plan, or diverge from what was in the Plan, or not continue with the project at all.



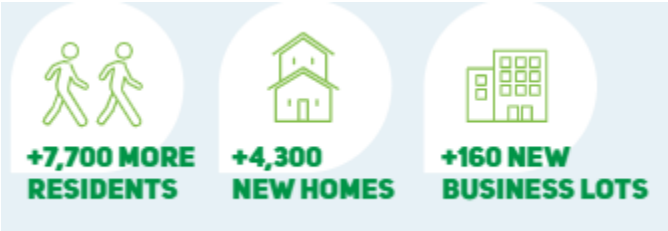


# WHAT WE DECIDED FOR OUR KEY CHOICES

Through Tasman’s 10-Year Plan 2021–2031 Consultation Document we sought public feedback to inform our decision-making process on four key choices. This section discusses each of those choices, the decision we made, and the reasons why. All the options are not repeated in this document - further information on the options for each choice can be found in Tasman’s 10-Year Plan Consultation Document.

## HOMES FOR OUR COMMUNITY

We know housing availability and affordability are a real concern for our communities. We cannot solve the affordability problem alone, but along with the government and other agencies, we can be part of the solution. We plan to do this by ensuring we have the right land zoning and infrastructure in place to at least meet forecast demand, and by changing our planning rules to make it easier to build smaller homes at higher densities.



We expect our population to keep growing over the next 10 years, meaning we need to make sure there is zoned and serviced land available for at least 7,700 residents, 4,300 homes and 160 business lots. We plan to provide for additional capacity in our urban environment, over and above the expected demand, to support choice and competition, which meets our obligations under the National Policy Statement on Urban Development.

This is based on a medium-growth scenario. We know the situation may change – especially with Covid-19 border restrictions and the return of New Zealand citizens. We will continue to monitor the situation to make sure our planning information is up to date and that we are adaptable and flexible as demand changes.

---

*We asked the community - do you support the Council’s proposal to provide the necessary infrastructure to meet housing and business demand across the entire District?*

---

**We decided to proceed with our preferred option which is to invest in infrastructure that enables sufficient serviced land to at least meet the forecast demand for new housing and businesses, based on a medium-growth scenario in line with recent population trends.**

The majority of submitters agreed with our preferred option to meet demand, rather than our alternative option of supplying additional capacity for growth.





We have planned \$122.5 million of infrastructure over the next 10 years to enable both greenfield development and infill housing/intensification. The infrastructure programme is staged throughout the decade to enable enough housing supply to meet demand District-wide, while making the best use of available land and planned infrastructure. This approach should also enable the debt associated with planned growth infrastructure in places, such as Motueka West, to be largely paid off through development contributions prior to investing in new locations. The cost of growth infrastructure projects across the District will largely be met by developers through development and financial contributions.

The rate and location of future growth will be regularly reviewed throughout Council's planning cycle, including the review of the Future Development Strategy, Tasman Resource Management Plan and future Long Term Plans.

## WAIMEA COMMUNITY DAM – ALLOCATION OF ADDITIONAL IRRIGATOR CAPACITY COSTS

The Waimea Community Dam (Dam), currently under construction in the Lee Valley, will provide a secure and sustainable water supply for our communities of the Waimea Plains for the next 100 plus years. It will also improve the health of the river and bring economic benefits to Tasman District.

Since the decision to proceed was finalised in 2018, project costs to build the Dam have risen from the initial estimate of \$104.5 million to \$129.4 million in 2020. On 22 February 2021, Waimea Water Limited presented a revised cost estimate range of \$148 million to \$164 million to complete the Dam, with an expected cost of \$158.5 million. The cost is based on the best information currently available and makes some allowance for the cost uncertainty associated with the project. A lot of work has been completed to date and the project is approximately 50% complete. This means Waimea Water Limited has a good understanding of the project risks based on what it has experienced so far and how it has responded to unexpected geological conditions. Going forward, most of the work is above ground level reducing the likelihood of further geological risks. However, costs could be higher than the estimated range. Key risks are the costs associated with any further Covid-19 related delays, and the scale of work required on unexposed geological features.

We included a budget in the Consultation Document that provided for a total project cost of \$159 million. This amount covered the expected cost to complete of \$158.5 million and allowed for necessary work to provide for a future hydro option. This reflected a total project budget increase of \$54.5 million since 2018.

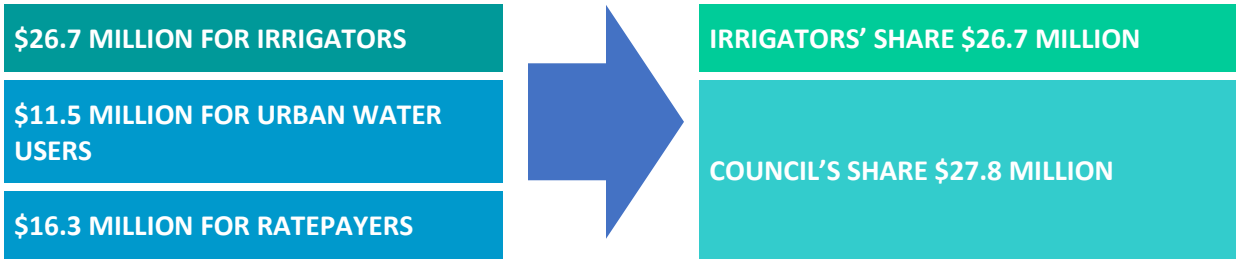
Under the project agreements the first \$3 million of cost overruns are shared 50:50 between Waimea Irrigators Limited and the Council. The Council is contractually obliged to meet all cost overruns above the first \$3 million. The Joint Operation partners have subsequently agreed a funding approach, which shares the cost of the funding better between irrigators and the Council.



There is an existing formula in place for sharing the costs of the Dam among everyone living and running businesses on the Waimea Plains, irrigators who have purchased shares in the Dam or who will benefit from that water, and the wider Tasman community – everyone benefits from the economic and environmental gains the Dam will provide.

To date the costs of the Dam have been apportioned across those who benefit with:

- 49% assigned to irrigators
- 21% to urban water users, and
- 30% to ratepayers for the environment and public good benefits such as increased jobs, economic gains, and the ability to meet growth demands.



Based on this method, the additional \$54.5 million was split as shown above. The first \$3 million of additional cost is funded 50% by Waimea Irrigators Limited and 50% by Council. This means Council needed to decide how to collect the balance of the irrigators' share, being \$25.2 million (\$26.7 million less \$1.5 million).

---

*We asked the community - do you support the Council's preferred option to share the \$25.2 million cost of the irrigators' share across affiliated irrigators as well as general ratepayers?*

---

**We decided to adopt a revised version of Option A. The revised approach still shares the cost of the irrigators' share across affiliated irrigators and general ratepayers (for the first five years only, after which the full cost will be covered by affiliated irrigators).**

For Original Option A, the \$25.2 million irrigators' share of the cost overruns were to be split \$14.6 million to irrigators through a targeted rate and the balance of \$10.6 million to the general ratepayer. The split remains much the same under Revised Option A, however the funding and collection mechanisms change in a way that is more favourable for both irrigators and general ratepayers.

The contractual negotiations to give effect to Revised Option A were based on the latest information available from Waimea Water Limited. The estimated cost to complete is \$158,487,000 (\$158.5 million). These amounts are more precise than the amounts used in the Consultation Document due to increased rounding accuracy and review.



This results is a minor change to the amounts allocated to the joint venture partners after the first \$3 million has been deducted – as set out in the table below.

|   |              |                       |
|---|--------------|-----------------------|
| <b>Irrigators' Capacity</b>                     | <b>48.9%</b> | <b>\$24.8 million</b> |
| <b>General Ratepayers and Urban Water Users</b> | <b>51.1%</b> | <b>\$25.9 million</b> |
| <b>Total</b>                                    | <b>100%</b>  | <b>\$50.7 million</b> |

Based on these refined amounts, the split of the irrigators' share (\$24.8 million) under Revised Option A is \$14.6 million fully funded by irrigators through Waimea Irrigators Limited and Waimea Water Limited, and the *interest cost* on the balance of \$10.2 million is being funded by the general ratepayer for the first five years of Tasman's 10-Year Plan. After the first five years, the full cost will be met by affiliated irrigators under the agreements we have in place with Waimea Irrigators Limited and other parties.

The overall project has an additional \$350,000 which allows for necessary work to provide for a future hydro option. This makes the overall cost of the project \$158,837,000 (\$158.8 million).

Revised Option A means some of the Council debt and all of the irrigators' debt to fund the overruns will be held in Waimea Water Limited, a joint venture company of the Council, and Waimea Irrigators Limited. The respective shares of the interest cost on that debt will be paid through Waimea Water Limited water charges to the Council and to irrigators through Waimea Irrigators Limited.

Of the debt held in Waimea Water Limited, interest on \$10.2 million of the \$24.8m irrigator capacity cost will be met by Council through the water charges from Waimea Water Limited for the first five years of Tasman's 10-Year Plan. We have decided that we will use the general rate as a means for collecting funding for these interest costs. This approach is consistent with the Original Option A, but with the difference being that the general ratepayer is paying a share of the borrowing costs through the Waimea Water Limited water charges, rather than directly.

Under the Original Option A, the share of the borrowing costs that were to be funded by irrigators were to be collected through a targeted rate. Under Revised Option A, the targeted rate will not be required as irrigators will be charged directly by Waimea Water Limited and the Council does not need to pass the cost on.

Revised Option A provides for a more favourable impact on the general ratepayer than the Original Option A the public was consulted on. That initial option preferred by the Council would have seen the general ratepayer funding a portion of the irrigators' share of overruns until no longer required, i.e. when the loans are fully repaid, or an alternative agreement is reached. Where Revised Option A limits the period to five years with an estimated average cost to residential ratepayers of \$5 a year. Noting that this \$5 per year only relates to the Council's part funding of interest on the irrigators' share of the overruns.



The total amount that any individual ratepayer contributes to the Dam project will vary depending on the location of their property and whether they are connected to an urban water supply or not. This is because of the cost sharing model described above. A range of rating scenarios, including GST, for the 2021/2022 financial year are summarised below.

| Location              | Ratepayers' Contribution to the Irrigators' Share | Urban Water Users  | District Wide Rate  | Zone of Benefit                | Total           |
|-----------------------|---|--|---------------------|--------------------------------|-----------------|
| <i>Basis for Rate</i> | <i>Capital Value \$660,000</i>                    | <i>Fixed Charge + Volumetric Charges (215m<sup>3</sup>/year)</i> | <i>Fixed Charge</i> | <i>Capital Value \$660,000</i> |                 |
| Wakefield             | \$1.87  | \$579.98   | \$28.78             | \$0                            | <b>\$610.63</b> |
| Richmond              | \$1.87  | \$579.98   | \$28.78             | \$21.78                        | <b>\$632.41</b> |
| Motueka               | \$1.87  | See note   | \$28.78             | \$0                            | <b>\$30.65</b>  |
| Tākaka                | \$1.87  | See note   | \$28.78             | \$0                            | <b>\$30.65</b>  |
| Murchison             | \$1.87  | \$579.98   | \$28.78             | \$0                            | <b>\$610.63</b> |

Note:

- Users connected to the Council's supply in Motueka do not contribute to the funding of the Dam as they are not part of the urban water club.
- Urban Water Charges do not apply in Tākaka as the Council does not provide a public drinking water supply within the Tākaka township.

At the same time as shifting the irrigators' debt into Waimea Water Limited, we also agreed to move across some of the Council's debt associated with our share of the Dam. This allowed for cheaper borrowing arrangements for the Council's share that effectively reduced the cost to the general ratepayer. This was an additional benefit of Revised Option A.

We appreciate the importance of the Dam within our community, and the mixed views on who benefits from it and who should fund the project. We also acknowledge that most submitters preferred Option D, which was a new targeted rate solely on irrigators for the full cost of the irrigators' share of overruns.

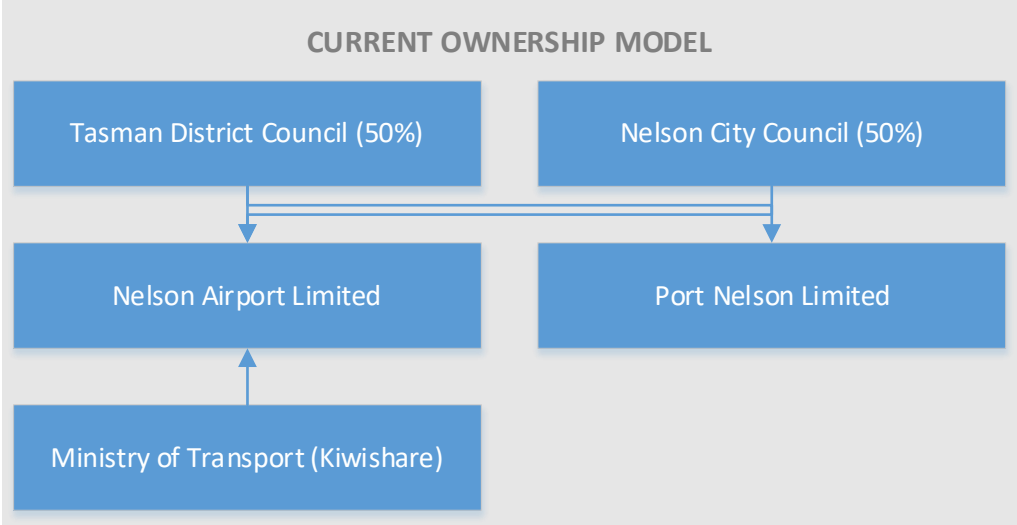
This was a complex and challenging decision to make. Our decision required careful consideration of a wide range of factors, information and constraints, alongside the public views and preferences. Our decision strikes a balanced approach for the whole District, now, and in the future.

We also acknowledge and share the frustration surrounding the recent cost overruns and have recently agreed to proceed with an independent investigation to ensure we, and others, can learn from this project.

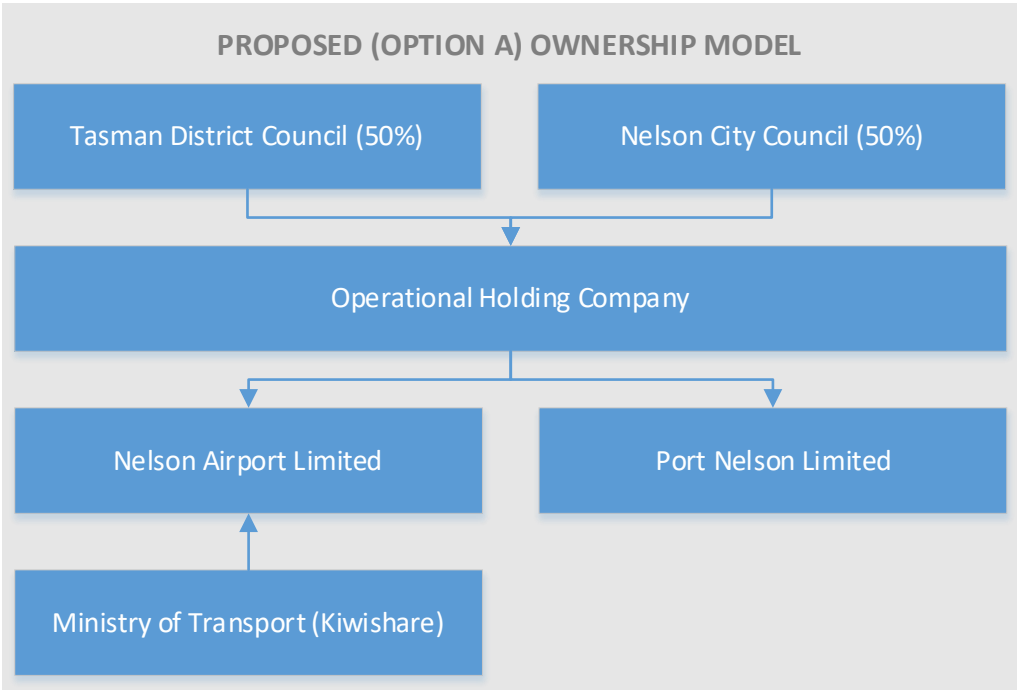


# A NEW COMPANY MODEL FOR NELSON AIRPORT AND PORT NELSON

Nelson Airport and Port Nelson provide key gateways to the Nelson-Tasman region and are jointly owned by us and Nelson City Council.



Together with Nelson City Council, we proposed to transfer our shareholdings in both Nelson Airport Limited and Port Nelson Limited into a single new company. The company was proposed to be set up as an operational holding company and would have been 50% owned by us and 50% owned by Nelson City Council. The Ministry of Transport would have continued to own one share in Nelson Airport, the 'kiwishare'.





The proposed operational holding company would have had a single Board of Directors, with the necessary range of skills and expertise to operate both the Airport and the Port. The new single Board would replace the two existing Boards. Under the proposal, one Chief Executive Officer and one Chief Financial Officer would be appointed, removing the current duplication across the two companies. A Chief Operating Officer would have also been appointed to Nelson Airport, mirroring the existing role in Port Nelson. All other operational aspects of the Airport and Port were to remain the same.

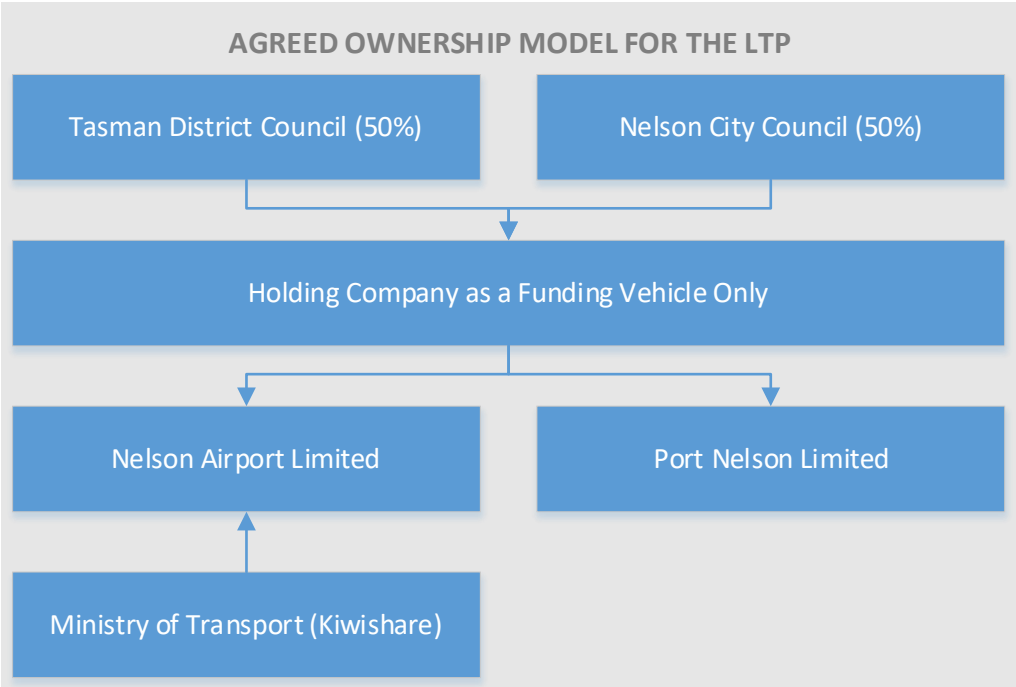
The reason for the proposed change was the many positive benefits that could arise from the proposed structure, both to the companies and to the Council shareholders. These included operational efficiencies, cheaper borrowing, tax efficiencies and increased resilience for the two companies. The benefits to the Councils were better governance, debt reduction, and increased future dividends.

---

*We asked the community - do you support the Councils' proposal to establish a joint parent company for Nelson Airport and Port Nelson?*


---

**We decided to proceed with an alternative option – Option C. Option C is the establishment of a new company as a funding vehicle only. Nelson City Council also decided to proceed with this option.**



The majority of submitters indicated that they preferred the status quo arrangements, or were not sure.

A holding company that acts as a funding vehicle only is operationally somewhat similar to the status quo arrangements. The companies and the Council shareholders still expect to receive some benefits through implementing this option:

- 
- savings through access to lower cost financing from the Local Government Funding Agency, and
  - potential for shareholders to retire debt through equity release.

This decision carries less risk and change than the proposed Option A.

A working group comprising staff from each council and the two companies will develop a transition plan over the next 6-12 months.

## RESPONDING TO CLIMATE CHANGE

Our natural environment, our homes, workplaces and the areas we spend our free time are already feeling some of the consequences of our changing climate. We are experiencing more frequent weather extremes and effects, including floods, droughts and fires. We have a large coastline, inhabited by thousands of residents. Adding to the complexity, much of our public infrastructure is built near the coast.

Current risks relating to climate change in Tasman District include:

- damage to/loss of assets, property, infrastructure and facilities from coastal storm inundation events, sea level rise, flooding and/or wildfire
- issues with water supply security
- increased wastewater overflows
- increased periods of drought, and
- increased biosecurity incursions and impacts on biodiversity.

We do not yet know how quickly climate change will affect our communities, or how severe those effects will be, but legislation (e.g. the Climate Change Adaptation Act currently under development), and the Government's decision to declare a nationwide climate emergency, has committed New Zealand to taking action now.

The Climate Change Response Act 2002 provides a framework for New Zealand to reduce our carbon emissions and prepare for and adapt to the effects of climate change.

Many of the activities we have planned to help us adapt to, and mitigate the effects of climate change, are things that we would do as part of our business as usual programme – such as tree planting, waste reduction programmes and new cycle paths.

The key business as usual actions included in Tasman's 10-Year Plan that are likely to have a positive impact on reducing the effects of climate change include:

- continuing to manage our commercial forests as a way of partially offsetting our emissions
- waste management and minimisation
- new or improved walking and cycling facilities
- improved public transport services
- tree planting to help store carbon
- work to identify the vulnerability of critical infrastructure to natural hazards and climate change



- continuing the Coastal Management project, looking at long-term adaptive planning for sea level rise and coastal hazards
- investigating more options for a more agile response to biosecurity and pest management issues, and
- continuing to grant consents in recognition of climate change risks.

Over the next 10 years, in addition to the business as usual activities above, we also proposed the following new initiatives to implement our Tasman Climate Action Plan:

- \$0.3 million for monitoring Council’s greenhouse gas emissions and reduction planning
- \$0.6 million for energy efficiency and renewable energy initiatives for Council buildings, and
- \$1.2 million for energy efficiency initiatives in Water Supply and Wastewater.

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*We asked the community - do you support the Council’s proposed response for adapting and responding to climate change?*

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**We decided to proceed with our preferred option A – an affordable level of investment spread over the next 10 years.**

The majority of submitters indicated that the proposed investment was about right, while many felt that we should be doing more.

In relation to reducing emissions, it is currently difficult to determine the best investments for Council to make, as we have not yet measured our baseline emissions. This work commenced in June 2021 and will be used to determine where the Council can make the biggest impact in reducing its emissions.

The Tasman Climate Action Plan is designed to be a living document. Suggestions from submitters and new knowledge can be incorporated into a review of the Action Plan. The financial implications can then be worked through in further detail and consideration given to including them in future Annual or Long Term Plans.





# WHAT YOU CAN EXPECT TO SEE OVER THE NEXT 10 YEARS

## LEVELS OF SERVICE

Levels of service are what we have agreed to deliver to, and on behalf of, our communities. They are attributes for each activity that describe the service from our customers’ perspective.

Levels of service are set through Tasman’s 10-Year Plan, sometimes in response to community desire, and sometimes in response to statutory requirements.

Due to our self-imposed financial limits, there is little scope for us to significantly increase levels of service targets over the next 10 years. We have had to focus investment on meeting existing levels of service targets, and making improvements due to statutory requirements.

The following table summarises where we have planned works to achieve agreed levels of service targets or increase levels of service.

| ACTIVITY       | TYPE OF CHANGE   | DESCRIPTION   |
|----------------|--|---|
| Water          | Improve compliance with NZ’s Drinking Water Standards                          | Invest in meeting the requirements of the Drinking Water Standard New Zealand.  |
|                | Reduce water loss from the network   | Invest in proactive leak detection and repairs, and on-going pipe renewal.  |
|                | Complete the investment in the Waimea Community Dam                            | Provide for water security for urban and rural users.   |
| Wastewater     | Reduce incidences of wastewater overflows into waterways                       | Invest in pipe and pump station upgrades.   |
|                | Improve network resilience   | Invest in additional storage or standby electrical generation.  |
| Stormwater     | Maintain focus on mitigating flooding of habitable floors                      | Prioritise investment in network upgrades that mitigate flooding of habitable floors rather than nuisance surface water flooding. |
| Transportation | Increase the number of people using cycling and walking as a mode of transport | Invest in improved cycling facilities.  |

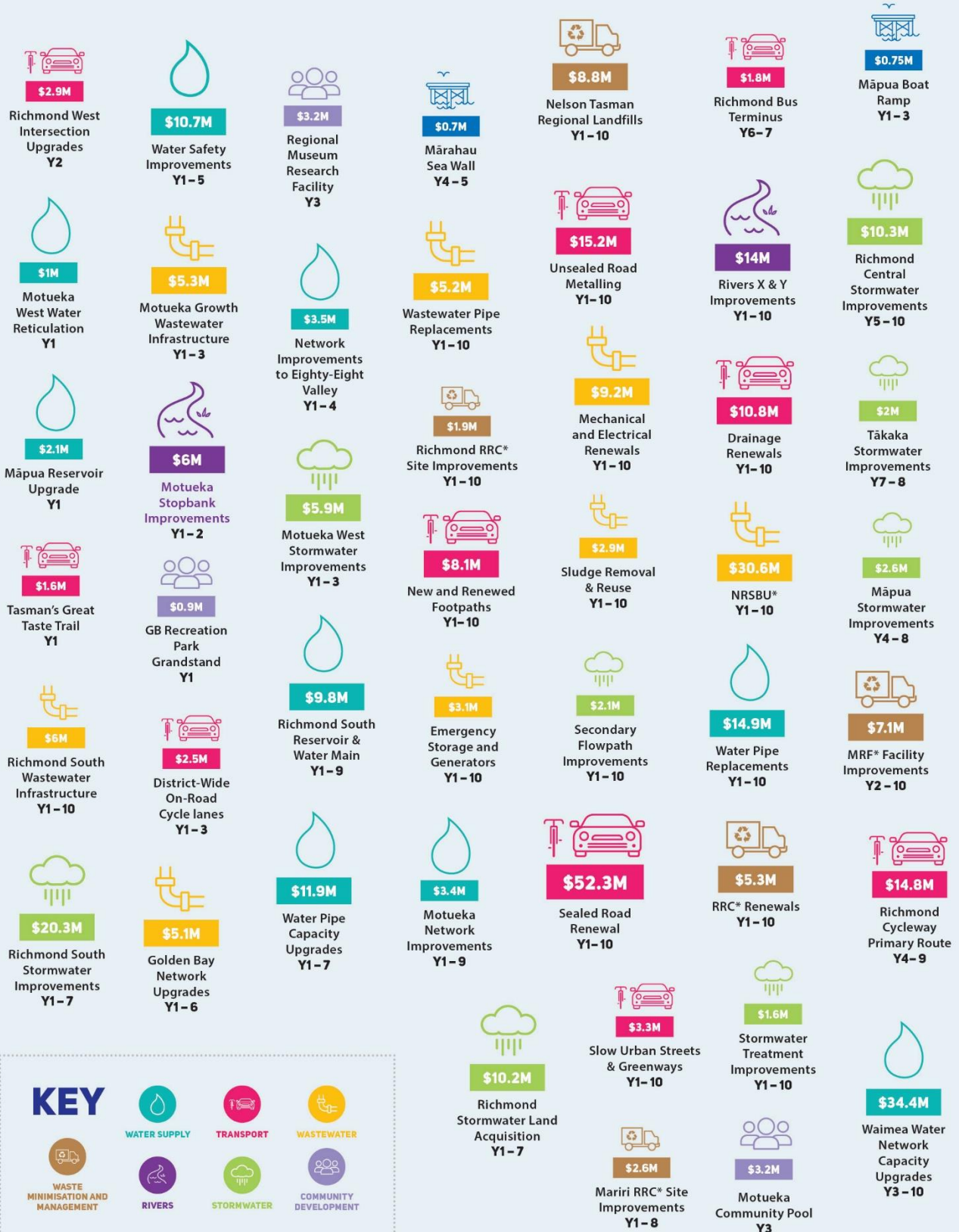


| ACTIVITY                          | TYPE OF CHANGE   | DESCRIPTION   |
|-----------------------------------|--|---|
|                                   | Increase the number of people using public transport               | Invest in expanded public transport services.   |
|                                   | Increase the length of sealed road resurfacing                     | Increase investment in routine road resurfacing from 2024/2025 onwards.   |
| Waste Management and Minimisation | Improve waste minimisation and recycling infrastructure            | Invest in Resource Recovery Centre, materials recovery facility and waste minimisation infrastructure improvements. |
| Rivers                            | Restore the agreed level of service of the Motueka River stopbanks | Invest in reconstruction and strengthening of priority areas of stopbank.   |
| Reserves and Community Facilities | Improve community hall provisions                                  | Invest in new Wakefield/Brightwater community facility.   |
|                                   | Improve aquatic facility provision.                                | Invest in Motueka Community Pool.   |
|                                   | Enhance regional heritage research                                 | Fund new regional museum research facility.   |
| Libraries                         | Improve library services in Motueka                                | Invest in final stage of the new Library in Motueka.  |
| Environmental Management          | Review planning documents  | Review and digitise Tasman's resource management documents.   |
|                                   | Increased climate change policy development work                   | Increased modelling, information dissemination and policy development for climate change and natural hazards.       |
|                                   | Freshwater improvement   | A catchment management focused approach to, and increase, monitoring of freshwater                                  |
|                                   | Implementation of Tasman BioStrategy                               | More coordinated approach to biodiversity and natural systems   |

# KEY PROJECTS OVER THE NEXT 10 YEARS

\*MRF - Material Recovery Facility  
 \*RRC - Resource Recovery Centre  
 \*NRSBU - Nelson Regional Sewage Business Unit

Here are some of the infrastructure projects we have planned to deliver.





## PROJECT AND FUNDING CHANGES

The following projects have changed<sup>1</sup> since the Consultation Document for Tasman's 10-Year Plan 2021 – 2031.

### MOTUEKA COMMUNITY POOL

The Pool project, with one-third community contribution, has been brought forward. The Council has budgeted to start the business case in 2021/2022 (as previous studies are now outdated), for design in 2022/2023, and construction of the Pool in 2023/2024.

Bringing the business case forward will benefit the overall project in clarifying costs and design of the Pool, giving the Motueka Community Swimming Pool Committee and the Council information to consider in planning the next steps.

The Council agreed to move funding for the construction of the Pool to 2023/2024 once the business case and design is complete. Construction costs can be considered in a future Annual Plan, or a Long Term Plan, if required.

### BOAT RAMP FACILITY

The Council has decided to bring the funding forward for a proposed new boat ramp facility at Waterfront Park in Māpua (expected feasibility/business case work to start 2021, with possible construction in 2023) on the basis that the Ramp has a one-third community funding contribution.

The current boat ramp is not suitable for launching of boats. The Council has decided to bring forward funding for a proposed new boat ramp facility at Waterfront Park in Māpua which will still be subject to any consents and other approvals prior to any construction.

The Tasman Bay Boat Access Study will continue. The purpose of the Study is to undertake a region review the needs of the Waimea boating community. Any recommendations that come from the Study will be considered as part of the next Long Term Plan.

### PUBLIC TRANSPORT SERVICES

We are proposing more frequent Richmond-Nelson public transport during weekdays from 2023/2024.


Another proposal is for new public transport routes, with at least four return trips per day for the Motueka/Māpua to Nelson route, and at least six return trips per day for the Brightwater/Wakefield to Nelson route, during the weekdays, from 2023/2024.

There was a strong desire in the submissions received to the Regional Public Transport Plan to make improvements around bus service frequency and for making these changes earlier than indicated in the Plan (in 2023, instead of in 2026).

With recommendations from the Tasman Regional Transport Committee, the Council has advanced the implementation of increased public transport services on the basis that it receives additional revenue.

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<sup>1</sup> In addition to the changes following consultation on Big Choices summarised on pages 13 – 21.



We anticipate new funding opportunities in response to the Ministry of Transport's Transport Emissions: Pathways to Net Zero by 2050. If unsuccessful, the additional revenue may need to be sourced through user fees, or implementation may need to be deferred.

### **TE ĀWHINA MARAE**

Te Āwhina Marae trustees propose to provide the whole Motueka community with a cultural, social, health, educational and arts hub, as well as developing some papakāinga housing and tourism opportunities for Māori. Their request to Council included a financial grant or a waiving of development contribution and building consent fees for their proposed redevelopment. The Council plans to contribute \$50,000 to the proposed Marae redevelopment. The Marae has also now been added to the list of Community Housing Providers in the Council's Development and Financial Contributions Policy. This gives the opportunity for the trustees to apply for a remission on development contributions charges for the redevelopment.

The Council considers this request to align with its strategic priority to 'contribute to a diverse society and celebrating our culture and heritage', and community outcomes, 'our communities have opportunities to celebrate and explore their heritage, identity and creativity', and 'our communities have access to a range of social, cultural, educational, and recreational facilities and activities'.

### **KAPA HAKA AND TE MATATINI**

The Te Tau Ihu o Te Waka Māori Cultural Council (Cultural Council) requested resource support from both Tasman District and Nelson City Councils for three national kapa haka events between 2021 and 2026. The Council agreed to fund \$35,000 per annum to the Cultural Council between 2023 and 2026, to assist with funding an events coordinator. We have also committed staff time to assist the Cultural Council with a funding application to the Ministry of Business, Innovation, and Employment's Regional Events Fund.

The Council values and supports cultural diversity and heritage and this commitment to these events will help share the cultural knowledge and experience across the District.

Another benefit to the District is that the events are expected to attract over 40,000 people, providing a boost in economic activity for the region.

### **PROJECT DE-VINE ENVIRONMENTAL TRUST**

The Council will increase funding to the Project De-Vine Environmental Trust from \$25,000 to \$35,000 per annum for 10 years to assist with the employment of a professional project director.

Project De-Vine is a group of volunteers and landowners that work to remove pest weeds across Golden Bay and Mārahau/Riwaka areas. Project De-Vine's work complements and benefits the biosecurity and biodiversity in the region. Without its efforts, the Council may need to undertake the work itself. The Council acknowledge that Project De-Vine's work, with the help of its volunteer membership, is important to the Tasman region.



## **GOLDEN BAY GRANDSTAND**

The Council has brought forward the budgeted \$900,000 contribution to the Grandstand to be made available from 2021/2022.

The Council has pushed this work forward with the aim of trying to have the upgrade of the Grandstand complete (or at least well underway) in time for the 125<sup>th</sup> A&P show in 2022.

## **NELSON TASMAN BUSINESS TRUST**

The Nelson Tasman Business Trust requested additional funding to contribute to a part-time position that would focus on facilitating events and client advice specifically for Richmond and the wider Tasman District. The Council agreed to increase funding to the Trust from \$15,000 to \$25,000 per annum for 10 years.

The Council values and supports the work that the Trust does to enable businesses in the region to start and grow. The increase in funding is to meet the request that will enable more focus on businesses in Richmond and the wider Tasman District.

## **SAXTON FIELD**

The public requested additional projects, which were supported by recommendations from the Saxton Field Committee (which includes councillors from Nelson City and Tasman District Council). Therefore the Council has adjusted some of the budgets for Saxton Field.

The Council plans to reallocate funding and use savings from other Saxton Field programmed works and contribute \$36,000 for a pole vault facility in 2021/2022. The Top of the South Tasman Trust is also contributing funding to the project.

The Council also agreed to reallocate funding and upgrade flood lighting for the hockey turf to a LED system, earlier than planned. The work will start in 2021/2022. Nelson Hockey Association will also be contributing to the costs.

## **MĀPUA TENNIS COURTS**

The Council decided to bring forward funding for the planned work to resurface the Māpua Tennis Courts to 2022/2023.

The Council has made this change in response to support received through submissions on Tasman's 10-Year Plan 2021-2031.

This change was made on the basis that the Tennis Club would fund their own additional courts and floodlights.





## SHARED SERVICES WITH NELSON CITY COUNCIL

Nelson City Council is our neighbour and many residents who live in Tasman work in Nelson city and vice versa. It is important that both Councils work closely together to provide joint community benefit. In 2015 our Councils jointly developed our Community Outcomes. Today they remain virtually identical, indicating that we are both striving to achieve the same goals for our communities.

We collaborate closely with Nelson City Council, which benefits the wider Region and results in the provision of better services to ratepayers, improved efficiency and/or cost savings.

Examples of shared services, projects and programmes include:

- joint ownership, for example, Port Nelson and Nelson Airport
- joint capital funding, such as for the development of Saxton Field
- co-funding of services and activities, such as the Nelson Provincial Museum
- aligning service delivery, for example shared library services
- co-ordinated strategic planning such as a shared Future Development Strategy and the development of consistent engineering standards
- the provision of services, like those in place for hydrological and biosecurity functions
- a joint Business Unit operating and managing regional landfills; the Nelson Tasman Regional Landfill Business Unit (NTRLBU)
- a joint Business Unit operating and managing the Bell Island Wastewater Treatment Plant and the pump stations and wastewater reticulation that collect and deliver wastewater to Bell Island; the Nelson Regional Sewerage Business Unit (NRSBU), and
- a Joint Waste Management and Minimisation Plan that both Councils separately give effect to.


Some Region-wide programmes are led by one council because it has particular expertise, so specialist skills do not have to be duplicated. For example, Tasman District Council has taken the lead on developing the joint Regional Pest Management Strategy. In other cases a shared approach benefits customer service, for example the reciprocal lending agreement allows residents to use libraries in both council areas. We also work with other councils, including Marlborough District Council on a range of issues and in areas like shared rainfall measuring sites and the Top of the South Marine Biosecurity Partnership.

Some other joint Nelson Tasman projects, programmes and services are described below, under broad operational headings.

### ENGINEERING/INFRASTRUCTURE

Interconnected water supply services provide enhanced security of supply for both Councils, especially during an emergency situation.

Nelson City Council can currently provide a small proportion of Tasman's water supply needs, but lacks the infrastructure to supply large volumes. We provide water and wastewater services to some Nelson residents and business premises in Nelson South.



Cycleways between Richmond and Stoke involved the two Councils working together at the design stage. The Champion/Salisbury roundabout upgrade project is another example of shared funding, planning and construction.

Regional transport planning continues to involve both Councils. Regional advocacy to Central Government is co-ordinated through the Top of the South Land Transport Liaison Forum, involving Tasman District, Marlborough District and Nelson City Councils.

Nelson City and Tasman District Councils share a joint regional landfill business unit. The Nelson Tasman Regional Landfill Business Unit (NTRLBU) manages and operates the York Valley Landfill as the regional landfill and manages the closed landfill at Eves Valley.

The Nelson Regional Sewerage Business Unit (NRSBU) is operated jointly by our Council and Nelson City Council to treat the municipal waste (mainly domestic sewage) from Nelson City and Richmond, Wakefield, Brightwater (the Waimea Basin) and Māpua in the Tasman District.

There is some co-ordination of bylaws where issues span Council boundaries, including the Trade Waste Bylaw.

## **COMMUNITY DEVELOPMENT**

The Saxton Field development is a good example of how the development of one regional facility benefits residents of both Tasman and Nelson. With Nelson, we have invested significantly in developing the facilities, and have signalled further commitments to future development in our respective 10-Year Plans. A joint committee oversees the development, management and marketing of the Saxton Field complex.

Some community policy development is undertaken collaboratively, e.g. the Regional Places and Spaces Strategy, which also involved a range of other agencies and councils.

The Nelson Regional Development Agency (NRDA) runs the 'It's On' website which showcases events in the Nelson/Tasman Region.


Tasman Libraries work with Nelson and Marlborough Libraries, Nelson Marlborough Institute of Technology and the Nelson Provincial Museum on The Prow website, which details historical and cultural stories across the Region. Tasman Libraries are part of partnerships with Marlborough District Libraries and other libraries in the South Island for the purchase of some books and e-books. Tasman libraries, Nelson libraries and Nelson Historical Society have helped fund the digitisation of the Nelson Mail newspaper as part of the National Library's Papers Past service.

Other shared activities in this area include the Positive Ageing Expo, Summer Events Guide and the Found Community Directory.

## **ENVIRONMENT/PLANNING/REGULATION ACTIVITIES**

We are a partner with Nelson City Council in the Nelson Tasman Civil Defence Emergency Management Group (CDEM). The CDEM Group is jointly resourced by the Councils and operates a regional Emergency Operations Centre based in Richmond. The Civil Defence Emergency Management Plan for the Nelson Tasman Region was reviewed and consulted on in 2018.





The two Councils work together on aligning monitoring programmes, including estuarine monitoring and industrial land needs. We manage Nelson City Council's air quality, water level and rainfall data and provide flood warnings through a Hydrological Shared Services contract.

Along with Marlborough District Council and Nelson City Council, we are a partner with the Ministry of Primary Industries (MPI) in the Top of the South Marine Biosecurity Partnership. The main aim of the group is to build systems and processes for the early detection and prevention of marine invasive species

We also work together on the management of growth in our Region, including, combined monitoring and reporting on housing and business trends as required under the National Policy Statement for Urban Development. In addition, the Councils work together on the joint Future Development Strategy for the wider Nelson/Tasman region. The Strategy must be reviewed every three years and identifies location, timing and sequencing of future development capacity over the long term for urban development. Together we also co-ordinate coastal oil spill contingency planning and management.

Under the Joint Waste Management and Minimisation Plan, we collaborate on a range of community engagement programmes, events and activities such as Second-hand Sunday and Kickstart Compost Month. The purpose is to enable our communities to avoid or reduce their waste. We also collaborate on combined regional enviroschools events such as Moturoa Mission at Rabbit Island/Moturoa.

There are a variety of regional environmental forums that both Councils participate in, such as the Waimea Inlet Forum, the Mount Richmond Forest Park Management Unit Stakeholder Group, and the Kotahitanga mō te Taiao Alliance, along with other partners.

## **CORPORATE AND ECONOMIC ACTIVITIES**

Marlborough, Nelson and Tasman Councils have jointly procured insurance including for building assets.

With Nelson City Council, we are part of the Aon South Island collective, which is a local government scheme insuring water supply, wastewater, stormwater and flood protection assets.

We share our planning and asset information, including for the preparation of our Long Term Plans and strategic plans.

Top of the South Maps is a joint initiative between both Councils to provide common geographic and map information to the public.

The Nelson Regional Development Agency (NRDA) is owned by Nelson City Council, but funding is provided from both Councils.

## FINANCIAL SUMMARY

Over the next 10 years we will respond to our growing population, renew assets as they wear out, adapt to climate change, enhance the quality of freshwater, improve our drinking water, wastewater and stormwater infrastructure and complete the construction of the Waimea Community Dam. To help Tasman recover from the effects of the Covid-19 pandemic, the Council will continue to maintain services and invest in new projects.

- Over the next 10 years it will cost \$1.9 billion (applications of operating and capital cost) to manage and run our District.
- \$58 million is planned for community projects that make our District a great place to live – like playgrounds, the upkeep of our reserves, a new pool for Motueka and a new Wakefield/Brightwater community facility.
- More than \$122 million will be spent on growth projects across 10 years that will ensure homes can be built for our people. These costs are mostly funded by developers (via Development and Financial Contributions).
- We propose to spend approximately \$249 million on maintaining and improving the quality and quantity of services we provide to the community.
- More than \$220 million will be spent on renewing our assets, such as replacing old pipes and treatment plants, to ensure they are in good working order and fit for purpose.

|                                   | 2021/2022<br>BUDGET<br>\$m | 2022/2023<br>BUDGET<br>\$m | 2023/2024<br>BUDGET<br>\$m | 2024/2025<br>BUDGET<br>\$m | 2025/2026<br>BUDGET<br>\$m |
|-----------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| General Rates                     | 44                         | 48                         | 51                         | 54                         | 59                         |
| Targeted Rates                    | 39                         | 40                         | 42                         | 46                         | 50                         |
| Total Net Debt                    | 217                        | 225                        | 248                        | 247                        | 238                        |
| Applications of Operating Funding | 113                        | 129                        | 132                        | 127                        | 130                        |
| Total Capital Expenditure         | 78                         | 58                         | 57                         | 50                         | 43                         |



|                             | 2026/2027<br>BUDGET<br>\$m | 2027/2028<br>BUDGET<br>\$m | 2028/2029<br>BUDGET<br>\$m | 2029/2030<br>BUDGET<br>\$m | 2030/2031<br>BUDGET<br>\$m |
|-----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| General Rates               | 63                         | 66                         | 69                         | 72                         | 76                         |
| Targeted Rates              | 53                         | 54                         | 57                         | 61                         | 63                         |
| Total Net Debt              | 233                        | 227                        | 235                        | 235                        | 234                        |
| Total Operating Expenditure | 135                        | 136                        | 144                        | 149                        | 154                        |
| Total Capital Expenditure   | 51                         | 56                         | 70                         | 64                         | 64                         |

The Council has increased its net debt cap from \$200 million in the Long Term Plan 2018/2028 to \$250 million for Tasman's 10-Year Plan 2021 – 2031.

Part of the reason for the higher debt cap is paying for the cost overruns for the Waimea Community Dam. In addition to the increased debt level on the Council's Balance Sheet, the Council has a liability of \$36.4 million for the Waimea Community Dam through debt located in Waimea Water Limited<sup>2</sup>. This debt will not appear in the Council's accounts but remains debt that the Council is liable for and will be considered by the likes of the Standard and Poors when assessing the Council's credit rating.

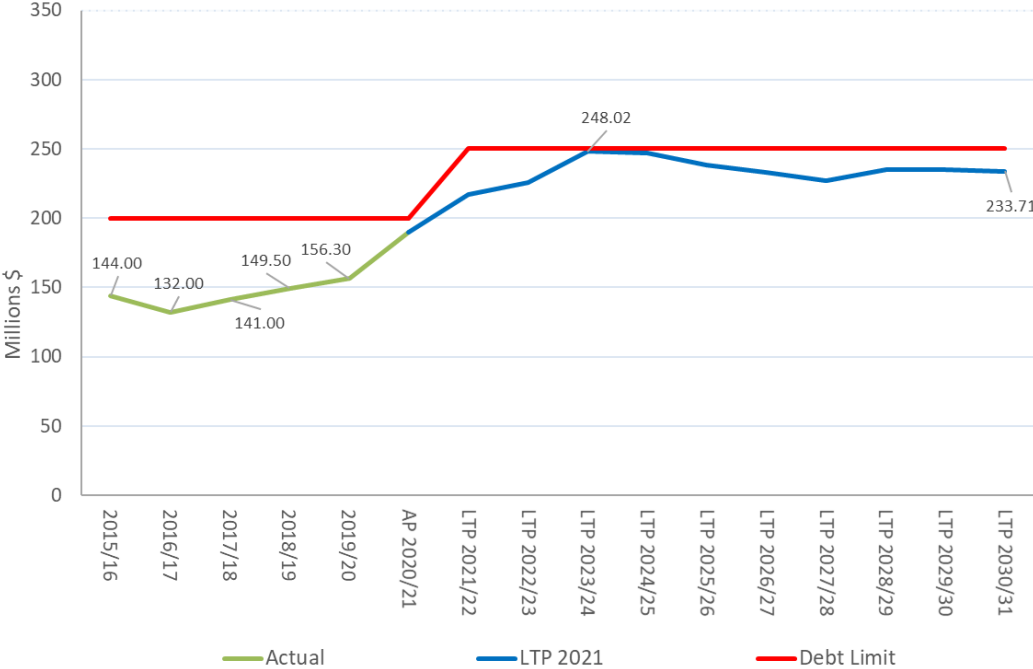
Increasing the debt cap also this gives scope to fund the important infrastructure projects required in the District to support growth, invest for the District's future, renew infrastructure at the end of its life and maintain service levels.

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<sup>2</sup> The Council is a 51% shareholder in Waimea Water Limited.



**Chart 1 Net Debt**



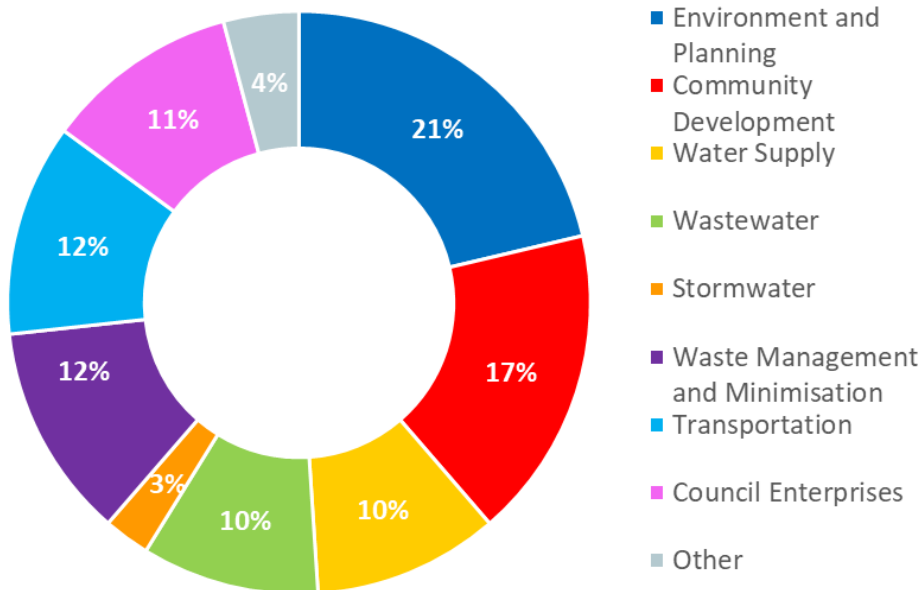
Note: The financial information contained in this document is forecast information based on assumptions and what we reasonably expect to occur. We have endeavoured to make sure that our financial forecasts are as accurate as reasonably possible based on current information. Actual results are likely to vary from the information presented and these variations at times may be reasonably large.

The financial information in Tasman’s 10-Year Plan 2021–2031 reflects the activities and projects we plan to deliver over the coming 10 years. The planned projects are subject to review through future annual plan processes, business cases and the Long Term Plan review in 2024. As a result of these processes, projects after Year 1 of Tasman’s 10-Year Plan 2021–2031 may be deferred, and/or their timing and scope changed.

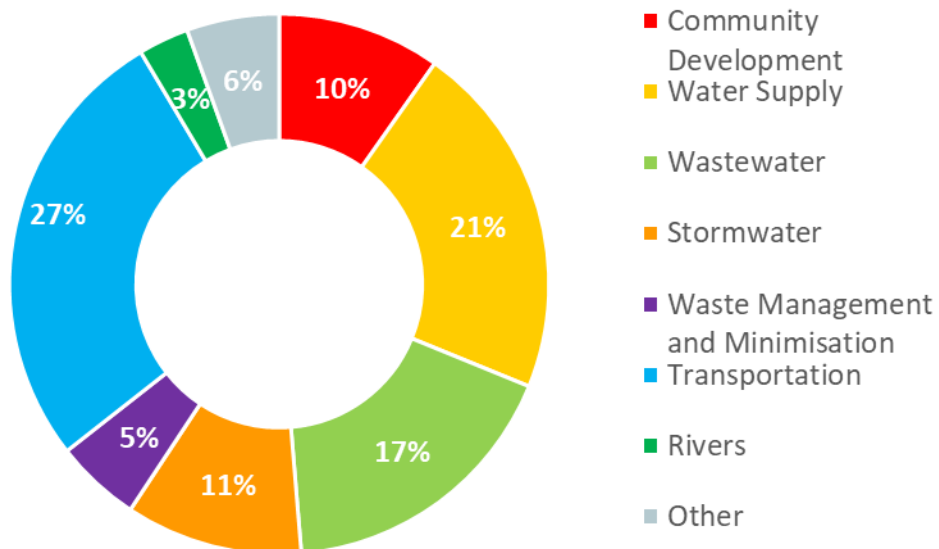


## WHERE THE MONEY GOES

### OPERATING EXPENDITURE BY ACTIVITY

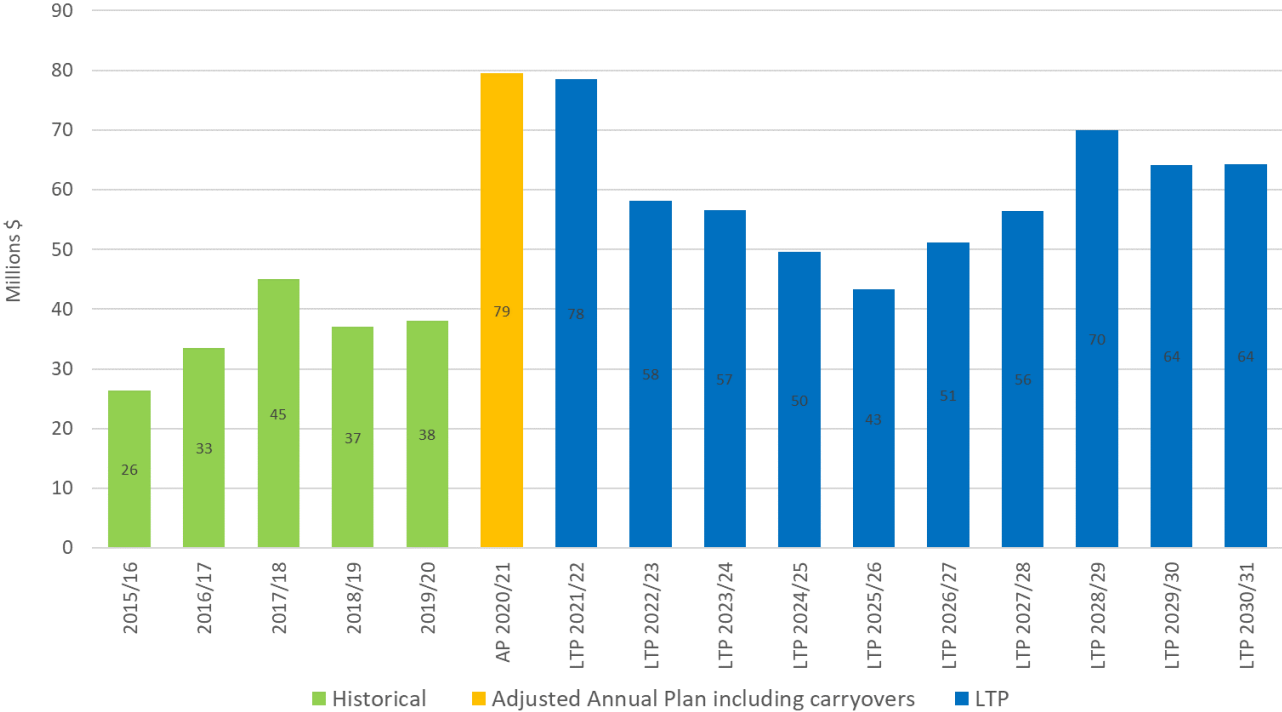


### CAPITAL EXPENDITURE BY ACTIVITY





**Chart 2: Capital Expenditure by Year**




**ENVIRONMENTAL MANAGEMENT** – total spend (operating and capital) 2021/2022 to 2030/2031 \$203 million, 10.4%

- the provision of policy advice, including responses to national environmental initiatives
- the development, review and implementation of resource management policies and plans
- investigating significant environmental issues affecting or likely to affect the District, and maintaining an efficient resource information base to respond to environmental hazards, providing advice on environmental conditions and issues affecting the District
- assessing and processing resource consent applications and related compliance monitoring and enforcement
- processing development contributions assessments, and
- undertaking biosecurity (pest management) responsibilities and control work in the District and maintaining indigenous biological diversity.

**PUBLIC HEALTH AND SAFETY** – total spend (operating and capital) 2021/2022 to 2030/2031 \$91 million, 4.7%

- the provision of advice and discharging statutory functions in the areas of public health, environmental health (including liquor licensing, food safety), hazardous substances, animal control, Civil Defence and Emergency Management, parking control and maritime safety
- assessing and processing permit and registration applications, the administration of bylaws, and associated monitoring and enforcement action, and

- 
- assessing and processing building consent applications and related compliance monitoring and enforcement.

**TRANSPORTATION** – total spend (operating and capital) 2021/2022 to 2030/2031 \$319 million, 16.4%

- managing a transportation network that comprises approximately 1,769km of roads, (995km sealed and 774km unsealed), 541 bridges (including footbridges), 293km of footpaths, 18km of walkways and cycleways, 22 off street car park areas, on street car parking, 3,075 streetlights, traffic signs, 10,350 culverts and Tasman’s Great Taste Trail, and
- other transportation related services, for example transport planning, road safety and public transport services like the Total Mobility Scheme.

**COASTAL STRUCTURES** – total spend (operating and capital) 2021/2022 to 2030/2031 \$4 million, 0.2%

- the provision and management of coastal structures (wharves, jetties, boat ramps, associated buildings and foreshore protection walls) owned by the Council
- the provision of navigational aids to help safe use of the coastal waters, and
- protection of Council property and working with the community on private property.

**WATER SUPPLY** – total spend (operating and capital) 2021/2022 to 2030/2031 \$266 million, 13.7%

- the ownership and operation of 20 water supplies and management of associated infrastructure. Water supplies include Brightwater, Collingwood, Dovedale, Eighty–Eight Valley, Hamama, Kaiteriteri/Riwaka, Māpua Rise, Māpua/Ruby Bay, Motueka, Murchison, Pōhara, Redwood Valley 1, Redwood Valley 2, Richmond, Tākaka, Tapawera, Upper Tākaka, Wai-iti Community Dam, 51% of Waimea Community Dam (under construction) and Wakefield
- the capture, storage, and release of water from Wai-iti Community Dam (provides supplementary flow to Wai-iti River), and
- an investment in conjunction with Waimea Irrigators Limited in the Waimea Community Dam.

**WASTEWATER** – total spend (operating and capital) 2021/2022 to 2030/2031 \$237 million, 12.2%

- providing and managing wastewater collection, treatment and disposal facilities for residents connected to Council’s eight wastewater networks
- these networks convey wastewater to eight treatment plants, seven of which are owned and managed by Council, and
- the largest treatment plant (Bell Island) is owned by both Nelson and Tasman Councils on a 50:50 share basis and is managed by the Nelson Regional Sewerage Business Unit.

**STORMWATER** – total spend (operating and capital) 2021/2022 to 2030/2031 \$97 million, 5.0%

- the provision of stormwater collection, reticulation, and discharge systems using drainage channels, piped reticulation networks, tide gates, detention or ponding areas, inlet structures, discharge structures and quality treatment assets, and
- activities are primarily managed within 15 Urban Drainage Areas (UDAs). Systems that are outside the UDAs include small communities with stormwater systems that primarily collect and convey road run-off to suitable discharge points.



## **WASTE MANAGEMENT AND MINIMISATION** – total spend (operating and capital)

2021/2022 to 2030/2031 \$192 million, 9.8%

- the provision of a comprehensive range of waste management and minimisation services including kerbside recycling and waste collection services, five Resource Recovery Centres , processing facilities for recycling and contracting a greenwaste processor
- landfills in the region are now provided regionally through the Nelson-Tasman Regional Landfill Business Unit, which is governed by a joint committee of the Nelson City Council and Tasman District Council
- maintenance of 22 closed landfills
- transport services to haul waste materials from Resource Recovery Centres to the regional landfill and
- provision of a range of waste minimisation initiatives to reduce the production of waste and minimise harm.

## **RIVERS** – total spend (operating and capital) 2021/2022 to 2030/2031 \$54 million, 2.8%

- maintaining 285 kilometres of the District’s major rivers in order to promote soil conservation and mitigate damage caused by floods and riverbank erosion, and
- provision of funding support to private landowners for control of unclassified rivers.

## **COMMUNITY DEVELOPMENT** - a total spend (operating and capital) 2021/2022 to 2030/2031 \$293 million, 15%

- the provision of 829 hectares of parks and reserves, 150 esplanade strips, 12 operating and two closed cemeteries, 55 playgrounds, 102 public toilet facilities
- provision of four libraries and associated library services
- funding for District and shared facilities such as the Saxton Field complex
- the provision of seven sports facilities, 18 community halls, two community centres, three museums; and miscellaneous community buildings (e.g. Plunket rooms, former church)
- the provision of eight community housing complexes (101 separate units in total)
- the provision of the Richmond Aquatic Centre and three outdoor community swimming pools
- the provision of funding and advice for community initiatives and community organisations
- the provision of community recreation opportunities and events, grant funding, and partnerships between Council and its communities
- the promotion and celebration of our history and diverse cultures through the support of organisations that preserve and display our region’s heritage
- the delivery of community and recreation activities and events, and
- providing an awareness of environmental and sustainability opportunities through environmental education programmes.

## **COUNCIL ENTERPRISES** total spend (operating and capital) 2021/2022 to 2030/2031 \$117 million, 6%

- management of approximately 2,700 stocked hectares of commercial plantation forest
- the provision of aerodromes in Motueka and Tākaka
- the provision of a mixture of leased and managed holiday parks in Motueka, Pōhara, Collingwood and Murchison, and



- management of Port Tarakohe and various commercial property assets.

**GOVERNANCE** - total spend (operating and capital) 2021/2022 to 2030/2031 \$40 million, 2.1%

- the organisation of and preparation for Council meetings
- the organisation of civic ceremonies, such as citizenship ceremonies and Anzac Day services
- support for councillors, Council and Community Boards and any other assistance required by the Mayor
- running elections and democratic processes, including community consultation, and
- making appointments to Council Controlled Trading Organisations (CCTOs) and Council Controlled Organisations (CCOs).

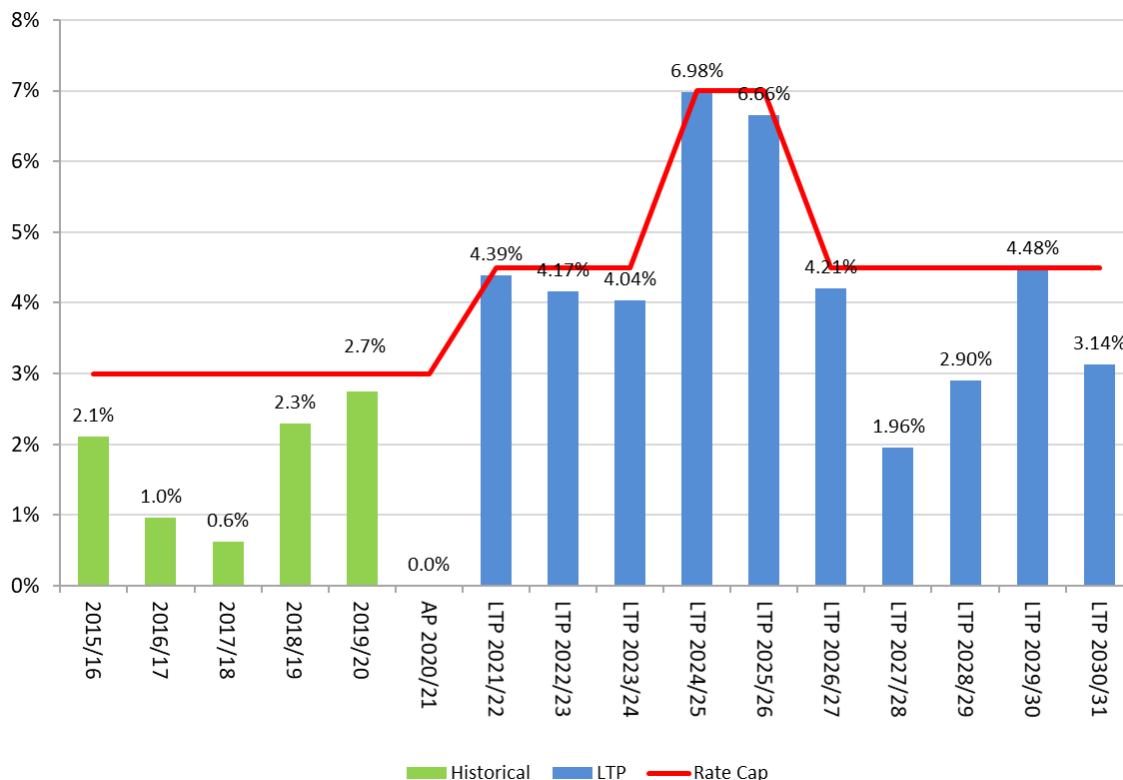
**HOW WILL WE FUND IT?**

Of the \$1.9 billion we are budgeting to spend over the next 10 years, \$1.1 billion will be funded by rates.

Annual rates revenue increases of between 4.04% – 4.39% are forecast for the years 2021/2022, 2022/2023 and 2023/2024.

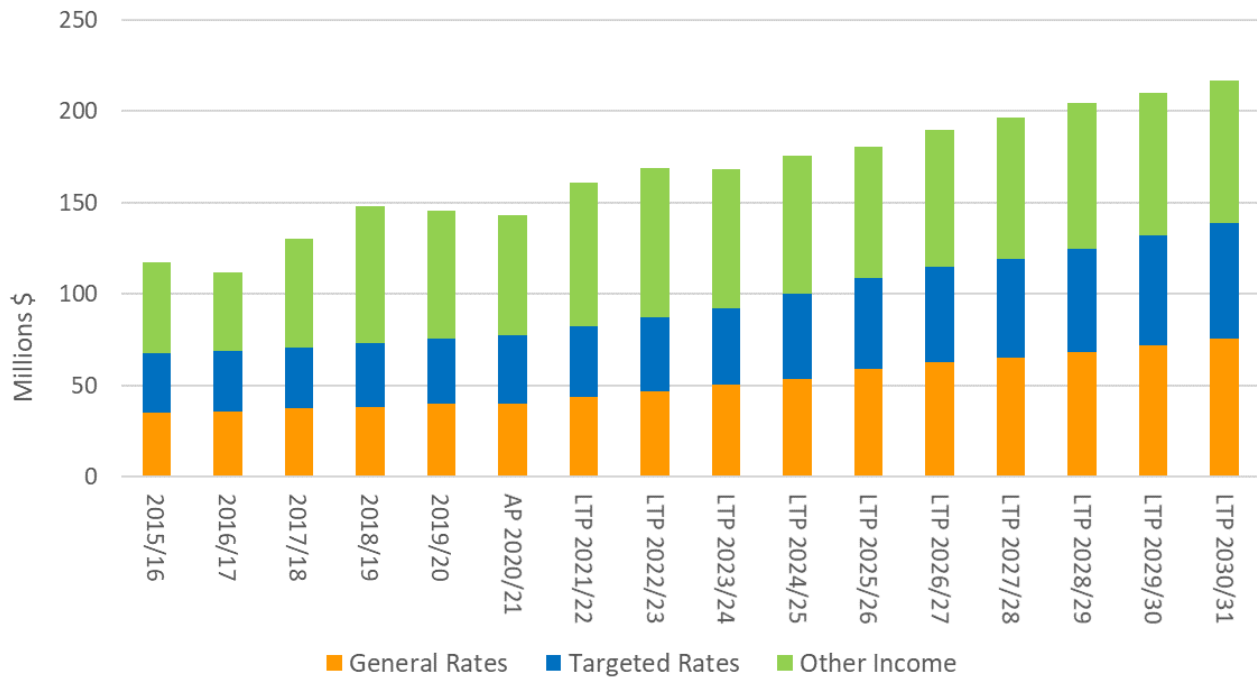
We have maintained low rates revenue increases (below 3% per annum including 0% rise in 2020/2021) since 2015. That approach is unsustainable in the medium to long term. Now it is time to invest for the future. In order to fund Tasman’s 10-Year 2021 – 2031, our annual rates revenue rises cap will increase to between 4.5% and 7.0%.

**Chart 3: Projected Rates Revenue Increases and Rates Cap**





**Chart 4: Make up of Revenue**



## CHANGES TO RATING

### CHANGES TO WAIMEA COMMUNITY DAM RATING

The funding for the Waimea Community Dam in Tasman's 10-Year Plan 2021–2031 is based on the expected cost (including provision for future hydro power) of \$158.8 million. This reflects a total project budget increase of \$53.7 million since 2018.

The Urban Water supply and Redwood Valley Rural Water supply rates, the districtwide rate and the Zone of Benefit rate will all increase as a result of the increased cost.

Approximately \$36.4 million Council and shareholder advances in relation to cost overruns will be held by Waimea Water Limited. These will be serviced through water charges that Waimea Water Limited makes to the Council and Waimea Irrigators Limited. The Council will fund its water charges through the Urban Water account for extractive capacity and through the Zone of Benefit rate and District-wide fixed charge for the environmental and public benefits.

### MOTUEKA FIREFIGHTING RATE

The Motueka Firefighting rate is a fixed charge paid by all properties in Motueka that are able to benefit from Council-supplied water for firefighting. Many of these properties are not connected to a reticulated water supply for household water, but are served by the Council's reticulated water supply of water for firefighting capability in the event of a fire on the property.

Until now, those properties connected to the Council's reticulated water supply have been paying more than their fair share of the costs of the firefighting capacity.



The Motueka Firefighting Rate will be progressively increased over the years 2021/2022, 2022/2023 and 2023/2024 to more fairly spread the cost of providing firefighting capability across all the properties that benefit from it.

Table: Proposed Change to Motueka Firefighting Rate

| Year      | Motueka Firefighting Rate <sup>1</sup> |
|-----------|--|
| 2020/2021 | \$17.88                                |
| 2021/2022 | \$38.30                                |
| 2022/2023 | \$50.90                                |
| 2023/2024 | \$69.18                                |

#### **MINOR CHANGES TO RUBBISH AND RECYCLING COLLECTION AREAS**

We have made a small number of changes (affecting about 50 properties in the Wakefield and Moutere areas) to the Refuse-Recycling Rating Area, to ensure those who receive kerbside collection services are rated correctly (see the Wakefield Refuse and Recycling map and the Moutere Refuse and Recycling map in Volume 2 of the Tasman's 10-Year Plan 2021–2031).

#### **MINOR CHANGES TO URBAN STORMWATER RATING AREA**

We have made some changes to the areas (affecting about 40 properties) that is charged the urban stormwater rate, to better reflect the areas that benefit from the stormwater network (see the Wakefield Urban Drainage Area map and the Richmond Urban Drainage Area map in Volume 2 of Tasman's 10-Year Plan 2021–2031).

## INDICATIVE RATES IMPACT ON EXAMPLE PROPERTIES

The Council uses example properties with different rating mixes and a range of property values to illustrate the impact of its rating policies.

The general rate applies to every rateable rating unit in the District. Targeted rates are applied to rating units depending on how each targeted rate is set, as detailed in this document.

The District's last three yearly revaluation was carried out by Quotable Value Limited as at 1 October 2020. The new values apply from the 2021/2022 rating year. The capital value of the District increased by 22% and the land value of the District increased by 33%.

The revaluation does not increase or decrease the Council's total rating income but it does affect how rates are allocated. If the Council's rates income charged on rateable value was a pie, a ratepayer's slice might get bigger if their property value has increased by more than the average.

The following tables present what the indicative rates increases will be on example properties. The rating effects on individual properties will vary because of differing valuation changes, and because targeted rates do not apply uniformly to all properties.

To demonstrate indicative rates changes between the 2020/2021 year and the rates for the 2021/2022 year, a selection of 29 properties from the District have been set out below.

These properties are examples and do not cover all situations for all of the rateable properties in the District. More information on the proposed rates for a particular property can be found on the Council's website [tasman.govt.nz](http://tasman.govt.nz).

The following table is GST inclusive. It covers the total indicative rates increases including both the increases in the general and targeted rates. Metered water has been included using the actual volumes for the example properties in the previous year.

Depending on particular circumstances and the effect of specific targeted rates, individual circumstances will vary from these examples.

