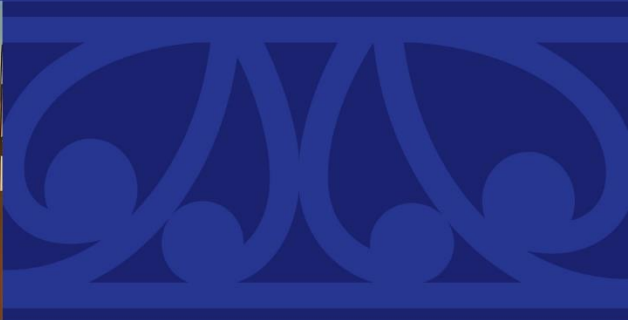


TASMAN'S 10-YEAR PLAN 2021–2031



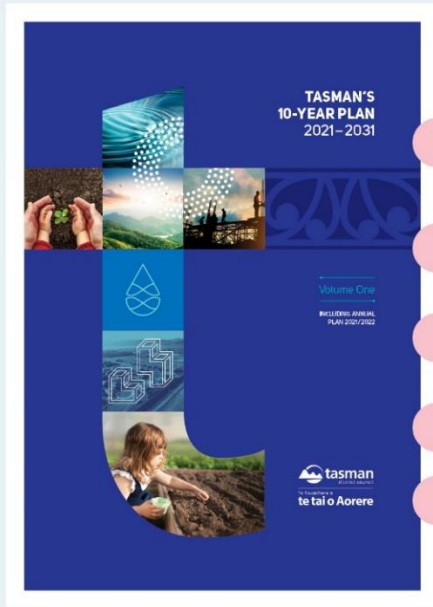
Volume Two

INCLUDING ANNUAL
PLAN 2021/2022



Te Kaunihera o
te tai o Aorere

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

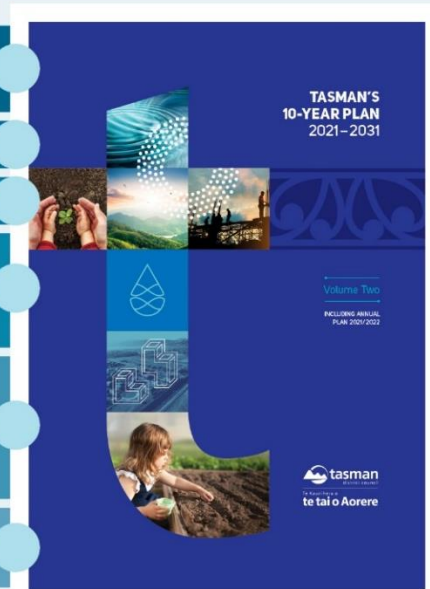


Volume One

- 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



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FUNDING IMPACT STATEMENT

This Funding Impact Statement should be read in conjunction with the Council's Revenue and Financing Policy.

Rates are set under the Local Government (Rating) Act 2002 ("the Act") as at 1 July each year.

The rates in this Funding Impact Statement are GST inclusive (unless otherwise stated.)

The rates included in this Funding Impact Statement will be set and assessed for each year of the Long Term Plan 2021-2031, except the last year of the Ruby Bay Stopbank rate will be 2021–2022, the last year of the Hamama Rural Water Supply – Fixed Charge based on set land value will be 2024–2025 and the last year of the Warm Tasman rate will be 2024–2025.

RATING AREA MAPS

The targeted rates which are set based on where the land is situated, other than district wide rates, have unique rating area maps which are included in this document. Rating units that fall fully or partially in the map area of a rate will be charged the applicable rate.

RATING UNIT: DEFINITION

The Rating Unit is determined by the Valuer General. It is generally a property which has one Record of Title but can include two or more Records of Titles or part Records of Title, for example, dependant on whether the land is owned by the same person or persons and are used jointly as a single unit and are adjacent.

RATING DIVISIONS

The Council will consider applications from ratepayers to apply rating divisions to a rating unit as per Section 27(5) of the Act only when the parts of a rating unit have different rateability treatment as per Part 1 or Part 2 of Schedule 1 of the Act or different differential categories under Section 27 subsection (4)(b)(i) or (ii) of the Act or when one of the proposed parts may qualify for a rates remission under the Council's Rates Remission Policy. If a rating division of a rating unit is approved, the Council's Policy is that each part of the rating unit will be separately valued by the Council's registered valuer.

RATING BASE INFORMATION

Clause 15A of Schedule 10 of the Local Government Act 2002 requires Council to disclose its projected number of rating units within the District over the period of the Long Term Plan.

	2020/2021 ACTUAL	2021/2022 PROJECTED	2022/2023 PROJECTED	2023/2024 PROJECTED	2024/2025 PROJECTED
Rateable rating units	24,200	24,654	25,086	25,518	25,950
Non rateable rating units	1,300	1,300	1,300	1,300	1,300
Total rating units	25,500	25,954	26,386	26,818	27,250

	2025/2026 PROJECTED	2026/2027 PROJECTED	2027/2028 PROJECTED	2028/2029 PROJECTED	2029/2030 PROJECTED	2030/2031 PROJECTED
Rateable rating units	26,393	26,836	27,279	27,722	28,165	28,608
Non rateable rating units	1,300	1,300	1,300	1,300	1,300	1,300
Total rating units	27,693	28,136	28,579	29,022	29,465	29,908

STATISTICS	PROJECTED FIGURES FIGURES AT 1 JULY 2021		
	RATEABLE	NON RATEABLE	TOTAL RATING UNITS
Capital value (note last general revaluation was in late 2020)	\$22,036,984,000	\$1,011,465,983	\$23,048,449,983
Land value (note last general revaluation was in late 2020)	\$12,033,406,720	\$745,802,376	\$12,779,209,096
Rating units	24,654	1,300	25,954

Funds raised by uniform charges, which include the UAGC and any targeted rate set as a uniform fixed amount per rating unit (excluding water and wastewater) cannot exceed 30% of the total rates revenue. The Council is projecting to set its uniform charges at 18% for 2021/2022, which is below the maximum allowed level.



DESCRIPTION OF EACH RATE

GENERAL RATE

DIFFERENTIAL CATEGORY
GENERAL RATE

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. These activities include: environmental management, public health and safety, transportation, roads and footpaths, coastal structures, water supply, solid waste, flood protection and river control works, community development, governance, and council enterprises.

A portion of the general rate is used to replenish the Council's General Disaster Fund.

The capital values are assessed by independent valuers. Their results are audited by the Office of the Valuer General.

UNIFORM ANNUAL GENERAL CHARGE (UAGC)

Funding the same activities as the general rate.

The Council has determined a portion of the general rate is to be assessed as a UAGC.

The purpose of setting the UAGC is to ensure that every ratepayer makes a minimum contribution to the Council's activities.

TARGETED RATES

The Council will not accept lump sum contributions (as defined by Section 117A of the Act) in respect of any targeted rate.

DIFFERENTIAL CATEGORY
1 STORMWATER RATE

(Funding the Stormwater activities including operating, maintaining and improving the stormwater infrastructure assets.)

Ratepayers in the Urban Drainage Rating Area receive greater benefit from stormwater infrastructure or cause the need for stormwater infrastructure. For this reason the Council has determined that a differential charge will be applied as follows:

**Urban Drainage Area – Stormwater Differential – A differential of 1 will apply.*

Urban Drainage Area – Stormwater Differential

**Balance of the District – General Drainage Stormwater Differential – A differential of 0.105 will apply.*

Balance of the District – General Drainage Stormwater Differential



DESCRIPTION OF EACH RATE (CONT.)

CATEGORIES OF LAND ON WHICH RATE IS SET	MAP REF. (IF APPLICABLE)	FACTORS	2021/2022 RATE (GST INC)	2021/2022 TOTAL RATE (\$000, GST INC)
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Every rateable rating unit in the District		Rate in the \$ of Capital Value	0.1971 cents	43,437
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CATEGORIES OF LAND ON WHICH RATE IS SET	MAP REF. (IF APPLICABLE)	FACTORS	2021/2022 RATE (GST INC)	2021/2022 TOTAL RATE (\$000, GST INC)
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Every rateable rating unit in the District		Fixed amount \$ per Rating Unit	\$290.00	7,150
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CATEGORIES OF LAND ON WHICH RATE IS SET	MAP REF. (IF APPLICABLE)	FACTORS	2021/2022 RATE (GST INC)	2021/2022 TOTAL RATE (\$000, GST INC)
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Every rateable rating unit in the District which has a land value				
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Where the land is situated being rateable rating units in the Stormwater Urban Drainage Rating Area	A1 – A15	Rate in the \$ of Capital Value	0.0459 cents	5,134
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Where the land is situated being rateable rating units with land value, that are not in the Stormwater Urban Drainage Rating Area	Balance of District	Rate in the \$ of Capital Value	0.0048 cents	484
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DESCRIPTION OF EACH RATE (CONT.)

TARGETED RATES (CONT.)

	DIFFERENTIAL CATEGORY
2 WATER SUPPLY RATES	
2.1 WATER SUPPLY RATES – URBAN WATER SUPPLY METERED CONNECTIONS AND RURAL WATER EXTENSIONS TO URBAN WATER SCHEMES (“THE CLUB”)	
<p><i>Ratepayers on the Urban Water Supply with a metered connection pay both the volumetric charge and the service charge. The portion of revenue allocated to the service charge for rates is determined by taking 36% of the total revenue required for the urban water supply including the portion billed to other users as charges but excluding the rural water extensions to urban water scheme revenue, and then deducting the portion recovered through charges.</i></p> <p><i>Ratepayers on the Urban Water Supply with a water restrictor pay the Rural Water Extensions to Urban Water Schemes rate.</i></p>	
2.1 (a) Water Supply – Urban Water Supply Metered Connections (excluding Motueka Water Supply): Volumetric charge	
<p>(Funding the urban water supply (excluding Motueka) including operating, maintaining and improving the infrastructure assets relating to water supply.)</p>	
<p><i>This water rate will be billed separately from the rates invoice.</i></p>	
2.1 (b) Water Supply – Urban Water Supply Metered Connections (excluding Motueka Water Supply): Service Charge	
<p>(Funding the urban water supply (excluding Motueka) including operating, maintaining and improving the infrastructure assets relating to water supply.)</p>	
2.1 (c) Water Supply – Rural Water Extensions to Urban Water Schemes	
<p>(Funding the urban water supply (excluding Motueka) including operating, maintaining and improving the infrastructure assets relating to water supply.)</p>	
<p><i>The 1m³ base rate is set at 80% of the Urban Metered Connections volumetric rate multiplied by 365.</i></p>	
<p><i>The extensions that will be charged this rate are: Best Island Water Supply, Māpua/Ruby Bay Water Supply, Brightwater/Hope Water Supply, Richmond Water Supply, Wakefield Water Supply, and any others which are referred to as the Other Rural Water Supply Extensions.</i></p>	



DESCRIPTION OF EACH RATE (CONT.)

CATEGORIES OF LAND ON WHICH RATE IS SET	MAP REF. (IF APPLICABLE)	FACTORS	2021/2022 RATE (GST INC)	2021/2022 TOTAL RATE (\$000, GST INC)
Provision of service being the supply of metered water to those rating units in the District, which have metered water connections, excluding those connected to the Motueka Water Supply because they have a different targeted rate		Per m ³ of water supplied	\$2.42	6,120
Provision of a service being a connection to a metered water supply by rating units in the District, excluding those connected to the Motueka Water Supply		Fixed amount \$ per connection (meter)	\$362.56	3,868
Provision of a service being a connection to a supply of water via a rural extension to urban schemes through a lowflow restricted water connection		Extent of provision of service: 1m ³ /day (based on size of water restrictor volume) e.g. 2m ³ /day restrictor volume will be charged at two times the listed annual rate	\$714.88	861



DESCRIPTION OF EACH RATE (CONT.)

TARGETED RATES (CONT.)

DIFFERENTIAL CATEGORY

2.2 WATER SUPPLY RATES – MOTUEKA WATER SUPPLY METERED CONNECTIONS

Ratepayers on the Motueka Water Supply with a metered connection pay both a volumetric water supply charge and a service charge. The portion of revenue allocated to the service charge is determined by taking 36% of the total revenue required for the Motueka water supply and the Motueka firefighting water supply less the rates recovered by the Motueka firefighting water supply rate.

The existing Motueka Water Supply account will continue to operate separately to the Urban Water Supply – Club account. This means that the water charges for the existing connected Motueka water users will have a different cost structure. As renewals and capital upgrades are required, these will be reflected in the water supply charges.

2.2 (a) Water Supply – Motueka Water Supply Metered Connections: Volumetric Charge

(Funding the Motueka Water Supply including operating, maintaining and improving the infrastructure assets relating to water supply.)

This water rate will be billed separately from the rates invoice.

2.2 (b) Water Supply – Motueka Water Supply Metered Connections: Service Charge

(Funding the Motueka Water Supply including operating, maintaining and improving the infrastructure assets relating to water supply.)

2.3 WATER SUPPLY – RURAL CONNECTIONS

2.3 (a) Water Supply – Dovedale Rural Water Supply

(Funding the Dovedale Rural Water Supply including operating, maintaining and improving the infrastructure assets relating to water supply.)

The Council has determined that a differential charge will be applied:

**Dovedale Differential A – includes the supply of water for up to and including the first 2m³ per day. This rate is charged based on the extent of provision of service using the size of restrictor volume, with a base of 1m³ per day. A differential of 1 per 1m³ per day will apply.*

For example, rating units with a 2m³ per day restrictor volume will be billed two of the Differential A charge.

Dovedale Differential A

**Dovedale Differential B – includes the supply of water greater than 2m³ per day. This rate is charged based on the extent of provision of service based using the size of restrictor volume, with a base of 1m³ per day. A differential of 0.77 per 1m³ per day will apply.*

For example, rating units with a 3m³ per day restrictor volume will be billed two of the Differential A charge and one of the Differential B charge.

Dovedale Differential B



DESCRIPTION OF EACH RATE (CONT.)

CATEGORIES OF LAND ON WHICH RATE IS SET	MAP REF. (IF APPLICABLE)	FACTORS	2021/2022 RATE (GST INC)	2021/2022 TOTAL RATE (\$000, GST INC)
Provision of service being the supply of metered water to rating units connected to the Motueka Water Supply		Per m ³ of water supplied	\$2.32	590
Provision of service being a connection to the Motueka Water Supply		Fixed amount \$ per connection (meter)	\$143.14	199
Provision of a service being a connection to the Dovedale Rural Water Supply through a lowflow restricted water connection				
		Extent of provision of service: 1m ³ /day (based on size of water restrictor volume).	\$789.12	388
		Extent of provision of service: 1m ³ /day (based on size of water restrictor volume).	\$607.62	249



DESCRIPTION OF EACH RATE (CONT.)

TARGETED RATES (CONT.)



DIFFERENTIAL CATEGORY

2.3 (b) Water Supply – Redwood Valley Rural Water Supply

(Funding the Redwood Valley Rural Water Supply including operating, maintaining and improving the infrastructure assets relating to water supply.)

2.3 (c) Water Supply – Eighty Eight Valley Rural Water Supply – Variable Charge

(Funding the Eighty Eight Valley Rural Water Supply including operating, maintaining and improving the infrastructure assets relating to water supply.)

2.3 (d) Water Supply – Eighty Eight Valley Rural Water Supply – Service Charge

(Funding the Eighty Eight Valley Rural Water Supply including operating, maintaining and improving the infrastructure assets relating to water supply.)

2.3 (e) Water Supply – Hamama Rural Water Supply – Variable Charge

(Funding the Hamama Rural Water Supply including operating, maintaining and improving the infrastructure assets relating to water supply.)

2.3 (f) Water Supply – Hamama Rural Water Supply – Service Charge

(Funding the Hamama Rural Water Supply including operating, maintaining and improving the infrastructure assets relating to water supply.)

2.3 (g) Water Supply – Hamama Rural Water Supply – Fixed Charge based on set land value

(Funding the Hamama Rural Water Supply including operating, maintaining and improving the infrastructure assets relating to water supply.)

DESCRIPTION OF EACH RATE (CONT.)

CATEGORIES OF LAND ON WHICH RATE IS SET	MAP REF. (IF APPLICABLE)	FACTORS	2021/2022 RATE (GST INC)	2021/2022 TOTAL RATE (\$000, GST INC)
Provision of a service being a connection to the Redwood Valley Rural Water Supply through a lowflow restricted water connection		Extent of provision of service: 1m ³ /day (based on size of water restrictor volume) e.g. 2m ³ /day restrictor volume will be charged at two times the listed annual rate	\$543.21	566
Provision of a service being a connection to the Eighty Eight Valley Rural Water Supply through a lowflow restricted water connection		Extent of provision of service: 1m ³ /day (based on size of water restrictor volume) e.g. 2m ³ /day restrictor volume will be charged at two times the listed annual rate	\$339.63	164
Provision of a service being a connection to the Eighty Eight Valley Rural Water Supply through a lowflow restricted water connection		Fixed amount \$ per rating unit	\$361.72	58
Provision of a service being a connection to the Hamama Rural Water Supply		Rate in the \$ of Land Value	0.0452 cents	10
Provision of a service being a connection to the Hamama Rural Water Supply		Fixed amount \$ per rating unit	\$264.14	8
Where the land is situated being rating units in the Hamama Rural Water Supply Rating Area	B1	Rate in the \$ of set land value (which is the land value at the time capital works were completed in 2005)	0.165 cents	9



DESCRIPTION OF EACH RATE (CONT.)

TARGETED RATES (CONT.)

	DIFFERENTIAL CATEGORY
2.4 WATER SUPPLY FIREFIGHTING	
2.4 (a) Water Supply: Motueka Firefighting (Funding the Motueka Township firefighting water supply.) The Water Supply: Motueka Firefighting rate recovers a portion of the total costs of the Water Supply: Motueka Firefighting and Motueka Water Supply: Service Charge. This percentage is phasing up to 70% of the total revenue requirement over the next three years because the costs of providing firefighting capacity are a significant portion of the total costs of running the water supply.	
2.4 (b) Water Supply: Tākaka Firefighting – Capital (Funding the Tākaka CBD firefighting water supply capital costs.) <i>The amount of revenue planned to be raised by each of the differentials is shown.</i>	
	Tākaka CBD Differential
	Tākaka Residential Differential
	Tākaka Balance of Golden Bay Ward Differential
2.4 (c) Water Supply: Tākaka Firefighting – Operating (Funding the Tākaka CBD firefighting water supply operating costs.)	
2.5 WATER SUPPLY – DAMS	
2.5 (a) Water Supply – Dams: Wai-iti Valley Community Dam (Funding the costs of the Wai-iti Valley Community Dam.) <i>Water is only released from the dam when low flows are reached.</i>	



DESCRIPTION OF EACH RATE (CONT.)

CATEGORIES OF LAND ON WHICH RATE IS SET	MAP REF. (IF APPLICABLE)	FACTORS	2021/2022 RATE (GST INC)	2021/2022 TOTAL RATE (\$000, GST INC)
Where the land is situated being rating units in the Motueka Firefighting Water Supply Rating Area	C1	Fixed amount \$ per Rating Unit	\$38.30	133
Every Rating Unit in the Golden Bay Ward	D1 – D3			
Where the land is situated being rating units in the Tākaka Firefighting Water Supply Commercial CBD Rating Area	D1	Rate in the \$ of Capital Value	0.077 cents	54
Where the land is situated being rating units in the Tākaka Firefighting Water Supply Residential Rating Area	D2	Fixed amount \$ per Rating Unit	\$52.13	23
Where the land is situated being rating units in the Tākaka Firefighting Water Supply Rest of Golden Bay Rating Area	D3	Fixed amount \$ per Rating Unit	\$15.33	44
Where the land is situated being those in the Tākaka Firefighting Water Supply Commercial CBD Rating Area and Tākaka Firefighting Water Supply Residential Rating Area	D1, D2	Fixed amount \$ per Rating Unit	\$34.00	19
Where land is situated and the provision of service and the activities controlled under the Tasman Resource Management Plan under the Resource Management Act 1991. This rate will apply to those rating units in the Wai-iti Dam Rating Area that are permit holders under the Resource Management Act 1991 because they are able to use the amount of augmented water as permitted by their resource consent and apply it to the land in accordance with the amount and rate specified in the resource consent	E1	Extent of provision of service: charged at \$ per hectare as authorised by water permits granted under the Resource Management Act 1991	\$277.87	246



DESCRIPTION OF EACH RATE (CONT.)

TARGETED RATES (CONT.)

DIFFERENTIAL CATEGORY	
3 WASTEWATER RATE	
<p>(Funding the Wastewater activities including providing and managing wastewater treatment facilities and sewage collection and disposal.)</p> <p><i>In respect of rating units used primarily as a residence for one household, the rating unit will be treated as having no more than one toilet.</i></p> <p><i>The costs associated with wastewater are lower per pan the more pans that are present. For this reason the Council has determined that a differential charge will be applied as follows:</i></p>	
*One toilet or urinal. A differential of 1 is set.	First toilet or urinal ("pan")
*2 – 10 toilets or urinals. A differential of 0.75 is set.	2 – 10 toilets or urinals ("pans")
*11 or more toilets or urinals. A differential of 0.5 is set.	11 or more toilets or urinals ("pans")
<p><i>For example, a non-residential property with 12 pans would pay one of the first pan charge, nine of the 2 – 10 pans charge, and two of the 11 or more pans charge.</i></p>	
4 REGIONAL RIVER WORKS RATE	
<p>(Funding Rivers activities – river works including maintaining rivers in order to promote soil conservation and mitigate damage caused by floods and riverbank erosion and to maintain quality river control and flood protection schemes.)</p> <p><i>The river works benefits are not equal throughout the District. For this reason the Council has determined that a differential charge will be applied.</i></p> <p><i>The differentials are planned so that the Area X Differential and Area Y Differential will be charged at the same rate, and the total amount of rates planned to be generated by the combined Area X Differential and Area Y Differential is the same as the planned rates generated for the Area Z Differential.</i></p>	
	River Rating Area X Differential
	River Rating Area Y Differential
	River Rating Area Z Differential

DESCRIPTION OF EACH RATE (CONT.)

CATEGORIES OF LAND ON WHICH RATE IS SET	MAP REF. (IF APPLICABLE)	FACTORS	2021/2022 RATE (GST INC)	2021/2022 TOTAL RATE (\$000, GST INC)
Provision of a service. The provision of service is measured by the number of toilets and/or urinals ("pans") connected either directly or by private drain to a public wastewater system with a minimum of one pan being charged per connected rating unit.				
		Uniform charge in the \$ for each toilet or urinal (pan)	\$704.18	10,244
		Uniform charge in the \$ for each toilet or urinal (pan)	\$528.13	1,602
		Uniform charge in the \$ for each toilet or urinal (pan)	\$352.09	708
Every rateable rating unit in the District				
Where the land is situated being rateable rating units in the River Rating Area X	F1, F2	Rate in the \$ of Land Value	0.0555 cents	734
Where the land is situated being rateable rating units in the River Rating Area Y	F1, F2	Rate in the \$ of Land Value	0.0555 cents	521
Where the land is situated being rateable rating units in the River Rating Area Z	F2	Rate in the \$ of Land Value	0.0128 cents	1,254



DESCRIPTION OF EACH RATE (CONT.)

TARGETED RATES (CONT.)

	DIFFERENTIAL CATEGORY
5 MOTUEKA BUSINESS RATE	

(Funding Governance activities – providing a grant to Our Town Motueka to fund promotion of the Motueka business area.)

The promotion of the Motueka business area has a greater benefit for those businesses that are closer to the CBD. For this reason the Council has determined that a differential charge will be applied.

The differentials are planned to generate two times the total amount of rates from the Area A Differential than the Area B Differential.

Motueka Business
Area A Differential

Motueka Business Area
B Differential

6 RICHMOND BUSINESS RATE

(Funding Governance activities – providing a grant to Richmond Unlimited to fund promotion of the Richmond business area.)



DESCRIPTION OF EACH RATE (CONT.)

CATEGORIES OF LAND ON WHICH RATE IS SET	MAP REF. (IF APPLICABLE)	FACTORS	2021/2022 RATE (GST INC)	2021/2022 TOTAL RATE (\$000, GST INC)
Where the land is situated being rateable rating units in the Motueka Business Rating Area A and B and the use to which the land is put. The land usage categories as set out in the Rating Valuations Rules 2008 for actual property use that will be charged for this rate include: Commercial, Industrial, Multi use commercial/industrial, Residential – public communal/multi use, Lifestyle – multi-use, Transport, Utility services –communications, Community services –Medical and allied, and Recreational	G1, G2			
This will apply to properties with land use categories as listed above for rateable rating units in Motueka Business Rating Area A	G1, G2	Rate in the \$ of Capital Value	0.0385 cents	44
This will apply to properties with land use categories as listed above for rateable rating units in Motueka Business Rating Area B	G1	Rate in the \$ of Capital Value	0.0234 cents	22
Where the land is situated being rateable rating units in the Richmond Business Rating Area and the use to which the land is put. The land usage categories as set out in the Rating Valuations Rules 2008 for actual property use that will be charged for this rate include: Commercial, Industrial, Multi use commercial/ industrial, Residential –public communal/ multi use, Lifestyle – multi-use, Transport, Utility services – communications, Community services – Medical and allied, and Recreational	H1	Rate in the \$ of Capital Value	0.043 cents	133



DESCRIPTION OF EACH RATE (CONT.)

TARGETED RATES (CONT.)

	DIFFERENTIAL CATEGORY
7 RUBY BAY STOPBANK RATE	
(Funding the costs of Coastal Assets activities – the capital costs of the Ruby Bay Stop Bank.)	
8 MĀPUA STOPBANK RATE	
(Funding the costs of Coastal Assets activities – the capital costs of the Māpua Stop Bank and the operating and other costs of the Ruby Bay and Māpua Stop Banks and coastal studies.)	
9 TORRENT BAY REPLENISHMENT RATE	
(Funding the costs of Coastal Assets activities – reinstating and maintaining the beach at Torrent Bay.)	
<i>The replenishment has a benefit to the rating units in the Torrent Bay area, with a higher degree of benefits for those that are closer to the foreshore. For this reason the Council has determined that a differential charge will be applied.</i>	Torrent Bay Area A Differential
<i>The differentials are set to generate the same amount of planned rates from Torrent Bay Area A Differential and Torrent Bay Area B Differential. There are significantly more rating units in Area B than in Area A which means those individual rating units in Area A will be contributing more for the higher degree of benefits they receive.</i>	Torrent Bay Area B Differential
10 DISTRICT FACILITIES RATE	
(Funding Community Development activities including part of the costs of capital and operating funding for large, community, recreational, sporting or cultural District projects which have met defined criteria, and will provide benefit to the residents of Tasman District.)	
11 SHARED FACILITIES RATE	
(Funding Community Development activities including part of the costs of capital and operating funding for large, community, recreational, sporting or cultural regional projects which have met defined criteria, and will provide benefit to the residents of Tasman District and Nelson City.)	
12 MUSEUMS FACILITIES RATE	
(Funding Community Development museum activities including contributing to the capital and operating costs of the Regional Museum, and the Council's District museums.)	

DESCRIPTION OF EACH RATE (CONT.)

CATEGORIES OF LAND ON WHICH RATE IS SET	MAP REF. (IF APPLICABLE)	FACTORS	2021/2022 RATE (GST INC)	2021/2022 TOTAL RATE (\$000, GST INC)
Where the land is situated being rateable rating units in the Ruby Bay Stopbank Rating Area	I1	Fixed amount \$ per Rating Unit	\$1,072.38	11
Where the land is situated being rateable rating units in the Māpua Stopbank Rating Area	J1	Fixed amount \$ per Rating Unit	\$51.61	62
Where the land is situated being rateable rating units in the Torrent Bay Rating Area A and B	K1 – K2			
Where the land is situated being rateable rating units in the Torrent Bay Rating Area A	K1	Fixed amount \$ per Rating Unit	\$857.52	10
Where the land is situated being rateable rating units in the Torrent Bay Rating Area B	K2	Fixed amount \$ per Rating Unit	\$270.79	10
Every rateable rating unit in the District		Fixed amount \$ per Rating Unit	\$104.75	2,582
Every rateable rating unit in the District		Fixed amount \$ per Rating Unit	\$67.15	1,655
Every rateable rating unit in the District		Fixed amount \$ per Rating Unit	\$61.89	1,526



DESCRIPTION OF EACH RATE (CONT.)

TARGETED RATES (CONT.)

DIFFERENTIAL CATEGORY	
13 REFUSE / RECYCLING RATE	
(Funding Waste Management and Minimisation activities including kerbside recycling, rubbish collection and other waste related activities.)	
14 MĀPUA REHABILITATION RATE	
(Funding costs of Environmental Management activities – interest and loans and holding costs associated with the former Fruit Grower Chemical Company site.)	
15 GOLDEN BAY COMMUNITY BOARD RATE	
(Funding Governance activities – the costs of the Golden Bay Community Board and specific projects that the Board wishes to undertake in the Golden Bay Ward.)	
16 MOTUEKA COMMUNITY BOARD RATE	
(Funding Governance activities – the costs of the Motueka Community Board and specific projects that the Board wishes to undertake in the Motueka Ward.)	
17 WARM TASMAN RATE	
(Funding the costs of Environmental Management activities – the Warm Tasman Scheme.)	



DESCRIPTION OF EACH RATE (CONT.)

CATEGORIES OF LAND ON WHICH RATE IS SET	MAP REF. (IF APPLICABLE)	FACTORS	2021/2022 RATE (GST INC)	2021/2022 TOTAL RATE (\$000, GST INC)
Where the land is situated being rating units in the Refuse – Recycling Rating Area	L1 – 16	Fixed amount \$ per Rating Unit	\$135.51	2,837
Every rateable rating unit in the District		Fixed amount \$ per Rating Unit	\$5.39	133
Where the land is situated being rateable rating units in the Golden Bay Community Board Rating Area, which is the Golden Bay Ward	M1	Fixed amount \$ per Rating Unit	\$20.07	68
Where the land is situated being rateable rating units in the Motueka Community Board Rating Area, which is the Motueka Ward	N1	Fixed amount \$ per Rating Unit	\$19.26	113
Provision of service which occurs when homeowners apply and are approved into the scheme which results in the installation of a wood burner and/or insulation into their property		Extent of provision of service: calculated per \$ of the total cost of the installed works and the administration fee charged over a nine year period including GST and interest	\$0.1467	21



DESCRIPTION OF EACH RATE (CONT.)

TARGETED RATES (CONT.)

DIFFERENTIAL CATEGORY
18 WAIMEA COMMUNITY DAM – ENVIRONMENTAL AND COMMUNITY BENEFITS RATES
<i>The Council utilises two targeted rates to fund the Council's rates contribution for environmental and community benefits associated with the Waimea Community Dam. The Districtwide rate is set to fund 70% of the environmental and community benefit cost to be funded through rates less the amount recovered through charges. In addition those rating units within the Zone of Benefit (ZOB) will fund the remaining 30% of the revenue less the amount recovered through charges because properties with a closer proximity to the water supplied by the dam will have a greater benefit than those farther away.</i>
18.1 WAIMEA COMMUNITY DAM – ENVIRONMENTAL AND COMMUNITY BENEFITS DISTRICTWIDE RATE
(Funding the costs of the water supply activity – Council's contribution for the environmental and community benefits associated with the Waimea Community Dam.)
18.2 WAIMEA COMMUNITY DAM – ENVIRONMENTAL AND COMMUNITY BENEFITS ZOB RATE
(Funding the costs of the water supply activity – Council's contribution for the environmental and community benefits associated with the Waimea Community Dam.)
TOTAL INCLUDING GST
TOTAL EXCLUDING GST
Plus: Rates penalties
Less: Rates remissions net of GST
TOTAL RATES INCLUDING RATES PENALTIES AND NET OF RATES REMISSIONS INCLUDING GST
TOTAL RATES INCLUDING RATES PENALTIES AND NET OF RATES REMISSIONS EXCLUDING GST



DESCRIPTION OF EACH RATE (CONT.)

CATEGORIES OF LAND ON WHICH RATE IS SET	MAP REF. (IF APPLICABLE)	FACTORS	2021/2022 RATE (GST INC)	2021/2022 TOTAL RATE (\$000, GST INC)
Every rateable rating unit in the District		Fixed amount \$ per Rating Unit	\$28.78	710
Where the land is situated being rateable rating units in the Waimea Community Dam Zone of Benefit Rating Area	O1	Rate in the \$ of Capital Value	0.0033 cents	305
				95,117
				82,710
				414
				(456)
				95,006
				82,668



ASSESSMENT AND INVOICING

For rates other than volumetric metered water rates, rates are set as at 1 July each year and the Council invoices rates quarterly, with the instalment invoice dates being 1 August, 1 November, 1 February and 1 May. Each instalment is one quarter of the total annual rates payable for the year. Rates are due and payable to the Tasman District Council. The 2021/2022 rates instalments due dates for payment are:

INSTALMENT 1 DUE DATE	20 AUG 2021
INSTALMENT 2 DUE DATE	22 NOV 2021
INSTALMENT 3 DUE DATE	21 FEB 2022
INSTALMENT 4 DUE DATE	20 MAY 2022

Volumetric metered water rates are invoiced separately from other rates. Invoices for the majority of users are issued six monthly and invoices for larger industrial users are issued monthly. The 2021/2022 due dates for payment are as follows:

METERS INVOICED IN JUNE: 20 JUL 2021
(may include but is not limited to meters in Murchison, Upper Tākaka, Pōhara, Collingwood and meters W00898, W00897, W00906, W45268, W00910, W00899)

METERS INVOICED IN JULY: 20 AUG 2021
(may include but is not limited to meters in Hope, Brightwater, Wakefield, Tapawera, meters W00898, W00897, W00906, W45268, W00910, W00899)

METERS INVOICED IN AUGUST: 20 SEP 2021
(may include but is not limited to meters in Māpua, meters W00898, W00897, W00906, W45268, W00910, W00899)

METERS INVOICED IN SEPTEMBER: 20 OCT 2021
(may include but is not limited to meters in Motueka, Kaiteriteri, Riwaka, meters W00898, W00897, W00906, W45268, W00910, W00899)

METERS INVOICED IN OCTOBER: 22 NOV 2021
(may include but is not limited to meters in Richmond, meters W00898, W00897, W00906, W45268, W00910, W00899)

METERS INVOICED IN NOVEMBER: 20 DEC 2021
(may include but is not limited to meters W00898, W00897, W00906, W45268, W00910, W00899)

METERS INVOICED IN DECEMBER: 20 JAN 2022
(may include but is not limited to meters in Murchison, Upper Tākaka, Pōhara, Collingwood and meters W00898, W00897, W00906, W45268, W00910, W00899)

METERS INVOICED IN JANUARY: 21 FEB 2022
(may include but is not limited to meters in Hope, Brightwater, Wakefield, Tapawera, meters W00898, W00897, W00906, W45268, W00910, W00899)

METERS INVOICED IN FEBRUARY: 21 MAR 2022
(may include but is not limited to meters in Māpua, meters W00898, W00897, W00906, W45268, W00910, W00899)

METERS INVOICED IN MARCH: 20 APR 2022
(may include but is not limited to meters in Motueka, Kaiteriteri, Riwaka, meters W00898, W00897, W00906, W45268, W00910, W00899)

METERS INVOICED IN APRIL: 20 MAY 2022
(may include but is not limited to meters in Richmond, meters W00898, W00897, W00906, W45268, W00910, W00899)

METERS INVOICED IN MAY: 20 JUN 2022
(may include but is not limited to meters W00898, W00897, W00906, W45268, W00910, W00899)

Payments received will be applied to the oldest outstanding amounts first.



ASSESSMENT AND INVOICING (CONT.)

PENALTIES

For rates other than volumetric metered water rates, under Section 57 and 58 of the Local Government (Rating) Act 2002, the Council prescribes a penalty of ten percent (10%) of the amount of rate instalments remaining unpaid after the due date to be added on the following dates:

INSTALMENT 1 PENALTY DATE	23 AUG 2021
INSTALMENT 2 PENALTY DATE	23 NOV 2021
INSTALMENT 3 PENALTY DATE	22 FEB 2022
INSTALMENT 4 PENALTY DATE	23 MAY 2022

For volumetric metered water rates, a penalty of 10 percent (10%) will be added to the amount of metered water rates remaining unpaid after the due date to be added on the following dates:

METERS INVOICED IN JUNE: 21 JUL 2021

METERS INVOICED IN JULY: 23 AUG 2021

METERS INVOICED IN AUGUST: 21 SEP 2021

METERS INVOICED IN SEPTEMBER: 21 OCT 2021

METERS INVOICED IN OCTOBER: 23 NOV 2021

METERS INVOICED IN NOVEMBER: 21 DEC 2021

METERS INVOICED IN DECEMBER: 21 JAN 2022

METERS INVOICED IN JANUARY: 22 FEB 2022

METERS INVOICED IN FEBRUARY: 22 MAR 2022

METERS INVOICED IN MARCH: 21 APR 2022

METERS INVOICED IN APRIL: 23 MAY 2022

METERS INVOICED IN MAY: 21 JUN 2022

On 8 July 2021, a further penalty of five percent (5%) will be added to rates (including previously applied penalties) that remain unpaid from previous years on 7 July 2021. On 10 January 2022, a further penalty of five percent (5%) will be added to any portion of previous years rates (including previously applied penalties) still remaining unpaid on 8 January 2022.

The above penalties will not be charged on a rating unit where Council has agreed to a programme for payment of rate arrears or where a direct debit programme is in place and payments are being honoured in accordance with the Council's Rates Remission Policy.

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.

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 ³ 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 ³ of water, Urban Metered Water Supply	495,000	590,000
Residential – Kaiteriteri, with 149m ³ of water, Urban Water Supply Metered Connections	790,000	910,000
Residential – Brightwater, with 117m ³ of water, Urban Water Supply Metered Connections	500,000	610,000

RATES IMPACT ON EXAMPLE PROPERTIES (CONT.)



% CV INCREASE (2020 COMPARED WITH 2017)	2020/2021 ACTUAL RATES	2021/2022 PROPOSED RATES	% CHANGE FROM 2020/2021	\$ CHANGE FROM 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 ³ of water, Urban Water Supply Metered Connections	455,000	580,000
Residential – Motueka, with 87m ³ of water, Motueka Water Supply Metered Connections	490,000	590,000
Residential – Richmond (Waimea Village), with 29m ³ of water, Urban Water Supply Metered Connections	280,000	385,000
Residential – Richmond, with 103m ³ of water, Urban Water Supply Metered Connections	670,000	800,000
Residential – Richmond, with 181m ³ 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 ³ 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 ³ /day restrictor, Rural Water Extension to Urban Water Scheme	860,000	1,060,000
Lifestyle – Wakefield, with 3m ³ /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 ³ /day restrictor, Dovedale Rural Water Supply	430,000	530,000
Lifestyle, Tasman with 2m ³ /day restrictor, Rural Water Extension to Urban Water Scheme	825,000	1,020,000
Lifestyle – Bronte, with 3m ³ /day restrictor, Redwood Valley Rural Water Supply	1,390,000	1,690,000

RATES IMPACT ON EXAMPLE PROPERTIES (CONT.)

% CV INCREASE (2020 COMPARED WITH 2017)	2020/2021 ACTUAL RATES	2021/2022 PROPOSED RATES	% CHANGE FROM 2020/2021	\$ CHANGE FROM 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 ³ 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 51m ³ 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 – Tākaka	\$1,207	\$239	\$213	\$704	\$105	\$136	\$20
Residential – Murchison, with 131m ³ 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 ³ of water, Urban Metered Water Supply	\$1,453	\$239	\$271	\$704	\$58	\$136	–



RATES IMPACT ON EXAMPLE PROPERTIES (CONT.)

% CV INCREASE (2020 COMPARED WITH 2017)	2020/2021 ACTUAL RATES	2021/2022 PROPOSED RATES	% CHANGE FROM 2020/2021	\$ CHANGE FROM 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 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
\$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 ³ of water, Urban Water Supply Metered Connections	\$2,084	\$239	\$418	\$704	\$48	\$136	\$19
Residential – Brightwater, with 117m ³ of water, Urban Water Supply Metered Connections	\$1,492	\$239	\$280	\$704	\$178	\$136	–
Residential – Wakefield, with 185m ³ of water, Urban Water Supply Metered Connections	\$1,433	\$239	\$266	\$704	\$39	\$136	–
Residential – Motueka, with 87m ³ of water, Motueka Water Supply Metered Connections	\$1,453	\$239	\$271	\$704	\$48	\$136	\$19
Residential – Richmond (Waimea Village), with 29m ³ 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 ³ of water, Urban Water Supply Metered Connections	\$1,867	\$239	\$367	\$704	\$50	\$136	–
Residential – Richmond, with 181m ³ 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 ³ 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-ITI 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 ³ /day restrictor, Rural Water Extension to Urban Water Scheme	\$2,379	\$239	\$51	–	\$95	\$136	–
Lifestyle – Wakefield, with 3m ³ /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 ³ /day restrictor, Dovedale Rural Water Supply	\$1,335	\$239	\$25	–	\$45	–	–
Lifestyle, Tasman with 2m ³ /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 ³ /day restrictor, Redwood Valley Rural Water Supply	\$3,621	\$239	\$81	–	\$148	\$136	–
Commercial – Queen Street, Richmond, with 343m ³ 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 ³ 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

RATING MAPS INDEX

RATING MAP NAME	MAP REFERENCE
STORMWATER URBAN DRAINAGE RATING AREA	
Brightwater	A1 (page 41)
Collingwood	A2 (page 42)
Kaiteriteri	A3 (page 43)
Ligar Bay – Tata Beach	A4 (page 44)
Māpua – Ruby Bay	A5 (page 45)
Motueka	A6 (page 46)
Murchison	A7 (page 47)
Patons Rock	A8 (page 48)
Pōhara	A9 (page 49)
Richmond	A10 (page 50)
St Arnaud	A11 (page 51)
Tākaka	A12 (page 52)
Tapawera	A13 (page 53)
Tasman	A14 (page 54)
Wakefield	A15 (page 55)
HAMAMA RURAL WATER SUPPLY RATING AREA	B1 (page 56)
MOTUEKA FIREFIGHTING WATER SUPPLY RATING AREA	C1 (page 57)
TĀKAKA FIREFIGHTING WATER SUPPLY COMMERCIAL CBD RATING AREA	D1 (page 58)
TĀKAKA FIREFIGHTING WATER SUPPLY RESIDENTIAL RATING AREA	D2 (page 59)
TĀKAKA FIREFIGHTING WATER SUPPLY REST OF GOLDEN BAY RATING AREA	D3 (page 60)
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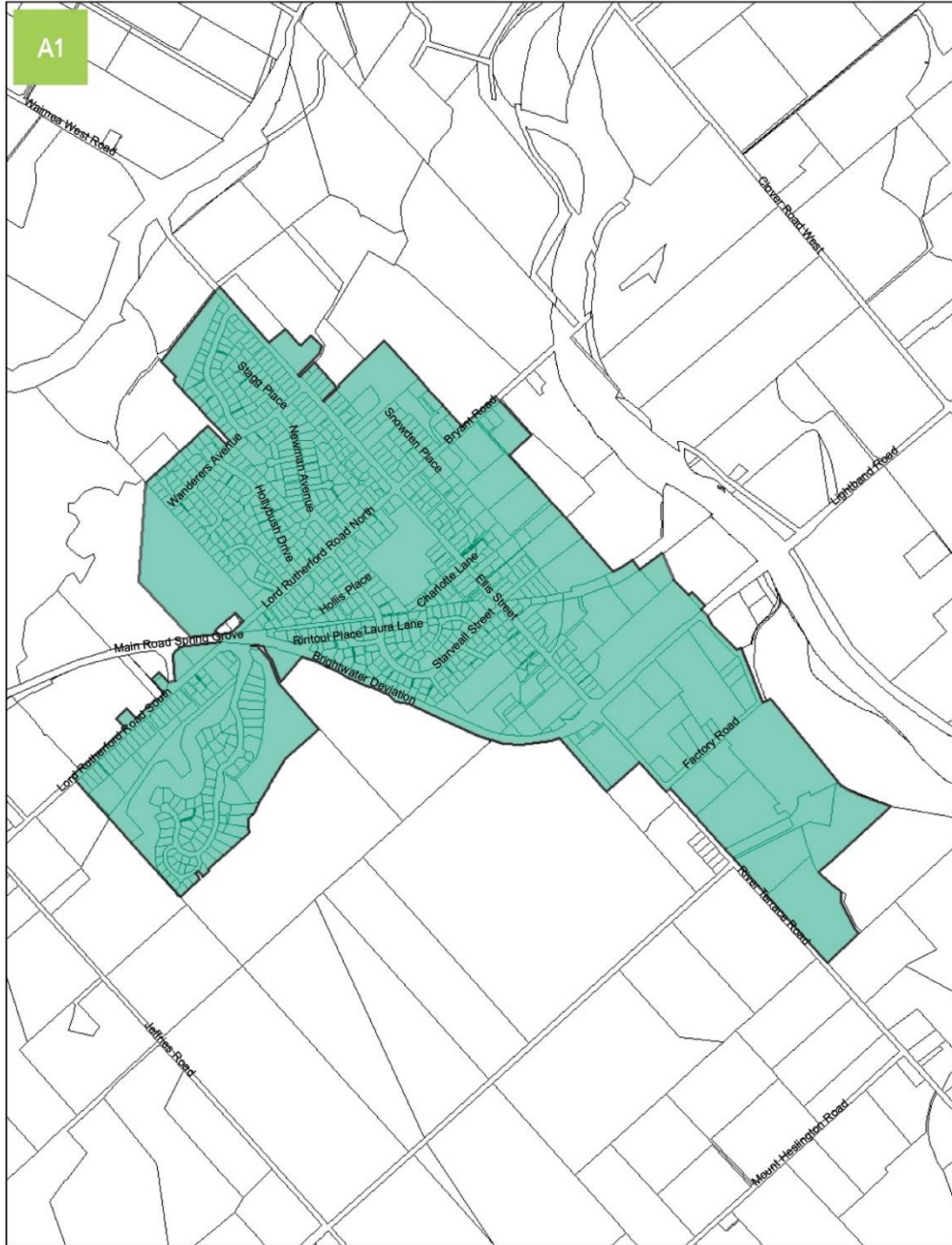


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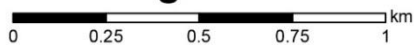
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RATING MAPS



