

WORKSHOP MATERIAL

Workshop: Long Term Plan Priorities

Date: Thursday, 14 September 2023

| Item | Released Information |
|------|-----------------------------------------------------------------|
| 1. | Long Term Plan Strategic Priorities – Key Points |
| 2. | Feedback on LTP Prioritisation 14 September 2023 - Presentation |

Long Term Plan Strategic Priorities – Key Points

This is a summary of the information staff provided at the LTP workshop on 7 September.

Climate Change Mitigation

Budget Allocation

Approximately 80% allocated to active and public transport initiatives.
18.5% dedicated to waste minimization/diversion initiatives.
The remaining 1.5% designated for various sustainability efforts.

Funding Opportunities

Mitigation planning positions us to leverage funding from the government's CERF fund.

Legal Obligations

Local Government Act and Resource Management Act require addressing climate change's impact on communities and Council operations.

Strategic Risk

Insufficient resources for climate change response pose a strategic risk, potentially hindering Council's objectives, services, and readiness for external challenges.

Climate Change Adaptation

Strategic Direction

Priority: Provide strategic direction for adapting to a changing climate.
Collaboration with Nelson City Council on a Climate Risk Assessment and risk explorer platform.

Climate Change Adaptation Strategy

Development of a Climate Adaptation Strategy informed by the assessment.
Budget needed for maintaining the risk explorer, technical data, analysis, and facilitation.

Coordinated Response

The proposed work program ensures a coordinated and strategic response.
Avoiding delay has significant financial implications for council services in the long term.

Funding Emergency Funds

Past decision and financial impact

In the last LTP, Council chose not to fund certain expenses for the first 4 years of the current LTP.

An event in August 2022 incurred unexpected costs, leaving a roughly \$2 million roading deficit despite Waka Kotahi funding and emergency funds.

Prudent Planning

It's wise to plan for such inevitable events, with the possibility of gradual contributions.

Non-contribution to emergency funds implies accepting the need for prudential debt headroom.

Financial Preparedness

Ensuring accommodation for unforeseen events is essential for maintaining financial stability and flexibility.

Maintaining and looking after existing infrastructure and facilities

Asset Maintenance and Renewals

Vital to maintain current levels of service and compliance with consents.

Need to reduce water losses and limiting wastewater overflows.

Roading network reaching a state of more rapid decline as a result of previous underinvestment.

Need to increase quantity of road resurfacing >60% - preventative maintenance.

Funding Needs and Challenges

Budget shortfalls in water and wastewater renewal projects.

Indications of shorter asset lifespans requiring significant budget adjustments.

Long waiting lists for both water and wastewater pipe replacements.

Inflationary pressures on materials cost

Environmental and Health and Safety Regulations.

Financial Considerations

Past reactive maintenance expenses exceeding budgeted amounts.

Urgent need for condition assessments to determine actual asset life expectancy.

Maintaining existing non-mandatory services

Libraries

Key Activities:

Collecting and lending materials in various formats.

Preserving local heritage materials.

Delivering programs and events to support literacy, learning, creativity, and community engagement.

Goals:

Maintain high-performing library services with 100% user satisfaction.

Develop an outreach strategy to meet increased demand.

Removal of rental charges.

Investigate Richmond Library building expansion.

Risks:

Reduced funding may lead to a service level reduction and community dissatisfaction.

Community Partnerships

Key Activities:

Provides essential social infrastructure to meet the challenges and needs of the community.

Provides opportunities for community connection through events and Welcoming Communities.

Provide connection and opportunities for youth voice.

Goals:

Provide grants in a more strategic way

Review Tasman Arts Strategy

Educate and motivate more community members to act for the environment.

Risks:

Increased vandalism and mental health issues.