The overall indicative rates change for these properties range from -24.0% to 16.8%.

|  | CV (PRE 2020 REVALUATION) | CAPITAL VALUE |
|--|---------------------------|---------------|
| Residential – Tākaka   | 350,000                   | 465,000       |
| Residential – Murchison, with 131m <sup>3</sup> of water, Urban Water Supply Metered Connections   | 190,000                   | 265,000       |
| Residential – Māpua (no Council supplied wastewater/ metered water)                                | 645,000                   | 770,000       |
| Residential – Māpua, with 153 m <sup>3</sup> of water, Urban Metered Water Supply                  | 495,000                   | 590,000       |
| Residential – Kaiteriteri, with 149m <sup>3</sup> of water, Urban Water Supply Metered Connections | 790,000                   | 910,000       |
| Residential – Brightwater, with 117m <sup>3</sup> of water, Urban Water Supply Metered Connections | 500,000                   | 610,000       |

RATES IMPACT ON EXAMPLE PROPERTIES (CONT.)



| % CV INCREASE<br>(2020 COMPARED<br>WITH 2017) | 2020/2021<br>ACTUAL RATES | 2021/2022<br>PROPOSED RATES | % CHANGE FROM<br>2020/2021 | \$ CHANGE FROM<br>2020/2021 |
|---|---------------------------|-----------------------------|----------------------------|-----------------------------|
| 32.9%   | 2,560                     | 2,739                       | 7.0%                       | 179                         |
| 39.5%   | 2,398                     | 2,596                       | 8.2%                       | 198                         |
| 19.4%   | 2,335                     | 2,396                       | 2.6%                       | 61                          |
| 19.2%   | 3,583                     | 3,693                       | 3.1%                       | 110                         |
| 15.2%   | 4,357                     | 4,399                       | 1.0%                       | 42                          |
| 22.0%   | 3,630                     | 3,723                       | 2.6%                       | 93                          |



## RATES IMPACT ON EXAMPLE PROPERTIES (CONT.)

|   | CV (PRE 2020 REVALUATION) | CAPITAL VALUE |
|---|---------------------------|---------------|
| Residential – Wakefield, with 185m <sup>3</sup> of water, Urban Water Supply Metered Connections                | 455,000                   | 580,000       |
| Residential – Motueka, with 87m <sup>3</sup> of water, Motueka Water Supply Metered Connections                 | 490,000                   | 590,000       |
| Residential – Richmond (Waimea Village), with 29m <sup>3</sup> of water, Urban Water Supply Metered Connections | 280,000                   | 385,000       |
| Residential – Richmond, with 103m <sup>3</sup> of water, Urban Water Supply Metered Connections                 | 670,000                   | 800,000       |
| Residential – Richmond, with 181m <sup>3</sup> of water, Urban Water Supply Metered Connections                 | 1,210,000                 | 1,375,000     |
| Dairy Farm – Collingwood-Bainham  | 7,800,000                 | 7,020,000     |
| Forestry – Lakes Murchison  | 1,000,000                 | 1,290,000     |
| Horticultural – Richmond with 177m <sup>3</sup> of water, Urban Water Supply Metered Connections                | 820,000                   | 1,110,000     |
| Horticultural – Ngatimoti   | 905,000                   | 1,205,000     |
| Horticultural – Hope in WCD EURA  | 2,110,000                 | 2,690,000     |
| Pastoral Farming – Wakefield – with Water Supply Dams – Wai-iti Valley Community Dam – 8                        | 2,580,000                 | 2,810,000     |
| Pastoral Farming – Upper Moutere  | 1,090,000                 | 1,230,000     |
| Lifestyle – Hope in WCD EURA  | 1,250,000                 | 1,530,000     |
| Lifestyle – Hope in WCD EURA, with 2m <sup>3</sup> /day restrictor, Rural Water Extension to Urban Water Scheme | 860,000                   | 1,060,000     |
| Lifestyle – Wakefield, with 3m <sup>3</sup> /day restrictor, Eighty-Eight Valley Rural Water Supply             | 2,000,000                 | 2,370,000     |
| Lifestyle – East Tākaka   | 570,000                   | 660,000       |
| Lifestyle – Neudorf, with 2m <sup>3</sup> /day restrictor, Dovedale Rural Water Supply                          | 430,000                   | 530,000       |
| Lifestyle, Tasman with 2m <sup>3</sup> /day restrictor, Rural Water Extension to Urban Water Scheme             | 825,000                   | 1,020,000     |
| Lifestyle – Bronte, with 3m <sup>3</sup> /day restrictor, Redwood Valley Rural Water Supply                     | 1,390,000                 | 1,690,000     |



### RATES IMPACT ON EXAMPLE PROPERTIES (CONT.)

| % CV INCREASE<br>(2020 COMPARED<br>WITH 2017) | 2020/2021<br>ACTUAL RATES | 2021/2022<br>PROPOSED RATES | % CHANGE FROM<br>2020/2021 | \$ CHANGE FROM<br>2020/2021 |
|---|---------------------------|-----------------------------|----------------------------|-----------------------------|
| 27.5%   | 3,448                     | 3,656                       | 6.0%                       | 208                         |
| 20.4%   | 3,191                     | 3,282                       | 2.8%                       | 91                          |
| 37.5%   | 2,599                     | 2,807                       | 8.0%                       | 208                         |
| 19.4%   | 3,921                     | 4,030                       | 2.8%                       | 109                         |
| 13.6%   | 5,667                     | 5,651                       | (0.3%)                     | (16)                        |
| (10.0%)                                       | 20,930                    | 15,903                      | (24.0%)                    | (5,027)                     |
| 29.0%   | 3,065                     | 3,320                       | 8.3%                       | 255                         |
| 35.4%   | 3,442                     | 3,843                       | 11.6%                      | 401                         |
| 33.1%   | 2,757                     | 3,093                       | 12.2%                      | 336                         |
| 27.5%   | 5,857                     | 6,396                       | 9.2%                       | 539                         |
| 8.9%  | 10,161                    | 9,220                       | (9.3%)                     | (941)                       |
| 12.8%   | 3,228                     | 3,151                       | (2.4%)                     | (77)                        |
| 22.4%   | 3,769                     | 3,957                       | 5.0%                       | 188                         |
| 23.3%   | 4,116                     | 4,393                       | 6.7%                       | 277                         |
| 18.5%   | 6,623                     | 6,861                       | 3.6%                       | 238                         |
| 15.8%   | 1,951                     | 1,972                       | 1.1%                       | 21                          |
| 23.3%   | 3,083                     | 3,251                       | 5.5%                       | 168                         |
| 23.6%   | 4,024                     | 4,305                       | 7.0%                       | 281                         |
| 21.6%   | 5,591                     | 5,939                       | 6.2%                       | 348                         |



## RATES IMPACT ON EXAMPLE PROPERTIES (CONT.)

|   | CV (PRE 2020 REVALUATION) | CAPITAL VALUE |
|---|---------------------------|---------------|
| Commercial – Queen Street, Richmond, with 343m <sup>3</sup> of water, Urban Water Supply Metered Connections  | 1,370,000                 | 1,470,000     |
| Commercial – High Street, Motueka   | 1,460,000                 | 1,650,000     |
| Industrial – Cargill Place, Richmond, with 51 m <sup>3</sup> of water, Urban Water Supply Metered Connections | 660,000                   | 1,000,000     |
| Utility   | 77,210,000                | 83,200,000    |

The following table shows the breakdown of the rates for the example properties for 2021/2022:

|  | GENERAL RATES | DISTRICT-WIDE TARGETED RATES (1) | STORM-WATER RATE | WASTE-WATER RATE | REGIONAL RIVER WORKS RATE | REFUSE/RECYCLING RATE | COMMUNITY BOARD RATES (2) |
|--|---------------|----------------------------------|------------------|------------------|---------------------------|-----------------------|---------------------------|
| Residential – Takaka   | \$1,207       | \$239                            | \$213            | \$704            | \$105                     | \$136                 | \$20                      |
| Residential – Murchison, with 131m <sup>3</sup> of water, Urban Water Supply Metered Connections | \$812         | \$239                            | \$122            | \$704            | \$10                      | –                     | –                         |
| Residential – Māpua (no Council supplied wastewater/ metered water)                              | \$1,808       | \$239                            | \$37             | –                | \$70                      | \$136                 | –                         |
| Residential – Māpua, with 153m <sup>3</sup> of water, Urban Metered Water Supply                 | \$1,453       | \$239                            | \$271            | \$704            | \$58                      | \$136                 | –                         |





RATES IMPACT ON EXAMPLE PROPERTIES (CONT.)

| % CV INCREASE<br>(2020 COMPARED<br>WITH 2017) | 2020/2021<br>ACTUAL RATES | 2021/2022<br>PROPOSED RATES | % CHANGE FROM<br>2020/2021 | \$ CHANGE FROM<br>2020/2021 |
|---|---------------------------|-----------------------------|----------------------------|-----------------------------|
| 7.3%  | 9,249                     | 9,075                       | (1.9%)                     | (174)                       |
| 13.0%   | 7,112                     | 6,917                       | (2.7%)                     | (195)                       |
| 51.5%   | 3,765                     | 4,396                       | 16.8%                      | 631                         |
| 7.8%  | 173,872                   | 164,545                     | (5.4%)                     | (9,327)                     |

| WATER<br>SUPPLY FIRE-<br>FIGHTING<br>RATES (3) | MĀPUA<br>STOPBANK<br>RATE | BUSINESS<br>RATES (4) | WATER<br>SUPPLY –<br>DAMS;<br>WAI-ITI VALLEY<br>COMMUNITY<br>DAM RATE | WATER<br>SUPPLY<br>RATES (5) | WAIMEA<br>COMMUNITY<br>DAM –<br>ENVIRONMENTAL<br>AND COMMUNITY<br>BENEFITS<br>ZOB RATE | TOTAL<br>RATES |
|--|---------------------------|-----------------------|---|------------------------------|--|----------------|
| \$86   | -                         | -                     | -   | -                            | \$29   | \$2,739        |
| -  | -                         | -                     | -   | \$680                        | \$29   | \$2,596        |
| -  | \$52                      | -                     | -   | -                            | \$54   | \$2,396        |
| -  | \$52                      | -                     | -   | \$733                        | \$48   | \$3,693        |





RATES IMPACT ON EXAMPLE PROPERTIES (CONT.)

|   | GENERAL RATES | DISTRICT-WIDE TARGETED RATES (1) | STORM-WATER RATE | WASTE-WATER RATE | REGIONAL RIVER WORKS RATE | REFUSE/ RECYCLING RATE | COMMUNITY BOARD RATES (2) |
|---|---------------|----------------------------------|------------------|------------------|---------------------------|------------------------|---------------------------|
| Residential – Kaiteriteri, with 149m <sup>3</sup> of water, Urban Water Supply Metered Connections              | \$2,084       | \$239                            | \$418            | \$704            | \$48                      | \$136                  | \$19                      |
| Residential – Brightwater, with 117m <sup>3</sup> of water, Urban Water Supply Metered Connections              | \$1,492       | \$239                            | \$280            | \$704            | \$178                     | \$136                  | –                         |
| Residential – Wakefield, with 185m <sup>3</sup> of water, Urban Water Supply Metered Connections                | \$1,433       | \$239                            | \$266            | \$704            | \$39                      | \$136                  | –                         |
| Residential – Motueka, with 87m <sup>3</sup> of water, Motueka Water Supply Metered Connections                 | \$1,453       | \$239                            | \$271            | \$704            | \$48                      | \$136                  | \$19                      |
| Residential – Richmond (Waimea Village), with 29m <sup>3</sup> of water, Urban Water Supply Metered Connections | \$1,049       | \$239                            | \$177            | \$704            | \$29                      | \$136                  | –                         |





RATES IMPACT ON EXAMPLE PROPERTIES (CONT.)

| WATER SUPPLY FIRE-FIGHTING RATES (3) | MĀPUA STOPBANK RATE | BUSINESS RATES (4) | WATER SUPPLY – DAMS: WAI-ITI VALLEY COMMUNITY DAM RATE | WATER SUPPLY RATES (5) | WAIMEA COMMUNITY DAM – ENVIRONMENTAL AND COMMUNITY BENEFITS ZOB RATE | TOTAL RATES |
|--------------------------------------|---------------------|--------------------|--|------------------------|--|-------------|
| -                                    | -                   | -                  | -  | \$723                  | \$29   | \$4,399     |
| -                                    | -                   | -                  | -  | \$646                  | \$49   | \$3,723     |
| -                                    | -                   | -                  | -  | \$810                  | \$29   | \$3,656     |
| \$38                                 | -                   | -                  | -  | \$345                  | \$29   | \$3,282     |
| -                                    | -                   | -                  | -  | \$433                  | \$41   | \$2,807     |





RATES IMPACT ON EXAMPLE PROPERTIES (CONT.)

|  | GENERAL RATES | DISTRICT-WIDE TARGETED RATES (1) | STORM-WATER RATE | WASTE-WATER RATE | REGIONAL RIVER WORKS RATE | REFUSE/ RECYCLING RATE | COMMUNITY BOARD RATES (2) |
|--|---------------|----------------------------------|------------------|------------------|---------------------------|------------------------|---------------------------|
| Residential – Richmond, with 103m <sup>3</sup> of water, Urban Water Supply Metered Connections  | \$1,867       | \$239                            | \$367            | \$704            | \$50                      | \$136                  | –                         |
| Residential – Richmond, with 181m <sup>3</sup> of water, Urban Water Supply Metered Connections  | \$3,000       | \$239                            | \$631            | \$704            | \$67                      | \$136                  | –                         |
| Dairy Farm – Collingwood-Bainham   | \$14,126      | \$239                            | \$337            | –                | \$1,137                   | –                      | \$20                      |
| Forestry – Lakes Murchison   | \$2,833       | \$239                            | \$62             | –                | \$157                     | –                      | –                         |
| Horticultural – Richmond with 177m <sup>3</sup> of water, Urban Water Supply Metered Connections | \$2,478       | \$239                            | \$53             | –                | \$81                      | \$136                  | –                         |
| Horticultural – Ngatimoti  | \$2,665       | \$239                            | \$58             | –                | \$83                      | –                      | \$19                      |
| Horticultural – Hope in WCD EURA   | \$5,592       | \$239                            | \$129            | –                | \$183                     | \$136                  | –                         |
| Pastoral Farming – Wakefield – with Water Supply Dams – Wai-iti Valley Community Dam – 8         | \$5,829       | \$239                            | \$135            | –                | \$765                     | –                      | –                         |





### RATES IMPACT ON EXAMPLE PROPERTIES (CONT.)

| WATER SUPPLY FIRE-FIGHTING RATES (3) | MĀPUA STOPBANK RATE | BUSINESS RATES (4) | WATER SUPPLY - DAMS: WAI-HI VALLEY COMMUNITY DAM RATE | WATER SUPPLY RATES (5) | WAIMEA COMMUNITY DAM - ENVIRONMENTAL AND COMMUNITY BENEFITS ZOB RATE | TOTAL RATES |
|--------------------------------------|---------------------|--------------------|---|------------------------|--|-------------|
| -                                    | -                   | -                  | -   | \$612                  | \$55   | \$4,030     |
| -                                    | -                   | -                  | -   | \$801                  | \$74   | \$5,651     |
| \$15                                 | -                   | -                  | -   | -                      | \$29   | \$15,903    |
| -                                    | -                   | -                  | -   | -                      | \$29   | \$3,320     |
| -                                    | -                   | -                  | -   | \$791                  | \$65   | \$3,843     |
| -                                    | -                   | -                  | -   | -                      | \$29   | \$3,093     |
| -                                    | -                   | -                  | -   | -                      | \$118  | \$6,396     |
| -                                    | -                   | -                  | \$2,223   | -                      | \$29   | \$9,220     |



### RATES IMPACT ON EXAMPLE PROPERTIES (CONT.)

|   | GENERAL RATES | DISTRICT-WIDE TARGETED RATES (1) | STORM-WATER RATE | WASTE-WATER RATE | REGIONAL RIVER WORKS RATE | REFUSE/RECYCLING RATE | COMMUNITY BOARD RATES (2) |
|---|---------------|----------------------------------|------------------|------------------|---------------------------|-----------------------|---------------------------|
| Pastoral Farming – Upper Moutere  | \$2,714       | \$239                            | \$59             | –                | \$110                     | –                     | –                         |
| Lifestyle – Hope in WCD EURA  | \$3,306       | \$239                            | \$73             | –                | \$124                     | \$136                 | –                         |
| Lifestyle – Hope in WCD EURA, with 2m <sup>3</sup> /day restrictor, Rural Water Extension to Urban Water Scheme | \$2,379       | \$239                            | \$51             | –                | \$95                      | \$136                 | –                         |
| Lifestyle – Wakefield, with 3m <sup>3</sup> /day restrictor, Eighty-Eight Valley Rural Water Supply             | \$4,961       | \$239                            | \$114            | –                | \$137                     | –                     | –                         |
| Lifestyle – East Tākaka   | \$1,591       | \$239                            | \$32             | –                | \$46                      | –                     | \$20                      |
| Lifestyle – Neudorf, with 2m <sup>3</sup> /day restrictor, Dovedale Rural Water Supply                          | \$1,335       | \$239                            | \$25             | –                | \$45                      | –                     | –                         |
| Lifestyle, Tasman with 2m <sup>3</sup> /day restrictor, Rural Water Extension to Urban Water Scheme             | \$2,300       | \$239                            | \$49             | –                | \$88                      | \$136                 | –                         |



### RATES IMPACT ON EXAMPLE PROPERTIES (CONT.)

| WATER SUPPLY FIRE-FIGHTING RATES (3) | MĀPUA STOPBANK RATE | BUSINESS RATES (4) | WATER SUPPLY – DAMS: WAI-ITI VALLEY COMMUNITY DAM RATE | WATER SUPPLY RATES (5) | WAIMEA COMMUNITY DAM – ENVIRONMENTAL AND COMMUNITY BENEFITS ZOB RATE | TOTAL RATES |
|--------------------------------------|---------------------|--------------------|--|------------------------|--|-------------|
| -                                    | -                   | -                  | -  | -                      | \$29   | \$3,151     |
| -                                    | -                   | -                  | -  | -                      | \$79   | \$3,957     |
| -                                    | -                   | -                  | -  | \$1,430                | \$64   | \$4,393     |
| -                                    | -                   | -                  | -  | \$1,381                | \$29   | \$6,861     |
| \$15                                 | -                   | -                  | -  | -                      | \$29   | \$1,972     |
| -                                    | -                   | -                  | -  | \$1,578                | \$29   | \$3,251     |
| -                                    | -                   | -                  | -  | \$1,430                | \$62   | \$4,305     |



## RATES IMPACT ON EXAMPLE PROPERTIES (CONT.)

|  | GENERAL RATES | DISTRICT-WIDE TARGETED RATES (1) | STORM-WATER RATE | WASTE-WATER RATE | REGIONAL RIVER WORKS RATE | REFUSE/RECYCLING RATE | COMMUNITY BOARD RATES (2) |
|--|---------------|----------------------------------|------------------|------------------|---------------------------|-----------------------|---------------------------|
| Lifestyle – Bronte, with 3m <sup>3</sup> /day restrictor, Redwood Valley Rural Water Supply                  | \$3,621       | \$239                            | \$81             | –                | \$148                     | \$136                 | –                         |
| Commercial – Queen Street, Richmond, with 343m <sup>3</sup> of water, Urban Water Supply Metered Connections | \$3,187       | \$239                            | \$675            | \$2,817          | \$119                     | \$136                 | –                         |
| Commercial – High Street, Motueka  | \$3,542       | \$239                            | \$757            | \$1,232          | \$289                     | \$136                 | \$19                      |
| Industrial – Cargill Place, Richmond, with 51m <sup>3</sup> of water, Urban Water Supply Metered Connections | \$2,261       | \$239                            | \$459            | \$704            | \$49                      | \$136                 | –                         |
| Utility  | \$164,277     | \$239                            | –                | –                | –                         | –                     | –                         |

(1) Includes District Facilities Rate, Shared Facilities Rate, Museums Facilities Rate, Māpua Rehabilitation Rate and Waimea Community Dam – Environmental and Community Benefits Districtwide Rate

(2) Includes Golden Bay Community Board Rate and Motueka Community Board Rate

(3) Includes Water Supply: Motueka Firefighting, Water Supply: Tākaka Firefighting – Capital, and Water Supply: Tākaka Firefighting – Operating

(4) Includes Motueka Business Rate and Richmond Business Rate

(5) Includes Water Supply – Urban Water Supply Metered Connections: Volumetric Charge, Water Supply – Urban Water Supply Metered Connections: Service Charge, Water Supply – Rural Water Extensions to Urban Water Schemes, Water Supply – Motueka Water Supply Metered Connections: Volumetric Charge, Water Supply – Motueka Water Supply Metered Connections: Service Charge, Water Supply – Dovedale Rural Water Supply, Water Supply – Redwood Valley Rural Water Supply, Water Supply – Eighty Eight Valley Rural Water Supply – Variable Charge, Water Supply – Eighty Eight Valley Rural Water Supply – Service Charge





RATES IMPACT ON EXAMPLE PROPERTIES (CONT.)

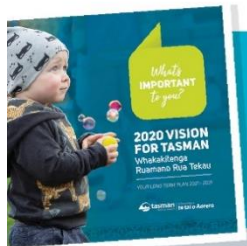
| WATER SUPPLY FIRE-FIGHTING RATES (3) | MĀPUA STOPBANK RATE | BUSINESS RATES (4) | WATER SUPPLY – DAMS: WAI-ITI VALLEY COMMUNITY DAM RATE | WATER SUPPLY RATES (5) | WAIMEA COMMUNITY DAM – ENVIRONMENTAL AND COMMUNITY BENEFITS ZOB RATE | TOTAL RATES |
|--------------------------------------|---------------------|--------------------|--|------------------------|--|-------------|
| -                                    | -                   | -                  | -  | \$1,630                | \$85   | \$5,939     |
| -                                    | -                   | \$632              | -  | \$1,193                | \$77   | \$9,075     |
| \$38                                 | -                   | \$635              | -  | -                      | \$29   | \$6,917     |
| -                                    | -                   | -                  | -  | \$486                  | \$62   | \$4,396     |
| -                                    | -                   | -                  | -  | -                      | \$29   | \$164,545   |

**The following rates are not presented in the above examples:**

- Water Supply – Hamama Rural Water Supply – Variable Charge
- Water Supply – Hamama Rural Water Supply – Service Charge
- Water Supply – Hamama Rural Water Supply – Fixed Charge based on set land value
- Ruby Bay Stopbank Rate
- Torrent Bay Replenishment Rate
- Warm Tasman Rate



# A snapshot of the ENGAGEMENT WITH OUR COMMUNITY



## 2020 VISION FOR TASMAN EARLY ENGAGEMENT

To help us develop our Consultation Document, we undertook early engagement on 2020 Vision for Tasman, Whakakitenga Ruamano Rua Tekau, between March and June 2020. This feedback helped us form Tasman's 10-Year Plan consultation document.



## TASMAN'S 10-YEAR PLAN 2021–2031 COMMUNITY CONSULTATION

We consulted on Tasman's 10-Year Plan 2021–2031 from 24 March – 24 April 2021.



**22,500**  
COPIES OF THE LTP  
NEWSLINE SPECIAL



**2,840**  
WEBSITE VISITS



**1,719**  
SUBMISSIONS



## COMMUNITY PRESENTATIONS

Members of the public attended our presentations to community meetings. We also had drop-in sessions around the Tasman District during March and April, as well as an online Zoom meeting with the Mayor on 22 April 2021.



## SUBMISSION METHODS



**1,319**  
WEBSITE



**202**  
PROFORMA



**131**  
EMAIL



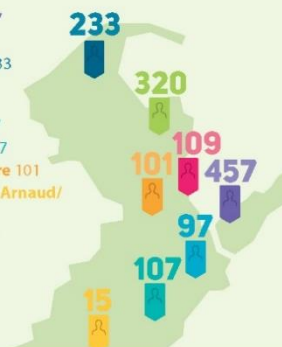
**49**  
PAPER FORM



**18**  
LETTER

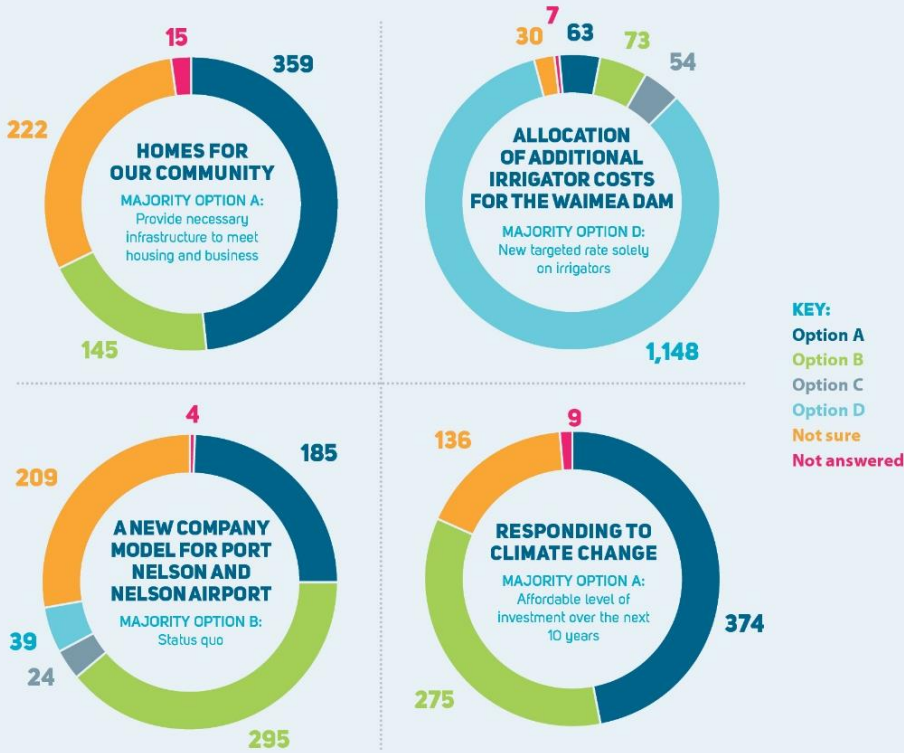
## SUBMITTER LOCATIONS

Richmond 457  
Motueka 320  
Golden Bay 233  
Māpua/  
Ruby Bay 109  
Wakefield 107  
Brightwater 97  
Upper Moutere 101  
Murchison/St Arnaud/  
Tapawera 15  
Proforma 168  
Other 111





## FEEDBACK ON OUR FOUR BIG CHOICES

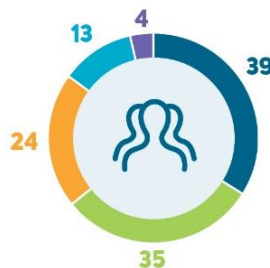


## OTHER FEEDBACK TOPICS INCLUDED:



## SUBMITTERS SPEAKING AT HEARINGS

Submission hearings were held from 4–7 May in Richmond, Motueka, Golden Bay and teleconference. Councillors considered submissions with an open mind.



Richmond 4 May 2021  
 Richmond 6 May 2021  
 Motueka 7 May 2021  
 Golden Bay 5 May 2021  
 Teleconference 5 May 2021





# AUDIT REPORT



# VISION, PURPOSE AND COMMUNITY OUTCOMES

**VISION:** *Thriving and resilient Tasman communities.  
Te Manawaroatanga o Te Tai o Aorere kia tupu, kia rea*

**PURPOSE:** *Working together for a Tasman District that has a healthy environment, strong economy and a vibrant community.*

## STRATEGIC PRIORITIES:

- *A healthy and sustainable natural environment*
- *Strong, resilient and inclusive communities*
- *Enabling positive and sustainable development*
- *Contributing to a diverse society and celebrating our culture and heritage*
- *A high standard of service.*

## COMMUNITY WELL-BEING AND COMMUNITY OUTCOMES:

|                          |   |
|--------------------------|---|
| Environmental Well-being | Our unique natural environment is healthy, protected and sustainably managed  |
| Social Well-being        | Our urban and rural environments are people-friendly, well planned, accessible and sustainably managed  |
| Economic Well-being      | Our infrastructure is efficient, resilient, cost effective and meets current and future needs   |
| Social Well-being        | Our communities are healthy, safe, inclusive and resilient  |
| Cultural Well-being      | Our communities have opportunities to celebrate and explore their heritage, identity and creativity   |
| Social Well-being        | Our communities have access to a range of social, cultural, educational and recreational facilities and activities<br><br>Our Council provides leadership and fosters partnerships, including with iwi, fosters a regional perspective, and encourages community engagement |
| Economic Well-being      | Our region is supported by an innovative and sustainable economy  |



## COMMUNITY OUTCOME DESCRIPTORS

### **OUTCOME 1: OUR UNIQUE NATURAL ENVIRONMENT IS HEALTHY, PROTECTED AND SUSTAINABLY MANAGED**

- Tasman is a place where everyone can enjoy the natural environment, while it is protected for the future.
- We recognise the importance of a healthy environment for tourism and productive land uses, and the need to mitigate the impacts of human activities on the environment.
- We sustainably manage air quality, waste, freshwater and coastal waters.
- We treasure, protect and restore the special places, landscapes, water bodies, native species and natural ecosystems of Tasman.
- Natural biodiversity is widely understood and valued.
- The value of introduced species is recognised and pests are controlled.
- Open spaces are linked and productive land is protected.
- We undertake an extensive monitoring programme of the environment, including air, water and soil health.
- We also provide and monitor resource consents and, if necessary, prosecute any breaches.
- The intergenerational kaitiakitanga (guardianship) roles of tangata whenua iwi is recognised; the community understands the concept and are involved in caring for ngā taonga tuku iho (treasure of the ancestors).

### **OUTCOME 2: OUR URBAN AND RURAL ENVIRONMENTS ARE PEOPLE-FRIENDLY, WELL PLANNED, ACCESSIBLE AND SUSTAINABLY MANAGED**

- Our region is more resilient to the impacts of climate change and our greenhouse gas emissions have reduced.
- Our current and future urban and rural living environments provide the important features that we need to enjoy Tasman.
- Urban and rural areas are designed to be people-friendly, particularly for children, families and our increasing, ageing population.
- We think and plan regionally and act locally within that context.
- We work together with Nelson City Council to provide adequate land for housing and businesses across Richmond and Nelson and to ensure that our infrastructure is delivered efficiently and effectively.
- Our built environments are well planned and based on sound urban design principles.
- Urban areas are attractive, safe, accessible and have parks and reserves available for residents to use.
- Tasman has affordable transportation networks that meet the needs of our communities.
- There is a range of community housing and community facilities, with more intensification in towns/settlements and clear urban/rural boundaries.





### **OUTCOME 3: OUR INFRASTRUCTURE IS EFFICIENT, RESILIENT, COST EFFECTIVE AND MEETS CURRENT AND FUTURE NEEDS**

- We have good quality, sustainable, integrated, affordable, safe, secure, efficient and effective transportation networks (including roads, cycleways and footpaths), water, wastewater, stormwater and solid waste services.
- We provide infrastructure services that meet the needs of our changing population and growth is well managed.
- We prudently manage our existing assets and environment.
- Waste and pollution are minimised, so we have clean water, clean seas, clean air, healthy flora, fauna and soils, and public health needs are met.
- Our public transport services are well-utilised, and our developing cycleway network is popular with residents and visitors alike.

### **OUTCOME 4: OUR COMMUNITIES ARE HEALTHY, SAFE, INCLUSIVE AND RESILIENT**

- We support the opportunities for Tasman residents to enjoy a good quality of life.
- We are a supportive and diverse community.
- Everyone is included and involved, can participate in decision-making and is able to enjoy a good quality of life, wherever they come from and whatever their age, abilities or income.
- We are a resilient community with a Civil Defence service that assists residents and businesses to cope with disasters or emergencies.
- Our communities health and well-being are safeguarded by ensuring standards of construction, food safety and registered premises operation are met, and that alcohol sale and consumption, risk from fire and nuisances do not adversely affect quality of life.

### **OUTCOME 5: OUR COMMUNITIES HAVE OPPORTUNITIES TO CELEBRATE AND EXPLORE THEIR HERITAGE, IDENTITY AND CREATIVITY**

- We have a strong sense of community and are proud of our region, our communities and our diverse heritage.
- Important heritage items, sites and stories of the District are protected for future generations.
- Residents and visitors have opportunities to celebrate Tasman’s heritage and support cultural diversity.
- We celebrate and acknowledge our heritage and our history and how that contributes to our distinctive identity.
- We tell our whakapapa (history) in an honest way and acknowledge the lessons that history has taught us.
- Māori culture and tikanga (traditions) are acknowledged as taonga (treasures) that represent our regional uniqueness.
- We value and support those things that make Tasman special and unique – our Māori history, our people, art and crafts, the outdoors, local food and beverages and the relaxed atmosphere.



- The two marae in Tasman are an important part of our District’s cultural services and these are essential to our community identity.

## **OUTCOME 6: OUR COMMUNITIES HAVE ACCESS TO A RANGE OF SOCIAL, CULTURAL, EDUCATIONAL AND RECREATIONAL FACILITIES AND ACTIVITIES**

- We have a good range of sports, recreation and community facilities, including libraries, which are suitable for all ages, including youth and older residents.
- There are a wide range of recreation, educational and leisure opportunities for everyone to take part in.
- Access to the coastal waters of Tasman and safe boating practice is supported.
- We support and encourage all culturally diverse groups to demonstrate their unique recreational activities to the wider community.
- There are many festivals and events held throughout the year in the Tasman region.

## **OUTCOME 7: OUR COUNCIL PROVIDES LEADERSHIP AND FOSTERS PARTNERSHIPS INCLUDING IWI, FOSTERS A REGIONAL PERSPECTIVE, AND ENCOURAGES COMMUNITY ENGAGEMENT**

- We continue to develop effective working relationships with our Treaty Partners.
- We foster Māori participation in Council decision-making (see statement in Volume II of Tasman’s 10-Year Plan 2021–2031)
- We work together effectively as a region, think of the generations that will follow and listen to the full range of views.
- Council demonstrates strong leadership on climate change issues.
- Everyone has the opportunity to participate in the community’s major decisions and information is easy to obtain.
- Leaders consult with and understand their communities and work for the good of all, including the wider region.
- Our leaders take responsibility for their decisions and act to improve the big issues facing our community.
- We continue to collaborate with community organisations and build effective Council-community partnerships.
- We support and mentor our youth to become the leaders of the future.

## **OUTCOME 8: OUR REGION IS SUPPORTED BY AN INNOVATIVE AND SUSTAINABLE ECONOMY**

- We all participate in the regional economy and it meets people’s needs.
- We are a business-friendly region, and economic activity is sensitive to the environment, heritage and people of Tasman.
- We are skilled and adaptable and we see the benefits of a wide range of high-value industries and businesses.
- Small, locally-owned businesses are an essential part of the community.





- We encourage appropriate new investment into our community.
- Our youth can live, learn and work in Tasman.
- We recognise, support and celebrate innovation and achievement.

# COUNCIL ACTIVITIES SUMMARIES

## OVERVIEW

The following sections describe each of the groups of activities that contain our service delivery. This includes the overall budget for each section, the statements of service provision, the contributions to our community outcomes, and the cost and how we intend to fund the provision of the service.

### SUMMARY OF REVENUE AND EXPENDITURE BY GROUP OF ACTIVITY

| Activity                            | Sources of operating income |           | Applications of operating funding | Sources of capital funding |                          | Applications of capital funding |                                       | Funding balance |
|-------------------------------------|-----------------------------|-----------|-----------------------------------|----------------------------|--------------------------|---------------------------------|---------------------------------------|-----------------|
|                                     | Rates                       | Non-rates |                                   | Debt Movement              | Non-Debt related funding | Capex additions                 | Movements in reserves and investments |                 |
| Environmental Management            | 156,540                     | 41,006    | (197,460)                         | 5,435                      | 0                        | (5,590)                         | 69                                    | -               |
| Public Health and Safety            | 26,062                      | 64,869    | (90,884)                          | (334)                      | 0                        | (219)                           | 506                                   | -               |
| Transportation, Roads and Footpaths | 184,193                     | 73,018    | (159,269)                         | (16,927)                   | 83,379                   | (159,838)                       | (4,556)                               | -               |
| Coastal Assets                      | 3,336                       | 97        | (2,954)                           | (506)                      | 0                        | (1,492)                         | 1,519                                 | -               |
| Water Supply                        | 174,840                     | 17,152    | (139,441)                         | 17,899                     | 34,082                   | (126,559)                       | 22,027                                | -               |
| Wastewater                          | 145,402                     | 49,956    | (133,301)                         | 9,643                      | 28,502                   | (103,774)                       | 3,572                                 | -               |
| Stormwater                          | 56,553                      | 1,640     | (34,648)                          | (1,242)                    | 19,086                   | (62,836)                        | 21,447                                | -               |
| Waste Management and Minimisation   | 39,250                      | 142,288   | (161,284)                         | 2,853                      | 4,965                    | (30,311)                        | 2,239                                 | -               |
| Rivers                              | 31,647                      | 8,862     | (35,585)                          | 9,428                      | 4,500                    | (17,948)                        | (904)                                 | -               |
| Community Development               | 221,010                     | 37,686    | (234,835)                         | (1,802)                    | 34,312                   | (57,939)                        | 1,568                                 | -               |
| Governance                          | 42,842                      | 1,079     | (39,825)                          | 24                         | 0                        | (119)                           | (4,001)                               | -               |
| Council Enterprises                 | (2,557)                     | 136,203   | (110,083)                         | (4,329)                    | 0                        | (7,285)                         | (11,949)                              | -               |

The above table shows the totals for the next 10 years by each group of activity, in \$000s.



Within each group of activities there may be a number of smaller activities, for example Public Health and Safety includes Building Assurance, Environmental Health, Animal Control, Civil Defence Emergency Management, Maritime Safety and Parking Control. Support services are described in the final section, but we do not report on these as a separate group of activities.

Detailed information on each group of activities is contained in their respective Activity Management Plans. These are available to download from our website, [www.tasman.govt.nz](http://www.tasman.govt.nz)

## ENVIRONMENT AND PLANNING

The Environment and Planning section is broken down into two groups of related activities

- Environmental Management
- Public Health and Safety

The 10-year operating budgets for the Environment and Planning activities are outlined in the following table along with the 2020/2021 budgets for comparison.

| ENVIRONMENT AND PLANNING | 2020/2021 BUDGET \$000 | 2021/2022 BUDGET \$000 | 2022/2023 BUDGET \$000 | 2023/2024 BUDGET \$000 |
|--------------------------|------------------------|------------------------|------------------------|------------------------|
| Environmental Management | 13,713                 | 16,727                 | 18,198                 | 18,336                 |
| Public Health and Safety | 7,418                  | 7,470                  | 7,848                  | 8,076                  |
| <b>TOTAL COSTS</b>       | <b>21,131</b>          | <b>24,197</b>          | <b>26,046</b>          | <b>26,412</b>          |

| ENVIRONMENT AND PLANNING | 2024/2025 BUDGET \$000 | 2025/2026 BUDGET \$000 | 2026/2027 BUDGET \$000 | 2027/2028 BUDGET \$000 | 2028/2029 BUDGET \$000 | 2029/2030 BUDGET \$000 | 2030/2031 BUDGET \$000 |
|--------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Environmental Management | 18,279                 | 19,016                 | 20,048                 | 20,356                 | 21,062                 | 22,131                 | 23,307                 |
| Public Health and Safety | 8,436                  | 8,753                  | 9,227                  | 9,542                  | 9,988                  | 10,502                 | 11,042                 |
| <b>TOTAL COSTS</b>       | <b>26,715</b>          | <b>27,769</b>          | <b>29,275</b>          | <b>29,898</b>          | <b>31,050</b>          | <b>32,633</b>          | <b>34,349</b>          |

Details of each of these groups of activities are outlined in the following pages. These pages cover the activity goal, what we do in relation to each activity group, why we do it, the CONTRIBUTION OF THE ACTIVITIES TO THE COMMUNITY OUTCOMES, ANY KEY ISSUES, HOW WE WILL MEASURE OUR PERFORMANCE, ANY ASSUMPTIONS WE HAVE MADE, AND A SNAPSHOT OF OUR KEY PROJECTS OVER THE NEXT 10 YEARS.



## ENVIRONMENTAL MANAGEMENT

### OUR GOAL

Our goal is to effectively promote the sustainable management of our District's natural and physical resources.

### WHAT WE DO

The Environmental Management activity is responsible for environmental monitoring and resource investigations to understand our District's resources; minimising inappropriate practices or the incidence of pests and other threats, maintaining and enhancing indigenous biodiversity, and the development of a robust policy planning framework to ensure ongoing sustainable management.

We identify, publicise, and respond to resource management issues and biosecurity risks; protect and enhance our environment, communities, and businesses through policy and planning, including implementing legislative and national policy direction; and administer planning, development, and compliance processes.

### WHY WE DO IT

Our responsibility is to understand and promote the sustainable management of our District's resources, and to manage the consequences of human activity on the environment and other people. Many of our policies and plans are statutory documents required under legislation.

Our state of the environment monitoring and information work monitors progress on environmental outcomes; help target planning controls, consent conditions and education programmes, identify new issues, and provides information for farmers, businesses, and the public.



## CONTRIBUTION TO COMMUNITY OUTCOMES

| COMMUNITY OUTCOMES |  | HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME  | SIGNIFICANT NEGATIVE EFFECTS   |
|--------------------|--|--|--|
| Social Well-being  | Our communities are healthy, safe, inclusive and resilient | <p>We have a planning framework that ensures the right developments are in the right places, and people and homes are not placed where they are at risk to natural hazards.</p> <p>Our processes protect the community's health and well-being by ensuring use of resources and human activities do not degrade quality of life. This includes monitoring recreational bathing water quality for toxic algae, and surveying groundwater resources for drinking water suitability.</p> <p>We also maintain an effective flood warning system, monitor air quality, and identify contamination risk, to ensure safety of people and community well-being, now, and for future residents.</p> | <p>Actions and decisions may result in adverse media coverage that may be regarded as being a negative effect. In such cases, we will manage this risk by properly assessing options and the implications to clearly justify decisions. The Council aims to balance the needs and wants of many people, as a result, there may be some decisions which will impact negatively on some individuals or groups.</p> |

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| COMMUNITY OUTCOMES |  | HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME   | SIGNIFICANT NEGATIVE EFFECTS  |
|--------------------|--|---|---|
| Social Well-being  | Our urban and rural environments are people-friendly, well planned, accessible and sustainably managed | <p>We work with landowners and the broader community to protect biodiversity, soil and water sustainability, including the use of targeted spending to ensure effective riparian and waterway management on farms, and education to encourage responsible environmental behaviours.</p> <p>Consent approvals, for the development and use of the environment promote sustainable management of natural and physical resources. Where necessary, we will impose and monitor conditions to minimise any unfavourable impact on the environment and resources.</p> <p>We strategically plan growth so our communities' living environments are appropriate in location and scale, are pleasant, safe, and sustainably managed, and the activities of others do not adversely impact on them. This allows current and future generations to continue to enjoy and access our natural environment.</p> <p>We monitor and investigate the state of our environment and identify trends, risks, and pressures our environment faces, particularly in relation to land, soils, water, air and the coast. We use natural hazards and contaminations risks information to make better decisions and ensure we can meet future needs in our District's planning.</p> <p>We work to educate people and provide information to enable more sustainable and resilient living.</p> | <p>The costs of providing these services will continue to increase, as legislative requirements continue to increase.</p> <p>Compliance and enforcement activities can generate both positive and negative responses within the community. Some landowners may perceive the cost of pest control or the mapping of wetlands as significant and the need to obtain resource consents as unnecessary.</p> |



| COMMUNITY OUTCOMES  |  | HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME  | SIGNIFICANT NEGATIVE EFFECTS |
|---------------------|--|--|------------------------------|
| Social Well-being   | Our communities have access to a range of social, cultural, educational and recreational facilities and activities | <p>Our planning and consenting processes ensure recreational opportunities are provided when land is subdivided. New developments are designed to provide social infrastructure and opportunities for connection; this is help prevent social isolation.</p> <p>We have a recreational bathing water quality network and cyanobacteria monitoring programme to ensure waterbodies are suitable for use, and limits inappropriate development of valued spaces.</p> <p>We take an advocacy role to promote environmental awareness in the community.</p>  |                              |
| Economic Well-being | Our region is supported by an innovative and sustainable economy   | <p>Policies, plans, models, and resource information helps us identify opportunities, and potential hazards and constraints. This ensures that economic development, in the use and development of resources, benefit current, and future, generations.</p> <p>Our land and sea biosecurity activities protect primary production activities from pests that could damage our economy.</p> <p>Development approvals can facilitate economic development opportunities.</p> <p>Compliance monitoring can ensure fair and equal opportunities for all.</p> <p>We actively encourage people to adopt best practice in relation to their use of land, water, air, and the coast resources.</p> |                              |



| COMMUNITY OUTCOMES       |   | HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME   | SIGNIFICANT NEGATIVE EFFECTS |
|--------------------------|---|---|------------------------------|
| Economic Well-being      | Our infrastructure is efficient, resilient, cost effective and meets current and future needs | <p>Our effective resource planning processes help other Council activities meet this community outcome. This ensures appropriate and efficient infrastructure is provided to meet the demands of our communities.</p> <p>We make hazard information available to promote best practice design, development, and use of important utility services.</p> <p>We provide a highly-valued, District-wide telemetry linked network. This allows us to measure and understand the quality of our environment and to manage the quantity of the water resources available for allocation.</p> |                              |
| Environmental Well-being | Our unique natural environment is healthy, protected and sustainably managed                  | <p>We develop and review policies and plans, and design guides that maintain and improve our environment, promoting sustainable management of our natural and physical resources.</p> <p>We monitor and regulate activities that could, over time, put pressure on our environment and resources, and take preventative action through education and enforcement.</p> <p>We engage with iwi and our community via advocacy, and local catchment and regional scale initiatives to maintain and enhance our natural and productive landscape.</p>                                      |                              |





| COMMUNITY OUTCOMES  |   | HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME  | SIGNIFICANT NEGATIVE EFFECTS |
|---------------------|---|--|------------------------------|
| Cultural Well-being | Our communities have opportunities to celebrate and explore their heritage, identity and creativity | <p>Our planning framework protects and enhances these community outcomes, ensuring that identified heritage buildings, iconic landscapes, important sites to iwi and of significance to our District, are considered when planning decisions are made.</p> <p>We work with landowners to enhance biodiversity, helping to protect our natural heritage values.</p> |                              |

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| COMMUNITY OUTCOMES  | HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME   | SIGNIFICANT NEGATIVE EFFECTS  |
|---|---|---|
| <p>Our Council provides leadership and fosters partnerships including with iwi, fosters a regional perspective, and encourages community engagement</p> | <p>We provide opportunities for public participation in the processes of developing and administering policies and plans under the Resource Management and Biosecurity Acts. We actively seek to work with stakeholder communities.</p> <p>We work with iwi as Treaty partners. Our relationship continues to evolve as new legislation evolves. We are committed to increasing the capability and capacity of local iwi to engage in policy and plan development.</p> <p>We work in partnership when developing policies and plans. For example, the Kotahitanga mō te Taiao partnership with top of the south iwi, Department of Conservation (DOC) and councils demonstrates leadership across boundaries. We encourage 'best management practices' in productive landscapes, and work with community networks to help fulfil these responsibilities.</p> <p>We make information and advice available to applicants, landowners and community groups to help them make sound decisions.</p> <p>We advocate to central government and other public agencies where their actions will impact on the interests of our District.</p> | <p>Central government does not financially support iwi to meet new legislated obligations. We are supportive of helping iwi to build capability and capacity. However, this requires additional resourcing that only in recent years, we have had to factor in.</p> |



## KEY ISSUES

Key issues facing Environmental Management are:

- **Rapid population growth** – Tasman is a popular place to live in. We need to ensure recreational opportunities, residential and business spaces, and productive land are provided for through our plans and consenting processes.
- **Freshwater** – Changes to the National Policy Statement for Freshwater Management mean we need to reassess processes and resources to implement these amended regulations.
- **Biodiversity and biosecurity** – We are working with tangata whenua, and the community, to develop the Tasman BioStrategy. Biosecurity and biodiversity will be considered in a holistic manner, and feed into the Tasman Environment Plan (TEP).
- **Climate change and natural hazards** – Our policies relating to managing land use, hazards, and the impacts of climate change will need to prepare for increasing risks associated with changing temperature or habitat-related pest incursions, sudden and severe weather events, and drought and seawater inundation of low-lying coastal land.
- **Changes in legislation and planning documents** – We are reviewing Tasman’s resource management plans over the coming six to 10 years to develop a new TEP. This is set against a backdrop of large volumes of new national policy direction from Central Government, and a repeal and replacement of the Resource Management Act with three separate pieces of new legislation. This is creating a lot of uncertainty and cost for us and our community.

The impact of these influencing factors on the Environmental Management activity, and the effect on the current scale and mode of delivery is discussed in detail in the Environmental Management Activity Management Plan.



**OUR LEVEL OF SERVICE – WHAT COUNCIL WILL DO AND HOW IT WILL MEASURE PERFORMANCE OVER THE 10 YEARS FROM 2021 - 2031**

| LEVELS OF SERVICE   | PERFORMANCE MEASURE<br><br>WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...   | CURRENT PERFORMANCE | FUTURE PERFORMANCE TARGETS |                            |                            |                           |
|---|---|---------------------|----------------------------|----------------------------|----------------------------|---------------------------|
|   |   |                     | YEAR 1 TARGET<br>2021/2022 | YEAR 2 TARGET<br>2022/2023 | YEAR 3 TARGET<br>2023/2024 | BY YEAR 10<br>2024 – 2031 |
| <p>We provide an appropriate policy framework that effectively promotes the sustainable management of the District’s natural and physical resources by:</p> <ul style="list-style-type: none"> <li>• identifying and responding to resource management policy issues; and</li> <li>• providing a sound and appropriate policy planning framework that is responsive to our changing environment, will protect and enhance our unique environment and promote healthy and safe communities.</li> </ul> | <p>Residents’ satisfaction for those residents who are aware of the Council’s role in resource management policy and planning work.</p> <p>As measured by the annual residents’ survey.</p> | 2019/2020: 69%      | 65%                        | 65%                        | 65%                        | 65%                       |



| LEVELS OF SERVICE   | PERFORMANCE MEASURE<br>WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...   | CURRENT PERFORMANCE  | FUTURE PERFORMANCE TARGETS |                            |                            |                           |
|---|---|--|----------------------------|----------------------------|----------------------------|---------------------------|
|   |   |  | YEAR 1 TARGET<br>2021/2022 | YEAR 2 TARGET<br>2022/2023 | YEAR 3 TARGET<br>2023/2024 | BY YEAR 10<br>2024 – 2031 |
| <p>We provide an appropriate policy framework that effectively promotes the sustainable management of the District’s natural and physical resources by:</p> <ul style="list-style-type: none"> <li>• identifying and responding to resource management policy issues; and</li> <li>• providing a sound and appropriate policy planning framework that is responsive to our changing environment, will protect and enhance our unique environment and promote healthy and safe communities.</li> </ul> | <p>Council meets the Air Quality National Environmental Standard (NES).</p> <p>As measured by designated air quality monitoring sites for the previous calendar year.</p> | <p>For the 2020 calendar year, the Richmond Airshed did meet the NES for PM10 with three permissible exceedances (as allowed under the NES).</p> | Meet the NES               | Meet the NES               | Meet the NES               | Meet the NES              |



| LEVELS OF SERVICE   | PERFORMANCE MEASURE<br>WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...   | CURRENT PERFORMANCE  | FUTURE PERFORMANCE TARGETS   |  |  |  |
|---|---|--|--|--|--|--|
|   |   |  | YEAR 1 TARGET<br>2021/2022   | YEAR 2 TARGET<br>2022/2023   | YEAR 3 TARGET<br>2023/2024   | BY YEAR 10<br>2024 – 2031  |
| <p>We provide an appropriate policy framework that effectively promotes the sustainable management of the District’s natural and physical resources by:</p> <ul style="list-style-type: none"> <li>• identifying and responding to resource management policy issues; and</li> <li>• providing a sound and appropriate policy planning framework that is responsive to our changing environment, will protect and enhance our unique environment and promote healthy and safe communities.</li> </ul> | <p>Swimming beaches and rivers are suitable for contact recreation, all or most of the time.</p> <p>As measured using samples from our core sampling sites.</p> | <p>In 2019/2020, 99% of swimming beaches and rivers for fine weather samples and 97% for all weather samples were suitable for contact recreation.</p> | <p>98% are suitable using fine weather samples</p> <p>92% are suitable using all weather samples</p> | <p>98% are suitable using fine weather samples</p> <p>92% are suitable using all weather samples</p> | <p>98% are suitable using fine weather samples</p> <p>92% are suitable using all weather samples</p> | <p>98% are suitable using fine weather samples</p> <p>92% are suitable using all weather samples</p> |



| LEVELS OF SERVICE  | PERFORMANCE MEASURE<br>WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...   | CURRENT PERFORMANCE                   | FUTURE PERFORMANCE TARGETS |                            |                            |                           |
|--|---|---------------------------------------|----------------------------|----------------------------|----------------------------|---------------------------|
|  |   |                                       | YEAR 1 TARGET<br>2021/2022 | YEAR 2 TARGET<br>2022/2023 | YEAR 3 TARGET<br>2023/2024 | BY YEAR 10<br>2024 – 2031 |
| We provide a responsive and efficient process for assessing resource consent applications and ensuring compliance obligations are fairly and appropriately enforced. | At least 80% of survey respondents rate their satisfaction with Council’s resource consent processing work as fairly satisfied or better. | 2019/2020: 74%                        | 80%                        | 80%                        | 85%                        | 85%                       |
| We provide a responsive and efficient process for assessing resource consent applications and ensuring compliance obligations are fairly and appropriately enforced. | Consent applications are processed within statutory timeframes (where they exist).  | 2019/2020:<br>Notified consents: 100% | 100%                       | 100%                       | 100%                       | 100%                      |
|  |   | Non-notified consents: 95.5%          | 100%                       | 100%                       | 100%                       | 100%                      |
|  |   | Limited notified consents: 100%       | 100%                       | 100%                       | 100%                       | 100%                      |



| LEVELS OF SERVICE   | PERFORMANCE MEASURE<br>WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...   | CURRENT PERFORMANCE  | FUTURE PERFORMANCE TARGETS   |  |  |  |
|---|---|--|--|--|--|--|
|   |   |  | YEAR 1 TARGET<br>2021/2022   | YEAR 2 TARGET<br>2022/2023   | YEAR 3 TARGET<br>2023/2024   | BY YEAR 10<br>2024 – 2031  |
| We undertake monitoring of environmental trends and conditions and maintain reporting systems that protect and inform the community about progress toward community outcomes, environmental conditions, changes, and risks. | An annual report is prepared and presented to Council or a Council committee each year, showing that all resource consents that are monitored are assigned appropriate compliance performance grades. | 2019/2020: 3<br>September 2020   | By 30<br>September 2021  | By 30<br>September 2022  | By 30<br>September 2023  | By 30 September<br>2024 - 2031   |
| We undertake monitoring of environmental trends and conditions and maintain reporting systems that protect and inform the community about progress toward community outcomes, environmental conditions, changes, and risks. | Where significant non-compliance is recorded, that resolution is achieved within appropriate timeframes.  | 2019/2020:<br>Percentage resolved within nine months: 100%<br>Percentage resolved within 12 months: 100% | 80% are resolved within 9 months<br>95% are resolved within 12 months. | 80% are resolved within 9 months<br>95% are resolved within 12 months. | 80% are resolved within 9 months<br>95% are resolved within 12 months. | 80% are resolved within 9 months<br>95% are resolved within 12 months. |





| LEVELS OF SERVICE   | PERFORMANCE MEASURE<br>WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...   | CURRENT PERFORMANCE        | FUTURE PERFORMANCE TARGETS |                            |                            |                            |
|---|---|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
|   |   |                            | YEAR 1 TARGET<br>2021/2022 | YEAR 2 TARGET<br>2022/2023 | YEAR 3 TARGET<br>2023/2024 | BY YEAR 10<br>2024 – 2031  |
| We undertake monitoring of environmental trends and conditions and maintain reporting systems that protect and inform the community about progress toward community outcomes, environmental conditions, changes, and risks. | An annual report is prepared and presented to a Council committee or a Council meeting on Water Metering Compliance detailing the performance of consented and permitted activity ground and surface water abstractions requiring monitoring as defined in the Tasman Resource Management Plan. | 2019/2020: 23<br>July 2020 | By 31 October 2021.        | By 31 October 2022.        | By 31 October 2023.        | By 31 October 2024 – 2031. |



| LEVELS OF SERVICE   | PERFORMANCE MEASURE<br>WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...   | CURRENT PERFORMANCE                       | FUTURE PERFORMANCE TARGETS |                            |                            |                           |
|---|---|---|----------------------------|----------------------------|----------------------------|---------------------------|
|   |   |   | YEAR 1 TARGET<br>2021/2022 | YEAR 2 TARGET<br>2022/2023 | YEAR 3 TARGET<br>2023/2024 | BY YEAR 10<br>2024 – 2031 |
| We undertake monitoring of environmental trends and conditions and maintain reporting systems that protect and inform the community about progress toward community outcomes, environmental conditions, changes, and risks. | An annual Dairy Monitoring report is prepared detailing the performance of the District’s dairy farms against the Council’s dairy effluent discharge rules and relevant national legislation.                   | 2019/2020: 99% fully compliant            | 98% fully compliant        | 98% fully compliant        | 100% fully compliant       | 100% fully compliant      |
| We undertake monitoring of environmental trends and conditions and maintain reporting systems that protect and inform the community about progress toward community outcomes, environmental conditions, changes, and risks. | An operational plan and annual report are prepared and presented to Council or a Committee meeting each year, in accordance with the Regional Pest Management Plan and the requirements of the Biosecurity Act. | 2019/2020: both reported 28 November 2019 | By 30 November 2021.       | By 30 November 2021.       | By 30 November 2021.       | By 30 November 2021.      |



## KEY CHANGES TO ACTIVITY OR SERVICE

There are no significant changes to how the environmental management activity will be managed since the Long Term Plan (LTP) 2018 – 2028.

## KEY ASSUMPTIONS AND UNCERTAINTIES

We have made a number of assumptions in preparing the Activity Management Plan. The most significant assumption and uncertainty for environmental management is that future budgets require a similar level of effort and resources to respond to the demands of this activity. With population growth and increasing demand over resource use, we expect a slow to medium level of increase in aggregate effort over the 10-year period.

## INVESTMENTS

The following are key environmental management investments for the next 10 years. Note that these costs do not include staff time or overheads which in some cases (e.g., the Tasman Resource Management Plan (TRMP) review) are a significant proportion of the overall cost.

| NAME   | DESCRIPTION  |
|--|--|
| Develop the new 'Aorere ki uta, Aorere ki tai – Tasman Environment Plan' | This new plan replaces the Tasman Resource Management Plan which is due for statutory review.  |
| Responding to the Regional Pest Management Plan and Tasman BioStrategy   | Implementing the Regional Pest Management Plan and the Tasman BioStrategy to enhance biodiversity and reduce impacts from pests.   |
| Assisting with improved land management                                  | Managing the use and development of land resources to enhance water quality.   |
| Monitoring quality and quantity of our region's water resources          | Monitoring the quality and quantity of our water resources, in the ground and in our rivers and streams. This is for both productive use and environmental protection, including flood management. |

## FUNDING IMPACT STATEMENT AND FUNDING SOURCES FOR THE ENVIRONMENTAL MANAGEMENT GROUP OF ACTIVITIES

|  | 2020/2<br>1<br>AP<br>\$000 | 2021/2<br>2<br>BUDGE<br>T \$000 | 2022/2<br>3<br>BUDGE<br>T \$000 | 2023/2<br>4<br>BUDGE<br>T \$000 | 2024/2<br>5<br>BUDGE<br>T \$000 | 2025/2<br>6<br>BUDGE<br>T \$000 | 2026/2<br>7<br>BUDGE<br>T \$000 | 2027/2<br>8<br>BUDGE<br>T \$000 | 2028/2<br>9<br>BUDGE<br>T \$000 | 2029/3<br>0<br>BUDGE<br>T \$000 | 2030/3<br>1<br>BUDGE<br>T \$000 |
|--|----------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| <b>SOURCES OF OPERATING FUNDING</b>                                      |                            |                                 |                                 |                                 |                                 |                                 |                                 |                                 |                                 |                                 |                                 |
| General rates, uniform annual general charges, rates penalties           | 10,501                     | 11,454                          | 12,752                          | 13,740                          | 14,366                          | 15,095                          | 16,113                          | 16,837                          | 17,478                          | 18,418                          | 19,503                          |
| Targeted rates   | 149                        | 136                             | 122                             | 113                             | 109                             | 105                             | 91                              | 53                              | 18                              | 18                              | 19                              |
| Subsidies and grants for operating purposes                              | 311                        | 1,256                           | 1,277                           | 993                             | 287                             | 47                              | 48                              | 50                              | 51                              | 53                              | 55                              |
| Fees and charges   | 2,560                      | 2,467                           | 2,652                           | 2,718                           | 2,789                           | 2,867                           | 2,950                           | 3,039                           | 3,133                           | 3,233                           | 3,337                           |
| Internal charges and overheads recovered                                 | 0                          | 0                               | 0                               | 0                               | 0                               | 0                               | 0                               | 0                               | 0                               | 0                               | 0                               |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 461                        | 740                             | 791                             | 716                             | 722                             | 729                             | 736                             | 744                             | 753                             | 882                             | 891                             |
| <b>Total operating funding</b>   | <b>13,982</b>              | <b>16,053</b>                   | <b>17,594</b>                   | <b>18,280</b>                   | <b>18,273</b>                   | <b>18,843</b>                   | <b>19,938</b>                   | <b>20,723</b>                   | <b>21,433</b>                   | <b>22,604</b>                   | <b>23,805</b>                   |
| <b>APPLICATIONS OF OPERATING FUNDING</b>                                 |                            |                                 |                                 |                                 |                                 |                                 |                                 |                                 |                                 |                                 |                                 |
| Payments to staff and suppliers  | 8,343                      | 10,520                          | 11,265                          | 11,083                          | 10,586                          | 10,958                          | 11,420                          | 11,303                          | 11,453                          | 11,839                          | 12,246                          |
| Finance costs  | 19                         | 58                              | 85                              | 109                             | 133                             | 144                             | 154                             | 164                             | 169                             | 175                             | 172                             |
| Internal charges and overheads applied                                   | 5,351                      | 6,149                           | 6,848                           | 7,144                           | 7,560                           | 7,914                           | 8,474                           | 8,889                           | 9,440                           | 10,117                          | 10,889                          |
| Other operating funding applications                                     | 0                          | 0                               | 0                               | 0                               | 0                               | 0                               | 0                               | 0                               | 0                               | 0                               | 0                               |
| <b>Total applications of operating funding</b>                           | <b>13,713</b>              | <b>16,727</b>                   | <b>18,198</b>                   | <b>18,336</b>                   | <b>18,279</b>                   | <b>19,016</b>                   | <b>20,048</b>                   | <b>20,356</b>                   | <b>21,062</b>                   | <b>22,131</b>                   | <b>23,307</b>                   |
| <b>Surplus/(deficit) of operating funding</b>                            | <b>269</b>                 | <b>(674)</b>                    | <b>(604)</b>                    | <b>(56)</b>                     | <b>(6)</b>                      | <b>(173)</b>                    | <b>(110)</b>                    | <b>367</b>                      | <b>371</b>                      | <b>473</b>                      | <b>498</b>                      |
| <b>SOURCES OF CAPITAL FUNDING</b>  |                            |                                 |                                 |                                 |                                 |                                 |                                 |                                 |                                 |                                 |                                 |
| Subsidies and grants for capital expenditure                             | 0                          | 0                               | 0                               | 0                               | 0                               | 0                               | 0                               | 0                               | 0                               | 0                               | 0                               |
| Development and financial contributions                                  | 0                          | 0                               | 0                               | 0                               | 0                               | 0                               | 0                               | 0                               | 0                               | 0                               | 0                               |
| Increase (decrease) in debt  | (84)                       | 923                             | 1,252                           | 573                             | 410                             | 728                             | 796                             | 515                             | 74                              | 11                              | 153                             |



|  | 2020/2<br>1<br>AP<br>\$000 | 2021/2<br>2<br>BUDGE<br>T \$000 | 2022/2<br>3<br>BUDGE<br>T \$000 | 2023/2<br>4<br>BUDGE<br>T \$000 | 2024/2<br>5<br>BUDGE<br>T \$000 | 2025/2<br>6<br>BUDGE<br>T \$000 | 2026/2<br>7<br>BUDGE<br>T \$000 | 2027/2<br>8<br>BUDGE<br>T \$000 | 2028/2<br>9<br>BUDGE<br>T \$000 | 2029/3<br>0<br>BUDGE<br>T \$000 | 2030/3<br>1<br>BUDGE<br>T \$000 |
|--|----------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Gross proceeds from sale of assets           | 0                          | 0                               | 0                               | 0                               | 0                               | 0                               | 0                               | 0                               | 0                               | 0                               | 0                               |
| Lump sum contributions                       | 0                          | 0                               | 0                               | 0                               | 0                               | 0                               | 0                               | 0                               | 0                               | 0                               | 0                               |
| Other dedicated capital funding              | 0                          | 0                               | 0                               | 0                               | 0                               | 0                               | 0                               | 0                               | 0                               | 0                               | 0                               |
| <b>Total sources of capital funding</b>      | <b>(84)</b>                | <b>923</b>                      | <b>1,252</b>                    | <b>573</b>                      | <b>410</b>                      | <b>728</b>                      | <b>796</b>                      | <b>515</b>                      | <b>74</b>                       | <b>11</b>                       | <b>153</b>                      |
| <b>APPLICATIONS OF CAPITAL FUNDING</b>       |                            |                                 |                                 |                                 |                                 |                                 |                                 |                                 |                                 |                                 |                                 |
| Capital expenditure                          |                            |                                 |                                 |                                 |                                 |                                 |                                 |                                 |                                 |                                 |                                 |
| - to meet additional demand                  | 0                          | 0                               | 0                               | 0                               | 0                               | 0                               | 0                               | 0                               | 0                               | 0                               | 0                               |
| - to improve the level of service            | 174                        | 123                             | 190                             | 187                             | 111                             | 433                             | 421                             | 457                             | 303                             | 337                             | 437                             |
| - to replace existing assets                 | 64                         | 127                             | 533                             | 330                             | 293                             | 122                             | 265                             | 424                             | 141                             | 145                             | 211                             |
| Increase (decrease) in reserves              | (53)                       | (1)                             | (75)                            | 0                               | 0                               | 0                               | 0                               | 1                               | 1                               | 2                               | 3                               |
| Increase (decrease) in investments           | 0                          | 0                               | 0                               | 0                               | 0                               | 0                               | 0                               | 0                               | 0                               | 0                               | 0                               |
| <b>Total applications of capital funding</b> | <b>185</b>                 | <b>249</b>                      | <b>648</b>                      | <b>517</b>                      | <b>404</b>                      | <b>555</b>                      | <b>686</b>                      | <b>882</b>                      | <b>445</b>                      | <b>484</b>                      | <b>651</b>                      |
| <b>Surplus/(deficit) of capital funding</b>  | <b>(269)</b>               | <b>674</b>                      | <b>604</b>                      | <b>56</b>                       | <b>6</b>                        | <b>173</b>                      | <b>110</b>                      | <b>(367)</b>                    | <b>(371)</b>                    | <b>(473)</b>                    | <b>(498)</b>                    |

The FISs also reflect changes resulting from internal restructures and revenue reclassification. The Annual Plan 2020/2021 has not been restated to reflect these changes



## **PUBLIC HEALTH AND SAFETY**

### **OUR GOAL**

The Public Health and Safety activity aims to keep people and their properties safe and protect them from nuisance. It also aims to ensure that use of public areas is fair and equitable.

### **WHAT WE DO**

We provide advice and discharging statutory functions in the areas of public health, building, environmental health (including liquor licensing, food safety), hazardous substances, animal control, civil defence and emergency management, parking control and maritime safety. It involves assessing and processing permit and registration applications, the administration of bylaws, and associated monitoring and enforcement action.

### **WHY WE DO IT**

We contribute to the sustainable development of our District and the safety and well-being of our community. We ensure that actions, or non-actions, taken by the people in our District are lawful, sustainable and safe. We enable people to carry out activities without affecting their, or others', safety. We also respond to central government legislation.



## CONTRIBUTION TO COMMUNITY OUTCOMES

| COMMUNITY OUTCOMES  |  | HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME   | SIGNIFICANT NEGATIVE EFFECTS  |
|---------------------|--|---|---|
| Social Well-being   | Our communities are healthy, safe, inclusive and resilient   | <p>We protect our community’s health and well-being by ensuring standards are met for construction, food safety, and registered premises operation. We also respond and enforce alcohol sale and consumption, and dogs and stock, so as not to adversely affect our community’s quality of life.</p> <p>Our civil defence and emergency management system promotes safety of people and resilient communities.</p> <p>We ensure recreational boating is safe, keeping Tasman special.</p> | <p>Particular actions and decisions may result in adverse media coverage that may be regarded as being a negative effect. In such cases, we will manage this risk by properly assessing options and implications to justify our decisions.</p> <p>Compliance and enforcement activities can generate both positive and negative responses within the community.</p> |
| Social Well-being   | Our urban and rural environments are people-friendly, well planned, accessible and sustainably managed | We ensure buildings are well constructed, safe and weather-tight, leading to living environments that are people-friendly, and accessible to all.   |   |
| Economic Well-being | Our region is supported by an innovative and sustainable economy                                       | Our regulatory practices are good and contribute to the economic well-being in our communities.   |   |
| Economic Well-being | Our infrastructure is efficient, resilient, cost effective and meets current and future needs          | We ensure that time-restricted parking facilities are available for the public to access urban retailers and services.  | The costs of providing the public benefit component of the service increases, to reflect changes in legislation, and community expectation.   |



| COMMUNITY OUTCOMES       |  | HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME   | SIGNIFICANT NEGATIVE EFFECTS |
|--------------------------|--|---|------------------------------|
| Environmental Well-being | Our unique natural environment is healthy, protected and sustainably managed   | <p>We have an effective education and dog control programme, limiting negative effects on native fauna.</p> <p>We remove abandoned vehicles, preventing damage to our environment.</p>  |                              |
| Cultural Well-being      | <p>Our communities have opportunities to celebrate and explore their heritage, identity and creativity</p> <p>Our Council provides leadership and fosters partnerships including with iwi, fosters a regional perspective, and encourages community engagement</p> | <p>We provide safety support to events, such as waka racing and classic boats, assisting the community to hold safe heritage events.</p> <p>We encourage residents to make civil emergency preparations, including arrangements to cope in the face of climatic or natural hazard events.</p> <p>We work with Maritime NZ to provide a maritime oil response service.</p> |                              |





## KEY ISSUES

Key issues facing the Public Health and Safety activity are:

- **Population and economic growth, and demographic change** –Population growth places demand on our services. Over time, we may require extra resources to cope with additional activity and demand for services. We have a robust growth model, forecasting residential and business demands, and opportunities to help us supply the level of demand expected.
- **Changes in community expectations** –Different members of our community expect us to do more, or less, regulation and control. Changing expectations may lead to a need to increase or decrease our levels of service. Movement of urban populations into rural areas may have a significant effect on service expectations.
- **Changes in legislation and policies** –These can be driven by government legislation or policy, or by changes in our Council policies.
- **Changes in the environmental risk profile** –Changing weather patterns, or occurrence of natural hazards, will affect our work, particularly in the civil defence and building assurance activities.
- **Industrial practices and technological change** –Both industrial practices and technological change can impact on the scope and delivery of our services. We are not expecting any changes to have a significant effect on this activity in the medium term, although new construction methods may have some impact on building assurance activities.

The impact of these influencing factors on the Public Health and Safety activity, and the effect on the current scale and mode of delivery is discussed in detail in the Public Health and Safety Activity Management Plan.



**OUR LEVEL OF SERVICE – WHAT COUNCIL WILL DO AND HOW IT WILL MEASURE PERFORMANCE OVER THE 10 YEARS FROM 2021 – 2031**

| LEVELS OF SERVICE  | WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...  | CURRENT PERFORMANCE                          | FUTURE PERFORMANCE TARGETS |                            |                            |                           |
|--|---|--|----------------------------|----------------------------|----------------------------|---------------------------|
|  |   |  | YEAR 1 TARGET<br>2021/2022 | YEAR 2 TARGET<br>2022/2023 | YEAR 3 TARGET<br>2023/2024 | BY YEAR 10<br>2024 – 2030 |
| We provide building control services in a professional and timely manner, to ensure buildings are constructed in accordance with the New Zealand Building Code and therefore safe and healthy. | 98% of applications for building consent are processed within statutory timeframes.             | 2019/2020:<br>99.4%<br><br><i>New Target</i> | 98%                        | 98%                        | 98%                        | 98%                       |
| We provide building control services in a professional and timely manner, to ensure buildings are constructed in accordance with the New Zealand Building Code and therefore safe and healthy. | 98% of applications for code compliance certificates are processed within statutory timeframes. | 2019/2020:<br>99.3%                          | 98%                        | 98%                        | 98%                        | 98%                       |



| LEVELS OF SERVICE  | WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...                   | CURRENT PERFORMANCE                 | FUTURE PERFORMANCE TARGETS |                            |                            |                           |
|--|--|-------------------------------------|----------------------------|----------------------------|----------------------------|---------------------------|
|  |  |                                     | YEAR 1 TARGET<br>2021/2022 | YEAR 2 TARGET<br>2022/2023 | YEAR 3 TARGET<br>2023/2024 | BY YEAR 10<br>2024 – 2030 |
| We provide building control services in a professional and timely manner, to ensure buildings are constructed in accordance with the New Zealand Building Code and therefore safe and healthy. | The average time taken to process a Building Consent is 12 working days. | 2019/2020: 9.4 working days         | 12 working days            | 12 working days            | 12 working days            | 12 working days           |
| We provide building control services in a professional and timely manner, to ensure buildings are constructed in accordance with the New Zealand Building Code and therefore safe and healthy. | We maintain Building Consent Authority Accreditation                     | 2019/2020: Accreditation maintained | Accreditation maintained   | Accreditation maintained   | Accreditation maintained   | Accreditation maintained  |



| LEVELS OF SERVICE  | WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...   | CURRENT PERFORMANCE   | FUTURE PERFORMANCE TARGETS   |  |  |  |
|--|--|---|--|--|--|--|
|  |  |   | YEAR 1 TARGET<br>2021/2022   | YEAR 2 TARGET<br>2022/2023   | YEAR 3 TARGET<br>2023/2024   | BY YEAR 10<br>2024 – 2030  |
| We provide building control services in a professional and timely manner, to ensure buildings are constructed in accordance with the New Zealand Building Code and therefore safe and healthy. | At least 80% of survey respondents rate their satisfaction with Council’s building control work as fairly satisfied or better.                       | 2019/2020: 68%  | 80%  | 85%  | 85%  | 85%  |
| We will provide an environmental health service that in association with other agencies, fosters the responsible sale and consumption of liquor.   | In conjunction with the New Zealand Police, we detect no sale of liquor to minors through random controlled purchase operations (CPOs) run annually. | 2019/2020: Not Measured<br><br>Only one CPO was carried out over the period due to availability of NZ Police. | At least 75% of controlled purchase operations with no offences detected | At least 75% of controlled purchase operations with no offences detected | At least 75% of controlled purchase operations with no offences detected | At least 75% of controlled purchase operations with no offences detected |



| LEVELS OF SERVICE   | WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...   | CURRENT PERFORMANCE            | FUTURE PERFORMANCE TARGETS |                            |                            |                           |
|---|--|--------------------------------|----------------------------|----------------------------|----------------------------|---------------------------|
|   |  |                                | YEAR 1 TARGET<br>2021/2022 | YEAR 2 TARGET<br>2022/2023 | YEAR 3 TARGET<br>2023/2024 | BY YEAR 10<br>2024 – 2030 |
| We will provide an environmental health service that ensures that food provided for sale is safe, free from contamination and prepared in suitable premises.                        | All food premises that are the responsibility of Council to audit will be visited at the frequency required by the Ministry of Primary Industries (MPI). | <i>New Performance measure</i> | 100%                       | 100%                       | 100%                       | 100%                      |
| We will provide animal control services to minimise the danger, distress, and nuisance caused by dogs and wandering stock and to ensure all known dogs are recorded and registered. | All known dogs are registered or otherwise accounted for annually by 30 June.  | 2019/2020: 100%                | 100%                       | 100%                       | 100%                       | 100%                      |
| We will provide animal control services to minimise the danger, distress, and nuisance caused by dogs and wandering stock and to ensure all known dogs are recorded and registered. | We respond to high priority dog complaints within 60 minutes, 24 hours a day, seven days a week.   | 2019/2020: 100%                | 100%                       | 100%                       | 100%                       | 100%                      |



| LEVELS OF SERVICE  | WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...   | CURRENT PERFORMANCE | FUTURE PERFORMANCE TARGETS |                            |                            |                           |
|--|--|---------------------|----------------------------|----------------------------|----------------------------|---------------------------|
|  |  |                     | YEAR 1 TARGET<br>2021/2022 | YEAR 2 TARGET<br>2022/2023 | YEAR 3 TARGET<br>2023/2024 | BY YEAR 10<br>2024 – 2030 |
| A civil defence and emergency management system that is designed to promote the safety of people and a resilient community in the event that emergencies occur.          | For those that have an opinion, the level of community support for Council’s civil defence emergency management (CDEM) activity is rated as fairly satisfied or better through the annual residents’ survey. | 2019/2020: 78%      | 70%                        | 70%                        | 70%                        | 70%                       |
| We will provide Maritime Administration services to ensure Tasman’s harbour waters are safe and accessible and that all known commercial vehicle operators are licensed. | All known commercial vessel operators are licensed.  | 2019/2020:<br>100%  | 100%                       | 100%                       | 100%                       | 100%                      |



| LEVELS OF SERVICE  | WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...  | CURRENT PERFORMANCE | FUTURE PERFORMANCE TARGETS |                            |                            |                           |
|--|---|---------------------|----------------------------|----------------------------|----------------------------|---------------------------|
|  |   |                     | YEAR 1 TARGET<br>2021/2022 | YEAR 2 TARGET<br>2022/2023 | YEAR 3 TARGET<br>2023/2024 | BY YEAR 10<br>2024 – 2030 |
| We will provide parking control services to facilitate the public’s access to urban retailers and services, respond to any misuse of disabled parking, and remove reported abandoned vehicles. | Compliance by not less than 85 out of every 100 vehicles parking in time-controlled areas within the Traffic Bylaw, based on an annual snap survey. | 2019/2020: 82%      | 85%                        | 85%                        | 85%                        | 85%                       |



## KEY CHANGES TO ACTIVITY OR SERVICE

The following are key changes for our Public Health and Safety activity since the LTP 2018 – 2028.

| KEY CHANGE   | REASON FOR CHANGE   |
|--|---|
| Audits of food premises                              | Amended in 2017, The Food Act 2014 changes the frequency and type of auditing of food premises Council is responsible for.  |
| Increased maritime policing of the District’s waters | The introduction of a large ship monitoring system to improve safety around such vessels anchoring in our waters is currently being investigated. The cost of this service is recovered from ship owners. This system is dependent on the use of a marine Automatic Identification System, measuring ships over 500 tonnes in Tasman’s marine area. We have negotiated access to this system with Marlborough District Council (MDC), and are working with Nelson City Council (NCC) to get a consistent “Top of the South” approach. |
| New electronic parking enforcement meters            | The use of electronic ticketing machines has significantly reduced our administration resources, improving the accuracy of ticket inputting. It has also reduced the number of complaints due to more accurate information, including photographs with the parking ticket.  |

## KEY ASSUMPTIONS AND UNCERTAINTIES

We have made a number of assumptions in preparing the Activity Management Plan. The most significant assumptions and uncertainties for Public Health and Safety are:

- Changes in customer expectations e.g., new legislation or new environments, some residents will expect us to address their concerns. We will educate and inform people by using media, both social (Facebook, twitter etc.) and paper based (Newline, local newspapers).
- Most staff in this activity are technical specialists and are difficult to replace at short notice. In some areas, gaps can be covered by use of contractors, however, this is not always possible and can be expensive. If this were to occur and gaps could not be covered, staff will prioritise work.

