



I hereby give notice that an ordinary meeting of the Full Council will be held on:

**Date:** Thursday 27 October 2016  
**Time:** 9.30am  
**Meeting Room:** Tasman Council Chamber  
**Venue:** 189 Queen Street  
 Richmond

## Full Council

# ATTACHMENTS

### ATTACHMENTS UNDER SEPARATE COVER

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TASMAN DISTRICT COUNCIL  
**ANNUAL REPORT**  
2016



*making the right choices for Tasman's future*



TASMAN DISTRICT COUNCIL  
**ANNUAL REPORT**  
2016

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# MEMBERSHIP OF COUNCIL

## Tasman Mayor



## Motueka Ward



## Lakes/Murchison Ward



## Golden Bay Ward



## Moutere/Waimea Ward



## Richmond Ward





# MESSAGE FROM THE MAYOR AND CHIEF EXECUTIVE OFFICER

Welcome to Tasman District Council's Annual Report for 2015/2016. This is our chance to tell you about what we have achieved during the year – our successes, and our challenges.

In the past year, we've seen our organisation tackle some key issues facing the District while working steadily towards the goals set out in the Long Term Plan 2015 – 2025. While we've particularly focused on the goals to reduce debt and improve Council's financial resilience, we've also worked hard to make sure communities have been able to enjoy the facilities, parks, events and services that make Tasman such a great place to live.

Along with maintaining all our usual assets and services, we've been able to invest \$26 million in capital works throughout the District over the past year. This includes progressing some large projects such as the Richmond Central upgrade, Golden Bay Community Recreation Facility, Motueka Wastewater Treatment Plant upgrade and the Saxton Velodrome.

While it's difficult to do justice to all that has been achieved during the year, we've highlighted some of the bigger projects, and what is new and different in the next few pages. You'll see that nearly all of the projects we deliver and services we provide enhance the lives of people or the environment in our District.

We're pleased that this Annual Report shows our financial performance is much better than forecast and we are tracking well ahead of our self-imposed rates and debt limits. We ended the year with net external debt of \$129 million compared to the Annual Plan forecast of \$173 million. The operating surplus was \$9 million better than budgeted. The positive financial outcome is a result of significant operational savings, and not having to spend all of the money budgeted for emergency works and clean ups. Also, our borrowing is less than budgeted due to some of our capital works programme being delayed, we've paid off more debt than we expected and we have more cash in the business because of ongoing population growth – among other things. Low inflation and low interest rates have also assisted us.

In the coming years ratepayers will benefit from these better-than-expected financial results. Whether that is through reduced rates, repayment of debt, carrying surpluses forward, creating reserves or spending more is a matter for the future Council to decide.

But we are confident that if we maintain a strong financial position, we can meet our aims of keeping rates increases to a minimum, building our emergency fund in readiness for future natural disasters and reducing our reliance on debt.

Pleasingly, the results in this Annual Report show we are maintaining service performance levels across our core infrastructure services, despite the funding constraints we imposed in our Financial Strategy and a 26% rise in building consents for new dwellings. Population growth in wards like Richmond, Moutere-Waimea and Motueka continues to put pressure on Council to ensure there is sufficient land, infrastructure, community facilities and services.

We've seen good support from the community for the work we do with 74% of residents satisfied with the way rates are spent on the services and facilities provided by Council. Even with generally positive feedback from the community, we know that there is still work to do in some areas to lift our performance to meet residents' expectations.

You'll see in this report that we have been working towards addressing some broader issues for the District, such as planning for population growth and developing strong partnerships with Nelson City Council.

Finally, we would like to thank the community, councillors, community board members, staff, and contractors alike for your contributions throughout the year.



**Richard Kempthorne**  
Mayor



**Lindsay McKenzie**  
Chief Executive Officer

# HOW WE'RE TRACKING



## 1. ADDRESSING RATES AFFORDABILITY

In 2015/2016 rates income rose by 2.1%, after growth, which was below the Financial Strategy limit of 3%. The Annual Plan 2016/2017 delivered a 1% rates income rise, well below the 2.96% forecast in the Long Term Plan 2015 – 2025 for the 2016/2017 year. The forecast for subsequent years continues to be below 3%.

We continued to work within the fiscal envelope set in the Long Term Plan 2015 – 2025, which imposed a limit on general rates of \$51 million per annum and targeted rates of \$46 million per annum. In 2015/2016 general rates were \$35 million and targeted rates were \$33 million.

## 2. MANAGING THE COUNCIL'S DEBT

Net external debt for 2015/2016 reached \$129 million, which is well below the \$200 million limit set in the Financial Strategy and \$44 million less than forecast in the Annual Plan 2015/2016. Debt has been reduced by directing savings from operational budgets, favourable interest and borrowing conditions, a lower opening debt position than budgeted, delays to some large capital works, and higher than anticipated income due to things like higher population growth than forecast. We've also received increased dividends which have been used to pay down debt.

As part of meeting our financial goals, we are progressively funding depreciation on assets from cash flow. We also indicated we would conduct a review of assets for potential sale in order to reduce debt. This work has been delayed as we've focused on other priorities.

## 3. DEVELOPING RESILIENT COMMUNITIES

### Part A: Providing a secure water supply

Through the Long Term Plan 2015 – 2025, we committed to continue working on developing the Waimea Community Dam project to create a secure water supply for Waimea water users. The Plan allocated \$25 million over the 10 years towards it. During the past financial year we spent approximately \$600,000 on progressing this project. Further funding and governance decisions have yet to be made on the Waimea Community Dam. The community can expect further consultation prior to a final decision to proceed. The Long Term Plan 2015 – 2025 also committed Council to review options to improve water conservation, and this work is set to commence in 2016/2017.

### Part B: Hazard Planning and Provisions to Recover from Disaster Events

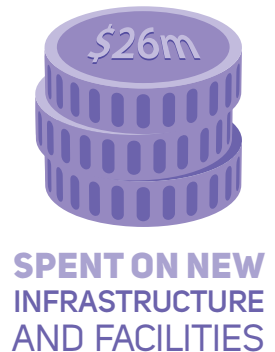
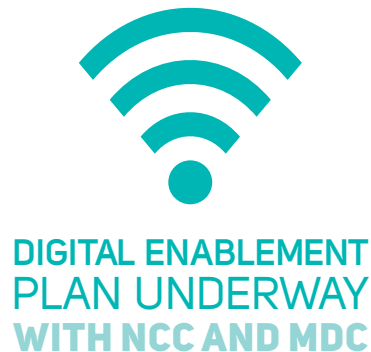
Hazard planning has been focused on developing the Richmond Stormwater Catchment Management Plan. We also allocated \$1.24 million in the 2015/2016 budget towards the Disaster Recovery Fund. These funds were not used during the year due to favourable weather. The target for the fund is \$6.5 million. At the end of 2015/2016 total funds reserved for Disaster Emergencies totalled \$4.9 million.

## 4. RESPONDING TO POPULATION GROWTH

### Part A: Providing sufficient land and services

Tasman's population was projected to rise from 47,898 in 2015, to 48,292 in 2016. Growth is not

# ON THE KEY ISSUES



occurring evenly across the District. The areas in and around Richmond, Brightwater, Wakefield, Mapua and Motueka are experiencing the highest levels of growth. In the last year, building consents for dwellings rose by 26% from the previous year. This is a significant increase and impacts how we provide services, where they are provided and how we plan for the future. A review of Councils Growth Strategy is underway in 2016. We have also initiated a number of zone plan changes, including for Richmond, Brightwater and Wakefield to enable future growth to be accommodated.

We spent approximately \$26 million on capital works over the last year including local road improvements, the Motueka Wastewater Treatment Plant upgrade, completion of the Richmond Water Treatment Plant, and starting works on the Golden Bay Community Recreation Facility and Saxton Velodrome, among many others. Further extensions of infrastructure are planned for Richmond South, Richmond West, Motueka and consolidation of development around the existing settlements of Mapua and Wakefield.

#### **Part B: Development contributions policy changes**

The Development Contributions Policy was amended through the Long Term Plan 2015 – 2025 to incorporate legislative changes and increase charges by 18% overall. Development contributions and reserve financial contributions for 2015/2016 provided \$4.7 million income to Council. The list of projects that are funded by Development Contributions is included in the Long Term Plan 2015 – 2025. We will review the Development Contributions Policy prior to the development of the next Long Term Plan (2018 – 2028).

## 5. MAXIMISING REGIONAL OPPORTUNITIES

Council is seeking to maximise regional opportunities and benefits from its investments to ensure efficient delivery of services through collaboration with Nelson City Council.

Activities that have further developed regional collaboration in the past year include the proposal for a joint committee for a regional landfill, work on a shared roading contract process, and a shared Land Development Manual that will set the same standards for development across the two councils.

We've also been working with Nelson City Council and Marlborough District Council on the Digital Enablement Plan (DEP). The DEP aims to achieve enhanced high-speed broadband and internet connectivity across the regions.

We remain committed to progressing a memorandum of understanding with each or all iwi in Te Tau Ihu (top of the South) and have been in discussions with several iwi over the past year.

While we haven't undertaken any specific review of existing funding of 'out of Tasman District' activities, we continue to ensure that any out of District funding spent does deliver outcomes for Tasman residents. No new out of District funding activities have been entered into during the year.

Tasman District and Nelson City Councils have held discussions during the year on the future governance arrangements for Saxton Field. The current proposal, which will be considered by both councils following the October 2016 elections, is for a new joint committee between the two Councils to be formed to govern the Saxton Field complex.

# PART 1 OVERVIEW

# A YEAR IN REVIEW: OUR HIGHLIGHTS FROM 2015/2016

## 1. DELIVERING MORE RECREATION OPPORTUNITIES TO OUR COMMUNITIES

Along with maintaining the recreation facilities we already have, we've been working on the following new projects:

### THE NEXT STAGE OF TASMAN'S GREAT TASTE TRAIL

The next stage of Tasman's Great Taste Trail – from the Wai-iti domain through Spooner's Tunnel to Norris Gully – opened in April 2016. This stage of the Trail has been made possible by the contributions of landowners, volunteers, Nelson Tasman Cycle Trust, donations, funding from the National Cycleway Project Fund and Tasman District Council.

A survey carried out early this year shows Tasman's Great Taste Trail is growing in popularity and having positive social and economic benefits for our District and wider region. The research shows a marked increase in rider satisfaction – 94% in 2016 up from 88% in 2015.

### PROGRESSING DEVELOPMENT OF SAXTON FIELD

We're part way through constructing a new cycling facility for the Nelson/Tasman region, which includes a new velodrome. The Saxton Velodrome will be a community facility suitable for cyclists of all ages, skills and fitness levels. The velodrome will be open to use for the general public.

The project is being funded by Nelson City and Tasman District Councils, which are contributing 80% of the total cost. The Saxton Velodrome Trust is charged with raising the remainder (approximately \$320,000). The project received a significant funding boost with The Canterbury Community Trust (now Rata Foundation) providing a \$100,000 grant. Tasman District Council is overseeing the \$1.6 million project, situated at Saxton Stadium. Despite some delays due to weather holding up earthworks, construction is expected to be completed in early 2017.

Complementing the Saxton sports field facilities is a new toilet and changing facility at Avery's Field.

This is a welcome addition for the many children and athletes who regularly play sports there. We have also developed new sportsfields to the south of the Velodrome, which are now known as "Champion Green".

### CONSTRUCTING THE GOLDEN BAY COMMUNITY RECREATION FACILITY

Physical progress on the new recreation and community centre at Golden Bay is underway. We have been actively planning for the new facility since 2010, in partnership with the Golden Bay Shared Recreation Facility group (GBSRF). The building in Takaka's Golden Bay Recreation Park will house a gymnasium with indoor netball court, two outdoor netball courts, two squash courts, toilets, changing rooms, and community and function rooms. We have a budget of \$3.32 million towards the total project, with the community raising an additional \$830,000 to see it completed. These figures include \$150,000 to pay for site remediation, after work on the project was delayed due to unexpected ground conditions.

We're also working with Heritage New Zealand on a decision to remove or keep the existing grandstand.

### REVIEWING THE MOTUROA/RABBIT ISLAND RESERVE MANAGEMENT PLAN

Consultation on proposals for the future of Moturoa/Rabbit Island started in November 2015. Over the summer of 2015/2016, 660 individuals and groups let us know what they love about Moturoa/Rabbit, Rough and Bird Islands, what they think should change and what should stay the same. That feedback was used to develop the Draft Moturoa/Rabbit Island Reserve Management Plan. This Plan was then formally consulted on in June and July 2016.

### DEVELOPING WALKWAYS AND RESERVES

The network of walkways and reserves expanded across the District during 2015/2016, with four new reserves added, and walkways established in Wakefield from Edward Street to Faulkner Bush; and in Motueka we have completed a new concrete path through Eginton Park linking Moffat and Pethybridge Streets; and we have completed a new walkway link from Michael Myers Street to Eginton Street. In Richmond a walkway from Meadow Lane to Forget-Me-Not Lane was established.



Takaka's Memorial Garden redevelopment was completed and planning for a new playground at the memorial reserve got underway.

A new walkway, plantings and picnic tables are planned for part of the Ligar Bay esplanade to make it an even nicer spot for picnicking and relaxing. Council's reserve staff consulted on a draft landscaping plan for the Ligar Bay esplanade in February 2016. We're hoping to carry out the landscaping in a staged approach over the next two to three years.

## 2. IMPROVING OUR ROAD NETWORK AND STREETS

We've got a large road network to look after and undertake ongoing improvements. Some of the larger projects include:

### MAJOR QUEEN STREET WORKS TO BEGIN IN 2017

A major project to upgrade underground pipes and the total replacement of the surface of Richmond's Queen Street has been confirmed. Planning and design work has been completed in 2015/2016, including consultation with residents and businesses likely to be affected by the works. We anticipate starting extensive road works in early 2017. The \$9.5 million project aims not only to upgrade services, but also to reduce the risk of flooding in severe rain storms and replace the street surface with a safer, more pedestrian-focused design.

### REDUCING ROAD SPEEDS AROUND OUR SCHOOLS

In response to community concerns about the safety of children walking and biking to and from school, we've installed variable school speed zones for Motupipi, Hope and Ranzau schools. We've also installed static "40 When Children Present" signs at another five Tasman schools – Brooklyn, Mapua, Lower Moutere, Appleby and Mahana. In addition, better standard school warning signs were installed at Central Takaka, Dovedale and Ngatimoti schools.

### REDUCING FLOOD RISKS AT CHAMPION ROAD

All the major works on the Champion Road culvert, a project to reduce flooding of properties in Champion Road and the Saxton Road area in major rainstorms, are now complete. The project suffered some delays and has taken several months longer to complete than expected. The new culvert will be able to handle one-in-100-year floodwater flows from Saxton Creek.



Memorial Garden redevelopment, Takaka

### UPGRADING MOTUEKA STREETS

Motueka streets are safer and more attractive because of two completed projects this year. An upgrade of the Queen Victoria Street – Whakarewa Street intersection was designed to make the intersection safer. This is the third intersection in Motueka where safety improvements have been undertaken in recent years.

In addition, unsightly overhead power and phone wires have been moved underground along a section of High Street, Motueka creating a much clearer and more attractive streetscape. So far, lines along High Street from Wharf Road to Whakarewa Street have been buried. New power and telecommunications cables were installed underground, as well as cabling to allow for broadband services. Network Tasman managed the project, while the Council and Chorus contributed funding.

## 3. SERVICING OUR COMMUNITIES WITH GOOD QUALITY INFRASTRUCTURE

Delivering good quality, cost effective wastewater, stormwater and drinking water infrastructure are some of our core activities. This past financial year has seen some important projects get underway, and others completed including:

### MOTUEKA PLANT UPGRADE DELIVERS IMPROVEMENTS

An upgrade of the Motueka Wastewater Treatment Plant is advancing well and is expected to be complete by the end of 2016. Wetland planting will then occur over the following two years. The staged upgrades are already showing big improvements in bacterial concentrations and odour. The upgrade is intended to keep the Motueka River and Tasman Bay clean and safe by greatly improving the treatment system at the plant.

### WATER METERS SET FOR REPLACEMENT

In March 2016 we began replacing ageing water meters as part of our ongoing programme to keep the District's water reticulation network well-maintained. During 2015/2016 work was undertaken in some streets in Richmond and all of Motueka, Kaiteriteri and Riwaka. Further replacements will be ongoing.

### WETLAND UPGRADE TO PROTECT AORERE RIVER

An upgrade of the wetlands at the Collingwood Wastewater Treatment Plant began in 2015/2016, and is planned to provide continued protection of the Aorere River from wastewater contamination. We are also planting over 400 additional native wetland plants in the wetland cells.



### STORMWATER PLANNING IN RICHMOND

During the past year we have been planning major upgrades to our underground pipes along Richmond's Queen Street, as part of the Richmond Central project that commences in 2017. Some minor works, such as replacing a water main, will take place later this year.

We've also been undertaking an ongoing programme to widen Borck Creek and other water courses in the Richmond catchment to improve stormwater discharge as well as amenity and environment values.

### MANAGING CONTAMINATION RISKS TO DRINKING WATER

Council operates 15 separate water supplies in the district. Most of these are chlorinated, however four are not. Two of the unchlorinated supplies: Upper Takaka and Richmond, have UV disinfection, which provides protection from both bacteria and protozoa. Richmond also has emergency back-up chlorination, in case of emergencies. The other two supplies; Motueka and Kaiteriteri have deep bores and currently have no treatment. Both of these plants are being upgraded in the next few years, with Kaiteriteri due for completion by mid-2017. Both of these schemes will also have emergency chlorination installed.

Some of the chlorinated schemes also have UV treatment (Murchison and Tapawera), and council are working through a programme of upgrades to add UV

treatment (or an alternative) to the rest of the supplies. Chlorination is effective at killing bacteria, but is not effective at killing protozoa, and so to achieve protozoa compliance with the NZ Drinking Water Standards most plants have been or need to be upgraded in some way.

The Dovedale Water scheme is an exception in that it is an old stock water scheme and has a permanent boil water notice in place. Whilst this scheme is chlorinated, the chlorine is not always effective. Boiling water before drinking will kill both bacteria and protozoa.

All of the schemes are regularly monitored in line with the Drinking Water Standards. This includes taking bacteriological samples which are analysed in a lab for E.coli, an organism which indicates faecal contamination. Chlorine levels and other water quality parameters are continuously monitored leaving the plants. All of the treatment plants are on the telemetry system, which means they can be viewed and/or operated remotely.

## 4. GIVING A HELPING HAND TO THE ENVIRONMENT AND MONITORING ITS HEALTH

### CLEANER WATER IN TASMAN RIVERS

Our monitoring results show the water in many of our rivers is getting cleaner, making them even safer



to swim, fish and play in. Our five-yearly State of the Environment River Water Quality report shows the hard work and collaboration between the Council and the community on stock in waterways, riparian management and riverbank planting is paying off, with a marked improvement in river water quality overall. We still have some issues in small lowland rural and urban waterways, and we are working with communities to address these.

#### WORLD FISH MIGRATION DAY A SUCCESS

More than 100 people turned out to help us celebrate World Fish Migration Day on 21 May at the Reservoir Creek fish pass, learning more about what our finned friends need to flourish. Native fish species use the Reservoir Creek fish ladder in Richmond to migrate, helping them get to where they need to go for breeding, feeding and to complete their life cycles.

Our engineers and scientists have been actively helping restore fish migration paths for a number of years, with the Reservoir Creek fish pass just one of 300 structures we have remediated over the past 12 years. World Fish Migration Day is a global initiative. The Richmond event was the official international launch of this year's activities.

## 5. MANAGING SOLID WASTE

### RECYCLING VOLUMES UP

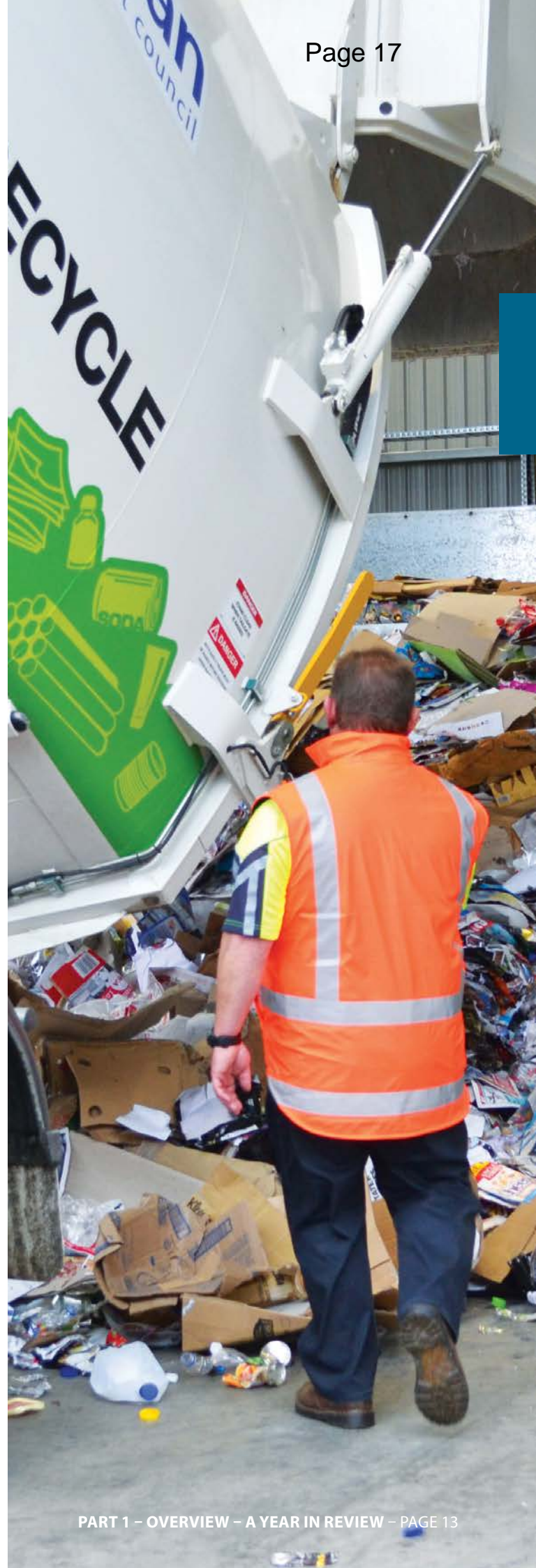
Thanks to our community's efforts, our new recycling service is proving successful at reducing the amount of recyclable waste going to landfill. Figures for the past few months show kerbside recycling volumes are up 28% from last year.

### NEW RECYCLING CENTRE OFFERS REGION WIDE BENEFITS

A new purpose-built recycling centre in Richmond opened in Beach Road in August 2015. The facility was built by Smart Environmental in conjunction with us. Smart Environmental, which has the contract for the Tasman District's waste for the next eight years, paid \$1.1 million for the recovery plant technology while we funded the \$1.4 million building.

It's expected that the facility will help manage increasing recycling volumes in coming years, as people get used to using the new larger wheelie bins for re-useables.

A staff member at work in the new recycling centre »



## SHARING A REGIONAL LANDFILL WITH NELSON

Since March 2016, we've been working on a new agreement with Nelson City Council which would see management of our Eves Valley Landfill and Nelson's York Valley Landfill combined under a joint committee of the two councils. This is not only the most cost effective approach, but also the most environmentally sustainable for managing solid waste within the Nelson/Tasman region. It also provides benefits including shared capital costs and better use of our assets. We've amended our Long Term Plan 2015 – 2025 to enable the joint arrangement to progress.

## 6. PROTECTING OUR ENVIRONMENT

### WETLAND MAPPING

Our Resource Scientist has been co-ordinating wetland mapping over the past three years to fulfil our legal obligations at a national and district level. We've nearly completed mapping in the Buller catchment, and have started mapping in the Golden Bay area. The information helps both us and landowners be clear about where wetland rules apply. Wetlands are important for mitigating floods, for maintaining good water quality in streams and rivers, and for biodiversity. Catchments with wetlands usually have streams that flow for longer in summer and therefore support a lot more stream life and provide more water for stock.

## 7. PLANNING AHEAD

### WAIMEA COMMUNITY DAM

The Waimea Community Dam project is being progressed to provide a more secure supply of water for the communities from the Waimea River and its aquifers. We're continuing to move forward on the proposed solution (the Waimea Community Dam). The funding, form of the joint venture, land availability, and the tender price are expected to be certain enough to bring a firm proposal to the community by the end of next year. The Waimea Community Dam Company has asked for time to secure its funding. As a result, we now intend to consult the community on the proposal between September and November 2017.

## BRIGHTWATER AND WAKEFIELD STRATEGIC REVIEWS

Plan Changes for both settlements were notified in November 2015. They provide for the future expansion of the Light Industrial, Rural Residential and Residential zones away from flood prone land. The plan change includes revised policies, zoning and area maps and rule changes to manage flood hazard risk, cross boundary effects, and provide greater housing choice, among others.

### PROPOSED PLAN CHANGE 59: RESIDENTIAL ZONE COVERAGE

This Plan Change was notified in November 2015 and became operative in March 2016. The Plan Change updates the building coverage rule in the residential zone, allowing higher maximum building coverage in Richmond, Motueka, Brightwater and Wakefield, subject to stormwater detention.

### PROPOSED PLAN CHANGE 60: RURAL SUBDIVISION AND LAND USE

We received 144 public submissions on proposed changes to the rules for rural land use and subdivision. The principle behind the changes is to protect the District's best productive land and consider housing choices in rural areas. Hearings are programmed for August/September 2016 with final decisions following.

## 8. MANAGING OUR MARINE RESPONSIBILITIES

### 'SENTINEL' LAUNCHED AT PORT MOTUEKA

The new Harbourmaster boat, Sentinel, was officially named and launched at Port Motueka in May 2016. Sentinel gives the Harbourmaster greater ability to provide assistance and guidance to other boat users. The boat's primary role is to help keep everyone safer on the water in Tasman.

### ABEL TASMAN FORESHORE SCENIC RESERVE MANAGEMENT PLAN PARTIALLY REVIEWED

A partial review of the Abel Tasman Foreshore Scenic Reserve Management Plan (Foreshore Plan) was completed in 2015. The focus of the review was limited in scope and related to cultural access, recreation concessions, Tonga Quarry access, and the drop off/retrieval of commercial hire equipment from the reserve.



The new Harbourmaster boat, Sentinel

## 9. RESPONDING TO NATURAL HAZARDS

### NELSON TASMAN CIVIL DEFENCE RATED BEST

The Nelson Tasman Civil Defence Emergency Management (CDEM) Group has achieved the highest score in the country as part of its capability assessment report undertaken by the Ministry of Civil Defence and Emergency Management. A score of 82.1% has been awarded to the Group, higher than the target of 79% set in 2013, making them the top Group in New Zealand. Our region held its top position after also being rated best in the last review in 2009.

### CO-ORDINATED RESPONSE TO FLOOD DISRUPTION AND COASTAL DAMAGE

Severe flooding just before Easter weekend in 2016 saw a concerted effort from Civil Defence, Council staff and emergency services to clear roads, repair damage and keep residents safe. Some Riwaka residents were evacuated from their homes, while high water, fallen trees and slips closed roads from Golden Bay to Motueka. Our engineers and contractors had a busy time checking the state of roads, riverbanks and properties, organising repairs and managing road closures.

In 2015, an easterly gale coincided with the highest tide of the year severely eroding several of Tasman's beaches. In Tasman Bay, the beaches of Kaiteriteri and Torrent Bay were the most affected. The situation was also serious in parts of Golden Bay. The beaches of Pakawau, Parapara and Rototai bore the brunt of the storm. At Pakawau and Parapara most of the buffers provided by the earlier sand push-up were washed away. The buffers performed as planned protecting a number of community amenities and private beachfront sections. Our scientists and reserves staff assessed the damage and advised on possible responses.

## 10. ENABLING OUR COMMUNITIES

### PEOPLE-POWERED DIGITAL ENABLEMENT FOR TASMAN

The Tasman District now has a digital enablement plan. As a region we need to make sure we're not getting left behind as technology moves into more and more parts of everyday life. The plan is a great basis from which to start, with a range of projects supporting both business and the wider community – both at a regional and a local level.

SmartWeek ran from 27 June to 2 July 2016 at the Richmond Library. It offered free beginners workshops for businesses and the community to help them go



digital – everything from e-commerce and website design through to internet banking and ancestry research. SmartWeek was part of the new digital action plan supported by Tasman District and Nelson City councils, as well as the Nelson Regional Economic Development Agency, the Nelson Tasman Chamber of Commerce and other organisations.

### CHILDREN GOT THEIR HANDS DIRTY FOR ARBOR DAY

Students from about 20 Tasman schools, along with green-thumbed community groups, planted more than 25,000 trees provided by Tasman District Council in June as part of Arbor Day celebrations for 2016. Areas that have been adopted by schools include Tane's Ark at Aranui Park in Mapua, York Park in Motueka and Faulkners Bush in Wakefield.

### THE BATTLE FOR THE BANDED RAIL

A community planting day on the Waimea Inlet was organised by Battle for the Banded Rail team in June. Battle for the Banded Rail is a Waimea Inlet Forum project working with local communities and supported by Tasman District Council and Department of Conservation. It aims to increase the number of banded rail and other estuarine birds on the Waimea Inlet by restoring habitat and trapping predators.

### CHILDREN GAIN SAFE BIKING SKILLS WITH RIDE ON

The Ride On programme provides classroom and on-bike learning focused on the road rules, developing riding skills and identifying safe riding routes to and from school. The total number of pupils involved during the July 2015 – June 2016 period were: Brightwater School 187, Wakefield Primary 200, Brightwater Kindergarten 40, Waimea Intermediate 300 and Lake Rotoiti 28.

### LOCALS HONOURED AT OUTSTANDING COMMUNITY SERVICE AWARDS

What makes Tasman a great place to live is our communities and the special people in them. It's the dedicated volunteers and philanthropists that make this place tick. The Tasman District Council Outstanding Community Service Awards aim to give some well-deserved recognition to those individuals. Each of the people acknowledged and honoured provide something different but they all contribute towards the same thing – making our communities better places. This year 12 people were recognised with awards.

### TASMAN YOUTH COUNCIL: 'TAKE BACK THORP BUSH' PROJECT

Fifteen Youth Councillors led a project to respond to concerns that Thorp Bush was an unsafe gathering place for young people. The project sought to identify issues and solutions. In total, 479 survey respondents and an estimated 800 people engaged throughout the project directly. Council staff, the Motueka Community Board and Tasman Youth Councillors are considering the recommendations and planning the next steps for the project.

## 11. SUPPORTING COMMUNITY EVENTS

### POSITIVE AGEING EXPO

Nearly 2,000 people attended the popular annual Positive Ageing Expo in April 2016 in Richmond. The Expo is a showcase of the recreational, health and social services available in the region for retirees and those planning for retirement.

### FAMILY FUN AT CHOICE CHILDREN'S DAY

Approximately 400 people attended the Choice Children's Day in March 2016. The day is about people spending quality time with their children, showing them that they are special, and making new memories in a natural environment. A bouncy castle, biking challenges, fun games and a treasure hunt were among the free activities on offer at Moturoa/Rabbit Island.

### LIFELONG LEARNING

Each year our libraries offer a wide range of events, programmes and outreach visits. Each is intended to raise awareness of the libraries and the resources and services available as well as to support lifelong learning, information and knowledge sharing and community engagement.

During the past year, a total of 708 events or programmes were delivered, including class visits; holiday programmes; outreach visits to schools and preschools; book group meetings, author visits; book launches and digital training sessions. Attendance at our programmes and events totalled approximately 13,500.

## 12. DEVELOPING AND MAINTAINING STRONG PARTNERSHIPS WITH OTHERS

### CONTINUED FUNDING TO SUSTAIN REGIONAL DEVELOPMENT

Tasman is already one of the fastest-growing areas in the country – Infometrics' June 2015 quarterly economic monitor put annual GDP growth at 3.2%, matched by 3.1% growth in Nelson – and to capitalise on the region's many strengths the Council has agreed to fund \$400,000 towards regional economic development work. These services were provided through the Nelson Regional Economic Development Agency and Nelson Tasman Tourism. Now, the two organisations have been merged into a single entity – the Nelson Regional Development Agency.

### WORKING WITH OUR COMMUNITY VOLUNTEERS

Our District is blessed with a number of walkways, gardens and reserves. We have an even greater number of people who give their time, expertise and experience to develop and maintain these important recreation assets for the benefit of residents and visitors to Tasman.

Recent examples show the level of the commitment these groups provide:

- the Waimea Inlet walk and cycleway (Richmond) has been enhanced through plantings managed by Keep Richmond Beautiful;
- two new shelters over barbecues on Moturoa/Rabbit Island have been constructed by the Richmond Rotary Club;
- a walkway has been developed through Wakefield's Faulkner Bush from Edward Street by the Wakefield Bush Restoration Society;
- the Soroptimist Society has provided a seat on the cycle trail in Brightwater;
- the Dominion Flats Planting Group organised and hosted another planting group from Wellington;
- the Nelson Heritage Rose Society gifted and planted a number of roses in Washbourn Gardens;

- Keep Motueka Beautiful has completed plantings in Motueka Beach Reserve;
- The Battle for the Banded Rail group has carried out a number of plantings on reserves around the Waimea Inlet.

This army of Tasman volunteers work closely with our Reserves and Facilities team to identify the areas of highest priority and the best way of enhancing the area.

### 13. SEEKING IMPROVEMENTS TO OUR COMMERCIAL ACTIVITY PERFORMANCE

#### THOUSANDS ENJOY MAPUA WHARF

People are enjoying the redeveloped Mapua Wharf in big numbers, with the opening of the Shed 4 retail development adding to its popularity as a top Tasman summer destination. We counted people going to the wharf on several days in late December 2015 and early January 2016. There were about 7,500 pedestrian movements (people both entering and exiting) in the wharf precinct on 28 December, almost 9,000 on 2 January and about 6,400 on 17 January.

The project expenditure in 2015/2016 was over budget for that year. The money was spent doing additional work. The investment is already seeing dividends in both the number of visitors and financial returns from the commercial leases at Shed 4.

Ratepayers were not asked to bear the costs of either the Shed 4 development or the other work that has taken place at the wharf. Income from our commercial activities, including the rents from Shed 4, will be used to repay the loan funding, and income from the sale of a surplus block of land will go towards it as well. The income from the site goes towards reducing the District-wide rates requirement.

The end result for Mapua and the whole District is a popular recreational and retail space that will be enjoyed by residents and visitors for many years to come.

#### INCREASING OUR COMMERCIAL INCOME

The financial results for most of our commercial assets have shown significant improvements over the past three years following a greater focus on commercial property assets and their financial performance.

Increased returns have resulted from: Shed 4 construction, commissioning a review of all leased properties to current market rates, and increased forestry returns resulting in an increase in revenue. Port Nelson continues to provide dividends to Council that are used to reduce the amount of money needed from rates.

The results have been less positive for Port Tarkohe, where reductions in volumes of dolomite, fish, aquaculture and marina activity levels have caused our revenue to be below budget. Increased costs for professional services associated with a complaint to the Commerce Commission on the Port charging methodology have also been incurred.

### 14. DISTRIBUTING GRANTS TO COMMUNITY GROUPS THAT MAKE OUR DISTRICT A BETTER PLACE

#### FUNDING BOOST FOR COMMUNITY GROUPS

We received a record 170 applications for our Community Grants funding. 138 groups have benefited from \$212,503 in Council grants. Some of the larger grants awarded this year include:

- \$12,000 for the Nelson Tasman Business Trust's mentoring service for small local businesses;
- \$7,500 to the Fifeshire Foundation for a hardship grant to help Tasman District residents in need;
- \$5,000 to the Golden Bay Returned Services Association towards opening and blessing the Takaka and District Memorial Reserve;
- \$5,000 to the Kohatu Park Trust to go towards hiring a professional fundraising company to help raise the \$26 million needed to complete the Kohatu motorsport park;
- \$5,000 for the Motueka Senior Citizens' Association to install safe sliding doors and windows; and
- \$4,000 to the Tarrant Memorial Fund Committee towards the restoration of a 1903 memorial to a local Boer War trooper.

The funding will also help projects including pest trapping, walkway developments, community planting and events, recording oral histories, public art, providing emergency services, youth leadership opportunities and helping at-risk youth.



Tasman's Great Taste Trail, Moturoa/Rabbit Island

## 15. RATEPAYERS' VIEWS OF OUR PERFORMANCE

Since 1996 we have commissioned an annual survey of residents' views on a range of services we deliver. The survey is undertaken by the National Research Bureau to ensure independence and impartiality. A total of 402 residents over 18 years of age were surveyed during May 2016.

The results continue to show steady rates of satisfaction with the services and activities provided by Council. 74% of residents are satisfied with the way rates are spent on services and facilities.

79% of residents feel we supply more than enough or enough information.

Satisfaction with some services have increased, particularly for kerbside recycling and rubbish collection, environmental information, and water supply. 92% of residents are satisfied with recreational facilities, such as playing fields and neighbourhood reserves. Despite the generally positive results, satisfaction with resource management policy and planning, resource consenting, and stormwater continue to lag behind other Council activities.

We've also started asking our residents if they feel we have a good reputation as a council. Overall, 62% of residents feel we do have a good reputation. There is a large variation between wards within this result, with 76% of Richmond ward residents responding positively, and only 28% of Golden Bay ward residents.

## WHAT WE DO DAY-TO-DAY

The services local government provide are vital to almost every aspect of people's daily lives.

These services and facilities are funded by your rates and subsidised by income from our commercial activities.

They help to keep people safe, protect and improve the environment, provide essential infrastructure, and bring people together to do the things they want, in places they want to be. Every day our staff and contractors are working to:

- Maintain roads, bridges, footpaths, cycleways and walkways, carparks, streetlights, traffic signs and culvert pipes.
- Maintain parks, reserves, playgrounds, libraries, public toilets and some of our regions historic sites.
- Provide regulatory services like animal and noise control, food safety, resource consents and alcohol licensing.
- Maintain the water, wastewater and stormwater networks across our 16 settlement areas.
- Engage with communities and create partnerships to undertake local projects.
- Monitor and manage the quality of our land, air, water, coasts and biodiversity.
- Collect and manage waste and recyclables.
- Maintain flood protection along 285km of our major rivers.
- Ensure new buildings are safe and healthy.
- Make our coastal waters accessible and safer for boaties and swimmers; and
- Make sure our popular places can continue to be enjoyed, such as the Richmond Aquatic Centre, Moturoa/Rabbit Island Reserves, and Tasman's Great Taste Trail.