**Stormwater Urban Drainage Rating Area
Brightwater**

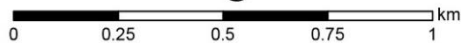




RATING MAPS

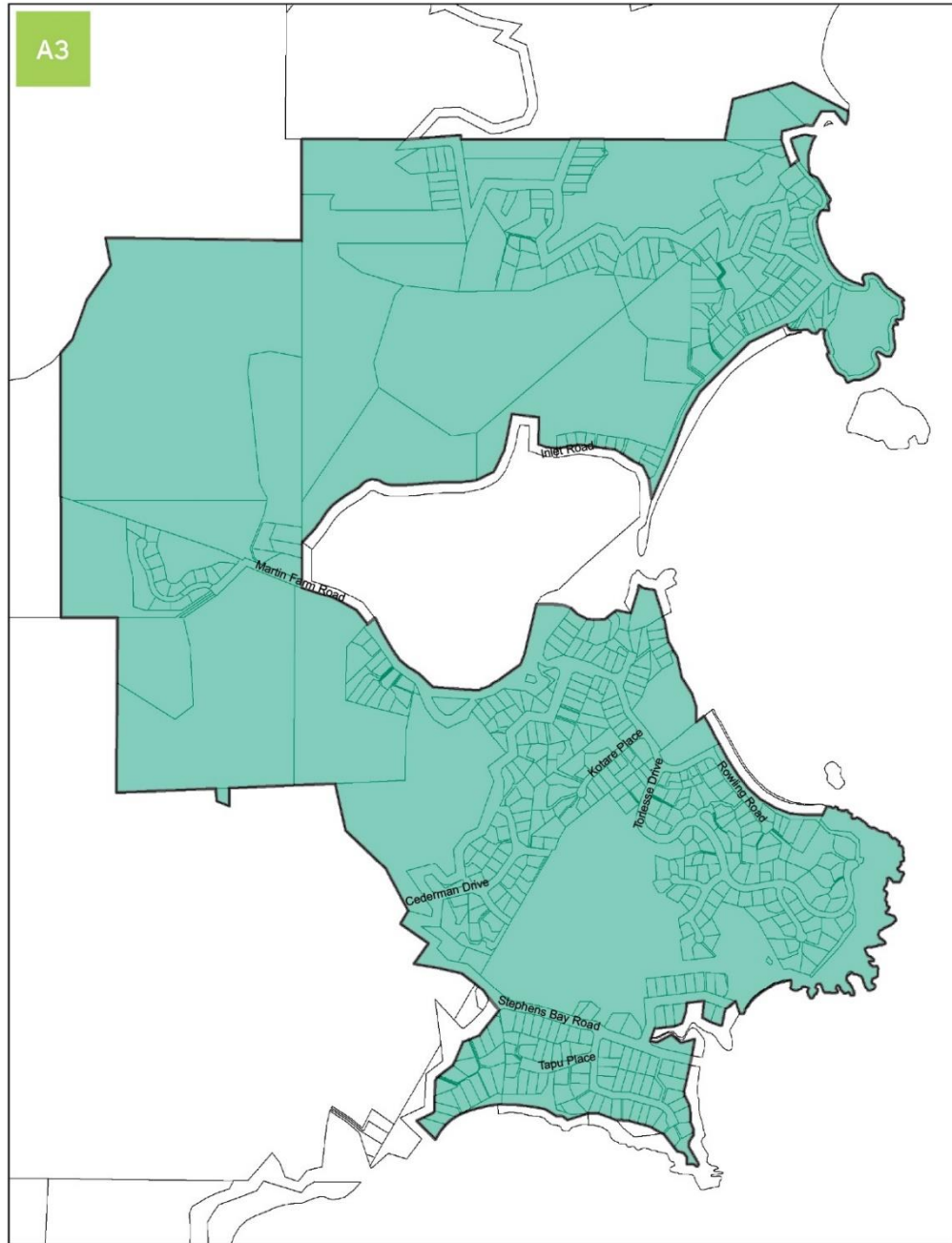


**Stormwater Urban Drainage Rating Area
Collingwood**

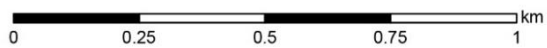




RATING MAPS

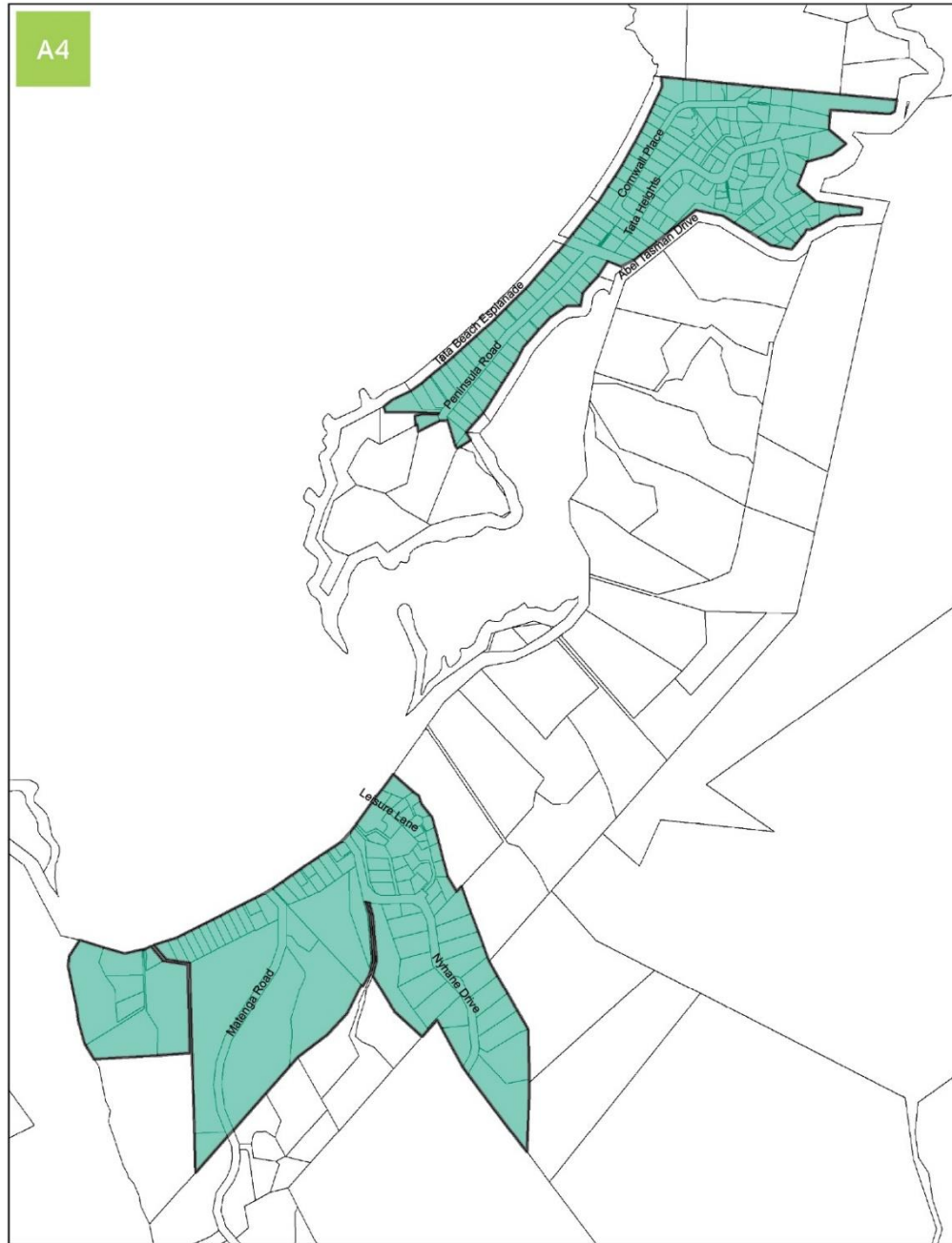


**Stormwater Urban Drainage Rating Area
Kaiteriteri**



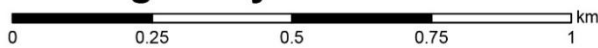


RATING MAPS



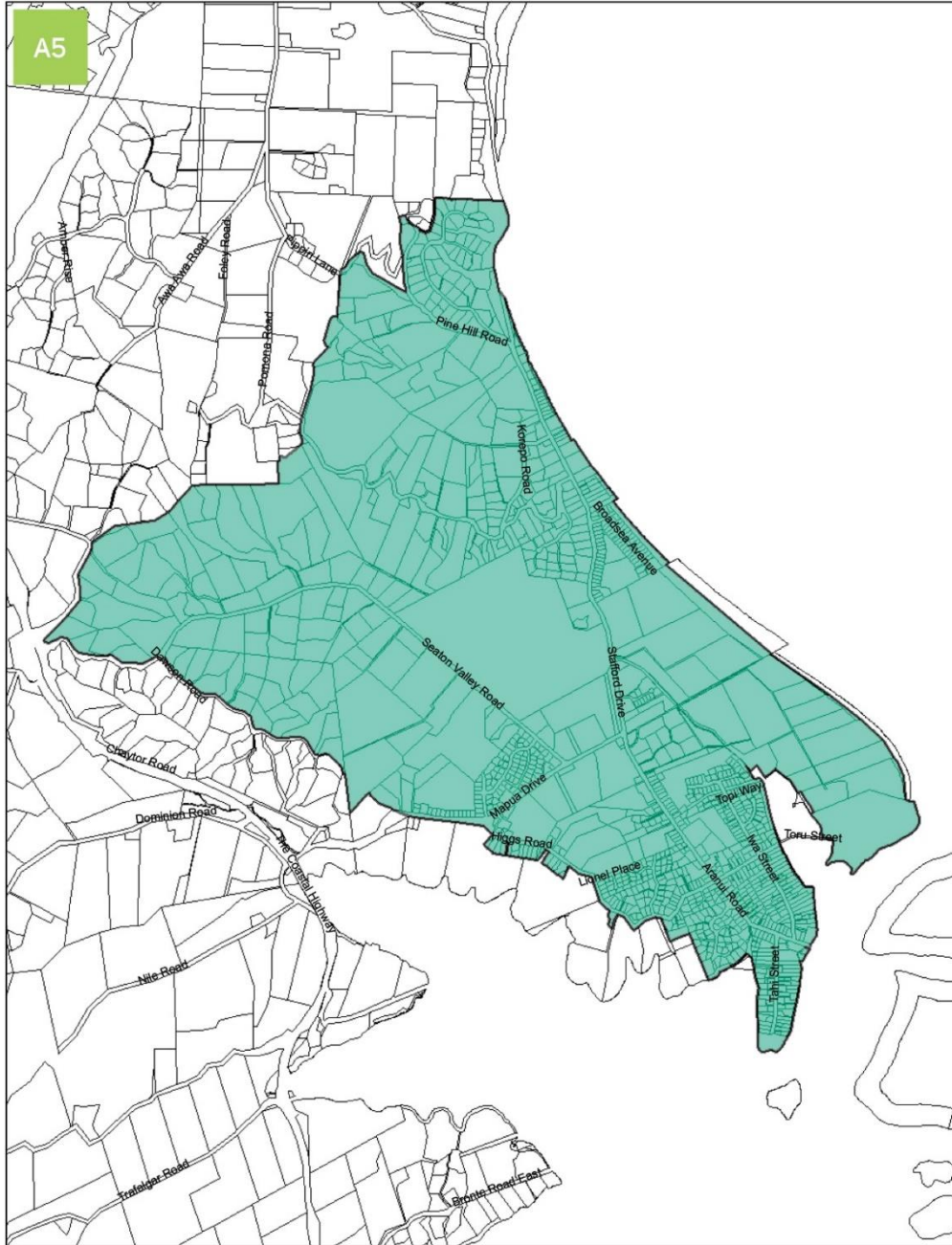
A4

**Stormwater Urban Drainage Rating Area
Ligar Bay - Tata Beach**





RATING MAPS

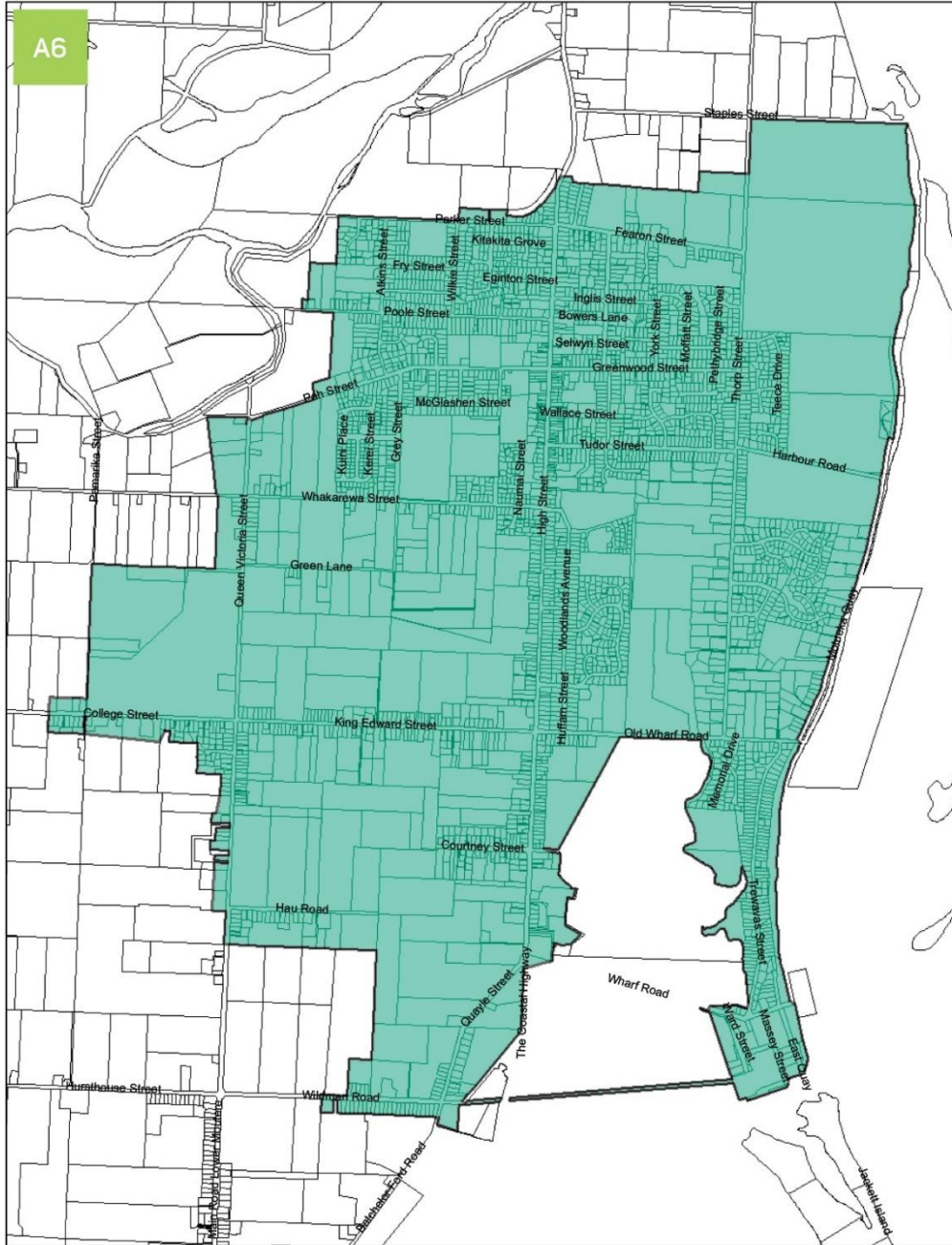


**Stormwater Urban Drainage Rating Area
Māpua - Ruby Bay**





RATING MAPS

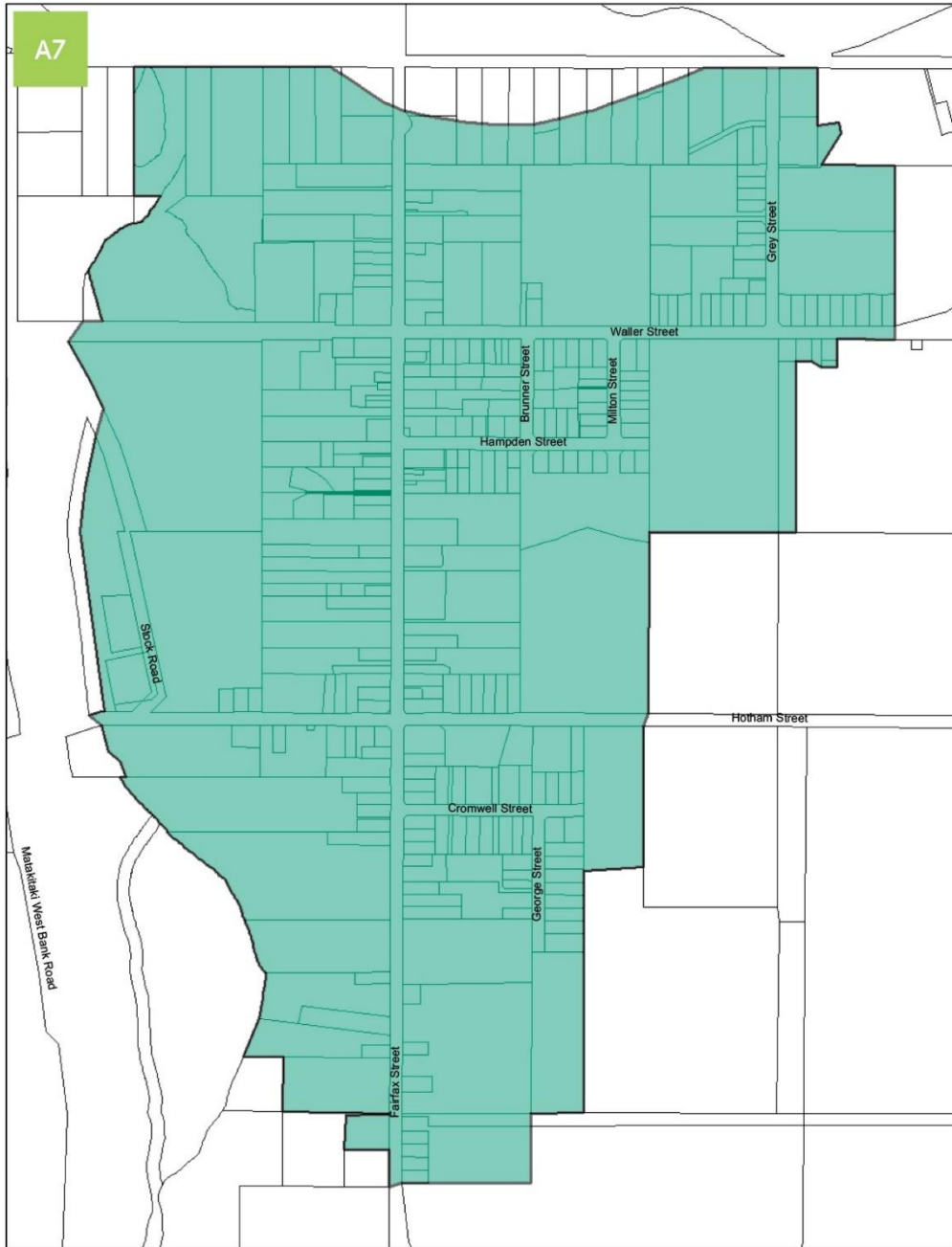


**Stormwater Urban Drainage Rating Area
Motueka**

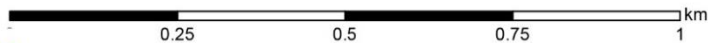




RATING MAPS



**Stormwater Urban Drainage Rating Area
Murchison**

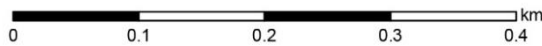




RATING MAPS

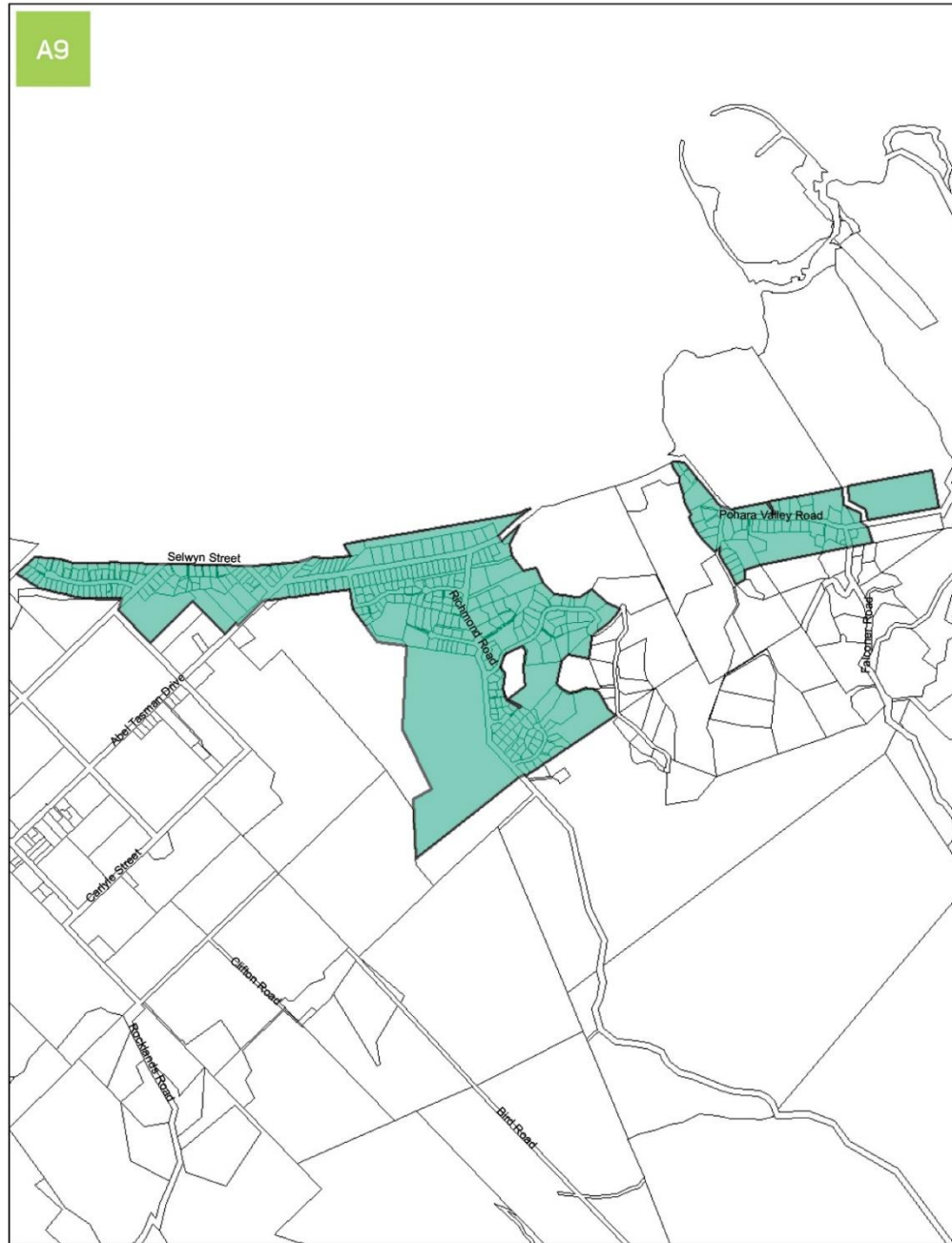


**Stormwater Urban Drainage Rating Area
Patons Rock**

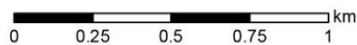




RATING MAPS

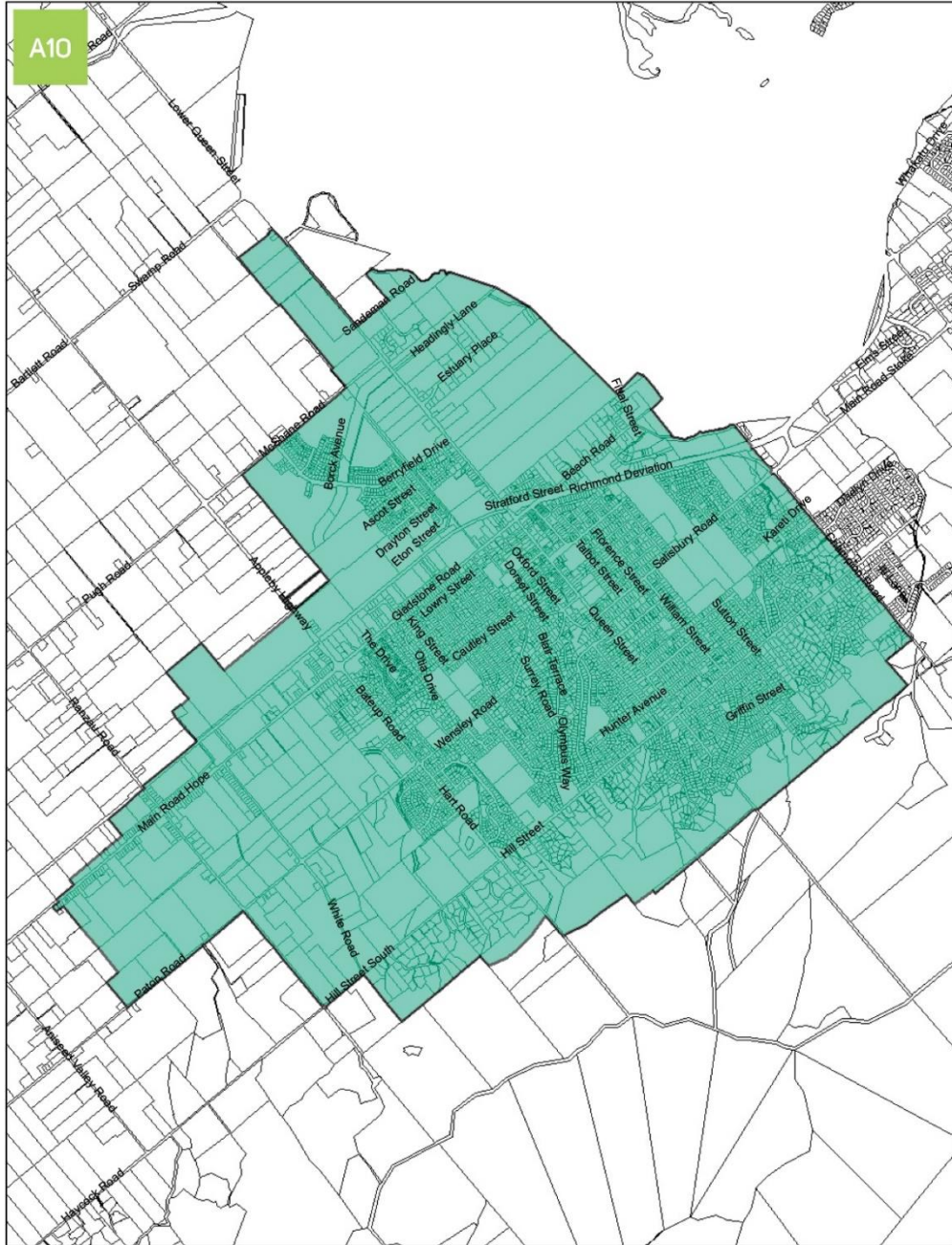


**Stormwater Urban Drainage Rating Area
Pōhara**





RATING MAPS

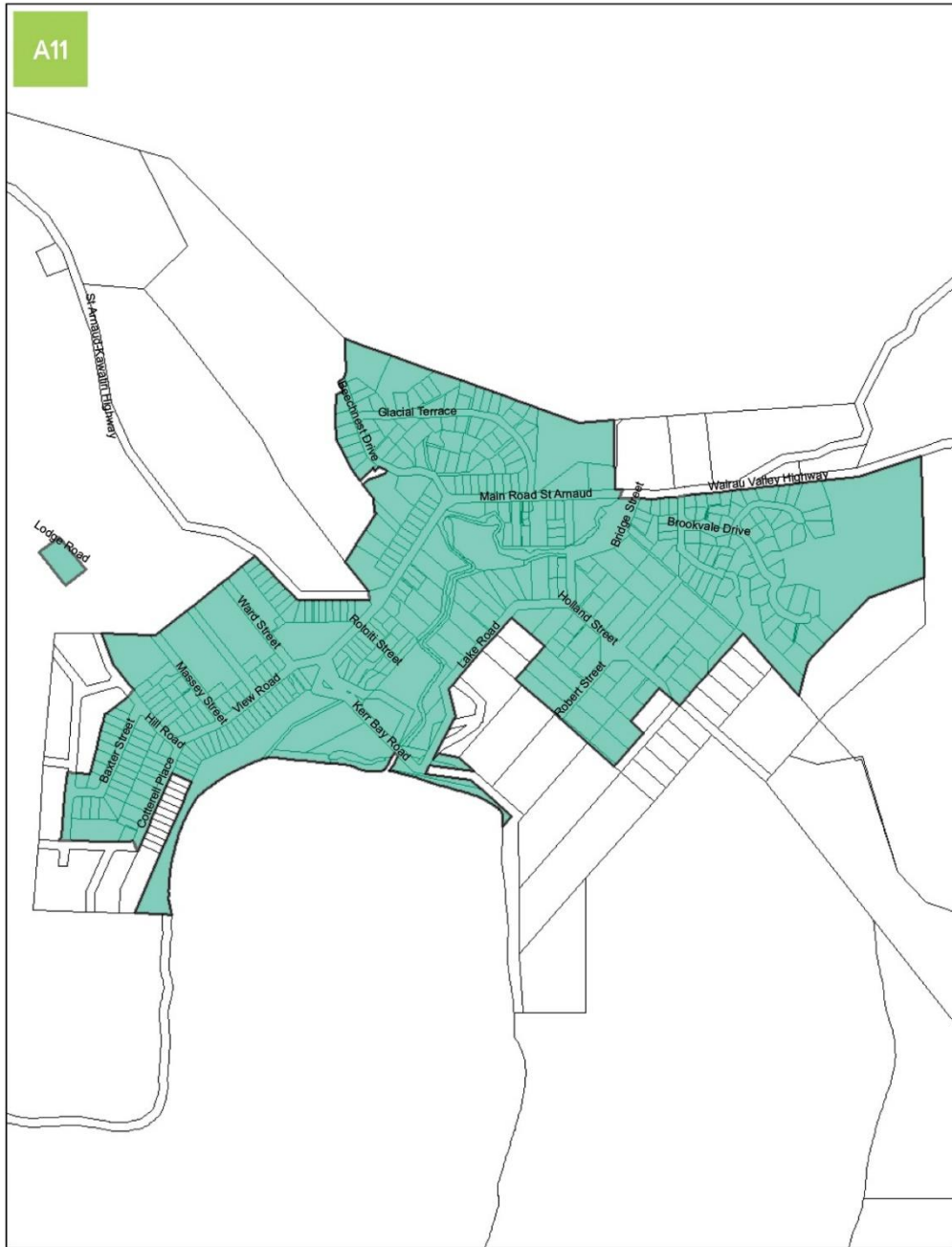


**Stormwater Urban Drainage Rating Area
Richmond**

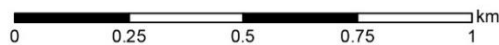




RATING MAPS

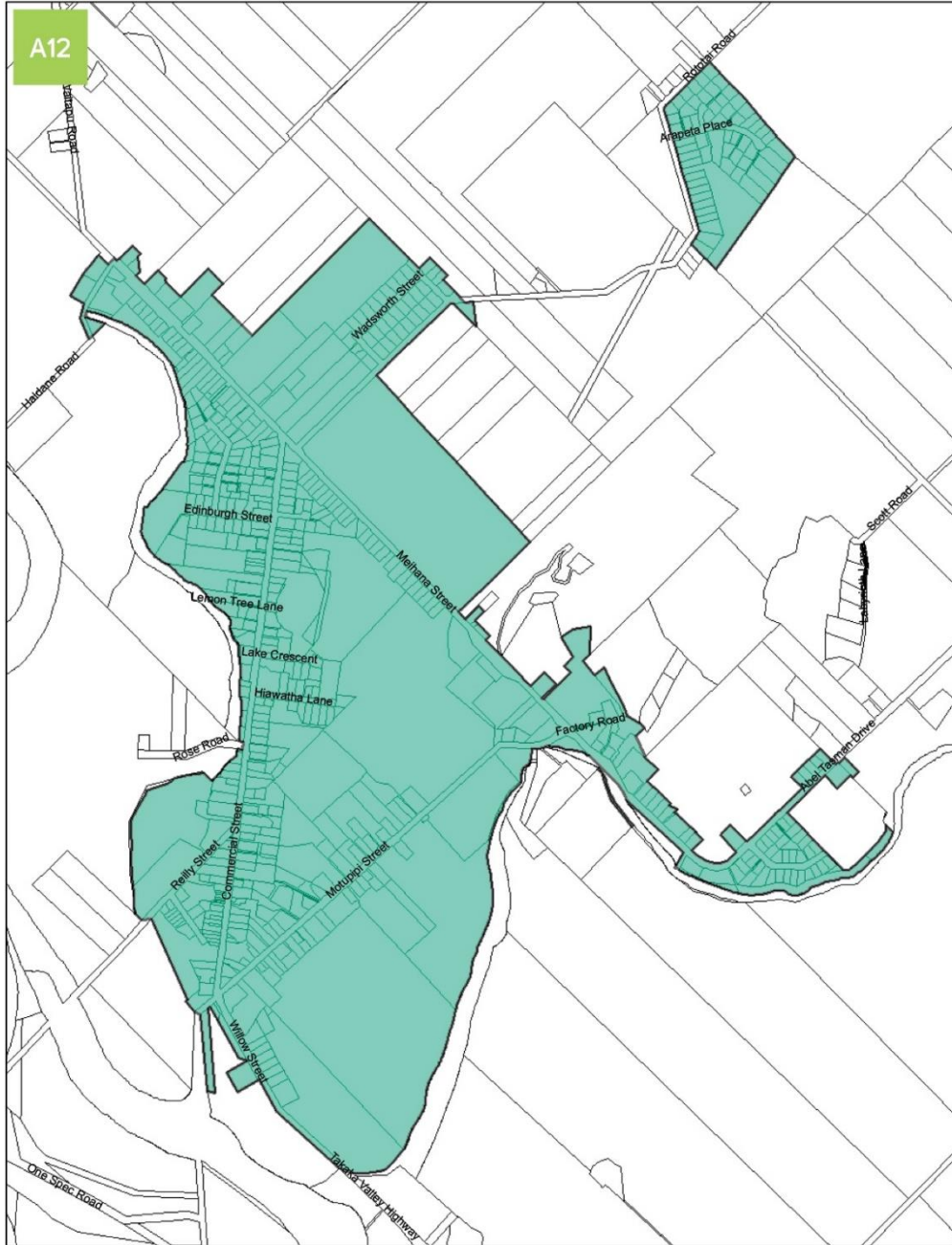


**Stormwater Urban Drainage Rating Area
St Arnaud**

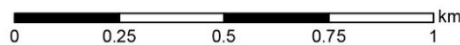




RATING MAPS

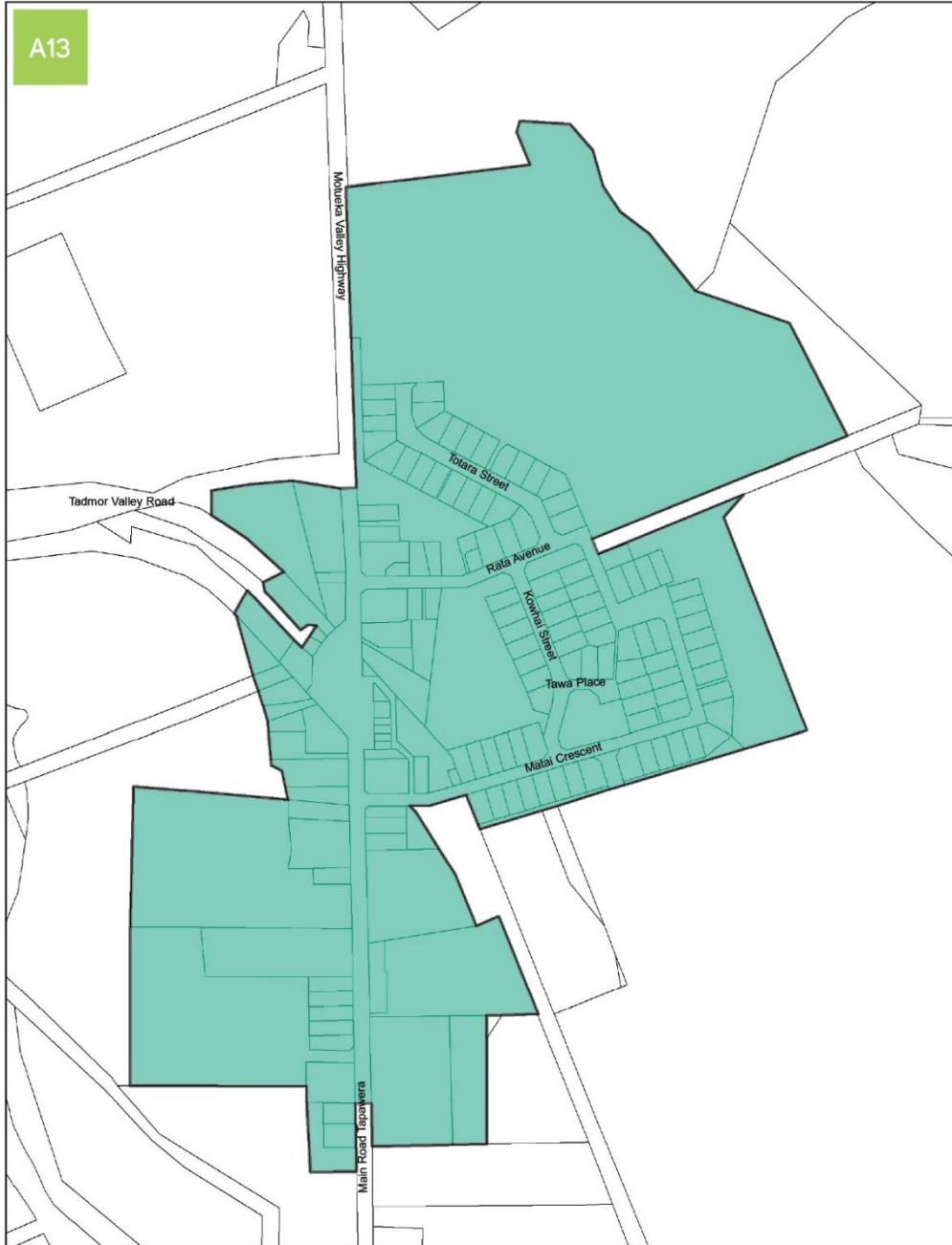


**Stormwater Urban Drainage Rating Area
Tākaka**

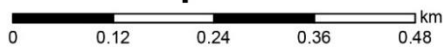




RATING MAPS



**Stormwater Urban Drainage Rating Area
Tapawera**

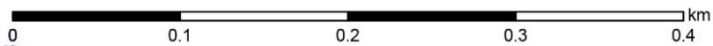




RATING MAPS

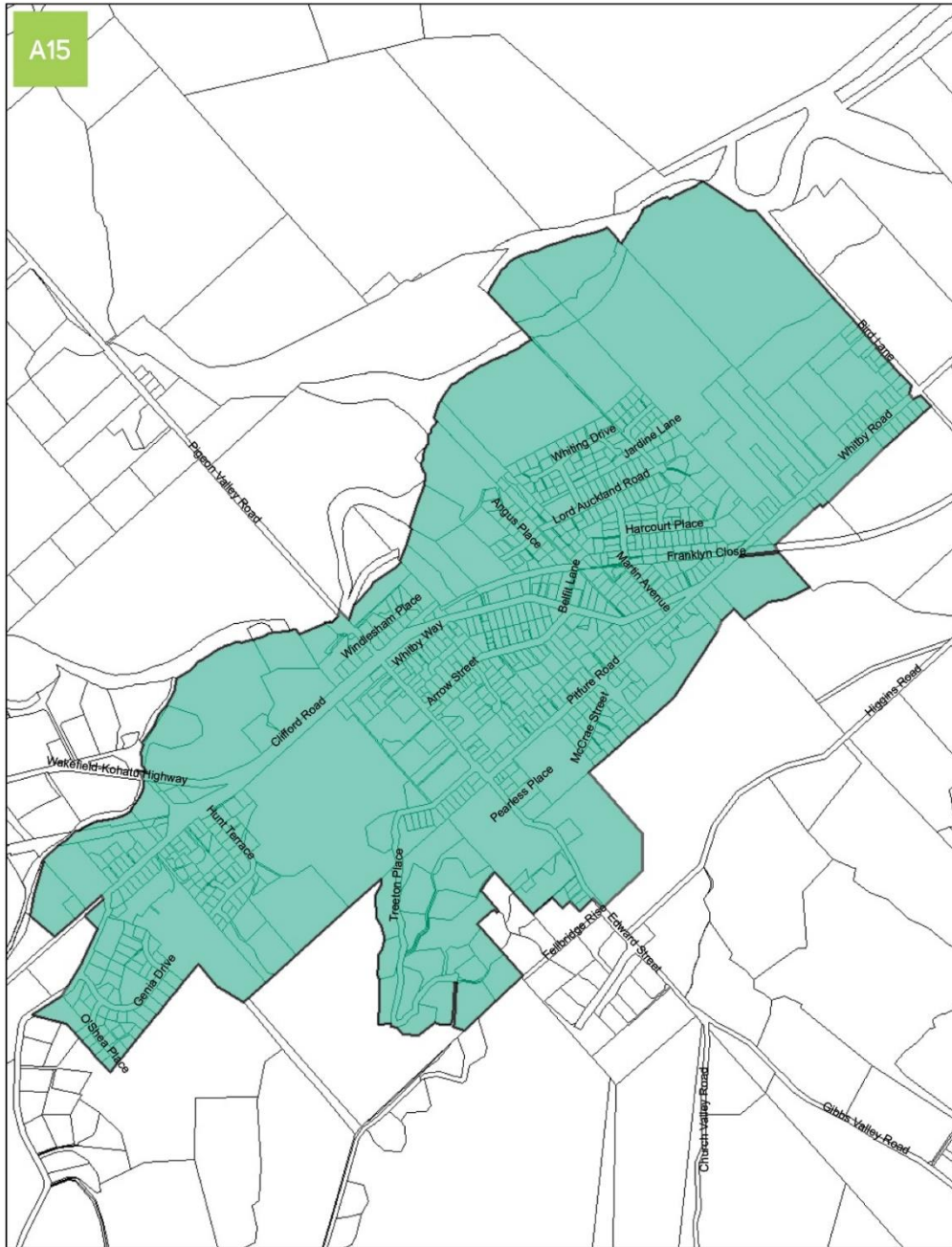


**Stormwater Urban Drainage Rating Area
Tasman**

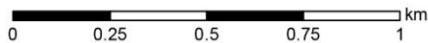




RATING MAPS

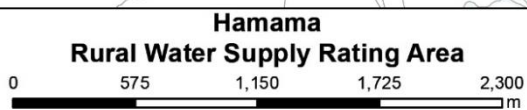
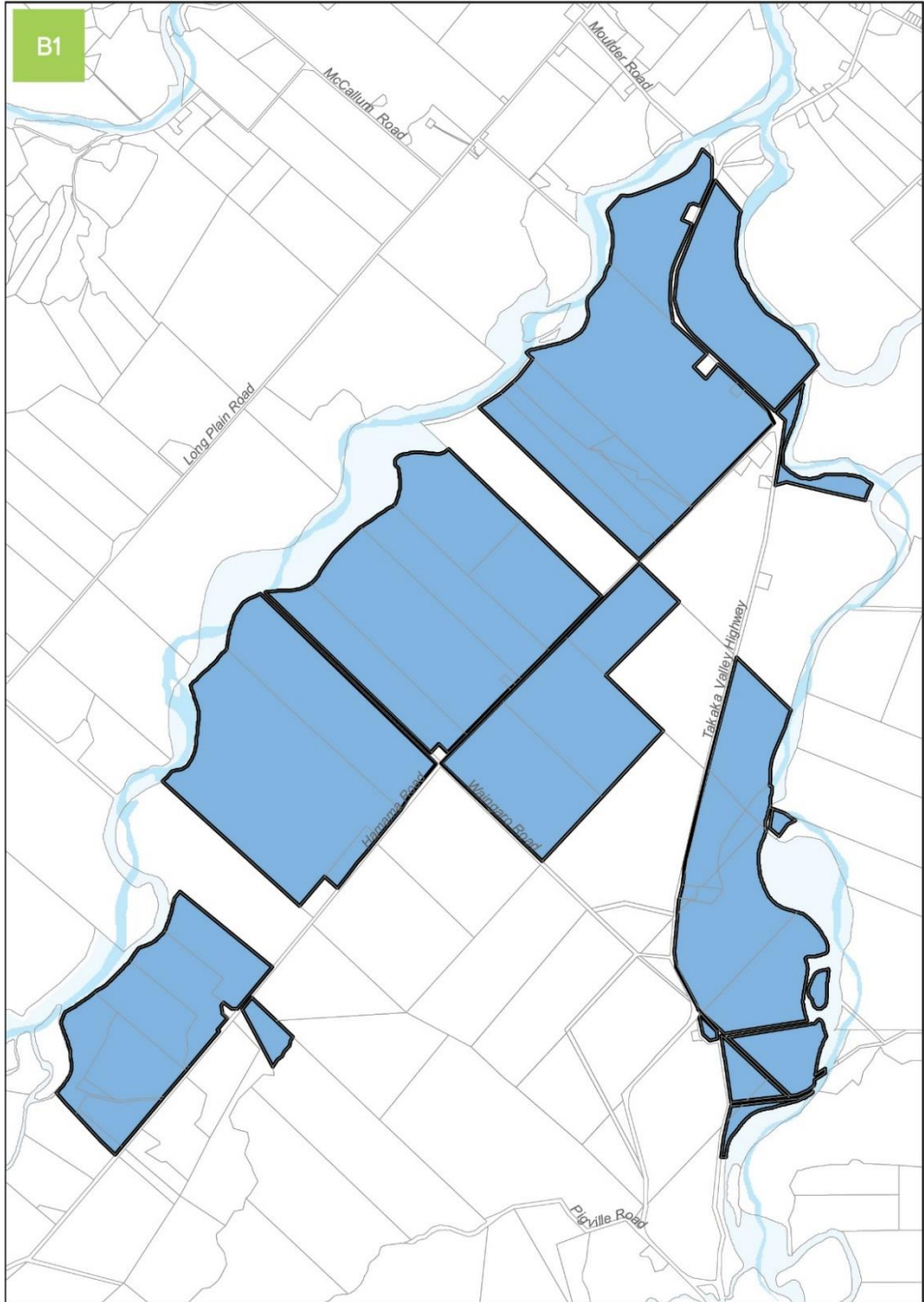


**Stormwater Urban Drainage Rating Area
Wakefield**



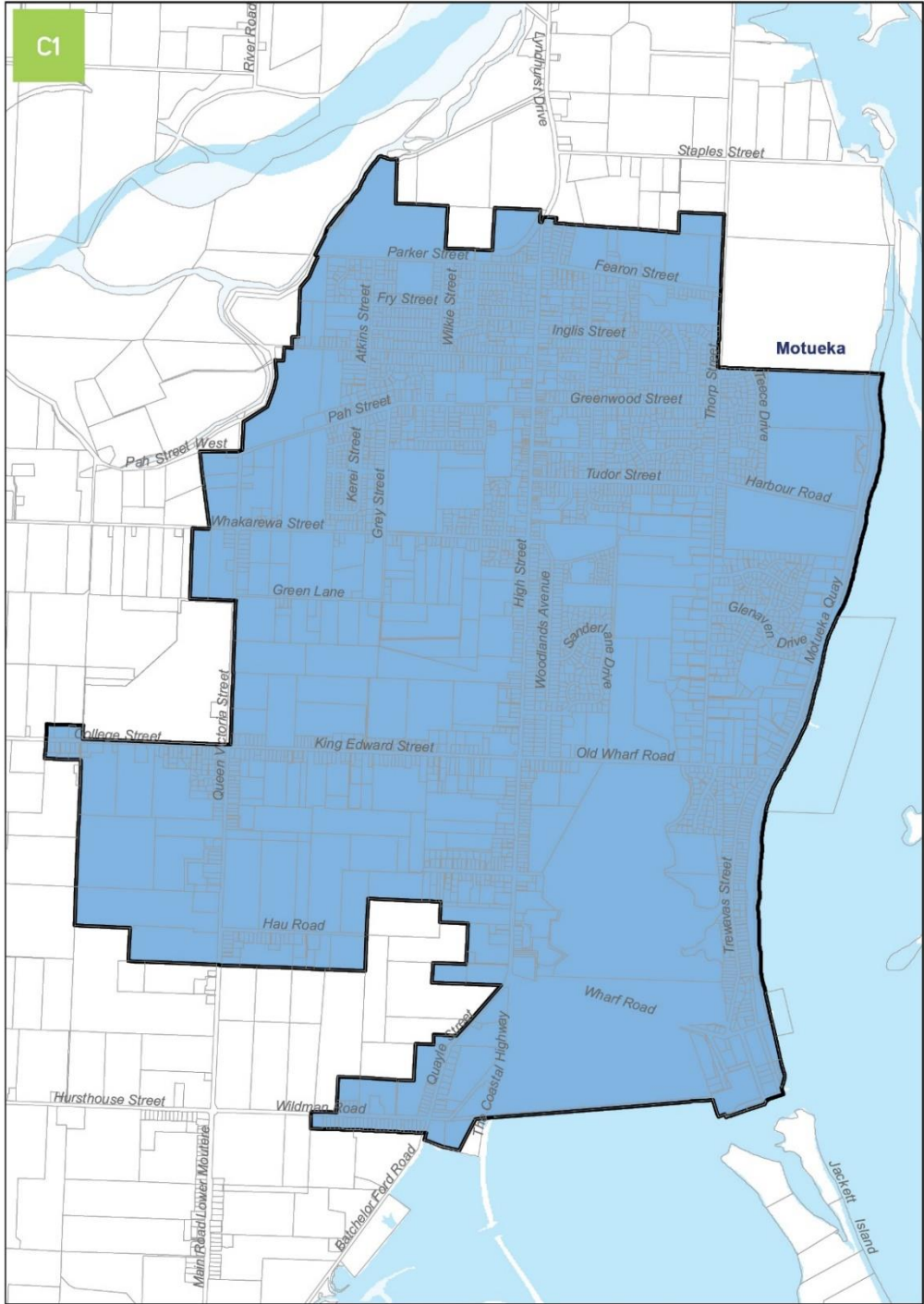


RATING MAPS

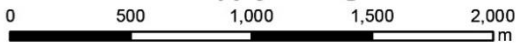




RATING MAPS

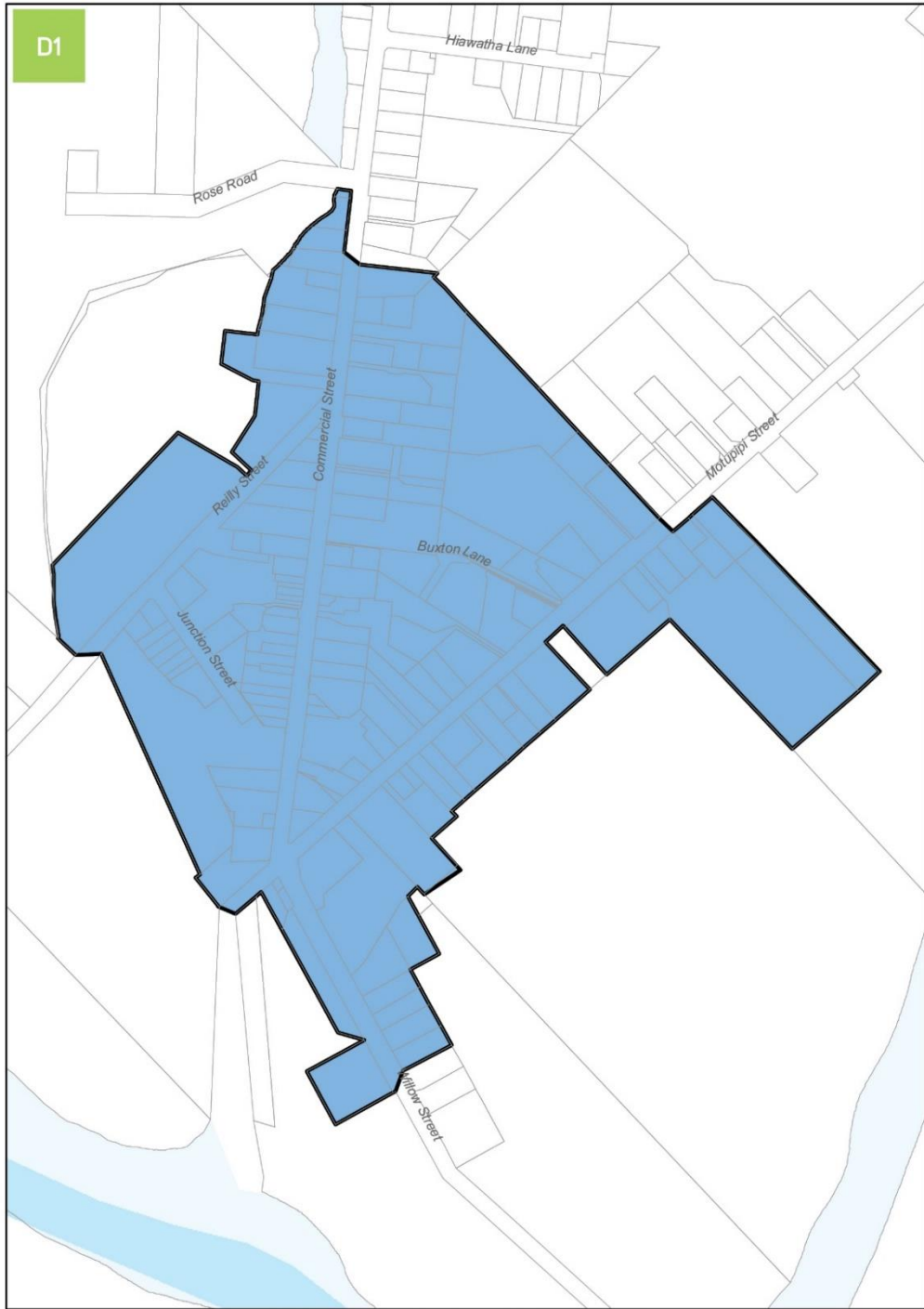


Motueka Firefighting Water Supply Rating Area

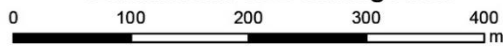




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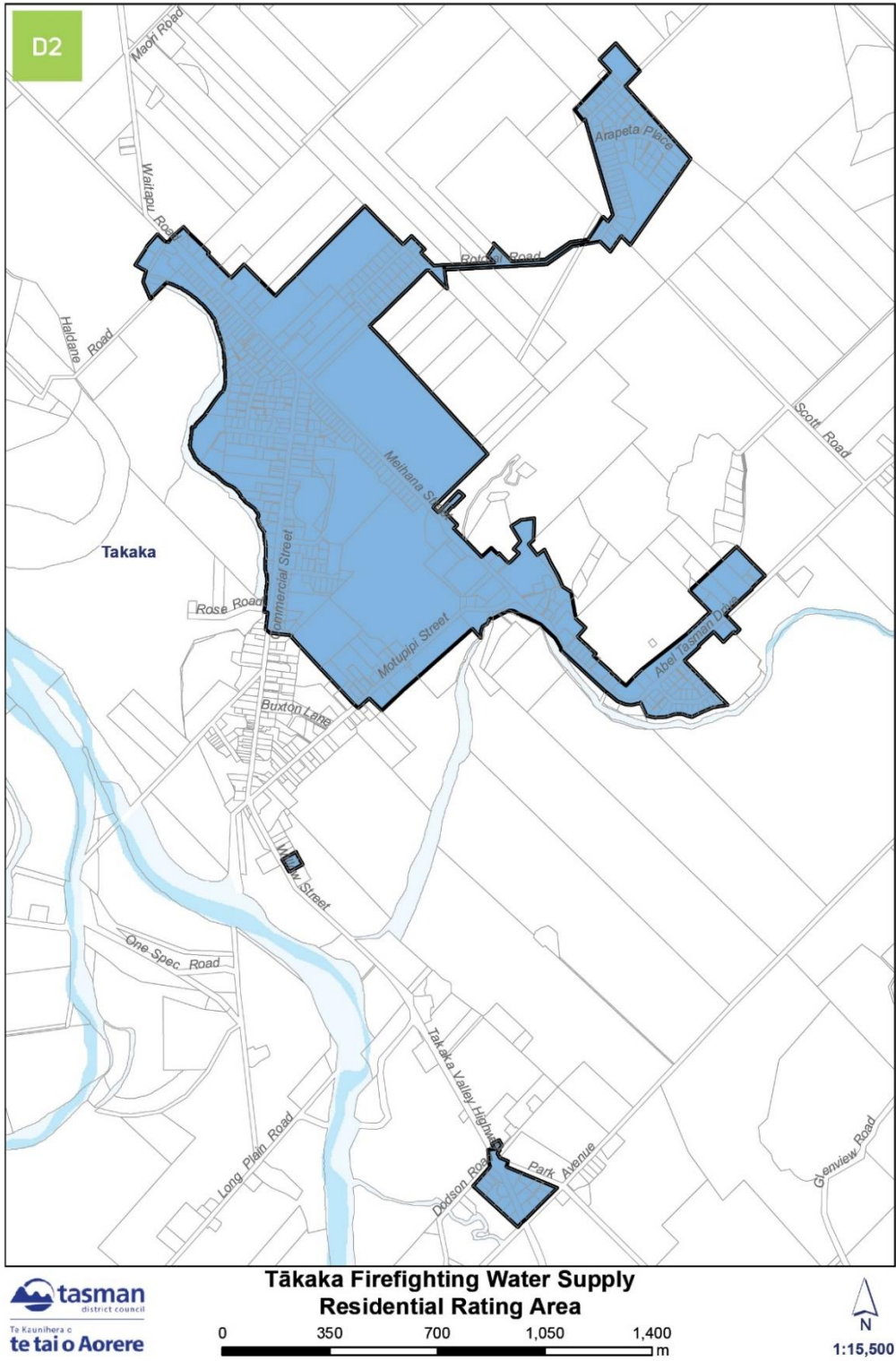


Tākaka Firefighting Water Supply
Commercial CBD Rating Area



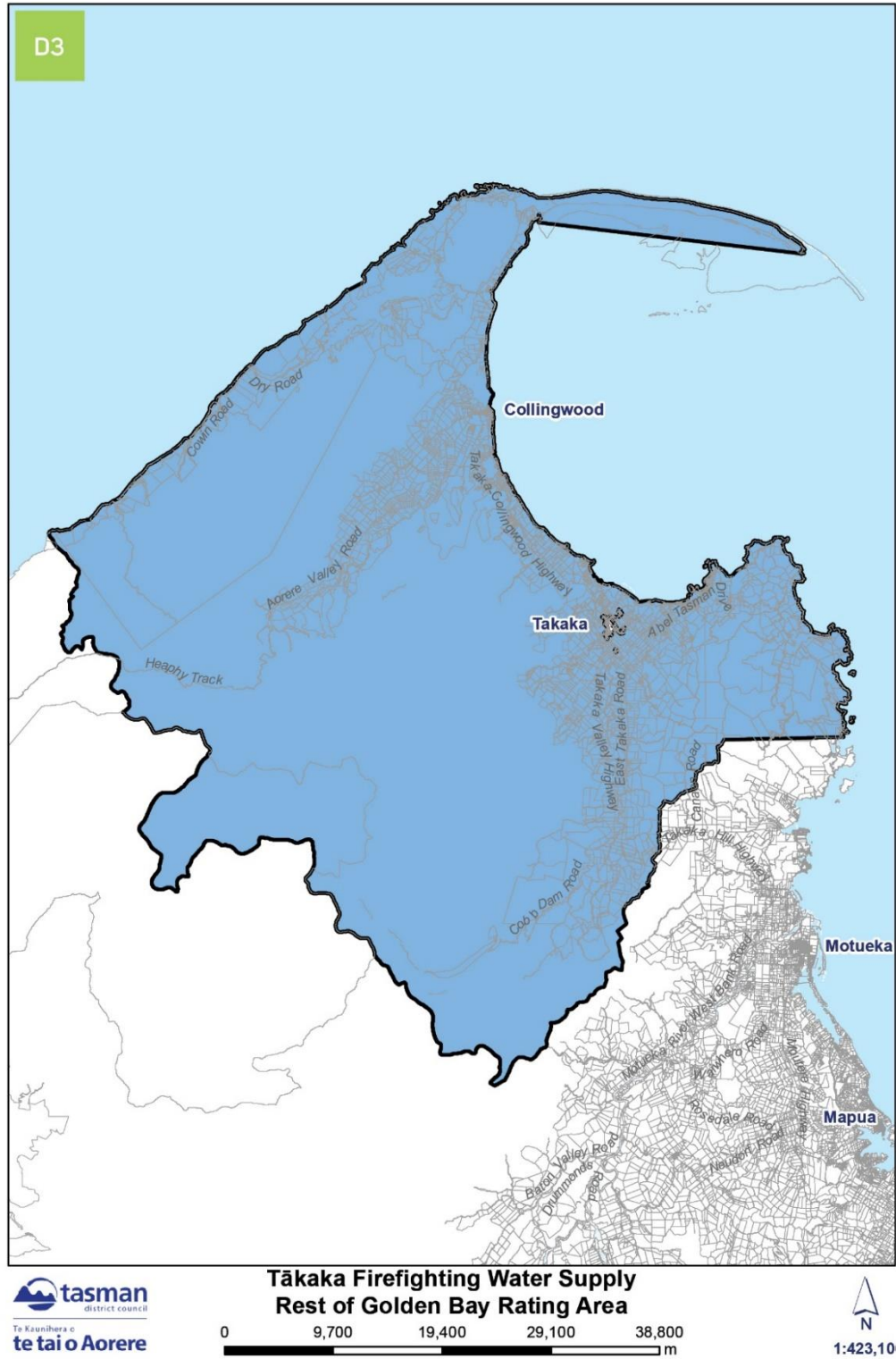


RATING MAPS



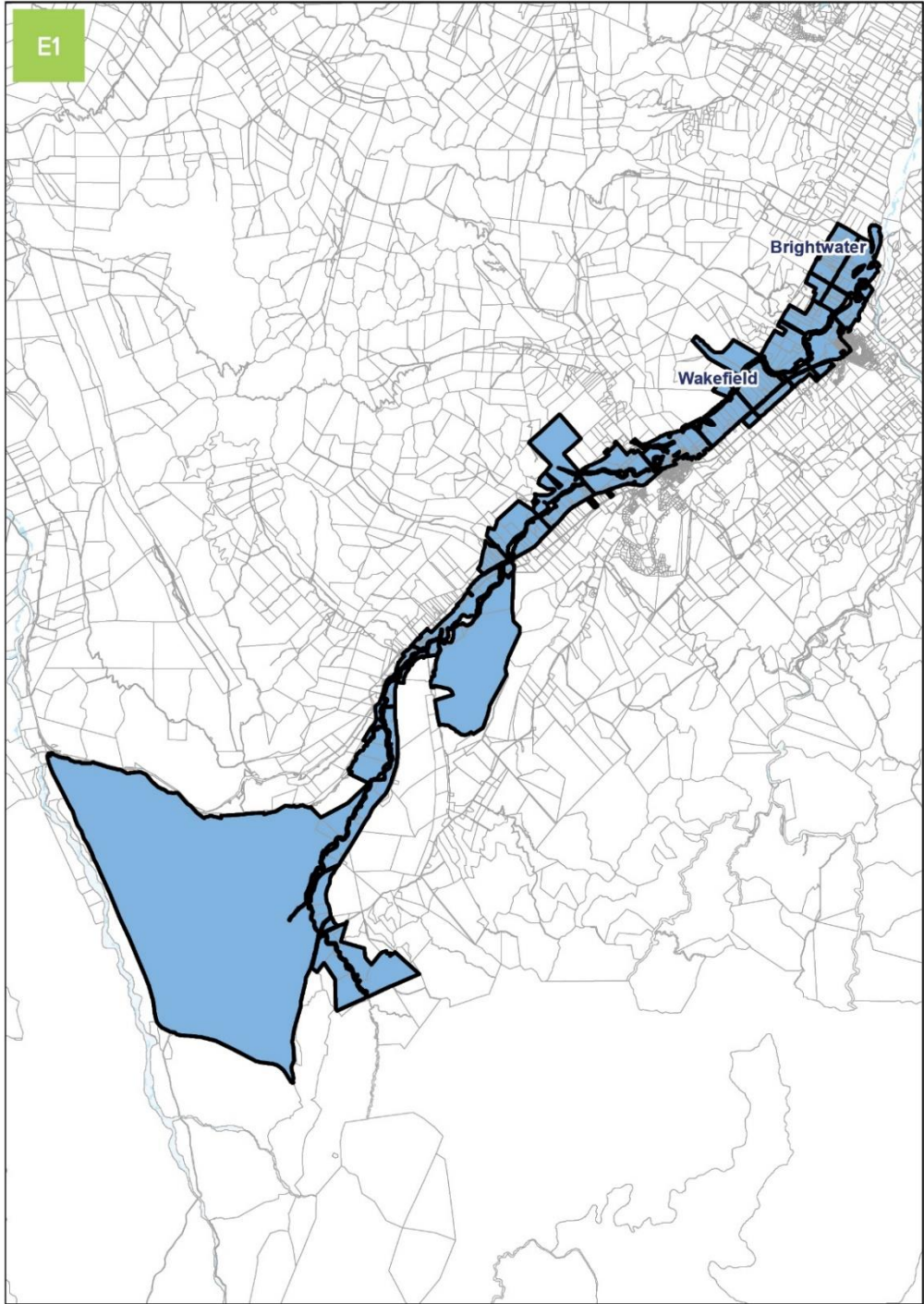


RATING MAPS

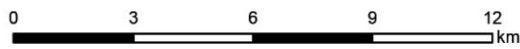




RATING MAPS

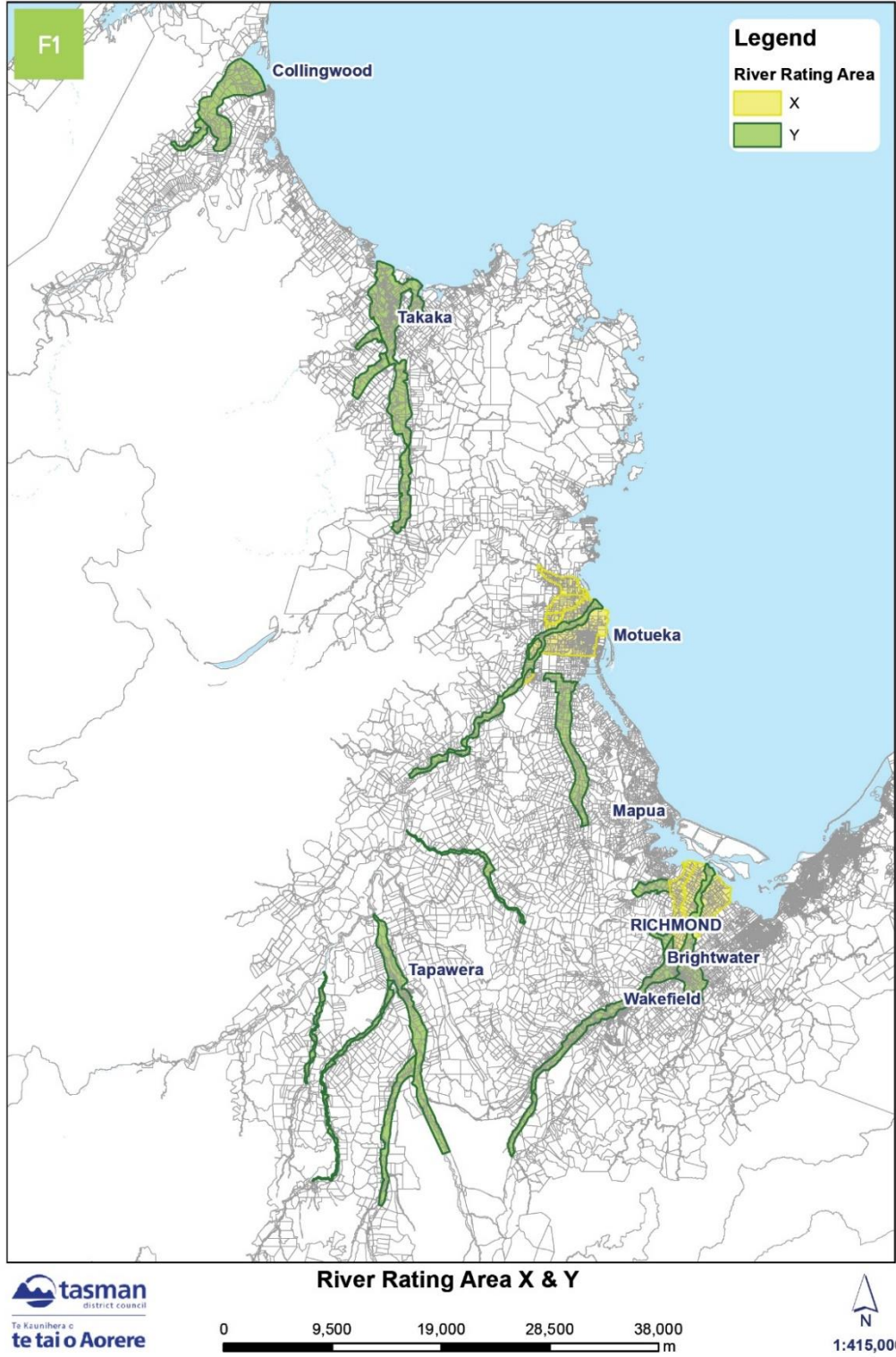


Wai-iti Dam Rating Area



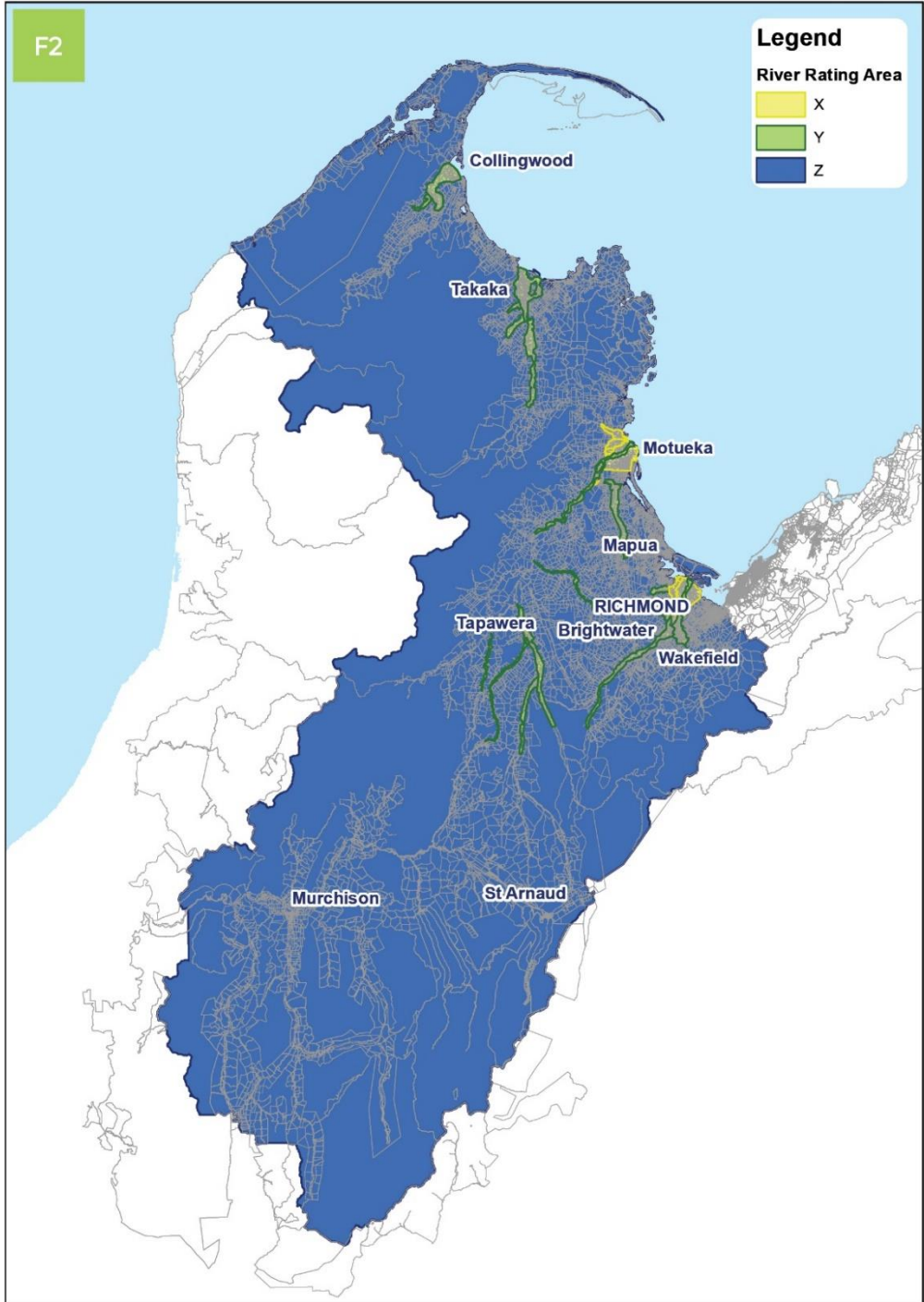


RATING MAPS

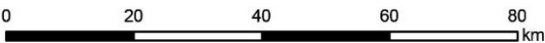




RATING MAPS

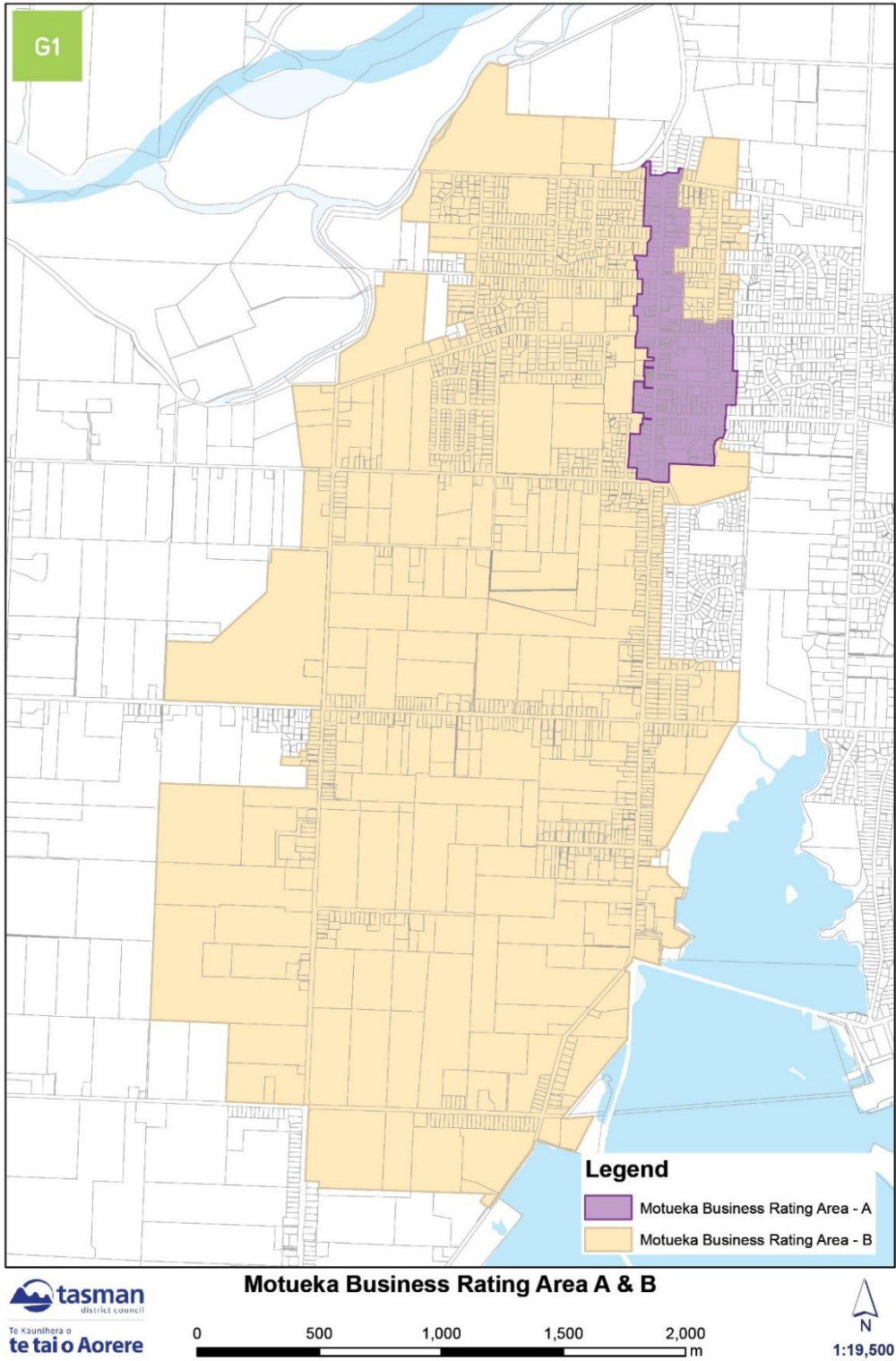


River Rating Area X, Y & Z



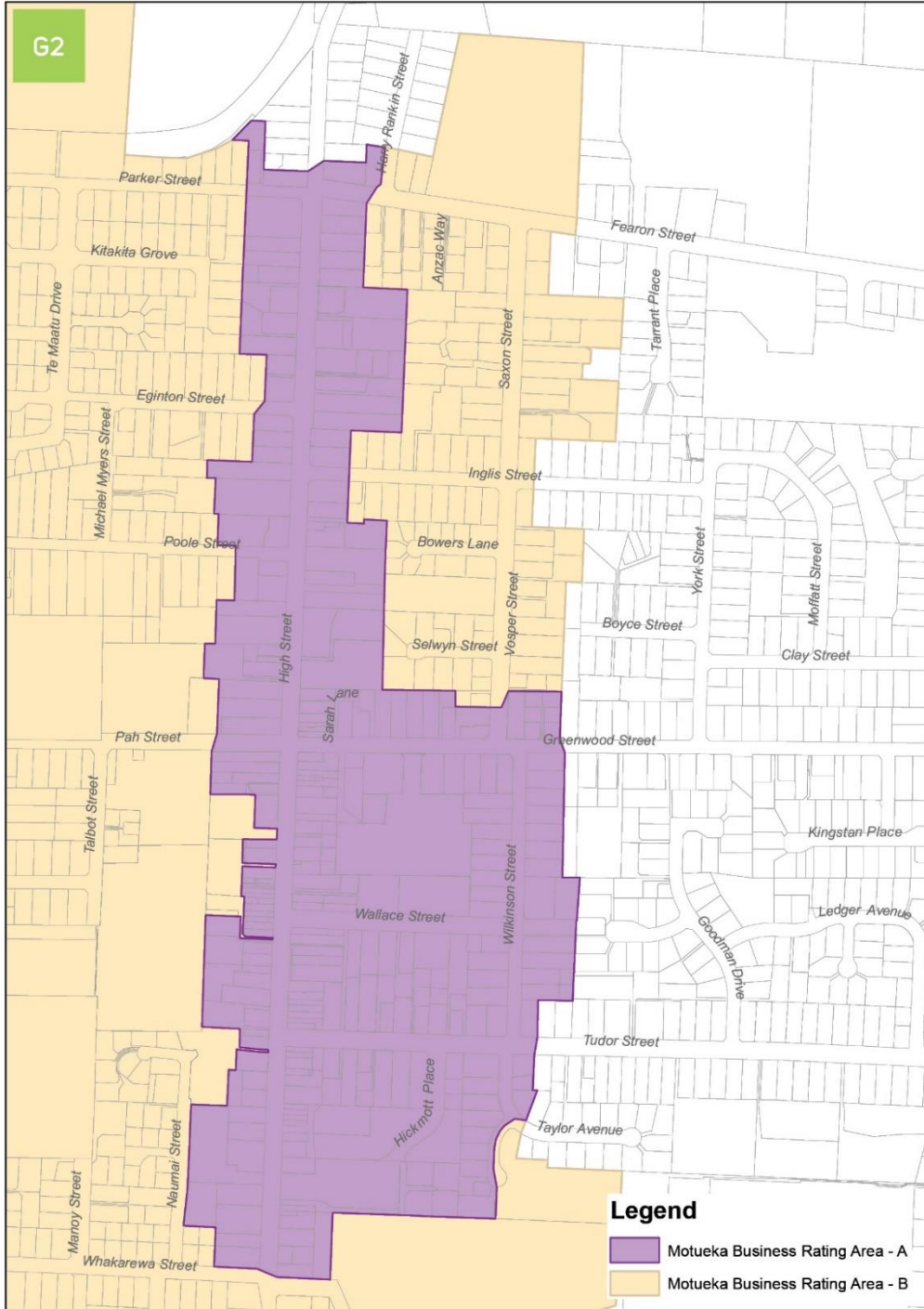


RATING MAPS





RATING MAPS

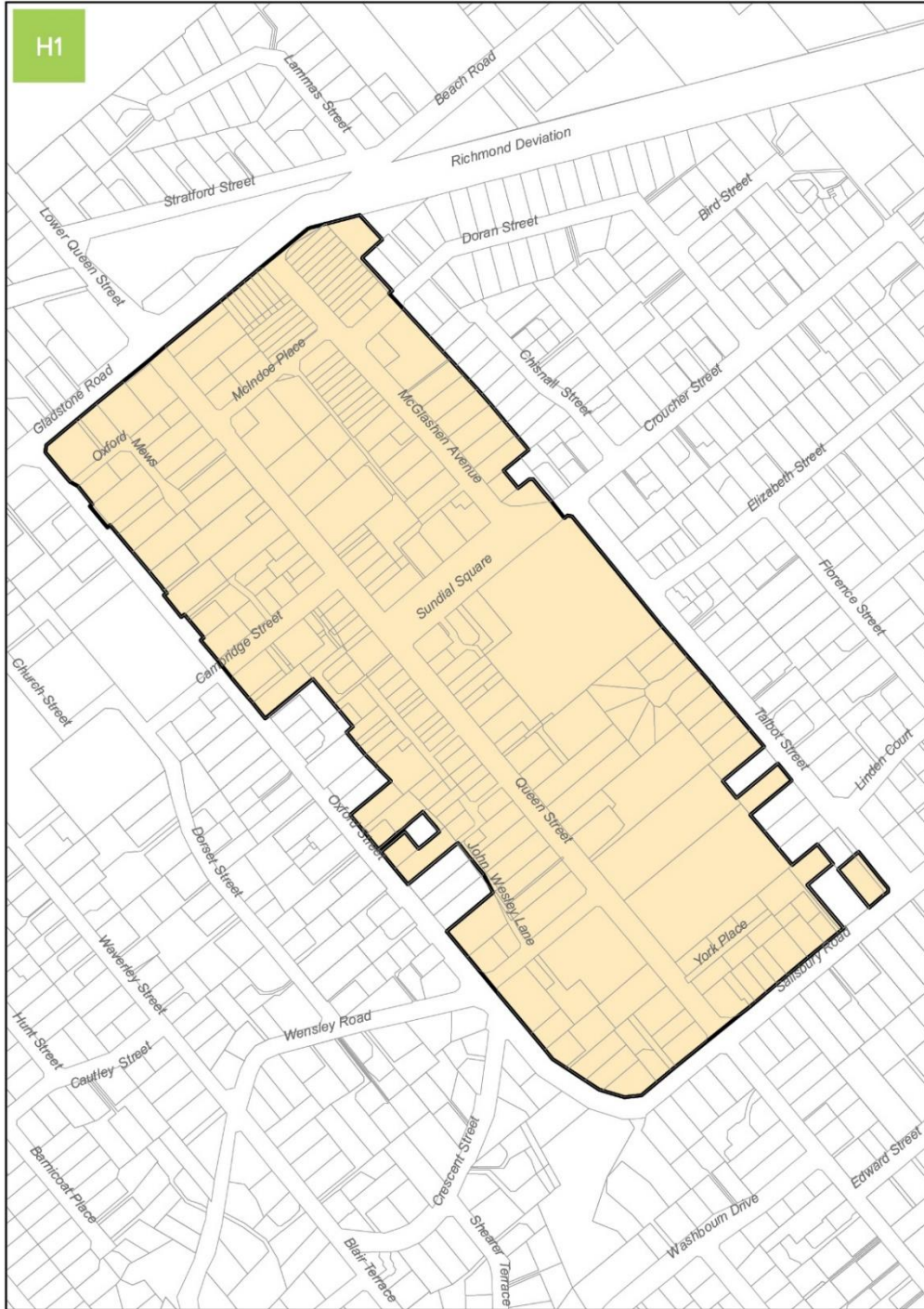


Motueka Business Rating Area A & B - Detail Map

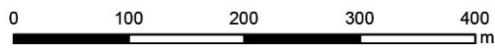




RATING MAPS

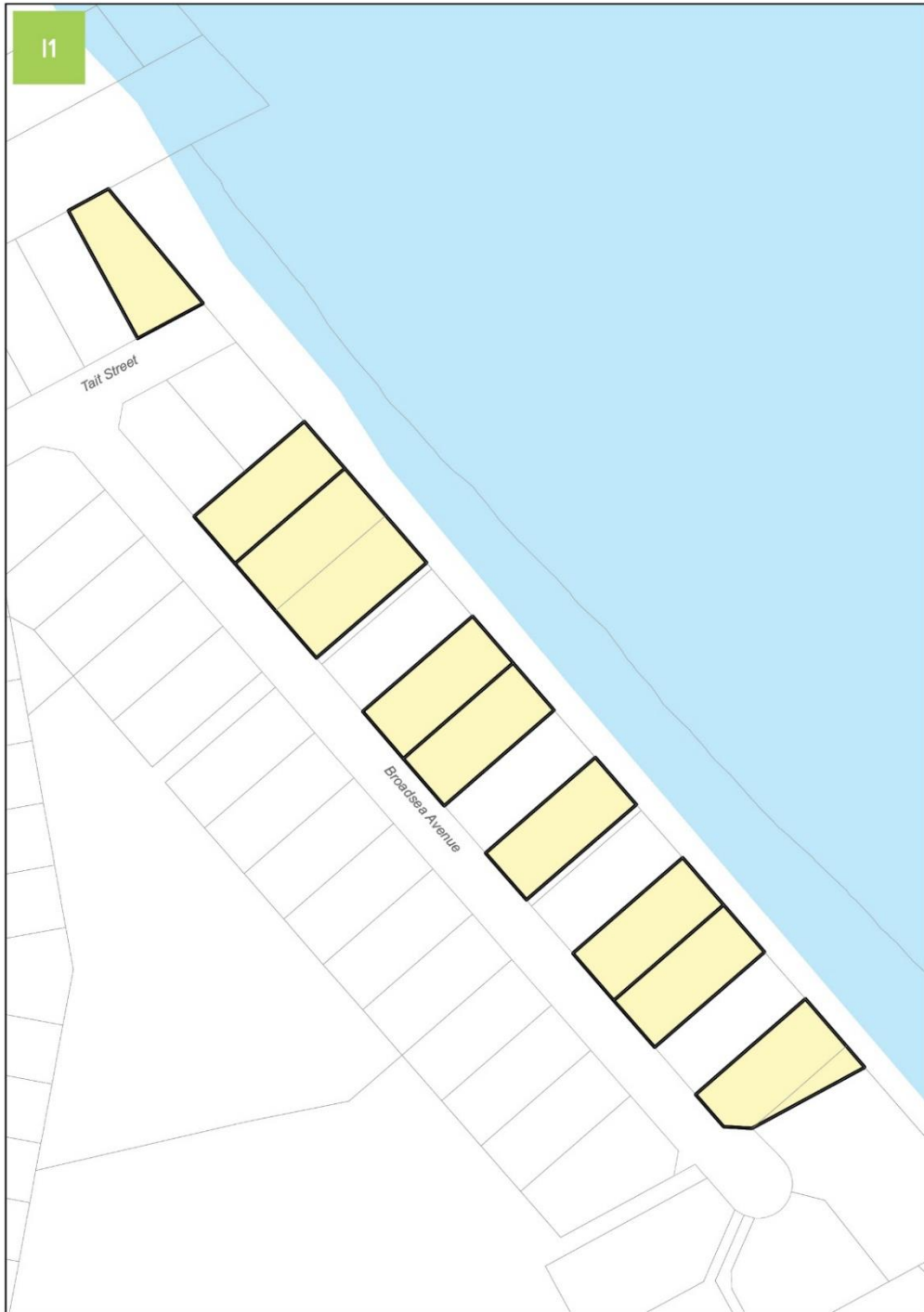


Richmond Business Rating Area

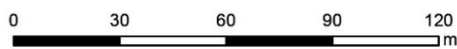




RATING MAPS

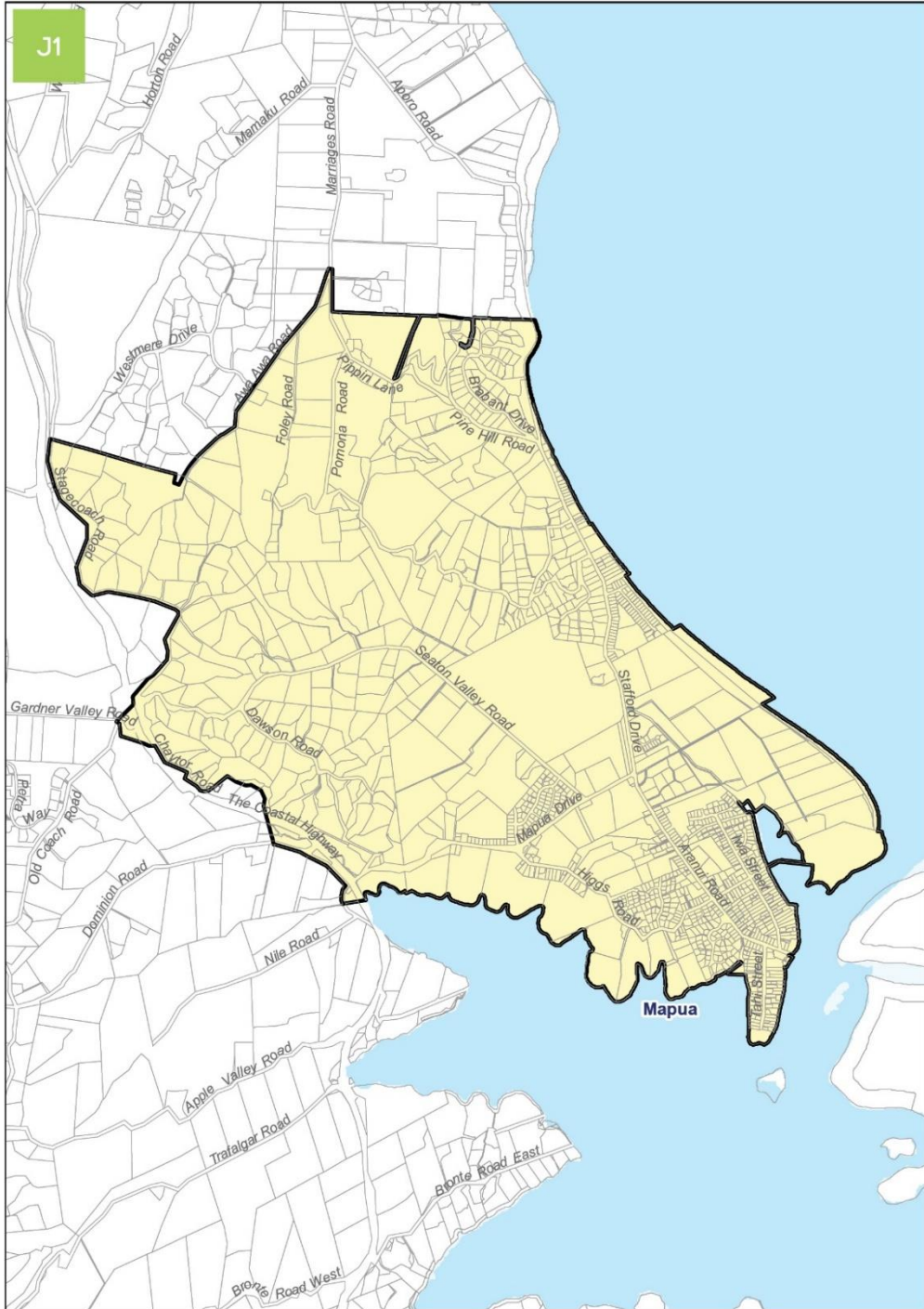


Ruby Bay Stopbank Rating Area

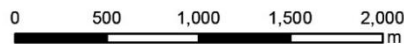




RATING MAPS

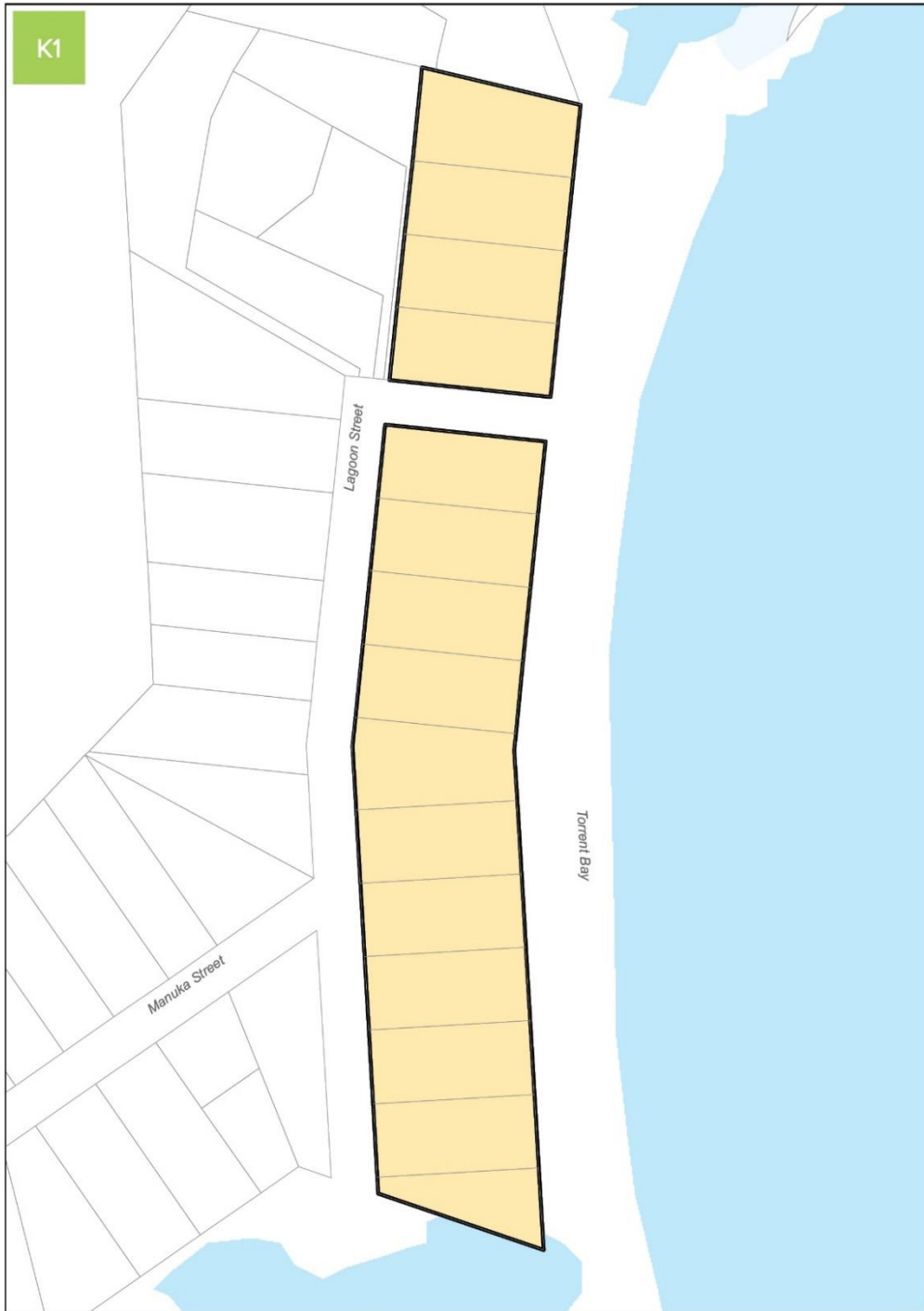


Māpua Stopbank Rating Area

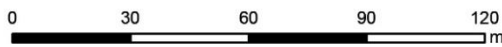




RATING MAPS

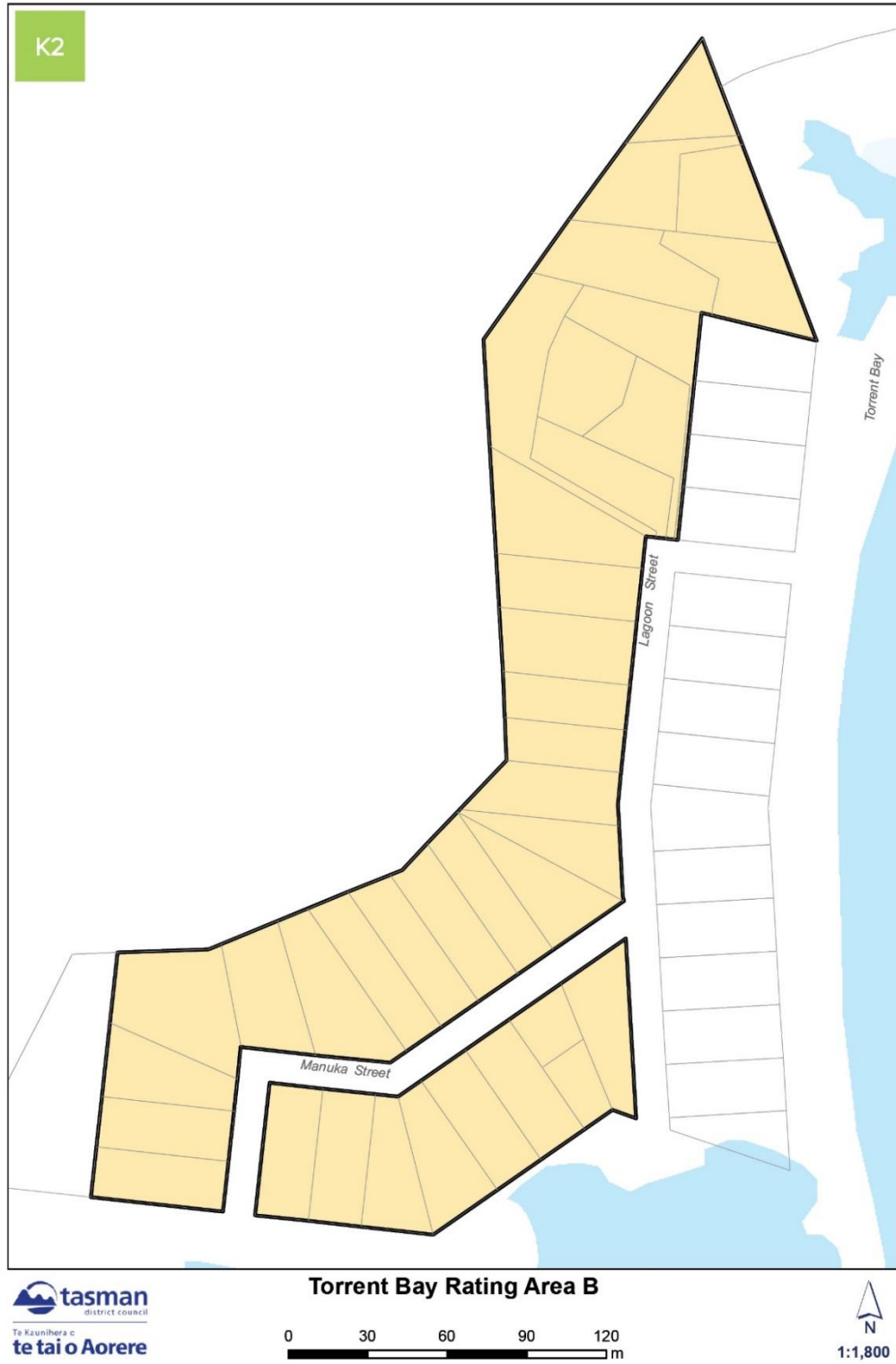


Torrent Bay Rating Area A



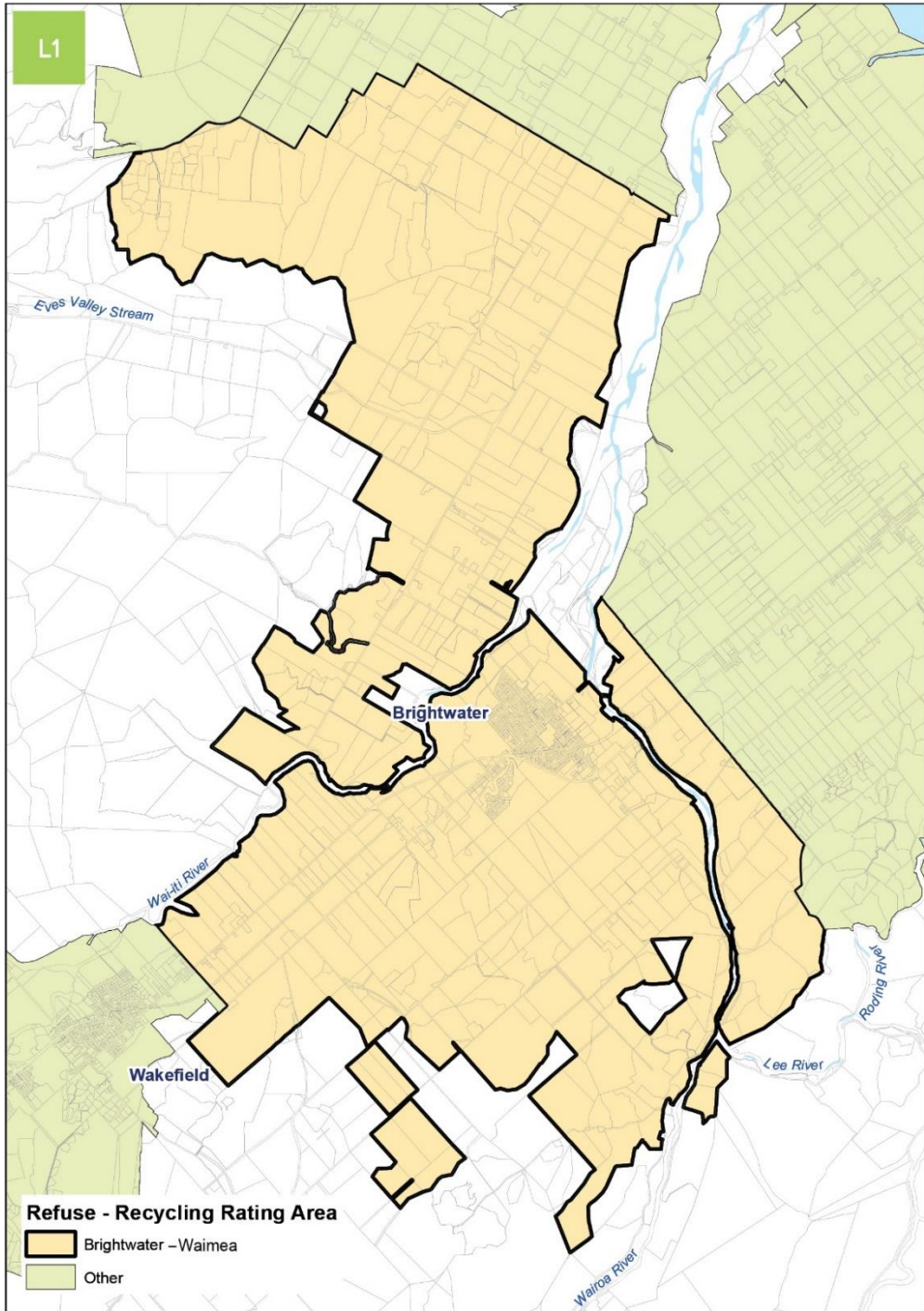


RATING MAPS





RATING MAPS



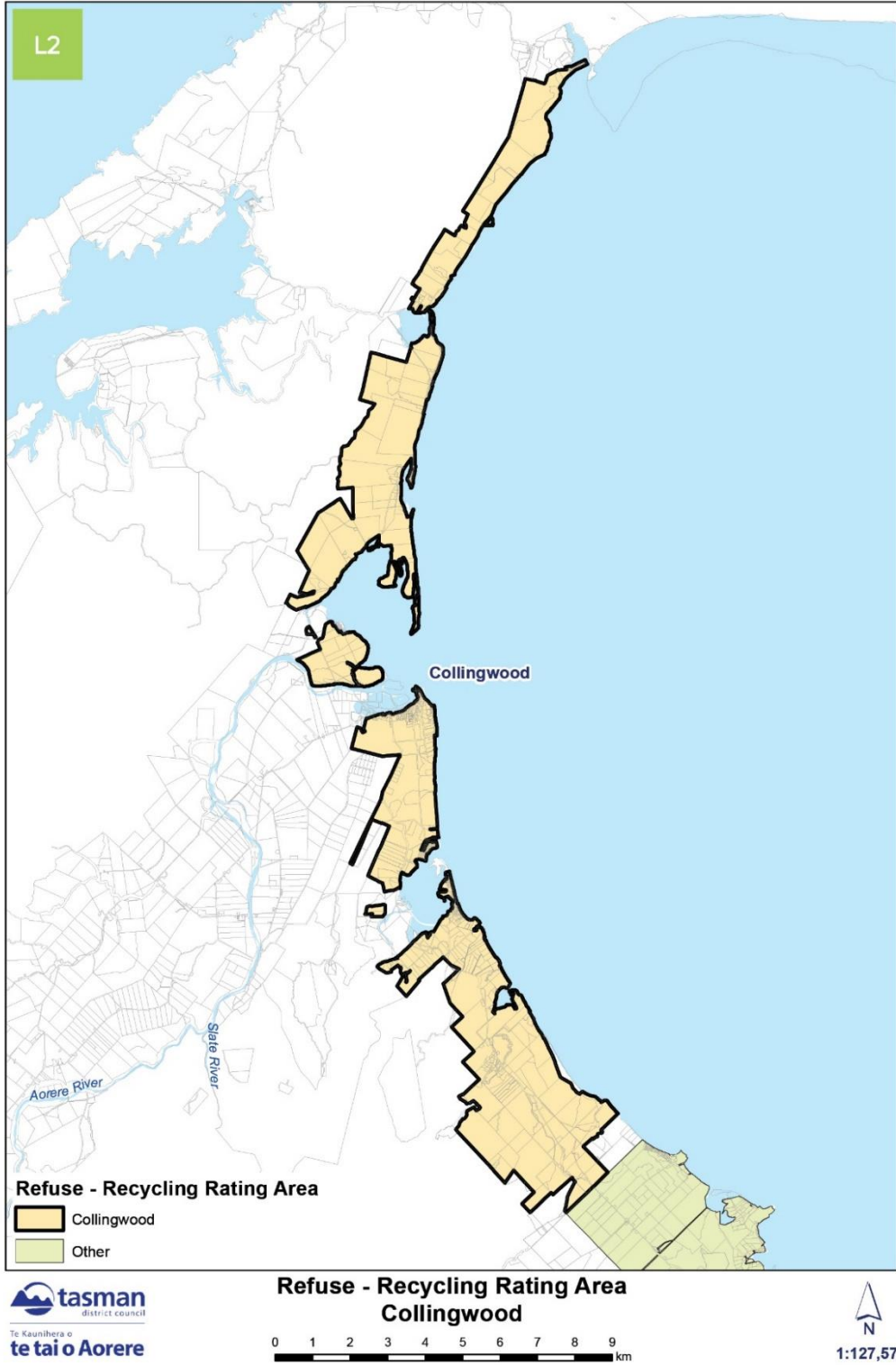
**Refuse - Recycling Rating Area
Brightwater - Waimea**