## INVESTMENTS

The following are key public health and safety investments for the next 10 years.

| NAME                | DESCRIPTION  |
|---------------------|--|
| Regulatory Services | We provide a public health service, which monitors food safety, alcohol controls, type IV gambling venues and other issues impacting on health and wellbeing. We also enforce parking rules, remove abandoned vehicles and enforce freedom camping bylaws. |
| Building Control    | We provide assurance that buildings are correctly constructed as per legal requirements.   |





| NAME  | DESCRIPTION   |
|---|---|
| Emergency Management and Civil Defence Activities | We assist CDEM, alongside other agencies, in responding to emergency events and recovery.   |
| Maritime Safety                                   | We carry out navigation safety functions as dictated by the Maritime Transport Act. With NCC, we maintain a fully trained response team to deal with any maritime oil spill events. |
| Animal Control                                    | We carry out dog and stock control functions as dictated by the Dog Control Act and the Stock Control Act.  |

## FUNDING IMPACT STATEMENT AND FUNDING SOURCES FOR THE PUBLIC HEALTH AND SAFETY GROUP OF ACTIVITIES

|  | 2020/21<br>AP<br>\$000 | 2021/22<br>BUDGET<br>\$000 | 2022/23<br>BUDGET<br>\$000 | 2023/24<br>BUDGET<br>\$000 | 2024/25<br>BUDGET<br>\$000 | 2025/26<br>BUDGET<br>\$000 | 2026/27<br>BUDGET<br>\$000 | 2027/28<br>BUDGET<br>\$000 | 2028/29<br>BUDGET<br>\$000 | 2029/30<br>BUDGET<br>\$000 | 2030/31<br>BUDGET<br>\$000 |
|--|------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| <b>SOURCES OF OPERATING FUNDING</b>                                      |                        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| General rates, uniform annual general charges, rates penalties           | 2,091                  | 1,818                      | 1,848                      | 1,992                      | 2,273                      | 2,422                      | 2,718                      | 2,842                      | 3,084                      | 3,375                      | 3,690                      |
| Targeted rates   | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| Subsidies and grants for operating purposes                              | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| Fees and charges   | 4,731                  | 5,000                      | 5,160                      | 5,289                      | 5,426                      | 5,578                      | 5,740                      | 5,912                      | 6,095                      | 6,290                      | 6,492                      |
| Internal charges and overheads recovered                                 | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 613                    | 686                        | 724                        | 757                        | 770                        | 784                        | 799                        | 815                        | 832                        | 851                        | 869                        |
| <b>Total operating funding</b>   | <b>7,435</b>           | <b>7,504</b>               | <b>7,732</b>               | <b>8,038</b>               | <b>8,469</b>               | <b>8,784</b>               | <b>9,257</b>               | <b>9,569</b>               | <b>10,011</b>              | <b>10,516</b>              | <b>11,051</b>              |
| <b>APPLICATIONS OF OPERATING FUNDING</b>                                 |                        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| Payments to staff and suppliers  | 4,586                  | 4,582                      | 4,764                      | 4,861                      | 4,987                      | 5,128                      | 5,331                      | 5,436                      | 5,605                      | 5,787                      | 5,976                      |
| Finance costs  | 9                      | 23                         | 21                         | 19                         | 19                         | 17                         | 16                         | 14                         | 12                         | 11                         | 11                         |
| Internal charges and overheads applied                                   | 2,823                  | 2,865                      | 3,063                      | 3,196                      | 3,430                      | 3,608                      | 3,880                      | 4,092                      | 4,371                      | 4,704                      | 5,055                      |
| Other operating funding applications                                     | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| <b>Total applications of operating funding</b>                           | <b>7,418</b>           | <b>7,470</b>               | <b>7,848</b>               | <b>8,076</b>               | <b>8,436</b>               | <b>8,753</b>               | <b>9,227</b>               | <b>9,542</b>               | <b>9,988</b>               | <b>10,502</b>              | <b>11,042</b>              |
| <b>Surplus/(deficit) of operating funding</b>                            | <b>17</b>              | <b>34</b>                  | <b>(116)</b>               | <b>(38)</b>                | <b>33</b>                  | <b>31</b>                  | <b>30</b>                  | <b>27</b>                  | <b>23</b>                  | <b>14</b>                  | <b>9</b>                   |
| <b>SOURCES OF CAPITAL FUNDING</b>  |                        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| Subsidies and grants for capital expenditure                             | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| Development and financial contributions                                  | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| Increase (decrease) in debt  | (24)                   | (47)                       | 6                          | (53)                       | (54)                       | 36                         | (59)                       | (59)                       | (59)                       | 11                         | (56)                       |



|  | 2020/21<br>AP<br>\$000 | 2021/22<br>BUDGET<br>\$000 | 2022/23<br>BUDGET<br>\$000 | 2023/24<br>BUDGET<br>\$000 | 2024/25<br>BUDGET<br>\$000 | 2025/26<br>BUDGET<br>\$000 | 2026/27<br>BUDGET<br>\$000 | 2027/28<br>BUDGET<br>\$000 | 2028/29<br>BUDGET<br>\$000 | 2029/30<br>BUDGET<br>\$000 | 2030/31<br>BUDGET<br>\$000 |
|--|------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Gross proceeds from sale of assets           | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| Lump sum contributions                       | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| Other dedicated capital funding              | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| <b>Total sources of capital funding</b>      | <b>(24)</b>            | <b>(47)</b>                | <b>6</b>                   | <b>(53)</b>                | <b>(54)</b>                | <b>36</b>                  | <b>(59)</b>                | <b>(59)</b>                | <b>(59)</b>                | <b>11</b>                  | <b>(56)</b>                |
| <b>APPLICATIONS OF CAPITAL FUNDING</b>       |                        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| Capital expenditure                          |                        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| - to meet additional demand                  | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| - to improve the level of service            | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| - to replace existing assets                 | 0                      | 0                          | 58                         | 0                          | 0                          | 95                         | 0                          | 0                          | 0                          | 66                         | 0                          |
| Increase (decrease) in reserves              | (7)                    | (13)                       | (168)                      | (91)                       | (21)                       | (28)                       | (29)                       | (32)                       | (36)                       | (41)                       | (47)                       |
| Increase (decrease) in investments           | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| <b>Total applications of capital funding</b> | <b>(7)</b>             | <b>(13)</b>                | <b>(110)</b>               | <b>(91)</b>                | <b>(21)</b>                | <b>67</b>                  | <b>(29)</b>                | <b>(32)</b>                | <b>(36)</b>                | <b>25</b>                  | <b>(47)</b>                |
| <b>Surplus/(deficit) of capital funding</b>  | <b>(17)</b>            | <b>(34)</b>                | <b>116</b>                 | <b>38</b>                  | <b>(33)</b>                | <b>(31)</b>                | <b>(30)</b>                | <b>(27)</b>                | <b>(23)</b>                | <b>(14)</b>                | <b>(9)</b>                 |
| <b>Funding balance</b>                       | <b>0</b>               | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   |

The FISs also reflect changes resulting from internal restructures and revenue reclassification. The Annual Plan 2020/2021 has not been restated to reflect these changes.



## ENGINEERING

The Engineering section is broken down into seven groups of related activities:

- Transportation
- Coastal Assets
- Water Supply
- Wastewater
- Stormwater
- Waste Management and Minimisation
- Rivers

The 10-year operating budgets for the engineering activities are outlined in the following table along with the 2020/2021 budgets for comparison.

| ENGINEERING        | 2020/2021<br>BUDGET<br>\$000 | 2021/2022<br>BUDGET<br>\$000 | 2022/2023<br>BUDGET<br>\$000 | 2023/2024<br>BUDGET<br>\$000 | 2024/2025<br>BUDGET<br>\$000 | 2025/2026<br>BUDGET<br>\$000 |
|--------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Transportation     | 10,803                       | 13,097                       | 13,934                       | 15,094                       | 15,232                       | 15,672                       |
| Coastal Assets     | 416                          | 198                          | 335                          | 223                          | 332                          | 241                          |
| Water Supply       | 9,928                        | 10,766                       | 12,734                       | 13,017                       | 13,468                       | 13,883                       |
| Wastewater         | 8,938                        | 10,178                       | 10,672                       | 11,031                       | 11,997                       | 13,419                       |
| Stormwater         | 3,088                        | 2,873                        | 2,931                        | 3,078                        | 3,431                        | 3,557                        |
| Waste Management   | 12,318                       | 12,899                       | 14,369                       | 15,544                       | 15,190                       | 15,915                       |
| Rivers             | 2,739                        | 2,807                        | 2,953                        | 3,232                        | 3,393                        | 3,473                        |
| <b>TOTAL COSTS</b> | <b>48,230</b>                | <b>52,818</b>                | <b>57,928</b>                | <b>61,219</b>                | <b>63,043</b>                | <b>66,160</b>                |



| <b>ENGINEERING</b>                | <b>2026/2027<br/>BUDGET<br/>\$000</b> | <b>2027/2028<br/>BUDGET<br/>\$000</b> | <b>2028/2029<br/>BUDGET<br/>\$000</b> | <b>2029/2030<br/>BUDGET<br/>\$000</b> | <b>2030/2031<br/>BUDGET<br/>\$000</b> |
|-----------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| Transportation                    | 16,159                                | 16,607                                | 17,453                                | 17,795                                | 18,226                                |
| Coastal Assets                    | 370                                   | 224                                   | 400                                   | 239                                   | 392                                   |
| Water Supply                      | 14,242                                | 14,463                                | 15,004                                | 15,582                                | 16,282                                |
| Wastewater                        | 13,736                                | 13,987                                | 14,983                                | 16,082                                | 17,216                                |
| Stormwater                        | 3,637                                 | 3,579                                 | 3,686                                 | 3,904                                 | 3,972                                 |
| Waste Management and Minimisation | 16,194                                | 16,947                                | 17,374                                | 17,960                                | 18,172                                |
| Rivers                            | 3,635                                 | 3,755                                 | 3,930                                 | 4,077                                 | 4,330                                 |
| <b>TOTAL COSTS</b>                | <b>67,973</b>                         | <b>69,562</b>                         | <b>72,830</b>                         | <b>75,639</b>                         | <b>78,590</b>                         |

Details of each of these groups of activities are outlined in the following pages. These pages cover the activity goal, what we do in relation to each activity group, why we do it, the contribution of the activities to the community outcomes, any key issues, how we will measure our performance, any assumptions we have made, and a snapshot of our key projects over the next 10 years.



## TRANSPORTATION

### OUR GOAL

Transportation activities are managed so people and goods can safely move within our communities and District.

### WHAT WE DO

We manage a transportation network that has approximately 1,751km of roads; (967km sealed and 784km unsealed), 494 bridges (including footbridges); 423km of footpaths, walkways and cycleways; 22 off street car park areas; on street car parking; streetlights; traffic signs; culverts; and Tasman's Great Taste Trail.

This activity includes other transportation related services, for example, transport planning, road safety, and public transport services like the Total Mobility Scheme. These activities help to enable the movement of people and goods throughout our District and line up with the Regional Land Transport Plan's objectives.

### WHY WE DO IT

On behalf of our ratepayers, we provide a quality transportation network, enabling the safe and reliable movement of people and goods which improves the economic and social well-being of our District. The provision of transport services, roads, cycle paths, and footpaths are a public good, and as such it is a core function of local government.



**CONTRIBUTION TO COMMUNITY OUTCOMES**

| COMMUNITY OUTCOMES |  | HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME  | SIGNIFICANT NEGATIVE EFFECTS  |
|--------------------|--|--|---|
| Social Well-being  | Our communities are healthy, safe, inclusive and resilient   | <p>We provide a safe and resilient transport network, including active recreation, which has associated health benefits.</p> <p>A reliable transport network also allows for emergency services to safely get to people in need.</p> | <p>Road users could be involved in crashes, causing damage, injury or death.</p> <p>If not well planned, roads can separate communities as they become a barrier for residents on either side, particularly on busy arterial roads.</p>   |
| Social Well-being  | Our urban and rural environments are people-friendly, well planned, accessible and sustainably managed             | We aim to provide a transportation network that is safe to use and accessible to all. Our road network is the backbone of our District and connects people to places.  | <p>The movement of vehicles across the road surface and the running of vehicle engines creates noise.</p> <p>We install lighting in public areas and along roads to improve the safety and amenity of the area. At times this causes light to fall beyond the immediate area and onto neighbouring properties.</p> <p>Air quality can be adversely affected by dust from vehicles travelling on unsealed roads.</p> |
| Social Well-being  | Our communities have access to a range of social, cultural, educational and recreational facilities and activities | Our transport network enables the community to travel to their social, educational, and recreational activities.   |   |



| COMMUNITY OUTCOMES       |  | HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME   | SIGNIFICANT NEGATIVE EFFECTS  |
|--------------------------|--|---|---|
| Economic Well-being      | Our region is supported by an innovative and sustainable economy   | Our transport system is operated in an effective and efficient way to meet the needs of residents and businesses. The road network is critical to the movement of goods which enables our economy to thrive and grow.                           | Increasing traffic volumes may result in vehicle congestion on urban arterial links. Traffic congestion causes delays to the road users and has the potential to affect the cost of freight.  |
| Economic Well-being      | Our infrastructure is efficient, resilient, cost effective and meets current and future needs  | We weigh up the immediate and long term costs and benefits when making investment decisions for the transport network. This enables us to meet the needs of the current and future users and community.   | Tasman rate payers need to pay for transportation services.   |
| Environmental Well-being | Our unique natural environment is healthy, protected and sustainably managed   | We minimise the effect on our natural environment with routine road sweeping, sump cleaning, and litter removal.<br><br>We consider land use and sustainability in transport planning.  | Vehicles using the road network produce greenhouse gas emissions.<br><br>Discharges from motor vehicles could diminish water quality in nearby streams from surface water run-off from roads. |
|                          | Our Council provides leadership and fosters partnerships including with iwi, fosters a regional perspective, and encourages community engagement | We provide an integrated transport network with our partner, Waka Kotahi, as well as our neighbours, NCC and Marlborough District Council. Together we also prepare Regional Land Transport Plans that are aligned across the Top of the South. | The provision of roads and transportation services could affect historic and wahi tapu sites.   |





## KEY ISSUES

Key issues facing the Transportation activity are:

- **Traffic Capacity** – Population growth across the District has increased the number of vehicles travelling at peak periods, particularly on key routes in Richmond and Motueka. People are then taking alternative routes to avoid congested areas, raising the number of vehicles on roads not appropriate for that amount of traffic.
- **Active Transport (walking and cycling)** – Several towns within Tasman have grown to a point where they can cater to all activity within the town itself (work, school, shopping, recreation, etc.). Along with this growth in population has come an associated growth in the vehicles on roads. This is introducing congestion, noise, vehicle emissions, difficulty crossing roads and many other problems that have not previously been there. In addition, the extra traffic on the roads have made people feel less safe using the roads for walking and cycling. All of the towns are small enough and have good geographical features that makes walking and cycling viable forms of transport. Additionally, we are seeing increases in walking and cycling as forms of fitness and recreation, however, we are not seeing them increase as a mode of transport.
- **Road Maintenance** – The sealed road network in Tasman is generally in a good condition. Our sealed road maintenance philosophy is based around keeping the waterproof seal in good condition in order to maintain the pavement to a good standard. However, over the previous six years, we have sought savings in the renewals programme to help maintain rates affordability. We took this approach knowing it was a short-term tactic. Maintenance and renewal investment levels now need to increase again in order to maintain the good condition of our network for the longer term. We are also seeing more, and heavier, commercial vehicles placing strain on the road structure.

The impact of these influencing factors on the demand for transportation and the effect on the current scale and mode of delivery is discussed in detail in the Transportation Activity Management Plan.

**OUR LEVEL OF SERVICE – WHAT COUNCIL WILL DO AND HOW WE WILL MEASURE PERFORMANCE OVER THE 10 YEARS FROM 2021 - 2031**

| LEVELS OF SERVICE   | WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...  | CURRENT PERFORMANCE                               | FUTURE PERFORMANCE TARGETS                    |   |   |   |
|---|---|---|---|---|---|---|
|   |   |   | YEAR 1 TARGET                                 | YEAR 2 TARGET                                 | YEAR 3 TARGET                                 | BY YEAR 10                                    |
|   |   |   | 2021/2022                                     | 2022/2023                                     | 2023/2024                                     | 2024 – 2031                                   |
| Safety<br>Our transportation network is becoming safer for its users. | There is a downward trend in the number of serious and fatal injury crashes occurring on our road network.<br><br>Measured using the Waka Kotahi’s crash database.                  | 2019/2020: 10<br>2018/2019: 17<br>2017/2018: 30   | Decreasing                                    | Decreasing                                    | Decreasing                                    | Decreasing                                    |
| Safety<br>Our transportation network is becoming safer for its users. | The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number.<br><br>(Mandatory measure one) | 2019/2020: -7<br>2018/2019: -13<br>2017/2018: +17 | ≤ 0   | ≤ 0   | ≤ 0   | -1  |
| Safety<br>Our transportation network is becoming safer for its users. | Proportion of residents who perceive the road environment to be safe, for each mode.<br><br>As measured through the annual residents’ survey.                                       | <i>New performance measure</i>                    | Vehicles: 70%<br>Cycling: 70%<br>Walking: 70% | Vehicles: 70%<br>Cycling: 70%<br>Walking: 70% | Vehicles: 70%<br>Cycling: 70%<br>Walking: 70% | Vehicles: 70%<br>Cycling: 70%<br>Walking: 70% |



| LEVELS OF SERVICE  | WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...   | CURRENT PERFORMANCE  | FUTURE PERFORMANCE TARGETS           |                                      |                                      |                                      |
|--|--|--|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
|  |  |  | YEAR 1 TARGET                        | YEAR 2 TARGET                        | YEAR 3 TARGET                        | BY YEAR 10                           |
|  |  |  | 2021/2022                            | 2022/2023                            | 2023/2024                            | 2024 – 2031                          |
| <p>Accessibility</p> <p>Our transportation network enables the community to choose from various modes of travel.</p>           | <p>The annual growth in use of cycle routes exceeds specified levels.</p> <p>Measured using daily cycle counts on selected routes per capita.</p>      | <p>2019/2020: 3,756 cyclists per day, or 0.066 per 100 residents</p> | <p>Per capita measure increasing</p> | <p>Per capita measure increasing</p> | <p>Per capita measure increasing</p> | <p>Per capita measure increasing</p> |
| <p>Accessibility</p> <p>Our transportation network enables the community to choose from various modes of travel.</p>           | <p>The annual growth in use of passenger transport exceeds specified levels.</p> <p>Measured using annual boarding per capita (Nelson and Tasman).</p> | <p>2019/2020: 357,868 or 3.22 per capita</p>                         | <p>Per capita measure increasing</p> | <p>Per capita measure increasing</p> | <p>Per capita measure increasing</p> | <p>Per capita measure increasing</p> |
| <p>Value for money</p> <p>Our transportation network is maintained cost effectively and whole of life costs are optimised.</p> | <p>The percentage of sealed local road that is resurfaced each financial year.</p> <p>(Mandatory measure three)</p>                                    | <p>2019/2020: 4.5%</p>   | <p>6% - 8%</p>                       | <p>6% - 8%</p>                       | <p>6% - 8%</p>                       | <p>6% - 7%</p>                       |



| LEVELS OF SERVICE   | WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...  | CURRENT PERFORMANCE        | FUTURE PERFORMANCE TARGETS |               |                          |             |
|---|---|----------------------------|----------------------------|---------------|--------------------------|-------------|
|   |   |                            | YEAR 1 TARGET              | YEAR 2 TARGET | YEAR 3 TARGET            | BY YEAR 10  |
|   |   |                            | 2021/2022                  | 2022/2023     | 2023/2024                | 2024 – 2031 |
| <p>Amenity</p> <p>The travel quality and aesthetics of our transportation network is managed at a level appropriate to the importance of the road and satisfies the community's expectations.</p> | <p>The percentage of footpaths within the Tasman District are maintained to a condition of fair or better.</p> <p>As measured through the triennial footpath condition rating survey.</p> <p>(Mandatory measure four)</p> | <p>2019/2020<br/>95.8%</p> | <p>No survey planned</p>   | <p>≥95%</p>   | <p>No survey planned</p> | <p>≥95%</p> |



| LEVELS OF SERVICE  | WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...  | CURRENT PERFORMANCE | FUTURE PERFORMANCE TARGETS |                           |                           |                           |
|--|---|---------------------|----------------------------|---------------------------|---------------------------|---------------------------|
|  |   |                     | YEAR 1 TARGET              | YEAR 2 TARGET             | YEAR 3 TARGET             | BY YEAR 10                |
|  |   |                     | 2021/2022                  | 2022/2023                 | 2023/2024                 | 2024 – 2031               |
| Amenity<br><br>The travel quality and aesthetics of our transportation network is managed at a level appropriate to the importance of the road and satisfies the community’s expectations. | The proportion of travel undertaken on the sealed road network meets the specified comfort levels. Known as Smooth Travel Exposure (STE). Smooth travel exposure is defined as the proportion of vehicle kilometres travelled on roads with roughness below the following thresholds:<br><br>As reported through RAMM, based on traffic count and roughness survey data.<br><br>(Mandatory measure two) | 2019/2020:          | Arterial ≥ 95%             | Arterial ≥ 95%            | Arterial ≥ 95%            | Arterial ≥ 95%            |
|  |   | Arterial            | Primary Collector ≥ 95%    | Primary Collector ≥ 95%   | Primary Collector ≥ 95%   | Primary Collector ≥ 95%   |
|  |   | 89.5%               | Secondary Collector ≥ 95%  | Secondary Collector ≥ 95% | Secondary Collector ≥ 95% | Secondary Collector ≥ 95% |
|  |   | Primary Collector   | Access ≥ 90%               | Access ≥ 90%              | Access ≥ 90%              | Access ≥ 90%              |
|  |   | 95.1%               | Access (LV) ≥ 90%          | Access (LV) ≥ 90%         | Access (LV) ≥ 90%         | Access (LV) ≥ 90%         |
|  |   | Secondary Collector |                            |                           |                           |                           |
|  |   | 94.9%               |                            |                           |                           |                           |
| Access   |   |                     |                            |                           |                           |                           |
|  | 93.1%   |                     |                            |                           |                           |                           |
|  | Low Volume  |                     |                            |                           |                           |                           |
|  | 94.4%   |                     |                            |                           |                           |                           |



| LEVELS OF SERVICE   | WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...  | CURRENT PERFORMANCE  | FUTURE PERFORMANCE TARGETS |                   |                   |                   |
|---|---|----------------------|----------------------------|-------------------|-------------------|-------------------|
|   |   |                      | YEAR 1 TARGET              | YEAR 2 TARGET     | YEAR 3 TARGET     | BY YEAR 10        |
|   |   |                      | 2021/2022                  | 2022/2023         | 2023/2024         | 2024 – 2031       |
| <p>Amenity</p> <p>The travel quality and aesthetics of our transportation network is managed at a level appropriate to the importance of the road and satisfies the community's expectations.</p> | <p>Residents are satisfied with the Council's roads and footpaths in the District.</p> <p>As measured through the annual residents' survey.</p> | 2019/2020:           | Roads ≥ 70%                | Roads ≥ 70%       | Roads ≥ 70%       | Roads ≥ 70%       |
|   |   | Roads: 72%           | Footpaths ≥ 70%            | Footpaths ≥ 70%   | Footpaths ≥ 70%   | Footpaths ≥ 70%   |
|   |   | Footpaths: 74%       | Cycle paths ≥ 20%          | Cycle paths ≥ 20% | Cycle paths ≥ 25% | Cycle paths ≥ 50% |
|   |   | Cycle paths: No data |                            |                   |                   |                   |
|   |   | 2018/2019:           |                            |                   |                   |                   |
|   |   | Roads: 69%           |                            |                   |                   |                   |
| Footpaths: 68%  |   |                      |                            |                   |                   |                   |
| Cycle paths: No data  |   |                      |                            |                   |                   |                   |
| 2017/2018:  |   |                      |                            |                   |                   |                   |
| Roads: 67%  |   |                      |                            |                   |                   |                   |
| Footpaths: 68%  |   |                      |                            |                   |                   |                   |
| Cycle paths: No data  |   |                      |                            |                   |                   |                   |



| LEVELS OF SERVICE  | WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...   | CURRENT PERFORMANCE | FUTURE PERFORMANCE TARGETS |               |               |             |
|--|--|---------------------|----------------------------|---------------|---------------|-------------|
|  |  |                     | YEAR 1 TARGET              | YEAR 2 TARGET | YEAR 3 TARGET | BY YEAR 10  |
|  |  |                     | 2021/2022                  | 2022/2023     | 2023/2024     | 2024 – 2031 |
| Amenity<br><br>The travel quality and aesthetics of our transportation network is managed at a level appropriate to the importance of the road and satisfies the community's expectations. | Customer Service Requests relating to the transportation network and activities are completed on time.<br><br>As measured by the maintenance contractor's compliance with fault response time requirements (using RAMM Contractor), and the percentage of requests assigned to Council staff which are attended to within 5 days (using NCS).<br><br>One Network Road Classification Safety – PM7.<br><br>(Mandatory measure five) | 2019/2020: 86%      | ≥ 90%                      | ≥ 90%         | ≥ 90%         | ≥ 90%       |



## KEY CHANGES TO ACTIVITY OR SERVICE

The following are key changes for our transportation activity since the LTP 2018 - 2028.

| KEY CHANGE                                 | REASON FOR CHANGE  |
|--|--|
| Walking and cycling improvements           | Traffic volumes are growing on our roads whilst the proportion of trips where people are walking and cycling is dropping. People are concerned about their safety with this increased traffic and are asking for facilities that protect them.                               |
| Public transport improvements              | The volume of traffic on our roads is increasing faster than the population is growing. We will improve public transport services to cater for the growth in transportation demand.  |
| Sealed road resurfacing enhanced programme | Previously, we had reduced the amount of resurfacing of sealed roads we did every year to save money. The sealed road resurfacing enhanced programme will lift the amount of resurfacing so the network is not run down, but will also include roads that had been deferred. |

## KEY ASSUMPTIONS AND UNCERTAINTIES

We have made a number of assumptions in preparing the Activity Management Plan. The most significant assumptions and uncertainties for transportation are:

- We cannot predict when and where flood events will occur, or the damage that may be sustained during a flood. During large events there is a risk that roads can be washed out or blocked by slips and debris. We have annual budgets for clean-up and repair which should be sufficient for most events. We also have an emergency fund to cover the costs associated with more significant damage. We have assumed that if flood events occur, that there will be enough funds available to undertake repairs, whether it is through accessing budgeted funds, reprioritisation of other maintenance activities, or increasing borrowing.
- On 31 May 2021, Waka Kotahi indicated that they will not contribute full co-funding for our preferred programme of catch up of road resurfacing over the next 10 years. The Council decided to maintain its full share of funding, and to reduce the sealed road renewal programme to reflect the Waka Kotahi shortfall between 2021-2024. We will undertake at least 5% renewal to the sealed road network over the next three years. Between 2024-2031, we plan to continue with our full preferred programme, and assume Waka Kotahi will fund 51% of the full programme.
- Until now, self-drive vehicles have been the main form of transport throughout our District. In recent years, significant investment has been made in new technologies that have potential to change how vehicles operate, and the demands that they may place on the road network. In the future, it is likely that driverless automated vehicles will become commonplace. We assume that these changes in technology will not significantly impact the way the transportation network functions within the period of this 10-Year Plan.





## INVESTMENTS

- The following are key transportation investments for the next 10 years.

| NAME                                | DESCRIPTION   |
|-------------------------------------|---|
| Unsealed road metaling              | Routine metalling of unsealed roads to mitigate gravel loss   |
| Sealed road renewal                 | Renewal and strengthening of the underlying gravel layer and renewal of sealed surfaces                         |
| Slow urban streets and greenways    | Improving residential streets slow traffic speeds and improve safety and encourage walking and cycling          |
| Drainage renewals                   | Replacement of drainage assets including culverts, kerb and channel, surface water channels and sumps           |
| Richmond West intersection upgrades | Upgrading key intersections to cater for residential and commercial growth                                      |
| Richmond cycleway primary route     | Creation of safe cycle routes through Richmond  |
| Richmond bus terminal               | Creation of a new bus terminal in Richmond to cater for new bus routes  |
| New and renewed footpaths           | Providing new and upgraded footpaths across the District  |
| Tasman's Great Taste Trail          | Complete the trail between Tapawera and Motueka   |
| Lower Queen Street widening         | Improvements to Lower Queen Street to cater for traffic associated with commercial and residential developments |
| McShane Road upgrade                | Improvements to McShane Road to cater for traffic associated with commercial and residential developments       |
| Public Transport                    | Improvements to public transport services providing improved coverage and frequency                             |
| District-wide on road cycle lanes   | Providing new cycle lanes on key transport routes   |
| Transport network maintenance       | Maintaining the existing transport network and assets   |
| Town centre cycling improvements    | Providing facilities to support walking and cycling access and safety in town centres                           |
| Seaton Valley Road improvements     | Upgrading Seaton Valley road to enable for adjacent residential development                                     |

## FUNDING IMPACT STATEMENTS AND FUNDING SOURCES FOR THE TRANSPORTATION GROUP OF ACTIVITIES

|  | 2020/21<br>AP<br>\$000 | 2021/22<br>BUDGET<br>\$000 | 2022/23<br>BUDGET<br>\$000 | 2023/24<br>BUDGET<br>\$000 | 2024/25<br>BUDGET<br>\$000 | 2025/26<br>BUDGET<br>\$000 | 2026/27<br>BUDGET<br>\$000 | 2027/28<br>BUDGET<br>\$000 | 2028/29<br>BUDGET<br>\$000 | 2029/30<br>BUDGET<br>\$000 | 2030/31<br>BUDGET<br>\$000 |
|--|------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| <b>SOURCES OF OPERATING FUNDING</b>                                      |                        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| General rates, uniform annual general charges, rates penalties           | 12,100                 | 12,997                     | 13,980                     | 14,606                     | 15,746                     | 18,578                     | 20,078                     | 20,801                     | 21,364                     | 22,625                     | 23,418                     |
| Targeted rates   | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| Subsidies and grants for operating purposes                              | 3,803                  | 4,649                      | 4,994                      | 5,938                      | 5,794                      | 6,030                      | 6,352                      | 6,344                      | 6,620                      | 6,564                      | 6,634                      |
| Fees and charges   | 165                    | 138                        | 143                        | 146                        | 150                        | 154                        | 159                        | 164                        | 169                        | 174                        | 180                        |
| Internal charges and overheads recovered                                 | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 1,044                  | 942                        | 998                        | 1,085                      | 1,144                      | 1,165                      | 1,187                      | 1,211                      | 1,236                      | 1,263                      | 1,291                      |
| <b>Total operating funding</b>   | <b>17,112</b>          | <b>18,726</b>              | <b>20,115</b>              | <b>21,775</b>              | <b>22,834</b>              | <b>25,927</b>              | <b>27,776</b>              | <b>28,520</b>              | <b>29,389</b>              | <b>30,626</b>              | <b>31,523</b>              |
| <b>APPLICATIONS OF OPERATING FUNDING</b>                                 |                        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| Payments to staff and suppliers  | 6,899                  | 9,229                      | 9,955                      | 11,122                     | 11,067                     | 11,461                     | 11,917                     | 12,281                     | 12,903                     | 13,003                     | 13,250                     |
| Finance costs  | 1,387                  | 1,400                      | 1,323                      | 1,193                      | 1,246                      | 1,145                      | 953                        | 819                        | 760                        | 713                        | 637                        |
| Internal charges and overheads applied                                   | 2,517                  | 2,468                      | 2,656                      | 2,779                      | 2,919                      | 3,066                      | 3,289                      | 3,507                      | 3,790                      | 4,079                      | 4,339                      |
| Other operating funding applications                                     | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| <b>Total applications of operating funding</b>                           | <b>10,803</b>          | <b>13,097</b>              | <b>13,934</b>              | <b>15,094</b>              | <b>15,232</b>              | <b>15,672</b>              | <b>16,159</b>              | <b>16,607</b>              | <b>17,453</b>              | <b>17,795</b>              | <b>18,226</b>              |
| <b>Surplus/(deficit) of operating funding</b>                            | <b>6,309</b>           | <b>5,629</b>               | <b>6,181</b>               | <b>6,681</b>               | <b>7,602</b>               | <b>10,255</b>              | <b>11,617</b>              | <b>11,913</b>              | <b>11,936</b>              | <b>12,831</b>              | <b>13,297</b>              |
| <b>SOURCES OF CAPITAL FUNDING</b>  |                        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| Subsidies and grants for capital expenditure                             | 4,287                  | 4,326                      | 5,624                      | 4,473                      | 5,559                      | 5,969                      | 7,613                      | 10,943                     | 8,953                      | 11,309                     | 9,674                      |
| Development and financial contributions                                  | 477                    | 1,079                      | 1,079                      | 1,079                      | 1,024                      | 1,024                      | 1,024                      | 1,024                      | 296                        | 296                        | 1,011                      |
| Increase (decrease) in debt  | 58                     | 360                        | (371)                      | (360)                      | (1,737)                    | (3,687)                    | (3,017)                    | (921)                      | (2,118)                    | (2,193)                    | (2,883)                    |



|  | 2020/21<br>AP<br>\$000 | 2021/22<br>BUDGET<br>\$000 | 2022/23<br>BUDGET<br>\$000 | 2023/24<br>BUDGET<br>\$000 | 2024/25<br>BUDGET<br>\$000 | 2025/26<br>BUDGET<br>\$000 | 2026/27<br>BUDGET<br>\$000 | 2027/28<br>BUDGET<br>\$000 | 2028/29<br>BUDGET<br>\$000 | 2029/30<br>BUDGET<br>\$000 | 2030/31<br>BUDGET<br>\$000 |
|--|------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Gross proceeds from sale of assets           | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| Lump sum contributions                       | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| Other dedicated capital funding              | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| <b>Total sources of capital funding</b>      | <b>4,822</b>           | <b>5,765</b>               | <b>6,332</b>               | <b>5,192</b>               | <b>4,846</b>               | <b>3,306</b>               | <b>5,620</b>               | <b>11,046</b>              | <b>7,131</b>               | <b>9,412</b>               | <b>7,802</b>               |
| <b>APPLICATIONS OF CAPITAL FUNDING</b>       |                        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| Capital expenditure                          |                        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| - to meet additional demand                  | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| - to improve the level of service            | 3,346                  | 2,173                      | 611                        | 778                        | 743                        | 661                        | 678                        | 1,057                      | 2,940                      | 991                        | 1,018                      |
| - to replace existing assets                 | 6,777                  | 8,558                      | 12,331                     | 10,071                     | 10,776                     | 11,468                     | 14,700                     | 21,281                     | 15,077                     | 22,167                     | 21,759                     |
| Increase (decrease) in reserves              | 1,008                  | 663                        | (429)                      | 1,024                      | 929                        | 1,432                      | 1,859                      | 621                        | 1,050                      | (915)                      | (1,678)                    |
| Increase (decrease) in investments           | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| <b>Total applications of capital funding</b> | <b>11,131</b>          | <b>11,394</b>              | <b>12,513</b>              | <b>11,873</b>              | <b>12,448</b>              | <b>13,561</b>              | <b>17,237</b>              | <b>22,959</b>              | <b>19,067</b>              | <b>22,243</b>              | <b>21,099</b>              |
| <b>Surplus/(deficit) of capital funding</b>  | <b>(6,309)</b>         | <b>(5,629)</b>             | <b>(6,181)</b>             | <b>(6,681)</b>             | <b>(7,602)</b>             | <b>(10,255)</b>            | <b>(11,617)</b>            | <b>(11,913)</b>            | <b>(11,936)</b>            | <b>(12,831)</b>            | <b>(13,297)</b>            |
| <b>Funding balance</b>                       | <b>0</b>               | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   |

The FISs also reflect changes resulting from internal restructures and revenue reclassification. The Annual Plan 2020/2021 has not been restated to reflect these changes.



## COASTAL ASSETS

### OUR GOAL

We aim to ensure access to the sea can be enjoyed by all whilst managing the effects of the sea on property.

### WHAT WE DO

We own, provide, maintain, and improve coastal assets (wharves, jetties, boat ramps, associated buildings and foreshore protection walls)<sup>3</sup> on behalf of our ratepayers, as well as provide navigational aids to help safe use of coastal waters. As part of the coastal assets' activity, we protect our property and work with the community on private property.

Some of the assets managed by this group of activities include:

- Ownership and management of wharf at Riwaka, Motueka and Māpua.
- Jetties, boat ramps, navigational aids and moorings.
- Coastal protection works at Ruby Bay and Mārahau.
- Navigation aids associated with harbour management.

Port Tarakohe is not a part of this group of activities. It is included in the Council Enterprises group.

### WHY WE DO IT

Coastal assets have significant public value, enabling access to and use of coastal areas for commercial, cultural, and recreational purposes. Council ownership and management of coastal assets ensures they are retained for our community, enhances community well-being, and improves our District's coastal commercial and recreational assets.

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<sup>3</sup> The Council is not the owner of all coastal assets and some previously Council-owned structures have been transferred to other parties such as wharves/jetties at Collingwood, Milnethorpe and Mangarakau, which currently belong to Department of Conservation.



## CONTRIBUTION TO COMMUNITY OUTCOMES

| COMMUNITY OUTCOMES  |  | HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME  | SIGNIFICANT NEGATIVE EFFECTS  |
|---------------------|--|--|---|
| Social Well-being   | Our communities are healthy, safe, inclusive and resilient   | Coastal assets provide recreational opportunities to improve health and well-being. Coastal protection assets and services provide protection for residents and communities' resilience from storm events. |   |
| Social Well-being   | Our urban and rural environments are people-friendly, well planned, accessible and sustainably managed             | We ensure our built environments are functional, pleasant and safe. Coastal assets are operated without causing public health hazards and provide attractive recreational and commercial facilities.       | <p>The structures may appear visually out of character with the coastal environment.</p> <p>There may be increased traffic and noise from both commercial and recreational users of coastal facilities.</p> |
| Social Well-being   | Our communities have access to a range of social, cultural, educational and recreational facilities and activities | Coastal protection seeks to preserve reserves and other recreational activities from erosion of the ocean for the benefit of our whole community.  |   |
| Economic Well-being | Our region is supported by an innovative and sustainable economy   | Tourism is, and will continue to play, a large part in our District. Access to the water and to recreational/commercial activities will be key to its continued growth.                                    |   |
| Economic Well-being | Our infrastructure is efficient, resilient, cost effective and meets current and future needs                      | We provide commercial and recreational facilities to meet community needs at an affordable level, contributing to the growth and prosperity of our District. The facilities are also managed sustainably.  | The cost of providing the services will vary significantly depending on storm events.   |



| COMMUNITY OUTCOMES       |  | HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME   | SIGNIFICANT NEGATIVE EFFECTS   |
|--------------------------|--|---|--|
| Environmental Well-being | Our unique natural environment is healthy, protected and sustainably managed   | We manage coastal assets so their impact does not affect the health and cleanliness of our environment.   | There may be changes to the natural coastal process due to the placement of coastal assets. This may include loss of natural sand dunes. |
| Cultural Well-being      | Our communities have opportunities to celebrate and explore their heritage, identity and creativity  | Travelling by sea is a large part of the history of our District. Many of our remaining coastal assets have a connection with our history of moving people and goods between the sea and land. This activity preserves many of these historical structures. | Coastal assets may affect wahi tapu sites relating to local iwi.   |
|                          | Our Council provides leadership and fosters partnerships including with iwi, fosters a regional perspective, and encourages community engagement | We provide expertise and guidance to our communities to assist with problems along our coastal environment.   |  |



## KEY ISSUES

Key issues facing the Coastal Structures activity are:

- **Protection Structures** – There have been an increase in requests for new and upgraded structures which do not align with national guidance on coastal management. Demand on coastal protection works is influenced by urban development, coastal erosion, and potential sea level inundation associated with climate change. We are planning to maintain existing Council-owned coastal protection works and recreational assets, but will not provide any increased levels of protection to properties or new recreational assets. We are developing resource management policies to manage growth in coastal hazard areas to reduce the likelihood of further development that could be at risk from inundation from the sea, and the need for coastal protection work for these areas.
- **Boat Facilities** – Access to the water is difficult, in part due to the high tidal range (3.5 – 4.0 metres) and to the relatively shallow bays along the Tasman coast. There are over 67 boat access locations along our coast. Of these, 50% are unformed, and 50% are beach access only; 75% are suitable for dinghy and small boats only. There has been an increase in new boats, making the unformed ramps difficult to use for a growth portion of boats. Good launching facilities at Nelson, Motueka, and Kaiteriteri are busy and have car parking issues.
- **Public Safety** – Tasman has a number of non-Council owned marine structures which pose a safety risk to the general public, but are of high interest to parts of our community (as a vessel mooring, or aesthetic or photographic opportunities). There are a number of derelict structures around our Region that have been abandoned, most have not been identified. Legal advice is that Department of Conservation should have responsibility for the structures. Over the years, the timber structures have deteriorated to a point that they pose a navigational or safety hazard to the public.

The impact of these influencing factors on the coastal assets activity, and the effect on the current scale and mode of delivery, is discussed in detail in the coastal assets Activity Management Plan.



**OUR LEVEL OF SERVICE – WHAT COUNCIL WILL DO AND HOW WE WILL MEASURE PERFORMANCE OVER THE 10 YEARS FROM 2021 - 2031**

| LEVELS OF SERVICE   | WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...   | CURRENT PERFORMANCE | FUTURE PERFORMANCE TARGETS |               |               |             |
|---|--|---------------------|----------------------------|---------------|---------------|-------------|
|   |  |                     | YEAR 1 TARGET              | YEAR 2 TARGET | YEAR 3 TARGET | BY YEAR 10  |
|   |  |                     | 2021/2022                  | 2022/2023     | 2023/2024     | 2024 – 2031 |
| <b>Protection</b><br>Our communities are protected from coastal erosion | <p>Council owned coastal erosion structures are maintained to its original constructed standard.</p> <p>Council is developing a detailed inventory of coastal assets and conditions, as measured by routine annual inspection.</p> | 2019/2020:<br>100%  | 100%                       | 100%          | 100%          | 100%        |
| <b>Safety</b><br>Our structures are safe for the public to use          | <p>Council structures are maintained to a safe level to allow use by the general public.</p> <p>Percentage of structures deemed 'safe' are measured through a routine annual inspection.</p>                                       | 2019/2020:<br>100%  | 100%                       | 100%          | 100%          | 100%        |



## KEY CHANGES TO ACTIVITY OR SERVICE

The following are key changes for the coastal assets activity since the LTP 2018 - 2028.

| KEY CHANGE   | REASON FOR CHANGE  |
|--|--|
| Funding for New Tasman Bay Boat Access Facility has been advanced to 2023/2024, to provide a new boat ramp facility at Waterfront Park in Māpua. | Following public consultation, Council resolved to bring the funding to implement the outcome of the Tasman Bay Boat Access Study forward and construct a boat ramp in Māpua at the Waterfront Park. Council will still complete the Tasman Bay Boat Access Study to investigate whether additional facilities are required elsewhere. |
| Increased frequency of Torrent Bay sand replenishment from every three years to every two years.   | This increase is necessary to keep up with the actual rate of sand depletion.  |

## KEY ASSUMPTIONS AND UNCERTAINTIES

We have made a number of assumptions in preparing the Activity Management Plan. The most significant assumptions and uncertainties for coastal assets are:

- Extreme weather events and associated flood and erosion impacts can happen at any time and their occurrence may differ from what is expected. When large events happen more frequently, this may trigger higher expectations from our community to provide a higher level of service. This requires more funding than has been budgeted for.
- We cannot predict when and where extreme weather events will occur, or the damage that may be done. During large events, there is a risk that coastal assets could be damaged. The annual budgets allow for clean-up and repair which should be sufficient for most events. The Council also has an emergency fund to cover the costs associated with more significant damage. We have assumed that if damaging events occur, there will be enough funds available to undertake repairs, whether it is through accessing budgeted funds, reprioritisation of other maintenance activities, or increasing borrowing.

## INVESTMENTS

The following are key coastal asset investments for the next 10 years.

| NAME   | DESCRIPTION   |
|--|---|
| Mārahau sea wall                               | Extension of the rock revetment at Mārahau to limit erosion of the footpath           |
| Torrent Bay sand replenishment and planting    | Maintaining sand as a barrier to limit erosion in Torrent Bay                         |
| Maintenance of sea walls, wharves, and jetties | Maintaining existing coastal assets   |
| Boat access improvements                       | Improvements of one or more boat launching facilities to support access to Tasman Bay |
| Maintenance of navigational aids               | Maintaining existing navigation aids  |

## FUNDING IMPACT STATEMENTS AND FUNDING SOURCES FOR THE COASTAL ASSETS GROUP OF ACTIVITIES

|  | 2020/21<br>AP<br>\$000 | 2021/22<br>BUDGET<br>\$000 | 2022/23<br>BUDGET<br>\$000 | 2023/24<br>BUDGET<br>\$000 | 2024/25<br>BUDGET<br>\$000 | 2025/26<br>BUDGET<br>\$000 | 2026/27<br>BUDGET<br>\$000 | 2027/28<br>BUDGET<br>\$000 | 2028/29<br>BUDGET<br>\$000 | 2029/30<br>BUDGET<br>\$000 | 2030/31<br>BUDGET<br>\$000 |
|--|------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| <b>SOURCES OF OPERATING FUNDING</b>                                      |                        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| General rates, uniform annual general charges, rates penalties           | 339                    | 99                         | 40                         | 32                         | 270                        | 342                        | 354                        | 356                        | 386                        | 392                        | 366                        |
| Targeted rates   | 82                     | 81                         | 70                         | 68                         | 70                         | 73                         | 75                         | 77                         | 79                         | 70                         | 36                         |
| Subsidies and grants for operating purposes                              | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| Fees and charges   | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| Internal charges and overheads recovered                                 | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 15                     | 8                          | 9                          | 10                         | 10                         | 10                         | 10                         | 10                         | 10                         | 10                         | 10                         |
| <b>Total operating funding</b>   | <b>436</b>             | <b>188</b>                 | <b>119</b>                 | <b>110</b>                 | <b>350</b>                 | <b>425</b>                 | <b>439</b>                 | <b>443</b>                 | <b>475</b>                 | <b>472</b>                 | <b>412</b>                 |
| <b>APPLICATIONS OF OPERATING FUNDING</b>                                 |                        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| Payments to staff and suppliers  | 314                    | 128                        | 267                        | 154                        | 265                        | 164                        | 281                        | 137                        | 313                        | 148                        | 310                        |
| Finance costs  | 19                     | 17                         | 13                         | 10                         | 7                          | 9                          | 19                         | 14                         | 9                          | 5                          | 2                          |
| Internal charges and overheads applied                                   | 83                     | 53                         | 55                         | 59                         | 60                         | 68                         | 70                         | 73                         | 78                         | 86                         | 80                         |
| Other operating funding applications                                     | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| <b>Total applications of operating funding</b>                           | <b>416</b>             | <b>198</b>                 | <b>335</b>                 | <b>223</b>                 | <b>332</b>                 | <b>241</b>                 | <b>370</b>                 | <b>224</b>                 | <b>400</b>                 | <b>239</b>                 | <b>392</b>                 |
| <b>Surplus/(deficit) of operating funding</b>                            | <b>20</b>              | <b>(10)</b>                | <b>(216)</b>               | <b>(113)</b>               | <b>18</b>                  | <b>184</b>                 | <b>69</b>                  | <b>219</b>                 | <b>75</b>                  | <b>233</b>                 | <b>20</b>                  |
| <b>SOURCES OF CAPITAL FUNDING</b>  |                        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| Subsidies and grants for capital expenditure                             | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| Development and financial contributions                                  | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| Increase (decrease) in debt  | (85)                   | (76)                       | (80)                       | (97)                       | (41)                       | 498                        | (151)                      | (150)                      | (150)                      | (157)                      | (102)                      |



|  | 2020/21<br>AP<br>\$000 | 2021/22<br>BUDGET<br>\$000 | 2022/23<br>BUDGET<br>\$000 | 2023/24<br>BUDGET<br>\$000 | 2024/25<br>BUDGET<br>\$000 | 2025/26<br>BUDGET<br>\$000 | 2026/27<br>BUDGET<br>\$000 | 2027/28<br>BUDGET<br>\$000 | 2028/29<br>BUDGET<br>\$000 | 2029/30<br>BUDGET<br>\$000 | 2030/31<br>BUDGET<br>\$000 |
|--|------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Gross proceeds from sale of assets           | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| Lump sum contributions                       | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| Other dedicated capital funding              | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| <b>Total sources of capital funding</b>      | <b>(85)</b>            | <b>(76)</b>                | <b>(80)</b>                | <b>(97)</b>                | <b>(41)</b>                | <b>498</b>                 | <b>(151)</b>               | <b>(150)</b>               | <b>(150)</b>               | <b>(157)</b>               | <b>(102)</b>               |
| <b>APPLICATIONS OF CAPITAL FUNDING</b>       |                        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| Capital expenditure                          |                        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| - to meet additional demand                  | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| - to improve the level of service            | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| - to replace existing assets                 | 0                      | 55                         | 57                         | 653                        | 71                         | 631                        | 5                          | 5                          | 5                          | 5                          | 5                          |
| Increase (decrease) in reserves              | (65)                   | (141)                      | (353)                      | (863)                      | (94)                       | 51                         | (87)                       | 64                         | (80)                       | 71                         | (87)                       |
| Increase (decrease) in investments           | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| <b>Total applications of capital funding</b> | <b>(65)</b>            | <b>(86)</b>                | <b>(296)</b>               | <b>(210)</b>               | <b>(23)</b>                | <b>682</b>                 | <b>(82)</b>                | <b>69</b>                  | <b>(75)</b>                | <b>76</b>                  | <b>(82)</b>                |
| <b>Surplus/(deficit) of capital funding</b>  | <b>(20)</b>            | <b>10</b>                  | <b>216</b>                 | <b>113</b>                 | <b>(18)</b>                | <b>(184)</b>               | <b>(69)</b>                | <b>(219)</b>               | <b>(75)</b>                | <b>(233)</b>               | <b>(20)</b>                |
| <b>Funding balance</b>                       | <b>0</b>               | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   |

The FISs also reflect changes resulting from internal restructures and revenue reclassification. The Annual Plan 2020/2021 has not been restated to reflect these changes.



## WATER SUPPLY

### OUR GOAL

We aim to provide secure water supply systems that deliver safe water to our communities.

### WHAT WE DO

Water is a fundamental community requirement. We provide potable and non-potable water to about 13,600 properties (approximately 30,000 people) throughout Tasman District. About 55% of our population is serviced by one of our managed water supplies.

Our water supply services include:

- on demand metered supply – no restriction is placed on the supply and the urban property has a meter
- restricted – a set amount of water per day is made available to the property, this typically occurs on our rural schemes
- firefighting – our supply meets the firefighting water supplies (FW2) standard to our urban metered supply areas
- capture, storage, and release from Wai-iti Community Dam (provides supplementary flow to Wai-iti River), and
- an investment in conjunction with Waimea Irrigators Limited in the Waimea Community Dam (WCD).

We own and operate 20 water supplies and manage associated infrastructure. Water supplies include Brightwater, Collingwood, Dovedale, Eighty –Eight Valley, Hamama, Kaiteriteri/Riwaka, Māpua Rise, Māpua/Ruby Bay, Motueka, Murchison, Pōhara, Redwood Valley 1, Redwood Valley 2, Richmond, Tākaka, Tapawera, Upper Tākaka, Wai-iti Community Dam, 51% of WCD (under construction) and Wakefield.

In addition to water supply schemes, we manage the Wai-iti storage dam to provide supplementary water into the Lower Wai-iti River and aquifer. This enables sustained water extraction for land irrigation at times of low river flows. We are a majority shareholder in the WCD. The WCD is currently under construction and is anticipated to be completed in 2022. Once operational, the WCD will deliver a secure water source into the Waimea River (and related aquifers) and will ensure a sustainable source of water for our community's water supplies in the long term.

### WHY WE DO IT

We provide a safe, secure and reliable water supply. This is a fundamental community requirement and one of our core activities. We aim to provide ready access to high quality drinking water in our urban schemes, and fit for purpose water supply in our rural schemes to enhance the health and well-being of our residents.

A safe, secure and reliable water supply also facilitates economic growth and enables the protection of property through the provision of water at a pressure adequate for firefighting needs. Territorial authorities have numerous responsibilities relating to the supply of water. One key responsibility is the duty under the Health Act 1956 to improve, promote, and protect public health within our District.



**CONTRIBUTION TO COMMUNITY OUTCOMES**

| COMMUNITY OUTCOMES  |  | HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME  | SIGNIFICANT NEGATIVE EFFECTS   |
|---------------------|--|--|--|
| Social Well-being   | Our communities are healthy, safe, inclusive and resilient   | We aim to provide water supplies that are safe to drink and used for firefighting purposes that are delivered and supported by resilient infrastructure.   |  |
| Social Well-being   | Our urban and rural environments are people-friendly, well planned, accessible and sustainably managed             | We consider water supply to be an essential service to our communities, and our schemes are designed to be efficiently managed to meet current and future needs. Our networks also provide a means for firefighting consistent with the national firefighting standards. | Investing in increasing our water supply is costly.  |
| Social Well-being   | Our communities have access to a range of social, cultural, educational and recreational facilities and activities | Water is an essential service that underpins other facilities and activities, as well as contributing to recreational opportunities (e.g. active and passive).   |  |
| Economic Well-being | Our region is supported by an innovative and sustainable economy   | We provide water for our businesses and residents to function.<br>We aim to provide sustainable supplies that are built for the future.  | Service disruptions can have a negative effect on our District’s economy, as well as our community’s well-being. |



| COMMUNITY OUTCOMES       |   | HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME   | SIGNIFICANT NEGATIVE EFFECTS  |
|--------------------------|---|---|---|
| Economic Well-being      | Our infrastructure is efficient, resilient, cost effective and meets current and future needs | We aim to efficiently provide water to meet the demands of existing and future customers in a cost-effective way.   | <p>Large mains breaks can affect our ability to supply water to our communities.</p> <p>We must ensure our network remains functional and is capable of meeting future demands. This is costly and requires us to invest in upgrades and maintenance.</p>   |
| Environmental Well-being | Our unique natural environment is healthy, protected and sustainably managed                  | All of our water schemes take water from our environment (via surface or groundwater) and require a resource consent. We aim to manage water takes so the impact is not detrimental to our surrounding environment. | Water extraction, especially during times of drought, has an impact on our natural water body. Through compliance with our resource consent conditions, we ensure this impact is only minor. We, as environmental managers, work to minimise the use of water restrictions by managing our resources. |



| COMMUNITY OUTCOMES | HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME | SIGNIFICANT NEGATIVE EFFECTS |
|--------------------|---|------------------------------|
|--------------------|---|------------------------------|

Our Council provides leadership and fosters partnerships including with iwi, fosters a regional perspective, and encourages community engagement

We take opportunities to partner with NCC. For example, we supply water to residents near Saxton Field and the Whakatū Industrial Park.

Central Government has signalled that we must give effect to Te Mana o te Wai, the holistic well-being of the water.

Alongside NCC and Marlborough District Council, we have signed a memorandum of understanding with central government that requires participation and ongoing dialogue, and ensures a regional perspective is considered in the Three Waters reform programme.



## KEY ISSUES

Key issues facing the Water Supply activity are:

- **Legislation Changes Government Reform** – The Havelock North Water Contamination Event in 2016 prompted a government inquiry and a major review of Three Water Services delivery in New Zealand. New legislation has established Taumata Arowai as a new regulator. Another Bill, expected in 2021, will replace existing legislation to regulate drinking water. The Government has provided a \$9.78 million funding package to provide immediate post Covid-19 stimulus and improve and maintain three waters infrastructure in Tasman. The majority of this will pay for priority water projects.
- **Improving the Safety of the Water Supply and Meeting Drinking Water Standards New Zealand (DWSNZ)** – Irrespective of new legislation, we are required by the Health Act 1956 to provide safe water supplies that comply with the DWSNZ. Of our 15 water treatment plants that we operate, only two fully meet the requirements of the DWSNZ. The main reason for non-compliance is a lack of protozoa treatment. Complying with DWSNZ is not a new issue, but one that has increased in priority following water contamination issues at Havelock North and the subsequent inquiry. In order to comply with the DWSNZ, we need to upgrade our existing Water Treatment Plants (WTP) and build new WTPs. New and upgraded WTPs mean that the cost of providing water will increase in the future.
- **Rural Water Supplies** – We manage several rural water supplies. Only the users connected to those schemes contribute towards the cost of providing each supply. Ageing infrastructure, deferred maintenance, and high compliance costs mean that some schemes are becoming increasingly costly to run, making them less and less affordable for the existing users. We are working with respective Rural Water Supply Committees to raise the profile of rural water supply issues with the government to find alternative solutions. We plan to reconfigure and upgrade key water supply infrastructure on all rural schemes. We also plan to consider alternative ways of funding these schemes within the next three years.
- **Meeting growth needs** – Tasman's population is projected to grow significantly. We are strategically planning essential water infrastructure for new houses and business. Where there is space, we can supply some of this new demand through existing infrastructure. New areas of development such as Richmond West, Richmond South, and Motueka West require new infrastructure in order to deliver water to those areas, or in the case of Brightwater, Wakefield and Māpua, the existing infrastructure will require upgrading to provide for additional users.
- **Climate Change and Resilience** – We are responsible for providing resilient water supply infrastructure during 'business as usual' circumstances, and during disruptive events such as droughts and pipeline breaks. These events can limit our ability to provide adequate water supply to our communities. The investment required to ensure our water supply infrastructure can withstand the effects of climate change and natural hazard shock events will be significant. We plan to invest in water supply security, safety, and redundancy projects to ensure water supply services can continue operating in the future and is resilient to change. Sea level rise will mean some coastal infrastructure will become increasingly vulnerable to inundation. We need to consider and strategically plan if, how, and when to move critical water infrastructure inland. This is a major conversation to be had with our communities and will take some time.

The impact of these influencing factors on the Water Supply activity, and the effect on the current scale and mode of delivery, is discussed in detail in the Water Supply Activity Management Plan.





**OUR LEVEL OF SERVICE – WHAT COUNCIL WILL DO AND HOW WE WILL MEASURE PERFORMANCE OVER THE 10 YEARS FROM 2021 – 2031**

| LEVELS OF SERVICE                | WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...   | CURRENT PERFORMANCE                                     | FUTURE PERFORMANCE TARGETS        |                                   |                                   |                                   |
|----------------------------------|--|---|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
|                                  |  |   | YEAR 1 TARGET                     | YEAR 2 TARGET                     | YEAR 3 TARGET                     | BY YEAR 10                        |
|                                  |  |   | 2021/2022                         | 2022/2023                         | 2023/2024                         | 2024 – 2031                       |
| Our water takes are sustainable. | <p>Compliance with resource consent is achieved, as measured by the number of:</p> <ul style="list-style-type: none"> <li>• abatement notices</li> <li>• infringement notices</li> <li>• enforcement orders</li> <li>• convictions</li> </ul> <p>received in relation to those resource consents.</p> <p>All resource consents are held in DORIS</p> | In 2019/2020 compliance was achieved with all consents. | 0 notices, orders, or convictions | 0 notices, orders, or convictions | 0 notices, orders, or convictions | 0 notices, orders, or convictions |



| LEVELS OF SERVICE                | WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...   | CURRENT PERFORMANCE   | FUTURE PERFORMANCE TARGETS |                          |                          |                          |
|----------------------------------|--|---|----------------------------|--------------------------|--------------------------|--------------------------|
|                                  |  |   | YEAR 1 TARGET              | YEAR 2 TARGET            | YEAR 3 TARGET            | BY YEAR 10               |
|                                  |  |   | 2021/2022                  | 2022/2023                | 2023/2024                | 2024 – 2031              |
| Our water takes are sustainable. | <p>The volume and percentage of real water loss from the network is less than the target.</p> <p>Total real loss = total water provided - water metered - non revenue water. % = L real loss divided by average L usage per connection as yearly average.</p> <p>(Mandatory measure two)</p> | <p>2019/2020: weighted district average of 25% total network water loss</p> | ≤25%                       | ≤25%                     | ≤25%                     | ≤25%                     |
| Our water takes are sustainable. | <p>The average urban consumption of drinking water per day per resident is less than the target.</p> <p>(Mandatory measure five)</p>   | <p>2019/2020: Total urban average was 219L per person per day</p>           | <250L per person/day       | <250L per person/day     | <250L per person/day     | <250L per person/day     |
| Our water is safe to drink.      | <p>Minimise the number of temporary advisory notices issued to customers to boil water.</p>  | <p>2019/2020: one temporary boil notice in Upper Tākaka.</p>                | 0 temporary boil notices   | 0 temporary boil notices | 0 temporary boil notices | 0 temporary boil notices |



| LEVELS OF SERVICE           | WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...   | CURRENT PERFORMANCE   | FUTURE PERFORMANCE TARGETS |                 |                 |                 |
|-----------------------------|--|---|----------------------------|-----------------|-----------------|-----------------|
|                             |  |   | YEAR 1 TARGET              | YEAR 2 TARGET   | YEAR 3 TARGET   | BY YEAR 10      |
|                             |  |   | 2021/2022                  | 2022/2023       | 2023/2024       | 2024 – 2031     |
| Our water is safe to drink. | <p>We comply with Part 4 (bacterial compliance criteria) of the Drinking Water Standards, as determined by the Drinking Water Assessor.</p> <p>Measured by the number of schemes with:</p> <ul style="list-style-type: none"> <li>• plant compliance, and</li> <li>• zone compliance,</li> </ul> <p>as determined by the Ministry of Health Annual Drinking Water Survey.</p> <p>(Mandatory measure one)</p> | <p>2019/2020: 10/14 surveyed treatment plants were compliant.</p> <p>Refer to Table A</p> | 100% compliance            | 100% compliance | 100% compliance | 100% compliance |



| LEVELS OF SERVICE  | WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...   | CURRENT PERFORMANCE   | FUTURE PERFORMANCE TARGETS |                 |                 |                 |
|--|--|---|----------------------------|-----------------|-----------------|-----------------|
|  |  |   | YEAR 1 TARGET              | YEAR 2 TARGET   | YEAR 3 TARGET   | BY YEAR 10      |
|  |  |   | 2021/2022                  | 2022/2023       | 2023/2024       | 2024 – 2031     |
| Our water is safe to drink.  | We comply with Part 5 (protozoal compliance criteria) of the Drinking Water Standards. As measured by a number of schemes with compliant protozoa treatment determined by the Drinking Water Assessor.<br><br>(Mandatory measure one)  | 2019/2020: 12 zones failed compliance<br><br>Refer to Table A | 100% compliance            | 100% compliance | 100% compliance | 100% compliance |
| Our water supply systems provide fire protection to a level that is consistent with the national standard. | Annually test, and achieve at least 95% compliance with FW2 standards, for 15 randomly selected fire hydrants in Richmond, and not less than five randomly selected fire hydrants in each of the other urban supplies in our District. | 2019/2020: 87% in the random sampling were compliant          | 95% compliance             | 95% compliance  | 95% compliance  | 95% compliance  |



| LEVELS OF SERVICE   | WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...   | CURRENT PERFORMANCE  | FUTURE PERFORMANCE TARGETS |                   |                   |                   |
|---|--|--|----------------------------|-------------------|-------------------|-------------------|
|   |  |  | YEAR 1 TARGET              | YEAR 2 TARGET     | YEAR 3 TARGET     | BY YEAR 10        |
|   |  |  | 2021/2022                  | 2022/2023         | 2023/2024         | 2024 – 2031       |
| Our water supply systems are built, operated and maintained so that failures can be managed and responded to quickly. | Planned service interruptions do not exceed 8 hours as required under section 69S (3) of the Health Act 1956.<br><br>As measured through the maintenance contract reporting. | 2019/2020: there was one planned service interruption that exceeded 8 hours. | <8 hours                   | <8 hours          | <8 hours          | <8 hours          |
| Our water supply activities are managed at a level that the community is satisfied with.                              | Percentage of customers (who receive a service) are satisfied with the water supply.<br><br>Measured through the annual residents' survey.                                   | 2019/2020: 81% satisfaction  | ≥80% satisfaction          | ≥80% satisfaction | ≥80% satisfaction | ≥80% satisfaction |



| LEVELS OF SERVICE  | WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...   | CURRENT PERFORMANCE  | FUTURE PERFORMANCE TARGETS           |                                      |                                      |                                      |
|--|--|--|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
|  |  |  | YEAR 1 TARGET                        | YEAR 2 TARGET                        | YEAR 3 TARGET                        | BY YEAR 10                           |
|  |  |  | 2021/2022                            | 2022/2023                            | 2023/2024                            | 2024 – 2031                          |
| Our water supply activities are managed at a level that the community is satisfied with. | Complaints per 1,000 connections are less than the target - relates to clarity, taste, odour, pressure or flow, continuity of supply and Council response to these issues. | 2019/2020: 25 complaints per 1,000 connections                 | <20 complaints per 1,000 connections | <20 complaints per 1,000 connections | <20 complaints per 1,000 connections | <20 complaints per 1,000 connections |
|  | Justified complaint defined as a notification of a drop in LOS.<br><br>Measured Confirm database and NSC system.<br><br>(Mandatory measure four)                           |  |                                      |                                      |                                      |                                      |
| Our water supply activities are managed at a level that the community is satisfied with. | Median resolution times are within targets for urgent call-outs.   | 2019/2020: resolution times of 6.8 hours for urgent call-outs, | <24 hours                            | <24 hours                            | <24 hours                            | <24 hours                            |
|  | Median resolution times are within targets for non-urgent call-outs.<br><br>(Mandatory measure three)  | and 22.1 hours for non-urgent call-outs.                       | < 3 working days                     | < 3 working days                     | < 3 working days                     | < 3 working days                     |



| LEVELS OF SERVICE  | WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...  | CURRENT PERFORMANCE  | FUTURE PERFORMANCE TARGETS |               |               |             |
|--|---|--|----------------------------|---------------|---------------|-------------|
|  |   |  | YEAR 1 TARGET              | YEAR 2 TARGET | YEAR 3 TARGET | BY YEAR 10  |
|  |   |  | 2021/2022                  | 2022/2023     | 2023/2024     | 2024 – 2031 |
| Our water supply activities are managed at a level that the community is satisfied with. | Median response times are within targets for urgent call-outs.                                      | 2019/2020: response times of 1.6 hours for urgent call-outs, | <2 hours                   | <2 hours      | <2 hours      | <2 hours    |
|  | Median response times are within targets for non-urgent call-outs.<br><br>(Mandatory measure three) | and 3.4 hours for non-urgent call-outs.                      | <48 hours                  | <48 hours     | <48 hours     | <48 hours   |



**Table A: Bacterial and Protozoal Compliance at the Water Treatment Plants for 2019/2020**

| DISTRIBUTION ZONE              | BACTERIAL COMPLIANCE? | REASON FOR NON-COMPLIANCE (BACTERIAL) | PROTOZOAL COMPLIANCE | OVER ALL COMPLIANCE (DEPENDENT ON BACTERIAL AND PROTOZOA COMPLIANCE STATUS) |
|--------------------------------|-----------------------|---------------------------------------|----------------------|---|
| Collingwood                    | No <sup>1</sup>       | T                                     | No                   | Non-Compliant   |
| Dovedale <sup>2</sup>          | No <sup>1</sup>       | NTU, T, Chlor, TT                     | No                   | Non-Compliant   |
| Eighty- Eight Valley Rural     | No <sup>1</sup>       | NTU                                   | No                   | Non-Compliant   |
| Hope/Brightwater               | Yes <sup>1</sup>      | Complied                              | No                   | Non-Compliant   |
| Kaiteriteri                    | Yes <sup>2</sup>      | Complied                              | No                   | Non-Compliant   |
| Motueka                        | Yes <sup>2</sup>      | Complied                              | No                   | Non-Compliant   |
| Murchison                      | Yes <sup>1</sup>      | Complied                              | No                   | Non-Compliant   |
| Pōhara                         | No <sup>2</sup>       | T                                     | No                   | Non-Compliant   |
| Redwood Valley 1               | Yes <sup>1</sup>      | Complied                              | No                   | Non-Compliant   |
| Redwood Valley 2               | Yes <sup>1</sup>      | Complied                              | No                   | Non-Compliant   |
| Richmond                       | Yes <sup>3</sup>      | Complied                              | Yes                  | Complied  |
| Waimea Industrial <sup>5</sup> | N/A                   | Complied                              | Yes                  | Complied  |
| Māpua Ruby Bay                 | Yes <sup>1</sup>      | Complied                              | No                   | Non-Compliant   |





|            |                        |          |     |               |
|------------|------------------------|----------|-----|---------------|
| Wakefield  | Yes <sup>1</sup>       | Complied | No  | Non-Compliant |
| Tapawera   | Yes                    |          | Yes | Complied      |
| Māpua Rise | N/A - Not in operation |          |     |               |

<sup>1</sup> Physical water quality parameters: pH, turbidity and free available chlorine (FAC) DWSNZ 2005 (revised 2018)

<sup>2</sup> Bacterial Compliance assessed by Criterion 1 E.coli Plate Count DWSNZ 2005 (revised 2018)

<sup>3</sup> Bacterial Compliance assessed by Criterion 5 UV performance DWSNZ 2005 (revised 2018)

<sup>4</sup> Dovedale has a permanent boil water notice.

<sup>5</sup> Waimea Industrial is a zone only and has no separate plant. It is supplied from the Richmond treatment plant.

**KEY**

T – Transgression: E coli detected

TT – Transgression: FAC

NTU – High turbidity

Chlor – chlorine level (<0.2mg/l)

**KEY CHANGES TO ACTIVITY OR SERVICE**

The following are key changes for Water Supply activity since the LTP 2018 - 2028.

| KEY CHANGE  | REASON FOR CHANGE   |
|---|---|
| Council has accelerated and increased the programme to build new and upgrade existing water treatment plants. | The Government provided stimulus funding, and we propose to use a majority of this funding to pay for priority water projects.  |
| Waimea Community Dam (WCD) project cost increases and delays  | On 22 February 2021, Waimea Water Limited presented a revised cost estimate range of \$148 million to \$164 million to complete the WCD, with an expected cost of \$158.5 million (excluding provision for future hydro power). The estimate range takes account of the cost uncertainty associated with project risks, with key risks being the costs associated with any further Covid-19 related delays, and the scale of work required on unexposed geological features. A lot of work has been completed to date and the project is approximately 50% complete. This means Waimea Water has a good understanding of these risks based on what they have experienced so far and how they have responded to unexpected geological conditions. Going forward, most of the work is above ground level, reducing the likelihood of the geological risks further. The cost estimate is based on the best information currently available and makes an allowance for the cost uncertainty associated with the project. However, |



**KEY CHANGE**

**REASON FOR CHANGE**

|  |   |
|--|---|
|  | <p>there is still a risk that costs could be higher than the estimated range.</p> <p>Council has decided to include a budget in the 10-Year Plan 2021 – 2031 that will provide for a total project cost of \$158.8 million. This amount covers the expected cost of \$158.5 million and allows for necessary work to provide for a future hydro option. This reflects a total project budget increase of \$53.7 million since 2018.</p> |
| <p>Council is proposing a new approach to supplying water to Brightwater, Eighty-Eight Valley, and Wakefield</p> | <p>The Waimea Water Network strategy sets out a new approach to provide safe water that complies with the Drinking Water Standards within the government’s timeframes, meets demand during summer months, and accommodates expected growth. The staged programme provides a flexible and robust solution to meet demand.</p>  |
| <p>Decrease in professional service fees</p>   | <p>We have employed additional staff who will contribute to the management of the Water Supply activity. This will reduce the need for some external advice and support.</p>  |
| <p>Reactive maintenance work increases on our Rural Supplies</p>   | <p>General costs have increased and the new maintenance contract has clearly identified where the Urban Water Club was partially subsidising the rural water supply schemes.</p>  |
| <p>Increased cost of electricity</p>   | <p>A new electricity supply contract came into effect in March 2020. Due to market conditions at the time of the renegotiation, the new rates were significantly higher than previous ones.</p>   |



## KEY ASSUMPTIONS AND UNCERTAINTIES

We have made a number of assumptions in preparing the Activity Management Plan (AMP). The most significant assumptions and uncertainties for water supply are:

- As part of the Three Waters Review, the Government is considering reform of the current water service delivery models from Council-owned authorities, into larger scale multi-regional model providers. The nature of service delivery upon implementation of the reforms is uncertain. For the development of Tasman's 10-Year Plan, we have assumed no change in service delivery for the water supply activity.
- The government has completed the inquiry into the Havelock North drinking water contamination incident. One recommendation led to the Drinking Water Standards New Zealand (DWSNZ) being amended. Uncertainty remains about whether network residual disinfection will become mandatory in the future. We are planning to incorporate chlorination treatment in new and upgraded water treatment plant programme. We are also considering whether to apply residual disinfection using chlorine in our remaining water supplies. Once a decision is made it will be reflected in the LTP.
- Alongside NCC and Marlborough District Council, we have signed a memorandum of understanding (MOU) with the government that requires participation and ongoing dialogue, ensuring a regional perspective is included in Three Waters Reform. By signing the MOU, we received an initial \$9.78 million funding package to improve our three waters infrastructure. It is uncertain whether there will be further funding from the government under this initiative.
- We cannot be certain about the quantity of water that industrial users will require. We have assumed that future use by existing industries will be in line with historic use. We have not planned for additional wet industries. If consumption of water is significantly different than what we have assumed, it may have an impact on our budgets.
- Central Government is considering a Bill, which would give power to District Health Boards to make decisions and give direction about the fluoridation of local government drinking water supplies. It is unclear whether the Bill will be successful and what the actual implications for us would be. For this AMP, we have assumed that our drinking water supplies will not be fluoridated. If the Bill is passed, and the Nelson Marlborough District Health Board instructs us to fluoridate our supplies, it will create additional capital and operating costs.