## OUR NON-FINANCIAL PERFORMANCE AT A GLANCE

We measure our non-financial performance each year using a core set of indicators that are set out in the Long Term Plan. The results present a high level view of our performance. More results on other aspects of performance, such as environmental and regulatory monitoring can be found in the public reports held on our website or by contacting Council.

We have 129 measures that we report on through this Annual Report and within these measures there are 141 targets. We've either achieved or achieved within 5 percent a very high proportion of our targets. Full details on all the performance indicators are included in Part 4 of this Annual Report.

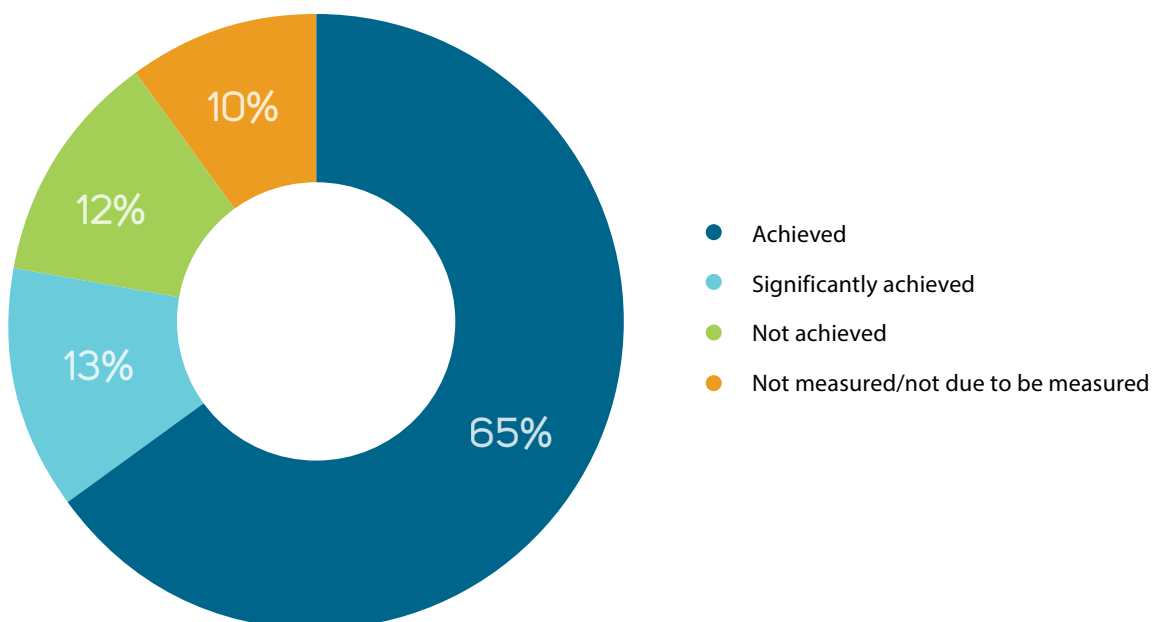
We achieved 92 of our targets fully, 18 were achieved within 5% of the target, 17 were not achieved, and there were 14 that we either did not have the full information available to report on or they were not measured this year.

It should be noted that although we did not achieve some of our targets, we have purposely set these at

a high level to ensure we continue to improve our performance. Some of these targets are set as 'stretch targets' for us to aim for in the future. As discussed in Part 4, for many of these activities we still achieved a very high level of service.

Because we have introduced a range of new measures or altered measures through the latest Long Term Plan 2015 – 2025, we are unable to provide a meaningful comparison with last year's results. However, where possible we have provided comments on trends or changes in the detailed assessment set out in the Statements of Objectives and Service Performance (Part 4).

FIGURE 1. Performance measure target achievement for Council activities 2015/2016





## KEY FINANCIAL INFORMATION

We have continued our positive financial trend from the previous year and recorded another surplus. The surplus for the 2015/2016 year was significantly higher than budgeted. The underlying operational surplus was \$13.2 million<sup>1</sup>.

The positive financial position reflects ongoing operational savings achieved by Council, delayed capital expenditure for some large projects, and lower debt. The result was also assisted by a number of external factors which moved in our favour. These external factors include:

- Increased revenue from forestry activities
- Lower debt levels and borrowing costs
- Low inflation
- Higher than anticipated population growth
- Increased dividends
- Higher grant receipts.

A full description of the financial variances from the Annual Plan 2015/2016 is contained in Note 36 to the Accounts in this Report.

### REPORTING AGAINST OUR FINANCIAL STRATEGY

The Financial Strategy in the Long Term Plan 2015 – 2025 provides an outline of our policy on financing capital works and managing debt. The Long Term Plan provides for capital expenditure of between \$28 million and \$34 million per annum, and operating expenditure of between \$110 million and \$119 million per annum for the 2017/2018 to 2019/2020 years. The majority of proposed capital expenditure and

associated loans are for engineering works such as water, stormwater, wastewater and transport (roads), with a small percentage for community facilities.

The Financial Strategy outlines how we will manage our revenue, expenses and assets, liabilities and investments.

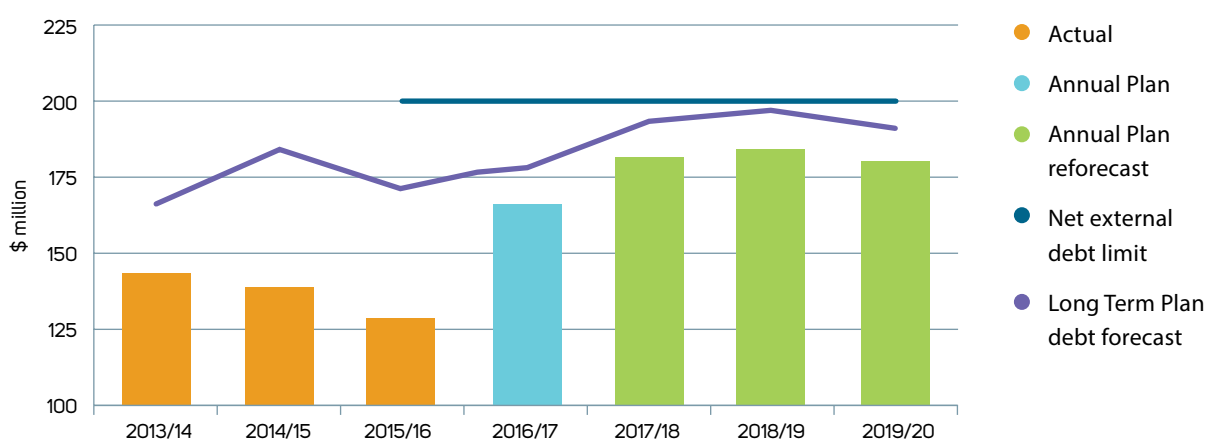
The objective is to provide for the current and future interests of the community while also:

- providing for growth and changes in land use;
- ensuring that the level of rates and borrowing is financially sustainable and is kept within our set limits;
- being accountable for maintaining the assets that Council owns on behalf of the community;
- funding network infrastructure and maintaining levels of service;
- obtaining reasonable returns on investments; and
- meeting new Central Government standards for services such as drinking water.

### NET EXTERNAL DEBT

Our net external debt at 30 June 2016 was \$129 million. The Annual Plan 2016/2017 forecasts this to be \$166 million by 30 June 2017 – although with net external debt now lower than forecast at year end for 2015/2016 it is likely that we will not reach the expected \$166 million net external debt figure. (See figure 2).

FIGURE 2. How are we tracking against planned debt?



<sup>1</sup> Once the non-cash items and capital funds were removed.

## RATES AFFORDABILITY

To help manage rates affordability, we include a limit in our Financial Strategy on rates revenue. For the Long Term Plan 2012 – 2022 this limit was set at \$52 million for general rates and \$53 million for targeted rates per annum over the life of the Long Term Plan. This was reduced to \$51 million for general rates and \$46 million for targeted rates per annum in the Long Term Plan 2015 – 2025, reflecting the work done as part of the last Plan to address rates affordability issues. This Annual Report shows we are below the limit at \$35 million for General Rates and \$33 million for Targeted Rates.

(See table 1).

We also include a limit in our Financial Strategy on total rates income increases. Increases are currently limited to a maximum 3% per annum, plus an allowance for annual growth in rateable properties. This was a new limit set as part of the Long Term Plan 2015 – 2025, which is why the graph starts at 2015/2016.

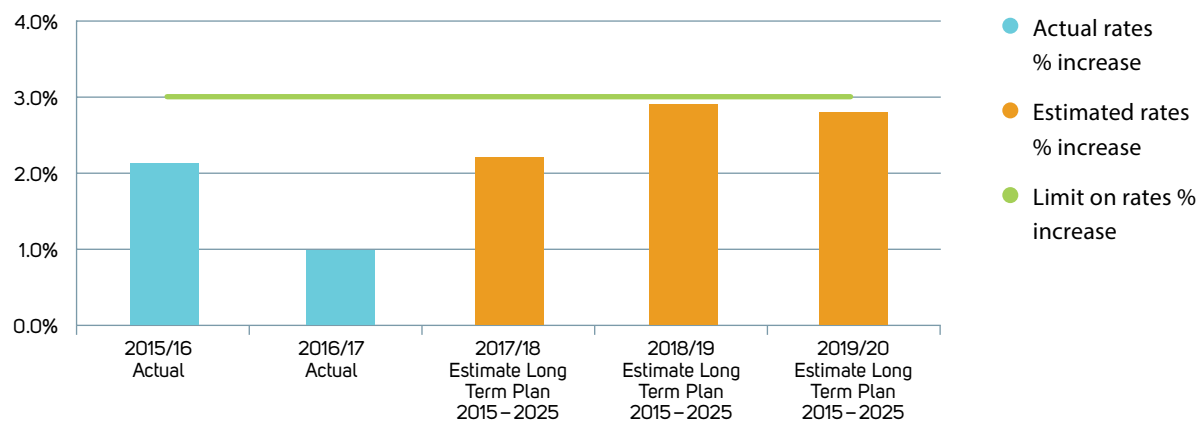
The blue bars in the graph below show how we have performed against the 3% limit. The 2015/2016 year saw rates income increase by 2.1%.

(See figure 3).

TABLE 1. Rates Revenue

MEASURE	LTP 2012 – 2022 ANNUAL LIMIT	2013/2014 ACTUAL	2014/2015 ACTUAL	LTP 2015 – 2025 ANNUAL LIMIT	2015/2016 ACTUAL	2016/2017 ANNUAL PLAN (ESTIMATE)
General rates revenue	\$52m	\$32m	\$33m	\$51m	\$35m	\$36m
Targeted rates revenue	\$53m	\$30m	\$32m	\$46m	\$33m	\$34m

FIGURE 3. Rates Income Increases



(1) The assumptions that led to the savings in the 2016/2017 Annual Plan are not yet reflected in the 2018 – 2020 financial year estimates. Those estimates are based on the Long Term Plan 2015 – 2025, and reflect the assumptions about interest costs, and inflation amongst other factors that were made when the Long Term Plan 2015 – 2025 was adopted.

## DEBT AFFORDABILITY

The debt limits/affordability limits were developed based on external advice as to what levels would be appropriate for a Council of our size. Limits set enable us to retain our current credit rating of AA-. We remain well within the limits set out in our Financial Strategy. The limits are also in line with the local government sector as a whole. (See table 2).

## KEY FINANCIAL INFORMATION

### FINANCIAL PERFORMANCE SUMMARY

We have again received an unmodified audit opinion from Audit New Zealand. Our credit rating is 'AA- with a

stable outlook' (Standard and Poors). This rating reflects our strong financial management, budgetary flexibility, liquidity and low contingent liabilities; and enables us to borrow funds at more favourable interest rates.

Total Council assets now total \$1.47 billion, which is an increase of \$47.9 million since 2015.

### REVENUE AND SAVINGS

Total rates revenue for the year was \$67.9 million, and total revenue from all other sources totalled \$55.2 million.

General rate revenue increased partially as a result of growth in the District being higher than expected for the year. (See figure 4).

TABLE 2. Debt/Affordability Limits

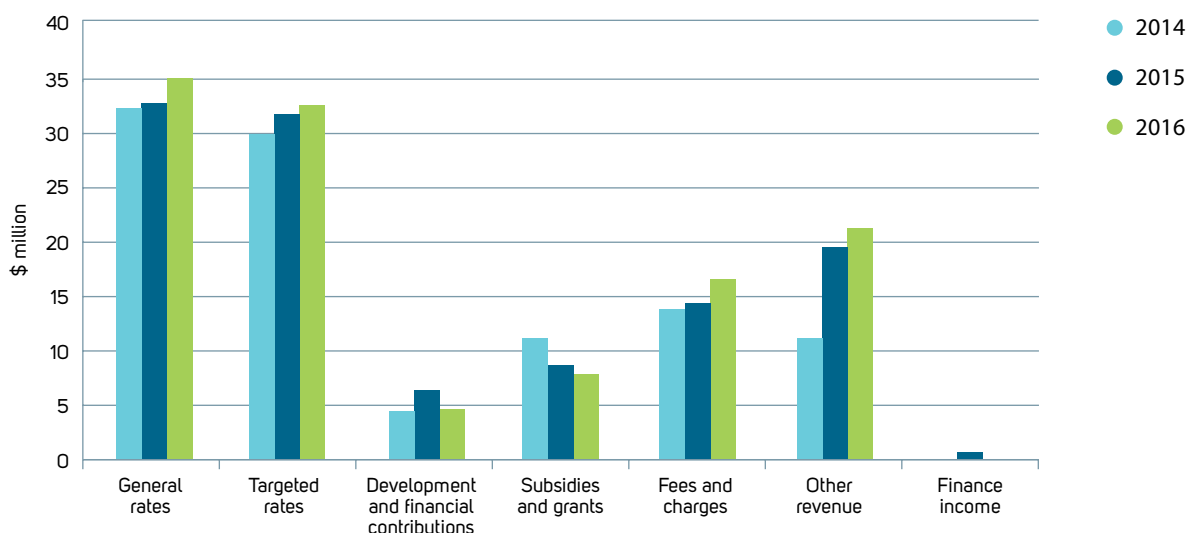
MEASURE	LIMIT	2013/2014 ACTUAL	2014/2015 ACTUAL	2015/16 INTERIM ACTUAL	2016/17 ANNUAL PLAN (ESTIMATE)
Net External Debt <sup>1</sup> / Total Operating Income <sup>2</sup>	<225%	138%	130%	123%	156%
Net External Debt / Equity	<20%	12%	11%	10%	13%
Net Interest on External Debt / Total Operating Income	<15%	7%	7%	7%	8%
Net Interest on External Debt / Annual Rates Income	<25%	12%	10%	10%	13%

<sup>1</sup> Net External Debt = total external debt less liquid financial assets and investments.

<sup>2</sup> Total Operating Income = cash earnings from rates, government grants and subsidies, user charges, interest, dividends, financial and other revenue and excludes non-government capital contributions (e.g. developer contributions and vested assets).

The definitions contained in our Financial Strategy differ from those applied to the Financial Regulations Benchmarks reported in our Annual Reports. The Benchmark reporting is prepared in line with the Local Government (Financial Reporting and Prudence) Regulations 2014.

FIGURE 4. Main Sources of Revenue (excluding revenue from associates and joint ventures)



## EXPENDITURE

(See figure 5). The large spike in Corporate costs in 2015 and 2016 was due to the revaluation of interest rate swaps.

A summary of the large capital projects where capital expenditure has been delayed or deferred in 2015/2016 is set out below. (See table 3).

FIGURE 5. Total Council Expenditure

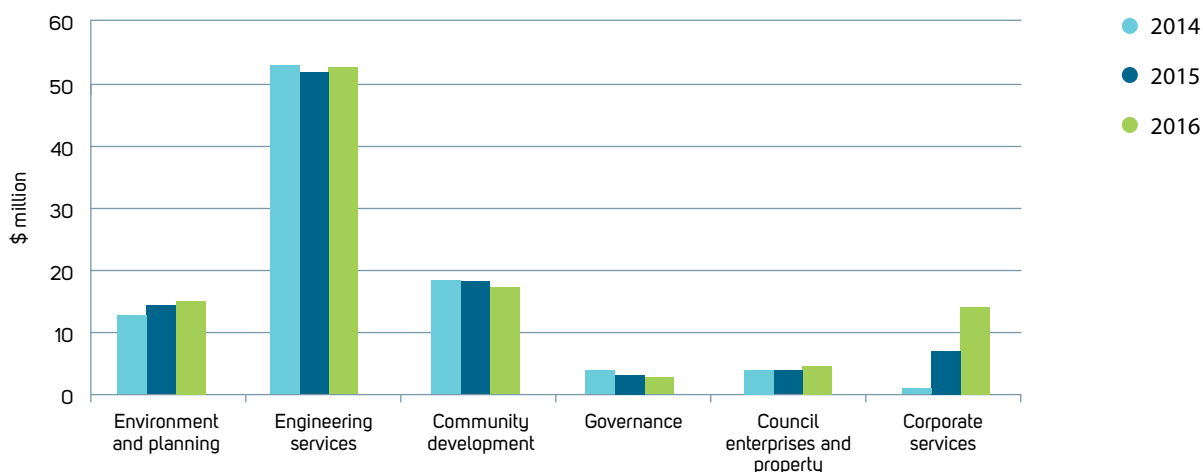


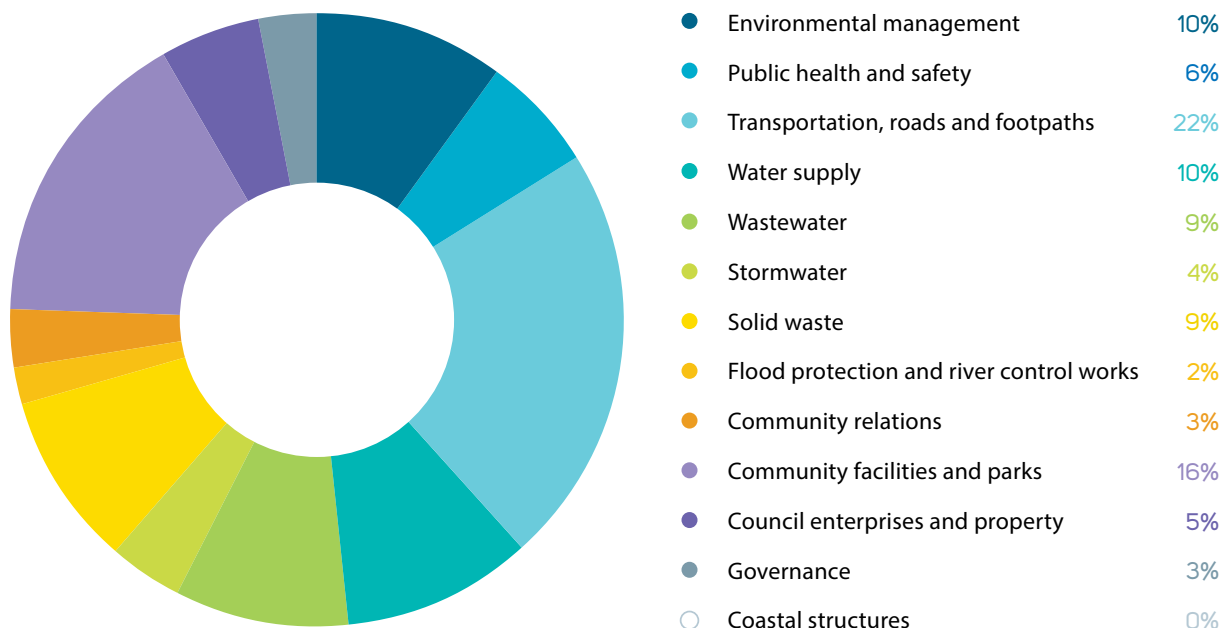
TABLE 3. Key Capital Expenditure Delayed or Deferred

PROJECT	EXPLANATION OF DELAY	VARIANCE FROM BUDGET
Drainage Renewals – Transportation	Renewals were deferred as condition assessment work identified their condition would support deferring their replacement.	\$372,000
Richmond Water Main renewal	Deferred until the 2016/17 year to align with the wider Richmond Central project to minimise disturbance to Queen Street users and reduce costs.	\$1.0 million
Waimea Community Dam	Progress has been slower than planned as funding from other parties has yet to be secured and a funding model finalised.	\$1.2 million
Water Meter Renewals	Progress is slightly behind schedule, with only \$670,000 spent in 2015/2016. The works are planned to be carried out over the next two years.	\$607,000
Motueka Wastewater Treatment Plant	This is a multi-stage project that had been planned to be completed over several years. The project started later than planned due to a resource consent appeal. \$3.6 million was spent in 2015/2016. Construction is expected to be completed by December 2016.	\$4.5 million
Kaiteriteri Sewer Main replacement	To date, the design has been less complex than expected, leading to lower construction costs.	\$638,000
Pohara Stormwater Main	Improvement works are delayed while stormwater modelling options are completed.	\$878,000
Borck Creek Stormwater Catchment Works	Project has been delayed while we work through the property acquisition process.	\$886,000
Richmond Stormwater Ranzau Road/Patton Road	This project has been delayed while modelling is completed, which in turn will determine what physical works will be needed.	\$813,000
Golden Bay Community Recreation Facility	Delays to this project occurred due to unexpected ground conditions during construction. If there are no further delays, the project is expected to be completed by December 2016.	\$2.2 million

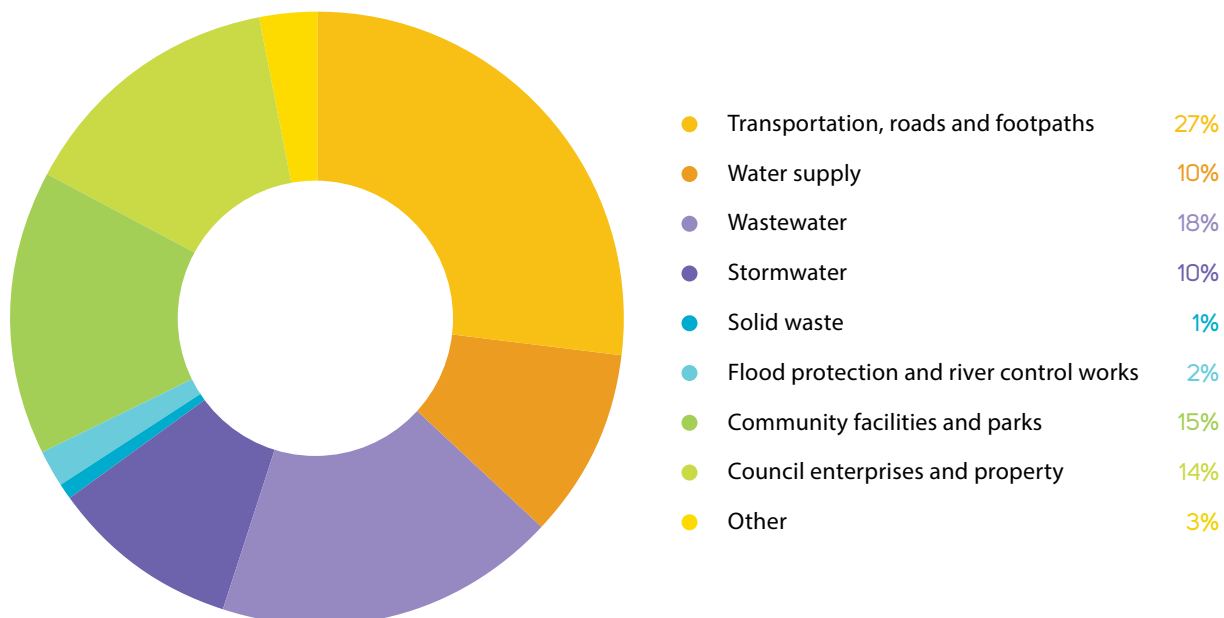
Please note the above variances include approved carry-overs from 2014/2015.

**FIGURE 6. Operating and Capital Expenditure**

This pie chart excludes corporate costs.



**FIGURE 7. Capital Expenditure by Activity**



# PART 2 COUNCIL VISION AND COMMUNITY OUTCOMES

Lake Rotoroa

## TASMAN DISTRICT COUNCIL'S VISION IS:

THRIVING COMMUNITIES ENJOYING THE TASMAN LIFESTYLE

## TASMAN DISTRICT COUNCIL'S MISSION STATEMENT IS:

TO ENHANCE COMMUNITY WELLBEING AND QUALITY OF LIFE

# COMMUNITY OUTCOMES

Community Outcomes are the outcomes Council is working towards in order to promote community wellbeing. They reflect what Council sees as important for community wellbeing and they help to build up a picture of the collective vision for the District's future – how we would like Tasman District to look and feel in 10 years and beyond. They also inform Council decision making and the setting of priorities.

As part of the development of this Long Term Plan, Council worked together with Nelson City Council to align the Community Outcomes of both councils. The resulting set of joint Community Outcomes retain the overall direction of the previous Outcomes, however the wording in these new Outcomes has been amended slightly. Changes made to the Local Government Act 2002 (the Act) at the end of 2010 changed the definition of Community Outcomes from being those that are developed and implemented in conjunction with the community to those that Council itself aims to achieve.

Notwithstanding this change Council believes that the Community Outcomes can only be achieved through working in partnership with the whole community, including individuals, businesses, government agencies and community organisations. Everyone's views on describing how our District would look if we achieved these Outcomes will be slightly different, but we have put a description below each Outcome to help you understand what we are working towards.

### OUTCOME 1

#### OUR UNIQUE NATURAL ENVIRONMENT IS HEALTHY AND PROTECTED

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

## OUTCOME 2

### OUR URBAN AND RURAL ENVIRONMENTS ARE PEOPLE-FRIENDLY, WELL PLANNED AND SUSTAINABLY MANAGED

- our current and future urban and rural living environments provide the important features that we need to enjoy Tasman;
- urban and rural areas are designed to be people friendly, particularly for children, families and our increasing, ageing population;
- we think and plan regionally and act locally within that context;
- our built environments are well planned and based on sound urban design principles;
- urban areas are attractive, safe, accessible and have parks and reserves available for residents to use;
- Tasman has affordable roading services that meet the needs of our communities; and
- there is a range of community housing and community facilities, with more intensification in towns/settlements and clear urban/rural boundaries.

## OUTCOME 3

### OUR INFRASTRUCTURE IS EFFICIENT, COST EFFECTIVE AND MEETS CURRENT AND FUTURE NEEDS

- we have good quality, sustainable, integrated, affordable, efficient and effective transportation networks (including roads, cycleways and footpaths), water, wastewater, stormwater and solid waste services;
- waste and pollution is minimised, so we have clean water, clean seas, clean air, healthy flora, fauna and soils, and public health needs are met;
- growth is well managed; and
- our public transport services are well-utilised and our developing cycleway network is popular with residents and visitors alike.

## OUTCOME 4

### OUR COMMUNITIES ARE HEALTHY, SAFE, INCLUSIVE AND RESILIENT

- we support the opportunities for Tasman residents to enjoy a good quality of life;

- we are a supportive and diverse community;
- everyone is included and involved, can participate in decision-making and is able to enjoy a good quality of life, wherever they come from and whatever their age, abilities or income;
- we are a resilient community with a Civil Defence service that assists residents and businesses to cope with disasters or emergencies; and
- our communities health and wellbeing is safeguarded by ensuring standards of construction, food safety and registered premises operation are met, and that alcohol sale and consumption, risk from fire and nuisances (e.g. from dogs and stock) do not adversely affect quality of life.

## OUTCOME 5

### OUR COMMUNITIES HAVE OPPORTUNITIES TO CELEBRATE AND EXPLORE THEIR HERITAGE, IDENTITY AND CREATIVITY

- we have a strong sense of community and are proud of our region, our communities and our diverse heritage;
- important heritage items, sites and stories of the District are protected for future generations;
- residents and visitors have opportunities to celebrate Tasman's heritage and support cultural diversity;
- we celebrate and acknowledge our heritage and our history and how that contributes to our distinctive identity;
- we tell our whakapapa (history) in an honest way and acknowledge the lessons that history has taught us;
- Māori culture and tikanga (traditions) are acknowledged as taonga (treasures) that represent our regional uniqueness;
- we value and support those things that make Tasman special and unique – our Maori history, our people, art and crafts, the outdoors, local food and wines and the relaxed atmosphere;
- the two marae in Tasman are an important part of our District's cultural services and these are essential to our community identity; and
- access to the coastal waters of Tasman is secured and safe boating practice is supported.





Mapua Wharf redevelopment

## OUTCOME 6

### OUR COMMUNITIES HAVE ACCESS TO A RANGE OF SOCIAL, EDUCATIONAL AND RECREATIONAL FACILITIES AND ACTIVITIES

- we have a good range of sports and recreation facilities for all ages, including youth and older residents;
- there is a wide range of recreation, educational and leisure opportunities for everyone to take part in;
- we support and encourage all culturally diverse groups to demonstrate their unique recreational activities to the wider community; and
- there are many festivals and events held throughout the year in the Nelson/Tasman regions.

## OUTCOME 7

### OUR COUNCIL PROVIDES LEADERSHIP AND FOSTERS PARTNERSHIPS, A REGIONAL PERSPECTIVE, AND COMMUNITY ENGAGEMENT

- we work together effectively as a region, think of the generations that will follow and listen to the full range of views;
- everyone has the opportunity to participate in the community's major decisions and information is easy to obtain;
- leaders consult with and understand their communities and work for the good of all, including the wider region;

- our leaders take responsibility for their decisions and act to improve the big issues facing our community;
- we continue to collaborate with community organisations and build effective Council-community partnerships; and
- we support and mentor our youth to become the leaders of the future.

## OUTCOME 8

### OUR REGION IS SUPPORTED BY AN INNOVATIVE AND SUSTAINABLE ECONOMY

- we all participate in the regional economy and it meets people's needs;
- we are a business-friendly region, and economic activity is sensitive to the environment, heritage and people of Tasman;
- we are skilled and adaptable and we see the benefits of a wide range of high-value industries and businesses;
- small, locally-owned businesses are an essential part of the community;
- we encourage appropriate new investment into our community;
- our youth can live, learn and work in Tasman; and
- we recognise, support and celebrate innovation and achievement.

# PART 3 ROLES, COMPLIANCE AND AUDIT STATEMENT

Motueka River

# THE ROLE OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS

We are required to produce an Annual Report each year to account for the money provided by ratepayers, financial institutions and other Government agencies.

The Annual Report is also an important tool for showing how our community outcomes are being achieved. This document, therefore, also represents an opportunity to provide interested parties with a range of additional information to give a more complete picture of the District's affairs.

The contents of this Annual Report will make reference to the District strategies and plans, including the Long Term Plan 2015 – 2025. The Long Term Plan 2015 – 2025 was adopted by Council on 25 June 2015, after considerable consultation with ratepayers and interested others. This is the first Annual Report prepared under the Long Term Plan 2015 – 2025.

Many of the ways in which this information is presented are governed by legislation and standard accounting practices. However, we recognise that the readers of this report are from diverse backgrounds and steps have been taken to present the information in an accessible and understandable form.

The report from the Mayor and Chief Executive Officer provide commentary on some of the year's key strategies, objectives, highlights and challenges. The Financial Statements and Statements of Service Performance look at the District affairs in greater detail.

We thank you for your interest in our activities and its leadership role in developing Tasman District.

## STATEMENT OF COMPLIANCE AND RESPONSIBILITY

### COMPLIANCE

1. The Council and management of the Tasman District Council confirm that all the statutory requirements of the Local Government Act 2002 in relation to the Annual Report have been complied with.

3. The Council and management of Tasman District Council accepts responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial and non-financial reporting.

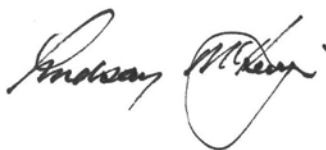
### RESPONSIBILITY

2. The Council and management of Tasman District Council accept responsibility for the preparation of the annual financial statements and the judgements used in them.

4. In the opinion of the Council and management of Tasman District Council, the annual financial statements for the year ended 30 June 2016 fairly reflect the financial position, operations and service performance of Tasman District Council.



**R G Kempthorne**  
Mayor



**L McKenzie**  
Chief Executive Officer



**M Drummond, CA**  
Corporate Services Manager

27 October 2016

# HOW THE ANNUAL REPORT FITS INTO COUNCIL'S OVERALL PLANNING FRAMEWORK



# INDEPENDENT AUDITOR'S REPORT

AUDIT NEW ZEALAND  
Mana Arotake Aotearoa

To the readers of Tasman District Council's annual report  
For the year ended 30 June 2016

The Auditor-General is the auditor of Tasman District Council (the District Council). The Auditor-General has appointed me, Bede Kearney, using the staff and resources of Audit New Zealand to audit:

- the financial statements of the District Council that comprise:
  - the statement of financial position as at 30 June 2015 on page 127;
  - the statement of comprehensive revenue and expenses, statement of changes in equity and statement of cash flows for the year ending 30 June 2015 on pages 125, and 128 to 129;
  - the funding impact statement of the District Council on page 130;
  - the statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on pages 42 to 113; and
  - the notes to the financial statements that include accounting policies and other explanatory information about the financial statements on pages 115 to 124 and 131 to 186;
- the statement of service provision (referred to as Statements of Objectives and Service Performance) of the District Council on pages 27 to 113 and the funding impact statements in relation to each group of activities of the District Council on pages 42 to 113; and
- the disclosures of the District Council that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 187 to 194.

In addition, the Auditor-General has appointed me to report on whether the District Council's annual report complies with the Other Requirements of schedule 10 of the Local Government Act 2002, where applicable, by including:

- information about:
  - internal borrowing on page 166;
  - reserve funds on pages 168 to 170;
  - each group of activities carried out by the District Council on pages 42 to 113;

PLACEHOLDER

- remuneration paid to the elected members and certain employees of the District Council on pages 173 and 185;
- employee staffing levels and remuneration on page 173; and
- severance payments on page 173;
- rating base units on page 195; and
- insurance of assets on pages 195 to 196;
- a report on the activities undertaken by the District Council to establish and maintain processes to provide opportunities for Maori to contribute to the Council's decision-making processes on page 203; and
- a statement of compliance signed by the mayor of the Council, and by the District Council's chief executive on page 20.

## Opinion

### Audited information

In our opinion:

- the financial statements of the District Council on pages 115 to 129 and pages 186:
  - present fairly, in all material respects:
    - the District Council's financial position as at 30 June 2015;
    - the results of its operations and cash flows for the year ended on that date; and
  - comply with generally accepted accounting practice in New Zealand.
- the funding impact statement of the District Council on page 130, present fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District's annual plan.
- the statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on pages 42 to 113, present fairly, in all material respects, by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the District Council's long-term plan or annual plan.
- The Statements of Objectives and Service Performance of the District Council on pages 27 to 113:
  - presents fairly, in all material respects, the District Council's levels of service for the year ended 30 June 2015, including:

**PLACEHOLDER**

- the levels of service as measured against the intended levels of service adopted in the long-term plan;
    - the reasons for any significant variances between the actual service and the expected service; and
  - o complies with generally accepted accounting practice in New Zealand.
- the funding impact statements in relation to each group of activities of the District Council on pages 42 to 113, present fairly, in all material respects, by each group of activities, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long-term plan.
- the disclosures on pages 187 to 194 represent a complete list of required disclosures and accurately reflects the information drawn from the District Council's audited information.

### Compliance with the other requirements of schedule 10

The District Council's annual report complies with the Other Requirements of schedule 10 that are applicable to the annual report.

Our audit was completed on 21 September 2015. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Council and our responsibilities, and we explain our independence.

### Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the information we audited is free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and Statements of Objectives and Service Performance. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the information we audited. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the information we audited, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the District Council's preparation of the information we audited in order to design procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the District Council's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Council;
- the adequacy of the disclosures in the information we audited;
- determining the appropriateness of the reported Statements of Objectives and Service Performance within the Council's framework for reporting performance; and
- the overall presentation of the information we audited.

We did not examine every transaction, nor do we guarantee complete accuracy of the information we audited.

When reporting on whether the annual report complies with the requirements of schedule 10 of the Local Government Act 2002, our procedure was limited to making sure the information required by schedule 10 was included in the annual report, where relevant, and identifying material inconsistencies, if any, with the information we audited. This work was carried out in accordance with International Standard on Auditing (New Zealand) 720, The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements. As a result we do not express an audit opinion on the District Council's compliance with the requirements of schedule 10.

We did not evaluate the security and controls over the electronic publication of the information we are required to audit and report on. We believe we have obtained sufficient and appropriate evidence to provide a basis for our opinion.

## Responsibilities of the Council

The Council is responsible for preparing:

- financial statements and Statements of Objectives and Service Performance that:
  - comply with generally accepted accounting practice in New Zealand;
  - present fairly the District Council's financial position, financial performance and cash flows;
  - present fairly its service performance, including achievements compared to forecast;
- a funding impact statement that presents fairly the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan;
- funding impact statements in relation to each group of activities that presents fairly by each group of activities, the amount of funds produced from each



source of funding and how the funds were applied as compared to the information included in the District Council's long-term plan;

- statements about budgeted and actual capital expenditure in relation to each group of activities that presents fairly by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the District Council's long-term plan or annual plan; and
- disclosures in accordance with the requirements of the Local Government (Financial Reporting and Prudence) Regulations 2014; and
- the other information in accordance with the requirements of schedule 10 of the Local Government Act 2002.

The Council's responsibilities arise under the Local Government Act 2002.

The Council is responsible for such internal control as it determines is necessary to ensure that the annual report is free from material misstatement, whether due to fraud or error. The Council is also responsible for the publication of the annual report, whether in printed or electronic form.

### Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the information we are required to audit, and whether the Council has complied with the Other Requirements of schedule 10 and reporting that opinion to you. Our responsibility arises under section 15 of the Public Audit Act 2001.

### Independence

When carrying out this audit, which includes our report on the Other Requirements, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board. Other than this audit, which includes our report on the Other Requirements, the audit of the District Council's 2015-25 Long Term Plan and an independent assurance review of the District Council's Debenture Trust Deed, we have no relationship with, or interests, in the District Council.