Richmond becomes a cultural desert

New / improved community facilities

Proposed community facilities

Tapawera Community Hub
Motueka Pool
Waimea South Community Facilities
Murchison Recreation Centre – Stage 2

Current Status

Tapawera: Needs assessment underway.
Motueka: Advisory group set up, design and build in first 3 years.
Waimea South: Hub cooperative set up. Start design soon.
Murchison: 30% community contribution has been raised.

Risks with lack of investment

Community fundraiser fatigue
Reputational risk
Health & Safety concerns
Loss of potential external funding
Less opportunity for recreational swimming – national drowning statistics

Increasing funding to support community groups / their projects

Workshop Feedback

In principle support for continuing/increasing funding for all discussed groups/projects.
Highlighted a disparity in support between arts and sports.
Tradition of providing essential base-level funding to reliant groups.

Considerations for Funding Decisions

Reputational risks associated with cutting funding.
Opportunity costs of losing volunteer support.
Exploration of alternative funding approaches, such as a contestable fund.

Increased investment in economic development

Funding for the NRDA

Current financial pressures make it unfavourable to consider increasing funding for NRDA.

While Tasman feels it has been treated poorly in certain instances, there is a collective acknowledgment of NRDA's positive influence and its respected role in facilitating regional collaborations.

Exploring alternative funding sources is suggested, with consideration of the cost-effectiveness of targeted rates. A thorough analysis of benefits to Nelson vs. Tasman is needed to inform decisions about funding levels.

Major Events Funding

Central government funding for regional Major Events, supported by NRDA, is limited and set to end.

Smaller regional events could seek one-off support from Council without requiring a dedicated fund.

Interest in developing an Arts Strategy before establishing or funding events through a dedicated fund, given the current lack of investment in arts.

Improving river management

River management activities

Life and property protection

Erosion protection

Riverbed subsidy

Proposed goals

Proposed increase in opex and capex.

Previous strategy was to budget for a minimum spend and draw on disaster funds in the event they are needed. This has occurred two years in a row now.

Needs and challenges

Need to identify a sustainable funding model for this activity.

Invest in time for proper engagement with the community.

Improving 3 waters networks

Servicing Improvements for Existing Communities

Ensuring 24 hours of reservoir storage capacity.

Improving water pressure for firefighting and domestic supply.

Addressing inflow/infiltration issues to reduce wastewater overflows.

Implementing zone metering for water and wastewater monitoring.

Upgrading stormwater networks for flood mitigation to meet 1 in 10 year flood capacity.

Goals and Standards

Aim to achieve stated levels of service, with potential future mandates for all 3 waters LoS, similar to Water Quality.

Consideration of reducing standards and levels of service as a means to lower rates and community acceptance implications.

Balance

Striking a balance between maintaining service quality and affordability while addressing community expectations and rate considerations.

Improving Transportation Networks

Safety Improvements

Level of service to make our roads safer and reduce the number of deaths and injuries.

Speed management is part of the equation

Waka Kotahi are also prepared to invest in this

Walking and Cycling

We have been able to make improvements based on external funding.

Walking and cycling investment has a range of benefits including safety, human health, enhanced liveability, climate change mitigation and congestion relief.

Transport systems have a marked effect on the communities quality of life.

Improving Council's digital capability

Digital Transformation Overview

Focus on updating and enhancing digital platforms, transitioning from on-premises systems to cloud-based solutions.

Aims to improve security, business continuity, customer experience, and internal workflows while supporting critical Council functions and adapting to changing local government requirements.

Necessity of Modern Digital Platforms

Modern digital platforms are expected by users, customers, and citizens to replace outdated core IT systems.

Adopting modular, iterative, and incremental core applications minimizes risk, reduces change impact on ratepayers, and enhances adaptability.

Benefits of Digital Transformation

Scalability and adaptability, including support for local government reforms.

Efficiency alternatives aligning with Council priorities.

Mitigation of risks associated with resiliency and recovery, ensuring effective response to unforeseen challenges.

Improving biodiversity and managing pests

Biodiversity Enhancement

Addressing biodiversity concerns highlighted in the LTP early engagement.

