

# ANNUAL PLAN 2023/2024

Community Consultation Document

Submissions close at 4.00 pm on  
Sunday 30 April 2023. You can submit  
online at [shape.tasman.govt.nz](https://shape.tasman.govt.nz)

# MESSAGE FROM THE MAYOR AND CHIEF EXECUTIVE

Leading Tasman is extremely rewarding. Tough decisions are part of the leadership role, one of which is balancing the needs of the district at a time when affordability is a key issue.

The increase in the cost of living driven by inflation and interest rates is already impacting on households and businesses. This is unlikely to change over the next 12 months. In putting this plan together for the 2023/2024 year we are very aware of the current pressure on the community. We are facing the same issues of increasing interest rates, inflation, and supply chain disruptions.

This Annual Plan sets out how we will fund Council operations, manage our assets, and fund our statutory obligations. As an organisation that delivers essential services to the community, we must be responsible and manage our delivery. We need to either increase revenue through higher rates, fees and charges or reduce what we can do for the community.

Our dual role as a combined Regional and District Council increases that pressure. Tasman District Council oversees one of the largest areas in the country; sustainable ongoing management of the environment as well as providing for the needs of a rapidly growing urban district requires a fine balancing act and with that there are responsibilities we cannot defer or shy away from.

At the start of this process, we looked at all our costs and budgets to find ways of minimising the increase to rates while continuing to deliver on both our obligations and the expectations of our residents and ratepayers. We also considered the services and capital improvements needed by our Tasman community.

In framing budgets, we have done our utmost to balance all the short, medium, and longer-term needs. For example, some of the cuts we looked at would bring short-term gains but create long term higher costs and disruption.

In this document, we explain the proposed changes to the Long-Term Plan 2021 – 2031 and the choices we have had to make in framing these proposals.

This is a consultation; we rely on your feedback to form the final plan. Please tell us what you think.



**Tim King**  
Mayor



**Janine Dowding**  
Chief Executive Officer



In putting this plan together for the 2023/2024 year we are very aware of the current pressure on the community. We are facing the same issues of increasing interest rates, inflation, and supply chain disruptions.



# PURPOSE OF THE ANNUAL PLAN



Every year we must prepare an Annual Plan that is guided by our Tasman 10-Year Plan that in turn gets reviewed every three years. This may seem like a lot of planning, but it ensures we are managing our finances properly and responding to any changes like government direction, economic and climate driven change.

This Annual Plan considers our budgets for the 2023/2024 year. Our 10-Year Plan serves a similar process over a longer period. This is an opportunity for you to share your view about the changes we are suggesting for the 2023/2024 year.

We have all faced some testing times recently. The significant economic impact of high-interest rates and inflation, combined with the uncertainty driven by legislative and structural reforms, means we've had to focus and fine tune our decision-making.

We are strongly affected by economic pressures as well because we are a Unitary Council – we have the dual role of a Regional and a District Council.

This means our Annual Plan needs to provide for two very important areas – the environmental sustainability of our region and the services we deliver to a rapidly growing urban area.

The bottom line is rising costs affect us all and while we're not comfortable about passing them all on, we still need to deliver essential services which must be paid for.

We have focused on how we can cost-effectively provide the services our district needs, but there are some tough choices that need to be made. There is clearly some prioritisation that needs to happen, and we would like to have your input in this process.

## CHANGES FROM TASMAN'S 10-YEAR PLAN

Our plans for the 2023/2024 year were mapped out in our Tasman 10-Year Plan 2021 – 2031 which we completed in mid-2021. However, since that time there have been significant changes affecting our operations.

### INFLATION HAS INCREASED SIGNIFICANTLY

The annual Consumer Price Index (CPI) was 3.3% in mid-2021. It is now 7.2%<sup>1</sup>. The price index that better reflects our costs, the Local Government Cost Index was 2.4% in mid-2021. In the most recent figures (mid-2022) it was 7.6%.

### INTEREST RATES ARE CONSIDERABLY HIGHER

We borrow money to pay for capital works to spread the costs over the generations who benefit. Higher interest rates increase the costs of servicing these loans. The Official Cash Rate<sup>2</sup> has increased from 0.25% in mid-2021 to 4.75%<sup>3</sup> currently.

### THE CURRENT LABOUR SHORTAGE IS AFFECTING US

We rely on skilled staff to be able to deliver services to our community. In the current labour market conditions, we are having to pay more to attract and keep these skilled staff.

### OUR DEPRECIATION BILL HAS INCREASED SUBSTANTIALLY

Depreciation provides the funding for the replacement of assets when they wear out. It is largely due to inflation that the value of our assets has increased markedly in recent years. This can look good on our balance sheet, but it increases the funding we need to collect to replace the assets in the future.

Many of these factors that have led to the increase in our costs are also impacting the households and businesses in our District.