Bede Kearney  
Audit New Zealand  
On behalf of the Auditor-General  
Christchurch, New Zealand

# PART 4

## FINANCIAL AND NON-FINANCIAL PERFORMANCE

# STATEMENTS OF OBJECTIVES AND SERVICE PERFORMANCE

The service goals and objectives form the basis of our operations in the provision of works and services for the District. Council departments may be broadly categorised as follows:

- **ENVIRONMENT AND PLANNING**
- **ENGINEERING SERVICES**
- **COMMUNITY DEVELOPMENT (FORMERLY COMMUNITY SERVICES)**
- **CORPORATE SERVICES**

Within each group of activities there may be a number of smaller activities, for example Environment and Planning includes Public Health and Safety, Building Control, Environmental Health, Animal Control, Civil Defence Emergency Management, Rural Fire Support Services, Maritime Safety and Parking Control.

The service goals, objectives and performance indicators have been listed for each of Council's significant activities (where applicable). These are followed by a statement on the level of achievement.

Each significant activity area as a whole incorporates elements of quality, quantity, timeliness, cost and location (where applicable). Unless otherwise noted, all tasks are to be completed by 30 June 2016. Quality processes (which affect the quality of the output) are also a standard feature of the internal management control systems. In particular:

## PREPARATION OF INTERNAL REPORT

Internal reports are prepared by suitably qualified and experienced staff. Significant reports are subject to a peer review process/consultation review.

## CAPITAL WORKS

Capital works are constructed to design specifications. Inspections of works are undertaken by suitably qualified and experienced engineers.

## RESOURCE MANAGEMENT

These functions are performed by appropriately qualified staff and/or accredited hearing commissioners. This is one mechanism by which Council assures the quality of service given to the public. In relation to policy investigations and the

development of regional and district plans, we follow processes outlined in legislation and established public consultation procedures.

## MAINTENANCE WORKS

Maintenance works are undertaken by employees or by contract under the supervision of suitably qualified and experienced engineers or other appropriate staff and monitored in accordance with the relevant maintenance programme.

## LEGISLATIVE AND FINANCIAL COMPLIANCE

In all instances, we strive to act within the relevant statutory requirements and within approved budget levels.

## ASSET MANAGEMENT PLANNING

A common process we undertake for all outputs is the development of asset/activity management plans for Council's activities and infrastructural assets, including asset identification, valuation, condition rating, service levels, performance measures and future maintenance and development plans, as appropriate. Sufficient maintenance has been programmed and performed on all infrastructural assets during this financial year to ensure that the service potential of assets has not deteriorated.

## PERFORMANCE MEASURES

In many cases in preparing our Long Term Plan 2015 – 2025, we included survey measures as a measure of progress toward the achievement of our objectives, as well as checking residents' levels of satisfaction with the services we provide. We report on these measures using data from the annual 'Communitrak Survey'.

### FUNDING IMPACT STATEMENTS (FIS)

The following tables relate to FIS prepared for each activity. The FIS have been prepared in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014. This is a reporting requirement unique to local government and the disclosures contained within and the presentation of this statement is not prepared in accordance with generally accepted accounting practices ("GAAP").

This statement is based on cash transactions prepared on an accrual basis and as such does not include non cash/accounting transactions that are included within the Comprehensive Revenue and Expense Statement as

required under GAAP. These items include but are not limited to Council's depreciation, gain and/or losses on revaluation and vested assets.

It also departs from GAAP as funding sources are disclosed based on whether they are deemed for operational or capital purposes. Revenue such as subsidies for capital projects, for example New Zealand Transport Agency subsidies projected to be received for road renewal works, development and reserve financial contributions and gains on sale of assets are recorded as capital funding sources. Under GAAP these are treated as revenue in the Comprehensive Revenue and Expense Statement.

## ENVIRONMENT AND PLANNING

### POLICY AND OBJECTIVE

To promote the sustainable management of natural and physical resources and to safeguard the District's environmental qualities and health and safety of people and communities.

### NATURE AND SCOPE

There are two significant areas under which this activity is performed by Council.

- Environmental Management
- Public Health and Safety

These output classes involve the development of resource policy and plans under the Resource Management Act and related legislation, the associated processing and monitoring of resource consents, improving the understanding of the District's environment through investigations and promoting improved environmental performance by resource users, and undertaking Council's regulatory responsibilities such as building assurance, environmental health, animal control, civil defence are also involved.

### ENVIRONMENTAL MANAGEMENT

#### WHAT WE DO

Council's environmental management functions and responsibilities include:

- The provision of policy advice, including responses to national environmental requirements.
- The development and implementation of resource management policies and plans.
- Investigating significant environmental issues affecting or likely to affect the District.
- Maintaining an efficient resource information base to respond to environmental hazards, and to provide advice on environmental conditions and issues affecting the District.
- Assessing and processing resource consent applications and related compliance monitoring and enforcement.
- Processing development contributions assessments.
- Undertaking biosecurity (pest management) responsibilities including contributing to the National Bovine Tb vector control work in the District.

#### WHY WE DO IT

Council undertakes its environmental management responsibilities in order to promote the sustainable management of Tasman District's resources and to manage the consequences of human activity on the environment. Many of Council's policies and plans are statutory documents required under legislation.



Tata Beach

Council's state of the environment monitoring and information work is undertaken to monitor progress to achieve environmental outcomes, to help target planning controls, consent conditions and education programmes, to identify new issues, and to provide information of use to farmers, businesses and the public. Council processes resource consent applications and undertakes compliance activities to reduce the impact of human activity on other people and the environment. Council's biosecurity activities help protect the environment from unwanted plant and animal pests.

### OUR GOAL

The Environmental Management activity goal is to effectively promote the sustainable management of the District's natural and physical resources by:

1. Identifying and responding to resource management policy issues and biosecurity risks in a manner that is effective, proportionate, and supported by the community generally.
2. Achieving a robust and cost effective approach to environmental monitoring and resource investigations that will provide a good understanding of the District's resources and the ability to assess environmental trends and manage risks to the environment.
3. Providing a sound and appropriate policy planning framework that will protect and enhance our unique environment, promote healthy and safe communities, and support business and enterprise.
4. Ensuring that plan development systems are administered in a way which meets the expected environmental outcomes identified in policy statements and plans.
5. Managing the statutory processes involved in a way that is fair, lawful, timely and efficient, and meets the expected environmental outcomes identified in policy statements and plans.
6. Improving use, development, and protection of the District's resources and minimising damage to the environment through minimising inappropriate practices or the incidence of pests and other threats to the quality of the environment we enjoy.
7. Providing environmental information to enable sustainable, resilient, and productive communities within the District.

## ENVIRONMENT AND PLANNING – ENVIRONMENTAL MANAGEMENT (CONT.)

## HOW THIS ACTIVITY CONTRIBUTES TO THE COUNCIL'S COMMUNITY OUTCOMES

COMMUNITY OUTCOMES	HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
Our unique environment is healthy and protected.	<ul style="list-style-type: none"> <li>• By having in place policies and plans that promote sustainable management of natural and physical resources and, where necessary, regulating activities which would over time degrade the environment or place resources under pressure, keeps Tasman District special.</li> </ul>
Our urban and rural environments are people-friendly, well-planned and sustainably managed.	<ul style="list-style-type: none"> <li>• By monitoring and investigating the state of the environment and the trends, risks, and pressures it faces, we can make better decisions and have in place policies and plans that promote sustainable management of natural and physical resources, and where necessary, that regulate activities which overtime would degrade the environment or place resources under pressure, keeps Tasman special.</li> </ul>
Our infrastructure is efficient, cost effective and meets current and future needs.	<ul style="list-style-type: none"> <li>• By managing animal and plant pests, working with landowners and others to protect biodiversity, soil and water sustainability, and educating to encourage responsible environmental behaviours, we seek to ensure Tasman remains special.</li> <li>• By ensuring consent approvals for the development and use of the environment promote sustainable management of natural and physical resources. Where necessary, conditions can be imposed (and monitored) that regulate activities which overtime would degrade the environment or place resources under pressure.</li> <li>• By ensuring that living environments are pleasant, safe, and that the activities of others do not adversely impact on citizens' lives and are appropriate in location and scale.</li> <li>• By monitoring and investigating the state of the environment and the trends, risks, and pressures it faces, we can make better decisions and have in place policies and plans that contribute to this outcome.</li> <li>• By educating people and providing them with information to enable them to live more sustainably and to be more resilient.</li> <li>• By having in place effective resource planning processes which ensure infrastructure provision is appropriate, efficient, and available to meet the demands of the community.</li> <li>• By promoting best practice and efficiency measures in the design and use of important utility services.</li> </ul>
Our communities are healthy, safe, inclusive and resilient.	<ul style="list-style-type: none"> <li>• By having in place processes which safeguard the community's health and wellbeing and which ensure resource use and human activities affecting resources do not adversely affect quality of life or community well-being.</li> <li>• By maintaining an effective flood warning system and working to identify contamination risks which are designed to promote safety of people and community well-being.</li> </ul>
Our communities have opportunities to celebrate and explore their heritage, identity and creativity.	<ul style="list-style-type: none"> <li>• By identifying heritage values of significance to the District and having in place a framework for protecting and enhancing these values, including sites which are important to iwi.</li> </ul>

## ENVIRONMENT AND PLANNING – ENVIRONMENTAL MANAGEMENT (CONT.)

### HOW THIS ACTIVITY CONTRIBUTES TO THE COUNCIL'S COMMUNITY OUTCOMES (CONT.)

COMMUNITY OUTCOMES	HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
Our Council provides leadership and fosters partnerships, a regional perspective and community engagement.	<ul style="list-style-type: none"> <li>Public participation is provided for in the processes of developing and administering policies and plans under the Resource Management and Biosecurity Acts.</li> <li>We make environmental information available and work with groups in the community to help them make environmentally sound decisions.</li> </ul>
Our region is supported by an innovative and sustainable economy.	<ul style="list-style-type: none"> <li>Policies, plans and information help identify opportunities for economic development and potential hazards and constraints affecting such opportunities.</li> <li>Resource information identifies opportunities for economic development in the use and development of resources of benefit to current and future generations, and potential hazards and constraints affecting such opportunities.</li> <li>Resource consents can facilitate economic development opportunities and compliance monitoring can ensure fair and equal opportunities for all.</li> <li>We encourage people to adopt best practice in relation to their use of resources such as land, water, air, and the coast.</li> </ul>

### OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...	CURRENT PERFORMANCE
<p>An appropriate policy framework that effectively promotes the sustainable management of the District's natural and physical resources by:</p> <ul style="list-style-type: none"> <li>identifying and responding to resource management policy issues; and</li> <li>providing a sound and appropriate policy planning framework that will protect and enhance our unique environment and promote healthy and safe communities.</li> </ul>	<p>At least 65% of respondents are fairly or very satisfied with Council's resource management policy and planning work, as measured via the annual resident's survey.</p> <p>(Target: 65%.)</p>	<p>Of those surveyed, 58% of residents were satisfied or very satisfied with our resource management policy and planning work. 14% of respondents did not know enough to comment. A total of 68% of those with knowledge were therefore satisfied or very satisfied with our work. These results are very similar to our satisfaction levels measured over the past five years. In 2015 56% were satisfied or very satisfied, and 22% did not know enough to comment.</p> <p><b>See Figure 8</b> Satisfaction with the Council's Environmental Policy and Planning Work, page 49.</p>

## ENVIRONMENT AND PLANNING – ENVIRONMENTAL MANAGEMENT (CONT.)

## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...	CURRENT PERFORMANCE
<p>Monitoring of environmental trends and conditions and reporting systems that protect and inform the community about environmental conditions, changes and risks.</p>	<p>Council meets the Air Quality National Environmental Standard (NES) by 2020 (i.e. no more than one day per year when air quality is &gt; 50 µg/m<sup>3</sup> PM<sub>10</sub>).</p> <p>(Target: PM<sub>10</sub> concentrations at Richmond Central monitoring site (BAM) continue to reduce (as corrected for meteorology).)</p> <p>Air quality at the Richmond Central monitoring site will be reported on Council's website, including any air quality breaches.</p>	<p>The winter of 2015 was characterised by well above average horizontal wind. During June 2015 average wind speed in the Region was recorded as 1.4 km/hr higher than the long term average. The higher wind speed is likely to have been a result of the El Nino weather pattern which was predicted to cause a wind speed increase across the top the South Island during the winter of 2015. The higher than average wind speed is likely to have decreased concentrations of PM<sub>10</sub> than might otherwise have occurred.</p> <p>At our air quality monitoring site in Oxford Street in Richmond, the air quality standards (NESAQ) were exceeded three times for the 24 hour average particulate matter smaller than 10 microns (PM<sub>10</sub>) requirement during the 2015 winter period. However, these occurred early in the winter, with only one exceedance of the 2015 winter occurring after 1 July 2015.</p> <p>Coincidentally a further two exceedances occurred during the early winter of 2016 giving three exceedances for the financial year commencing 1 July 2015 and ending 30 June 2016 as well as the seasonal winter period.</p> <p>The maximum 24-hour concentration recorded in the financial year was 57 µg/m<sup>3</sup>. The annual average rose from 17.5 µg/m<sup>3</sup> for 2014/15 to 18.5 µg/m<sup>3</sup> during 2015/16. This increase in PM<sub>10</sub> is thought to be a reflection of the move away from an El Nino weather pattern to a neutral phase with the amount of wind decreasing in the early winter of 2016.</p> <p>For more meaningful results, the number of exceedances are reported for each winter period (June/July/early August) rather than per financial year. We currently use the calendar year to report exceedances to our Environment and Planning Committee. The full 2016 air quality monitoring results will be reported to the Environment and Planning Committee in November 2016. The 2015 report was prepared in January 2016.</p> <p>Our website is continuously updated with live data from our monitoring stations. In addition we manually update the number of exceedances at least every two days.</p> <p><b>See Figure 9</b> Number of Exceedances and 2nd Highest 24hr PM<sub>10</sub> for Richmond Central, page 49.</p>



## ENVIRONMENT AND PLANNING – ENVIRONMENTAL MANAGEMENT (CONT.)

## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...	CURRENT PERFORMANCE
Monitoring of environmental trends and conditions and reporting systems that protect and inform the community about environmental conditions, changes and risks (cont.)	One issue based State of the Environment report to be released each year.  (Target one report released by 30 June.)	A number of State of the Environment Reports were completed and released by us during the past year including: <ul style="list-style-type: none"> <li>• State of the Environment Land and Soil 2016 (completed and pending release).</li> <li>• River Water Quality in Tasman District, October 2015.</li> <li>• Recommended Actions to Improve Degraded Streams, November 2015.</li> <li>• Contact Recreation Water Quality report for the 2015/2016 released June 2016.</li> <li>• The Health of the Whanganui Inlet Broad-Scale Habitat Mapping and Fine-Scale Assessment 2016 (completed and pending release).</li> <li>• State of the Environment Coastal Marine Area of Tasman and Golden Bays 2016.</li> </ul>
	An annual Recreational Bathing Water summary report is drafted and reported to Council or a Committee by 31 July each year.	We released our Contact Recreation Water Quality report for 2015/2016 in June 2016 at our Environment and Planning Committee meeting.  Using the Ministry for the Environment “Suitability for Recreation Grade” criteria, both Kaiteriteri Beach and Moturoa/Rabbit Island Main Beach were graded “Very Good”, Mapua Leisure Park Beach was graded “Good” and Pohara Beach was graded “Fair” during all weather.  For the river sites; Takaka at Paynes Ford, and Lee River at Reserve, were both graded “Good”. All other sites have only “interim” grades due to insufficient samples. Investigations at Pohara have not revealed a clear source of faecal contamination; and we plan to undertake further investigations.
	Swimming beaches and rivers are suitable for contact recreation, all or most of the time.  (Target 1: 98% of swimming beaches and rivers are suitable for contact recreation using fine weather sample; and  Target 2: 92% of swimming beaches and rivers are suitable for contact recreation using all weather samples.)	At our swimming beaches we had a total of 27 exceedances, where 12 were associated with wet weather events. For our fine weather samples (excluding rainfall-influenced samples), we achieved a compliance rate of 96% for swimming beaches suitable for contact recreation. Although we would prefer this was higher and we will be aiming to meet our Target 1 in future years, this result is in line with our average compliance rate of 97% over the past 10 years.  As reported above, there were a total of 27 exceedances above the national guidelines (15 “Amber” and 12 “Red”) at our swimming sites. Out of a total of 386 samples taken, this equates to 93% of samples meeting microbiological guidelines under all weather conditions.

## ENVIRONMENT AND PLANNING – ENVIRONMENTAL MANAGEMENT (CONT.)

## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...	CURRENT PERFORMANCE										
<p>We provide a responsive and efficient process for assessing resource consent applications and ensuring compliance obligations are fairly and appropriately enforced.</p>	<p>At least 80% of survey respondents rate their satisfaction with Council's resource consent processing work as fairly satisfied or better.</p>	<p>Of those surveyed, the overall resident satisfaction level was 63.3%. This is significantly down from last year where 84.3% were satisfied with our resource consent services. Over a third (34.7%) of respondents were not very satisfied for reasons including time delays, expense, and too much red-tape. This is compared to last year where dissatisfaction levels were relatively low, 15.7%.</p> <p>We are currently investigating the likely reasons for this decrease in satisfaction, and have identified a number of measures to try and return to our previous standards of performance.</p> <p><b>See Figure 10</b> Resource Consent Processing Satisfaction Rate, page 50.</p>										
	<p>Consent applications are processed within statutory timeframes (where they exist).</p> <p>(Target:</p> <ol style="list-style-type: none"> <li>1. Notified consents 100%;</li> <li>2. Non-notified consents 100%;</li> <li>3. Limited notified consents 100%.)</li> </ol>	<p>Continuing our excellent results from previous years, we processed practically 100% of all applications within the statutory timeframes:</p> <ul style="list-style-type: none"> <li>• Notified consents 100%</li> <li>• Non-notified consents 99%</li> <li>• Limited notified consents 100%</li> </ul> <p>(cf 100%, 98.9% and 100% respectively in 2014/2015).</p>										
<p>An annual report is prepared and presented to Council or a Council committee each year which details:</p> <p>This report details the level of compliance with consent conditions or plan rules for those undertaking activities under resource consents or permitted activities, as described under tailored monitoring programmes.</p> <p>(Target: Annual report tabled to Council or a Council committee by 31 October, showing that all resource consents that are monitored are assigned appropriate compliance performance grades.)</p>	<p>Over the 2015/2016 year, we achieved our target with monitoring and reporting on 1,224 resource consents and targeted permitted activities (water metered consents excluded)*. The Annual Compliance and Enforcement report was released on 1 September 2016.</p> <p>Compliance levels are shown in the following table.</p> <table border="1" data-bbox="770 1541 1394 1771"> <thead> <tr> <th>COMPLIANCE RATING</th> <th>2015/16</th> </tr> </thead> <tbody> <tr> <td>1. Fully complying</td> <td>875</td> </tr> <tr> <td>2. Non-compliance. Nil or minor adverse effect</td> <td>241</td> </tr> <tr> <td>3. Non-compliance. Moderate adverse effect</td> <td>86</td> </tr> <tr> <td>4. Non-compliance. Significant adverse effect</td> <td>22</td> </tr> </tbody> </table> <p>Where non-compliance was detected proportionate action was taken in accordance with our Enforcement Protocol ranging from advice to consent holder through to enforcement action.</p> <p><b>See Figure 11</b> Resource Consent Compliance Rating, page 50.</p>	COMPLIANCE RATING	2015/16	1. Fully complying	875	2. Non-compliance. Nil or minor adverse effect	241	3. Non-compliance. Moderate adverse effect	86	4. Non-compliance. Significant adverse effect	22	<p>* We do not monitor or report on all resource consents that are granted in a calendar year. Instead we undertake a targeted monitoring programme that reflects the Council's agreed monitoring strategy for resource consents and permitted activities. This allows for structured and consistent 'effects-based monitoring' of resource consents. Monitoring is prioritised according to risk to the environment, or level of public interest both regionally and nationally on the activity. Monitoring may also be prioritised where Council requires a comprehensive understanding of the activity and its sector performance in order to meet reporting obligations. Operating a targeted monitoring strategy allows for efficient use of the departments limited staff resources.</p>
	COMPLIANCE RATING	2015/16										
1. Fully complying	875											
2. Non-compliance. Nil or minor adverse effect	241											
3. Non-compliance. Moderate adverse effect	86											
4. Non-compliance. Significant adverse effect	22											

## ENVIRONMENT AND PLANNING – ENVIRONMENTAL MANAGEMENT (CONT.)

## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...	CURRENT PERFORMANCE																				
<p>We provide a responsive and efficient process for assessing resource consent applications and ensuring compliance obligations are fairly and appropriately enforced (cont.)</p>	<p>Where significant non-compliance is recorded, that resolution is achieved within appropriate timeframes. (Target 1: 80% are resolved within nine months and; Target 2: 95% within 12 months.)</p>	<p>Where non-compliance was detected:</p> <ul style="list-style-type: none"> <li>97% were resolved within nine months</li> <li>100% were resolved within 12 months</li> </ul> <table border="1" data-bbox="695 645 1410 1064"> <thead> <tr> <th></th> <th>NUMBER OF ACTIONS</th> <th>RESOLVED (NINE MONTHS)</th> <th>RESOLVED (12 MONTHS)</th> </tr> </thead> <tbody> <tr> <td>Non compliances recorded and resolved this current period</td> <td>21</td> <td>21</td> <td>N/A</td> </tr> <tr> <td>Non compliances carried over from the previous year subject to measure*</td> <td>12</td> <td>11</td> <td>1</td> </tr> <tr> <td>Non compliances with nine and 12 month deadline beyond this reporting period**</td> <td>N/A</td> <td>N/A</td> <td>N/A</td> </tr> <tr> <td>Total</td> <td>33</td> <td>97%</td> <td>100%</td> </tr> </tbody> </table> <p>*Significant non-compliances carried over from the previous year report where those non-compliances were identified in that period, but resolution dates fell beyond. **Represents significant non-compliances recorded in the reporting period, not yet resolved and where the nine and 12 month measures fall beyond this current reporting period. These will be reported in our next annual report.</p>		NUMBER OF ACTIONS	RESOLVED (NINE MONTHS)	RESOLVED (12 MONTHS)	Non compliances recorded and resolved this current period	21	21	N/A	Non compliances carried over from the previous year subject to measure*	12	11	1	Non compliances with nine and 12 month deadline beyond this reporting period**	N/A	N/A	N/A	Total	33	97%	100%
	NUMBER OF ACTIONS	RESOLVED (NINE MONTHS)	RESOLVED (12 MONTHS)																			
Non compliances recorded and resolved this current period	21	21	N/A																			
Non compliances carried over from the previous year subject to measure*	12	11	1																			
Non compliances with nine and 12 month deadline beyond this reporting period**	N/A	N/A	N/A																			
Total	33	97%	100%																			
	<p>An annual report is prepared and presented to Council committee or a Council meeting on Water Metering Compliance detailing the performance of consented and permitted activity ground and surface water abstractions requiring monitoring as defined in the Tasman Resource Management Plan. (Target: Annual report tabled to Council or a Council committee by 31 October.)</p>	<p>The 2015/2016 water metering report was presented at the 28 July 2016 Environment and Planning Committee meeting.</p> <p>Key findings in the report were:</p> <p>The Dry Weather Taskforce convened on seven occasions to impose restrictions under Section 329 of the Resource Management Act 1991.</p> <p>Consents administered under the water metering project in the 2015/2016 season increased from 1,458 to 1,486 of which 86% of water meter readings are received electronically.</p> <p>Of those filing electronically, 79% are now filing via the web page service we provided, 10% are filing via email, and 4.5% are filing via telemetry.</p> <p>A total of 1055 meters were audited during the past summer season using student assistance to undertake this critical task.</p> <p>Overall compliance this year continues to be good, but requires significant contact between Council staff and consent holders. One Infringement Notice and one Abatement Notice was issued. Overtakes did occur, however no infringements were issued as many were the result of missing readings or for first time offenders. Each overtake that did occur was investigated and assessed on a case by case basis with 11 warnings issued and recorded against those users and their water take records.</p> <p>Implementation of the Reporting of Water Takes Regulation 2010 continues. There are now a further 319 consented water takes of 5 l/s or greater that are required to install a complying water meter by November 2016, and to be verified as accurate by June 2017. To date 51 have confirmed a complying meter and 268 have received a reminder notice regarding the November deadline.</p>																				

## ENVIRONMENT AND PLANNING – ENVIRONMENTAL MANAGEMENT (CONT.)

## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...	CURRENT PERFORMANCE
<p>We provide a responsive and efficient process for assessing resource consent applications and ensuring compliance obligations are fairly and appropriately enforced (cont.)</p>	<p>An annual Dairy Monitoring report is prepared detailing the performance of the District's dairy farms against the Council's dairy effluent discharge rules and Clean Streams Accord targets.</p> <p>(Target: 95% fully compliant.)</p>	<p>The 2015/2016 Annual Dairy Effluent Discharge report was presented to the 28 July 2016 Environment and Planning Committee.</p> <p>The report disclosed that in the 2015/2016 season, a total of 146 dairy sheds had active discharges in the Tasman District. Of those 140 operated as permitted activities, with the remaining six holding resource consents to discharge treated effluent to water.</p> <p>At our inspections each farm was assessed against their resource consent conditions for the discharge of treated dairy effluent to water, or against the Permitted Activity Rule 36.1.2.3 (the discharge of animal effluent to land).</p> <p>The final compliance results for all 146 farms was relatively high and reported as:</p> <ul style="list-style-type: none"> <li>• 94% – Fully compliant</li> <li>• 4% – Non-compliant</li> <li>• 2% – Significantly non-compliant</li> </ul> <p>Although only a small percentage of farms were non-compliant, we are committed to educating and working with those farmers to ensure that they meet regulations, thereby protecting the health of our waterways.</p> <p><b>Figure 12</b> Dairy Farm Compliance, page 51.</p> <p>The graph shows a comparison of the compliance rates from the 2010/2011, 2013/2014, 2014/2015, 2015/2016 surveys with this latest survey.</p>
<p>We will implement the provisions of the Regional Pest Management Strategy in Tasman and in Nelson to ensure that pests included in the Strategy are managed to minimise their impact on our productive sector and our natural areas.</p>	<p>Timely reporting of pest management operations in accordance with requirements of the Biosecurity Act.</p> <p>(Target: Annual report tabled to Council or a Council committee by 30 November.)</p>	<p>The Annual Report on Biosecurity Operations was reported to the 8 October 2015 Environment and Planning Committee Meeting (REP15/10/04 refers). The current year's Annual Report will be presented to this Committee at their November 2016 meeting.</p>

ENVIRONMENT AND PLANNING – ENVIRONMENTAL MANAGEMENT (CONT.)

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM (CONT.)

FIGURE 8. Satisfaction with the Council’s Environmental Policy and Planning Work

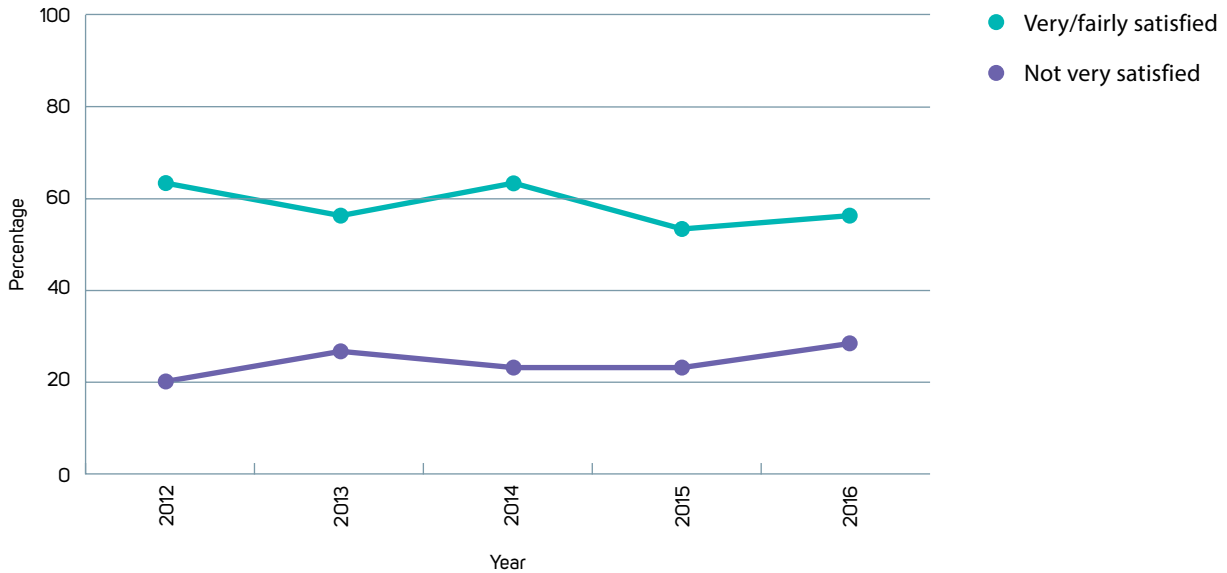
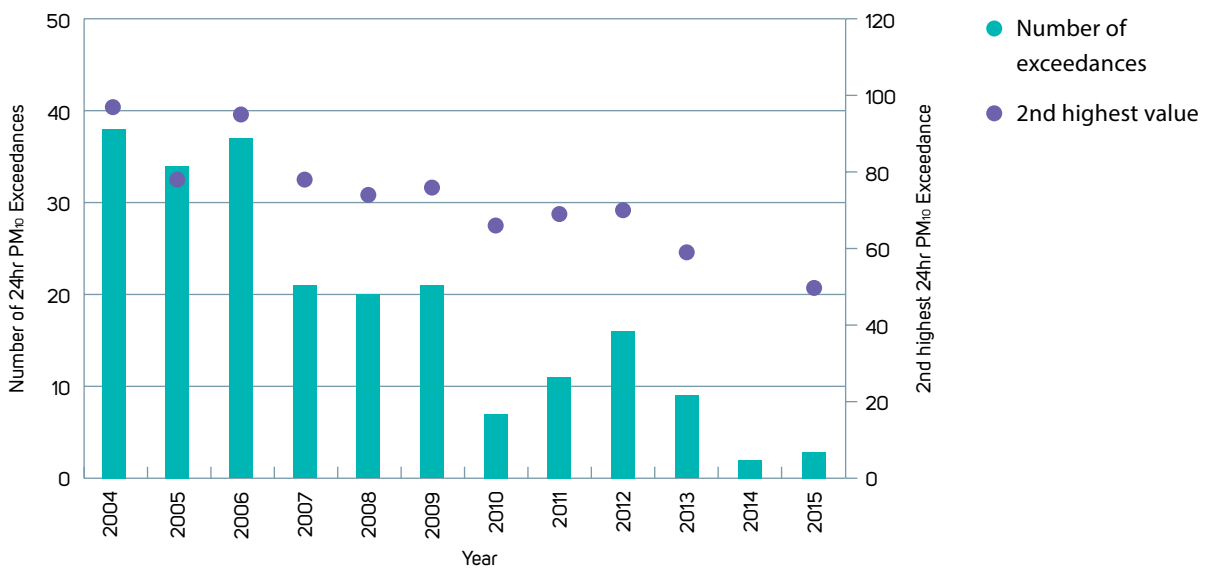


FIGURE 9. Number of Exceedances and 2nd Highest 24hr PM<sub>10</sub> for Richmond Central



ENVIRONMENT AND PLANNING – ENVIRONMENTAL MANAGEMENT (CONT.)

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM (CONT.)

FIGURE 10. Resource Consent Processing Satisfaction Rate

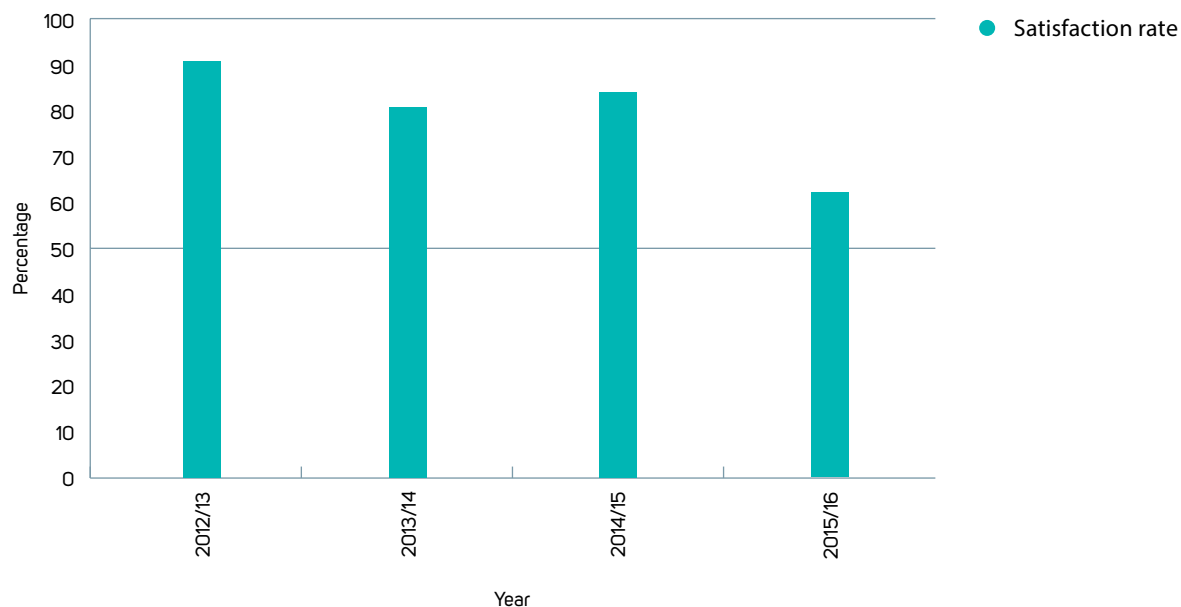
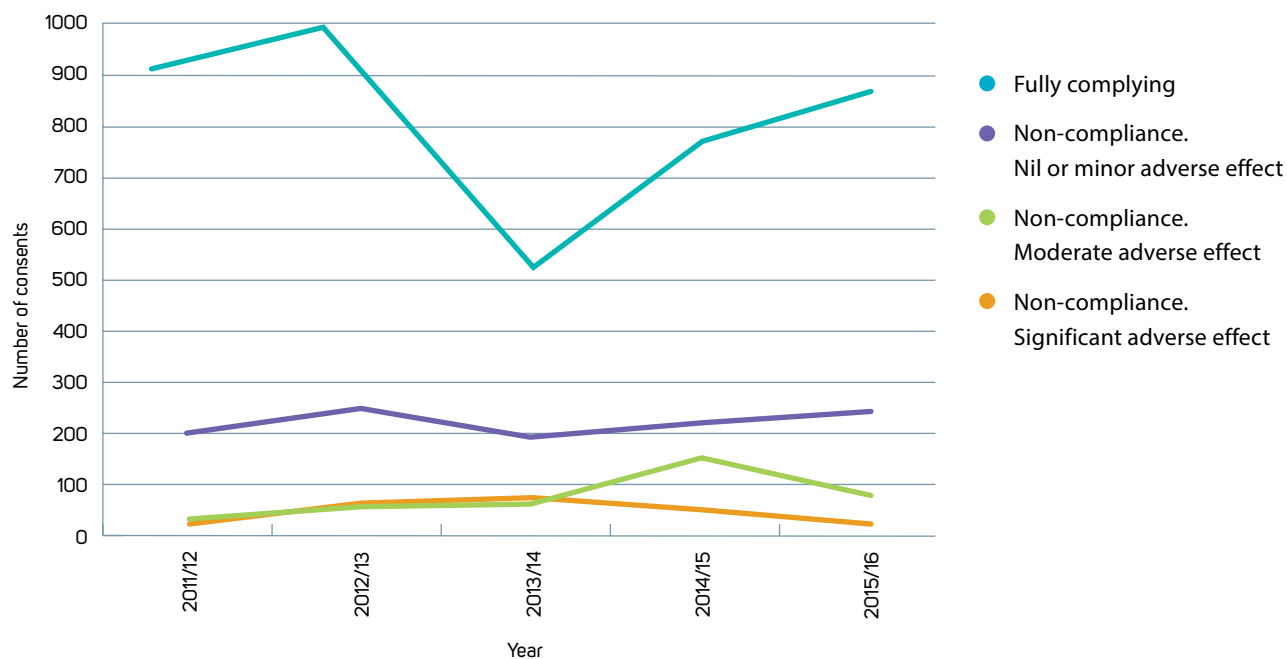


FIGURE 11. Resource Consent Compliance Rating



## ENVIRONMENT AND PLANNING – ENVIRONMENTAL MANAGEMENT (CONT.)

### OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM (CONT.)

FIGURE 12. Dairy Farm Compliance

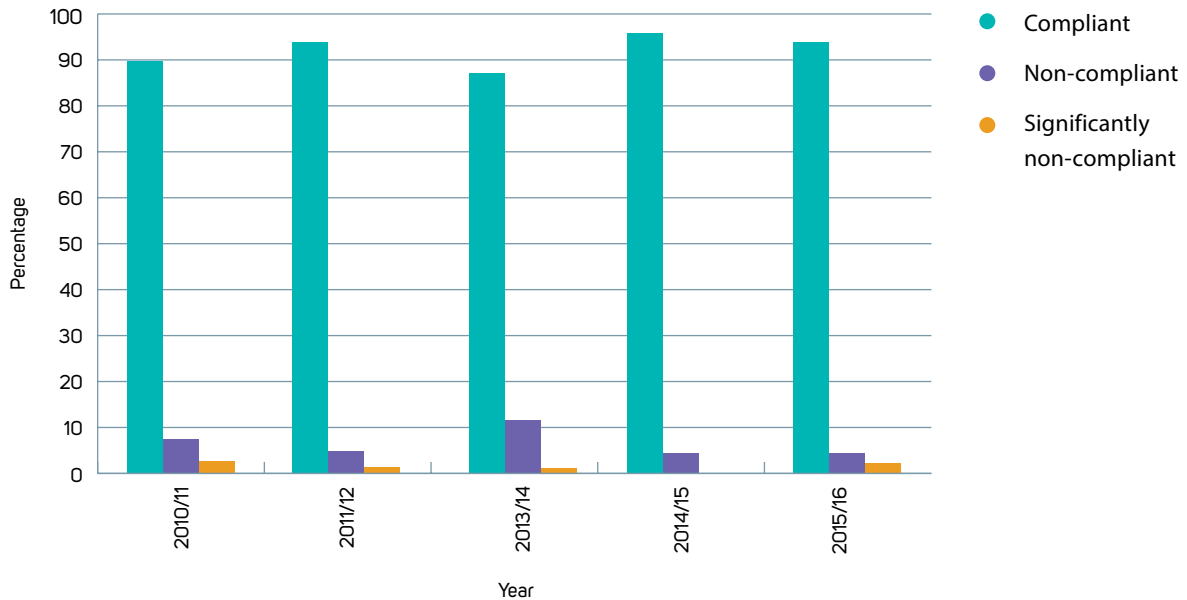
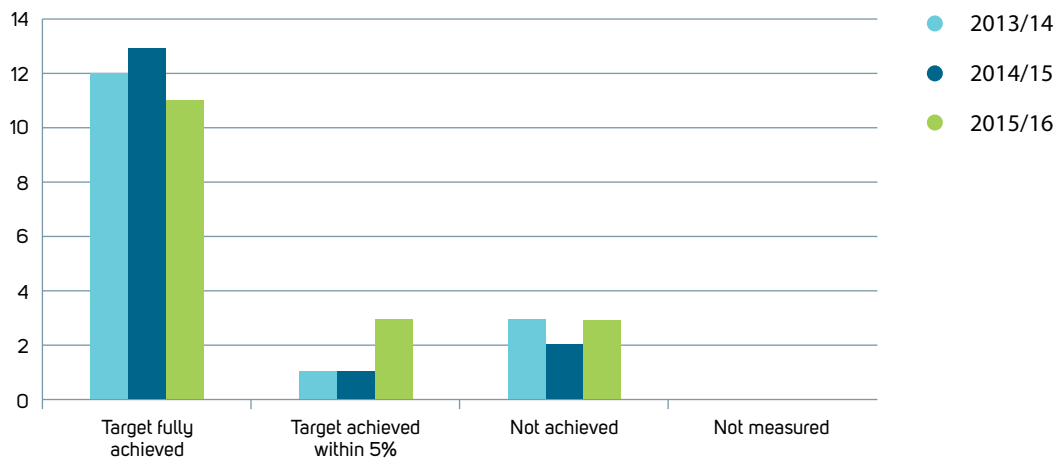


FIGURE 13. Environmental Management Performance Measures

Comparison of number of performance measures met over three years



The performance measures for Environmental Management have remained relatively unchanged from the last Long Term Plan, with only a small number of amendments to targets and some measures. The results from this group have also remained constant, with high levels of achievement. The targets not achieved relate to satisfaction with the resource management policy and planning work; swimming beaches suitable for contact recreation (where this target was narrowly missed) and satisfaction with the resource consent processing.