0 1 2 3 4 km



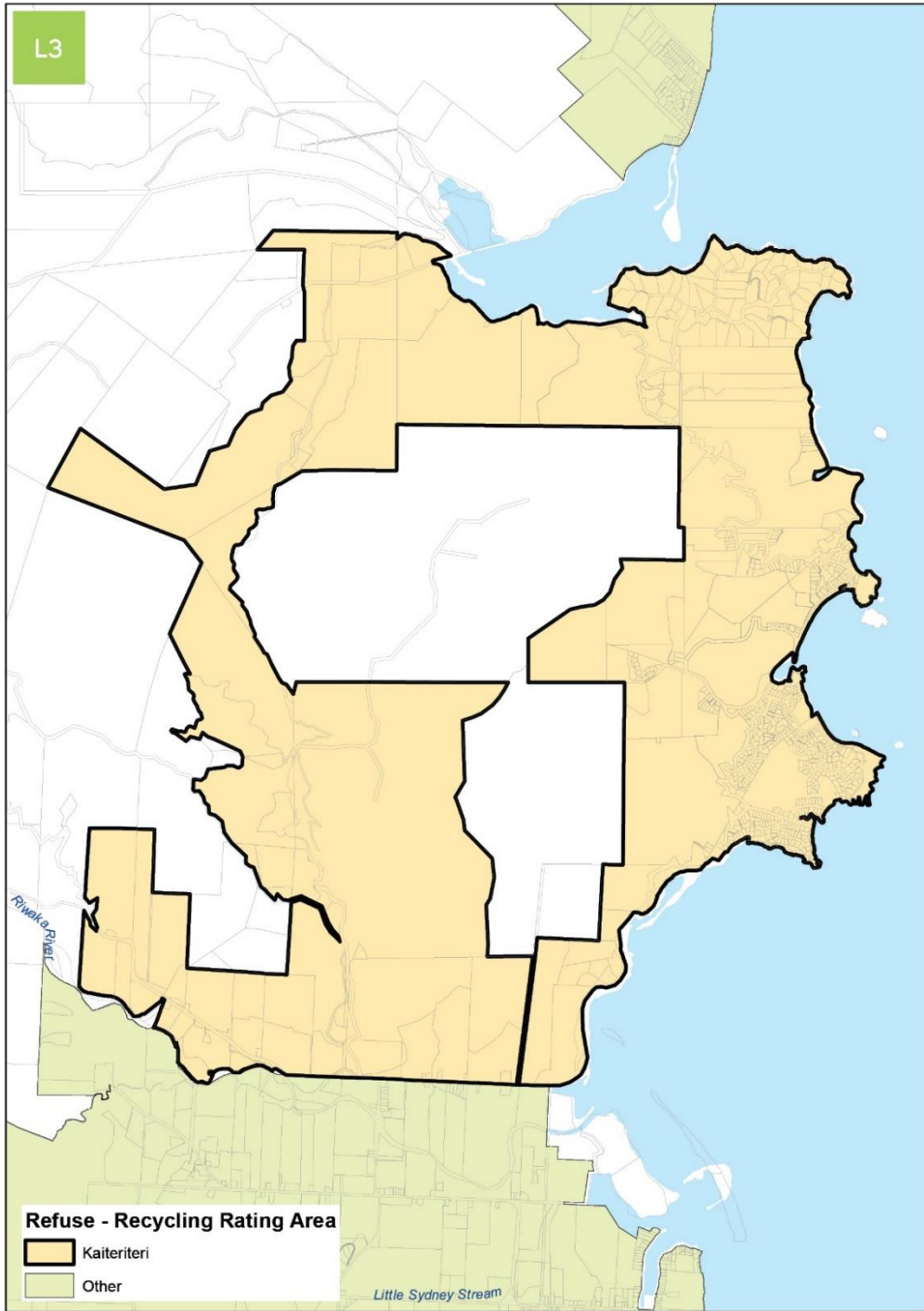


RATING MAPS





RATING MAPS



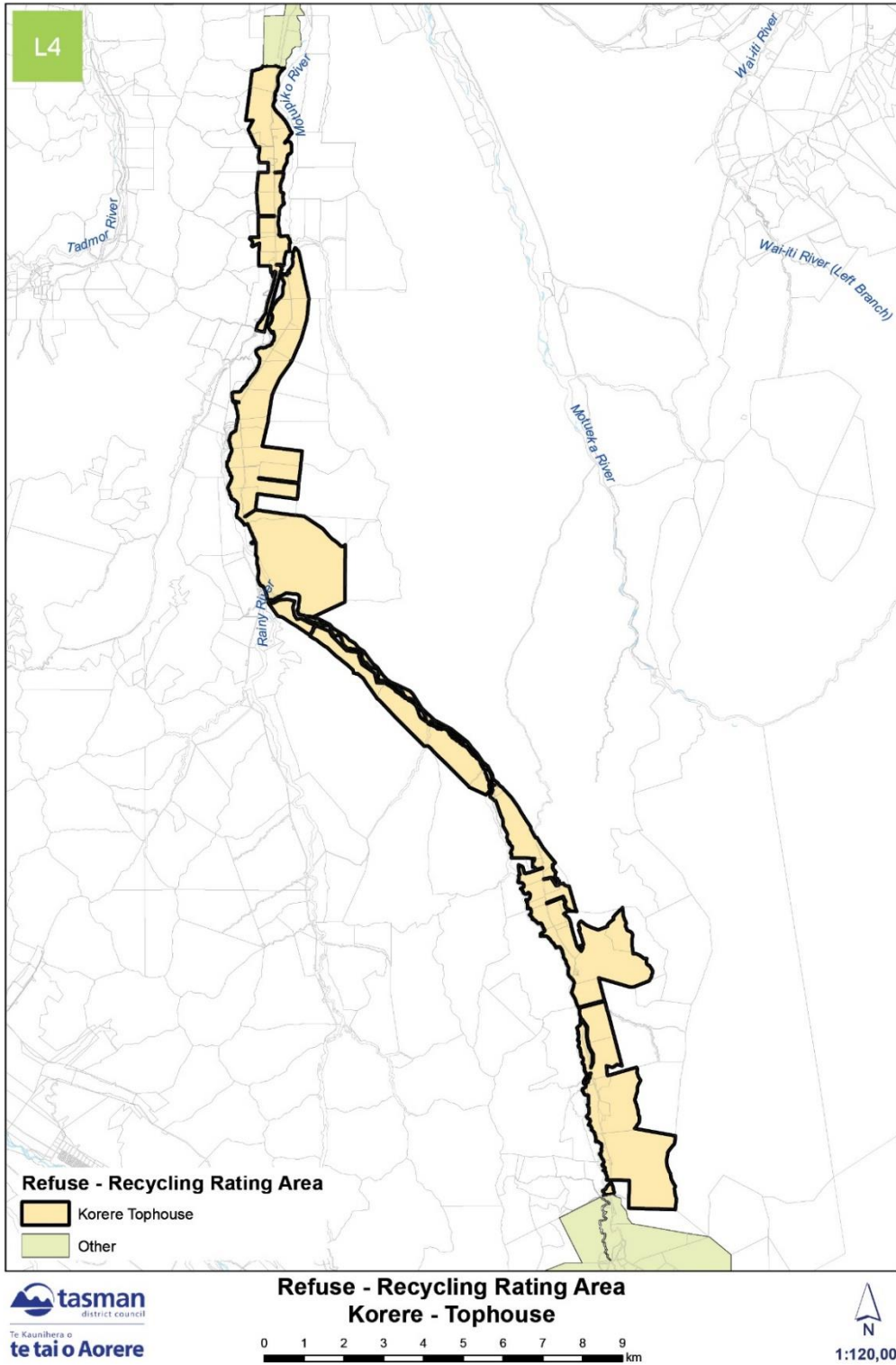
**Refuse - Recycling Rating Area
Kaiteriteri**

0 1 2 km



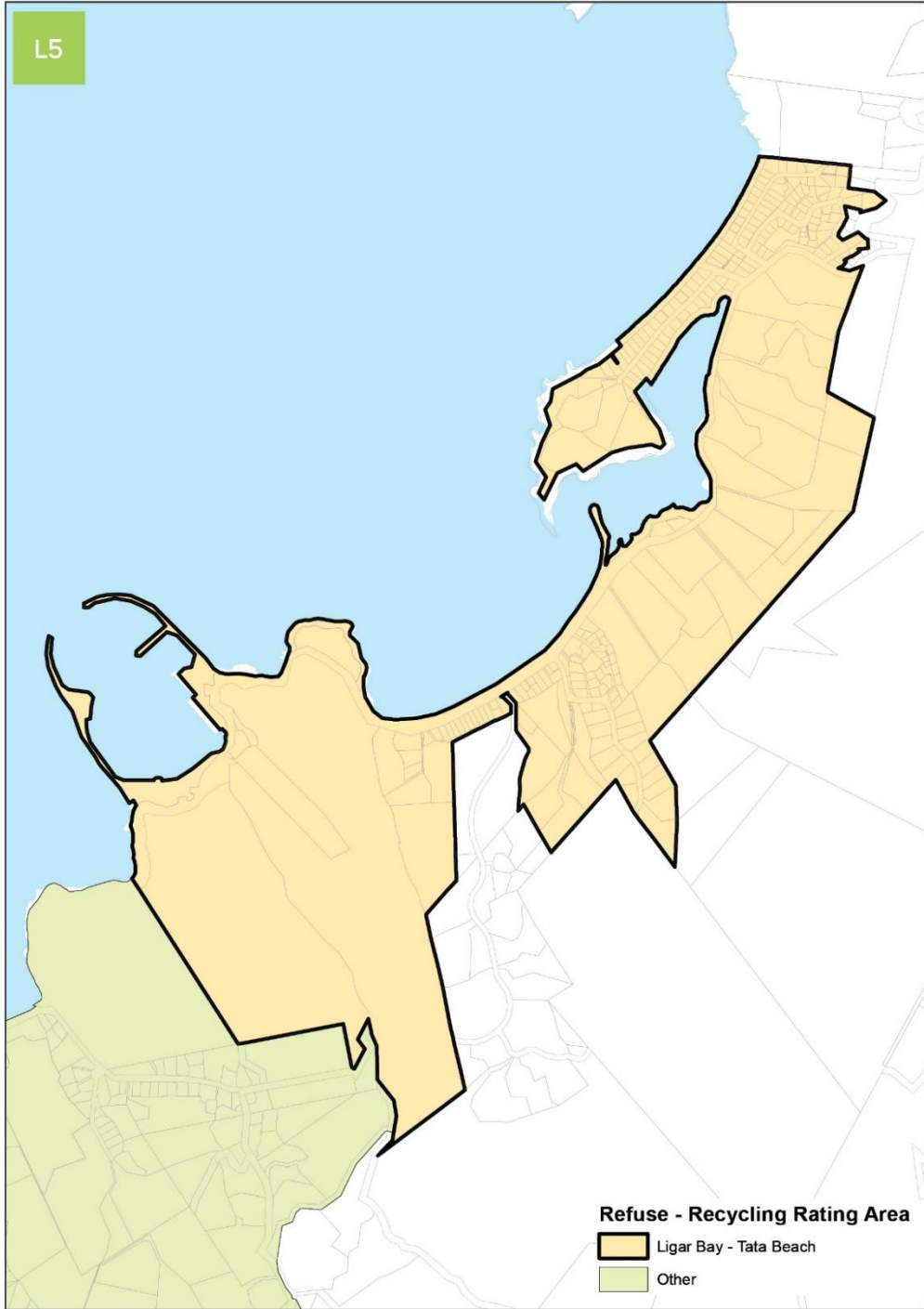


RATING MAPS





RATING MAPS

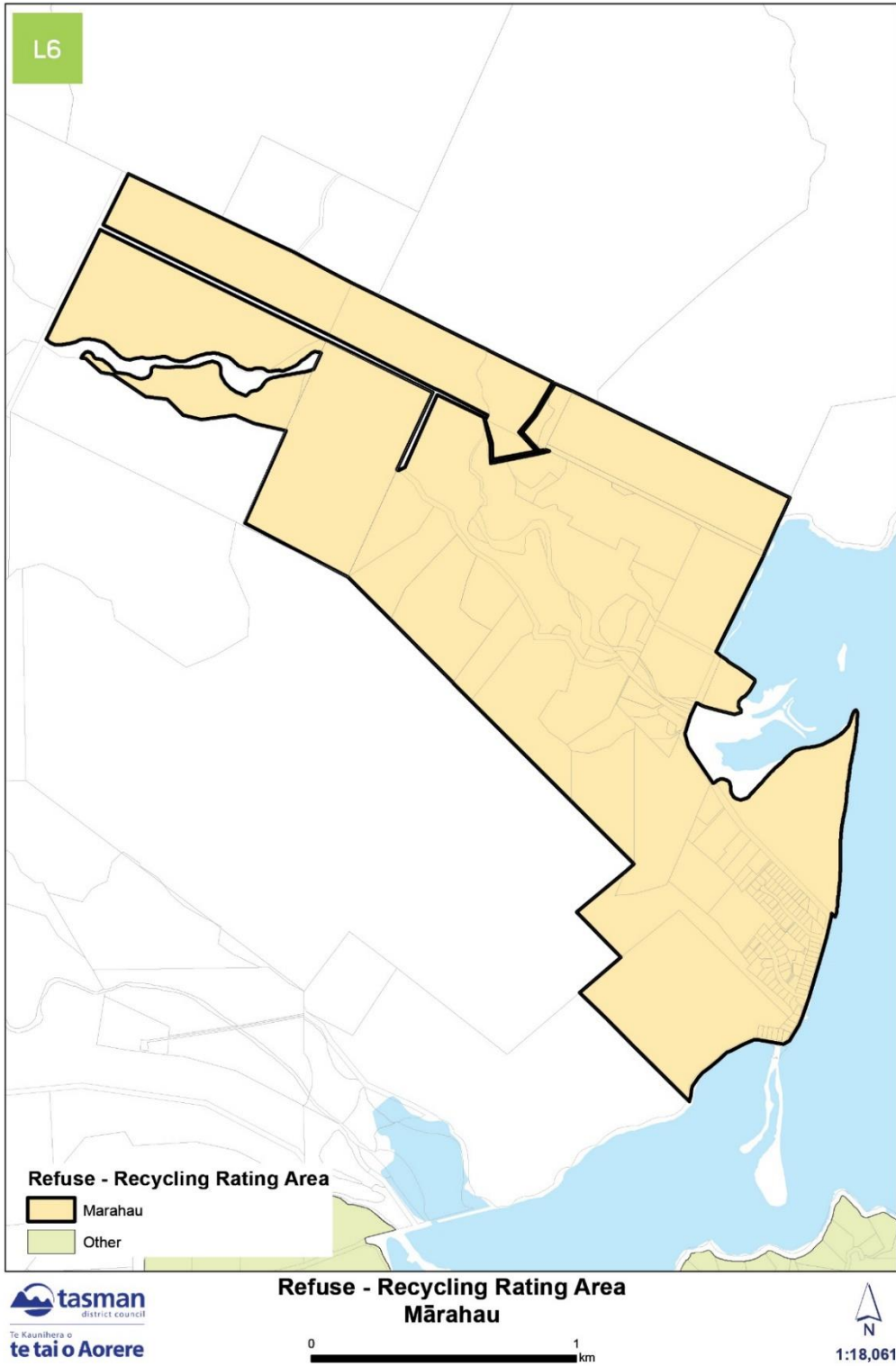


Refuse - Recycling Rating Area
Ligar Bay - Tata Beach



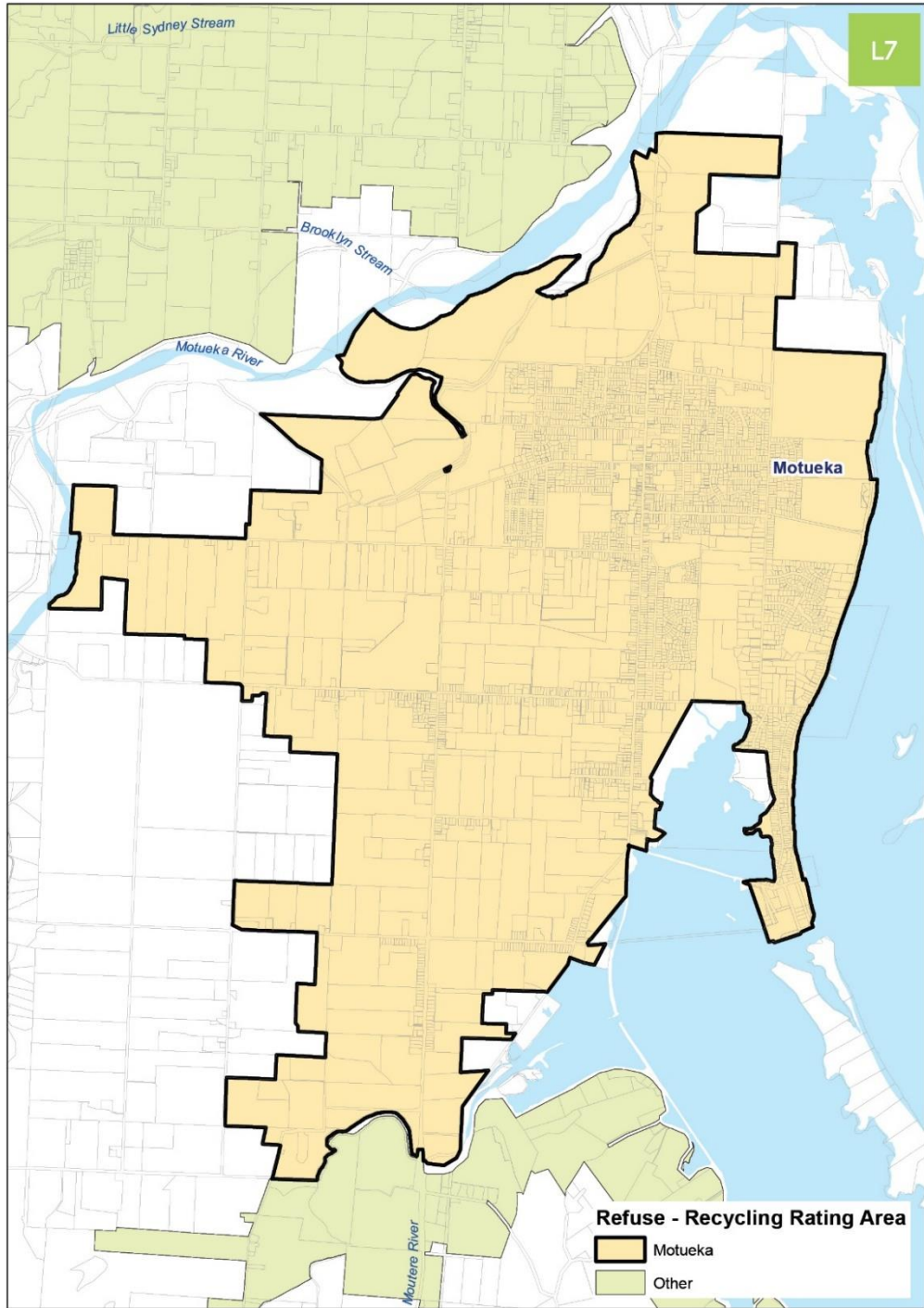


RATING MAPS





RATING MAPS

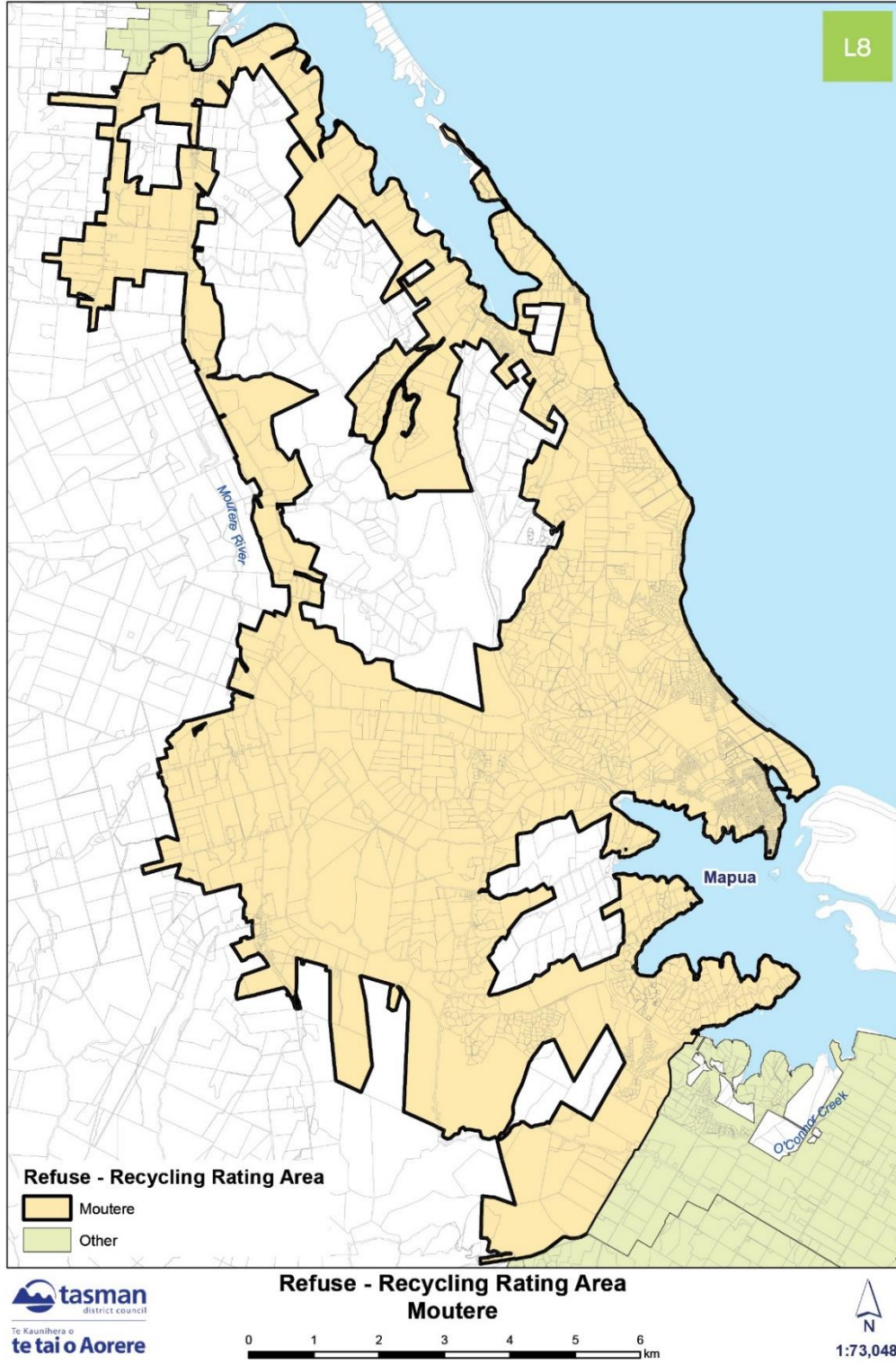


**Refuse - Recycling Rating Area
Motueka**



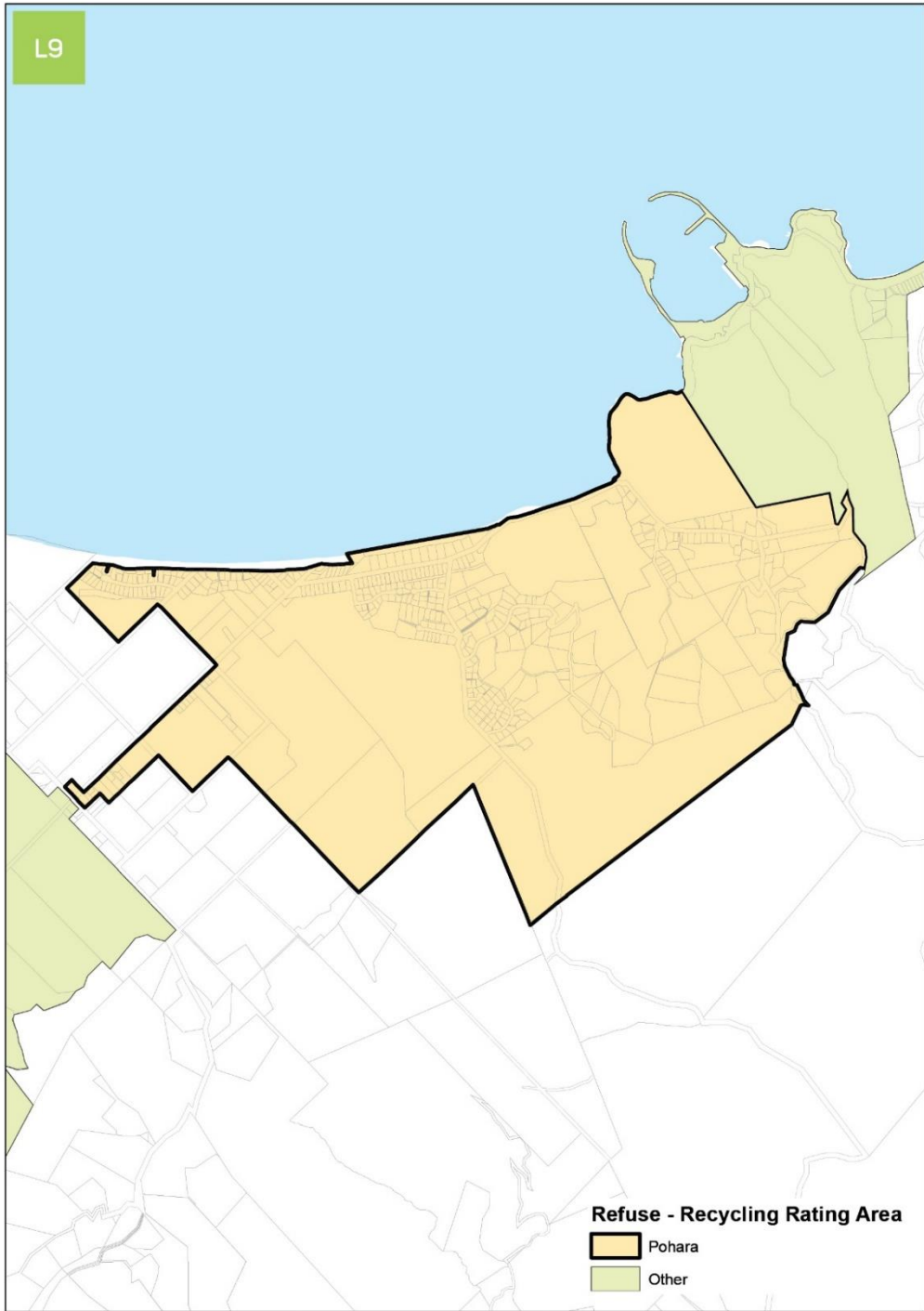


RATING MAPS





RATING MAPS

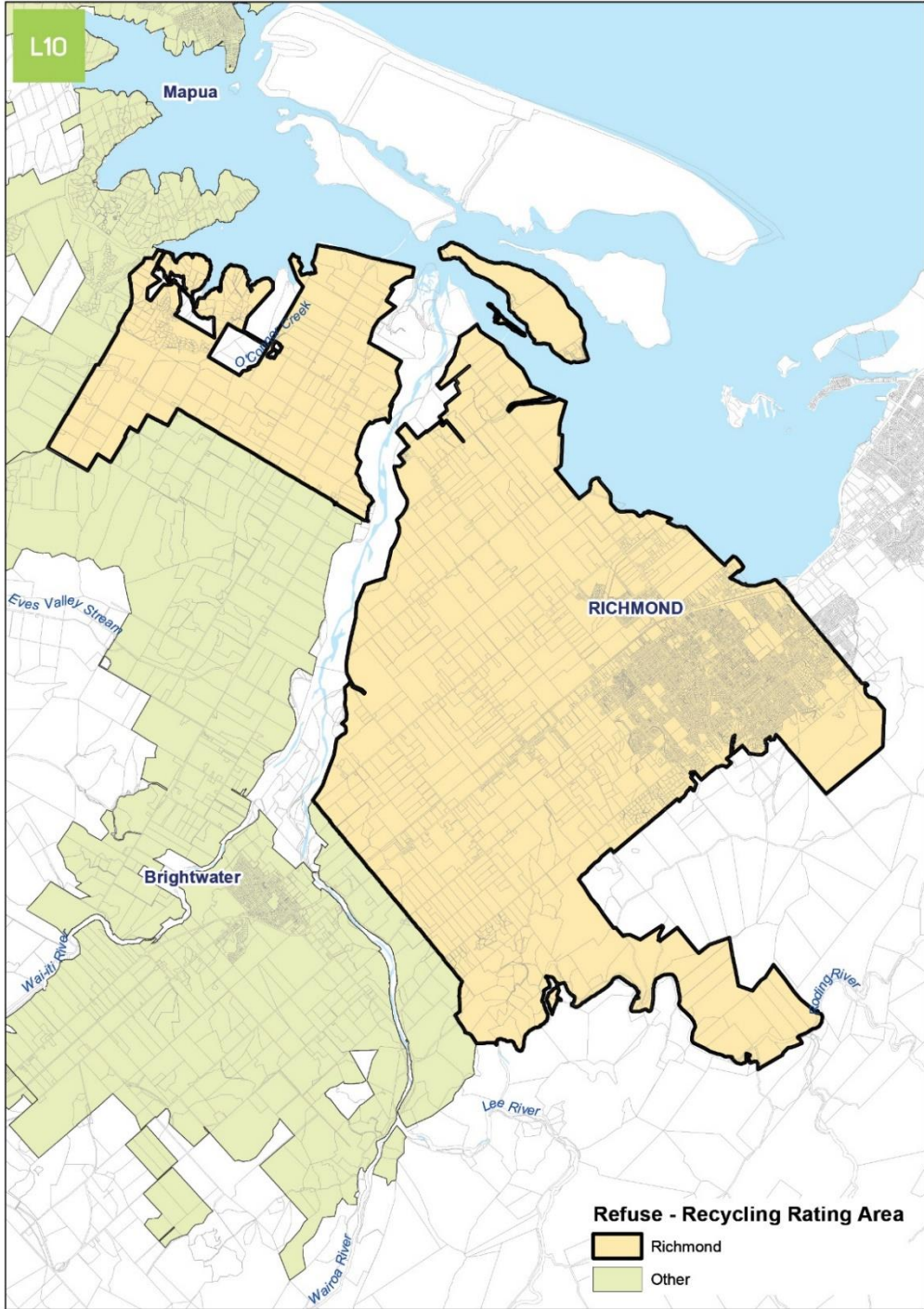


Refuse - Recycling Rating Area
Pōhara





RATING MAPS

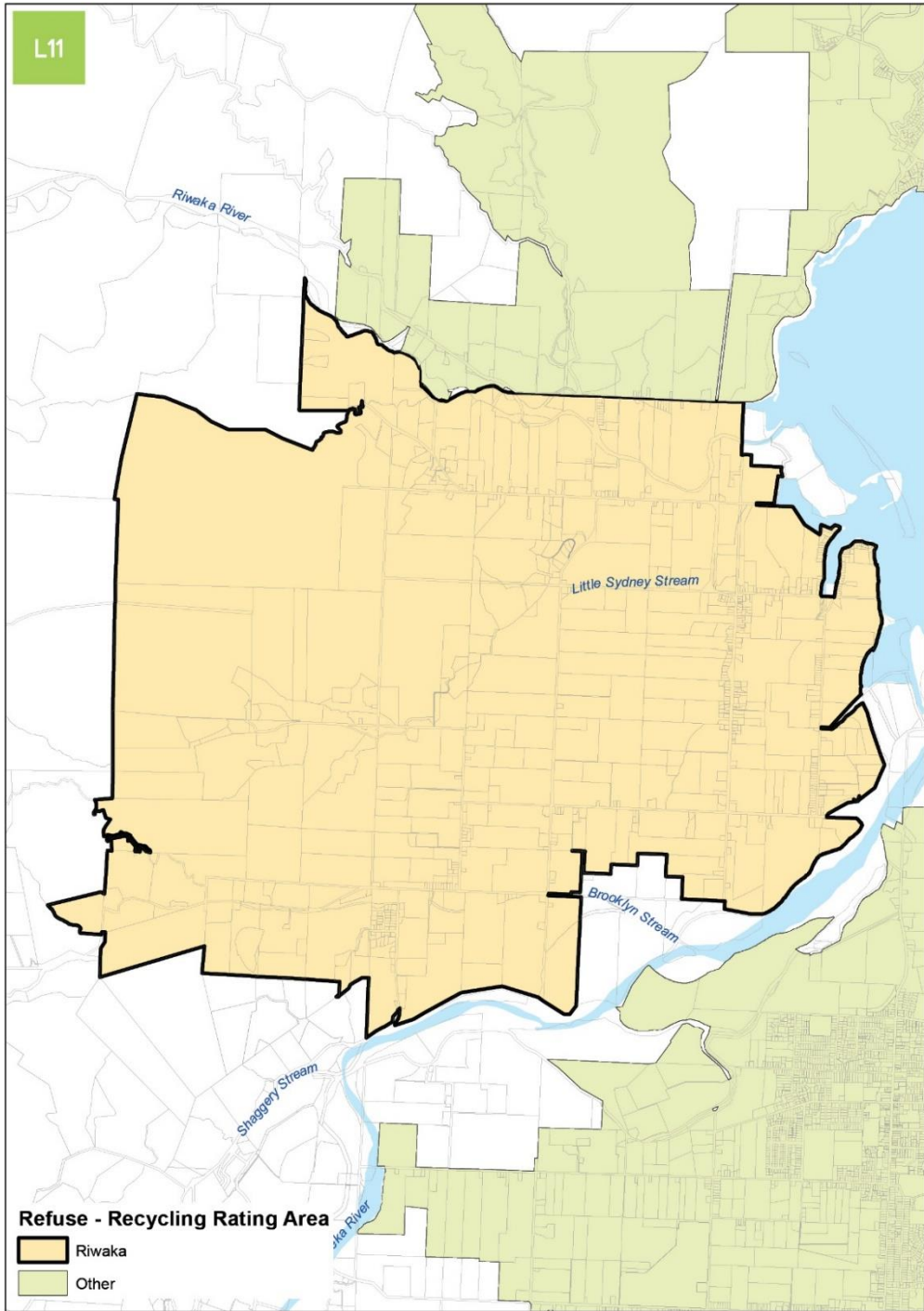


**Refuse - Recycling Rating Area
Richmond**





RATING MAPS



Refuse - Recycling Rating Area

- Riwaka
- Other

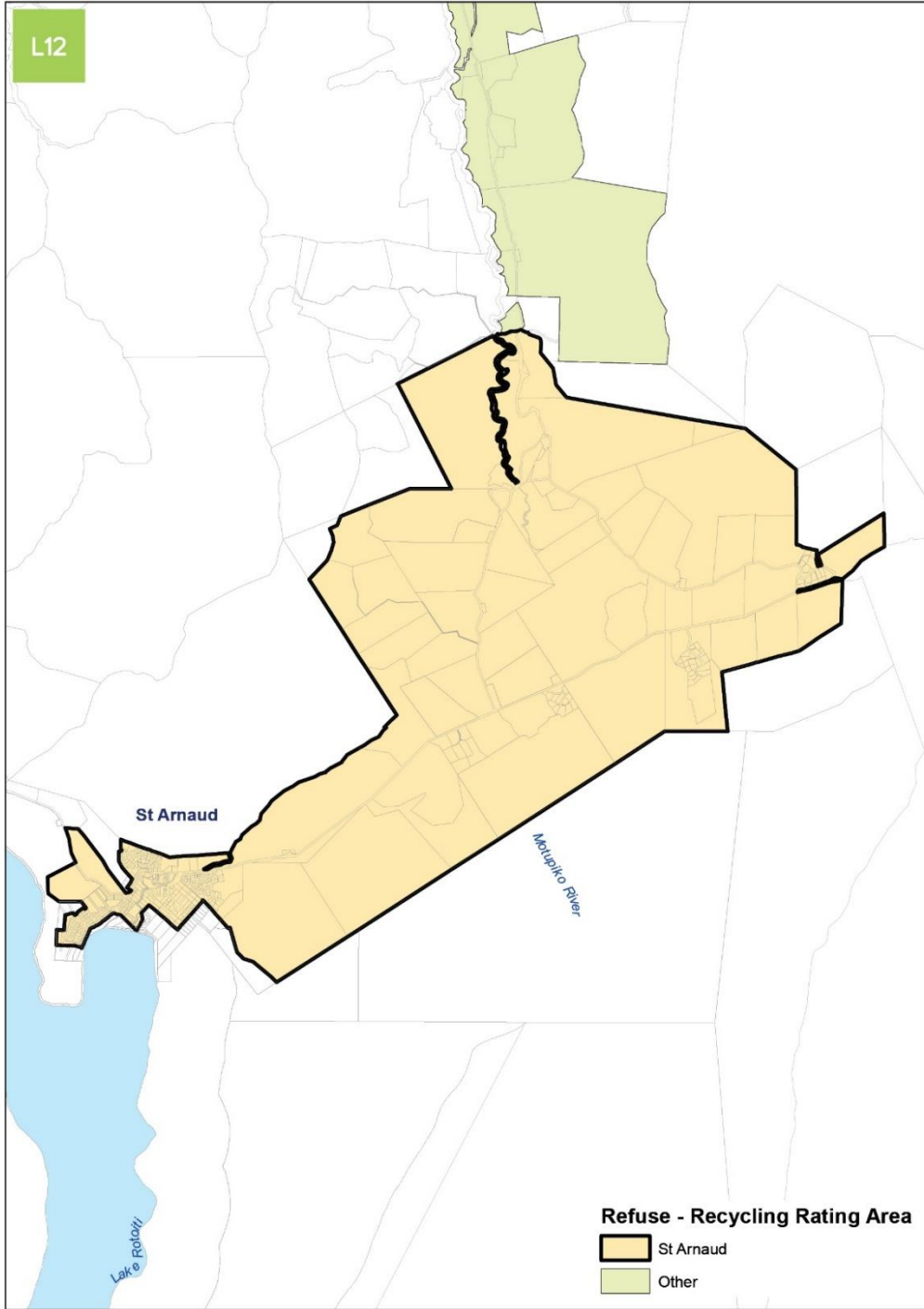


Refuse - Recycling Rating Area
Riwaka

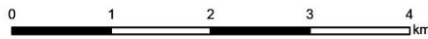




RATING MAPS

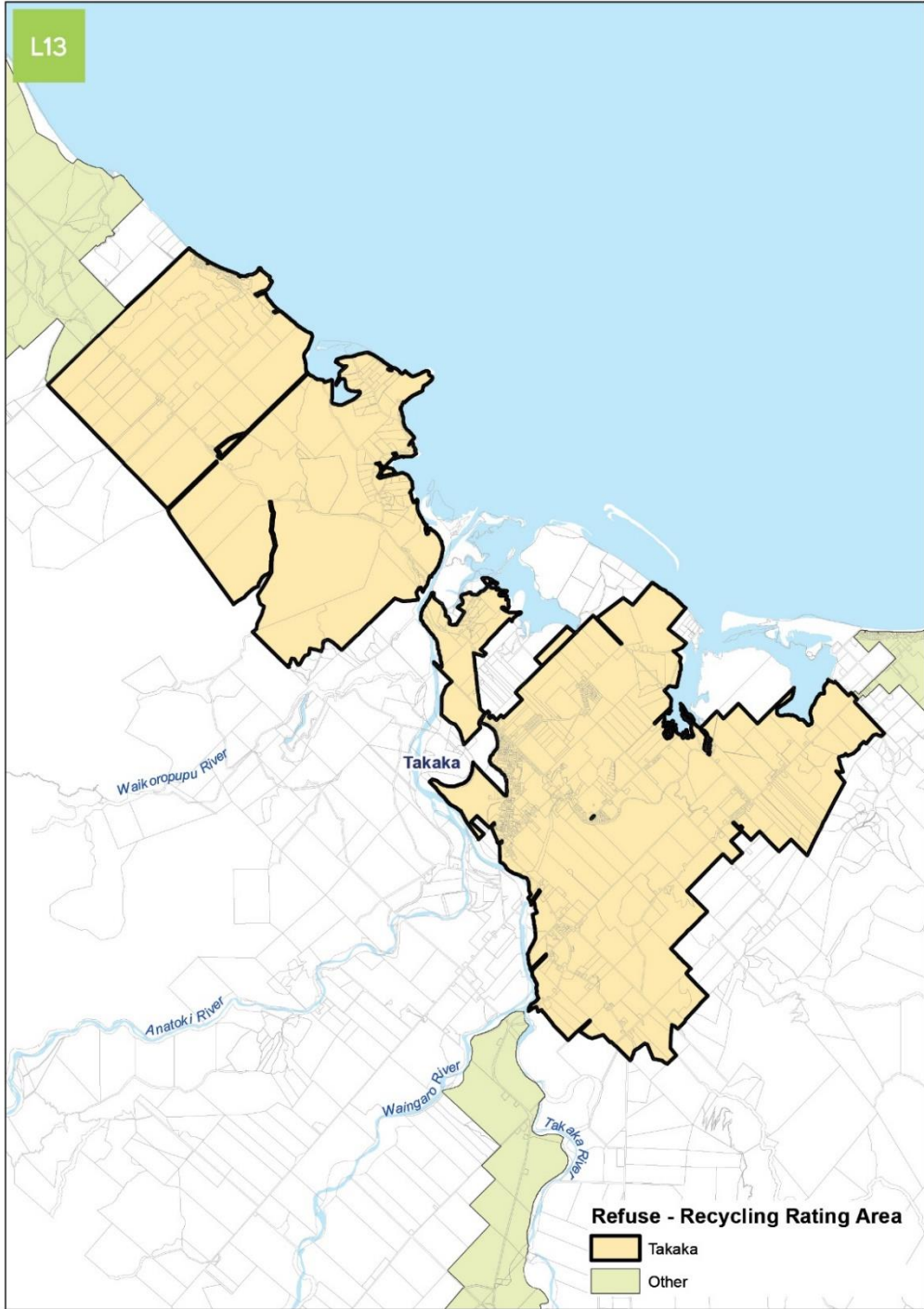


Refuse - Recycling Rating Area
St Arnaud





RATING MAPS

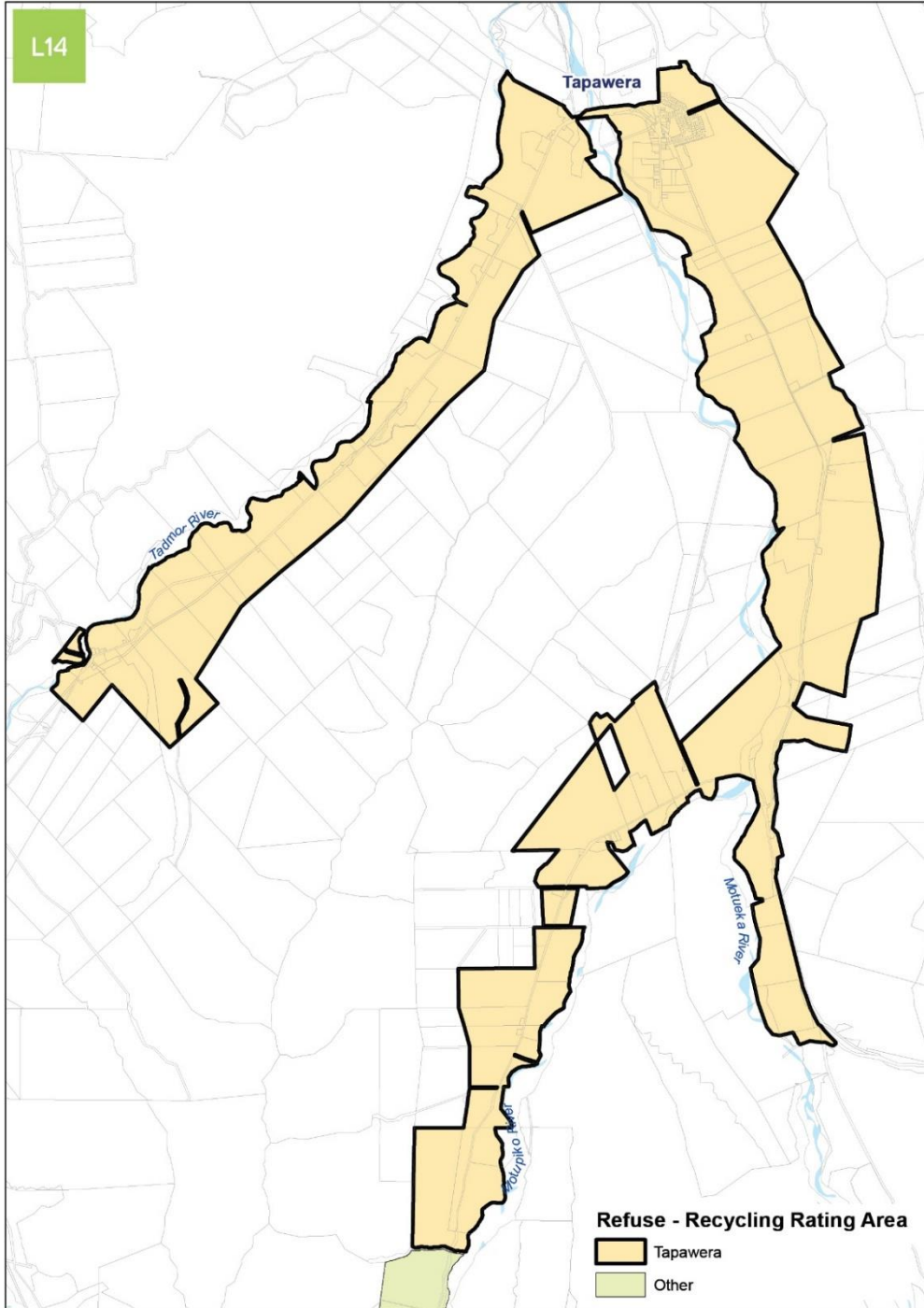


Refuse - Recycling Rating Area
Tākaka

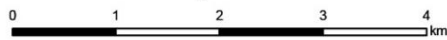




RATING MAPS

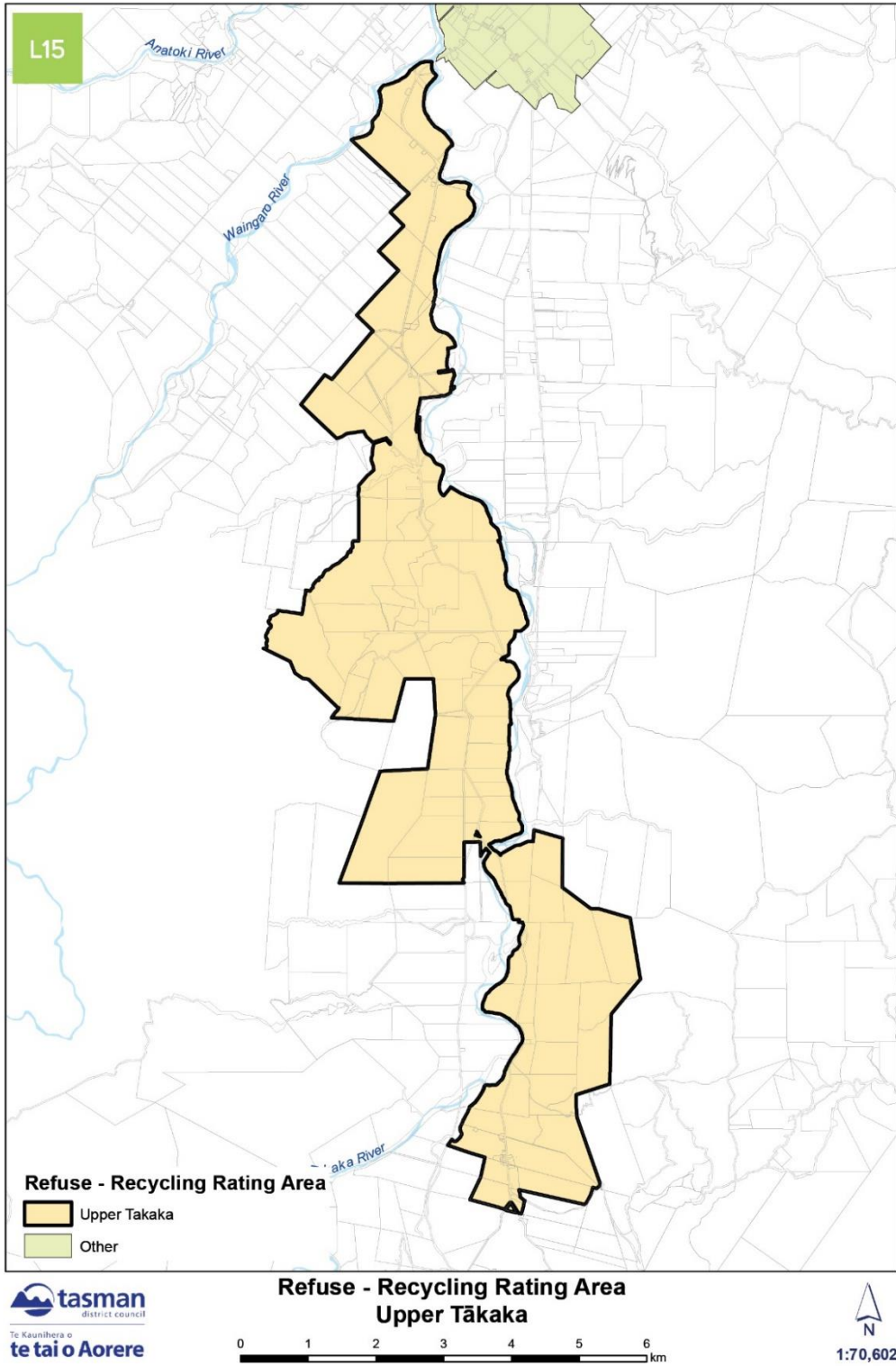


Refuse - Recycling Rating Area
Tapawera



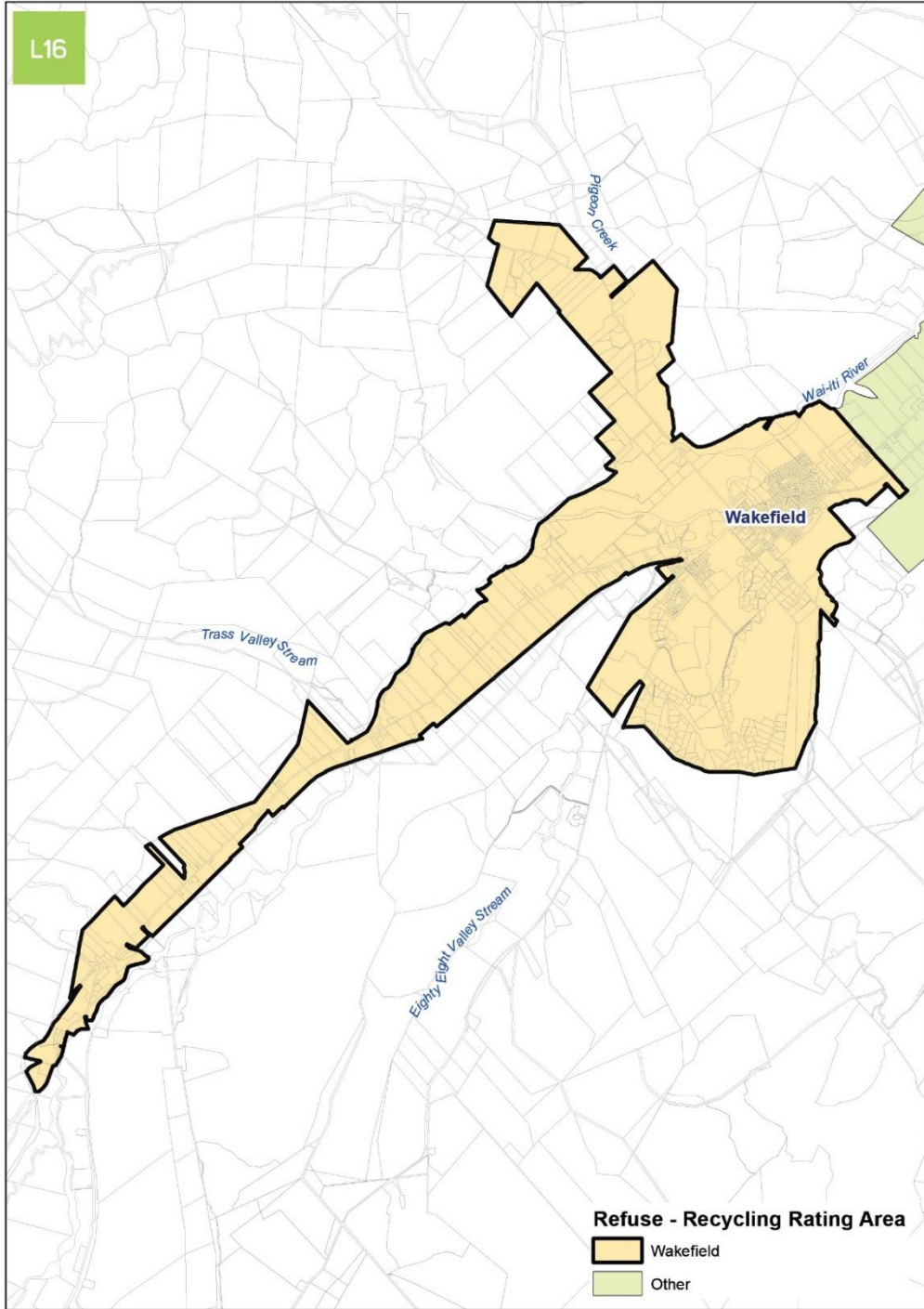


RATING MAPS

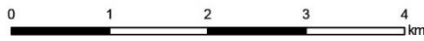




RATING MAPS

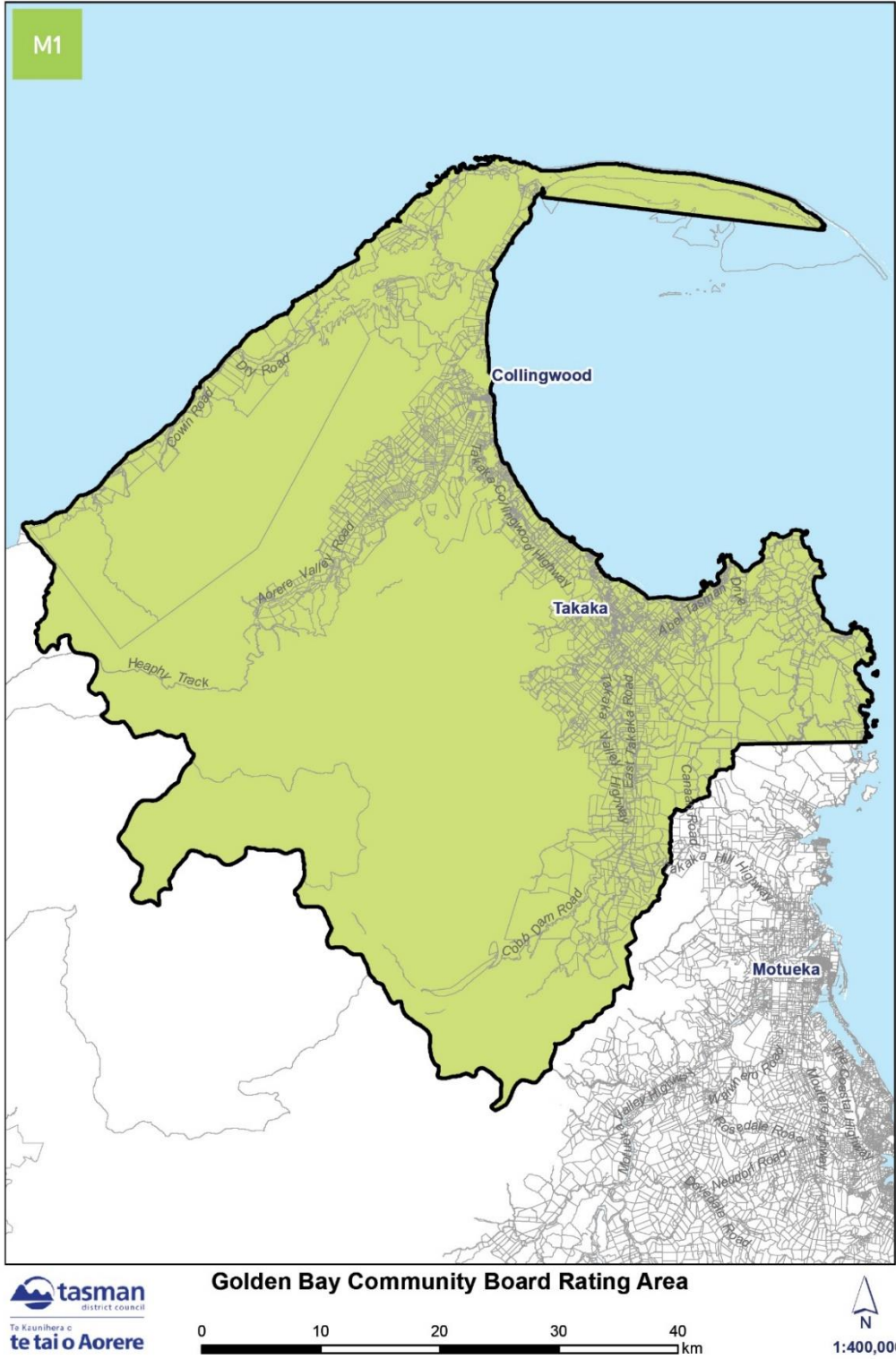


**Refuse - Recycling Rating Area
Wakefield**



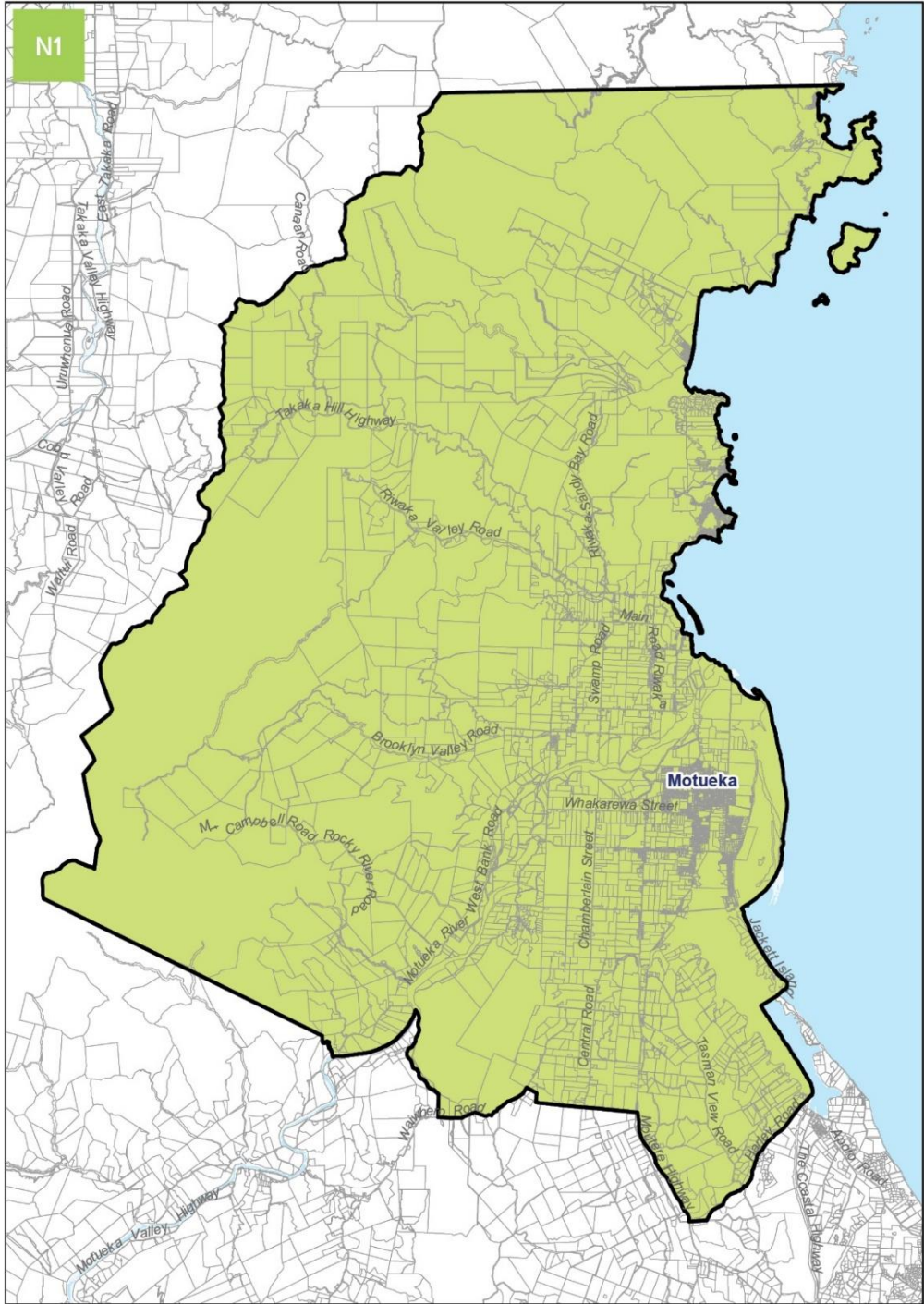


RATING MAPS

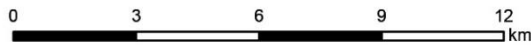




RATING MAPS

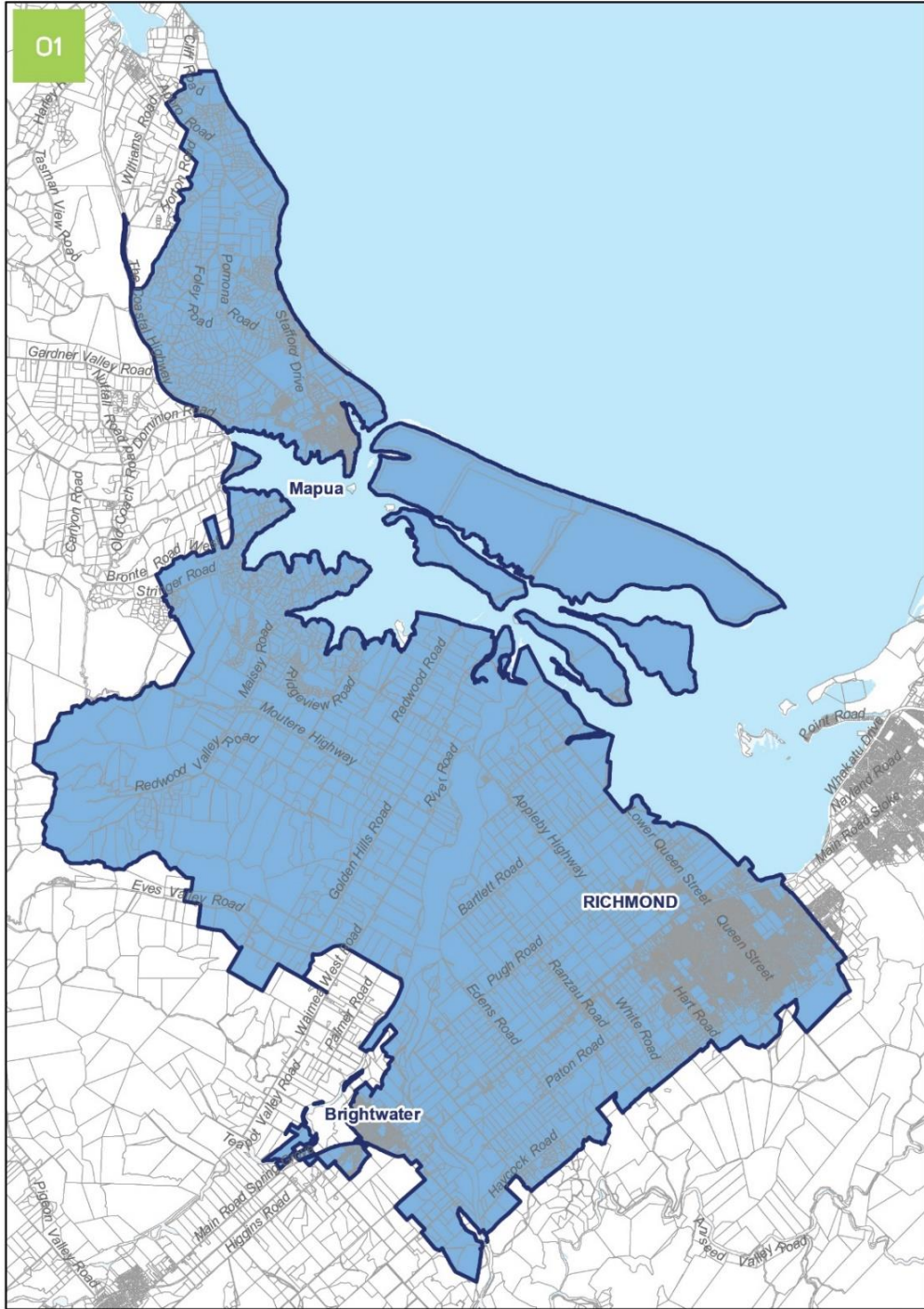


Motueka Community Board Rating Area





RATING MAPS





FINANCIAL STRATEGY

EXECUTIVE SUMMARY – INCREASING FINANCIAL CAPS TO PLANT THE SEEDS FOR TASMAN’S FUTURE

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.