1. December 2022 quarterly inflation rate. Source: Statistics NZ.

2. Like householders the interest rate we pay on borrowing is significantly higher than the Official Cash Rate.

3. As at 1 March 2023.

# PROPOSAL

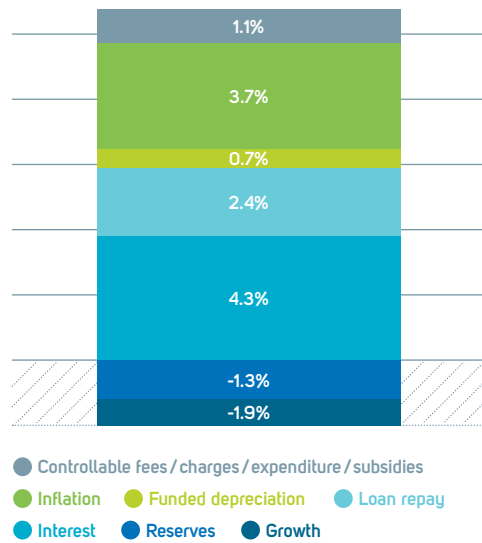
We are proposing a rates revenue increase of 9.06%. We know this is high and we are asking you to pay more for essentially the same services. We have considered a lot of options and feel this is the best way forward given the choices we have to make. Many of the other choices we looked at may lessen the increase in 2023/2024 but they were short-term measures that will cause bigger impacts and further rates increases in later years.

In recent years our rates revenue increases have been small compared to what we have to do this year and we had a zero percent increase in 2020/2021 to cope with the Covid pressures. We have constrained rates increases in the past few years despite higher costs, but we have now run out of ways to do this.

Looking around the country we are not alone with nearly every other council experiencing the same issues as us. The majority are proposing rates rises at a similar level to ours, or in some cases, substantially higher.

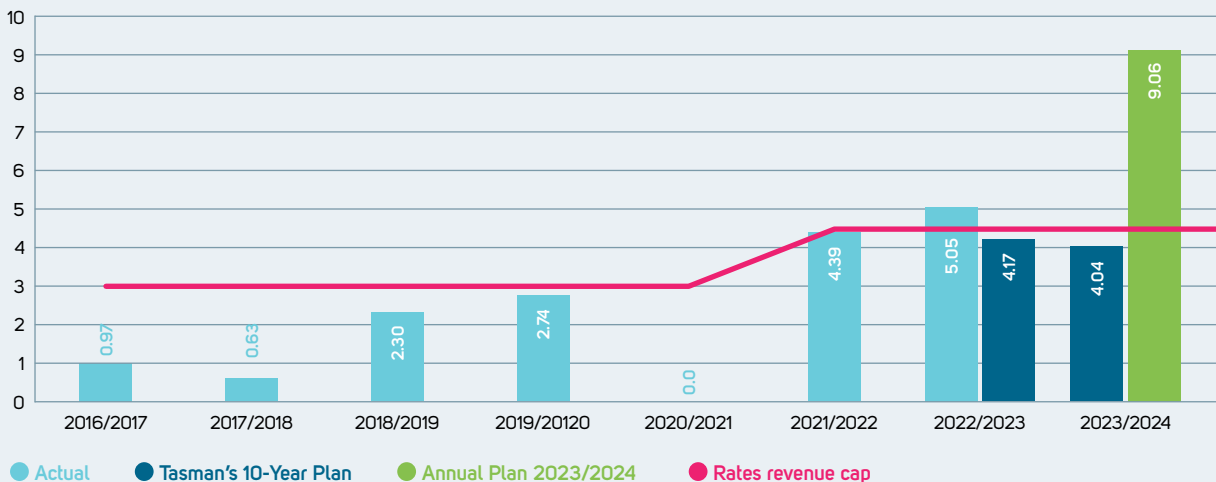
The following chart shows recent rates revenue increases and the proposed increase for 2023/2024, along with the levels we had planned in the Long-Term Plan and the cap we set in our Financial Strategy.

Financially sustainable – 9.06% rate increase



**Note the proposal presented requires rates revenue to increase higher than the cap in our Financial Strategy.** This is largely driven by cost increases that are outside our control. We have considered options to reduce the rates revenue increase to a level below the cap but do not believe this is financially sustainable. We do not propose to amend the cap in our Financial Strategy now, but we will critically review this cap as part of revising the financial strategy in Tasman's 10-Year Plan 2024 – 2034.

Rates income increase (%)



# ACROSS THE BOARD CHANGES

To help get the level of rates revenue down to 9.06% we are proposing to make several reductions to the budgets we had planned for 2023/2024.

## REDUCE DIRECT DAY-TO-DAY OPERATING BUDGETS

These budgets that we set out in Tasman's 10-Year Plan were adjusted through the Annual Plan 2022/2023. That adjustment was the result of inflation, higher interest rates and higher insurance costs, amongst other things.

However, direct operating budgets have not kept pace with inflation over the past two years and as a result they have already taken a cut of 8.8% in real terms when considering the Local Government Cost Inflation.

Despite this, we have managed to freeze most of these direct operating budgets at the current year's level and under adjusted them for the expected inflation in the next year by 1%. This means these budgets will take a further cut in their buying power over the next year.

There are some direct operational budgets that can't be reduced by this level because the risks of doing so is considered too great, or where we have contracts already in place.

The consequences of these budget changes are that we will have to operate more efficiently and pull back on any work that is 'nice to have' to focus on high-priority areas. It means we will also have less ability to respond to shocks, and less flexibility to respond to requests from the public. Making these reductions increases the risk of running a financial deficit at year-end if some costs are higher than budgeted.



Over the past two years our fee increases have not kept pace with inflation. We plan to increase most fees by 10% in 2023/2024 to catch up with their earlier under adjustment and the predicted the level of inflation in 2023/2024.