Funded by operational expenses and driven by regulatory requirements, including national policy statements.

Emphasis on monitoring, mapping, and enhancing areas of significance to counter ongoing biodiversity loss.

Pest Management

Regulatory-driven pest management plan involving monitoring, mapping, and surveillance to prevent new pest infestations.

Collaborative efforts with community groups, iwi, and MPI to address pest challenges.

Impact on Policy and Community

The work informs advisory services and policy formation.

Opportunity to collaborate with the community for active biodiversity improvement beyond the minimum requirements.

Improving our capacity for partnerships

Cross-Council Impact

Partnership with iwi Māori is essential for all other council areas and projects.

Ensuring effective collaboration with iwi is crucial for maintaining momentum and achieving low-cost, high-impact outcomes.

Cultural Mindset and Openness

Building a partnership culture based on mindset, intent, and openness is the way forward.

Investing in partnerships with iwi mitigates the risks associated with a history of treaty breaches and fosters positive collaboration.

Increasing Regulatory Capacity

Regulatory Alignment

Progressive alignment of regulatory framework over the next decade.

Involves national direction, regional approaches, and an outcome-focused approach.

Aims to improve the quality of life as we face challenging times.

Cost-Saving Opportunities

Slowdown in consenting space presents opportunities for in-house capability development and cost savings.

Potential for initiating shared services discussions.

Agile Regulation

Emphasis on agility in regulatory design and implementation, with a focus on learning from others.

Prioritization won't significantly burden ratepayers

Supporting systems and process investment in the DIP is essential for effectiveness.

Funding Depreciation

Depreciation Funding Decision

Initial decision made in a favourable economic climate.

Current impact: Approx. \$4 million annually for the next 4 years.

Consequences of Not Funding Depreciation

Without funding, debt increases as renewals are financed through loans instead of depreciation reserves.

Potential long-term issue of "kicking the can down the road."

Opportunity for Reassessment

Changing economic conditions offer an opportunity to reevaluate with a focus on affordability.

Waste Minimization

Current Status

LTP early engagement revealed strong community support for waste minimization.

Regulatory obligations for kerbside recycling are in place.

Opportunity exists to extend these services beyond urban areas.

Future Initiatives and Funding

Mandatory kerbside food scrap collection on the horizon, planned for year 4.

Government grants play a significant role in funding waste minimization, with increasing support over time.

Collaboration and Shared Services

Exploration of potential shared services with NCC is on the agenda for the future to enhance waste minimization efforts.

Improving our water supply quality

Taumata Arowai Compliance

Priority: Meeting Drinking Water Quality Assurance Rules.

Involves mandatory compliance and rigorous monitoring/reporting requirements.

Extensive upgrades required for water treatment plants, including rural supplies and specific areas.

Urgent Regulatory Compliance

Emphasis on adhering to existing standards.

Non-compliance risks legal action against both staff and the Council in the event of contamination incidents.

High Risk/Opportunity Focus

The majority of this work falls into the high-risk/opportunity category due to its essential nature in meeting regulatory requirements and safeguarding water quality.

Providing for Tasman's growth in population

Supporting Growth and Infrastructure

Priority: Expanding and extending infrastructure to accommodate growth in various districts.

Budget allocation for plan changes to facilitate greenfield growth and intensification. This work aligns with the requirements of the National Policy Statement on Urban Development (NPS-UD) and falls largely into the high-risk/opportunity category.

Future Land Supply and Infrastructure Needs

Focus on enlarging infrastructure to provide land for housing and businesses, building on the Future Development Strategy and growth plan changes.

Adequate land supply in the short term (Years 1-3), but infrastructure becomes critical beyond that, by Year 10, to meet projected demand and NPS-UD requirements.

Risks and Trade-offs

Risks include minor non-compliance with NPS-UD and the potential for higher house prices.

Constraining economic growth, limiting talent attraction, and slowing growth in rating units are significant concerns if infrastructure needs are not met.