## INVESTMENTS

The following are key water supply investments for the next 10 years.

| NAME                                     | DESCRIPTION  |
|--|--|
| Water source improvements                | Programme to improve water source capacity and security for networks including Richmond, Wai-iti Dam and Redwood Valley.   |
| Maintenance of water supply schemes      | Water supply network maintenance including reactive and routine activities   |
| Water safety improvements                | Upgrade existing treatment plants and develop new Motueka treatment plant to meet the DWSNZ.   |
| Eighty-Eight Valley network improvements | Extend urban water supply to Eighty-Eight Valley including new water mains and pump station upgrades   |
| Richmond South Reservoir and water main  | New water trunk main and storage reservoir to service residential development and improve resilience   |
| Water pipe capacity upgrades             | Projects to increase water supply capacity in Richmond and Brightwater   |
| Water pipe replacements                  | Replacement of aged pipes in poor condition  |
| Waimea water network capacity upgrades   | Programme of work to upgrade capacity of bores, treatment plant, trunk mains, reticulation, pump stations and reservoirs to support growth and improve resilience. |
| Māpua reservoir upgrade                  | New concrete reservoir at Pomona Road with additional capacity to support residential and business growth in Māpua.  |
| Motueka network improvements             | New pump station, reservoir and water mains to increase network capacity   |
| Motueka West water reticulation          | New water mains to enable development of Motueka West  |
| Demand, flow and leakage investigations  | Leak detection, flow monitoring and network modelling  |

## FUNDING IMPACT STATEMENTS AND FUNDING SOURCES FOR THE WATER SUPPLY GROUP OF ACTIVITIES

|  | 2020/21<br>AP<br>\$000 | 2021/22<br>BUDGET<br>\$000 | 2022/23<br>BUDGET<br>\$000 | 2023/24<br>BUDGET<br>\$000 | 2024/25<br>BUDGET<br>\$000 | 2025/26<br>BUDGET<br>\$000 | 2026/27<br>BUDGET<br>\$000 | 2027/28<br>BUDGET<br>\$000 | 2028/29<br>BUDGET<br>\$000 | 2029/30<br>BUDGET<br>\$000 | 2030/31<br>BUDGET<br>\$000 |
|--|------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| <b>SOURCES OF OPERATING FUNDING</b>                                      |                        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| General rates, uniform annual general charges, rates penalties           | 56                     | 157                        | 263                        | 329                        | 193                        | 150                        | 101                        | 0                          | 0                          | 0                          | 0                          |
| Targeted rates   | 11,463                 | 12,710                     | 14,047                     | 14,593                     | 15,942                     | 17,020                     | 18,034                     | 18,766                     | 19,689                     | 20,881                     | 21,965                     |
| Subsidies and grants for operating purposes                              | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| Fees and charges   | 1,134                  | 1,137                      | 1,129                      | 1,106                      | 1,095                      | 1,081                      | 1,062                      | 1,029                      | 996                        | 966                        | 931                        |
| Internal charges and overheads recovered                                 | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 673                    | 614                        | 641                        | 666                        | 667                        | 668                        | 670                        | 671                        | 673                        | 674                        | 676                        |
| <b>Total operating funding</b>   | <b>13,326</b>          | <b>14,618</b>              | <b>16,080</b>              | <b>16,694</b>              | <b>17,897</b>              | <b>18,919</b>              | <b>19,867</b>              | <b>20,466</b>              | <b>21,358</b>              | <b>22,521</b>              | <b>23,572</b>              |
| <b>APPLICATIONS OF OPERATING FUNDING</b>                                 |                        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| Payments to staff and suppliers  | 5,640                  | 6,181                      | 7,615                      | 7,936                      | 8,133                      | 8,395                      | 8,557                      | 8,697                      | 8,974                      | 9,228                      | 9,448                      |
| Finance costs  | 2,592                  | 2,582                      | 2,561                      | 2,383                      | 2,469                      | 2,486                      | 2,484                      | 2,354                      | 2,362                      | 2,349                      | 2,384                      |
| Internal charges and overheads applied                                   | 1,696                  | 2,003                      | 2,558                      | 2,698                      | 2,866                      | 3,002                      | 3,201                      | 3,412                      | 3,668                      | 4,005                      | 4,450                      |
| Other operating funding applications                                     | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| <b>Total applications of operating funding</b>                           | <b>9,928</b>           | <b>10,766</b>              | <b>12,734</b>              | <b>13,017</b>              | <b>13,468</b>              | <b>13,883</b>              | <b>14,242</b>              | <b>14,463</b>              | <b>15,004</b>              | <b>15,582</b>              | <b>16,282</b>              |
| <b>Surplus/(deficit) of operating funding</b>                            | <b>3,398</b>           | <b>3,852</b>               | <b>3,346</b>               | <b>3,677</b>               | <b>4,429</b>               | <b>5,036</b>               | <b>5,625</b>               | <b>6,003</b>               | <b>6,354</b>               | <b>6,939</b>               | <b>7,290</b>               |
| <b>SOURCES OF CAPITAL FUNDING</b>  |                        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| Subsidies and grants for capital expenditure                             | 0                      | 7,890                      | 3,500                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| Development and financial contributions                                  | 1,866                  | 2,440                      | 2,440                      | 2,440                      | 2,184                      | 2,184                      | 2,184                      | 2,184                      | 2,143                      | 2,143                      | 2,350                      |
| Increase (decrease) in debt  | 8,935                  | 18,053                     | (2,556)                    | (2,202)                    | 748                        | 1,108                      | 1,865                      | 3,182                      | (4,483)                    | 1,936                      | 248                        |



|  | 2020/21<br>AP<br>\$000 | 2021/22<br>BUDGET<br>\$000 | 2022/23<br>BUDGET<br>\$000 | 2023/24<br>BUDGET<br>\$000 | 2024/25<br>BUDGET<br>\$000 | 2025/26<br>BUDGET<br>\$000 | 2026/27<br>BUDGET<br>\$000 | 2027/28<br>BUDGET<br>\$000 | 2028/29<br>BUDGET<br>\$000 | 2029/30<br>BUDGET<br>\$000 | 2030/31<br>BUDGET<br>\$000 |
|--|------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Gross proceeds from sale of assets           | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| Lump sum contributions                       | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| Other dedicated capital funding              | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| <b>Total sources of capital funding</b>      | <b>10,801</b>          | <b>28,383</b>              | <b>3,384</b>               | <b>238</b>                 | <b>2,932</b>               | <b>3,292</b>               | <b>4,049</b>               | <b>5,366</b>               | <b>(2,340)</b>             | <b>4,079</b>               | <b>2,598</b>               |
| <b>APPLICATIONS OF CAPITAL FUNDING</b>       |                        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| Capital expenditure                          |                        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| - to meet additional demand                  | 1,459                  | 2,818                      | 26                         | 27                         | 28                         | 28                         | 29                         | 511                        | 3,242                      | 3,463                      | 33                         |
| - to improve the level of service            | 7,352                  | 30,701                     | 5,920                      | 59                         | 50                         | 51                         | 23                         | 24                         | 25                         | 25                         | 26                         |
| - to replace existing assets                 | 7,927                  | 4,480                      | 3,137                      | 4,863                      | 6,995                      | 8,700                      | 11,731                     | 12,300                     | 4,068                      | 11,283                     | 11,893                     |
| Increase (decrease) in reserves              | (4,481)                | (5,764)                    | (2,702)                    | (1,034)                    | 288                        | (451)                      | (2,109)                    | (1,466)                    | (3,321)                    | (3,753)                    | (2,064)                    |
| Increase (decrease) in investments           | 1,942                  | 0                          | 349                        | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| <b>Total applications of capital funding</b> | <b>14,199</b>          | <b>32,235</b>              | <b>6,730</b>               | <b>3,915</b>               | <b>7,361</b>               | <b>8,328</b>               | <b>9,674</b>               | <b>11,369</b>              | <b>4,014</b>               | <b>11,018</b>              | <b>9,888</b>               |
| <b>Surplus/(deficit) of capital funding</b>  | <b>(3,398)</b>         | <b>(3,852)</b>             | <b>(3,346)</b>             | <b>(3,677)</b>             | <b>(4,429)</b>             | <b>(5,036)</b>             | <b>(5,625)</b>             | <b>(6,003)</b>             | <b>(6,354)</b>             | <b>(6,939)</b>             | <b>(7,290)</b>             |
| <b>Funding balance</b>                       | <b>0</b>               | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   |

The FISs also reflect changes resulting from internal restructures and revenue reclassification. The Annual Plan 2020/2021 has not been restated to reflect these changes.



## WASTEWATER

### OUR GOAL

We aim to provide cost-effective and sustainable wastewater systems to protect public health whilst meeting environmental standards.

### WHAT WE DO

We provide and manage wastewater collection, treatment, and disposal facilities for our residents connected to our eight wastewater networks. There are approximately 14,000 connections to our wastewater networks. These networks convey wastewater to eight treatment plants, seven of which we own and manage. The largest treatment plant (Bell Island) is owned by both Nelson and Tasman Councils on a 50:50 share basis and is managed by the Nelson Regional Sewerage Business Unit.

### WHY WE DO IT

The provision of wastewater services is a core public health function of local government. We promote and protect public health, community well-being, and our environment within our District by planning, implementing, and maintaining our wastewater services. This is one of our key duties as required by the Health Act 1956.

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**CONTRIBUTION TO COMMUNITY OUTCOMES**

| COMMUNITY OUTCOMES |  | HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME   | SIGNIFICANT NEGATIVE EFFECTS  |
|--------------------|--|---|---|
| Social Well-being  | Our communities are healthy, safe, inclusive and resilient   | <p>We aim to provide a service that is safe for our communities. We provide quality treatment, minimise overflows, and ensure our infrastructure is resilient.</p> <p>We ensure wastewater is collected and treated without causing a hazard to public health or unpleasant odours.</p> | Blockages and overflows can cause distress and are a public health risk.  |
| Social Well-being  | Our urban and rural environments are people-friendly, well planned, accessible and sustainably managed             |   | <p>Odour can cause distress to local residents. It can impact on how our residents live their lives, having to keep windows closed, and restrict outdoor activities.</p> <p>Non-compliant treated wastewater discharge may result in the degradation of water quality, preventing the use of groundwater, nearby rivers and beaches for 'all year-round bathing', and preventing the collection of shellfish.</p> |
| Social Well-being  | Our communities have access to a range of social, cultural, educational and recreational facilities and activities | Wastewater is an essential service that supports other facilities and activities.   |   |





| COMMUNITY OUTCOMES       |   | HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME  | SIGNIFICANT NEGATIVE EFFECTS  |
|--------------------------|---|--|---|
| Economic Well-being      | Our region is supported by an innovative and sustainable economy                              | Wastewater supports our regional economy by providing and managing wastewater collection, treatment, and disposal. Sustainability is a key driver of our future planning.  |   |
| Economic Well-being      | Our infrastructure is efficient, resilient, cost effective and meets current and future needs | We consider the wastewater activity to be an essential service that should be provided to properties within the urban areas and be sufficient in size and capacity.  | <p>Businesses, schools, and hospitals may need to close if they are unable to provide sanitary facilities or use the wastewater system because of disruption in the form of repairs, blockages, faults, or overflows.</p> <p>Odour can cause distress to local businesses as it may put off customers.</p> <p>Non-compliant wastewater treatment discharge may result in the degradation of water quality, preventing the use of groundwater or surface water for irrigation and preventing the harvest of shellfish from marine farms.</p> <p>Improving the level of service delivered can result in an increase in rates.</p> |
| Environmental Well-being | Our unique natural environment is healthy, protected and sustainably managed                  | All wastewater in Council-owned schemes is treated and discharged into our environment. We sustainably manage this, so the impact of the discharges does not adversely affect the health and cleanliness of the receiving environment. | Untreated wastewater overflowing to our environment could result in health risks, contamination of waterways and/or beach closures, and could threaten natural habitats.  |



| COMMUNITY OUTCOMES  |  | HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME  | SIGNIFICANT NEGATIVE EFFECTS  |
|---------------------|--|--|---|
| Cultural Well-being | Our communities have opportunities to celebrate and explore their heritage, identity and creativity  | <p>We have a regional partnership with NCC for the management of the Nelson Regional Sewerage Business Unit.</p> <p>We collaborate with iwi and site neighbours to identify issues and concerns; and when the opportunity arises, engage with communities for facility open days and plantings days.</p> | <p>Operation, maintenance and construction of wastewater assets can potentially affect historic and culturally sensitive sites.</p> <p>The location of some wastewater assets, particularly through estuarine environments, is culturally offensive to iwi.</p> |
|                     | Our Council provides leadership and fosters partnerships including with iwi, fosters a regional perspective, and encourages community engagement |  |   |



## KEY ISSUES

Key issues facing the Wastewater activity are:

- **Ground and rainwater in the network** – Ground and rainwater entering the network is a significant issue in some settlements. Heavy or prolonged rainfall could overload our pipe networks and wastewater treatment plants. In turn, this restricts residential and commercial growth because it uses up available network capacity. We then pump, convey and treat the extra water, resulting in additional and unnecessary costs. Excessive levels may also dilute wastewater and lower the performance of our treatment plants.
- **Providing infrastructure to allow for new homes and businesses** – We expect that over the next 10 years, our population will grow by approximately 7,700 residents. To accommodate this growth, new houses will need to be built, most of which will need to be supplied with wastewater. We can supply some of this new demand where there is capacity in our existing infrastructure. Where capacity is not available, or if the infrastructure does not exist, we will need to provide upgraded or new infrastructure to enable growth.
- **Climate Change and Resilience** – The investment required to ensure our infrastructure can withstand the effects of climate change and natural hazard shock events will be significant. We plan to invest in emergency storage and standby power generation to ensure wastewater services can continue operating in the future and are adaptable to change. Sea level rise means some coastal wastewater infrastructure will become increasingly vulnerable to inundation e.g. the Motueka Wastewater Treatment Plant.
- **Three Waters Reform and new regulation** – The government’s comprehensive reform of the Three Waters sector has prompted new legislation, with more expected in 2021. Some of the government’s post Covid-19 stimulus funding to improve and maintain three waters infrastructure will go towards emergency storage and energy improvements for the wastewater activity. In September 2020, the National Policy Statement for Freshwater Management and the National Environmental Standards for Freshwater came into force, providing direction and requirements for councils to improve freshwater management under the Resource Management Act 1991. Treated wastewater is frequently discharged into, or nearby to, coastal and river environments. In the future, it is likely that we will have to improve treatment processes and the tolerance for wastewater overflows will decrease. The Climate Change Response Act 2002 provides a framework to develop and implement clear and stable climate change policies. We need to optimise our wastewater treatment plants’ performance as wastewater treatment processes are our largest source of greenhouse gas (GHG) emissions and biggest consumer of electricity.

The impact of these influencing factors on the Wastewater activity, and the effect on the current scale and mode of delivery, is discussed in detail in the Wastewater Activity Management Plan.



**OUR LEVEL OF SERVICE – WHAT COUNCIL WILL DO AND HOW WE WILL MEASURE PERFORMANCE OVER THE 10 YEARS FROM 2021 – 2031**

| LEVELS OF SERVICE  | WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...   | CURRENT PERFORMANCE                                | FUTURE PERFORMANCE TARGETS        |                                   |                                   |                                   |
|--|--|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
|  |  |  | YEAR 1 TARGET                     | YEAR 2 TARGET                     | YEAR 3 TARGET                     | BY YEAR 10                        |
|  |  |  | 2021/2022                         | 2022/2023                         | 2023/2024                         | 2024 – 2031                       |
| Our wastewater systems do not adversely affect the receiving environment | <p>Compliance with resource consents for discharges from wastewater systems is achieved. As measured by the number of:</p> <ul style="list-style-type: none"> <li>• abatement notices</li> <li>• infringement notices</li> <li>• enforcement orders</li> <li>• convictions</li> </ul> <p>received in relation to those resource consents.</p> <p>(Mandatory measure two)</p> | 2019/2020: no notices, orders, or convictions.     | 0 notices, orders, or convictions | 0 notices, orders, or convictions | 0 notices, orders, or convictions | 0 notices, orders, or convictions |
| Our wastewater systems do not adversely affect the receiving environment | <p>The number of times temporary wastewater overflow signs are erected at waterways is minimised.</p> <p>Measured by the number of contract job request.</p>   | 2019/2020: 4 temporary overflow signs at waterways | <5                                | <5                                | <5                                | <5                                |



| LEVELS OF SERVICE   | WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...   | CURRENT PERFORMANCE   | FUTURE PERFORMANCE TARGETS |               |               |             |
|---|--|---|----------------------------|---------------|---------------|-------------|
|   |  |   | YEAR 1 TARGET              | YEAR 2 TARGET | YEAR 3 TARGET | BY YEAR 10  |
|   |  |   | 2021/2022                  | 2022/2023     | 2023/2024     | 2024 – 2031 |
| Our wastewater systems reliably take out wastewater with a minimum of odours, overflows or disturbance to the public. | <p>The total number of complaints received about:</p> <ul style="list-style-type: none"> <li>• odour</li> <li>• system faults</li> <li>• system blockages</li> </ul> <p>Council’s response to issues within its systems is less than the target. (Expressed per 1,000 connections.)</p> <p>Measured by the number of contract job request.</p> <p>(Mandatory measure four)</p> | 2019/2020:<br>1.5 complaints received (per 1,000 connections) | <35                        | <35           | <35           | <35         |

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| LEVELS OF SERVICE   | WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...  | CURRENT PERFORMANCE   | FUTURE PERFORMANCE TARGETS |               |               |             |
|---|---|---|----------------------------|---------------|---------------|-------------|
|   |   |   | YEAR 1 TARGET              | YEAR 2 TARGET | YEAR 3 TARGET | BY YEAR 10  |
|   |   |   | 2021/2022                  | 2022/2023     | 2023/2024     | 2024 – 2031 |
| Our wastewater systems are built, operated and maintained so that failures can be managed and responded to quickly. | <p>The number of dry weather overflows from the Council wastewater system (expressed per 1,000 connections to wastewater system) is less than the target.</p> <p>Dry weather is defined as a continuous 96 hours with less than 1mm of rain within each 24-hour period.</p> <p>Measured by the number of contract job request.</p> <p>(Mandatory measure one)</p> | 2019/2020:<br>2.2 dry weather overflows (per 1,000 connections) | <5                         | <5            | <5            | <5          |
| Our wastewater activities are managed at a level that satisfies the community.                                      | <p>Percentage of customers (who receive a service) are satisfied with the wastewater service.</p> <p>Measured through the annual residents' survey.</p>   | 2019/2020:<br>92%   | >80%                       | >80%          | >80%          | >80%        |



| LEVELS OF SERVICE  | WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...  | CURRENT PERFORMANCE                            | FUTURE PERFORMANCE TARGETS      |                                 |                                 |                                 |
|--|---|--|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
|  |   |  | YEAR 1 TARGET                   | YEAR 2 TARGET                   | YEAR 3 TARGET                   | BY YEAR 10                      |
|  |   |  | 2021/2022                       | 2022/2023                       | 2023/2024                       | 2024 – 2031                     |
| Our wastewater systems are built, operated and maintained so that failures can be managed and responded to quickly | Overflows resulting from a blockage or other fault in the wastewater system are attended and resolved within the target timeframes.                     | 2019/2020:<br>Median Attendance time – 59 mins | Median Attendance time ≤60 mins | Median Attendance time ≤60 mins | Median Attendance time ≤60 mins | Median Attendance time ≤60 mins |
|  | Attendance time - from the time Council receives notification to the time that service personnel reach the site.  | Median Resolution time – 4 hours               | Median Resolution time ≤9 hrs   | Median Resolution time ≤9 hrs   | Median Resolution time ≤9 hrs   | Median Resolution time ≤9 hrs   |
|  | Resolution time - from the time Council receives notification to the time that the service personnel confirm resolution of the blockage or other fault. |  |                                 |                                 |                                 |                                 |
|  | Measured by attendance and resolution times recorded in Confirm.<br><br>(Mandatory measure three)   |  |                                 |                                 |                                 |                                 |

## KEY CHANGES TO ACTIVITY OR SERVICE

The following are key changes for the Wastewater activity since the LTP 2018 - 2028.

| KEY CHANGE   | REASON FOR CHANGE  |
|--|--|
| Wakefield to Three Brothers Corner trunk main capacity upgrades        | We have a plan for a staged programme of upgrades to accommodate growth in Brightwater and Wakefield. The upgrades include a new bypass pump station with storage in Brightwater, and gravity and pressure main capacity increases.              |
| Sludge removal costs are higher  | Sludge removal costs have increased as we now have a better understanding of sludge production and management requirements under stricter environmental standards.   |
| Increased investment in Nelson Regional Sewerage Business Unit (NRSBU) | NRSBU have planned a more extensive capital work programme over the next 10 years. This increased investment will provide more capacity for us to discharge wastewater from the Māpua, Richmond, Hope, Brightwater and Wakefield areas to NRSBU. |

## KEY ASSUMPTIONS AND UNCERTAINTIES

We have made a number of assumptions in preparing the Activity Management Plan. The most significant assumptions and uncertainties for wastewater infrastructure are:

- As part of the Three Waters Review, the Government is considering reform of the current water service delivery models from council-owned authorities into larger scale multi regional model providers. How services may be delivered is uncertain. For the development of this LTP, we have assumed no change in service delivery for our wastewater activity.
- Currently, there are high levels of groundwater and stormwater entering the Motueka wastewater network. This takes up capacity that could otherwise be used by new connections. We have assumed that this issue will be addressed by continued pipe renewals and targeted repairs. We expect that this work will reduce demand enough to be able to provide capacity to support the level of growth predicted for Motueka (excluding Motueka West). It is possible for the works to achieve insufficient capacity, or for the rate of population growth to exceed the rate of repair in this area. If this is the case, we will need to programme additional pipe upgrades to enable growth, or potentially limit the rate and location of new connections.
- We prepared the wastewater programme based on the information that was available at the time. Over the next few years, we plan to do long term strategic studies and modelling for Motueka and the Waimea networks. This will provide new and up-to-date information that is likely to identify alternative options for the way the schemes could operate, and the associated budget requirements.
- We are uncertain about NRSBU costs because operational costs are based on the use of individual subscribers and this can be variable. Our budgets are based on historic usage. If usage is different to what was assumed, costs may increase or decrease.
- We increased trade waste charges in July 2018 and 2019. There is some uncertainty about associated income in the future. We assume trade waste volumes and income will be in line with historic usage and budgets.



- We are responsible for maintaining new low-pressure household pumping units (where a complete catchment is set up with pressure pumps). Maintenance largely depends on where and how fast growth occurs. We have assumed maintenance budgets based on growth occurring as per our growth model. If the rate and location of growth changes, we may need to amend maintenance budgets.

## INVESTMENTS

The following are key wastewater investments for the next 10 years.

| NAME                                       | DESCRIPTION  |
|--|--|
| Maintenance of wastewater schemes          | Maintenance of wastewater networks including reactive and routine activities                             |
| Māpua wastewater network capacity upgrades | New pump stations and trunk mains to increase network capacity   |
| Mechanical and electrical renewals         | Renewal of mechanical and electrical equipment at pump stations and wastewater treatment plants          |
| New Motueka wastewater treatment plant     | Designation, resource consent, and land purchase for new inland wastewater treatment plant in Motueka    |
| Motueka growth wastewater infrastructure   | New pressure mains from Motueka West to wastewater treatment plant to enable development of Motueka West |
| Māpua pump station capacity upgrades       | Upgrade of Ruby Bay and Aranui-Higgs pump stations with additional storage capacity                      |
| Wastewater pipe replacements               | District wide wastewater reticulation renewals   |
| Sludge removal & reuse                     | District wide wastewater treatment plant sludge removal and disposal                                     |
| Richmond South wastewater infrastructure   | New pump station and pressure main to enable development in Richmond South                               |
| Emergency storage and generators           | New mobile generators and emergency storage tanks for pump stations to improve network resilience        |
| Waimea wastewater network improvements     | New bypass pump station in Brightwater to enable growth and improve network resilience                   |
| Golden Bay network upgrades                | Upgraded pump stations and pressures mains at Pōhara and Tarakohe  |
| NRSBU                                      | NRSBU investment in new and upgraded infrastructure to support growth and renew of existing assets       |

## FUNDING IMPACT STATEMENTS AND FUNDING SOURCES FOR THE WASTEWATER GROUP OF ACTIVITIES

|  | 2020/21<br>AP<br>\$000 | 2021/22<br>BUDGET<br>\$000 | 2022/23<br>BUDGET<br>\$000 | 2023/24<br>BUDGET<br>\$000 | 2024/25<br>BUDGET<br>\$000 | 2025/26<br>BUDGET<br>\$000 | 2026/27<br>BUDGET<br>\$000 | 2027/28<br>BUDGET<br>\$000 | 2028/29<br>BUDGET<br>\$000 | 2029/30<br>BUDGET<br>\$000 | 2030/31<br>BUDGET<br>\$000 |
|--|------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| <b>SOURCES OF OPERATING FUNDING</b>                                      |                        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| General rates, uniform annual general charges, rates penalties           | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| Targeted rates   | 10,103                 | 10,916                     | 10,443                     | 11,498                     | 13,008                     | 14,608                     | 15,617                     | 15,839                     | 16,645                     | 17,918                     | 18,910                     |
| Subsidies and grants for operating purposes                              | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| Fees and charges   | 236                    | 242                        | 250                        | 256                        | 263                        | 270                        | 278                        | 287                        | 295                        | 305                        | 315                        |
| Internal charges and overheads recovered                                 | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 3,316                  | 3,560                      | 3,704                      | 3,905                      | 4,274                      | 4,879                      | 4,814                      | 4,972                      | 5,336                      | 5,731                      | 6,020                      |
| <b>Total operating funding</b>   | <b>13,655</b>          | <b>14,718</b>              | <b>14,397</b>              | <b>15,659</b>              | <b>17,545</b>              | <b>19,757</b>              | <b>20,709</b>              | <b>21,098</b>              | <b>22,276</b>              | <b>23,954</b>              | <b>25,245</b>              |
| <b>APPLICATIONS OF OPERATING FUNDING</b>                                 |                        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| Payments to staff and suppliers  | 6,278                  | 7,896                      | 8,405                      | 8,865                      | 9,472                      | 10,658                     | 11,081                     | 11,380                     | 12,335                     | 13,153                     | 14,113                     |
| Finance costs  | 1,419                  | 1,011                      | 904                        | 774                        | 850                        | 881                        | 733                        | 628                        | 554                        | 666                        | 648                        |
| Internal charges and overheads applied                                   | 1,241                  | 1,271                      | 1,363                      | 1,392                      | 1,675                      | 1,880                      | 1,922                      | 1,979                      | 2,094                      | 2,263                      | 2,455                      |
| Other operating funding applications                                     | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| <b>Total applications of operating funding</b>                           | <b>8,938</b>           | <b>10,178</b>              | <b>10,672</b>              | <b>11,031</b>              | <b>11,997</b>              | <b>13,419</b>              | <b>13,736</b>              | <b>13,987</b>              | <b>14,983</b>              | <b>16,082</b>              | <b>17,216</b>              |
| <b>Surplus/(deficit) of operating funding</b>                            | <b>4,717</b>           | <b>4,540</b>               | <b>3,725</b>               | <b>4,628</b>               | <b>5,548</b>               | <b>6,338</b>               | <b>6,973</b>               | <b>7,111</b>               | <b>7,293</b>               | <b>7,872</b>               | <b>8,029</b>               |
| <b>SOURCES OF CAPITAL FUNDING</b>  |                        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| Subsidies and grants for capital expenditure                             | 0                      | 2,090                      | 1,500                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| Development and financial contributions                                  | 2,554                  | 2,645                      | 2,645                      | 2,645                      | 2,370                      | 2,370                      | 2,370                      | 2,370                      | 2,327                      | 2,327                      | 2,843                      |
| Increase (decrease) in debt  | 831                    | (538)                      | (871)                      | 1,780                      | 2,947                      | (2,282)                    | 241                        | (832)                      | 6,695                      | 1,297                      | 1,206                      |



|  | 2020/21<br>AP<br>\$000 | 2021/22<br>BUDGET<br>\$000 | 2022/23<br>BUDGET<br>\$000 | 2023/24<br>BUDGET<br>\$000 | 2024/25<br>BUDGET<br>\$000 | 2025/26<br>BUDGET<br>\$000 | 2026/27<br>BUDGET<br>\$000 | 2027/28<br>BUDGET<br>\$000 | 2028/29<br>BUDGET<br>\$000 | 2029/30<br>BUDGET<br>\$000 | 2030/31<br>BUDGET<br>\$000 |
|--|------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Gross proceeds from sale of assets           | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| Lump sum contributions                       | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| Other dedicated capital funding              | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| <b>Total sources of capital funding</b>      | <b>3,385</b>           | <b>4,197</b>               | <b>3,274</b>               | <b>4,425</b>               | <b>5,317</b>               | <b>88</b>                  | <b>2,611</b>               | <b>1,538</b>               | <b>9,022</b>               | <b>3,624</b>               | <b>4,049</b>               |
| <b>APPLICATIONS OF CAPITAL FUNDING</b>       |                        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| Capital expenditure                          |                        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| - to meet additional demand                  | 3,010                  | 1,325                      | 274                        | 4,270                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| - to improve the level of service            | 4,228                  | 3,415                      | 3,103                      | 7,824                      | 11,418                     | 1,615                      | 4,115                      | 4,309                      | 3,812                      | 8,459                      | 12,375                     |
| - to replace existing assets                 | 2,106                  | 3,948                      | 3,172                      | 2,004                      | 1,383                      | 2,703                      | 3,898                      | 3,437                      | 11,473                     | 2,830                      | 2,612                      |
| Increase (decrease) in reserves              | (1,242)                | 49                         | 450                        | (5,045)                    | (1,936)                    | 2,108                      | 1,571                      | 903                        | 1,030                      | 207                        | (2,909)                    |
| Increase (decrease) in investments           | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| <b>Total applications of capital funding</b> | <b>8,102</b>           | <b>8,737</b>               | <b>6,999</b>               | <b>9,053</b>               | <b>10,865</b>              | <b>6,426</b>               | <b>9,584</b>               | <b>8,649</b>               | <b>16,315</b>              | <b>11,496</b>              | <b>12,078</b>              |
| <b>Surplus/(deficit) of capital funding</b>  | <b>(4,717)</b>         | <b>(4,540)</b>             | <b>(3,725)</b>             | <b>(4,628)</b>             | <b>(5,548)</b>             | <b>(6,338)</b>             | <b>(6,973)</b>             | <b>(7,111)</b>             | <b>(7,293)</b>             | <b>(7,872)</b>             | <b>(8,029)</b>             |
| <b>Funding balance</b>                       | <b>0</b>               | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   |

The FISs also reflect changes resulting from internal restructures and revenue reclassification. The Annual Plan 2020/2021 has not been restated to reflect these changes.



## STORMWATER

### OUR GOAL

We aim to provide cost-effective and sustainable stormwater systems that reduce flooding and meet environmental standards.

### WHAT WE DO

The stormwater activity provides stormwater collection, reticulation, and discharge systems in our District on behalf of our residents. The assets used to provide this service include drainage channels, piped reticulation networks, tide gates, detention or ponding areas, inlet structures, discharge structures and quality treatment assets.

Generally, stormwater sumps and road culvert assets are owned and managed by the Waka Kotahi/New Zealand Transport Agency (NZTA) or our transportation activity, depending on its location (state highways or local roads). This stormwater activity does not include land drains or river systems, the specific streams and river sections that we maintain are listed in our rivers activity. Nor does it cover stormwater systems in private ownership.

We manage the stormwater activities primarily within 15 Urban Drainage Areas (UDAs). Systems that are outside the UDA's include small communities with stormwater systems that primarily collect and convey road run-off to suitable discharge points.

### WHY WE DO IT

We minimise the risk of flooding of buildings and property from surface runoff and small urban streams. We also aim to minimise flooding in urban areas so that people can continue to move throughout our communities during times of wet weather. We enable safe and efficient conveyance and disposal of stormwater from the UDAs, improving the economic and social well-being of our District by protecting people and property from surface flooding.

We have a duty of care to ensure that the effects of any runoff from our own properties is remedied or mitigated. Because most of our properties are in the form of impermeable roads in developed areas, this means that some level of reticulation system is constructed. This becomes the logical network for dealing with private stormwater disposal.



**CONTRIBUTION TO COMMUNITY OUTCOMES**

| COMMUNITY OUTCOMES |  | HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME  | POTENTIAL NEGATIVE EFFECT  |
|--------------------|--|--|--|
| Social Well-being  | Our communities are healthy, safe, inclusive and resilient   | <p>Our priority is to safely transfer stormwater runoff through urban areas to minimise harm and property damage.</p> <p>We also capture and convey rainfall away from urban areas and roads so that people can move safely throughout our communities during wet weather.</p>         |  |
| Social Well-being  | Our urban and rural environments are people-friendly, well planned, accessible and sustainably managed             | <p>We convey stormwater without putting the public at risk or damaging property, businesses or essential infrastructure.</p> <p>We ensure urban areas remain accessible by capturing and conveying rainfall.</p>   | Localised flooding may occur in residential areas due to under capacity of the stormwater system and affect the well-being of our communities. |
| Social Well-being  | Our communities have access to a range of social, cultural, educational and recreational facilities and activities | <p>We take opportunities to provide multi-purpose facilities where possible.</p> <p>Our urban streams convey stormwater towards the coast and are ecological corridors that are enjoyed by our communities from the cycle paths and recreational spaces that often run along them.</p> | Discharges have an adverse effect on receiving environments and how these can be used by our communities.                                      |



| COMMUNITY OUTCOMES       |   | HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME   | POTENTIAL NEGATIVE EFFECT   |
|--------------------------|---|---|---|
| Economic Well-being      | Our region is supported by an innovative and sustainable economy                                    | Our stormwater system supports the economy by enabling homes and businesses to exist with a low exposure to flood risk and damage.<br><br>We consider climate change in our designs to provide adequately for the future. |   |
| Economic Well-being      | Our infrastructure is efficient, resilient, cost effective and meets current and future needs       | We provide properties within urban drainage areas with appropriate stormwater system size and capacity.<br><br>Our stormwater infrastructure provides best value for ratepayers' money.                                   | Localised flooding can have significant immediate and ongoing economic consequences on local businesses.  |
| Environmental Well-being | Our unique natural environment is healthy, protected and sustainably managed                        | We manage stormwater so that the impact of any discharges does not adversely affect the health and quality of the natural environment.  | Increased stormwater flows can cause erosion of streambanks and loss of aquatic habitat.<br><br>The discharge of untreated stormwater has an adverse effect on our environment. |
| Cultural Well-being      | Our communities have opportunities to celebrate and explore their heritage, identity and creativity | We protect natural waterways that have high cultural, recreational, and biodiversity interests.   | Ecological and cultural values have been reduced where natural waterways have been modified or piped to allow for urban development.  |



| COMMUNITY OUTCOMES | HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME | POTENTIAL NEGATIVE EFFECT |
|--------------------|---|---------------------------|
|--------------------|---|---------------------------|

Our Council provides leadership and fosters partnerships including with iwi, fosters a regional perspective, and encourages community engagement

We engage with tangata whenua iwi and community groups to enhance our natural waterways and education programmes.  
  
New developments take a water sensitive design approach to integrate multiple values such as ecology, amenity and cultural aspects.

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## KEY ISSUES

Key issues facing the Stormwater activity are:

- **Three Waters Reform** – As part of the Three Waters Review, the Government is considering reform of the current water service delivery models from Council-owned authorities, into larger scale multi-regional model providers. The nature of service delivery upon implementation of the reforms is uncertain. For the development of this LTP, we have assumed no change in service delivery for the stormwater activity.
- **Rapid development of new homes** – existing networks have insufficient capacity for increased stormwater runoff, restricting future residential and commercial development. We may purchase land for stormwater works for planned projects, primarily in Richmond West and South, and Motueka West, so as not to hinder future growth. Costs of growth projects are met by developers through development contributions. Developers are also required to adopt water sensitive designs to prevent adverse stormwater discharges on our environment.
- **Coping with intense rain events** – some of our stormwater pipes and drains are too small to cope with intense rainfall, and do not meet current design standards. It is not affordable to improve all our existing pipes and drains to current design standards in the short-medium term. We will focus on protecting and improving secondary flow paths, enabling stormwater to flow overland, safely and without damage to properties once the primary network's capacity is met.
- **Effects of climate change** – stormwater management will likely be further strained by an increase in rainfall; rising sea levels, increased wave height and storm surges; and floods, landslides, and droughts. These effects will make it difficult for stormwater network capacity, and managing overland flow paths to avoid flooding of properties. We use innovative flood modelling to consider when to progress any solutions to address the effects of climate change.

The impact of these influencing factors on the Stormwater activity, and the effect on the current scale and mode of delivery, is discussed in detail in the Stormwater Activity Management Plan.



**OUR LEVEL OF SERVICE – WHAT COUNCIL WILL DO AND HOW IT WILL MEASURE PERFORMANCE OVER THE 10 YEARS FROM 2021 – 2031**

| LEVELS OF SERVICE  | WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...  | CURRENT PERFORMANCE   | FUTURE PERFORMANCE TARGETS  |   |   |   |
|--|---|---|---|---|---|---|
|  |   |   | YEAR 1 TARGET   | YEAR 2 TARGET   | YEAR 3 TARGET   | BY YEAR 10  |
|  |   |   | 2021/2022   | 2022/2023   | 2023/2024   | 2024-2030   |
| <p><b>Stormwater flooding</b></p> <p>We have measures in place to respond to and reduce flood damage from stormwater to property and risk to the community</p> | <p>The number of flooding events that occur in the District.</p> <p>For each flooding event, the number of habitable floors affected (expressed per 1,000 properties connected to the territorial authority’s stormwater system).</p> <p>Habitable floor refers to a floor of a building (including a basement) but does not include ancillary structures such as stand-alone garden sheds or garages.</p> <p>A flooding event means an overflow of stormwater from Council’s stormwater system that enters a habitable floor.</p> <p>(Mandatory measure one)</p> | <p>There was one habitable floor flooded in 2019/2020, which translated to 0.07 floors flooded per 1,000 properties</p> | <p>&lt;1 habitable floor flooded per event (expressed per 1,000 properties connected)</p> | <p>&lt;1 habitable floor flooded per event (expressed per 1,000 properties connected)</p> | <p>&lt;1 habitable floor flooded per event (expressed per 1,000 properties connected)</p> | <p>&lt;1 habitable floor flooded per event (expressed per 1,000 properties connected)</p> |



| LEVELS OF SERVICE   | WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...  | CURRENT PERFORMANCE   | FUTURE PERFORMANCE TARGETS |               |               |            |
|---|---|---|----------------------------|---------------|---------------|------------|
|   |   |   | YEAR 1 TARGET              | YEAR 2 TARGET | YEAR 3 TARGET | BY YEAR 10 |
|   |   |   | 2021/2022                  | 2022/2023     | 2023/2024     | 2024-2030  |
| <b>Stormwater flooding</b><br>We have measures in place to respond to and reduce flood damage from stormwater to property and risk to the community | The median response time to attend a flooding event, measured from the time that council receives notification to the time that service personnel reach the site.<br>(Mandatory measure three)<br>As recorded through the Operations and Maintenance contract (July 2017) | 2019/2020:<br>35 minutes<br>(There was one customer request for flooding during the year, which was attended in 35 minutes) | <2 hours                   | <2 hours      | <2 hours      | <2 hours   |

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| LEVELS OF SERVICE   | WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...   | CURRENT PERFORMANCE                                  | FUTURE PERFORMANCE TARGETS |               |               |            |
|---|--|--|----------------------------|---------------|---------------|------------|
|   |  |  | YEAR 1 TARGET              | YEAR 2 TARGET | YEAR 3 TARGET | BY YEAR 10 |
|   |  |  | 2021/2022                  | 2022/2023     | 2023/2024     | 2024-2030  |
| <b>Stormwater flooding</b><br>We have measures in place to respond to and reduce flood damage from stormwater to property and risk to the community | The number of complaints received by Council about the performance* of its stormwater system, expressed per 1,000 properties connected to the stormwater system. <ul style="list-style-type: none"> <li>As measured through confirm and NCS database</li> <li>Justified complaints about the performance of Council's stormwater system</li> <li>Based on 14,139 connections</li> </ul> <p><i>*the performance of the stormwater network is defined as the ability of the stormwater system to convey stormwater (not amenity or aesthetic functions)</i></p> (Mandatory measure four) | 2019/2020:<br>4.4<br>complaints per 1,000 properties | <20                        | <20           | <20           | <20        |



| LEVELS OF SERVICE  | WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...  | CURRENT PERFORMANCE   | FUTURE PERFORMANCE TARGETS    |                               |                               |                               |
|--|---|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
|  |   |   | YEAR 1 TARGET                 | YEAR 2 TARGET                 | YEAR 3 TARGET                 | BY YEAR 10                    |
|  |   |   | 2021/2022                     | 2022/2023                     | 2023/2024                     | 2024-2030                     |
| <b>Customer satisfaction</b><br><br>Our stormwater activities are managed at a level which satisfies the community | Percentage of customers (who receive the service) that are satisfied with the stormwater service.<br><br>As measured through the annual residents' survey   | 2019/2020: 84%  | 80%                           | 80%                           | 80%                           | 80%                           |
| <b>The environment</b><br><br>Our stormwater systems do not adversely affect or degrade the receiving environment. | a) Compliance with Council's resource consents for discharge from its stormwater system, measured by the number of:<br>b) infringement notices (target 0)<br>c) enforcement orders (target 0)<br>d) successful prosecutions (target 0)<br><br>(Mandatory measure two) | We are waiting for the global consent application to be granted | a) ≤1<br>b) 0<br>c) 0<br>d) 0 | a) ≤1<br>b) 0<br>c) 0<br>d) 0 | a) ≤1<br>b) 0<br>c) 0<br>d) 0 | a) ≤1<br>b) 0<br>c) 0<br>d) 0 |



## KEY CHANGES TO ACTIVITY OR SERVICE

There are no significant changes to how the stormwater activity will be managed since the LTP 2018 – 2028.

## KEY ASSUMPTIONS AND UNCERTAINTIES

We have made a number of assumptions in preparing the Activity Management Plan (AMP). The most significant assumptions and uncertainties for stormwater infrastructure are:

- We plan to continue developing and analysing stormwater models to better understand the flood risks in our District. Stormwater models simulate potential real-life flood scenarios. The model predicts what could happen, not what will happen. We consider model predications together with local knowledge and monitoring data to select most likely scenarios. If the conclusions are incorrect, we may need to reconsider the scope of projects included in our stormwater programme.
- Extreme rainfall events and associated flood impacts can happen at any time and their occurrence may differ from what we expect. We develop stormwater management strategies, plans, and designs for events that have a 1% - 10% probability of occurring in any one year. When large events happen more frequently, this may trigger higher expectations from our community to provide a higher level of service. This requires more funding than has been budgeted for in this AMP.
- We have prepared the stormwater programme based on information that was available at the time. Over the next few years, we plan to do more modelling and prepare catchment management plans. This will provide new and up-to-date information. This information will likely highlight the need for additional intervention, and we may need to plan further improvements and additional funding.
- Timing of growth-related projects is based on current assumptions within our growth model. However, the actual rate of development in our District will determine when projects and upgrades are required to meet demand. The uncertainty around timing of growth-related project is a risk especially for development in Richmond West and South, Motueka West, and Māpua.



## INVESTMENTS

The following are key stormwater investments for the next 10 years.

| NAME   | DESCRIPTION  |
|--|--|
| Stormwater treatment improvements                      | Implementation of measures to improve the quality of stormwater at strategic locations across the District |
| Secondary flow path improvements                       | District wide improvements to overland flow paths to reduce flood risks                                    |
| Richmond Central stormwater improvements               | Diversion of stormwater from Washbourn Gardens to Poutama Stream to reduce flood risks in Richmond Central |
| Motueka west stormwater improvements                   | New stormwater system to convey flows from the development area west of High Street towards Woodland drain |
| Māpua stormwater improvements                          | Combination of detention wetlands and network upgrades to convey flows from future development areas       |
| Tākaka stormwater improvements                         | Network upgrades and water quality improvements  |
| Richmond south stormwater improvements                 | Stream widening and other network upgrades to convey flows from future development areas                   |
| Richmond stormwater land acquisition                   | Land acquisition required for stream widening projects   |
| Richmond west stormwater improvements                  | Stream widening and other network upgrades to convey flows from future development areas                   |
| Stormwater modelling and catchment management planning | Development of stormwater flood models and catchment management plans for urban drainage areas             |
| Maintenance of stormwater assets                       | General maintenance on stormwater assets   |

## FUNDING IMPACT STATEMENT AND FUNDING SOURCES FOR THE STORMWATER GROUP OF ACTIVITIES

|  | 2020/21<br>AP<br>\$000 | 2021/22<br>BUDGET<br>\$000 | 2022/23<br>BUDGET<br>\$000 | 2023/24<br>BUDGET<br>\$000 | 2024/25<br>BUDGET<br>\$000 | 2025/26<br>BUDGET<br>\$000 | 2026/27<br>BUDGET<br>\$000 | 2027/28<br>BUDGET<br>\$000 | 2028/29<br>BUDGET<br>\$000 | 2029/30<br>BUDGET<br>\$000 | 2030/31<br>BUDGET<br>\$000 |
|--|------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| <b>SOURCES OF OPERATING FUNDING</b>                                      |                        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| General rates, uniform annual general charges, rates penalties           | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| Targeted rates   | 5,050                  | 4,882                      | 4,700                      | 4,687                      | 5,201                      | 5,548                      | 5,910                      | 5,909                      | 6,093                      | 6,723                      | 6,900                      |
| Subsidies and grants for operating purposes                              | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| Fees and charges   | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| Internal charges and overheads recovered                                 | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 185                    | 141                        | 152                        | 163                        | 164                        | 165                        | 167                        | 169                        | 171                        | 173                        | 175                        |
| <b>Total operating funding</b>   | <b>5,235</b>           | <b>5,023</b>               | <b>4,852</b>               | <b>4,850</b>               | <b>5,365</b>               | <b>5,713</b>               | <b>6,077</b>               | <b>6,078</b>               | <b>6,264</b>               | <b>6,896</b>               | <b>7,075</b>               |
| <b>APPLICATIONS OF OPERATING FUNDING</b>                                 |                        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| Payments to staff and suppliers  | 1,504                  | 1,580                      | 1,620                      | 1,644                      | 1,681                      | 1,749                      | 1,743                      | 1,704                      | 1,777                      | 1,814                      | 1,887                      |
| Finance costs  | 869                    | 889                        | 841                        | 744                        | 760                        | 712                        | 647                        | 604                        | 606                        | 682                        | 680                        |
| Internal charges and overheads applied                                   | 715                    | 404                        | 470                        | 690                        | 990                        | 1,096                      | 1,247                      | 1,271                      | 1,303                      | 1,408                      | 1,405                      |
| Other operating funding applications                                     | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| <b>Total applications of operating funding</b>                           | <b>3,088</b>           | <b>2,873</b>               | <b>2,931</b>               | <b>3,078</b>               | <b>3,431</b>               | <b>3,557</b>               | <b>3,637</b>               | <b>3,579</b>               | <b>3,686</b>               | <b>3,904</b>               | <b>3,972</b>               |
| <b>Surplus/(deficit) of operating funding</b>                            | <b>2,147</b>           | <b>2,150</b>               | <b>1,921</b>               | <b>1,772</b>               | <b>1,934</b>               | <b>2,156</b>               | <b>2,440</b>               | <b>2,499</b>               | <b>2,578</b>               | <b>2,992</b>               | <b>3,103</b>               |
| <b>SOURCES OF CAPITAL FUNDING</b>  |                        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| Subsidies and grants for capital expenditure                             | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| Development and financial contributions                                  | 1,677                  | 1,965                      | 1,965                      | 1,965                      | 1,902                      | 1,902                      | 1,902                      | 1,902                      | 1,823                      | 1,823                      | 1,937                      |
| Increase (decrease) in debt  | 123                    | 249                        | (709)                      | (1,052)                    | (1,323)                    | (424)                      | (182)                      | 599                        | 2,779                      | 932                        | (2,111)                    |



|  | 2020/21<br>AP<br>\$000 | 2021/22<br>BUDGET<br>\$000 | 2022/23<br>BUDGET<br>\$000 | 2023/24<br>BUDGET<br>\$000 | 2024/25<br>BUDGET<br>\$000 | 2025/26<br>BUDGET<br>\$000 | 2026/27<br>BUDGET<br>\$000 | 2027/28<br>BUDGET<br>\$000 | 2028/29<br>BUDGET<br>\$000 | 2029/30<br>BUDGET<br>\$000 | 2030/31<br>BUDGET<br>\$000 |
|--|------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Gross proceeds from sale of assets           | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| Lump sum contributions                       | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| Other dedicated capital funding              | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| <b>Total sources of capital funding</b>      | <b>1,800</b>           | <b>2,214</b>               | <b>1,256</b>               | <b>913</b>                 | <b>579</b>                 | <b>1,478</b>               | <b>1,720</b>               | <b>2,501</b>               | <b>4,602</b>               | <b>2,755</b>               | <b>(174)</b>               |
| <b>APPLICATIONS OF CAPITAL FUNDING</b>       |                        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| Capital expenditure                          |                        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| - to meet additional demand                  | 179                    | 31                         | 32                         | 32                         | 33                         | 34                         | 35                         | 36                         | 37                         | 38                         | 39                         |
| - to improve the level of service            | 199                    | 153                        | 211                        | 216                        | 222                        | 228                        | 526                        | 925                        | 4,249                      | 4,734                      | 1,290                      |
| - to replace existing assets                 | 1,927                  | 4,875                      | 9,928                      | 10,858                     | 4,689                      | 7,981                      | 4,515                      | 3,780                      | 3,573                      | (449)                      | (15)                       |
| Increase (decrease) in reserves              | 1,642                  | (695)                      | (6,994)                    | (8,421)                    | (2,431)                    | (4,609)                    | (916)                      | 259                        | (679)                      | 1,424                      | 1,615                      |
| Increase (decrease) in investments           | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| <b>Total applications of capital funding</b> | <b>3,947</b>           | <b>4,364</b>               | <b>3,177</b>               | <b>2,685</b>               | <b>2,513</b>               | <b>3,634</b>               | <b>4,160</b>               | <b>5,000</b>               | <b>7,180</b>               | <b>5,747</b>               | <b>2,929</b>               |
| <b>Surplus/(deficit) of capital funding</b>  | <b>(2,147)</b>         | <b>(2,150)</b>             | <b>(1,921)</b>             | <b>(1,772)</b>             | <b>(1,934)</b>             | <b>(2,156)</b>             | <b>(2,440)</b>             | <b>(2,499)</b>             | <b>(2,578)</b>             | <b>(2,992)</b>             | <b>(3,103)</b>             |
| <b>Funding balance</b>                       | <b>0</b>               | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   |

The FISs also reflect changes resulting from internal restructures and revenue reclassification. The Annual Plan 2020/2021 has not been restated to reflect these changes.





## Waste Management and Minimisation

### OUR GOAL

We aim to avoid and reduce the creation and harmful effects of waste, and improve the efficiency of resource use. These goals are derived from the Nelson Tasman Waste Management and Minimisation Plan. In September 2019, when adopting the Plan, we committed to a target of 10% reduction of waste to landfill per person by 2030.

### WHAT WE DO

We provide and promote the following waste management and minimisation services:

- kerbside recycling and waste collection services,
- a materials recovery facility (MRF) to process recycling,
- five Resource Recovery Centres (RRCs), which receive waste, recyclables, cleanfill, greenwaste and some hazardous materials – at Richmond, Māiri, Tākaka, Collingwood and Murchison,
- drop off facilities for greenwaste and processing, through a contracted service,
- transport services to move these materials around our District, and
- a range of waste minimisation initiatives with schools, businesses, and the wider community, to reduce the production of waste and minimise harm.

These services operate alongside commercial services across the Nelson-Tasman region.

Most public and commercial waste disposal is through our RRCs, and we transfer waste from these Centres to landfill. We divert recyclable materials, greenwaste and cleanfill away from landfill and our contractors process and sell this waste. We also recover hazardous materials at these sites, and ensure that they are processed safely.

The Nelson-Tasman Regional Landfill Business Unit provides operational landfills in our Region. The business unit is a joint committee of Nelson City Council (NCC) and Tasman District Council, operates a regional landfill at York Valley, in Nelson, and manages the Eves Valley Landfill, near Brightwater, which closed in 2017. We maintain a further 22 closed landfills around our District.

In the coming years, together with NCC, we plan to reduce waste to landfill by increasing diversion of dry waste and organic materials, and promote waste reduction. This diversion could be delivered by the two councils directly or through commercial partnerships.

### WHY WE DO IT

We provide waste management and minimisation services to protect our public's health and our natural environment from waste generated by people. These waste minimisation activities promote efficient use of resources, reduce waste for businesses and households and extend the life of our Region's landfills.

The Waste Minimisation Act (2008) requires us to promote effective and efficient waste management and minimisation within our District. Under this legislation, we are required to prepare a Waste Management and Minimisation Plan. This plan sets our strategic direction for waste management.

We elected to adopt a joint plan, with NCC, because waste management issues cross council boundaries. The most recent Nelson Tasman Waste Management and Minimisation Plan was adopted in September 2019.

## CONTRIBUTION TO COMMUNITY OUTCOMES

| COMMUNITY OUTCOMES  |  | HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME  | POTENTIAL NEGATIVE EFFECTS   |
|---------------------|--|--|--|
| Social Well-being   | Our urban and rural environments are people-friendly, well planned, accessible and sustainably managed | <p>Rubbish and recycling collection services ensure our built urban and rural environments are functional, pleasant and safe.</p> <p>Our Resource Recovery Centre (RRC) facilities are convenient, clean and safe.</p> <p>We promote the sustainable use of resources and provide sustainable alternatives to landfill disposal.</p> | <p>Loose kerbside recycling and broken rubbish bags may become windblown litter and odorous if not collected promptly.</p> <p>Disruption to kerbside waste collection can cause public health risks if they are not collected promptly.</p> <p>RRCs and recycling processing facilities can become odorous, dusty and give rise to windblown litter if not managed well.</p> |
| Economic Well-being | Our region is supported by an innovative and sustainable economy                                       | <p>Our RRCs provide sustainable waste disposal options for our Region.</p> <p>We plan to partner with businesses to provide waste minimisation services.</p>   | <p>Failure to open RRC can prevent businesses operating and create public health risks.</p> <p>The loss of viable markets for recovered materials can have a negative effect on the economic viability of recycling.</p> <p>Rising waste disposal costs could negatively impact businesses in our Region.</p>  |



| COMMUNITY OUTCOMES       |   | HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME   | POTENTIAL NEGATIVE EFFECTS  |
|--------------------------|---|---|---|
| Economic Well-being      | Our infrastructure is efficient, resilient, cost effective and meets current and future needs | <p>We operate our facilities and services safely and efficiently. We have contingency plans and design our facilities so that essential services are able to continue during emergency events.</p> <p>We plan to provide waste and recycling services that our community is satisfied with, now and for the future.</p>   |   |
| Environmental Well-being | Our unique natural environment is healthy, protected and sustainably managed                  | <p>We protect our natural environment by providing comprehensive waste disposal services for our communities.</p> <p>We reduce the impact of landfill disposal by providing a wide range of other services to divert waste from landfill and reduce waste production.</p> <p>Our facilities comply with resource consents, and we ensure that we have operational plans for our services and site management plans for the facilities we operate.</p> | <p>There is the possibility of stormwater contamination at RRCs if materials are not managed well.</p> <p>If closed landfills are not capped off and vegetated correctly, they may release additional solid waste or leak into our environment.</p> <p>Rising waste disposal costs could see an increase in illegal disposals in our Region, harming our environment.</p> |



| COMMUNITY OUTCOMES | HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME | POTENTIAL NEGATIVE EFFECTS |
|--------------------|---|----------------------------|
|--------------------|---|----------------------------|

Our Council provides leadership and fosters partnerships including with iwi, fosters a regional perspective, and encourages community engagement

We work with NCC to promote waste minimisation and to provide regional services.

We advocate to central government for more sustainable waste management practices.

Waste reduction and effective resource recovery shows good kaitiakitanga (stewardship) of our natural resources.

We plan to improve our engagement with iwi and with businesses.

Poor management of resource recovery centres or closed landfills could degrade the mauri (quality and vitality) of natural resources and ecosystems.



## KEY ISSUES

Key issues facing the Waste Management and Minimisation activity are:

- **Changes in central government waste management regulation and policy** – Since early 2019, central government has introduced a series of initiatives to improve waste management within New Zealand. These initiatives include phase-out of some plastic bags, regulated product stewardship, an increase in the scale and reach of the waste disposal levy (the ‘landfill levy’), new environmental standards, restrictions on recycling exports and proposed phase-out of problematic plastics. Further changes are expected in the coming year, including a review of the New Zealand Waste Strategy, decisions on a container deposit scheme and consideration of a standard kerbside recycling methodology for councils. While these changes have the potential to improve waste minimisation, they could significantly affect the range of services that we provide (including kerbside collections). The uncertainty that they bring make it difficult to plan ahead.
- **Need to review our kerbside services** – With changes to recycling markets, and possible changes like container return systems signalled by government, we may need to review the range of kerbside services we provide. This could include changing the frequency or stopping some services, adding some services (such as food waste collections) or changing the areas that we collect from. Our current contract for kerbside recycling and rubbish bag collections ends in June 2023. Over the next two years we’ll be reviewing any decisions by government and then engage with our communities to understand what services we should deliver.
- **Increased cost of waste disposal in the next three years** – We expect landfill disposal fees to increase significantly in the first three years of this plan. These increases are due to expected increases in the landfill levy, increased landfill emissions costs, additional work at the regional landfill and our desire to recover operating costs from disposal fees rather than general rates. This increase could significantly improve the attractiveness of waste reduction and waste diversion (such as recycling and composting) but may be unpopular and lead to increased illegal disposal of waste.
- **Uncertainty of waste minimisation funding from central government** – We receive a proportion of the waste disposal levy collected by central government to fund waste minimisation activities. This funding is expected to gradually increase from 2021/2022 to 2024/2025. It is uncertain whether we will continue to receive the same share of this funding over time. The government has also announced proposals for significant investment in recycling infrastructure, but the specifics of this investment have not been announced. This delay of funding will limit the level of waste minimisation work that we can deliver before 2024/2025, unless additional funding is found.
- **Rapidly changing markets for the sale of recyclable materials** – In recent years, the commodity markets for plastic and paper have contracted significantly and changes to government regulations will limit export of plastics from January 2021. We decided to stop export of plastics; some plastics are no longer being commercially recycled. These factors may increase kerbside recycling services costs and limit the ability of our communities to divert increasing volumes of material for recycling.
- **Further work to determine how we can achieve our waste minimisation targets** – Included in our Waste Management and Minimisation Plan is a target to reduce waste to landfill by 10% by 2030. We have identified scope to potentially reduce organic waste and dry materials from landfill, this work will require significant investment. We are proposing modest investment in the first three years of this plan, while detailed business cases are prepared to inform investment decisions.



**OUR LEVEL OF SERVICE – WHAT COUNCIL WILL DO AND HOW IT WILL MEASURE PERFORMANCE OVER THE 10 YEARS FROM 2021 – 2031**

| LEVELS OF SERVICE   | WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...  | CURRENT PERFORMANCE   | FUTURE PERFORMANCE TARGETS |               |               |             |
|---|---|---|----------------------------|---------------|---------------|-------------|
|   |   |   | YEAR 1 TARGET              | YEAR 2 TARGET | YEAR 3 TARGET | BY YEAR 10  |
|   |   |   | 2021/2022                  | 2022/2023     | 2023/2024     | 2024 - 2031 |
| We enable effective waste minimisation activities and services. | There is a reduction in total waste per capita going to Class one landfill.<br><br>As measured by Nelson – Tasman tonnage recorded at landfill.                             | 2017/18: 717kg<br>2018/19: 760kg<br>2019/20: 636kg<br>per person*<br><br>*2019/20 affected by Covid-19 lockdown | <715kg                     | <710kg        | <705kg        | <645kg      |
| We enable effective waste minimisation activities and services. | There is a reduction in municipal waste per capita going to Class one landfill.<br><br>As measured by Nelson – Tasman tonnage recorded at landfill excluding special waste. | 2017/18: 617kg<br>2018/19: 642kg<br>2019/20: 581kg<br>per person<br><br>*2019/20 affected by Covid-19 lockdown  | <615kg                     | <610kg        | <605kg        | <560kg      |



| LEVELS OF SERVICE   | WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...   | CURRENT PERFORMANCE | FUTURE PERFORMANCE TARGETS                        |   |   |   |
|---|--|---------------------|---|---|---|---|
|   |  |                     | YEAR 1 TARGET                                     | YEAR 2 TARGET                                     | YEAR 3 TARGET                                     | BY YEAR 10  |
|   |  |                     | 2021/2022   | 2022/2023   | 2023/2024   | 2024 - 2031                                       |
| We enable effective waste minimisation activities and services. | <p>There are high levels of participation in our kerbside recycling service.</p> <p>As measured through the annual residents' survey of those provided with Council's kerbside recycling collection services who use it three times or more per annum.</p> | 2019/2020: 94%      | At least 95% participation in kerbside recycling  | At least 95% participation in kerbside recycling  | At least 95% participation in kerbside recycling  | At least 95% participation in kerbside recycling  |
| We enable effective waste minimisation activities and services. | <p>Contamination levels in our kerbside recycling are low.</p> <p>As measured by our contractor at the Materials Recovery Facility.</p>  | 2019/2020: 10.3%    | <7.5%   | <7.5%   | <7.5%   | <7.5%   |
| Our kerbside services are reliable, easy to use.                | <p>Customer satisfaction with kerbside recycling services.</p> <p>As measured through residents' survey of those provided with Council's kerbside recycling collection services.</p>   | 2019/2020: 92%      | At least 90% satisfaction with kerbside recycling | At least 90% satisfaction with kerbside recycling | At least 90% satisfaction with kerbside recycling | At least 90% satisfaction with kerbside recycling |



| LEVELS OF SERVICE  | WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...   | CURRENT PERFORMANCE | FUTURE PERFORMANCE TARGETS  |   |   |   |
|--|--|---------------------|---|---|---|---|
|  |  |                     | YEAR 1 TARGET   | YEAR 2 TARGET   | YEAR 3 TARGET   | BY YEAR 10  |
|  |  |                     | 2021/2022   | 2022/2023   | 2023/2024   | 2024 - 2031   |
| Our kerbside services are reliable, easy to use.                                 | Customer Service Requests relating to waste management activities are completed on time. Percentage of enquiries to our contractor resolved within contracted timeframes.<br><br>As measured through the contract management system. | 2019/2020: 96.5%    | At least 95% of enquiries to waste management are completed on time | At least 95% of enquiries to waste management are completed on time | At least 95% of enquiries to waste management are completed on time | At least 95% of enquiries to waste management are completed on time |
| Our resource recovery centres are easy to use and operated in a reliable manner. | Percentage of customer satisfaction.<br><br>As measured by annual customer on-site surveys at Resource Recovery Centres (RRCs) who are very satisfied or fairly satisfied.   | 2019/2020: 97%      | At least 95% customer satisfaction at our RRCs                      | At least 95% customer satisfaction at our RRCs                      | At least 95% customer satisfaction at our RRCs                      | At least 95% customer satisfaction at our RRCs                      |





## KEY CHANGES TO ACTIVITY OR SERVICE

The following are key changes for Waste Management and Minimisation, since the LTP 2018 – 2028.

| KEY CHANGE  | REASON FOR CHANGE  |
|---|--|
| Increases in waste disposal costs in 2021/2022 to 2024/2025.                      | Increases in the waste disposal levy and landfill emissions costs are expected in 2021/2022 to 2024/2025. These will flow through into waste disposal costs at the Nelson Tasman Regional Landfill Business Unit, which will be passed on to Council. We have also requested additional funding from the Nelson Tasman Regional Landfill Business Unit to reduce the general rate for this activity, and this will flow through into increased disposal costs. |
| Projected increases in waste disposal levy income and waste minimisation activity | The proposed increase in the waste disposal levy from 2021/2022 to 2024/2025 is expected to increase income from \$200,000 to \$1 million per annum. We will invest in additional waste minimisation activities and facilities as this occurs.   |
| Reduced spending on public place recycling facilities                             | These sites are less cost effective than originally expected and central government is considering introduction of a container deposit scheme, which would reduce the need for public place recycling. We will consider further investment following central government decisions.   |



## KEY ASSUMPTIONS AND UNCERTAINTIES

We have made a number of assumptions in preparing the Activity Management Plan. The most significant assumptions for the Waste Management and Minimisation activity are:

- Landfill disposal prices will be as indicated in the Draft Nelson Tasman Regional Landfill Business Unit 10-year budget (dated 7 September 2020).
- We will receive \$2.7 million from the Local Disposal Levy from the Nelson Tasman Regional Landfill Business Unit in 2021/2022, gradually rising to \$3.8 million in 2030/2031.
- We will receive a local government share of waste disposal levy of \$200,000 in 2021/2022, rising to \$650,000 in 2023/2024, and approximately \$1 million per annum in subsequent years.
- There will be no significant change to kerbside services or resource recovery centre activities over the period of the waste management and minimisation plan.
- Waste to landfill will decrease by 10% in 2030, with an equivalent reduction in income and some reduction in costs.

The following are the key uncertainties in this activity. The majority of these are related to government proposals to regulate some waste production and waste minimisation activities.

- Central government has indicated that it will review the Waste Minimisation Act (2008) in 2021. This could decrease our share of central government's waste disposal levy.
- A container deposit scheme could significantly affect the volume and value of materials collected and accepted in kerbside collections and Resource Recovery Centres (RRCs). It may require investment in additional facilities, but could also provide a significant revenue stream.
- Product stewardship proposals for items such as tyres could require additional investment, but could also provide us with additional income.
- The government has also announced that it proposes significant investment in recycling infrastructure, but the specifics of this investment have not been announced. This could provide additional on-shore processing capacity and make recycling activities more affordable.
- Other central government initiatives, such as standardising kerbside services, regulating products and reviewing the New Zealand Waste Strategy could require significant changes to Council activities. It is also possible that government will require councils to reduce their emissions from waste disposal.
- Most contracts for this activity expire in June 2023 (kerbside services, waste transport, RRC operations, greenwaste processing). The scope and bundling of these contracts could change and affect the cost to Council.
- Council has identified key areas for waste reduction initiatives: organic waste and dry waste, but has not identified a preferred option or prepared detailed business cases. This work could identify that significant investment is required.



## INVESTMENTS

The following are key waste management and minimisation investments for the next 10 years.

| NAME  | DESCRIPTION  |
|---|--|
| Richmond RRC site improvements                | New bunker to divert dry waste, construction of a second weighbridge, and improvements to the waste pit and waste bin storage area     |
| Nelson-Tasman regional landfill business unit | Landfill improvements at York Valley and Eves Valley Landfills   |
| Materials Recovery Facility improvements      | Purchase of equipment for sorting recycling, investigations and construction of an expanded building for this equipment.               |
| Māiri RRC site improvements                   | Construction of improved roads and access, relocation of the weighbridge and kiosk, and a new roof over the waste pit                  |
| RRC renewals                                  | Renewal of sealed pavements, drainage, buildings and equipment at Resource Recovery Centres  |
| Waste minimisation infrastructure             | The scope of this work has yet to be determined, but potentially infrastructure necessary to enable diversion of organic and dry waste |
| Kerbside collections                          | Kerbside recycling and rubbish collections over a ten year period  |
| Greenwaste services                           | Transport and processing of greenwaste from four of our five Resource Recovery Centres over ten years                                  |
| RRC operations                                | Operations at five Resource Recovery Centres over ten years  |
| Waste minimisation activities                 | Activities to encourage waste reduction, waste diversion and recycling of waste  |

## FUNDING IMPACT STATEMENTS AND FUNDING SOURCES FOR THE WASTE MANAGEMENT AND MINIMISATION GROUP OF ACTIVITIES

|  | 2020/21<br>AP<br>\$000 | 2021/22<br>BUDGET<br>\$000 | 2022/23<br>BUDGET<br>\$000 | 2023/24<br>BUDGET<br>\$000 | 2024/25<br>BUDGET<br>\$000 | 2025/26<br>BUDGET<br>\$000 | 2026/27<br>BUDGET<br>\$000 | 2027/28<br>BUDGET<br>\$000 | 2028/29<br>BUDGET<br>\$000 | 2029/30<br>BUDGET<br>\$000 | 2030/31<br>BUDGET<br>\$000 |
|--|------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| <b>SOURCES OF OPERATING FUNDING</b>                                      |                        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| General rates, uniform annual general charges, rates penalties           | 1,041                  | 1,062                      | 777                        | 466                        | 568                        | 451                        | 411                        | 450                        | 594                        | 755                        | 841                        |
| Targeted rates   | 2,484                  | 2,467                      | 2,776                      | 2,765                      | 2,885                      | 3,023                      | 3,119                      | 3,669                      | 3,859                      | 4,162                      | 4,150                      |
| Subsidies and grants for operating purposes                              | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| Fees and charges   | 4,940                  | 5,438                      | 6,170                      | 6,912                      | 6,886                      | 6,735                      | 6,719                      | 6,703                      | 6,688                      | 6,669                      | 6,732                      |
| Internal charges and overheads recovered                                 | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 5,156                  | 5,204                      | 6,143                      | 7,179                      | 7,726                      | 7,824                      | 8,032                      | 8,250                      | 8,504                      | 8,765                      | 9,009                      |
| <b>Total operating funding</b>   | <b>13,621</b>          | <b>14,171</b>              | <b>15,866</b>              | <b>17,322</b>              | <b>18,065</b>              | <b>18,033</b>              | <b>18,281</b>              | <b>19,072</b>              | <b>19,645</b>              | <b>20,351</b>              | <b>20,732</b>              |
| <b>APPLICATIONS OF OPERATING FUNDING</b>                                 |                        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| Payments to staff and suppliers  | 10,973                 | 11,352                     | 12,706                     | 13,800                     | 14,053                     | 14,027                     | 14,274                     | 14,969                     | 15,327                     | 15,615                     | 15,887                     |
| Finance costs  | 293                    | 345                        | 328                        | 334                        | 351                        | 336                        | 290                        | 262                        | 255                        | 277                        | 268                        |
| Internal charges and overheads applied                                   | 1,052                  | 1,202                      | 1,335                      | 1,410                      | 1,506                      | 1,552                      | 1,630                      | 1,716                      | 1,792                      | 2,068                      | 2,017                      |
| Other operating funding applications                                     | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| <b>Total applications of operating funding</b>                           | <b>12,318</b>          | <b>12,899</b>              | <b>14,369</b>              | <b>15,544</b>              | <b>15,910</b>              | <b>15,915</b>              | <b>16,194</b>              | <b>16,947</b>              | <b>17,374</b>              | <b>17,960</b>              | <b>18,172</b>              |
| <b>Surplus/(deficit) of operating funding</b>                            | <b>1,303</b>           | <b>1,272</b>               | <b>1,497</b>               | <b>1,778</b>               | <b>2,155</b>               | <b>2,118</b>               | <b>2,087</b>               | <b>2,125</b>               | <b>2,271</b>               | <b>2,391</b>               | <b>2,560</b>               |
| <b>SOURCES OF CAPITAL FUNDING</b>  |                        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| Subsidies and grants for capital expenditure                             | 0                      | 401                        | 876                        | 0                          | 3,688                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| Development and financial contributions                                  | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| Increase (decrease) in debt  | (1,070)                | 242                        | 2,070                      | (773)                      | (589)                      | (1,213)                    | 183                        | 307                        | 1,326                      | (658)                      | 1,958                      |



|  | 2020/21<br>AP<br>\$000 | 2021/22<br>BUDGET<br>\$000 | 2022/23<br>BUDGET<br>\$000 | 2023/24<br>BUDGET<br>\$000 | 2024/25<br>BUDGET<br>\$000 | 2025/26<br>BUDGET<br>\$000 | 2026/27<br>BUDGET<br>\$000 | 2027/28<br>BUDGET<br>\$000 | 2028/29<br>BUDGET<br>\$000 | 2029/30<br>BUDGET<br>\$000 | 2030/31<br>BUDGET<br>\$000 |
|--|------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Gross proceeds from sale of assets           | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| Lump sum contributions                       | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| Other dedicated capital funding              | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| <b>Total sources of capital funding</b>      | <b>(1,070)</b>         | <b>643</b>                 | <b>2,946</b>               | <b>(773)</b>               | <b>3,099</b>               | <b>(1,213)</b>             | <b>183</b>                 | <b>307</b>                 | <b>1,326</b>               | <b>(658)</b>               | <b>1,958</b>               |
| <b>APPLICATIONS OF CAPITAL FUNDING</b>       |                        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| Capital expenditure                          |                        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| - to meet additional demand                  | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| - to improve the level of service            | 74                     | 118                        | 28                         | 29                         | 30                         | 30                         | 31                         | 32                         | 33                         | 34                         | 35                         |
| - to replace existing assets                 | 101                    | 3,834                      | 4,508                      | 1,301                      | 5,353                      | 811                        | 2,209                      | 2,347                      | 3,504                      | 1,634                      | 4,410                      |
| Increase (decrease) in reserves              | 34                     | (317)                      | (93)                       | (325)                      | (129)                      | 64                         | 30                         | 53                         | 60                         | 65                         | 73                         |
| Increase (decrease) in investments           | 24                     | (1,720)                    | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| <b>Total applications of capital funding</b> | <b>233</b>             | <b>1,915</b>               | <b>4,443</b>               | <b>1,005</b>               | <b>5,254</b>               | <b>905</b>                 | <b>2,270</b>               | <b>2,432</b>               | <b>3,597</b>               | <b>1,733</b>               | <b>4,518</b>               |
| <b>Surplus/(deficit) of capital funding</b>  | <b>(1,303)</b>         | <b>(1,272)</b>             | <b>(1,497)</b>             | <b>(1,778)</b>             | <b>(2,155)</b>             | <b>(2,118)</b>             | <b>(2,087)</b>             | <b>(2,125)</b>             | <b>(2,271)</b>             | <b>(2,391)</b>             | <b>(2,560)</b>             |
| <b>Funding balance</b>                       | <b>0</b>               | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   |

The FISs also reflect changes resulting from internal restructures and revenue reclassification. The Annual Plan 2020/2021 has not been restated to reflect these changes.