We have maintained low rates revenue increases (below 3% per annum including 0% rise in 2020/2021) since 2015 and managed our net debt levels below \$200 million. That approach is unsustainable in the medium to long term. Now it is time to invest for the future. In order to fund the Tasman’s 10-Year Plan 2021 – 2031, our annual rates revenue rises cap will increase to between 4.5% and 7.0%. Similarly, the Council’s net debt cap will increase to \$250 million.

By 2031, we anticipate the benefits from the investment Council makes now will start to be realised. The District will have improved drinking water systems. There will be fewer wastewater overflows in wet weather. The water in the District’s rivers and streams will be cleaner and healthier. The availability of land serviced with infrastructure, both greenfield areas and for more intensive living in existing urban areas, will have kept pace with our increasing population. By 2031, the Council plans to have been fully funding renewals through depreciation¹ since 2024/2025, to ensure that current users of infrastructure pay their fair share of the costs of wear and tear on assets. The Council’s debt will still be well controlled, serviceable through our income streams and will keep interest payments manageable. Debt headroom will be available to respond to emergencies such as those caused by natural hazard events.

THE LAY OF THE LAND

LARGE DISTRICT WITH DISPERSED POPULATION CENTRES

Tasman District Council serves a dispersed population in a large District. There are 15 main settlements with many more people living in rural areas, across 9,635 km². We have a small rating base to fund the significant amount of infrastructure required to service this area, including 1,751 km of roads². Multiple, separated centres of population means we supply infrastructure to serve the same purpose in a number of different locations and often use varying technology and methods based on the size and topography of the areas concerned. As a result, the cost per household is higher than for larger, more concentrated areas like Nelson City.

¹ Fully funding depreciation needs to be understood with regard to the following; we do not rate for renewals on the 51% of roading asset network funded by Waka Kotahi/New Zealand Transport Agency; some assets will not be replaced by the Council because they are no longer required; renewals for some activities are funded directly from rates or fees and charges.

² Transportation Activity Management Plan 2021



MODEST RATES INCREASES OVER RECENT YEARS

Over the past six years, rates revenue increases have been maintained below 3% per annum and in 2020/2021, the Council opted for a 0% rate revenue increase in recognition of the financial hardship many households were likely to experience as a result of the economic impacts of the Covid-19 pandemic.

The Council set itself a net debt cap of \$200 million in 2015 in consultation with the community. This cap was retained in 2018 and the Council's debt has remained below this level up to, and including, 2020/2021. Taking into account the effect of inflation, the debt limit has been a sinking lid in real terms, as was intended at the time. We have planned to keep borrowing well inside prudential limits³ and debt has been less than anticipated in recent years.

Interest rates are currently very low, in part in response to the economic impact of Covid-19. The Council has a strong credit rating (Standard and Poors AA- with a negative outlook) enabling access to borrowing at lower interest rates. However, paying interest and repaying loans is part of what puts pressure on the level of rates. While current borrowing rates are low, they are likely to increase in the future. This will affect future rates as the Council borrows long term to fund its activities.

PLANTING THE SEEDS FOR TASMAN'S FUTURE

The Financial Strategy aims to support our work to make our vision a reality, i.e. *working together for thriving and resilient Tasman communities*.

In particular, our Financial Strategy supports Tasman's 10-Year Plan 2021 – 2031 in its intent to progress the Council's 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

This Financial Strategy enables the Council to invest in areas that will deliver benefits in the future and be well positioned to assist the District to respond to any remaining economic impacts from Covid-19.

PROVIDING FOR GROWTH

The District's population has increased significantly in recent years and we expect this growth to continue. We anticipate the overall population of Tasman will increase by 7,700 residents between 2021 and 2031, to reach 64,300. Based on these figures, we are planning for a further 4,300 dwellings⁴ and 160 new commercial or industrial buildings. The ongoing housing growth creates demand for additional capacity in our infrastructure, particularly in those areas with higher growth (Richmond, Motueka, Brightwater, Māpua and Wakefield). Tasman is the second least affordable region to buy a house in the country (behind Auckland) taking into account the cost of

³ The amount the Council could borrow without exceeding one of its financial regulation benchmarks as specified in the Local Government (Financial Reporting and Prudence) Regulations 2014.

⁴ This figure for new dwellings has considered the impact of the ageing of the population on increasing housing demand by reducing average household size.

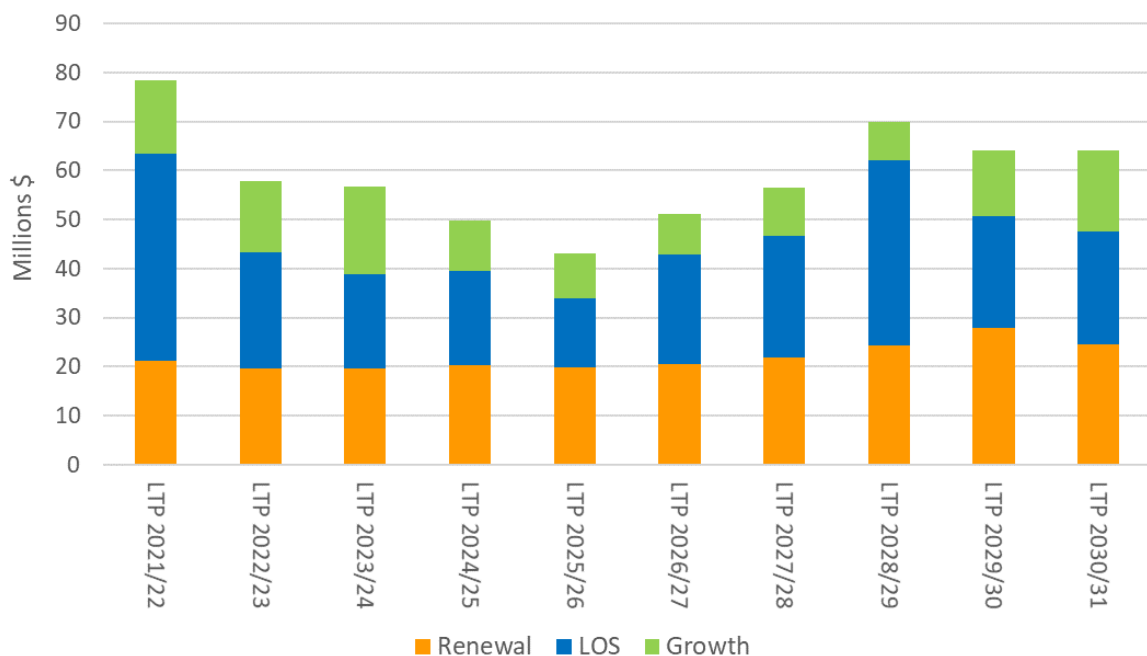


borrowing, as well as house prices and wage levels⁵. If land serviced by infrastructure does not keep up with demand, housing affordability will decline further.

We plan to invest in the infrastructure required to provide for growth. We will borrow to fund the work, and repay the debt primarily through levying development contributions⁶ over several years. The chart below indicates the planned capital expenditure to respond to growth over the 10-year period. It should be noted that many infrastructure projects have both a growth and a service improvement component.

The proportion of Tasman’s population aged 65 years and over is projected to increase from 21% in 2018 to 29% by 2031. The ageing population is likely to mean more residents on limited incomes, and with disabilities and health issues. This in turn will increase demand for more accessible footpaths, seating and toilets, and a need to adapt the way information and services are provided.

Chart 1: Infrastructure Capital by year by Type




Note: The total funded capital amount is lower than the sum of the renewal, levels of service and growth capital because for the Water, Wastewater, Stormwater and Rivers activities, we have made

Other than the conversion of land to residential and business use to accommodate growth, the Council is not aware of any other substantial changes in the use of land in the District that will materially affect our capital or operating costs.

⁵ Massey Home Affordability Index as quoted in National Policy Statement on Urban Development Capacity, Nelson-Tasman Monitoring Report July 2019-June 2020.

⁶ Development contributions are a fee charged for new development to contribute to the costs of building the infrastructure that supports them.



an overall downward adjustment to the capital programme of 10% per year. This adjustment accounts for uncertainties in scope risk and programme delivery.

RENEWING AGEING INFRASTRUCTURE

The Council is responsible for \$1.31 billion worth of infrastructure assets (as at June 2020). These assets have a finite period in which they will operate effectively. Once the useful life of an asset is reached, the asset will usually require renewal or replacement. A lot of Tasman's infrastructure was built between circa 1950s and the 1980s. To date, this has meant that the Council has largely had to renew assets with relatively short useful lives and that most of the longer life assets are yet to be renewed.

For the period of Tasman's 10-Year Plan 2021 – 2031, we expect to continue to invest in the renewal of assets based on the age of the assets and their expected useful life, effectively creating a stable baseline for renewal investment. We have been continuing to invest in better understanding the condition of our assets to optimise our renewal programme.

Beyond the life of the Council's Infrastructure Strategy, considerable renewal of bridges and pipes will be required with a substantial financial impact on the Council and community. We need to plan well ahead of time in order to manage and fund this step up in renewal activity.

RESPONDING TO CLIMATE CHANGE

The Council adopted a Tasman Climate Action Plan⁷ in 2019 with the following goals:

- Council contributes to New Zealand's efforts to reduce greenhouse gas emissions (including net carbon emissions)
- Tasman District becomes more resilient to the impacts of climate change
- The Tasman community is informed of climate change actions and options for response, and
- Council shows clear leadership on climate change issues.

In Tasman's 10-Year Plan 2021 – 2031, Council assumes 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'.

Because of climate change, natural disasters will occur with increasing frequency and intensity. For low lying coastal land there will be increasing inundation and erosion from sea level rise and storm surge. Adaptation can help reduce the District's vulnerability and increase its resilience to natural hazards.

The Council recognises that it has a role in working to reduce its own greenhouse gas emissions where cost effective and to encourage other individuals and organisations in the District to do likewise.

In Tasman's 10-Year Plan 2021 – 2031, we have included funding for projects that will contribute to meeting the goals in the Tasman Climate Action Plan. In most cases, funding is embedded in the Activity Management Plans for the activity concerned.

Of particular note, Tasman's 10-Year Plan 2021 – 2031 includes:

- higher budgets for implementing the Waste Management and Minimisation Plan

⁷ <https://www.tasman.govt.nz/my-region/climate-change/what-is-council-doing/#e2520>

- budgets to implement the Active Transport Strategy
- more investment in public transport
- increased funding for energy efficiency initiatives
- funding for tree planting that will help store carbon
- provision to undertake an assessment to identify the vulnerability of critical infrastructure to natural hazards and climate change
- resources to continue work on the coastal management response to climate change project, looking at long-term adaptive planning for sea level rise and coastal hazards
- plans to investigate options for a more agile response to biosecurity and pest management issues, and
- funding for annual monitoring of Council's greenhouse gas emissions.

IMPROVING THE QUALITY OF OUR FRESHWATER

The quality of freshwater has been a high profile issue in recent years. The quality of the water in Tasman's rivers and lakes is high compared with most parts of New Zealand. However, water quality is under threat from adjacent land uses.

Nationally, central government has introduced a number of regulatory instruments aimed at improving freshwater which require the Council to take additional action. In Tasman's 10-Year Plan 2021 – 2031, we plan to invest in further resources to work alongside the community to meet the enhanced regulations and further improve the quality of the water in the District's rivers and streams.

REFORM OF THE RESOURCE MANAGEMENT ACT

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. The final form of the legislation could have substantial impacts on Council's organisation and resourcing. However, until the legislative changes are further developed, it is difficult to predict the extent and nature of those impacts.

In our Financial Strategy we have budgeted for Council's obligations and responsibilities for environmental management continuing to the existing extent and in the current form. We have provided for the review of the Tasman Resource Management Plan and its replacement with a new Tasman Environment Plan.

When the implications of the reforms of the legislation and its implications for Council are better understood, it may be necessary to make changes to our planning through an Annual Plan or future edition of the Long Term Plan.



CONTINUING TO IMPROVE THE THREE WATERS (WATER SUPPLY, WASTEWATER AND STORMWATER)

Central government has identified concerns about drinking water, stormwater and wastewater (the three waters) across the country in recent years. In August 2020, the Council entered a memorandum of understanding to engage in the first stage of the Government’s three waters reform programme and is benefitting from Government funding of \$9.78 million towards a number of water supply and wastewater projects. Subsequent stages of the reform programme will consider the possible transfer of assets and liabilities or the establishment of new water entities.

The Government has introduced higher regulatory standards through the New Zealand Drinking Water Standards. The Council has increased its investment in improving the quality of drinking water in recent years and plans to further invest to meet the higher standards in Tasman’s 10-Year Plan 2021 – 2031. To ensure that all residents on water supply systems receive safe and reliable drinking water we will continue to invest substantially in infrastructure, regardless of uncertainties about the outcomes of the three waters reform programme.

Our investment in wastewater aims to provide for growth and improve environmental outcomes. To meet higher environmental regulatory standards and help ensure wastewater does not contaminate freshwater, we will provide increased emergency storage and work to reduce stormwater inflows (which overrun the capacity of the systems in wet weather).

The Council will invest in stormwater modelling and catchment management planning to identify integrated solutions to a variety of issues, such as flooding, contamination from stormwater and degrading stream health. We will provide new stormwater infrastructure to stay ahead of development in our main growth areas in Richmond, Motueka and Māpua.

COMPLETING THE WAIMEA COMMUNITY DAM

The Council is investing in the Waimea Community Dam (the Dam) to provide a secure water supply for the next 100+ years, providing drinking water to our residents on the Waimea plains including Richmond, Māpua, Brightwater and Wakefield. It will also ensure critical water supply to our horticultural crops and improved water flows to enhance environmental outcomes in the Waimea River. The Dam has an estimated economic benefit to the Tasman region of \$923 million in the first 25 years. Ground was broken on site in August 2018. Substantial progress has been made with the diversion culvert, an important milestone, completed in August 2020. Waimea Water Limited reported that the Dam was 50% complete in February 2021.

A number of factors have contributed to the increased revised cost to complete this project. These include:

- The need to import additional rock fill due to the quality of the onsite rock.
- The under budgeting of some items e.g. mechanical and electrical.
- The impact of Covid-19 on payments to contractors, costs, project delays and the supply chain.
- Design changes to improve resilience and to address encountered conditions.



In late February 2021 WWL notified the Council of a revised cost to complete the project. The Waimea Water Limited risk range for cost to complete is now between \$148 million and \$164 million, with a revised estimated cost to complete of \$158.5 million⁸.

The estimated cost to complete has therefore increased by \$53.7 million (to \$158.5 million).

Of this \$158.5 million, the Council has assumed it will collect \$53.7 million of cost overruns.

\$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 interest only shareholder advances of \$36.4 million from Council to Waimea Water Limited.

Of the shareholder advances, \$24.8 million relate to irrigator capacity. Of this portion of the shareholder advances, the interest costs on \$10.14 million will be funded through the General Rate for the first five years of Tasman's 10-Year Plan (i.e. 2021/2022 – 2025/2026). The interest on the remaining \$14.64 million of shareholder advances will be funded by Waimea Water Limited water charges paid by Waimea Irrigators Limited.

The interest costs of Council's portion of the shareholder advances (\$11.6 million) and its additional equity will be funded 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.

DIGITAL INNOVATION

Investing in our information technology will improve the quality, value and transparency of the services we provide and will mean our residents can engage with us in different ways. That investment will also allow us to improve the timeliness and accessibility of information that supports decision making by the Council, communities, Tasman businesses, and individuals.

Over the next five years, we will invest \$13.3 million to improve our information services capability, and refresh our core applications. We want to provide a consistent, quality experience for residents where our website integrates with our other online services so we can provide more self-service, automated transactions with 24-7 accessibility. We will invest in our data to enable us to share our information more effectively with residents and to increase the range of services we offer. Community wifi connectivity will be available in public spaces across our region and will serve as a gateway to engage with the Council, and as an enabler for future services.

HELPING THE TASMAN ECONOMY RESPOND TO THE COVID-19 IMPACTS

The Covid-19 pandemic and the associated restrictions have affected the economy in New Zealand generally, and in Tasman in particular. Economic activity in the District was severely affected during the Level 3 and 4 restrictions earlier in 2020. Since then it has bounced back strongly. The Nelson Tasman economy is tracking better than most of the country, and the March 2021 quarter GDP was at a higher level than in 2019. The year to date level is, however, down 0.5%⁹.

It remains a mixed recovery and some in our communities are still being negatively impacted – especially those reliant on international tourism. There remains substantial uncertainty about the extent and timing of any further Covid-19 related impacts on the Tasman economy.

⁸ In addition, the cost to provide for a future hydro power option is \$350,000.

⁹ Infometrics Quarterly Economic Monitor March 2021



For these reasons, it is important the Council continues to invest in the District and provide services. This investment helps to fuel the economy and act as a buffer against increasing unemployment. In order to boost jobs and assist economic recovery, central government is helping to fund local projects to a level that has not been seen in recent years. To benefit from the opportunities provided by Government funding, we have committed to contributing part of the costs of these projects ourselves. We have established a project management office (PMO) to provide a framework to oversee and advise on the delivery of the central government funded projects. Funding for the PMO is primarily from the project budgets in Tasman's 10-Year Plan 2021 – 2031.

NATURAL HAZARDS AND OTHER EMERGENCY RISK

The Tasman District is exposed to a number of natural hazard and other emergency risks such as flooding, earthquake, slope instability and river and coastal erosion. Nelson Tasman Civil Defence and Emergency Management's, Group Plan identifies earthquakes, tsunami, human pandemic, infrastructure failures, high winds and large scale slope failure as higher priority risks taking into account the mitigation in place. The District has also been subject to cyclone damage and the Pigeon Valley fire in recent years.

The Council has the financial resources to be able to respond to emergency situations and to be able to restore important infrastructure and facilities.

To help keep rates at an affordable level for the first four years of Tasman's 10-Year Plan 2021 – 2031, the Council is planning to not make further contributions to its emergency funds. Rather, it will rely on the reserves already built up in the emergency funds and has sufficient debt headroom to be able to borrow money for the recovery from localised natural hazard events.



WHAT ARE OUR GOALS?

The Council has three inter-related goals for its Financial Strategy:

PROVIDE GOOD STEWARDSHIP OF COMMUNITY RESOURCES.

The Council is the steward of the community resources that have developed over many years. We are entrusted with managing those resources in a careful and responsible way for both our current and future communities. Our goal is to take care of and protect those resources so that they can continue to benefit the District in years to come.

DELIVER VALUE FOR CURRENT AND FUTURE RESIDENTS

Our goal is to provide the best value to our residents for the money the Council invests on their behalf. We aim to work with our communities to help them flourish and maintain their resilience, whilst maintaining the affordability of rates. Rates affordability is important to many of our ratepayers, particularly those on lower fixed incomes.

We aim to invest sufficiently to maintain the assets and services that are important to our communities. We also aim to selectively invest in the things that will make the most positive difference to the well-being of the District, whilst keeping rates affordability firmly in focus. With community well-being in mind, Council is investing not only in utility and roading infrastructure, but also in community infrastructure such as a new pool in Motueka, a new community facility for Brightwater/Wakefield and upgrading the grandstand at the Golden Bay Recreation Park.

We want to maintain or improve the affordability of rates over time. It is important that affordability is not only considered for current ratepayers, but also future ratepayers. Decisions now could potentially affect rates affordability in the years ahead, meaning there is potential to pass rates burdens on to future generations if we do not invest in infrastructure and services now.

Alongside this Strategy, the Council also prepares an Infrastructure Strategy which identifies the key issues relevant to the provision of infrastructure, and the options and plans for addressing those issues for the next 30 years. Infrastructure expenditure forms a large proportion of the Council's spending being 37% of operational expenditure and 79% of capital expenditure over the next 10 years. The two strategies are closely linked to ensure the right balance is struck between providing the agreed levels of service for infrastructure assets within the agreed financial caps. The financial caps influence how the Council manages and develops existing and new assets.

Over the next 10 years, forecast rates income increases and net debt levels are projected to be at, or near, Council's new caps. The Council has worked hard to plan a programme of investment that addresses the key infrastructure issues and makes meaningful impact on the well-being of residents, whilst remaining within the financial caps.

For instance, we have identified the need to invest significantly in walking and cycling to improve safety and accessibility, and to help reduce greenhouse gas emissions. It would be preferable to make substantial inroads in improving active transport infrastructure as soon as possible. However, this investment has been staged, starting modestly in the initial years of Tasman's 10-Year Plan 2021 – 2031 and increasing later through the period to help us stay within the financial caps.



USE DEBT AS A TOOL FOR INTERGENERATIONAL EQUITY AND RETAIN BORROWING HEADROOM

The Council uses debt to spread the costs of assets so that those who benefit from them pay a fair share of the costs of those assets over the assets' lifetime. Including some debt that we can readily service from secure, reliable revenue sources without compromising other aspects of service delivery, is an acceptable and positive way of operating. However, when debt is too high it can become damaging because then a large proportion of the revenue the Council receives is required to pay the interest on the debt, rather than funding services. If credit-rating agencies and loan providers become concerned about the level of debt compared with revenue sources or the availability of borrowing, the costs of borrowing can increase.

The use of debt exposes the Council and ratepayers to the impacts of interest rate movements and refinancing risks. With high debt levels these movements can have a significant impact on debt servicing costs. The Council is currently experiencing historically low interest costs. In considering the appropriate use of debt the Council is mindful of the impact that increases in future interest rates would have on rates.

The Council is proposing to set its self-imposed debt cap at a level below the amount it could borrow given its forecast revenue (through rates in particular). The Council will maintain a significant proportion of this debt headroom so that it can borrow, if necessary, to recover from any emergency events that take place during Tasman's 10-Year Plan 2021 – 2031 period.

In this Strategy, the Council is focused on ensuring debt provides a useful tool, but is kept at a manageable and prudent level to avoid the negative consequences (such as higher interest rates) of over borrowing.



WHAT'S THE PLAN?

PRINCIPLES

To invest in the District's future, the Council is proposing to increase its financial caps. It is not possible to maintain services at their existing levels and take the steps that are needed now to provide benefits for the future, whilst retaining the rates increase and debt caps originally adopted in 2015. In deciding how to go forward, the Council has applied the following principles in its Financial Strategy 2021 - 2031:

- to continue to meet its fiscal prudence, sustainability and environmental sustainability obligations
- to keep the medium to long term in focus i.e. rather than being overly diverted by the shorter-term recovery from the Covid-19 pandemic
- to understand the trade-offs or benefits across all of the well-being domains (social, environmental, economic and cultural)
- to capitalise on the economic environment (i.e. enhanced borrowing terms, and increased labour and skills availability)
- to make the most of the enhanced opportunities of Government funding, subsidies and other incentives to advance the community outcomes, and
- to right size Council staffing and operational expenditure.

With the economic impact of Covid-19 likely to continue to affect the Tasman District for the next few years, we were faced with an option of making substantial reductions in levels of service to help moderate rates revenue increases. However, in considering overall well-being now and in the future, the Council decided that maintaining services to the community and continuing to invest in assets and infrastructure was the better option. Not only does this help make progress in the District but also recognises the Council's important role as a significant consumer of goods and services that support the local economy. By investing in the economy, the Council can have a much larger impact on jobs than by reducing rates by an equivalent amount¹⁰.

To help achieve the right level of investment into our existing assets and selectively making improvements for the future the Council has decided to raise its financial caps in Tasman's 10-Year Plan 2021 – 2031.

¹⁰ Life with Covid-19: We will be judged by our actions. 16 April 2020. Shamubeel Eaqub, Sense Partners.



RATES INCREASE CAP

Council is proposing that the rates revenue increase cap will rise to the following levels (excluding an allowance for growth):

- 4.5% in Years 1-3 (2021/2022, 2022/2023 and 2023/2024)
- 7.0% in Years 4-5 (2024/2025-2025/2026)
- 4.5% in Years 6-10 (2026/2027-2030/2031)

Chart 2: Projected Rates Revenue Increases and Rates Cap

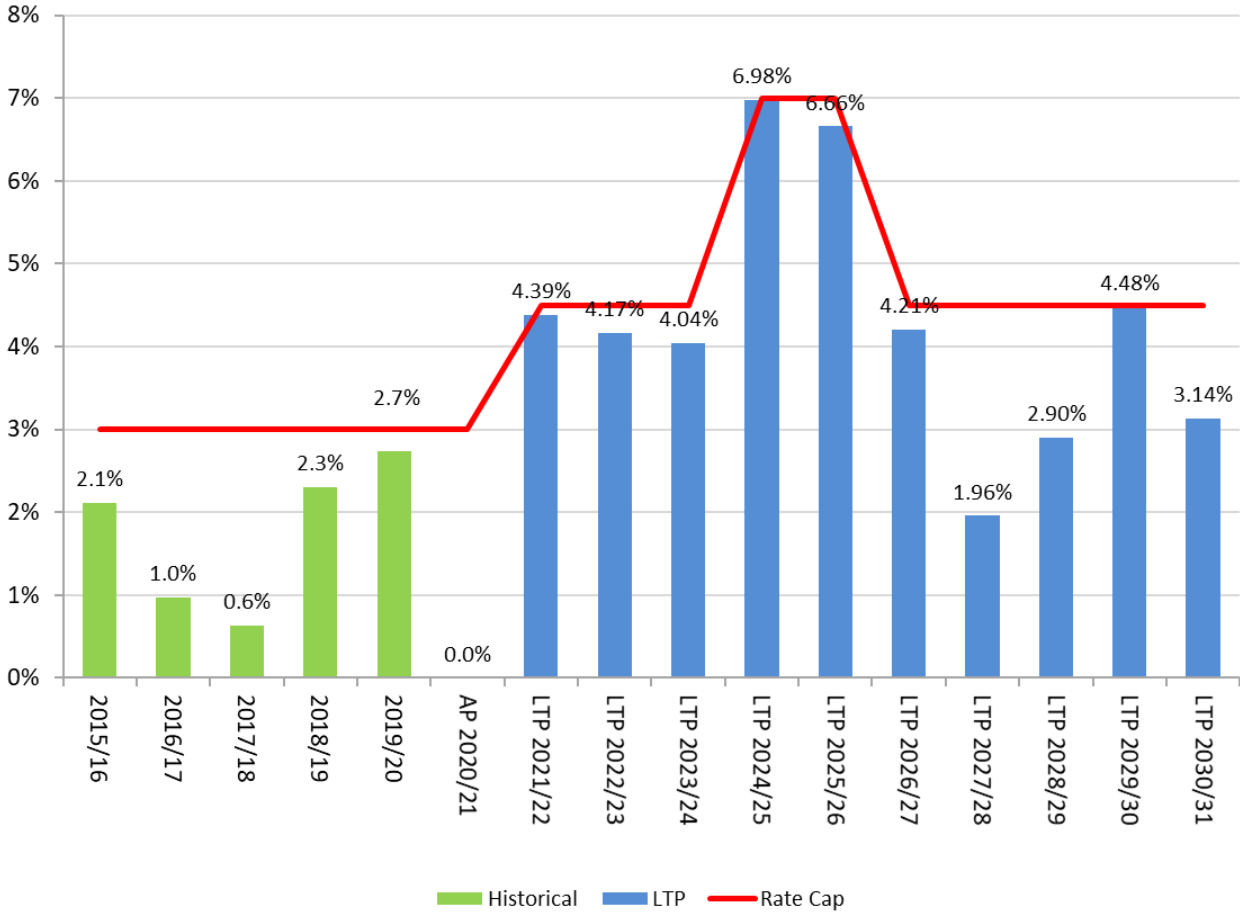
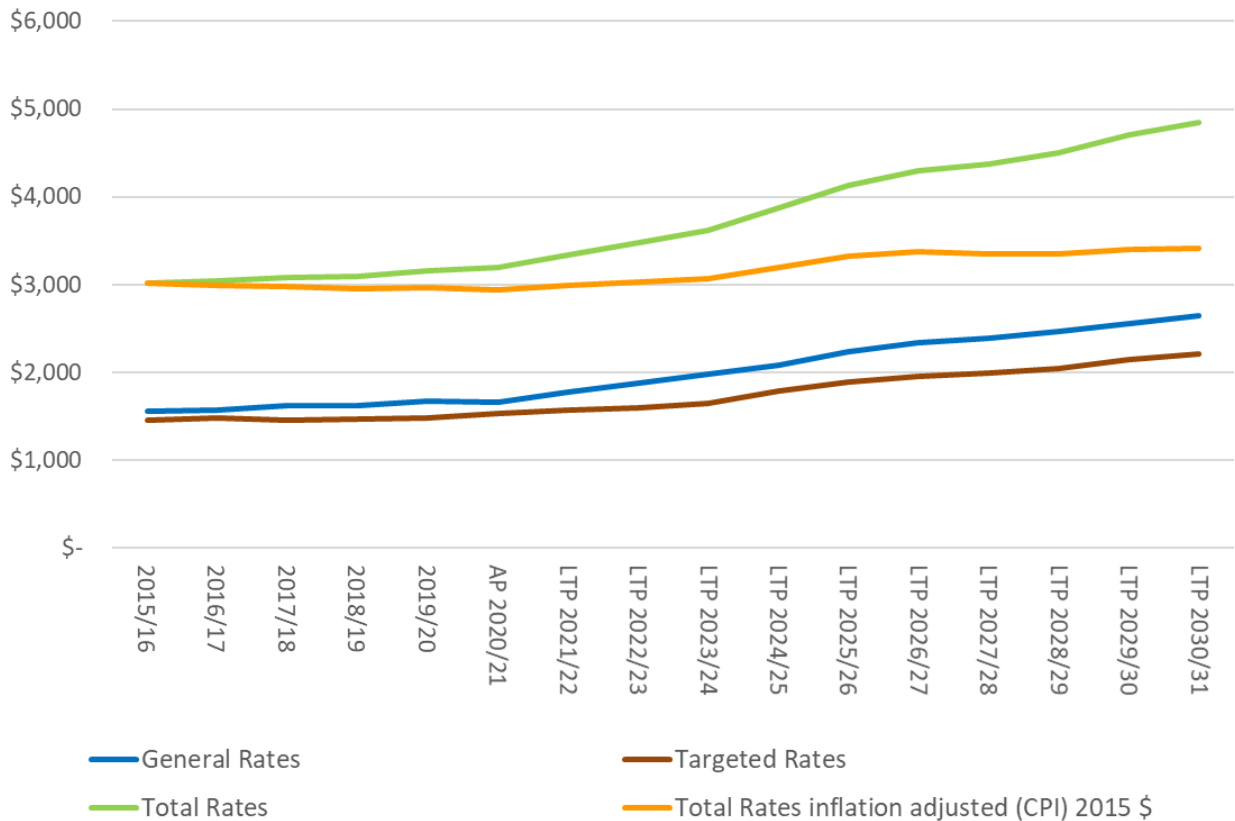




Chart 3: Projected rates per rateable property

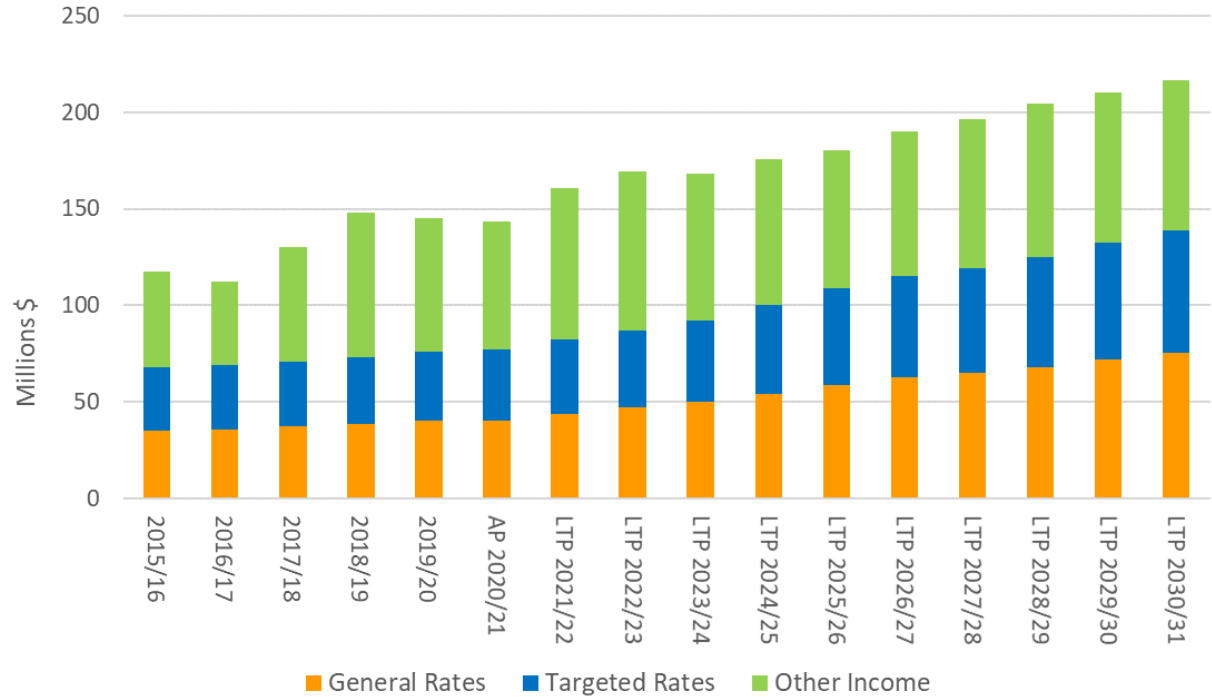


Rates are the principle source of funding for the Council’s activities. However, we attempt to maximise the use of available Government funding sources and operate some activities (most notably forestry) to generate surpluses to fund some projects and help reduce the reliance on rates. Similarly, where the user of a service can be readily identified and charged, we generally set fees and charges that cover the costs of providing that service.

The Council is planning for balanced budgets for most years in Tasman’s 10-Year Plan 2021 – 2031. That means we are planning to collect sufficient revenue to cover our operating costs each year. However in 2022/2023 and 2023/2024 we are budgeting for a deficit position because we are funding some large one off operating costs from loans. The operating costs have a benefit of greater than one year, hence loan funding these. One relates to our digital innovation programme, and the other, to the Tasman Environment Plan including review of the Tasman Resource Management Plan. This is an important way for Council to manage its funds prudently and also take into account intergenerational equity considerations.



Chart 4: Make up of Revenue



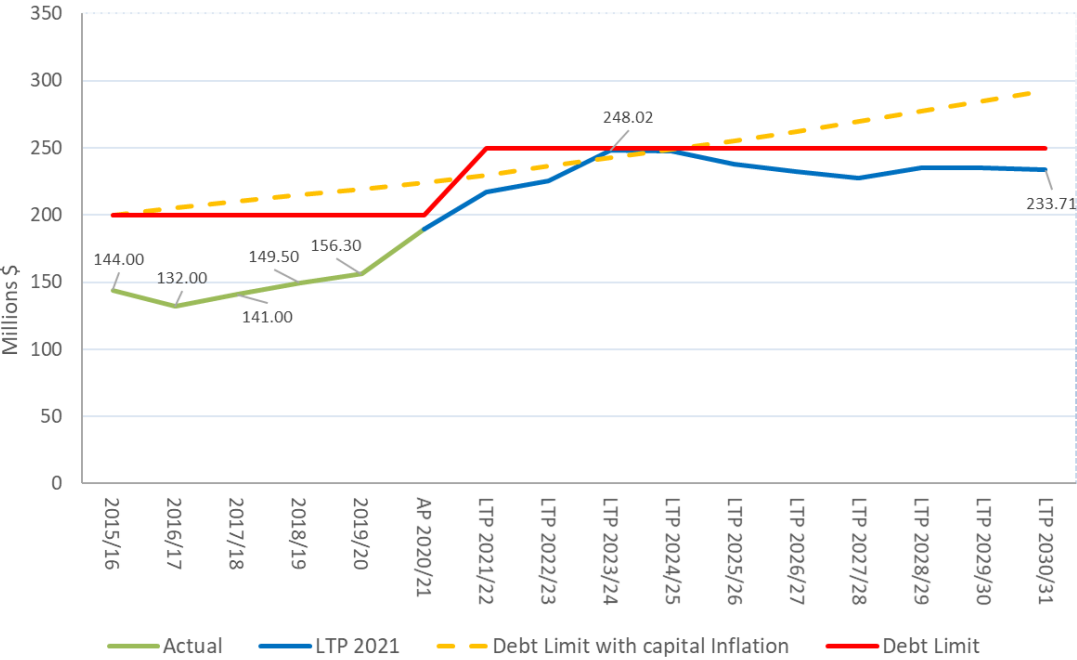
The prospective Statement of Comprehensive Revenue and Expense shows a large surplus in every year of Tasman’s 10-Year Plan 2021 – 2031. This reflects the fact that Council receives a significant amount of revenue that is used to fund capital expenditure. Revenue sources include the Waka Kotahi/NZTA roading subsidy, central government funding, Development Contributions and Reserve Financial Contributions.

NET DEBT CAP

The Council is increasing its net debt cap from \$200 to \$250 million for the 2021 – 2031 period. This provides more 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. The forecast increase in interest from higher debt can be managed within the new rates increase cap.

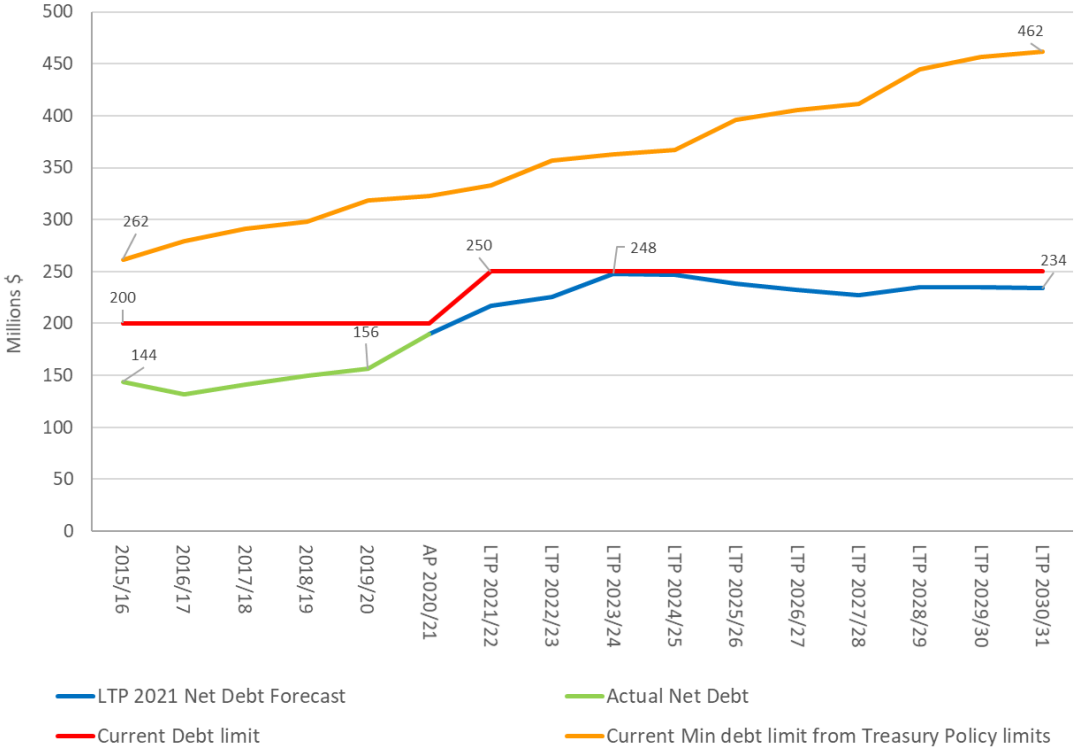


Chart 5: Net Debt



This new cap on debt still leaves sufficient borrowing headroom below the prudential limits (set out in Council’s Treasury Risk Management Policy) for the Council to respond to emergencies should that be required.

Chart 6: Net Debt Cap and Treasury Management Policy Limits





The NZ Local Government Funding Agency (LGFA) stipulates a number of financial limits or covenants, which are repeated at the same or at a lower level within the Council's Treasury Risk Management Policy. Not exceeding these limits is considered best practice in the local government sector. If the Council exceeds these limits, it is likely that the cost of borrowing will increase significantly and we may have difficulties sourcing borrowing.

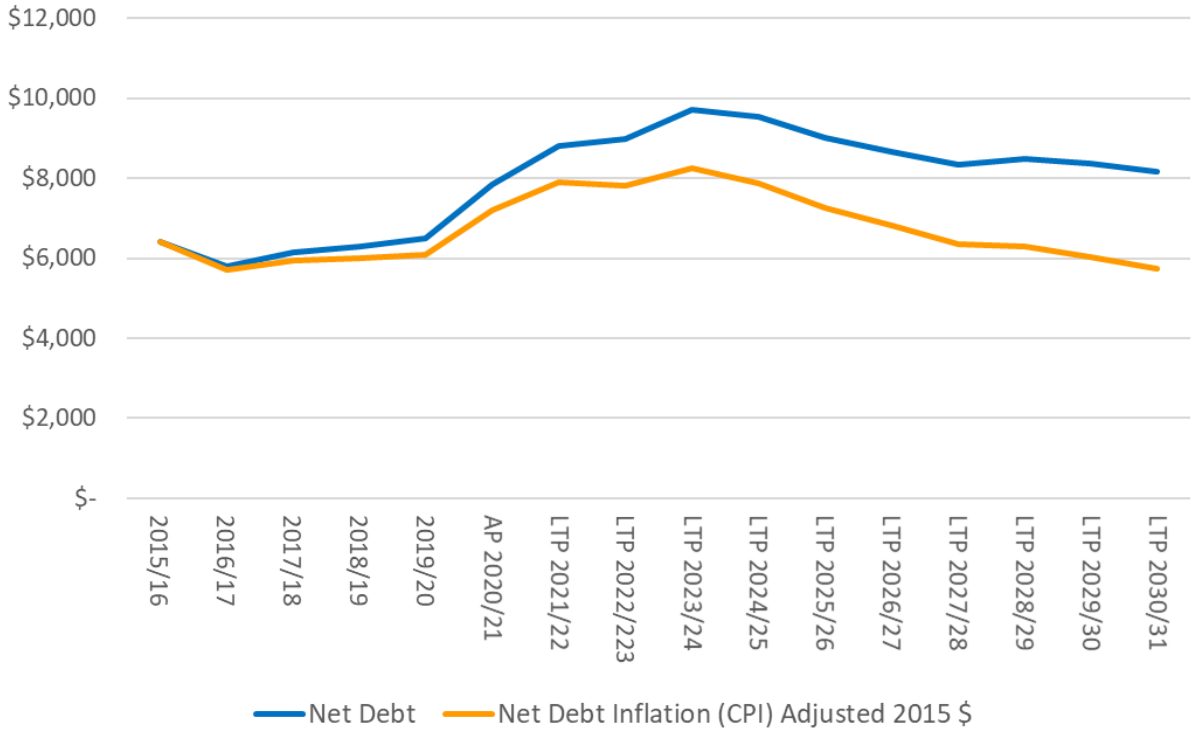
Whilst the Council is increasing its debt cap in this Financial Strategy, it has selected a level that is lower than the maximum limit provided for in its Treasury Risk Management Policy (and by the LGFA). This is to ensure we have sufficient borrowing headroom, if necessary, to fund the recovery from a natural hazard or emergency event and to moderate the impact on rates levels.

The Council also has a number of other prudential limits for monitoring debt, set out in its Treasury Risk Management Policy. The Council debt must remain within these limits (see table below). The limits within this policy also assist us in ensuring overall debt remains within prudent levels.

Financial projections show net debt will peak in 2023/2024 at \$248 million, and then reduce to \$234 million by 2031.



Chart 7: Debt per rateable property



TREASURY RISK MANAGEMENT POLICY LIMITS

The Council has set itself a series of borrowing limits in its 2019 Treasury Risk Management Policy. These have been established to ensure that we only borrow to prudent levels and have sufficient rates and other income to service the loans.

The below table compares the Council’s forecast performance against these limits for each year as planned in Tasman’s 10-Year Plan 2021 – 2031.

Measure	Treasury Policy Limit	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Net External Debt/Total Operating Income	<225%	146%	143%	158%	148%	139%	128%	121%	119%	116%	112%
Net External Debt/Equity	<20%	13%	13%	14%	13%	12%	11%	11%	11%	10%	10%
Net Interest on External Debt/Total Operating Income	<15%	5%	5%	5%	5%	4%	4%	3%	3%	3%	3%
Net Interest on External Debt/Annual Rates Income	<25%	9%	9%	8%	7%	7%	6%	5%	4%	4%	4%



MANAGING LEVELS OF SERVICE

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

Levels of service are set through Tasman’s 10-Year Plan 2021 – 2031, 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 level of service targets over the next 10 years. We have had to focus investment on meeting existing level of service targets, and making improvements due to statutory requirements.

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

ACTIVITY	TYPE OF CHANGE	DESCRIPTION ENVIRONMENTAL HEALTH
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.
	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	Improve community facility provisions	Invest in new Wakefield/Brightwater community facility.



ACTIVITY	TYPE OF CHANGE	DESCRIPTION ENVIRONMENTAL HEALTH
Facilities	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	Catchment management focused approach to and increased monitoring of freshwater
	Implementation of Tasman BioStrategy	More coordinated approach to biodiversity and natural systems

REAPING THE BENEFITS – BY 2031

The Council anticipates benefits from its investment will be realised. The District will have drinking water systems that consistently deliver high quality, safe drinking water supplies to urban, and some rural, populations. Our wastewater infrastructure will overflow much less frequently, particularly in wet weather, reducing any negative impact on our environment. The water in the District’s rivers and streams will be cleaner and healthier both for recreational use and for the plants and animals.

The availability of land serviced with infrastructure, both for more intensive living in existing urban areas and greenfield areas, will have kept pace with the increasing population living in the Tasman District. This is important to ensure that the availability of development opportunities is not a constraint on housing supply, which could affect housing affordability.

Our information technology will have enhanced the transparency of Council services and have enabled our residents to engage with using a range of methods. More timely and accessible information will be supporting decision making and wifi connectivity will be available in public spaces. Our information systems will provide high quality experiences for residents with self-service, automated transactions and 24-7 accessibility.

At the same time, the Council’s debt will still be well controlled and serviceable through our income streams and won’t put too much pressure on rates levels through servicing interest payments. Borrowing headroom will be available to respond to emergencies.

Rates affordability will remain a big challenge. We are aiming to make sure that rates income increases enhance community well-being and will continue to carefully consider their impact on rates affordability.



POLICY ON GIVING SECURITY FOR BORROWING

The Council normally secures its borrowings against rates income. The Council has a Debenture Trust Deed that provides the mechanism for lenders to have a charge over its rates income.

The Council may provide security over specific assets and this is limited to where:

- there is a direct relationship between the debt and the purchase or construction of the asset, which it funds (e.g. project finance)
- the Council considers a charge over physical assets to be appropriate, and
- any pledging of physical assets complies with the terms and conditions contained within the security arrangement.

The Council may provide credit support for Council-Controlled Organisations but not for Council-Controlled Trading Organisations.

For further information on the Council's approach to borrowing, refer to the Liability Management Policy (part of the Treasury Risk Management Policy).

FINANCIAL INVESTMENTS AND EQUITY SECURITIES

OBJECTIVES AND TARGETS

The Council has prioritised improving investment performance. To achieve this, a commercial committee with three independent members from the business community provides advice and recommendations to the Council on the management and investment in commercial and semi-commercial activities.


The committee is focused on improving the Council's returns from its commercial and semi-commercial investments, including:

- a) Commercial (Investment) property – Māpua, Richmond
- b) Port Tarakohe
- c) Forestry holdings
- d) Holiday parks – Motueka, Murchison, Pōhara, Collingwood
- e) Aerodromes - Motueka and Tākaka
- f) Motueka Harbour and Coastal Works reserve fund

Our commercial activities will operate under their own financial plan. This plan will ensure the 'group' is operated in a way that means it can support its own capital works programme, with the necessary income retained within the group to support its ongoing growth and reinvestment requirements.

The Council's primary objective when making a financial investment is to protect its investment capital, and a prudent approach to risk and returns always applies. We will:

- maximise returns from the investments while minimising the likelihood of capital losses
- ensure the investments benefit Council's ratepayers, and

- 
- maintain a prudent level of liquidity and flexibility to meet both planned and unforeseen cash requirements.

We may hold financial, property, forestry, and equity investments if there are strategic, commercial, economic, or other valid reasons to do so (e.g. where it is the most appropriate way to administer a Council function). We will maintain an ongoing review of our approach to all major investments and the credit rating of approved financial institutions.

FINANCIAL INVESTMENTS

We hold financial investments as part of our day-to-day working capital management and as required by the Local Government Funding Agency (Borrower Notes). The Council manages all of these investments together. This minimises the level of financial investments, particularly as reserve funds are no longer held in cash.

The Council may invest in approved financial instruments as set out in the Treasury Risk Management Policy and will only invest in approved creditworthy counterparties. These investments earn market rates of return and are aligned with the Council's objective of investing in high credit quality and highly liquid assets. The targets for returns on financial investments are:

- LGFA Borrower notes with an interest rate equal to the corresponding loan less 0.2%, and
- other liquid and short-term investments with a 2%-5% return, depending on the term (overnight to 100 days).

For further information on the Council's investment Policy, refer to the full Investment Policy (part of the Treasury Risk Management Policy).

EQUITY SECURITIES

We maintain equity investments and other minor shareholdings, which fulfil various strategic, economic development and financial objectives. We seek to achieve an acceptable rate of return on all of our equity investments consistent with the nature of the investment and their stated philosophy on investments. The Council may also acquire shares that are gifted or are a result of restructuring.

Our main equity investments are Port Nelson Limited and Nelson Airport Limited. We also have equity investments in the New Zealand Local Government Funding Agency Limited, Civic Financial Services Limited and Waimea Water Limited. In addition to these we also hold asset investments, primarily in forestry.

Following consultation of Tasman's 10-Year Plan 2021–2031, Nelson City and Tasman District Councils decided to form a new holding company as a funding vehicle for Port Nelson Limited and Nelson Airport Limited. This arrangement enables savings through access to borrowing from the Local Government Funding Agency. Both councils will own 50% of the holding company once it is formed.

The Council's objectives and targets for equity investments are outlined below.



EQUITY INVESTMENT	OBJECTIVES	TARGET RETURNS
<p>Port Nelson Ltd</p> <p>Council is a 50% shareholder with Nelson City Council. The Government holds one 'Kiwishare'.</p> <p>Council holds 12,707,702 shares.</p> <p>2019/2020 book value of the investment: \$126.70 million.</p> <p>2019/2020 net assets of the company \$250.36 million.</p>	<p>Council aims to maintain through the holding company its 50% investment in Port Nelson Ltd to retain effective local body control of this strategic asset.</p> <p>Receive a commercial return to reduce Council's reliance on rates income.</p>	<p>Annual dividend through the holding company of not less than 50% of net profit after tax (approximately \$5.5 million per annum, shared between the two Councils).</p>
<p>Nelson Airport Ltd</p> <p>Council is a 50% owner with Nelson City Council.</p> <p>Council holds 1,200,000 shares.</p> <p>2019/2020 book value of the investment is \$33.29 million.</p> <p>The 2019/2020 net assets of the company were \$67.5million.</p>	<p>Council aims to maintain through the holding company its 50% investment in Nelson Airport Ltd to retain effective local body control of this strategic investment.</p> <p>Receive a commercial return to Council to reduce Council's reliance on rates income.</p>	<p>Through the holding company Deliver dividend growth in excess of CPI movement, and higher than that declared in previous financial year. (2019/2020: \$435,000 dividend received).</p>
<p>New Zealand Local Government Funding Agency Ltd (LGFA)</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"> • Obtain a return on the investment. • 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. • Access loan funding at lower rates. <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 company's policy is to pay a dividend that provides an annual return to shareholders equal to the LGFA cost of funds plus 2 percent. This equated to approximately \$66,000 for 2019/2020.</p>

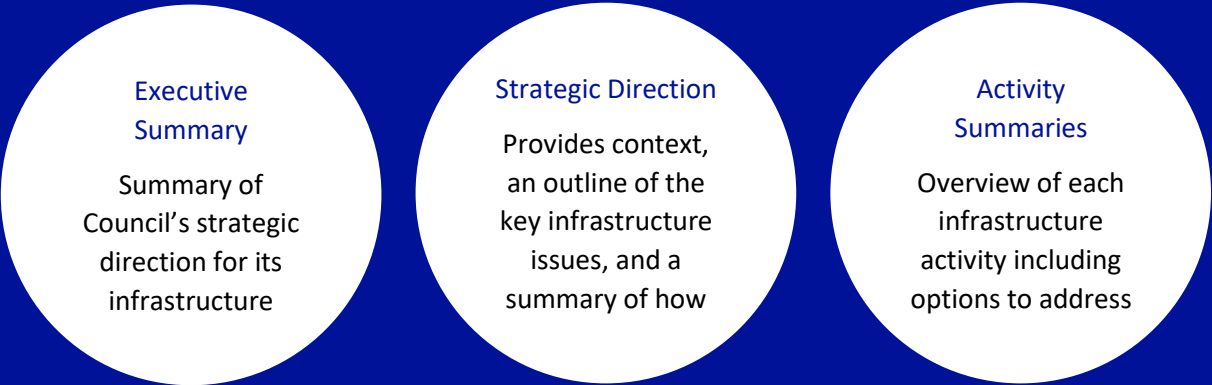


EQUITY INVESTMENT	OBJECTIVES	TARGET RETURNS
<p>Civic Financial Services Ltd</p> <p>Civic Financial Services was initially established as an insurance vehicle for local authorities. The company now provides financial services, the Super Easy and Super Easy Kiwi Saver superannuation schemes.</p> <p>Council holds 65,584 shares. Council is a minority shareholder.</p> <p>2018/2019 book value of the shares is \$65,584. 2018/2019 net assets value is \$2.61 million.</p>	<p>Council initially invested in Civic Financial Services Ltd through Riskpool and Local Authority Protection Programme schemes to provide disaster recovery, and public and professional indemnity insurance. Council now sources these insurances through commercial brokers.</p> <p>These shares are not tradable and Council is 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>Waimea Community Dam CCO – Waimea Water Ltd.</p> <p>The Company will own and operate the 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. The Company is operated on a break-even basis only.</p> <p>There will be no dividends paid to shareholders.</p>



INFRASTRUCTURE STRATEGY

CONTENTS





EXECUTIVE SUMMARY

This Infrastructure Strategy (Strategy) covers the provision of Tasman District Council's water supply, stormwater, wastewater, rivers and flood control, and transportation activities.

WHAT IS INFRASTRUCTURE?

Infrastructure is the physical assets that we own and maintain to allow Tasman residents to:

- have access to safe drinking water
- have wastewater collected from their homes and businesses, treated and safely discharged back into the environment
- have rainfall collected and conveyed away from their roads and properties to prevent flooding
- travel safely throughout the District using their preferred form of transport, and
- live alongside rivers while benefiting from flood risk mitigation measures.

Infrastructure is the essential foundation that sustains us and enables Tasman to grow. It is essential to health, safety, and for the transport of both people and freight. It enables businesses and communities to flourish. Failure to maintain and invest in infrastructure would inhibit the economic performance, health and prosperity of Tasman.

We own and maintain other infrastructure to that listed above that supports community services such as libraries, parks and reserves, pools and halls. These are not covered by this Strategy.

WHY HAVE AN INFRASTRUCTURE STRATEGY?

We manage \$1.3 billion worth of infrastructure on behalf of our communities. Maintaining and renewing these assets, as well as managing and meeting the communities' needs, account for most of our spending.

The purpose of this Strategy is to show how we will care for our assets and investments so that they reach their potential. In this Strategy, we identify key issues relevant to the provision of infrastructure, the key options for addressing those issues, and the subsequent financial implications for the next 30 years.

There is tension in the process when we assess how and when to address these key issues. Often, what we would like to do differs from what is practical and affordable, especially in regards to timing. We would like to address issues quickly for the community, but often there are constraints that mean this cannot always be the case. This Strategy acknowledges the tension between prudent provision of infrastructure and the need to stay within the financial limits set out in our Financial Strategy. By doing this, we have set out a long-term Strategy that is realistic, prudent and achievable, and outlines the infrastructure services that will be provided over the next 30 years.

WHERE ARE WE AT NOW?

Tasman is experiencing significant population growth and demand for housing. In recent years, actual population growth surpassed what we had estimated would occur. This resulted in more homes being built, taking up infrastructure capacity far sooner than we had anticipated. Our future population projections suggest this period of growth will continue for many years yet. This growth is occurring in all of our key settlements meaning that a number of our networks are under strain and require capacity upgrades. We have planned upgrades in Motueka, Richmond, Māpua, Brightwater and Wakefield to provide capacity for future homes that will need to connect to our networks.



We have made progress on our water treatment plant upgrades by commencing work on the Motueka, Māpua, Brightwater and Wakefield plants. The other remaining non-compliant plants are scheduled for upgrade by 2026. This work is required in order for us to supply safe drinking water from all of our schemes and meet the NZ Drinking Water Standards.

We have also commenced construction on the Waimea Community Dam (the Dam). Completion of the Dam is a key strategic step for our District, enabling us to have access to enough water to supply the estimated number of people we expect to connect to the Richmond, Māpua, Brightwater, Eighty Eight Valley, Redwood Valley, and Wakefield schemes.

We have seen a noticeable increase in traffic congestion on State Highway 6 through Richmond. This is of concern to us as it highlights the unfavourable impact increased traffic numbers will have on this section of highway without further interventions. We have also seen the significant impact a crash or road closure within the Appleby section of State Highway 60 or Lower Queen Street has on the network. This part of the network does not have the resilience to cope with the consequential changes in traffic flows after crashes; often bringing parts of the network to near gridlock.

As a way of stimulating our local economy and addressing priority issues, central government have granted us significant funding. This funding has allowed us to speed up delivery of some priority water and wastewater projects, and commence work on improving parts of the Motueka River stopbanks.

WHERE ARE WE GOING?

We have identified four key priorities that will guide our efforts and investment in planning, developing and maintaining our infrastructure in the short, medium and long term.

- 1 Providing safe and secure infrastructure services
- 2 Providing infrastructure services that meet the needs of our changing population
- 3 Planning, developing and maintaining resilient communities
- 4 Prudent management of our existing assets and environment

The following page shows the key actions that we plan to take to address these priorities.

HOW ARE WE GOING TO GET THERE?

We plan to spend \$954 million on infrastructure services over the next 10 years, and a total of around \$3.4 billion over the next 30 years. Figure 1 shows how much we plan to invest in each of the infrastructure activities. The percentage of planned expenditure by each activity is similar for the 10-year and 30-year timeframes. We intend to invest most in transportation, where a large core programme of routine maintenance and renewal work is required to maintain the network in good condition.



We have split this graph into capex and opex:

- Capex – Capital expenditure that results in either the creation of a new asset; an increase in the total useful life or capacity provided by an existing asset (i.e. improves an existing asset); or replaces an existing asset.
- Opex – Operating expenditure is all expenditure that does not meet the criteria for capital. Opex usually covers the day to day maintenance and operating needs of a service.

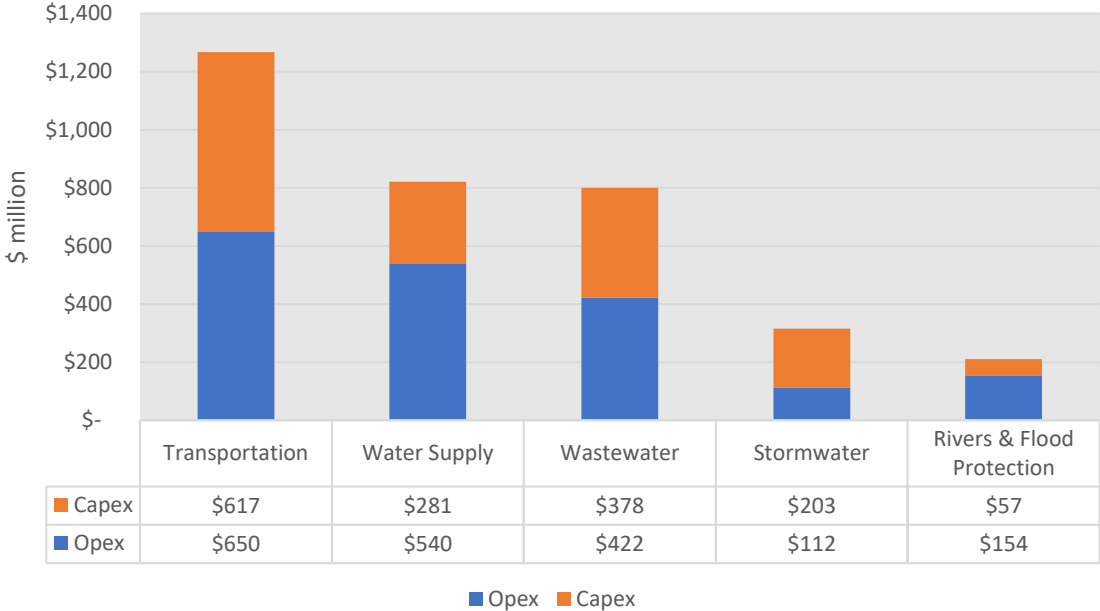
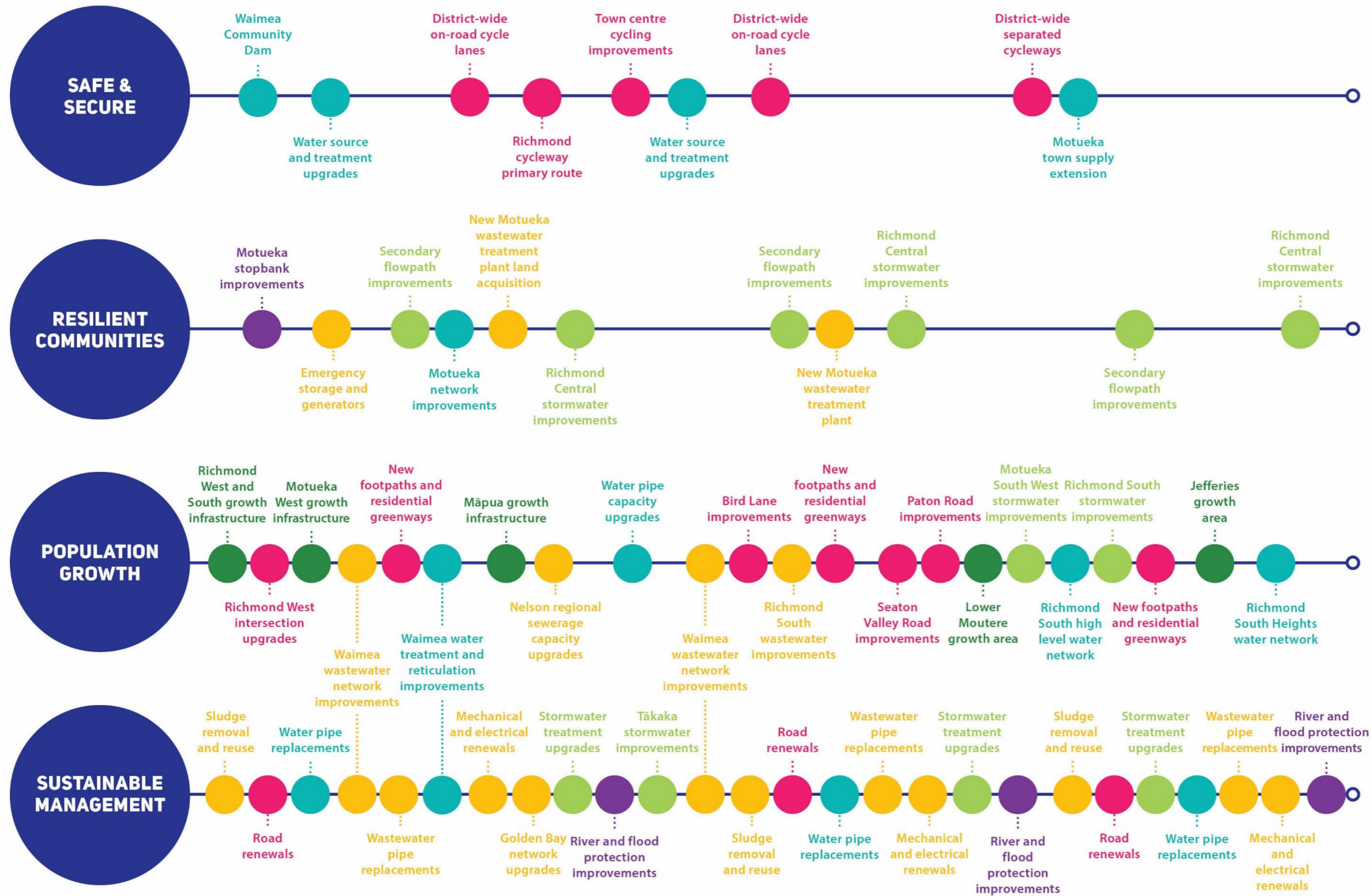


Figure 1: Total Infrastructure Expenditure for 2021 – 2051

WHAT WE PLAN TO DO OVER THE NEXT 30 YEARS



KEY

- WATER SUPPLY
- WASTEWATER
- STORMWATER
- TRANSPORT
- RIVERS
- THREE WATERS

INTRODUCTION

PURPOSE

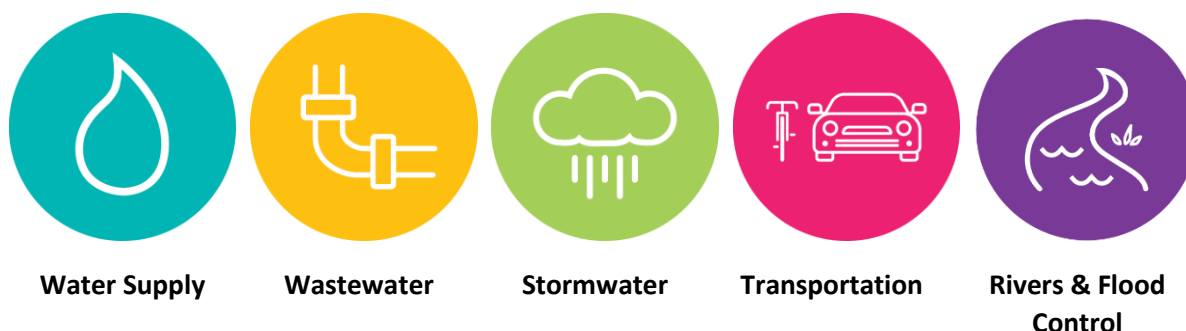
The purpose of this Infrastructure Strategy is to identify the significant infrastructure issues for Tasman over the next 30 years, and to identify the principal options for managing those issues and the implications of those options.

When setting out how we intend to manage the District’s infrastructure assets and services, the strategy must also consider how:

- to respond to growth or decline in demand
- to manage the renewal or replacement of existing assets over their lifetime
- planned increases or decreases in levels of service will be allowed for
- public health and environmental outcomes will be maintained or improved, and
- natural hazard risks will be addressed in terms of infrastructure resilience and financial planning.

SCOPE

This Strategy covers the following essential infrastructure:



This Strategy has a 30 year planning horizon and will be reviewed every three years.

For this update of the Strategy, we have not included the following activities. We will consider the inclusion of these assets during future reviews of the Strategy.

Waste Management & Minimisation	Coastal Assets	Community Facilities
Parks and Reserves	Commercial Assets	Council Property
Hydrometric Assets		

This Strategy provides direction to our infrastructure activity management plans. All of our activity management plans can be found on our website www.tasman.govt.nz/link/activity-management-plans.

All financial information included in this Strategy includes inflation unless otherwise stated, and excludes GST.



CONTEXT

DISTRICT OVERVIEW

The Tasman District is located in the north-west of the South Island, within Te Taihū o Te Waka a Māui/Top of the South. It covers the area extending from Golden Bay in the north-west to Richmond in the east and Murchison in the south, covering 9,635 square kilometres (km) of land, 817 km of coastline, and including 15 settlements/towns.



POPULATION

In 2020, Stats NZ estimated Tasman District's population to be 56,400. Approximately two thirds of the population live in 15 settlement areas spread throughout the District, and the other third live in rural areas. The settlements vary in size from approximately 110 people living in St Arnaud to 15,400 people living in Richmond.

MAP OF TASMAN DISTRICT





AGE STRUCTURE

Stats NZ estimated the median age of Tasman's residents to be 46.6 years at 30 June 2020. At the same time, the national median age was estimated to be 37.4 years.

DWELLINGS

Tasman's latest dwelling count was completed by Stats NZ as part of Census 2018. At that time, Tasman had approximately 23,140 dwellings.

ECONOMY

The main drivers of Tasman's economy are horticulture, forestry, fishing/seafood, agriculture and tourism. There are many manufacturing and processing plants associated with these industries (e.g. the Nelson Pine Industries plant in Richmond and dairy factories in Tākaka and Brightwater). These industries rely on the road network to transport raw materials to their factories and their products through Richmond and on to Port Nelson.

Covid-19 has had an impact on our economy. We discuss this further under the Key Assumptions section of this Strategy.