Planning the future management of resources (RMA plan replacement)

Critical Decision and Government Funding

The region faces a critical decision on new legislation, potentially securing government funding as a first tranche region.

This involves developing a new spatial strategy, cost-sharing for a regional planning committee, and addressing high-risk transition challenges.

Key Aspects of Transition

Transition includes changes in Highly Productive Land, Indigenous Biodiversity, hazards, flood modelling, and urban growth mapping.

Shift from the current RMA-led system presents both opportunities and challenges.

Transition Timeline and Consequences

Within three years, the region aims to establish a Regional Planning Committee, complete a new Spatial Strategy, and work on a combined plan with Nelson and iwi.

Delaying the transition risks missing out on government resources, increasing community costs, and hindering the implementation of national directives.

Improving freshwater quality

Healthy Water for Healthy Communities

Focus on fulfilling council's legislative obligations related to freshwater.

Key workstreams include implementing national policy statements, national environment standards, and facilitating collaboration with landowners.

Next 3 Years Objectives

Plan to notify the freshwater plan and initiate 1300 freshwater farm plans.

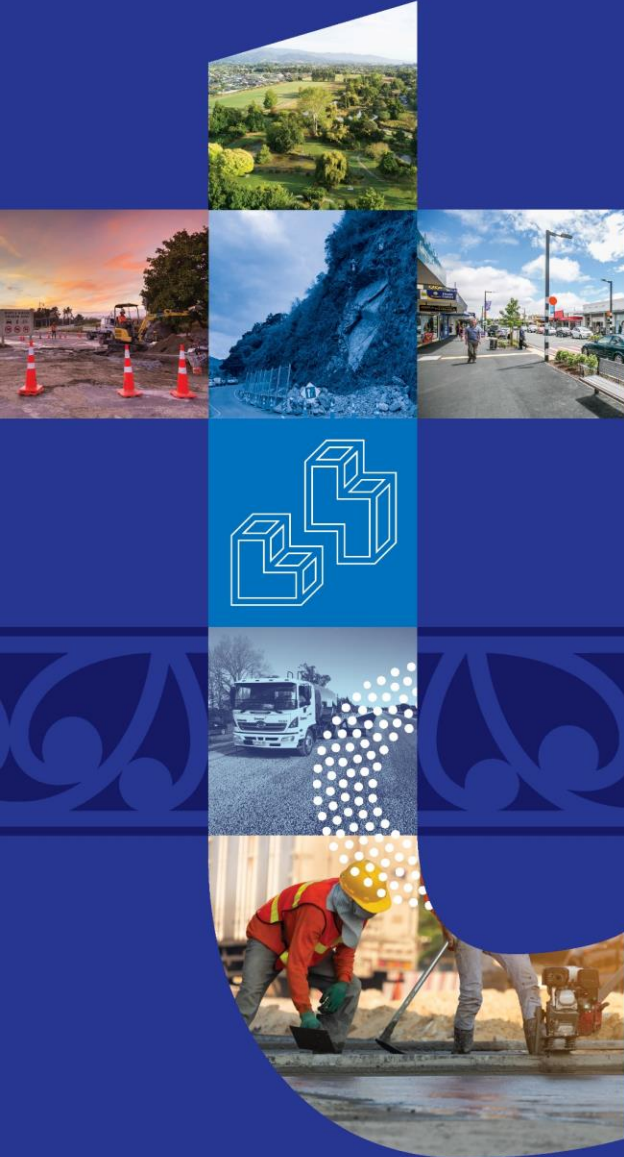
Farm plans informed by catchment-specific issues and community freshwater visions, enabling targeted efforts and reducing uncertainties for landowners.

Risks of Inaction

Failure to invest risks water quality and biodiversity degradation, contamination, and sedimentation issues.

Legal and reputational risks, including the potential for judicial review and breaching treaty obligations.

Loss of community trust built over time due to unmet obligations.