## REDUCE PLANNED NEW STAFF APPOINTMENTS

In Tasman's 10-Year Plan we forecast and budgeted to create 11 new staff positions funded by rates and charges in 2023/2024. We have reviewed the necessity for all these positions and have decided to limit them to those that are considered vital to the sustainable operation of our everyday functions. The number of new rates and charges funded positions has been reduced to six.

In addition to these, there are several new positions planned for next year which will be funded by the Government (through Waka Kotahi, Better Off funding, or Freshwater Improvement Funding).

## INCREASE OUR FEES AND CHARGES

We generally apply fees and charges where the benefits from our services are gained by private individuals or organisations. These fees are normally adjusted by inflation on an annual basis.

Over the past two years our fee increases have not kept pace with inflation. We plan to increase most fees by 10% to catch up with their earlier under adjustment and the predicted the level of inflation in 2023/2024. This level of increase is similar to the size of increase for rates in our proposal. There are some fees which have not been adjusted for inflation to this level. More information on fees and charges is on page 17.

# ACTIVITY SPECIFIC CHANGES

We are planning multiple budget reductions that apply to specific services we provide.

## DON'T INCREASE THREE WATERS DEPRECIATION

Depreciation is used as a tool to ensure all those ratepayers who benefit from an asset (such as a pipe, road or water treatment plant) pay a share of the costs of renewing that asset when it reaches the end of its life. In the last year, our assets have undergone regular revaluations and on occasion this has resulted in our asset values increasing substantially, which means the amount of money we need to fund for their replacement has jumped up. Over the last seven years, we have been gradually transitioning to funding depreciation. Before that, we did not collect funds to renew assets but instead borrowed money when they needed replacing. We are proposing to keep the proportion of our three waters assets that we collect money for depreciation on at the same level as 2022/2023, rather than continuing to increase this in 2023/2024. Under the Water Services Act 2022 decisions of this nature must be agreed by the Three Waters Transition Unit and we have sought their approval of this proposal.

## DISCONTINUE MUDCAKES AND ROSES PUBLICATION AND FUNDING FOR FOUND DIRECTORY

Mudcakes and Roses is a monthly magazine aimed at the over-fifties that we (and Nelson City Council) have published in partnership with a private company. Found Directory is an online directory of community groups and venues in Nelson Tasman (again jointly funded with Nelson City Council). We plan to drop funding for both these initiatives.

### Waimea Community Dam cost increase

Waimea Water Limited has advised us of further cost increases for completing the Waimea Community Dam of \$3.6 million. We are negotiating with Waimea Water Limited, funders and the other shareholder, Waimea Irrigation Limited, about how these additional costs will be funded. It is likely that the outcome of these negotiations will impact rates and/or debt levels in the final Annual Plan 2023/2024.

## REDUCE BUSINESS PLANNING FOR THE THREE WATERS

At the time this document is being drafted the Government's intention is that the three waters (waste, drinking and storm water) will be run by water entities from 1 July 2024. This means we will no longer handle supplying these services. We are currently liaising with the Three Waters Transition Unit and providing it with information on the maintenance and future development needs of Tasman's infrastructure networks.

In normal circumstances, we would be carrying out business planning for the activities as part of Tasman's 10-Year Plan 2024 – 2034 process. However, because it's unlikely we will need to carry out this detailed planning, we can reduce the forecast costs of this work.

## RE-PHASE PARTS OF THE DIGITAL INNOVATION PROGRAMME

We have an extensive programme underway to modernise our technology and computer systems to enhance the way we deal with customers and improve efficiency. Due to constraints of recruiting and keeping skilled technology staff, and limitations in the capacity of suppliers, we plan to reschedule parts of this programme and defer some planned expenditure in 2023/2024.

We are going through a multi-year programme of digitising paper records. We plan to slow this over the next year to help reduce costs in the short-term.



## USE BETTER OFF FUNDING TO OFFSET SOME PLANNED COSTS

As part of the three waters reform programme we have benefitted from some Better Off funding from the Government. We will use \$500,000 of this funding in the next year to offset some of the added costs of the Water Services Act to reduce the burden on ratepayers and water users. In addition, there are several other applications of the Better Off funding that we can use to offset costs that we would otherwise have to source from rates and charges.

## REDUCE RIVER MANAGEMENT

We plan to reduce the budgets next year for managing rivers. We will have less capacity to manage our maintained rivers (Rivers X and Y<sup>4</sup>), or to support landowners in managing rivers, streams and creeks on private land (River Z<sup>5</sup>).

In Tasman's 10-Year Plan, we had expected and budgeted to prepare management plans for our main rivers starting in the next year. These new plans are designed to help us manage these rivers more effectively in the future using a range of tools. While we have started this work already, we are not proposing to use the additional funding that was planned for this work next year.

## LOWER BUDGETS FOR THREE WATERS MAINTENANCE<sup>6</sup>

To help relieve the pressure on rates we plan to reduce our reactive maintenance budgets for water supply, wastewater and stormwater. This budget is used to respond to immediate maintenance issues such as leaks and overflows. If these events occur during the 2023/2024 year, we will have to undertake repairs (as normal), but we run a higher risk of exceeding available budgets which may contribute to an overall deficit at the end of the year. By making the changes to maintenance we are increasing our budgetary risk.

We also plan to reduce our reticulation routine maintenance in drains and creeks. However, this means that there is some risk that in case of heavy rainfall these stormwater channels will have some capacity reduced by more vegetation growth than normal.