## RIVERS

### OUR GOAL

We aim to protect properties from river flooding by implementing and maintaining river control works and flood protection assets. We ensure that our river environments remain healthy and attractive ecosystems that can be enjoyed by our communities.

### WHAT WE DO

We maintain 285 kilometres of major rivers throughout our District to carry out our statutory roles to promote soil conservation and mitigate damage caused by floods and riverbank erosion. These rivers, known as classified rivers X and Y, are funded by a differential river rating system based on land value. Rivers that are covered under the rivers X and Y schemes include our major rivers like the Waimea, Motueka, Riuwaka, Moutere, Tākaka, Aorere rivers as well as several tributaries. We maintain and improve river assets in rivers X and Y, such as stopbanks and erosion protection.

There are many more rivers, streams and creeks that are on private, Council, and Crown (Department of Conservation, Land Information New Zealand) lands. These are collectively known as rivers Z. River protection assets such as rock walls and groynes form part of the river system. These are typically owned and maintained by private property owners; we sometimes part fund them.

The approach to river management places emphasis on channel management through gravel relocation/repositioning, and vegetation and land buffers on the river's edge. The aim is to manage the river channel and catchment so that there is less need to use hard engineering methods to prevent erosion.

This activity does not include management of stormwater or coastal assets. These are covered as individual activities and have their own Activity Management Plan.

### WHY WE DO IT

By implementing and maintaining river control and flood protection schemes, we enhance community well-being and protect neighbouring properties and mitigate damage caused by flood events as required under the Soil Conservation and Rivers Control Act 1941.



**CONTRIBUTION TO COMMUNITY OUTCOMES**

| <b>COMMUNITY OUTCOMES</b> |  | <b>HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME</b>  | <b>SIGNIFICANT NEGATIVE EFFECTS</b>   |
|---------------------------|--|---|---|
| Social Well-being         | Our communities are healthy, safe, inclusive and resilient   | Our flood protection works and river control structures protect several communities and rural areas from flooding. We maintain these safely and cost-effectively.                   |   |
| Social Well-being         | Our urban and rural environments are people-friendly, well planned, accessible and sustainably managed             | We engage with our communities in several River Care groups to ensure our community’s feedback is considered river catchment management.  |   |
| Social Well-being         | Our communities have access to a range of social, cultural, educational and recreational facilities and activities | We maintain our river environment to ensure a pleasant and appropriate place for recreational activities.   |   |
| Economic Well-being       | Our region is supported by an innovative and sustainable economy   | Our flood protection scheme provides assurance that regular high rainfall events do not disrupt normal business activities.   |   |
| Economic Well-being       | Our infrastructure is efficient, resilient, cost effective and meets current and future needs                      | Our flood protection and mitigation structures are maintained cost-effectively to a level supported by our communities.   |   |
| Environmental Well-being  | Our unique natural environment is healthy, protected and sustainably managed                                       | Rivers are important natural resources. Our flood protection and mitigation activities minimise the impacts on our natural river environments to a practical and sustainable level. | Flood management practices and control works may affect environmental values within the wider river system. |



| COMMUNITY OUTCOMES  |  | HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME  | SIGNIFICANT NEGATIVE EFFECTS   |
|---------------------|--|--|--|
| Cultural Well-being | <p>Our communities have opportunities to celebrate and explore their heritage, identity and creativity</p> <p>Our Council provides leadership and fosters partnerships including with iwi, fosters a regional perspective, and encourages community engagement</p> | <p>Our rivers have important cultural values and many identify where they are from by their river.</p> <p>We provide expertise and guidance to our communities, helping to find solutions along our river environment.</p> | <p>Flood management practices and control works may affect cultural values that our river systems provide.</p> |





## KEY ISSUES

Key issues facing the Rivers include:

- **The affordability of flood risk protection** – flood protection schemes are costly, and must take into account climate change and environmental concerns.
- **The reactive nature of river management** – our current approach to river management is primarily reactive. An integrated and evidence-based approach is required to demonstrate best value for money while addressing multiple issues.
- **The river rating system is not equitable** – the XYZ river rating system does not target prioritisation of works and flood risk in an equitable way.

The impact of these influencing factors on the Rivers activity, and the effect on the current scale and mode of delivery, is discussed in detail in the Activity Management Plan.





**OUR LEVEL OF SERVICE – WHAT COUNCIL WILL DO AND HOW IT WILL MEASURE PERFORMANCE OVER THE 10 YEARS FROM 2021 – 2031**

| LEVELS OF SERVICE   | WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...   | CURRENT PERFORMANCE    | FUTURE PERFORMANCE TARGETS |                            |                            |                           |
|---|--|------------------------|----------------------------|----------------------------|----------------------------|---------------------------|
|   |  |                        | YEAR 1 TARGET<br>2021/2022 | YEAR 2 TARGET<br>2022/2023 | YEAR 3 TARGET<br>2023/2024 | BY YEAR 10<br>2024 – 2030 |
| <p><b>Protection</b></p> <p>Our structures are managed to reduce the impact of flooding now and in the future</p> | <p>The major flood protection and control works are maintained, repaired and renewed to the following standards:</p> <p>No failure of flood protection in the existing stopbank system maintained by Council below the specified design levels:</p> <p>Riuwaka River = approximately 145 m<sup>3</sup>/s @ Hickmotts flow gauge, (20% AEP to 10% AEP in 2020) for the area downstream of SH60 bridge</p> <p>Lower Motueka River = 1,854 m<sup>3</sup>/s @ Woodstock flow gauge, (2% AEP in 2020)</p> <p>Waimea River = 1,346 m<sup>3</sup>/s @ Irvine Bridge flow gauge, (2% AEP in 2020)</p> <p>AEP* = Annual Exceedance Probability (Mandatory measure one).</p> | <p>2019/2020: 100%</p> | 100%                       | 100%                       | 100%                       | 100%                      |



| LEVELS OF SERVICE  | WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...   | CURRENT PERFORMANCE   | FUTURE PERFORMANCE TARGETS |               |               |             |
|--|--|---|----------------------------|---------------|---------------|-------------|
|  |  |   | YEAR 1 TARGET              | YEAR 2 TARGET | YEAR 3 TARGET | BY YEAR 10  |
|  |  |   | 2021/2022                  | 2022/2023     | 2023/2024     | 2024 – 2030 |
| <b>Protection</b><br>Our structures are managed to reduce the impact of flooding now and in the future             | We complete approved annual maintenance programmes.<br><br>As measured through Council’s two monthly maintenance programmes.                         | <i>New performance measure</i>  | 90%                        | 90%           | 90%           | 90%         |
| <b>Amenity</b><br>Our river environments are healthy ecosystems that are attractive and enjoyed by our communities | We develop new native riparian planting sites<br><br>Number of plants planted and measured through river maintenance contract claim payment records. | 2019/2020: 13,881 plants  | > 13,000                   | > 13,000      | > 13,000      | > 13,000    |
| <b>Amenity</b><br>Our river environments are attractive and enjoyed by our communities.                            | Complaints about illegal dumping in the X and Y classified rivers and on adjacent beaches on public land are actioned within five working days.      | 2019/2020: 93%<br><br>15 dumpings over the year, 14 were picked up on time. | 95%                        | 95%           | 95%           | 95%         |

## KEY CHANGES TO ACTIVITY OR SERVICE

The table below summarises the key changes for the Rivers activity since the LTP 2018 – 2028.

| KEY CHANGE  | REASON FOR CHANGE  |
|---|--|
| Increased focus on flood warning and emergency response procedures  | Identified through our key issue; flood risk reduction is generally considered unaffordable.   |
| Increased investment in asset data and asset performance monitoring | This addresses the need to take a more affordable risk-based flood management approach in accordance with the Flood Protection Assets Performance Assessment Tool.   |
| Investment in Motueka stopbanks to restore level of service         | This addresses the high-risk sites in the Motueka stopbank scheme, as identified through the Motueka Flood Mitigation Study.   |
| Development of River Management Plans                               | The development of river management plans will help us meet strategic long-term goals for multiple issues and values. It will take an integrated approach across Council, with iwi, community and stakeholder involvement. |

## KEY ASSUMPTIONS AND UNCERTAINTIES

Key assumptions for the Rivers and Flood Control activity are:

- Rivers Z funding is largely shared 50/50 share between private landowners and Council. If landowner demand drops from needing assistance, or they are unwilling to pay, this fund may be underspent.
- We cannot predict when, where, or the damage that may be sustained during a large flood event. During a large event, there is a risk that rock protection works can shift, new erosion can occur, or stopbanks could be damaged. If this occurs, we will have enough funds available to undertake repairs, whether if it is through reprioritisation of maintenance activities, or accessing emergency funding.
- Extreme rainfall events and associated flood impacts can happen at any time. The occurrence of these events may differ from what we expect based on statistics. When large events happen more frequently, this may trigger higher expectations from our communities to provide a higher level of service. Providing a higher level of service will come at a higher cost and require more funding than has been budgeted for.
- We cannot reliably predict when moderate floods will occur or their impact. We have used historic trends to determine maintenance funding levels for the future and have assumed that these levels will be sufficient. If more floods occur than assumed, it is likely that we will be required to spend more than planned. If floods are less or more minor than assumed, it is likely that we will be required to spend less than planned.



## INVESTMENTS

The following are key rivers investments for the next 10 years.

| NAME                              | DESCRIPTION  |
|-----------------------------------|--|
| River X & Y improvements          | Improvements to flood protection schemes and erosion control   |
| Motueka stopbank improvements     | Refurbishment of Motueka stopbanks   |
| Rivers Z improvements             | Assisting landowners with co-funding for erosion control on small rivers, creeks and streams             |
| Rivers maintenance and operations | General operation and maintenance of all river assets  |
| Rivers Management Plans           | Operational plans for all major rivers setting out a maintenance strategy and prioritised work programme |

## FUNDING IMPACT STATEMENT AND FUNDING SOURCES FOR THE RIVERS WORKS GROUP OF ACTIVITIES

|  | 2020/21<br>AP<br>\$000 | 2021/22<br>BUDGET<br>\$000 | 2022/23<br>BUDGET<br>\$000 | 2023/24<br>BUDGET<br>\$000 | 2024/25<br>BUDGET<br>\$000 | 2025/26<br>BUDGET<br>\$000 | 2026/27<br>BUDGET<br>\$000 | 2027/28<br>BUDGET<br>\$000 | 2028/29<br>BUDGET<br>\$000 | 2029/30<br>BUDGET<br>\$000 | 2030/31<br>BUDGET<br>\$000 |
|--|------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| <b>SOURCES OF OPERATING FUNDING</b>                                      |                        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| General rates, uniform annual general charges, rates penalties           | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| Targeted rates   | 3,022                  | 2,185                      | 2,362                      | 2,697                      | 2,899                      | 3,121                      | 3,275                      | 3,440                      | 3,658                      | 3,849                      | 4,161                      |
| Subsidies and grants for operating purposes                              | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| Fees and charges   | 124                    | 128                        | 132                        | 135                        | 139                        | 142                        | 147                        | 151                        | 156                        | 161                        | 166                        |
| Internal charges and overheads recovered                                 | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 616                    | 647                        | 674                        | 697                        | 712                        | 729                        | 748                        | 767                        | 788                        | 810                        | 833                        |
| <b>Total operating funding</b>   | <b>3,762</b>           | <b>2,960</b>               | <b>3,168</b>               | <b>3,529</b>               | <b>3,750</b>               | <b>3,992</b>               | <b>4,170</b>               | <b>4,358</b>               | <b>4,602</b>               | <b>4,820</b>               | <b>5,160</b>               |
| <b>APPLICATIONS OF OPERATING FUNDING</b>                                 |                        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| Payments to staff and suppliers  | 2,049                  | 1,900                      | 1,945                      | 2,146                      | 2,201                      | 2,199                      | 2,260                      | 2,303                      | 2,371                      | 2,383                      | 2,509                      |
| Finance costs  | 0                      | 67                         | 99                         | 132                        | 170                        | 196                        | 207                        | 217                        | 230                        | 256                        | 271                        |
| Internal charges and overheads applied                                   | 690                    | 840                        | 909                        | 954                        | 1,022                      | 1,078                      | 1,168                      | 1,235                      | 1,329                      | 1,438                      | 1,550                      |
| Other operating funding applications                                     | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| <b>Total applications of operating funding</b>                           | <b>2,739</b>           | <b>2,807</b>               | <b>2,953</b>               | <b>3,232</b>               | <b>3,393</b>               | <b>3,473</b>               | <b>3,635</b>               | <b>3,755</b>               | <b>3,930</b>               | <b>4,077</b>               | <b>4,330</b>               |
| <b>Surplus/(deficit) of operating funding</b>                            | <b>1,023</b>           | <b>153</b>                 | <b>215</b>                 | <b>297</b>                 | <b>357</b>                 | <b>519</b>                 | <b>535</b>                 | <b>603</b>                 | <b>672</b>                 | <b>743</b>                 | <b>830</b>                 |
| <b>SOURCES OF CAPITAL FUNDING</b>  |                        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| Subsidies and grants for capital expenditure                             | 0                      | 1,125                      | 3,375                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| Development and financial contributions                                  | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| Increase (decrease) in debt  | 0                      | 1,028                      | 1,565                      | 958                        | 929                        | 900                        | 869                        | 840                        | 810                        | 781                        | 748                        |



|  | 2020/21<br>AP<br>\$000 | 2021/22<br>BUDGET<br>\$000 | 2022/23<br>BUDGET<br>\$000 | 2023/24<br>BUDGET<br>\$000 | 2024/25<br>BUDGET<br>\$000 | 2025/26<br>BUDGET<br>\$000 | 2026/27<br>BUDGET<br>\$000 | 2027/28<br>BUDGET<br>\$000 | 2028/29<br>BUDGET<br>\$000 | 2029/30<br>BUDGET<br>\$000 | 2030/31<br>BUDGET<br>\$000 |
|--|------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Gross proceeds from sale of assets           | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| Lump sum contributions                       | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| Other dedicated capital funding              | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| <b>Total sources of capital funding</b>      | <b>0</b>               | <b>2,153</b>               | <b>4,940</b>               | <b>958</b>                 | <b>929</b>                 | <b>900</b>                 | <b>869</b>                 | <b>840</b>                 | <b>810</b>                 | <b>781</b>                 | <b>748</b>                 |
| <b>APPLICATIONS OF CAPITAL FUNDING</b>       |                        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| Capital expenditure                          |                        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| - to meet additional demand                  | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| - to improve the level of service            | 922                    | 2,255                      | 5,104                      | 1,204                      | 1,235                      | 1,268                      | 1,301                      | 1,338                      | 1,375                      | 1,415                      | 1,453                      |
| - to replace existing assets                 | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| Increase (decrease) in reserves              | 101                    | 51                         | 51                         | 51                         | 51                         | 151                        | 103                        | 105                        | 107                        | 109                        | 125                        |
| Increase (decrease) in investments           | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| <b>Total applications of capital funding</b> | <b>1,023</b>           | <b>2,306</b>               | <b>5,155</b>               | <b>1,255</b>               | <b>1,286</b>               | <b>1,419</b>               | <b>1,404</b>               | <b>1,443</b>               | <b>1,482</b>               | <b>1,524</b>               | <b>1,578</b>               |
| <b>Surplus/(deficit) of capital funding</b>  | <b>(1,023)</b>         | <b>(153)</b>               | <b>(215)</b>               | <b>(297)</b>               | <b>(357)</b>               | <b>(519)</b>               | <b>(535)</b>               | <b>(603)</b>               | <b>(672)</b>               | <b>(743)</b>               | <b>(830)</b>               |
| <b>Funding balance</b>                       | <b>0</b>               | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   |

The FISs also reflect changes resulting from internal restructures and revenue reclassification. The Annual Plan 2020/2021 has not been restated to reflect these changes.



## COMMUNITY DEVELOPMENT

The Community Development section comprises one group of related activities:

- Parks and Reserves
- Community Facilities (including Libraries and the Richmond Aquatic Centre)
- Community Partnerships

The 10-year operating budgets for the Community Development activities are outlined in the following table along with the 2020/2021 budgets for comparison.

| <b>COMMUNITY DEVELOPMENT</b> | <b>2020/2021 BUDGET</b> | <b>2021/2022 BUDGET</b> | <b>2022/2023 BUDGET</b> | <b>2023/2024 BUDGET</b> |
|------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|                              | <b>\$000</b>            | <b>\$000</b>            | <b>\$000</b>            | <b>\$000</b>            |
| <b>TOTAL COSTS</b>           | 17,736                  | 18,939                  | 19,946                  | 23,644                  |

| <b>COMMUNITY DEVELOPMENT</b> | <b>2024/2025 BUDGET</b> | <b>2025/2026 BUDGET</b> | <b>2026/2027 BUDGET</b> | <b>2027/2028 BUDGET</b> | <b>2028/2029 BUDGET</b> | <b>2029/2030 BUDGET</b> | <b>2030/2031 BUDGET</b> |
|------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|                              | <b>\$000</b>            | <b>\$000</b>            | <b>\$000</b>            | <b>\$000</b>            | <b>\$000</b>            | <b>\$000</b>            | <b>\$000</b>            |
| <b>TOTAL COSTS</b>           | 21,592                  | 22,366                  | 23,397                  | 23,716                  | 25,771                  | 27,153                  | 28,311                  |

Details of each of these groups of activities are outlined in the following pages. These pages cover the activity goal, what we do in relation to each activity group, why we do it, the contribution of the activities to the community outcomes, any key issues, how we will measure our performance, any assumptions we have made, and a snapshot of our key projects over the next 10 years.





## COMMUNITY DEVELOPMENT

### OUR GOALS

We promote physical, environmental, economic, cultural and social well-being of our District with the provision of parks, reserves, facilities, and libraries. We also meet the needs of residents and visitors by providing amenities, events, environmental education, and community grants.

### WHAT WE DO

We provide and maintain a wide range of parks, reserves, recreational facilities, community facilities and amenities, library and museum services, events, environmental education, and community grants, for our ratepayers. Key assets include parks and reserves (including Moturoa/Rabbit Island, formal gardens, special interest sites, sports grounds, open space reserves, walkways, esplanade reserves, non-commercial camping grounds), sports and recreation centres, community facilities, halls, cemeteries, playgrounds, public toilets, libraries, community buildings, museums, older adults housing complexes, and the Richmond Aquatic Centre and three outdoor swimming pools. Saxton Field developing and operating costs are split in half between us and Nelson City Council.

### WHY WE DO IT

This activity is important to our community's well-being. It contributes to providing the heart in each of our District's communities, encouraging healthy and active communities, strong social interaction, and improved environmental and cultural outcomes.

Community facilities, open spaces, recreational facilities and the provision of community grants and environmental education enable the development of active, healthy and functioning communities. They enable local people to work together, bringing about changes in their environment and improved health outcomes, and social and cultural well-being. Our facilities offer our residents the opportunity to engage socially in the places they live and work. We aim to ensure that adequate parks, reserves and community facilities are provided for our residents and visitors, and that these are managed and maintained in a way that meets community expectations and encourages community involvement.

Libraries help develop an informed community whose members are literate and inspired. By providing a quality library service, we support the community's cultural, social, learning and leisure needs, while also providing an affordable collective resource.

Our Richmond Aquatic Centre and community swimming pools enable people to learn to swim, for physical recreation and leisure, enabling improved community health and well-being.

We help meet a specific need for low-cost, community-based housing for older adults on low incomes. The housing we offer is affordable, accessible and fit for purpose.

Our community partnerships activities include environmental education, Council-organised events, and community grants. This team helps build an inclusive community, enhance our environment, and celebrate our cultural identity and heritage.

Our cemeteries are attractive, peaceful and respectful environments for the memorial and remembrance of the deceased, and are accessible to our communities. We are legally required to provide cemeteries, meeting the needs of our District now, and in the future. Cemeteries are provided for public health reasons.

We provide public toilets throughout our District to meet community, traveller and tourist needs.



## CONTRIBUTION TO COMMUNITY OUTCOMES

| COMMUNITY OUTCOMES |  | HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME  | SIGNIFICANT NEGATIVE EFFECTS  |
|--------------------|--|--|---|
| Social Well-being  | Our communities are healthy, safe, inclusive and resilient | <p>Open space, reserves and recreation facilities cater for, and promote, active healthy lifestyles. This includes casual activities such as walking and cycling, along with organised sports and recreation activities.</p> <p>Council events, reserves and community facilities, and the Richmond Aquatic Centre are organised, designed, and managed to ensure users' safety. They are inclusive, catering to the needs of our communities and support specific social needs.</p> <p>We provide a good-quality, safe, and affordable community housing for people who meet the criteria of our Policy on Housing for Older Adults.</p> <p>Libraries provide safe spaces and equitable access to information for all in the community, enabling social interaction and community engagement.</p> | <p>There is a potential safety risk to users if we do not adequately maintain our reserves and facilities, or if they are damaged due to natural disasters. Poor maintenance or damage could result in users suffering from various injuries.</p> <p>Poor location choice or design of parks, facilities, playgrounds or public toilets may result in anti-social behaviour (such as vandalism, graffiti or bullying of users).</p> |



| COMMUNITY OUTCOMES |  | HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME  | SIGNIFICANT NEGATIVE EFFECTS   |
|--------------------|--|--|--|
| Social Well-being  | Our urban and rural environments are people-friendly, well planned, accessible and sustainably managed | <p>Our reserves, open spaces, and neighbourhood parks are accessible and within walking distance of homes.</p> <p>The Richmond Aquatic Centre is designed and managed to meet current and future needs of our communities.</p> <p>In partnership with the Engineering, and Environment and Planning departments, we deliver environmental, air quality, water quality, and waste minimisation education to support sustainable management and lifestyles.</p> <p>We assist communities to create a unique sense of place through our events and the provision of community group funding and advice.</p> | <p>Parks may become restricted in their use, or unattractive, if they are poorly managed during extreme weather events (such as drought or ongoing rain).</p> <p>Ongoing high growth in our communities is creating increased need for open space, reserves and recreational facilities. The provision of additional facilities creates additional costs, however, there are also more ratepayers to help pay for these costs.</p> |



| COMMUNITY OUTCOMES  |  | HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME  | SIGNIFICANT NEGATIVE EFFECTS   |
|---------------------|--|--|--|
| Social Well-being   | Our communities have access to a range of social, cultural, educational and recreational facilities and activities | <p>We provide high quality community open space, aquatic, recreational and cultural facilities, enabling our communities to participate in active and passive recreation, cultural opportunities, and targeted social support.</p> <p>Libraries provide resources and programmes that support educational, creative, cultural, social, recreational and business activities.</p> <p>We promote, support and deliver recreational, educational and social services and activities that reflect the diversity of our District. We provide assistance to the Nelson Provincial Museum and Tasman’s District museums to support our culture and heritage.</p> <p>We also provide assistance to various community-led facilities, projects and initiatives, to deliver benefits across our communities.</p> | Ratepayers may find meeting all the activities requested by our communities is unaffordable. This may lead to some level of community dissatisfaction when we cannot afford to deliver on some community expectations. |
| Economic Well-being | Our region is supported by an innovative and sustainable economy   | <p>Libraries provide educational resources and support learning for all age groups.</p> <p>Libraries also help people seeking employment through digital skills training programmes and assistance with job applications and writing resumes.</p>  |  |



| COMMUNITY OUTCOMES       |   | HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME  | SIGNIFICANT NEGATIVE EFFECTS  |
|--------------------------|---|--|---|
| Economic Well-being      | Our infrastructure is efficient, resilient, cost effective and meets current and future needs | <p>Community infrastructure (reserves, facilities and libraries) is efficiently and effectively managed, meeting the needs of our communities.</p> <p>The Richmond Aquatic Centre is managed, operated and maintained to meet the demands of customers in a cost-effective way.</p>  | <p>Population growth could lead to an increase in costs to our reserves, community facilities, the Richmond Aquatic Centre, and other facilities. This would be in the form of more assets, and/or the renewal of plants and equipment due to increased useage.</p>   |
| Environmental Well-being | Our unique natural environment is healthy, protected and sustainably managed                  | <p>Significant ecological areas and sensitive coastal and riparian areas within our parks, reserves and open spaces are well managed and protected.</p> <p>Our communities are aware and involved in conservation and restoration work.</p> <p>Our environmental education initiatives help deliver environmental benefits to the broader community.</p> | <p>Climate change and natural hazards pose a risk to library and community facilities. We ensure our buildings are appropriately designed, older buildings have been assessed for their earthquake risk and the majority of these buildings have been upgraded as needed. We have also prepared evacuation plans for each building.</p> <p>We will need to make a decision on whether to seismic strengthen the Wakefield Hall.</p> <p>Other risks are mitigated via insurance and emergency funding.</p> |



| COMMUNITY OUTCOMES  |  | HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME  | SIGNIFICANT NEGATIVE EFFECTS |
|---------------------|--|--|------------------------------|
| Cultural Well-being | <p>Our communities have opportunities to celebrate and explore their heritage, identity and creativity</p> <p>Our Council provides leadership and fosters partnerships including with iwi, fosters a regional perspective, and encourages community engagement</p> | <p>We provide recreation facilities that cater for and enable communities to celebrate their heritage and creativity.</p> <p>Cemeteries provide a location for remembrance.</p> <p>Libraries collect and preserve local heritage information and materials, and help people preserve their personal stories.</p> <p>We provide funding and in-kind support to local museums within our District, to the Nelson Provincial Museum, and to organisations that promote and celebrate our history and diverse cultures.</p> <p>We provide libraries, reserves and facilities which enable community partnerships through management of our community facilities, reserves and halls by volunteers and through working with schools, businesses, community groups and others who help with planting and other activities.</p> <p>We share regional facilities in association with NCC (e.g. Saxton Field, Suter Art Gallery, Nelson Provincial Museum).</p> <p>Our libraries, reserves and facilities provide spaces which enable social interaction and community engagement.</p> <p>We take opportunities to partner with a range of community and user groups.</p> <p>We assist youth councillors to participate in Council and Community Board decision-making.</p> |                              |



## KEY ISSUES

Key issues facing Community Development are:

- **An increasing ageing population** - The number of retired people is forecast to increase significantly in the next 15 years and this will result in changing use and demand for parks, reserves, the aquatic centre, community facilities and libraries. By contrast, the proportion of young people as a percentage of the total population is predicted to decline significantly over time. We aim to manage increased demand for facilities cost-effectively and to make our facilities fit-for purpose in the longer term. A working party of Councillors and staff will also continue to investigate future options for community housing for older people.
- **Pressure on facilities due to population growth** –A feasibility study on expansion options for the Richmond Library will start in 2025/2026. The work is proposed for 2032/2033.
- **Changing preferences in library material** – We plan to increase funding for electronic resources. Library staff will continue to monitor the demand for, and use of, our collections, and the relative balance of the physical and electronic collections.
- **Community facilities** – We are proposing a new Motueka Pool in 2023/2024 and a new community facility to service Brightwater and Wakefield communities in 2028/2029. We will seek a contribution of one third of the total cost of a project directly from the community before contributing money from the Shared or District Facilities rates which are for new, large, community, recreational, sporting or cultural projects, and their renewal. The Council may also choose to make a contribution from Reserve Financial Contributions where the facility is partially or wholly responding to growth. We will consider the affordability of contributing remaining costs where a community is prepared to fund two thirds or more of the cost of a new project not included in the LTP.

The impact of these influencing factors on the Community Development activity, and the effect on the current scale and mode of delivery, is discussed in detail in the Activity Management Plans.

### **Tasman Bays Heritage Trust (TBHT)**

The TBHT is a Council Controlled Organisation, which manages the Nelson Provincial Museum and associated activities. It has separate performance targets which are set as part of Statement of Intent, approved by both the Tasman District Council and Nelson City Council. The TBHT provides for high-quality exhibition, preservation, educational, and research facilities, emphasising the history of our region. The Nelson Provincial Museum is located in Trafalgar Street, Nelson.

### **Our investment in the Council Controlled Organisation**

During the 2021/2022 financial year, we will make a grant to the TBHT of approximately \$913, 000 to assist with the operation of the Nelson Provincial Museum. We provide storage facilities at Wakatū Estate for the museums use at no cost to the TBHT, but cost us an additional \$62,600 in 2021/2022. Total loans to the TBHT from the Tasman District Council at June 2021 are currently \$525,000, at 0% interest. Loan repayments are budgeted at \$100,000 per annum. In 2023/2024, we propose to fund \$3 million towards a new research and archives facility, located adjacent to the Museum to replace the old and inadequate facility at Isel Park.

The purpose of the TBHT, as detailed in the 2020 – 2023 Statement of Intent is to care for, strengthen and make our taonga and heritage collections accessible; and to create unforgettable experiences that stimulate awareness, celebrate diversity, incite action and entertain.



The strategic objectives of the TBHT, as detailed in the 2020 – 2023 Statement of Intent, include to:

1. plan for, and progress, a capital works project that will safely and appropriately house and care for the Nelson Tasman Regional Heritage Collection;
2. be a highly valued visitor destination, educational facility and cultural tourist attraction;
3. actively support and collaborate with Nelson Tasman cultural heritage organisations, iwi, and other community organisations;
4. continue to develop and care for a strong Regional Collection which is relevant and valued by, and accessible to, our Nelson Tasman communities; and
5. improve our sustainability performance.





**OUR LEVEL OF SERVICE – WHAT WE WILL DO AND HOW WE WILL MEASURE PERFORMANCE OVER THE 10 YEARS FROM 2021 – 2031**

| LEVELS OF SERVICE   | WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...  | CURRENT PERFORMANCE   | FUTURE PERFORMANCE TARGETS   |  |  |  |
|---|---|---|--|--|--|--|
|   |   |   | YEAR 1 TARGET  | YEAR 2 TARGET  | YEAR 3 TARGET  | BY YEAR 10   |
|   |   |   | 2021/2022  | 2022/2023  | 2023/2024  | 2024 - 2031  |
| An interconnected open space network and recreation facilities that provide a range of leisure opportunities and meet the needs of users and the community. | At least 85% of Tasman residents rate their satisfaction with recreational facilities (which include playing fields and neighbourhood reserves) as “fairly satisfied” or better in the annual residents’ surveys. | 2019/2020: 90% of residents and 95% of users were fairly satisfied or very satisfied with our recreational facilities | 85% of Tasman residents are fairly or very satisfied with the District’s recreational facilities | 85% of Tasman residents are fairly or very satisfied with the District’s recreational facilities | 85% of Tasman residents are fairly or very satisfied with the District’s recreational facilities | 85% of Tasman residents are fairly or very satisfied with the District’s recreational facilities |
| An interconnected open space network and recreation facilities that provide a range of leisure opportunities and meet the needs of users and the community. | At least 85% of properties zoned Residential are located within 500 metres of open space.   | 2019/2020: 92%  | 85%  | 85%  | 85%  | 85%  |



| LEVELS OF SERVICE   | WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...   | CURRENT PERFORMANCE  | FUTURE PERFORMANCE TARGETS  |   |   |   |
|---|--|--|---|---|---|---|
|   |  |  | YEAR 1 TARGET   | YEAR 2 TARGET   | YEAR 3 TARGET   | BY YEAR 10  |
|   |  |  | 2021/2022   | 2022/2023   | 2023/2024   | 2024 - 2031   |
| Public toilets at appropriate locations that meet the needs of users and are pleasant to use and maintained to a high standard of cleanliness.  | At least 70% of respondents who have used the District’s public toilets within the past year rate their satisfaction with public toilets as “fairly satisfied” or better in the annual residents’ surveys. | 2019/2020: 81% of users were fairly satisfied or very satisfied with our public toilets.                           | 70% of users are fairly or very satisfied with the District’s public toilets          | 70% of users are fairly or very satisfied with the District’s public toilets          | 70% of users are fairly or very satisfied with the District’s public toilets          | 70% of users are fairly or very satisfied with the District’s public toilets          |
| A network of public halls and community buildings (including multi-purpose community and recreation facilities in major centres and local halls) that provide reasonable access to indoor activities, and recreation space. | A community building is available within a 15-minute drive for 95% of the population (i.e. 20km radius catchment).   | A community building is available within a 15-minute drive for 99% of the population (i.e. 20km radius catchment). | A community building is available within a 15-minute drive for 95% of the population. | A community building is available within a 15-minute drive for 95% of the population. | A community building is available within a 15-minute drive for 95% of the population. | A community building is available within a 15-minute drive for 95% of the population. |



| LEVELS OF SERVICE   | WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...   | CURRENT PERFORMANCE  | FUTURE PERFORMANCE TARGETS                          |  |   |  |
|---|--|--|---|--|---|--|
|   |  |  | YEAR 1 TARGET                                       | YEAR 2 TARGET                          | YEAR 3 TARGET                                       | BY YEAR 10   |
|   |  |  | 2021/2022   | 2022/2023                              | 2023/2024   | 2024 - 2031  |
| Accessible and affordable housing to eligible people within the community.  | Tenants' overall satisfaction with Council's community housing is at least 80%, as measured through a biennial survey of tenants.  | 83% of tenants were satisfied with community housing as measured through a tenant survey in November 2019. | 80% of tenants are satisfied with community housing | Not measured this year                 | 80% of tenants are satisfied with community housing | 80% of tenants are satisfied with community housing as measured biennially in 2025/26, 2027/28, 2029/30 and 2031/32. |
| The provision of access to a wide range of information relevant to the community's recreation and learning needs. | The number of new and replacement lending/reference items added to the libraries collections is equivalent to at least 300 items per 1,000 residents.<br><br>Measured using information available from the Library Management System software and from e-resource vendors. | <i>New performance measure</i>   | At least 300 items per 1,000 residents              | At least 300 items per 1,000 residents | At least 300 items per 1,000 residents              | At least 300 items per 1,000 residents   |



| LEVELS OF SERVICE  | WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...   | CURRENT PERFORMANCE  | FUTURE PERFORMANCE TARGETS  |   |   |   |
|--|--|--|---|---|---|---|
|  |  |  | YEAR 1 TARGET   | YEAR 2 TARGET   | YEAR 3 TARGET   | BY YEAR 10  |
|  |  |  | 2021/2022   | 2022/2023   | 2023/2024   | 2024 - 2031   |
| The provision of access to a wide range of information relevant to the community's recreation and learning needs.        | At least 85% of library users are fairly or very satisfied with the public libraries, as measured through the annual residents' survey.  | 2019/2020: 91%   | 85% of library users are fairly or very satisfied with the public libraries                     | 85% of library users are fairly or very satisfied with the public libraries                     | 85% of library users are fairly or very satisfied with the public libraries                     | 85% of library users are fairly or very satisfied with the public libraries                     |
| The provision of safe, welcoming, attractive and accessible library facilities for customers to access library services. | <p>The number of visits to our libraries is equivalent to at least 9 visits per resident per year.</p> <p>Visitor numbers will be recorded daily using data from door counters at the Richmond, Motueka, and Tākaka libraries.</p> | <p>2019/2020: 7.9 visits to the library per resident.</p> <p>This target was not met due to library closures during Covid-19 restrictions.</p> | The number of visits to our libraries is equivalent to at least 9 visits per resident per year. | The number of visits to our libraries is equivalent to at least 9 visits per resident per year. | The number of visits to our libraries is equivalent to at least 9 visits per resident per year. | The number of visits to our libraries is equivalent to at least 9 visits per resident per year. |
| There is a high level of satisfaction reported from users of the Richmond Aquatic Centre facility.                       | At least 80% of users rate their satisfaction with Aquatic Centre facilities as fairly satisfied or better, in the annual residents' survey.   | 2019/2020: 90%   | 80%   | 80%   | 80%   | 80%   |



| LEVELS OF SERVICE  | WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...   | CURRENT PERFORMANCE           | FUTURE PERFORMANCE TARGETS |                     |                     |                                  |
|--|--|-------------------------------|----------------------------|---------------------|---------------------|----------------------------------|
|  |  |                               | YEAR 1 TARGET              | YEAR 2 TARGET       | YEAR 3 TARGET       | BY YEAR 10                       |
|  |  |                               | 2021/2022                  | 2022/2023           | 2023/2024           | 2024 - 2031                      |
| The Richmond Aquatic Centre facility is well used.                   | Admissions to the Aquatic Centre pool facility increases over time.  | 2019/2020: 256,916 admissions | 250,000+ admissions        | 252,000+ admissions | 254,000+ admissions | 260,000+ admissions by 2030/2031 |
| Promotion and delivery of community events and recreational services | Residents' satisfaction with a range of Council-organised community programmes and events.<br><br>As measured by the annual residents' survey. | 2019/2020: 74%                | 75%                        | 75%                 | 75%                 | 75%                              |



## KEY CHANGES TO ACTIVITY OR SERVICE

The following are key changes for the community development activities since the LTP 2018 – 2028.

| KEY CHANGE  | REASON FOR CHANGE   |
|---|---|
| Radio Frequency Identification (RFID) renewal costs | Replacement of the library's RFID has been brought forward to 2023/2024. Replacement has been budgeted for on an 8-year cycle.  |
| Expansion of Richmond Library building              | A budget for the possible expansion of the Richmond Library has been provided for in 2032/2033.   |
| Community Relations                                 | Previously, Communication's functions were included in Community Development. It is now found in the support services section, as its role supports other Council activities meet their goals and legislative requirements. Community Partnerships remains in Community Development.  |
| Motueka Swimming Pool                               | The Council has amended its overall capital expenditure programme to meet requests from groups and members of our communities. Our budgets include provision in 2021/2022 for a business case/feasibility study, and for design and consenting in 2022/2023. Our contribution to construction of this project is planned to start in 2023/2024. We also propose to contribute towards the operating costs. We will be working with the Motueka Community Swimming Pool Committee. |
| Nelson Provincial Museum                            | The Council has amended its overall capital expenditure programme to meet requests from groups and members of our communities. In 2023/2024, we propose to contribute \$3 million for a new research and archives facility, located adjacent to the Museum, in order to replace the old and inadequate facility at Isel Park.   |
| Brightwater/Wakefield Community Facility            | The Council has amended its overall capital expenditure programme to meet requests from groups and members of our communities. This project is planned to be completed in 2028/2029.  |
| Te Matatini Festival                                | In response to submissions, Council has provided some funding assistance for the Te Matatini events.  |
| Te Āwhina Marae                                     | . In response to submissions, Council has provided some funding assistance towards developments at Te Āwhina Marae.   |



| KEY CHANGE                | REASON FOR CHANGE   |
|---------------------------|---|
| Saxton Field developments | The Council has amended its overall capital expenditure programme to meet some of the requests from groups and members of our communities. Projects include a pole vault facility, and upgrade of lighting to an LED system on the hockey courts. |
| Golden Bay Grandstand     | The Council has amended its overall capital expenditure programme to meet requests from groups and members of our communities. The Council will contribute funds to the Grandstand from 2021/2022.  |

### KEY ASSUMPTIONS AND UNCERTAINTIES

We have made a number of assumptions in preparing the Activity Management Plan. The most significant assumptions and uncertainties for community development are:

- Ongoing capital development programme for reserves and facilities is based on funding from anticipated reserve financial contributions and funding from the District and Shared Facilities Rates.
- All current community facilities and halls continue to be operated with no significant changes.
- Community housing will continue to be self-funding and continue at current occupancy rates.
- The recreational needs of our communities are likely to change over time.
- Council continues to utilise modern library technologies.
- There will be increased delivery of digital services via the library website.
- The National Library will continue to manage key technology systems used by the library. These include Library Management System software provided through the Kōtui consortium and public internet computers and wifi access provided through the Aotearoa People’s Network Kaharoa (APNK).
- The Richmond Aquatic Centre will continue to be subsidised from rates.
- That Council-subsidised school pools will remain available for public use.
- Security of funding – Council will continue to deliver current activities and programmes and to receive contestable funding for some of these activities from external organisations.



## INVESTMENTS

The following are key community development investments for the next 10 years.

| NAME  | DESCRIPTION  |
|---|--|
| Completion of the new Motueka Library   | A new, purpose-built, 1,100m <sup>2</sup> single-storey library to meet our community's current and future needs. The project is due for completion early 2022.                                      |
| Renewal of library collections District-wide  | New and replacement material to refresh the library collection to reflect the interests of our growing and changing population.  |
| Purchase of digital library resources   | Ongoing purchases of digital resources such as e-books, databases and streaming services to reflect the preferences and interests of our growing and changing population.                            |
| Renewal of library radio frequency identification technology                          | Technology which allows us to securely circulate our collections, as with any technology, it will need to be renewed to perform the service we expect.   |
| Purchase of Cemetery land   | We are proposing to purchase land for a new cemetery to service the Richmond and Moutere/Waimea Wards in 2022/2023.  |
| Brightwater/Wakefield multi-purpose Community Facility                                | A new community facility to service the Brightwater, Wakefield and surrounding communities at the earliest in 2028/2029. A feasibility study will take place, and a location is still to be decided. |
| Golden Bay Recreation Park Grandstand   | We propose to upgrade the grandstand at Golden Bay Recreation Park during 2021/2022.   |
| Nelson Provincial Museum  | We are contributing to a new research facility located adjacent to the Nelson Provincial Museum in 2023/2024.  |
| Saxton Field Improvements   | We are continuing with ongoing developments that will provide additional recreational activities at Saxton Field.  |
| Motueka Community Pool  | We are working with the Motueka community to contribute to the building of an indoor swimming facility in 2023/2024. This work will include a feasibility study.                                     |
| Maintenance and operation of and building improvements to the Richmond Aquatic Centre | Various works to the Aquatic Centre to provide a safe and comfortable environment for our communities and a fit for purpose facility.  |





| NAME | DESCRIPTION |
|------|-------------|
|------|-------------|

|   |  |
|---|--|
| Richmond Aquatic Centre pool plant renewals | Replace plant and the refurbishment of equipment to maintain the Centre pools at a sufficient level. |
|---|--|

**Community Facilities Rate**

We introduced the Community Facilities Rate in the 2003/2004 financial year to provide a unique funding source for a wide range of community, recreational, sporting and cultural projects that were being proposed throughout our District for the benefit of residents. Completed projects that have been funded to date by the Community Facilities Rate, and the replacement District and Shared Facilities Rates, include:

- The Rotoiti Community Hall.
- The Moutere Hills Community Centre.
- The Richmond Aquatic Centre.
- The Grandstand at Sports Park Motueka.
- Motueka Recreation Centre upgrade.
- The Murchison Sport, Recreation and Cultural Centre.
- The Tasman Tennis Centre upgrades and new courts.
- A contribution to the Maruia Hall.
- Contributions under an agreed funding formula for ongoing developments at Saxton Field.
- Contributions to the upgrade of the Theatre Royal and to the upgrade of the Trafalgar Centre.
- Contributions to the upgrade of the Māpua Hall.
- The Recreation Park Centre Golden Bay.

In 2005, we split the Community Facilities Rate into a District Facilities Rate, covering facilities located in and primarily benefiting Tasman residents and visitors; and a Regional Facilities Rate, covering the wide range of projects with wider regional benefits which may be located within the Tasman District and Nelson City. In 2011, the Regional Facilities Rate was renamed as the Shared Facilities Rate to recognise that most of the regional facilities are actually shared facilities that are used by many residents of both districts. We propose to continue with our District and Shared Facilities Rates over the coming years. Each of these rates is charged on all properties within Tasman District. The major new projects which we are proposing to fund from the District Facilities Rate in Tasman’s 10-Year Plan 2021–2031 include the upgrade of the Grandstand at the Golden Bay Recreation Park, the Motueka Community Pool and the Wakefield/Brightwater Community Facility. We expect a community contribution towards these three projects. We will also continue to fund ongoing development at Saxton Field from the Shared Facilities Rate.



The Community Facilities Operating Rate has now been discontinued. The operating costs for the below facilities are being moved into the relevant District or Shared Facilities Rate. The District and Shared Facilities Rates will cover both the capital and operating costs for facilities. We have also added into the District Facilities Rate budgets, funding to cover the operating costs of the proposed new Motueka Community Pool and Wakefield/Brightwater Community Facility once they are constructed.

- Recreation Park Centre Golden Bay.
- Moutere Hills Community Centre.
- Motueka Recreation Centre.
- Richmond Aquatic Centre.
- Murchison Sport, Recreation and Cultural Centre.
- Lake Rotoiti Community Hall.
- Saxton Field.



## FUNDING IMPACT STATEMENT AND FUNDING SOURCES FOR THE COMMUNITY DEVELOPMENT GROUP OF ACTIVITIES

|  | 2020/21<br>AP<br>\$000 | 2021/22<br>BUDGET<br>\$000 | 2022/23<br>BUDGET<br>\$000 | 2023/24<br>BUDGET<br>\$000 | 2024/25<br>BUDGET<br>\$000 | 2025/26<br>BUDGET<br>\$000 | 2026/27<br>BUDGET<br>\$000 | 2027/28<br>BUDGET<br>\$000 | 2028/29<br>BUDGET<br>\$000 | 2029/30<br>BUDGET<br>\$000 | 2030/31<br>BUDGET<br>\$000 |
|--|------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| <b>SOURCES OF OPERATING FUNDING</b>                                      |                        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| General rates, uniform annual general charges, rates penalties           | 11,664                 | 12,417                     | 13,103                     | 14,156                     | 14,836                     | 15,622                     | 16,623                     | 17,229                     | 18,240                     | 19,412                     | 20,485                     |
| Targeted rates   | 4,644                  | 5,012                      | 5,198                      | 5,208                      | 6,017                      | 6,016                      | 6,005                      | 6,095                      | 6,229                      | 6,537                      | 6,570                      |
| Subsidies and grants for operating purposes                              | 971                    | 279                        | 158                        | 1,244                      | 167                        | 171                        | 215                        | 381                        | 2,821                      | 191                        | 197                        |
| Fees and charges   | 552                    | 580                        | 617                        | 627                        | 638                        | 650                        | 663                        | 676                        | 691                        | 707                        | 723                        |
| Internal charges and overheads recovered                                 | 518                    | 472                        | 476                        | 480                        | 483                        | 488                        | 542                        | 547                        | 552                        | 557                        | 562                        |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 1,589                  | 1,751                      | 1,846                      | 1,929                      | 1,962                      | 1,999                      | 2,039                      | 2,081                      | 2,126                      | 2,174                      | 2,224                      |
| <b>Total operating funding</b>   | <b>19,938</b>          | <b>20,511</b>              | <b>21,398</b>              | <b>23,644</b>              | <b>24,103</b>              | <b>24,946</b>              | <b>26,087</b>              | <b>27,009</b>              | <b>30,659</b>              | <b>29,578</b>              | <b>30,761</b>              |
| <b>APPLICATIONS OF OPERATING FUNDING</b>                                 |                        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| Payments to staff and suppliers  | 12,097                 | 12,633                     | 13,119                     | 16,591                     | 13,918                     | 14,289                     | 14,795                     | 14,770                     | 16,142                     | 16,544                     | 16,987                     |
| Finance costs  | 957                    | 1,031                      | 984                        | 893                        | 1,013                      | 967                        | 862                        | 773                        | 712                        | 745                        | 734                        |
| Internal charges and overheads applied                                   | 4,682                  | 5,275                      | 5,843                      | 6,160                      | 6,661                      | 7,110                      | 7,740                      | 8,173                      | 8,917                      | 9,864                      | 10,590                     |
| Other operating funding applications                                     | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| <b>Total applications of operating funding</b>                           | <b>17,736</b>          | <b>18,939</b>              | <b>19,946</b>              | <b>23,644</b>              | <b>21,592</b>              | <b>22,366</b>              | <b>23,397</b>              | <b>23,716</b>              | <b>25,771</b>              | <b>27,153</b>              | <b>28,311</b>              |
| <b>Surplus/(deficit) of operating funding</b>                            | <b>2,202</b>           | <b>1,572</b>               | <b>1,452</b>               | <b>0</b>                   | <b>2,511</b>               | <b>2,580</b>               | <b>2,690</b>               | <b>3,293</b>               | <b>4,888</b>               | <b>2,425</b>               | <b>2,450</b>               |
| <b>SOURCES OF CAPITAL FUNDING</b>  |                        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| Subsidies and grants for capital expenditure                             | 0                      | 264                        | 4                          | 4                          | 4                          | 4                          | 4                          | 5                          | 5                          | 5                          | 5                          |
| Development and financial contributions                                  | 3,736                  | 3,914                      | 4,039                      | 4,140                      | 2,863                      | 2,943                      | 3,029                      | 3,120                      | 3,216                      | 3,319                      | 3,425                      |
| Increase (decrease) in debt  | 3,380                  | 531                        | (683)                      | 3,048                      | (1,006)                    | (1,291)                    | (1,236)                    | (1,616)                    | 706                        | 152                        | (407)                      |



|  | 2020/21<br>AP<br>\$000 | 2021/22<br>BUDGET<br>\$000 | 2022/23<br>BUDGET<br>\$000 | 2023/24<br>BUDGET<br>\$000 | 2024/25<br>BUDGET<br>\$000 | 2025/26<br>BUDGET<br>\$000 | 2026/27<br>BUDGET<br>\$000 | 2027/28<br>BUDGET<br>\$000 | 2028/29<br>BUDGET<br>\$000 | 2029/30<br>BUDGET<br>\$000 | 2030/31<br>BUDGET<br>\$000 |
|--|------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Gross proceeds from sale of assets           | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| Lump sum contributions                       | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| Other dedicated capital funding              | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| <b>Total sources of capital funding</b>      | <b>7,116</b>           | <b>4,709</b>               | <b>3,360</b>               | <b>7,192</b>               | <b>1,861</b>               | <b>1,656</b>               | <b>1,797</b>               | <b>1,509</b>               | <b>3,927</b>               | <b>3,476</b>               | <b>3,023</b>               |
| <b>APPLICATIONS OF CAPITAL FUNDING</b>       |                        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| Capital expenditure                          |                        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| - to meet additional demand                  | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| - to improve the level of service            | 336                    | 1,338                      | 8                          | 1,876                      | 69                         | 173                        | 1,804                      | 282                        | 4,436                      | 327                        | 10                         |
| - to replace existing assets                 | 9,176                  | 4,718                      | 5,732                      | 5,545                      | 4,343                      | 3,451                      | 2,292                      | 2,470                      | 10,046                     | 4,082                      | 4,937                      |
| Increase (decrease) in reserves              | (86)                   | 332                        | (825)                      | (126)                      | (12)                       | 640                        | 419                        | 2,078                      | (5,639)                    | 1,520                      | 554                        |
| Increase (decrease) in investments           | (108)                  | (107)                      | (103)                      | (103)                      | (28)                       | (28)                       | (28)                       | (28)                       | (28)                       | (28)                       | (28)                       |
| <b>Total applications of capital funding</b> | <b>9,318</b>           | <b>6,281</b>               | <b>4,812</b>               | <b>7,192</b>               | <b>4,372</b>               | <b>4,236</b>               | <b>4,487</b>               | <b>4,802</b>               | <b>8,815</b>               | <b>5,901</b>               | <b>5,473</b>               |
| <b>Surplus/(deficit) of capital funding</b>  | <b>(2,202)</b>         | <b>(1,572)</b>             | <b>(1,452)</b>             | <b>0</b>                   | <b>(2,511)</b>             | <b>(2,580)</b>             | <b>(2,690)</b>             | <b>(3,293)</b>             | <b>(4,888)</b>             | <b>(2,425)</b>             | <b>(2,450)</b>             |
| <b>Funding balance</b>                       | <b>0</b>               | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   |

The FISs also reflect changes resulting from internal restructures and revenue reclassifications. The Annual Plan 2020/2021 has not been restated to reflect these changes.



## GOVERNANCE

This section contains the Governance group of activities.

The 10-year operating budgets for Governance activities are outlined in the following table along with the 2020/2021 budgets for comparison.

| <b>GOVERNANCE</b>  | <b>2020/2021</b> | <b>2021/2022</b> | <b>2022/2023</b> | <b>2023/2024</b> |
|--------------------|------------------|------------------|------------------|------------------|
|                    | <b>BUDGET</b>    | <b>BUDGET</b>    | <b>BUDGET</b>    | <b>BUDGET</b>    |
|                    | <b>\$000</b>     | <b>\$000</b>     | <b>\$000</b>     | <b>\$000</b>     |
| <b>TOTAL COSTS</b> | 1,877            | 3,547            | 3,853            | 3,681            |

| <b>GOVERNANCE</b>  | <b>2024/2025</b> | <b>2025/2026</b> | <b>2026/2027</b> | <b>2027/2028</b> | <b>2028/2029</b> | <b>2029/2030</b> | <b>2030/2031</b> |
|--------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|                    | <b>BUDGET</b>    | <b>BUDGET</b>    | <b>BUDGET</b>    | <b>BUDGET</b>    | <b>BUDGET</b>    | <b>BUDGET</b>    | <b>BUDGET</b>    |
|                    | <b>\$000</b>     | <b>\$000</b>     | <b>\$000</b>     | <b>\$000</b>     | <b>\$000</b>     | <b>\$000</b>     | <b>\$000</b>     |
| <b>TOTAL COSTS</b> | 3,788            | 4,102            | 3,951            | 4,058            | 4,390            | 4,242            | 4,213            |

These pages cover what we do in relation to this activity group, why we do it, the contribution of the activity to the community outcomes, any key issues, and information on our Council-Controlled Organisations.

### WHAT WE DO

We run the electoral process (under the direction of the Electoral Officer) to provide our District with a democratically elected Mayor, Councillors and Community Board members and the governance of our District by its elected representatives. It also involves:

- organising and preparation for Council meetings
- organising civic ceremonies, such as citizenship ceremonies and ANZAC Day services
- support for our Councillors, Council and Community Boards and any assistance required by our Mayor
- running democratic processes, including community consultation, and
- making appointments to Council Controlled Trading Organisations (CCTOs)<sup>4</sup> and Council Controlled Organisations.

We have a 50% shareholding in the following organisations, with NCC holding the other 50% share, in:

- Nelson Airport Limited
- Port Nelson Ltd, and
- Tasman Bays Heritage Trust.

We are also:

- a majority shareholder in Waimea Water Limited
- a shareholder in the Local Government Funding Agency Limited, and

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<sup>4</sup> CCTOs are operated for the principle purpose of making a profit.



- a shareholder in the New Zealand Local Government Insurance Company Limited (Civic Assurance).

Note: Port Nelson is not a Council Controlled Organisation (CCO) under the Local Government Act 2002 (LGA). It is covered by the Port Companies Act 1988, which imposes similar obligations on port companies as those that would apply if the port was a CCO under the LGA.

#### **WHY WE DO IT**

We support democratic processes and Council decision-making, while meeting our statutory functions and requirements, and to provide economic benefits to our communities.





## CONTRIBUTION TO COMMUNITY OUTCOMES

| COMMUNITY OUTCOMES  |  | HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME   | SIGNIFICANT NEGATIVE EFFECTS   |
|---------------------|--|---|--|
| Social Well-being   | Our communities are healthy, safe, inclusive and resilient   | <p>Everyone is included and involved, can participate in decision-making and is able to enjoy a good quality of life, wherever they come from and whatever their age, abilities or income. The Golden Bay and Motueka Community Boards represent and act as an advocate for the interests of their communities. They also maintain an overview of services provided by Council within their communities and communicate with community organisations and special interest groups. They are separately elected advisory bodies and are not Council Committees. Community Associations support and advocate for residents in their local communities and make submissions to Council. Ward Councillors maintain close relationships with their local community associations.</p> <p>Advisory Groups are established and co-ordinated by Council for specific user groups. The advisory groups help to guide Council decisions, normally on the use and function of a Council asset.</p> | There are no significant negative effects for our governance activity. |
| Economic Well-being | Our region is supported by an innovative and sustainable economy   | The Council Controlled Trading Organisations provide an economic return to Council and ratepayers and also provide employment opportunities.  |  |
|                     | Our Council provides leadership and fosters partnerships including with iwi, fosters a regional perspective, and encourages community engagement | <p>Everyone has the opportunity to participate in the community's major decisions and information is easy to obtain.</p> <p>The Governance activity ensures that democratic processes are undertaken and supports the work of elected members.</p>  |  |



## ELECTORAL PROCESS

Tasman District is divided into five electoral wards – Golden Bay, Lakes/Murchison, Motueka, Moutere/Waimea and Richmond. Councillors are elected by ward. The Mayor is elected from across the District. We have Community Boards in Golden Bay and Motueka. Elections are held every three years under the Local Electoral Act 2001, with the next one being in 2022.

Tasman District Council comprises a Mayor and 13 Councillors elected as follows:

| WARD            | COUNCILLORS |
|-----------------|-------------|
| Golden Bay      | 2           |
| Lakes/Murchison | 1           |
| Motueka         | 3           |
| Moutere/Waimea  | 3           |
| Richmond        | 4           |

## FRIENDLY TOWNS/COMMUNITY RELATIONSHIPS

We enjoy Friendly Town/Communities relationships with three towns: two in Japan and one in Holland. Motueka has a friendly town relationship with Kiyosato and Richmond has a friendly town relationship with Fujimi-Machi, both in Japan. There are regular exchanges of students and adults between the towns. Tasman District has a friendly towns relationship with the municipality of Westerkwartier in Holland. These relationships foster and encourage economic and cultural relations between the areas.

## KEY ISSUES

### Iwi and Māori matters

We acknowledge the nine iwi who have Statutory Acknowledgement through their Treaty of Waitangi Settlement Legislation, meaning specifically those people claiming customary and ancestral ties in the Tasman District:

- Ngāti Kuia
- Ngāti Rārua
- Ngāti Tama ki Te Tau Ihu
- Te Ātiawa o Te Waka-a-Māui
- Ngāti Kōata
- Ngāti Toa Rangatira
- Ngāti Apa ki te Rā Tō
- Rangitāne o Wairau
- Ngāi Tahu

We also work with the Wakatū Incorporation and Ngāti Rārua Ātiawa Iwi Trust (NRAIT) on issues relating to lands and resources managed by those organisations.

We, and local iwi, support community well-being and contribute to the economic development of the Tasman District, but in different ways. For example, iwi have a kaitiakitanga (guardianship) role for the environment and we have a range of enhancement, monitoring and regulatory functions to protect and improve the environment. Iwi have a long term commitment to the Region and, through





various businesses, provide economic development and significant employment to residents of the District. We focus more on providing infrastructure to support businesses.

We appreciate and acknowledge the important contribution iwi and Māori organisations make towards these common goals.

It is important that we have a good working relationship with iwi. A number of steps have been taken over the last few years to enable greater contribution by Māori in decision-making processes. These are set out in our Fostering Māori Participation in Council Decision-making through Ngā Iwi – Council Partnership statement. Some of the actions are including iwi representatives on hearing panels and working groups, Kaumatua to assist the Mayor and Chief Executive with Māori protocol, and the appointment of a Kaihautū to assist with collaboration between local iwi and Council. Meetings of Mayors and iwi Chairs are held to discuss governance issues. Council staff attend regular liaison meetings with Māori groups in the community. This enables service delivery issues and other matters of concern to be identified and fed back into Council to be considered and addressed at the appropriate level. We actively work with iwi on planning issues, including resource consent applications and plan reviews and development. Iwi are engaged in freshwater planning through the Iwi Policy Working Group and involvement in specific projects that form part of the Tasman freshwater implementation programme.

As the Te Tiriti o Waitangi/Treaty of Waitangi claims are now settled, the role of iwi in the District and their relationship with Council - and how their views are included in decision making processes - will continue to be defined.

#### **Funding for Regional Development and Tourism – General Rate**

We have budgeted for a total of \$300,000 per annum for purchasing services from the Nelson Regional Development Agency (NRDA). Tasman District Council contract these services from NRDA via NCC. The funding source is General Rates. We have also budgeted \$40,000 per annum to part fund the Motueka Information Centre, \$30,000 per annum for the Tākaka Information Centre, \$15,000 per annum for the Murchison Information Centre and \$25,000 per annum for the Nelson Tasman Business Trust.

#### **Community Board Targeted Rate**

We propose to retain both the Golden Bay Community Board targeted rate and the Motueka Community Board targeted rate in Tasman's 10-Year Plan 2021–2031. These targeted rates offset the governance cost component of maintaining the community boards and include:

- an allowance for special projects to be spent in the Motueka Ward, the funding for which will be allocated by the Motueka Community Board; and
- an allowance for special projects to be spent in the Golden Bay Ward, the funding for which will be allocated by the Golden Bay Community Board.

## COUNCIL CONTROLLED ORGANISATIONS (CCO) – PERFORMANCE TARGETS

Note: the information provided below is from the 2019/2020 Statements of Intent for each organisation.

| EQUITY INVESTMENT   | OBJECTIVES   | TARGET RETURNS   |
|---|--|--|
| <p><b>Port Nelson Ltd</b></p> <p>Port Nelson is a commercial trading port.</p> <p>We are a 50% shareholder with Nelson City Council.</p> <p>We hold 12,707,702 shares.</p> <p>2019/2020 book value of the investment: \$126.697 million.</p> <p>2019/2020 net assets of the company \$322.457 million.</p>                  | <p>We aim to maintain our 50% investment in Port Nelson Ltd (through the holding company) to retain effective local body control of this strategic asset. We receive a commercial return to reduce our reliance on rates income.</p>   | <p>Annual dividend of not less than 50% of net profit after tax (approximately \$5.5 million per annum, shared between the two Councils).</p>  |
| <p><b>Nelson Airport Ltd</b></p> <p>Nelson Airport Ltd is an operational airport servicing Nelson Bays. We are a 50% owner with Nelson City Council. Council holds 1,200,000 shares.</p> <p>2019/2020 book value of the investment is \$33.288 million. The 2019/2020 net assets of the company were \$108.051 million.</p> | <p>We aim to maintain 50% investment in Nelson Airport Ltd (through the holding company) to retain effective local body control of this strategic investment. We receive a commercial return to reduce our reliance on rates income.</p>   | <p>Deliver dividend growth in excess of CPI movement, and higher than that declared in previous financial year (2019/2020: \$425,000 dividend received).</p>   |
| <p><b>New Zealand Local Government Funding Agency Limited (LGFA)</b></p> <p>The LGFA was established to provide funding facilities for local government. We hold 3,731,958 shares (including uncalled capital). The LGFA is owned by the Crown and 67 local authorities. We are a minority shareholder.</p>                 | <ul style="list-style-type: none"> <li>• Obtain a return on the investment.</li> <li>• Ensure that the Local Government Funding Agency has sufficient capital to remain viable, meaning that it continues as a source of debt funding for Council.</li> <li>• Access loan funding at lower rates.</li> </ul> <p>Due to the overall benefit of these multiple objectives, we may invest in shares when the return on that investment is potentially lower than the return with alternative investments.</p> | <p>The LGFA policy is to pay a dividend that provides an annual return to shareholders equal to the Local Government Funding Agency cost of funds plus 2 percent. This equated to approximately \$104,000 for 2019/2020.</p> |



| EQUITY INVESTMENT   | OBJECTIVES   | TARGET RETURNS  |
|---|--|---|
| <p><b>Civic Financial Services Ltd</b></p> <p>Civic Financial Services was initially established as an insurance vehicle for local authorities. The company now provides financial services, the Super Easy and Super Easy Kiwi Saver superannuation schemes. We hold 65,584 shares. We are a minority shareholder.</p> | <p>We initially invested in Civic Financial Services Ltd through Riskpool and LAPP schemes to provide disaster recovery, and public and professional indemnity insurance. We now use commercial brokers. These shares are not tradable and we are unlikely to purchase further shares.</p> | <p>Civic Financial Services Ltd has now withdrawn from the insurance market.</p> <p>Returns from the company are now at a nominal level and are not expected to increase.</p> |
| <p><b>Waimea Community Dam Council Controlled Organisation 'Waimea Water Ltd'</b></p> <p>The Company will own and operate the proposed Waimea Community Dam, on a cost recovery basis. We will hold a minimum of 51% of the voting shares at all times, and appoint four of the seven directors on the Board.</p>       | <p>Our objective in investing in the dam joint venture is to provide the most cost-effective solution to the need to augment the Waimea water supply.</p>  | <p>There is no targeted return on this investment. Waimea Water Limited will be operated on a breakeven basis only. There will be no dividends paid to shareholders.</p>      |
| <p><b>Nelson Bays Heritage Trust</b></p> <p>Nelson Bays Heritage Trust manages the Nelson Provincial Museum in Nelson. The 2019/2020 net assets of the company were \$9.667 million.</p>  | <p>This investment into the regional museum of Nelson-Tasman, is to support and care for our taonga and heritage collections.</p>  | <p>There is no targeted return on this investment. The Trust will be operated on a breakeven basis only. There will be no dividends paid to shareholders.</p>                 |

## FUNDING IMPACT STATEMENT AND FUNDING SOURCES FOR THE GOVERNANCE GROUP OF ACTIVITIES

|  | 2020/21<br>AP<br>\$000 | 2021/22<br>BUDGET<br>\$000 | 2022/23<br>BUDGET<br>\$000 | 2023/24<br>BUDGET<br>\$000 | 2024/25<br>BUDGET<br>\$000 | 2025/26<br>BUDGET<br>\$000 | 2026/27<br>BUDGET<br>\$000 | 2027/28<br>BUDGET<br>\$000 | 2028/29<br>BUDGET<br>\$000 | 2029/30<br>BUDGET<br>\$000 | 2030/31<br>BUDGET<br>\$000 |
|--|------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| <b>SOURCES OF OPERATING FUNDING</b>                                      |                        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| General rates, uniform annual general charges, rates penalties           | 1,940                  | 3,152                      | 3,449                      | 3,273                      | 3,373                      | 3,975                      | 4,086                      | 4,214                      | 4,568                      | 4,441                      | 4,593                      |
| Targeted rates   | 326                    | 331                        | 340                        | 348                        | 357                        | 366                        | 375                        | 385                        | 395                        | 407                        | 414                        |
| Subsidies and grants for operating purposes                              | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| Fees and charges   | 8                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| Internal charges and overheads recovered                                 | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 121                    | 92                         | 101                        | 108                        | 109                        | 109                        | 110                        | 111                        | 112                        | 113                        | 114                        |
| <b>Total operating funding</b>   | <b>2,395</b>           | <b>3,575</b>               | <b>3,890</b>               | <b>3,729</b>               | <b>3,839</b>               | <b>4,450</b>               | <b>4,571</b>               | <b>4,710</b>               | <b>5,075</b>               | <b>4,961</b>               | <b>5,121</b>               |
| <b>APPLICATIONS OF OPERATING FUNDING</b>                                 |                        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| Payments to staff and suppliers  | 846                    | 2,390                      | 2,651                      | 2,481                      | 2,557                      | 2,829                      | 2,655                      | 2,744                      | 3,048                      | 2,870                      | 2,973                      |
| Finance costs  | 0                      | 1                          | 0                          | 0                          | 0                          | 1                          | 1                          | 1                          | 0                          | 0                          | 1                          |
| Internal charges and overheads applied                                   | 1,031                  | 1,156                      | 1,202                      | 1,200                      | 1,231                      | 1,272                      | 1,295                      | 1,313                      | 1,342                      | 1,372                      | 1,239                      |
| Other operating funding applications                                     | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| <b>Total applications of operating funding</b>                           | <b>1,877</b>           | <b>3,547</b>               | <b>3,853</b>               | <b>3,681</b>               | <b>3,788</b>               | <b>4,102</b>               | <b>3,951</b>               | <b>4,058</b>               | <b>4,390</b>               | <b>4,242</b>               | <b>4,213</b>               |
| <b>Surplus/(deficit) of operating funding</b>                            | <b>518</b>             | <b>28</b>                  | <b>37</b>                  | <b>48</b>                  | <b>51</b>                  | <b>348</b>                 | <b>620</b>                 | <b>652</b>                 | <b>685</b>                 | <b>719</b>                 | <b>908</b>                 |
| <b>SOURCES OF CAPITAL FUNDING</b>  |                        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| Subsidies and grants for capital expenditure                             | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| Development and financial contributions                                  | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| Increase (decrease) in debt  | (11)                   | (7)                        | (7)                        | (7)                        | 50                         | (11)                       | (11)                       | (11)                       | (11)                       | 52                         | (13)                       |



|  | 2020/21<br>AP<br>\$000 | 2021/22<br>BUDGET<br>\$000 | 2022/23<br>BUDGET<br>\$000 | 2023/24<br>BUDGET<br>\$000 | 2024/25<br>BUDGET<br>\$000 | 2025/26<br>BUDGET<br>\$000 | 2026/27<br>BUDGET<br>\$000 | 2027/28<br>BUDGET<br>\$000 | 2028/29<br>BUDGET<br>\$000 | 2029/30<br>BUDGET<br>\$000 | 2030/31<br>BUDGET<br>\$000 |
|--|------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Gross proceeds from sale of assets           | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| Lump sum contributions                       | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| Other dedicated capital funding              | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| <b>Total sources of capital funding</b>      | <b>(11)</b>            | <b>(7)</b>                 | <b>(7)</b>                 | <b>(7)</b>                 | <b>50</b>                  | <b>(11)</b>                | <b>(11)</b>                | <b>(11)</b>                | <b>(11)</b>                | <b>52</b>                  | <b>(13)</b>                |
| <b>APPLICATIONS OF CAPITAL FUNDING</b>       |                        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| Capital expenditure                          |                        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| - to meet additional demand                  | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| - to improve the level of service            | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| - to replace existing assets                 | 0                      | 0                          | 0                          | 0                          | 55                         | 0                          | 0                          | 0                          | 0                          | 64                         | 0                          |
| Increase (decrease) in reserves              | 507                    | 21                         | 30                         | 41                         | 46                         | 337                        | 609                        | 641                        | 674                        | 707                        | 895                        |
| Increase (decrease) in investments           | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| <b>Total applications of capital funding</b> | <b>507</b>             | <b>21</b>                  | <b>30</b>                  | <b>41</b>                  | <b>101</b>                 | <b>337</b>                 | <b>609</b>                 | <b>641</b>                 | <b>674</b>                 | <b>771</b>                 | <b>895</b>                 |
| <b>Surplus/(deficit) of capital funding</b>  | <b>(518)</b>           | <b>(28)</b>                | <b>(37)</b>                | <b>(48)</b>                | <b>(51)</b>                | <b>(348)</b>               | <b>(620)</b>               | <b>(652)</b>               | <b>(685)</b>               | <b>(719)</b>               | <b>(908)</b>               |
| <b>Funding balance</b>                       | <b>0</b>               | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   |

The FISs also reflect changes resulting from internal restructures and revenue reclassification. The Annual Plan 2020/2021 has not been restated to reflect these changes.



## COUNCIL ENTERPRISES

This section includes the Council Enterprises group of activities (forestry, aerodromes, ports, holiday parks and commercial property).

The 10-year operating budgets for the Council Enterprises activity are outlined in the following table along with the 2020/2021 budgets for comparison.

| COUNCIL ENTERPRISES | 2020/2021 BUDGET \$000 | 2021/2022 BUDGET \$000 | 2022/2023 BUDGET \$000 | 2023/2024 BUDGET \$000 |
|---------------------|------------------------|------------------------|------------------------|------------------------|
| <b>TOTAL COSTS</b>  | 9,598                  | 11,134                 | 12,617                 | 13,652                 |

| COUNCIL ENTERPRISES | 2024/2025 BUDGET \$000 | 2025/2026 BUDGET \$000 | 2026/2027 BUDGET \$000 | 2027/2028 BUDGET \$000 | 2028/2029 BUDGET \$000 | 2029/2030 BUDGET \$000 | 2030/2031 BUDGET \$000 |
|---------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| <b>TOTAL COSTS</b>  | 11,544                 | 9,926                  | 11,326                 | 9,822                  | 11,026                 | 9,893                  | 9,143                  |

Details of each of these groups of activities are outlined in the following pages. These pages cover the activity goal, what we do in relation to each activity group, why we do it, the contribution of the activities to the community outcomes, any key issues, how we will measure our performance, any assumptions we have made, and a snapshot of our key projects over the next 10 years.

### OUR GOAL

Commercial and semi-commercial activities meet user needs, provides a safe and compliant working environment, and are financial sustainable.

### WHAT WE DO

This activity involves the management of approximately 2,700 stocked hectares of commercial plantation forest, aerodromes in Motueka and Tākaka, a mixture of leased and managed holiday parks in Motueka, Pōhara, Collingwood and Murchison, the management of Port Tarkohe and the management of various commercial property assets

### WHY WE DO IT

Council’s ownership and management of commercial assets provide benefits to all users, via employment and development for the wider community. Their economic development and strategic importance are critical to all ratepayers and facility users. Income streams from commercial activities and commercial investments provide additional income to Council. This additional income reduces Council’s reliance on rates to fund its activities.



## CONTRIBUTION TO COMMUNITY OUTCOMES

| COMMUNITY OUTCOMES  |  | HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME   | SIGNIFICANT NEGATIVE EFFECTS   |
|---------------------|--|---|--|
| Social Well-being   | Our communities are healthy, safe, inclusive and resilient   | Our commercial assets provide a healthy and safe environment for users, and are compliant with health and safety standards.<br>Our aerodromes and ports are resilience assets for communities with limited road access.   |  |
| Social Well-being   | Our urban and rural environments are people-friendly, well planned, accessible and sustainably managed             | We manage our commercial activities to provide functional, pleasant and safe environments, and to minimise any public health hazards and provide attractive facilities.<br><br>We work to minimise negative impacts on our environment, and consider sustainability in all our future commercial development.<br><br>Our commercial assets are accessible to our communities.   | The development of Māpua Wharf area impacts the local community with increased pedestrian and vehicle traffic, and associated parking issues.<br><br>Noise from the aerodrome, and port users, can have negative impacts on some members of our communities. |
| Social Well-being   | Our communities have access to a range of social, cultural, educational and recreational facilities and activities | We provide spaces for social interaction and recreation.<br><br>We manage our commercial forests for the benefit to our communities, by balancing commercial and recreational use.  | Recreational access to some of our commercial forests is restricted, or closed, during harvest operations and times of high fire risk.   |
| Economic Well-being | Our region is supported by an innovative and sustainable economy   | Our commercial activities provide us an income stream to reduce reliance on rates.<br><br>We provide jobs for, and help develop, our local communities.<br><br>We have a range of legacy assets. We provide and manage recreational assets, and those that provide community resilience, to minimise the burden on ratepayers.<br><br>Our forestry assets provide a sustainable economic resource for our communities and a carbon offset for our activities. |  |



| COMMUNITY OUTCOMES       |  | HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME  | SIGNIFICANT NEGATIVE EFFECTS  |
|--------------------------|--|--|---|
| Economic Well-being      | Our infrastructure is efficient, resilient, cost effective and meets current and future needs  | We provide commercial and recreational facilities to meet our community's needs at an affordable level.  |   |
| Environmental Well-being | Our unique natural environment is healthy, protected and sustainably managed   | <p>We have gained the Forestry Stewardship Council (FSC) certification. Our forests are sustainably managed within internationally recognised guidelines.</p> <p>Our forests store carbon to reduce the impact of climate change and meet obligations under climate change agreements.</p> | Harvest operations in certain areas increases the risk of sediment and stormwater issues. |
| Cultural Well-being      | Our communities have opportunities to celebrate and explore their heritage, identity and creativity  | <p>Our commercial assets include sites that have historical significance and are available for historical reference and exploration.</p> <p>Historic places and iwi interests are respected and protected through planned development.</p>   |   |
|                          | Our Council provides leadership and fosters partnerships including with iwi, fosters a regional perspective, and encourages community engagement | We have established various user and advisory groups such as Motueka Aerodrome Advisory Group, Tākaka Aerodrome User Group, and Port Tarakohe Advisory Group to engage with our communities on our commercial and semi-commercial activities.  |   |





## KEY ISSUES

Key issues facing the Council Enterprises activity are:

- **Legacy Assets** – The commercial portfolio has several legacy assets, where we are not able to achieve full commercial returns. This is often due to a lack of economies of scale. Port Tarakohe is the main underperforming asset in the portfolio, and the scale of potential improvements is subject to future Government support. Options for improvement are currently under development.