Feedback on LTP Prioritisation 14 September 2023

Thriving and resilient Tasman communities

 **tasman** district council | Te Kaunihera o **te tai o Aorere**

Purpose

- To summarise the voting results on the strategic priorities
- To understand the importance about each priorities
- Clarify next steps



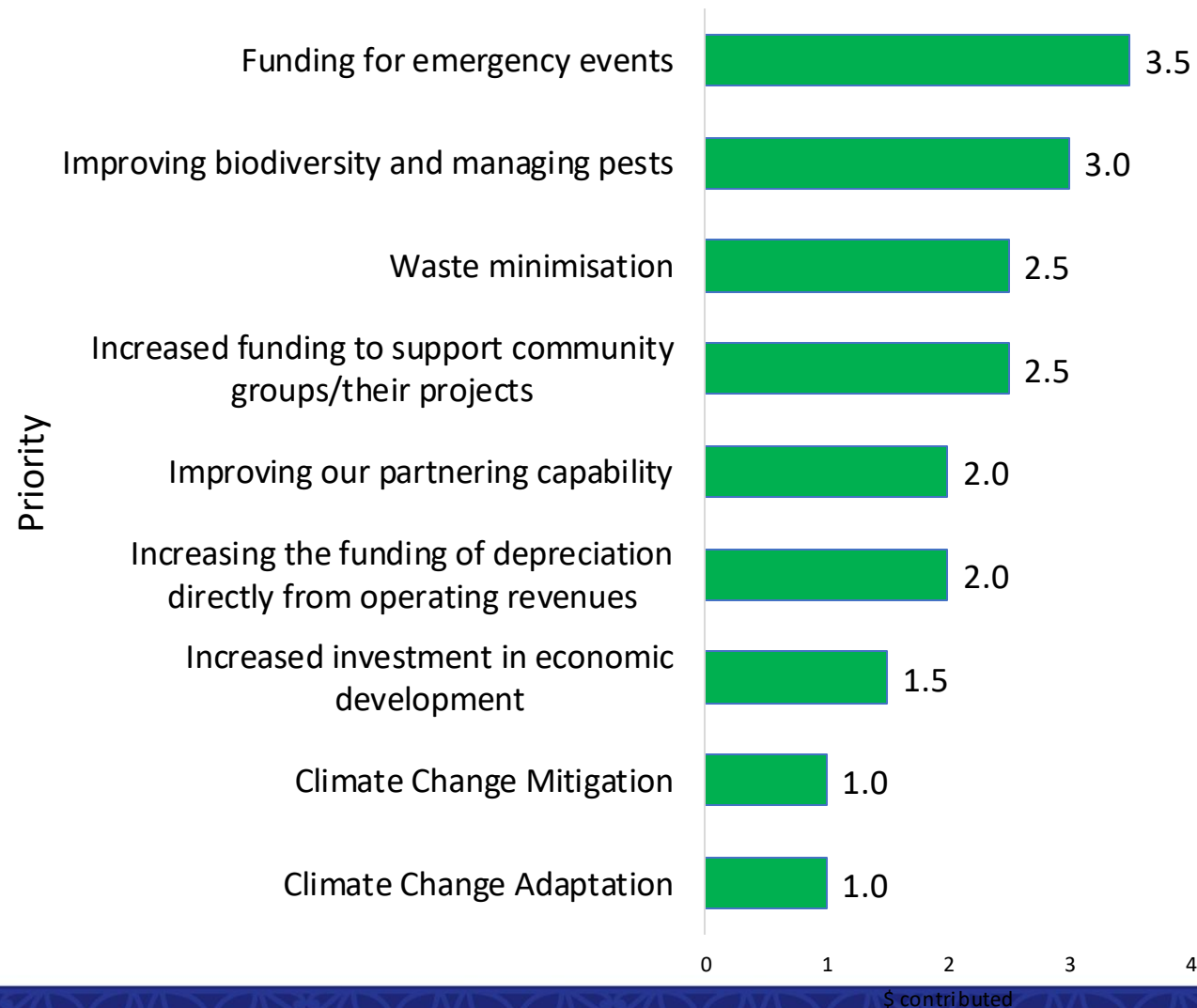
Priorities

Median \$ contributed to each LTP priority



Priorities

Median \$ contributed to each LTP priority



Priorities

Median \$ contributed to each LTP priority



Understanding what this means..