## ENVIRONMENT AND PLANNING – ENVIRONMENTAL MANAGEMENT (CONT.)

## MAJOR ACTIVITIES

PLANNED	ACTUAL
<p>Undertake environmental monitoring of the District's resources, state of the environment reporting, hydrology and flood warning monitoring, and provision of environmental information.</p>	<p>Monitoring and Reporting Strategy. The monitoring, collection and maintenance of resource data/records is ongoing. The data is reported in real-time and, in many cases, climate and hydrological data is available online. Council is presently carrying out a three year upgrade of the groundwater monitoring sites.</p> <p>Seven flood events were monitored requiring warnings to be issued. Nelson City Council's hydrology programme is carried out by Tasman District Council under contract.</p> <p>Water resource information on the Tasman District Council's 'Flowphone' and web page continue to be widely used by anglers, kayakers and others. Over the year 202 significant data requests were answered. We also contributed data to the Land and Water Aotearoa website (LAWA), a federated environmental data website where all regional councils are participating, and staff contributed to the new National Environmental Monitoring Standards (NEMS).</p> <p>Resource investigation and environmental monitoring programmes continue. These included investigation and monitoring of bathing water quality and toxic algae, river water quality, freshwater fish, freshwater wetlands, estuary health, groundwater quality, contaminated land, soil survey, gravel availability, air quality and soil mapping and health surveys. Specific issue-investigations included faecal source tracking at both Pohara Creek and Tukuru Stream, Murchison (Neds) Creek, Clay Creek, and Mackay Creek.</p> <p>We also undertook quarterly monitoring of groundwater and river water quality throughout the region, and monthly water quality monitoring of lower Waimea, Motueka, Sherry, Takaka and Aorere Rivers. (Note: all river water quality monitoring will be at monthly frequency from 1 July 2016). We also undertook weekly salinity monitoring of the Waimea and Motueka bores from December to mid-April for water resource management.</p> <p>A major review of the River Water Quality Monitoring Programme was undertaken and documented with assistance from Dr Roger Young from Cawthron.</p> <p>The wetland project involving mapping, basic significance assessment, and landowner liaison is nearly complete for Buller and Golden Bay. We have almost finished all the site visits in the Buller (for those who have requested them) and we have sent draft maps to all wetland owners in Golden Bay. We have just begun a project to set up a methodology to assess wetland significance.</p> <p>Staff implemented the next round of the 'Measuring and Reporting of Water Takes' (the 10–20 l/s takes). Approximately 85% of the required consent holders installed and verified their water meter within the given timeframe. Seven new telemetered irrigation water meters were added to our system (total is now 30). Other State of the Environment Reports are listed in the previous pages.</p>



## ENVIRONMENT AND PLANNING – ENVIRONMENTAL MANAGEMENT (CONT.)

## MAJOR ACTIVITIES (CONT.)

PLANNED	ACTUAL																								
Provide advice to potential applicants for resource consents and processing resource consent applications and development contribution notices.	We continue to respond to enquiries and all other aspects of resource consent applications on an ongoing basis. As at 30 June 2016 we had completed the processing of 990 non-notified applications, with 99% complying with statutory timeframes (in 2015 the figure was 1,012 at 98.8%); and 28 notified or limited applications with 100% complying with statutory timeframes (in 2015 the figure was 68 at 100%). As at 30 June 2016, four appeals to the Environment Court await resolution (cf two in 2015).																								
Undertake compliance activities to enforce planning rules, bylaws and resource consent conditions, and undertaking enforcement action when needed.	<p>The compliance monitoring team continues to carry out consent compliance monitoring in accordance with the Compliance Monitoring Strategy. We continue to undertake annual water metering, prepare Annual Farm Dairy Effluent Discharges reports and report on Compliance and Enforcement.</p> <p>Staff also responded to written and verbal complaints and maintained a file of complaints with record of actions taken which ranges from informal intervention through to enforcement actions. The following breakdown records the type of complaints received over the year:</p> <table data-bbox="555 1048 885 1545"> <tbody> <tr> <td>Noise</td> <td>805</td> </tr> <tr> <td>Land Use</td> <td>213</td> </tr> <tr> <td>Discharges – Air</td> <td>239</td> </tr> <tr> <td>Discharges – Water</td> <td>66</td> </tr> <tr> <td>Discharges – Land</td> <td>87</td> </tr> <tr> <td>Water takes</td> <td>29</td> </tr> <tr> <td>Rivers</td> <td>22</td> </tr> <tr> <td>Coastal</td> <td>12</td> </tr> <tr> <td>Rubbish Enforcement</td> <td>27</td> </tr> <tr> <td>Abandoned vehicles</td> <td>174</td> </tr> <tr> <td>Other</td> <td>466</td> </tr> <tr> <td><b>Total</b></td> <td><b>2,140</b></td> </tr> </tbody> </table> <p>(cf 1,860 in 2014/2015).</p> <p>The results show a jump of 281 complaints from the previous year, 231 of which related to noise. The increase was noticeable in complaints about music/party noise, construction activities, and security alarms.</p>	Noise	805	Land Use	213	Discharges – Air	239	Discharges – Water	66	Discharges – Land	87	Water takes	29	Rivers	22	Coastal	12	Rubbish Enforcement	27	Abandoned vehicles	174	Other	466	<b>Total</b>	<b>2,140</b>
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## ENVIRONMENT AND PLANNING – ENVIRONMENTAL MANAGEMENT (CONT.)

## MAJOR ACTIVITIES (CONT.)

PLANNED	ACTUAL
<p>Undertake plant and animal pest management planning and operations, including in Nelson City through a contractual arrangement with Nelson City Council, and funding the Animal Health Board to undertake its Tb Vector control programme in the District for the 2015/2016 financial year.</p>	<p>Pest management operations were carried out on an ongoing basis in accordance with the Operational Plan prepared under the Nelson Tasman Regional Pest Management Strategy. A separate and more detailed annual report was presented to the Environment and Planning Committee at their October 2015 meeting (REP15-10-04). Staff are working with Land Care Research to establish the distribution of a mite that has been found on both species of invasive wasps. Early results suggest that it could play a role as a biocontrol agent. Staff are also working with Landcare Research to develop and introduce a range of other biocontrol agents to Tasman District.</p> <p>The Top of the South Marine Biosecurity Partnership, co-funded by Council, has been working with stakeholders on reducing marine biosecurity risks and has coordinated local input to assist the Ministry of Primary Industries in its assessment of risk and management of incidents that included drilling rigs, fouled vessels and new organism finds.</p> <p>We provided funds as a contribution to OSPRI's bovine TB Vector Management programme. This funding finished on 30 June 2016 when the funding became the responsibility of Central Government and the beneficiary industry groups.</p>
<p>Implement the Environmental Policy work programme, including:</p> <ul style="list-style-type: none"> <li>• reviews of, and changes to, the Tasman Resource Management Plan (TRMP);</li> <li>• development plans for various settlements within the District;</li> <li>• rural policy reviews (including subdivision and rural land use, landscape protection);</li> <li>• land disturbance review;</li> <li>• network services rules and design guidance development;</li> <li>• water allocation reviews;</li> <li>• riparian land management strategy;</li> <li>• natural hazards strategic policy review;</li> <li>• review of the Tasman Regional Policy Statement and consideration of combining it with the TRMP; and</li> <li>• provision of policy advice.</li> </ul>	<p>We continued to work on the Rural Land Use and Subdivision policy review (proposed change notified 30 January 2016), Golden Bay Landscapes (draft plan change released June 2016). Work on the Brightwater and Wakefield Development Reviews proceeded to notified plan changes on 28 November 2015.</p> <p>We notified plan changes to further amend the water management provisions in the Waimea Plains. Decisions were released on the water management provisions for the Upper Motueka (one appeal lodged).</p> <p>Two collaborative community groups continued their work to advise Council on water quantity and water quality management regimes in the Takaka catchment and on water quality issues in the Waimea catchment.</p> <p>We responded to Government's amendments to the Resource Management Act and a proposed National Policy Statement on Urban Development Capacity; and continued to monitor progress against the Housing Accord entered into with the Minister of Housing in 2014.</p> <p>The review of the Tasman Regional Policy Statement continues to be on hold pending clearer outcomes arising from changes to the Resource Management Act 1991, but a scoping of this possible review project is in progress. Staff vacancies also held up progress on completing the Brightwater Plan Change.</p> <p>We received one Proposed Private Plan Change for a supermarket development in Richmond. A hearing is scheduled for October 2016.</p>

## ENVIRONMENT AND PLANNING – ENVIRONMENTAL MANAGEMENT (CONT.)

2014/2015 LTP BUDGET \$'000	2014/2015 ACTUAL \$'000	ENVIRONMENTAL MANAGEMENT	2015/2016 ACTUAL \$'000	2015/2016 ANNUAL PLAN BUDGET \$'000	% OF ANNUAL PLAN BUDGET
<b>SOURCES OF OPERATING FUNDING</b>					
6,654	6,696	General rates, uniform annual general charges, rates penalties	6,635	6,618	100%
219	371	Targeted rates	311	281	111%
–	120	Subsidies and grants for operating purposes	–	123	–
–	2,417	Fees and charges	2,452	2,341	105%
–	–	Internal charges and overheads recovered	25	–	–
2,715	568	Local authorities fuel tax, fines, infringement fees, other receipts	113	49	231%
<b>9,589</b>	<b>10,172</b>	<b>Total operating funding</b>	<b>9,536</b>	<b>9,412</b>	<b>101%</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>					
5,925	5,528	Payments to staff and suppliers	5,538	5,555	100%
75	122	Finance costs	65	105	62%
3,414	3,495	Internal charges and overheads applied	3,390	3,411	99%
–	–	Other operating funding applications	–	–	–
<b>9,414</b>	<b>9,145</b>	<b>Total applications of operating funding</b>	<b>8,993</b>	<b>9,071</b>	<b>99%</b>
<b>175</b>	<b>1,027</b>	<b>Surplus/(deficit) of operating funding</b>	<b>543</b>	<b>341</b>	<b>159%</b>
<b>SOURCES OF CAPITAL FUNDING</b>					
–	–	Subsidies and grants for capital expenditure	–	–	–
–	–	Development and financial contributions	–	–	–
(483)	(146)	Increase/(decrease) in debt	(132)	(146)	90%
500	–	Gross proceeds from sale of assets	–	–	–
–	–	Lump sum contributions	–	–	–
–	–	Other dedicated capital funding	–	–	–
<b>17</b>	<b>(146)</b>	<b>Total sources of capital funding</b>	<b>(132)</b>	<b>(146)</b>	<b>90%</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>					
<b>Capital expenditure</b>					
56	–	• to meet additional demand	–	–	–
47	–	• to improve the level of service	–	–	–
89	117	• to replace existing assets	211	185	114%
–	764	Increase/(decrease) in reserves	200	10	2000%
–	–	Increase/(decrease) in investments	–	–	–
<b>192</b>	<b>881</b>	<b>Total applications of capital funding</b>	<b>411</b>	<b>195</b>	<b>211%</b>
<b>(175)</b>	<b>(1,027)</b>	<b>Surplus/(deficit) of capital funding</b>	<b>(543)</b>	<b>(341)</b>	<b>159%</b>

**Comment:**

**Fees and charges** – Resource Consents revenue was up on budget expectations particularly for subdivision consents. Sales of plan changes for the Tasman Resource Management Plan were up this year mainly due to the restructure of the planning map volume in January 2016.

**Increase in reserves** – Due to the additional income and expenditure being slightly down on budget the resulting surplus means the increase in reserves for this activity are up on budget.

## ENVIRONMENT AND PLANNING (CONT.)

### PUBLIC HEALTH AND SAFETY

#### WHAT WE DO

This activity involves the provision of advice and the discharge of statutory functions in the areas of public health, building, environmental health (including liquor licensing, food safety), hazardous substances, animal control, civil defence and emergency management, rural fire, parking control and maritime safety.

It involves assessing and processing permit and registration applications, the administration of bylaws, and associated monitoring and enforcement action.

#### WHY WE DO IT

The activity contributes to the sustainable development of the Tasman District and the wellbeing of the community by ensuring that actions, or non-actions, taken by people in Tasman District are lawful, sustainable and safe.

Much of the work done within the activity is to protect public health and safety, and in response to central Government legislation.

While we do not have a choice about providing the services, there is some discretion over the manner and degree to which the functions are delivered. In the past, the rationale for our involvement has been influenced by whether:

1. The community has confidence in the service provided historically by us (and so we continue to provide the service).
2. We already provide the service, and to change the mode of delivery would be more costly and less effective.
3. The community expects that we will provide the service.
4. We consider that we can contribute to and/or enhance community wellbeing by providing the service.

#### OUR GOAL

The goal of the Public Health and Safety activity is to:

1. See that development of the District achieves high standards of safety, design, and operation with minimum impact and public nuisance.
2. Offer excellent customer service in providing information on development and other opportunities.
3. Ensure permit and licensing systems are administered fairly and efficiently and in a way that will protect and enhance our unique environment and promote healthy and safe communities.

### HOW THIS ACTIVITY CONTRIBUTES TO THE COUNCIL'S COMMUNITY OUTCOMES

COMMUNITY OUTCOMES	HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
Our unique natural environment is healthy and protected.	Managing risk from rural fire and ensuring recreational boating is safe keeps Tasman special.
Our urban and rural environments are people-friendly, well-planned and sustainably managed.	The activity ensures that living environments are safe, and that the activities of others do not negatively impact on citizen's lives. Through ensuring buildings are well constructed, safe and weather tight, the activity contributes to the development of the District, and also ensures that the resale value of the community's assets are protected.
Our infrastructure is efficient, cost effective and meets current and future needs.	Parking control ensures parking facilities are available to ensure public access to urban retailers and services.
Our communities are healthy, safe, inclusive and resilient.	This activity safeguards the community's health and well-being by ensuring standards of construction, food safety, and registered premises operation are met and that liquor consumption and nuisances from dogs and stock, and risk from fire do not adversely affect quality of life.  Our civil defence and emergency management system is designed to promote the safety of people and a resilient community.

## ENVIRONMENT AND PLANNING – PUBLIC HEALTH AND SAFETY (CONT.)

### HOW THIS ACTIVITY CONTRIBUTES TO THE COUNCIL'S COMMUNITY OUTCOMES (CONT.)

COMMUNITY OUTCOMES	HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
Our communities have opportunities to celebrate and explore their heritage, identity and creativity.	Safe boating and providing such things as ski lanes ensures community access to the coastal waters of Tasman.
Our Council provides leadership and fosters partnerships, a regional perspective and community engagement.	We encourage people to make preparations for civil emergencies.

### OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...	CURRENT PERFORMANCE
We will provide building control services in a professional and timely manner to ensure building work is safe and in accordance with the New Zealand Building Code.	<p>Applications for building consent (BC) and code compliance certificates (CCC) are processed within statutory timeframes.</p> <p>(Target 1: 98% of BC's; Target 2: 95% of CCC's.)</p> <p>The average time taken to process a Building Consent is reduced to 10 working days by 2017.</p> <p>(Target for year 2: 10 working days.)</p> <p>We maintain Building Consent Authority Accreditation.</p> <p>At least 80% of survey respondents rate their satisfaction with Council's building control work as fairly satisfied or better.</p>	<p>We have been working hard to meet this target and ensure that our building consent applications are processed within the statutory timeframe of twenty working days. We met our target for BC's with 98.6% processed on time (cf 87.3% in 2014/2015).</p> <p>For code compliance certificates however we fell short of our target with 88.77% processed within the statutory timeframe of twenty working days. We are working on ways to improve this performance and have a number of new staff working in this area to help with the workload (cf 91.8% in 2014/2015).</p> <p>Over the past year the actual time taken to process a building consent was 14 days. Although we did not meet our stretch target of 10 days, this is still a good result as processing is still within the statutory timeframe of 20 days.</p> <p>Reaccreditation as a Building Consent Authority was achieved in February 2015. The next reaccreditation is due in October 2016.</p> <p>Reported overall satisfaction levels with our services were very low this year with only 61.8% satisfied (cf 82.4% 2014/2015). A total of 38.3% of respondents were not very satisfied for reasons which included time delays, expense, too much red-tape etc (cf 34.7% in 2014/2015). We are looking at the likely reasons for this result and have identified a number of measures we can put in place to return to previous standards of performance.</p> <p><b>See Figure 14</b> Building Control Satisfaction Rate, page 60.</p>

## ENVIRONMENT AND PLANNING – PUBLIC HEALTH AND SAFETY (CONT.)

## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...	CURRENT PERFORMANCE
<p>We will provide an environmental health service that:</p> <p>(a) In association with other agencies, fosters the responsible sale and consumption of liquor.</p> <p>(b) Ensures that food provided for sale is safe, free from contamination and prepared in suitable premises.</p>	<p>(a) In conjunction with the New Zealand Police, we detect no sale of liquor to minors through random controlled purchase operations (CPOs) run annually.</p> <p>(Target: At least two annual operations with no offences detected.)</p> <p>(b) All food premises are inspected at least once annually for compliance and appropriately licensed.</p> <p>(Target: 100%)</p>	<p>Three CPOs were conducted on four occasions in the period – 21 August 2015, 21 November 2015, 11 December 2015 and 17 June 2016. A total of 45 premises were tested with offences detected in four different premises (four offences in 2014/15). Three of the offences were at a lesser level where an infringement fine was appropriate, whilst one sale to a minor will involve an application to the Alcohol Regulatory and Licensing Authority (ARLA) for suspension of the relevant manager's certificate and the club's licence for a period. The CPOs conducted on 21 November 2015 and 21 August 2015 did not result in any breaches.</p> <p>Due to the large number of registered food premises in the region (414), we only managed to inspect 69% of those over the period to 30 June 2016. All met the required standards and retained their registration for operation. Those not inspected were generally mobile or seasonal premises that only operate on occasions or over a narrow timeframe. They will be inspected as a priority in future.</p>
<p>We will provide animal control services to minimise the danger, distress, and nuisance caused by dogs and wandering stock and to ensure all known dogs are recorded and registered.</p>	<p>All known dogs are registered annually by 30 September.</p> <p>(Target: 100%)</p> <p>We respond to high priority dog complaints within 60 minutes, 24 hours a day, seven days a week.</p> <p>(Target: 100%)</p>	<p>We met our target with 99.9% of the 10,391 known dogs registered as at 30 June 2016. The status of the eight known dogs which were not accounted for will be ascertained as a priority.</p> <p>Our target was fully achieved (100%) with responses via phone calls or onsite presence.</p> <p><b>See Figure 15</b> Dog Control Satisfaction Rate, page 60.</p>
<p>A civil defence and emergency management system that is designed to promote the safety of people and a resilient community in the event that emergencies occur.</p>	<p>The level of community support for Council's civil defence emergency management activity is rated as fairly satisfied or better through community survey.</p> <p>(Target: 70%)</p> <p>The Nelson Tasman CDEM Group Plan is reviewed and kept up to date.</p>	<p>In our residents survey, a total of 58% of residents were fairly satisfied or better with our emergency management, slightly down from 60% in 2014/15. A relatively high proportion, 30% did not know enough to comment, and 12% were not satisfied (compared to 30% and 10% in 2014/2015). Of those who were able to comment 83% were satisfied or better with our civil defence emergency management activities. Although our CDEM Group achieved the highest score in the country as part of its capability assessment report, it appears that we need to undertake more public education to raise the awareness about their functions and role.</p> <p>The Group Plan has been reviewed and up to date with a full comprehensive review planned for 2017.</p> <p><b>See Figure 16</b> Emergency Management Satisfaction Rate, page 61.</p>

## ENVIRONMENT AND PLANNING – PUBLIC HEALTH AND SAFETY (CONT.)

## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...	CURRENT PERFORMANCE
To safeguard life and property by the prevention, detection, restriction and control of fire in forest and rural areas.	The area of forest lost through fire annually does not exceed 20 hectares.  (Target: No more than 20 ha lost through fire annually.)	There were 47 vegetation fires over the year resulting in 5.8 ha of total area burnt with some damage to production forest (cf 1.1 ha in 2014/2015).  <b>See Figure 17</b> Hectares of Forest Burnt, page 61.
We will provide Maritime Administration services to ensure Tasman's harbour waters are safe and accessible and that all known commercial vehicle operators are licensed.	All known commercial vessel operators are licensed.  (Target: 100%.)	All 29 known commercial operators are registered i.e. either licensed (24) or registered as exempt (5). River rafting, commercial non-passenger and commercial fishing vessels are not presently required to hold a licence.
We will provide parking control services to facilitate the public's access to urban retailers and services, respond to any misuse of disabled parking, and remove reported abandoned vehicles.	Compliance by not less than 80 out of every 100 vehicles parking in time controlled areas within the Traffic Bylaw, based on an annual snap survey.  (Target: 80%.)	From our survey undertaken in November 2015 – 87% out of the vehicles complied (84% in 2014/2015).  <b>See Figure 18</b> Compliance with Parking Time Limits, page 62.

ENVIRONMENT AND PLANNING – PUBLIC HEALTH AND SAFETY (CONT.)

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM (CONT.)

FIGURE 14. Building Control Satisfaction Rate

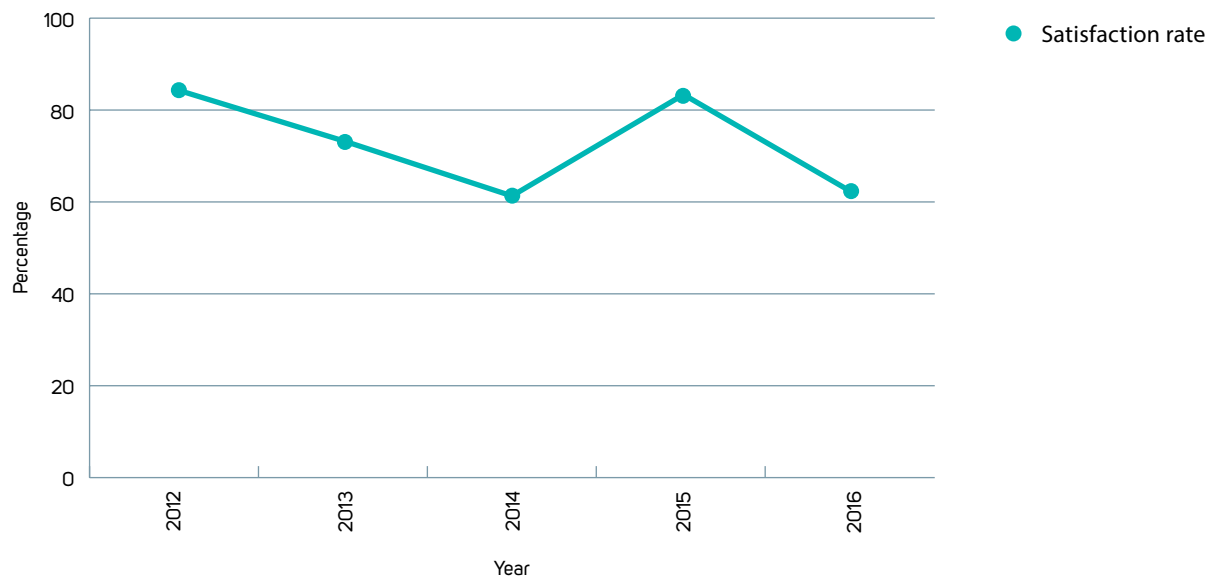
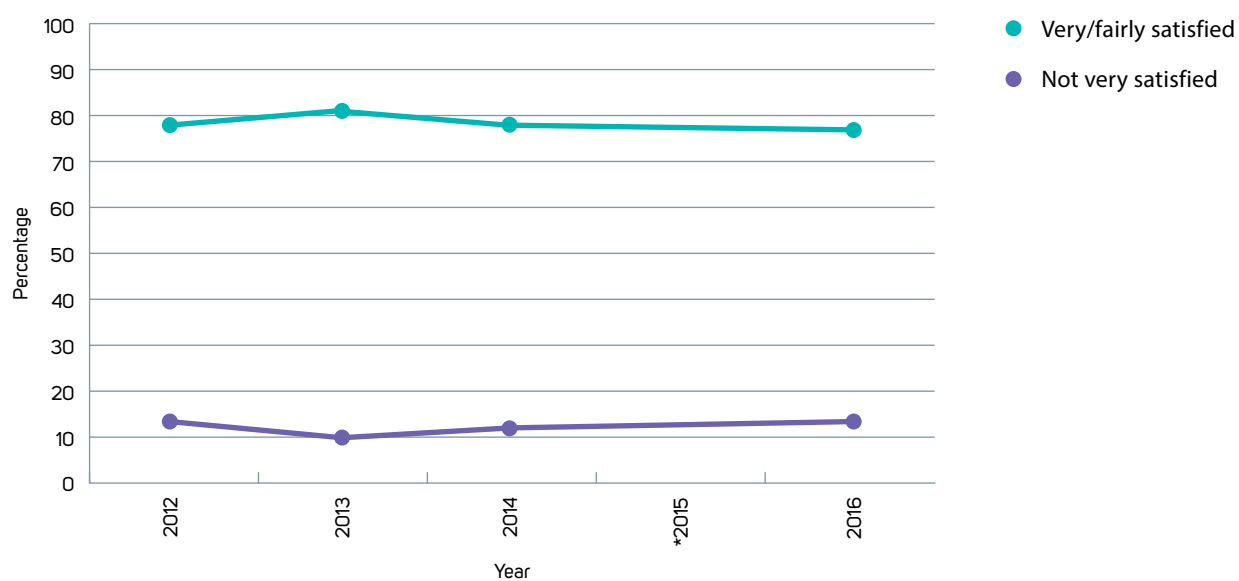


FIGURE 15. Dog Control Satisfaction Rate



\* Survey question not included in 2015.



ENVIRONMENT AND PLANNING – PUBLIC HEALTH AND SAFETY (CONT.)

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM (CONT.)

FIGURE 16. Emergency Management Satisfaction Rate

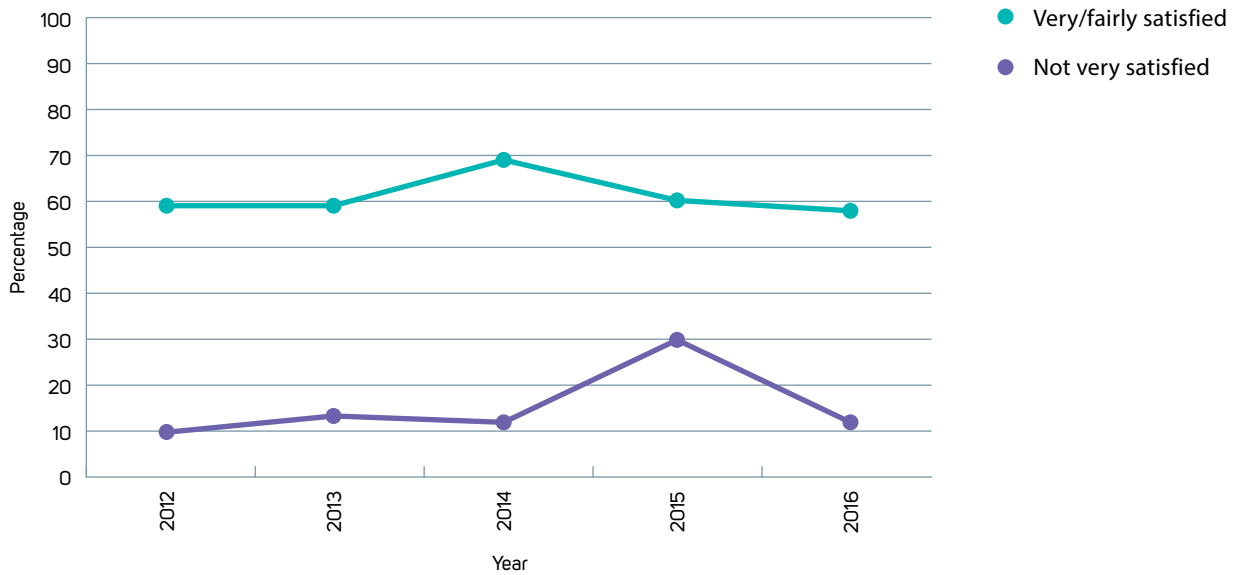
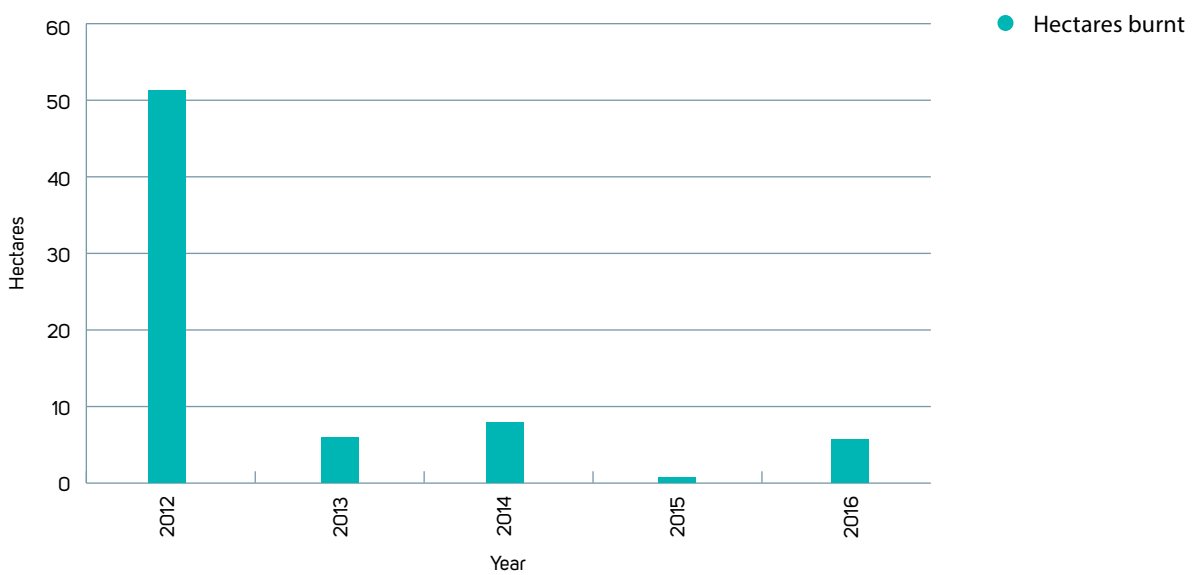


FIGURE 17. Hectares of Forest Burnt



## ENVIRONMENT AND PLANNING – PUBLIC HEALTH AND SAFETY (CONT.)

### OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM (CONT.)

FIGURE 18. Compliance with Parking Time Limits

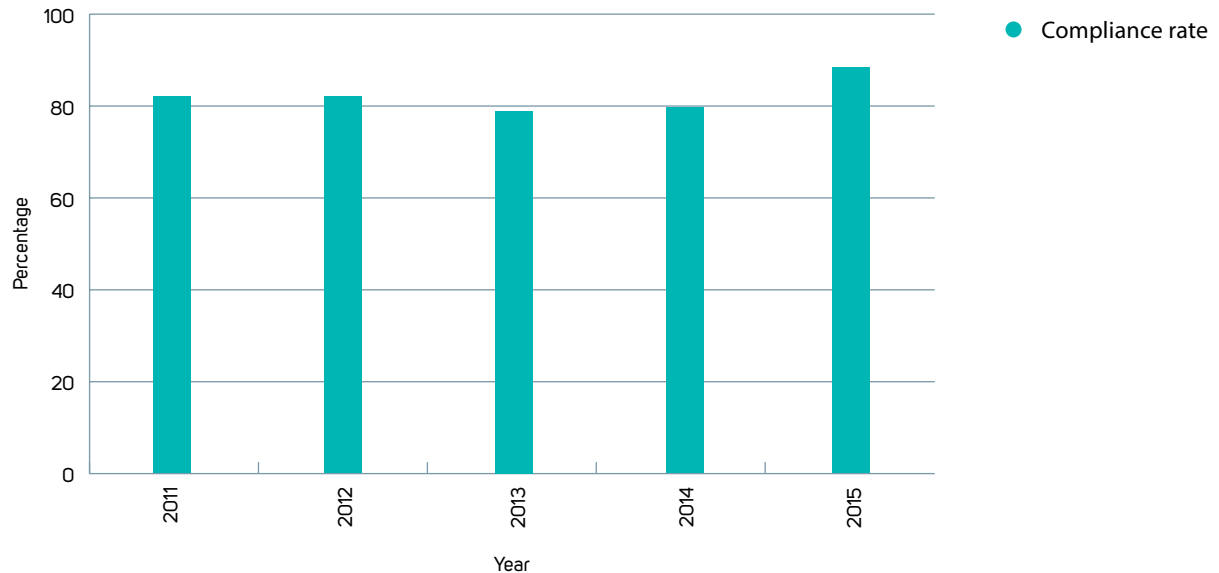
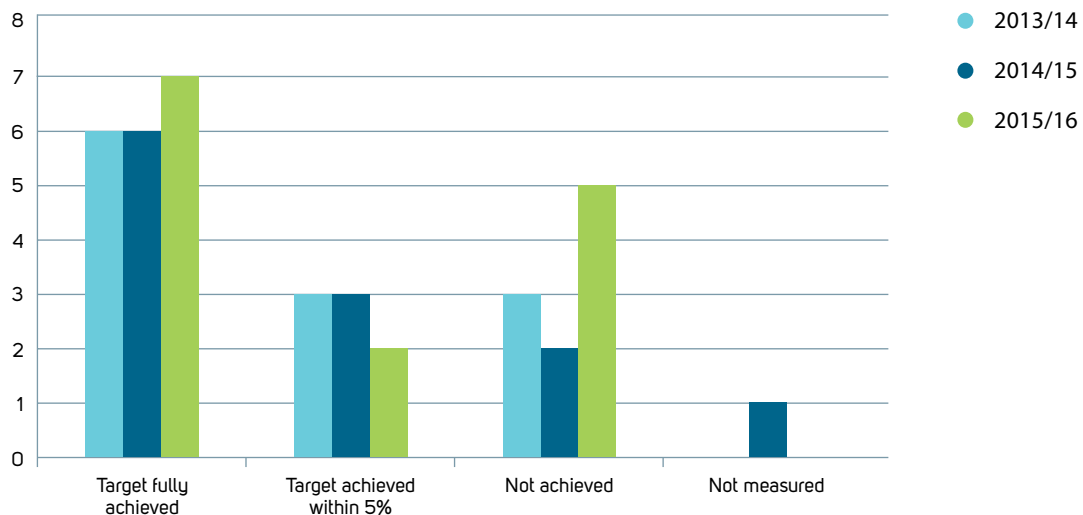


FIGURE 19. Public Health and Safety Performance Measures  
Comparison of number of performance measures met over three years



The number of Public Health and Safety performance measures have increased slightly from the last Long Term Plan, rising from 12 to 14. There were also some relatively minor adjustments to the measures to make them more measurable or meaningful. Achievement of many targets has remained relatively constant, except that the number of targets not achieved has increased in 2015/2016. The targets not achieved relate to satisfaction with civil defence and emergency services; the number of annual food inspections; satisfaction with building control work; and building consent processing times being 14 days – which is within statutory timeframes but below Council's own target of 10 days.