4. River X & Y refers to major rivers such as the Waimea, Motueka, Riuwaka, Moutere, Takaka and Aorere rivers as well as several tributaries of these. The Council manages these rivers with funding provided by a differential rating system.

5. River Z refers to rivers, streams and creeks that are on private land (including Department of Conservation, Land Information New Zealand lands). They are typically owned and maintained by private landowners with the Council part funding this work at times.

6. This proposal is subject to review and approval by the Three Waters National Transition Unit.



## SLOW OUR PROGRAMME TO REDUCE STORMWATER ENTERING WASTEWATER SYSTEMS

Stormwater enters wastewater infrastructure through incorrect plumbing on private property or through breaks in wastewater pipes. This is a problem because the increased flow of water through the wastewater pipes during heavy rain causes wastewater overflows, which negatively affect the environment and can create public health risks.

We have ongoing programmes to reduce this infiltration, including using CCTV inspections of pipes to find the causes and locations of problem, but to help reduce the pressure on rates further, we plan to slow this programme in the 2023/2024 year.

## REDUCE RENEWALS OF PARKS AND GARDEN ASSETS

We plan to reduce the extent to which we replace assets such as park furniture in our parks and gardens in 2023/2024. This means that as some of these features reach the end of their life, they may not be replaced on a one-for-one basis.

If you support or oppose some or all of the measures we are proposing to take to reduce the rates increase, let us know by making a submission.



# OTHER OPTIONS CONSIDERED

We have considered several other ways of minimising costs to help offset the potential rates increase further. For the reasons explained below we have decided not to propose these changes.



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## 1 Not funding depreciation for some or all assets

### WHAT IS THIS?

We considered not funding the depreciation on some or all assets in 2023/2024. This would reduce the revenue we need to raise through rates in that year.

### WHY DID WE DECIDE AGAINST IT?

Not funding depreciation next year means not contributing to a fund to replace the assets when they reach the end of their lives. This will mean we have to borrow for the replacement of these assets when they reach the end of their lives. It will put pressure on borrowing ability and increase the interest we must pay (via rates). It would also mean that those receiving benefit from the services provided by the assets during their life would not be contributing to funding those assets.

## 2 Make no repayments on loans for three waters assets for the next year

### WHAT IS THIS?

We considered making interest payments only on the loans we have for three waters assets for the next year and not repaying any of the principal. This would help reduce the amount of funding we need to raise from rates. These loans, along with the three waters assets, will transfer to the new three-water entity in mid-2024.

### WHY DID WE DECIDE AGAINST IT?

Any three waters decisions of this type that we are contemplating must receive the approval of the National Transition Unit. We consider it very unlikely that this agency will approve that we don't repay any of the loans for the next year, because it will mean the Three Waters National Transition Unit will have higher loans and more repayments to make in the future. One way or another our community will be funding these loan repayments either in rates to the Council in the next year, or through service charges to the new three water entity after that.

## 3 Stop subsidising use of school pools for recreational swimming during summer

### WHAT IS THIS?

We supply a modest amount of funding to subsidise school swimming pools in rural areas of the district to open for community use during summer. This is a discretionary service and we investigated the possibility of reducing or stopping it in 2023/2024.

### WHY DID WE DECIDE AGAINST IT?

This support provides safe swimming opportunities for our rural residents who live further away from public pools. The statistics on water-related deaths and drownings in New Zealand are appalling so providing places where people can learn to swim and develop confidence in the water is especially important.



## 4 Cancelling community grants scheme

### WHAT IS THIS?

We run a grants scheme for community organisations. Grants of a few hundred to five or six thousand dollars help community groups in their activities in the community. There are several categories of grants offered: Community and economic, sport and recreation facilities, youth/children, arts, culture, heritage and museums, festivals and events, social services, environmental schemes, and emergency services. This grants scheme is discretionary, and we have weighed up whether to stop it in 2023/2024.

### WHY DID WE DECIDE AGAINST IT?

On balance, we considered that the relatively small amount of funding for community organisations does an enormous amount of good. Many of the community organisations that receive funding are run by volunteers who give a great deal to the public. Our funding leverages a lot of volunteer effort. We also considered that many of these community organisations would have to reduce their services or not be able to work at all without these sorts of grants. Not providing this funding could affect the social and cultural well-being of community members.

## 5 Reducing the maintenance of some community centres

### WHAT IS THIS?

We provide community centres in several places across the district. These are focal point for many community activities including social events, meetings and recreation activities. We have considered reducing the maintenance on some of these centres for a year.

### WHY DID WE DECIDE AGAINST IT?

These are important community hubs, and it is important that they can continue to support activities into the future. Reducing or stopping upkeep on these buildings is short sighted, as not carrying out maintenance, or damage that goes unchecked can result in much higher costs later.

## 6 Significantly reducing the services we provide to the community

### WHAT IS THIS?

We looked at significantly reducing some of the services we provide to our community. This would mean that some of the services we currently provide and were consulted on through Tasman's 10-Year Plan 2021 – 2031 would not be supplied any more or would be reduced.

### WHY DID WE DECIDE AGAINST IT?

Many of the services we provide are required by legislation or are critical to our community. If we stopped providing these, we would not be following the law and could expect legal consequences. Some other services we supply are discretionary and we could choose to reduce or stop them. However, we consider these are services that are appreciated by our community and reducing them would have substantial negative effects, particularly during a period of economic hardship.