- Feedback from council on results
- What are the most important aspects of each priority to you, to help us shape the options we bring together.

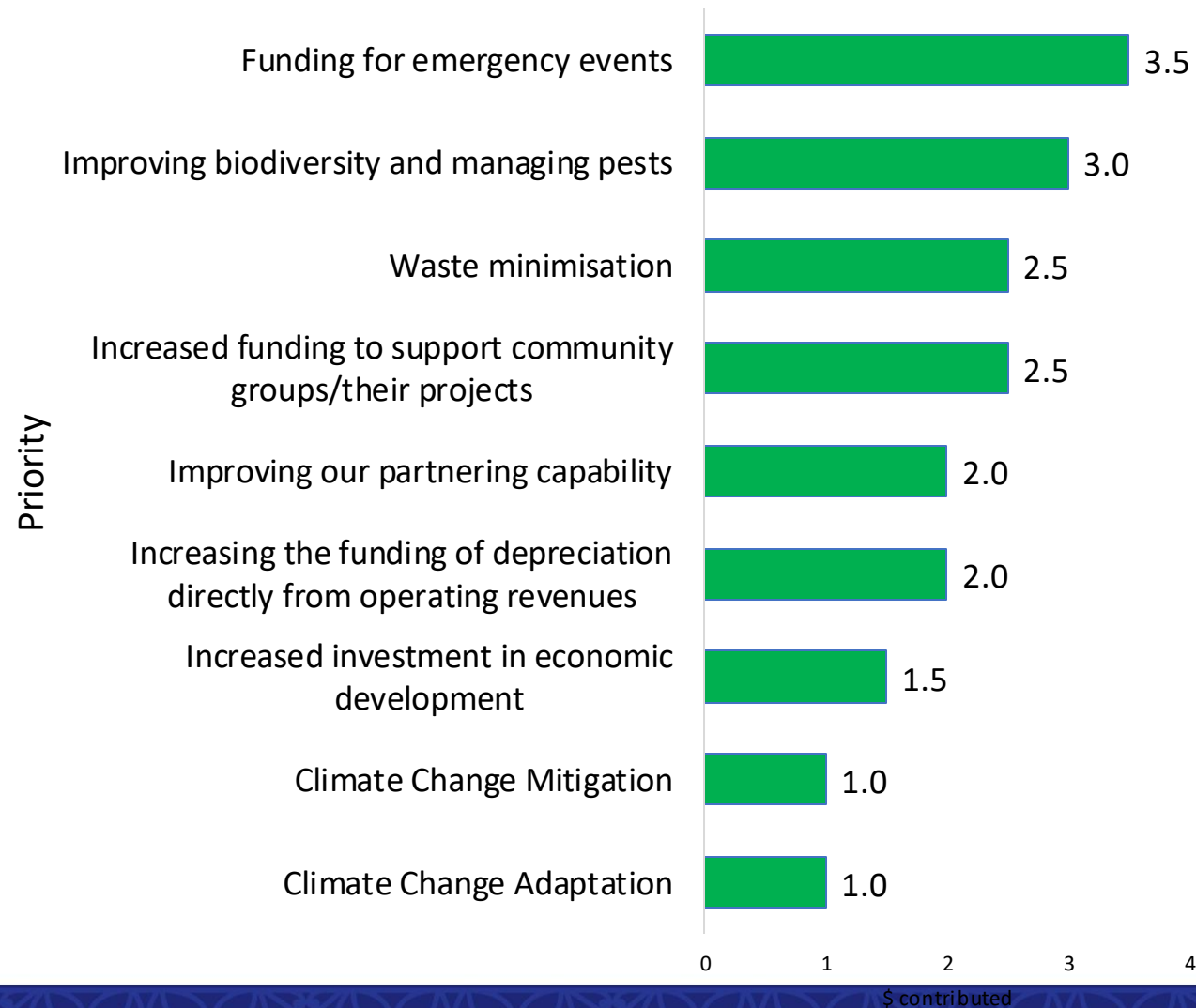
Priorities

Median \$ contributed to each LTP priority



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Median \$ contributed to each LTP priority



Initial staff thoughts



Thriving and resilient Tasman communities

Understanding what this means..

- Feedback from Councillors on initial staff thoughts

Three Key Groupings

Tier 1: Top two priorities

- Priority areas for discretionary spend: Musts, and some Shoulds and Coulds

Tier 2: Seven priorities with a median of 5

- Important areas: Musts and some Shoulds. Possible reductions (compared to now/current LTP) in budgets

Tier 3: Twelve lower priority areas

- Do Minimum, Musts dos, possible reductions (compared to now/current LTP) in budgets

Tier 1

| | What we think this means | Potential implications |
|--------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Maintaining and looking after existing infrastructure and facilities \$\$\$\$ | Maintenance and renewals budgets for asset-based activities are based sound asset management practice and intended to maintain and asset condition levels. | <ul style="list-style-type: none"> • Road resealing budget increases to halt decline in road condition • Increase renewal budget for water and wastewater • Increase maintenance for 3 waters assets and roading • Selective increases in maintenance and renewal for other assets • Comprehensive assets condition assessment, and developing asset management plans, for property assets |
| New improved facilities \$\$\$\$ | Ensure some \$40-50m of capex is programmed for identified facilities in the 10 years of LTP | Invest in identified community facilities <ul style="list-style-type: none"> • Motueka pool • Wakefield Brightwater Community facilities • Tapawera Community Hub • Murchison Rec Centre Stage 2 • Richmond Library expansion? |

Questions:

Were you thinking a new Council main admin building in either of these?

Are some facilities more important in 10 years than others?

Tier 2 – the 5s

| | What we think this means | Potential implications |