The impact of these influencing factors on the Council Enterprises activity, and the effect on the current scale and mode of delivery, is discussed in detail in the Council Enterprises Activity Management Plan.



OUR LEVEL OF SERVICE – WHAT COUNCIL WILL DO AND HOW IT WILL MEASURE PERFORMANCE OVER THE 10 YEARS FROM 2021 – 2031

| LEVELS OF SERVICE   | WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...   | CURRENT PERFORMANCE           | FUTURE PERFORMANCE TARGETS    |                               |                               |                               |
|---|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
|   |  |                               | YEAR 1 TARGET 2021/2022       | YEAR 2 TARGET 2022/2023       | YEAR 3 TARGET 2023/2024       | BY YEAR 10 2024 - 2031        |
| Commercial assets are managed prudently to provide a financial return for the benefit of the District's ratepayers. | Earnings before Interest, Taxes, Depreciation, and Amortisation (EBITDA) for activity compared to Annual Plan.<br><br>Six separate measures for Forestry, Port Tarakohe, Holiday Parks, Commercial Property, Motueka Aerodrome and Tākaka Aerodrome: | 2019/2020: EBITDA             | Forestry \$2.22 million       | Forestry \$2.7 million        | Forestry \$2.3 million        | Forestry \$549,000            |
|   |  | Forestry \$4.0 million (+96%) | Port Tarakohe \$224,000       | Port Tarakohe \$253,000       | Port Tarakohe \$273,000       | Port Tarakohe \$349,000       |
|   |  | Port Tarakohe \$-54,000       | Holiday Parks \$510,000       | Holiday Parks \$645,000       | Holiday Parks \$735,000       | Holiday Parks \$885,000       |
|   |  | Holiday Parks \$310,000       | Commercial Property \$383,000 | Commercial Property \$372,000 | Commercial Property \$360,000 | Commercial Property \$241,000 |
|   |  | Commercial Property \$330,000 | Motueka Aerodrome \$33,000    | Motueka Aerodrome \$42,000    | Motueka Aerodrome \$42,000    | Motueka Aerodrome \$50,000    |
|   |  | Motueka Aerodrome \$90,000    | Tākaka Aerodrome \$51,000     | Tākaka Aerodrome \$67,000     | Tākaka Aerodrome \$66,000     | Tākaka Aerodrome \$33,000     |
|   |  | Tākaka Aerodrome \$30,000     |                               |                               |                               |                               |



| LEVELS OF SERVICE   | WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...  | CURRENT PERFORMANCE | FUTURE PERFORMANCE TARGETS |                         |                         |                        |
|---|---|---------------------|----------------------------|-------------------------|-------------------------|------------------------|
|   |   |                     | YEAR 1 TARGET 2021/2022    | YEAR 2 TARGET 2022/2023 | YEAR 3 TARGET 2023/2024 | BY YEAR 10 2024 - 2031 |
| Commercial assets are managed prudently to provide a financial return for the benefit of the District's ratepayers. | Percentage of commercial lease and licence relationships, measured by current annual rent value, which are based on an up-to-date lease document and rent amount. | 2019/2020: 99%      | ≥ 95%                      | ≥ 95%                   | ≥ 95%                   | ≥ 95%                  |



## KEY CHANGES TO ACTIVITY OR SERVICE

There are no material changes to the Council Enterprises activity since the LTP 2018 – 2028.

## KEY ASSUMPTIONS AND UNCERTAINTIES

There are no significant assumptions specifically for Council Enterprises. We have made a number of assumptions in preparing the Activity Management Plans.

## INVESTMENTS

The following are key council enterprise investments for the next 10 years.

| NAME                              | DESCRIPTION  |
|-----------------------------------|--|
| Tākaka aerodrome runway extension | Extension and sealing of the cross runway to improve safety during strong winds                |
| Port Motueka facilities           | Compliant facilities for boat maintenance activities to improve environmental protection       |
| Port Tarakohe renewals            | Provision to allow for replacement of the 'plastic' floating marina and other capital renewals |
| Māpua wharf precinct renewals     | Annual capital renewal programme for Māpua Wharf area  |
| Holiday Parks renewals            | Annual capital renewal programmes for all Council-owned holiday parks                          |
| Motueka aerodrome renewals        | Provision to allow for the reseal of the main runway and other capital renewals                |

## FUNDING IMPACT STATEMENTS AND FUNDING SOURCES FOR THE COUNCIL ENTERPRISES GROUP OF ACTIVITIES

|  | 2020/21<br>AP<br>\$000 | 2021/22<br>BUDGET<br>\$000 | 2022/23<br>BUDGET<br>\$000 | 2023/24<br>BUDGET<br>\$000 | 2024/25<br>BUDGET<br>\$000 | 2025/26<br>BUDGET<br>\$000 | 2026/27<br>BUDGET<br>\$000 | 2027/28<br>BUDGET<br>\$000 | 2028/29<br>BUDGET<br>\$000 | 2029/30<br>BUDGET<br>\$000 | 2030/31<br>BUDGET<br>\$000 |
|--|------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| <b>SOURCES OF OPERATING FUNDING</b>                                      |                        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| General rates, uniform annual general charges, rates penalties           | (151)                  | (229)                      | (190)                      | (195)                      | (186)                      | (253)                      | (310)                      | (309)                      | (305)                      | (293)                      | (287)                      |
| Targeted rates   | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| Subsidies and grants for operating purposes                              | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| Fees and charges   | 1,133                  | 984                        | 1,053                      | 1,118                      | 1,197                      | 1,231                      | 1,267                      | 1,305                      | 1,345                      | 1,388                      | 1,433                      |
| Internal charges and overheads recovered                                 | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 10,688                 | 12,640                     | 14,830                     | 15,474                     | 13,137                     | 12,071                     | 12,766                     | 10,726                     | 12,548                     | 10,137                     | 9,553                      |
| <b>Total operating funding</b>   | <b>11,670</b>          | <b>13,395</b>              | <b>15,693</b>              | <b>16,397</b>              | <b>14,148</b>              | <b>13,049</b>              | <b>13,723</b>              | <b>11,722</b>              | <b>13,588</b>              | <b>11,232</b>              | <b>10,699</b>              |
| <b>APPLICATIONS OF OPERATING FUNDING</b>                                 |                        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| Payments to staff and suppliers  | 8,229                  | 9,304                      | 10,717                     | 11,734                     | 9,747                      | 8,282                      | 9,528                      | 8,162                      | 9,287                      | 8,238                      | 7,768                      |
| Finance costs  | 358                    | 354                        | 314                        | 266                        | 283                        | 255                        | 227                        | 214                        | 187                        | 177                        | 177                        |
| Internal charges and overheads applied                                   | 1,011                  | 1,476                      | 1,586                      | 1,652                      | 1,514                      | 1,389                      | 1,571                      | 1,446                      | 1,552                      | 1,478                      | 1,198                      |
| Other operating funding applications                                     | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| <b>Total applications of operating funding</b>                           | <b>9,598</b>           | <b>11,134</b>              | <b>12,617</b>              | <b>13,652</b>              | <b>11,544</b>              | <b>9,926</b>               | <b>11,326</b>              | <b>9,822</b>               | <b>11,026</b>              | <b>9,893</b>               | <b>9,143</b>               |
| <b>Surplus/(deficit) of operating funding</b>                            | <b>2,072</b>           | <b>2,261</b>               | <b>3,076</b>               | <b>2,745</b>               | <b>2,604</b>               | <b>3,123</b>               | <b>2,397</b>               | <b>1,900</b>               | <b>2,562</b>               | <b>1,339</b>               | <b>1,556</b>               |
| <b>SOURCES OF CAPITAL FUNDING</b>  |                        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| Subsidies and grants for capital expenditure                             | 8,828                  | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| Development and financial contributions                                  | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| Increase (decrease) in debt  | 950                    | (588)                      | (849)                      | 147                        | (884)                      | (466)                      | 230                        | (812)                      | (710)                      | 306                        | (703)                      |



|  | 2020/21<br>AP<br>\$000 | 2021/22<br>BUDGET<br>\$000 | 2022/23<br>BUDGET<br>\$000 | 2023/24<br>BUDGET<br>\$000 | 2024/25<br>BUDGET<br>\$000 | 2025/26<br>BUDGET<br>\$000 | 2026/27<br>BUDGET<br>\$000 | 2027/28<br>BUDGET<br>\$000 | 2028/29<br>BUDGET<br>\$000 | 2029/30<br>BUDGET<br>\$000 | 2030/31<br>BUDGET<br>\$000 |
|--|------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Gross proceeds from sale of assets           | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| Lump sum contributions                       | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| Other dedicated capital funding              | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| <b>Total sources of capital funding</b>      | <b>9,778</b>           | <b>(588)</b>               | <b>(849)</b>               | <b>147</b>                 | <b>(884)</b>               | <b>(466)</b>               | <b>230</b>                 | <b>(812)</b>               | <b>(710)</b>               | <b>306</b>                 | <b>(703)</b>               |
| <b>APPLICATIONS OF CAPITAL FUNDING</b>       |                        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| Capital expenditure                          |                        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| - to meet additional demand                  | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| - to improve the level of service            | 51                     | 5                          | 5                          | 5                          | 6                          | 6                          | 6                          | 6                          | 6                          | 6                          | 7                          |
| - to replace existing assets                 | 10,811                 | 522                        | 274                        | 1,281                      | 311                        | 1,207                      | 1,304                      | 312                        | 321                        | 1,356                      | 339                        |
| Increase (decrease) in reserves              | 988                    | 1,146                      | 1,948                      | 1,606                      | 1,403                      | 1,444                      | 1,317                      | 770                        | 1,525                      | 283                        | 507                        |
| Increase (decrease) in investments           | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| <b>Total applications of capital funding</b> | <b>11,850</b>          | <b>1,673</b>               | <b>2,227</b>               | <b>2,892</b>               | <b>1,720</b>               | <b>2,657</b>               | <b>2,627</b>               | <b>1,088</b>               | <b>1,852</b>               | <b>1,645</b>               | <b>853</b>                 |
| <b>Surplus/(deficit) of capital funding</b>  | <b>(2,072)</b>         | <b>(2,261)</b>             | <b>(3,076)</b>             | <b>(2,745)</b>             | <b>(2,604)</b>             | <b>(3,123)</b>             | <b>(2,397)</b>             | <b>(1,900)</b>             | <b>(2,562)</b>             | <b>(1,339)</b>             | <b>(1,556)</b>             |
| <b>Funding balance</b>                       | <b>0</b>               | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   | <b>0</b>                   |

The FISs also reflect changes resulting from internal restructuring and revenue reclassification. The Annual Plan 2020/2021 has not been restated to reflect these changes.



## SUPPORT SERVICES

This section covers customer services, communications, strategic policy, property, finance, human resources, information services, records management, human resources, and health and safety.

Support Services are the internal functions that do not have direct output to our communities, but help ensure we operate efficiently and effectively, meet our statutory obligations, and work towards the achievement of our community outcomes.

The Support Service activities have their own business plans which outline the strategic focus for the activity and the major projects proposed. This group is not classed as a 'group of activities' in Tasman's 10-Year Plan 2021–2031 and no funding impact statement has been produced for these activities. Levels of service are outlined at the end of this section.

### CUSTOMER SERVICES

We provide a contact centre offering various options to customers through phone, email, or face-to-face contact. Our Service Centres are based in Richmond, Motueka, Tākaka, and Murchison, where Automobile Association and Waka Kotahi/New Zealand Transport Agency services are offered, alongside Council services. Internal departments also rely on customer services to answer customer enquiries and process certain applications on their behalf.

### COMMUNICATION

The Community Relations Team leads the effective management, planning and delivery of our communications and engagement with our communities. Our communities are informed through relationships with local and national media, our website and social media channels and a variety of publications, including Newsline. We do this to keep our communities informed, build a sense of place and community well-being through the delivery and support of our community outcomes.

### STRATEGIC POLICY

The Strategic Policy Team engages with our communities in the development of our key documents. Our 10-Year Plan is our Long Term Plan, providing the vision and direction for our District. This Plan is prepared once every three years. The Annual Plan is prepared in the years between LTPs, and contain proposals for any significant variances to the current LTP. The Annual Report is produced every year to describe our performance against the LTP/Annual Plan.

This Team is responsible for other cross-Council policy work (e.g. Growth Model, Tasman Climate Action Plan); for reserves planning; and for reporting on our performance.

### PROPERTY

The Property Team manages non-commercial property assets and provides Council with property-related services. The Team ensures that our buildings are safe and compliant, are managed efficiently, economically, and effectively; and our operational properties continue to satisfy the requirements of our communities and tenants.

### FINANCE

The Finance Team is responsible for providing financial advice and services to all of our other activities. All operations have some financial aspect to them and require support in areas such as revenue gathering, capital funding, financial and tax obligations, monitoring of expenditure, monthly



corporate reporting, annual reporting, and planning. Our financial and accounting services are cost-effective, and enhances the achievement of our goals, meeting our needs. It also provides a payroll function.

## **INFORMATION SERVICES**

Information Services provide technology solutions that enable us to deliver on our responsibilities. The Team supports and assists us with technology and implements systems and services changes to improve the effectiveness and efficiency of our technology.

## **INFORMATION MANAGEMENT**

The Information Management Team supports the identification, organisation and protection of our information assets. The Team provides guidance on the use of our centralised electronic document management system and oversees the operation of our physical storage facilities too. The purpose of the Information Management Team is to ensure that we meet legislative obligations and that information is held securely for current and future generations.

## **HUMAN RESOURCES**

The Human Resources Team works in partnership with managers to provide recruitment, training and development, performance management, remuneration, and related policy development and planning.

## **HEALTH AND SAFETY**

This service is in place to support all our activities to provide a system to ensure that all health, safety and well-being objectives can be addressed and achieved as well as meeting legislative requirements. This activity underpins good management as well as developing and enhancing corporate culture.



OUR LEVEL OF SERVICE – WHAT COUNCIL WILL DO AND HOW IT WILL MEASURE PERFORMANCE OVER THE 10 YEARS FROM 2021 – 2031

| LEVELS OF SERVICE   | WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...  | CURRENT PERFORMANCE                | FUTURE PERFORMANCE TARGETS |                            |                            |                         |
|---|---|------------------------------------|----------------------------|----------------------------|----------------------------|-------------------------|
|   |   |                                    | YEAR 1 TARGET<br>2021/2022 | YEAR 2 TARGET<br>2022/2023 | YEAR 3 TARGET<br>2023/2024 | BY YEAR 10<br>2024-2030 |
| A range of communication channels that enhance Council’s ability to engage and connect with the communities it serves | Residents consider the information supplied by Council to be sufficient.<br><br>As measured by the annual residents’ survey.  | 2020: 74%                          | 75%                        | 75%                        | 75%                        | 75%                     |
| We respond to customer requests in a timely and professional manner   | Customers are satisfied with the service they receive when they contact Council.<br><br>As measured by the annual residents’ survey for residents who had contacted Council in the previous year. | 2020: 88%                          | 85%                        | 85%                        | 85%                        | 85%                     |
| We respond to customer requests in a timely and professional manner   | Percentage of general enquiries that are responded to by Council staff within three working days of receipt of enquiry.   | 2020: 85%<br><br><i>New Target</i> | 85%                        | 85%                        | 85%                        | 85%                     |



| LEVELS OF SERVICE  | WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...  | CURRENT PERFORMANCE  | FUTURE PERFORMANCE TARGETS  |   |   |   |
|--|---|--|---|---|---|---|
|  |   |  | YEAR 1 TARGET<br>2021/2022  | YEAR 2 TARGET<br>2022/2023  | YEAR 3 TARGET<br>2023/2024  | BY YEAR 10<br>2024-2030   |
| We respond to customer requests in a timely and professional manner  | All LIM applications are processed within the statutory timeframes (i.e., 10 working days)  | 2020: 100%   | 100%  | 100%  | 100%  | 100%  |
| We produce high quality, fit for purpose and accessible Long Term Plans (LTP), Annual Plans (AP) and Annual Reports (AR) | The LTP, Annual Plans and Annual Reports are prepared within statutory timeframes and there are no successful challenges to these processes.    | The Annual Report for 2018/2019 was adopted on 10 October 2019, and the Annual Plan 2020/2021 was adopted on 25 June 2020. | All LTP, AP and AR statutory timeframes are met. LTP amendments are managed to meet statutory requirements. | All LTP, AP and AR statutory timeframes are met. LTP amendments are managed to meet statutory requirements. | All LTP, AP and AR statutory timeframes are met. LTP amendments are managed to meet statutory requirements. | All LTP, AP and AR statutory timeframes are met. LTP amendments are managed to meet statutory requirements. |
| We consult effectively with the public in our decision-making processes  | Residents are satisfied with opportunities to give feedback on Council plans and decisions.<br><br>As measured by the annual residents' survey. | 2020: 48%<br><br>Note: 53% is the peer group average, and 44% is the national average.                                     | ≥ 50%   | ≥ 50%   | ≥ 50%   | ≥ 50%   |



| LEVELS OF SERVICE                     | WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...   | CURRENT PERFORMANCE        | FUTURE PERFORMANCE TARGETS |                            |                            |                         |
|---------------------------------------|--|----------------------------|----------------------------|----------------------------|----------------------------|-------------------------|
|                                       |  |                            | YEAR 1 TARGET<br>2021/2022 | YEAR 2 TARGET<br>2022/2023 | YEAR 3 TARGET<br>2023/2024 | BY YEAR 10<br>2024-2030 |
| All Council-owned buildings are safe. | All operational buildings (offices and libraries) comply with resource and building consents and any other legislative requirements. | 2019/2020: 100% compliance | 100% compliance            | 100% compliance            | 100% compliance            | 100% compliance         |



**KEY CHANGES TO ACTIVITY OR SERVICE**

The table below summarises the key changes for the support services activity since the LTP 2018 - 2028.

| KEY CHANGE    | REASON FOR CHANGE   |
|---------------|---|
| Communication | Previously, the communications function was included in Community Development. It is now found in this support services section, as it helps other Council activities meet their goals and legislative requirements. Community Partnerships remains in Community Development. |

**INVESTMENTS**

The following are key support services investments for the next 10 years.

| NAME                                       | DESCRIPTION   |
|--|---|
| Sustainability initiatives                 | New works to Council buildings to reduce impacts on climate change.   |
| Office improvements                        | Various works to our offices to enable a more effective and efficient work environment.   |
| Main office and service centre maintenance | Various works to our main office and service centres around the District to enable us to provide safe and comfortable facilities for staff and our communities.   |
| Libraries maintenance                      | Various works to our libraries around the District to provide a safe and comfortable environment for staff and our communities.   |
| Improving technology systems               | Development of the Digital Blueprint for Tasman’s future, associated Programme Roadmap and the supporting business cases and activity that will deliver a transformed technology environment for our communities and our staff. |



## DISCLOSURE STATEMENT

The prospective financial statements contained in Tasman's 10-Year Plan 2021–2031 were authorised for issue on 30 June 2021 by the Tasman District Council. The Council, and management of the Tasman District Council, accept responsibility for the prospective financial statements, including the appropriateness of the assumptions underlying them.

In the opinion of the Council and management of Tasman District Council, the prospective financial statements contained in Tasman's 10-Year Plan 2021–2031 for the period 1 July 2021 to 30 June 2031, fairly represent a formal and public statement of Council's intentions in relation to the matters covered by the Plan. It is acknowledged that adoption of Tasman's 10-Year Plan 2021–2031 does not constitute a decision to act on any specific matter included in the Plan.

Tasman's 10-Year Plan 2021–2031 incorporates the Annual Plan 2021/2022. The prospective financial statements will be updated as necessary in each subsequent year through the Council's Annual Plan, and through a further Long Term Plan not later than 2024.

T B King

Mayor

J W Dowding

Chief Executive Officer

M Drummond

Corporate Services Manager



# ACCOUNTING INFORMATION

## REPORTING ENTITIES

Tasman District Council is a unitary local authority governed by the Local Government Act 2002 (LGA) and the Local Government (Rating) Act 2002. The purpose of the Council is to promote the social, economic, environmental and cultural well-being of communities, and enable democratic local decision-making. Council does not operate to make a financial return.

Financial information within Tasman's 10-Year Plan 2021 – 2031 covers the Council operations, plus its controlled and jointly controlled entities.

Council is designated as a Public Benefit Entity (PBE) for financial reporting and applies New Zealand Tier 1 PBE accounting standards.

## STATEMENT OF COMPLIANCE

The forecast information has been prepared and complies with Section 111 of the Local Government Act 2002, the Financial Reporting Act 1993, Generally Accepted Accounting Practice in New Zealand (GAAP) and the pronouncements of Chartered Accountants Australia New Zealand. The financial statements have been prepared in accordance with Tier 1 PBE accounting standards. In particular, these prospective financial statements have been prepared in accordance with Public Benefit Entities (PBE) Financial Reporting Standard No. 42.

## A CAUTIONARY NOTE

The prospective financial information has been prepared for the purposes of meeting Council's requirements under the LGA 2002. This information may not be suitable for use in any other context.

The forecast information prepared is to enable the public to participate in the decision-making processes as to the services to be provided by Council to the Tasman communities over the period of Tasman's 10-Year Plan 2021–2031. The main purpose of prospective financial statements in Tasman's 10-Year Plan 2021–2031 is to provide users with information about the core services that Council intends to provide to ratepayers, the expected cost of those services and, consequently, how much Council requires by way of rates to fund the intended levels of service. The level of rates funding required is not affected by subsidiaries, except to the extent that Council obtains distributions from, or further invests in, those subsidiaries. Such effects are included in the prospective financial statements of Council.

The actual results achieved for any given financial year are likely to vary from the information presented and may vary materially, depending upon the circumstances that arise during the period. Council does not intend to update the prospective financial statements after publication.

## BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis, with the exception of certain items identified in specific accounting policies below. They are presented in New Zealand dollars, which is the functional currency of each of the Council's entities, and are rounded to the nearest thousand dollars (\$000), unless otherwise stated. The financial statements have been prepared on an ongoing concern basis and the accounting policies have been applied consistently throughout the planned period.



Council has a balance date of 30 June and these prospective financial statements are for the period from 1 July 2021 to 30 June 2031.

Financial information from the Annual Plan 2020/2021 has been provided to better compare against the financial information contained in Tasman's 10-Year Plan 2021–2031.

The accounting policies set out below will be applied consistently to all periods presented in the prospective financial statements.

## **SIGNIFICANT JUDGEMENTS AND ESTIMATES**

The preparation of financial statements, in conformity with PBE standards, is issued by the External Reporting Board. The External Reporting Board requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Significant judgements, estimates and assumptions have been applied in measuring certain provisions and property, plant and equipment revaluations.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, or if the revision affects both current and future periods.

## **JOINT ARRANGEMENTS**

Joint arrangements are arrangements where two or more parties have joint control. 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. The accounting treatment can vary according to the structure of the arrangement. There are two types of joint arrangements – either a joint operation or a 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. Council's share of the assets, liabilities, revenue and expenditure of joint ventures is included on an equity accounting basis as a single line.
- A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint operations also include operations where their activities primarily aim to provide the joint arrangement parties with an output (i.e. the parties have rights to substantially all the service potential or economic benefits of the assets. For a joint operation, the Council has a liability in respect of its share of joint ventures' operational deficits and liabilities, and shares in any operational surpluses and assets. The Council's interest in the assets, liabilities, revenue and expenditure of joint operations is included in the financial statements of the Council on a line-by-line basis.

The Councils' jointly controlled operations are:



- Nelson Regional Sewerage Business Unit. Council has a 50% interest in this entity.
- Nelson Tasman Combined Civil Defence Organisation. Council has a 50% interest in this entity.
- Nelson Tasman Regional Landfill Business Unit. Council has a 50% interest in this entity.
- Waimea Water Limited. Council has a minimum 51% shareholding in this entity, however the accounting interest differs for the assets, liabilities, revenue and expenses due to the nature of the agreements:
  - Operating Expenses – the Wholesale Water Augmentation Agreement section 5, provides that Council is responsible for 51% of the operating costs of Waimea Water Limited.
  - Revenue – Council recognises the water charges it is responsible for, through Council’s rates and fees and charges.
  - Waimea Water Limited borrowings to be serviced by Waimea Irrigators Limited – Council is not responsible for borrowings to be serviced by Waimea Irrigators Limited, therefore these borrowings are not recognised as liabilities in Council’s financial statements.
  - Other Assets and Liabilities – Council recognises its accounting interest as the proportion of Council’s paid up equity and convertible shareholder advances divided by total equity and convertible shareholder advances. The difference between Council’s investment and advances, and Council’s accounting interest, is recognised in Revenue or Expense. Based on current forecasts, this difference is assumed to have arisen in the year ended 30 June 2020 and therefore is reflected in Council’s opening balances.

The Councils’ joint ventures are:

- Port Nelson Ltd. Council has a 50% shareholding.
- Nelson Airport Ltd. Council has a 50% shareholding.
- Tasman Bays Heritage Trust. Council has a 50% interest in this Trust.

## **COUNCIL-CONTROLLED ORGANISATIONS**

As defined by section 6 of the Local Government Act 2002, a Council-Controlled Organisation (CCO) is a company under the control of local authorities through their:

- shareholding of 50% or more
- voting rights of 50% or more, or
- right to appoint 50% or more of the directors.

Waimea Water Ltd, Port Nelson Ltd, Nelson Airport Ltd and Tasman Bays Heritage Trust are CCOs.


## **REVENUE RECOGNITION**

### **RATES RECOGNITION**

Rates income is measured at fair value. The following particular policies apply:

1. 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.



- 
2. Rates arising from late payment penalties are recognised as revenue when rates become overdue.
  3. Rates remissions are recognised as a reduction of rates revenue when Council has received an application that satisfies its Rates Remission Policy.
  4. Water billing revenue is recognised on an accrual basis with unread meters at year end accrued on an average usage basis.

#### **OTHER REVENUE RECOGNITION**

Revenue is measured at fair value. The following particular policies apply:

1. Development contributions and reserve financial contributions are recognised as revenue when Council provides, or is able to provide, the service that gave rise to the charging of the contribution. Otherwise, development contributions and financial contributions are recognised as liabilities until such time as Council provides, or is able to provide, the service.
2. Interest is recognised using the effective interest method.
3. Dividends are recognised when the right to receive payment has been established.
4. Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as revenue. Assets vested in Council are recognised as revenue when control over the asset is obtained. 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 from the most recent revaluation.
5. Infringements are recognised when the fine is issued.
6. Council receives government grants from the Waka Kotahi/New Zealand Transport Agency (Waka Kotahi), which subsidises part of Council's costs in maintaining the local roading infrastructure. Waka Kotahi revenue is recognised on entitlement when conditions pertaining to eligible expenditure is fulfilled.
7. 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.
8. 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.

#### **WORKS IN PROGRESS**

Work in progress is valued at the lower of cost and net realisable value.

#### **EXPENDITURE**

Expenditure is recognised when the service has been provided or the goods received or when it has been established that rewards of ownership have been transferred from the seller/provider to Council and when it is certain the obligation to pay arises.

#### **GRANT EXPENDITURE**

Non-discretionary grants are awarded, as well as recognised as expenditure, if, and when, the grant application meets the specified criteria.



Discretionary grants are where Council has no obligation to award on receipt of the grant application. Council recognises these grants as expenditure when a successful applicant has been notified.

## **PAYABLES**

Short-term payables are recorded at their face value.

## **LEASES**

Finance leases transfer to the lessee substantially all the risks and rewards of ownership. At inception, finance leases are recognised as assets and liabilities on the Balance Sheet at the lower of the fair value of the leased property and the present value of the minimum lease payments. Any additional direct costs of the lessee are added to the amount recognised as an asset. Assets leased under a finance lease are depreciated as if the assets are owned.

Operating leases, where the lessor substantially retains the risks and rewards of ownership, are recognised in the surplus or deficit in a systematic manner over the term of the lease. Lease incentives are recognised in the surplus or deficit as a reduction in rental expense.

## **BORROWING COSTS**

Borrowing costs are recognised as an expense in the period in which they are incurred. 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 Council has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

## **TAXATION**

Council is exempt from income tax except in relation to distributions from its CCO's and its port operations.

Income tax expense in relation to the surplus or deficit for the period comprises current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using rates that have been enacted or substantively enacted by balance date.

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 profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, using tax rates that have been enacted or substantively enacted by balance date.

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



## FINANCIAL ASSETS

### TRADE AND OTHER RECEIVABLES

Short-term receivables are recorded at the amount due, less an allowance for expected credit losses (ECL). The Council apply the simplified ECL model of recognising lifetime ECL for receivables.

In measuring ECLs, receivables have been grouped into rates receivables, and other receivables, and assessed on a collective basis as they possess shared credit risk characteristics. They have then been grouped based on the days past due. A provision matrix is then established based on historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

Rates are “written-off”:

- when remitted in accordance with the Council’s rates remission policy; and
- in accordance with the write-off criteria of sections 90A (where rates cannot be reasonably recovered) and 90B (in relation to Māori freehold land) of the Local Government (Rating) Act 2002.

Other receivables are written-off when there is no reasonable expectation of recovery.

Council does not provide for any impairment on rates receivable as it has various powers under the Local Government (rating) Act 2002 to recover any outstanding debts. These powers allow the Council to commence legal proceedings to recover any rates that remain unpaid four months after the due date for payment. If payment has not been made within three months of the Court’s judgement, then Council can apply to the Registrar of the High Court to have the judgement enforced by sale or lease of the rating unit.

### CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash-in-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 shown in current liabilities in the statement of financial position.

### OTHER FINANCIAL ASSETS

Other Financial assets (other than shares in subsidiaries) are initially recognised at fair value. They are then classified as, and subsequently measured under, the following categories:

- amortised cost;
- fair value through other comprehensive revenue and expense (FVTOCRE); or
- fair value through surplus and deficit (FVTSD).

Transaction costs are included in the carrying value of the financial asset at initial recognition, unless it has been designated at FVTSD, in which case it is recognised in surplus or deficit.

The classification of a financial asset depends on its cash flow characteristics and the Council’s management model for managing them.

A financial asset is classified and subsequently measured at amortised cost if it gives rise to cash flows that are ‘solely payments of principal and interest (SPPI)’ on the principal outstanding, and is held within a management model whose objective is to collect the contractual cash flows of the asset.



A financial asset is classified and subsequently measured at FVTOCRE if it gives rise to cash flows that are SPPI and held within a management model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Financial assets that do not meet the criteria to be measured at amortised cost or FVTOCRE are subsequently measured at FVTSD. However, the Council may elect at initial recognition to designate an equity investment not held for trading as subsequently measured at FVTOCRE.

#### **Initial recognition of concessionary loans**

Loans made at nil or below-market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar financial instrument. For loans to community organisations, the difference between the loan amount and present value of the expected future cash flows of the loan is recognised in surplus or deficit as a grant expense.

#### **Subsequent measurement of financial assets at amortised cost**

Financial assets classified at amortised cost are subsequently measured at amortised cost using the effective interest method, less any expected credit losses. Where applicable, interest accrued is added to the investment balance. Instruments in this category include term deposits, community loans, and loans to subsidiaries and associates.

#### **Subsequent measurement of financial assets at FVTOCRE**

Financial assets in this category that are debt instruments are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense, except expected credit losses (ECL) and foreign exchange gains and losses are recognised in surplus or deficit. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified to surplus and deficit. The Council does not hold any debt instruments in this category.

Financial assets in this category that are equity instruments designated as FVTOCRE are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense. There is no assessment for impairment when fair value falls below the cost of the investment. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred to accumulated funds within equity. The Council designate into this category all equity investments that are not included in its investment fund portfolio, and if they are intended to be held for the medium to long-term.

### **IMPAIRMENT OF FINANCIAL ASSETS**

On de-recognition the cumulative gain or loss previously recognised in equity is recognised in the surplus or deficit.

Gain and losses are recognised directly in comprehensive revenue and expense except for impairment losses, which are recognised in the surplus or deficit. In the event of impairment, any cumulative losses previously recognised in other comprehensive revenue and expense will be removed from reserves and recognised in surplus or deficit even though the asset has not been de-recognised.

#### **Loans and other receivables**

At each balance date Council assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the surplus or deficit.



Impairment of a loan or a receivable is established when there is objective evidence that Council will not be able to collect amounts due according to the original terms. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For trade and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible, it is written off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current i.e., not past due).

#### **Financial assets at fair value through other comprehensive revenue and expense**

For equity investments classified as fair value through comprehensive revenue and expense, a significant or prolonged decline in the fair value of the investment below its cost is considered an indicator of impairment. If such evidence exists for investments at fair value through comprehensive revenue and expense, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the surplus or deficit) recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit. Impairment losses recognised in the surplus or deficit on equity investments are not reversed through the surplus or deficit.

### **ACCOUNTING FOR DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES**

The Council uses derivative financial instruments to hedge exposure to interest rate risks arising from financing activities. In accordance with its Treasury Policy, 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 at their fair value at each balance date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The associated gains or losses of derivatives that are not hedge-accounted are recognised in the surplus or deficit.

Council has elected not to hedge account for its interest rate swaps. Council's associate Port Nelson Limited has applied hedge accounting to its interest rate swaps.

### **INTANGIBLE ASSETS**

#### **Software acquisition and development**

Acquired computer software licenses are capitalized, including the costs to acquire and bring to use the specific software, if council has control and future benefit.

Costs associated with maintaining computer software are recognised as an expense when incurred. Costs that are directly associated with the development of software for internal use by Council, are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.



### **Carbon credits**

Purchased carbon credits are recognised at cost on acquisition. They have an indefinite useful life and 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:

- Computer software 5 years, 20%

There are no restrictions over the title of intangible assets. No intangible assets are pledged as security for liabilities.

## **PROPERTY, PLANT AND EQUIPMENT**

### **OPERATIONAL ASSETS**

These include land, buildings, computers and office equipment, building improvements, library books, plant, equipment, wharves and motor vehicles.

### **RESTRICTED ASSETS**

Assets owned or vested in Council which cannot easily be disposed of because of legal or other restrictions and provide a benefit or service to the communities.

### **INFRASTRUCTURAL ASSETS**

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

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

### **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 Council 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.

### **DISPOSALS**

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net 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.



## SUBSEQUENT COSTS

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

Values included in respect of assets are as follows:

### Vested assets

Certain infrastructural assets and land will be vested in Council as part of the subdivision consent process. Vested infrastructural assets are valued by calculating the cost of providing identical quantities of infrastructural components. Vested assets are recognised as assets and revenue when control over the asset is obtained.

- Roads, Stormwater, Wastewater and Water Supply assets are recognised on section 224 issued date and by using the latest valuation unit rates, uplifted for inflation as required.
- Land assets are recognised when legal titles passes using the rateable valuation.
- Land under roads in recognised when legal title passes.

### Depreciation

Depreciation is provided on a straight line basis on all assets at rates which will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives.

These assets have component lives that have been estimated as follows:

- |                                 |                 |
|---------------------------------|-----------------|
| • Land                          | Not depreciated |
| • Buildings (including fit out) | 2 - 100 years   |
| • Plant and equipment           | 5 – 10 years    |
| • Motor vehicles                | 5 – 10 years    |
| • Library books                 | 2 – 10 years    |

### Infrastructure Assets

#### Transportation

- |                               |                 |
|-------------------------------|-----------------|
| • Bridges                     | 100 years       |
| • Roads-other components      | 15 – 80 years   |
| • Formation                   | Not depreciated |
| • Sub-base (sealed)           | Not depreciated |
| • Car parks – formation       | Not depreciated |
| • Car parks – sealed pavement | 75 years        |
| • Footpaths                   | 25 – 75 years   |
| • Pavement base (unsealed)    | Not depreciated |
| • Drainage                    | 25 – 120 years  |

#### Wastewater

- |                   |                 |
|-------------------|-----------------|
| • Oxidation ponds | Not depreciated |
| • Treatment       | 9 – 100 years   |
| • Pipe            | 50 – 80 years   |
| • Pump stations   | 20 – 80 years   |

#### Water



|                                     |                 |
|-------------------------------------|-----------------|
| • Wells and pumps                   | 10 – 80 years   |
| • Pipes/valves/meters               | 15 – 80 years   |
| <b>Stormwater</b>                   |                 |
| • Channel/detention dams            | Not depreciated |
| • Pipe/manhole/sumps                | 80 – 120 years  |
| <b>Other infrastructural assets</b> |                 |
| • Ports and wharves                 | 7 – 100 years   |
| • Airfields                         | 10 – 80 years   |
| • Refuse                            | 15 – 100 years  |
| <b>Rivers</b>                       |                 |
| • Stopbanks                         | Not depreciated |
| • Rock protection                   | Not depreciated |
| • Willow plantings                  | Not depreciated |
| • Gabion baskets                    | 30 years        |
| • Railway irons                     | 50 years        |
| • Outfalls                          | 60 years        |

## REVALUATION

With the exception of vested assets at the initial point of recognition, all valuations are carried out or reviewed by the Council's Engineering Services Manager, or by independent qualified valuers. The Council's intention is that valuations are carried out on a three-yearly cycle. The carrying values of revalued items are reviewed at each balance date, to ensure that these values are not materially different to fair value. Where materially different, Council will revalue at an earlier point. Revaluations are carried out on an asset class basis. Forestry valuations are carried out annually.

The net revaluation results are credited or debited to other comprehensive revenue and expenses 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 revenue and expenses, 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 expenses.

The following assets will be revalued on a three-yearly basis:

- Transportation
- Stormwater
- Waste Management and Minimisation (formally Refuse)
- Water Supply
- Wastewater
- Ports
- Coastal Assets
- Land and Buildings

The anticipated results of the revaluations have been included in the Tasman's 10-Year Plan 2021–2031.





Roads and bridges, wastewater, solid waste, water supply, stormwater, coastal structures, ports and river protection infrastructural assets are valued using the 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:

- 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.

Roads and bridges, wastewater, solid waste, water supply, stormwater and coastal assets were last valued at fair value using optimised depreciated replacement cost by Marsh & McLennan Companies as at 30 June 2020.

River protection assets consist of stop banks, rock protection and riparian protection. These assets are no longer revalued. The latest were valued for inclusion in Council's financial statements at optimised depreciated replacement cost by in-house specialists as at 31 March 2017. These in-house valuations have been peer reviewed by Opus International Consultants Limited. These are no longer revalued

Ports have been valued at optimised depreciated replacement cost by Jones Lang Lasalle IP, Inc. of Auckland as at 13 August 2019. The Port assets were not revalued during the previous three yearly cycle in order for the specialist valuation to be undertaken.

Land under roads – Land under roads has been valued at average land sales throughout the District by MWH New Zealand Ltd as at 1 July 2003. Under NZ IFRS, the Council has elected to use the fair value of land under roads as at 1 July 2003 as deemed cost. Land under roads is no longer revalued.

Library collections – This asset is recorded at the latest valuation conducted by Duke & Cooke Ltd, registered valuers, as at 30 June 1999. During the 2002 income year Council ceased further revaluations and adopted deemed cost.

Airfields – Airfield assets were valued for inclusion in Council's financial statements at optimised depreciated replacement cost by in-house specialists as at 31 March 2017. The in-house valuations have been peer reviewed by Opus International Consultants Limited.

Library books – This asset is recorded at the latest valuation conducted by Duke & Cooke Ltd, registered valuers, as at 30 June 1999. During the 2002 income year Council ceased further revaluations and adopted deemed cost. Donated books are assigned a value based on current replacement cost, less an allowance for age and condition. Additions are valued at cost less depreciation. Library books are depreciated on a straight-line basis over the following estimated life:

- Adult and technical books      10 years
- Children's books                      5 years
- CDs and talking books              2 years

Furniture and fittings – Furniture and fittings were recorded at valuation. The latest valuation was conducted by Duke & Cooke Ltd, registered valuers, as at 31 October 2000, using the assessed market



value in situ. Furniture and fittings are not revalued and are now treated as deemed cost. Additions are recorded at cost.

Land (operational, restricted, and infrastructural) – 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. The most recent valuation was performed by GR Butterworth SPINZ, ANZIV of QV Valuations Limited, and the valuation is effective as at 30 June 2018 with the exception of infrastructural land which was revalued with the relevant asset class.

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 reproduction cost of the specific assets with adjustments where appropriate for obsolescence due to over-design or surplus capacity.
- The replacement cost is derived from recent construction contracts of similar assets and Property Institute of New Zealand cost information.
- The remaining useful life of assets is estimated.
- Straight-line depreciation has been applied in determining the depreciated replacement cost value of the asset.

Non-specialised buildings (for example, residential buildings) are valued at fair value using market-based evidence. Market rents and capitalisation rates were applied to reflect market value. The most recent valuation was performed by GR Butterworth SPINZ, ANZIV of QV Valuations Limited, and the valuation is effective as at 30 June 2018.

Heritage assets comprise Council assets that are subject to a Historic Places protection order and are identified as such in the Resource Management Plan. Heritage assets were identified and introduced at 30 June 2002 at a fair market value as determined by QV Valuations, registered valuers. The fair market values have been adopted as deemed cost. Subsequent additions are at cost or independently determined fair market value which is adopted as deemed cost.

## **IMPAIRMENT**

Intangible assets that have an indefinite useful life, or are not yet available for use, are not subject to amortisation and are tested annually for impairment.

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. This increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit.

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

### **VALUE IN USE FOR NON-CASH-GENERATING ASSETS**

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non-cash-generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, a restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

### **VALUE IN USE FOR CASH-GENERATING ASSETS**

Cash-generating assets are those assets that are held with the primary objective of generating a commercial return.

The value in use for cash-generating assets and cash-generating units is the present value of expected future cash flows.

### **FORESTRY ASSETS**

Forestry assets are predominantly standing trees that are managed on a sustainable yield basis. These are shown in the Statement of Financial Position at fair value less estimated point of sale costs at harvest. The costs to establish and maintain the forestry assets are independently revalued annually at fair value, less estimated costs to sell for one growth cycle. Fair value is determined based on the present value of expected net cash flows, discounted at the current market determined rate. This calculation is based on existing sustainable felling plans and assessments regarding growth, timber prices, felling and silviculture costs, and takes into consideration environmental, operational and market restrictions.

Gains or losses arising on initial recognition of forestry assets at fair value, less estimated point-of-sale costs and from a change in fair value, less estimated point-of-sale costs are recognised in the surplus or deficit.

The costs to maintain the forestry assets are included in the surplus or deficit when incurred.

### **CONTRACT RETENTION**

Certain contracts entitle Council to retain amounts to ensure the performance of contract obligations. These retentions are recognised as a liability and are then used to remedy contract performance or paid to the contractor at the end of the retention period.



## **OVERHEADS**

Indirect overheads have been apportioned on an activity basis, using the labour cost of full-time staff employed in those specific output areas.

Indirect activity costs are allocated as overheads, using appropriate cost drivers such as actual usage, staff numbers and floor area.

## **INVESTMENT PROPERTIES**

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 rent or for capital appreciation. Investment property is measured initially at its cost, including transaction costs. After initial recognition, Council measures all investment property at fair value, as determined annually by an independent valuer. Gains or losses arising from a change in the fair value of investment property are recognised in the surplus or deficit.

## **PROPERTIES INTENDED FOR RESALE**

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value, less costs to sell. Any impairment losses for write-downs of non-current assets held for sale 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 (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group, classified as held for sale, continue to be recognised.

## **PROVISIONS**

Council recognises a provision for future expenditure of an 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 expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

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'.

## **EMPLOYEE ENTITLEMENTS**

### **SHORT-TERM BENEFITS**

Employee benefits that Council expects to be settled within 12 months of balance date are measured at nominal values 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, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

Council recognises a liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated



based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that Council anticipates it will be used by staff to cover those future absences.

Council recognises a liability and an expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

### **LONG-TERM BENEFITS**

Entitlements that are payable beyond 12 months, such as long service leave and retirement 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 entitlements information;
- the present value of the estimated future cash flows [Note: Retirement leave has not been discounted to present value]; and
- presentation of employee entitlements.

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

### **SUPERANNUATION SCHEMES**

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

### **KEY ASSUMPTIONS IN MEASURING RETIREMENT AND LONG SERVICE LEAVE OBLIGATIONS**

The present value of 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 factor. Any changes in these assumptions will affect the carrying amount of the liability.

The expected future payments are discounted using forward discount rates derived from the yield curve of New Zealand government bonds. The discount rates used have maturities that match, as closely as possible, the estimated future cash outflows. The salary inflation factor is based on the treasury inflation rate.

The retirement obligations have not been discounted to present value.

### **LANDFILL AFTER-CARE COSTS**

Landfills in the region are now provided regionally, through the Nelson Tasman Regional Landfill Business Unit, which is a joint committee of the Nelson City Council and Tasman District Council. This business unit commenced operations on 1 July 2017. From this date, the Eves Valley Landfill (which Council previously managed) stopped receiving waste and all waste is now directed to the York Valley Landfill (located in Nelson City).

As the landfills in the District are now a 50% Joint Operation, Tasman District Council recognise 50% of the post-care provisions for both Eves Valley and York Valley landfills. Our legal obligation is to provide ongoing maintenance and monitoring services at the landfill sites after closure. The landfill post-closure provision is recognised in accordance with Public Benefit Entity International Public Sector Accounting



Standards Reporting Standard 19 Provisions, Contingent Liabilities and Contingent Assets. This provision is calculated on the basis of discounting closure and post-closure costs into present day value.

The calculations assume no change in the legislative requirements for closure and post-closure treatment.

## **ACCUMULATED EQUITY**

Equity is the community's interest as measured by total assets less total liabilities. Public equity is disaggregated and classified into a number of reserves. The components of equity are:

- accumulated funds
- restricted reserves and Council-created reserves, and
- asset revaluation reserve.

Reserves are a component of equity, generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by Council.

## **RESTRICTED AND COUNCIL CREATED RESERVES**

Restricted reserves are those reserves subject to specific conditions accepted as binding by Council and which may not be revised without reference to the Courts or third party. Council created reserves are reserves established by a Council decision. Council may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

## **GST**

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST-inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (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 statement of cash flows. Commitments and contingencies are disclosed exclusive of GST.

## **FUNDING IMPACT STATEMENTS**

The Funding Impact Statements (FIS) have been prepared in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014. This is a reporting requirement unique to local government and the disclosures contained within. The presentation of these statements is not prepared in accordance with generally accepted accounting practices (GAAP).

The purpose of these statements is to report the net cost of services for significant Groups of Activities (GOA) of Council. They are represented by the revenue that can be allocated to these activities, less the costs of providing the service. They contain all funding sources for these activities and all applications of this funding by these activities. The GOA FIS include internal transactions between activities, such as internal overheads and charges applied and/or recovered. A FIS is also prepared at the whole-of-Council level, summarising the transactions contained within the GOA FIS, eliminating internal transactions and adding in other transactions not reported in the GOA statements.



These statements are based on cash transactions prepared on an accrual basis. As such, they do not include non-cash/accounting transactions that are included within the Comprehensive Revenue and Expense Statement, as required under GAAP. These items include, but are not limited to, Council's depreciation, gain and/or losses on revaluation and vested assets.

They also depart from GAAP, as funding sources are disclosed within the FIS as being either for operational or capital purposes. Revenue (such as subsidies received for capital projects, development and financial contributions, and gains on sale of assets) is recorded as capital funding sources. Under GAAP these are treated as revenue in the Comprehensive Revenue and Expense Statement.

### **FUNDING IN ACCORDANCE WITH THE LOCAL GOVERNMENT ACT 2002**

Section 100(1) of the Local Government Act 2002 requires local authorities to set operating revenues at a level to cover all operating expenses, except as provided in S100(2). Operating expenses include an allowance for debt servicing and for the decline in service potential of assets (depreciation). Council has complied with S100(1) in the preparation of Tasman's 10-Year Plan 2021–2031.

### **CHANGES IN ACCOUNTING POLICIES**

Council applied new accounting standards Public Benefit Entity International Public Sector Accounting Standards 34-38 in these financial statements to its joint arrangements. This resulted in recognition of the assets, liabilities, revenue and expenses that arise from its interest in Councils' joint operations. Under the previous standards, Council recognised its share of all transactions and balances.

### **CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS**

In preparing these financial statements, Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgments 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 discussed below.

#### **INFRASTRUCTURAL ASSETS**

Infrastructural asset valuations are carried out on a three-yearly cycle, on a depreciated replacement cost basis. The carrying values of revalued items are reviewed at each balance date to ensure that these values are not materially different to fair value. The most recent revaluation was performed as at 30 June 2020, for Transportation, and Three Waters assets. Where materially different, Council will revalue at an earlier point. There are a number of assumptions and estimates used when performing depreciated replacement cost basis valuations over infrastructural assets. These include:

- the physical deterioration and condition of an asset. For example, Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets which are not visible, for example, stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets,
- estimating any obsolescence or surplus capacity of an asset, and
- estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example, weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits



of the asset, then Council could be over or underestimating the annual depreciation charge recognised as an expense in the surplus or deficit. To minimise this risk, our 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. We then adjust for local conditions based on experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of the Council's asset management planning activities, which gives us further assurance over its useful life estimates.

Valuations are carried out by independent qualified valuers.

### **OPERATIONAL ASSETS**

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

- the replacement asset is based on the reproduction cost of the specific 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, and
- straight-line depreciation has been applied in determining the depreciated replacement cost value of the asset.

Non-specialised buildings (for example, residential buildings) are valued at fair value using market-based evidence. Market rents and capitalisation rates were applied to reflect market value. GR Butterworth SPINZ, ANZIV or QV Valuations Limited performed the most recent valuation. This valuation is effective as at October 2020.

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.

### **CLASSIFICATION OF PROPERTY**

Council owns a number of properties which are maintained primarily to provide community housing. The receipt of lower than market-based rental from these properties is incidental to holding these properties. These properties are held for service delivery objectives. These properties are accounted for as property, plant and equipment.

### **INFLATION ADJUSTED ACCOUNTS**

The Public Benefit Entity Financial Reporting Standard 42 – 'Prospective Financial Information', requires councils to incorporate the effects of inflation into their 10-year financial forecasts.

This means that all financial figures shown in this document for Year 1 onwards, incorporate inflation adjustments compounding annually. For example, this means that what costs \$1.00 for maintenance in Year 1 is expected to cost almost \$1.29 by Year 10.

Inflation data for the local government sector is provided by Business and Economic Research Ltd (BERL). The data is prepared to assist councils with planning models, particularly their Long Term Plans.





The Council considered the BERL figures along with other economic factors like forecast labour costs and the economic conditions currently being experienced.

Variable annual rates have been applied to four cost groups across the model, best summarised in the following table:

|             | JUN-22 | JUN-23 | JUN-24 | JUN-25 | JUN-26 | JUN-27 | JUN-28 | JUN-29 | JUN-30 | JUN-31 | TEN YEAR AVERAGE |
|-------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|------------------|
| Income      | 2.6%   | 3.2%   | 2.5%   | 2.6%   | 2.8%   | 2.9%   | 3.0%   | 3.1%   | 3.2%   | 3.2%   | 2.9%             |
| Salaries    | 2.8%   | 3.4%   | 2.5%   | 2.7%   | 3.0%   | 3.2%   | 3.3%   | 3.4%   | 3.6%   | 3.7%   | 3.2%             |
| Maintenance | 2.3%   | 2.9%   | 2.5%   | 2.5%   | 2.5%   | 2.5%   | 2.6%   | 2.7%   | 2.7%   | 2.6%   | 2.6%             |
| Capital     | 2.3%   | 3.0%   | 2.6%   | 2.6%   | 2.7%   | 2.6%   | 2.8%   | 2.8%   | 2.9%   | 2.7%   | 2.7%             |

The BERL figures were prepared in October 2020.



## PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

|  | 2020/21<br>AP<br>\$000 | 2021/22<br>Budget<br>\$000 | 2022/23<br>Budget<br>\$000 | 2023/24<br>Budget<br>\$000 | 2024/25<br>Budget<br>\$000 | 2025/26<br>Budget<br>\$000 | 2026/27<br>Budget<br>\$000 | 2027/28<br>Budget<br>\$000 | 2028/29<br>Budget<br>\$000 | 2029/30<br>Budget<br>\$000 | 2030/31<br>Budget<br>\$000 |
|--|------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| <b>REVENUE</b>                           |                        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| General rates                            | 40,287                 | 43,597                     | 47,198                     | 50,377                     | 53,961                     | 58,991                     | 62,782                     | 65,213                     | 68,188                     | 71,881                     | 75,563                     |
| Targeted rates                           | 37,140                 | 38,719                     | 40,058                     | 41,978                     | 46,489                     | 49,879                     | 52,501                     | 54,232                     | 56,665                     | 60,563                     | 63,124                     |
| Development and financial contributions  | 10,310                 | 12,043                     | 12,169                     | 12,270                     | 10,344                     | 10,424                     | 10,509                     | 10,600                     | 9,805                      | 9,908                      | 11,566                     |
| Operating subsidies and grants           | 3,848                  | 6,183                      | 6,430                      | 8,174                      | 6,248                      | 6,248                      | 6,615                      | 6,775                      | 9,492                      | 6,808                      | 6,885                      |
| Capital subsidies and grants             | 14,629                 | 16,096                     | 14,879                     | 4,477                      | 9,251                      | 5,973                      | 7,617                      | 10,947                     | 8,958                      | 11,313                     | 9,679                      |
| Fees and charges                         | 15,652                 | 16,227                     | 17,419                     | 18,416                     | 18,696                     | 18,826                     | 19,104                     | 19,388                     | 19,695                     | 20,024                     | 20,441                     |
| Other revenue                            | 21,413                 | 27,915                     | 31,075                     | 32,630                     | 30,557                     | 30,030                     | 30,875                     | 29,296                     | 31,537                     | 29,833                     | 29,608                     |
| Fair value movement on revaluation       | 0                      | 1,609                      | 1,657                      | 1,707                      | 1,758                      | 1,811                      | 1,865                      | 1,921                      | 1,978                      | 2,038                      | 2,099                      |
| Other gains                              | 62                     | 62                         | 62                         | 62                         | 62                         | 62                         | 62                         | 62                         | 62                         | 62                         | 62                         |
| Finance income                           | 446                    | 605                        | 609                        | 616                        | 622                        | 629                        | 635                        | 641                        | 646                        | 651                        | 655                        |
| Revenue of joint ventures                | 7,658                  | 6,442                      | 7,096                      | 7,813                      | 8,175                      | 8,638                      | 8,936                      | 9,185                      | 9,732                      | 10,174                     | 10,714                     |
| Share of associates surplus/deficit      | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| <b>Total revenue</b>                     | <b>151,445</b>         | <b>169,498</b>             | <b>178,652</b>             | <b>178,520</b>             | <b>186,163</b>             | <b>191,511</b>             | <b>201,501</b>             | <b>208,260</b>             | <b>216,758</b>             | <b>223,255</b>             | <b>230,396</b>             |
| <b>EXPENSE</b>                           |                        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| Finance expense                          | 8,558                  | 7,879                      | 8,583                      | 8,173                      | 8,138                      | 7,942                      | 7,098                      | 6,426                      | 5,975                      | 6,242                      | 6,071                      |
| Employee related expense                 | 27,276                 | 29,756                     | 32,663                     | 34,346                     | 35,918                     | 37,621                     | 40,393                     | 42,535                     | 45,655                     | 49,033                     | 52,646                     |
| Other expenses                           | 37,642                 | 46,578                     | 55,879                     | 56,645                     | 48,729                     | 48,588                     | 50,919                     | 49,976                     | 53,766                     | 53,230                     | 53,871                     |
| Maintenance                              | 21,704                 | 22,951                     | 25,262                     | 25,935                     | 26,793                     | 27,706                     | 28,482                     | 28,827                     | 29,622                     | 30,511                     | 31,385                     |
| Depreciation and amortisation            | 29,984                 | 31,095                     | 30,806                     | 33,973                     | 35,373                     | 35,998                     | 38,563                     | 39,057                     | 39,993                     | 43,374                     | 44,578                     |
| Fair value loss on revaluation           | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| Expenditure of joint ventures            | 3,921                  | 7,150                      | 7,854                      | 8,633                      | 9,103                      | 9,765                      | 10,179                     | 10,500                     | 11,259                     | 11,870                     | 12,658                     |
| <b>Total expense</b>                     | <b>129,085</b>         | <b>145,409</b>             | <b>161,047</b>             | <b>167,705</b>             | <b>164,054</b>             | <b>167,620</b>             | <b>175,634</b>             | <b>177,321</b>             | <b>186,270</b>             | <b>194,260</b>             | <b>201,209</b>             |
| <b>Surplus/(deficit) before taxation</b> | <b>22,360</b>          | <b>24,089</b>              | <b>17,605</b>              | <b>10,815</b>              | <b>22,109</b>              | <b>23,891</b>              | <b>25,867</b>              | <b>30,939</b>              | <b>30,488</b>              | <b>28,995</b>              | <b>29,187</b>              |
| Income tax expense                       | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |



|  |               |               |                |               |               |                |               |               |                |               |               |
|--|---------------|---------------|----------------|---------------|---------------|----------------|---------------|---------------|----------------|---------------|---------------|
| <b>Surplus/(deficit) after tax</b>                   | <b>22,360</b> | <b>24,089</b> | <b>17,605</b>  | <b>10,815</b> | <b>22,109</b> | <b>23,891</b>  | <b>25,867</b> | <b>30,939</b> | <b>30,488</b>  | <b>28,995</b> | <b>29,187</b> |
| <b>OTHER COMPREHENSIVE REVENUE</b>                   |               |               |                |               |               |                |               |               |                |               |               |
| Gain on asset revaluations                           | 0             | 0             | 101,348        | 19,684        | 0             | 118,364        | 21,812        | 0             | 136,694        | 26,517        | 0             |
| Deferred tax on asset revaluations                   | 0             | 0             | 0              | 0             | 0             | 0              | 0             | 0             | 0              | 0             | 0             |
| Movement in NZLG shares value                        | 0             | 0             | 0              | 0             | 0             | 0              | 0             | 0             | 0              | 0             | 0             |
| Asset impairment Loss                                | 0             | 0             | 0              | 0             | 0             | 0              | 0             | 0             | 0              | 0             | 0             |
| Share of associate other comprehensive income        | 0             | 0             | 0              | 0             | 0             | 0              | 0             | 0             | 0              | 0             | 0             |
| <b>Total other comprehensive revenue and expense</b> | <b>0</b>      | <b>0</b>      | <b>101,348</b> | <b>19,684</b> | <b>0</b>      | <b>118,364</b> | <b>21,812</b> | <b>0</b>      | <b>136,694</b> | <b>26,517</b> | <b>0</b>      |
| <b>Total comprehensive revenue and expense</b>       | <b>22,360</b> | <b>24,089</b> | <b>118,953</b> | <b>30,499</b> | <b>22,109</b> | <b>142,255</b> | <b>47,679</b> | <b>30,939</b> | <b>167,182</b> | <b>55,512</b> | <b>29,187</b> |



## PROSPECTIVE STATEMENT OF FINANCIAL POSITION

|   | 2020/21<br>AP<br>\$000 | 2021/22<br>Budget<br>\$000 | 2022/23<br>Budget<br>\$000 | 2023/24<br>Budget<br>\$000 | 2024/25<br>Budget<br>\$000 | 2025/26<br>Budget<br>\$000 | 2026/27<br>Budget<br>\$000 | 2027/28<br>Budget<br>\$000 | 2028/29<br>Budget<br>\$000 | 2029/30<br>Budget<br>\$000 | 2030/31<br>Budget<br>\$000 |
|---|------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| <b>CURRENT ASSETS</b>                               |                        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| Cash and cash equivalents                           | 10,128                 | 20,102                     | 12,867                     | 13,299                     | 14,283                     | 12,930                     | 14,744                     | 15,817                     | 18,435                     | 18,558                     | 17,820                     |
| Trade and other receivables                         | 16,434                 | 14,232                     | 15,226                     | 15,778                     | 14,354                     | 14,230                     | 14,613                     | 14,180                     | 14,814                     | 14,274                     | 14,868                     |
| Other financial assets                              | 1,371                  | 26,765                     | 26,765                     | 26,765                     | 26,765                     | 26,765                     | 26,765                     | 26,765                     | 26,765                     | 26,765                     | 26,765                     |
| Non current assets held for resale                  | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| <b>Total current assets</b>                         | <b>27,933</b>          | <b>61,099</b>              | <b>54,858</b>              | <b>55,842</b>              | <b>55,402</b>              | <b>53,925</b>              | <b>56,122</b>              | <b>56,762</b>              | <b>60,014</b>              | <b>59,597</b>              | <b>59,453</b>              |
| <b>CURRENT LIABILITIES</b>                          |                        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| Trade and other payables                            | 20,429                 | 33,971                     | 32,704                     | 34,473                     | 33,921                     | 32,300                     | 34,192                     | 34,627                     | 37,563                     | 36,851                     | 37,108                     |
| Employee benefit liabilities                        | 2,219                  | 3,247                      | 3,472                      | 3,591                      | 3,697                      | 3,807                      | 3,977                      | 4,100                      | 4,270                      | 4,441                      | 4,612                      |
| Current portion of borrowings                       | 16,636                 | 15,003                     | 34,003                     | 8,503                      | 22,003                     | 10,003                     | 29,003                     | 10,003                     | 15,003                     | 15,003                     | 15,003                     |
| Current portion of derivative financial instruments | 3,625                  | 4,387                      | 4,387                      | 4,387                      | 4,387                      | 4,387                      | 4,387                      | 4,387                      | 4,387                      | 4,387                      | 4,387                      |
| <b>Total current liabilities</b>                    | <b>42,909</b>          | <b>56,608</b>              | <b>74,566</b>              | <b>50,954</b>              | <b>64,008</b>              | <b>50,497</b>              | <b>71,559</b>              | <b>53,117</b>              | <b>61,223</b>              | <b>60,682</b>              | <b>61,110</b>              |
| <b>Working capital</b>                              | <b>14,976</b>          | <b>4,491</b>               | <b>(19,708)</b>            | <b>4,888</b>               | <b>(8,606)</b>             | <b>3,428</b>               | <b>(15,437)</b>            | <b>3,645</b>               | <b>(1,209)</b>             | <b>(1,085)</b>             | <b>(1,657)</b>             |
| <b>NON CURRENT ASSETS</b>                           |                        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| Investments in associates                           | 137,599                | 169,652                    | 169,652                    | 169,652                    | 169,652                    | 169,652                    | 169,652                    | 169,652                    | 169,652                    | 169,652                    | 169,652                    |
| Other financial assets                              | 22,296                 | 9,869                      | 10,101                     | 9,992                      | 9,963                      | 9,935                      | 9,907                      | 9,878                      | 9,850                      | 9,822                      | 9,794                      |
| Intangible assets                                   | 2,376                  | 2,415                      | 2,583                      | 2,526                      | 2,155                      | 1,982                      | 1,989                      | 1,997                      | 2,004                      | 2,012                      | 2,019                      |
| Trade & other receivables                           | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| Forestry assets                                     | 44,722                 | 49,924                     | 51,422                     | 52,964                     | 54,553                     | 56,190                     | 57,875                     | 59,612                     | 61,400                     | 63,242                     | 65,139                     |
| Investment property                                 | 5,279                  | 5,358                      | 5,518                      | 5,684                      | 5,854                      | 6,029                      | 6,210                      | 6,396                      | 6,588                      | 6,786                      | 6,989                      |
| Property, plant and equipment                       | 1,625,736              | 1,685,609                  | 1,820,037                  | 1,868,024                  | 1,887,999                  | 2,019,535                  | 2,059,771                  | 2,083,256                  | 2,256,079                  | 2,309,753                  | 2,335,870                  |
| <b>Total non current assets</b>                     | <b>1,838,008</b>       | <b>1,922,827</b>           | <b>2,059,313</b>           | <b>2,108,842</b>           | <b>2,130,176</b>           | <b>2,263,323</b>           | <b>2,305,404</b>           | <b>2,330,791</b>           | <b>2,505,573</b>           | <b>2,561,267</b>           | <b>2,589,463</b>           |

  
**NON CURRENT LIABILITIES**

|                                      |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
|--------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Term borrowings                      | 191,409          | 238,588          | 231,912          | 275,546          | 261,292          | 264,224          | 239,748          | 253,279          | 256,015          | 256,309          | 254,736          |
| Derivative financial instruments     | 15,511           | 19,011           | 19,011           | 19,011           | 19,011           | 19,011           | 19,011           | 19,011           | 19,011           | 19,011           | 19,011           |
| Employee benefit liabilities         | 406              | 400              | 452              | 480              | 505              | 530              | 570              | 598              | 638              | 678              | 718              |
| Provisions                           | 2,296            | 3,575            | 3,534            | 3,499            | 3,460            | 3,431            | 3,401            | 3,372            | 3,342            | 3,313            | 3,283            |
| <b>Total non current liabilities</b> | <b>209,622</b>   | <b>261,574</b>   | <b>254,909</b>   | <b>298,536</b>   | <b>284,268</b>   | <b>287,196</b>   | <b>262,730</b>   | <b>276,260</b>   | <b>279,006</b>   | <b>279,311</b>   | <b>277,748</b>   |
| <b>Total net assets</b>              | <b>1,613,410</b> | <b>1,665,744</b> | <b>1,784,696</b> | <b>1,815,194</b> | <b>1,837,302</b> | <b>1,979,555</b> | <b>2,027,237</b> | <b>2,058,176</b> | <b>2,225,358</b> | <b>2,280,871</b> | <b>2,310,058</b> |
| <b>EQUITY</b>                        |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Accumulated equity                   | 670,121          | 799,938          | 823,375          | 845,791          | 870,809          | 894,947          | 919,164          | 946,820          | 981,353          | 1,010,780        | 1,043,040        |
| Restricted reserves                  | 24,272           | 23,498           | 17,665           | 6,063            | 3,153            | 2,904            | 4,557            | 7,840            | 3,795            | 3,364            | 291              |
| Revaluation reserves                 | 919,017          | 842,308          | 943,656          | 963,340          | 963,340          | 1,081,704        | 1,103,516        | 1,103,516        | 1,240,210        | 1,266,727        | 1,266,727        |
| <b>Total equity</b>                  | <b>1,613,410</b> | <b>1,665,744</b> | <b>1,784,696</b> | <b>1,815,194</b> | <b>1,837,302</b> | <b>1,979,555</b> | <b>2,027,237</b> | <b>2,058,176</b> | <b>2,225,358</b> | <b>2,280,871</b> | <b>2,310,058</b> |



## PROSPECTIVE STATEMENT OF CASHFLOWS

|   | 2020/21<br>AP<br>\$000 | 2021/22<br>Budget<br>\$000 | 2022/23<br>Budget<br>\$000 | 2023/24<br>Budget<br>\$000 | 2024/25<br>Budget<br>\$000 | 2025/26<br>Budget<br>\$000 | 2026/27<br>Budget<br>\$000 | 2027/28<br>Budget<br>\$000 | 2028/29<br>Budget<br>\$000 | 2029/30<br>Budget<br>\$000 | 2030/31<br>Budget<br>\$000 |
|---|------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| <b>CASHFLOW FROM OPERATING ACTIVITIES</b> |                        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| <b>Cash was provided from:</b>            |                        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| Fees and charges and other revenue        | 65,580                 | 73,850                     | 77,580                     | 72,284                     | 74,170                     | 69,537                     | 72,351                     | 75,483                     | 77,218                     | 76,992                     | 76,462                     |
| Rates revenue                             | 77,486                 | 82,322                     | 87,260                     | 92,359                     | 100,455                    | 108,875                    | 115,286                    | 119,447                    | 124,856                    | 132,447                    | 138,690                    |
| Dividends received                        | 2,955                  | 2,555                      | 2,830                      | 3,080                      | 3,080                      | 3,080                      | 3,080                      | 3,080                      | 3,080                      | 3,080                      | 3,080                      |
| Interest received                         | 446                    | 605                        | 609                        | 616                        | 622                        | 629                        | 635                        | 641                        | 646                        | 651                        | 655                        |
| Net GST received                          | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
|   | <b>146,467</b>         | <b>159,332</b>             | <b>168,279</b>             | <b>168,339</b>             | <b>178,327</b>             | <b>182,121</b>             | <b>191,352</b>             | <b>198,651</b>             | <b>205,800</b>             | <b>213,170</b>             | <b>218,887</b>             |
| <b>Cash was disbursed to:</b>             |                        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| Payments to staff and suppliers           | (90,542)               | (102,779)                  | (119,532)                  | (122,842)                  | (119,053)                  | (121,925)                  | (126,857)                  | (130,126)                  | (137,102)                  | (142,377)                  | (147,934)                  |
| Interest paid                             | (8,558)                | (7,879)                    | (8,583)                    | (8,173)                    | (8,138)                    | (7,942)                    | (7,098)                    | (6,426)                    | (5,975)                    | (6,242)                    | (6,071)                    |
|   | <b>(99,100)</b>        | <b>(110,658)</b>           | <b>(128,115)</b>           | <b>(131,015)</b>           | <b>(127,191)</b>           | <b>(129,867)</b>           | <b>(133,955)</b>           | <b>(136,552)</b>           | <b>(143,077)</b>           | <b>(148,619)</b>           | <b>(154,005)</b>           |
| <b>Net cash from operating activities</b> | <b>47,367</b>          | <b>48,674</b>              | <b>40,164</b>              | <b>37,324</b>              | <b>51,136</b>              | <b>52,254</b>              | <b>57,397</b>              | <b>62,099</b>              | <b>62,723</b>              | <b>64,551</b>              | <b>64,882</b>              |
| <b>CASHFLOW FROM INVESTING ACTIVITIES</b> |                        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| <b>Cash was provided from:</b>            |                        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| Proceeds from sale of assets              | 62                     | 62                         | 62                         | 62                         | 62                         | 62                         | 62                         | 62                         | 62                         | 62                         | 62                         |
| Proceeds from sale of investments         | 25                     | 1,843                      | 118                        | 109                        | 29                         | 28                         | 28                         | 28                         | 28                         | 28                         | 28                         |
|   | <b>87</b>              | <b>1,905</b>               | <b>180</b>                 | <b>171</b>                 | <b>91</b>                  | <b>90</b>                  | <b>90</b>                  | <b>90</b>                  | <b>90</b>                  | <b>90</b>                  | <b>90</b>                  |
| <b>Cash was disbursed to:</b>             |                        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| Purchase of investments                   | (24)                   | (6,806)                    | (349)                      | -                          | -                          | -                          | -                          | -                          | -                          | -                          | -                          |
| Purchase of property, plant and equipment | (64,142)               | (80,519)                   | (59,554)                   | (55,197)                   | (49,489)                   | (44,629)                   | (50,197)                   | (55,646)                   | (67,932)                   | (64,812)                   | (64,137)                   |
|   | <b>(64,166)</b>        | <b>(87,325)</b>            | <b>(59,903)</b>            | <b>(55,197)</b>            | <b>(49,489)</b>            | <b>(44,629)</b>            | <b>(50,197)</b>            | <b>(55,646)</b>            | <b>(67,932)</b>            | <b>(64,812)</b>            | <b>(64,137)</b>            |
| <b>Net cash from investing activities</b> | <b>(64,079)</b>        | <b>(85,420)</b>            | <b>(59,723)</b>            | <b>(55,026)</b>            | <b>(49,398)</b>            | <b>(44,539)</b>            | <b>(50,107)</b>            | <b>(55,556)</b>            | <b>(67,842)</b>            | <b>(64,722)</b>            | <b>(64,047)</b>            |
| <b>CASHFLOW FROM FINANCING ACTIVITIES</b> |                        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| <b>Cash was provided from:</b>            |                        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| Proceeds from loans                       | 33,435                 | 54,370                     | 31,313                     | 41,730                     | 21,568                     | 14,757                     | 19,754                     | 22,139                     | 33,529                     | 24,461                     | 23,509                     |
| <b>Cash was disbursed to:</b>             |                        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| Repayment of borrowings                   | (16,636)               | (17,249)                   | (18,989)                   | (23,596)                   | (22,322)                   | (23,825)                   | (25,230)                   | (27,609)                   | (25,792)                   | (24,167)                   | (25,082)                   |
| <b>Net cash from financing activities</b> | <b>16,799</b>          | <b>37,121</b>              | <b>12,324</b>              | <b>18,134</b>              | <b>(754)</b>               | <b>(9,068)</b>             | <b>(5,476)</b>             | <b>(5,470)</b>             | <b>7,737</b>               | <b>294</b>                 | <b>(1,573)</b>             |



|  |               |               |                |               |               |                |               |               |               |               |               |
|--|---------------|---------------|----------------|---------------|---------------|----------------|---------------|---------------|---------------|---------------|---------------|
| <b>Total net cashflows</b>                       | <b>87</b>     | <b>375</b>    | <b>(7,235)</b> | <b>432</b>    | <b>984</b>    | <b>(1,353)</b> | <b>1,814</b>  | <b>1,073</b>  | <b>2,618</b>  | <b>123</b>    | <b>(738)</b>  |
| Opening cash held                                | 10,041        | 19,727        | 20,102         | 12,867        | 13,299        | 14,283         | 12,930        | 14,744        | 15,817        | 18,435        | 18,558        |
| <b>Closing cash and cash equivalents balance</b> | <b>10,128</b> | <b>20,102</b> | <b>12,867</b>  | <b>13,299</b> | <b>14,283</b> | <b>12,930</b>  | <b>14,744</b> | <b>15,817</b> | <b>18,435</b> | <b>18,558</b> | <b>17,820</b> |
| Represented by:                                  |               |               |                |               |               |                |               |               |               |               |               |
| Cash and cash equivalents                        | 10,128        | 20,102        | 12,867         | 13,299        | 14,283        | 12,930         | 14,744        | 15,817        | 18,435        | 18,558        | 17,820        |
| <b>Cash and cash equivalents</b>                 | <b>10,128</b> | <b>20,102</b> | <b>12,867</b>  | <b>13,299</b> | <b>14,283</b> | <b>12,930</b>  | <b>14,744</b> | <b>15,817</b> | <b>18,435</b> | <b>18,558</b> | <b>17,820</b> |