## ENVIRONMENT AND PLANNING – PUBLIC HEALTH AND SAFETY (CONT.)

## MAJOR ACTIVITIES

PLANNED	ACTUAL
<p>Respond to enquiries, process permits and consents, and undertake inspectorial responsibilities under the Health Act, Building Act, Sale of Liquor Act, Food Act, Dog Control Act, Forests and Rural Fires Act, Transport Act, Maritime Transport Act, the Hazardous Substances and New Organisms Act, and associated regulations and Council bylaws.</p>	<p>Inspectorial responsibilities under the Health, Building, and Sale and Supply of Alcohol Acts and Council bylaws continue to be carried out by professionally-trained and qualified staff and contractors.</p> <p>98.64% of 1,474 building consents were processed within the statutory processing time limit (cf 1,471 at 87.3% in 2014/2015). The average processing time was 14 days (cf 14 in 2014/2015). 354 consents were issued for new dwellings and this resulted in 394 new houses being built in the district (i.e. some building consents were issued for multiple dwellings). In addition, 71 out of 79 applications for Schedule 1(2) exemptions from requiring a building consent were approved.</p> <p>All technical building staff are engaged in training to meet legal requirements of the Building Act Accreditation Regulations.</p> <p>A digital process for applying for, and processing, Land Information Memoranda applications was implemented.</p> <p>The transition arrangements for the Food Act 2014 commenced on 1 March 2016, and will run in stages for three years. During that three year period, all of the food businesses that the Council currently registers will be required to move to the new risk management and self inspection process that Environmental Health Officers will audit. In the current year, any new food businesses and food businesses which also sell alcohol will come under the control of the new Act. At the time of reporting, very good progress is being achieved with the aim that this task can be completed early enough to avoid staff having to deal with businesses over the busy summer tourist season.</p> <p>A new Navigation and Safety Bylaw was adopted by the Council in September 2015 to meet the requirements of the amendments to the Maritime Transport Act. The process by which all infringement provisions are promulgated is being worked through with Ministry and should be completed before the end of 2016.</p>
<p>Carry out navigation and safety functions including implementation of the Joint Oil Spill Contingency Plan (with Nelson City Council).</p>	<p>Two oil spill events were dealt with, one on the West Coast and the other in Abel Tasman National Park. In both cases discharged oil was of a quantity that caused no significant environmental effect. One of the vessels was refloated to prevent further release of oil, and the other was completely destroyed by wave action.</p> <p>We have one trained Regional On Scene Commander (ROSC) and we are in the process of increasing the number of trained oil spill responders to the required level following some loss of capacity.</p>
<p>Carry out animal control responsibilities.</p>	<p>We continue to administer the Dog Control Bylaw with service delivery being undertaken by Control Services (Nelson) Ltd. There were 5594 rural and 4880 urban dogs registered in Tasman District during the year. Council's contractors responded to complaints regarding wandering stock and dogs and impounded animals as required. 212 Dog Control Infringement Notices were issued, 184 of which were for unregistered dogs (cf 107 in 2014/2015). A separate annual report to the Secretary of Local Government is available for further details (REP16-07-06).</p> <p>91.8% of residents were satisfied with the Council's efforts in controlling dogs (cf 96.1% in 2014/2015).</p>

## ENVIRONMENT AND PLANNING – PUBLIC HEALTH AND SAFETY (CONT.)

## MAJOR ACTIVITIES (CONT.)

PLANNED	ACTUAL
Carry out civil defence and emergency management responsibilities.	<p>The Ministry of Civil Defence and Emergency Management carried out an assessment of out CD Capabilities in 2015. The Nelson Tasman Group was rated at 82.1%, the best in NZ. Opportunity for improvement still exists and ongoing training and preparation will assist in this.</p> <p>The Emergency Operations Centre was activated on one occasion and Council participated in multi-agency exercises.</p> <p>We have continued training and preparedness and commenced the review of the Nelson Tasman Lifelines Project which looks to ensure resilience of major utilities and supply networks in the event of an emergency.</p>
Carry out parking control responsibilities under Council's Parking Bylaw.	Parking enforcement responsibilities are carried out under contract by Control Services (Nelson) Ltd. 1,546 infringement notices were issued (cf 2,076 in 2014/2015) during the year along with other advisory warnings concerning parking. We applied the same resources to parking enforcement as the previous year, so it seems a better level of compliance was achieved.
Ensure fire risk in the District is effectively managed through supporting rural fire parties and the Waimea Rural Fire Authority.	<p>Rural Fire risk in the District is being effectively managed by the Waimea Rural Fire Authority through a contract with Rural Fire Network and the ongoing support of rural fire parties. There were 419 callouts within Tasman District, 224 of which were attended by Volunteer Rural Fire Forces. Of these 21 were unpermitted rubbish fires and 49 were false alarms to permitted rubbish fires.</p> <p>On 1 July 2017 Fire Emergency NZ (FENZ) will be formed. This organisation will be an amalgamation of the NZ Fire Service and the NZ Rural Fire Authority. The Waimea Rural Fire Authority will cease to exist. A large volume of work will take place over the next 12 months to ensure there is a smooth transition and that our communities will continue to be protected at a suitable level.</p>



Upper Moutere

## NEW CAPITAL EXPENDITURE

PROJECT NAME	LTP YEARS 1–3	2015 – 2016 BUDGET	ACTUAL 2015/2016
Harbourmaster Vessel Replacement	\$300,000	\$306,900	Replacement purchase of a new harbour master vessel. \$292,259 was spent in the current financial year, the remaining \$14,000 has been held back from the supplier until the vessel is fully commissioned. The \$306,900 reflects the full cost of the new vessel.
Rural Fire Appliances Replacement	\$34,000	\$35,805	\$30,416 was spent in the current financial year, predominantly on the purchase of handheld radios, and a replacement vehicle for Tasman Voluntary Rural Fire Force (VRFF) who provided an older vehicle to Marahau VRFF. Marahau's existing appliance will be sold in the near future.
Rural Fire Depots	\$30,000	\$61,380	\$83,997 was spent in the current financial year on the new Tasman Rural Fire Force Fire Depot at Motueka Aerodrome. \$46,215 was recovered from the Waimea Rural Fire Committee as a contribution towards this cost. Some money was also spent on building Health and Safety improvements for Appleby and Wainui VRFFs.

Note: The 2015/2016 budget figures above include inflation, whereas they were stated excluding inflation in the Long Term Plan 2015 – 2025. The Rural Fire Depot budget is actually \$60,000 bi-annually plus inflation, rather than the \$30,000 plus inflation per annum stated in the Long Term Plan.

## ENVIRONMENT AND PLANNING – PUBLIC HEALTH AND SAFETY (CONT.)

2014/2015 LTP BUDGET \$'000	2014/2015 ACTUAL \$'000	PUBLIC HEALTH AND SAFETY	2015/2016 ACTUAL \$'000	2015/2016 ANNUAL PLAN BUDGET \$'000	% OF ANNUAL PLAN BUDGET
<b>SOURCES OF OPERATING FUNDING</b>					
1,692	1,403	General rates, uniform annual general charges, rates penalties	1,576	1,576	100%
–	–	Targeted rates	–	–	–
–	–	Subsidies and grants for operating purposes	–	–	–
–	3,422	Fees and charges	3,526	3,298	107%
–	–	Internal charges and overheads recovered	–	–	–
3,266	7	Local authorities fuel tax, fines, infringement fees, other receipts	82	95	86%
<b>4,958</b>	<b>4,832</b>	<b>Total operating funding</b>	<b>5,184</b>	<b>4,968</b>	<b>104%</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>					
3,025	3,203	Payments to staff and suppliers	3,736	3,132	119%
15	14	Finance costs	17	21	81%
1,817	1,767	Internal charges and overheads applied	1,802	1,730	104%
–	–	Other operating funding applications	–	–	–
<b>4,857</b>	<b>4,984</b>	<b>Total applications of operating funding</b>	<b>5,555</b>	<b>4,883</b>	<b>114%</b>
<b>101</b>	<b>(152)</b>	<b>Surplus/(deficit) of operating funding</b>	<b>(371)</b>	<b>85</b>	<b>-436%</b>
<b>SOURCES OF CAPITAL FUNDING</b>					
–	–	Subsidies and grants for capital expenditure	5	–	–
–	–	Development and financial contributions	–	–	–
(20)	(50)	Increase/(decrease) in debt	267	339	79%
–	11	Gross proceeds from sale of assets	–	–	–
–	–	Lump sum contributions	–	–	–
–	–	Other dedicated capital funding	–	–	–
<b>(20)</b>	<b>(39)</b>	<b>Total sources of capital funding</b>	<b>272</b>	<b>339</b>	<b>80%</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>					
<b>Capital expenditure</b>					
–	–	• to meet additional demand	–	–	–
–	3	• to improve the level of service	–	64	–
72	132	• to replace existing assets	410	346	118%
9	(326)	Increase/(decrease) in reserves	(509)	14	-3636%
–	–	Increase/(decrease) in investments	–	–	–
<b>81</b>	<b>(191)</b>	<b>Total applications of capital funding</b>	<b>(99)</b>	<b>424</b>	<b>-23%</b>
<b>(101)</b>	<b>152</b>	<b>Surplus/(deficit) of capital funding</b>	<b>371</b>	<b>(85)</b>	<b>-436%</b>

**Comment:**

**Fees and charges** – Rural Fire Forces Recoveries were well up on budget expectations partly due to an unbudgeted contribution received towards the Tasman Volunteer Rural Fire Force shed built at Motueka Aerodrome. Building application fees revenue was up slightly due to the fee increase introduced in January 2016 to cover the additional costs in this area.

**Payments to staff and suppliers** – We were subject to weather tight home claims during the financial year, legal fees relating to these claims, including settlement of one claim, were not budgeted for. Also subject to a development contribution objection, which we successfully defended, the costs relating to the challenge were however not budgeted for. Some of the Commissioner costs were able to be recovered from the applicant. Additional consultancy fees were incurred in our building control team to ensure statutory timeframes were met for processing of building consent applications.

# ENGINEERING SERVICES

## POLICY AND OBJECTIVE

The objective of Engineering activities is to maintain and enhance the Council-owned roading, harbour, water, wastewater, stormwater, solid waste and river infrastructure of the District.

## NATURE AND SCOPE

There are seven significant areas under which this activity is performed by Council.

- Transportation, Roads and Footpaths
- Coastal Structures
- Water Supply
- Wastewater
- Stormwater
- Solid Waste
- Flood Protection and River Control Works

## TRANSPORTATION, ROADS AND FOOTPATHS

### WHAT WE DO

Council manages a transportation network that comprises approximately 1,741km of roads, (955km sealed and 786km unsealed), 483 bridges (including footbridges), 282km 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. Each road in the transportation network has been categorised into a transportation hierarchy based on the road's purpose and level of use.

This activity includes:

- ownership or authority to use the land under roads;
- road carriageways for the safe movement of people and goods;

- culverts, water tables and a stormwater system to provide drainage for roads;
- signs, barriers and pavement markings to provide road user information and safe transport;
- bridges to carry traffic over waterways;
- footpaths, walkways and cycleways to provide for the needs of pedestrians and cyclists;
- street lighting to provide safe movement for road users at night; and
- off street car parking facilities and on street car parking.

This activity also includes other transportation related services, for example transport planning, road safety and public transport services like the Total Mobility Scheme. These activities are included because they help to enable the movement of people and goods throughout the District and are consistent with the objectives of the Regional Land Transport Plan.

### WHY WE DO IT

By providing a quality transportation network, we enable the safe and efficient movement of people and goods which improves the economic and social well-being of the District. The provision of transport services, roads and footpaths is a public good and as such it is a core function of local government.

### OUR GOAL

Council will progressively move towards managing all of its transportation responsibilities in a more sustainable and integrated way.

## ENGINEERING SERVICES – TRANSPORTATION, ROADS AND FOOTPATHS (CONT.)

### HOW THIS ACTIVITY CONTRIBUTES TO THE COUNCIL'S COMMUNITY OUTCOMES

COMMUNITY OUTCOMES	HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
Our communities are healthy, safe, inclusive and resilient.	Our network of roads, footpaths, cycleways and carparks are safe, uncongested and maintained cost-effectively. Our network of roads connects communities across the District.
Our infrastructure is efficient, cost effective and meets current and future needs.	Our urban communities have a means of travel for pedestrians, cyclists and commuters that is safe and efficient. Our rural communities have safe and effective access to our transportation network.

### SUBSIDISED AND NON-SUBSIDISED TRANSPORT ACTIVITIES

The Government provides funding assistance for many of Council's roading activities, referred to as a 'subsidy', through the New Zealand Transport Agency (NZTA). Qualifying activities include: road safety education, road maintenance, reseals, pavement rehabilitation, minor improvements (such as corner improvements), installation of right turn bays and pedestrian refuges. Major projects, such as seal extensions, significant intersection upgrades or cycleways may also qualify for a subsidy if certain criteria are met. The provision and maintenance of footpaths are not included.

The financial assistance subsidy rate for Tasman in 2015/2016 was 52%. The subsidy rate depends on the size of the overall programme of work and the assessed ability to pay, which is related to the capital value of the District. The subsidy rate reduces to 51% in 2015/2016 and subsequent years.

### OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...	CURRENT PERFORMANCE
<p><b>Safety</b></p> <p>Our transportation network is becoming safer for its users.</p>	<p>There is a downward trend in the number of serious and fatal injury crashes occurring on our road network.</p> <p>Measured using the NZ Transport Agency's crash database. The crash database is assessed annually on a calendar year basis, i.e. 1 January to 31 December.</p> <p>ONRC Safety – OM1.</p> <p>(Target: decreasing.)</p>	<p>Over the past year there have been no fatalities and 8 serious injury crashes. Pleasingly we have seen a decreasing trend over the last 5 years. Two of the 2015 crashes involved motorcycles on remote beaches near Cowin Road in Collingwood.</p> <p>In order to reduce serious crashes, our road safety activities include:</p> <ul style="list-style-type: none"> <li>• Analysis of crash data to identify issues and themes, to help inform our improvement programme.</li> <li>• Maintenance of existing features such as signs and guardrails.</li> <li>• Community programmes including engagement with vulnerable users such as schools, and motorcyclists.</li> </ul> <p>However, crashes are a random event with many factors outside of our control. Our activities form part of the safe system approach, through our ability to provide a forgiving network and educational programmes. Prioritising removal of roadside hazards such as trees is a focus of our programme going forward.</p> <p><b>See Figure 20</b> All Crash Types, 2011 – 2015 Tasman District Council roads only, fatal and Serious crashes, page 72.</p>



## ENGINEERING SERVICES – TRANSPORTATION, ROADS AND FOOTPATHS (CONT.)

## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...	CURRENT PERFORMANCE
<p><b>Safety</b></p> <p>Our transportation network is becoming safer for its users (cont.)</p>	<p>The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number.</p> <p>LGA Mandatory Measure. (Target: -1.)</p>	<p>There has been no actual change, with no fatalities and 8 serious crashes in 2014, and 8 again in 2015.</p>
	<p>There is a decreasing number of loss of control crashes occurring on bends on our road network each year.</p> <p>Measured using the NZ Transport Agency's crash database. The crash database is assessed annually on a calendar year basis, i.e. 1 January to 31 December.</p> <p>(Target: Decreasing.)</p>	<p>The crash database shows that there is a decreasing trend in the number of loss of control crashes occurring on bends within the District.</p> <p><b>See Figure 21</b> Bend-lost control, 2011 – 2015, Tasman District Council roads only, All injury types, page 73.</p>
	<p>There is a decreasing number of loss of control crashes on straights on our road network each year.</p> <p>Measured using the NZ Transport Agency's crash database. The crash database is assessed annually on a calendar year basis, i.e. 1 January to 31 December.</p> <p>(Target: Decreasing.)</p>	<p>Data indicates that there is a slight increasing trend of loss of control crashes on straight roads in our District.</p> <p><b>See Figure 22</b> Straight-lost control, 2011 – 2015, Tasman District Council roads only, All injury types, page 73.</p>
<p><b>Resilience</b></p> <p>We proactively maintain roads in high risk areas to minimise unplanned road closures.</p>	<p>Specified sites that Council considers to have a high risk of failure are inspected and attended to if necessary in response to severe weather warnings.</p> <p>Measured through the road maintenance contractor's monthly reports.</p> <p>(Target: Sites are inspected in response to severe weather warnings at least 100% of the time.)</p>	<p>High risk drainage inspections were carried out 100% for all severe weather warnings. Specific high risk sites are specified in our road maintenance contracts and the timely inspection and maintenance is crucial if roads are to remain open. There are associated financial implications for contractors to ensure our targets are met. Our staff and contractors are signed up to notification lists to receive weather watches and warnings generated by Metservice.</p>
<p><b>Accessibility</b></p> <p>Our transportation network enables the community to choose from various modes of travel.</p>	<p>Council constructs a minimum of 500 metres of new footpath each financial year to reduce the length of gaps in the existing footpath network.</p> <p>Measured using RAMM Inventory data and GIS mapping.</p> <p>(Target &gt;500 metres.)</p>	<p>Over the past year we have constructed 523 metres of new footpath throughout the District. We maintain a list of gaps in our network which are prioritised to form our annual work programme. Prioritisation factors include number and type of pedestrians, and safety.</p>

## ENGINEERING SERVICES – TRANSPORTATION, ROADS AND FOOTPATHS (CONT.)

## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...	CURRENT PERFORMANCE
<p><b>Value for money</b></p> <p>Our transportation network is maintained cost effectively and whole of the costs are optimised.</p>	<p>The percentage of sealed local road that is resurfaced each financial year. LGA Mandatory Measure.</p> <p>(Target: 4.8%)</p>	<p>We manage our resurfacing programme by closely monitoring and inspecting sites that are nearing the end of their life, and making site-by-site decisions on when to resurface based on risk. Over the year 4.5% of our sealed roads were resurfaced. Although slightly below our target, network level condition and demand data is used in deterioration models to validate and optimise our resurfacing programme.</p>
<p><b>Travel time</b></p> <p>Our transportation network is managed so that changes to normal travel time patterns across the network are communicated effectively.</p>	<p>Council communicates planned works programme and road closures to road users via the weekly road status report published on Council's website.</p> <p>Measured by tracking weekly website updates.</p> <p>ONRC TTR – PMI.</p> <p>(Target: 100%)</p>	<p>We achieved our target, with weekly reports of upcoming activities affecting our roads published on our website (actual result 100%).</p> <p>We are considering improvements to the way we inform road users making use of more interactive mediums such as Facebook and web maps.</p>
<p><b>Amenity</b></p> <p>The travel quality and aesthetics of our transportation network is managed at a level appropriate to the importance of the road and satisfies the community's expectations.</p>	<p>The percentage of footpaths with the Tasman District that are maintained to a condition of average or better.</p> <p>As measured through the triennial footpath condition rating survey (last completed 2013/14, next due 2016/2017). ONRC Safety – PM8.</p> <p>LGA Mandatory Measure.</p> <p>(Target: NA for 2015/2016.)</p>	<p>Due to this being a triennial survey, this performance measure was not measured in 2015/2016 and will be next measured in 2016/2017.</p> <p>Our previous results for this measure were:</p> <ul style="list-style-type: none"> <li>• 94% as at May 2014</li> <li>• 94.3% as at November 2010</li> </ul> <p>The condition rating survey is used as an input to determine the size and priority of our footpath rehabilitation and maintenance programmes. Routine inspections of footpaths identify short term maintenance requirements.</p>

## ENGINEERING SERVICES – TRANSPORTATION, ROADS AND FOOTPATHS (CONT.)

## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...	CURRENT PERFORMANCE																
<p><b>Amenity</b></p> <p>The travel quality and aesthetics of our transportation network is managed at a level appropriate to the importance of the road and satisfies the community's expectations (cont.)</p>	<p>The proportion of travel undertaken on the sealed road network meets the specified comfort levels. Known as Smooth Travel Exposure (STE). Smooth travel exposure is defined as the proportion of vehicle kilometres travelled on roads with roughness below the following thresholds:</p> <p><b>Urban Roads</b></p> <table border="1" data-bbox="502 817 901 1086"> <thead> <tr> <th>VEHICLES PER DAY</th> <th>ROUGHNESS (NAASRA)</th> </tr> </thead> <tbody> <tr> <td>&lt;500</td> <td>≤180</td> </tr> <tr> <td>500 – 3,999</td> <td>≤150</td> </tr> <tr> <td>4,000 – 9,999</td> <td>≤120</td> </tr> <tr> <td>≥10,000</td> <td>≤110</td> </tr> </tbody> </table> <p><b>Rural Roads</b></p> <table border="1" data-bbox="502 1142 901 1299"> <thead> <tr> <th>VEHICLES PER DAY</th> <th>ROUGHNESS (NAASRA)</th> </tr> </thead> <tbody> <tr> <td>&lt;1,000</td> <td>≤150</td> </tr> <tr> <td>≥1,000</td> <td>≤130</td> </tr> </tbody> </table> <p>As reported through RAMM, based on traffic count and roughness survey data.</p> <p>ONRC Amenity – OM1.</p> <p>LGA Mandatory Measure.</p> <p>(Target &gt;95%.)</p>	VEHICLES PER DAY	ROUGHNESS (NAASRA)	<500	≤180	500 – 3,999	≤150	4,000 – 9,999	≤120	≥10,000	≤110	VEHICLES PER DAY	ROUGHNESS (NAASRA)	<1,000	≤150	≥1,000	≤130	<p>Based on our traffic count and roughness survey data we achieved 96% for this performance measure.</p> <p>There is no direct link between smoothness and funding to improve smoothness. That is, smoothness (or roughness) is not a primary driver of renewal activities such as resurfacing or pavement rehabilitation and only a partial driver of maintenance activity.</p> <p>However our activities do influence smoothness:</p> <p><b>Pavement maintenance</b></p> <p>Bumps and depressions which affect smoothness have intervention levels in terms of allowable size/depth before they are treated.</p> <p><b>Resurfacing</b></p> <p>Bumps and depressions which are below normal intervention levels are typically treated prior to resurfacing a road. Therefore resurfacing generally leads to improved smoothness.</p> <p><b>Rehabilitation</b></p> <p>Rehabilitations where failing pavements are reconstructed improve smoothness.</p> <p><b>See Figure 23</b> Smooth Travel Exposure (STE), page 74.</p>
VEHICLES PER DAY	ROUGHNESS (NAASRA)																	
<500	≤180																	
500 – 3,999	≤150																	
4,000 – 9,999	≤120																	
≥10,000	≤110																	
VEHICLES PER DAY	ROUGHNESS (NAASRA)																	
<1,000	≤150																	
≥1,000	≤130																	
	<p>Residents are satisfied with Council's roads and footpaths in the District.</p> <p>As measured through the annual Communitrak survey.</p> <p>(Target: Footpaths ≥ 70%; Roads ≥ 70%.)</p>	<p>A total of 71% of Tasman residents were satisfied with footpaths in the District, while 22% were not very satisfied (73% and 19% in 2015).</p> <p>Similarly, 75% of residents were satisfied with roading in the District, while 24% were not very satisfied. This compares to 75% and 24% respectively in 2015.</p> <p><b>See Figure 24</b> Satisfaction with Roads and Footpaths, page 74.</p>																

## ENGINEERING SERVICES – TRANSPORTATION, ROADS AND FOOTPATHS (CONT.)

### OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...	CURRENT PERFORMANCE
<p><b>Amenity</b></p> <p>The travel quality and aesthetics of our transportation network is managed at a level appropriate to the importance of the road and satisfies the community's expectations (cont.)</p>	<p>Customer Service Requests relating to the transportation network and activities are completed on time.</p> <p>As measured by the maintenance contractor's compliance with fault response time requirements (using RAMM Contractor), and the percentage of requests assigned to Council staff which are attended to within 5 days (using NCS).</p> <p>ONRC Safety PM7.</p> <p>LGA Mandatory Measure.</p> <p>(Target: ≥ 90%.)</p>	<p>The achievement of timely customer service request (CSR) response is written into our road maintenance contracts and has financial implications for the contractor.</p> <p>Staff actively track CSR response to ensure these are completed. We met our target over the past year with 94% of CSRs completed on time.</p>

FIGURE 20. All Crash Types, 2011–2015 Tasman District Council roads only, fatal and Serious crashes



ENGINEERING SERVICES – TRANSPORTATION, ROADS AND FOOTPATHS (CONT.)

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM (CONT.)

FIGURE 21. Bend-lost control, 2011–2015, Tasman District Council roads only, All injury types

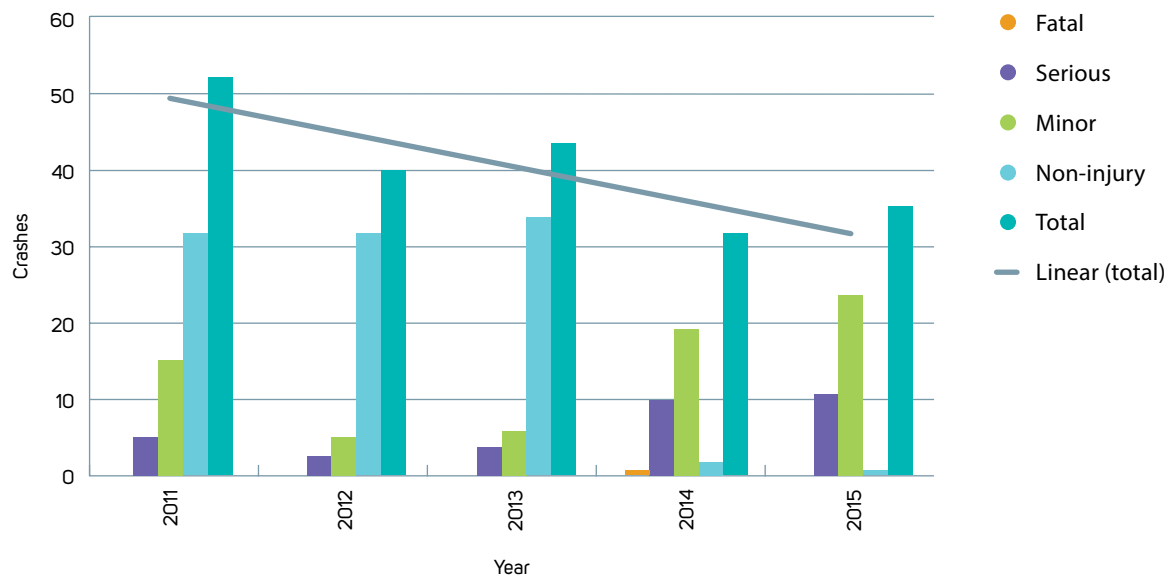
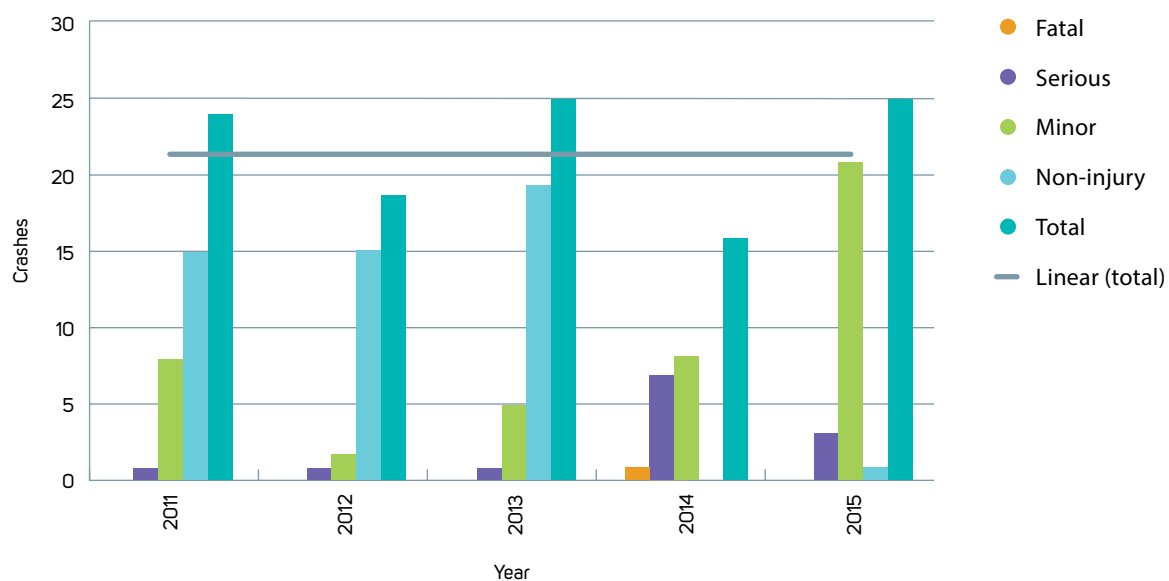


FIGURE 22. Straight-lost control, 2011–2015, Tasman District Council roads only, All injury types



## ENGINEERING SERVICES – TRANSPORTATION, ROADS AND FOOTPATHS (CONT.)

### OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM (CONT.)

FIGURE 23. Smooth Travel Exposure (STE)

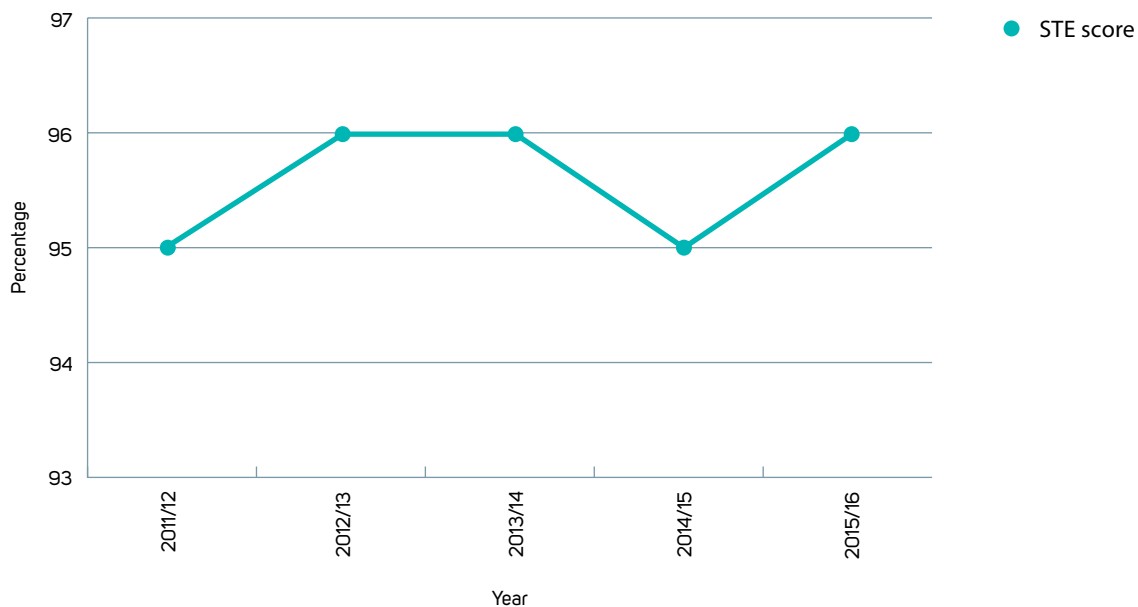
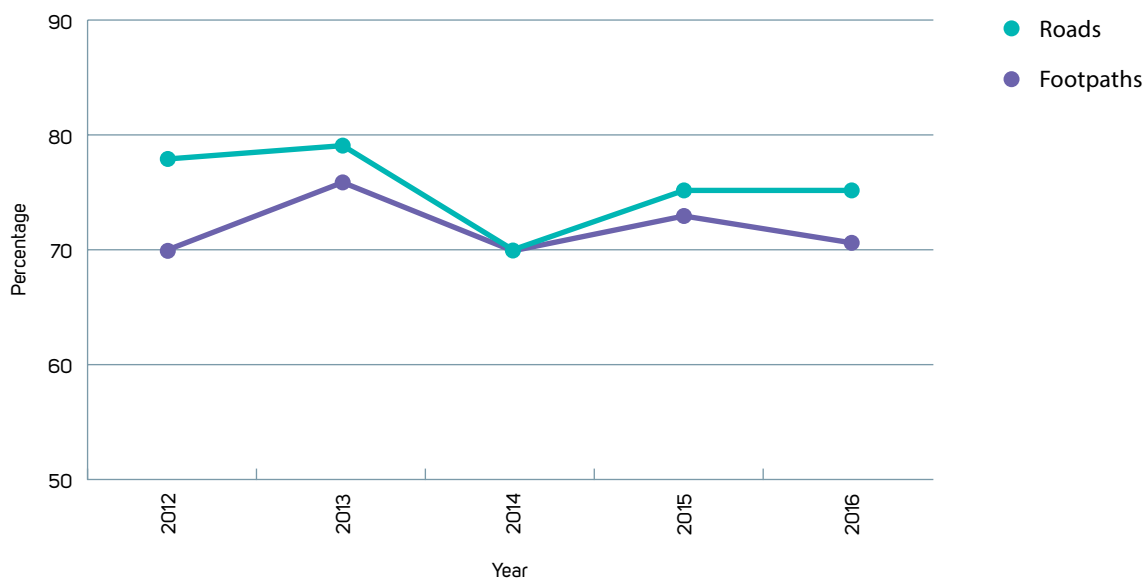


FIGURE 24. Satisfaction with Roads and Footpaths

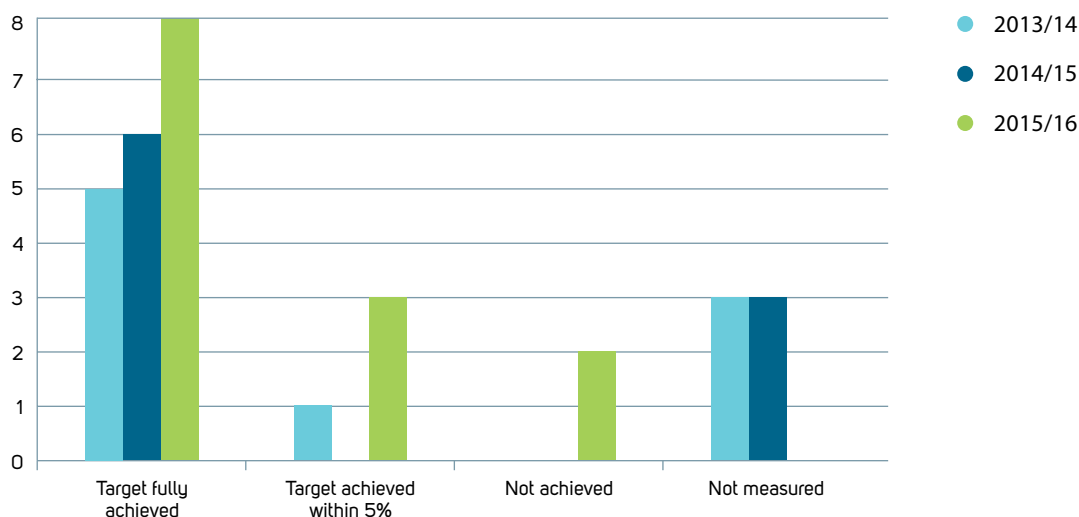


## ENGINEERING SERVICES – TRANSPORTATION, ROADS AND FOOTPATHS (CONT.)

### OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM (CONT.)

**FIGURE 25. Transport Performance Measures**

Comparison of number of performance measures met over three years



The Transport section has achieved or achieved within 5% all but two of its targets.

Nearly all of the performance measures for Transportation were introduced through the last Long Term Plan 2015 – 2025 or are now required as part of the Local Government Act mandatory measures. This means they are new measures. Comparative data from previous years has been supplied, where possible, in Figures 20 – 24.

## MAJOR ACTIVITIES

We have undertaken ongoing management, maintenance and renewal of our transportation network. The network is comprised of roads, bridges (including footbridges), footpaths, carparks, streetlights, traffic signs culvert pipes, and other associated assets.

We have approved a Regional Land Transport Strategy, which is a high level plan to guide the management of the Transportation, Roads and Footpaths group of activities. It outlines the key issues and direction for the activities in accordance with current national strategies and policies.

## ENGINEERING SERVICES – TRANSPORTATION, ROADS AND FOOTPATHS (CONT.)

## NEW CAPITAL EXPENDITURE

The following table details the major capital and renewal work for the year 2015/2016. A full list of projects and programmes for work that was planned to be completed is included in Appendix F of the Transportation Activity Management Plan.

PROJECT NAME	LTP YEARS 1–3	2015–2016 BUDGET	ACTUAL 2015/2016
Sealed Road Resurfacing	\$5,354,125	\$1,600,000	Resurfacing of sealed roads. \$1,559,623 was spent in the 2015/2016 financial year. Low bitumen prices enabled more resurfacing to be completed than was planned, but still within budget.
Drainage Renewals	\$2,896,431	\$940,804	Renewal of drainage assets including kerb and channel, culverts, sumps and water tables. \$568,405 was spent in the 2015/2016 financial year. Careful consideration of culvert and kerb renewals enabled many to be deferred as their current condition and the associated low risk of deferring renewal did not justify replacement.
Unsealed Road Metalling	\$2,593,601	\$842,441	Routine metalling of unsealed roads to replace lost aggregate. \$615,582 was spent in the 2015/2016 financial year. Metalling is completed on a needs basis.
Pavement Rehabilitation	\$1,102,320	\$358,050	Pavement rehabilitation of sites which meet NZTA funding criteria. \$349,351 was spent in the 2015/2016 financial year.
Traffic Services Renewals	\$1,465,223	\$475,926	Renewal of signs, edge marker posts and street lighting. \$538,661 was spent in the 2015/2016 financial year. This included completion of LED conversion project and some additional required pole replacements.
Structures Component Replacements	\$1,243,041	\$438,294	Bridge component replacements. \$460,110 was spent in the 2015/2016 financial year.
Footpath Rehabilitation	\$314,949	\$102,300	Footpath and walkway rehabilitation, sites identified in priority matrix. \$194,869 was spent in the 2015/2016 financial year. This included additional work brought forward to align footpath renewal with UFB fibre reinstatement.
New Footpaths	\$251,959	\$135,712	Construction of new footpaths across the District. \$126,909 was spent in the 2015/2016 financial year.
Minor Improvements	\$2,972,736	\$965,589	Minor road improvements, sites identified in priority matrix. \$1,199,648 was spent in the 2015/2016 financial year. The overspend will be balanced by a lower spend later in the three year programme of works.



## ENGINEERING SERVICES – TRANSPORTATION, ROADS AND FOOTPATHS (CONT.)

## NEW CAPITAL EXPENDITURE (CONT.)

PROJECT NAME	LTP YEARS 1–3	2015 – 2016 BUDGET	ACTUAL 2015/2016
Tasman's Great Taste Trail Construction	\$1,822,923	\$654,720	Construction of the Great Taste Trail from Spooners Tunnel to Woodstock. \$476,212 was spent in the 2015/16 financial year. \$600,000 was carried over from 2014/2015. We anticipate unspent funds will be carried over to the 2016/2017 financial year. Construction was completed from Quail Valley Road, through to the south side of Spooners Tunnel. Work has been delayed due to difficulties securing permanent access to land, however work will continue in 2016/2017.
Richmond Central Improvements – Queen Street Town Centre Renewal	\$4,534,027	\$102,500	Reinstatement of Queen Street in conjunction with utilities infrastructure upgrades. \$484,435 was spent in the 2015/2016 financial year. \$515,155 was carried over from the 2014/2015 year to this year meaning the total approved budget this year was \$617,455. We anticipate unspent funds will be carried over to the 2016/2017 financial year. Consultation and detailed design were undertaken in 2015/2016. Design will be finalised in 2016/2017, with construction expected to occur during 2016/2017 and 2017/2018.
Motueka Town Centre Renewal	\$924,853	–	Upgrade of High Street pedestrian areas to provide for a shared environment. This project commences in 2016/2017.
Brightwater Town Centre Improvements	\$177,686	–	Upgrade of Ellis Street to provide for a shared environment. This project commences in 2017/2018.
Bateup Road Widening	\$3,005,768	\$51,150	Widening of Bateup Road to provide for growth. \$38,399 was spent in the 2015/2016 financial year. Design commenced in Year 1 and will continue in Year 2, with construction programmed to follow in Year 3.
Oxford Street Widening	\$48,149	–	Widening of Oxford Street between Wensley Road and Gladstone Road to improve flows on the Richmond Ring Route. This project commences in 2016/2017.
Pah Street, Greenwood Street and High Street Intersection Improvements	\$53,844	–	Improvements to the intersection to increase efficiency. This project commences in 2017/2018.