|---------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Maintaining non-mandatory services \$\$\$ | Maintain current operating budgets. | <ul style="list-style-type: none"> Little to no prospect for meeting new demands or services without trading off current services. |
| Providing for growth \$\$\$\$ | Will meet mandatory requirements to service growth, with low investment on nice to haves for new communities except for safety and parks. | <ul style="list-style-type: none"> Still a very large investment programme. May impact streetscape upgrade to support intensification (e.g Richmond growing up) |
| Improving Council's digital capability \$\$\$ | Focus on updating and enhancing technology to replace outdated core IT systems and processes. Limited investment in large-scale technology for new processes. | TBA |
| Improving freshwater quality \$\$ | Meet mandatory NPS-FM reqmts re allocation, catchment, condition and values work, Farm Plan baselines. Continue mandatory monitoring with some investment in State of the Envmt and catchment monitoring. Limited investment in resource investigation work to manage water allocation. | TBA |

Tier 2 – the 5s

| | What we think this means | Potential implications |
|----------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Improving river management \$\$\$ | Increase budget to reflect current expenditure levels, establish long term river management strategy and collect better asset condition information to inform next LTP | <ul style="list-style-type: none"> Will not have major upgrade budgets in LTP period |
| Improving 3 Waters networks \$\$\$\$ | Some modest investment in improving LOS, especially for stormwater flooding, wastewater overflow reduction. | <ul style="list-style-type: none"> Community will need to accept current service levels in most cases |
| Improving water supply quality \$\$\$ | Taumata Arowai Compliance to meet Water Quality Assurance Rules. Extensive upgrades for water treatment plants, including rural supplies and specific areas. | <ul style="list-style-type: none"> Non-compliance risks legal action against both staff and the Council in the event of contamination incidents. |