## PROSPECTIVE STATEMENT OF CHANGES IN NET ASSETS/EQUITY

|  | 2020/21<br>Budget<br>\$000 | 2021/22<br>Budget<br>\$000 | 2022/23<br>Budget<br>\$000 | 2023/24<br>Budget<br>\$000 | 2024/25<br>Budget<br>\$000 | 2025/26<br>Budget<br>\$000 | 2026/27<br>Budget<br>\$000 | 2027/28<br>Budget<br>\$000 | 2028/29<br>Budget<br>\$000 | 2029/30<br>Budget<br>\$000 | 2030/31<br>Budget<br>\$000 |
|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| <b>Equity at the start of the year</b>   | <b>1,591,050</b>           | <b>1,641,656</b>           | <b>1,665,745</b>           | <b>1,784,698</b>           | <b>1,815,197</b>           | <b>1,837,306</b>           | <b>1,979,561</b>           | <b>2,027,240</b>           | <b>2,058,179</b>           | <b>2,225,361</b>           | <b>2,280,873</b>           |
| Total Comprehensive revenue and expenses | 22,360                     | 24,089                     | 118,953                    | 30,499                     | 22,109                     | 142,255                    | 47,679                     | 30,939                     | 167,182                    | 55,512                     | 29,187                     |
| <b>Equity at the end of the year</b>     | <b>1,613,410</b>           | <b>1,665,745</b>           | <b>1,784,698</b>           | <b>1,815,197</b>           | <b>1,837,306</b>           | <b>1,979,561</b>           | <b>2,027,240</b>           | <b>2,058,179</b>           | <b>2,225,361</b>           | <b>2,280,873</b>           | <b>2,310,060</b>           |



## PROSPECTIVE CASHFLOW RECONCILIATION

|   | 2020/21<br>AP<br>\$000 | 2021/22<br>Budget<br>\$000 | 2022/23<br>Budget<br>\$000 | 2023/24<br>Budget<br>\$000 | 2024/25<br>Budget<br>\$000 | 2025/26<br>Budget<br>\$000 | 2026/27<br>Budget<br>\$000 | 2027/28<br>Budget<br>\$000 | 2028/29<br>Budget<br>\$000 | 2029/30<br>Budget<br>\$000 | 2030/31<br>Budget<br>\$000 |
|---|------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| <b>SURPLUS(DEFICIT) FROM PROSPECTIVE INCOME STATEMENT</b>                 | <b>22,360</b>          | <b>24,089</b>              | <b>17,605</b>              | <b>10,815</b>              | <b>22,109</b>              | <b>23,891</b>              | <b>25,867</b>              | <b>30,939</b>              | <b>30,488</b>              | <b>28,995</b>              | <b>29,187</b>              |
| <b>Add non cash items:</b>  |                        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| Depreciation  | 29,984                 | 32,674                     | 32,547                     | 35,791                     | 37,254                     | 37,927                     | 40,536                     | 41,055                     | 42,066                     | 45,563                     | 46,848                     |
| Fair value movement on revaluation  | -                      | (1,609)                    | (1,657)                    | (1,707)                    | (1,758)                    | (1,811)                    | (1,865)                    | (1,921)                    | (1,978)                    | (2,038)                    | (2,099)                    |
| Share of associates surplus/deficit                                       | -                      | -                          | -                          | -                          | -                          | -                          | -                          | -                          | -                          | -                          | -                          |
| Vested assets   | (4,452)                | (7,437)                    | (7,661)                    | (7,860)                    | (7,440)                    | (7,641)                    | (7,839)                    | (8,059)                    | (8,284)                    | (8,525)                    | (8,755)                    |
|   | <b>25,532</b>          | <b>23,628</b>              | <b>23,229</b>              | <b>26,224</b>              | <b>28,056</b>              | <b>28,475</b>              | <b>30,832</b>              | <b>31,075</b>              | <b>31,804</b>              | <b>35,000</b>              | <b>35,994</b>              |
| <b>Movements in workings capital:</b>                                     |                        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| Decrease (increase) in accounts receivable                                | (464)                  | (1,058)                    | (994)                      | (552)                      | 1,424                      | 124                        | (383)                      | 433                        | (634)                      | 540                        | (594)                      |
| Increase (decrease) in accounts payable                                   | (56)                   | (64)                       | (1,267)                    | 1,769                      | (552)                      | (1,621)                    | 1,892                      | 435                        | 2,936                      | (712)                      | 257                        |
| Increase (decrease) in employee entitlements                              | 40                     | 260                        | 225                        | 119                        | 106                        | 110                        | 170                        | 123                        | 170                        | 171                        | 171                        |
|   | <b>(480)</b>           | <b>(862)</b>               | <b>(2,036)</b>             | <b>1,336</b>               | <b>978</b>                 | <b>(1,387)</b>             | <b>1,679</b>               | <b>991</b>                 | <b>2,472</b>               | <b>(1)</b>                 | <b>(166)</b>               |
| <b>Other:</b>   |                        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| Decrease (increase) in term receivables                                   | -                      | -                          | -                          | -                          | -                          | -                          | -                          | -                          | -                          | -                          | -                          |
| Increase (decrease) in term provisions                                    | (54)                   | (35)                       | (41)                       | (35)                       | (39)                       | (29)                       | (30)                       | (29)                       | (30)                       | (29)                       | (30)                       |
| Increase (decrease) in term employee entitlements                         | 17                     | 61                         | 52                         | 28                         | 25                         | 25                         | 40                         | 28                         | 40                         | 40                         | 40                         |
|   | <b>(37)</b>            | <b>26</b>                  | <b>11</b>                  | <b>(7)</b>                 | <b>(14)</b>                | <b>(4)</b>                 | <b>10</b>                  | <b>(1)</b>                 | <b>10</b>                  | <b>11</b>                  | <b>10</b>                  |
| <b>Add(deduct) items classified as investing or financing activities:</b> |                        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| Gain on sale of assets  | (62)                   | (62)                       | (62)                       | (62)                       | (62)                       | (62)                       | (62)                       | (62)                       | (62)                       | (62)                       | (62)                       |
| Capital creditors   | 54                     | 1,855                      | 1,416                      | (982)                      | 70                         | 1,340                      | (929)                      | (843)                      | (1,990)                    | 608                        | (82)                       |
|   | <b>(8)</b>             | <b>1,793</b>               | <b>1,354</b>               | <b>(1,044)</b>             | <b>8</b>                   | <b>1,278</b>               | <b>(991)</b>               | <b>(905)</b>               | <b>(2,052)</b>             | <b>546</b>                 | <b>(144)</b>               |
| <b>Net cash flow from operating activities</b>                            | <b>47,367</b>          | <b>48,674</b>              | <b>40,163</b>              | <b>37,324</b>              | <b>51,137</b>              | <b>52,253</b>              | <b>57,397</b>              | <b>62,099</b>              | <b>62,722</b>              | <b>64,551</b>              | <b>64,881</b>              |





## PROSPECTIVE FUNDING IMPACT STATEMENT

|  | 2020/21<br>AP<br>\$000 | 2021/22<br>Budget<br>\$000 | 2022/23<br>Budget<br>\$000 | 2023/24<br>Budget<br>\$000 | 2024/25<br>Budget<br>\$000 | 2025/26<br>Budget<br>\$000 | 2026/27<br>Budget<br>\$000 | 2027/28<br>Budget<br>\$000 | 2028/29<br>Budget<br>\$000 | 2029/30<br>Budget<br>\$000 | 2030/31<br>Budget<br>\$000 |
|--|------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| <b>SOURCES OF OPERATING FUNDING</b>                                      |                        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| General rates, uniform annual general charges, rates penalties           | 40,825                 | 43,949                     | 47,561                     | 50,750                     | 54,343                     | 59,384                     | 63,186                     | 65,629                     | 68,617                     | 72,324                     | 76,021                     |
| Targeted rates   | 37,324                 | 38,719                     | 40,058                     | 41,978                     | 46,489                     | 49,879                     | 52,501                     | 54,232                     | 56,665                     | 60,563                     | 63,124                     |
| Subsidies and grants for operating purposes                              | 5,383                  | 6,183                      | 6,430                      | 8,174                      | 6,248                      | 6,248                      | 6,615                      | 6,775                      | 9,492                      | 6,808                      | 6,885                      |
| Fees and charges   | 15,652                 | 16,227                     | 17,419                     | 18,416                     | 18,696                     | 18,826                     | 19,104                     | 19,388                     | 19,695                     | 20,024                     | 20,441                     |
| Interest and dividends from investments                                  | 3,452                  | 3,050                      | 3,323                      | 3,571                      | 3,570                      | 3,568                      | 3,568                      | 3,568                      | 3,568                      | 3,568                      | 3,568                      |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 21,239                 | 24,123                     | 27,433                     | 29,256                     | 27,963                     | 27,695                     | 28,635                     | 27,079                     | 29,634                     | 28,122                     | 28,198                     |
| <b>Total operating funding</b>   | <b>123,875</b>         | <b>132,251</b>             | <b>142,224</b>             | <b>152,145</b>             | <b>157,309</b>             | <b>165,600</b>             | <b>173,609</b>             | <b>176,671</b>             | <b>187,671</b>             | <b>191,409</b>             | <b>198,237</b>             |
| <b>APPLICATIONS OF OPERATING FUNDING</b>                                 |                        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| Payments to staff and suppliers  | 90,912                 | 104,854                    | 119,918                    | 123,740                    | 118,664                    | 121,750                    | 128,000                    | 129,839                    | 138,227                    | 142,454                    | 148,289                    |
| Finance costs  | 8,558                  | 7,879                      | 8,584                      | 8,173                      | 8,139                      | 7,943                      | 7,098                      | 6,427                      | 5,975                      | 6,243                      | 6,072                      |
| Other operating funding applications                                     | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| <b>Total applications of operating funding</b>                           | <b>99,470</b>          | <b>112,733</b>             | <b>128,502</b>             | <b>131,913</b>             | <b>126,803</b>             | <b>129,693</b>             | <b>135,098</b>             | <b>136,266</b>             | <b>144,202</b>             | <b>148,697</b>             | <b>154,361</b>             |
| <b>Surplus/(deficit) of operating funding</b>                            | <b>24,405</b>          | <b>19,518</b>              | <b>13,722</b>              | <b>20,232</b>              | <b>30,506</b>              | <b>35,907</b>              | <b>38,511</b>              | <b>40,405</b>              | <b>43,469</b>              | <b>42,712</b>              | <b>43,876</b>              |
| <b>SOURCES OF CAPITAL FUNDING</b>  |                        |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| Subsidies and grants for capital expenditure                             | 13,115                 | 16,096                     | 14,879                     | 4,477                      | 9,251                      | 5,973                      | 7,617                      | 10,947                     | 8,958                      | 11,313                     | 9,679                      |
| Development and financial contributions                                  | 10,310                 | 12,043                     | 12,169                     | 12,270                     | 10,344                     | 10,424                     | 10,509                     | 10,600                     | 9,805                      | 9,908                      | 11,566                     |
| Increase (decrease) in debt  | 16,799                 | 30,315                     | 12,324                     | 18,134                     | (754)                      | (9,068)                    | (5,476)                    | (5,469)                    | 7,736                      | 294                        | (1,573)                    |
| Gross proceeds from sale of assets                                       | 62                     | 62                         | 62                         | 62                         | 62                         | 62                         | 62                         | 62                         | 62                         | 62                         | 62                         |
| Lump sum contributions   | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |
| Other dedicated capital funding  | 0                      | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          | 0                          |



|  |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>Total sources of capital funding</b>      | <b>40,286</b>   | <b>58,516</b>   | <b>39,434</b>   | <b>34,943</b>   | <b>18,903</b>   | <b>7,391</b>    | <b>12,712</b>   | <b>16,140</b>   | <b>26,561</b>   | <b>21,577</b>   | <b>19,734</b>   |
| <b>APPLICATIONS OF CAPITAL FUNDING</b>       |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Capital expenditure                          |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| - to meet additional demand                  | 4,648           | 4,174           | 332             | 4,330           | 61              | 63              | 64              | 547             | 3,279           | 3,501           | 72              |
| - to improve the level of service            | 16,682          | 40,280          | 15,181          | 12,179          | 13,883          | 4,464           | 8,905           | 8,430           | 17,178          | 16,329          | 16,650          |
| - to replace existing assets                 | 42,366          | 34,044          | 42,680          | 40,040          | 35,648          | 38,753          | 42,151          | 47,506          | 49,456          | 44,367          | 47,490          |
| Increase (decrease) in reserves              | (842)           | 1,379           | (5,268)         | (1,265)         | (154)           | 46              | 131             | 90              | 145             | 120             | (574)           |
| Increase (decrease) in investments           | 1,837           | (1,843)         | 231             | (109)           | (29)            | (28)            | (28)            | (28)            | (28)            | (28)            | (28)            |
| <b>Total applications of capital funding</b> | <b>64,691</b>   | <b>78,034</b>   | <b>53,156</b>   | <b>55,175</b>   | <b>49,409</b>   | <b>43,298</b>   | <b>51,223</b>   | <b>56,545</b>   | <b>70,030</b>   | <b>64,289</b>   | <b>63,610</b>   |
| <b>Surplus/(deficit) of capital funding</b>  | <b>(24,405)</b> | <b>(19,518)</b> | <b>(13,722)</b> | <b>(20,232)</b> | <b>(30,506)</b> | <b>(35,907)</b> | <b>(38,511)</b> | <b>(40,405)</b> | <b>(43,469)</b> | <b>(42,712)</b> | <b>(43,876)</b> |
| <b>Funding balance</b>                       | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>0</b>        |

Pursuant to Public Benefit Entity FRS-42 paragraph 40 following is an explanation of the relationship between this Funding Impact Statement and the Prospective Comprehensive Income Statement.

This Funding Impact Statement has been prepared in accordance with the Local Government (Financial Reporting) Regulations 2011. This is a reporting requirement unique to Local Government and the disclosures contained within and the presentation of this statement is not prepared in accordance with generally accepted accounting practices (“GAAP”).

This statement is based on cash transactions prepared on an accrual basis and as such does not include non-cash/accounting transactions that are included within the Prospective Comprehensive Income Statement as required under GAAP. These items include but are not limited to Council’s depreciation, gain and/or losses on revaluation and vested assets.

It also departs from GAAP as funding sources are disclosed based on whether they are deemed for operational or capital purposes. Income such as subsidies for capital projects, for example Waka Kotahi subsidies projected to be received for road renewal works, development and reserve financial contributions and gains on sale of assets are recorded as capital funding sources. Under GAAP these are treated as income in the Prospective Comprehensive Income Statement.



Where appropriate the budgets for Tasman’s 10-Year Plan 2021–2031 have been developed from the forecast closing position of the 2020/2021 financial year rather than the published annual plan.

## DEPRECIATION AND AMORTISATION OF EXPENSES BY GROUP OF ACTIVITIES

This table has been included in accordance with section 4 of the Local Government (Financial Reporting) Regulations 2011, and will constitute part of the notes to the financial statements in Council’s Annual Report.

The purpose of this table is to specify, in relation to each group of activities, the combined depreciation and amortisation expense for assets used directly in providing the group of activities.

This information was previously included within Council’s Cost of Service Statements, however, under the new financial reporting regulations, the funding impact statements exclude non-cash/accounting transactions such as depreciation.

|                                 | 2020/21<br>AP<br>\$000 | 2021/22<br>Budget<br>\$000 | 2022/23<br>Budget<br>\$000 | 2023/24<br>Budget<br>\$000 | 2024/25<br>Budget<br>\$000 | 2025/26<br>Budget<br>\$000 | 2026/27<br>Budget<br>\$000 | 2027/28<br>Budget<br>\$000 | 2028/29<br>Budget<br>\$000 | 2029/30<br>Budget<br>\$000 | 2030/31<br>Budget<br>\$000 |
|---------------------------------|------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Environmental Management        | 233                    | 249                        | 326                        | 404                        | 470                        | 509                        | 537                        | 545                        | 526                        | 516                        | 523                        |
| Public Health and Safety        | 93                     | 112                        | 114                        | 115                        | 114                        | 104                        | 87                         | 82                         | 81                         | 79                         | 81                         |
| Transportation                  | 11,605                 | 11,563                     | 11,383                     | 13,098                     | 13,719                     | 14,140                     | 15,706                     | 16,203                     | 16,934                     | 18,832                     | 19,344                     |
| Coastal Assets                  | 48                     | 36                         | 37                         | 58                         | 65                         | 73                         | 95                         | 95                         | 95                         | 114                        | 107                        |
| Water Supply                    | 3,794                  | 4,542                      | 4,243                      | 4,563                      | 4,640                      | 4,659                      | 5,107                      | 5,268                      | 5,350                      | 5,705                      | 5,892                      |
| Wastewater                      | 3,278                  | 4,619                      | 4,444                      | 4,876                      | 5,092                      | 5,229                      | 5,604                      | 5,677                      | 5,780                      | 6,279                      | 6,387                      |
| Stormwater                      | 1,756                  | 1,959                      | 1,998                      | 2,317                      | 2,365                      | 2,413                      | 2,800                      | 2,850                      | 2,900                      | 3,342                      | 3,373                      |
| Waste Management & Minimisation | 536                    | 450                        | 530                        | 649                        | 748                        | 779                        | 835                        | 872                        | 968                        | 1,055                      | 1,218                      |
| Rivers                          | 39                     | 36                         | 32                         | 30                         | 28                         | 28                         | 28                         | 28                         | 28                         | 28                         | 28                         |
| Community Development           | 4,465                  | 4,463                      | 4,474                      | 4,560                      | 4,613                      | 4,586                      | 4,233                      | 3,679                      | 3,670                      | 3,787                      | 3,733                      |
| Governance                      | 11                     | 0                          | 0                          | 0                          | 6                          | 11                         | 11                         | 11                         | 11                         | 12                         | 13                         |
| Council Enterprises             | 1,224                  | 999                        | 1,006                      | 1,030                      | 1,061                      | 1,062                      | 1,094                      | 1,119                      | 1,023                      | 1,001                      | 1,024                      |

# RESERVE FUNDS

The Local Government Act 2002 (LGA) requires councils to provide a summary of the Reserve funds that it holds.

## BACKGROUND

The LGA places more focus on the accounting for, and disclosure of, reserves. It defines reserve funds as ‘money set aside by a local authority for a specific purpose’. Reserves are part of equity, which may or may not be physically backed by cash/investments. Reserves are often used to separate a funding surplus of an activity. The LGA requires Council to specify the amount expected to be deposited in the fund, and the amount expected to be withdrawn from the fund over the 10 year period that the Tasman’s 10-Year Plan 2021–2031 covers. Council does not transfer money from one reserve to fund another. Council now charges/pays ‘internal’ interest on any surplus or deficit balances that each individual reserve may have. Opening balance surpluses are usually due to approved committed projects not yet being undertaken or completed.

| Reserve Reporting                       | Activity to which the fund relates | Opening Balance<br>1 July<br>2021<br>(000's) | Transfer<br>into<br>fund<br>(000's) | Transfers<br>out of<br>fund<br>(000's) | Closing<br>Balance 30<br>June 2031<br>(000's) |
|---|------------------------------------|--|-------------------------------------|--|---|
| Reserve Financial Contributions Reserve | Reserves & Facilities              | 13,834                                       | 33,871                              | (37,838)                               | 9,867   |
| Parks and Reserves Disaster Fund        | Reserves & Facilities              | 413  | 773                                 |  | 1,186   |
| Rivers Reserve                          | Rivers                             | (288)  | 54,436                              | (54,186)                               | (38)  |
| Rivers Disaster Fund                    | Rivers                             | 101  | 654                                 |  | 755   |
| Water Reserve                           | Water Supply                       | (338)  | 175,548                             | (174,938)                              | 272   |
| Water Disaster Fund                     | Water Supply                       | 166  | 380                                 |  | 546   |
| Wastewater Reserve                      | Wastewater                         | 1,373  | 163,262                             | (164,732)                              | (97)  |
| Wastewater Disaster Fund                | Wastewater                         | 385  | 643                                 |  | 1,028   |
| Stormwater Reserve                      | Stormwater                         | 709  | 56,947                              | (57,597)                               | 59  |
| Stormwater Disaster Fund                | Stormwater                         | 674  | 877                                 |  | 1,551   |
| Roading Disaster Fund                   | Transportation                     | 1,375  | 6,200                               |  | 7,575   |
| Self-Insurance Fund                     | Overall Council                    | 1,155  | 183                                 |  | 1,337   |
|   |                                    |  |                                     |  | 264   |



| Reserve Reporting                         | Activity to which the fund relates                   | Opening Balance 1 July 2021<br>(000's) | Transfer into fund<br>(000's) | Transfers out of fund<br>(000's) | Closing Balance 30 June 2031<br>(000's) |
|---|--|--|-------------------------------|----------------------------------|---|
| Waste Management and Minimisation Reserve | Waste Management and Minimisation                    | 107                                    | 161,345                       | (161,552)                        | (100)                                   |
| Dog Control Reserve                       | Public Health & Safety                               | 50                                     | 5,117                         | (5,429)                          | (262)                                   |
| Community Facilities Rate Reserve         | Reserves & Facilities                                | 118                                    | 44,869                        | (44,869)                         | 118                                     |
| Camping Ground Reserve                    | Council Enterprises & Property                       | (285)                                  | 10,795                        | (9,280)                          | 1,230                                   |
| Community Housing Reserve                 | Reserves & Facilities                                | 738                                    | 11,394                        | (9,370)                          | 2,762                                   |
| Development Contribution Reserve          | Transportation, Water Supply, Wastewater, Stormwater | 6,238                                  | 75,630                        | (117,620)                        | (35,752)                                |
| General Disaster Fund                     | Governance   | 4,254                                  | 4,000                         |                                  | 8,253                                   |
| <b>Total</b>                              |  | <b>30,779</b>                          | <b>806,924</b>                | <b>(837,411)</b>                 | <b>291</b>                              |

## RESERVES

### RESERVE FINANCIAL CONTRIBUTIONS RESERVE

Reserve Financial Contributions are paid as a percentage of the land value of new allotments, and are applied to the acquisition and development of land for reserves, and to the development and upgrading of community services. All Reserve Financial Contributions must be separately accountable and the Council keeps Reserve Financial Contributions received in four separate accounts (Golden Bay Ward, Motueka Ward, Moutere-Waimea/Lakes/Murchison Wards, Richmond Ward). Strict criteria apply to the use of these funds.

### PARKS AND RESERVES DISASTER FUND

The Parks and Reserves Fund covers the excess for insured parks and reserves assets. No allowance has been made in the Tasman's 10-Year Plan 2021–2031 for any withdrawals on this disaster fund, as the timing of any disasters cannot be predicted.

### RIVERS RESERVE

The Rivers Reserve is used to enable separate accounting for the funding and expenditure for the Rivers Activity. Each year, Council sets the proposed income, expenditure and funding budgets. Variations from these budgets, as a result of timing of projects or unplanned expenditure are recorded in the rivers fund to keep any surpluses/deficits separate from other activities.



### **RIVERS DISASTER FUND**

The Rivers Disaster Fund (The Classified Rivers Protection Fund) covers the excess for river protection assets insured under the Local Authority Protection Programme (LAPP). No allowance has been made in Tasman's 10-Year Plan 2021–2031 for any withdrawals on this disaster fund as the timing of any disasters cannot be predicted.

### **WATER RESERVE**

The Water Reserve is used to separate all funding and expenditure for the Water Supply Activity, excluding development contributions income and projects. Each year Council sets the proposed income, expenditure and funding budgets for this activity. Variations from these budgets, as a result of timing of projects and/or unplanned expenditure are recorded in the water reserve to keep any surpluses/deficits separate from other activities.

### **WATER DISASTER FUND**

The Water Disaster Fund covers the excess for water assets insured under the Local Authority Protection Programme (LAPP). No allowance has been made in Tasman's 10-Year Plan 2021–2031 for any withdrawals on this disaster fund as the timing of any disasters cannot be predicted.

### **WASTEWATER RESERVE**

The Wastewater Reserve is used to separate all funding and expenditure for the Wastewater Activity, excluding development contributions income and projects. Each year Council sets the proposed income, expenditure and funding budgets for this activity. Variations from these budgets, as a result of timing of projects and/or unplanned expenditure are recorded in the Wastewater Reserve to keep any surpluses/deficits separate from other activities.

### **WASTEWATER DISASTER FUND**

The Wastewater Disaster Fund covers the excess for wastewater assets insured under the Local Authority Protection Programme (LAPP). No allowance has been made in Tasman's 10-Year Plan 2021–2031 for any withdrawals on this disaster fund as the timing of any disasters cannot be predicted.

### **STORMWATER RESERVE**

The Stormwater Reserve is used to separate all funding and expenditure for the Stormwater Activity, excluding Development Contributions income and projects. Each year Council sets the proposed income, expenditure and funding budgets for this activity. Any variation from these budgets for example as a result of timing of projects or unplanned expenditure are recorded in the Stormwater Reserve to keep any surpluses/deficits separate from other activities.

### **STORMWATER DISASTER FUND**

The Stormwater Disaster Fund covers the excess for stormwater assets insured under the Local Authority Protection Programme (LAPP). No allowance has been made in Tasman's 10-Year Plan 2021–2031 for any withdrawals on this disaster fund as the timing of any disasters cannot be predicted.

### **ROADING DISASTER FUND**



The Rooding Disaster Fund covers the cost of the remediation of rooding assets due to a disaster that are not covered through the Waka Kotahi/New Zealand Transport Agency (Waka Kotahi). No allowance has been made in Tasman's 10-Year Plan 2021–2031 for any withdrawals on this disaster fund as the timing of any disasters cannot be predicted.

### **SELF INSURANCE FUND**

The purpose of this fund is to provide cover for assets or liabilities that are medium to low risk, but are uneconomic to insure.

### **WASTE MANAGEMENT AND MINIMISATION RESERVE**

The Waste Management and Minimisation Reserve is used to separate all funding and expenditure for the Waste Management and Minimisation Activity. Each year Council sets the proposed income, expenditure and funding budgets set for this activity. Any variation from these budgets for example timing of projects or unplanned expenditure are recorded in the Waste Management and Minimisation Reserve to keep any surpluses/deficits separate from other activities.

### **DOG CONTROL RESERVE**

The Dog Control Reserve is used to separate all funding and expenditure for the Dog Control activity. Each year Council sets the proposed income, expenditure and funding budgets for this activity. Any variation from these budgets, for example timing of projects or unplanned expenditure, are recorded in the Dog Control Reserve to keep any surpluses/deficits separate from other activities.

### **COMMUNITY FACILITIES RATE RESERVE**

The Community Facilities Rate Reserve is used to separate all funding and expenditure for the Community Facilities activity. Each year Council sets the proposed income, expenditure and funding budgets for this activity. Any variations from these budgets, for example timing of projects or unplanned expenditure, are recorded in the Community Facilities Rate Reserve so that any surpluses/deficits are kept separate from other activities. The surplus in this reserve increases over the life of Tasman's 10-Year Plan 2021–2031 due to interest costs decreasing as the loans are repaid. The surplus increase is mainly from year five onwards in this Plan.

### **CAMPING GROUND RESERVE**

The Camping Ground Reserve is used to separate all funding and expenditure for the Camping Ground activity. Each year Council sets the proposed income, expenditure and funding budgets for this activity. Any variations from these budgets, for example timing of projects, unplanned expenditure or changes in income, are recorded in the Camping Ground Reserve so that any surpluses/deficits are kept separate from other activities.

### **COMMUNITY HOUSING RESERVE**

The Community Housing Reserve is used to separate all funding and expenditure for the Community Housing activity. Each year Council sets the proposed income, expenditure and funding budgets for this activity. Any variations from these budgets, for example due to timing of projects or unplanned expenditure, is recorded in the Community Housing Reserve so that any surpluses/deficits can be kept separate from other activities



## **DEVELOPMENT CONTRIBUTION RESERVE**

It is the Council's intention that developers should bear the cost of the increased demand that development places on the District's infrastructure. Population growth in the District places a strain on network and community infrastructure. That infrastructure will need to expand and be further developed in order to cope with the demands of population growth. This includes additional demand on services such as transportation, water supply, wastewater and stormwater management. All Development Contributions must be separately accountable and the Council keeps Development Contributions received in four separate accounts; transportation, wastewater, stormwater and water. Strict criteria apply to the use of these funds. Any budgeted surpluses/deficits for these funds in any given year are funded through borrowing or repaying Development Contribution loans. The significant movement in the Development Contribution Reserve from a surplus of \$6 million to a deficit of \$36 million is driven by larger up front growth costs that will be recovered over a 30 year period.

## **GENERAL DISASTER FUND**

The General Disaster Fund is to cover uninsurable assets like roads and bridges. Council usually receives a subsidy from Waka Kotahi to cover part of the costs of any roads and bridges damaged in a disaster, but Council needs to fund any remaining costs. No allowance has been made in Tasman's 10-Year Plan 2021–2031 for any withdrawals on this disaster fund as disasters are impossible to predict.



# FINANCIAL REGULATIONS BENCHMARKS

Tasman’s 10-Year Plan 2021–2031 disclosure statement for period commencing 1 July 2021

## WHAT IS THE PURPOSE OF THIS STATEMENT?

The purpose of this statement is to disclose Council's planned 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 Long Term Plan 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.

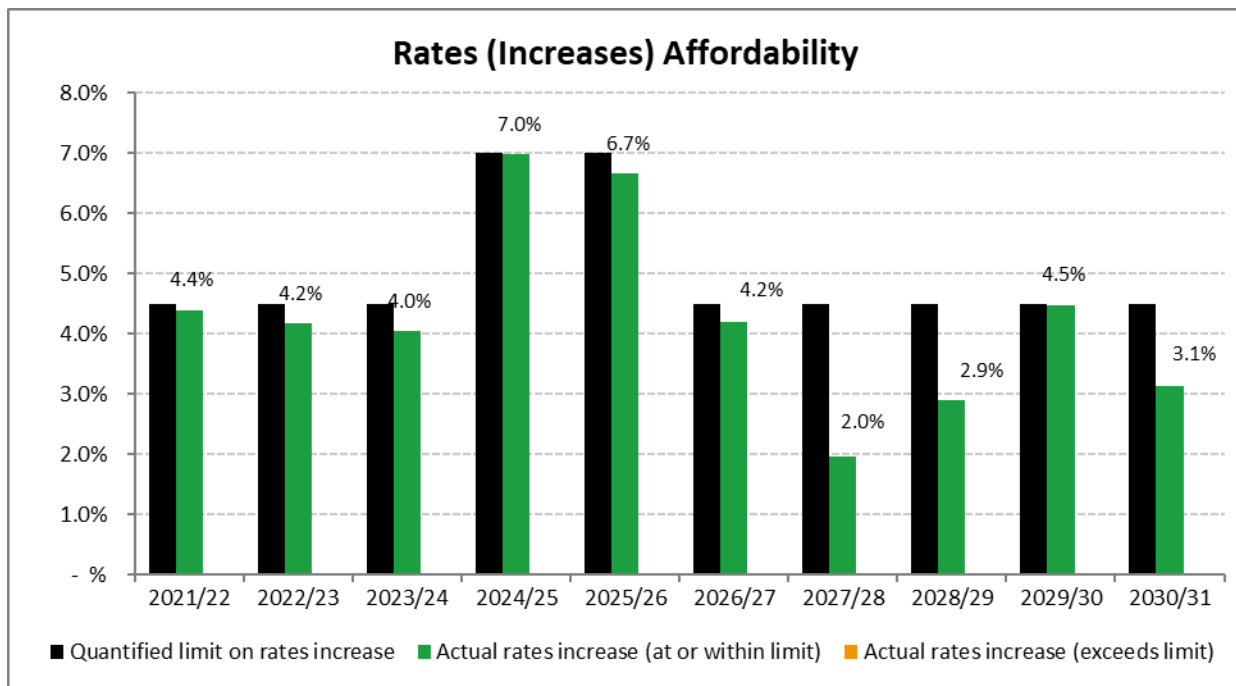
## RATES AFFORDABILITY BENCHMARK

Council meets the rates affordability benchmark if its actual rates increases equals, or are less than, each quantified limit on rates increases.

### RATES (INCREASES) AFFORDABILITY

Figure 1 compares Council's planned rate increases with a quantified limit on rates increases contained in the Financial Strategy (refer to Supporting Information). The quantified limit is 4.5% for years one to three, 7.0% for years four to five and 4.5% for years six to ten of Tasman’s 10-Year Plan 2021–2031. Growth ranges from 1.57% to 2.0% per annum over the 10 years of the Plan.

**Figure 1: Rates (Increases) Affordability**





## **DEBT AFFORDABILITY BENCHMARK**

Council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing.

The definitions contained in the regulations differ from those used in Council's Treasury Risk Management Policy and Financial Strategy. The quantified limits on borrowings contained in the Financial Strategy are taken from Council's Treasury Policy, and as such were formulated in relation to the definition of net external debt. Planned results are reported using both the prescribed definitions contained in the regulations, and the definition intended by the Financial Strategy, explained below.

Net external debt is defined in the Treasury Policy as total external debt less liquid financial assets and investments.

Net debt is defined in the regulations as financial liabilities less financial assets (excluding trade and other receivables).

Financial liabilities, as defined by Generally Accepted Accounting Principles (GAAP), include gross external debt (aggregate borrowings of the Council, excluding debt of Council's associate organisations, including any capitalised finance leases, and financial guarantees provided to third parties), plus trade payables and derivative financial instruments (interest rate swaps).

Financial assets, as defined by GAAP, include cash or near cash treasury investments held from time to time, and equity instruments of other entities (e.g. investments in CCOs).

### **EXTERNAL DEBT LIMIT**

These graphs compare Council's planned borrowing with a quantified limit on borrowing contained in the Financial Strategy. The quantified limit is net external debt not to exceed \$250 million per annum.



Figure 2 represents the planned results based on the intended definitions contained in the Financial Strategy.

**Figure 2: Debt Affordability – External Debt Limit**

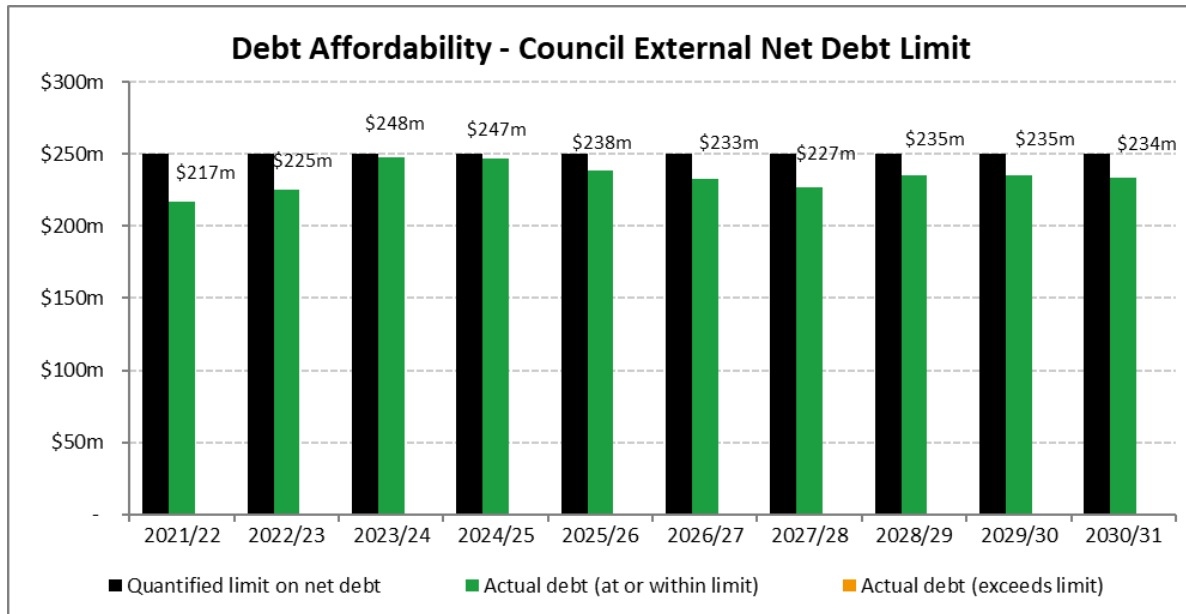
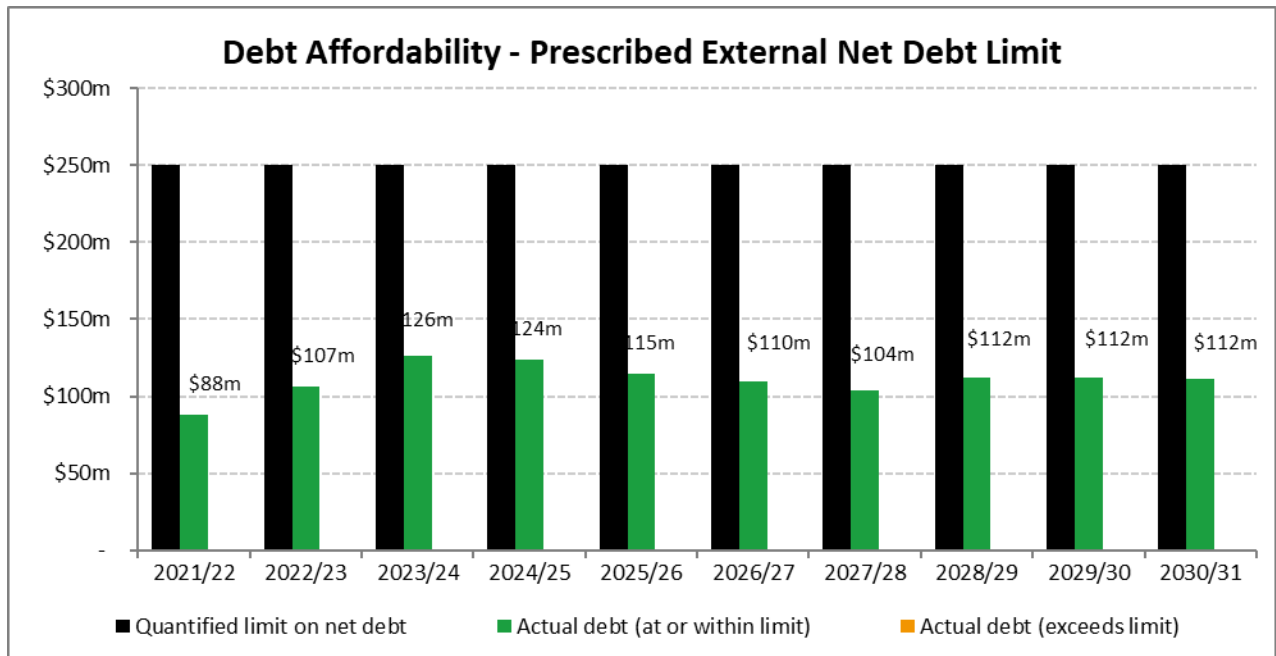


Figure 3 represents the planned results based on the prescribed definitions in the regulations.

**Figure 3: Debt Affordability – External Debt Limit**





## NET DEBT TO EQUITY

These graphs compare Council's planned debt with a quantified limit on borrowing contained in the Financial Strategy. The quantified limit is net external debt to not exceed 20% of equity.

Figure 4 represents the planned results based on the intended definitions contained in the Financial Strategy.

**Figure 4: Debt Affordability – Net Debt to Equity**

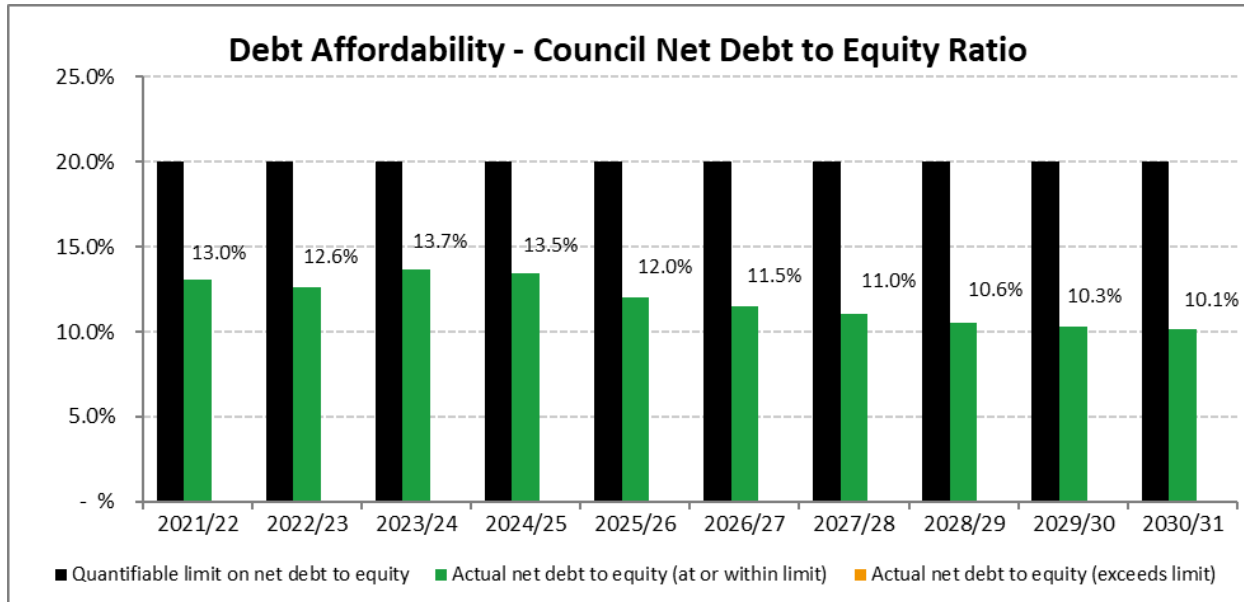
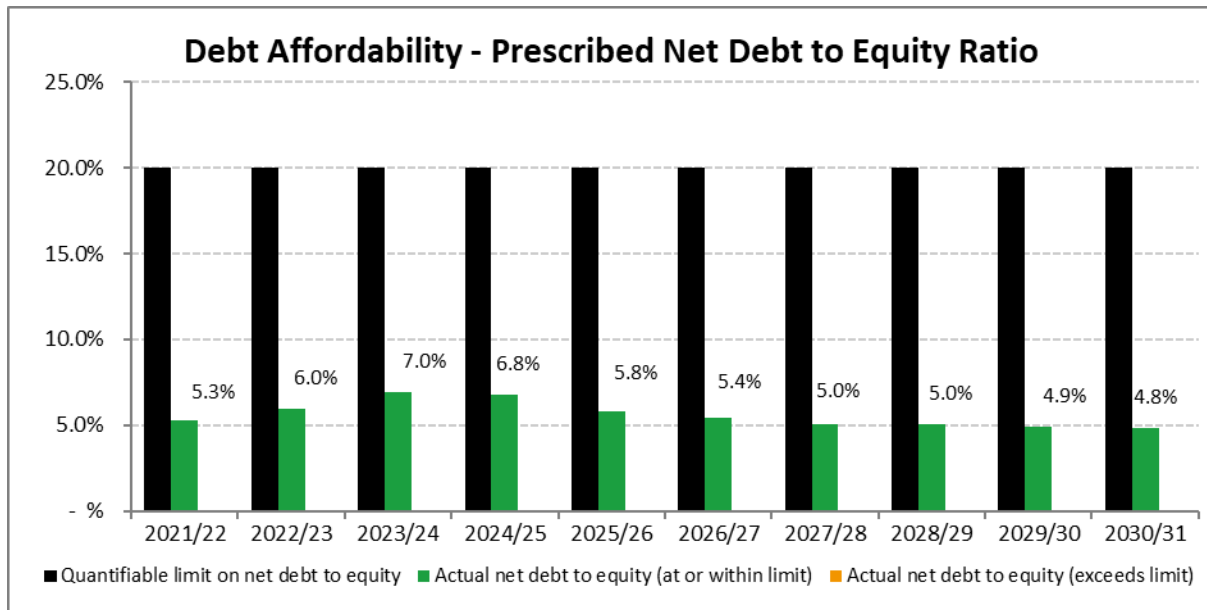




Figure 5 represents the planned results based on the prescribed definitions in the regulations.

**Figure 5: Debt Affordability – Net Debt to Equity**



#### NET DEBT TO TOTAL OP NET DEBT TO TOTAL OPERATING REVENUE

These graphs compare Council's planned debt with a quantified limit on borrowing contained in the Financial Strategy. The quantified limit is net external debt to not exceed 225% of total operating revenue.

(Total operating revenue is defined as earnings from rates, government grants and subsidies, user charges, levies, interest, dividends, financial and other revenue, but excludes non-government capital contributions, (e.g. developer contributions and vested assets), gains on derivative financial instruments, and revaluations of property, plant, or equipment.)



Figure 6 represents the planned results based on the intended definitions contained in the Financial Strategy.

**Figure 6: Debt Affordability – Net Debt to Operating Revenue**

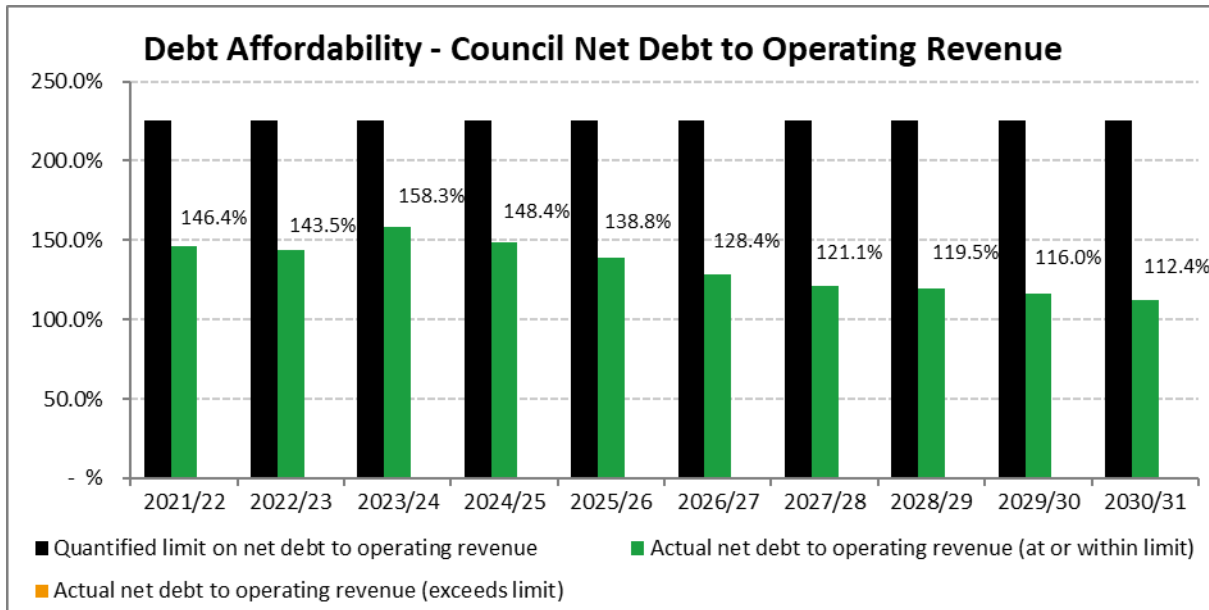
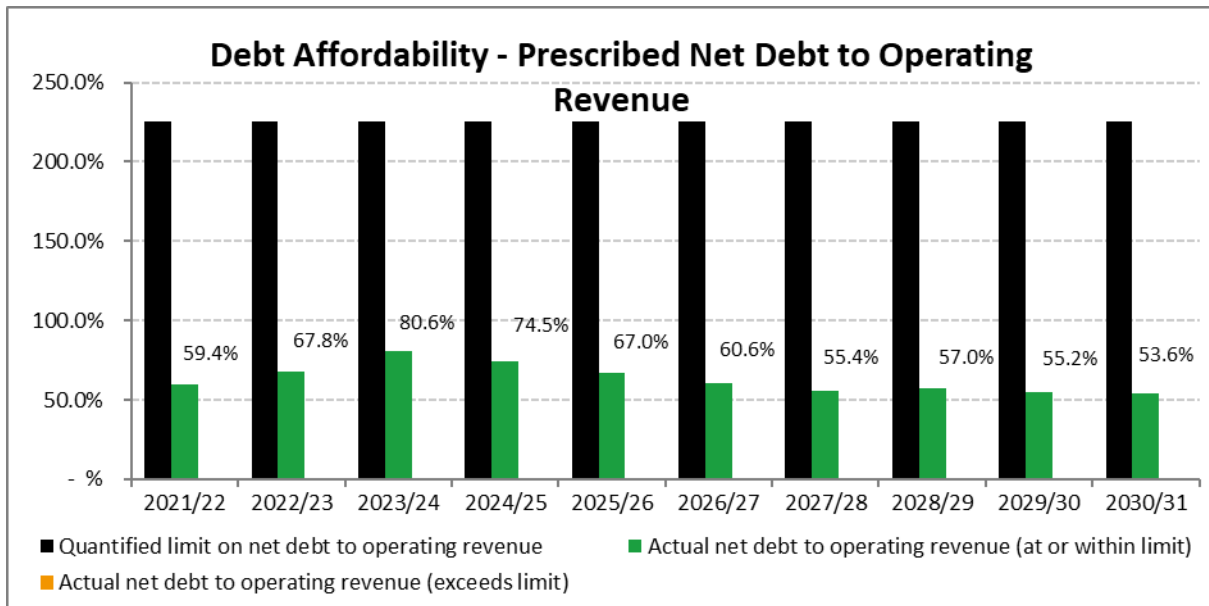


Figure 7 represents the planned results based on the prescribed definitions in the regulations.

**Figure 7: Debt Affordability – Net Debt to Operating Revenue**

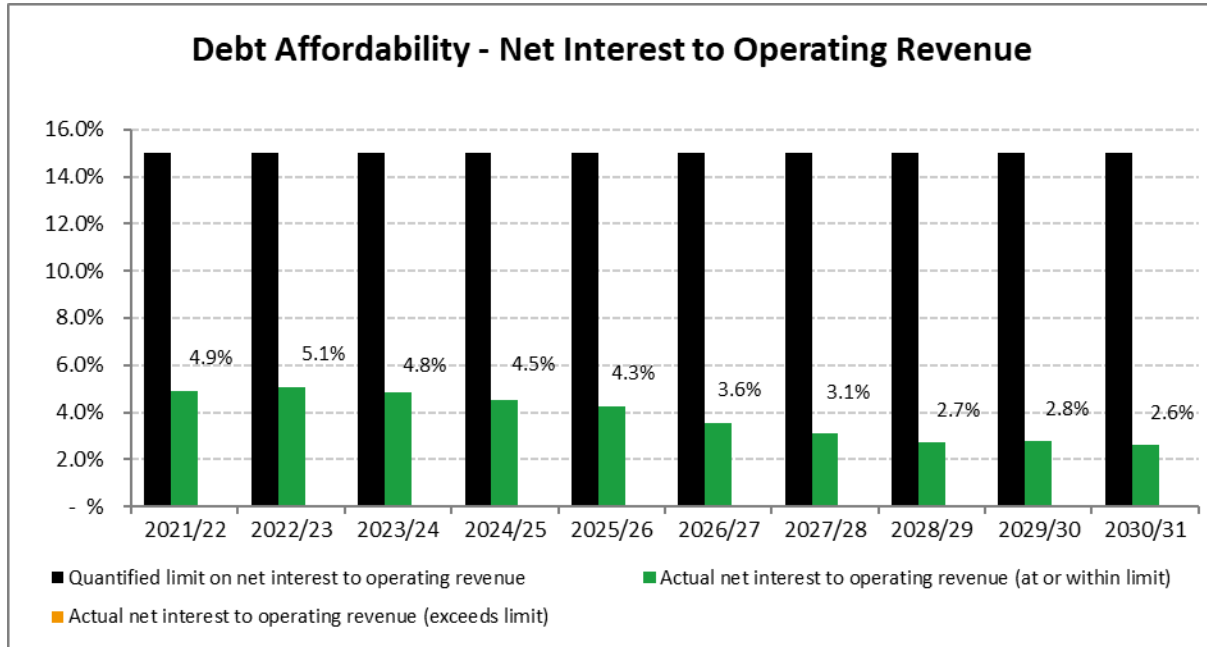




## NET INTEREST TO TOTAL OPERATING REVENUE

Figure 8 compares the net interest costs of Council's planned debt with a quantified limit on borrowing contained in the Financial Strategy. The quantified limit is net interest on external debt to not exceed 15% of total annual operating revenue.

**Figure 8: Debt Affordability – Net Interest to Operating Revenue**

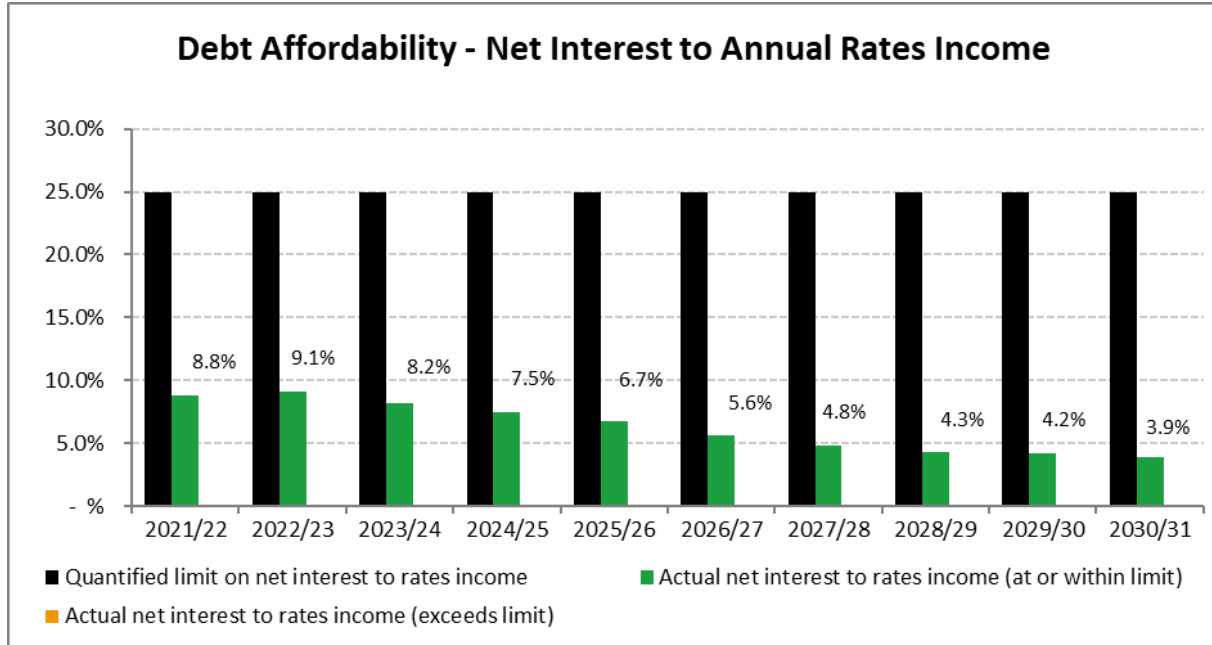




## NET INTEREST TO TOTAL RATES INCOME

Figure 9 compares the net interest costs of Council's planned debt with a quantified limit on borrowing contained in the Financial Strategy. The quantified limit is net interest on external debt to not exceed 25% of total annual rates income.

**Figure 9: Debt Affordability – Net Interest to Annual Rates Income**



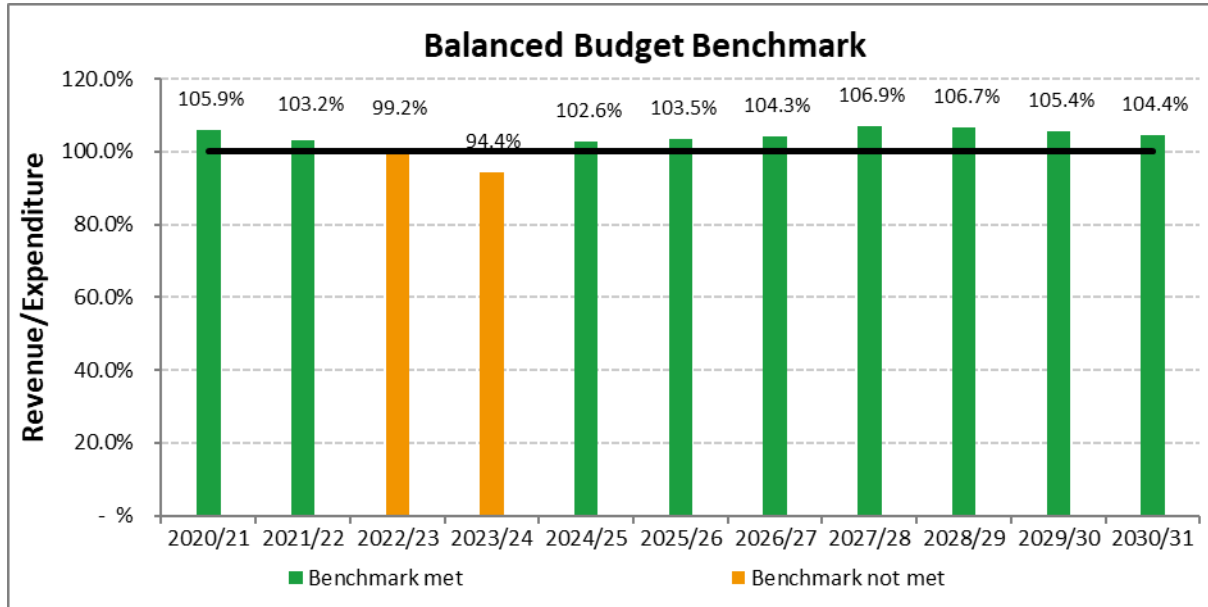
## BALANCED BUDGET BENCHMARK

Figure 10 displays Council's planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant or equipment).

Council meets the balanced budget benchmark if its planned revenue equals or is greater than its planned operating expenses.

**Figure 10: Balanced Budget Benchmark**





The operating deficit in 2022/2023 and 2023/2024 is driven by Council’s decision to loan fund operating expenditure for the Digital Innovation Programme and the review of the Tasman Resource Management Plan across the Plan. These programmes are being loan funded, as the benefit to the community extends beyond a single year. For more detail please refer to the Revenue and Financing Policy. Loan funding is not included under the regulations for the calculation of operating revenue leading to an operating deficit. The balanced budget does not reflect the cash operating position of Council.

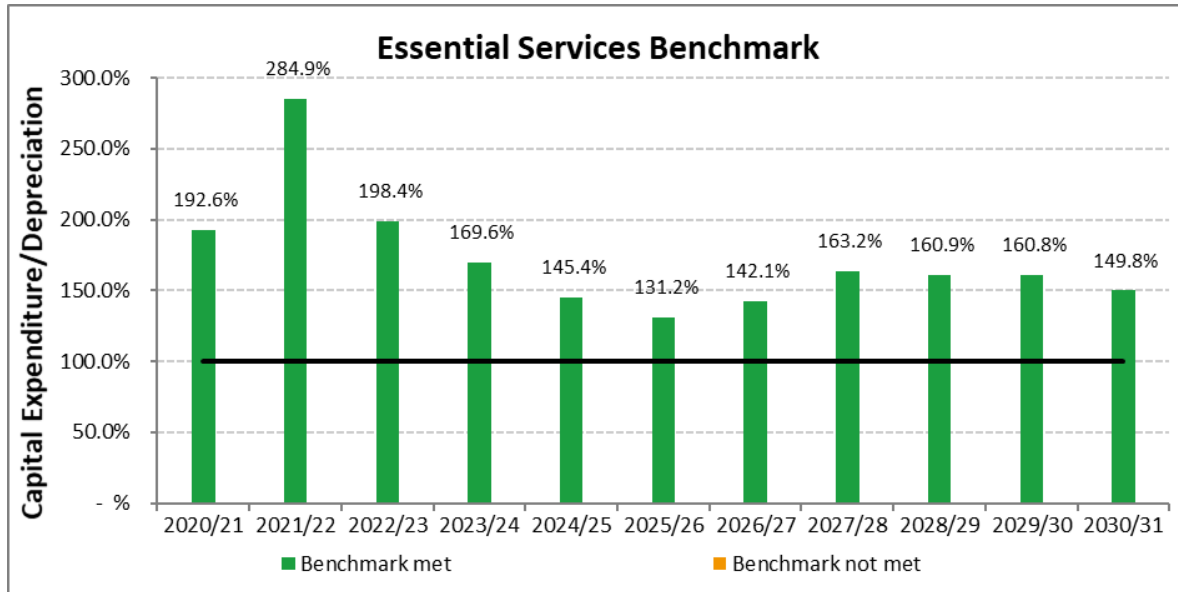
### ESSENTIAL NETWORK SERVICES BENCHMARK

Figure 11 displays the Council's planned capital expenditure on essential network services as a proportion of expected depreciation on network services. Essential network services are defined as infrastructure relating to water, wastewater, stormwater, flood protection, roads and footpaths.

Council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services. Capital expenditure excludes vested assets.



**Figure 11: Essential Services Benchmark**

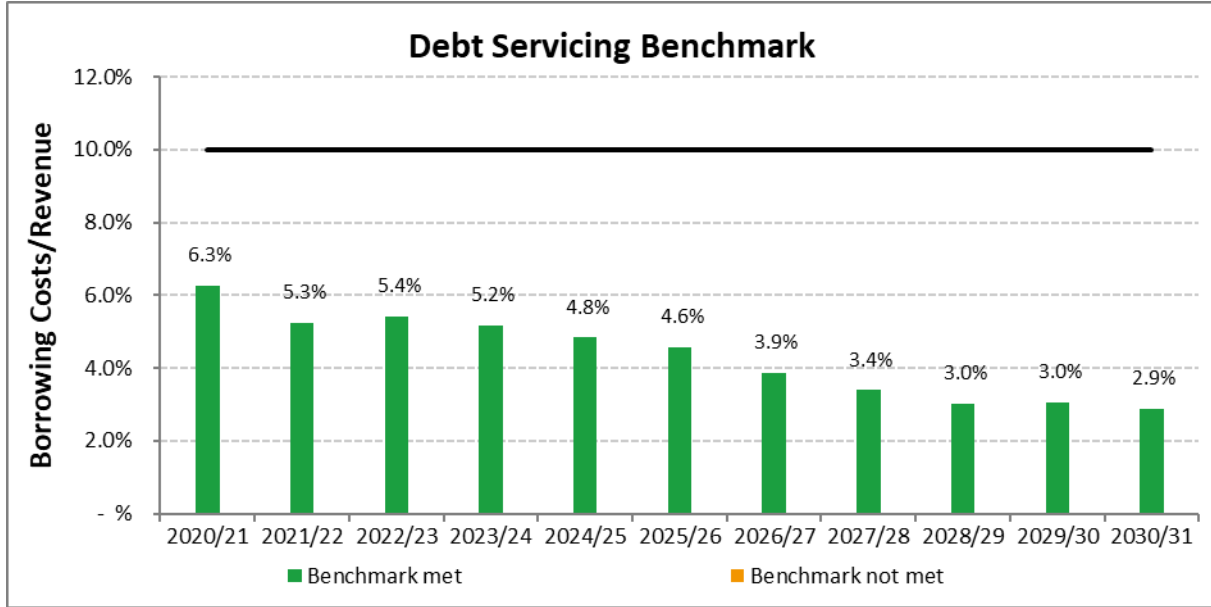


## DEBT SERVICING BENCHMARK

Figure 12 displays Council's planned borrowing costs as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment).

Because Statistics New Zealand projects the population of Tasman District will grow more slowly than the national population growth rate, Council meets the debt servicing benchmark if it's planned borrowing costs equal or are less than 10% of its planned revenue.

**Figure 12: Debt Servicing Benchmark**



# FORECASTING ASSUMPTIONS

## ASSUMPTIONS FOR THE TASMAN 10-YEAR PLAN 2021-2031

Tasman's 10-Year Plan 2021–2031 is required to contain information on the significant forecasting assumptions underlying the information contained in the document. These assumptions include assessments of a number of factors that might impact on Council and the community, including the future course of the Covid-19 pandemic, consideration of anticipated changes in the population over the next 30 years, the economic and financial environment, how Council will provide services over the next 30 years, and external factors such as climate change and Government legislation.

The assumptions are based on current information, but actual results might differ and these differences could potentially be significant. Therefore, an assessment of how likely the actual results are to vary from the assumptions and the impact the variances would have on Council is included.

These are the overarching assumptions relating to Tasman's 10-Year Plan 2021–2031. In addition to these assumptions activity specific assumptions can be found in each of the activity sections and Council's Activity Management Plans (which are available as separate documents).

**POPULATION CHANGES AND GROWTH ASSUMPTIONS**

| ASSUMPTION   | BRIEF DESCRIPTION OF RISK  | LEVEL OF UNCERTAINTY | POTENTIAL EFFECTS OF UNCERTAINTY ON FINANCIAL ESTIMATES  |
|--|--|----------------------|--|
| <p><b>Population growth:</b></p> <p>The overall population of Tasman is expected to increase by 7,700 residents between 2021 and 2031, to reach 64,300. The District will experience ongoing population growth over the next 30 years but the rate of growth will slow over time.<sup>5</sup> Population growth will be distributed across 15 settlements and 5 Ward Remainder areas based on the direction from the Nelson Tasman Future Development Strategy and on demographic and development trends for each Ward.</p> <p>The growth assumption also considers non-resident demand for holiday home properties and assumes the current proportion of dwellings which are used as holiday homes.</p> <p>Based on these assumptions, Council is planning a further 4,300 dwellings and 160 new commercial or industrial buildings<sup>6</sup> will be required by 2031.</p> <p>The number of new dwellings expected to meet Tasman’s population growth assumes that Nelson City Council will provide adequately for Nelson’s expected population growth over the next 10 years, despite their assumption of relatively low growth in the first three years. As discussed below in the assumption on Urban Development, Council planning assumes and allows for additional capacity in Tasman’s urban environment, as required by the National Policy Statement on Urban Development 2020.</p> | <p>That population growth and development are higher or lower, due to a range of factors, including migration patterns, housing demand, and landowner/developer decisions.</p> <p>Positive net migration is the major contributor to the District’s population growth and increasingly offsets natural decrease (more births than deaths). Migration patterns could be affected by:</p> <ul style="list-style-type: none"> <li>• International border restrictions</li> <li>• An increase in the number of returning New Zealanders</li> <li>• House prices and incomes relative to other regions and countries</li> <li>• Housing supply in other regions, particularly Nelson City.</li> </ul> <p>The demand and supply of new commercial and industrial buildings are influenced by a range of factors, including the economic and employment trends.</p> | <p>Medium</p>        | <p>Council will continue to monitor growth and demand.</p> <p>If population growth is higher than assumed, debt incurred by Council to fund the growth related portion of infrastructure will be repaid more quickly than assumed. Higher growth than planned could also result in an insufficient amount of serviced land (including infrastructure) for development and a worsening of housing affordability. Council may be required to undertake further changes to the Tasman Resource Management Plan and/or increase its investment in infrastructure to make more land for development available. Some infrastructure may need to come forward if actual growth rates are higher than forecast for the next few years – in Richmond south for example.</p> <p>If population growth is lower than assumed it may take longer for Development Contributions to pay off debt incurred to fund growth related infrastructure. Council may need to revise its capital programme for growth related infrastructure. The forecast increases in rates and development contributions may be smaller than anticipated.</p> |

**POPULATION CHANGES AND GROWTH ASSUMPTIONS**

| ASSUMPTION   | BRIEF DESCRIPTION OF RISK  | LEVEL OF UNCERTAINTY | POTENTIAL EFFECTS OF UNCERTAINTY ON FINANCIAL ESTIMATES   |
|--|--|----------------------|---|
| <p><b>Ageing population:</b></p> <p>The proportion of the population aged 65 years and over is projected to increase from 21% in 2018 to 29% by 2031 (medium scenario).</p> <p>This increase, known as structural ageing, means that total population growth rates are projected to slow down over time. The population in some parts of the District is projected to start to decrease from 2038.</p> <p>The increasing age of the population is also likely to mean a reduction in average household size, as more people live alone or as couples without children. This would result in an increased demand for housing, particularly smaller, accessible housing.</p> <p>The ageing population is also likely to mean more residents on limited incomes, and more residents with disabilities and health issues. An increase in the number of residents with disabilities and health issues is likely to increase demand for more accessible footpaths, seating and toilets, and a need to adapt the way information and services are provided.</p> | <p>Once a population has more than 20 per cent aged 65+ years it is usually approaching the end of natural increase. This is forecast to be the case for Tasman even under the high growth population scenario.</p> <p>The age structure of Tasman’s population is also affected by migration patterns, which have historically included a net loss of 15-24 year olds. There is potential for the Covid-19 pandemic and border restrictions to reduce the number of young residents leaving the region. There is also potential for an increase in the number of relatively younger expatriates returning to New Zealand.</p> | <p>Low</p>           | <p>If the population ages faster than assumed, Council may reduce levels of service and/or future investment in infrastructure and facilities in order to reduce future rates increases. Due to an associated reduction in the average household size, it may also be necessary to consider servicing additional land for development to meet the increased demand for housing. This could require increased borrowing. Council may also need to reconsider the mix of services, facilities and infrastructure it provides to meet the needs of the older population structure.</p> <p>If the population ages more slowly than assumed, Council may consider selective increases in levels of service and/or future investment in infrastructure and facilities with the likely consequence of increased future rates rises. Due to an associated lower demand for housing, Council may also reduce its investment in infrastructure to support the growth in land for development (which would reduce debt) and may need to reconsider the mix of services, facilities and infrastructure it provides to meet the needs of the younger population structure.</p> |

<sup>5</sup> [Tasman District Population Projections, Natalie Jackson Demographics, November 2019, using the medium scenario](#)

<sup>6</sup> Estimated using Property Economics business land forecasting model, using the medium population scenario.