In addition, making significant reductions in services requires us to undertake a 10-Year Plan amendment. This is an involved and expensive process that would require considerable resources (funded by the community). We will be reconsidering the sustainability of our service levels anyway as part of Tasman's 10-Year Plan 2024 – 2034 process over the next year and a half.

What do you think? Let us know by making a submission.



## 7

### Selling Emissions Trading Scheme (ETS) Credits

#### WHAT IS THIS?

We hold approximately \$5 million of emissions trading scheme (ETS) carbon credits relating to our pre 1989 forests. These credits are unencumbered, meaning they are not required in the future to cover forest harvesting.

In addition, we have received \$3 million of unencumbered emissions trading scheme carbon credits relating to ETS trading in 2022.

The balance of the Council's emissions trading scheme (ETS) carbon credits is required to cover the Council's obligations as our forests are harvested. These credits are included in our forest valuations.

There is a ready market for ETS credits and some of these credits could be sold. The ETS credits are considered an investment and are covered by Council's investment policy. This balances reinvestment against releasing funds in a controlled manner to offset rates.

#### WHY DID WE DECIDE AGAINST IT?

Selling these credits would be a one-off injection of income next year. That injection would not be available in the following year and means the size of the rates rise would be even higher then.

The price of ETS credits is likely to increase in the future. If we sell credits now, we may need to purchase more credits at a later date at a higher price to offset our greenhouse gas emissions (e.g. from the landfill). Retaining the ETS credits with the ability to sell them at some point in the future provides some resiliency if we need to recover from a natural hazard event or run an operational deficit.

## 8

### Using forestry surpluses

#### WHAT IS THIS?

We have a surplus from our forestry activities of around \$20 million. We have been harvesting in some of the forests and receiving income from log sales. Part of these surpluses are already used to offset council costs and rates.

More of these surpluses could be used to reduce the demand on rates revenue.

This income stream will drop off significantly over the next few years as we move out of the harvesting stage of the forest production cycle.

Forestry surpluses are covered by Council's investment policy. Our forestry surpluses are already contributing to reducing the rates requirement next year (as they regularly do) by contributing \$285,000 to parks and reserves, \$500,000 to reduce general rates and funding of \$18.75 million over time to cover loans for the Waimea Community Dam.

#### WHY DID WE DECIDE AGAINST IT?

This surplus is mostly pre-committed. Using more of this surplus would be a one-off injection of income next year. Without making similar injections in future years this means that the following year the size of the rates rise would be even higher.

\$18.75 million of this surplus is committed to repaying loans associated with the Waimea Community Dam. In the next few months, we anticipate knowing whether all these loans will transfer to the new three waters entity. If so, we have more scope to use this income source to help offset the need for rates revenue.

The forestry surpluses are very cyclical and are used to reduce the Council's debt. Any use of them to reduce rates increases the Council's external debt at a time when interest rates are high. We are already very close to reaching the net debt cap we set for ourselves in our Financial Strategy and using these surpluses to offset rates could see us exceeding this cap.

## 9 Further lowering the budget provision for staff costs

### WHAT IS THIS?

Staff costs budgets pay the salaries of current staff and for any new positions. As noted previously we have already reduced the number of new positions we had planned for in Tasman's 10-Year Plan for 2023/2024 to help ease the rates burden.

### WHY DID WE DECIDE AGAINST IT?

Reducing the level of new rates funded new positions further would threaten our ability to continue to deliver current services and meet statutory requirements.

The labour market is currently very tight and there is a lot of competition for skilled staff. If we do not pay competitive wages and have competitive conditions, we are likely to lose skilled and experienced staff and find them hard to replace.

## 10 Not increasing charges to catch up on previous under adjustments for inflation

### WHAT IS THIS?

We are proposing to increase most of our fees and charges by 10% to allow for inflation. This is to catch up with them being under-adjusted for inflation over the last two years. We could choose a lower level of inflationary adjustment for our charges.

### WHY DID WE DECIDE AGAINST IT?

If we adjust our charges by a lower level, we will collect less revenue from this source. This reduction in funding will need to be made up from rates funding so would further increase the rates levels for residents and businesses.

If you think we should use some or all of these measures, let us know by making a submission.



## EFFECT ON RATES

### What do these changes mean for your rates?

We are proposing an overall rates revenue increase of 9.06%. This is how much additional rates revenue the Council will receive from existing properties. The impact of the rates increase on individual properties will vary depending on your property value, type, location and the services you receive. Some properties will have rates increases that are higher than 9.06% and some lower.

You can check out an estimate of the rates impact on your property by using our rates calculator at [tasman.govt.nz/rates-search](https://tasman.govt.nz/rates-search).

The below table shows the proportion of the rating units across the District that will receive rates changes of different levels. The dollar impact of volumetric water rates depends on the volume of water used by individual rating units.

Change in rates	Proportion of rating units
Decrease	0%
Increase between \$0 – \$200	16%
Increase between \$201 – \$400	67%
Increase between \$401 – \$600	11%
Increase greater than \$600	6%

# EXAMPLE PROPERTIES

These examples provide a general indication of the proposed rates different property types will experience under our proposal.