Tier 3

| | What we think this means | Potential implications |
|----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Improving Transportation Networks \$\$\$ | Lower or eliminate new cycleways, footpaths extensions, safety works, crossings. No change to Public Transport network. | <ul style="list-style-type: none"> • Current batch or active transport work will close out programme • Will not achieve walking and cycling strategy goals, including providing alternatives in congested networks • No or low budget to respond to govt initiatives • Do not take advantage of co-funding from govt at standard FAR rate |
| Increasing Regulatory Capability \$\$ | Activity is covered by statutory legislation and deadlines. Will keep up and react to new regulation rather than gear up in anticipation. Note link to DIP to provide supporting | <ul style="list-style-type: none"> • May delay opportunities for shared services • May delay option for new 'user and polluter' pays |
| Planning the future management of resources (RMA plan replacement) \$\$\$ | Activity is covered by statutory legislation and deadlines. There could be some room to adjust timing to the new planning system. Budgets assume Council is an early adopter getting the staff and finance from government. | <ul style="list-style-type: none"> • Potential \$500k reduction across years 1,2,3 by not reviewing the FDS • Delayed adoption to the new system would reduce short term costs but increase longer term costs and miss out on Government resourcing • Delay in replacing outdated TRMP |
| Funding Emergency Events \$\$\$ | We will not build the emergency fund, instead relying on our ability to borrow more if and when events strike. | <ul style="list-style-type: none"> • Unplanned debt escalation, potentially breaching Financial Strategy limits • Or not delivering our planned work programme to accommodate emergency events • May be difficult given programme will already be significantly paired back |
| Improving biodiversity and managing pests \$ | Concentrate on legislative requirements (wetlands and SNA survey work, Biosecurity Act), continue Kotahitanga mo te Taiao Alliance. | <ul style="list-style-type: none"> • Delay research into region's biodiversity • Delayed or limited policy input to Regional Spatial Plan • Limited ability to support community's pest mgmt. work • Not meeting resident feedback for more funding support for native trees |
| Waste Minimisation \$\$\$ | Maintain current rates funded services, comply with mandatory requirements, expand activities only where third party funding exists | Council will not achieve goals of joint waste minimisation and management plan and will need to amend its goals at next review |

Tier 3

| | What we think this means | Potential implications |
|---------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Increasing funding to support community groups / their projects \$ | Do not increase external funding levels. | <ul style="list-style-type: none"> Retain funding levels now and reform how this is spent after LTP. |
| Improving our capability for partnering \$ | Maintain the status quo, don't invest more. | <ul style="list-style-type: none"> Natural growth in capability but capacity limited. Capacity may be eroded as more obligations placed on the Council Planning processes may take longer to complete than would be the case with better partnering |
| Funding Depreciation \$\$ | Slower transition to fully funded depreciation – e.g. 4 years rather than 2 planned at present. | <ul style="list-style-type: none"> Increased debt May impact Standard and Poors, increasing interest rates |
| Increased investment in economic development \$ | Maintain current funding levels for NRDA only. | <ul style="list-style-type: none"> Forego strong influence on regional economic opportunities |
| Climate Change Mitigation \$ | Do not pursue any initiatives that are not inherently part of another activity that does make it into the programme. | <ul style="list-style-type: none"> Rely on climate forum and other organizations to influence behavior change. |
| Climate Change Adaptation \$\$ | Do minimum programme only complying on meeting legislative requirements. | <ul style="list-style-type: none"> May be seen as lagging behind others WRT risk and adaptation planning for climate change. Will need to undertake planning and adaptation work in future Knowledge and understanding of council assets at risks and solutions may be limited |

Next steps

- Staff advice on budgets [Must, Should, Could]
- Options developed
- Activity walk throughs – key projects
- Finances, program adopted
- Consultation preparation