CLIMATE SUMMARY

Across Tasman, the winds are generally light except near Farewell Spit where the wind is often strong. Rainfall is fairly evenly distributed across the year, although February and March are typically the driest months of the year and the wettest months are typically in winter or spring. Some mountain areas receive in excess of 6000 millimetres (mm) of rainfall per year. In contrast, the Waimea Basin is the driest area of Tasman as it is sheltered from rain-bearing weather systems arriving to New Zealand from the west and south. Here, rainfall totals are approximately 1000 mm per year. Dry spells of more than two weeks are quite common, particularly in eastern and inland locations. Tasman's temperatures are mild compared with most parts of the country, due to close proximity to the sea. This causes a relative lack of extreme high and extreme low temperatures. Temperatures exceeding 30° Celsius are rare in coastal areas. Frosts are quite common in the cooler months but they occur less frequently than in most other South Island locations. Tasman is renowned for receiving a great deal of sunshine, with average annual sunshine hours (approximately 2,400 hours) among the highest recorded in New Zealand.

The impacts of climate change are discussed later in this Strategy.

INFRASTRUCTURE

The District is served by:

- 20 water supply schemes, including 15 water treatment plants, 28 pump stations and 756 km of reticulation
- 8 wastewater schemes, including 8 wastewater treatment plants, 78 pump stations and 366 km of reticulation
- 204 km of piped stormwater network and 30 km of maintained streams
- 1,920 km of roads, 450 km of footpaths, walkways and cycleways, and 538 bridges
- 285 km of major rivers spread across six main river catchments: Waimea (including 19.5 km of stopbanks), Motueka (including 31.2 km of stopbanks), Tākaka, Riuwaka (including 8.25 km of stopbanks), Aorere, and Buller.



LINKS WITH OTHER DOCUMENTS

FINANCIAL STRATEGY

“Providing the right balance between levels of service and cost.”

Alongside this Strategy, we also prepare a Financial Strategy. Our Financial Strategy outlines our financial vision for the next 10 years and the impacts on rates, debt, levels of service and investments. It guides our future funding decisions and, along with this Strategy, informs the capital and operational spending for Tasman’s 10-Year Plan 2021 – 2031.

Infrastructure expenditure forms a large proportion of our spending, being 37% of operational expenditure and 79% of capital expenditure over the next 10 years. Consequently, the Infrastructure Strategy and Financial Strategy are closely linked ensuring the right balance is struck between providing the agreed levels of service within the agreed financial limits.

Over the next 10 years, forecast rate income increases and debt levels are projected to be very near our self-imposed financial limits. We have had to work hard to prepare and prioritise a work programme that addresses the most pressing key issues while staying within these financial limits. This means there is very little scope to add further work to the programme within the next five years.

LINKAGES

Multiple factors influence how Council plans and manages its assets. These factors can be grouped into three broad categories, described in Figure 2 below.

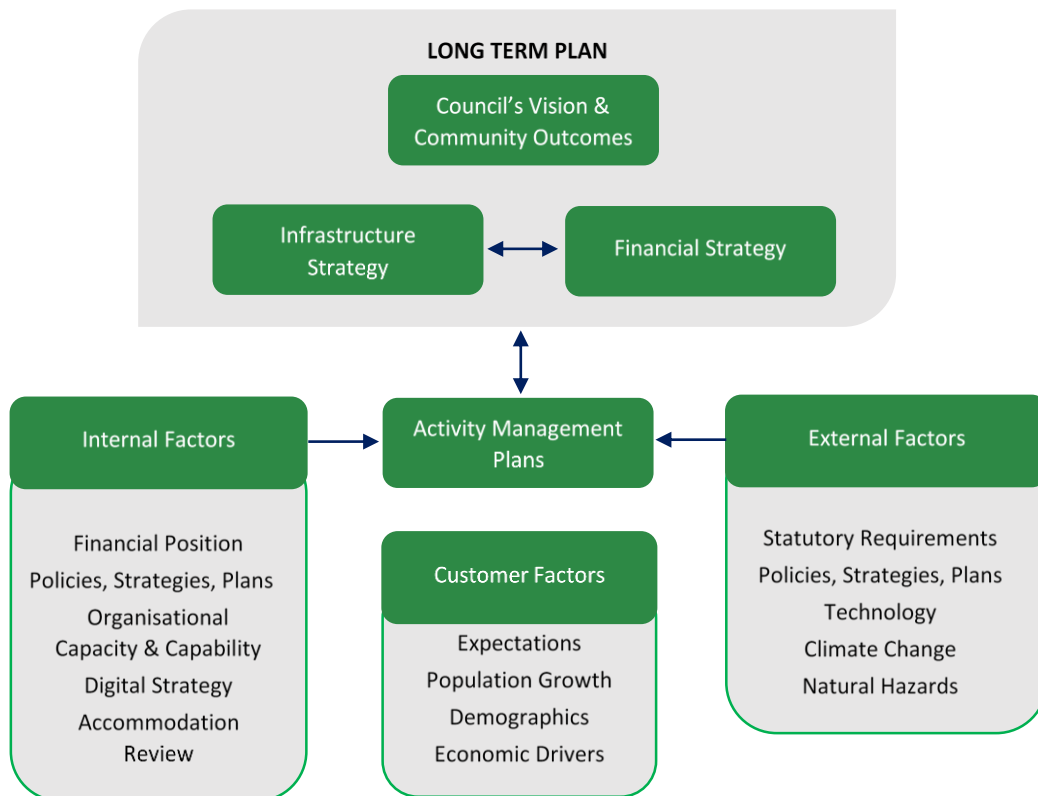




Figure 2: Strategic Linkages and Factors Affecting Infrastructure Planning

KEY INFRASTRUCTURE ISSUES AND PRIORITIES

POPULATION GROWTH CREATING DEMAND FOR INFRASTRUCTURE

POPULATION GROWTH AND DEMOGRAPHICS

Tasman is one of New Zealand’s sunbelt regions and is generally noted for its mild winters, frequent sunny skies, and growing economic opportunities. This is a key drawcard and one of the leading reasons why Tasman is a desirable place to live.



We develop a Growth Model to inform our plans to provide for growth with sufficient infrastructure and zoned land in the right location at the right time. From this we are able to estimate population growth and demand for new homes and businesses. The outcomes of our growth modelling are discussed below, further information can be found in our growth model summary document – Tasman Growth Projections 2021 – 2051.

Figure 3 below shows the rate of estimated population growth as well as a range of projections for population growth into the future. It shows that Tasman’s resident population has continuously grown since 2003, with a noticeable increase in the rate of growth since 2013.

We expect the overall population of Tasman to increase by 7,700 residents between 2021 and 2031, to reach 64,300 based on the medium projection scenario. We expect ongoing population growth in Tasman over the next 30 years but the rate of growth will slow over time. Under the medium scenario, the Motueka, Moutere-Waimea and Richmond Wards are projected to experience the greatest growth in population.

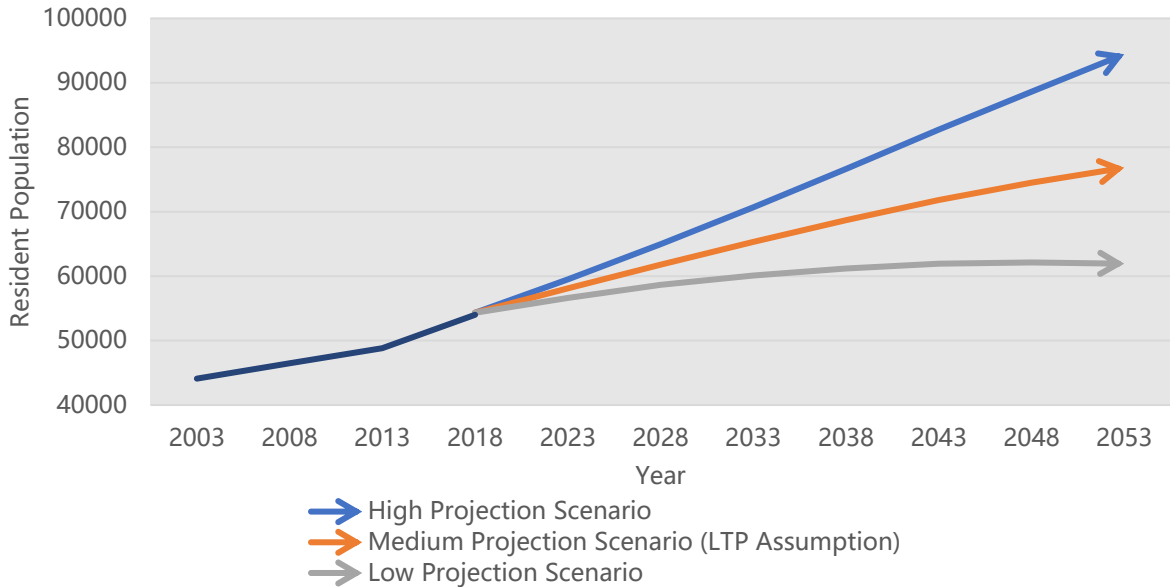


Figure 3: Tasman District’s Population Estimates and Projections

A high proportion of the population growth is occurring as a result of people moving to Tasman. Our growth projections indicate that many of these people are older and are choosing to live in larger settlements with easier access to services. This means the composition of Tasman’s households is



changing, with an increase in one or two person households. Tasman’s projected age structure is shown in Figure 4.

In 2020, the percentage of Tasman’s population aged over 65 years was 22%. Within 30 years, we estimate the percentage of Tasman’s population aged over 65 years to be 34%. The median national population percentage for people aged over 65 years was 16% in 2020, and is projected to increase to 24% by 2053. This indicates that Tasman’s age structure is changing ahead of national trends. It is likely that Tasman will need to be a leader of change in providing for an ageing population. We need to consider and plan for a larger portion of the population that is likely to be on a fixed income and may experience personal mobility challenges. This is likely to cause an increased demand for high quality pedestrian facilities and alternative modes of transport.

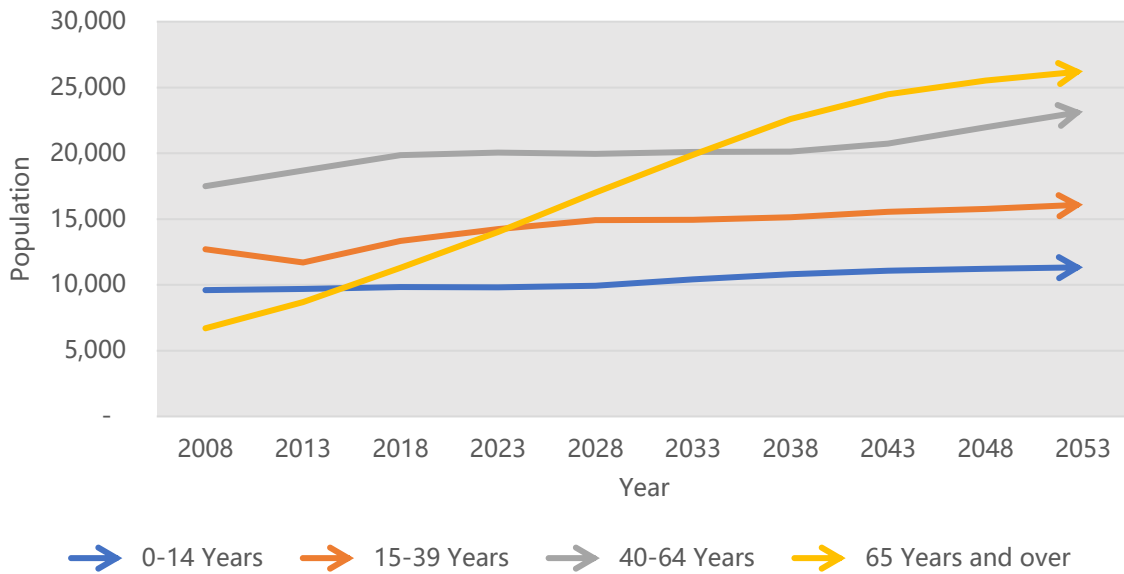


Figure 4: Tasman District’s Population Projections by Age Group

DEMAND FOR NEW INFRASTRUCTURE



More people means more homes. Tasman residents are experiencing a housing shortage. More people want to live and work in Tasman and the demand for homes exceeds the available supply.

Tasman is the second least affordable region in the country (behind Auckland) taking into account the cost of borrowing, as well as house price and wage levels (Massey Home Affordability Index).

Most homes built in Tasman connect to our infrastructure services – water supply, wastewater, stormwater and the road network. Using our population projections, along with household size, we forecast that Tasman will require approximately 4,300 new homes within the next 10 years, and a further 7,500 between 2031 and 2051.

The ongoing construction of new homes creates the need for us to construct new, or upgrade existing, infrastructure.



It is important to note that even if no new people shift to Tasman, the structure of our existing population is ageing. This is driving a reduction in the number of residents per household. That means that if no new people arrive in Tasman there is likely to still be some demand for more houses.

Since 2015, the actual growth has surpassed what we had expected, using up considerable amounts of available infrastructure capacity. The combination of this and the projected population increases and demographic change create the need for significant investment in growth infrastructure. Table 1 below summarises the estimated number of new homes required within Tasman in the next 30 years.

Table 1: Projected New Homes in Tasman

SETTLEMENT	YEARS 1 TO 10		YEARS 11 TO 30	
	Estimated	Estimated Supply	Estimated	Estimated Supply
Richmond	1,170	1,781	2,345	2,339
Motueka	744	449	1,576	580
Brightwater / Wakefield	384	373	686	688
Māpua / Ruby Bay	314	317	628	628
Moutere	569	569	1,130	2,130
Other	1,016	855	1,195	1,164
Total	4,197	4,344	7,560	7,529

Overall, we have planned to meet demand across the District. However, we anticipate there is unlikely to be enough supply in Brightwater and Motueka within the next 10 years.

In Brightwater, this is due to infrastructure constraints. These constraints will be lifted once the Waimea Dam enables a sufficient water supply and wastewater improvements are complete.

In Motueka, development is constrained by a combination of infrastructure servicing and zoning. We are planning sufficient infrastructure servicing in Years 1 to 20 to enable development of all the residential land in Motueka, especially the western side of High Street. However, development in the other parts of Motueka will remain limited, due to natural hazard risks in the east and a preference to avoid expansion into productive land on the outskirts of Motueka. To address the long-term undersupply of residential land in Motueka, we are planning for the development of a significant area of land in Lower Moutere.

To offset the undersupply in Brightwater and Motueka, we have assumed a higher rate of development in Richmond in the short to medium term.

The National Policy Statement on Urban Development (NPS-UD) also requires councils to provide an additional margin of feasible development capacity in urban areas. This additional margin is 20% above the projected demand for the next 10 years, and 15% above the demand projected for the following 20 years. Under the NPS-UD, Nelson and Tasman is a combined urban area. The two Councils have



agreed that the urban environment for Nelson and Tasman comprises Richmond (including Hope), Brightwater, Wakefield, Māpua and Motueka – in Tasman, and in Nelson: the city itself and all suburbs, extending to Hira and Cable Bay. Our assessment of the development capacity in the urban environment of Tasman indicates that we will meet the NPS-UD’s requirement for the additional margin of feasible development capacity and our Future Development Strategy.

NATURAL HAZARDS AND CLIMATE CHANGE

Tasman District comprises a diverse landscape ranging from flat coastal lowlands and intensively used (predominantly horticulture) alluvial flood plains, to large, sparsely populated, steep mountainous areas. The District has several major rivers traversing it, including the Aorere, Buller, Motueka and Tākaka rivers that pass close by townships. The geology is relatively complex and varied with numerous active fault systems. These include the Waimea Flaxmore fault system, which runs through urban areas of Richmond, and the Alpine/Wairau Fault that passes through the Nelson Lakes area at the south of the Region.



Tasman District is susceptible to a wide range of hazards, and has over time felt the impact of natural hazards such as earthquakes, landslides, floods and coastal inundation. Many hazards originate from within the District, but there is also potential for the area to be affected by hazards generated from outside the District’s boundaries, or hazards that affect multiple regions, for example, an Alpine Fault earthquake or tsunami.

For the purposes of this Strategy, these risks have been categorised into three broad areas:

- flooding and land instability
- earthquakes and tsunami
- coastal erosion and inundation.

We also assume that the effects of climate change will cause a change in the intensity and frequency of flooding, coastal erosion and inundation. We discuss the nature of these changes within the following sections.

FLOODING AND LAND INSTABILITY

Extreme weather events in Tasman District have increased in frequency in recent years. Major damage to property and infrastructure has occurred as a result of these extreme weather events. This has come at a significant cost to Council and the communities. Ex-cyclone Gita is an example of how extreme rainfall can result in extensive surface water flooding, debris flows and landslides.

The performance of Council’s flood control and stormwater assets during rainfall events can have an impact on the amount of damage sustained by both public and private property. Major events, like Ex-Cyclone Gita, place the spotlight on the performance of these assets and the community’s level of service expectations often increase following such an event.

The Ministry for Environment’s climate change advice suggests that rainfall patterns are likely to continue to change going forward. We expect there will be more frequent, more intense river flooding and direct rainfall flash flooding of communities and businesses, with knock-on consequences to people and the economy.



With the changing rainfall patterns, we also expect to experience longer periods of no rainfall - increasing the time in which drought conditions will be present. We expect this to be more so in the eastern part of the District, as was experienced during December 2017 and January/February 2020. Increasing periods of drought will place increasing pressure on Council's water sources, meaning that Council can expect to see greater rationing and have difficulty supplying the growing population, particularly in the Waimea Basin until the Waimea Community Dam is operational. Drought and/or fire can also lead to loss of vegetation on hills, which increases the risk of landslides and rapid erosion of soils by intense rainfall and strong winds.

EARTHQUAKES AND TSUNAMI

Tasman lies within a seismically active zone, with both the Alpine Fault and Waimea Flaxmore Fault System traversing through the south-eastern part of Tasman. The Alpine Fault is the most active, with evidence of repeated movement (rupture) occurring over the last 8000 years.

Earthquakes happen with little or no warning. The Kaikōura earthquake demonstrated how communities can be immediately isolated and the challenges of reinstating access and services to those communities. In the event of a major rupture, it is reasonable to expect the Nelson-Tasman region to be isolated from other parts of New Zealand for an extended period of time, potentially many months.

Fortunately, Tasman District has not experienced major disruption from earthquakes in recent times. However, the risk of a major fault rupture is present. The last rupture of the Alpine Fault is estimated to have occurred in 1717. The probability of the Alpine Fault rupturing again within the next 50 years is in the order of 30%. The rupture may produce one of the biggest earthquakes since European settlement of New Zealand, and it will have a major impact on the lives of many people as well as catastrophic consequences for infrastructure. The Nelson Tasman Civil Defence Emergency Management Group has ranked rupture of the Alpine fault as the highest risk and priority for the Nelson-Tasman region.

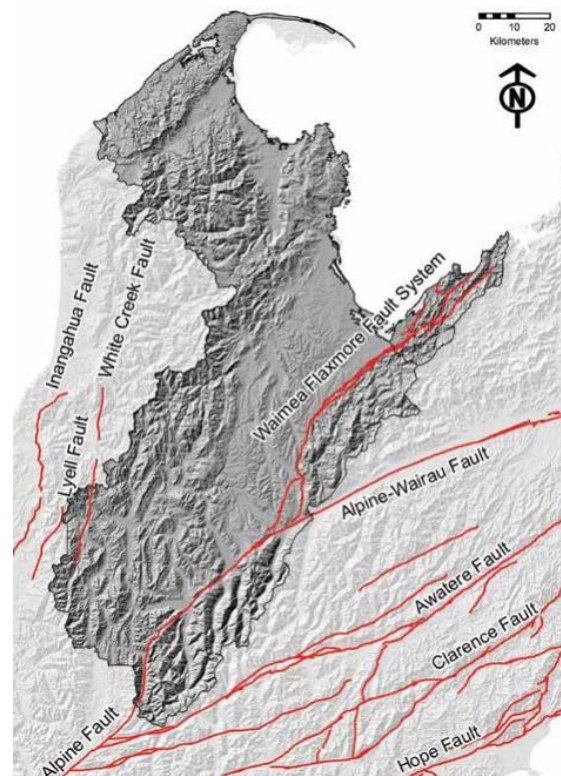


Figure 5: Active Faults In or Near the Nelson-Tasman Region

An offshore fault rupture or land movement can generate a tsunami as well as ground shaking. There are three distinct types of tsunami: distant, regional and local. A local tsunami is likely to arrive with little to no warning following an earthquake. The Nelson Tasman Civil Defence Emergency Management Group has identified this as high risk and priority for the Nelson-Tasman Region, whereas both regional and distant tsunami are considered to be moderate risk and priority. As seen in other parts of the world, tsunamis can have devastating effects on above ground public and private infrastructure. In the event of a local tsunami there is likely to be extensive damage to Council's roads, pump stations and treatment plants that are in low-lying areas near the coast.



COASTAL EROSION AND INUNDATION

We have recently experienced the effects of extreme coastal erosion and inundation to some parts of Tasman District. During Ex-Cyclone Fehi, extreme coastal flooding occurred, with some residents and private properties suffering extreme erosion and inundation. The worst hit areas were Ruby Bay and Riwaka. Coastal erosion also damaged roads and pathways adjacent to the coast. The Nelson Tasman Civil Defence Emergency Management Group has rated coastal inundation and erosion as a moderate risk and priority.

Climate change advice from the Ministry for Environment estimates that sea levels could rise by 1.9m by 2150 (based on the average 1986 – 2005 levels). We are likely to experience the following effects as sea levels rise:

- more frequent, more severe coastal flooding of coastal communities, infrastructure and businesses and knock-on consequences for health, wellbeing and economy
- saltwater incursion into freshwater habitats and waterbodies
- coastal erosion can result in loss of road access to isolated coastal communities
- there could be changes in the cost and availability of insurance, and
- there may be migration of people inland from coastal and low-lying communities.

We have prepared a coastal risk assessment, which helps us to understand Tasman Bay and Golden Bay's vulnerability to coastal storm inundation and sea level rise taking into account different sea level rise scenarios. The assessment identifies assets, property, infrastructure and facilities (known as 'elements at risk') that may be vulnerable, using readily available datasets. From this work, we estimate 8,400 people are located in low-lying coastal areas that are vulnerable to coastal storm inundation and sea level rise. Approximately 5,000 of those people are located in the Motueka – Riwaka coastal area, followed by 1,000 people in the Māpua – Ruby Bay coastal area. Motueka is the largest town that will be affected by coastal storm inundation and sea level rise. The cost to repair damage, or to replace or relocate over the longer term will be significant. Infrastructure in low lying areas, such as pipes, pump stations, treatment plants, roads and footpaths could be vulnerable to coastal erosion and inundation.

More information on coastal management can be found on our webpage [Coastal Management – Responding to Climate Change](#).

PUBLIC AND ENVIRONMENTAL HEALTH RISKS

We build and operate infrastructure to provide essential services and to improve the well-being of Tasman's communities. Sometimes, if these assets are inappropriately managed, it can have a negative impact on public health or the environment.

In other parts of New Zealand asset failure has resulted in significant harm to communities. Examples include sickness due to contaminated drinking water supplies and flooding due to stopbank failure. This has reinforced the need to ensure our infrastructure is well maintained and operated, and to learn from the mistakes of others. A standout issue for Tasman is the challenge of providing water supplies that meet the NZ Drinking Water Standards. Currently two of the water supply schemes that Council maintains fully comply with the requirements of the NZ Drinking Water Standards. To achieve full compliance, Council's water treatment plants will need upgrading.

As well as looking after the health of Tasman's residents, we must also protect the health of the environment. Sometimes there are negative effects on the environment that were created inadvertently through the provision of infrastructure. This can include wastewater overflows and



contaminated stormwater. The Resource Management Act and National Policy Statement – Freshwater Management place obligations on councils to ensure natural environments are protected.

AGEING INFRASTRUCTURE

We are responsible for managing \$1.3 billion worth of infrastructure assets. These assets have a finite period in which they will operate suitably. We refer to this as an asset’s ‘useful life’. Once the useful life of an asset is reached, the asset will usually require renewal or replacement. The useful life of assets varies significantly, from 10 years for signs or road chip seals, up to 100 years for bridges and pipes. Much of Tasman’s infrastructure was built between circa 1950s and the 1980s. To date, this has meant that Council has largely had to renew assets with relatively short useful lives. Most of the longer life assets are yet to be renewed.

Figure 6 to Figure 9 show the long-term renewal investment required based on the expected asset life for Council’s bridges and pipes. Council needs to be very mindful of these types of assets when forecasting future renewal needs because they will generate the most change in the demand for renewal investment. However, this is most relevant beyond the period of this Strategy. For the period of the Strategy, Council expects the renewal of short life assets to continue much the same as recent times, effectively creating a stable baseline for renewal investment that bridges and pipes will add to in the future. Council needs to plan well ahead of time in order to manage and fund this big step up in renewal activity.

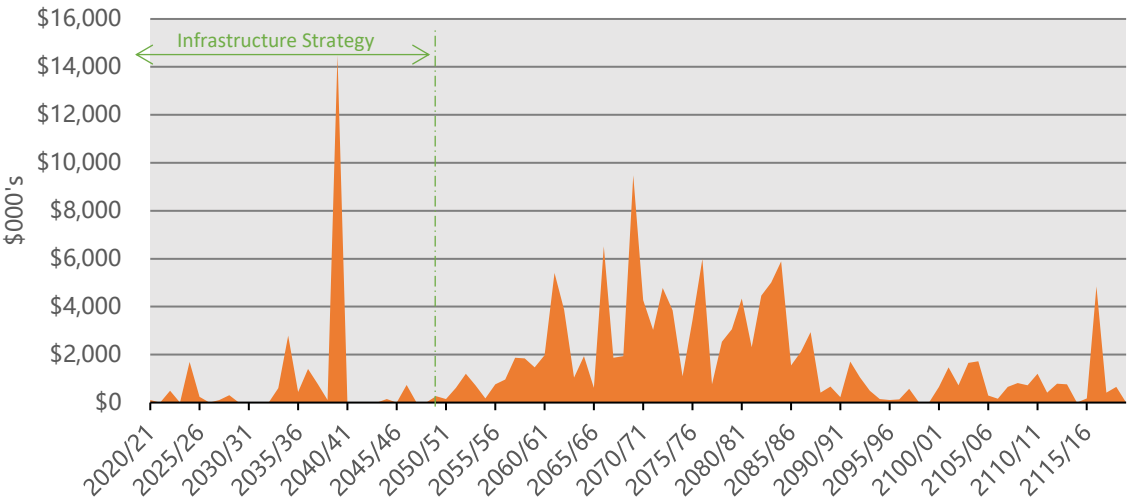


Figure 6: 100 Year Bridge Renewal Profile – Uninflated as at 30 June 2020

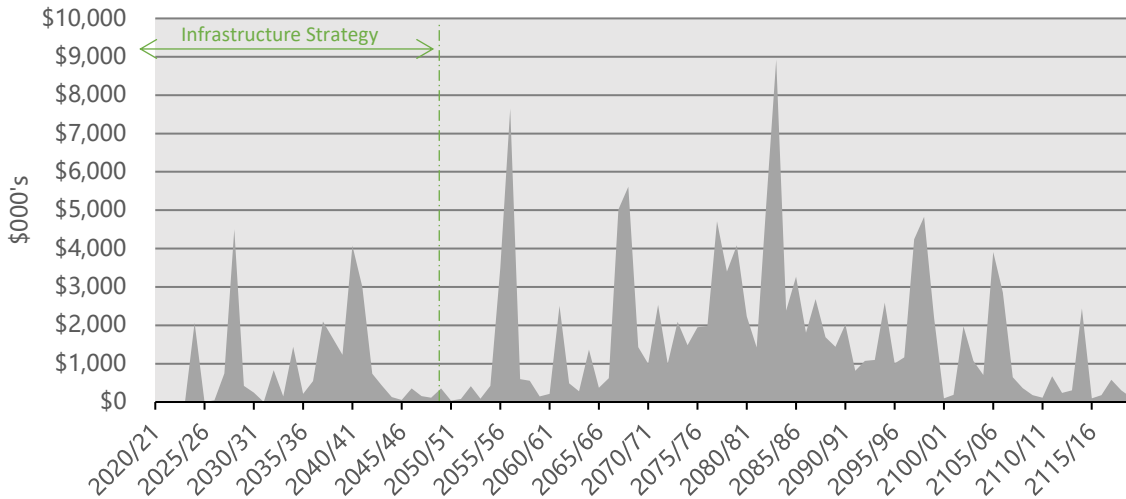


Figure 7: 100 Year Water Pipe Renewal Profile – Uninflated as at 30 June 2020

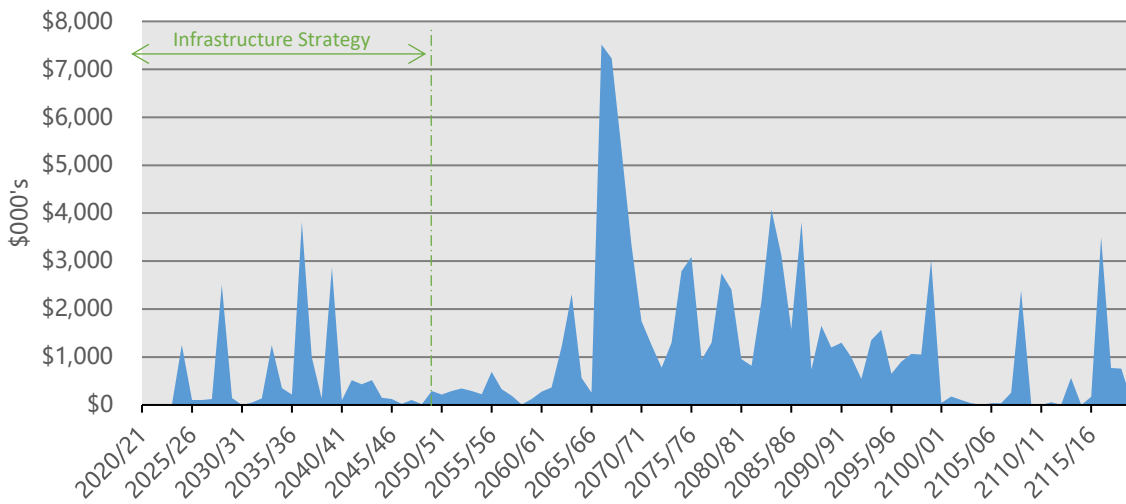


Figure 8: 100 Year Wastewater Pipe Renewal Profile – Uninflated as at 30 June 2020

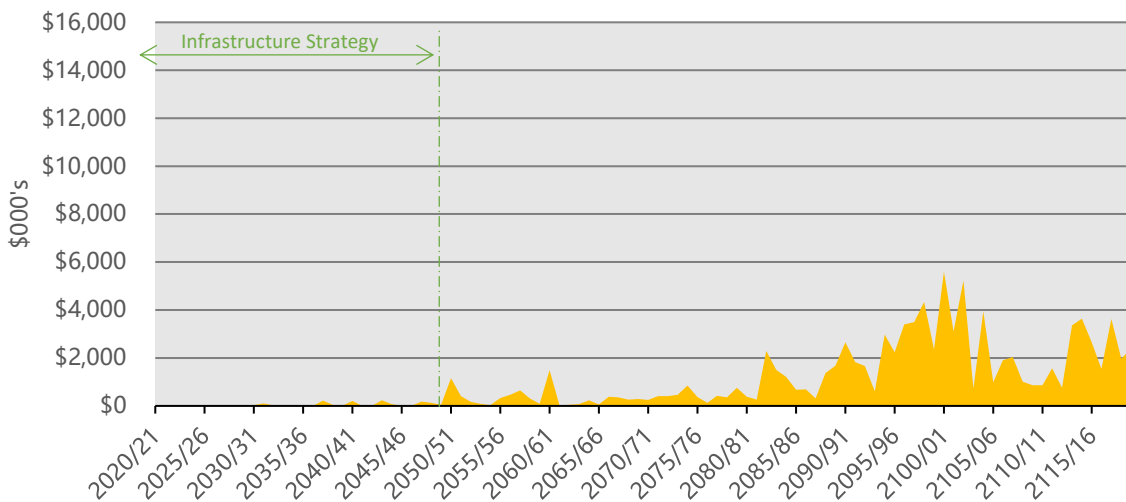
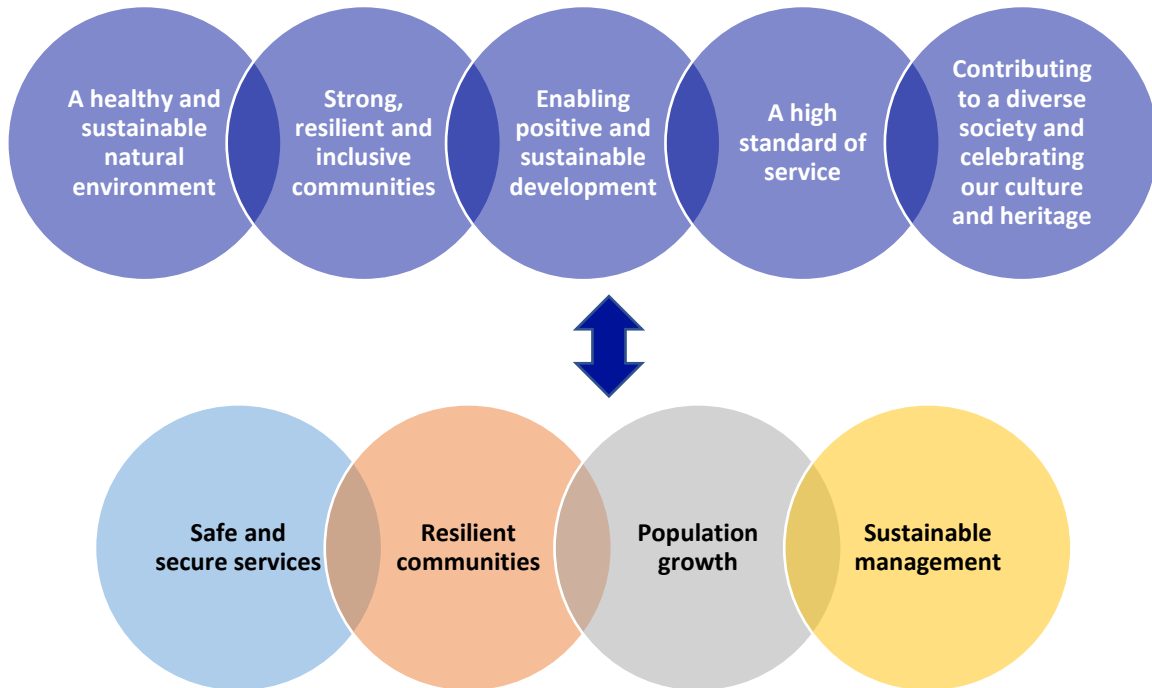


Figure 9: 100 Year Stormwater Pipe Renewal Profile – Uninflated as at 30 June 2020



OUR INFRASTRUCTURE PRIORITIES



The above diagram sets out our Strategic Priorities and our Infrastructure Priorities. Each of the Infrastructure Priorities are discussed below.

PROVIDING SAFE AND SECURE INFRASTRUCTURE SERVICES

Providing safe and secure infrastructure services is paramount. We plan to provide public water supplies that are safe to drink, a transport network where people feel they can move safely, and public assets that are safe to use. Not only do our infrastructure services need to be safe and available now, they need to be secure into the future. We plan to provide secure services and avoid significant disruptions. For example, water takes for public water supplies should be enduring and have a low risk of being unavailable.

PROVIDING INFRASTRUCTURE SERVICES THAT ENABLE OUR COMMUNITY TO GROW

We will continue to enable growth through the development of trunk and main infrastructure. As Tasman grows, we expect the density of our urban populations to increase and there to be significant advancements in technology. This will place a changing demand on our infrastructure networks, at the same time as presenting opportunities to optimise the use of existing assets through smarter operational procedures.

PLANNING, DEVELOPING AND MAINTAINING RESILIENT COMMUNITIES

Infrastructure resilience is the ability to reduce the magnitude and/or duration of disruptive events. The effectiveness of resilient infrastructure depends upon its ability to anticipate, absorb, adapt to and/or rapidly recover from a potentially disruptive event. For Tasman's communities to cope well with change and disruption, they must be resilient.

Resilience will not be achieved through the actions of Council alone. We will need to work together with other organisations such as the Nelson Tasman Civil Defence Emergency Management Group, iwi and residents to effectively build resilience and plan for recovery.



SUSTAINABLE MANAGEMENT OF OUR EXISTING ASSETS AND ENVIRONMENT

We cannot lose sight of the importance of maintaining our existing assets or the need to continue to protect Tasman's natural environment. If we do not put the right level of effort into looking after what we have now it can have a significant impact on what future generations experience and need to pay for. With built assets, we plan to invest in renewal and maintenance at an optimised level. Too little investment in renewals could see more and more assets becoming run-down, costing more to maintain and increasing whole-of-life costs. Too much investment in renewal and we would not achieve the best value we could from assets by prematurely replacing them, again increasing whole-of-life costs.

KEY ASSUMPTIONS AND UNCERTAINTIES

There are factors outside of our control that can change, affecting our ability to do what we have planned. Sometimes the impact can be significant. There is always uncertainty in any planning process, but the key to good quality planning is to make clear assumptions to help address this uncertainty. In this section, we have set out the key assumptions and uncertainties that relate to the provision and management of infrastructure.

GROWTH



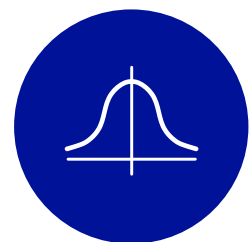
We cannot be certain what the actual rate of population and business growth will be. There are local, national and international factors that affect the actual rate of growth, either speeding it up or slowing it down. Some of these factors include employment opportunities and immigration policies. For planning purposes we have assumed that population growth will be medium, as set out earlier in this Strategy.

If growth is slower than assumed, we may be able to defer some infrastructure upgrades associated with providing increased capacity. Where upgraded infrastructure is already in place to provide for future growth it may take longer to pay off the debt associated with the works. This is because development contribution income will also slow. The increased financing costs associated with this will be incorporated into future development contribution charges.

If growth occurs faster than assumed, we may need to advance planned upgrades or consider unplanned infrastructure to provide additional capacity sooner. We may need to reprioritise other works to ensure we maintain a programme of work that is affordable within existing financial caps and also deliverable. If this occurs, development contribution income is also likely to increase, meaning that debt associated with growth will be repaid more quickly.

EXPECTED LIFE OF ASSETS

We cannot be certain how long each individual asset will last. Even if assets are made from the same material, it is unlikely that they will age and perform the same as each other. Factors such as installation methodology, operating conditions, wear and tear, and manufacturing defects will affect how long each individual asset will actually last before needing replacement. To address this uncertainty, we assign an average expected life for types of assets to assist with renewal planning.





We generally use average asset life expectancy to estimate future renewal requirements. Actual asset condition and performance has only been incorporated for assets that have shown clear signs of premature failure. For transportation assets, we use a mix of average asset life expectancy, asset condition and performance.

Our infrastructure asset data reliability is generally B grade. This means that the data used to determine our renewal forecasts has an uncertainty of approximately 15% and that renewal needs in any year could vary to this extent. Some assets will fail before reaching the end of their expected useful life, and some will last longer. We have assumed that we will be able to manage this variance within our budgets by annually prioritising renewals.

STATUTORY CHANGES AND THREE WATERS REFORMS



Central government often enacts new statutory requirements that affect councils and the delivery of their services. We cannot be certain when these changes will take place or of the scope of changes until they are confirmed by central government.

We expect the proposed Three Waters Reforms to have a significant impact on the way in which we deliver services. However, central government has not fully developed its proposal and we are uncertain of how it will take shape. We have assumed that challenges such as asset renewal, resilience, meeting service standards and meeting growth needs will exist and be important for any entity that is responsible for delivery of the Three Waters services. We expect more clarity on the reforms in late 2021. In the meantime, we have assumed that we will continue to own and provide Three Waters services within Tasman District.

SCOPE RISK AND PROGRAMME DELIVERY

When developing this Strategy and the associated work programmes, we needed to estimate how much to budget for each project. Often, we cannot be certain what the actual costs or scope of projects will be because the design is yet to be completed. We typically have more confidence in the cost and scope of projects that we have planned within the first three years. After this, our estimates are usually based on simple concept designs.

An added level of uncertainty is the impact that Covid-19 has had on the global trade market. It may affect our local contractors and suppliers and their ability to secure plant and materials for our projects. We have assumed this may create minor project delays, but that necessary plant and materials will still be available.

To address these uncertainties, we have incorporated funding of scope risk into capital project budgets. The amount of scope risk included varies from 10% to 40% of the project estimate, depending on the expected complexity of the project. Based on history, it is unlikely that all individual projects will need the full amount of allocated scope risk funding, in reality there will be some under and over spending.

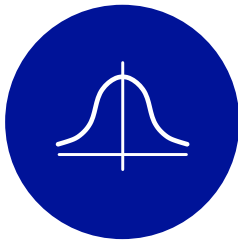




It is also unrealistic to assume that we will deliver all of our projects on time. There are often delays associated with land access and consenting and other unforeseen issues that prevent us achieving on time delivery for some projects.

For the water, wastewater, stormwater and rivers activities, we have made an overall downward adjustment to the total capital programme of 10% per year. This adjustment accounts for uncertainties in scope risk and programme delivery. By including this adjustment, we avoid over-funding the activities. Where we have applied the 10% adjustment, we refer to this adjusted budget as the Total Funded Capital Programme.

IMPACT OF COVID-19



The Covid-19 pandemic has affected all our lives in 2020 and 2021. We are seeing far fewer overseas migrants and workers coming into Tasman. This is a particular concern for some of our horticultural businesses that rely on seasonal labour for harvest, and our tourism sector.

The Nelson/Tasman economy bounced back strongly after the Level 3 and 4 restrictions, with the Nelson/Tasman economy tracking better than the rest of the country. Nelson/Tasman's September 2020 quarter GDP was at a higher level than in 2019, although the year to date level is down 1.2%. It remains a mixed recovery and some in our communities are still being impacted.

It is important that we continue to invest in the District and provide services. This spending helps to fuel the economy and acts as a buffer against increasing unemployment. We have taken advantage of additional Government funding opportunities to boost jobs and undertake projects that contribute to Thriving and Resilient Tasman Communities.

Covid-19 presents added uncertainty in our planning process. The most notable for infrastructure is its impact on population growth. We have not changed our population assumptions in response to Covid-19. The current housing market and economy are good indicators that our assumptions are appropriate. If Covid-19 does have an impact on population growth, the scenarios discussed above under growth will be applicable.



HOW WE WILL MANAGE OUR INFRASTRUCTURE ASSETS

This section outlines how we plan to enable the development of new homes and businesses across Tasman, the on-going need to renew assets, and opportunities to improve levels of service, public health, the natural environment and resilience.

ENABLING GROWTH

Infrastructure is essential for growing communities. We estimate that there will be 11,900 new homes built in Tasman within the next 30 years. Approximately 60% of those homes will connect to Council’s infrastructure. They will need water supply, wastewater collection and disposal, and they will generate more stormwater runoff and traffic movements. This demand adds pressure to our existing infrastructure networks and systems. Within some parts of our networks, there is capacity for new homes to connect. In others, the network is full and new or enlarged infrastructure assets are required. We use population projections, housing and subdivision trends, and asset and network information to determine where and when infrastructure upgrades are required.

The majority of our growth is occurring in greenfield or undeveloped areas. This usually requires new infrastructure in order to extend our networks into those areas. The recent demand for new homes, coupled with land supply and infrastructure constraints, is contributing to increasing house prices. Housing is fundamental to the well-being of Tasman’s communities and we have prioritised investing in growth infrastructure to help ease the strain in the housing market.

For the past three years, Tasman has experienced rapid growth, particularly in Richmond. We have commenced a series of upgrades in Richmond and Māpua to enable subdivision development to proceed. In Motueka, Brightwater, and Wakefield some subdivision has proceeded using up most of the available capacity. In those areas, upgrades are now required in order to enable further development.

We have planned to only provide trunk and main infrastructure for growth areas where more than one development is served. The programme of work that supports this Strategy has been prepared to support growth across the District for the next 30 years. Figure 11 shows the key areas and timing for the infrastructure upgrades we have planned to enable growth.

Figure 10 shows the total planned investment in growth infrastructure for the next 30 years.

We plan to enable growth within Tasman by investing \$315 million in growth related infrastructure upgrades over the next 30 years

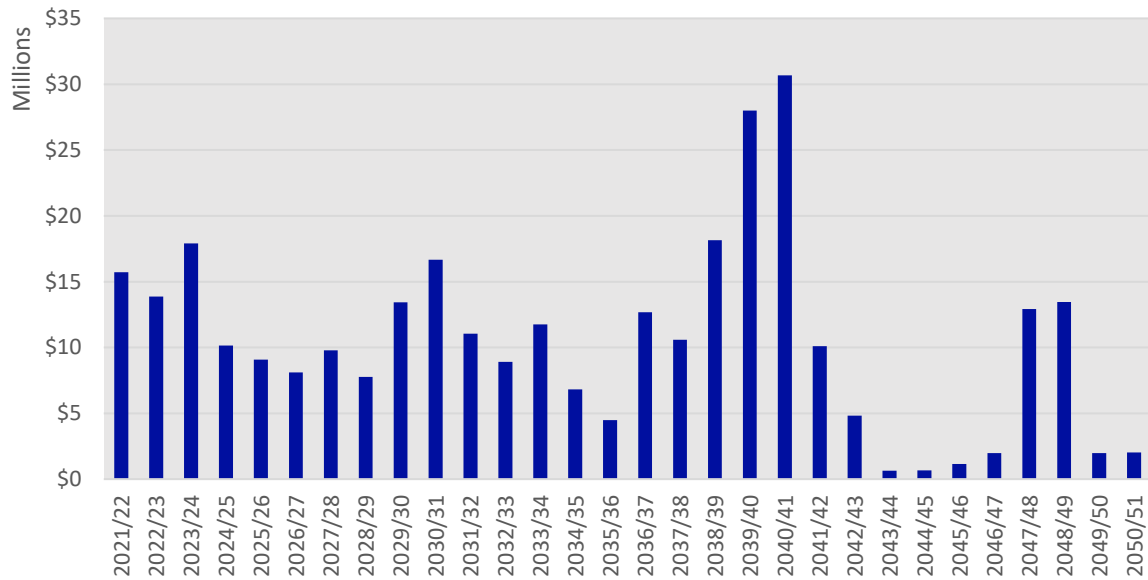


Figure 10: Total Growth Expenditure for Infrastructure for the next 30 Years

We will use development contributions to fund the growth costs shown in Figure 10. For more funding information, refer to our Development and Financial Contributions Policy and Revenue and Financing Policy.



YEARS 1-10



YEARS 11-20



YEARS 21-30





INVESTING IN ASSET RENEWAL

We generally plan the rate of renewal investment for water, wastewater, stormwater, and rivers and flood protection assets based mainly on the age of the assets and their expected useful life. We have made exceptions where assets have performed poorly and these have specifically been programmed for early replacement. For water supply pipes, we have estimated the expected useful life for different pipe materials using pipe failure trends from across our own network. For roads, we use age, condition and demand data to predict an optimised programme of renewal. Figure 12 shows the total planned investment in renewal of infrastructure assets for the next 30 years. As highlighted earlier in this Strategy, our infrastructure renewal need is projected to significantly increase beyond the period of this Strategy. This will likely present a funding challenge in approximately 50 years' time.

We plan to renew \$646 million worth of assets over the next 30 years in order to maintain the overall condition of our infrastructure networks

We have planned to progressively fully fund depreciation (i.e. the wearing out of assets as it occurs) through rates and other income streams by 2025. Over the next 30 years, funding of depreciation generally exceeds our immediate asset renewal needs. This means that there is an excess of depreciation funding that we can use to manage our cash position as a whole, helping to reduce debt. In the long term, we expect that asset renewal needs will exceed the funding that we collect for depreciation. When this occurs, it is likely that we will need to fund asset renewals through a mix of depreciation funds and borrowing.

We plan to undertake more mature renewal planning over the next three years to better understand this issue and consider the associated potential effects on our future borrowing requirements.

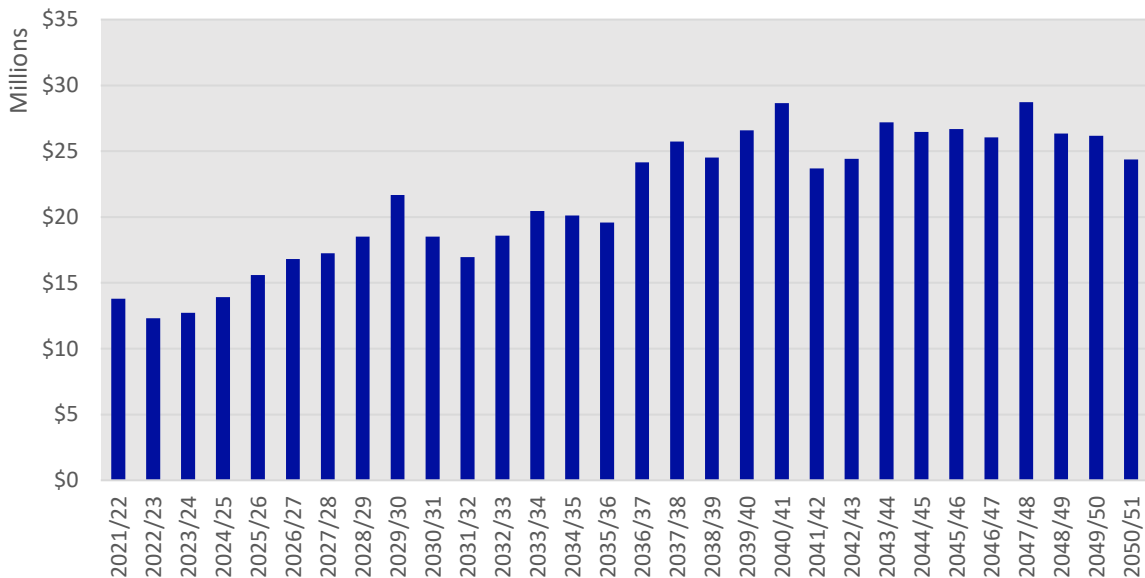


Figure 12: Total Renewal Expenditure for Infrastructure for the next 30 Years



MANAGING LEVELS OF SERVICE

Levels of service are what we have agreed to deliver to, and on behalf of the community. They are attributes that describe the service from the customer’s perspective.

Levels of service are set through Tasman’s 10-Year Plan 2021 – 2031, 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 level of service targets over the next 10 years. We have had to focus investment on meeting existing level of service targets and making improvements due to statutory requirements.

The following table summarises where we have planned works in order to achieve agreed level of service targets. A full list of our agreed levels of service are in Tasman’s 10-Year Plan 2021 – 2031 Volume 1, and some additional technical measures are included in our activity management plans. Figure 13 shows the total planned investment in level of service improvements for the next 30 years.

Table 2: Level of Service Changes

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 water 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.
	Increase the number of people using public transport	Invest in expanded public transport services.



ACTIVITY	TYPE OF CHANGE	DESCRIPTION
	Increase the length of sealed road resurfacing	Increase investment in routine road resurfacing.
Rivers & Flood Control	Restore the agreed level of service of the Motueka River stopbanks	Invest in reconstruction and strengthening of priority areas of stopbank.

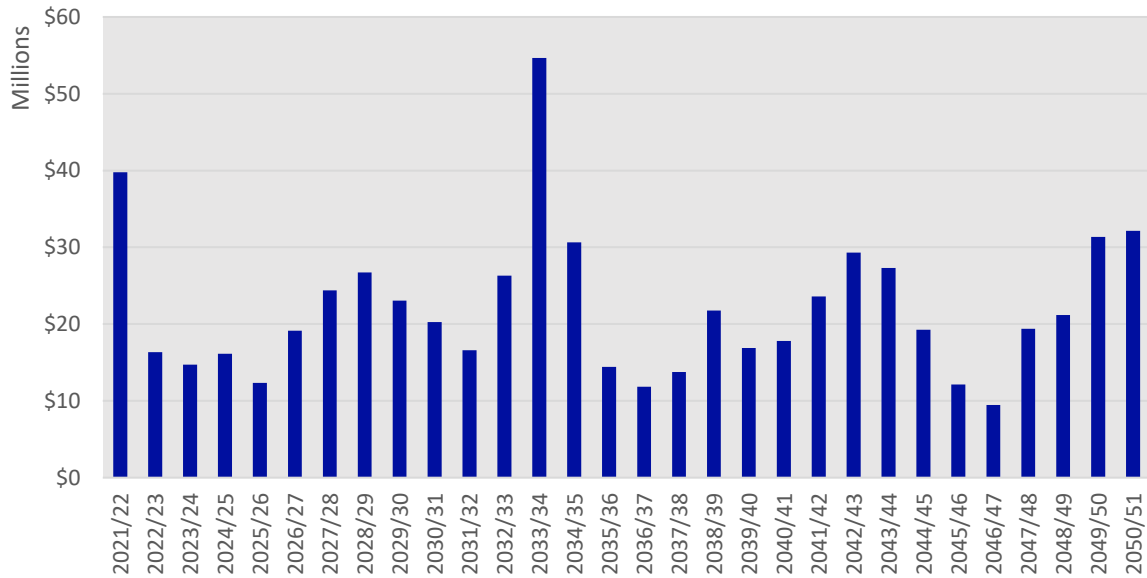


Figure 13: Total Level of Service Expenditure for Infrastructure for the next 30 Years

MAINTAINING PUBLIC AND ENVIRONMENTAL HEALTH

Through the provision of infrastructure, we have influence and effect on public and environmental health.

Table 3 summarises key ways in which we protect public and environmental health.



Table 3A key development since the development of the last version of this Strategy is the updated National Policy Statement for Freshwater Management (NPS-FM) and the concept of Te Mana o te Wai. The Government has signalled through the NPS-FM and new Taumata Arowai legislation to uphold the principles of the Treaty of Waitangi.

- The NPS-FM provides local authorities with new direction on how to manage water resources. Central to this direction is the concept of Te Mana o te Wai. Te Mana o te Wai refers to the vital importance of water and recognises that protecting the health of water protects the health and wellbeing of the wider environment and the community.
- The new Taumata Arowai legislation also requires authorities to give effect to te Mana o te Wai. The new regulatory body has a Māori advisory Board to provide support and guidance on this matter.

Throughout 2021, we will engage with iwi of Te Taihū o Te Waka a Māui and Ngāi Tahu to determine how we give effect to Te Mana o te Wai.



Table 3: Measures Used to Maintain Public and Environmental Health

ACTIVITY	PUBLIC HEALTH	ENVIRONMENTAL HEALTH	RELEVANT STATUTES / REGULATIONS
Water	We aim to provide a safe and reliable supply of drinking water to residents and businesses.	We aim to always comply with the conditions of our water take consents so that water is not over extracted from aquifers or streams.	Resource Management Act Health Act Local Government Act Drinking Water Standards for New Zealand
Wastewater	We collect wastewater from properties and adequately treat it before discharging back to the environment.	We collect wastewater from properties and adequately treat it before discharging back to the environment. Wastewater is collected and transferred in a manner that minimises odours and overflows.	Resource Management Act Local Government Act
Stormwater	We aim to collect and discharge rainwater in a way that minimises disruption to normal community activities and risk to life.	We aim to minimise the level of contaminants in stormwater discharges, and manage natural streams in a manner that protects the natural habitat within the stream.	National Policy Statement – Freshwater Management Local Government Act Resource Management Act
Transportation	We provide a range of transport options that can in themselves improve health, and also connect communities and enable access to health care and recreation.	We regularly undertake road sweeping and sump cleaning to prevent contaminants from being washed off the road and into the natural environment.	Resource Management Act Land Transport Management Act
Rivers & Flood Control	We manage stopbanks to maintain flood protection for residents and businesses	We manage gravel aggregation and river planting in a manner that protects the natural features and life within the river systems.	Resource Management Act Soil Conservation and Rivers Control Act



MANAGING RISKS AND IMPROVING RESILIENCE

Tasman's communities face the ongoing presence of risks from natural hazards and we need to ensure that we provide infrastructure that is resilient and that we are prepared financially to respond to in order to recover from damaging events.

Over time, we will build more resilient infrastructure services that can cope during times of major disruption or that can be restored quickly. Planned improvements include the provision of backup power generators and additional storage capacity, water reservoir construction, and relocation of the Motueka wastewater treatment plant. These improvements will be the start of a wider programme of work that will be necessary in order to improve resilience to an adequate level. Currently, we don't have enough information to adequately plan a full suite of resilience upgrades for the medium and long term horizon. Our knowledge of the impact of climate change and the impact on infrastructure is developing. We will use this knowledge to inform discussions with Tasman communities on how we will together adapt to climate change.

As well as ensuring our assets are resilient, we have a range of financial provisions to assist with response to and recovery from major damaging events. These include:

- annual emergency funding from Year 5 onwards
- an established Emergency Fund that Council aims to bring up to a value of \$16.5 million by 2030/2031
- ability to reprioritise our capital programme
- insurance cover of 40% of the costs of a catastrophic disaster event, up to \$125m
- central government support of up to 60% for essential infrastructure, and
- Waka Kotahi / NZ Transport Agency subsidy of at least 51% for subsidies for transportation asset reinstatement.

CRITICAL ASSETS AND LIFELINES

Knowing what is most important is fundamental to managing risk well. By knowing this, we can invest where it is needed most and tailor this investment at the right level. This will avoid over investing in assets that have little consequence of failure, and will ensure assets that have a high consequence of failure are well managed and maintained. For infrastructure, this is critical assets and lifelines. These typically include arterial road links (including bridges), water and wastewater treatment plants, trunk mains, main pump stations, key water reservoirs, stopbanks and detention dams.

During 2016, in partnership with Nelson City Council, the Nelson Tasman Civil Defence Emergency Management Group and other utility providers, we prepared the Nelson Tasman Lifelines Report. This report summarises all lifelines within Nelson and Tasman. A number of actions identified in the report aim to improve the Region's infrastructure resilience.

We also recently developed an asset criticality assessment framework for water supply, wastewater and stormwater. The framework is defined by:

- a 'Criticality Score' from 1 (very low criticality asset) to 5 (very high criticality asset)
- a set of 'Criteria' against which each asset will be assessed and assigned a Criticality Score (see 1 above), and



- a set of straightforward, logical rules, measures and proxies under each criteria that can be assessed for each asset and enable a Criticality Score to be assigned in a spatial (i.e. GIS) context.

For each asset, the criticality has been assessed against the following five criteria:

- number of people that would be effected if the asset failed
- asset failure would prevent/impair use of a critical facility
- ease of access/complexity of repair
- asset failure has potential for environmental/health/cultural impacts, and
- asset failure has potential to initiate cascading failures and/or the asset has interdependencies with other assets.

Based on the above, asset criticality has been assessed for all assets across the District and mapped spatially in a GIS viewer. The vulnerability of critical assets to natural hazards has been identified through the overlay of natural hazards information such as coastal inundation and sea level rise, stormwater and river flooding, fault lines, tsunami risk and liquefiable soils.

The asset criticality framework will help to ensure that the appropriate level of effort is made to manage, maintain and renew them, and will extend to ensure that we have adequate asset data to enable robust decisions to be made regarding the management of those assets.



LONG TERM FINANCIAL ESTIMATES

We have planned for a prudent financial approach to managing our infrastructure, with moderate overall cost increases and a steady capital programme. This section provides a summary of the total investment we have planned to make in infrastructure over the next 30 years.

TOTAL OPERATING EXPENDITURE

We have split operating expenditure into two categories:

- direct expenditure – includes maintenance and operating costs paid to our contractors and suppliers, and professional service fees, and
- indirect expenditure – includes financing costs, depreciation, and overheads such as staff salaries.

The annual operating costs for infrastructure are forecast to rise from around \$39 million in 2021, to \$57 million in 2031, and \$91 million by 2051. This results in an annual increase of around 4.9% on average in the first 10 years and 4.5% over the 30 years. These increases are primarily caused by increases in direct costs (partly driven by increased infrastructure needed to accommodate growth), increased loan servicing costs, and inflation.

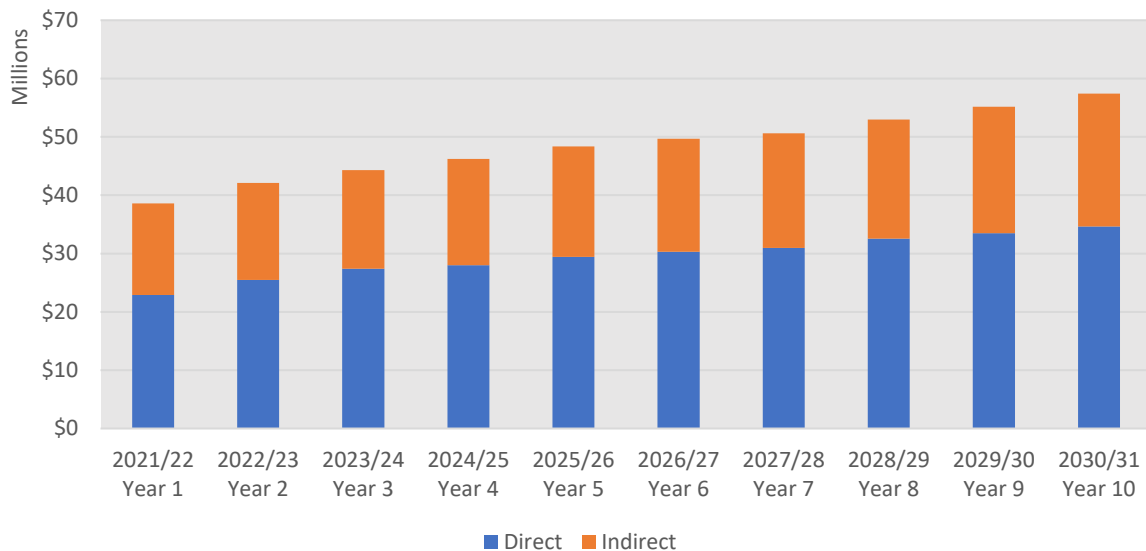


Figure 14: Year 1 to 10 Infrastructure Annual Operating Costs

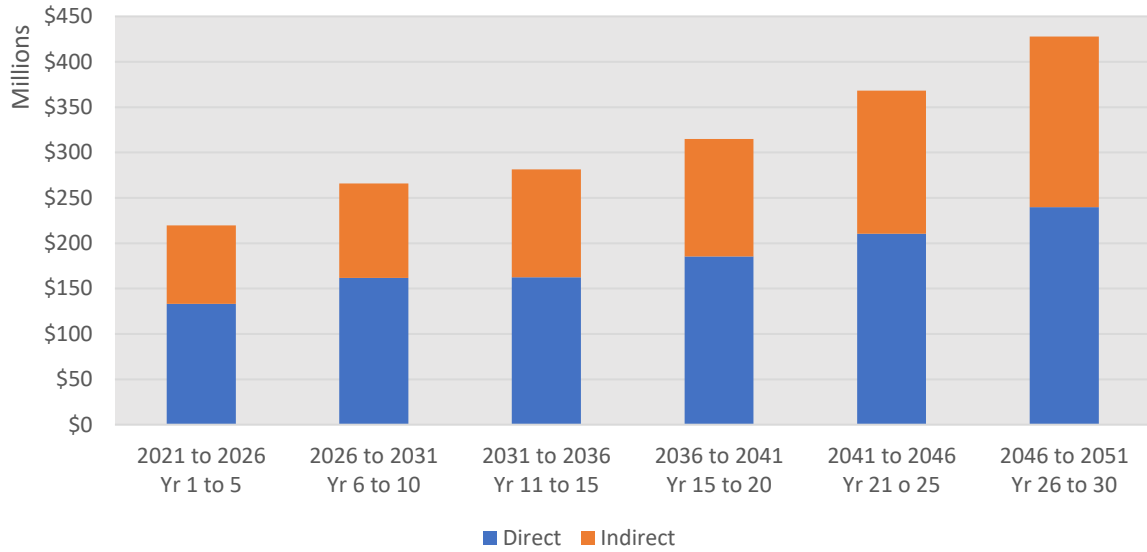


Figure 15: Year 1 to 30 Infrastructure 5-Yearly Operating Costs

TOTAL CAPITAL EXPENDITURE

We have planned to fund \$469 million of capital expenditure over the next 10 years and around \$1.5 billion over the next 30 years. In the first 10 years, 43% of the investment is for level of service improvements, 32% for renewals and 25% for growth.

The Total Funded Capital Programme shown below includes the 10% scope risk and programme delivery adjustment discussed earlier in this Strategy.

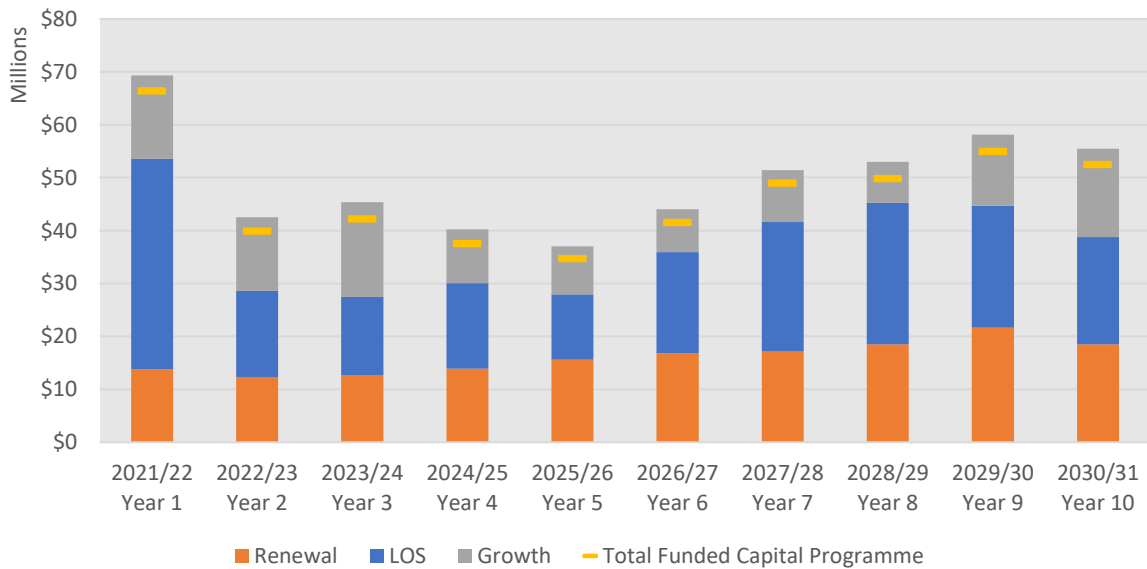


Figure 16: Year 1 to 10 Infrastructure Annual Capital Expenditure

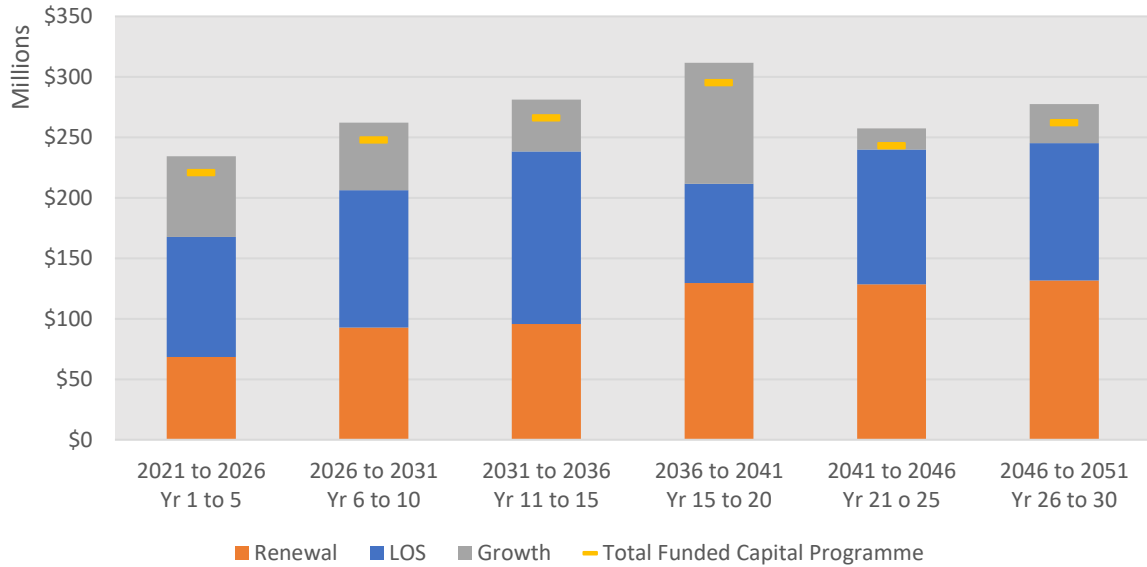


Figure 17: Year 1 to 30 Infrastructure 5-Yearly Capital Expenditure

ACTIVITY SUMMARIES

The following graphs show the split between operating and capital expenditure for infrastructure. For the next 10 years, we need to invest most in transportation as there is a high base programme of routine maintenance and renewal works. A breakdown of the financials for each activity is provided in the following activity summaries. The full list of the operating and capital budgets for each activity is included in our respective activity management plans.

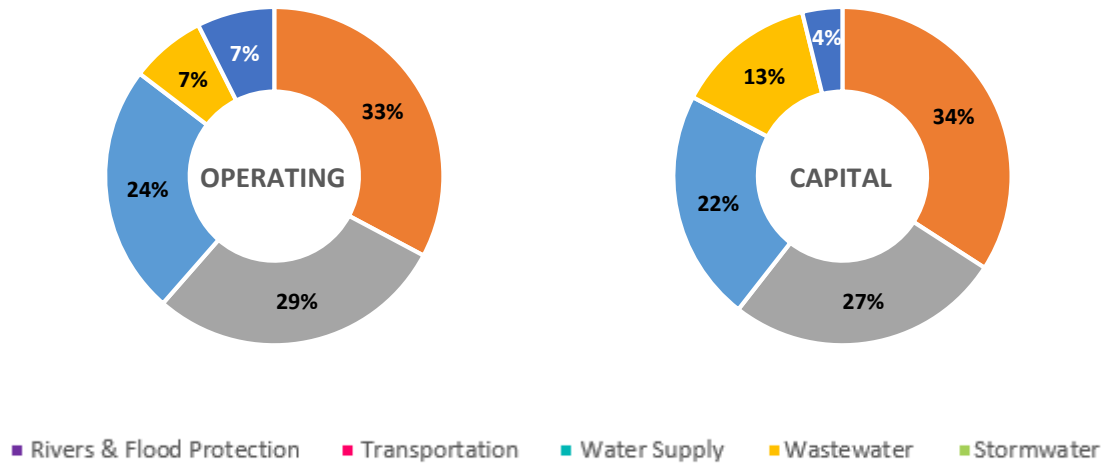
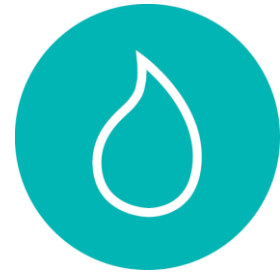


Figure 18: Year 1 to 10 Split of Operating and Capital Expenditure

WATER SUPPLY

We aim to provide secure water supply systems that deliver safe water to Tasman communities. We own and operate 20 water supplies across Tasman District. For most urban areas, the water supply network also provides adequate pressure to meet firefighting requirements. Over the next 10 years, we plan to spend 29% of our total infrastructure budget on the water supply activity.



ASSET OVERVIEW

The assets that make up our water supply infrastructure are summarised in Table 4.

Table 4: Water Supply Asset Summary

DESCRIPTION	REPLACEMENT VALUE	DATA RELIABILITY
15 water treatment plants	\$13.9m	Good
28 pump stations	\$4.7m	Good
756 km reticulation	\$121m	Good
4,251 valves	\$7.2m	Good
1,546 hydrants	\$4.0m	Good
332 backflow prevention devices	\$0.3m	Good
61 reservoirs	\$20.9m	Good
12,096 water meters	\$6.7m	Good
1,590 rural restrictors	\$0.4m	Good
32 bores	\$4.9m	Good

Note: Replacement Valuation as at 1 June 2020

LEVELS OF SERVICE

<i>“Our water supply systems are built, operated and maintained so that failures can be managed and responded to quickly”</i>		<i>“Our water supply systems provide fire protection to a level that is consistent with the national standard”</i>
<i>“Our water is safe to drink”</i>	<i>“Our water takes are sustainable”</i>	<i>“Our water supply activities are managed at a level that the community is satisfied with”</i>

As explained earlier in this Strategy, providing safe and secure infrastructure services is a priority. We have planned to invest significantly in improving water treatment. We started water treatment plant upgrades in 2018 and plan to continue through to 2028. This investment will lift our performance against our agreed levels of service.