## ENGINEERING SERVICES – TRANSPORTATION, ROADS AND FOOTPATHS (CONT.)

2014/2015 LTP BUDGET \$'000	2014/2015 ACTUAL \$'000	TRANSPORTATION, ROADS AND FOOTPATHS	2015/2016 ACTUAL \$'000	2015/2016 ANNUAL PLAN BUDGET \$'000	% OF ANNUAL PLAN BUDGET
<b>SOURCES OF OPERATING FUNDING</b>					
10,558	9,930	General rates, uniform annual general charges, rates penalties	11,461	11,461	100%
6	6	Targeted rates	–	–	–
3,441	3,123	Subsidies and grants for operating purposes	3,778	4,344	87%
–	545	Fees and charges	355	139	255%
–	–	Internal charges and overheads recovered	182	–	–
1,280	1,140	Local authorities fuel tax, fines, infringement fees, other receipts	324	358	91%
<b>15,285</b>	<b>14,744</b>	<b>Total operating funding</b>	<b>16,100</b>	<b>16,302</b>	<b>99%</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>					
8,397	6,736	Payments to staff and suppliers	6,184	8,552	72%
2,148	2,019	Finance costs	2,002	1,801	111%
1,923	1,715	Internal charges and overheads applied	1,338	1,177	114%
–	–	Other operating funding applications	–	–	–
<b>12,468</b>	<b>10,470</b>	<b>Total applications of operating funding</b>	<b>9,524</b>	<b>11,530</b>	<b>83%</b>
<b>2,817</b>	<b>4,274</b>	<b>Surplus/(deficit) of operating funding</b>	<b>6,576</b>	<b>4,772</b>	<b>138%</b>
<b>SOURCES OF CAPITAL FUNDING</b>					
4,694	4,980	Subsidies and grants for capital expenditure	2,529	3,404	74%
132	366	Development and financial contributions	114	134	85%
3,338	3,135	Increase/(decrease) in debt	(851)	(922)	92%
–	–	Gross proceeds from sale of assets	–	–	–
–	–	Lump sum contributions	–	–	–
–	–	Other dedicated capital funding	–	–	–
<b>8,164</b>	<b>8,481</b>	<b>Total sources of capital funding</b>	<b>1,792</b>	<b>2,616</b>	<b>69%</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>					
<b>Capital expenditure</b>					
–	1	• to meet additional demand	249	–	–
3,410	4,925	• to improve the level of service	2,268	2,377	95%
7,743	5,939	• to replace existing assets	4,415	5,011	88%
(172)	1,890	Increase/(decrease) in reserves	1,436	–	–
–	–	Increase/(decrease) in investments	–	–	–
<b>10,981</b>	<b>12,755</b>	<b>Total applications of capital funding</b>	<b>8,368</b>	<b>7,388</b>	<b>113%</b>
<b>(2,817)</b>	<b>(4,274)</b>	<b>Surplus/(deficit) of capital funding</b>	<b>(6,576)</b>	<b>(4,772)</b>	<b>138%</b>

**Comment:**

**Subsidies and grants for operating purposes** – No emergency events occurred in 2015/2016. The revenue budget is set assuming NZTA will pay half of the budgeted emergency costs of \$2 million. As a result, actual income is also down on budget. **Payments to staff and suppliers** – No Emergency Event occurred so the budget of \$2 million was not required. **Reserve movements increase or decrease** – The movement in reserve is a reflection of the underspend in this activity. The amount of surplus in this activity has increased.

## ENGINEERING SERVICES (CONT.)

### COASTAL STRUCTURES

#### WHAT WE DO

This group of activities comprises:

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

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

- ownership and management of the wharf at Riwaka;
- jetties, boat ramps, navigational aids and moorings;

- coastal protection works at Ruby Bay and Marahau; and
- navigation aids associated with harbour management.

#### WHY WE DO IT

Coastal structures have significant public value, enabling access to and use of coastal areas for commercial, cultural and recreational purposes. Council ownership and management of coastal assets ensures they are retained for the community.

#### OUR GOAL

Council aims to maintain its coastal infrastructure and those that protect critical assets to achieve the vision of both Council and the community, taking into account affordability and sustainability.

### HOW THIS ACTIVITY CONTRIBUTES TO THE COUNCIL'S COMMUNITY OUTCOMES

COMMUNITY OUTCOMES	HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
Our unique natural environment is healthy and protected.	Coastal structures can be managed so their impact does not affect the health and cleanliness of the receiving environment.
Our urban and rural environments are people-friendly, well planned and sustainably managed.	The coastal structures activity ensures our built environments are functional, pleasant and safe by ensuring the coastal structures are operated without causing public health hazards and by providing attractive recreational and commercial facilities.
Our infrastructure is efficient, cost effective and meets current and future needs.	The coastal structures activity provides commercial and recreational facilities to meet the community needs at an affordable and safe level. The facilities are also managed sustainably.

### OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM

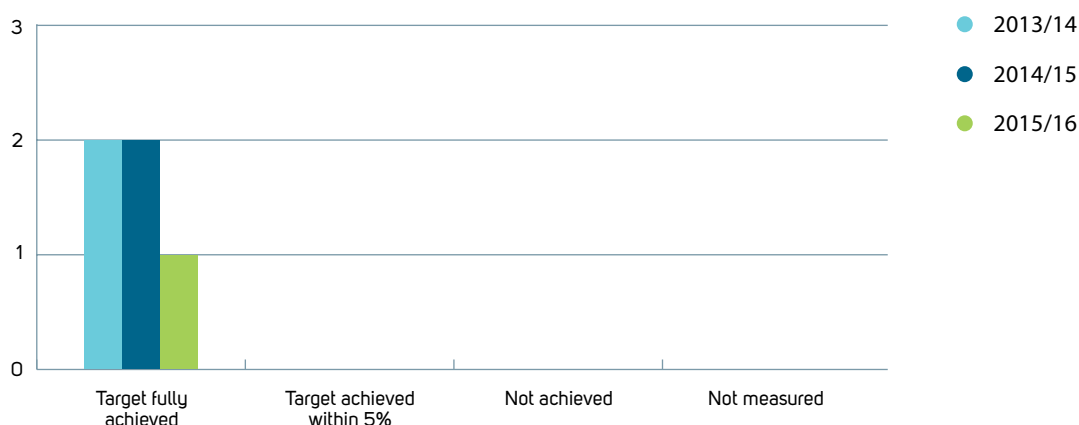
LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...	CURRENT PERFORMANCE
Our works are carried out so that the impacts on the natural coastal environment are minimised to a practical but sustainable level.	Resource consents are held and complied with for works undertaken by Council or its contractors on Council owned coastal protection – as measured by the number of notices issued to Council.  (Target: no notices issued.)	There were no notices issued.

## ENGINEERING SERVICES – COASTAL STRUCTURES (CONT.)

### OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM (CONT.)

**FIGURE 26. Coastal Performance Measures**

Comparison of number of performance measures met over three years



The number of performance measures has reduced from two in the previous Long Term Plan 2012 – 2022 to one in the current Long Term Plan 2015 – 2025 for the coastal activity group. This has meant more meaningful results can be reported.

## MAJOR ACTIVITIES

This group of activities involves ongoing management, maintenance and renewal of Council's coastal structures. The following table details the major capital and renewal work programmed for 2015/2016. A full list of projects and programmes for when the work is planned to be completed is included in Appendix F of the Coastal Structures Activity Management Plans.

PROJECT NAME	LTP YEARS 1–3	2015 – 2016 BUDGET	ACTUAL 2015/2016
Waimea Inlet Boat Access	\$81,840	\$81,140	Improvements to existing boat access facilities in the Waimea Inlet. No funds were spent in the 2015/2016 financial year. Council are working with boat ramp users and the community to identify a suitable location for new facilities. Consultation and design will continue in 2016/2017. We anticipate unspent funds will be carried over to 2016/2017.

## ENGINEERING SERVICES – COASTAL STRUCTURES (CONT.)

2014/2015 LTP BUDGET \$'000	2014/2015 ACTUAL \$'000	COASTAL STRUCTURES	2015/2016 ACTUAL \$'000	2015/2016 ANNUAL PLAN BUDGET \$'000	% OF ANNUAL PLAN BUDGET
<b>SOURCES OF OPERATING FUNDING</b>					
724	988	General rates, uniform annual general charges, rates penalties	608	608	100%
124	119	Targeted rates	103	105	98%
–	5	Subsidies and grants for operating purposes	–	–	–
–	543	Fees and charges	4	–	–
–	–	Internal charges and overheads recovered	–	–	–
898	264	Local authorities fuel tax, fines, infringement fees, other receipts	15	–	–
<b>1,746</b>	<b>1,919</b>	<b>Total operating funding</b>	<b>730</b>	<b>713</b>	<b>102%</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>					
648	594	Payments to staff and suppliers	124	464	27%
442	312	Finance costs	81	95	85%
176	79	Internal charges and overheads applied	19	43	44%
–	–	Other operating funding applications	–	–	–
<b>1,265</b>	<b>985</b>	<b>Total applications of operating funding</b>	<b>224</b>	<b>602</b>	<b>37%</b>
<b>481</b>	<b>934</b>	<b>Surplus/(deficit) of operating funding</b>	<b>506</b>	<b>111</b>	<b>456%</b>
<b>SOURCES OF CAPITAL FUNDING</b>					
–	–	Subsidies and grants for capital expenditure	–	–	–
–	–	Development and financial contributions	–	–	–
1,027	(291)	Increase/(decrease) in debt	(38)	(23)	165%
–	–	Gross proceeds from sale of assets	–	–	–
–	–	Lump sum contributions	–	–	–
–	–	Other dedicated capital funding	–	–	–
<b>1,027</b>	<b>(291)</b>	<b>Total sources of capital funding</b>	<b>(38)</b>	<b>(23)</b>	<b>165%</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>					
<b>Capital expenditure</b>					
–	–	• to meet additional demand	–	–	–
1,473	449	• to improve the level of service	–	82	–
6	93	• to replace existing assets	61	–	–
28	101	Increase/(decrease) in reserves	407	6	6783%
–	–	Increase/(decrease) in investments	–	–	–
<b>1,507</b>	<b>643</b>	<b>Total applications of capital funding</b>	<b>468</b>	<b>88</b>	<b>532%</b>
<b>(481)</b>	<b>(934)</b>	<b>Surplus/(deficit) of capital funding</b>	<b>(506)</b>	<b>(111)</b>	<b>456%</b>

**Comment:**

**Reserve movements increase or decrease** – The movement in reserve is a reflection of the underspend in this activity, which has increased the surplus balance. The remainder of the activities financial performance was in line with budget expectations.

**Note:**

Commercial port operations (Port Tarakohe) have been transferred to the Council Enterprises Activity (through the Long Term Plan 2015 – 2025) from 1 July 2015.

## ENGINEERING SERVICES (CONT.)

### WATER SUPPLY

#### WHAT WE DO

This group of activities comprises the provision of potable water (i.e. water suitable for use and consumption by people) to properties within 15 water supply areas. The water supply areas consist of 10 urban water supply schemes (known as the urban water club), Motueka water supply scheme, three rural supply schemes and the Hamama community scheme.

Our water supply network is extensive and growing rapidly. At present the network comprises approximately 807 kms of pipeline, 36 pumping stations, 11,600 domestic connections and 110 reservoirs and break pressure tanks with a capacity of approximately 18,710 cubic metres of water. In addition, we manage the Wai-iti water storage dam to provide supplementary water into the Lower Wai-iti River and aquifer. This enables sustained water extraction for land irrigation at times of low river flows.

#### WHY WE DO IT

By providing ready access to high quality drinking water, we are primarily protecting public health. It is also facilitating economic growth and enabling the protection of property through the provision of an adequate firefighting water supply. The service provides many public benefits and it is considered necessary and beneficial to the community that we undertake the planning, implementation and maintenance of water supply services in the District.

Territorial authorities have numerous responsibilities relating to the supply of water. One such responsibility is the duty under the Health Act 1956 to improve, promote, and protect public health within the District.

#### OUR GOAL

We aim to provide and maintain water supply systems to communities in a manner that meets the levels of service.

### HOW THIS ACTIVITY CONTRIBUTES TO THE COUNCIL'S COMMUNITY OUTCOMES

COMMUNITY OUTCOMES	HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
Our unique natural environment is healthy and protected.	All water in Council-owned schemes is taken from the environment. This activity can be managed so the impact of the water take does not prove detrimental to the surrounding environment.
Our urban and rural environments are people-friendly, well-planned and sustainably managed.	The water supply activity is a service to the community providing water that is safe to drink and is efficiently delivered to meet customer needs. It also provides a means for fire fighting consistent with the national fire fighting standards.
Our infrastructure is efficient, cost effective and meets current and future needs.	The water activity is considered an essential service that should be provided to all properties within water supply network areas in sufficient capacity and pressure. This service should also be efficient and sustainably managed.
Our communities are healthy, safe, inclusive and resilient.	The water supply activity providing water that is safe to drink. Alternative sources and interconnectivity of networks support reliance of the system.
Our communities have opportunities to celebrate and explore their heritage, identity and creativity.	Key water supply assets have interpretive boards and creative facades to support community education and expression.
Our communities have access to a range of social, educational and recreational facilities and activities.	The water supply activity underpins other facilities and activities by providing safe water for human and animal needs.
Our Council provides leadership and fosters partnerships, a regional perspective and community engagement.	The water supply activity supports this outcome, as witnessed by agreements that we have with NCC and the Waimea Community Dam process.

## ENGINEERING SERVICES – WATER SUPPLY (CONT.)

### HOW THIS ACTIVITY CONTRIBUTES TO THE COUNCIL'S COMMUNITY OUTCOMES (CONT.)

COMMUNITY OUTCOMES	HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
Our region is supported by an innovative and sustainable economy.	The water supply activity underpins the economy by providing safe water for human and animal needs. Sustainable future supply is a key driver of our planning activities.

### OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF..	CURRENT PERFORMANCE																																
Our water takes are sustainable.	All water takes have resource consents. All resource consents are held in Confirm. (Target: 100%.)	Currently all (100%) resource consents required are in place for each water take (2014: 100%).																																
	Compliance with water resource consents is achieved, as measured by the number of: <ul style="list-style-type: none"> <li>• abatement notices</li> <li>• infringement notices</li> <li>• enforcement orders, or</li> <li>• convictions.</li> </ul>	We have achieved compliance with all our resource consent conditions and there have been no notices or orders issued during the past 12 months.																																
	Our percentage of real water loss from the network is less than the target.  As calculated: Total water provided less water metered less non revenue water = total real water loss. Then % = L real loss divided by average L usage per connection as a yearly average. (Mandatory measure 2).  (Target: 31%).	<p>We have not managed to achieve our target of 31% for the total network. However, we have achieved this target in seven out of our 10 urban schemes.</p> <p>Water loss on the rural water schemes is difficult to assess on the same terms as the urban schemes and as a result the calculations are often inconclusive.</p> <p>We also monitor loss on an ongoing basis and weekly readings and automated zone flow calculations are helping to reduce loss. Where loss is suspected specialist testing is undertaken.</p> <table border="1"> <thead> <tr> <th>URBAN SCHEME</th> <th>REAL LOSS DIVIDED BY USAGE PER CONNECTION</th> <th>ACTUAL REAL LOSS/ INPUT VOLUME</th> </tr> </thead> <tbody> <tr> <td>Brightwater</td> <td>11%</td> <td>3%</td> </tr> <tr> <td>Collingwood</td> <td>22%</td> <td>25%</td> </tr> <tr> <td>Kaiteriteri</td> <td>15%</td> <td>8%</td> </tr> <tr> <td>Mapua</td> <td>3%</td> <td>1%</td> </tr> <tr> <td>Motueka</td> <td>45%</td> <td>11%</td> </tr> <tr> <td>Murchison</td> <td>13%</td> <td>13%</td> </tr> <tr> <td>Pohara</td> <td>11%</td> <td>42%</td> </tr> <tr> <td>Tapawera*</td> <td>55%</td> <td>52%</td> </tr> <tr> <td>Wakefield*</td> <td>94%</td> <td>28%</td> </tr> <tr> <td>Upper Takaka</td> <td>3%</td> <td>32%</td> </tr> </tbody> </table>	URBAN SCHEME	REAL LOSS DIVIDED BY USAGE PER CONNECTION	ACTUAL REAL LOSS/ INPUT VOLUME	Brightwater	11%	3%	Collingwood	22%	25%	Kaiteriteri	15%	8%	Mapua	3%	1%	Motueka	45%	11%	Murchison	13%	13%	Pohara	11%	42%	Tapawera*	55%	52%	Wakefield*	94%	28%	Upper Takaka	3%
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\*Leak detection is being carried out on the Wakefield and Tapawera Schemes.

## ENGINEERING SERVICES – WATER SUPPLY (CONT.)

## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...	CURRENT PERFORMANCE																						
Our water takes are sustainable (cont.)	The average consumption of drinking water per day per resident is less than the target. (Mandatory measure 5).  (Target: < 300L/person/day.)	As the table below shows this target has been achieved, with the majority well below this measure.																						
		<table border="1"> <thead> <tr> <th>URBAN SCHEME</th> <th>AVERAGE LITRES PER DAY PER CONNECTION</th> </tr> </thead> <tbody> <tr> <td>Brightwater</td> <td>256</td> </tr> <tr> <td>Collingwood*</td> <td>105</td> </tr> <tr> <td>Kaiteriteri*</td> <td>185</td> </tr> <tr> <td>Mapua</td> <td>208</td> </tr> <tr> <td>Motueka</td> <td>196</td> </tr> <tr> <td>Murchison</td> <td>240</td> </tr> <tr> <td>Pohara*</td> <td>112</td> </tr> <tr> <td>Tapawera</td> <td>228</td> </tr> <tr> <td>Wakefield</td> <td>214</td> </tr> <tr> <td>Upper Takaka</td> <td>182</td> </tr> </tbody> </table>	URBAN SCHEME	AVERAGE LITRES PER DAY PER CONNECTION	Brightwater	256	Collingwood*	105	Kaiteriteri*	185	Mapua	208	Motueka	196	Murchison	240	Pohara*	112	Tapawera	228	Wakefield	214	Upper Takaka	182
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Tapawera	228																							
Wakefield	214																							
Upper Takaka	182																							
*Low occupancy rate, with a high number of holiday locations or alternate water supplies.																								
Our use of the water resource is efficient.	Water Demand Management Plans are in place for each water scheme.  (Target: 8 out of 15.)	Out of the 15 water schemes, we currently have eight Demand Management Plans in place for the following zones: Richmond/Brightwater/Hope, Wakefield, Mapua/Ruby Bay, Waimea Industrial, Kaiteriteri, Collingwood, Murchison and Tapawera.  Six of the plans are in place for locations with high water volume schemes. The remaining schemes have lower demand. Basic checks are undertaken on the remaining schemes, comparing water sold through water meters with what was pumped. This helps determine the quantity of water leakage, additionally leak detection testing is carried out when major leakage is suspected.																						
Our water is safe to drink.	Number of temporary advisory notices issued to boil water – as issued in consultation with the Medical Officer of Health.  (Target: Nil.)	This year there were no notices issues, compared to one in 2015, and zero in 2014.  There is a permanent boil water notice in place at Dovedale, which is not covered in the targets as it is permanently in place.																						



## ENGINEERING SERVICES – WATER SUPPLY (CONT.)

## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF..	CURRENT PERFORMANCE
Our water is safe to drink (cont.)	<p>We comply with part 4 (bacteria compliance criteria) of the drinking-water standards.</p> <p>As measured by bacterial water sample results. (Mandatory measure). (Target: 99%).</p> <p>We comply with part 5 (protozoal compliance criteria) of the drinking-water standards.</p> <p>As measured by a number of schemes with compliant protozoa treatment determined by the Drinking Water Assessor. (Mandatory measure 1).</p>	<p>In relation to Part 4 of the Drinking Water Standards: in total we undertook 1,879 E.coli samples with 22 failures, resulting in a 99% compliance.</p> <p>Of the failed samples:</p> <ul style="list-style-type: none"> <li>• 18 samples were from Dovedale which has a permanent boil water notice as the chlorine treatment is subject to failures, particularly during heavy rains which affect source water quality.</li> <li>• Two samples were from Waimea Industrial zone, cause unknown.</li> <li>• One sample was from the Richmond Water Treatment Plant, cause suspected to be tank roof.</li> <li>• One sample was from 88 Valley and was due to very heavy rain causing dirty source water.</li> </ul> <p>We carry out water compliance testing on all of our supplies in accordance with DWSNZ 2005 (revised 2008).</p> <p>In relation to Part 5 of the Drinking Water Standards: currently only one of our 15 drinking water plants fully complies with this measure (Upper Takaka).</p> <p>Murchison, Tapawera and Richmond also have protozoa treatment, however monitoring procedures are not yet comprehensive enough to classify these as fully compliant.</p>

DISTRIBUTION ZONE	BACTERIAL COMPLIANCE?	REASON FOR NON-COMPLIANCE (BACTERIAL)	PROTOZOA COMPLIANCE	REASON FOR NON-COMPLIANCE (PROTOZOAL)
Collingwood	Yes	NA Complied	No	NT
Dovedale Rural	No	T	No	NT
Eighty Eight Valley Rural	Yes	NA Complied	No	NT
Hope/Brightwater	Yes	NA Complied	No	NT
Kaiteriteri	Yes	NA Complied	No	NT
Motueka	Yes	NA Complied	No	NT
Murchison	Yes	NA Complied	No	Tech, TF
Pohara	Yes	NA Complied	No	NT
Redwood Valley 1	Yes	NA Complied	No	NT
Redwood Valley 2	Yes	NA Complied	No	NT
Richmond	Yes	NA Complied	No	Tech
Waimea Industrial	No	IS	No	Tech
Tapawera	Yes	NA Complied	No	Tech
Mapua Ruby Bay	Yes	NA Complied	No	NT
Wakefield	Yes	NA Complied	No	NT
Upper Takaka	Yes	NA Complied	Yes	NA Complied

**KEY****T** – Transgression: *E.coli* detected**IS** – Insufficient sampling (technical non-compliance)**NT** – No protozoa treatment in place yet**TF** – Treatment failure**Tech** – Technical non-compliance (e.g. data collection failure due to server outage)

NB. The results for bacteria and protozoa compliance are provisional and will be finalised when the DHB's Drinking-Water Assessor releases their report.

## ENGINEERING SERVICES – WATER SUPPLY (CONT.)

## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...	CURRENT PERFORMANCE
Our water supply systems provide fire protection to a level that is consistent with the national standard.	Our water supply system's meet the FW2 standard as per the Code of Practice for Fire Fighting Water Supplies – measured through hydraulic modelling, and field testing revised biennially.  (Target: 90%.)	This year we achieved a 90% compliance with nine out of 10 urban systems fully complying with firefighting capability. The vast majority of Richmond complies, with the exception of Cropp Place. Rural water supplies and community supplies do not provide firefighting capacity, so are not covered by this measure (2014: 90%).
Our water supply activities are managed at a level that the community is satisfied with.	% of customers are satisfied with the water supply service – as measured through the annual residents' survey.  (Target: 80%.)	Of those residents surveyed, 79% of receivers of our services were found to be satisfied (2015: 81%).  Our survey showed that residents in the Moutere-Waimea Ward were more likely not to be very satisfied with their water supply as compared to our other ward residents.  <b>See Figure 27</b> Water Supply Services Satisfaction Rate, page 87.
Our water supply systems are built, operated and maintained so that failures can be managed and responded to quickly.	Complaints per 1000 connections are less than the target – relates to clarity, taste, odour, pressure or flow, continuity of supply and Council response to these issues – as recorded through Council's Confirm database.  (Mandatory measure 4.)  (Target: <20.)	Although we do provide a high standard of drinking water to our users, we did not meet our target and recorded a total of 30 complaints per 1000 connections. Most of these complaints related to rural water supplies, and consisted of customers calling us to have their flow-restrictors serviced (as they had become blocked). The majority of complaints related to the rural water supplies at Dovedale and 88 Valley, as these water supplies have higher levels of sediment than others.
	Median resolution times are within targets for urgent call-outs (1 day). (Mandatory measure 3.) (Target: <24 hours.)	We did not measure this performance target as our system to record response times for each job was in a development phase during the year.
	Median response times are within targets for urgent call-outs (2 hours). (Mandatory measure 3.) (Target: < 2 hours.)	Systems are now in place for the contractor to record the time when they arrive on site and when the job is completed and we will be able to report on this next year.
	Median response times are within targets for non-urgent call-outs (72 hours). (Mandatory measure 3.) (Target: < 72 hours.)	
	Median resolution times are within targets for non-urgent call-outs (7 working days). (Mandatory measure 3.) (Target: < 8 working days.)	

## ENGINEERING SERVICES – WATER SUPPLY (CONT.)

### OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM (CONT.)

FIGURE 27. Water Supply Services Satisfaction Rate

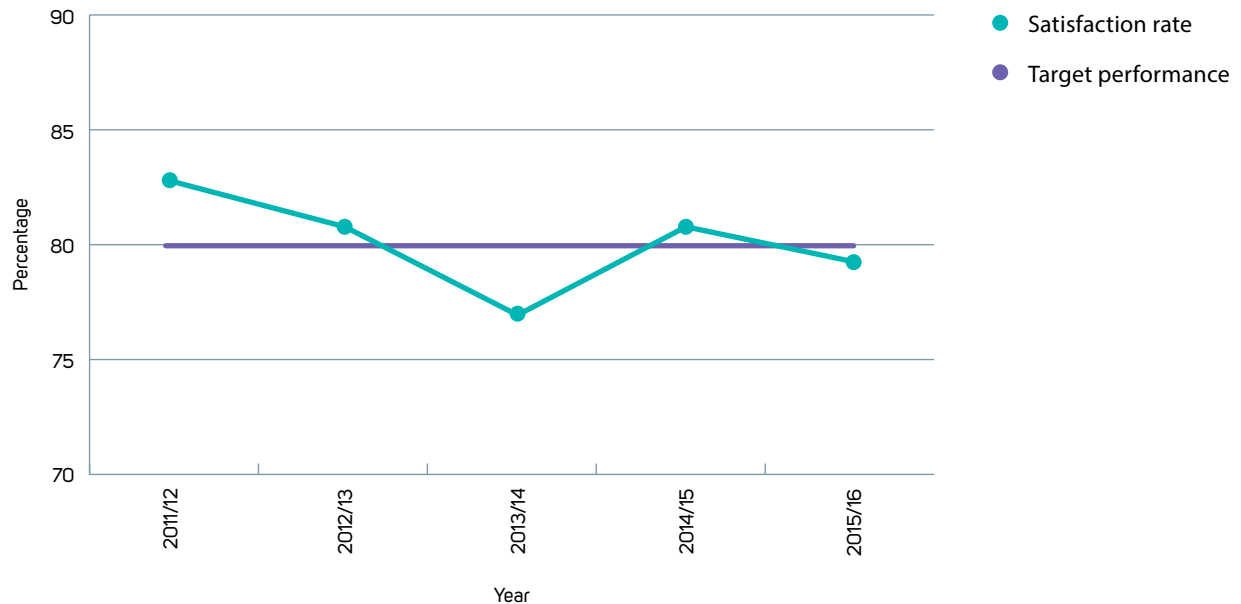
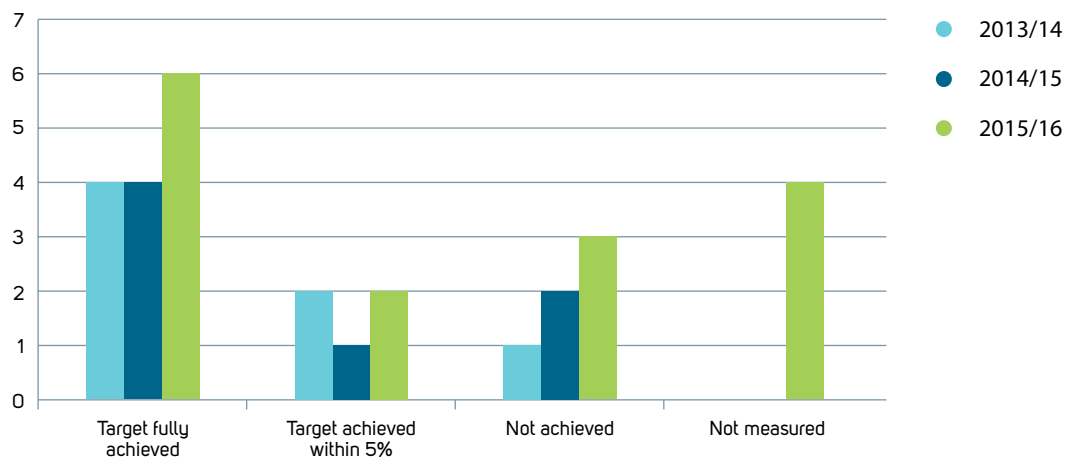


FIGURE 28. Water Performance Measures

Comparison of number of performance measures met over three years



This Annual Report sees the introduction of a large number of mandatory reporting measures (10 new measures). While many of the targets have been achieved or achieved within 5%, there remain three measures that have not been achieved and four that have not been measured. Those targets that were not achieved relate to compliance with protozoal treatment for drinking water at all treatment plants; water loss; and complaints from rural network supply users. Targets that have not been measured relate to the response and resolution times for urgent and non-urgent call-outs. Council expects to be able to report on these in the next Annual Report.

## ENGINEERING SERVICES – WATER SUPPLY (CONT.)

### MAJOR ACTIVITIES

The Water Supply group of activities involves ongoing management, maintenance and renewal of Council's water supply network, comprising supply pipelines, pumping stations, domestic connections, reservoirs and break pressure tanks, and the Wai-iti water storage dam.

In addition to the major projects outlined in the table there are ongoing pipeline, valve, telemetry, water meter, and restrictor renewals occurring throughout the 10 years, which are planned to cost millions of dollars during the period.

PROJECT NAME	LTP YEARS 1–3	2015–2016 BUDGET	ACTUAL 2015/2016
Collingwood – treatment upgrade	\$581,358	\$85,316	Upgrade the existing treatment plant to meet DWSNZ and reduce contamination risks. Concept design and investigation work has been carried out. Insufficient funding available for construction of the preferred option. As a result, the scope and timing of the project has changed (refer Council Report in August 2016). \$20,028 was spent in the 2015/2016 financial year.
Kaiteriteri – treatment upgrade	\$895,314	\$105,034	Upgrade the existing treatment plant to meet DWSNZ. The project has been slightly delayed due to difficulties securing access to land required for the new plant. There was insufficient funding available for construction of the preferred option and subsequently the budget has been increased. \$53,791 was spent in the 2015/2016 financial year.
Richmond – Fauchelle Avenue, Darcy Street and Florence Street	\$1,055,789	\$1,055,789	Renewing of old failing water main. Design and tender documents are well advanced and will be tendered in August 2016. Construction has been deferred from 2015/2016 and will be completed in 2016/2017. \$7,036 was spent in the 2015/2016 financial year.
Richmond – Lower Queen Street replacement	\$891,046	\$86,954	Upsizing and replacing the existing 100 mm main down Lower Queen Street. This project is connected with other stormwater and wastewater projects in Lower Queen Street. Work is on hold until the scope of associated projects is confirmed. No funds were spent in the 2015/2016 financial year.
Richmond – Queen Street main replacement	\$1,925,751	\$102,300	Replacing the 300 mm trunk main down Queen Street within Central Richmond in conjunction with other infrastructure works. \$65,700 was spent in the 2015/2016 financial year. \$165,820 was carried over from 2014/2015 to the current year. We anticipate unspent funds will be carried over to 2016/2017. Consultation and detailed design were undertaken in 2015/2016. Design will be finalised in 2016/2017, with construction expected to occur during 2016/2017 and 2017/2018.

## ENGINEERING SERVICES – WATER SUPPLY (CONT.)

## MAJOR ACTIVITIES (CONT.)

PROJECT NAME	LTP YEARS 1–3	2015–2016 BUDGET	ACTUAL 2015/2016
Wakefield – new water treatment plant	\$4,081,257	–	Construct a new treatment plant at Spring Grove to meet DWSNZ. \$5,126 was spent in the 2015/2016 financial year. Design is programmed for 2016/2017, with construction programmed for the following year.
Waimea Community Dam	\$14,504,791	\$1,893,762	This project is expected to proceed via a CCO for the construction of a new Dam. \$607,201 was spent in the 2015/2016 financial year. Investigation, land negotiations and land purchase was undertaken during 2015/2016. Work is continuing but has been slowed due to delays confirming the funding model. We anticipate unspent funds will be carried over to 2016/2017.
Water meter renewals	\$2,765,911	\$1,280,029	Three year water meter renewal project. \$672,914 was spent in the 2015/2016 financial year. \$109,310 was carried over from 2014/2015 to the current year. We anticipate unspent funds will be carried over to 2016/2017. Project expenditure is tracking slightly behind in 2015/2016, however the full balance is expected to be spent in the following two years of the programme.
Richmond – pipes and rider mains renewals	\$472,423	\$153,450	Pipeline renewal programme. There were some minor pipeline renewals carried out in 2015/2016, with the balance of the budget expected to be carried over to 2016/2017. \$38,261 was spent in the 2015/2016 financial year.
Richmond South main, Lower Queen Street to low level reservoir	\$538,444	–	New main along Borck Creek to facilitate development. This project will commence in 2017/2018.
Renewals contingency	\$472,423	\$153,450	Contingency amount to allow for miscellaneous renewals on an as required basis. \$50,449 was spent in the 2015/2016 financial year. Less than average renewal works were required in 2015/2016, with the balance expected to be carried over to 2016/2017.



Richmond Water Treatment Plant

## MAJOR ACTIVITIES (CONT.)

PROJECT NAME	LTP YEARS 1-3	2015-2016 BUDGET	ACTUAL 2015/2016
Richmond – telemetry upgrade	\$298,389	\$107,415	New control panels and telemetry and renewals of existing sites. \$103,811 was spent in the 2015/2016 financial year.
Relocate Fearons Bush Water Treatment Plant (WTP) to Parkers Street Water Treatment Plant	\$688,790	\$25,575	Relocate Fearons Bush WTP to Parkers Street WTP extend mains in Jocelyn and Parker. Work carried out on hydraulic modelling as part of concept design which was funded by the related Parker Street project. No funds were spent in the 2015/2016 financial year.
Pump station renewal programme	\$207,260	\$102,300	Pohara pump station renewal. Insufficient funding available for construction of the preferred option. A decision to be sought on the scope and timing of the project as part of a report to Council in August. \$19,786 was spent in the 2015/2016 financial year.

## ENGINEERING SERVICES – WATER SUPPLY (CONT.)

2014/2015 LTP BUDGET \$'000	2014/2015 ACTUAL \$'000	WATER SUPPLY	2015/2016 ACTUAL \$'000	2015/2016 ANNUAL PLAN BUDGET \$'000	% OF ANNUAL PLAN BUDGET
<b>SOURCES OF OPERATING FUNDING</b>					
102	102	General rates, uniform annual general charges, rates penalties	159	159	100%
1,777	8,060	Targeted rates	8,649	8,423	103%
–	–	Subsidies and grants for operating purposes	–	–	–
7,183	1,278	Fees and charges	1,353	1,363	99%
–	–	Internal charges and overheads recovered	–	–	–
339	334	Local authorities fuel tax, fines, infringement fees, other receipts	–	–	–
<b>9,400</b>	<b>9,774</b>	<b>Total operating funding</b>	<b>10,161</b>	<b>9,945</b>	<b>102%</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>					
4,217	3,533	Payments to staff and suppliers	4,434	4,771	93%
1,897	1,699	Finance costs	1,663	2,034	82%
1,015	1,090	Internal charges and overheads applied	897	828	108%
–	–	Other operating funding applications	–	–	–
<b>7,129</b>	<b>6,322</b>	<b>Total applications of operating funding</b>	<b>6,994</b>	<b>7,633</b>	<b>92%</b>
<b>2,271</b>	<b>3,452</b>	<b>Surplus/(deficit) of operating funding</b>	<b>3,167</b>	<b>2,312</b>	<b>137%</b>
<b>SOURCES OF CAPITAL FUNDING</b>					
–	–	Subsidies and grants for capital expenditure	–	–	–
487	273	Development and financial contributions	1,038	582	178%
5,804	7,539	Increase/(decrease) in debt	451	4,712	10%
–	–	Gross proceeds from sale of assets	–	–	–
–	17	Lump sum contributions	–	–	–
–	–	Other dedicated capital funding	(92)	–	–
<b>6,291</b>	<b>7,829</b>	<b>Total sources of capital funding</b>	<b>1,489</b>	<b>5,294</b>	<b>28%</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>					
<b>Capital expenditure</b>					
–	2,252	• to meet additional demand	125	317	39%
7,063	8,983	• to improve the level of service	998	1,723	58%
1,376	427	• to replace existing assets	1,052	3,982	26%
123	(381)	Increase/(decrease) in reserves	2,481	125	1985%
–	–	Increase/(decrease) in investments	–	1,459	–
<b>8,562</b>	<b>11,281</b>	<b>Total applications of capital funding</b>	<b>4,656</b>	<b>7,606</b>	<b>61%</b>
<b>(2,271)</b>	<b>(3,452)</b>	<b>Surplus/(deficit) of capital funding</b>	<b>(3,167)</b>	<b>(2,312)</b>	<b>137%</b>

**Comment:**

**Finance costs** – These are under budget as result of favourable interest rates compared with the Annual Plan estimate coupled with an underspend on the capital programme. **Debt** – The underspent capital programme meant less debt was raised than planned. **Development and Financial Contributions** – In 2014/2015 we provided for the refund of Development Contributions for the Coastal Pipeline. The amount refunded was less than estimated, resulting in a higher balance. **Capital expenditure** – The programme of work was not completed as expected. A significant amount of the underspend is anticipated to be carried over to 2016/2017. **Reserve movements increase or decrease** – The movement in reserve is a reflection of the underspend in this activity which has increased the surplus.