## COMMERCIAL AND RURAL RATES EXAMPLES

### COMMERCIAL HIGH ST, MOTUEKA

% change from 2022/2023 **+9.94%**

CV: \$1.65 million  
2022/2023 Actual rates: \$7,132  
2023/2024 Proposed rates: \$7,840

No metered water

Weekly increase **\$13.63**

### HORTICULTURAL RICHMOND

% change from 2022/2023 **+8.77%**

CV: \$1.11 million  
2022/2023 Actual rates: \$4,198  
2023/2024 Proposed rates: \$4,566

Metered water – uses 177m<sup>3</sup>

Weekly increase **\$7.08**

### LIFESTYLE WAKEFIELD

% change from 2022/2023 **+15.69%**

CV: \$2.37 million  
2022/2023 Actual rates: \$7,357  
2023/2024 Proposed rates: \$8,511

3m<sup>3</sup>/day restrictor, Eighty-Eight Valley rural water supply

Weekly increase **\$22.20**

### LIFESTYLE HOPE

% change from 2022/2023 **+8.07%**

CV: \$1.23 million  
2022/2023 Actual rates: \$5,299  
2023/2024 Proposed rates: \$5,727

2m<sup>3</sup>/day restrictor, rural water extension to Urban Water Scheme

Weekly increase **\$8.22**

### DAIRY FARM COLLINGWOOD, BAINHAM

% change from 2022/2023 **+11.98%**

CV: \$7.02 million  
2022/2023 Actual rates: \$16,862  
2023/2024 Proposed rates: \$18,882

No metered water

Weekly increase **\$38.84**

### INDUSTRIAL CARGILL PL, RICHMOND

% change from 2022/2023 **+8.87%**

CV: \$1.00 million  
2022/2023 Actual rates: \$4,612  
2023/2024 Proposed rates: \$5,021

Metered water – uses 51m<sup>3</sup>

Weekly increase **\$7.87**

### PASTORAL FARMING WAKEFIELD

% change from 2022/2023 **+8.40%**

CV: \$2.81 million  
2022/2023 Actual rates: \$9,614  
2023/2024 Proposed rates: \$10,422

Water supply dams, Wai-iti Valley Community Dam

Weekly increase **\$15.53**

## RESIDENTIAL RATES EXAMPLES

### MURCHISON



% change from 2022/2023 **+5.51%**

CV: \$265,000

2022/2023 Actual rates: \$2,736

2023/2024 Proposed rates: \$2,887

Metered water – uses 131m<sup>3</sup>

Weekly increase **\$2.90**

### TĀKAKA



% change from 2022/2023 **+8.04%**

CV: \$465,000

2022/2023 Actual rates: \$2,803

2023/2024 Proposed rates: \$3,028

No metered water

Weekly increase **\$4.33**

### WAKEFIELD



% change from 2022/2023 **+7.33%**

CV: \$690,000

2022/2023 Actual rates: \$4,165

2023/2024 Proposed rates: \$4,470

Metered water – uses 185m<sup>3</sup>

Weekly increase **\$5.87**

### MOTUEKA



% change from 2022/2023 **+10.26%**

CV: \$590,000

2022/2023 Actual rates: \$3,387

2023/2024 Proposed rates: \$3,734

Metered water – uses 87m<sup>3</sup>

Weekly increase **\$6.69**

### BRIGHTWATER



% change from 2022/2023 **+7.20%**

CV: \$610,000

2022/2023 Actual rates: \$3,912

2023/2024 Proposed rates: \$4,194

Metered water – uses 117m<sup>3</sup>

Weekly increase **\$5.42**

### MĀPUA



% change from 2022/2023 **+10.28%**

CV: \$770,000

2022/2023 Actual rates: \$2,549

2023/2024 Proposed rates: \$2,811

No metered water or Council wastewater connection

Weekly increase **\$5.04**

### RICHMOND



% change from 2022/2023 **+8.09%**

CV: \$800,000

2022/2023 Actual rates: \$4,248

2023/2024 Proposed rates: \$4,592

Metered water – uses 103m<sup>3</sup>

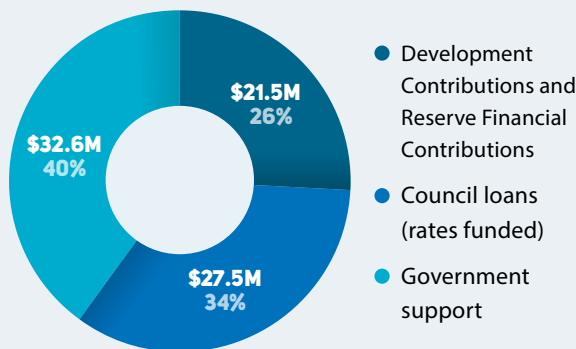
Weekly increase **\$6.61**

More property examples and our draft Funding Impact Statement can be found at [shape.tasman.govt.nz](https://shape.tasman.govt.nz)

# WHAT IS PLANNED FOR 2023/2024?

In 2023/2024 we are planning a capital programme of \$81.6 million. The capital programme refers to our programme of renewing or building new assets. This planned capital programme is higher than in recent years, largely because a significant proportion of it is being funded by Government so does not directly impact rates.