**POPULATION CHANGES AND GROWTH ASSUMPTIONS**

| ASSUMPTION   | BRIEF DESCRIPTION OF RISK   | LEVEL OF UNCERTAINTY                          | POTENTIAL EFFECTS OF UNCERTAINTY ON FINANCIAL ESTIMATES   |
|--|---|---|---|
| <p><b>Urban Development</b></p> <p>That as a Regional Council and Territorial Authority, Council meets ss.30 and 31 of the Resource Management Act to ensure there is sufficient development capacity in relation to housing and business land to meet the expected demands of the region.</p> <p>This requires sufficient housing and business land capacity (including the competitiveness margin) to be appropriately zoned and serviced by the required timeframes. Necessary infrastructure development features in the Activity Management Plans.</p> <p>That Council meets its obligations as a Tier 2 urban environment under the National Policy Statement (NPS) on Urban Development, including encouraging intensification, preparing a new Future Development Strategy, preparing a housing and business capacity assessment and making required alterations to the District and Regional Plan by set timeframes.</p> <p>In encouraging intensification, Council’s adopted intensification action plan has a number of items that are included in Tasman’s 10-Year Plan 2021–2031 such as – funding of infrastructure for water supply, wastewater, stormwater and transport (private, public and active), creation of “greenways”, further exemptions from development contributions.</p> | <p>There is a risk that the housing and business needs of the region are different to those we have assumed, due to factors relating to the population growth, housing preferences and economic situation assumptions. There is a risk that the growth infrastructure projects are not completed in time to provide the sufficient housing and business capacity required by the NPS Urban Development. There is a risk that landowners won’t choose to develop land that is zoned and serviced.</p> <p>By July 2021 we need to complete a Housing and Business Assessment, so far as it relates to housing, which will examine this in detail. The main risk is that we do not have the right type of capacity according to need. Based on this Plan’s growth projections and infrastructure programme, Tasman District Council has sufficient development capacity for housing, including the competitiveness margin.</p> | <p>Low in Years 1-3, Medium in Years 4-10</p> | <p>If there is insufficient capacity of the right type, Council will need to immediately notify the Minister for Environment.</p> <p>Council would likely need to bring forward infrastructure to service further areas for development. This could increase Council borrowing and/or impact Development Contribution levels.</p> |

**POPULATION CHANGES AND GROWTH ASSUMPTIONS**

| ASSUMPTION  | BRIEF DESCRIPTION OF RISK  | LEVEL OF UNCERTAINTY                          | POTENTIAL EFFECTS OF UNCERTAINTY ON FINANCIAL ESTIMATES  |
|---|--|---|--|
| <p><b>Rates Affordability:</b></p> <p>Council assumes that the number of ratepayers for whom rates affordability is a significant issue will increase as our population ages.</p> <p>As noted in the Ageing Population section the proportion of residents aged 65 years and over is expected to increase over the next 20 years. Some older residents who are no longer in employment will be less able to fund increases in rates for new services/infrastructure. Relatively high number (41.1%) of Tasman District workers are employed in low-skill occupations compared to national figures (35.6%). As a result of the economic impact of the Covid-19 pandemic and the impact on household incomes the payment of rates by some households and businesses is expected to become more difficult, especially during the first few years of Tasman’s 10-Year Plan 2021–2031.</p> | <p>That rates become more unaffordable than expected as a result of either an increasing proportion of older people, higher numbers of low-skilled workers in the District or the economic downturn is more severe or prolonged than assumed.</p> <p>There is a slight risk that household incomes are higher than assumed and rates become more affordable.</p> | <p>Low</p>                                    | <p>If rates become more unaffordable, Council may choose to reduce levels of service and/or future investment in infrastructure and facilities in order to reduce future rates increases.</p> <p>If rates become more affordable, Council may selectively increase levels of service and/or future investment in infrastructure and facilities.</p>  |
| <p><b>Development Contributions (DC’s):</b></p> <p>Assumptions on the development contributions are included in our Development and Financial Contributions Policy – copies are available on Council’s website. Council expects to collect \$76 million in Development Contributions over the next 10 years.</p>  | <p>That Council receives development contributions more slowly than assumed.</p>   | <p>Low in Years 1-3, Medium in Years 4-10</p> | <p>If development contributions are received more slowly, Council will hold debt for growth related infrastructure investment for longer. This may put pressure on Council’s net debt limit in its Financial Strategy. It will also raise the cost of future development contributions as interest accumulates. Council may have to consider either reducing other debt, or revising the debt limit in its Financial Strategy.</p> |



**POPULATION CHANGES AND GROWTH ASSUMPTIONS**

| ASSUMPTION   | BRIEF DESCRIPTION OF RISK  | LEVEL OF UNCERTAINTY                          | POTENTIAL EFFECTS OF UNCERTAINTY ON FINANCIAL ESTIMATES  |
|--|--|---|--|
| <p><b>Reserve Financial Contributions (RFC's):</b></p> <p>Assumptions on the Reserve Financial Contributions are included in our Development and Financial Contributions Policy – copies are available on Council’s website. The Council expects to collect in \$34 million in RFC’s over the next 10 years.</p> | <p>That Council receives development contributions more slowly than assumed.</p> | <p>Low in Years 1-3, Medium in Years 4-10</p> | <p>If development contributions are received more slowly, Council will hold debt for growth related infrastructure investment for longer. This may put pressure on Council’s net debt limit in its Financial Strategy. It will also raise the cost of future development contributions as interest accumulates. Council may have to consider either reducing other debt, or revising the debt limit in its Financial Strategy.</p> |

**OPERATIONAL ASSUMPTIONS**

| ASSUMPTION   | BRIEF DESCRIPTION OF RISK   | LEVEL OF UNCERTAINTY | POTENTIAL EFFECTS OF UNCERTAINTY ON FINANCIAL ESTIMATES  |
|--|---|----------------------|--|
| <p><b>Amalgamation and Shared services:</b></p> <p>That Council will continue through the term of Tasman’s 10-Year Plan 2021–2031 as a separate unitary authority. Council will continue to work with other entities to develop shared services where this provides economic and social benefits to our communities.</p> | <p>That the Nelson and Tasman Councils amalgamate to form one combined Council for the wider region or the Council does not continue in its current form.</p> <p>That some shared services arrangements are discontinued during Tasman’s 10-Year Plan 2021–2031 period.</p> | <p>Low</p>           | <p>Amalgamation of the two Councils or Council’s organisational form changing in another way would involve a fundamental reconsideration of the levels of service, capital programme, and finances under a new amalgamated Council.</p> <p>Shared services are in place because there are financial, co-ordination or other benefits to the parties involved. If some of these are discontinued, there could be increased costs for Council and/or lower levels of service.</p>                        |
| <p><b>Council’s Resource Consents:</b></p> <p>That the resource consents held by Council will not be significantly altered, and any that are due to expire during the next 10 years will be replaced with similar consents if required.</p>  | <p>That the resource consents held by Council are significantly altered, or the rules significantly changed increasing the consent condition requirements and cost.</p> <p>That the resource consents held by Council cannot be replaced.</p>                               | <p>Low</p>           | <p>If consent conditions or planning rules are significantly altered, increased compliance costs are expected. Council may need to consider changing the way it provides the consented activity, or review the fees, charges and/or rates charged in order to cover the additional costs of compliance.</p> <p>If new resource consents for an activity are not approved or are approved for a shorter term, Council will need to consider the implications in terms of cost and level of service.</p> |

**OPERATIONAL ASSUMPTIONS**

| ASSUMPTION   | BRIEF DESCRIPTION OF RISK   | LEVEL OF UNCERTAINTY | POTENTIAL EFFECTS OF UNCERTAINTY ON FINANCIAL ESTIMATES   |
|--|---|----------------------|---|
| <p><b>Availability of contractors and materials:</b></p> <p>Contractors and materials will be available to undertake the work required to agreed standards, deadlines and to budget.</p>   | <p>That contractors and/or materials are not available to undertake the planned works.</p>  | <p>Low to Medium</p> | <p>Council competes with Central Government and the private sector for the available contractor resources.</p> <p>If contractors or materials are not available, Council’s programme of work would have to be reduced and/or amended. This would impact the levels of service for a number of activities and the cost of providing them, as well as potentially slowing growth.</p>   |
| <p><b>Delivery of Council’s Capital Programme</b></p> <p>Capital budgets have been prepared assuming that they will be delivered. However, Council also appreciates that issues occur that mean that all projects will not be delivered on time. As a result, a capital lag of 10% of the following activities capital spend has been built into the plan:</p> <ul style="list-style-type: none"> <li>• Stormwater</li> <li>• Water</li> <li>• Property</li> <li>• Reserves spend funded by Reserve Financial Contributions</li> <li>• Wastewater</li> </ul> <p>This recognises that certain projects will not be completed on time but acknowledges that Council is unsure which project or projects this will relate to.</p> | <p>That there are delays in the delivery of projects in the capital programme greater than the 10% lag assumed.</p> <p>Alternatively, that more of the delivery of projects in the capital programme is delivered on time than assumed through the 10% lag.</p> | <p>Medium</p>        | <p>Most Council capital expenditure is funded through borrowing. The risk of not spending the forecast level of capital is that Council does not reach its projected net debt figure in the Financial Strategy. In addition, delays in delivering capital projects will result in lower than planned operational costs associated with the creation of these assets being later. These then flow on into the Profit and Loss account as a surplus because interest and operational costs are lower than planned. As a result, Council will collect more in rates than necessary.</p> <p>If more projects are delivered on time than anticipated, Council’s debt will be higher than forecast with an associated increase in interest costs.</p> <p>\$1 million more or less in debt equates to a rating impact of plus or minus \$80,000 per annum.</p> |

**OPERATIONAL ASSUMPTIONS**

| ASSUMPTION   | BRIEF DESCRIPTION OF RISK  | LEVEL OF UNCERTAINTY | POTENTIAL EFFECTS OF UNCERTAINTY ON FINANCIAL ESTIMATES   |
|--|--|----------------------|---|
| <p><b>Staff numbers and accommodation:</b></p> <p>That the Council’s staff numbers increase from 307 full time equivalent in 2019/2020 to 473 by end of 2030/2031. This growth in staff numbers is associated with population growth, changing local government responsibilities and increasing customer expectations.</p> <p>That the Council’s office building in Richmond is not adequate to meet the need for the existing staff to operate productively and the future growth in staff numbers. A strategic study will be carried out in 2021/2022 to consider options to either move to a new site or demolish and rebuild on the existing site. No budget provision has been made in Tasman’s 10-Year Plan 2021–2031 for a substantial change in the Richmond office. Budget has been provided for basic and affordable changes to the Richmond office to maintain its functionality in the meantime.</p> <p>That Council will not occupy the Richmond office building by 2031 and therefore does not expect to incur additional earthquake-strengthening costs (estimated at \$4 million). We have not budgeted for these earthquake strengthening costs in Tasman’s 10-Year Plan 2021–2031. The reasons for making this assumption are that based on known earthquake strengthening cost information, we anticipate developing a new building on the current site or moving to an alternative site and disposing of the current site.</p> | <p>Council’s staffing requirement grows to a lesser extent or more slowly as a result of efficiencies, improved information technology or changes to Council’s functions.</p> <p>Council’s staffing requirement grows to a greater extent or more rapidly than assumed.</p> <p>There becomes an urgent need to relocate from the Richmond office more quickly than anticipated or supplement the existing capacity through additional office accommodation.</p> <p>Council continues to occupy the Richmond office building and has to carry out the necessary additional earthquake strengthening work.</p> | <p>Medium</p>        | <p>Council carried out workforce planning to inform Tasman’s 10-Year Plan 2021–2031. We decided to scale back the increases in staff numbers forecast through this planning in Tasman’s 10-Year Plan 2021–2031 budget. This is in anticipation of Information Technology and other efficiencies. There are also likely to be changes to the range of services Council will provide in the next few years.</p> <p>If the number of staff employed increases less than anticipated, Council may be able to reduce rates or fees and charges revenue or consider increasing discretionary levels of service.</p> <p>If the number of staff employed increases more than anticipated, Council may need to increase rates or fees and charges revenue to fund these or consider reducing discretionary levels of service.</p> <p>If Council has to relocate from the Richmond office earlier than assumed, it could be necessary to increase borrowing (if Council owns the replacement building) and/or rates (to either lease a building or service the debt).</p> <p>If Council has to carry out the additional earthquake strengthening work on the Richmond office building it may need to increase debt levels and/or reprioritise other capital projects.</p> |

**OPERATIONAL ASSUMPTIONS**

| ASSUMPTION   | BRIEF DESCRIPTION OF RISK  | LEVEL OF UNCERTAINTY | POTENTIAL EFFECTS OF UNCERTAINTY ON FINANCIAL ESTIMATES   |
|--|--|----------------------|---|
| <p><b>Demand for digital services:</b></p> <p>Council will be required to invest in the upgrade of some Information Technology systems and the replacement of others to ensure that Council work can continue without an unacceptable level of risk of failure. Many residents will expect to be able to communicate and carry out transactions with Council through digital means.</p> <p>The availability of broadband connectivity is now widespread across the region, with coverage expected to be extended to all community centres within the next three years.</p> | <p>That funding is not available to invest to the extent required for this activity.</p> | <p>Low</p>           | <p>The investment in technology over the last Long Term Plan 2018-2028 period was insufficient to modernise the Council’s core technology. The spend required going forward is substantial compared with the Information Technology investment of previous years.</p> <p>If Council is not able to invest adequately in digital services, there will be a heightened possibility that Council information may be lost or corrupted, and that the age of our core systems will preclude them underpinning greater electronic processing of activity and more relevant on-line engagement with residents. In addition, operating efficiencies may not be realised resulting in higher staff numbers and costs.</p> <p>More general access to high bandwidth broadband facilities will result in increasing numbers of residents wanting to conduct their business on-line. Residents will demand more information and more feature rich electronic services from Council.</p> |

## OPERATIONAL ASSUMPTIONS

| ASSUMPTION   | BRIEF DESCRIPTION OF RISK  | LEVEL OF UNCERTAINTY | POTENTIAL EFFECTS OF UNCERTAINTY ON FINANCIAL ESTIMATES   |
|--|--|----------------------|---|
| <p><b>Three Waters activities</b></p> <p>The Taumata Arowai – Water Services Regulator Act 2020 was passed in late July 2020. This new Crown entity is currently being established and will become responsible for drinking water regulation once a separate Water Services Regulator Bill is passed (anticipated to be mid-late 2021).</p> <p>The Government’s starting intention is for publicly-owned multi-regional models for water service delivery (with a preference for local authority ownership). However final decisions on a service delivery model are yet to be determined.</p> <p>Council has signed a MOU with Central Government and is participating in the exploration of future service delivery options.</p> <p>In all eventualities the community will continue to need three waters services (whether Council delivers them or not) and the continued provision of these activities are included in Tasman’s 10-Year Plan <a href="#">2021–2031</a> financial forecasts.</p> | <p>The management of the three waters networks in Tasman is transferred to another entity, such as a new water company or a council controlled organisation.</p> | <p>High</p>          | <p>Transfer of Council’s three waters assets and activities to another entity will have significant impact on Council’s finances and operations.</p> <p>The three waters services make up a substantial portion of Council’s assets, costs and revenues, as follows<sup>7</sup>:</p> <ul style="list-style-type: none"> <li>• Operating revenue \$31.6 million</li> <li>• Direct costs of running the activities \$20 million</li> <li>• Internal charges and overheads \$3.7 million</li> <li>• Value of three water assets \$476.5 million.</li> <li>• Value of any debt incurred to fund the activities \$112.3 million</li> </ul> |

<sup>7</sup> 2019/2020 figures.

**OPERATIONAL ASSUMPTIONS**

| ASSUMPTION   | BRIEF DESCRIPTION OF RISK   | LEVEL OF UNCERTAINTY                           | POTENTIAL EFFECTS OF UNCERTAINTY ON FINANCIAL ESTIMATES   |
|--|---|--|---|
| <p><b>Reform/Repeal of Resource Management Act.</b></p> <p>That there will continue to be obligations on Council to develop, implement and maintain resource management plans. Council will continue to have regulatory authorising environment and monitoring and compliance functions.</p> | <p>Central government has signalled its intention to reform environmental/planning legislation. Whilst some very high level directions for this legislative change have been signalled, the details and implications for Council are not yet known.</p> <p>The final form of the legislation could have substantial impacts on Council’s organisation and resourcing.</p> | <p>Low for Years 1-3, High for Years 4-10.</p> | <p>Until the legislative changes are further developed it is difficult to estimate the likely impact on Council.</p> <p>The environmental management activity makes up a substantial portion of Council’s costs and revenues, as follows<sup>8</sup>:</p> <ul style="list-style-type: none"> <li>• Operating revenue \$12.9 million</li> <li>• Direct costs of running the activities \$7.6 million</li> <li>• Internal charges and overheads \$4.9 million</li> </ul> <p>Value of any debt incurred to fund the activities \$0.6 million</p> |

<sup>8</sup> 2019/2020 figures.

**OPERATIONAL ASSUMPTIONS**

| ASSUMPTION  | BRIEF DESCRIPTION OF RISK   | LEVEL OF UNCERTAINTY                           | POTENTIAL EFFECTS OF UNCERTAINTY ON FINANCIAL ESTIMATES   |
|---|---|--|---|
| <p><b>Future for local Government</b></p> <p>Unless specifically stated otherwise, the Council has prepared the Tasman’s 10-Year Plan 2021–2031 on the assumption its existing role and functions will continue for the life of the Plan.</p> | <p>On 24 April 2021 the Minister of Local Government announced that she had established a Ministerial Inquiry into the Future for Local Government.</p> <p>The review includes, but is not limited to, the following:</p> <ul style="list-style-type: none"> <li>• roles, functions, and partnerships</li> <li>• representation and governance, and</li> <li>• funding and financing.</li> </ul> <p>While the review could recommend significant change to what local government is and does, there is no information available on the likely direction for the review at this time.</p> <p>The Council considers it unlikely that any recommendations could take effect before 1 July 2024 – particularly for changes to roles or functions.</p> | <p>Low for Years 1-3, High for Years 4-10.</p> | <p>Until the review is complete and the Government has made its intentions clear it is difficult to estimate the likely impact on Council.</p> <p>Any changes that are made will be incorporated in Tasman’s 10 Year Plan 2024–2034.</p> <p>–</p> |



**OPERATIONAL ASSUMPTIONS**

| ASSUMPTION   | BRIEF DESCRIPTION OF RISK  | LEVEL OF UNCERTAINTY | POTENTIAL EFFECTS OF UNCERTAINTY ON FINANCIAL ESTIMATES  |
|--|--|----------------------|--|
| <p><b>Freshwater Regulatory Changes</b></p> <p>That the resources budgeted for implementation of the Resource Management Act Freshwater amendments, National Policy Statement (NPS) Freshwater, National Environmental Standard (NES) for Freshwater (various) and Stock Exclusion regulations will be adequate.</p> <p>These Freshwater changes have reduced the implementation timeframes from 10 years to four years while imposing additional requirements. Resourcing has been provided in Tasman’s 10-Year Plan 2021–2031 budget at the minimum level considered adequate.</p> | <p>That the resourcing provided in Tasman’s 10-Year Plan 2021–2031 proves inadequate to meet the expectations of the community and Council’s partners, resulting in further costs.</p> | <p>Medium</p>        | <p>These are recent instruments and Council is still determining the full implications of them and the associated costs/resourcing implications.</p> <p>If there are additional costs these could result in the need to increase rates or consider reducing discretionary levels of service.</p> |

**OPERATIONAL ASSUMPTIONS**

| ASSUMPTION  | BRIEF DESCRIPTION OF RISK  | LEVEL OF UNCERTAINTY | POTENTIAL EFFECTS OF UNCERTAINTY ON FINANCIAL ESTIMATES  |
|---|--|----------------------|--|
| <p><b>Resourcing for Proposed National Policy Statements and National Environmental Standards</b></p> <p>That the resources budgeted for implementation of the regulatory changes noted below will be adequate.</p> <p>Council has provided resourcing in Tasman’s 10-Year Plan 2021–2031 for the following:</p> <ul style="list-style-type: none"> <li>• proposed NPS Indigenous Biodiversity</li> <li>• proposed NPS Highly Productive Land</li> <li>• proposed amendments to NES Air Quality and proposed amendments to the NES for Sources of Human Drinking Water</li> <li>• proposed NES for Wastewater Discharges and Overflows, and</li> <li>• NES for the Outdoor Storage of Tyres.</li> </ul> <p>These regulatory changes are under development but have not been finalised.</p> <p>Council has provided resourcing in Tasman’s 10-Year Plan 2021–2031 to cover policy, information, consenting, monitoring and compliance functions.</p> | <p>The final form and obligations required through the new instruments require additional resourcing than provided for in Tasman’s 10-Year Plan 2021–2031.</p> | <p>Medium</p>        | <p>If Council is unable to adequately administer the new obligations, there is the potential for legal challenge and risk of intervention by the Minister for the Environment under S24 of the Resource Management Act 1991.</p> <p>As these regulatory instruments were not finalised at the time of developing Tasman’s 10-Year Plan 2021–2031, the full requirements and implications for Council is not known.</p> <p>If there are additional costs these could result in the need to increase rates or consider reducing discretionary levels or service.</p> |

**EXTERNAL ASSUMPTIONS**

| ASSUMPTION  | BRIEF DESCRIPTION OF RISK   | LEVEL OF UNCERTAINTY | POTENTIAL EFFECTS OF UNCERTAINTY ON FINANCIAL ESTIMATES  |
|---|---|----------------------|--|
| <p><b>Covid-19</b></p> <p>New Zealand avoids a widespread outbreak of Covid-19 and is at alert Level 1 through 2021<sup>9</sup>. Stringent boarder restrictions remain in place until the end of 2021<sup>10</sup> and a vaccine is widely available in 2021.</p> | <p>The future course of the Covid-19 pandemic is hard to predict. Risks include:</p> <ul style="list-style-type: none"> <li>• a recurrent resurgence of the Covid-19 virus in New Zealand</li> <li>• unknown timing and efficacy of a vaccine</li> <li>• unknown length of border restrictions</li> </ul> | <p>Medium</p>        | <p>Further periods of restrictions at Level 3 or 4 may have negative impacts on the Tasman community and economy. In this scenario Council will continue to provide essential services and continue some discretionary services by remote working. Many discretionary services will be curtailed. Completing capital works programmes may become more difficult to achieve due to social distancing measures. The economic impact will increase pressures for Council to limit rates increases, potentially at the expense of lower levels of service.</p> <p>At the same time Council will have two important roles: to support the local economy as a significant consumer of goods and services; and to invest in economic and community infrastructure to maintain confidence generally. At the same time many of Council’s services which might be considered discretionary, e.g. providing public places will become more important in enabling community members to remain connected.</p> |

<sup>9</sup> Local Government Cost Adjustor Forecasts: Three Scenarios. Mahuru 2020. BERL  
<sup>10</sup> Local Government Cost Adjustor Forecasts: Three Scenarios. Mahuru 2020. BERL

**EXTERNAL ASSUMPTIONS**

| ASSUMPTION   | BRIEF DESCRIPTION OF RISK   | LEVEL OF UNCERTAINTY | POTENTIAL EFFECTS OF UNCERTAINTY ON FINANCIAL ESTIMATES   |
|--|---|----------------------|---|
| <p><b>Economic Environment</b></p> <p>The Tasman economy is expected to experience a downturn in 2021 and 2022, due to the impact of the Covid-19 pandemic<sup>11</sup>. While the economy is forecast to start gradually recovering from the September quarter 2020<sup>12</sup>, unemployment is expected to slowly recover to between 3.5%<sup>13</sup> and about 5%<sup>14</sup> by around 2030.</p> <p>Around a third of Tasman’s economy is focused on agriculture and manufacturing which is at lesser risk of restrictions, but may still feel the impact of any ongoing global downturn. The productivity of the agricultural sector in particular is likely to be negatively affected by limited access to seasonal workers from overseas due to border restrictions.</p> <p>Tourism accounts for around 11% of Tasman’s economy and will be significantly impacted for the next few years by New Zealand’s international border restrictions and reduced visitor numbers.</p> | <p>The timing and extent of the economic downturn or recovery may be lower or higher than forecast due to:</p> <ul style="list-style-type: none"> <li>• the level of central government support provided to individuals, businesses, and other organisations</li> <li>• the timing and availability of a Covid-19 vaccine</li> <li>• central government policy, including border restrictions</li> <li>• the global economic situation and other national or international factors</li> </ul> | <p>Medium</p>        | <p>The demand for various Council services and several sources of Council revenue are dependent on the incomes of residents and businesses.</p> <p>There is a risk that the economic downturn is worse or longer than expected, having a negative impact on rates affordability and various parts of Council’s business and revenue streams, including rates, fees and charges, dividends, and revenue from commercial activities. Council may be called upon to deliver higher levels of service in areas such as community support and working with central government to deliver economic stimulus packages which could require a need to re-direct Council resources or to increase borrowing.</p> <p>There is a risk that the economic situation recovers faster than expected and Council may have reduced budgets more than necessary.</p> |

<sup>11</sup> Infometrics April 2020 forecast.

<sup>12</sup> Local Government Cost Adjustor Forecasts: Three Scenarios. Mahuru 2020. BERL

<sup>13</sup> Deloitte Covid-19 scenario modelling tools for local authorities, October 2020. Note forecast numbers are for the Westcoast/Nelson-Tasman/Marlborough region

<sup>14</sup> Local Government Cost Adjustor Forecasts: Three Scenarios. Mahuru 2020. BERL

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| <p><b>Climate Change:</b></p> <p>We have based our climate change assumptions on the NIWA-modelled climate change projections for Tasman District (see separate table at the end of this document). The scenarios our assumptions are based on are expressed as a range, from higher emissions to lower emissions, for a number of climate-related parameters.</p> <p>Council assumes that it is not possible to reduce the mid-century warming, due to the amount of carbon dioxide already accumulated in the atmosphere – i.e. that the projections for mid-century are already ‘locked in’.</p> <p>As a consequence of climate change, natural disasters will occur with increasing frequency and intensity. The weather-related and wildfire events the District has experienced in recent years are consistent with predictions of climate change impacts. For low lying coastal land there will be increasing inundation and erosion from sea level rise and storm surge. Adaptation can help reduce our vulnerability and increase our resilience to natural hazards.</p> <p>We assume that sea levels will continue to rise and are likely to rise at an accelerated rate over time.</p> <p>Our plans assume a sea level rise (SLR) of up to 0.3m by 2045, 0.9m by 2090 and 1.9m to 2150 (metres above 1986-2005 baseline), in line with the Ministry for the Environment’s Coastal Hazards and Climate Change Guidance (2017). For coastal subdivisions, greenfield developments and major new infrastructure, we are planning for 1.9m SLR by 2150. All sea-level rise assumptions are based on the RCP8.5H+ scenario set out in the MfE guidance (2017).</p> | <p>There is an overall risk that the effects of climate change are more severe than the scenarios Council’s assumptions are based on and/or sea level rise is higher than the Ministry for the Environment (MfE) predicted advice levels.</p> | <p>High</p> | <p>There will be social, cultural, economic and environmental implications of climate change for individuals, landowners, businesses, iwi, and the wider community, in addition to the broader implications for the District. Examples of types of impacts include: damage to/loss of assets, property, infrastructure and facilities from coastal storm inundation events, sea level rise, flooding and/or wildfire; issues with water supply security; increased wastewater overflows; inadequate flood protection structures; increased biosecurity incursions and impacts on biodiversity.</p> <p>The separate table at the end of this document details the impacts and implications of the specific climate change scenarios our assumptions are based on. The financial cost to Council of responding to these impacts has not been quantified, but is likely to be significant. If the impacts are more severe than anticipated, the financial costs will be even higher. A wide range of Council’s services and planned infrastructure provision may be affected, particularly in coastal areas.</p> <p>Council will need to monitor the effects of climate change and sea level rise over time and review its budgets, programme of work and levels of service accordingly.</p> |
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**EXTERNAL ASSUMPTIONS**

| ASSUMPTION  | BRIEF DESCRIPTION OF RISK  | LEVEL OF UNCERTAINTY | POTENTIAL EFFECTS OF UNCERTAINTY ON FINANCIAL ESTIMATES   |
|---|--|----------------------|---|
| <p><b>Natural Hazards:</b></p> <p>There will be some localised natural hazard events during the term of Tasman’s 10-Year Plan 2021–2031. For example, localised flooding, landslips or wildfires, but with impacts that are limited.</p> <p>There remains a modest chance of a medium sized event occurring in the next 10 years.</p> <p>Council assumes that 60% of the repairs to underground assets will be funded by central government and 51% of roading assets by Waka Kotahi/New Zealand Transport Agency (NZTA).</p> | <p>That there is a modest or larger event during the period of Tasman’s 10-Year Plan 2021–2031. The effects of climate change increases the likelihood of many types of larger natural hazard events.</p> <p>The Nelson Tasman Civil Defence Emergency Management (CDEM) Plan states that the natural hazards with the highest residual risk (i.e. risk that remain after treatment) for Nelson Tasman are: earthquakes (infrequent but significant impact), plant and animal pests/diseases, high winds, large scale slope failure and drought.</p> | <p>Medium</p>        | <p>Council has sufficient borrowing capacity above its self-imposed debt cap to be able to use in the case of a natural hazard event.</p> <p>Following an extreme natural hazard event Council may have to review its levels of service, financial limits and its investment in facilities and infrastructure to support the response and recovery of the District.</p> |

**EXTERNAL ASSUMPTIONS**

| ASSUMPTION   | BRIEF DESCRIPTION OF RISK  | LEVEL OF UNCERTAINTY | POTENTIAL EFFECTS OF UNCERTAINTY ON FINANCIAL ESTIMATES   |
|--|--|----------------------|---|
| <p><b>Emissions Trading Scheme (ETS):</b></p> <p>Council assumes that ETS costs will rise as a result of the Climate Change Response (Emissions Trading Reform) Amendment Act 2020.</p> <p>Council has assumed that the cost of carbon will be:</p> <p>\$37.50 per NZU for 2021/2022</p> <p>\$42.50 per NZU for 2022/2023</p> <p>\$47.50 per NZU for 2023/2024</p> <p>\$50 per NZU from 2024/2025 to 2030/2031.</p> <p>The potential ETS liability from the Nelson Tasman Regional Landfill Business Unit is combined with that of Nelson City Council. The Business Unit is proposing to mitigate the increase by improving landfill gas collection and destruction and to pass the remaining cost to consumers through landfill charges.</p> <p>Council also continues to participate in the scheme, as owner of several commercial forests.</p> | <p>That ETS costs are higher than assumed, costing Council more than forecast through the Regional Landfill Business Unit and increasing revenue through Forestry.</p> | <p>Medium</p>        | <p>If the increase in ETS costs are materially higher than assumed, Council may need to increase waste management fees and charges further or increase rates to fund these costs.</p> <p>If carbon costs are higher than assumed Council will benefit from increased revenue through its forestry activities.</p> |

**EXTERNAL ASSUMPTIONS**

| ASSUMPTION   | BRIEF DESCRIPTION OF RISK   | LEVEL OF UNCERTAINTY | POTENTIAL EFFECTS OF UNCERTAINTY ON FINANCIAL ESTIMATES   |
|--|---|----------------------|---|
| <p><b>Government legislation:</b></p> <p>Council assumes that it will be affected by changes to Government legislation. However, as the nature of these changes is not known, no financial provision has been made for them except where noted elsewhere in these forecasting assumptions. It is assumed that the Council will have the opportunity to submit on legislation likely to affect it and that Government will work with councils to ensure that any legislative changes are managed appropriately.</p> | <p>That Government legislation increases Council costs or reduces its ability to raise revenue.</p> | <p>Medium</p>        | <p>If the increase costs from changes in legislation are material, Council may need to increase rates or fees and charges to fund these or consider reducing discretionary levels of service.</p> |



**FINANCIAL ASSUMPTIONS**

| ASSUMPTION  | BRIEF DESCRIPTION OF RISK  | LEVEL OF UNCERTAINTY | POTENTIAL EFFECTS OF UNCERTAINTY ON FINANCIAL ESTIMATES  |
|---|--|----------------------|--|
| <p><b>Transition to funding depreciation:</b></p> <p>As part of its approach to funding infrastructure renewals, Council began funding depreciation from 2015/2016. It is assumed that after a further four years Council’s share of depreciation will be fully funded (for an explanation of the term ‘Council’s share of depreciation’, refer to Council’s Financial Strategy).</p> | <p>That the Council’s share of depreciation is not fully funded by the end of the 2024/2025 year requiring Council to fund a larger portion of the renewal of assets from external borrowing beyond 2024/2025.</p> | <p>Low</p>           | <p>Council will have to increase its borrowing to fund the portion of depreciation not funded through rates beyond 2024/2025. This may reduce Council’s capacity to borrow for other purposes within its debt cap in the Financial Strategy. Council may need to review its programme of investment in facilities and infrastructure.</p> <p>The level of funding for depreciation directly impacts on Council rates and other fees and charges.</p> |

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| <p><b>Waimea Community Dam</b></p> <p>The Waimea Community Dam (Dam) is on track to meet the May 2022 completion date, will be ready for the planned 2022/2023 irrigation season, and will be completed within the budgetary provision made in Tasman’s 10-Year Plan 2021–2031.</p> <p>Recognising there is residual uncertainty in Covid-19 costs and geology, the risk range of costs is between \$148 million and \$164 million. The forecast cost to completion provided by the Waimea Water Limited Board of \$158.5 million, and the costs to enable future hydro power of \$350,000 have been included in the Tasman’s 10-Year Plan 2021–2031 budget. This is the Company’s best estimate, and takes into account that the risk of uncertainty is now reduced due to the Dam being 50% complete, with its foundations mostly exposed and adapting the design to the conditions largely complete.</p> <p>The Council understands these estimates were prepared by the Company management (including reviews by internal Chartered Professional Engineers and external peer reviewers), and reviewed and approved by the Company’s Board for issue to Shareholders.</p> <p>The Council has assumed it will collect \$53.7 million of cost overruns.</p> <p>\$3.0 million of this will be shared 50:50 between the Council and Waimea Irrigators Limited. The remaining \$50.7 million will be made up of equity of \$14.3 million contributed by the Council and</p> | <p>That the Dam construction is not complete by May 2022. Those reliant on Council water supply on the Waimea Plains and surrounds including the urban water supplies will be exposed to drought risk for longer than expected.</p> <p>Costs exceed the risk range upper level of \$164 million, requiring additional funding from Council and ratepayers.</p> <p>The Council will have an increased level of exposure in the event of a default by Waimea Irrigators Limited in paying its water charges to Waimea Water Limited, as these water charges are now funding some of the interest costs on the Shareholder Advance for irrigator capacity in the Dam.</p> | <p>Medium</p> | <p>Summer time restrictions may impact businesses, residents and Council’s ability to service growth until the Dam is complete.</p> <p>If the Dam costs are more than budgeted, Council would negotiate with the Government for additional funding. Increased costs could impact on Council’s financial position and debt level. Rates levels may have to be reconsidered and other projects and programmes may need to be delayed, and/or levels of service standards lowered to accommodate the additional costs.</p> <p>The risk of Waimea Irrigators Limited defaulting on its water charges is managed through the existing default provisions in the water augmentation agreement signed in 2018.</p> |
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interest only shareholder advances of \$36.4 million from Council to Waimea Water Limited.

This \$36.4 million is split \$24.8 million irrigator extractive capacity and \$11.6 million Council's capacity.

The accounting for our investment in Waimea Water Limited, requires the Council to calculate what its 'accounting interest' is in the assets, liabilities, revenue and expenses of Waimea Irrigators Limited. This was a new Accounting Standard (first effective June 2020) and there is limited application guidance.

We have assessed the accounting treatment of these advances for Tasman's 10 Year plan as follows:

**Irrigator extractive capacity advance**

This shareholder advance is funded by the Council through Crown Irrigation Investments Limited and the Local Government Funding Agency, these funds are then to be passed to Waimea Water Limited.

This is a back-to-back drawing.

The interest costs on \$10.14 million of this advance will be funded by the Council's General Rate for the first five years of Tasman's 10-Year Plan (2021/2022 – 2025/2026). After the five year period, this interest will be funded by Waimea Water Limited water charges paid by Waimea Irrigators Limited.

The interest on the remaining \$14.64 million of shareholder advances will be funded by Waimea

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Water Limited water charges paid by Waimea Irrigators Limited.

We have calculated the Council's 'accounting interest' as the proportion of the Council's paid up equity and convertible shareholder advances divided by total equity and convertible shareholder advances.

We have not included the irrigator capacity loan in the Council's accounting interest in Waimea Water Limited's assets, nor have we recognised a liability for the loan.

The basis for this is that Waimea Irrigators Limited is responsible for the servicing of this loan after 5 years and thereafter. After 40 years, Waimea Water Limited need to seek to refinance this on commercial terms. Waimea Irrigators Limited will continue to be responsible for servicing this loan. We assume that this loan will either be refinanced by Waimea Water Limited, or the Council will allow Waimea Irrigators Limited to convert this into voting shares. We have assumed that Council will not repay this loan, as this would then create interest costs in Council, which contractually sit with Waimea Irrigators Limited. It is for this reason that Council deems the accounting interest in this advance to sit with Waimea Irrigators Limited, not the Council. This assumption would be revisited if the Council decided to repay the loan for voting shares.

**Council capacity advance**

**FINANCIAL ASSUMPTIONS**

| ASSUMPTION   | BRIEF DESCRIPTION OF RISK  | LEVEL OF UNCERTAINTY | POTENTIAL EFFECTS OF UNCERTAINTY ON FINANCIAL ESTIMATES   |
|--|--|----------------------|---|
| <p>The interest costs of Council’s portion of the shareholder advances (\$11.6 million) and its additional equity contribution will be funded through the Council’s Urban Water account for extractive capacity and through the Zone of Benefit rate and District-wide fixed charge for the environmental and public benefits. This loan is Council’s responsibility and is including in Council’s accounting interest.</p>                                      |  |                      |   |
| <p><b>Marine farms not liable for rates</b></p> <p>Marine farms operating in the sea space within Council’s boundary will not be liable to pay rates. This is the case under existing rating legislation and Council assumes no change for the duration of Tasman’s 10-Year Plan 2021–2031.</p> <p>These industries currently make use of Council infrastructure on land, but are not required to contribute to their costs through a contribution to rates.</p> | <p>Central Government changes legislation to enable Council to rate marine farming industries.</p> | <p>Low</p>           | <p>Council cannot currently rate marine farmers to use the coastal marine area. Any rates revenue from this activity would help to generate additional revenue for the Council to fund related infrastructure and services (e.g. roading and Port Tarkohe). This contribution would ease the level of rates incidence across the District and/or allow for increased levels of service.</p> |

**FINANCIAL ASSUMPTIONS**

| ASSUMPTION   | BRIEF DESCRIPTION OF RISK   | LEVEL OF UNCERTAINTY | POTENTIAL EFFECTS OF UNCERTAINTY ON FINANCIAL ESTIMATES  |
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| <p><b>Revaluation:</b></p> <p>Council re-values fixed assets on a three yearly cycle. It is assumed that the following types of fixed assets will increase in value in Year 2 by the Business and Economic Research Ltd (BERL) Capital index (and every three years thereafter): Stormwater, Solid Waste, Roading, Water Supply, Wastewater, Rivers, Coastal, For Land, and Buildings by the BERL capital index from Year 3 and every 3 years thereafter. Commercial property will be revalued each and every year using the BERL capital index.</p> | <p>The revaluation of Council assets is higher than assumed, meaning that the costs of funding depreciation increase.</p> | <p>Low</p>           | <p>These assumptions affect the depreciation charges contained within Council’s proposed budgets. The detail for each asset category and Council’s asset depreciation rates are in the Statement of Accounting Policies.</p> <p>If the revaluation of assets is higher/lower than assumed, Council may need to consider increasing/decreasing fees and charges and/or rates to pay for the different cost of funding depreciation and/or increasing/decreasing capital expenditure for renewals.</p> |

**FINANCIAL ASSUMPTIONS**

| ASSUMPTION   | BRIEF DESCRIPTION OF RISK   | LEVEL OF UNCERTAINTY | POTENTIAL EFFECTS OF UNCERTAINTY ON FINANCIAL ESTIMATES  |
|--|---|----------------------|--|
| <p><b>Inflation/Price changes:</b></p> <p>Council has generally used the inflation figures provided by BERL. Variable annual rates have been applied to six cost groups across the model. Council has used BERL’s overall average operating and capital local government cost indices, apart from salaries which it has adjusted to reflect Council’s expected future costs. The non-rates revenue inflation factor is calculated as an average of the operating and salary adjustor.</p> <p>In Year 1, 2021/2022 Council has used the adjustors from 2020/2021 which is a slightly higher rate of inflation than recommended by BERL.</p> <p>In preparing Tasman’s 10-Year Plan 2021–2031 Council has used the inflation factors as set out in the table below.</p> | <p>Inflation is higher than assumed resulting in budgets being inadequate to deliver the programme of investment in facilities and infrastructure, and to deliver the levels of service in Tasman’s 10-Year Plan 2021–2031.</p> | <p>Medium</p>        | <p>If inflation for the goods and services Council purchases is higher than assumed, Council will be required to consider increasing rates and charges, reducing its programme of investment in facilities and infrastructure, increasing debt and/or reducing levels of service.</p> <p>If inflation for the goods and services Council purchases is lower than assumed, Council costs will be lower and Council will consider reducing rates and/or fees and charges or selectively increasing levels of service.</p> <p>If movements in the consumer price index (CPI) are substantially lower inflation for the goods and services Council purchases, then there will be increasing pressure on Council to reduce any planned rates or fees and charges increases.</p> |

|                                 | Jun-22 | Jun-23 | Jun-24 | Jun-25 | Jun-26 | Jun-27 | Jun-28 | Jun 29 | Jun 30 | Jun 31 | Ten Year Average |
|---------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|------------------|
| <b>Revenue</b>                  | 2.6%   | 3.2%   | 2.5%   | 2.6%   | 2.8%   | 2.9%   | 3.0%   | 3.1%   | 3.2%   | 3.2%   | 2.9%             |
| <b>Salaries</b>                 | 2.8%   | 3.4%   | 2.5%   | 2.7%   | 3.0%   | 3.2%   | 3.3%   | 3.4%   | 3.6%   | 3.7%   | 3.2%             |
| <b>Maintenance</b>              | 2.3%   | 2.9%   | 2.5%   | 2.5%   | 2.5%   | 2.5%   | 2.6%   | 2.7%   | 2.7%   | 2.6%   | 2.6%             |
| <b>Energy</b>                   | 2.3%   | 2.9%   | 2.5%   | 2.5%   | 2.5%   | 2.5%   | 2.6%   | 2.7%   | 2.7%   | 2.6%   | 2.6%             |
| <b>Other Operating Expenses</b> | 2.3%   | 2.9%   | 2.5%   | 2.5%   | 2.5%   | 2.5%   | 2.6%   | 2.7%   | 2.7%   | 2.6%   | 2.6%             |
| <b>Capital</b>                  | 2.3%   | 3.0%   | 2.6%   | 2.6%   | 2.7%   | 2.6%   | 2.8%   | 2.8%   | 2.9%   | 2.7%   | 2.7%             |



| ASSUMPTION  | BRIEF DESCRIPTION OF RISK   | LEVEL OF UNCERTAINTY | POTENTIAL EFFECTS OF UNCERTAINTY ON FINANCIAL ESTIMATES  |
|---|---|----------------------|--|
| <p><b>Interest rates:</b></p> <p>In preparing Tasman’s 10-Year Plan 2021–2031, Council has assumed lending interest rates for each year based on forecasts from Price Waterhouse Cooper.</p> <p>These interest rates include the cost of both funds already borrowed and anticipated new debt at anticipated future interest rates.</p> | <p>That borrowing interest rates are higher than assumed, resulting in Council’s cost of borrowing being higher than anticipated.</p> | <p>Medium/High</p>   | <p>If actual interest rates are higher than the assumed rate, this cost would be met by increasing rates or adjusting future borrowing requirements.</p> <p>A 1% increase in interest rates increases interest costs by approximately \$10,000 per annum per \$1 million of borrowing.</p> <p>A degree of protection against fluctuating interest rates has been provided through the use of interest rate swaps.</p> <p>Council is also a member of the Local Government Funding Agency which provides access to loans at a lower rate than Council could obtain directly from banks.</p> <p>Council is exposed to deposit interest rates through its prefunding activities. These interest rates are impacted by the Government’s monetary policy settings in particular the OCR (Official Cash Rate).</p> |

|               | Jun-22 | Jun-23 | Jun-24 | Jun-25 | Jun-26 | Jun-27 | Jun-28 | Jun 29 | Jun 30 | Jun 31 | Ten Year Average |
|---------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|------------------|
| Interest Rate | 3.60%  | 3.41%  | 3.13%  | 2.93%  | 2.89%  | 2.67%  | 2.49%  | 2.39%  | 2.45%  | 2.40%  | 2.84%            |

| ASSUMPTION   | BRIEF DESCRIPTION OF RISK   | LEVEL OF UNCERTAINTY | POTENTIAL EFFECTS OF UNCERTAINTY ON FINANCIAL ESTIMATES  |
|--|---|----------------------|--|
| <p><b>Credit availability:</b></p> <p>Credit can be obtained from financial markets on competitive terms and conditions.</p> | <p>That credit is not available on competitive terms and conditions resulting in Council's cost of borrowing being higher than anticipated.</p> | <p>Low</p>           | <p>In recent years credit has been available from the financial markets at competitive rates and conditions. Should this change dramatically there are likely to be impacts on the cost of borrowing or in extreme circumstances the ability of the Council to borrow at all.</p> <p>Council may have to increase rates to pay for the increased costs of borrowing. Council may have to reduce its investment in infrastructure and facilities and consider reducing levels of service.</p> |

| ASSUMPTION   | BRIEF DESCRIPTION OF RISK   | LEVEL OF UNCERTAINTY | POTENTIAL EFFECTS OF UNCERTAINTY ON FINANCIAL ESTIMATES   |
|--|---|----------------------|---|
| <p><b>Useful lives of significant assets:</b></p> <p>We are assuming standard useful lives for Council assets except where we have good quality information that contradicts this. In Tasman’s 10-Year Plan 2021–2031 , the Council has made a number of assumptions about the useful life of its assets (refer Infrastructure Strategy in Tasman’s 10-Year Plan 2021–2031 Volume 2). These assumptions affect the depreciation charges contained within Council’s proposed budgets. Council has an ongoing programme to obtain improved information on the age and condition of its utilities assets.</p> | <p>That the lives of assets are materially shorter than assumed, necessitating renewal or replacement at an earlier date.</p> | <p>Low</p>           | <p>If the life of assets are materially shorter than those contained within the Plan, Council may need to increase borrowing with a consequential impact on increasing rates.</p> |

| ASSUMPTION  | BRIEF DESCRIPTION OF RISK  | LEVEL OF UNCERTAINTY | POTENTIAL EFFECTS OF UNCERTAINTY ON FINANCIAL ESTIMATES   |
|---|--|----------------------|---|
| <p><b>Waka Kotahi/New Zealand Transport Agency funding:</b></p> <p>An underlying assumption of the budget figures contained in the Transportation Activity is that the Government financial assistance through Waka Kotahi Co-investment Rate will remain unchanged during Tasman’s 10-Year Plan 2021–2031. Funding rates used for the preparation of Tasman’s 10-Year Plan 2021–2031 are based on information from the Waka Kotahi and are set at 51%.</p> <p>Council applied to the National Land Transport Fund (NLTF) 2021-2024 for a total continuous programme for local road maintenance of \$54.6 million. Waka Kotahi advised on 31 May 2021 that the Waka Kotahi Board endorsed indicative investment in the continuous programme of \$45.4 million. This is the total programme value, Waka Kotahi indicates it will fund 51% of the \$45.4 million. Allowing for Council’s share of the local road programme, this indicates that there will be a funding shortfall of \$4,705,260 over the next three years.</p> <p>The Council has decided to delay until Year 4 the implementation of the increase in the performance target for the level of service relating to <i>“the percentage of sealed local road that is resurfaced each year”</i>.</p> <p>The Council has decided that the target will be 5-7% in 2021/2022, 2022/2023 and 2023/2024. The Council assumes that it will be able to achieve this target on the reduced budgets available.</p> <p>Between 2024/2025 and 2030/2031, the performance target will increase to 6-8%. It is assumed that Waka Kotahi will fund Council’s full request made in to the NLTF from 2024/2025 to 2030/2031.</p> | <p><b>Risk 2021/2022 to 2023/2024</b></p> <p>That the Council is unable to meet its level of service for local road resurfacing with the reduced budget.</p> <p><b>Risk 2024/2025 to 2030/2031</b></p> <p>That Waka Kotahi financial assistance rates are lower than assumed, and/or that Waka Kotahi does not fund the full NLTF request thereby increasing Council’s costs for transportation related activities in Years 4 to 10.</p> | <p>Medium</p>        | <p><b>Years 2021/2022 to 2023/2024</b></p> <p>If there is a realistic risk that the Council will not achieve its level of service for local road resurfacing it may need to either:</p> <ul style="list-style-type: none"> <li>• Increase debt, and/or</li> <li>• Reprioritise other work through an Annual Plan process, and/or</li> <li>• Seek additional top up funding from Waka Kotahi.</li> </ul> <p><b>Years 2024/2025 to 2030/2031</b></p> <p>If Waka Kotahi financial assistance rates are lower than assumed, and/or Waka Kotahi does not fund the full NLTF request Council may need to consider increasing rates and/or reducing its programme of transport infrastructure investment. This may result in levels of service being reduced.</p> <p>Council can choose to commit its full share of funding accepting that the total funding available will be reduced. As a consequence, Council will need to prioritise work available within available funds and this may negatively impact the condition of the roading network.</p> |

| ASSUMPTION  | BRIEF DESCRIPTION OF RISK   | LEVEL OF UNCERTAINTY | POTENTIAL EFFECTS OF UNCERTAINTY ON FINANCIAL ESTIMATES  |
|---|---|----------------------|--|
| <p><b>Return on investments:</b></p> <p>It is assumed that the return on investments, including dividends from Council Controlled Trading Organisations and retained earnings on subsidiaries will continue at current levels plus inflation or in line with the relevant organisation's Statement of Intent.</p> | <p>That returns are lower than assumed reducing the revenue from this source.</p> | <p>Low/Medium</p>    | <p>There is increased uncertainty about the ongoing economic impact of the Covid-19 pandemic which could negatively affect the return on Council's investments.</p> <p>If revenue from the return on investments is lower than assumed, Council may need to consider increasing rates and/or reducing levels of service.</p> |

| ASSUMPTION  | BRIEF DESCRIPTION OF RISK   | LEVEL OF UNCERTAINTY | POTENTIAL EFFECTS OF UNCERTAINTY ON FINANCIAL ESTIMATES   |
|---|---|----------------------|---|
| <p><b>Central Government Funding</b></p> <p>Following the Covid-19 restrictions Council has applied for government funding through a range of funds to help stimulate the local economy and provide jobs. In most cases there is a requirement that Council also contributes funding towards the projects, there are specific timeframes for completion and at times there are project management and accountability costs not covered by the external funding. A number of applications are still pending.</p> <p>With the exception of Waka Kotahi funding, Council has only included government funding in its revenue forecasts where a formal funding agreement has been entered into. Council negotiates project management costs to be covered by the funding received wherever possible. Any further project management and accountability costs have been provided for where a formal funding agreement has been entered into.</p> | <p>That Council is successful in accessing further government funding for programmes and projects with specific timelines for completion.</p> | <p>Medium</p>        | <p>If Council receives funding for specific programmes or projects, it may be necessary to change the timing of some work to access the government funding available and change when Council's contribution will be required. This could lead to changes in the timing of other projects to accommodate those attracting government funding.</p> <p>Receiving additional central government funding could impact operating expenditure, operating revenue, levels of service and debt levels.</p> |

| ASSUMPTION   | BRIEF DESCRIPTION OF RISK   | LEVEL OF UNCERTAINTY | POTENTIAL EFFECTS OF UNCERTAINTY ON FINANCIAL ESTIMATES  |
|--|---|----------------------|--|
| <p><b>Insurance costs:</b></p> <p>Council has assumed that insurance cover for Council assets will be available throughout the life of Tasman’s 10-Year Plan 2021–2031 and that premiums will rise faster than the rate of inflation for the first 4 years. Council expects insurance to rise by 7% plus inflation in those years.</p> | <p>Due to the physical risks to climate-exposed assets (e.g. infrastructure at risk from sea level rise), insurance premiums will substantially increase or insurance cover will not be available for assets in locations known to be vulnerable. These trends are already happening throughout New Zealand.</p> <p>That insurance cover will not be available for some or all Council assets for at least a period during the life of Tasman’s 10-Year Plan 2021–2031. This is particularly likely for coastal and port assets.</p> <p>That insurance premiums will increase beyond the anticipated level due to increasing material damage from natural hazard and weather related events driving increasing claim levels to insurance companies.</p> <p>Council is facing a hardening insurance market that will drive increases in deductibles and reduction in cover limits.</p> | <p>Medium</p>        | <p>If insurance cover is either not available or premiums are above tolerable limits, Council may have to self-insure. This requires sufficient borrowing capacity to be able to replace damaged Council assets following a disaster event or similar. Maintaining this increased level of available borrowing capacity may mean Council has to reduce other borrowing by reviewing its investment in facilities and infrastructure, reviewing its levels of service and/or revising its debt limit in the Financial Strategy.</p> |

| ASSUMPTION   | BRIEF DESCRIPTION OF RISK   | LEVEL OF UNCERTAINTY | POTENTIAL EFFECTS OF UNCERTAINTY ON FINANCIAL ESTIMATES  |
|--|---|----------------------|--|
| <p><b>Major Industrial Water Users (IWU) and provision of water to some Nelson South properties:</b></p> <p>It is assumed that the volume of water supplied to the residential and industrial properties in the Nelson City Council area will remain relatively static over a 10-year period. Charges will be levied in accordance with the 2021 Engineering Services Agreement between Nelson City Council and Tasman District Council, and will approximate the daily and volumetric charges levied in Richmond.</p> | <p>That Council's revenue from providing water to major industrial water users and/or residential properties in Nelson South is lower than assumed.</p> | <p>Low</p>           | <p>If the amount of water required decreases significantly Council will need to reassess the water storage and conveyance needs for the urban water supply system. A large reduction in the volume provided might also affect the cost of water provided to other urban water supply users, including Tasman residential properties. The reason for this is that most of the costs of supplying water are fixed, and a change in the volume provided would also change the average cost per cubic metre. If there is a large reduction in the volume of water provided, Council may need to consider increasing rates and/or reducing levels of service.</p> |



| ASSUMPTION  | BRIEF DESCRIPTION OF RISK   | LEVEL OF UNCERTAINTY | POTENTIAL EFFECTS OF UNCERTAINTY ON FINANCIAL ESTIMATES  |
|---|---|----------------------|--|
| <p><b>Port Tarakohe Redevelopment not proceeding</b></p> <p>Council has assumed that the proposed \$26 million upgrade of Port Tarakohe will not proceed and has not made budget provision for this.</p>  | <p>That following further negotiations with central government grant funding is available from that source and Council decides to proceed with the redevelopment.</p>   | <p>Low</p>           | <p>If Council decides to proceed with the Port Tarakohe redevelopment it is likely to increase debt and rates levels as capital and operating costs increase.</p>  |
| <p><b>Collection of Levies via Rates for Central Government</b></p> <p>Council will not incur costs from collecting additional rates or levies to fund central government functions.</p> <p>The Urban Development Act 2020 and the Infrastructure Funding and Financing Act 2020 provide for central government to set rates or levies for local authorities to collect on its behalf. In addition, the Fire and Emergency New Zealand (FENZ) Funding Review Consultation Document suggested the possibility of local authorities collecting levies for FENZ.</p> | <p>That Council will be required to collect one or more rates or levies on behalf of central government and the costs are not fully recovered. In this scenario additional Council rates would be required to fund the outstanding costs.</p> | <p>Medium</p>        | <p>If Council is required to collect rates on central government's behalf for one or more of these purposes, changes will be required to Council's rating systems and significant administration costs will be incurred on an annual basis to collect and account for this revenue.</p> <p>If the community generally considers the increase in rates to fund the central government functions are attributable to Council, it is likely that those concerned about rates affordability will become more vocal and public pressure on rates levels could further limit Council's scope to increase rates to pay for the services it delivers. This could lead to reduced levels of service and/or delays in the provision of infrastructure or other capital projects.</p> |

| ASSUMPTION  | BRIEF DESCRIPTION OF RISK   | LEVEL OF UNCERTAINTY | POTENTIAL EFFECTS OF UNCERTAINTY ON FINANCIAL ESTIMATES  |
|---|---|----------------------|--|
| <p><b>Non-Rateable land and Trees:</b></p> <p>There is no change to legislation meaning that a significant proportion of the District remains as non-rateable land.</p> <p>Similarly, there is no change to legislation meaning that rates cannot be charged on the capital value of trees in commercial forests.</p> | <p>Legislation is enacted that increases the categories for non-rateable land (including changes to the rateability of Māori freehold land).</p> <p>Legislation is enacted that enables the value of trees to be included in the capital value of commercial forests for rating purposes.</p> | <p>Low</p>           | <p>Approximately 66 % of the land area in Tasman is currently non-rateable. This includes at least 60% Department of Conservation land - mostly the national parks. If more land becomes unrateable, this will have implications for Council's rate take, meaning the rates would need to increase on the remaining ratepayers to offset this loss.</p> <p>If more land becomes rateable there would be an effect of increasing the incidence of rates on the owners of this land and reducing the incidence of rates on other rate payers. Similarly, if rates could be charged on the value of trees in commercial forest, the effect would be that commercial forest rate payers would pay a larger proportion of rates and other rate payers a lower proportion.</p> |

| ASSUMPTION   | BRIEF DESCRIPTION OF RISK  | LEVEL OF UNCERTAINTY | POTENTIAL EFFECTS OF UNCERTAINTY ON FINANCIAL ESTIMATES   |
|--|--|----------------------|---|
| <p><b>Holding Company Proposal</b></p> <p>The Council and Nelson City Council have decided to form a new company as a funding vehicle for the Nelson Airport Limited (NAL) and Port Nelson Limited (PNL).</p> <p>Due to the uncertainty about the extent and timing of financial benefits from forming the new company, no provision has been made in Tasman’s 10-Year Plan 2021–2031 financial estimates for any increase in dividends or release of equity from these companies.</p> | <p>Dividends may be higher or lower than forecast in Tasman’s 10-Year Plan 2021–2031.</p> <p>The Council could choose to release equity at some point in the future.</p> | Medium               | <p>If revenue from dividends is lower than assumed, Council may need to consider increasing rates and/or reducing levels of service.</p> <p>If revenue from dividends is higher than assumed, Council may choose to reduce rates, pay down debt or invest further to improve levels of services.</p> <p>Any equity release from the restructure could be used to reduce debt under the Council’s current Treasury Risk Management Policy.</p> |

### IMPACTS AND IMPLICATIONS OF A CHANGING CLIMATE FOR TASMAN DISTRICT

Two climate scenarios are used across the 2015 and 2019 NIWA reports, and are referred below.

1. RCP 8.5: “business as usual”, where greenhouse gas emissions continue at current rate.
2. RCP 4.5: scenario where global action is taken towards mitigating climate change (e.g. Paris climate change agreement).

| CHANGES TO CLIMATE IN TASMAN                 |  | IMPACTS AND IMPLICATIONS  |
|--|--|---|
| <b>Changing Temperatures and seasonality</b> | <p><b>Average temperature will rise</b></p> <ul style="list-style-type: none"> <li>• 0.9°C to 1.0°C by 2040</li> <li>• 1.4°C to 3.0°C hotter by 2090</li> </ul>  | <ul style="list-style-type: none"> <li>• Increased risk of wildfire - longer spells of extreme fire hazard.</li> <li>• Risk of heat stress negatively affecting the health of people, animals and plants.</li> <li>• Reduced workplace productivity.</li> <li>• Lower heating costs in winter, higher cooling costs in summer.</li> <li>• Extended summer leisure and tourism seasons, but shorter ski season.</li> <li>• Damage to transport infrastructure, e.g. melting of road surfaces.</li> <li>• Improved efficiency of wastewater treatment plants.</li> <li>• Higher demand for drinking water at times when water is likely to be scarcer.</li> <li>• Negative impacts on water quality.</li> <li>• Stress on ecosystems and associated impacts on health and economy.</li> <li>• Risk to agriculture and horticulture-drought and limited water for irrigation.</li> </ul> |
|  | <p><b>More very hot days (greater than 25°C) *</b></p> <ul style="list-style-type: none"> <li>• +8 to +9 more 25°C+ days per year by 2040*</li> <li>• +14 to +43 more 25°C+ days for Tasman by 2090</li> </ul> <p>*Calculated for areas &lt;500m altitude</p>                |   |
|  | <p><b>More heatwave days (≥ three consecutive days with maximum temperatures &gt; 25°C)</b></p> <ul style="list-style-type: none"> <li>• +20 more heatwave days per year by 2040</li> <li>• +25 and +60 more heatwave days per year by 2090 (RCP 4.5 and RCP 8.5)</li> </ul> |   |

| CHANGES TO CLIMATE IN TASMAN                    |   | IMPACTS AND IMPLICATIONS   |
|---|---|--|
|   | <p><b>Fewer frosts per year</b></p> <ul style="list-style-type: none"> <li>• Average of 13 fewer frosts per year by 2040</li> <li>• Average of 28 fewer frosts per year by 2090</li> <li>• 90+ fewer frosts per year in southeast part of district by 2090 (RCP 8.5)</li> </ul> <p><b>More growing degree days (GDD = sum of daily average temps above a 10°C base)</b></p> <ul style="list-style-type: none"> <li>• +250 sum GDD per year by 2040</li> <li>• +300 and +900 sum GDD per year by 2090 (RCP 4.5 and RCP 8.5)</li> </ul> <p><b>Seasonal change in temperature</b></p> <ul style="list-style-type: none"> <li>• Temperature will change the most in summer and autumn</li> <li>• least in spring</li> </ul> <p><b>Increased evapotranspiration from soils</b></p> <ul style="list-style-type: none"> <li>• Up to 140 mm moisture deficit in areas of Tasman by 2040</li> <li>• 140 mm and 200 mm deficit by 2090 (RCP 4.5 and 8.5)</li> </ul> | <ul style="list-style-type: none"> <li>• Range and habitat of native plants and animals will change-extinction of some species.</li> <li>• Favourable conditions for some/different pests and diseases.</li> <li>• Higher temperatures may allow for different crops to be grown.</li> <li>• Timing of seasonal activities such as flowering, breeding and migration will change.</li> </ul>   |
| <b>Changing rainfall patterns and intensity</b> | <p><b>Seasonal change in rainfall patterns</b></p> <ul style="list-style-type: none"> <li>• More rainfall in all seasons (except spring, for coastal areas) by 2040</li> <li>• Slightly less (-5%) rainfall in western parts of Tasman for all seasons, except winter (up to 40% increase; RCP 8.5) by 2090.</li> </ul>   | <ul style="list-style-type: none"> <li>• Issues with water availability for drinking, irrigation, agriculture and horticulture during drought.</li> <li>• More frequent, more intense river flooding and direct rainfall flash flooding of communities and businesses, with knock-on consequences to people and economy.</li> <li>• The capacity of storm water infrastructure could be stretched.</li> <li>• Flood damage to bridges, roads and other infrastructure and lifelines.</li> <li>• There could be changes to cost and availability of insurance.</li> <li>• Health risks from contamination of drinking water in flood events.</li> <li>• Parks and recreation grounds negatively affected by both drought and flooding.</li> </ul> |

| CHANGES TO CLIMATE IN TASMAN                           |   | IMPACTS AND IMPLICATIONS   |
|--|---|--|
|  | <p><b>Rainfall patterns within seasons will change:</b></p> <ul style="list-style-type: none"> <li>• Longer dry periods: more intense, more frequent drought.</li> <li>• Extreme rainfall: more frequent and more extreme rainfall events</li> </ul>  | <ul style="list-style-type: none"> <li>• Drought and/or fire leads to loss of vegetation on hills, which leads to landslides and rapid erosion of soils by intense rainfall and strong winds. There could be permanent loss of soils, preventing revegetation.</li> <li>• Increased erosion leads to more sediment in waterways, causing poorer water quality, issues with stream capacity and issues with treatment for drinking water.</li> <li>• Higher stress on indigenous ecosystems, plants and animals, especially with drought.</li> <li>• Drought will increase wildfire risk - especially when temperatures are high.</li> </ul>  |
| <p><b>Changes to sea level and coastal hazards</b></p> | <p><b>Permanent Sea level rise:</b></p> <p>Sea levels will continue to rise and are likely to rise at an accelerated rate over time. Our planning for sea level rise (SLR) is based on the RCP8.5H+ scenario outlined in the Ministry for the Environment’s Coastal Hazards and Climate Change Guidance (2017), i.e.:</p> <ul style="list-style-type: none"> <li>• up to 0.3m SLR by 2045</li> <li>• up to 0.9m SLR by 2090</li> <li>• up to 1.9m SLR by 2150 (metres above 1986-2005 baseline sea levels).</li> </ul> <p>Note that for coastal subdivisions, greenfield developments and major new infrastructure, we are planning for 1.9m SLR by 2150.</p> | <p>Some of the high-level impacts of sea level rise and coastal hazards may include:</p> <ul style="list-style-type: none"> <li>• More frequent, more severe coastal flooding of coastal communities, infrastructure and businesses and knock-on consequences for health, wellbeing and economy.</li> <li>• Saltwater incursion into freshwater habitats.</li> <li>• Killing of plant species that are intolerant to salt water.</li> <li>• Coastal squeeze for species where there is no room for them to migrate inland.</li> <li>• Shallow, salty groundwater will damage buried pipes and foundations of roads and buildings. It can result in cold, damp homes.</li> <li>• Shallowing of groundwater can lead to long-term standing surface water.</li> <li>• Our coastline may switch from accretion to erosion.</li> <li>• Coastal erosion can result in loss of road access to isolated coastal communities.</li> <li>• There could be changes in the cost and availability of insurance.</li> <li>• There may be migration of people inland from coastal and low-lying communities.</li> <li>• There could also be population growth due to climate refugees from other countries.</li> </ul> |
|  | <p><b>Permanent Groundwater rise:</b></p> <ul style="list-style-type: none"> <li>• Shallowing of groundwater in coastal areas in response to sea level rise.</li> </ul>   | <p>Council has recently prepared a ‘first-pass’ risk assessment to understand our vulnerability to coastal storm inundation and sea level rise. This assessment identifies representative assets, property, infrastructure and facilities (referred to as ‘elements at risk’) that we value and that may be exposed to a present day 1% annual exceedance probability (AEP) coastal storm inundation event and a range of sea level rise scenarios up to 2m. It identifies and broadly quantifies elements at risk that may be vulnerable to coastal hazards (e.g. number of buildings or length of road exposed), but does not attempt to measure the severity of the hazard or associated costs of repairing or replacing infrastructure.</p>  |
|  | <p><b>More frequent storm surge (temporary raising of sea level during storms)</b></p> <ul style="list-style-type: none"> <li>• Storm surges will become more frequent and increase in height.</li> </ul>   | <p>There will be social, cultural, economic and environmental implications for individuals, landowners, businesses, iwi, and the wider community, in addition to the broader implications for the District. For example:</p>   |

| CHANGES TO CLIMATE IN TASMAN |  | IMPACTS AND IMPLICATIONS  |
|------------------------------|--|---|
|                              | <p><i>Saltwater intrusion into coastal groundwater, and further upstream in rivers</i></p> | <ul style="list-style-type: none"> <li>• Approximately 11% of urban land (941 ha), 44% of grassland (3,650 ha), 25% of coastal indigenous vegetation (2,106 ha), 10% of exotic forestry (857 ha) and 9% of horticultural land (760 ha) is vulnerable to coastal storm inundation and rising sea levels.</li> <li>• An estimated population of 8,400 people are located in low-lying coastal areas that are vulnerable to coastal storm inundation and sea level rise. Approximately 60% of people are located in the Motueka – Riwaka coastal area (4,970 people), followed by 12% of people in the Māpua – Ruby Bay coastal area (990 people).</li> <li>• Motueka is the largest town that will be affected by coastal storm inundation and sea level rise. The cost to either repair damages, replace or relocate over the longer term will be significant. There are an extensive number of vulnerable elements at risk including people, homes, tourism accommodation, businesses and industry, Port Motueka, community facilities, and infrastructure. Any damage or inability to use roads (particularly SH60) as a result of inundation will impact not only to Motueka and Riwaka, but access to Golden Bay/Mohua. Low-lying horticultural and pastoral land around Motueka and Riwaka is also vulnerable.</li> <li>• Māpua and Ruby Bay’s exposure to coastal hazards is well known. It is the second largest residential area with associated services (e.g. businesses, community facilities, and infrastructure) vulnerable to coastal hazards and sea level rise.</li> <li>• Land adjacent to the Waimea Inlet and on the inlet islands is vulnerable, including a large area of business and industrial land; recreation, conservation and forestry land uses and three waters pipe infrastructure on Moturoa/Rabbit Island; Bell Island wastewater treatment plant; recreation and conservation values in and around the inlet and islands; and horticulture and pastoral farming on the Waimea Plains.</li> <li>• Vulnerable elements at risk in smaller coastal towns such as Mārahau – Kaiteriteri, Western Golden Bay and Eastern Golden Bay include a mix of homes, tourism accommodation, businesses and industry, Port Tarakohe, and some community facilities. Low-lying three-waters infrastructure is vulnerable, in locations where this is provided. The road network is critical to access these coastal communities, and there are sections of roads which are either presently vulnerable or will be in the future due to rising sea levels.</li> <li>• Coastal storm inundation and sea level rise will have a significant impact on many existing coastal assets (e.g. wharves, jetties, boat ramps, coastal protection structures, ports) simply because of the nature of their design, purpose and location. Over time, rising sea levels will cause coastal assets to be overtopped by waves or high tides more regularly as the location of ‘every day tides’ (mean high water spring mark) moves inland.</li> <li>• There are eight closed landfills, in addition to other potentially contaminated land sites, located at or near the coast which could pose an environmental risk if exposed by coastal storm inundation and sea level rise.</li> <li>• 350 cultural heritage (archaeological) sites are vulnerable to coastal storm inundation and</li> </ul> |

| CHANGES TO CLIMATE IN TASMAN |   | IMPACTS AND IMPLICATIONS   |
|------------------------------|---|--|
|                              |   | <p>sea level rise (based on NZAA's Archsite records), in addition to other sites that are not captured within this assessment.</p> <ul style="list-style-type: none"> <li>• Of the District's total open space and reserve zoned land, 51% (717 hectares) is vulnerable to coastal storm inundation and rising sea levels.</li> <li>• Within Abel Tasman National Park, a large area of indigenous vegetation land cover is vulnerable, as well as some houses/holiday homes and Department of Conservation assets (e.g. Abel Tasman Coast Track, huts, etc.) located in low lying areas. Road access to the National Park via the road to Mārahau will also be affected by rising sea levels.</li> </ul>  |
| <b>Oceanic changes</b>       | <p><b>Oceanic changes</b></p> <ul style="list-style-type: none"> <li>• Acidification of the ocean</li> <li>• General temperature rise of sea water.</li> <li>• Marine heatwaves</li> </ul>  | <ul style="list-style-type: none"> <li>• Altered marine ecosystems, particularly affecting hard shelled species.</li> <li>• Extinction of some species.</li> <li>• Changes to the range of species, location and abundance of fish and sea birds around NZ.</li> <li>• Impacts on aquaculture and fishing industries.</li> <li>• Reduced recreational benefits.</li> </ul>   |
| <b>Wind</b>                  | <p><b>Extreme daily winds</b></p> <ul style="list-style-type: none"> <li>• Winds are expected to increase in winter and decrease in summer</li> </ul>   | <ul style="list-style-type: none"> <li>• More frequent damage to trees, buildings and power lines.</li> <li>• Will make cycling more dangerous.</li> <li>• Will increase fire risk during hot, dry periods.</li> <li>• More opportunities for wind generation of electricity.</li> </ul>   |
| <b>Primary production</b>    | <p><b>Changes to the climate in which we farm</b></p> <ul style="list-style-type: none"> <li>• We will see increasing day and night-time temperatures, a longer duration of high temperature periods, and a reduction in the number of frosts.</li> <li>• There will be more frequent and longer periods without rain in summer.</li> <li>• There will be more frequent heavy rainfall events in winter</li> <li>• Evapotranspiration and plant uptake of water from soil will be acute in some areas.</li> </ul> | <ul style="list-style-type: none"> <li>• Animal heat stress in pastoral farming systems, with implications for animal welfare and performance.</li> <li>• Changes to plant phenological development (e.g. early ripening of grapes due to high temperatures), or plant productivity (e.g. poor flavour in winter vegetables due to a lack of frosts).</li> <li>• Changes to the potential land uses and crop types in areas most affected by climate change (implications for land use versatility).</li> <li>• Increased growth rates for <i>Pinus radiata</i> at higher elevations, but increased fire risk.</li> <li>• Increased need for water storage and irrigation for plant survival during drought or heatwaves.</li> <li>• Increased risk from pests and diseases with a warmer climate.</li> <li>• Greater incidence of slips and slope failures, soil pugging and waterlogging from heavy and frequent rainfall events.</li> </ul> |

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Insert document developed separately





# APPENDIX 1: GLOSSARY

To further assist readers, the following definitions of other terms used in the document are set out below.

## **ANNUAL PLAN**

A plan required by the Local Government Act 2002 to be produced by Council in the two intervening years between each three-yearly Long Term Plan (LTP). The main purpose of the Annual Plan is to identify any amendments and variations to the specific year of the base LTP.

## **ANNUAL REPORT**

Annual Reports are published following the end of each financial year which ends on 30 June. It is an audited account of whether Council completed its planned work programme. Any work not completed as planned is explained. The Annual Report is a key method for Council to be accountable to the community for its performance.

## **ANNUAL RESIDENTS' SURVEY**

The Annual Residents' Survey is the survey of residents' opinions that Council has undertaken annually by an independent research agency.

## **ACTIVITY MANAGEMENT PLANS**

Activity Management Plans (AMPs) describe the infrastructural assets and the activities undertaken by Council and outline the financial, management and technical practices to ensure the assets are maintained and developed to meet the requirements of communities over the long term. Activity Management Plans focus on the service that is delivered as well as the planned maintenance and replacement of physical assets.

## **ASSOCIATE**

An associate is an entity over which Tasman District Council has a significant influence and that is neither a subsidiary nor an interest in a joint venture.

## **ASSUMPTIONS**

Assumptions are the underlying premises made by Council that affect its financial planning for a specific activity, or for all Council activities. These are made clear so everyone can understand the basis for Council's financial planning, and form an opinion about how reasonable those assumptions are.

## **CAPITAL COST**

The cost of creating or acquiring new physical assets or to increase the capacity of existing assets beyond their most recently assessed design capacity or service potential.

## **CAPITAL EXPENDITURE**

This expenditure relates to the purchase or creation of assets that are necessary to assist in the provision of services. They have useful lives in excess of one year and are therefore included in the



Statement of Financial Position. Capital expenditure includes the creation of assets that did not previously exist or the improvement or enlargement of assets beyond their original size and capacity.

## **CAPITAL VALUE**

Capital value is the value of the property including both the value of the land and any improvements (e.g. buildings) on the land.

## **COMMUNITY**

Community means everyone in Tasman District: individuals, businesses, local and central government, groups and organisations, iwi, Māori, disabled, young, old, families, recent migrants and refugees, rural and urban residents.

## **COMMUNITY OUTCOMES**

Community outcomes are the priorities and aspirations identified by Council that it aims to achieve to promote the present and future social, economic, environmental and cultural well-being of the community.

## **CONSULTATION**

Consultation is the dialogue that comes before decision-making. Consultation is an exchange of information, points of view and options for decisions between affected and interested people and the decision makers.

## **COUNCIL-CONTROLLED ORGANISATION**

As defined by Section 6 of the Local Government Act 2002, a company under the control of local authorities through their:

- Shareholding of 50 percent or more;
- Voting rights of 50 percent or more; or
- Right to appoint 50 percent or more of the directors.

## **DEPRECIATION**

Depreciation is an estimate of the wearing out, consumption or loss of value of an asset over time.

## **EQUITY INVESTMENT**

An equity investment generally refers to the buying and holding of shares in anticipation of income from dividends and capital gains, as the value of the stock rises. Council can also hold equity investments for strategic purposes.

## **FAIR VALUE**

The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

## **FINANCIAL YEAR**

Council's financial year runs from 1 July to 30 June the following year.



## **GENERAL RATES**

The general rate funds activities which are deemed to provide a general benefit across the entire District or which are not economic to fund separately. It is charged to every rateable property in the District.

## **GROUPS OF ACTIVITIES**

Groups of activities are the services, projects or goods produced by Council. These are 13 broad groups of all of Council's services and facilities, each with common elements. For example, Community Facilities and Parks is a group of activities and includes services such as reserves, libraries and community halls.

## **INCOME**

Revenue received from external sources both cash and non-cash in nature.

## **INFRASTRUCTURE**

Networks that are essential to running a district, including the roading network, water supply and wastewater and stormwater networks.

## **INFRASTRUCTURE ASSETS**

These are assets required to provide essential services like water, stormwater, wastewater and roading. They also include associated assets such as pump stations, treatment plants, street lighting and bridges.

## **LEVELS OF SERVICE**

This term describes what Council will deliver. Performance measures are specific indicators used to demonstrate how Council is doing regarding delivery of services. The measures are described in each Activity Management Plans. Council reports on the levels of service it delivered and, on the performance measures each year through the Annual Report.

## **LONG TERM PLAN (LTP)**

The Local Government Act 2002 requires Council to adopt a LTP. The LTP outlines Council's intentions over a 10 year period. The LTP requires extensive community consultation, the identification of community outcomes and priorities, and the establishment of monitoring and review mechanisms. The LTP was previously called the Long Term Council Community Plan.

## **NET EXTERNAL DEBT (NET DEBT)**

Net external debt means total external debt less liquid financial assets and investments.

## **NET INTEREST**

Net interest is interest paid less interest income received.

## **OPERATING COSTS (OR OPERATING EXPENDITURE)**

These expenses, which are included in the Prospective Income Statement, are the regular costs of providing ongoing services and include salaries, maintaining assets, depreciation and interest. The benefit of the cost is received entirely in the year of expenditure.

## **PERFORMANCE TARGETS**



These are the measures that will be used to assess whether the performance has been achieved.

## **PRIMARY NETWORK**

The network of pipes and open drains that manage stormwater for most rainfall events.

## **RATES INCOME**

Income derived from setting and assessing general or targeted rates.

## **RENEWALS**

The replacement of an asset or its component that has reached the end of its life, so as to provide a similar level of service or agreed alternative.

## **RETURN ON INVESTMENT**

Investments are managed to cover costs as well as return a surplus to Council. Investments with a higher return are favoured over those with a lower return.

## **SOLID WASTE**

Waste products of non-liquid or gaseous nature (for example, building materials, used packaging, household rubbish).

## **STORMWATER**

Water that is discharged during rain and run-off from hard surfaces such as roads.

## **TARGETED RATES**

A targeted rate is designed to fund a specific function or activity. It can be levied on specific categories of property (e.g. determined by a particular use or location) and it can be calculated in a variety of ways (e.g. based on capital value, as a fixed amount per rateable property etc.).

## **UNCALLED CAPITAL**

Capital that a company has raised by issuing shares or bonds but that the company has not collected because it has not requested payment.

## **UNIFORM ANNUAL GENERAL CHARGE (UAGC)**

A UAGC is a portion of the general rate collected as a fixed charge per rateable property. It is deemed that the properties receive equal benefit for services charged regardless of the rateable value of the properties, e.g. use of parks, reserves and libraries.

## **UNITARY AUTHORITY**

Tasman District Council is a unitary authority, which means we carry out the functions of both a regional council and a territorial authority (see page 10).

## **URBAN WATER CLUB**



Includes all those Council-owned urban reticulated water supplies (except Motueka). They are grouped together for the purpose of allocating the costs of urban water supplies. The charge is consistent across all members of the urban water club.

## **WASTEWATER**

Wastewater is the liquid waste from homes (including toilet, bathroom and kitchen wastewater products) and businesses.

## **ZONE OF BENEFIT**

The area which receives a more direct benefit from water augmenting the Waimea River and its aquifers through the construction and operation of the Waimea Community Dam.

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