## ENGINEERING SERVICES (CONT.)

### WASTEWATER

#### WHAT WE DO

Tasman District Council provides and manages wastewater collection, treatment and disposal facilities for ratepayers connected to the Council's 12 wastewater networks. These networks convey wastewater to eight treatment plants, seven of which are owned and managed by the Council. The largest treatment plant, Bells Island, is owned by both Nelson and Tasman councils on a 50:50 basis but is managed by the Nelson Regional Sewerage Business Unit.

#### WHY WE DO IT

The provision of wastewater services is a core public health function of Local Government and is something

that the Council has always provided. By undertaking the planning, implementation and maintenance of wastewater services the Council promotes and protects public health within the District.

Territorial authorities have numerous responsibilities relating to wastewater. One such responsibility is the duty under the Health Act 1956 to improve, promote, and protect public health within the District.

#### OUR GOAL

We aim to provide cost-effective and sustainable wastewater systems in a manner that meets environmental standards and agreed levels of service.

### HOW THIS ACTIVITY CONTRIBUTES TO THE COUNCIL'S COMMUNITY OUTCOMES

COMMUNITY OUTCOMES	HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
Our unique natural environment is healthy and protected.	All wastewater in Council-owned schemes is treated and discharged into the environment. This activity can be managed so the impact of the discharges does not adversely effect the health and cleanliness of the receiving environment.
Our urban and rural environments are people-friendly, well-planned and sustainably managed.	The wastewater activity ensures our built urban environments are functional, pleasant and safe by ensuring wastewater is collected and treated without causing a hazard to public health, unpleasant odours and unattractive visual impacts.
Our infrastructure is efficient, cost effective and meets current and future needs.	The wastewater activity is considered an essential service that should be provided to all properties within the urban drainage areas in sufficient size and capacity. This service should also be efficient and sustainably managed.

### OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...	CURRENT PERFORMANCE
Our wastewater systems do not adversely affect the receiving environment.	All necessary consents are held. Measured by resource consents held in Council's NCS database. (Target: 100%)	As far as we are aware, we have all necessary consents in place meeting our 100% target. Compliance with consent conditions is monitored by Council's Engineering Services Department (2015: 100%).



## ENGINEERING SERVICES – WASTEWATER (CONT.)

## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...	CURRENT PERFORMANCE
<p>Our wastewater systems do not adversely affect the receiving environment (cont.)</p>	<p>The number of temporary wastewater overflow signs are erected at waterways is minimised. Measured by the number of contractor job requests.</p> <p>(Target: &lt;5.)</p> <p>Compliance with resource consents for discharges from wastewater systems is achieved, as measured by the number of:</p> <ul style="list-style-type: none"> <li>• abatement notices,</li> <li>• infringement notices,</li> <li>• enforcement orders; or</li> <li>• convictions.</li> </ul>	<p>Over the past year there have been three wastewater overflows from our network into waterways.</p> <p>Of these three incidents, two were the result of storm events overloading the wastewater network in February and March 2016. As a result of the storms, large volumes of diluted wastewater were discharged to the coast from multiple manholes.</p> <p>Signs, warning of an overflow and not to collect shellfish were erected along the cycleway near Beach Road, Richmond (2015: 4).</p> <p>The third incident resulted from planned work upgrading the Pethybridge pump station in Motueka. Approximately 300 litres was discharged to the stormwater system and a downstream open drain, where the signage was erected.</p> <p><b>See Figure 29</b> Number of Temporary Wastewater Overflow Signs Erected at Waterbodies, page 95.</p> <p>Compliance with our resource consents was 100% with no notices requiring additional consents, abatement notices, or enforcement orders received during the 2015/2016 period.</p>
<p>Our wastewater systems reliably take our wastewater with a minimum of odours, overflows or disturbance to the public.</p>	<p>The total number of complaints received about: odour, system faults, blockages, and Council's response to issues for each 1000 properties connected to the wastewater system is less than the target.</p> <p>(Target: ≤ 35.)</p>	<p>Generally, overflows or blockages have been treated as requests for service. In total 19 complaints were received, eight for smells from reticulation or pump stations, five for noise, four for new telemetry aerials and two regarding frequent overflows. This equates to 1.5 per 1000 connections compared to 29 per 1000 connections in 2015.</p> <p>The decrease in complaints is mainly attributed to there being no complaints about our wastewater treatment plants. In late 2014 we had a spike in complaints due to biological failure of our Motueka oxidation pond.</p> <p><b>See Figure 30</b> Total Number of Complaints per 1000 properties connected, page 95.</p>

## ENGINEERING SERVICES – WASTEWATER (CONT.)

## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...	CURRENT PERFORMANCE
<p>Our wastewater systems reliably take our wastewater with a minimum of odours, overflows or disturbance to the public (cont.)</p>	<p>The number of dry weather wastewater overflows from all wastewater systems, expressed per 1000 wastewater connections in Tasman District.</p> <p>Dry weather is defined as a continuous 96 hours with less than 1mm of rain within each 24 hour period.</p> <p>(Target: &lt;5.)</p>	<p>This year there were 1.2 dry weather overflows per 1,000 connections. A 'dry weather overflow' is measured as any wastewater overflow that did not occur because of a rain event, and data is collected on wet and dry days.</p> <p>Council is focused on the operational aspects that have led to overflows, particularly whether the network failed or did not have the capacity to contain wastewater flows as a result of operational performance, rather than weather related factors.</p> <p>In 2015/2016 a total of 16 overflows occurred that weren't caused by weather.</p> <p>Six of these were pressure main breaks, two were operational issues and the rest were due to pipe blockage, rag, fat or tree roots. Third party damage has been excluded (2015: no data available).</p>
<p>Our wastewater activities are managed at a level that satisfies the community.</p>	<p>Percentage of customers satisfied with the wastewater service meets our targets. As measured through the annual residents' survey.</p> <p>(Target: 80%.)</p>	<p>Similar to last year, we had outstanding results from our residents survey which reported that 95% of receivers of our service were satisfied (2015: 95%).</p> <p><b>See Figure 31</b> Wastewater Services Satisfaction Rate, page 96</p>
<p>Our wastewater systems are built, operated and maintained so that failures can be managed and responded to quickly.</p>	<p>Overflows resulting from blockages or other faults in the wastewater system are responded to within the target timeframes. As recorded in Confirm.</p> <p>Attendance time – from the time Council received notification of the fault to the time that service personnel reach the site, and</p> <p>Resolutions time – from the time notification is received to the time that the service personnel confirm resolution of the blockage or other fault.</p>	<p>This performance target was not measured as a result of the system required to record response times for each job still being in a development phase during the year.</p> <p>Systems are now in place for the contractor to record the time when they arrive on site and when the job is completed.</p>

ENGINEERING SERVICES – WASTEWATER (CONT.)

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM (CONT.)

FIGURE 29. Number of Temporary Wastewater Overflow Signs Erected at Waterbodies

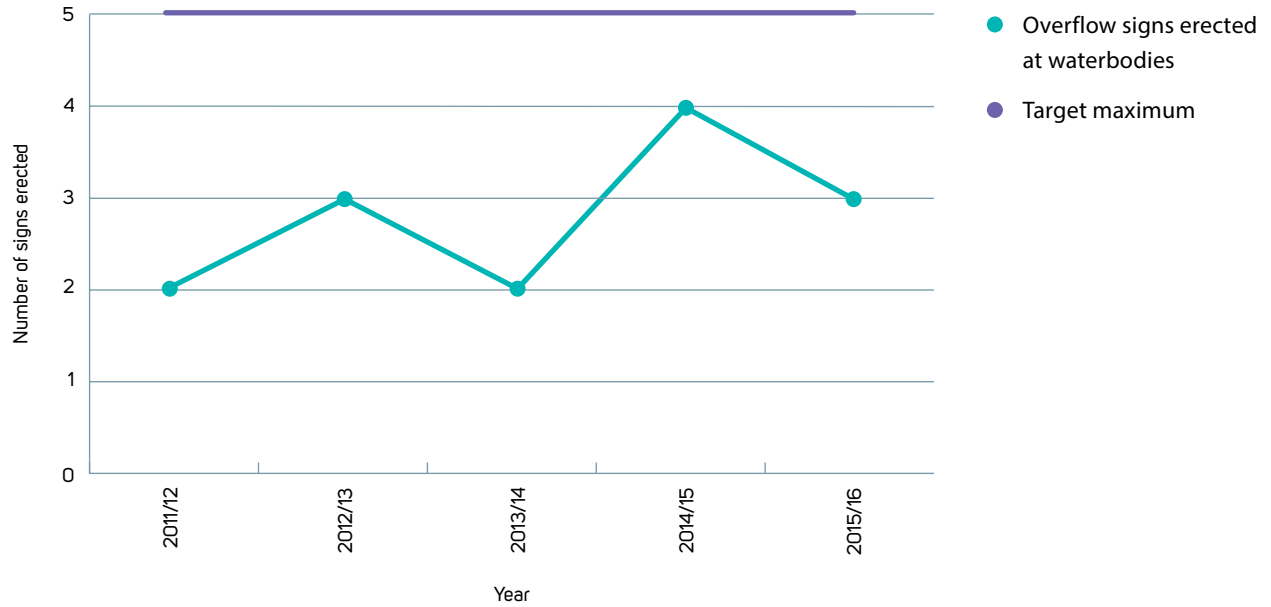
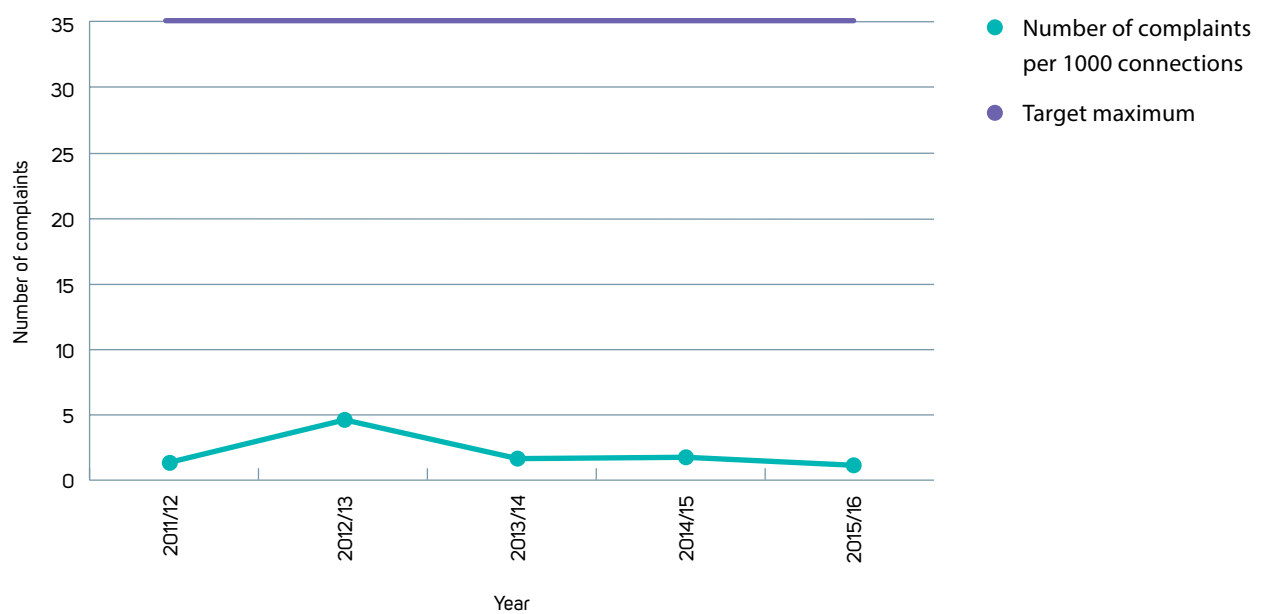


FIGURE 30. Total Number of Complaints per 1000 properties connected



## ENGINEERING SERVICES – WASTEWATER (CONT.)

### OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM (CONT.)

FIGURE 31. Wastewater Services Satisfaction Rate

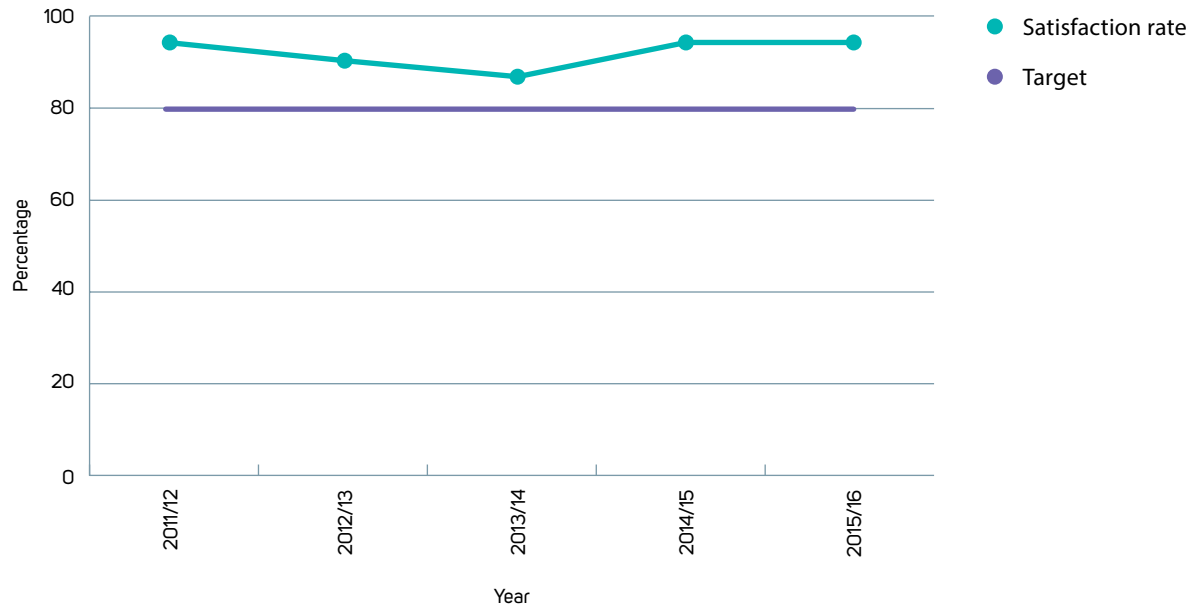
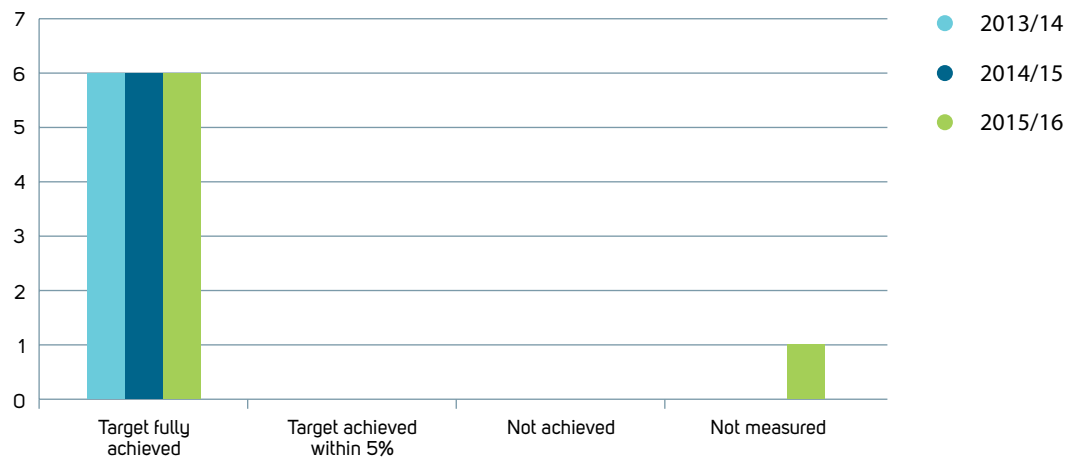


FIGURE 32. Wastewater Performance Measures

Comparison of number of performance measures met over three years



Many of the performance measures for Wastewater were slightly amended through the Long Term Plan 2015 – 2025, and one new measure introduced relating to compliance with resource consent conditions. The Wastewater activity group continues to achieve a very high percent of its targets. Only one measure could not be measured during the financial year (relating to response times to wastewater overflows), but a system has now been put in place that will enable Council to report on this in the next Annual Report.

## ENGINEERING SERVICES – WASTEWATER (CONT.)

## MAJOR ACTIVITIES

This group of activities involves ongoing management, maintenance and renewal of Council's wastewater network, comprising wastewater treatment plants and sewerage collection systems (made up of pipelines, manholes and sewage pump stations).

PROJECT NAME	LTP YEARS 1–3	2015–2016 BUDGET	ACTUAL 2015/2016
Motueka Wastewater Treatment Plant (WWTP) upgrade	\$2,726,100	\$2,762,100	The Motueka Wastewater Treatment Plant upgrade is a multi-year staged project. In addition to the Year 1 funding, \$5,424,001 was carried over from 2014/2015 to the current year. \$3,678,307 was spent in the current financial year. We anticipate funds to complete the final stages of the project will be carried over to 2016/2017. The carryover is necessary as the current programme of works has changed from the original programme set out in the Long Term Plan 2015–2025. Construction of the upgrade is expected to be completed by December 2016, after which the wetland planting will proceed over a two year period.
Pohara to Tarakohe rising main and pump station upgrades	\$281,046	–	Progressive upgrade rising mains and pump stations, including emergency storage, from Four Winds to Tarakohe pump stations. This project will commence in 2017/2018.
Kaiteriteri Replacement Sewer Main (previously Tapu Bay Pipeline)	\$3,983,569	\$772,406	The current resource consents for the wastewater pipeline through the estuary in Tapu Bay lapse in October 2018. An agreement was made with iwi to abandon the main in the estuary and replace it with one on land. To date the design has been less complex than expected resulting in a lower cost. The budget will be carried forward as contingency funding for the ongoing work.  \$170,174 was spent in the current financial year. \$36,700 was carried over from 2014/2015 to the current year. We anticipate unspent funds will be carried over to 2016/2017.

## ENGINEERING SERVICES – WASTEWATER (CONT.)

2014/2015 LTP BUDGET \$'000	2014/2015 ACTUAL \$'000	WASTEWATER	2015/2016 ACTUAL \$'000	2015/2016 ANNUAL PLAN BUDGET \$'000	% OF ANNUAL PLAN BUDGET
<b>SOURCES OF OPERATING FUNDING</b>					
–	–	General rates, uniform annual general charges, rates penalties	–	–	–
10,402	9,728	Targeted rates	10,243	10,408	98%
–	–	Subsidies and grants for operating purposes	–	–	–
–	152	Fees and charges	324	170	191%
–	–	Internal charges and overheads recovered	–	–	–
717	1,597	Local authorities fuel tax, fines, infringement fees, other receipts	2,610	4,520	58%
<b>11,119</b>	<b>11,477</b>	<b>Total operating funding</b>	<b>13,177</b>	<b>15,098</b>	<b>87%</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>					
6,160	4,178	Payments to staff and suppliers	4,826	8,516	57%
2,046	2,131	Finance costs	1,793	2,526	71%
1,191	984	Internal charges and overheads applied	647	618	105%
–	–	Other operating funding applications	–	–	–
<b>9,397</b>	<b>7,293</b>	<b>Total applications of operating funding</b>	<b>7,267</b>	<b>11,660</b>	<b>62%</b>
<b>1,723</b>	<b>4,184</b>	<b>Surplus/(deficit) of operating funding</b>	<b>5,910</b>	<b>3,438</b>	<b>172%</b>
<b>SOURCES OF CAPITAL FUNDING</b>					
–	6	Subsidies and grants for capital expenditure	5	–	–
630	1,723	Development and financial contributions	901	1,412	64%
3,000	(3,563)	Increase/(decrease) in debt	1,019	210	485%
–	–	Gross proceeds from sale of assets	–	–	–
–	–	Lump sum contributions	–	–	–
–	–	Other dedicated capital funding	–	–	–
<b>3,630</b>	<b>(1,834)</b>	<b>Total sources of capital funding</b>	<b>1,925</b>	<b>1,622</b>	<b>119%</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>					
<b>Capital expenditure</b>					
56	6	• to meet additional demand	–	–	–
3,736	3,369	• to improve the level of service	4,376	3,992	110%
1,560	1,096	• to replace existing assets	883	1,068	83%
–	(2,121)	Increase/(decrease) in reserves	2,576	–	–
–	–	Increase/(decrease) in investments	–	–	–
<b>5,352</b>	<b>2,350</b>	<b>Total applications of capital funding</b>	<b>7,835</b>	<b>5,060</b>	<b>155%</b>
<b>(1,723)</b>	<b>(4,184)</b>	<b>Surplus/(deficit) of capital funding</b>	<b>(5,910)</b>	<b>(3,438)</b>	<b>172%</b>

**Comment:**

**Finance costs** – These are under budget as a result of favourable interest rates compared with the Annual Plan estimate coupled with an underspend on the capital programme. **Debt** – The underspent capital programme meant less debt was raised than planned. **Capital expenditure** – As noted in the Major Activity section above, the capital programme of work was not completed as expected. We anticipate a significant amount of the underspend will be carried over to 2016/2017. **Reserve movements increase or decrease** – The movement in reserve is a reflection of the underspend in this activity which has increased the surplus.

## ENGINEERING SERVICES (CONT.)

### STORMWATER

#### WHAT WE DO

This activity encompasses the provision of stormwater collection, reticulation and discharge systems in Tasman District. 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. The system is designed and operated to manage small to medium storm events.

The stormwater sumps and road culvert assets are generally owned and managed under Council's Transportation activity or by the New Zealand Transport Agency, depending upon whether they are located on local roads or state highways. This stormwater activity does not include land drains or river systems, which are covered under Council's Flood Protection and River Control Works activity. Nor does it cover stormwater systems in private ownership.

Council manages its stormwater activities in 15 Urban Drainage Areas (UDA) and one General District Area. The General District Area covers the entire District outside the UDA. Typically these systems include small communities with stormwater systems that primarily collect and convey road run-off to suitable discharge points.

#### WHY WE DO IT

Council undertakes the stormwater activity to minimise the risk of flooding of buildings and property from surface runoff, as opposed to flooding from rivers and streams which is dealt with under the Flood Protection and River Control Works activity. By providing a high-quality stormwater network, Council enables the safe and efficient conveyance and disposal of stormwater from the urban drainage areas, which improves the economic and social wellbeing of the District by protecting people and property from regular surface flooding.

Council has a duty of care to ensure that any runoff from its own properties is remedied or mitigated. Because most of its property is mainly in the form of impermeable roads in developed areas, this generally means that some level of reticulation system is constructed. The presence of this system means it also becomes the logical network for dealing with private stormwater disposal.

The level of service chosen takes into consideration the cost/benefit to the community of Council providing the infrastructure.

#### OUR GOAL

We aim to achieve an acceptable level of flood protection in each UDA and the remaining General District stormwater areas.

### HOW THIS ACTIVITY CONTRIBUTES TO THE COUNCIL'S COMMUNITY OUTCOMES

COMMUNITY OUTCOMES	HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
Our unique natural environment is healthy and protected.	Stormwater arising within urban development areas is controlled, collected, conveyed and discharged safely to the receiving environment. This activity can be managed so the impact of the discharges does not adversely affect the health and cleanliness of the receiving environment.
Our urban and rural environments are people-friendly, well-planned and sustainably managed.	The stormwater activity ensures our built urban and rural environments are functional, pleasant and safe by ensuring stormwater is conveyed without putting the public at risk or damaging property, businesses or essential infrastructure.
Our infrastructure is efficient, cost effective and meets current and future needs.	The stormwater activity is considered an essential service that should be provided to all properties within urban drainage areas in sufficient size and capacity. This service should also be efficient and sustainably managed.
Our communities are healthy, safe, inclusive and resilient.	The stormwater activity provides for the transfer of runoff through urban areas to minimise risk to life and property damage.

## ENGINEERING SERVICES – STORMWATER (CONT.)

### HOW THIS ACTIVITY CONTRIBUTES TO THE COUNCIL'S COMMUNITY OUTCOMES (CONT.)

COMMUNITY OUTCOMES	HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
Our communities have opportunities to celebrate and explore their heritage, identity and creativity.	The stormwater activity incorporates natural waterways that have extensive areas of high cultural, recreational and biodiversity.
Our communities have access to a range of social, educational and recreational facilities and activities.	The stormwater activity provides for runoff management to minimise disruption of access to community facilities due to storm events.
Our Council provides leadership and fosters partnerships, a regional perspective and community engagement.	The stormwater activity provides for runoff management across the territorial boundary with Nelson City. Schools, Iwi and other groups are engaged with the natural waterways elements of the network.
Our region is supported by an innovative and sustainable economy.	The stormwater activity underpins the economy by minimising risk and damage from flooding. Allowance for climate change in design provides for future sustainability.

### OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...	CURRENT PERFORMANCE
Our stormwater systems do not adversely effect or degrade the receiving environment.	Council has resource consents in place for each of the 15 stormwater UDAs. Resource consents are held in Council's Confirm database.  (Target: One out of 15 (Richmond).)	We do not currently have the consents in place that are required for our stormwater UDAs. The discharge consent for Richmond is to be applied for by November 2016, with other towns to follow in 2017.
	Compliance with resource consents is achieved, as measured by the number of: <ul style="list-style-type: none"> <li>• abatement notices</li> <li>• infringement notices</li> <li>• enforcement orders, or</li> <li>• convictions issued.</li> </ul> (Mandatory measure 2).	No abatement notices, infringement notices, enforcement orders or convictions were received in relation to resource consents for stormwater.
We have adequate knowledge of our stormwater systems capacity and usage to facilitate Improvement.	The number of Urban Drainage Areas that have Catchment Management Plans meets the target.  (Target: 1 of 15.)	Due to other work priorities we have not been able to meet this target. However, the Catchment Management Plan for Richmond has begun and is expected to be approved sometime in 2017. As resources allow other catchment management plans will also be developed.



## ENGINEERING SERVICES – STORMWATER (CONT.)

## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...	CURRENT PERFORMANCE
We have adequate knowledge of our stormwater systems capacity and usage to facilitate Improvement (cont.)	<p>The number of flooding events that occur (per year) is less than the target. As measured through complaints recorded in the Confirm database.</p> <p>(Mandatory measure 1). (Target: &lt;20.)</p>	<p>Our complaints database shows that this target was achieved. Of the total number of flooding events that occurred in the year (11), there were a total of 36 separate locations of flooding reported. Five of the flooding events were from storm events and six of the flooding events were related to the high tide flooding properties where floodgates did not close properly.</p> <p>There were some significant rainfall events during the year. The two storms that affected Motueka were both one in 40 year events and caused significant flooding on both occasions.</p> <p>Significant capital works were successfully completed in the District, including the open channel upgrades for Borck Creek, Poutama Drain and Seaton Valley Stream and the Champion Road culvert. These works provided significant improvement to help prevent flooding in those areas.</p>
	<p>Number of habitable floors affected in each flood event for each 1000 properties connected to the stormwater system is less than the target. As measured through complaints recorded in the Confirm database.</p> <p>(Mandatory measure 1). (Target: &lt; 5.)</p>	<p>In total, there were six habitable floors flooded in Tasman District, three of these were house basements. These were mainly due to two storms in Motueka on 23 to 24 March and 28 May. Both storms were significant with a one in 40 year return period.</p> <p>The target aims for less than 5 per 1000 properties (of which there is 13,881) was very low at 0.43, well below our target level.</p>
Our stormwater activities are managed at a level which satisfies the community.	<p>Percentage of customers satisfied with the stormwater service – as measured through the annual residents' survey.</p> <p>(Target: 80%.)</p>	<p>In our resident survey 81% of receivers of our service were satisfied, with 16% of unsatisfied. This result is similar to that measured last year (2014/2015: 83% and 15% respectively).</p> <p>Dissatisfaction by users was generally attributed to localised flooding, inadequate systems, and blocked drains.</p> <p><b>See Figure 33</b> Stormwater Services Satisfaction Rate, page 102.</p>

## ENGINEERING SERVICES – STORMWATER (CONT.)

### OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...	CURRENT PERFORMANCE
Our stormwater activities are managed at a level which satisfies the community (cont.)	Complaints per 1000 connections are less than the target – as recorded through Council’s Confirm database.  (Mandatory measure 4).  (Target: < 20.)	The total number of stormwater complaints recorded in our Confirm database was 36. This equates to 2.6 complaints per 1000 properties (of which there is 13,881). This is significantly below our target level of <20.  Complaints related to such things as blocked drainage sumps, where leaves, rubbish or other debris had blocked the flow of water into the drainage network; back flow arising from very high tides in low lying areas particularly where tidal gates operation had been impeded (i.e. sticks or stones preventing full closure of the gates); or high intensity rainfall exceeding the design capacity of the network. Many of the complaints were in relation to surface flooding either on roads or private properties.
We have measures in place to respond to and reduce flood damage to property and risk to the community within stormwater UDAs.	The median response time to attend a flooding event, is less than the target (3 hours) – as recorded through Council’s Confirm database.  (Mandatory measure 3).  (Target: < 3 hours.)	This performance target was not measured. The system to record response times for each job was still in a development phase during the year.  Systems are now in place for the contractor to record the time when they arrive on site and when the job is completed.

FIGURE 33. Stormwater Services Satisfaction Rate

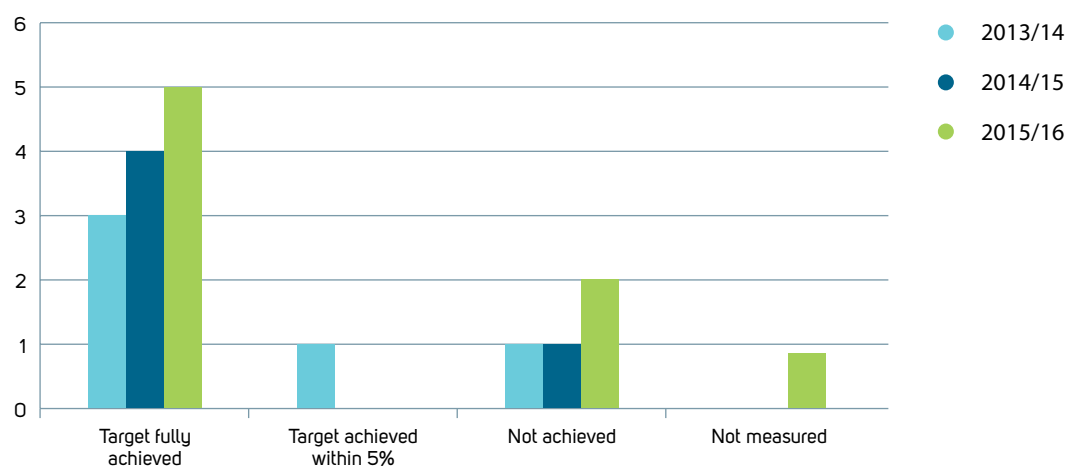


## ENGINEERING SERVICES – STORMWATER (CONT.)

### OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM (CONT.)

**FIGURE 34. Stormwater Performance Measures**

Comparison of number of performance measures met over three years



The Long Term Plan 2015 – 2025 introduced 6 new performance measures for the Stormwater Activity Group. Many of these are new mandatory measures. We also introduced a new measure for consent compliance. The majority of measures have been achieved and satisfaction with stormwater services by residents remains high. We did not achieve our targets for the number of Catchment Management Plans or number of consents for the 15 Urban Drainage Areas.

## MAJOR ACTIVITIES

This group of activities involves ongoing management, maintenance and renewal of Council's stormwater network, encompassing the provision of stormwater collection, reticulation and discharge systems. The assets used to provide this service include drainage channels, pipelines, tide gates, detention ponds, inlet structures, discharge structures and quality treatment assets.

PROJECT NAME	LTP YEARS 1–3	2015 – 2016 BUDGET	ACTUAL 2015/2016
Pohara main settlement	\$920,700	\$920,700	\$43,808 was spent in the current financial year. Council is awaiting a modelling report on options. Funds will be carried over to 2016/2017 as part of a report to Council in September.
Lower Borcks Creek Catchment Works – SH6 to outlet including land	\$3,149,486	\$1,023,000	Borcks Creek catchment works. \$137,215 was spent in the current financial year. Reassessing options as property agreement issues. Funds will be carried over to 2016/2017 as part of a report to Council in September.
Richmond – Middlebank Drive	\$1,292,265	–	Installation of stormwater pipe from Gladstone Road to Olympus Way to Middlebank Drive. This project will commence in 2017/2018.

## ENGINEERING SERVICES – STORMWATER (CONT.)

## MAJOR ACTIVITIES (CONT.)

PROJECT NAME	LTP YEARS 1–3	2015–2016 BUDGET	ACTUAL 2015/2016
Richmond Central Improvements	\$7,299,908	\$332,475	<p>5 year programme of major works in Queen Street, Oxford Street, Beach Road drain, Poutama link and Washbourn Gardens area. 1st stage is Queen St commencing in February 2017. Due to the revised staging of the project works and early underground services investigation an earlier budget spend of \$2,088 occurred. This is not expected to lead to an overspend of the total budget available.</p> <p>\$417,319 was spent in the current financial year. \$82,756 was carried over from 2014/15 to the current year.</p>
Richmond – Park Drive	\$1,111,619	\$108,620	<p>Increase capacity through Ridings Grove. Duplicate line in walkway reserve and upgrade Hill Street crossing to Q50. No funds were spent in the current financial year. On hold until Richmond modelling completed and upgrade options can be assessed. Funds will be carried over to 2016/2017 as part of a report to Council in September.</p>
Richmond – Ranzau Road/Paton Road/White Road	\$860,792	\$860,792	<p>Upgrade to White Road and Ranzau Road at Paton Road intersection. \$47,606 was spent in the current financial year. Assessed improvement requirements in the area and now no house floors appear to be flooding on a regular basis following protection works that have occurred. On hold until Richmond modelling completed. The Richmond modelling is being funded from this budget. Funds will be carried over to 2016/2017 as part of a report to Council in September.</p>
Secondary flow management initiatives	\$317,643	\$51,150	<p>District Wide as derived from the CMPs. No funds were spent in the current financial year. Internal list of upgrades being documented and prioritised to date. Funds are anticipated to be carried over to 2016/2017.</p>
Richmond Deviation bund drainage	\$969,199	–	<p>Bird Street and Arbor-Lea works to reduce flood risk. This project will commence in 2017/2018.</p>
Motueka drainage improvements	\$48,460	–	<p>Poole, Jocelyn, Wilkie, Fry pipe extension to drain low points. This project will commence in 2017/2018.</p>

## ENGINEERING SERVICES – STORMWATER (CONT.)

2014/2015 LTP BUDGET \$'000	2014/2015 ACTUAL \$'000	STORMWATER	2015/2016 ACTUAL \$'000	2015/2016 ANNUAL PLAN BUDGET \$'000	% OF ANNUAL PLAN BUDGET
<b>SOURCES OF OPERATING FUNDING</b>					
–	–	General rates, uniform annual general charges, rates penalties	–	–	–
3,057	3,331	Targeted rates	3,905	3,885	101%
–	–	Subsidies and grants for operating purposes	370	–	–
–	42	Fees and charges	15	–	–
–	–	Internal charges and overheads recovered	–	–	–
84	72	Local authorities fuel tax, fines, infringement fees, other receipts	–	–	–
<b>3,141</b>	<b>3,445</b>	<b>Total operating funding</b>	<b>4,290</b>	<b>3,885</b>	<b>110%</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>					
929	612	Payments to staff and suppliers	1,077	1,198	90%
807	888	Finance costs	841	1,027	82%
402	345	Internal charges and overheads applied	435	424	103%
–	–	Other operating funding applications	–	–	–
<b>2,138</b>	<b>1,845</b>	<b>Total applications of operating funding</b>	<b>2,352</b>	<b>2,649</b>	<b>89%</b>
<b>1,003</b>	<b>1,600</b>	<b>Surplus/(deficit) of operating funding</b>	<b>1,938</b>	<b>1,236</b>	<b>157%</b>
<b>SOURCES OF CAPITAL FUNDING</b>					
–	–	Subsidies and grants for capital expenditure	–	–	–
422	1,260	Development and financial contributions	1,077	1,305	83%
3,225	99	Increase/(decrease) in debt	178	1,830	10%
–	–	Gross proceeds from sale of assets	–	–	–
–	–	Lump sum contributions	–	–	–
–	–	Other dedicated capital funding	–	–	–
<b>3,647</b>	<b>1,359</b>	<b>Total sources of capital funding</b>	<b>1,255</b>	<b>3,135</b>	<b>40%</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>					
<b>Capital expenditure</b>					
966	279	• to meet additional demand	405	1,981	20%
3,919	1,351	• to improve the level of service	1,390	1,932	72%
240	46	• to replace existing assets	692	458	151%
(475)	1,283	Increase/(decrease) in reserves	706	–	–
–	–	Increase/(decrease) in investments	–	–	–
<b>4,650</b>	<b>2,959</b>	<b>Total applications of capital funding</b>	<b>3,193</b>	<b>4,371</b>	<b>73%</b>
<b>(1,003)</b>	<b>(1,600)</b>	<b>Surplus/(deficit) of capital funding</b>	<b>(1,938)</b>	<b>(1,236)</b>	<b>157%</b>

**Comment:**

**Finance costs** – These are under budget as result of favourable interest rates compared with the Annual Plan estimate coupled with an underspend on the capital programme. **Debt** – The underspent capital programme meant less debt was raised than planned. **Capital expenditure** – The programme of work was not completed as expected. We anticipate a significant amount of the underspend will be carried over to 2016/2017. **Reserve movements increase or decrease** – The movement in reserve is a reflection of the underspend in this activity. The amount of surplus in this activity has increased.

## ENGINEERING SERVICES (CONT.)

### SOLID WASTE

#### WHAT WE DO

Council provides comprehensive waste management and minimisation services. It achieves this through the provision of kerbside recycling and waste collection services, and operating five resource recovery centres – at Richmond, Mariri, Takaka, Collingwood and Murchison. Waste disposal from these sites is transferred to a Council owned landfill at Eves Valley and recyclable material is processed and on sold by Council contractors. All public and commercial waste disposal is through the resource recovery centres with special waste disposed of directly to Eves Valley.