## Capital funding sources

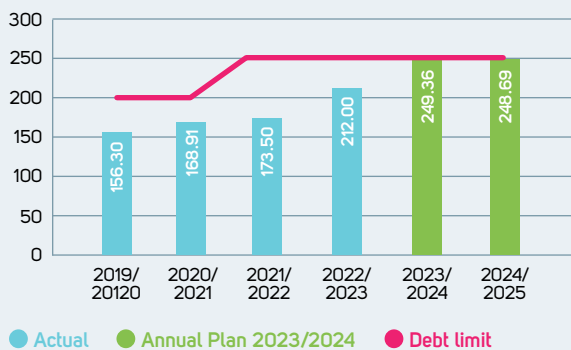


The planned capital programme will be challenging to fully deliver next year. However, as part of the Government funding for this asset development, we have received funding for additional project managers to drive its delivery.

The planned capital programme is forecast to increase our debt level to \$248.92 million. This is a little below our self-imposed debt cap of \$250 million.

The Council has the capacity to borrow an additional \$130 million above the debt cap level, if required for instance to fund recovery from a natural hazard event.

## Net debt (\$ million)



Here are some of the projects and programmes planned for next year.



## TRANSPORT

- New public transport service starting in July 2023, to Motueka (via Māpua and Tasman) and Wakefield (via Brightwater and Hope) alongside an increased frequency of service along existing routes. 80% of the buses used will be electric to contribute to our climate change mitigation efforts. There will also be onboard wifi, and real-time digital displays at key locations and via the web.
- Significant improvements to cycling and walking infrastructure in Richmond, Motueka and Māpua. This will include both permanent and temporary separated and on-street cycle lanes, as well as intersection changes to improve the walking and cycling experience and ensure people making trips within our urban centres can choose how they travel. This programme has received significant funding from the Government and Waka Kotahi.
- Increased road maintenance. We have increased our budget for road maintenance in 2023/2024 by \$1 million to begin to address the deteriorating condition of sealed roads.

## WATER SUPPLY

- Eighty-Eight Valley reticulation upgrades to supply some Eighty-Eight Valley properties from the Wakefield water supply to provide an improved service.
- Combining Golden Hills Treatment Plant and O'Connors Treatment Plant into one single treatment plant for Redwood Valley to provide an improved service.
- Brightwater and Wakefield reticulation upgrades, which are part of a wider strategy to optimise future water supplies between Wakefield and Richmond.

## WASTEWATER

- Replacement of the wastewater rising main from Pōhara Valley Road to Four Winds Pump Station in Golden Bay.
- New wastewater rising main from Grey Street to Motueka bridge to service the growth areas in Motueka West.

## STORMWATER

- Further land acquisition for future widening of creeks and environmental improvements to manage stormwater and cater for future growth in Richmond West and South.
- Continuing work on a new bridge on State Highway 60 across Borck Creek and a new stormwater pipe between High Street and Woodland Stream to service growth in Motueka West.
- Starting work on upgrades and widening of the following bridges to provide for growth and additional stormwater capacity:
  - » Lower Queen Street Bridge across Borck Creek.
  - » SH6 Bridge and widening Reed-Andrews Drain through the Network Tasman site.

## ENVIRONMENTAL MANAGEMENT

- Work with Nelson City Council on a joint spatial strategy that will replace the current Nelson Tasman Future Development Strategy and a joint plan that will replace both the Nelson Resource Management Plan and the Tasman Resource Management Plan with a single new plan. These are required by new legislation.
- Produce new freshwater plans with Nelson City Council to implement the National Policy Statement on Freshwater Management.
- Initial work on implementation of the Water Conservation Order for Te Waikoropupū Springs that is expected in mid-2023.
- Undertake a technical review of deep Moutere aquifers water allocation to consider the current triggers for zones, bore construction casing depth, separation distances between bores, drawdown effects and permitted activity takes from deep bores.

## RIVERS

- Further improvements to the Motueka stopbanks at Peach Island and Lower Motueka – the scope of this work will be determined by whether we receive additional external funding.

## WASTE MANAGEMENT

- Minor improvements to the disposal area for general waste and greenwaste at the Murchison Resource Recovery Centre.

## RESERVES AND FACILITIES

- Develop designs for the Motueka Community Pool using Better off Funding.
- Work with Nelson City Council on the location and site establishment for a new regional cemetery.
- Carry out planting and upgrading of recreation facilities and wayfinding at Kingsland Forest Park.
- Replace the fire BBQs with gas BBQs at Moturoa / Rabbit Island to reduce fire risk.

## COUNCIL ENTERPRISES

- Upgrade Port Tarakohe by repairing the concrete spalling, installing new fendering and (subject to costs) installing four new large vessel berths.
- Develop shared office facilities at Tākaka to provide offices, kitchen and toilet for hire and staff use.

## PROJECTS DEFERRED



These are projects we had planned for next year in Tasman's 10-Year Plan 2021–2031, but now do not plan to deliver in 2023/2024.

### MOTUEKA COMMUNITY POOL

We had planned \$3 million funding for the Motueka Community Pool in the next year. This has been deferred and will be re-considered as part of Tasman's 10-Year Plan 2024 – 2034 because the design work is not sufficiently advanced to utilise the funding next year.

### LORD RUTHERFORD WASTEWATER PUMP STATION

We had planned to upgrade this pump station in 2023/2024 but the budget has been reallocated to other projects, that are part of the same programme to achieve a better outcome.

# SUPPORT FROM GOVERNMENT FUNDING

In 2023/2024 we expect to benefit from substantial amounts of Government support from a range of different funding schemes. Much of the funding is for building new infrastructure and in a number of cases the support includes funding to pay for the project management required to deliver the work.