RESPONDING TO OUR INFRASTRUCTURE PRIORITIES

Further to the overarching infrastructure key issues identified earlier in this Strategy, we have also identified key issues specific to the water supply activity that are described below. Each of these issues relate back to our infrastructure priorities. For each issue, the significant decisions we need to make are outlined, along with the principal options for addressing the issue, estimated costs and timing.

IMPROVING SAFETY OF WATER SUPPLIES

We are required by the Health Act to provide safe water supplies that comply with the NZ Drinking Water Standards (NZDWS). At present, only two fully meet the requirements of the NZDWS. The main reason for non-compliance is a lack of protozoa treatment. Complying with the NZDWS is not a new issue but one that has increased in priority.

Table 5 summarises the options that we have considered in order to improve the safety of our water supplies.

Table 5: Principal Options to Improve Safety of Water Supplies

PRINCIPAL OPTIONS	IMPLICATIONS	PREFERRED OPTION	COST ESTIMATE	TIMING
Upgrade or install water treatment plants that provide the level of treatment required by the NZDWS	The risk of water contamination will be reduced and communities will have increased confidence that their water is safe to drink. However, providing higher quality water will come at a higher cost, resulting in rates increases.	✓	\$10.7 m	2021 - 2026
Undertake required upgrades over a shorter period of time	The risk of water contamination will be reduced quicker than planned. However, compressing the timeframe will cause debt to increase more sharply and breach our financial caps. It may also contribute to an undeliverable work programme for our resources and the construction market.	✗	\$10.7 m	2021 - 2024
Undertake required upgrades over a longer period of time	The longer the time taken to upgrade, the longer the risk of drinking water contamination will persist. The strain on our financial and delivery resources will be reduced but we may fall further out of line with the Health Act.	✗	\$10.7 m	2021 - 2030
Connect Eighty-	Homes on the Eighty-Eight Valley	✓	\$3.5m	2021 -



PRINCIPAL OPTIONS	IMPLICATIONS	PREFERRED OPTION	COST ESTIMATE	TIMING
<p>Eight Valley water scheme to the Wakefield / Brightwater scheme</p>	<p>scheme will be supplied with higher quality water from the Wakefield / Brightwater schemes.</p> <p>Some users on the Eighty-Eight Valley scheme will now be connected via an extension from an urban supply. This would usually require those users to pay restricted supply rates.</p> <p>If a connection is made to the Wakefield/Brightwater schemes the cost of the upgrade could be shared amongst the Urban Water Club users.</p> <p>Some farms on the Eighty-Eight Valley scheme may stay connected to the original source due their needs being primarily for stock drinking water.</p> <p>A full upgrade of the Eighty-Eight Valley source and treatment plant will not be required. Avoiding a situation that was likely to be unaffordable for those currently connected to the Eighty-Eight Valley scheme.</p> <p>This option and rating implications are yet to be consulted on. Any change to rating would not occur within prior to the development of our Long Term Plan 2024 – 2034.</p>			2025
<p>Upgrade the existing Eighty-Eight Valley treatment plant and do not connect the Eighty Eight Valley scheme to Wakefield.</p>	<p>The Eighty-Eight Valley water source is a surface water take from a stream. This type of source is higher risk than ground water bores. This requires a higher level of treatment effort making the treatment plant upgrade cost prohibitive for the existing users.</p> <p>The costs of the upgrade will be borne by only the Eighty-Eight Valley users.</p>	*	\$2.5m	2021 - 2025



PRINCIPAL OPTIONS	IMPLICATIONS	PREFERRED OPTION	COST ESTIMATE	TIMING
Implement permanent residual disinfection on all schemes through chlorination	<p>Most of our water supplies are already chlorinated. In August 2020, we proposed via public consultation to permanently chlorinate all schemes. Our decision on whether to proceed with this proposal was pending at the time of preparing this Strategy.</p> <p>Further information on this proposal can be found at https://www.tasman.govt.nz/my-council/public-consultation/past-consultations/water-safety-consultation/.</p>	?	Approx. \$20,000 per year	Undecided

The Health Act requires us to take all practicable steps to ensure that the drinking water we supply complies with the NZDWS. Consequently, we have not considered an option that involves maintaining the status quo. We consider it is impractical to speed up the delivery of the upgrades due to the strain on resources it would create. We have planned to complete all upgrades within the Government’s indicated deadlines. These deadlines are yet to be enacted, however we consider it prudent to plan to meet them.

We are required to upgrade the Eighty-Eight Valley water treatment plant in order to meet the NZDWS. Connecting the Eighty Eight Valley scheme to the Wakefield/Brightwater schemes will enable us to supply water that meets the NZDWS, without the need to upgrade the Eighty-Eight Valley treatment plant. We do not have the option to do nothing due the requirement to meet the NZDWS.

ENHANCING WATER SUPPLY CAPACITY AND RESILIENCE

In order to provide a consistent and resilient water supply to households and businesses we need:

- access to secure water sources that provide an adequate quantity and quality of water throughout the year, and
- reticulation networks of suitable configuration and size to move water across the network at appropriate pressure and flow for users.

We have split enhancing water supply capacity and resilience into three sub-categories:

- water source improvements
- network capacity upgrades, and
- new or extended schemes.

New or extended schemes have been included here as they increase coverage and add supply capacity, allowing existing homes and businesses to connect to a scheme. These options have not been included under growth, as the need is not created by the development of new homes and businesses.



Table 6 summarises the options we have considered in order to enhance water supply capacity and security.

Table 6: Principal Options to Enhance Water Supply Capacity and Security

PRINCIPAL OPTIONS	IMPLICATIONS	PREFERRED OPTION	COST ESTIMATE	TIMING
Water Source Improvements				
Construct a supplementary water source for the Wai-iti Dam	A supplementary water source will allow us to collect more water in the winter in preparation for dry summers. The ability to collect from two sources will increase resilience of the scheme as we have an increased ability to fill the Dam.	✓	\$1.1m	2026 - 2028
Relocation of Richmond bores	The bores will be relocated to a more secure location further inland. The risk of salt water intrusion into the bores, and surface flooding of the bore heads will be reduced.	✓	\$3.4m	Land acquisition : 2021 – 2023 Construction: 2030 - 2033
Network Capacity Upgrades				
District wide pipe capacity improvements	Increasing pipe capacity at strategic locations within the network allows us to supply more water and to transfer water between different parts of the network. This adds resilience to the scheme as well as providing capacity for growth. In some locations, increasing the pipe size enables us to meet the agreed firefighting level of service.	✓	\$11.9m	2021 - 2028



PRINCIPAL OPTIONS	IMPLICATIONS	PREFERRED OPTION	COST ESTIMATE	TIMING
Waimea water network capacity upgrades between Hope, Brightwater and Wakefield -including the construction of a new bores and treatment plant near Brightwater.	<p>Increased capacity will allow the transfer of water between different townships, allowing us to better balance supply and demand. This adds resilience, as water can be extracted from multiple sources and distributed.</p> <p>These improvements will provide additional capacity for growth and the ability to supply the Eighty Eight Valley scheme.</p> <p>Construction of the new bores and treatment plant will allow extraction of a greater volume of higher quality water and water security.</p>	✓	\$34.4m*	2023 - 2031
Motueka network improvements -including construction of link mains	<p>Construction of new link mains will create loops and add resilience to the scheme. If there is a break in a part of the network, a ring main will allow us to supply water from the other side of the break.</p>	✓	\$3.4m	2021 - 2030
Maintain the status quo	<p>The network constraints will remain as they are, and potentially worsen as growth occurs. The opportunity to improve resilience will be missed.</p>	✗	Nil	Not planned

Implementing the above preferred options will help us deliver on the following levels of service:

- Our water supply systems provide fire protection to a level that is consistent with the national standard.
- Our water supply systems are built, operated and maintained so that failures can be managed and responded to quickly.

Projects that increase capacity within the network often provide multiple benefits (e.g. improved resilience and capacity for future growth). All of the preferred options above improve resilience and enable growth.

**The Waimea water network capacity upgrades project is a key project required specifically to address both the need to increase network capacity and supply growth.*



PRINCIPAL OPTIONS	IMPLICATIONS	PREFERRED OPTION	COST ESTIMATE	TIMING
New or Extended Schemes				
Extend the reticulation within Motueka to provide the whole township with access to treated and reticulated water.	<p>The majority of people in Motueka will have access to safe drinking water, removing their reliance on their private bores.</p> <p>Decommissioning redundant bores will reduce the number of entry points into the aquifer, reducing the risk of source contamination.</p> <p>The Motueka scheme is a standalone scheme and not part of the Urban Water Club. Ratepayers connected to the Motueka scheme will bear the full cost of the works under the current funding mechanism.</p> <p>Some people with private water supplies may not wish to abandon their supplies.</p> <p>The scope, timing, and funding options for this work will be subject to public consultation.</p>	✓	\$30.3m	2038 - 2044
<p>In Motueka, the community is currently satisfied with the coverage of the existing reticulation network and their reliance on private bores. There is currently a very low appetite for this upgrade. We anticipate that this upgrade will be required in the future due to the size of the Motueka township and changing water supply regulations. As such, we have indicatively planned this within the next 30 years.</p>				

SUPPLYING OUR GROWING COMMUNITIES

We expect that over the next 10 years Tasman’s population will grow by approximately 7,700 residents. To accommodate this growth new homes need to be built, most of which will need to be supplied with water. We can supply some of this new demand through existing infrastructure where capacity is available. New areas of development such as Richmond South, Motueka West and Lower Moutere will require completely new infrastructure in order to deliver water to the area. For Māpua, Brightwater and Wakefield, the existing infrastructure will require upgrading to provide additional capacity.

Table 7 summarises the options that we have considered in order to provide for growth.



Table 7: Principal Options to Provide Water Supply to Areas of Growth

PRINCIPAL OPTIONS	IMPLICATIONS	PREFERRED OPTION	COST ESTIMATE	TIMING
<p>Construct new infrastructure to service new areas of growth in:</p> <ul style="list-style-type: none"> • Richmond South • Motueka West • Lower Moutere • Jefferies Growth Area (Brightwater) 	<p>We will be able to provide new homes and businesses with the water they need.</p> <p>This will come at a cost that will largely be funded by development contributions.</p>	✓	<p>Richmond South: \$9.8m \$8.5m \$3.9m \$3.0m</p> <p>Motueka West: \$1.0m \$1.2m</p> <p>Lower Moutere: \$32m</p> <p>Jefferies Road: \$13.2m</p>	<p>2021 - 2030</p> <p>2033 - 2038</p> <p>2041 - 2043</p> <p>2046 - 2049</p> <p>2021 - 2022</p> <p>2029 - 2031</p> <p>2034 - 2041</p> <p>2045 - 2049</p>
<p>Upgrade existing infrastructure to service growth in:</p> <ul style="list-style-type: none"> • Māpua • Brightwater • Wakefield 	<p>We will provide new homes and businesses with the water they need, as well as improving the reliability of the supply for existing customers.</p> <p>This will come at a cost that will need to be recovered through a mix of development contributions and rates.</p>	✓	<p>Māpua: \$2.1m</p> <p>Brightwater & Wakefield: \$34.4m*</p>	<p>2021 - 2022</p> <p>2023 - 2031</p>



PRINCIPAL OPTIONS	IMPLICATIONS	PREFERRED OPTION	COST ESTIMATE	TIMING
Maintain the status quo	We will not be able to provide new homes and businesses with water requiring them to find alternatives if possible. This is likely to restrict where and when growth can occur and have an unfavourable impact on the housing market.	✘	N/A	Not planned

Enabling construction of new subdivisions will provide homes for our growing population. This is a priority for us. To do this, we have determined that we must provide essential infrastructure. We have planned to implement the above options so that our supply of increased water network capacity meets the demand created by new homes as they are built. The timing of these upgrades is based on the population projections set out earlier in this Strategy. Implementing these options will help us meet the requirements of the National Policy Statement – Urban Development 2020.

**The Waimea water network capacity upgrades project is a key project required specifically to address both the need to increase network capacity and supply growth.*

NETWORK INTEGRITY

To maintain the integrity of our networks we must replace assets before or as their performance fades. To ensure we act prudently and intervene at the right time, we monitor the condition and performance of the network and replace assets as required. We do not treat all assets the same, some are more critical than others. For critical assets, our tolerance of failure is lower and we are likely to replace these assets earlier than non-critical assets in similar condition.

Table 8 summarises the options that we have considered in order to maintain network integrity.

Table 8: Principal Options to Maintain Network Integrity

PRINCIPAL OPTIONS	IMPLICATIONS	PREFERRED OPTION	COST ESTIMATE	TIMING
Proactive leak detection	Faults are identified and repaired in a proactive manner preventing further water loss. Sections of pipe that require maintenance or renewal are identified and prioritised.	✔	\$7.3m total for 30 years	On-going



PRINCIPAL OPTIONS	IMPLICATIONS	PREFERRED OPTION	COST ESTIMATE	TIMING
On-going pipe renewal	Pipes are progressively upgraded, reducing the risk of failures and associated service disruptions and water loss.	✓	\$14.9m \$21.7m \$12.1m	2021 - 2030 2031 - 2040 2041 – 2050

Our budget for Demand, Flow and Leak Management will fund leak detection surveys, day/night flow monitoring and other network modelling. Information collected through this work will be incorporated into future pipe renewal planning and prioritisation. This allows us to optimise our renewal investment, meaning that we replace assets at the most appropriate time.

As we need to ensure we can provide water to our current and future users, it is not an option to not maintain the integrity of our networks. We must implement the above options.

INDICATIVE EXPENDITURE ESTIMATES

OPERATING

Operational costs for the water supply activity are forecast to increase by an average of 5.1% per year for the first 10 years, and an average of 4.5% per year over 30 years. The most notable increases within the next 10 years occur between Year 1 and Year 2. At this time, direct operating costs are increasing due to the expected completion and operation of the Waimea Community Dam. Indirect costs increase primarily due to increasing loan interest costs associated with the capital programme for this activity. On top of this, both direct and indirect expenditure gradually increase due to inflation.

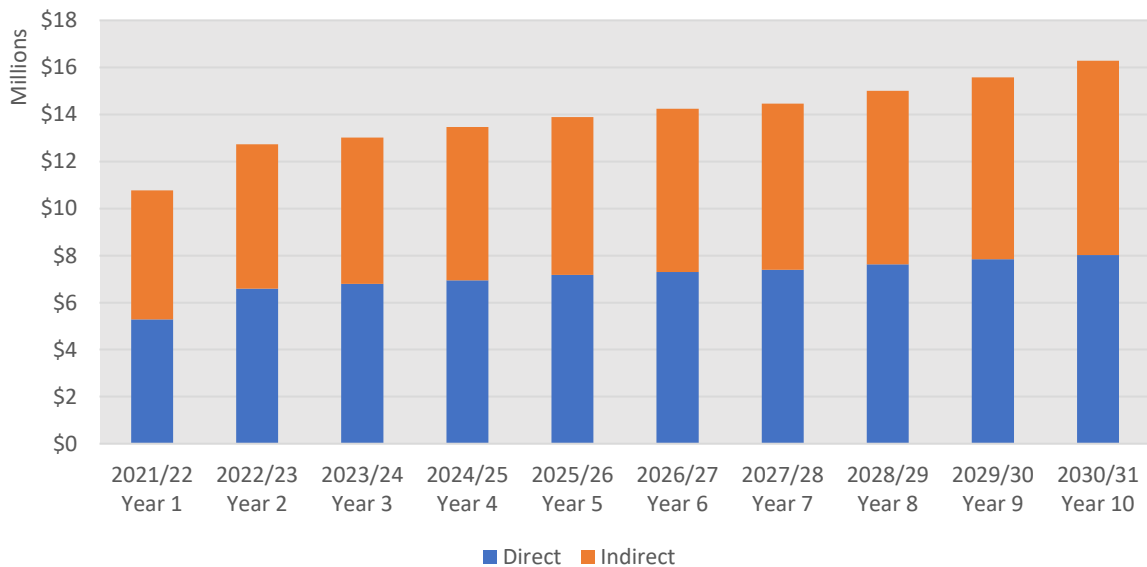


Figure 19: Annual Operating Expenditure for Year 1-10 for Water Supply

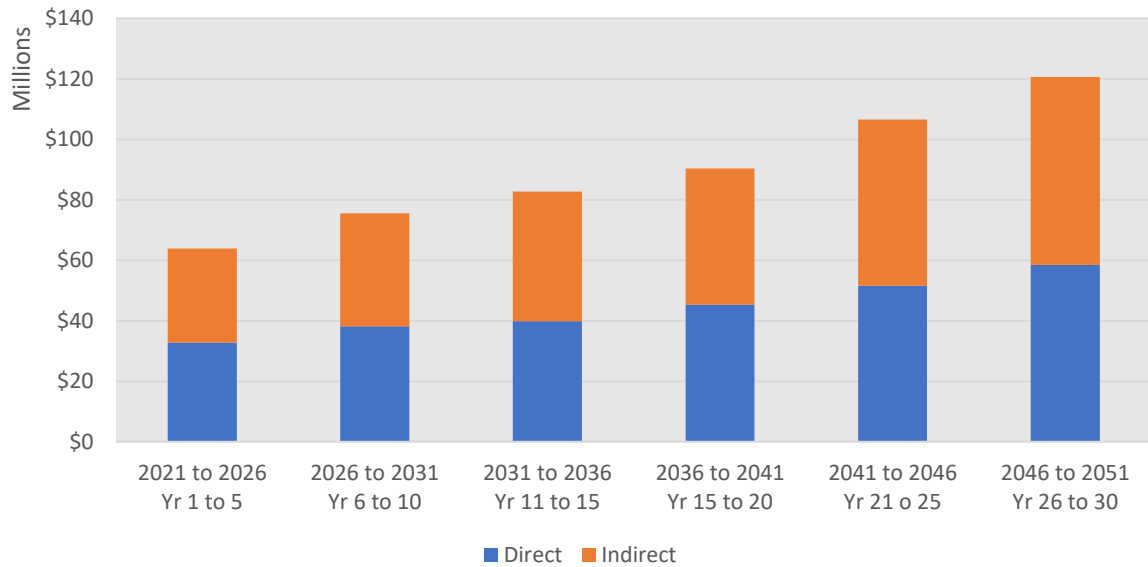


Figure 20: Five Yearly Operating Expenditure for Year 1-30 for Water Supply

CAPITAL

We plan to spend \$124 million on capital improvements over the next 10 years. Of this, 27% is attributable to growth, 50% for level of service improvements, and 23% for asset renewal. We will invest most in level of service improvements for the first two years. This is due to the planned water treatment plant upgrades that are required to meet the NZ Drinking Water Standards.

Over the next 30 years, the total funded capital programme is \$281 million.

The Total Funded Capital Programme shown below includes the 10% scope risk and programme delivery adjustment discussed earlier in this Strategy.

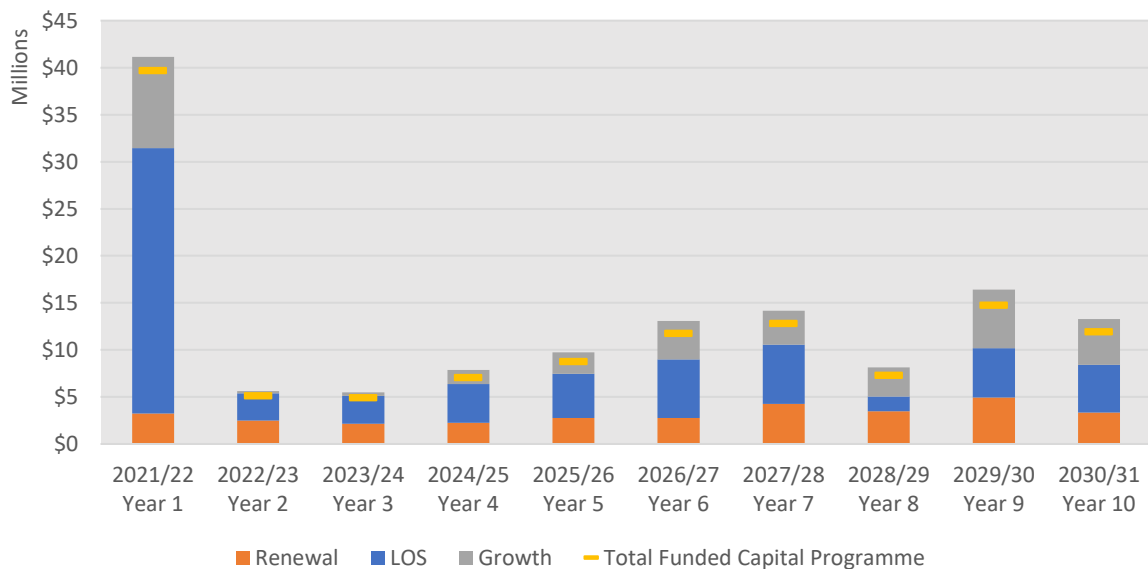


Figure 21: Annual Capital Expenditure for Year 1-10 for Water Supply

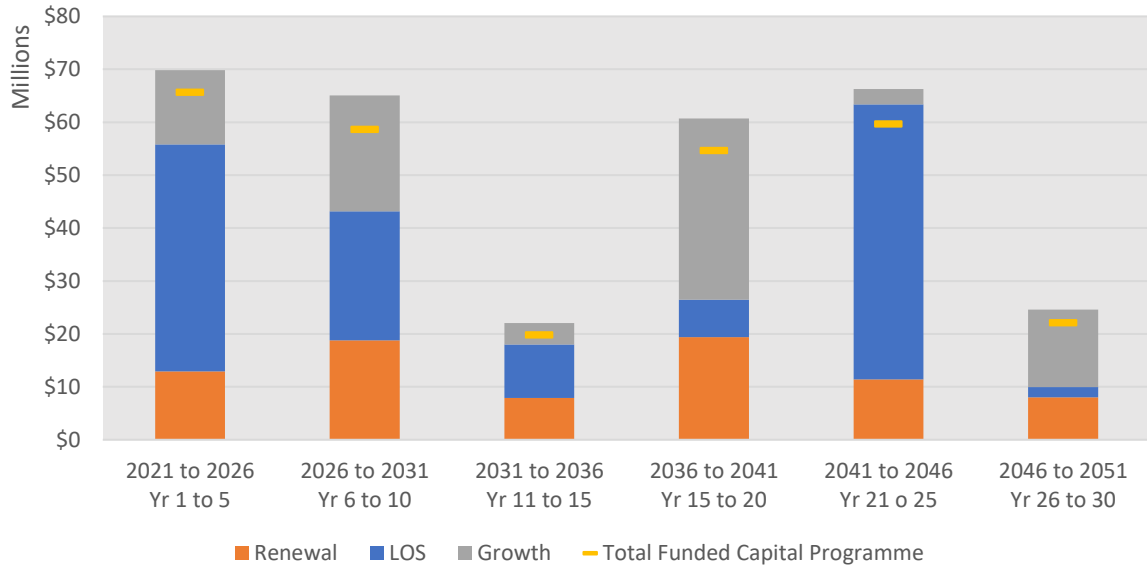


Figure 22: Five Yearly Capital Expenditure for Year 1-30 for Water Supply

ASSET RENEWAL PROFILE

For the first 10 years, our investment in renewals tracks slightly below depreciation. At about Year 11, our investment in renewals starts to fall behind depreciation more significantly. This divergence is due primarily to the long useful life and age profile of our current assets. As shown earlier in Figure 7, most of our water assets are not due for replacement within the next 30 years. As we construct new assets, the costs contribute to the divergence between renewals and depreciation. The new assets contribute to higher depreciation but most will not need replacing within the next 30 years. While not shown here, we have compared the likely renewal requirements for 100 years with depreciation over the same time. This assessment shows that the gap closes in the long-run.

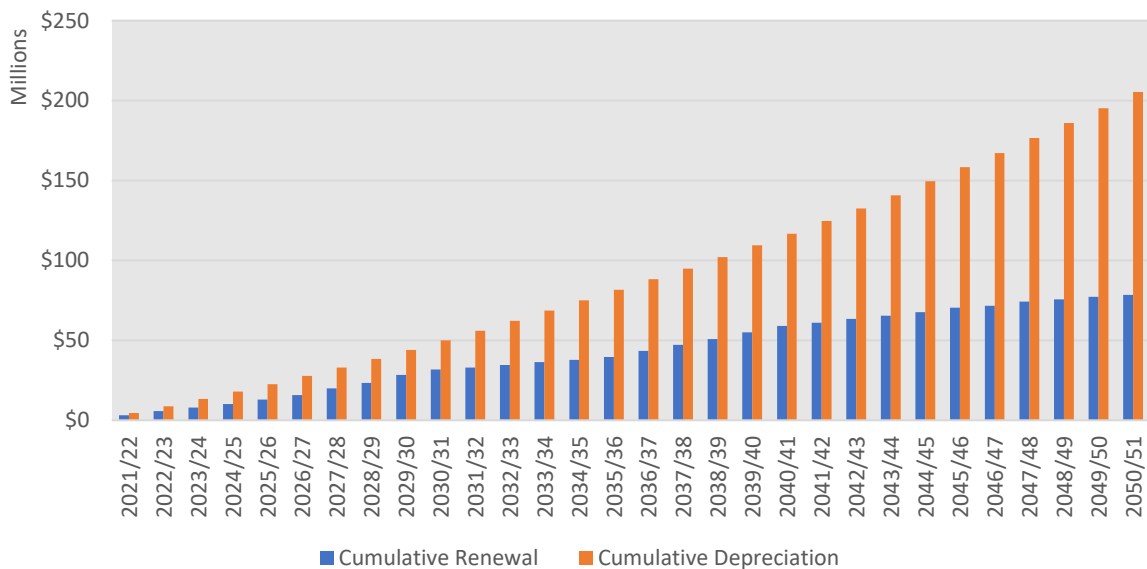


Figure 23: Capital Expenditure and Depreciation for Water Supply



ASSUMPTIONS AND UNCERTAINTIES

In addition to the key assumptions identified earlier in this Strategy, we have identified the following uncertainties and key assumptions that are specific to the water supply activity.

- 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 Strategy, we have assumed no change in service delivery model for the water supply activity.
- Alongside Nelson City Council 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.
- 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) amendment. Uncertainty remains about whether network residual disinfection will become mandatory in the future. We are planning to incorporate the ability to apply chlorination treatment in new and upgraded water treatment plants. We are also considering whether to apply residual disinfection using chlorine in our remaining water supplies. We expect to make a decision on this in early 2021 and we will reflect the outcome of that decision in the final version of this Strategy.
- 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 to 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 Strategy, 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.

FURTHER INFORMATION

Further information on the Water Supply activity can be found in the Water Supply Activity Management Plan. Key capital projects and programmes of work are summarised in the following timeline. You can find the full list of the budgets, projects, and timing in Appendix A and B of the activity management plan.

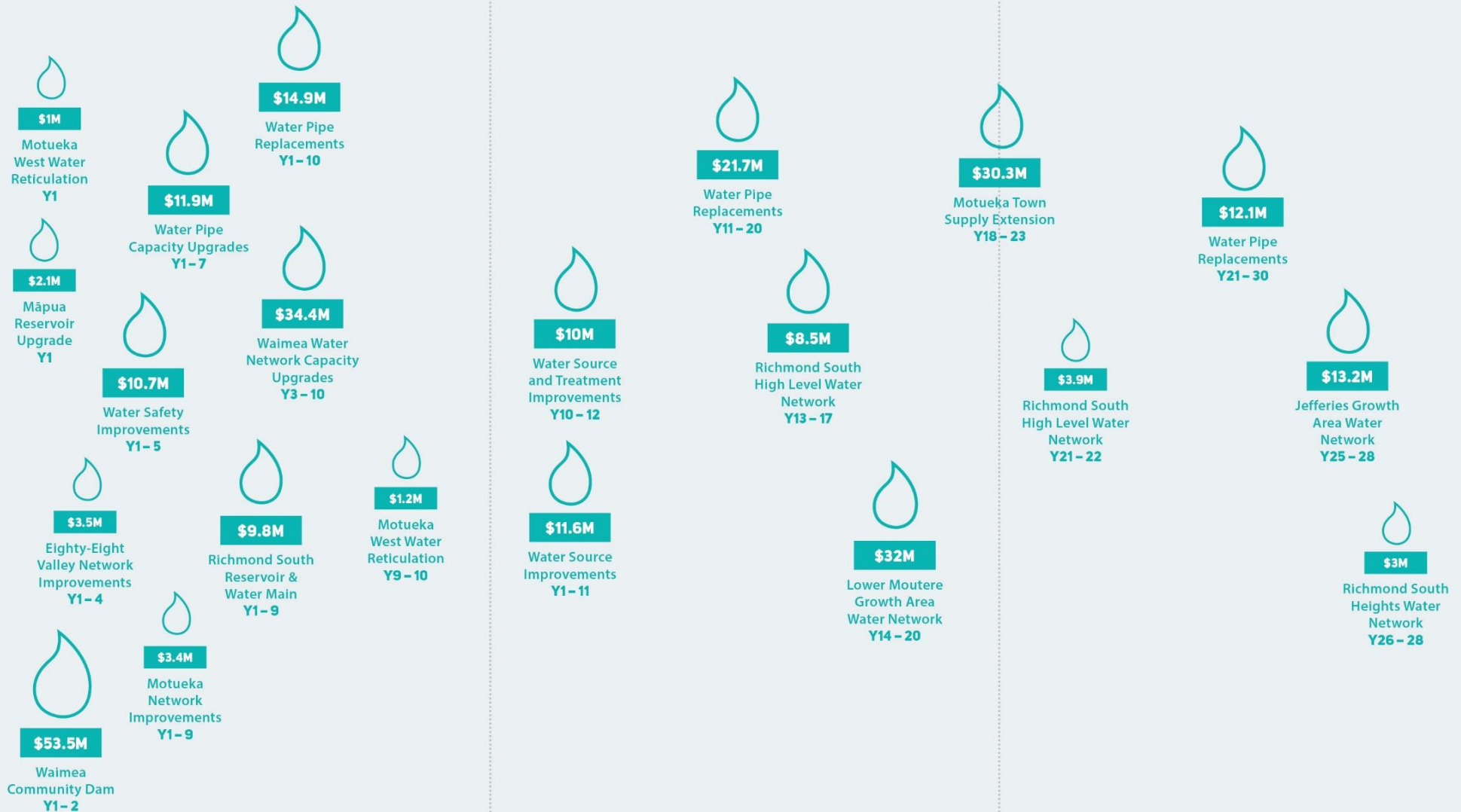
www.tasman.govt.nz/link/activity-management-plans





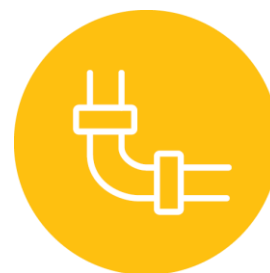
TIMELINE OF KEY INFRASTRUCTURE PROJECTS – WATER SUPPLY

This timeline shows some of the major capital works planned for the next 30 years.



WASTEWATER

We aim to provide cost-effective and sustainable wastewater systems to protect public health while meeting environmental standards. We operate eight wastewater networks. These networks convey wastewater to eight treatment plants, seven of which we own and manage. Over the next 10 years, we plan to spend 24% of our total infrastructure budget on the wastewater activity.



ASSET OVERVIEW

The assets that make up our wastewater infrastructure are summarised in Table 9.

The largest treatment plant at Bell Island is owned by both Nelson and Tasman Councils on a 50:50 share basis. The Bell Island treatment plant is managed by the Nelson Regional Sewerage Business Unit (NRSBU).

Table 9: Wastewater Asset Summary

DESCRIPTION	REPLACEMENT VALUE	DATA RELIABILITY
8 wastewater treatment plants	\$13.6m	Good
50% of NRSBU including Bell Island	\$47.8m	Good
78 pump stations	\$43.9m	Good
3,899 manholes	\$25.9m	Good
366 km reticulation	\$110.8m	Good
14,081 wastewater connections	\$27.6m	Good
Other assets	\$23.2m	Good

Note: Replacement Valuation as at 1 June 2020

LEVELS OF SERVICE

<i>“Our wastewater systems do not adversely affect the receiving environment.”</i>	<i>“Our wastewater activities are managed at a level that satisfies the community.”</i>	<i>“Our wastewater systems reliably take out wastewater with a minimum of odours, overflows or disturbance to the public.”</i>	<i>“Our wastewater systems are built, operated and maintained so that failures can be managed and responded to quickly.”</i>
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We will invest in increasing network capacity to assist in preventing overflows so that they do not adversely affect the environment. Major pump station and rising main upgrades will help mitigate overflows. These upgrades should improve our performance against our agreed level of service.

RESPONDING TO OUR INFRASTRUCTURE PRIORITIES



Further to the overarching infrastructure key issues identified earlier in this Strategy, we have also identified key issues specific to the wastewater activity that are summarised below. Each of these issues relate back to our infrastructure priorities. For each issue, the significant decisions we are planning to make are outlined, along with the principal options for addressing the issue, estimated costs, and timing.

There is a close relationship between each of the issues. Implementing the preferred option for one issue is often likely to help address the other issues to varying degrees. To avoid duplication, options have been discussed under the issue that they address most.

REDUCING INFLOW AND INFILTRATION

Infiltration is the unintentional entry of ground water into the wastewater network and inflow occurs when rainwater enters the network. Common points of entry typically include gully traps, broken pipes and defective joints, as well as cracked manholes.

Inflow and infiltration is a significant issue in parts of our networks. It consumes useable network capacity causing the overloading of pipe networks and wastewater treatment plants during very heavy rainfall events. In turn, this restricts residential and commercial growth because it uses up available network capacity.

Inflow and infiltration in the network creates the need to pump, convey and treat the extra water and means additional and unnecessary costs. Excessive levels may also dilute wastewater and cause treatment plant performance to deteriorate. Inflow and infiltration can also contribute to overflows.

Table 10 summarises the options that we have considered in order to address inflow and infiltration.

Table 10: Principal Options to Address Inflow and Infiltration

PRINCIPAL OPTIONS	IMPLICATIONS	PREFERRED OPTION	COST ESTIMATE	TIMING
On-going programme of pipe renewal to replace broken and cracked pipes.	Inflow and infiltration issues will be addressed over time as the network is renewed. This is a long term strategy meaning that all issues will not be addressed immediately.	✓	\$5.2m \$15.8m \$6.4m	2021 – 2030 2031 – 2040 2041 - 2050
On-going inflow and infiltration investigations, Closed circuit television (CCTV) investigations, pipe survey and network modelling	This work will enable us to collect more condition and performance data, and identify specific areas that suffer from inflow and infiltration. This data will enable us to make better decisions on balancing maintenance and renewal spending.	✓	\$14.5m total over 30 years	On-going
Rectify illegal stormwater	We will identify illegal private connections as	✓	Nil	On-going



PRINCIPAL OPTIONS	IMPLICATIONS	PREFERRED OPTION	COST ESTIMATE	TIMING
connections to the wastewater network.	part of our investigations and survey above. The cost of rectifying illegal connections will be the responsibility of the private party involved.			
Require low pressure pump systems in new developments	In areas where there is a high ground water table low pressure pump systems will prevent the ingress of water.	✓	Developer cost. Not a Council cost.	On-going
Maintain the status quo.	Inflow and infiltration issues will continue to occur meaning that we fund unnecessary operating costs and overflows at known problem areas are likely to continue.	✗	N/A	Not planned
It is not appropriate to take no action to address inflow and infiltration. As wastewater pipes reach the end of their useful life, they must be renewed. By undertaking the inflow and infiltration investigation and collecting more asset data, it will enable us to optimise renewal of our pipes and invest in where it is needed most.				

IMPROVING RESILIENCE

Some pump stations within our wastewater networks have limited storage. This means at times of high flows due to wet weather, or during power outages, the network can only manage for a short period of time before we need to manage the overflow risk. As inclement weather can bring both wind and rain, there are instances when high flows and power outages occur at the same time.

In Motueka, the wastewater treatment plant is located adjacent to the coast. The plant will be at increasing risk of coastal erosion and flooding due to the effects of climate change. The current resource consent for the plant expires in 2035 and requires us to investigate and identify alternative future sites for the plant.

Table 11 summarises the options that we have considered in order to improve network resilience.

Table 11: Principal Options to Improve Network Resilience

PRINCIPAL OPTIONS	IMPLICATIONS	PREFERRED OPTION	COST ESTIMATE	TIMING
Network Resilience				



PRINCIPAL OPTIONS	IMPLICATIONS	PREFERRED OPTION	COST ESTIMATE	TIMING
Provide mobile backup generators	We will be able to provide power to key pump stations during power outages enabling the network to continue operating. The network will be more resilient and less prone to outages.	✓	\$330,000	2025 - 2034
Increase storage capacity	The network will be able to handle higher flows or longer periods of outages. The network will be more resilient and less prone to overflows.	✓	\$2.9m	2021 - 2031
Maintain status quo	The network will continue to be vulnerable during periods of heavy rain or extended power outages. The risk of overflows will remain as is.	✗	N/A	Not planned

In 2020, we commenced our programme to install emergency storage tanks at strategic places across the network. Without the additional storage, we rely on our maintenance contractors intervening at the right time and being able to remove and transport wastewater away from the pump stations to manage high-level pump station alarms. This is relatively high risk, if the rate of flow exceeds the capacity of the tanker trucks, if the warning time is not sufficient, or if too many pump stations are at risk, overflows are likely. We need to invest in improved storage and backup generators to meet our agreed levels of service and protect public and environmental health.

Motueka Wastewater Treatment Plant

Relocate the treatment plant inland	A new plant will be in a locality that is exposed to less risks than the existing site. The new site could also be positioned to provide better connectivity to future growth areas.	✓	\$7.4m \$73.8m	2028 – 2029 2031 - 2035
Relocate the treatment plant earlier	The risk of coastal erosion and flooding will be mitigated sooner. The useful life of the existing plant will not be fully utilised meaning we will not fully benefit from recent upgrades and expansion.	✗	\$7.4m \$73.8m	Not planned



PRINCIPAL OPTIONS	IMPLICATIONS	PREFERRED OPTION	COST ESTIMATE	TIMING
Maintain status quo	<p>The plant will face increasing risks associated with coastal erosion and flooding.</p> <p>The existing consent indicates that the future of the plant does not sit at the current location. Along with this, local iwi and other interested parties wish to see the plant relocated away from the coast. It is therefore unlikely we would be granted a long term consent after the expiry of the current consent.</p>	✘	Nil	Not planned

We are yet to identify a preferred site for the treatment plant and therefore the above cost estimates are indicative only. In 2019, we commenced investigation into alternative sites for the wastewater treatment plant. Potential sites are considered by the working group, which includes representatives from Council, the Nelson Marlborough District Health Board, iwi, and Fish and Game.

MITIGATING OVERFLOWS

Overflows occur when untreated wastewater escapes from the network into the environment, presenting a risk to public and environmental health. They are also generally offensive to people, especially Māori as it is in conflict with the Te Ao Māori worldview. Overflows can be caused by wet weather due to stormwater inflows which overload the system, or they can occur due to blockages, breaks, power outages, or lack of network capacity. We have already identified inflow and infiltration, and the lack of storage capacity and backup power as causes for overflows. In addressing this key issue, we have considered how best to address the undersized parts of the network which have experienced overflows. Table 12 summarises the additional options that we have considered in order to reduce the risk of overflows through network capacity improvements.



Table 12: Principal Options to Mitigate Overflows

PRINCIPAL OPTIONS	IMPLICATIONS	PREFERRED OPTION	COST ESTIMATE	TIMING
<p>Pump station and rising main upgrades throughout:</p> <ul style="list-style-type: none"> • Golden Bay Network • Māpua Network • Waimea Network* • NRSBU Network 	<p>We will be able to provide assets of adequate capacity for the current and future population. The risk of overflows should reduce and the community should experience a higher level of service.</p>	✓	<p>Golden Bay \$5.1m</p> <p>Māpua \$10.8m</p> <p>Waimea \$40.4m</p> <p>NRSBU \$89.1m</p>	<p>2021 – 2027</p> <p>2022 – 2048</p> <p>2021 – 2037</p> <p>2021 - 2051</p>
<p>Maintain status quo</p>	<p>The community will need to accept that the risk of overflows remains. We may receive enforcement action due to not addressing preventable overflows.</p> <p>We would need to decline any new requests to connect to the network in problem areas as additional demand will only make the existing situation worse.</p>	✗	N/A	Not planned

We must act to mitigate the risk of overflows in order to meet our agreed levels of service and protect the environment.

**The Waimea wastewater network capacity upgrades project is a key project required specifically to address both the need to mitigate the risk of overflows and supply growth.*

SUPPLYING OUR GROWING COMMUNITIES

We expect that over the next 10 years Tasman’s population will grow by approximately 7,700 residents. To accommodate this growth new homes need to be built, most of which will need to be supplied with wastewater collection. We can supply some of this new demand through existing infrastructure where capacity is available. New areas of development such as Richmond South,



Motueka West and Lower Moutere will require completely new infrastructure in order to collect wastewater from the area. For Brightwater and Wakefield, the existing infrastructure will require upgrading to provide additional capacity.

Table 13 summarises the options that we have considered in order to provide for growth.

Table 13: Principal Options to Enable Community Growth

PRINCIPAL OPTIONS	IMPLICATIONS	PREFERRED OPTION	COST ESTIMATE	TIMING
Construct new pump stations and rising mains in: <ul style="list-style-type: none"> Richmond South Motueka West Lower Moutere Jefferies Growth Area (Brightwater) 	We will be able to provide new homes and businesses with wastewater services. This will come at a cost that will need to be recovered through a mix of development contribution charges and rates.	✓	Richmond South: \$19.2m Motueka West: \$5.3m Lower Moutere: \$14.2m Jefferies: \$9.0m	2021 – 2042 2021 - 2024 2037 – 2041 2045 - 2049
Upgrade existing pump stations and rising mains in: <ul style="list-style-type: none"> Māpua Brightwater Wakefield 	We will be able to provide new homes and businesses with wastewater services. This will come at a cost that will need to be recovered through a mix of development contribution charges and rates.	✓	Māpua : \$10.8m Brightwater & Wakefield: \$40.4m*	2022 - 2048 2021 – 2037



PRINCIPAL OPTIONS	IMPLICATIONS	PREFERRED OPTION	COST ESTIMATE	TIMING
Enable low pressure pump systems in infill developments	Low pressure pump systems enable us to better manage existing capacity within our networks. They can pump outside of peak times, and storing wastewater for limited time periods. This means infill development can be enabled without triggering immediate upgrade of main pipes.	✓	\$350,000 total over 10 years to contribute to installation of low pressure pump systems in strategic infill areas.	2021 - 2031
Maintain the status quo	We will not be able to provide new homes and businesses with wastewater requiring them to find alternatives if possible. This is likely to restrict where and when growth can occur.	✗	N/A	Not planned

Enabling construction of new subdivisions will provide homes for our growing population. This is a priority for us. To do this, we have determined that we must provide essential infrastructure. We have planned to implement the above options so that our wastewater network capacity meets the demand created by new homes as they are built. The timing of these upgrades is based on the population projections set out earlier in this Strategy. Implementing these options will help us meet the requirements of the National Policy Statement – Urban Development.

**The Waimea wastewater network capacity upgrades project is a key project required specifically to address both the need to mitigate the risk of overflows and supply growth.*

INDICATIVE EXPENDITURE ESTIMATES

OPERATING

Operational costs for the wastewater activity are forecast to increase by an average of 6.1% per year for the first 10 years, and 3.8% per year over 30 years. Within the first 10 years, the most notable increases occur in direct costs. This is due to an increase in our share of operational costs from the



NRSBU. Indirect costs increase primarily due to increasing loan interest costs associated with the capital programme for this activity. On top of this, both direct and indirect expenditure gradually increase due to inflation.

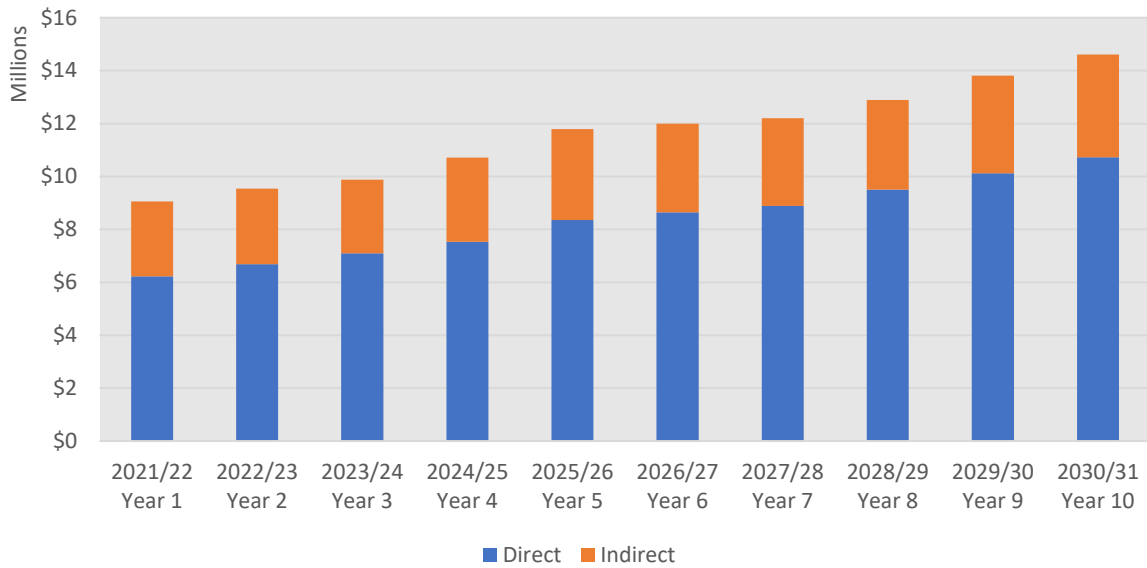


Figure 24: Annual Operating Expenditure for Year 1-10 for Wastewater

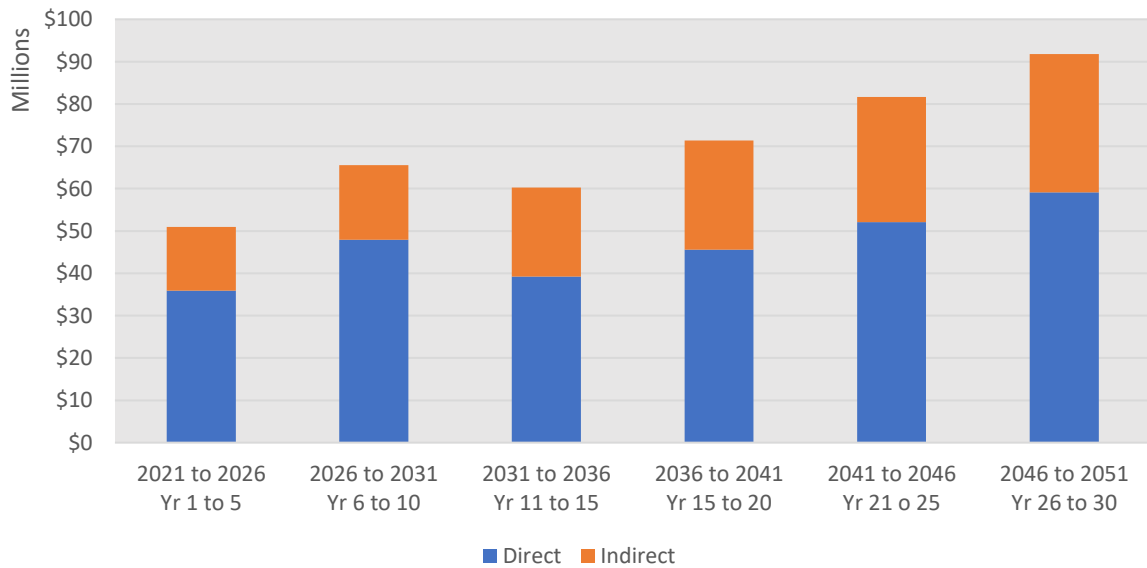


Figure 25: Five Yearly Operating Expenditure for Year 1-30 for Wastewater

CAPITAL

We plan to spend around \$104 million on capital improvements over the next 10 years. Of this, 25% is attributable to growth, 46% for level of service improvements and 29% for asset renewal. There is a notable increase in level of service expenditure between Year 11 and 15. This is associated with the construction of the new Motueka wastewater treatment plant.

Over the next 30 years, the total funded capital programme is \$378 million.



The Total Funded Capital Programme shown below includes the 10% scope risk and programme delivery adjustment discussed earlier in this Strategy.

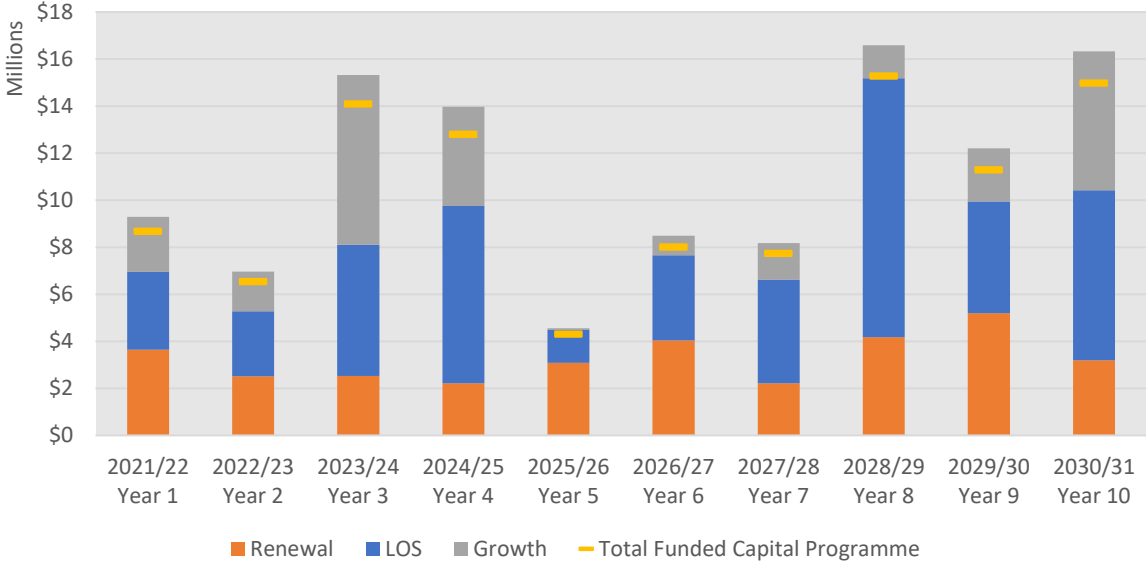


Figure 26: Annual Capital Expenditure for Year 1-10 for Wastewater

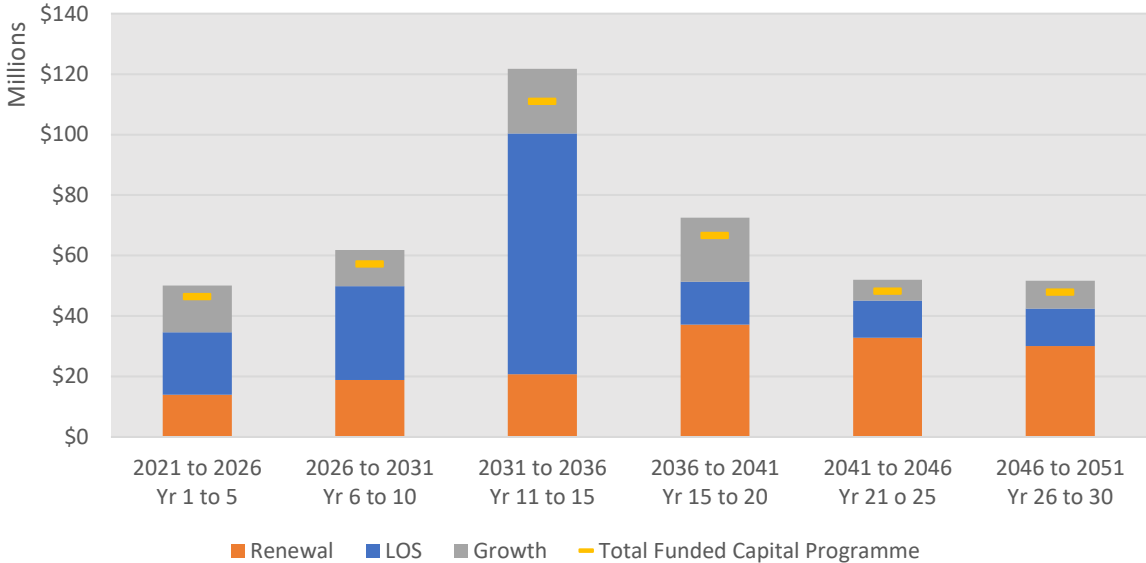


Figure 27: Five Yearly Capital Expenditure for Year 1-30 for Wastewater

ASSET RENEWAL PROFILE

There is a notable difference between planned renewals and forecast depreciation over 30 years. This divergence is mainly due to the long useful life and age profile of our current assets. As shown earlier in Figure 8, most of our wastewater assets are not due for replacement within the next 30 years. As we construct new assets, it will also contribute to the divergence between renewals and depreciation. The new assets contribute to higher depreciation but most don't need replacing within the next 30 years. While not shown here, we have compared the likely renewal requirements for 100 years with depreciation over the same time. This assessment shows that the gap closes in the long-run.

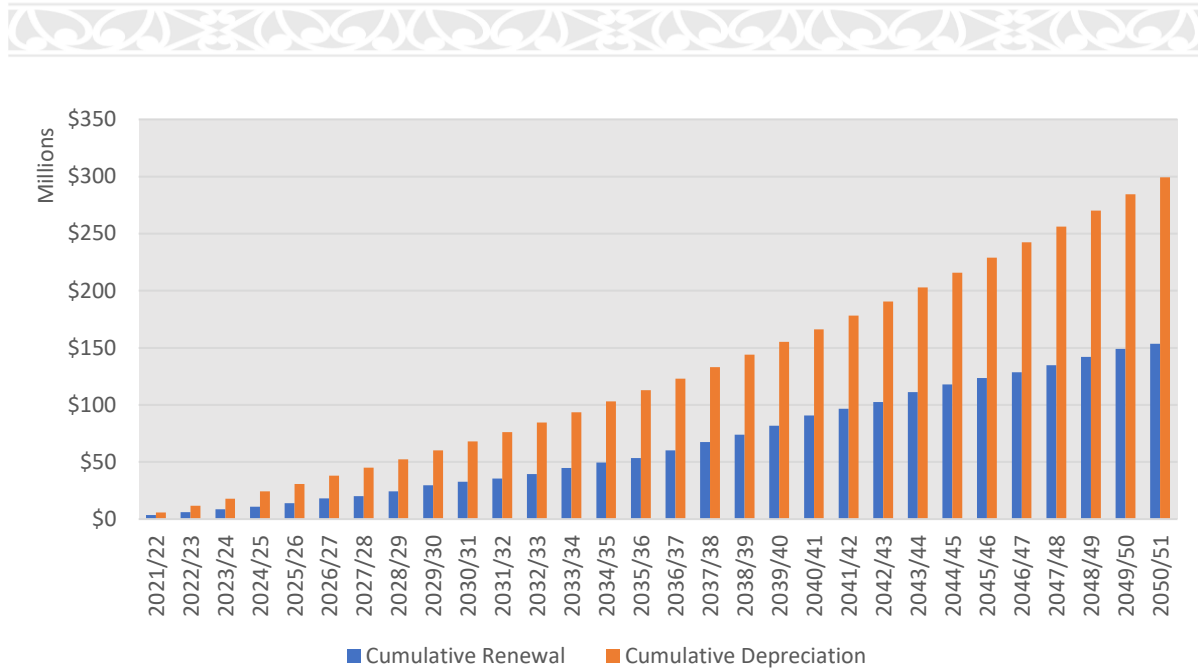


Figure 28: Capital Expenditure and Depreciation for Wastewater

ASSUMPTIONS AND UNCERTAINTIES

In addition to the key assumptions identified earlier in this Strategy, we have identified the following uncertainties and key assumptions that are specific to the wastewater activity.

- 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 Tasman’s 10-Year Plan 2021 – 2031, we have assumed no change in service delivery model 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 have prepared the wastewater programme based on the information that was available at the time. We have commenced 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. Initial outcomes of the Waimea network investigations have been incorporated in the recommend upgrade option for the Waimea wastewater network.
- We are uncertain about NRSBU charges because the 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.

FURTHER INFORMATION

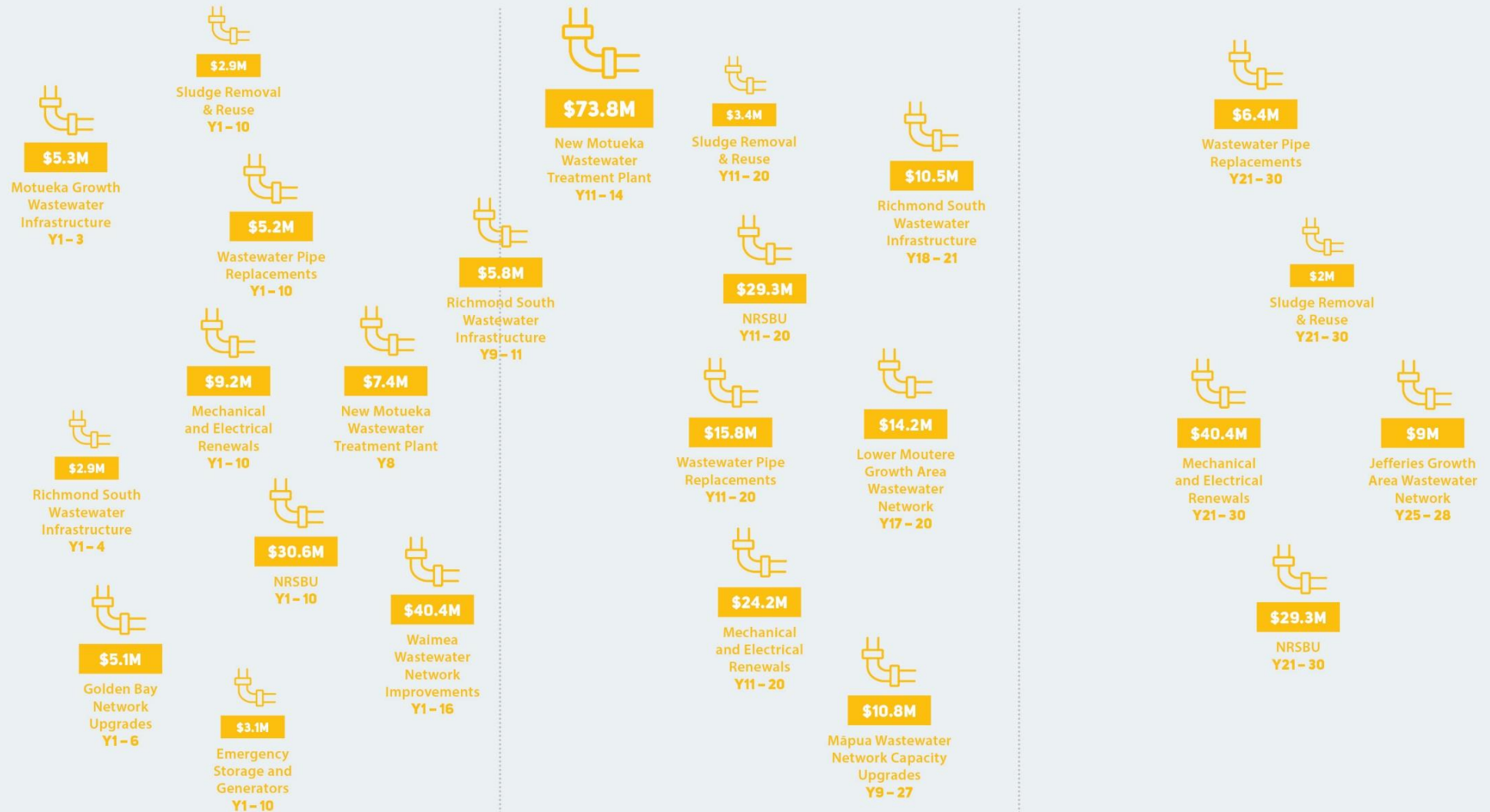
Further information on the Wastewater activity can be found in the Wastewater Activity Management Plan. Key capital projects and programmes of work are summarised in the following timeline. You can find the full list of the budgets, projects, and timing in Appendix A and B of the activity management plan.

www.tasman.govt.nz/link/activity-management-plans



TIMELINE OF KEY INFRASTRUCTURE PROJECTS – WASTEWATER

This timeline shows some of the major capital works planned for the next 30 years.



STORMWATER



We aim to provide cost-effective and sustainable stormwater systems that reduce flooding and meet environmental standards. In urban townships, our stormwater systems collect rain water from neighbourhoods, road surfaces, carparks and public spaces through sumps and collection points. Pipes and open drains take the water away, back to its natural destination, which may be land soakage, streams and/or the coast. Over the next 10 years, we plan to spend 7% of our total infrastructure budget on the stormwater activity.

ASSET OVERVIEW

The assets that make up Council’s stormwater infrastructure are summarised in Table 14.

Table 14: Stormwater Asset Summary

DESCRIPTION	REPLACEMENT VALUE	DATA RELIABILITY
14,900 property connections	\$13.0m	Good
204 km piped stormwater network	\$130.9m	Good
30 km of maintained open drains and streams	\$5.5m	Good
2,472 manholes	\$20.7m	Good
742 sumps	\$2.8m	Good
10 detention dams	\$1.3m	Good
Other assets e.g. culverts, inlets and outlets	\$17.9m	Good

Note: Replacement Valuation as at 1 June 2020

LEVELS OF SERVICE

“We have measures in place to respond to and reduce flood damage from stormwater to property and risk to the community”

“Our stormwater systems do not adversely affect or degrade the receiving environment”

“Our stormwater activities are managed at a level which satisfies the community”

We plan to invest in improving the capacity of our primary and secondary networks, as well as stormwater treatment to protect the receiving environment. In the short term, we plan to continue development of stormwater models and catchment management plans for all Urban Drainage Areas. Through these strategic plans, we will develop a better understanding of the current and future performance of all of our networks against the agreed levels of service, identify gaps in performance, and programme works to address these gaps.

RESPONDING TO OUR INFRASTRUCTURE PRIORITIES



Further to the overarching infrastructure key issues identified earlier in this Strategy, Council has also identified key issues specific to the stormwater activity that are summarised below. Each of these issues relate back to Council’s infrastructure priorities. For each issue, the significant decisions Council is planning to make are outlined, along with the principal options for addressing the issue, estimated costs and timing.

There is a close relationship between each of the issues. Implementing the preferred option for one issue is often likely to help address the other issues to varying degrees. To help simplify the discussion, options have been allocated to the primary reason they have been considered.

In addition to this Strategy we also prepare catchment management plans. Integrated urban catchment management planning is an efficient way of coordinating efforts to address multiple stormwater issues (i.e. flood management, freshwater management, aquatic habitat management and amenity values within urban stormwater catchments). We have planned to develop a full suite of urban catchment management plans by 2027. We have completed the first catchment management plan for Richmond, and are in the process of developing the catchment management plan for Motueka. These will be used to inform future versions of this Strategy and our activity management plan for stormwater.

SUPPLYING OUR GROWING COMMUNITIES

We expect that over the next 10 years Tasman’s population will grow by approximately 7,700 residents. To accommodate this growth new homes need to be built, most of which will cause changes to the nature of surface water runoff due to permeable areas of ground becoming hard surfaces such as houses and carpark areas. This increases the volume of stormwater that we need to collect and discharge. We can meet this increased demand through existing infrastructure where capacity is available. Where capacity is not available, or if the infrastructure does not exist, we will need to provide upgraded or new infrastructure to enable development to continue. In infill development areas where capacity is limited development can be enabled through on-site detention.

Table 15 summarises the options that we have considered in order to enable growth.

Table 15: Principal Options to Enable Community Growth

PRINCIPAL OPTIONS	IMPLICATIONS	PREFERRED OPTION	COST ESTIMATE	TIMING
Increase the capacity of the receiving pipes, detention basins, and streams in: <ul style="list-style-type: none"> Richmond West Richmond South Māpua 	We will enable development of new homes and businesses and mitigate the effects of this development on the environment. This will come at a cost that will need to be recovered through a mix of development contribution charges and rates. This work will also reduce the risk of flooding for existing residents.	✓	Richmond West: \$12.9m Richmond South: \$32.2m Māpua: \$4.0m	2021 – 2029 2021 – 2028 2024 - 2034



PRINCIPAL OPTIONS	IMPLICATIONS	PREFERRED OPTION	COST ESTIMATE	TIMING
Contribute to the construction of new stormwater networks in new growth areas: <ul style="list-style-type: none"> • Motueka West • Motueka South West • Jefferies Growth Area (Brightwater) 	We will enable development of new homes and businesses and mitigate the effects of this development on the environment. This will come at a cost that will largely be recovered through development contribution charges.	✓	Motueka West: \$5.9m Motueka South West: \$26.5m Jefferies : \$3.5m	2021 - 2024 2035 – 2041 2041 - 2043
Manage demand from the source through the Tasman Resource Management Plan rules	Using on-site detention developers can partially mitigate the impact of their developments on the stormwater system before it enters our network. Our stormwater network can then be sized accordingly.	✓	N/A	Status quo
Prevent development from occurring	We will not be able to provide for some new homes and businesses. This is will restrict the amount of growth that can occur, particularly in Richmond and Motueka.	✗	N/A	Not planned

Enabling construction of new subdivisions will provide homes for our growing population. This is a priority for us. To do this, we have determined that we must provide essential infrastructure. We have planned to implement the above options so that our stormwater network capacity meets the demand created by new homes as they are built. The timing of these upgrades is based on the population projections set out earlier in this Strategy. Implementing these options will help us meet the requirements of the National Policy Statement – Urban Development and our Future Development Strategy.

MITIGATING FLOOD RISKS

Some of Tasman’s stormwater pipes and streams are too small to cope with the intense rainfall events experienced over the past few years and do not meet current design standards. During intense rainfall events, there tends to be nuisance surface water flooding and sometimes people’s homes and businesses are flooded. It is impossible for us to eliminate all flooding so we have to set appropriate intervention levels.



Flood events and design capacity are often referred to as Annual Exceedance Probability (AEP) e.g. a 1% AEP flood event has a 1% chance of occurring in anyone year. This is sometimes referred to as a 100-year event. The design standard for the primary flow network is 10% AEP and the secondary flow network is 1% AEP. Generally, we plan to intervene when habitable floors are at risk of being flooded.

Table 16 summarises the options that we have considered in order to mitigate surface water flood risks.

Table 16: Principal Options to Mitigate Surface Water Flood Risks

PRINCIPAL OPTIONS	IMPLICATIONS	PREFERRED OPTION	COST ESTIMATE	TIMING
Increase the capacity of the receiving pipes and streams	The stormwater network will be upgraded over time to provide the agreed levels of service. This will reduce the risk of homes and business being flooded by stormwater runoff.	✓	\$37.6m	2025 - 2046
Protecting secondary flow paths	We will manage secondary flow paths in a proactive manner so that they are available when the primary network is overwhelmed. Residents will understand the function and importance of secondary flow paths.	✓	\$10.8m	2021 - 2051
Maintain status quo	Known areas of flooding will not be addressed and residents will continue to be exposed to flood risks.	✗	N/A	Not planned
Protecting people and their homes is a priority. Through the agreed stormwater levels of service, we aim to prevent habitable floors from being flooded. It is inappropriate to maintain the status quo as this would not address known issues.				

EFFECTS ON THE ENVIRONMENT

It has long been recognised that stormwater runoff is a predominant contributor to water quality and stream and coastal ecosystem health. The potential adverse effects associated with stormwater discharges can be divided into ‘quality’ and ‘quantity’ effects.

The ‘quality’ effects stem from the fact that urban land uses such as roads, carparks, industrial zones and certain building materials generate contaminants that are picked up by stormwater runoff. They then accumulate in fresh water and marine water receiving environments where they have an adverse effect on ecosystems. The main contaminants of concern are sediments, heavy metals and



hydrocarbons. Urban runoff and concrete or rock lined stormwater channels may also lead to increased water temperature which has a detrimental effect on stream life.

The 'quantity' effects stem from the fact that urbanisation leads to increased areas of impervious surface which in turn leads to a decrease in groundwater recharge and increased stormwater runoff. The effect of reduced groundwater recharge leads to reduced base flows in streams especially during dry periods. On the other hand, the increased runoff leads to higher flow velocities that can cause scour and streambank erosion. We control these types of effects through implementation of the joint Nelson Tasman Land Development Manual and the Tasman Resource Management Plan (TRMP). For this reason, infrastructure interventions have not been considered below.

Table 17 summarises the options that we have considered in order to mitigate the effects of stormwater on the environment.

Table 17: Principal Options to Manage the Effects of Stormwater on the Environment

PRINCIPAL OPTIONS	IMPLICATIONS	PREFERRED OPTION	COST ESTIMATE	TIMING
Implement demand management measures at the source through TRMP rules	Demand management measures implemented at the source reduce the impact on the receiving environment and requires less intervention by Council within the remainder of the public stormwater network.	✓	N/A – private cost	Status quo
Installation of stormwater treatment devices and construction of treatment wetlands	Stormwater runoff can be treated at key locations which generate high levels of contaminants, e.g. busy road intersections. Wetlands located in strategic areas will help remove contaminants from the stormwater runoff prior to discharging into the receiving environment.	✓	\$4.0m	2022 - 2051
Interventions to improve water quality and stream health at Lake Killarney in Tākaka	Stormwater runoff will be adequately managed before entering Lake Killarney.	✓	\$2.0 m	2027 - 2029



PRINCIPAL OPTIONS	IMPLICATIONS	PREFERRED OPTION	COST ESTIMATE	TIMING
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The National Policy Statement for Freshwater Management requires us to maintain or improve the overall quality of freshwater. We need to ensure that the effects of development on the environment are mitigated.

CLIMATE CHANGE

NIWA has predicted the anticipated effects from climate change in Tasman District to include:

- an increase in seasonal mean temperature and high temperature extremes
- an increase in rainfall in winter for the entire District and varying increases of rainfall in other seasons in different areas
- increased rainfall intensity
- rising sea levels, increased wave height and storm surges, and
- floods, landslides, droughts and storm surges are likely to become more frequent and intense.

These effects of climate change will put further strain on the already limited capacity of our stormwater networks. Discharging stormwater from coastal communities will become increasingly difficult during high tides and will result in more frequent flooding. In other areas, the increase in rainfall will lead to stormwater networks reaching their capacity sooner and the need to better manage overland flow paths to avoid flooding of properties.

We have not planned to specifically respond to climate change in isolation from the other issues discussed above. Instead, we will consider and address the effects of climate change when upgrading, replacing or extending our networks. Climate change factors will be incorporated into project designs to ensure infrastructure is future-proofed.

INDICATIVE EXPENDITURE ESTIMATES

OPERATING

Operational costs for the stormwater activity are forecast to increase by an average of 3.6% per year over the next 30 years. Direct operational costs are almost static for the duration of the 30 years, with increases largely due to inflation. Indirect costs increase on average 5.2% per year over the next 30 years, largely due to varying loan interest costs and depreciation associated with the capital programme for this activity.