We anticipate receiving funding from the following sources:

## BETTER OFF FUNDING

The Department of Internal Affairs has approved \$5.64 million to benefit community and iwi outcomes in Tasman through tranche one of the Government's Three Waters Better Off Support Package. The projects are spread across every ward and include investment in community facilities, active and public transport, supporting recreation activities, meeting the new requirements of the Water Services Act 2021 and a Te Taihū iwi / Council cadetship scheme.



## WAKA KOTAHI

Substantial funding will be provided to support walking and cycling projects in Richmond, Motueka and Māpua through the Streets for People and Transport Choices programmes. This is in addition to the regular funding Waka Kotahi provides to support our local roads.

## CLIMATE EMERGENCY RESPONSE FUND (CERF)

This multi-year fund to address the long-term nature of climate change challenges will provide resources to support walking and cycling projects in Richmond and Motueka.

## JOBS FOR NATURE

We will continue to receive funding from the Ministry for the Environment for a range of environmental projects in Tasman.

## FRESHWATER IMPROVEMENT FUND

We have secured support from this fund designed to assist the management of lakes, rivers, streams, groundwater and wetlands.

## INFRASTRUCTURE ACCELERATION FUND

We will also receive limited funding from Kainga Ora to support our planned stormwater, wastewater, and transport infrastructure to enable housing development in the southwest quadrant of Motueka.



# SUPPORTING INFORMATION

We have used the following list of supporting documents to inform this consultation document and these are available online at [shape.tasman.govt.nz](https://shape.tasman.govt.nz).

- Full set of rates example properties
- Prospective financial statements
- Prospective funding impact statement
- Prospective financial regulations benchmarks
- Prospective reserve funds
- Prospective funding impact statement (rates)



## CHANGES TO OUR FEES AND CHARGES

One of the ways we can reduce the size of rates increases to the whole community is by increasing the charges we make to the users of specific services. Fees and charges are user-paid services where the use of which varies based on demand. In general people have choices about the extent to which they use these services and their associated costs.

### ADJUSTMENT FOR INFLATION

We have under-inflated our fees and charges over the last couple of years. To ensure that the contribution to the cost of services from fees and charges is maintained we are proposing to increase most fees by 10% in 2023/2024 for inflation. This increase is intended to catch up for the under adjustment in the last couple of years and adjust for inflation in the upcoming year.

We are not planning to increase some fees by 10% for inflation for example where the fee is set by statute or the fee is very small and this inflation adjustment is impractical. In other cases fees have increased by more than 10% to either align with the Nelson City Council fees for the same activity, to better reflect the cost to the Council of providing the service or where there is a market level to keep pace with the market. These are detailed in the Draft Schedule of Fees and Charges, available at [shape.tasman.govt.nz](https://shape.tasman.govt.nz).

Some of the larger fee increases are for levies in building consents, property information, corridor access requests and traffic management plan approval on roads, and burials at cemeteries.

If you want to have a say on any of the fees proposed, let us know by making a submission.



# HAVE YOUR SAY ON THE ANNUAL PLAN 2023/2024

This consultation document sets out options on how we plan to respond to the cost pressures on the Council from inflation, higher interest rates, labour market pressures and increases in depreciation.

We need your feedback before submissions close at 4.00 pm on Sunday 30 April 2023

## THERE ARE MANY WAYS FOR YOU TO ENGAGE WITH US:



Complete a submission form or upload a video submission online at [shape.tasman.govt.nz](https://shape.tasman.govt.nz).



Complete the submission form on the following page and drop it in to any Tasman District Council service centre or library, or send it back to us via Freepost.



Send us an email to [LTP@tasman.govt.nz](mailto:LTP@tasman.govt.nz)



# ANNUAL PLAN 2023/2024 SUBMISSION FORM

Submissions  
close at 4.00 pm  
on Sunday 30  
April 2023

## YOUR DETAILS

Name \_\_\_\_\_ Organisation (if applicable) \_\_\_\_\_

Address \_\_\_\_\_

Email \_\_\_\_\_ Phone \_\_\_\_\_

Would you like to speak to your submission at a public hearing on 16/17 May 2023?  Yes  No

*We are collecting submitters' demographic information to help understand who in our community is participating in this consultation and to help us improve our processes in the future. If you do not feel comfortable providing these details, leave them blank.*

What gender do you identify as?  Female  Male  Gender diverse  Prefer not to say

What year were you born? \_\_\_\_\_ What ethnicities do you identify with? \_\_\_\_\_

Please note: all submissions including submitters' names will be made available to councillors and to the public on our website and at Council offices and libraries.

Attach extra pages if you need more space to write or submit online at [shape.tasman.govt.nz](http://shape.tasman.govt.nz).

Do you support the budget reductions we have made to manage the rates increase?

Some (please specify which)  All  None

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Do you think the Council should use any of the other options noted in this document to reduce the rates increase further?

Some (please specify which)  All  None

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



Are there other things you feel the Council should do to reduce the rates increase further?

Comments: \_\_\_\_\_  
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\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
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**SCHEDULE OF FEES AND CHARGES**

Do you support the 10% inflationary adjustment to catch up on previous unadjustments?

Yes  No

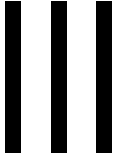
Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Do you have comments about any specific fees in the schedule?

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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Freepost Authority 172255



Tasman District Council  
Private Bag 4  
Richmond 7050

Attention: Annual Plan 2023/2024



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