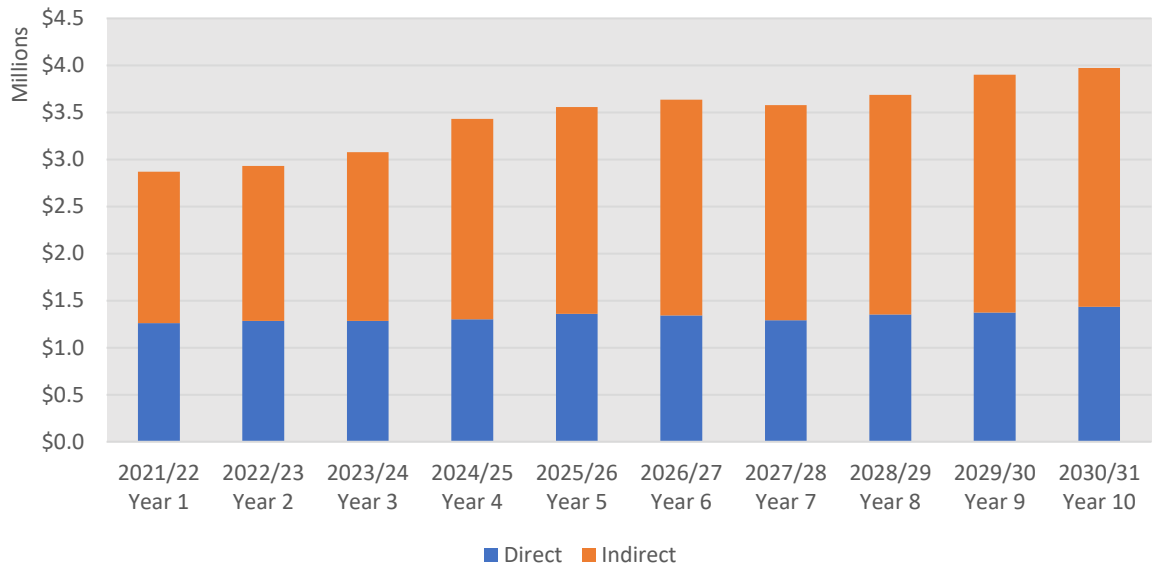


Figure 29: Annual Operating Expenditure for Year 1-10 for Stormwater

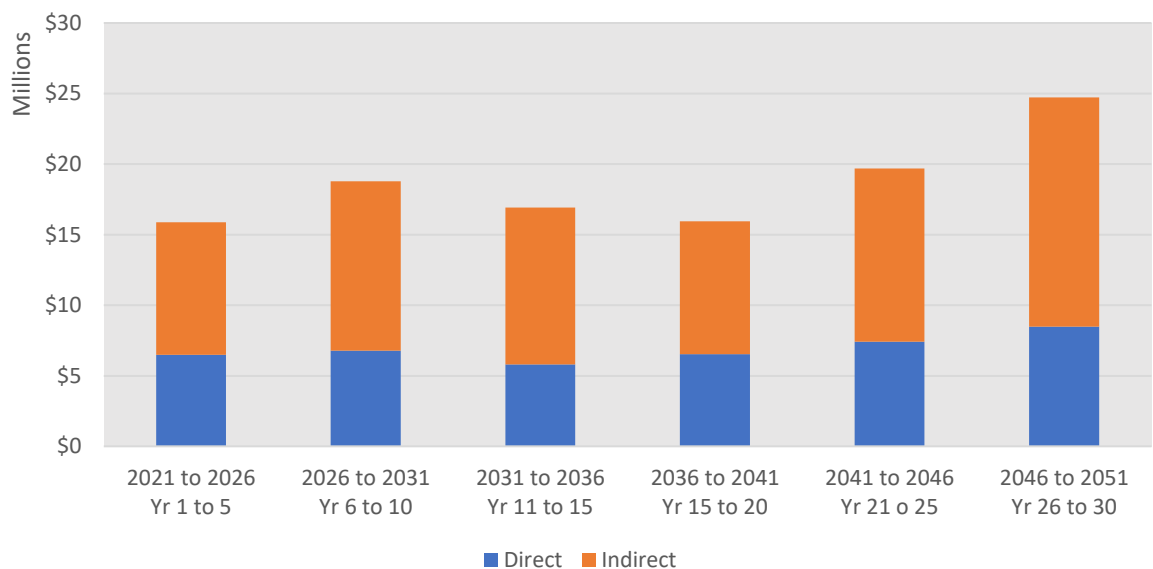


Figure 30: Five Yearly Operating Expenditure for Year 1-30 for Stormwater

CAPITAL

We plan to spend around \$63 million on capital improvements over the next 10 years. Of this, 54% is attributable to growth, 45% for level of service improvements and 1% for asset renewal. Our stormwater assets are long life and are relatively young. This means that there is almost no asset renewal requirements over the next 30 years.

For the first 10 years, we have planned to undertake stormwater improvements with a focus on increasing capacity to cater for growth. After that, the focus shifts to improving levels of service. There is a notable increase in level of service expenditure between Year 26 and 30. This is caused by a large project aiming to reduce the risk of stormwater flooding in Motueka.



We will identify the need for further works through the catchment management plan process. It is likely that these works will be added to the programme after completion of the catchment management plans.

Over the next 30 years, the total funded capital programme is \$203 million.

The Total Funded Capital Programme shown below includes the 10% scope risk and programme delivery adjustment discussed earlier in this Strategy.

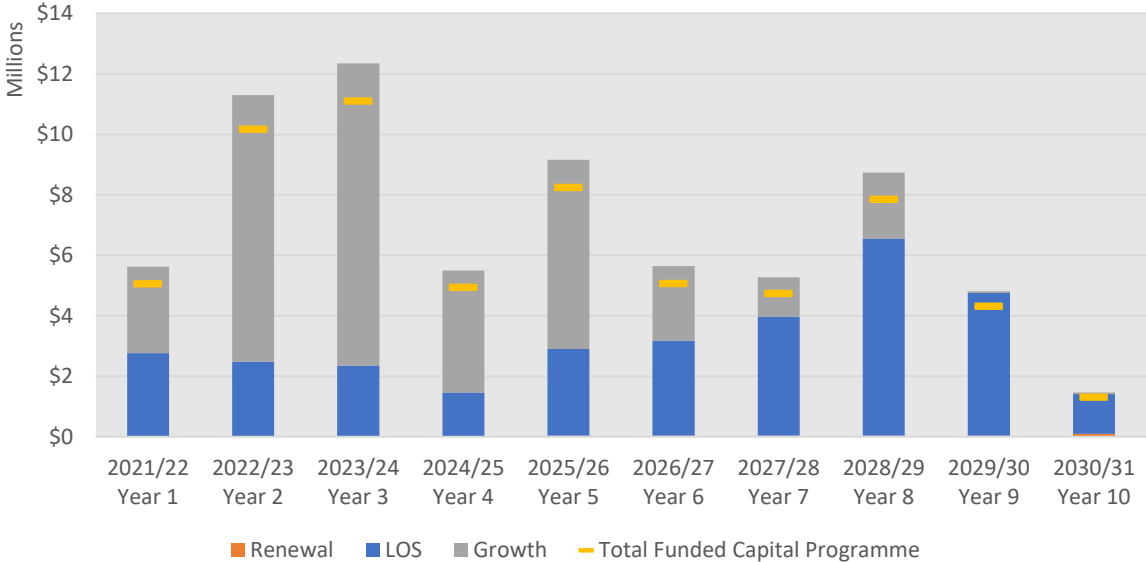


Figure 31: Annual Capital Expenditure for Year 1-10 for Stormwater

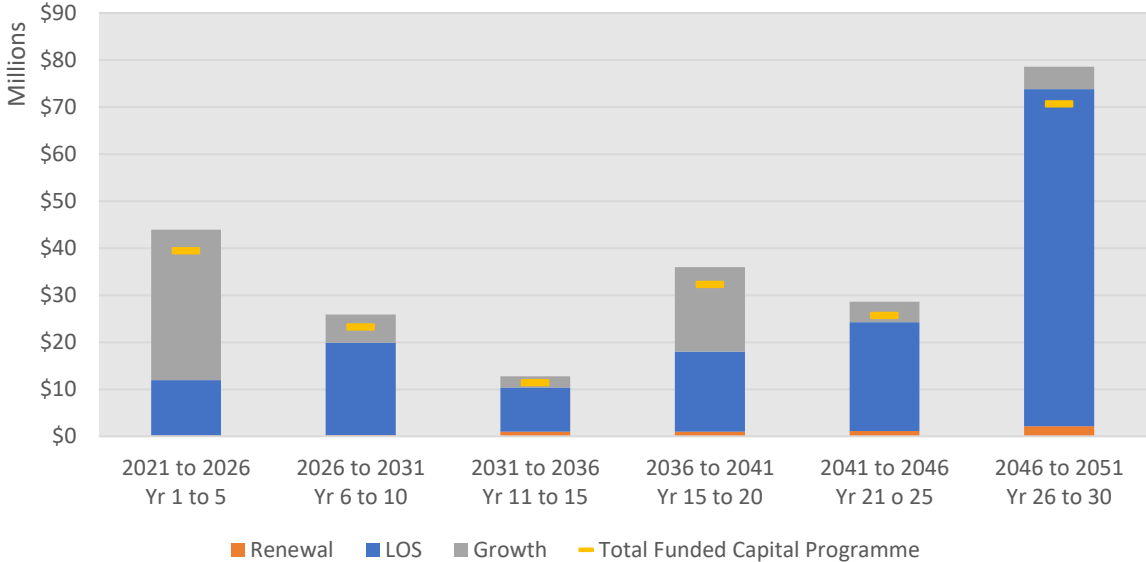


Figure 32: Five Yearly Capital Expenditure for Year 1-30 for Stormwater

ASSET RENEWAL PROFILE

There is a significant difference between planned renewals and forecast depreciation over 30 years. This divergence is due primarily to the long useful life and age profile of our current assets. As shown



earlier in Figure 9, most of our stormwater assets are not due for replacement within the next 30 years. As we construct new assets, it will also contribute to the divergence between renewals and depreciation. The new assets contribute to higher depreciation but most don't need replacing within the next 30 years. While not shown here, we have compared the likely renewal requirements for 100 years with depreciation over the same time. This assessment shows that the gap closes in the long-run.

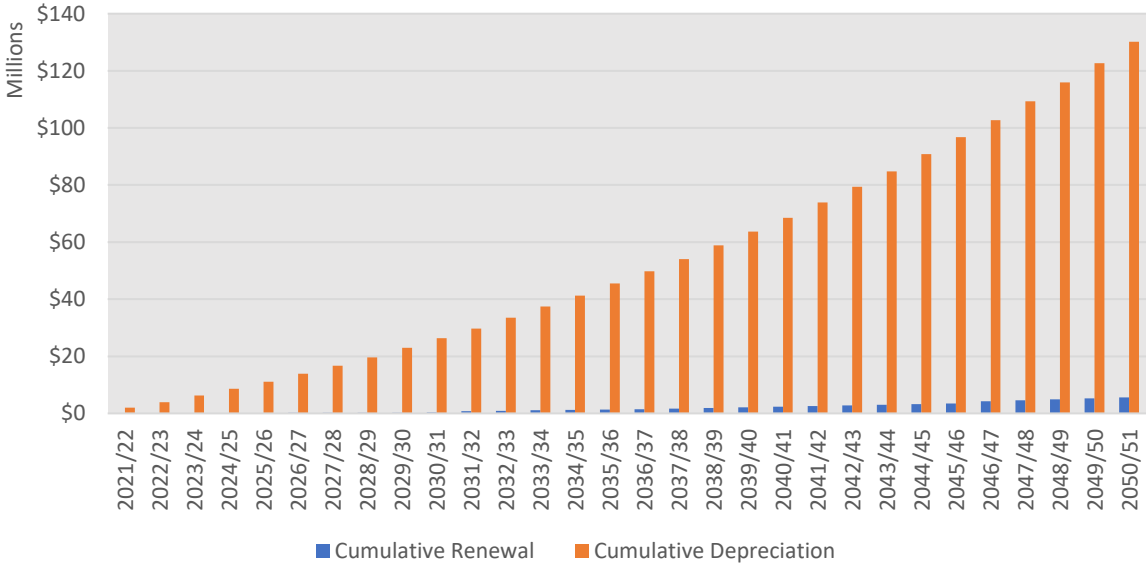


Figure 33: Capital Expenditure and Depreciation for Stormwater

ASSUMPTIONS AND UNCERTAINTIES

In addition to the key assumptions identified earlier in this Strategy, Council has identified the following uncertainties and key assumptions that are specific to the stormwater activity.

- We plan to continue developing and analysing stormwater models to gain a better understanding of the flood risks in the District. Stormwater models aim to simulate potential real-life flood scenarios. The model predictions provide an indication to us about 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 its 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 communities to provide a higher level of service. This requires more funding than has been budgeted for.
- 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. 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 projects is a risk, especially for development in Richmond West and South, Motueka West, and Māpua.

FURTHER INFORMATION

Further information on the Stormwater activity can be found in the Stormwater Activity Management Plan. Key capital projects and programmes of work are summarised in the following timeline. You can find the full list of the budgets, projects, and timing in Appendix A and B of the activity management plan.

www.tasman.govt.nz/link/activity-management-plans



TIMELINE OF KEY INFRASTRUCTURE PROJECTS – STORMWATER

This timeline shows some of the major capital works planned for the next 30 years.



TRANSPORTATION

We provide roads, footpaths, cycleways, carparks, public transport and associated infrastructure in order to enable safe and efficient movement of people and goods throughout the District. Over the next 10 years, we have planned to spend 33% of our total infrastructure budget on the transportation activity.



ASSET OVERVIEW

The assets that make up our transportation networks are summarised in Table 18.

The asset inventory data for traffic facilities, traffic signs and retaining walls are of variable reliability. This is because some of the data is estimated. This is not a significant concern for us as almost all of these assets are above ground and can easily be inspected. Inventory data for these assets will improve over time as they are replaced and new information is collected.

Table 18: Transportation Asset Summary

DESCRIPTION	REPLACEMENT VALUE	DATA RELIABILITY
1,751 km of roads including 968 km of sealed roads and 952 km of unsealed roads	\$482m	Good
538 bridges including footbridges	\$154m	Good
293 km of footpaths and 19 km of walkways	\$45m	Good
140 km of Tasman’s Great Taste Trail	\$14.8m	Good
26 off street carpark areas	\$1.9m	Good
10,381 culverts with a total length of 102 km	\$124m	Good
4,067 sumps and catch pits	\$20.9m	Good
1,690 km of surface water channels	\$37.3m	Good
3,198 streetlights	\$8.5m	Good
Other assets including signs, retaining walls and traffic facilities	\$17.8m	Poor to Good

Note: Replacement Valuation as at 30 June 2020

LEVELS OF SERVICE

<p><i>“Our transportation network is becoming safer for its users.”</i></p>	<p><i>“Our transportation network enables the community to choose from various modes of travel.”</i></p>
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<p><i>“Our transportation network is maintained cost effectively and whole of life costs are optimised.”</i></p>	<p><i>“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.”</i></p>
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We have incorporated a new performance measure that measures resident’s perception of safety for the different modes of transport. Knowing how safe people feel when they chose to drive, ride or walk is an important factor in understanding our transport networks and how people interact with them and use them.

We have changed the targets for the number of people cycling and using public transport to be an increase in the number of people per capita per year. Our aim is to see more people choosing to cycle or use public transport instead of relying on traditional car transport.

We have also budgeted to increase the amount of road resurfacing we undertake in order to minimise whole of life costs across the network.

RESPONDING TO OUR INFRASTRUCTURE PRIORITIES

Further to the overarching infrastructure key issues identified earlier in this Strategy, we have also identified key issues specific to the transportation activity that are summarised below. Each of these issues relate back to our infrastructure priorities. For each issue, the significant decisions we plan to make are outlined, along with the principal options for addressing the issue, estimated costs and timing.

There is a close relationship between each of the issues. Implementing the preferred option for one issue is often likely to help address the other issues to varying degrees. As an example, active and public transport are also used to address growing communities and, likewise, road upgrades incorporate walking, cycling and public transport facilities. To help simplify the discussion, options have been allocated to the primary reason they have been considered.

SUPPLYING OUR GROWING COMMUNITIES AND TRAFFIC CAPACITY

We expect that over the next 10 years Tasman’s population will grow by approximately 7,700 residents. All of these people will need access to different forms of transport in order to travel for work, education, recreation and essential services. This access will place increasing demand on our transportation network.

We have recently completed a Network Operating Framework (NOF) for Richmond with the Waka Kotahi (NZ Transport Agency) and Nelson City Council, and are now developing a programme business case. The NOF and programme business case consider the current and future state of the transportation network and how it should operate to meet the needs of the community. Through this process, we have identified areas of the network that need to be improved or optimised in order to be fit for purpose. A key area of concern is State Highway 6 between the Richmond Aquatic Centre and Three Brothers Corner. We do not own or operate the state highways, but they have a significant impact on the function and performance of our local road network that relies on state highways for connectivity. Waka Kotahi is responsible for state highways and it is important that we work closely with it to address issues that affect Tasman residents.

Table 19 summarises the options that we have considered in order to provide for growth.

Table 19: Principal Options to Enable Community Growth

PRINCIPAL OPTIONS	IMPLICATIONS	PREFERRED OPTION	COST ESTIMATE	TIMING
Upgrade road carriageways and intersections to meet increasing road user needs	The network will be fit for current and future users. The timing of upgrades will be such that we make the most of existing infrastructure and it is not prematurely replaced. This will come at a cost that will mainly be funded by development contributions.	✓	\$61.4m	2021 - 2040
Undertake the upgrades over a shorter period of time within the next 10 years	Existing users will experience a higher level of service as the road carriageways will be upgraded ahead of the expected traffic growth. Compressing the timeframe will put substantial pressure on both our financial and delivery resources.	✗	\$61.4m	Not planned
Do not undertake upgrades	The level of service will slowly decline for all road users. It is likely that traffic delays will increase. Intersections will be insufficient for future traffic volumes and the crash risk in these locations is likely to increase.	✗	Nil	Not planned
Work proactively with Waka Kotahi to identify options to address traffic congestion on State Highway 6	Working collectively we can plan a co-ordinated and 'one network' approach to improvements that improve the performance of the road network and future proof it for increasing traffic volumes.	✓	Nil	Ongoing



PRINCIPAL OPTIONS	IMPLICATIONS	PREFERRED OPTION	COST ESTIMATE	TIMING
<p>Transportation networks are able to absorb traffic growth without immediately requiring upgrades to maintain levels of service. There will be a point in which traffic delays become unacceptable or crash risks are deemed to be too high. We have timed the upgrades to make the best use of existing assets at the same time as managing levels of service within an adequate range. Undertaking this work will help us meet the requirements of the National Policy Statement – Urban Development.</p> <p>Tasman residents view the road network as one, regardless of whether it is state highway or a local road. It is important that we work closely with Waka Kotahi to identify solutions and address issues so that we avoid unfavourable outcomes when working independently.</p>				

ENABLING ACTIVE AND PUBLIC TRANSPORT

We want to enable more people to choose to walk, cycle and/or use public transport as a form of transport. Providing high quality and safe footpath and cycleway networks, along with a reliable public transport service, will encourage more people to change their travel habits.

If more people choose alternatives to traditional car transport it will have a positive impact on community and environmental health, and contribute to easing or preventing further traffic congestion.

Table 20 summarises the options that we have considered in order to provide for a changing population.

Table 20: Principal Options to Enable Active and Public Transport

PRINCIPAL OPTIONS	IMPLICATIONS	PREFERRED OPTION	COST ESTIMATE	TIMING
Public Transport				
Extend the existing Nelson-Richmond route to provide better frequency and coverage of Richmond including construction of a new off street bus terminus <ul style="list-style-type: none"> • New routes added in 2023 • Extended service timetable in 2023 • Increased bus frequency in 2029 	Bus users within Richmond will have better access to services making it a more viable commuting option for some people.	✓	Terminus \$1.7m Bus Services: \$35.4m total over 30 years	2026 - 2028 Ongoing



PRINCIPAL OPTIONS	IMPLICATIONS	PREFERRED OPTION	COST ESTIMATE	TIMING
Extend public transport services to Wakefield and Motueka <ul style="list-style-type: none"> New all day bus service morning from 2023 Increased to full week service from 2026 	Residents in Brightwater, Wakefield and Motueka will have more transport options.	✓	\$19.3m total over 30 years	Ongoing
Maintain the status quo	The service will remain in place. New users may be discouraged from using the service as the route coverage is inadequate for them.	✗	\$170,000 per year uninflated	Not planned

In addition to the above, in August 2020 we also introduced a bus service that provides connection within Richmond and a link with the routes that travel into Nelson. This service was procured through Nelson City Council’s existing bus services contract to ensure that there would be a seamless connection for users.

In July 2019, a not for profit community trust started running a public transport service between Wakefield and Richmond. This initially started as one service one day a week, but is growing and now provides two services per week with additional services under development. The trust also has a service for Māpua residents. Another trust runs a service within and from Golden Bay to Nelson for medical appointments.

Pedestrian Facilities

Construct new footpaths	We will continue to improve the footpath network by closing gaps, widening footpaths, and building footpaths in new areas. Residents will have improved walking access.	✓	\$26.1m	2021 – 2051
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PRINCIPAL OPTIONS	IMPLICATIONS	PREFERRED OPTION	COST ESTIMATE	TIMING
Renew existing footpaths	We will maintain the existing network in adequate condition. As footpaths become rough and in poor condition they will be replaced.	✓	\$11.7m	2021 - 2051
Do not construct new footpaths, or renew existing footpaths	Walking access will not improve. Narrow footpaths and gaps in the network will remain. The condition of footpaths across the network will deteriorate, creating tripping hazards and affecting safety.	✗	Nil	Not planned

Our level of service relating to footpaths states that we will maintain 95% of the footpath network in average condition or better. The preferred options and cost estimates are based on enabling us to achieve this target.



Cycleway Networks				
Install low intervention, buffered, on-road cycle lanes	Safer cycling routes will exist on strategic routes, encouraging more people to choose cycling as a form of transport.	✓	\$7.4m	2021 - 2039
Construct protected, separated cycle lanes	Primary cycle routes will be formed with a much higher level of safety, encouraging more people with wider ranging cycling ability to choose cycling as a form of transport.	✓	\$14.8m	2024 - 2030
Shared roads within town centre areas	Safer cycling routes will exist on strategic routes within town centres, encouraging more people to choose cycling as a form of transport. An associated benefit will be an offset in the demand for car parking.	✓	\$6.2m	2025 - 2031
Do not extend the cycle way network	Cycling facilities will not improve. New user may be discouraged from cycling if they view the network as unsafe or unsuitable.	✗	Nil	Not planned

The cycle network will be rolled out in stages. Initially, cycle lanes will be created by demarcating a section of the existing road using painted lines. This will allow faster delivery of cycleways around the District. These painted cycle lanes will be upgraded using barriers to separate vehicle lanes from cycle lanes. Cycle routes that pass through town centre areas will become shared zones which slow the traffic speeds to make it safer and easier for cyclists.

NETWORK INTEGRITY

The road network in Tasman is generally maintained to a good condition. A key aspect of our maintenance regime is keeping the waterproof seal in good condition, in order to keep the pavement dry. Doing this limits degradation associated with water ingress. We have many relatively weak pavements, making this approach crucial to their longevity.



Over the period from 2013/2014 to 2019/2020, we made savings in our road renewal programme to help enable us to remain within our set debt limits in the short term. The road renewal programme was reduced accordingly, on the basis that this was only a short-term tactic and the programme would need to be returned to at least the previous levels. This reduction in renewals has happened at a time when commercial vehicles were getting heavier through the introduction of High Productivity Motor Vehicles (HPMV) and commercial vehicle numbers were significantly growing. Additionally, the drainage network was deteriorating faster than originally anticipated.

Table 21 summarises the options that we have considered in order to maintain network integrity and condition.

Table 21: Principal Options to Maintain Network Integrity

PRINCIPAL OPTIONS	IMPLICATIONS	PREFERRED OPTION	COST ESTIMATE	TIMING
Increase investment in road surfacing, pavement and drainage renewal	The road network should remain in a similar condition to as it is now. Future users are likely to experience the same level of service as current users.	✓	\$264m	2021 - 2051
Maintain existing investment levels	The condition of the road network is likely to deteriorate in the long term. Future users are likely to be impacted and maintenance costs are likely to increase.	✗	Approx . \$190m	2021 - 2051

We have planned to renew our road pavements in an optimised way that takes into account the increased wear and tear from more and heavier vehicles. By doing this, we will ensure that current and future users experience similar levels of service.

INDICATIVE EXPENDITURE ESTIMATES

The following graphs summarise the total cost of the transportation activity. The true cost to Council will be less than this, as Council receives 51% subsidy from Waka Kotahi for its subsidised transport programme. The subsidy applies to most operating and maintenance activities and some capital improvements.

OPERATING

Operational costs for the transportation activity are forecast to increase by around 3.9% per year for the first 10 years, and 5.0% per year over 30 years.

For the first three years, there are increases in the direct costs associated with sealed pavement maintenance and public transport.



Within the first 10 years, indirect costs increase more significantly due to loan interest and depreciation costs associated with changes in the capital programme for this activity. These increases are less notable in the following 20 years.

Both direct and indirect costs increase due to inflation across the 30 years.

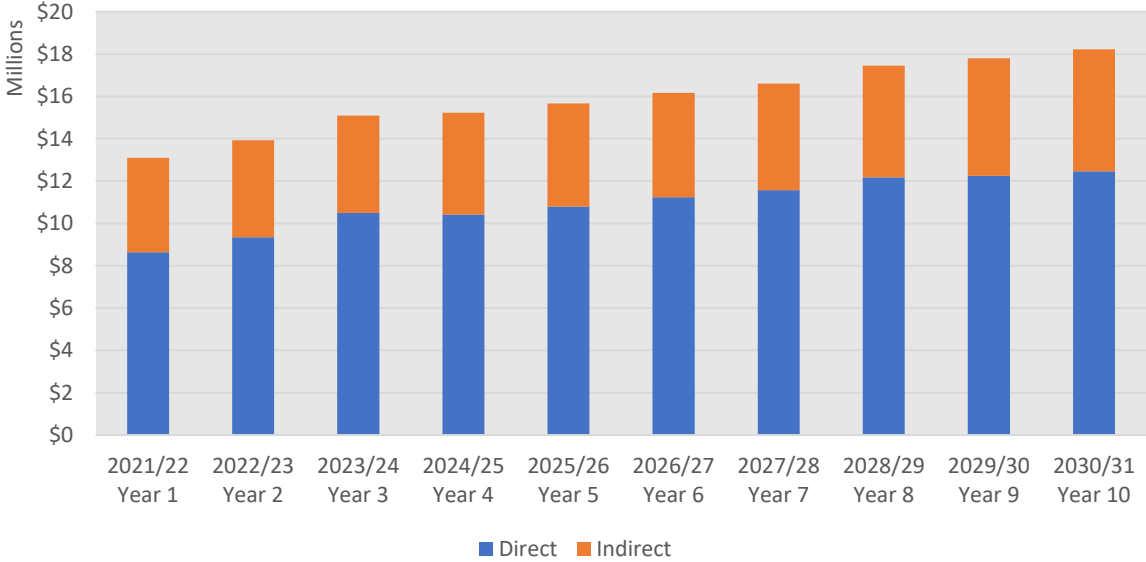


Figure 34: Annual Operating Expenditure for Year 1-10 for Transportation

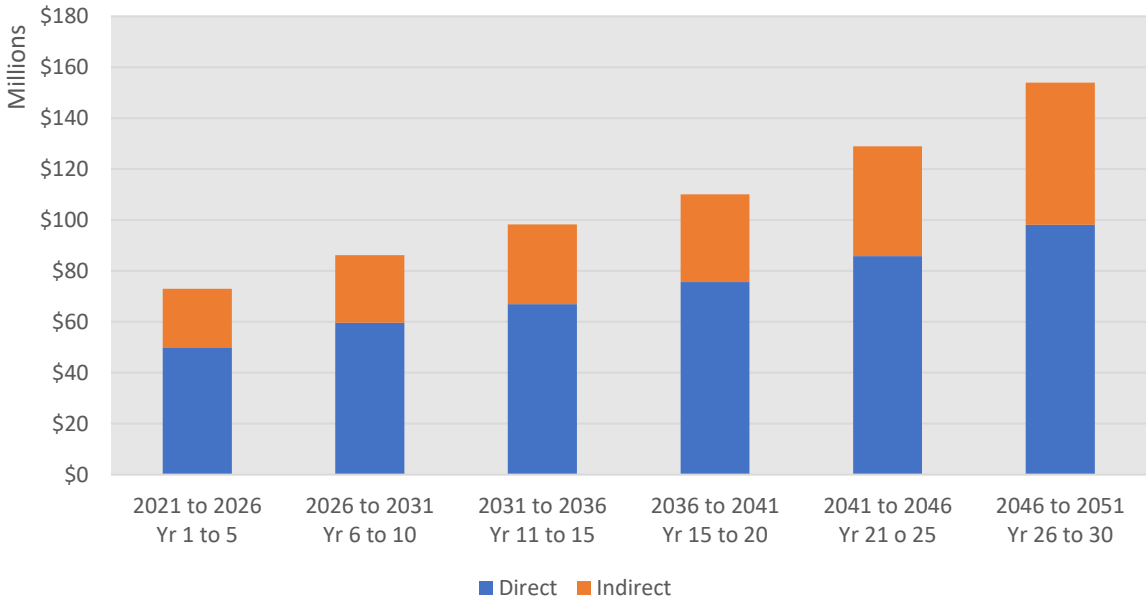


Figure 35: Five Yearly Operating Expenditure for Year 1-30 for Transportation

CAPITAL

We plan to spend around \$160 million on capital improvements over the next 10 years. Of this, 13% is attributable to growth, 27% for level of service improvements and 60% for asset renewal. Our clear priority for the transportation activity is to maintain the road network in a good condition, which requires a steady investment in road renewal.



Figure 36 shows that our capital investment is primarily for renewal and that this investment is steady for the next 30 years, only increasing due to inflation.

In Years 7 to 10, there is a notable increase in growth and level of service expenditure. The level of service increase is due to an increase in investment in active transport projects. The growth increase is due to a number of planned intersection and road upgrades in Richmond West.

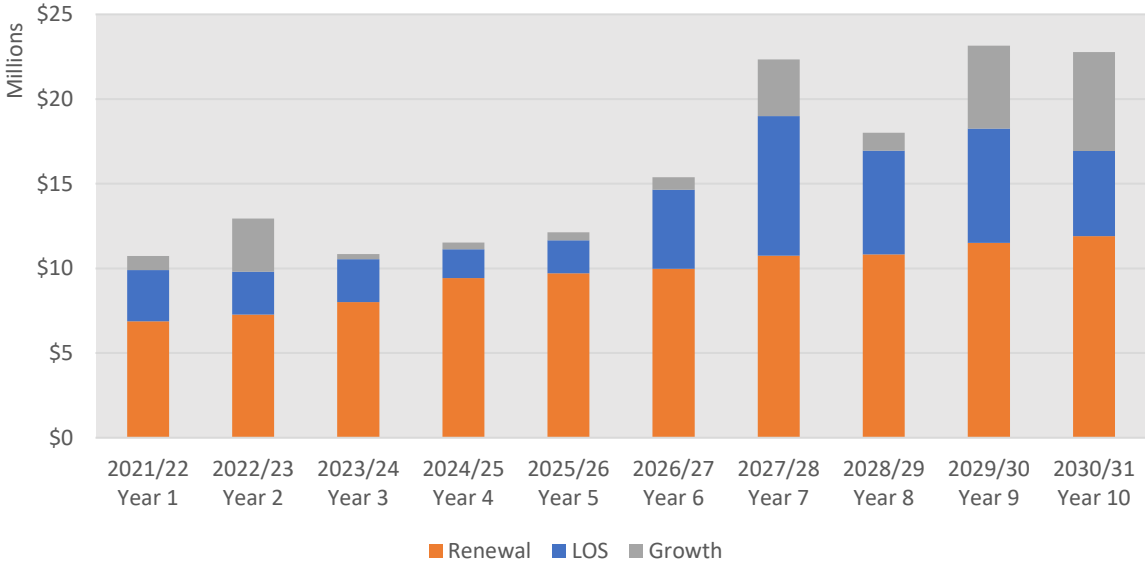


Figure 36: Annual Capital Expenditure for Year 1-10 for Transportation

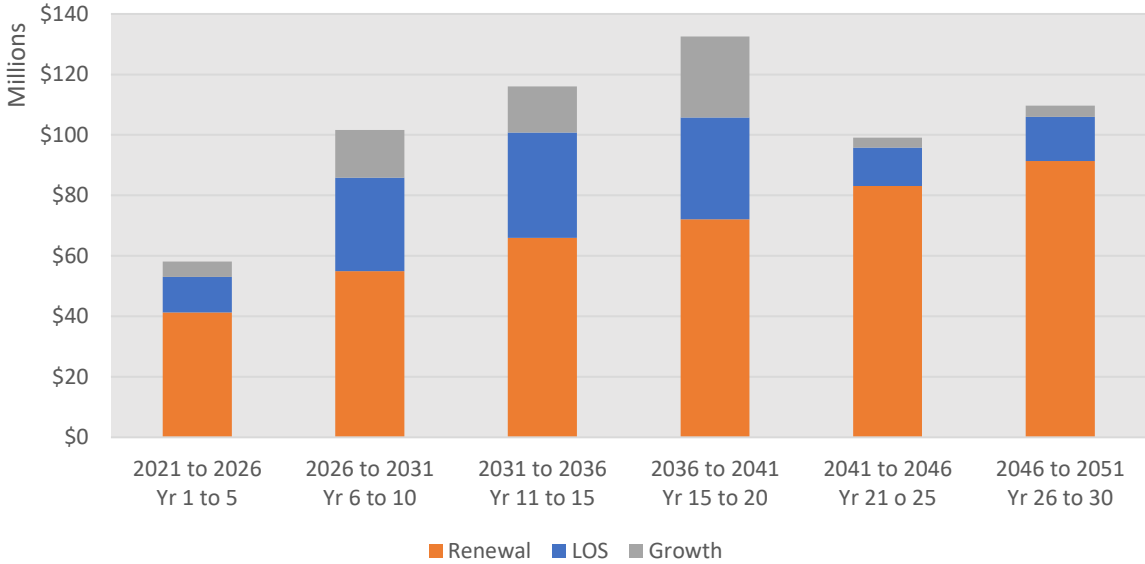


Figure 37: Five Yearly Capital Expenditure for Year 1-30 for Transportation

ASSET RENEWAL PROFILE

We have planned a steady base of renewals for the next 30 years. Our base programme includes a high proportion of assets that have relatively short useful lives, between 10 and 20 years. Bridges are an exception to this as their useful life is typically 100 years and most of our bridge assets are not due for renewal within the next 30 years.



There is divergence between renewal investment and depreciation from Year 1, increasing through to Year 30. This divergence is partly due to the age profile of our current bridge assets. As shown earlier in Figure 6, most of our bridges are due for renewal beyond Year 30. We have undertaken a simple exercise to compare indicative renewal requirements for 100 years with depreciation over the same time. This exercise showed that the gap between renewal and depreciation closes as the bulk of the assets reach the end of their useful life. We also use deterioration modelling to determine optimised renewal investment levels. Our modelling takes into account asset condition and traffic volumes as well, neither of which are incorporated in our depreciation estimates.

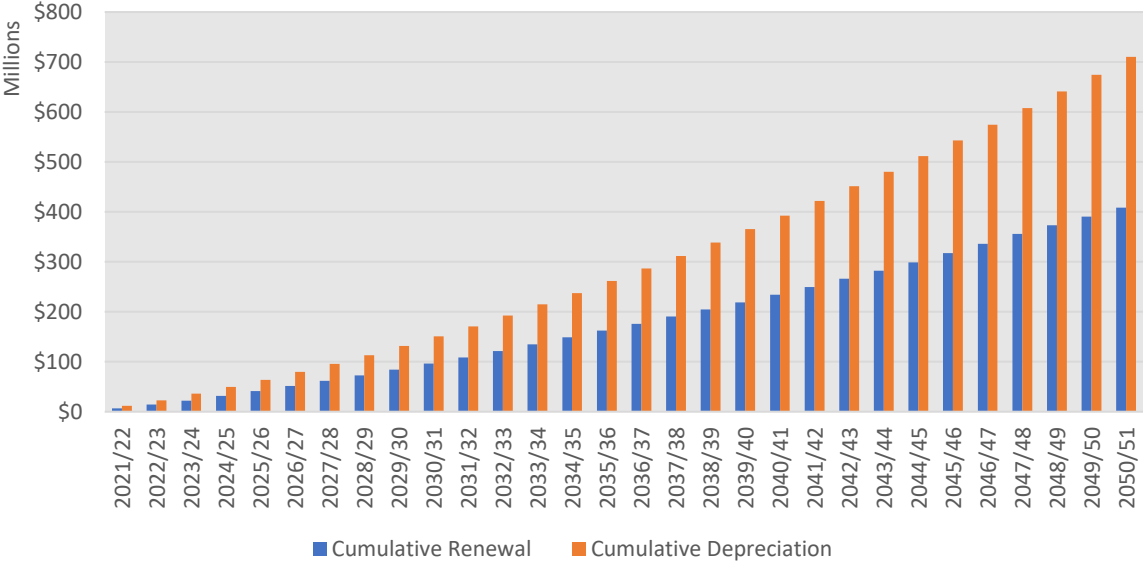


Figure 38: Capital Expenditure and Depreciation for Transportation

ASSUMPTIONS AND UNCERTAINTIES

In addition to the key assumptions identified earlier in this Strategy, Council has identified the following uncertainties and key assumptions that are specific to the transportation activity.

- We cannot predict when and where flood or coastal inundation/erosion events will occur, or the damage that may be sustained during these events. 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 these 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.



- Council applied to the National Land Transport Fund (NLTF) 2021-2024 for a total contribution of \$54.6 million. In early June 2021 Waka Kotahi notified that its Board had endorsed indicative investment in the continuous programme of \$45.4 million. The transportation programme between 2021/2022 and 2023/2024 has been adjusted to accommodate this lower than anticipated contribution. In addition, the planned increase in the performance target for the level of service relating to the percentage of sealed local roads that is resealed each year has been delayed until 2024/2025. We assume we will receive the full funding request for subsequent years. If full funding is not granted, we may need to fully fund a small portion of the programme from rates, or reduce the scope of the programme so that it aligns with the level of funding given.
- 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 future, it is likely that driverless automated vehicles become commonplace. We assume that these changes in technology will not significantly impact the way the transportation network functions within the period of this Strategy.

FURTHER INFORMATION

Further information on the Transportation activity can be found in the Transportation Activity Management Plan. Key capital projects and programmes of work are summarised in the following timeline. You can find the full list of the budgets, projects, and timing in Appendix A and B of the activity management plan.

www.tasman.govt.nz/link/activity-management-plans



RIVERS

We maintain 285 km of major rivers in order to carry out our statutory role of promoting soil conservation and mitigating damage caused by floods and riverbank erosion. By implementing and maintaining quality river control and flood protection schemes, we improve protection of public spaces and assets as well as private property. Over the next 10 years, we plan to spend 7% of our total infrastructure budget on the rivers and flood control activity.



ASSET OVERVIEW

The assets that make up our rivers infrastructure are summarised in Table 22. We did not undertake an asset revaluation in 2020. It will be undertaken in 2021 instead.

Table 22: Rivers and Flood Control Asset Summary

ACTIVITY SCHEMES	ASSET DESCRIPTION	REPLACEMENT VALUE	DATA RELIABILITY
Waimea catchment	63 km of maintained river system, including rock protection and 19.5 km of stopbanks	\$52.5 million	Good
Upper Motueka catchment	63 km of maintained river system, including rock protection		
Lower Motueka catchment	67 km of maintained river system including rock protection and 39.45 km of stopbanks		
Aorere catchment	18 km of maintained river system, including rock protection		
Tākaka catchment	39 km of maintained river system, including rock protection		
District wide	Tidal outfalls or gates, gabion baskets, plantings	\$10.5 million	Good

Note: Replacement Valuation as at 1 April 2017

LEVELS OF SERVICE

<i>“Our structures are managed to reduce the impact of flooding now and in the future”</i>	<i>“Our river environments are healthy ecosystems that are attractive and enjoyed by our communities”</i>
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We do not plan to increase levels of service for this activity for the duration of this Strategy. We have planned to undertake work on the Motueka River stopbanks to improve sections of the banks so that they will perform to our agreed levels of service.

RESPONDING TO OUR INFRASTRUCTURE PRIORITIES



Further to the overarching infrastructure key issues identified earlier in this Strategy, we have also identified key issues specific to the rivers and flood control activity that are summarised below. Each of these issues relate back to our infrastructure priorities. For each issue, the significant decisions we are planning to make are outlined, along with the principal options for addressing the issue, estimated costs and timing.

FLOODING OF PRIVATE PROPERTY

Communities that live near rivers are exposed to flood risk. The communities most at risk include Motueka and Riwaka. This risk is not new, but with changing weather patterns the risk is changing. More intensive and frequent rainfall is likely to bring with it increased river flooding. To varying levels, we aim to help protect these communities through our River and Flood Control activity through the provision of erosion protection and stopbanks. However, there is only so much that we can do from a practical perspective. It is impossible to remove the risk entirely and therefore individual property owners also need to be aware of and take measures to reduce the impact of any flood risk they may face.

Table 23 summarises the options that Council has considered in order to improve the mitigation of river flood risks.

Table 23: Principal Options to Address Flooding of Private Property

PRINCIPAL OPTIONS	IMPLICATIONS	PREFERRED OPTION	COST ESTIMATE	TIMING
Motueka River				
Do not undertake improvements	The risk of the stopbanks overtopping or collapsing during significant flood events will remain the same.	✘	Nil	Status quo
Increase capacity and strength of sections of the stopbanks that do not meet agreed levels of service	The risk of the stopbanks overtopping or collapsing during significant flood events will be reduced. The community will be protected to a higher level.	✔	\$10m	2020 – 2023
Implement other flood mitigation measures e.g. spillways, secondary stopbanks	The existing stopbanks will remain in place and the likelihood of the stopbanks overtopping or collapsing will remain. The consequence of the breach could be mitigated to provide a higher level of protection to the community.	✘	\$3m - \$20m	Not planned



PRINCIPAL OPTIONS	IMPLICATIONS	PREFERRED OPTION	COST ESTIMATE	TIMING
Prepare a river flooding emergency response plan.	Civil Defence teams and emergency responders will have a well-informed plan should an extreme event occur. Residents will be better informed and understand the risks they are exposed to.	✓	N/A	Underway

We recently undertook stopbank investigations to understand the strength and capacity of the stopbanks. We identified some sections where the level was lower than our agreed level of service, or where the strength of the banks was not sufficient. We applied to the Provincial Development Unit's Covid-19 Response and Recovery Fund to enable us to undertake work to repair or improve the high risk sections of bank. We were successful with our application and granted \$7.5 million towards the \$10 million project.

Riuwaka River				
Do not undertake improvements	The risk of the stopbanks overtopping during significant flood events will remain.	✓	Nil	Status quo
Assist affected properties to improve individual flood resilience	The consequence of stopbank breaches will be reduced for those residents who have been most affected by historic breaches.	✗	Not feasible	Not planned
Increase height of stopbanks to provide increased flood capacity	Neighbouring residents will be provided with a higher level of protection. Land acquisition is required to increase the footprint of the stopbanks which may result in loss of income for affected land owners.	✗	Not feasible	Not planned
Prepare a river flooding emergency response plan.	Civil Defence teams and emergency responders will have a well-informed plan should an extreme event occur. Residents will be better informed and understand the risks they are exposed to.	✓	N/A	Underway



PRINCIPAL OPTIONS	IMPLICATIONS	PREFERRED OPTION	COST ESTIMATE	TIMING
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We recently undertook flood investigations and simulated flood modelling to better understand the flood risks from the Riuwaka River on neighbouring properties. The modelling showed that extensive construction of new stopbanks would be required in order to reduce flood risks, requiring extensive land purchase. The nature of the local geography and streams makes them very difficult to contain. We determined that wide scale stopbank improvements are unfeasible and the cost would far outweigh the benefits of undertaking the work.

EROSION OF PRIVATE PROPERTY

Tasman has experienced several major storm events since 2010 that have resulted in erosion of private properties adjoining rivers. A large portion of these rivers are ‘unclassified’ or not maintained by Council. Whilst we don’t maintain the river system in these locations, we have made provision to assist land owners to undertake repairs and protection where they are willing to share in the cost of doing so. Our policy is to contribute up to 50% towards the cost of the works from our Rivers Z fund. In recent years, this fund has been oversubscribed.

Table 24 summarises the options that Council has considered in order to address erosion of private property.

Table 24: Principal Options to Erosion of Private Property

PRINCIPAL OPTIONS	IMPLICATIONS	PREFERRED OPTION	COST ESTIMATE	TIMING
Gradual increase in Rivers Z funding	Enable support of a greater number of individuals with a neutral impact on overall river rates.	✓	\$22.6m total for 30 years	On-going
Extend the length of the maintained river system	Provide a higher level of service to some customers, but will require a significantly greater rates take.	✗	Unknown	Not planned
Maintain the status quo	Rivers Z likely to remain oversubscribed meaning some individuals will miss out. No impact on rates.	✗	N/A	Not planned

We generally allocate River Z funds on the basis of a 50% subsidy to landowners. Apart from increasing the Rivers Z funding, we may also choose to allocate River Z funds differently in the future by requiring a larger contribution from landowners. By doing this, we may be able to assist more people without requiring additional income.

HOLISTIC RIVER MANAGEMENT

The movement of gravel within a river system and changes to the active channel is part of natural river processes. Most of the time it is of no consequence, but sometimes gravel build-up can cause issues by reducing the capacity of river channels or concentrating flows to cause increased erosion. It is important to allow some natural movement of gravel within the river system to protect the natural environment, but this needs to be balanced against appropriate flood mitigation measures and impacts on local aquifers. Table 25 summarises the options that Council has considered in order to improve the mitigation of river flood risks.

Table 25: Principal Options to Address Gravel Aggregation

PRINCIPAL OPTIONS	IMPLICATIONS	PREFERRED OPTION	COST ESTIMATE	TIMING
Survey, manage and extract gravel within an appropriate envelope, so that extraction is only undertaken in suitable locations	Requires additional funding to cover on-going survey and management costs. Potentially increase gravel extraction volumes by private parties, which should also increase income for Council.	✓	\$3.5m total over 30 years	Ongoing
Develop holistic river management plans	Development of river management plans will help us meet strategic long-term goals for multiple issues and river values. These plans will be based on an integrated approach between Council, iwi, community and stakeholder groups.	✓	\$1.5m total over 30 years	Commence in 2021, then ongoing
Uncontrolled extraction of gravel	This option prioritises the built environment and commercial gain over protecting the environment. Potentially increase gravel extraction volumes, which should also increase income.	✗	N/A	Not planned
Maintain the status quo	Continue to extract gravel but in a conservative manner.	✗	N/A	Not planned



PRINCIPAL OPTIONS	IMPLICATIONS	PREFERRED OPTION	COST ESTIMATE	TIMING
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The development of river management plans supports a holistic and pro-active approach to river management. This will take into account our obligations under the Soil Conservation and River Control Act as well as our wider responsibility to manage environmental effects and improve environmental outcomes.

INDICATIVE EXPENDITURE ESTIMATES

OPERATING

Operational costs for the rivers and flood control activity are forecast to increase by around 5.4% per year for the first 10 years and 5.9% per year over 30 years. Within the next 10 years, direct operating expenditure increases by an average of 3% per year. The biggest increase occurs in Year 3, which is caused by the increase in River Z budgets.

Indirect expenditure increases by an average of 8% per year. This is largely driven by increases in loan interest costs associated with the capital programme for this activity.

Both direct and indirect costs increase due to inflation across the 30 years.

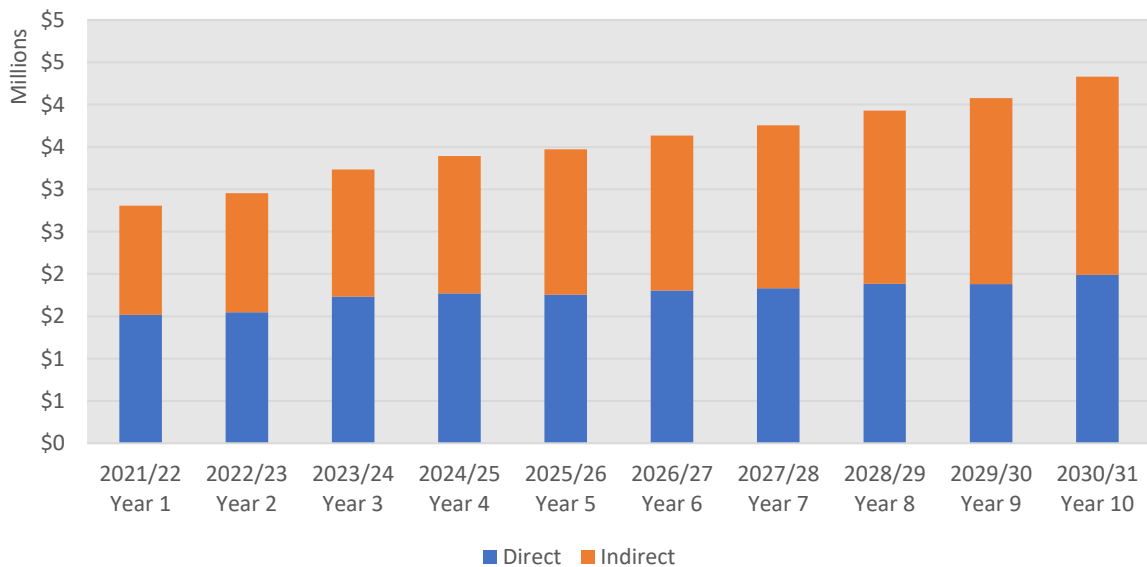


Figure 39: Annual Operating Expenditure for Year 1-10 for Rivers and Flood Control

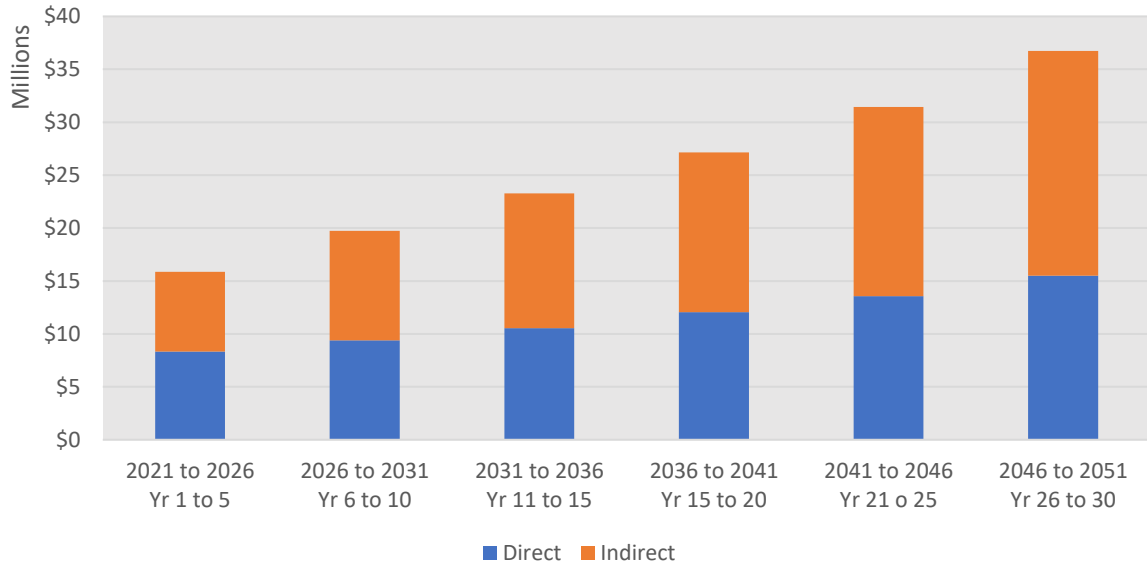


Figure 40: Five Yearly Operating Expenditure for Year 1-30 for Rivers and Flood Control

CAPITAL

We have planned to spend around \$18 million on capital improvements over the next 10 years and around \$57 million over the next 30 years. Of this, 100% is attributable to level of service improvements. The capital programme is static for the 30 years, only increasing due to inflation, with the exception of Year 1. In Year 1, we plan to complete the upgrade of parts of the Motueka River stopbanks.

The Total Funded Capital Programme shown below includes the 10% scope risk and programme delivery adjustment discussed earlier in this Strategy.



Figure 41: Annual Capital Expenditure for Year 1-10 for Rivers and Flood Control

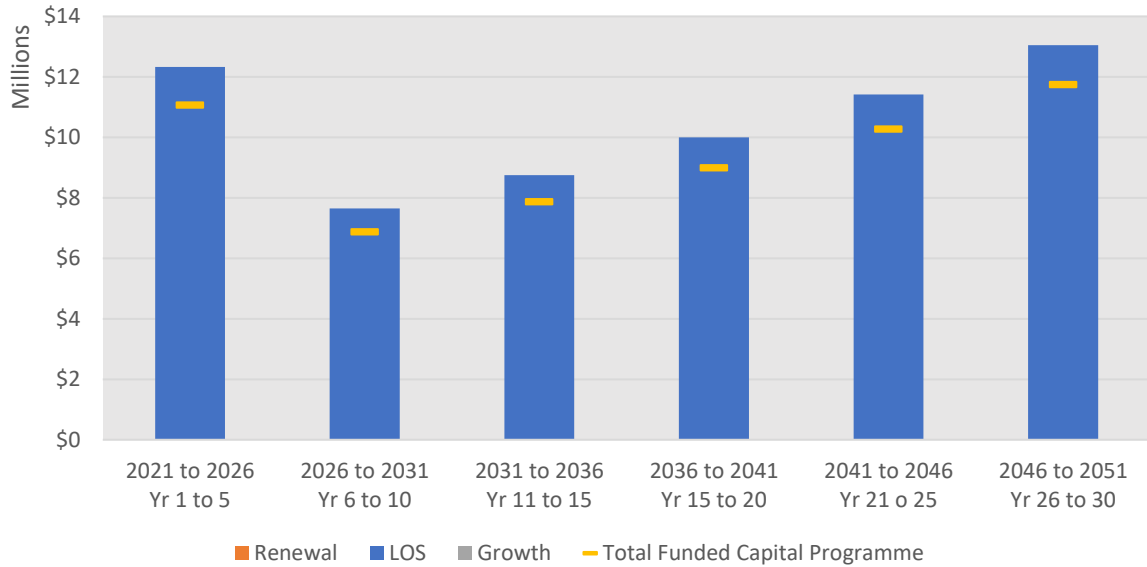


Figure 42: Five Yearly Capital Expenditure for Year 1-30 for Rivers and Flood Control

ASSET RENEWAL PROFILE

Most of our rivers and flood control assets are not depreciated. We only depreciate tide gates/outfalls, gabion baskets and railway iron structures. The expected useful life of these assets ranges from 30 to 60 years. We have not planned to undertake renewal of any of these assets within the next 30 years. This is the cause of the divergence between renewal investment and depreciation.

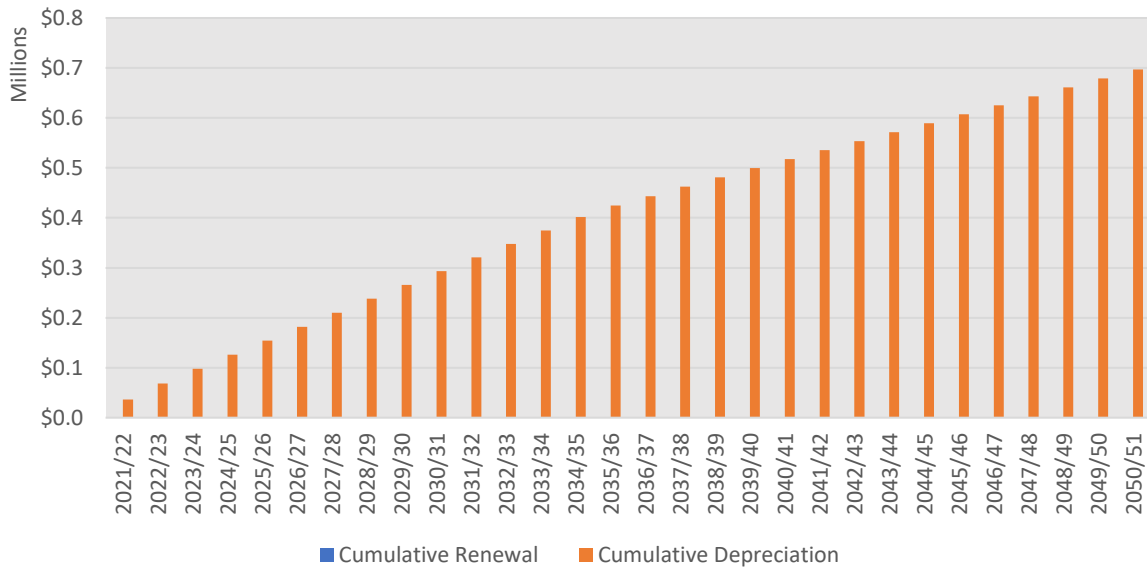


Figure 43: Capital Expenditure and Depreciation for Rivers and Flood Control

ASSUMPTIONS AND UNCERTAINTIES

In addition to the key assumptions identified earlier in this Strategy, Council has identified the following uncertainties and key assumptions that are specific to the rivers and flood control activity.



- Access to Rivers Z funding is largely by 50/50 share between private land owners and Council. If there is a drop in demand from landowners needing assistance, or there is an unwillingness to pay, this fund may be underspent.
- We cannot predict when and where large flood events will occur, or the damage that may be sustained during such a flood. During a large event, there is a risk that rock protection works can shift, new erosion can occur, or stopbanks could be damaged. We have assumed that if this occurs, we will have enough funds available to undertake repairs -whether it is through reprioritisation of maintenance activities or accessing emergency funding provisions.
- 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.
- As with large floods, we also 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 has 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.

FURTHER INFORMATION

Further information on the Rivers activity can be found in the Rivers Activity Management Plan. Key capital projects and programmes of work are summarised in the following timeline. You can find the full list of the budgets, projects, and timing in Appendix A and B of the activity management plan.

www.tasman.govt.nz/link/activity-management-plans



TIMELINE OF KEY INFRASTRUCTURE PROJECTS – RIVERS

This timeline shows some of the major capital works planned for the next 30 years.





REVENUE AND FINANCING POLICY

POLICY REFERENCES

Effective date:	1 July 2021
Review due:	30 June 2024
Legal compliance:	Local Government Act 2002 Section 102(2)(a) & 103

1 INTRODUCTION

1.1 PURPOSE

The Revenue and Financing Policy is adopted to provide predictability and certainty about sources and levels of funding. It explains Council's policies in respect of the funding of operating and capital expenditure from the various funding sources available to it. It also explains how Council has undertaken analysis of its funding needs.

1.2 STRUCTURE OF THE POLICY

This Policy is structured as follows:

- Council's broad principles, including processes for review of the overall allocation of liability for revenue needs on the community;
- Council's policy on funding operating expenses;
- Council's policy on funding capital expenses; and
- Council's consideration of the overall impact of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community.

1.3 RELATED POLICIES

A number of Council policies have relationships with the Revenue and Financing Policy:

- Financial Strategy - this Strategy sets out how Council plans to finance its overall operations in order to meet its Community Outcomes;
- Liability Management Policy¹¹- this Policy outlines Council's policies in respect of the management of both borrowing and other liabilities;
- Investment Policy¹ – this Policy outlines Council's policies in respect of investments;
- Development and Financial Contributions Policy – the purpose of this policy is to ensure that a fair, equitable and proportionate share of the cost of infrastructure to meet growth, is funded by those who cause the need for and benefit from the new or additional infrastructure, or infrastructure of increased capacity. Council is required to have a policy on Development Contributions or Financial Contributions. Council's Tasman Resource Management Plan (TRMP) contains provision for Financial Contributions for reserve purposes;

¹¹Both policies are contained within a single document titled "Tasman District Council Treasury Risk Management Policy- Including Liability Management and Investment Policies."



- Rates Remission Policy and Policy on Remission and Postponement of Rates on Māori Freehold Land - these policies detail those circumstances under which Council will give consideration to the remission or postponement of rates on properties; and
- Infrastructure Strategy - this Policy identifies key issues relevant to the provision of infrastructure, the key options for addressing those issues, and the subsequent financial implications for the next 30 years.

1.4 COMMUNITY OUTCOMES

Council's Community Outcomes are:

- Environmental well-being: Our unique natural environment is healthy, protected and sustainably managed (also referred to as "Natural environment");
- Social wellbeing: Our urban and rural environments are people-friendly, well-planned, accessible and sustainably managed (also referred to as "Human environment");
- Economic well-being: Our infrastructure is efficient, cost effective and meets current and future needs (also referred to as "Infrastructure");
- Social wellbeing: Our communities are healthy, safe, inclusive and resilient (also referred to as "Community");
- Cultural well-being: Our communities have opportunities to celebrate and explore their heritage, identity and creativity (also referred to as "Culture");
- Social wellbeing: Our communities have access to a range of social, cultural, educational and recreational facilities and activities (also referred to as "Recreation");
- Our Council provides leadership and fosters partnerships, including with iwi, fosters a regional perspective, and encourages community engagement (also referred to as "Governance"); and
- Economic well-being: Our region is supported by an innovative and sustainable economy (also referred to as "Economic").



2 PRINCIPLES OF POLICY

A number of funding sources are available to Council to fund its activities. This Policy outlines Council's approach to funding its activities. It provides information on what funding tools are used and who pays, as well as describing the process used to make these decisions.

This Policy should be read in conjunction with the Funding Impact Statement contained in the Long Term Plan (LTP) or Annual Plan. The Funding Impact Statement is the mechanism used to implement the Revenue and Financing Policy and provides detail on how rates are set, including details of the targeted rates, and details of any differentials applied.

As required by Section 101(3) of the Local Government Act 2002 (LGA), Council uses a two-step process to determine how its funding needs will be met from the various funding sources. The first step is that Council determines the appropriate level of funding in relation to each activity considering:

- i. the community outcomes to which the activity primarily contributes;
- ii. the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals (referred to as "Who Benefits");
- iii. the period in or over which those benefits are expected to occur (referred to as "Period of Benefit");
- iv. the extent to which the actions or inactions of particular individuals or a group contributes to the need to undertake the activity (referred to as "Whose act creates the need"); and
- v. the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities (referred to as "Rationale for separate funding").

Council then considers the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community. Council considers the impact of rates and rates increases on various types of properties, including residential and lifestyle properties, properties in the rural sector, and business properties with varying ranges of rateable values and services. The level of the Uniform Annual General Charge is one of the "tools" Council uses to moderate rates movements for rating units. Council also considers the impact of other charges (e.g. Development Contributions). In applying section 101(3) LGA, Council has determined the following basic principles to guide the appropriate use of funding sources:

- **Non rates funding:** Subsidies, grants and other income options are fully explored prior to rates funding being used.
- For example: Transportation. Council is eligible for central government subsidies and grants from organisations such as Waka Kotahi/New Zealand Transport Agency, therefore, a proportion of the costs are recouped from this source.
- **Fees & charges:** An activity should be funded by users or exacerbators if an individual or group of individuals directly receives the benefits of the activity or causes the action, and the costs of the activity can easily be attributed and charged to that individual or group of individuals.



- For example: Community Housing. Only individuals that live in the housing benefit directly, and they can be held accountable for the costs. Therefore, user charges are used.

Where it is appropriate for users or exacerbators to fund an activity because they receive the benefit, but Council cannot easily attribute or charge the costs individually and the costs are significant enough to warrant separate charging, it may set **targeted rates**. Other than for volumetric water, there are limited legal mechanisms for charging for true “user pays” through rates. Proxies are often used.

For example: Council uses a fixed targeted rate for kerbside recycling for those properties in a certain area, which is set as a proxy for the refuse-recycling service delivery area.

An activity should be collectively funded using **general rates** if the benefits of the activity are largely received by the broader community and the costs of the activity cannot easily be attributed to an individual or group of individuals, or where it is uneconomic to collect via user charges or targeted rates. Council may also use general rates when it determines it is appropriate considering the overall impact of any allocation of liability for revenue in terms of affordability and the current and future social, economic, environmental, and cultural well-being of the community.

For example: Civil Defence. Everyone benefits. No individual can be responsible for the costs. Therefore, it is entirely general rate funded.

In some cases Council will set **district-wide targeted rates** that are set at a fixed amount per rating unit. This mechanism is used when Council determines that the benefit of the activity is a public benefit, but the benefits are similar whether the property is developed or undeveloped.

For example: Community Facility funding: everyone in the District benefits, and therefore a district-wide targeted rate is set. This is more appropriate than a capital value rate because the degree of benefit from these facilities is the same, regardless of property value.

The whole District should contribute funds to a range of key infrastructure assets irrespective of their location and the population they serve, although targeted rate differentials can still be set to reflect differing levels of benefit under this approach. Through a **“club” approach**, all members will share in the costs and benefits of paying for each other's infrastructure and services, which helps provide more certainty and affordability to rates and helps ensure consistent levels of service across the District. Once in a “club”, areas cannot opt out in the future. Before an area first joins a “club”, Council will review its assessment of who pays and why for the associated activity. In making this assessment, Council will consider factors including the future capital works programme and its timing. Council may determine that the area should pay more, temporarily, to ensure an appropriate distribution of costs relative to benefits in the event of significant planned capital works in the area. The “club” approach is a general principle for utility infrastructure and the Urban Water Club is one such example. At the moment, the Motueka community has not opted to join the Urban Water Club.

For example: Wastewater Supply. Properties serviced by the wastewater network all benefit from the connection and therefore one rate is set for properties with connections, regardless of where in the District the connections exist. Differentials are used to charge non-residential customers who have more than one pan with pans being used as a proxy for use of the network.



Intergenerational equity: Each generation of ratepayers should pay for the services they receive. Therefore, for assets which have long term benefit, debt funding will typically be undertaken. Generally, where loans are used to fund capital expenditure, they will be limited to a term of 20 years, or the life of the asset, whichever is the shorter. In some cases, where capital expenditure will benefit residents for a long period into the future, it may be more equitable to have a longer term loan, to ensure those who benefit pay the costs.

For example: Capital funding for a new community facility. In practice this would be achieved by borrowing at least part of the cost of the asset and repaying the loan over the lifetime of the asset or a shorter timeframe as determined by Council.

- Council's **dividend income** from sources including the Port Nelson and Nelson Airport is allocated between activities based on the activities total operating cost and will be a source of "Local authorities fuel tax, fines, infringement fees, and other receipts" income. The Council Enterprises activity does not receive this dividend allocation.
- Funds received by Council from **major asset sales** will be used to repay any debt associated with that asset, and any funds remaining will be used as determined by the Council. The original source of funds, restrictions and the use of related income will be recognised in the use of proceeds from asset sales. It is also noted that where there is a legal responsibility associated with any property that may be sold, that responsibility will be managed accordingly.

FUNDING SOURCES

Rates are a property tax and the legislative provisions covering the setting, assessing and collection of rates are prescriptive. Because fixed charges per property result in a regressive tax outcome, Central Government has restricted their use. Council must not receive more than 30% of its total rates income from the Uniform Annual General Charge (UAGC) and other targeted rates set on a uniform basis (excluding rates for water supply and sewage disposal).

Council has identified a number of rating sources under either general or targeted rates. These are detailed in Council's Funding Impact Statement. In summary, Council's rating sources are identified as follows:

GENERAL RATE

This is a major source of Council's revenue and is used where there is a deemed general benefit for the activity across the entire District, or where it is not economic to fund or collect revenue separately. Council continues to review its funding policy giving consideration to perceived areas of direct or indirect benefit for each activity and any new projects proposed by Council. Council may also use general rates when it determines it is appropriate considering the overall impact of any allocation of liability for revenue in terms of affordability and the current and future social, economic, environmental, and cultural well-being of the community.

Council sets a general rate based on the capital value of each rating unit in the District. This rate is set as a rate in the dollar of capital value. Capital value better reflects the level of benefit a property is likely to receive from services than land value.

Council does not use differentials for the general rate.



UNIFORM ANNUAL GENERAL CHARGE (UAGC)

This rate is a method of collecting part of the general rate and is charged as a fixed amount per rating unit. It is deemed that properties receive equal benefit for some services they receive, regardless of the rateable value of those properties and, therefore, it is appropriate to charge some of the general rate as a fixed amount through a UAGC so that every ratepayer makes a minimum contribution to the Council’s activities. The UAGC can also be used to moderate the level of overall rates changes.

TARGETED RATES

Targeted rates are also a major source of Council revenue. In addition to funding projects that benefit a group of ratepayers, targeted rates may be used to provide certainty of the Council recovering its costs, or where greater transparency in funding the cost of the activity is desirable. Council has identified targeted rates over the next 10 year period for:

- stormwater;
- water supply including firefighting water supplies and the Wai-iti Valley Community Dam rates. The Hamama Rural Water Supply – Fixed Charge based on set land value rate will end in 2024-2025;
- wastewater;
- regional river works;
- Motueka and Richmond business rates;
- Ruby Bay Stopbank (ending 2021-2022);
- Māpua Stopbank;
- various facilities rates (e.g. district facilities, shared facilities, museums facilities etc.);
- Waimea Community Dam;
- Golden Bay and Motueka Community Board rates;
- refuse/recycling;
- Māpua rehabilitation (ending year after land sale occurs);
- Torrent Bay replenishment; and
- Warm Tasman (ending 2024-2025)

In some situations it is uneconomic to collect the costs of an activity via a targeted rate, in those cases the costs are usually covered by the general rate.

Other funding sources will be set out under the Operating and Capital sections of this Policy.

For planning purposes, the following descriptions are used to express the portion of operating activities represented by a particular operating revenue line:

Low:	0-20%
Low-Medium:	15-45%
Medium:	40-60%
Medium-High:	55-85%



High: 80-100%

The specified funding source proportions are used in planning the activity from a planning basis and are indicative only. They are not intended as an exact realisable proportion, rather as a guideline. If budgets were marginally outside these ranges, it is unlikely that Council will consider that matter to have a high degree of significance and therefore warrant a consultation to change this Policy. It is also likely that actual funding sources will differ in proportion from the budgeted funding sources. The proportions are presented at the **activity summary level - not at the level of the individual components of an activity.**

3 FUNDING OF OPERATING EXPENSES

Council has made a determination as to the most appropriate way of funding the operating expenses for each activity.

The following section of this Policy sets out each Council activity area and discusses the matters required under Section 101(3) (a) LGA regarding the appropriate source of funding for operating expenses for each activity. It looks at the contribution each activity makes to the community outcomes and how the activity benefits individuals, parts of the community or the whole community. The funding sources are presented as a target range. The actual contribution from each funding source may vary from year to year depending on the relative contributions required for the sub-activities, external grants and subsidies and/or the impact of one-off events.

Council funds its activity operating expenditure which is recorded in each activity's funding impact statement from the following sources:

- general rates, uniform annual general charges, rates penalties (referred to as "general rates");
- targeted rates;
- fees and charges;
- subsidies and grants for operating purposes (referred to as "subsidies and grants");
- internal charges and overheads recovered; and
- local authorities fuel tax, fines, infringement fees, and other receipts.

Operating expenditure is generally funded on an annual basis. However exceptions can be made to this approach where there is a multiple year benefit from the expenditure being funded where the costs are significant enough to warrant separate treatment. This is consistent with the intergenerational equity principle. Examples include the Tasman Environment Plan (TEP), including Tasman Resource Management Plan (TRMP) review costs and the Digital Innovation Programme. Additionally debt funding is effectively spreading costs over multiple years for operating funding for shared facilities owned by Nelson City Council which are jointly funded by Tasman District Council. This is because the funding would have been capital if these assets were owned by Tasman District Council, and this treatment recognises the multi-year benefit of the expenditure consistent with the intergenerational equity principle.

ACTIVITIES

We have 12 Groups of Activities.

DRAFT FOR ADOPTION



We take a holistic approach to rates. Some activities are funded by rates that include both capital and operating components. Some of the commentary in this section will apply to capital as well as operating expenditure.

3.1 ENVIRONMENTAL MANAGEMENT

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 risk; 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.

CONTRIBUTION TO COMMUNITY OUTCOMES

Community outcomes		How our activity contributes to the community outcome
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>
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</p>



Community outcomes		How our activity contributes to the community outcome
		<p>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 contamination risk 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>
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 helps 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>



Community outcomes		How our activity contributes to the community outcome
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 coastal resources.</p>
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>



Community outcomes		How our activity contributes to the community outcome
		We engage with iwi and the community via advocacy, and local catchment and regional scale initiatives to maintain and enhance our natural and productive landscape.
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>
	Our Council provides leadership and fosters partnerships, including with iwi, fosters a regional perspective, and encourages community engagement	<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 mo 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>



Who benefits/whose act creates the need	Period of benefit	Rationale for separate funding
<p>Environmental management is about safeguarding and protecting the environment and encouraging sustainable resource use over time.</p> <p>There is some private benefit of this activity to applicants and exacerbators (e.g. resource consents/private plan change requests/Special Housing Area (SHA) developers), permit holders (e.g. resource consents), or beneficiaries (royalties/gravel and shingle extraction and Nelson City Council (NCC) for regional functions). There are also national planning instruments (e.g. National Environmental Standards (NES) - Plantation Forestry) which impose a need for inspections and sampling of private activities from which recoveries are made.</p> <p>Environmental policies and plans, including the TRMP, are statutory documents required by legislation to promote the sustainable management of the District's resources and manage the consequences of activity on the environment and therefore benefit the District as a whole. However private benefit arises for those who have undertaken private plan change requests.</p> <p>Council's environmental information function provides information on the state of the environment, on the risks to environmental values, and on environmental trends. The information assists well-informed decision-making and planning which promotes a better environment and the sustainable use and development of resources, to the benefit of the community. The management of pests is essential for the District's prosperity, environmental sustainability and health.</p> <p>Successful resource consent applicants are able to</p>	<p>Immediate through to long term (e.g. ongoing positive environmental outcomes)</p>	<p>A large portion of the activity is of public benefit, meaning user charging is not feasible for a significant part of this activity.</p> <p>Identifying separate funding where practical assists in the accountability and transparency of Council's costs on this activity.</p>



Who benefits/whose act creates the need	Period of benefit	Rationale for separate funding
<p>use resources.</p> <p>The compliance function benefits all in the District, resulting in a clean, healthy environment. Permit holders obtain the benefits arising from holding permits and create a need for the compliance function.</p> <p>Warm Tasman Homes specifically benefits properties who have had insulation or heat pumps put into their properties.</p> <p>Rehabilitating land that was contaminated in Māpua is considered to have a general benefit to the community.</p>		

Funding sources and rationale

This activity is largely public good. While private interest will benefit from Council’s services, it is not always possible to differentiate benefits from the public generally, in which case general rates fund the activity.

The ability to charge applicants, permit holders, owners of forests being harvested, or beneficiaries makes user charging, and to a lesser extent targeted rates, feasible for some streams of the activity.

In addition, there is sometimes scope for government funding.

Exacerbators such as those incurring infringements are also feasible to charge as are other parties who may cost share with Council and these are recorded in “local authorities fuel tax, fines, infringement fees, and other receipts”.

*General rates: Medium-High

*Fees and charges: Low

*Local authorities fuel tax, fines, infringement fees, and other receipts : Low

*Targeted rates including Warm Tasman and Māpua Rehabilitation: Low. Note: Māpua Rehabilitation spend is considered to be of general benefit to the public in the whole District - but without a relationship to the values of property, therefore a uniform targeted rate is considered appropriate

*Subsidies and grants: Low

3.2 PUBLIC HEALTH AND SAFETY



We contribute to the sustainable development of our District and the safety and well-being of our communities. 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
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 a resilient community.</p> <p>We ensure recreational boating is safe, keeping Tasman special.</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.
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>



Community outcomes		How our activity contributes to the community outcome
Cultural Well-being	Our communities have opportunities to celebrate and explore their heritage, identity and creativity	We provide safety support to events, such as waka racing and classic boats, assisting the communities to hold safe heritage events.
	Our Council provides leadership and fosters partnerships including with iwi, fosters a regional perspective, and encourages community engagement	We encourage residents to make civil emergency preparations, including arrangements to cope in the face of climatic or natural hazard events. We work with Maritime NZ to provide a maritime oil response service.
Who benefits/whose act creates the need	Period of benefit	Rationale for separate funding
<p>There is a significant private benefit of this activity to applicants and exacerbators (e.g. building consent, LIM applicants, dog owners, sale of liquor applicants, commercial maritime license holders, food premises/food stalls, etc.)</p> <p>The setting and enforcing of standards provides public health and safety for the wider community, meaning this activity has some public benefits.</p> <p>The community benefits from emergency management from the maintenance of a response capability and knowledge of hazards, and measures to mitigate and contain harmful events.</p>	Immediate through to longer term (e.g. from the construction of safe buildings)	<p>Identifying separate funding assists in the accountability and transparency of Council's costs on this activity, where possible and appropriate</p> <p>A portion of the activity is of public benefit, meaning user charging is not always feasible.</p>

Funding sources and rationale

This activity has a significant scope for directly charging either exacerbators or parties who benefit and for this reason fees and charges will be a significant revenue source.

There is also public benefit in providing public health and safety generally (e.g. identifying earthquake prone buildings, providing safe navigation on coastal waters, preventing food contaminations and community risks from addiction to liquor and gambling) which means general rates are an appropriate funding source. It is also not practical to identify and charge all those who receive advice, these costs will be funded by general rates.

There may also be some opportunity for external funding from time to time and if so it will be



Funding sources and rationale

utilised.

Fuel excise duty refund, building control infringements, parking infringements, bylaw infringements, and animal control infringements are recorded as “local authorities fuel tax, fines, infringement fees, and other receipts.”

*Fees and charges: Medium-High

*General rates: Low-Medium

*Local authorities fuel tax, fines, infringement fees, and other receipts: Low

*Subsidies and grants: Low

3.3 TRANSPORTATION

We manage a transportation network that has approximately 1,751 km of roads; (967 km sealed and 784 km unsealed), 494 bridges (including footbridges); 423 km 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.

CONTRIBUTION TO COMMUNITY OUTCOMES

Community outcomes		How our activity contributes to the community outcome
Social Well-being	Our communities are healthy, safe, inclusive and resilient	We provide a safe and resilient transport network, including active recreation, which has associated health benefits. A reliable transport network also allows for emergency services to safely get to people in need.
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.
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
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.
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 communities.
Environmental Well-being	Our unique natural environment is healthy, protected and sustainably managed	<p>We minimise the effect on our natural environment with routine road sweeping, sump cleaning, and litter removal.</p> <p>We consider land use and sustainability in transport planning.</p>
	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.



Who benefits/whose act creates the need	Period of benefit	Rationale for separate funding
<p>Users create the need for infrastructure and maintenance. The benefits apply in part to the whole community, as people are free to use any public road, footpath, and cycleway in the District.</p> <p>Council receives subsidies from the Waka Kotahi that are funded through petrol taxes and road user charges which relate to individual users.</p> <p>Some properties are owned for potential future development, and these houses which are being rented and areas being occupied are of direct benefit to the party renting or occupying.</p> <p>There are also direct beneficiaries or exacerbators in some parts of this activity (e.g. access crossings, road openings) etc.</p> <p>Development does create demand on Roading - see section in this document on capital.</p>	<p>Ongoing benefits as long as infrastructure is maintained.</p>	<p>A significant portion of the activity is of public benefit, meaning user charging is not feasible for much of this activity.</p> <p>Identifying separate funding assists in the accountability and transparency of Council's costs on a minor part of this activity.</p>



Funding sources and rationale

Subsidies from Waka Kotahi and petrol tax contributions are utilised as revenue source in this activity, and there are some opportunities for user and other charges, such as rental houses/road openings/access crossings, however the bulk of the benefit is considered to be public as it would be too difficult to charge each individual road user and all users can use the infrastructure.

However Council may choose to charge users for carparking as users of motor vehicles create direct costs on Council for providing and maintaining public car parking.

Other income such as petrol tax income, and rental income are recorded as “Local authorities fuel tax, fines, infringement fees and other receipts” as are any other contributions from parties who may cost share with Council.

*General rates: Medium-High

*Subsidies and grants: Low-Medium

*Local authorities fuel tax, fines, infringement fees and other receipts : Low

*Fees and charges: Low

3.4 COASTAL ASSETS

We own, provide, maintain, and improve coastal assets (wharves, jetties, boat ramps, associated buildings and foreshore protection walls) on behalf of our ratepayers, as well as provide navigational aids to help safe use of coastal waters. As part of the Coastal Asset's 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 wharves at Riwaka, Motueka and Māpua;
- jetties, boat ramps, navigational aids and moorings;
- coastal protection works at Ruby Bay and Mārahau; and
- 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.

CONTRIBUTION TO COMMUNITY OUTCOMES

Community outcomes		How our activity contributes to the community outcome
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 community resilience from storm events.
Social Well-being	Our urban and rural environments are people-friendly, well planned,	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.



Community outcomes		How our activity contributes to the community outcome
	accessible and sustainably managed	
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.
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.
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.
	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.



Who benefits/whose act creates the need	Period of benefit	Rationale for separate funding
<p>This public activity predominantly benefits members of the general public who have the ability to utilise wharves, jetties, boat ramps etc.</p> <p>Residents in the Māpua/Ruby Bay areas who have properties protected by stopbanks benefit from the protection, and properties in Torrent Bay benefit from beach replenishment.</p>	<p>Ongoing benefits as long as infrastructure is maintained</p>	<p>A significant portion of the activity is of public benefit, meaning user charging is not feasible for much of this activity.</p> <p>Identifying separate funding assists in the accountability and transparency of Council's costs for part of this activity.</p>

Funding sources and rationale
<p>Structures can be used by the community as a whole and therefore it is appropriate for them to be funded by the general rate. One of Council's community outcomes is to provide recreational facilities, which means full user charging for use of these facilities is not considered appropriate. It would also be impractical to administer user charges on these types of facilities.</p> <p>For individual properties which significantly benefit from asset protection or replenishment, targeted rates will be used. Differentials will be used for Torrent Bay as it is considered that those that are closer to the foreshore benefit more.</p> <p>*General rates: Low-Medium to High</p> <p>*Targeted rates including Torrent Bay and Stop Bank Rates: Low to Medium-High</p> <p>*Local authorities fuel tax, fines, infringement fees and other receipts : Low</p>

3.5 WATER SUPPLY

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 community 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 supply – a set amount of water per day is made available to the property (this typically occurs on our rural schemes);
- firefighting capacity –our supply meets the firefighting water supplies (FW2) standard to our urban metered supply areas;
- capture, storage, and release of water from the 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 its adjoining aquifer. This enables continued 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.

CONTRIBUTION TO COMMUNITY OUTCOMES

Community outcomes		How our activity contributes to the community outcome
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.
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. We aim to provide sustainable supplies that are built for the future.
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.
Environmental Well-Being	Our unique natural environment is healthy,	All of our water schemes take water from our environment (via surface water or groundwater) and require a resource consent. We aim to



Community outcomes		How our activity contributes to the community outcome
	protected and sustainably managed	manage water takes so the impact is not detrimental to our surrounding environment.
	Our Council provides leadership and fosters partnerships including with iwi, fosters a regional perspective, and encourages community engagement	<p>We take opportunities to partner with NCC. For example, we supply water to residents near Saxton Field and the Whakatū Industrial Park.</p> <p>Central Government has signalled that we must give effect to Te Mana o te Wai, the holistic well-being of the water.</p> <p>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.</p>

Who benefits/whose act creates the need	Period of benefit	Rationale for separate funding
<p>All who can access the benefits of the water supply, including firefighting capacity, benefit from this activity. This includes water supply users in the Nelson City area who are supplied water by Council. The beneficiaries of the community water supplies in the Waimea Basin would directly benefit from the water security associated with the Waimea Community Dam.</p> <p>Council considers that the Wai-iti Dam and the Tākaka Firefighting water supply are of benefit to the entire District.</p> <p>The general public benefits from investment in the Waimea Community Dam through the environmental, economic and the community benefits. These benefits would include additional employment, economic opportunities, social, cultural and recreational benefits.</p> <p>Irrigators and rural water users in the area serviced by the Waimea Community Dam benefit from the</p>	Ongoing benefits as long as infrastructure is maintained	<p>Identifying separate funding assists in the accountability and transparency of Council's costs for much of this activity.</p> <p>A portion of the activity is of public benefit, meaning user charging is not feasible for this part.</p>



Who benefits/whose act creates the need	Period of benefit	Rationale for separate funding
<p>improved security of supply the dam creates and the increased allocation volumes it provides.</p> <p>The general public benefits from the affordability of drinking water and the community outcomes the provision of water provides.</p> <p>Development does create demand for water - see section in this document on capital; this includes the funding of the Waimea Community Dam.</p>		

Funding sources and rationale

The benefit of funding drinking water supply activities separately from other Council activities is that those currently connected or planning to be connected to schemes will be contributing to the funding. Council predominantly applies targeted rates and user charges for these activities for accountability and transparency to those who fund the schemes.

These include: The Urban Club Water Supply and its Rural Water Extensions, the Motueka Urban Water Supply, the Dovedale Rural Supply, the Redwood Valley Rural Water Supply, the Eighty Eight Valley Rural Water Supply, and the Hamama Rural Water Supply.

Tasman District Council supplies water to certain water users in the NCC area and to NCC as well as some large industrial users. Revenue is recovered from these either directly or through NCC, or through fees and charges.

Water users of the Wai-iti Valley Community Dam also benefit from the supply of water and are charged on the basis of the amount of water they can take under their consent.

The firefighting water supplies in Motueka, and Tākaka townships are also of benefit to those communities. These are predominantly charged through fixed targeted rates, however in the case of the Tākaka Central Business District who benefit the most from that small supply - they are charged based on capital value. The amount charged to residential customers in Tākaka is also higher than the rest of the Ward, as being more proximate to the supply, they receive a greater benefit.

For the Wai-iti Dam, and the Tākaka firefighting supply - Council had determined there was a general benefit to the District and therefore partial general rate funding is used.

The Waimea Community Dam is considered to benefit both water users, including irrigators, and the general public.

The allocation of funding to the main beneficiaries of the Waimea Community Dam is:

- 49% to Irrigator extractive use capacity (prior to cost overruns being fully funded directly by Waimea Irrigators Ltd (WIL) and Waimea Water Ltd (WWL);
- 21% to the urban water supplies (including Redwood Valley Rural Water Supply etc.); and

- 30% to environmental, economic and community benefits.

Irrigator extractive use capacity

Irrigator extractive use capacity refers to the potential irrigator volume of water that can be extracted. This is separate to the capacity assigned to water extraction for the urban water supplies and the allocation of costs for environmental, economic and community benefits.

The first \$3 million of project cost overruns are being funded 50/50 by Irrigators and Council. Council is funding its share of this through the Water Account, the Waimea Community Dam-Environmental and Community Benefits ZOB Rate, and through the Waimea Community Dam-Environmental and Community Benefits District Wide Rate.

Funding costs for 48.9 % of the remaining cost overruns are being met by irrigators through the water charges to Waimea Irrigators Ltd (WIL) by Waimea Water Ltd (WWL). For the first 5 years of Tasman's 10-Year Plan 2021 – 2031 Council is assisting irrigators by meeting the interest costs on \$10.14 million of that debt. That support is funded through the General Rate.

Council extractive use capacity

Council's extractive use capacity of 21.1% is funded through the water account (i.e., the Urban Water Club and the Redwood Valley Rural Water supply and other users).

WWL operating costs are allocated 51% to Council, and 49% to WIL. This allocation is unaffected by the capital cost allocation for the Dam.

WWL will own and operate the Waimea Community Dam on behalf of its shareholders. Council owns a majority interest in WWL with the remainder of the shares owned by WIL.


Environmental, economic and community benefits:

Council is funding the 30% of the project's cost allocated to environmental, economic and community benefits through:

- the Waimea Community Dam-Environmental and Community Benefits ZOB Rate, for more proximate properties represented by an area called the "Zone of Benefit", and
- the Waimea Community Dam-Environmental and Community Benefits District Wide Rate (District Wide Rate).

In determining which properties fall within the Zone of Benefit (ZOB), Council has included properties in the Waimea area with water available or supplied from the river and aquifers of the Waimea Plains, as well as considered proximity to where more direct benefits would be achieved from the dam such as additional employment, economic opportunities, social, cultural and recreational benefits. The extra funding by the properties in the ZOB recognises that properties further from the Dam, such as Collingwood or Murchison, will not receive the same level of environmental, economic and community benefits as the more proximate communities such as Richmond and Brightwater.

Water supplies:



There is a direct benefit to users of the community water supplies in the Waimea basin as the Waimea Community Dam (WCD) provides water security. A portion of costs from the WCD have been allocated to the Urban Water Club and the Redwood Valley Rural Water supply and other users, and are recovered from water users through water rates or charges.

Defaults:

Council may introduce a targeted rate based on land value to all properties with access to water supplied via a consent affiliated through a shareholding in WIL, in the event of any default on loans or security arrangements for the WCD Joint Venture Council Controlled Organisation (WWL).

Sunk costs:

Sunk costs incurred that were not recovered as part of the project joint venture are funded from the same environmental, economic and community benefits and water supply funding mechanisms as Council's share of the project's costs.

Further cost overruns:

The current funding facilities provide for a project cost of up to \$164 million. If further cost overruns occur, Council may introduce a targeted rate based on Land Value to all properties with access to water supplied via a consent affiliated through a shareholding in WIL, to recover the additional funding cost of irrigator capacity in the Dam.

Council is funding all the environmental, economic and community benefits and water supply cost overruns using the same rating mechanisms as are currently used to fund Council's share of the project's costs.

For a more detailed section 101 analysis of the WCD component of the water supply activity, visit www.LTP.tasman.govt.nz to read our consultation information.

Some water targeted rates are set differentially.

As an interim measure, Council has allocated some general rates funding into some of its Rural Water supplies from 2021-2022 as a result of substantial cost increases in these small supplies that have created affordability issues. The funding allocated results in more affordable targeted water rates for those rural water users, and the increase is small to the general ratepayer base due to the large number of ratepayers in the District compared to the quite small number of ratepayers connected to the Rural Water supplies. Council has likewise allocated some general rate funding for the WCD in relation to irrigator extractive use capacity capital cost overruns. The Three Waters Reforms may ultimately change how water supplies across the country are operated and funded.

*Targeted rates: High

*Fees and charges: Low

*Local authorities fuel tax, fines, infringement fees and other receipts: Low

*General rates: Low

3.6 WASTEWATER



We provide and manage wastewater collection, treatment, and disposal facilities for our residents connected to our eight 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 (NRSBU).

CONTRIBUTION TO COMMUNITY OUTCOMES

Community outcomes		How our activity contributes to the community outcome
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>
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.
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.
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.
	Our Council provides leadership and fosters partnerships including with iwi, fosters a regional perspective, and encourages community engagement	<p>We have a regional partnership with NCC for the management of the NRSBU.</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>



Who benefits/whose act creates the need	Period of benefit	Rationale for separate funding
<p>Those who are or will be connected to the wastewater schemes benefit from the ability to use the infrastructure.</p> <p>Those who discharge commercial and industrial waste (called “Trade waste”) through the wastewater system (e.g. restaurants, service stations etc.) put extra demands on the wastewater treatment plant and can be harmful to people and the environment, corrode or block sewer pipes, or create odours.</p> <p>Those who directly damage the infrastructure cause the need for repairs.</p> <p>Development does create demand for wastewater- see section in this document on capital.</p>	<p>Ongoing benefits as long as infrastructure is maintained</p>	<p>Identifying separate funding assists in the accountability and transparency of Council’s costs for much of this activity.</p>

Funding sources and rationale

While there are wider community and environmental benefits relating to wastewater collection, treatment and disposal, the primary benefit is to those connected. Council considers that those who are connected to the wastewater schemes should be responsible for funding expenditure to ensure the environment is protected from the waste they produce. Council, therefore, considers that fees and charges, and targeted rates are the most equitable form of funding these activities. Council considers that those with a greater call on the infrastructure should pay more and therefore a differential will be used. Commercial users who generate trade waste will be separately charged through fees and charges.

Tasman District Council supplies wastewater services to certain properties in the NCC area. Revenue is recovered from these customers through fees and charges.

Bell Island wastewater treatment plant is owned by both the NCC and the Tasman District Council and is managed by the Nelson Regional Sewerage Business Unit (NRSBU). Council records its share of this joint ventures revenue as Council revenue in the “local authorities, fuel tax, fines, infringement fees and other receipts” line, as is interest on a loan that Council has provided to the NRSBU.

*Targeted rates: Medium-High

Funding sources and rationale

*Local authorities fuel tax, fines, infringement fees and other receipts: Low-Medium

*Fees and charges: Low

3.7 STORMWATER

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 or our transportation activity, depending on its location (local roads or state highways). This stormwater activity does not include land drains or river systems, the specific streams and river sections that we maintain are listed in our flood protection and rivers control works 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.

CONTRIBUTION TO COMMUNITY OUTCOMES

Community outcomes		How our activity contributes to the community outcome
Social Well-being	Our communities are healthy, safe, inclusive and resilient	Our priority is to safely transfer stormwater runoff through urban areas to minimise harm and property damage. We also capture and convey rainfall away from urban areas and roads so that people can move safely throughout our communities during wet weather.
Social Well-being	Our urban and rural environments are people-friendly, well planned, accessible and sustainably managed	We convey stormwater without putting the public at risk or damaging property, businesses or essential infrastructure. We ensure urban areas remain accessible by capturing and conveying rainfall.
Social Well-being	Our communities have access to a range of social, cultural, educational and recreational facilities and activities	We take opportunities to provide multi-purpose facilities where possible. 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.



Community outcomes		How our activity contributes to the community outcome
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. 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. Our stormwater infrastructure provides best value for ratepayers' money.
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.
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.
	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.

Who benefits/whose act creates the need	Period of benefit	Rationale for separate funding
<p>The entire community benefits from safe and efficient discharge of stormwater.</p> <p>Some ratepayers receive a greater benefit from stormwater infrastructure than others, or cause the need for stormwater infrastructure. The Council uses an area called the Urban Drainage Area (UDA) to represent the primary beneficiaries and exacerbators for the stormwater infrastructure, being mostly those who live in urban townships supported by the infrastructure.</p>	Ongoing benefits as long as infrastructure is maintained	Identifying separate funding assists in the accountability and transparency of Council's costs for much of this activity.



<p>Some properties are owned for potential future development by Council, and these houses which are being rented and areas being occupied are of direct benefit to the party renting or occupying.</p> <p>Development does create demand for stormwater - see section in this document on capital.</p>		
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Funding sources and rationale

While there are wider community and environmental benefits of a stormwater system, Council considers that properties in the area of the stormwater infrastructure (UDA) should be responsible for funding more of the costs and therefore a targeted rate differential is used. Council considers that there is a greater benefit for properties which are developed over those which are undeveloped, which is why capital value is used as the basis for charging the targeted rate.

Rental income is recorded in “local authorities fuel tax, fines, infringement fees, and other” as are any other contributions from parties who may cost share with Council.

*Targeted rates: High
 *Local authorities fuel tax, fines, infringement fees, and other: Low

3.8 WASTE MANAGEMENT AND MINIMISATION

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, 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 resource recovery centres, 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 (NTRLBU) provides operational landfills in our Region. The business unit is a joint committee of NCC and Tasman District Council, and 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 councils directly or through commercial partnerships.

CONTRIBUTION TO COMMUNITY OUTCOMES


Community outcomes		How our activity contributes to the community outcome
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 facilities are convenient, clean and safe.</p> <p>We promote the sustainable use of resources and provide sustainable alternatives to landfill disposal.</p>
Economic Well-being	Our region is supported by an innovative and sustainable economy	<p>Our resource recovery centres provide sustainable waste disposal options for our Region.</p> <p>We plan to partner with businesses to provide waste minimisation services.</p>
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</p>



Community outcomes		How our activity contributes to the community outcome
		for our services and site management plans for the facilities we operate.
	Our Council provides leadership and fosters partnerships including with iwi, fosters a regional perspective, and encourages community engagement	<p>We work with NCC to promote waste minimisation and to provide regional services.</p> <p>We advocate to central government for more sustainable waste management practices.</p> <p>Waste reduction and effective resource recovery shows good kaitiakitanga (stewardship) of our natural resources.</p> <p>We plan to improve our engagement with iwi and with businesses.</p>

Who benefits/whose act creates the need	Period of benefit	Rationale for separate funding
<p>The entire community benefits from waste management and minimisation activities. Safe and efficient waste disposal and resource recovery activities support economic activity, protect the environment and provide a public health benefit.</p> <p>Properties on the kerbside collection route benefit from the ability to have waste and recycling collected, with those who opt in for additional bins or crates receiving a greater service than those who receive one bin. Those that purchase rubbish bags benefit from the disposal of this waste. Purchasers of replacement bins or crates benefit from the use of the bin or crate.</p> <p>Users of the facilities benefit from waste disposal and waste minimisation services.</p>	Immediate to ongoing	<p>Identifying separate funding assists in the accountability and transparency of Council's costs for much of this activity.</p> <p>A portion of the activity is of public benefit, meaning user charging is not feasible for this part.</p>

Funding sources and rationale
<p>User charges are possible in many streams of this activity where direct users can be identified and charged (e.g. rubbish bag sales, resource recovery centre users, replacement bins and crates etc.).</p> <p>In waste disposal and resource recovery (recycling and greenwaste disposal) Council does not fully</p>



recover the cost of processing, transport and disposal, particularly in outlying resource recovery centres, and the shortfall is funded by general rate and income from the Nelson Tasman Regional Landfill Business Unit (NTRLBU).

Maintenance of legacy closed landfills, hazardous goods and clearance of illegal dumping are considered a public good and funded by general rate and income from the NTRLBU.

Council uses a fixed targeted rate for kerbside recycling for those properties in a certain area, which is set as a proxy for the service delivery area. This activity is also supplemented by income from users who are invoiced for additional services and replacement bins and from additional revenue from the processing and sale of recycled materials.

Collection of kerbside rubbish bags is mainly funded by the sale of rubbish bags by the contractor, although the recycling contract provides some support for these services.

Council also receives funding from central government via the Waste Disposal Levy. This is used to fund waste minimisation services and infrastructure. This is recorded in “Local authorities fuel tax, fines, infringement fees, and other receipts”.

Nelson City Council and Tasman District Council operate regional landfills that are operated by the NTRLBU, a joint committee of the Councils. Council records its share of this revenue from the business unit as Council revenue in the “local authorities, fuel tax, fines, infringement fees and other receipts” line. This line also includes any other type of “other income” such as a share or commercial recycling revenue and lease income.

The Council also receives a local disposal levy from the NTRLBU, which is used to fund waste management and minimisation activities and reduce the requirement for general rate funding.

One of our community outcomes is that “our unique natural environment is healthy and protected” and using a rate is more appropriate than a charge for kerbside pickup because it creates an incentive to use the service and protect the environment.

*Fees and charges: Low-Medium to Medium

*Local authorities fuel tax, fines, infringement fees, and other receipts: Low-Medium to Medium

*Targeted rates: Low-Medium

*General Rates: Low

3.9 RIVERS

We maintain 285 km of major rivers throughout the District in order 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 (DOC, 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, and 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.

CONTRIBUTION TO COMMUNITY OUTCOMES

Community outcomes		How our activity contributes to the community outcome
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 in 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 pleasant and appropriate places 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.
Cultural Well-being	Our communities have opportunities to celebrate and explore their heritage, identity and creativity	Our rivers have important cultural values and many identify where they are from by their river.



Community outcomes		How our activity contributes to the community outcome
	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, helping to find solutions along our river environment.

Who benefits/whose act creates the need	Period of benefit	Rationale for separate funding
<p>Council operates, maintains and improves flood protection and river control assets on behalf of Tasman residents and ratepayers, in particular to protect life, property and livelihoods.</p> <p>Development of properties adjacent to the river networks means there are assets located in flood plains which are at risk of flooding. The need to protect these assets is creating the need for Council to undertake work relating to asset development and maintenance. It is considered appropriate for owners of these properties to fund this work through targeted rates.</p> <p>Additionally, River Z work is done to protect individual properties and has some direct benefit to those parties, although this protection may also extend beyond the individual property owner.</p> <p>There are some other direct beneficiaries/exacerbators in parts of activity including renters of river berms and users of gravel.</p>	<p>Immediate to Indefinite</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's costs for much of this activity.</p> <p>A portion of the activity is of public benefit, meaning user charging is not feasible for this part.</p>

FUNDING SOURCES & RATIONALE

The benefits of this activity apply largely and indirectly to the whole community.

The benefits apply directly to those whose properties are adjacent to the District's rivers. While there are wider community and environmental benefits relating to an effective flood protection and rivers control network, Council considers that properties directly adjacent to rivers benefit more and will fund the cost of that activity at a higher level than those deemed to indirectly benefit. For this reason a differential rating system will be used with adjacent parties (in the X/Y zone) paying a higher differential based on land value.



FUNDING SOURCES & RATIONALE

There is some scope for user charges including gravel royalties.

Council also considers that in the River Z area, when Council does work that has directly benefit to the applicants, due to this level of direct benefit, a portion of the costs should be paid by the applicant. There is also an opportunity for berm rentals and rates recoveries in this activity. These revenue sources are recorded in “Local Authorities fuel tax, fines, infringement fees and other receipts”.

With regards to the funding of capital costs, unlike most other assets these have previously been funded through rates in the year in which the asset is constructed. We are proposing to fund these assets through borrowing. The interest and debt will be repaid over the life of the assets, funded by rates. This approach is similar to the way we fund most other Council assets and is consistent with the intergenerational equity principle.

*Targeted rates: Medium-High to High

*Local authorities fuel tax, fines, Infringement fees, and other receipts: Low-Medium

*Fees and charges: Low

3.10 COMMUNITY DEVELOPMENT

We provide and maintain a wide range of parks, reserves, recreational facilities, community facilities and amenities, library services, 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 NCC.

CONTRIBUTION TO COMMUNITY OUTCOMES

Community outcomes		How our activity contributes to the community outcome
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 community and support specific social needs.</p>



Community outcomes		How our activity contributes to the community outcome
		<p>We provide 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>
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>
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>



Community outcomes		How our activity contributes to the community outcome
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>
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>
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 community is aware and involved in conservation and restoration work.</p> <p>Our environmental education initiatives help deliver environmental benefits to the broader community.</p>
Cultural Well-being	Our communities have opportunities to celebrate and explore their heritage, identity and creativity	<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>
	Our Council provides leadership and fosters partnerships including with iwi, fosters a regional	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



Community outcomes		How our activity contributes to the community outcome
	perspective, and encourages community engagement	<p>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, and Nelson Provisional 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>

Who benefits/whose act creates the need	Period of benefit	Rationale for separate funding
<p>Residents and visitors can benefit from the use of parks, reserves, community facilities (including Sportspark Motueka, Motueka Recreation Centre, Murchison Sport Recreation and Cultural Centre, Moutere Hills Community Centre, Rec Park Centre Golden Bay), sportsgrounds, public toilets, libraries, community halls and buildings, the Aquatic Centre, Saxton Field, etc.</p> <p>The Council also provides cemeteries.</p> <p>Community housing benefits occupants of the housing units, usually older adults. Sporting, recreation or community groups, and other reserve users directly benefit from being able to rent reserve or other land and/or buildings for their activities.</p> <p>The entire community benefits from access to museums and protection of heritage items, and from having a vibrant sense of community.</p> <p>The community also benefits from the activity's community partnerships work which involves</p>	<p>Immediate to ongoing</p>	<p>A significant portion of the activity is of public benefit, meaning user charging is not feasible for much of this activity.</p> <p>Identifying separate funding assists in the accountability and transparency of Council's costs on a part of this activity.</p>



<p>running community events, educational activities, provision of grants and managing the service delivery contracts for the Aquatic Centre and Council's facilities.</p> <p>The public are able to make use of resources, facilities, events and recreational opportunities and as such gain physical and psychological wellbeing and a sense of community identity.</p> <p>Development and population increases create demand for community facilities, libraries and parks - see section in this document on capital expenditure.</p>		
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Funding sources and rationale


Many parts of this activity (e.g. parks, reserves, some library activities, various halls, community grants) predominantly benefit the public or contribute significantly to community outcomes or would be difficult or costly to charge to users (e.g. public toilets). Therefore significant components of funding are through the general rate. Council considers that there are wide community benefits from ensuring only minimal charges are imposed on library fees, so not all costs are recovered through fees.

Spending on certain facilities, including those shared with NCC, certain sporting and community facilities, and the museums is considered to be of general benefit to the public but without a relationship to the values of property, therefore uniform targeted rates are considered appropriate. Council considers that the public will want to see discretely the facilities jointly funded by NCC, justifying two separate facilities targeted rates.

There is some scope for user charges or other income in this activity, including hall hire and facility rentals, library charges, cemetery charges, camping fees at the McKee and Kina camping grounds, sports ground fees, cell site/property rentals, etc. Some of these such as library fines, Mudcakes and Roses income, community housing income, miscellaneous reserve income and recoveries, rental/lease income are recorded in "local authorities fuel tax, fines, infringement fees and other receipts."

There is some scope for subsidies and grants or external funding in this activity. For example, Council receives funds from Sport New Zealand Rural Travel Fund and Creative New Zealand to administer contestable funding rounds on their behalf. In addition, Community Partnerships applies for project funding for capital projects, education events and programmes from organisations including Lottery Grants Board, Ministry of Youth Development, Toimata Foundation, Rata Foundation and the Ministry of Business, Innovation and Employment. The Government's Covid-19 recovery package has included funding for Tasman's libraries to temporarily employ at least two staff. For its major community facilities, Council also receives a community fundraising contribution of at least one third of the capital costs of the projects.

Some funding is received from the "Council Enterprises" activity for the maintenance of Council's parks and reserves. This is recorded as "internal charges and overhead recovered" and is in lieu of rental for use of reserves for commercial campgrounds and from forestry activities.



Council's community housing activity is self-funding from the rental income from the units. The community housing activity also provides a small dividend back to the parks and reserves account. For the remaining majority of this activity which has public benefit (excluding museums), the general rate is considered appropriate.

*General rates: Medium-High

*Targeted rates (facilities & museums): Low-Medium

*Local authorities fuel tax, fines, infringement fees and other receipts: Low

*Fees and charges: Low

*Internal Charges and overheads recovered: Low

*Subsidies and grants: Low

3.11 GOVERNANCE

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)¹² and Council Controlled Organisations (CCOs).

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

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

We are also:

- a majority shareholder in Waimea Water Limited
- a shareholder in the Local Government Funding Agency Limited (LGFA), and
- a shareholder in the New Zealand Local Government Insurance Company Limited (Civic Assurance).

Note: Port Nelson is not a 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.

CONTRIBUTION TO COMMUNITY OUTCOMES

¹² CCTOs are operated for the principle purpose of making a profit.



Community outcomes		How our activity contributes to the community outcome
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.</p> <p>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 coordinated 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>
Economic Well-being	Our region is supported by an innovative and sustainable economy	The CCTOs 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>

Who benefits/whose act creates the need	Period of benefit	Rationale for separate funding
All citizens within Tasman District benefit from the democratic and governance processes, elections, and funding economic development.	Immediate	<p>A significant portion of the activity is of public benefit, meaning user charging is not feasible for much of this activity.</p> <p>Identifying separate funding assists</p>



<p>Residents in Golden Bay and Motueka benefit from their community board activities.</p> <p>Businesses in the Richmond and Motueka benefit from the business association activities.</p>		<p>in the accountability and transparency of Council's costs on part of this activity.</p>
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Funding sources and rationale

There are generally no opportunities to recover through fees and charges in this activity.

Council records community board income and cost recoveries from other parties, market income, and rural address recoveries in "Local authorities' fuel tax, fines, infringement fees and other receipts."

Council considers that the most appropriate method to recover the public benefit component of this activity is general rate.

However, in line with Council's policy of those that benefit from a service paying a targeted rate, the Motueka and Golden Bay wards pay a contribution towards the costs for the Community Boards via a targeted rate which also includes special project funding within those wards.

If there are opportunities for subsidies or grant income, Council would look to utilise these.

As well, the costs of funding the grants for Our Town Motueka and Richmond Unlimited are recovered through the Motueka Business Rate, and Richmond Business Rate. Council charges these rates on businesses in the areas that will benefit. In Motueka, those businesses that are closer to the Central Business District (CBD) receive a greater benefit, and therefore Council considers that a differential charge should be applied.

*General rate: High

*Targeted rates (business/community board): Low

*Local authorities fuel tax, fines, infringement fees and other receipts: Low

*Fees and charges: Low

*Subsidies and grants: Low



3.12 COUNCIL ENTERPRISES

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 Tarakohe and the management of various commercial property assets

CONTRIBUTION TO COMMUNITY OUTCOMES

Community outcomes		How our activity contributes to the community outcome
Social Well-being	Our communities are healthy, safe, inclusive and resilient	<p>Our commercial assets provide a healthy and safe environment for users, and are compliant with health and safety standards.</p> <p>Our aerodromes and ports are resilience assets for communities with limited road access.</p>
Social Well-being	Our urban and rural environments are people-friendly, well planned, accessible and sustainably managed	<p>We manage our commercial activities to provide functional, pleasant and safe environments, and to minimise any public health hazards and provide attractive facilities.</p> <p>We work to minimise negative impacts on our environment, and consider sustainability in all our future commercial development.</p> <p>Our commercial assets are accessible to our communities.</p>
Social Well-being	Our communities have access to a range of social, cultural, educational and recreational facilities and activities	<p>We provide spaces for social interaction and recreation.</p> <p>We manage our commercial forests for the benefit of our communities, by balancing commercial and recreational use.</p>
Economic Well-being	Our region is supported by an innovative and sustainable economy	<p>Our commercial activities provide an income stream to reduce reliance on rates.</p> <p>We provide jobs for, and help develop, our local economy.</p> <p>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.</p>



Community outcomes		How our activity contributes to the community outcome
		Our forestry assets provide a sustainable economic resource for our communities and a carbon offset for our activities.
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 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>
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 Council 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 as a means of engaging with communities on Council's commercial and semi-commercial activities.

Who benefits/whose act creates the need	Period of benefit	Rationale for separate funding
<p>There are a variety of direct beneficiaries in this activity including: users and tenants of our aerodromes, ports, holiday parks and commercial property.</p> <p>This activity also includes forestry which provides a return back to Council.</p>	Immediate and ongoing.	Identifying separate funding assists in the accountability and transparency of Council's costs for much of this activity.



Funding sources and rationale

Where possible user charges should be used to charge the direct beneficiaries and therefore fees and charges will be a significant revenue source for this activity for users of Port Tarakohe, the Motueka and Tākaka Aerodromes, and the Collingwood Holiday Park. However, some properties and the buildings at the aerodromes are rented at market levels which results in returns less than related costs therefore requiring some general rate funding into the activity. This is more than offset by contributions to the general rate from other parts of the activity.

This activity has significant income recorded in “Local authorities fuel tax, fines, infringement fees and other receipts” line. This includes funding from direct beneficiaries for property rentals in the Māpua Precinct, Murchison Riverside Holiday Park, Motueka Top 10 Holiday Park, Pōhara Top 10 Holiday Park, Forestry income, and other revenue sources.

If there are opportunities for subsidies or grant income, Council would look to utilise these.

*Local authorities fuel tax, fines, infringement fees and other receipts: High

*Fees and charges: Low

*General rates: In total- the general rate contribution from forestry should exceed other rates charged within the activity, meaning general rates are reduced overall because of surpluses in this activity.

*Subsidies and grants: Low

3.13 SUPPORT SERVICES

Support Services are the internal functions that help ensure Council operates efficiently and effectively, meeting its statutory obligations, and working towards the achievement of Council’s community outcomes.

These activities are internally-focused and do not generally have a direct output to the community, rather they are internal support systems for those activities that do. The Support Service activities have their own business plans which outline the strategic focus for the activity and the major projects.

This group is not classed as a ‘group of activities’ for Long Term Plan purposes and no funding impact statement has been produced for these activities.

4 FUNDING OF CAPITAL EXPENDITURE

Section 103(1) LGA requires Council to specify its policy on the funding of capital expenditure separately from its policy on the funding of operating expenditure. “Capital” costs that need to be funded relate predominantly to the purchase of new assets and the replacement of existing assets.

Council takes a consolidated corporate approach to the management of its financial position. Through Tasman’s 10-Year Plan 2021 – 2031 it determines what capital expenditure is sustainable within the prudential guidelines it has set itself. These parameters are contained in the Financial Strategy.

Activity management plans are maintained for most activities and these provide information about the services Council will be providing, the condition of any assets and asset renewals required to maintain desired service levels.



For most capital expenditure funding, the activity level operating analysis is also applicable and therefore detailed analysis by activity can be seen in the operating section. For example, the same community outcomes tend to apply for both operating and capital expenditure by activity, and the beneficiaries and whose act creates a need, are largely consistent, whether the expenses are capital or operating in nature. For activities where the period of benefit has a long term component, some debt funding is generally utilised due to the intergenerational equity principle. The funding for debt is typically through rates. For the Transportation, Water Supply, Wastewater, Stormwater, and Community Development Activities, Council considers that Development Contributions and Financial Contributions for reserves and community facilities are appropriate sources of capital funding for the reasons set out in the detail that follows.

Funding for capital works will depend on the nature of the work, in particular the reasons (cost drivers) which have made the work necessary. There are three costs drivers recognised by Council:

- capital expenditure due to **growth** (described as “To meet additional demand” in Council’s Funding Impact Statement)
- capital expenditure due to **renewals** (described as “To replace existing assets” in Council’s Funding Impact Statement), and
- capital expenditure due to shifts in **levels of service**, statutory requirements, or other reasons excluding growth or renewals (described as “To improve the level of service” in Council’s Funding Impact Statement).

In addition, Council also records Vested Assets. Certain infrastructural assets and land may vest 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, and are recognised as revenue when control over the asset is passed to Council.

Capital expenditure due to growth

- The Tasman District has experienced steady population and economic growth. Population and business growth creates the need for new subdivisions and development placing increasing demand on the assets and services provided by Council. Significant investment in new or upgraded assets and services is accordingly required to meet the demands of growth.
- Council intends to fund the portion of capital expenditure that is attributable to growth by largely recovering these costs from development and growth.
- Council considers that the best mechanisms for ensuring the cost of growth sits with those who have created the need and benefit from the work are:
 - Development Contributions for transport, water, wastewater and stormwater services, and
 - Financial Contributions for reserves and community services assets.
- Council has a Development and Financial Contributions Policy. Council is required under Section 106 2 (c) LGA to explain within that policy why it has decided to use development contributions, financial



contributions and other sources to fund capital expenditure relating to the costs of growth. The assessment that follows is therefore replicated in that Policy.

Council has considered whether development contributions or financial contributions are an appropriate source of funding in relation to the activity, the outcomes sought, and their links to growth infrastructure. A summary of this assessment follows. Overall, development contributions and reserve and community services financial contributions, as a dedicated growth funding source, offer more secure funding for community outcomes that are affected by growth, or through which Council can deliver on aspects of the outcomes for new communities.

	Reserves and Community Facilities	Transportation	Water	Wastewater	Stormwater
Our unique natural environment is healthy, protected and sustainably managed.	Y		Y	Y	Y
Our urban and rural environments are people-friendly, well-planned, accessible and sustainably managed.	Y	Y	Y	Y	Y
Our infrastructure is efficient, resilient, cost effective and meets current and future needs.	Y	Y	Y	Y	Y
Our communities are healthy, safe, inclusive and resilient.	Y	Y	Y	Y	Y
Our communities have opportunities to celebrate and explore their heritage, identity and creativity.	Y				
Our communities have access to a range of social, cultural, educational and recreational facilities and activities.	Y	Y			
Our Council provides leadership and fosters	Y	Y	Y	Y	Y



	Reserves and Community Facilities	Transportation	Water	Wastewater	Stormwater
partnerships, including with iwi, fosters a regional perspective, and encourages community engagement.					
Our region is supported by an innovative and sustainable economy.		Y	Y	Y	Y

Who benefits/whose act creates the need	Period of benefit	Funding sources & rationale including rationale for separate funding
<p>A significant portion of Council’s work programme is driven by development or has been scoped to ensure it provides for new developments. The extent to which growth benefits from a project as well as how much it benefits existing ratepayers is determined for each project.</p> <p>Council believes that the growth costs identified through this process should be largely recovered from development, as this is what creates the need for the expenditure and/or benefits principally from new assets and additional network capacity. Where and to the extent that works benefit existing residents, those costs are recovered through rates.</p>	<p>The assets constructed for development provide benefits and capacity for developments now and in the future. In many cases, the “capacity life” of such assets is many years, if not decades.</p> <p>Development Contributions allow development related capital expenditure to be apportioned over the capacity life of assets. Developments that benefit from the assets will contribute to its cost, regardless of whether they happen now or in the future.</p> <p>Similarly, financial contributions for reserves and community services also allows funding of these assets to be spread over benefiting developments over time.</p>	<p>The cost of supporting development in Tasman is significant. Development contributions send clear signals to the development community about the true cost of growth and the capital costs of providing infrastructure to support that growth.</p> <p>The benefits to the community are significantly greater than the cost of policy making, calculations, collection, accounting and distribution of funding for Development Contributions and Financial Contributions for reserves and community services.</p>



Council has also considered the impact of the overall allocation of liability on the community. In this case, the liability for revenue falls directly with the development community. At the effective date of this Policy, Council does not perceive any impact on the social, economic and cultural wellbeing of this particular section of the community.

Development in Tasman is thriving and demand is high, as is demand for the infrastructure these funding sources help secure. Conversely, shifting development costs onto ratepayers is likely to be perceived as unfair and would significantly impact the rates revenue required from existing residents - who do not cause the need, or benefit from the growth infrastructure, needed to service new developments.

Overall, it is considered fair and reasonable, and that the social, economic and cultural interests of Tasman's communities are best advanced through using development contributions and reserve financial contributions to fund the costs of growth-related capital expenditure for services and activities covered by this Policy.

Types of Assets covered by development and financial contributions for reserves and community services include:

- network infrastructure for water supplies, wastewater, stormwater and transportation
- the purchase and development of reserves
- capital works for recreation activities, including libraries, and
- mitigating adverse effects.

Funding Sources for Growth Capital Expenditure:

- subsidies and grants for capital expenditure
- development contributions and financial contributions for reserves and community facilities, and
- borrowing.



Capital Expenditure due to renewals

Renewal capital works are those capital expenditure costs that are incurred in restoring an asset to previous service levels, usually reflected in the amount that an asset has been depreciated. Therefore by using those depreciation funds, Council is attempting to maintain infrastructural networks to at least their original service level.

Council policy is to move to fully fund depreciation (the wearing out of assets as it occurs) during their lifetime through rates and other operational income streams, stepped in over a 10 year period, finishing June 2025. The move to fully fund depreciation will continue to have a significant operational cost implication for Council, and operational spending has been prioritised in order to enable the transitioning in of depreciation funding at the same time as remaining within the set financial limits.

Fully funding depreciation does not mean that all assets will have full depreciation funded. This is because:

- 1) Subsidies are received in some areas. For example, Council needs to fund depreciation only on its share of transportation costs - the component attributable to NZTA is excluded. Allowing for other subsidisable costs means approximately 49% of transportation depreciation will be funded.
- 2) Depreciation on community facilities may not need to be fully funded as they are often partly funded by non-Council sources and/or will never be replaced in the same form at the end of their useful life, therefore in this case depreciation on certain halls, libraries etc. will not be funded.
- 3) Certain renewal programmes are historically rates funded, and therefore it is not necessary to fund depreciation on these.

Council does not hold cash reserves that match the depreciation reserves.

Community outcomes to which the activity primarily contributes							
Natural Environment	Human Environment	Infrastructure	Community	Culture	Recreation	Governance	Economic
Y	Y	Y	Y	Y	Y	Y	Y

Not every project will contribute to every community outcome listed above, however the overall capital works programme will likely contribute to all of them.



Who benefits/whose act creates the need	Period of benefit	Funding sources & rationale including rationale for separate funding
<p>Users of current infrastructure benefit from the renewal of this infrastructure.</p> <p>In some cases the capital cost arises because of damage to infrastructure in climatic events or because of equipment failure.</p>	<p>Ongoing benefits over the assets' useful life</p>	<p>The funding of depreciation is to be used for funding renewals for the purposes of intergenerational equity, however to meet the targets within the financial strategy, the funding is being phased in over time.</p> <p>Other funding sources will also be considered.</p>

Funding Sources Renewal capital expenditure:

- subsidies and grants for capital expenditure
- depreciation reserves
- proceeds from sale of assets
- reserves
- borrowing
- reserve financial contributions, and
- rates.

Capital expenditure due to shifts in levels of service, statutory requirements, or other reasons excluding growth or renewals

Community outcomes to which the activity primarily contributes							
Natural Environment	Human Environment	Infrastructure	Community	Culture	Recreation	Governance	Economic
Y	Y	Y	Y	Y	Y	Y	Y

Not every project will contribute to every community outcome listed above, however the overall capital works programme will likely contribute to all of them.



Who benefits/whose act creates the need	Period of benefit	Funding sources & rationale including rationale for separate funding
<p>Users of assets would benefit from increased levels of service.</p> <p>The cost driver for some capital works relates to increasing the levels of service for the community. Sometimes these improvements are required because of changes to legislation or resource consent conditions, which means there may be little discretion with regards to the expenditure.</p> <p>In other cases, the increase in the level of service is a community driven decision.</p>	<p>Ongoing benefits over the assets useful life</p>	<p>Council will first look to fund other/level of service capital expenditure through capital grants and subsidies including community contributions, or where it makes sense, through asset sales and reserves, borrowing, and rates.</p>

Funding Sources for Other Capital Expenditure:

- subsidies and grants for capital expenditure including community contributions
- proceeds from sale of assets
- Reserves
- Borrowing, and
- rates.

5 OVERALL IMPACT OF LIABILITY FOR REVENUE ON THE CURRENT AND FUTURE SOCIAL, ECONOMIC, ENVIRONMENTAL, AND CULTURAL WELL-BEING OF THE COMMUNITY

Council, both as part of Tasman’s 10-Year Plan 2021 – 2031 processes and after setting financial budgets, has considered the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community. In developing those budgets, Council has set rates limits partly in consideration of the economic well-being of the community.

In past years, Council has made funding decisions in consideration of the social, economic, environmental and cultural wellbeing of the community into existing policy. This includes the use of clubs for major infrastructure, such as the wastewater club. This helps make key infrastructure affordable and prevents significant fluctuations year to year on small supplies when they incur larger maintenance budgets or fluctuations.

As part of its Tasman’s 10-Year Plan 2021 – 2031 processes, Council has reviewed the movement of rates in total, and also each rate type that has moved significantly. As a result Council has some changes to the Revenue and Financing Policy to promote community well-being. Council has allocated some



general rates funding into some of its Rural Water supplies from 2021-2022 as a result of substantial cost increases in these small supplies that have created affordability issues, as an interim measure. The funding allocated results in much more affordable targeted water rates, and the increase is insignificant to the general ratepayer base due to the large number of ratepayers in the District compared to the quite small number of ratepayers connected to the Rural Water supplies. The Three Waters Reforms may ultimately change how water supplies across the country are operated and funded.

Council has also incorporated some changes which in addition to improving equity of funding policy, also help mitigate rates increases. This includes the proposal to debt fund some operational and rivers capital expenditure - if there are multiple year benefits.

By using a set of example properties, Council has been able to review and has considered the impact of rates and rates increases on various types of properties. These include residential and lifestyle properties, properties in the rural sector, business properties with varying ranges of rateable values and services. Horticultural property values have increased significantly in the last two district-wide revaluations, averaging over 30% both times, signalling some robustness in some parts of the rural sector.

The Three Waters Reforms may ultimately change how water supplies across the country are operated and funded.

Council has also considered other funding streams impacts on the community such as development contributions and fees and charges.

Overall, it is considered that the allocation of the costs for the Waimea Community Dam project and all other revenue streams is appropriate, having regard to the current and future social, economic, environmental, and cultural well-being of the community.



SIGNIFICANCE AND ENGAGEMENT POLICY

SUMMARY

PURPOSE

The purpose of this Policy is to identify the degree of significance of issues or decisions; to provide clarity about how and when communities can expect to be engaged in decisions; and, to inform the Council about the extent and form of public engagement that is expected before a particular decision is made.

WHAT IS SIGNIFICANCE?

Significance - means the degree of importance of the issue, proposal, decision, or matter, as assessed by the Council, in terms of its likely impact on:

- the current and future social, economic, environmental, or cultural well-being of the district or region
- any persons likely to be particularly affected by, or interested, and
- the capacity of the Council to perform its role, and the financial and other costs of doing so.

The level of significance is a continuum and determining the significance of a matter is an exercise of judgment. The Council uses the following to determine the level of significance:

- Does the decision relate to an asset that is a 'strategic asset'¹³.
- Is there, or likely to be, a substantial change in the level of service provided by Council.
- Is there, likely to be, or has there been:
 - a high level of community interest in a proposal or decision; or
 - controversy in the context of the impact or consequence of the change; or
 - an impact on the social, economic, environmental or cultural well-being of the community in the present or for the future; or
 - a specific area affected (e.g. geographic area, or area of a community by interest, age or activity); or
 - an impact or consequence relating to the duration of the effect arising from a proposal, decision or activity.
- Will the decision substantially impact on the District's ability to mitigate or adapt to climate change.
- Will the decision substantially affect Council debt, rates on residents or the financial figures in any one year or more of the Long Term Plan (LTP).

¹³ Strategic asset, means an asset or group of assets that the Council needs to retain to maintain the Council's capacity to achieve or promote any outcome that the local authority determines to be important to the future well-being of the community; and includes any land or building owned by the local authority and required to maintain the local authority's capacity to provide affordable housing as part of its social policy; and any equity securities held by the Council in a port a company or an airport company.



- Does the decision involve the sale of a substantial proportion of, or controlling interest in, the Council's shareholding in any Council-controlled trading organisation or Council-controlled organisation.
- Does the decision involve entry into any partnership with the private sector to carry out a significant activity; or any new proposal to contract out the delivery of any Council group of activities.
- Does the decision involve Council exiting an existing activity or adding a new group of activities.

WHAT HAPPENS WHEN THE LEVEL OF SIGNIFICANCE HAS BEEN DETERMINED?

Once Council has decided what level of significance an issue has, it will consider how it should engage with its communities. In general, if a decision has a high level of significance the Council can be expected to make greater efforts to ensure it understands the views of interested and affected parties.

Enabling effective participation of individuals and communities in the decision-making of councils is the primary purpose of consulting with the community. This will enable elected representatives to make better-informed decisions on behalf of those they represent.

The exact form and extent of consultation and engagement will be determined by Council on a case by case basis, including considering the level of significance of the matter and any statutory requirements.

ENGAGEMENT WITH IWI/MAORI

Council will honour all engagement processes, agreements and memorandums of understanding developed with iwi/Māori as they relate to its decision-making policies. The Council's Fostering Māori Participation in Council Decision-Making through Ngā Iwi/Council Partnership statement is on page 269 of this document.

INFORMATION REQUIREMENTS

The Council typically engages at early engagement stage (i.e. prior to Council having decided on a draft plan, policy or proposed option) and/or when it has decided on a draft plan, policy or proposed option.

At either stage the Council will make information available about the issue being addressed; any options identified and their consequences; how participants can provide their views; the timeframe; and the likely subsequent stages in engagement and decision making.

COUNCIL DECISION MAKING

In making its decisions the Council will consider the views of interested or affected parties, along with a number of other relevant factors.

Once the decision has been made the Council will make available clear records, or descriptions of the decisions, where engagement has taken place.

The full Significance and Engagement Policy can be viewed on the Council's website www.tasman.govt.nz/my-council/key-documents/more/governance-policies/

FOSTERING MĀORI PARTICIPATION IN COUNCIL DECISION-MAKING THROUGH NGĀ IWI/COUNCIL PARTNERSHIP

PURPOSE

This document outlines the actions Council intends to implement to support Iwi/Māori participation in Council decision-making processes over the period of Tasman’s 10-Year Plan 2021 – 2031 and to improve the way Council staff and elected members work together with Iwi/Māori.

BACKGROUND

The valued relationship between local government and Iwi is supported by a national level Memorandum of Understanding between Local Government New Zealand (LGNZ) and the Iwi Chairs Forum, signed in 2015.

Councils operate under a number of statutory regimes that require interaction and a relationship with Iwi/Māori. In order to uphold the principles of Te Tiriti o Waitangi/the Treaty of Waitangi, the Council needs to better understand the values, aspirations and interests of Iwi/Māori in Tasman District. A legislative platform to enable respectful engagement and joint decision-making is provided by the Resource Management Act 1991 (RMA), the Local Government Act 2002 (LGA) and other legislation, including that governing reserves, coastal management, flood management and transport.

As well as our statutory obligations, the Council aspires to be a trusted partner, making good community decisions in collaboration with Iwi/Māori across Te Tau Ihu o Te Waka-a-Māui.

Tasman District is home to nine Iwi (see Figure 1). Two marae are located within the rohe: Te Āwhina and Onetahua. Te Ao Māori/the Māori worldview is holistic and generally structured around four pou: environmental, cultural, social and economic. Each Iwi has a unique voice, history and aspirations.

Figure 1: The nine Iwi of Tasman District and their waka

Settlement Legislation	Ngāti Kōata, Ngāti Rārua, Ngāti Tama ki Te Tau Ihu, and Te Ātiawa of Te Waka-a-Māui Claims Settlement Act 2014				Ngāti Toa Rangatira Claims Settlement Act 2014	Ngāti Apa ki te Rā Tō, Ngāti Kuia, and Rangitāne o Wairau Claims Settlement Act 2014			Te Rūnanga o Ngāi Tahu Act 1996
Waka	Tokomaru (Taranaki Iwi)		Tainui			Kurahaupō			Uruao
Iwi	Te Ātiawa	Ngāti Tama	Ngāti Rārua	Ngāti Kōata	Ngāti Toa Rangatira	Ngāti Kuia	Ngāti Apa	Rangitāne	Ngāi Tahu
Full name of Iwi	Te Ātiawa of Te Waka-a-Māui	Ngāti Tama ki Te Tau Ihu	Te Rūnanga o Ngāti Rārua	Ngāti Kōata	Te Rūnanga o Toa Rangatira	Ngāti Kuia	Ngāti Apa ki te Rā Tō	Rangitāne o Wairau	Ngāi Tahu
Name of Post Settlement Governance Entity	Te Ātiawa of Te Waka-a-Māui Trust	Ngāti Tama ki te Waipounamu Trust	Ngāti Rārua Iwi Trust	Ngāti Kōata Trust	Toa Rangatira Trust	Te Rūnanga o Ngāti Kuia Trust	Ngāti Apa ki te Rā Tō Trust	Te Rūnanga o Rangitāne o Wairau	Te Rūnanga o Ngāi Tahu (TRONT)



LEGISLATIVE REQUIREMENTS

The LGA outlines the following principles and requirements for local authorities, aimed at facilitating the participation of Iwi/Māori in decision-making processes:

1. Development of Māori capacity to contribute to decision-making processes – the Long Term plan must set out any steps that the local authority intends to take, having undertaken the consideration required by section 81(1)(b) LGA, to foster the development of Māori capacity to contribute to the decision-making processes of the local authority over the period covered by that plan (Schedule 10(8) LGA).
2. A local authority must establish and maintain processes to provide opportunities for Māori to contribute to their decision-making processes; consider ways to foster the development of Māori capacity; and provide relevant information to Māori for both purposes (s81(1) LGA).
3. Consultation with Māori – a local authority must ensure that it has in place processes for consulting with Māori that are in accordance with the principles of consultation as set out by section 82(1) LGA.
4. Local authority decision-making - where, in the course of the decision-making process, a significant decision relates to land or a body of water, the local authority must take into account the relationship of Māori and their culture and their traditions with their ancestral land, water, sites, wāhi tapu, valued flora and fauna, and other taonga (s77(1)(c) LGA).

Statutory responsibilities the Council enacts under the various Te Tiriti o Waitangi/the Treaty of Waitangi Settlements across the nine Iwi in the Tasman District derive from the:

- Ngāti Kōata, Ngāti Rārua, Ngāti Tama ki Te Tau Ihu, and Te Ātiawa o Te Waka-a-Māui Claims Settlement Act 2014
- Ngāti Apa ki te Rā Tō, Ngāti Kuia, and Rangitāne o Wairau Claims Settlement Act 2014
- Ngāti Toa Rangatira Claims Settlement Act 2014, and
- Ngāi Tahu Claims Settlement Act 1998.

These Settlement Acts outline each area of interest – including statutory acknowledgements over land, water, sites, wāhi tapu, valued flora and fauna, and other taonga – for each of the nine Iwi. Deeds of Settlement also include various enactments:

- Overlay sites
- Statutory Areas (known as Statutory Acknowledgement Areas)
- Cultural Redress protocols
- Relevant Fossicking Areas
- Deferred Selection Properties
- Vest and Gift back to the Crown for public use
- Specified area Right of First Refusal (RFR) land
- Coastal and Maritime Instrument Areas
- Licensed Land property
- Conservation Kaitiaki Instruments
- Settlement Iwi RFR land
- General RFR land

COUNCIL, IWI/MĀORI WORKING TOGETHER



There are many varied and nuanced ways in which the Council can work with Iwi/Māori. The Council is committed to growing and strengthening our working relationship and level of engagement with Iwi/Māori. These relationships are strategically important and are based on a range of statutory and non-statutory instruments, supporting opportunities for mutual benefit and advancement.

The Council consults and engages with Iwi/Māori on a regular basis. In certain cases, these are ongoing processes required by legislation such as the RMA, LGA and relevant Settlement Acts. Other cases are a way of recognising the spirit of partnership inherent in Te Tiriti o Waitangi/the Treaty of Waitangi.

The Council acknowledges that building relationships with Iwi/Māori is not simply a matter of complying with legislation, but rather one of understanding, partnership and trust. The table below outlines some of the actions the Council currently undertakes, and some new actions we will take, to further develop Iwi/Māori capacity to contribute to our decision-making processes.

Table 1 – Ongoing work of Council with Iwi/Māori

	Initiatives with Iwi/Māori
1	<p>Three key appointments have been made to facilitate enactment of the Council's responsibilities to Iwi/Māori:</p> <ul style="list-style-type: none"> • Council Kaumātua assist the Mayor, elected members and Chief Executive with support around tikanga Māori at civic events, pōwhiri, blessings and other ceremonies. • The Council Kaihautū is a senior advisor to, and provides cultural support to, the Chief Executive, Leadership Team, Mayor, elected members and staff; and helps to enhance engagement between the nine Iwi of the Tasman District, the Council and the wider community, to help realise the partnership embodied in Te Tiriti o Waitangi/the Treaty of Waitangi. The Kaihautū plays a leadership role in the development of strategic and operational rangatira-to-rangatira relationships between the Council and Iwi, ensures tikanga Māori cultural policy is embraced by the Council, and works to ensure decision-making is fully and effectively informed by a Māori perspective. • The Mayor and Chief Executive have been appointed as Iwi/Māori liaison portfolio holders.
2	Continuing to actively promote consultation and implement representation opportunities for Iwi/Māori on Council committees (e.g. the recent appointment to the Nelson-Tasman Civil Defence Emergency Management (CDEM) Group Joint Committee), Council hearing panels, Council owned organisations (e.g. the committees in charge of the Nelson Regional Sewerage Business Unit and Nelson Tasman Regional Landfill Business Unit - both jointly owned between the Council and Nelson City Council - as well as the Tasman Bays Heritage Trust) and Council projects (e.g. development of the Tasman Bio-Strategy, upgrade of the Motueka Wastewater Treatment Plant etc.).
3	Continuing to promote Iwi/Māori involvement in Nelson-Tasman CDEM Group work.
4	Continuing to provide Iwi with funding towards their contributions to Council decision-making processes (e.g. provision of professional input and advice to Council).
5	Continuing to hold regular hui/liason meetings with Iwi on a wide range of matters, in order to develop our relationships further and to discuss specific and general issues of relevance to



	<p>both parties. As an example, in October 2017 Council formed an Iwi Working Group consisting of a representative of each of the nine Iwi to support the process of plan changes and review. This group meets regularly to discuss RMA policy matters. Council is working with Iwi authorities to develop the Tasman Environment Plan (TEP) and identify resource management issues of concern and possible solutions to them, along with other relevant matters.</p>
6	<p>Through hui, working with Iwi/Māori to identify how best to gain input into issues of relevance, including the opportunity to be involved in relevant working groups.</p>
7	<p>Consulting with Iwi/Māori on the formation of the Council’s Long Term Plan, the Annual Plan, reserve management plans, TEP, and other strategic documents or plans.</p>
8	<p>Continuing to actively participate in the Regional Inter-sector Forum (RIF) and Kotahitanga mō te Taiao Alliance.</p>
9	<p>The eight Iwi of Te Tau Ihu worked together to develop ‘Kia Kotahi te Hoe’ - a strategy to advance their collective aspirations in response to the critical needs of whānau Māori in Te Tau Ihu. The strategy is based around key Covid-19 recovery priorities: employment, kai, housing and health. ‘Te Kotahi o Te Tau Ihu Charitable Trust’ was formed to lead the aspirations of the strategy. The Council will look for opportunities to support and align its work to that of this Trust.</p> <p>The Council also aims to align its work to the vision, intergenerational outcomes and the wellbeing framework of ‘Te Tau Ihu Intergenerational Strategy’ (launched in November 2020).</p>
<p>Initiatives for Council staff and elected members</p>	
10	<p>Providing staff with support and resources to assist the Council’s relationships and capacity building with Iwi and all Māori living in Tasman. The resources will help to bridge the gap between Iwi, Māori, the Council, the wider community and the legislation pertaining to how we will work together. Examples of ways we are working on this include:</p> <ul style="list-style-type: none"> • in conjunction with Iwi and training providers (e.g. NMIT, Te Ataarangi), continuing to provide structured training/familiarisation courses to improve elected members’ and staff understanding of tikanga, kawa, te reo Māori, te Ao Māori, Te Tiriti o Waitangi/the Treaty of Waitangi, the nine Iwi of Tasman District, and Iwi culture and perspectives • continuing to provide He Waka Kuaka te reo Māori classes to staff • continuing to enable staff participation in cultural events (e.g. Waiata group), and • continuing to improve our induction process for staff and elected members, to build understanding of the unique differences between Iwi, and matters of importance to Iwi/Māori in our rohe.



Table 2 – New actions Council intends to progress over the next 10 years

1	Entering into a Strategic Relationship Agreement to achieve mutually beneficial relationships (both at governance and management levels) with the nine Iwi, Nelson City Council and Marlborough District Council.
2	Identifying and implementing new representation opportunities for Iwi/Māori on the Council, including potential establishment of a Māori Ward for the 2025 local election and representation on Council subcommittees and joint-committees.
3	Participating in governance structures initiated by Iwi (e.g. a River and Freshwater Advisory Committee has been provided for through the Te Tau Ihu Treaty settlements, but is not currently operational – Iwi may decide to initiate this Committee in future).
4	Working together with Iwi/Māori to implement Te Mana o te Wai (the National Policy Statement for Freshwater Management describes this concept as the integrated and holistic well-being of the water).
5	Enhancing the process that was developed in 2019 during the Pigeon Valley fires and built upon in 2020 in response to Covid-19, for engaging Iwi in emergency centre operations and their inclusion in Nelson-Tasman CDEM Group decision making and governance.
6	Familiarise ourselves with Iwi aspirations and objectives contained within strategic documents produced by Iwi entities (e.g. their annual reports and medium to long-term planning documents) when developing new Council policies and plans.
7	Working together to co-design our response to major legislative/sector changes. The government has signalled significant reforms. Iwi input and influence into these changes and how they are implemented is fundamental. We recognise the need to better work together with Iwi and more effectively include them in decision-making.
8	Work alongside and in support of Iwi to start identifying the needs of maata waka in our rohe and actions to progress these needs.
9	Explore opportunities for in-kind support or other support to Iwi for specific projects, such as cultural mapping and development of Iwi management plans.
10	Engage with Iwi in a more meaningful way for the development of future Long Term Plans and Activity Management Plans - i.e. from the beginning of these processes.
11	Work together with Iwi Taiao staff to streamline the process for engaging on resource consents (e.g. investigate provision of an online portal to facilitate this).
12	Support kapa haka festivals in Te Tau Ihu, including: <ul style="list-style-type: none"> • the national primary schools competition in 2021 • the national secondary schools competition in 2024, and • Te Matatini national competition in 2026.



VARIATIONS FROM SANITARY SERVICES ASSESSMENT

Council formally adopted the Water and Sanitary Services Assessments on 30 June 2005 following public consultation. The Water and Sanitary Services Assessment (WSSA) is an assessment of the water and sanitary services in the Tasman District. It covers both Council owned services and privately owned services relating to:

- water supply
- sewerage and sewage disposal
- stormwater disposal
- public toilets, and
- cemeteries and crematoria.

Brief comments have been included below to note key variations to the proposals since adoption of the WSSA in 2005.

- Sections 126 – 129 of the Local Government Act (LGA) have been repealed. This means that while Council still needs to undertake water and sanitary services assessments within the District, the process for undertaking the assessments and the extent of information required are no longer dictated.
- An amendment to Section 125 LGA now means that an assessment may be included in the Council's Long Term Plan (LTP) but, if it is not, Council must adopt the assessment using the special consultative procedure. The majority of information in the WSSA, in respect of Council owned and operated services, is now included in Council's relevant Activity Management Plans.

WATER SUPPLY

In 2005, Council identified and prioritised communities without a Council water supply in the WSSA. Priority ranking was determined based on water availability and reliability of supply, the water quality and fire-fighting capability.

- The WSSA identified Motueka as a Priority 1; a community that is considered to be the highest priority for an improved water supply. This is because of its size, public health risks and lack of adequate fire-fighting provisions.
- In response, Council is currently preparing for the construction of a new water treatment plant at a site in Parker Street, as well as providing reticulation to the 'zone of effect', an area immediately surrounding the plant. Council is also planning to upgrade the existing treatment facility at the Motueka Recreation Centre between 2021 and 2023, and adding operational storage capacity. Providing reticulation to unserved areas in Motueka is programmed beyond 2041.
- The WSSA identified several Priority 2 communities, where sources of water in the immediate area are unlikely to be of sufficient quality or quantity to meet the needs of those communities.



Additionally, there are considered to be public health risks from the water supplies that need to be addressed. Priority 2 communities included: Mārahau, Sandy Bay, Tasman/Kina, parts of Pōhara, Tākaka, Ligar Bay, Tata Beach, and Patons Rock.

- There is an existing community water supply that provides water to the Pōhara Valley area only (this includes properties in the Pōhara Valley Road, Haile Lane and Falconer Road area). Council is planning upgrades to the water treatment plant and pump stations in Pōhara in 2021/2022 to meet Drinking Water Standards New Zealand. We are also planning to upgrade storage tanks on Haile Lane. Other residential areas in Pōhara do not have a water supply and at this stage, Council is not planning to extend the existing supply or provide a new supply to these un-serviced areas.
- For the remaining communities not already mentioned above (Sandy Bay, Ligar Bay, Tata Beach and Patons Rock), Council has no plans to supply water.
- After consultation with the Golden Bay Community Board, it was concluded that Council would install a fire-fighting supply only for Tākaka. This was completed in 2011.
- Council has planned to construct a new water supply for Mārahau from 2041 onwards. An earlier timeframe has not been possible due to the financial constraints.
- The WSSA also identified other Priority 3 and 4 communities that either do not have a supply or have private water supply schemes. Council has not planned to supply these schemes within the next 10 years.
- Council will continue to prioritise upgrading water treatment plants, reticulation and pump stations across the District in order to meet the Drinking Water Standards NZ as identified in the Water Supply Activity Management Plan 2021.

WASTEWATER DISPOSAL

- Council has completed the upgrade of the Motueka and Tākaka wastewater treatment plants and will continue to undertake improvements to Council's systems as identified in the Wastewater Activity Management Plan 2021.
- The WSSA identified and prioritised non-reticulated communities. The priority ranking was based on the ability of the systems to treat and dispose of the wastewater into the environment in a manner that meets environmental compliance criteria; and minimises risk to public health, and the impact on the environment. Council has made no provisions for reticulating any further settlements within the next 10 years.



VARIATIONS FROM WASTE MANAGEMENT AND MINIMISATION PLAN

Council has adopted, with Nelson City Council, the Nelson Tasman Waste Management and Minimisation Plan (2019). The Waste Management and Minimisation Plan (WMMP) is a strategic policy document which sets out Council's objectives, policies and methods for promoting effective and efficient waste management and minimisation in the District.

The Plan was adopted September 2019, and includes an aspirational target of reducing waste to landfill by 10% per capita by 2030. The Plan followed public consultation, and a joint waste assessment, which was completed in October 2017.

Tasman's 10-Year Plan 2021 – 2031 does not vary significantly from the WMMP. Council has based the Waste Management and Minimisation activities in Tasman's 10-Year Plan 2021 – 2031 on the objectives, policies and methods contained in the WMMP.

The proposed 10% reduction of waste per capita is included in the Council's level of service performance indicators, but the majority of waste reduction is scheduled to commence in 2024, when Council expects income from the national Waste Disposal Levy to increase significantly. Over the next two years detailed business cases will be prepared to identify how Council will reduce waste to landfill by 10% per capita. Any additional funding required for these initiatives will be incorporated into the next Long Term Plan.