Council promotes waste minimisation through kerbside collection of recyclable materials, ongoing educational programmes, and drop-off facilities for green waste, reusable and recyclable materials.

Council manages 22 closed landfills located throughout the District, and responds to illegal dumping incidents.

Council is working towards a regional landfill arrangement with Nelson City Council from July 2017.

#### WHY WE DO IT

The efficient and effective collection and disposal of waste protects both public health and the environment. Waste minimisation activities promote efficient use of resources and extend the life of Council's landfill assets.

The Waste Minimisation Act 2008 has increased the requirement for consideration of waste minimisation in Council's planning. The Act aims to protect the environment from harm by encouraging the efficient use of materials and a reduction in waste.

Under this legislation Council is required to prepare a Waste Management and Minimisation Plan (WMMP). This plan sets the strategic direction of Council for solid waste management. Council has elected to do this jointly with Nelson City Council. The next review of the joint WMMP is scheduled for 2016/2017.

#### OUR GOAL

Council's long term goals for solid waste management are contained in the Waste Management and Minimisation Plan.

They are to:

1. Avoid the creation of waste.
2. Improve the efficiency of resource use.
3. Reduce the harmful effects of waste.

### HOW THIS ACTIVITY CONTRIBUTES TO THE COUNCIL'S COMMUNITY OUTCOMES

COMMUNITY OUTCOMES	HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
Our unique natural environment is healthy and protected.	All material that is collected by Council's operators or delivered to Council-owned facilities is processed or disposed of in an appropriate and sustainable manner. These activities will be managed to minimise the impact on the receiving environment.
Our urban and rural environments are people-friendly, well planned and sustainably managed.	Our kerbside collections ensure our built urban and rural environments are functional, pleasant and safe by receiving materials from the community and recycling, reusing or disposing of them with a minimum of nuisance and public complaint.
Our infrastructure is efficient, cost effective and meets current and future needs.	Solid waste activities are operated in a safe and efficient manner to provide waste and recycling services that the community is satisfied with and which promote the sustainable use of resources.

## ENGINEERING SERVICES – SOLID WASTE (CONT.)

## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...	CURRENT PERFORMANCE
<p>We provide effective waste minimisation activities and services.</p>	<p>There is an increase in resources diverted from landfill by Council services.</p> <p>As measured monthly and reported annually on a per capita basis.</p> <p>(Target 209kg/capita.)</p>	<p>This year we increased the amount of resources that were diverted away from our landfill. In total 9,766 tonnes were diverted from landfill through our recycling and greenwaste services, equating to 197 kg* per person. Last year (2014 – 2015), we diverted 8,736 tonnes (178 kg* per person). This significant improvement was driven by a 28% increase in kerbside recycling following our roll-out of wheelie bins in 2015; and an increase of 12% of greenwaste processed by our contractor.</p> <p>It is also estimated that we diverted a further 99 tonnes as a result of our other waste minimisation programmes in schools, businesses and the wider community. This work was funded by the waste levy from central government.</p> <p><b>See Figure 35</b> Total Resources Diverted from Landfill per head (kg p.a), page 109.</p> <p>* In developing our Long Term Plan 2015 – 2025 performance measures we assumed a density of four cubic metres per tonne when estimating green waste tonnages. Further work completed indicates that the average density is actually five cubic metres per tonne. If we retain our earlier assumptions, then our reported diversion would be 191 kg per person in 2014/2015 and 212 kg per person in 2015/2016. These results are based on data provided by our contractor.</p>
	<p>There is a reduction in waste per capita going to landfill – as measured by tonnage recorded at landfill.</p> <p>(Target: 570kg/capita.)</p>	<p>The total waste to landfill this year was 603 kg per person. This result was a slight increase on last year where 596 kg per person was recorded, but better than that in 2014 and 2013 where rates were 640kg and 632kg per capita respectively.</p> <p>This increase in waste to landfill, despite an increase in recycling and diversion from landfill, indicates that the growth in total waste generated per person has increased this year. Some of the growth in waste this year was a result of additional special waste.</p> <p>We will continue to work on ways to meet our target, including our Behaviour Change programme that encourages actions like more recycling, and household composting to reduce green waste.</p> <p><b>See Figure 36</b> Waste to Landfill per capita (kg p.a.), page 109.</p>

## ENGINEERING SERVICES – SOLID WASTE (CONT.)

## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...	CURRENT PERFORMANCE												
We provide effective waste minimisation activities and services. Our kerbside recycling and bag collection services are reliable and easy to use.	% of enquiries resolved within 24 hours – as measured through Confirm.  (Target: 95%)	This year 95% of all contractor instructions were resolved within contracted timeframes. In most instances the contracted timeframe for resolution is 24 hours, but in some cases the contracted period is longer and we have reported against this.												
	% customer satisfaction with kerbside recycling services.  As measured through annual resident survey of those provided with Council's kerbside recycling collection services.  (Target: 90%)	Our kerbside recycling services are well regarded by our residents, with 93% of receivers satisfied or very satisfied. This is a slight improvement from last year, where 89% were satisfied.  This great result can be attributed to our new recycling services, where residents were issued in July 2015 with 240 litre mobile bins. Our smaller bins were also retained for glass recycling making it easy to recycle thereby providing a better customer service. Recycling rubbish pickup is also alternated on a fortnightly basis. Our schedule has been well published and customers are now familiar with pickup dates and times adding to satisfaction levels.												
	% customer satisfaction with kerbside bag collection services.  As measured through annual resident survey of those provided with Council's kerbside bag collection services.  (Target: 70%)	Our residents survey indicates that 70% of receivers of our kerbside rubbish bag service were satisfied or very satisfied. This is compared to 65% in 2015.  The increase in satisfaction rates in this area are probably a result of higher satisfaction levels with our recycling services. It is likely more consumers will be aware of what we are trying to achieve in terms of recycling and reducing landfill waste.												
Our resource recovery centres are easy to use and operated in a reliable manner.	% customer satisfaction based on-site surveys – as measured by annual customer surveys at the resource recovery centres.  (Target: 95%)	Onsite customer surveys were undertaken at each of our resource recovery centres and showed that all users were extremely happy with the services that we provide.  The following are the results achieved for customers who were "very satisfied" or "fairly satisfied":  <table border="0"> <tr> <td>Richmond:</td> <td>100%</td> </tr> <tr> <td>Mariri:</td> <td>99%</td> </tr> <tr> <td>Takaka:</td> <td>100%</td> </tr> <tr> <td>Collingwood:</td> <td>100%</td> </tr> <tr> <td>Murchison:</td> <td>100%</td> </tr> <tr> <td>Overall:</td> <td>99.8%</td> </tr> </table>	Richmond:	100%	Mariri:	99%	Takaka:	100%	Collingwood:	100%	Murchison:	100%	Overall:	99.8%
Richmond:	100%													
Mariri:	99%													
Takaka:	100%													
Collingwood:	100%													
Murchison:	100%													
Overall:	99.8%													



## ENGINEERING SERVICES – SOLID WASTE (CONT.)

### OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM (CONT.)

FIGURE 35. Total Resources Diverted from Landfill per head (kg p.a)

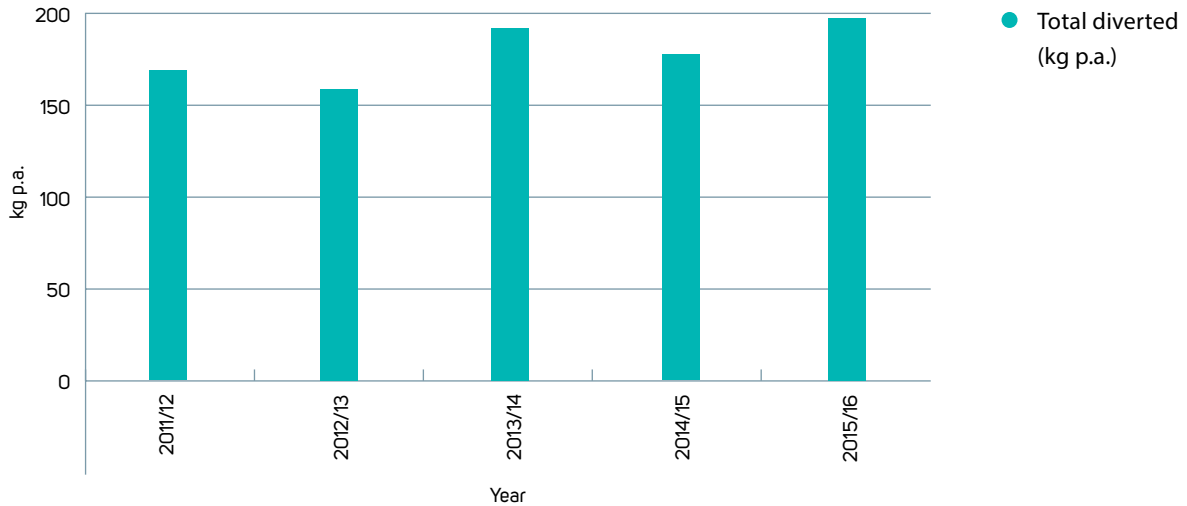
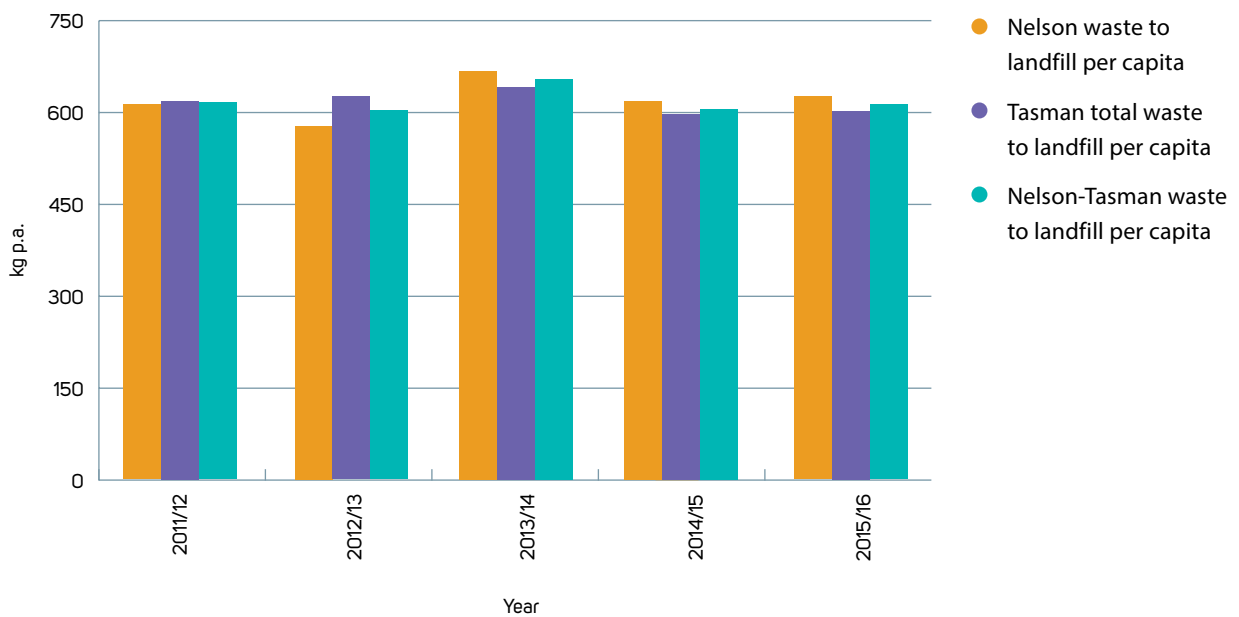


FIGURE 36. Waste to Landfill per capita (kg p.a.)

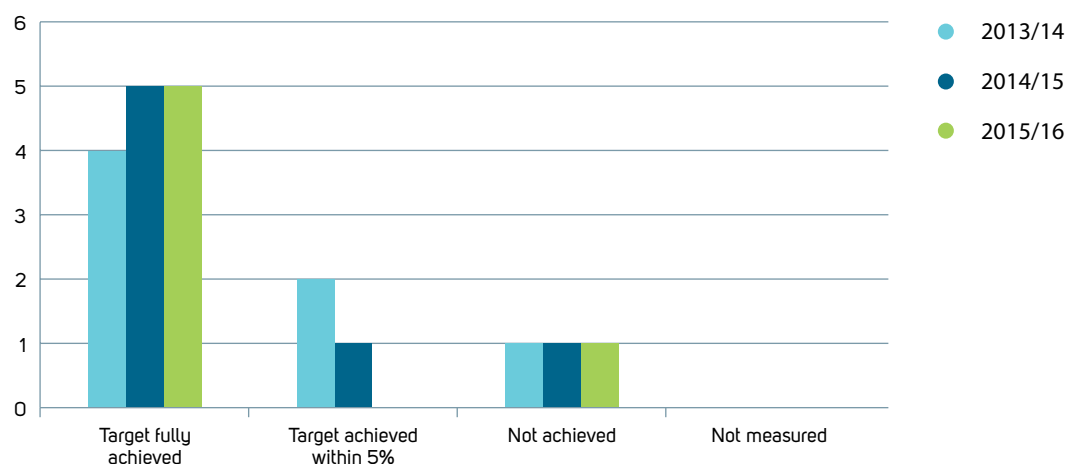


## ENGINEERING SERVICES – SOLID WASTE (CONT.)

### OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM (CONT.)

FIGURE 37. Solid Waste Performance Measures

Comparison of number of performance measures met over three years



The Solid Waste Activity Group performance measures are very similar to those contained in the previous Long Term Plan. Some of the targets have been amended to reflect higher aspirations of Council, particularly relating to customer satisfaction targets. The Group has been able to meet all but one target. The target that was not achieved related to the amount of waste going to landfill, which increased slightly from the previous year.

## MAJOR ACTIVITIES

The Solid Waste group of activities involves the ongoing management, maintenance and renewal of Council's solid waste services, including waste minimisation education, kerbside recycling and solid waste collection services, operation of transfer stations, greenwaste and recyclable processing, and management of operational and closed landfills.

The past 12 months has seen the introduction of an improved recycling service, with a significant increase in recycling collected.

We are continuing work with Nelson City Council on implementing the joint Waste Management and Minimisation Plan, with the major work stream being the development of a proposal for joint landfill management. On 30 June 2016 the Council decided to consult on a proposed amendment to the Long Term Plan 2015 – 2025 and made a decision on 15 September 2016 to enable this proposal to proceed.

PROJECT NAME	LTP YEARS 1-3	2015-2016 BUDGET	ACTUAL 2015/2016
Eves Valley Landfill	\$255,750	\$255,750	<p>The scope of this project was to complete closure of Stage 2 of the landfill in 2015/2016 (we originally expected to close the landfill in June 2016).</p> <p>\$51,219 was spent in the current financial year.</p> <p>Closure of the landfill has been delayed as we amended our Long Term Plan to enable shared landfill management with Nelson City Council. Until the shared arrangement is finalised we will continue to operate the Eves Valley landfill, until the start of the 2016/2017 financial year.</p> <p>We expect to transfer some unspent budget to enable other solid waste projects, such as work at the Mariri site in September 2016.</p>

## ENGINEERING SERVICES – SOLID WASTE (CONT.)

## MAJOR ACTIVITIES (CONT.)

PROJECT NAME	LTP YEARS 1–3	2015–2016 BUDGET	ACTUAL 2015/2016
Eves Valley Landfill (cont.)	\$157,474	\$52,122	<p>This scope of this project was to undertake landscape planting at the landfill.</p> <p>\$6,378 was spent in the current financial year.</p> <p>We have completed fencing which enabled planting to proceed in 2016/2017.</p> <p>We anticipate unspent funds will be carried over to 2016/2017.</p>
Mariri Resource Recovery Centre	\$664,525	\$360,735	<p>Improve traffic flow and layout.</p> <p>\$85,494 was spent in the current financial year. \$152,312 was carried over from 2014/2015 to the current year. This work has not been completed due to insufficient budget being available for the scope of work required.</p> <p>A request for funds to be carried over to 2016/2017 will be part of a report to Council in September. Funds originally allocated for other works at the Mariri site, the Takaka Resource Recovery Centre and Eves Valley Landfill will be carried forward and transferred to this project in September.</p>
Takaka Resource Recovery Centre	\$150,000	\$150,000	<p>New weighbridge. No funds were spent in the current financial year.</p> <p>We will propose to remove this project from the programme and transfer funds to the Mariri Resource Recovery Centre, as these works are determined to have higher priority. This project will be reconsidered for inclusion in the next Long Term Plan.</p> <p>We have also spent \$80,526 on stormwater improvements on site and immediately downstream. This work was funded by budgets carried forward from the 2014/15 year as was a resource consent requirement.</p>
Closed landfills	\$262,895	–	<p>Rock protection work and cap renewals. This project commences in the 2017/2018 financial year.</p>

## ENGINEERING SERVICES – SOLID WASTE (CONT.)

2014/2015 LTP BUDGET \$'000	2014/2015 ACTUAL \$'000	SOLID WASTE	2015/2016 ACTUAL \$'000	2015/2016 ANNUAL PLAN BUDGET \$'000	% OF ANNUAL PLAN BUDGET
<b>SOURCES OF OPERATING FUNDING</b>					
631	341	General rates, uniform annual general charges, rates penalties	287	287	100%
2,104	2,169	Targeted rates	2,180	2,201	99%
–	–	Subsidies and grants for operating purposes	–	–	–
–	4,053	Fees and charges	4,222	5,275	80%
–	–	Internal charges and overheads recovered	–	–	–
6,077	414	Local authorities fuel tax, fines, infringement fees, other receipts	184	156	118%
<b>8,812</b>	<b>6,977</b>	<b>Total operating funding</b>	<b>6,873</b>	<b>7,919</b>	<b>87%</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>					
6,956	4,816	Payments to staff and suppliers	5,506	6,167	89%
422	422	Finance costs	870	400	218%
672	691	Internal charges and overheads applied	446	446	100%
–	–	Other operating funding applications	–	–	–
<b>8,050</b>	<b>5,929</b>	<b>Total applications of operating funding</b>	<b>6,821</b>	<b>7,013</b>	<b>97%</b>
<b>762</b>	<b>1,048</b>	<b>Surplus/(deficit) of operating funding</b>	<b>52</b>	<b>906</b>	<b>6%</b>
<b>SOURCES OF CAPITAL FUNDING</b>					
–	–	Subsidies and grants for capital expenditure	–	–	–
–	–	Development and financial contributions	–	–	–
106	1,213	Increase/(decrease) in debt	(506)	(166)	305%
–	–	Gross proceeds from sale of assets	–	–	–
–	–	Lump sum contributions	–	–	–
–	–	Other dedicated capital funding	–	–	–
<b>106</b>	<b>1,213</b>	<b>Total sources of capital funding</b>	<b>(506)</b>	<b>(166)</b>	<b>305%</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>					
<b>Capital expenditure</b>					
–	–	• to meet additional demand	81	18	450%
808	1,681	• to improve the level of service	106	567	19%
–	169	• to replace existing assets	67	256	26%
60	411	Increase/(decrease) in reserves	(708)	(101)	701%
–	–	Increase/(decrease) in investments	–	–	–
<b>868</b>	<b>2,261</b>	<b>Total applications of capital funding</b>	<b>(454)</b>	<b>740</b>	<b>-61%</b>
<b>(762)</b>	<b>(1,048)</b>	<b>Surplus/(deficit) of capital funding</b>	<b>(52)</b>	<b>(906)</b>	<b>6%</b>

**Comment:**

**Payments to staff and suppliers** – Legal costs associated with the Commerce Commission and higher ETS charges mean the area is overspent. **Finance costs** – The overspend is a reflection of the movement in the After Care provision cost and reflects the increase in costs required to close the Eves Valley landfill. **Capital expenditure** – The programme of work was not completed as expected. A significant amount of the underspend will be carried over as part of a report to Council on 22 September.

## ENGINEERING SERVICES (CONT.)

### FLOOD PROTECTION AND RIVER CONTROL WORKS

#### WHAT WE DO

Tasman District Council maintains 285 kilometres of the District's X and Y classified rivers in order to carry out its statutory roles to promote soil conservation and mitigate damage caused by floods and riverbank erosion.

These classified rivers are funded by a differential river rating system based on land value. The rivers works in the classified rivers, such as stopbanks and willows, are owned, maintained and improved by Council.

There are many more rivers, streams and creeks that are on private, Council and Crown (Department of Conservation, Land Information New Zealand) lands, which are not classified. These unclassified rivers have associated river protection works such as rock walls, groynes and river training works that form part of the river system. They are typically owned and maintained by private property owners and may be partly funded by Council.

The Rivers activity is managed holistically. This approach to rivers 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 group of activities does not include stormwater or coastal structures, which are covered in other groups of activities.

#### WHY WE DO IT

By implementing and maintaining quality river control and flood protection schemes, Council improves protection to neighbouring properties and mitigates the damage caused during the flood events. In 1992 river control functions under the Soil Conservation and Rivers Control Act 1941 for the Tasman District were transferred to Tasman District Council.

#### OUR GOAL

We aim to maintain river systems in a cost effective manner in such a way that the community and individual landowners are provided with protection and management systems to a level acceptable to that community, taking into account affordability.

### HOW THIS ACTIVITY CONTRIBUTES TO THE COUNCIL'S COMMUNITY OUTCOMES

COMMUNITY OUTCOMES	HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
Our unique natural environment is healthy and protected.	Our flood protection and mitigation activities are carried out so that the impacts on the natural river environments are minimised to a practical but sustainable level, and use best practices in the use of the District's natural resources.
Our urban and rural environments are people-friendly, well planned and sustainably managed.	Our flood protection works and river control structures protect our most "at risk" communities and rural areas from flooding and are maintained in a safe and cost-effective manner.
Our infrastructure is efficient, cost effective and meets current and future needs.	Our flood protection and mitigation structures are maintained in an environmentally sustainable manner to a level supported by the community.

## ENGINEERING SERVICES – FLOOD PROTECTION AND RIVER CONTROL WORKS (CONT.)

## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...	CURRENT PERFORMANCE
<p>We maintain Council's stopbank assets in River X classified areas to deliver flood protection to the level that the stopbanks were originally constructed.</p>	<p>The major flood protection and control works that are maintained, repaired and renewed to the key standards defined below (Mandatory Performance Measure 1):</p> <p>Our stopbanks are maintained to their original constructed standard.</p> <p>(Riuwaka River = 1 in 10 year flood return in 1950).</p> <p>(Lower Motueka River = 1 in 50 year flood return in 1950).</p> <p>(Waimea River = 1 in 50 year flood return in 1950).</p> <p>No failure of flood protection in the existing stopbank system maintained by Council below the specified design levels.</p> <p>(Target:  Riuwaka River 88%  Motueka River 100%  Waimea River 100%.)</p>	<p>We have had two significant floods affecting two of our flood protection schemes in the last financial year.</p> <p>In February 2016 the Waimea River reached flood levels. This was a 5% AEP* (1:20 year average return period) event. The event was fully contained within the stopbanks, with river flows reaching the top of the stopbank in the lower part of the Waimea River just above Appleby Bridge. At the river mouth, the peak of the flood occurred close to low tide, with flood waters reaching only 1/3 of the way up the lower river stopbanks.</p> <p>The Waimea River scheme is designed for a 2% AEP (1:50 year event) plus 0.6m of freeboard. This event was therefore well within the design capability and the stopbanks performed as anticipated.</p> <p>On 26 March 2016 the Riuwaka flood occurred. This was approximately a 1:30 year flood event, which was over and above our design standard for the Riuwaka River stopbank system. Despite this, the stopbanks below State Highway 60 bridge held the flood waters within its banks with limited overtopping. Due to the size of the flood event, the river did burst its banks, but above the sections with stopbanks. The Council investigated options for extending the stopbanks in 2007 but did not proceed with an extension. Currently, staff are assessing the riverbed to determine if gravel needs to be extracted to restore channel capacity.</p> <p>With no floods associated with the Motueka River, the following targets for these flood protection schemes were therefore met:</p> <ul style="list-style-type: none"> <li>• Riuwaka River: 100%</li> <li>• Motueka River: 100%</li> <li>• Waimea River: 100%</li> </ul> <p>*Annual Exceedance Probability</p>

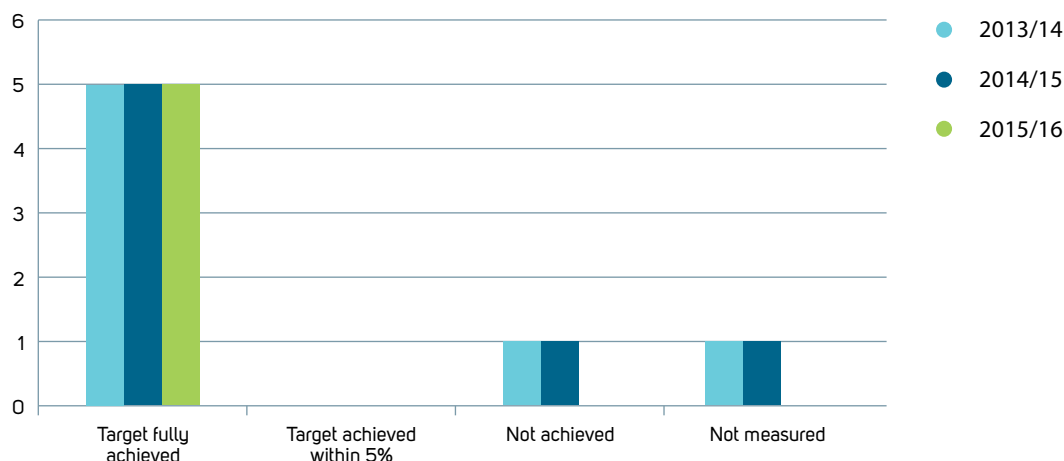
## ENGINEERING SERVICES – FLOOD PROTECTION AND RIVER CONTROL WORKS (CONT.)

## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...	CURRENT PERFORMANCE
River maintenance tasks are carried out in a safe, efficient and sustainable manner.	Council holds appropriate consents for the work it does. As measured by the number of notices issued to Council's flood protection and rivers control activity. (Target: no notices issued.)	We have applied for a new Global Rivers consent to cover river maintenance works and expect the resource consent to be finalised in 2016. We continue to work under consent NN010108 until such time as the Global Rivers consent is granted. No notices were issued or we also had no issues investigated.
We manage waste/rubbish in the river system.	Complaints about illegal dumping in the X and Y classified rivers and on adjacent beaches on public land are actioned within five days. As measured through Customer Service Requests in Council's database. CSR's are responded to within five days. (Target: 100%.)	We can report that 100% of complaints were responded to within the five-day target period. This result excludes complaints relating to abandoned vehicles, as these are managed by our Regulatory and Compliance group.

FIGURE 38. Flood Protection Performance Measures

Comparison of number of performance measures met over three years



The Flood Protection and River Control Group have met all the performance targets set in the Long Term Plan 2015 – 2025. The performance measures are similar to those contained in the last Long Term Plan, although we no longer report on two measures, relating to the removal of 'crack willow' and progress on an Annual Operating Maintenance Programme for the River Y catchment as we have moved to a reactive maintenance programme instead.

## MAJOR ACTIVITIES

This group of activities includes ongoing management, maintenance and renewal of Council's flood protection and river control assets, including promoting soil conservation and mitigating damage caused by floods. There are no major capital works programmed for Years 1 – 3 of the Long Term Plan 2015 – 2025.

## ENGINEERING SERVICES – FLOOD PROTECTION AND RIVER CONTROL WORKS (CONT.)

2014/2015 LTP BUDGET \$'000	2014/2015 ACTUAL \$'000	FLOOD PROTECTION AND RIVER CONTROL WORKS	2015/2016 ACTUAL \$'000	2015/2016 ANNUAL PLAN BUDGET \$'000	% OF ANNUAL PLAN BUDGET
<b>SOURCES OF OPERATING FUNDING</b>					
47	32	General rates, uniform annual general charges, rates penalties	35	35	100%
3,177	2,996	Targeted rates	2,680	2,691	100%
–	–	Subsidies and grants for operating purposes	53	–	–
–	155	Fees and charges	291	42	693%
–	–	Internal charges and overheads recovered	–	–	–
404	323	Local authorities fuel tax, fines, infringement fees, other receipts	226	218	104%
<b>3,627</b>	<b>3,506</b>	<b>Total operating funding</b>	<b>3,285</b>	<b>2,986</b>	<b>110%</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>					
1,594	1,821	Payments to staff and suppliers	1,422	1,519	94%
178	37	Finance costs	25	38	66%
336	380	Internal charges and overheads applied	274	264	104%
–	–	Other operating funding applications	–	–	–
<b>2,108</b>	<b>2,238</b>	<b>Total applications of operating funding</b>	<b>1,721</b>	<b>1,821</b>	<b>95%</b>
<b>1,519</b>	<b>1,268</b>	<b>Surplus/(deficit) of operating funding</b>	<b>1,564</b>	<b>1,165</b>	<b>134%</b>
<b>SOURCES OF CAPITAL FUNDING</b>					
–	–	Subsidies and grants for capital expenditure	–	–	–
–	–	Development and financial contributions	–	–	–
496	(24)	Increase/(decrease) in debt	(93)	(105)	89%
–	–	Gross proceeds from sale of assets	–	–	–
–	–	Lump sum contributions	–	–	–
–	–	Other dedicated capital funding	–	–	–
<b>496</b>	<b>(24)</b>	<b>Total sources of capital funding</b>	<b>(93)</b>	<b>(105)</b>	<b>89%</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>					
<b>Capital expenditure</b>					
–	–	• to meet additional demand	–	–	–
1,955	711	• to improve the level of service	583	1,032	56%
–	1	• to replace existing assets	–	–	–
60	532	Increase/(decrease) in reserves	888	28	3171%
–	–	Increase/(decrease) in investments	–	–	–
<b>2,015</b>	<b>1,244</b>	<b>Total applications of capital funding</b>	<b>1,471</b>	<b>1,060</b>	<b>139%</b>
<b>(1,519)</b>	<b>(1,268)</b>	<b>Surplus/(deficit) of capital funding</b>	<b>(1,564)</b>	<b>(1,165)</b>	<b>134%</b>

**Comment:**

**Capital expenditure** – The programme of work was not completed as expected. We anticipate a significant amount of the underspend will be carried over to 2016/2017. **Reserve movements increase or decrease** – The movement in reserve is a reflection of the underspend in this activity. The amount of surplus in this activity has increased.



# COMMUNITY DEVELOPMENT

## POLICY AND OBJECTIVE

The objective of Community Development activities is to provide services and assets that support aspects of the community's social, cultural and recreational needs, while also enhancing environmental values in the District. The services also provide a place where connections are made between the Council and the community.

## NATURE AND SCOPE

There are two significant areas under which this activity is performed by Council.

- Community Facilities and Parks (including Libraries and Aquatic Centre)
- Community Relations

## COMMUNITY FACILITIES AND PARKS

### WHAT WE DO

This group of activities includes the wide range of community facilities and amenities provided throughout the District for the public including:

- 810 hectares of parks and reserves (including 240 hectares at Moturoa/Rabbit Island, 13 formal gardens, 14 special interest sites, 20 sports grounds, 94 urban open space/amenity reserves, 41 walkways, 210 rural recreation and esplanade reserves, various sports facilities and three remote camping grounds);
- 108 hectares of land vested as esplanade strip;
- 12 operating and two closed cemeteries;
- 52 playgrounds;
- four libraries;
- funding for District and Shared Facilities such as the Saxton Field complex;
- 20 community halls;
- five multi-use community recreation centres;
- two community centres;
- three museums;
- 14 miscellaneous community buildings (e.g. Plunket rooms, former church);
- 91 public toilets;
- eight community housing complexes (101 separate units in total); and
- the Aquatic Centre and three outdoor community swimming pools.

## WHY WE DO IT

Council provides community and recreational facilities to promote community wellbeing and to meet community expectations. The provision of open spaces and recreational facilities contributes to the development of healthy, active, functioning communities. Council recognises that it plays a key role in creating the environment in which communities can prosper and enjoy improved health and wellbeing. Council therefore aims to ensure that adequate parks and reserves are provided for the community and that these are managed and maintained in a way that meets community expectations and encourages community involvement.

Council provides cemeteries that create an attractive, peaceful and respectful environment for the memorial and remembrance of the deceased. Cemeteries are provided for public health purposes and to comply with the requirements of the Burial and Cremation Act 1964.

Libraries develop an informed community whose members are literate and inspired. The Tasman District Council's public library services and facilities provide a collective resource that is greater than local families or individuals can afford.

Community facilities are meeting points, providing indoor space for community gatherings, events, recreational, educational and social activities. They enable community-led development, with local people working together and bringing about changes in their environment. They help build neighbourhoods and settlements with strong identities. Our facilities offer Tasman residents the opportunity to engage socially in the places they live and work.

Council provides public toilets throughout the District to meet community, traveller and tourist needs. The toilets deliver a range of public good benefits including health and sanitation benefits.

Council provides pensioner cottages to meet a specific need for low-cost, community-based housing for people on low incomes.

Council provides the Aquatic Centre and swimming pools to enable people to learn to swim, for physical recreation and leisure to promote community health and wellbeing.

## COMMUNITY DEVELOPMENT – COMMUNITY FACILITIES AND PARKS (CONT.)

### OUR GOALS

#### **Parks and reserves**

We aim to provide parks, reserves and recreational facilities that promote the physical, psychological, environmental and social wellbeing of communities in Tasman District and to also provide amenities that meet the needs of residents and visitors.

#### **Cemeteries**

We aim to provide an attractive and peaceful environment for the burial, memorial and remembrance of the deceased.

#### **Public toilets**

We aim to provide clean public toilet facilities to meet community and visitor needs, in appropriate locations.

#### **Community buildings**

We aim to provide community facilities that assist in

meeting the community demand for indoor activities and recreation spaces.

#### **Community housing**

We aim to provide community housing for people on low incomes that is affordable, accessible and fit for purpose.

#### **Libraries**

We aim to provide quality services which enrich the life of the community by promoting lifelong learning and the creative use of leisure.

#### **Swimming pools**

We aim to provide an Aquatic Centre facility and outdoor swimming pools that assist in meeting the community demand for aquatic activities and provide the level of service that the customers want and are prepared to pay for.

## HOW THIS ACTIVITY CONTRIBUTES TO THE COUNCIL'S COMMUNITY OUTCOMES

COMMUNITY OUTCOMES	HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
Our unique natural environment is healthy and protected.	<ul style="list-style-type: none"> <li>Protection of the natural environment and ecologically significant areas.</li> <li>Provision and enhancement of open space.</li> <li>Vegetation enhancement and awareness.</li> <li>Enhanced community involvement in conservation and restoration work.</li> <li>Protection and enhancement of coastal and riparian areas.</li> </ul>
Our urban and rural environments are people-friendly, well-planned and sustainably managed.	<ul style="list-style-type: none"> <li>Provision and enhancement of open space and an interconnected open space network.</li> <li>Provision of neighbourhood and community parks within walking distance of homes.</li> </ul>
Our communities are healthy, safe, inclusive and resilient.	<ul style="list-style-type: none"> <li>Provision of open space and recreation facilities that cater for and promote active lifestyles. This includes casual activities such as walking and cycling, and organised sports and recreation activities.</li> <li>Parks and facilities are designed and managed to ensure users safety and to cater for the needs of the whole community.</li> <li>Community facilities are provided that support specific social needs.</li> <li>Community housing provides good quality affordable housing for the elderly and others who meet the criteria of Council's Policy on Pensioner Housing.</li> <li>Libraries provide safe spaces for our community to socialise and interact. Libraries provide equitable access to information for all in the community; as such libraries are an integral part of a strong democracy at local and national levels.</li> <li>The Aquatic Centre supports specific social needs and is designed and managed to ensure users safety and to cater for the needs of the whole community.</li> </ul>

## COMMUNITY DEVELOPMENT – COMMUNITY FACILITIES AND PARKS (CONT.)

### HOW THIS ACTIVITY CONTRIBUTES TO THE COUNCIL'S COMMUNITY OUTCOMES (CONT.)

COMMUNITY OUTCOMES	HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
Our communities have opportunities to celebrate and explore their heritage, identity and creativity.	<p>We provide recreation facilities that cater for and promote healthy communities and active lifestyles through social and recreation activity.</p> <p>Libraries contribute to the enhancement of community identity through the collection and preservation of local heritage materials. Libraries are involved in regional history/heritage projects which increase access to local historical/cultural information and materials. Library resources and facilities encourage creative, cultural and recreational activities.</p> <p>Provision of an Aquatic Centre facility that caters for and promotes healthy communities and active lifestyles through social and recreation activity.</p> <p>Cemeteries provide a location for interments and remembrance.</p>
Our communities have access to a range of social, educational and recreational facilities and activities.	<p>Provision of high quality open space, community, recreation and cultural facilities that provide a range of leisure and cultural opportunities.</p> <p>Provision of attractive well maintained and functional toilet facilities.</p> <p>We provide high quality community, recreation and cultural facilities providing a range of leisure and cultural opportunities and targeted social support.</p> <p>Libraries provide access to a wide range of materials in a variety of formats to support the recreational, educational, cultural, social, and business needs of the community. Libraries provide a range of resources which enrich quality of life for all.</p>
Our Council provides leadership and fosters partnerships, a regional perspective and community engagement.	Through the provision of freely accessible community spaces, libraries encourage social interaction and community engagement.

## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF..	CURRENT PERFORMANCE
An interconnected open space network and recreation facilities that provide a range of leisure opportunities and meet the needs of users and the community.	<p>The total area of park land<sup>1</sup> provided by Council exceeds the industry average, as measured by Yardstick Parkcheck.</p> <p>(Target: 17.0 ha per 1000 residents.)</p>	The area of park land per 1000 residents is 16.8 ha. This is above the industry average of 15.9 hectares per 1000 residents.

<sup>1</sup> Includes all park and reserve land provided by Tasman District Council, but excludes esplanade strips.

## COMMUNITY DEVELOPMENT – COMMUNITY FACILITIES AND PARKS (CONT.)

## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...	CURRENT PERFORMANCE
An interconnected open space network and recreation facilities that provide a range of leisure opportunities and meet the needs of users and the community (cont.)	Overall customer satisfaction with the facilities in parks and reserves exceeds 85%, as measured by the triennial Yardstick ParkCheck Visitor Measures Survey.  (Target: not measured.)	This target was not measured this year and is due to be measured in 2017.  <b>See Figure 39</b> Satisfaction with the Facilities in Parks and Reserves, page 122.
	At least 85% of respondents rate their satisfaction with recreational facilities (which include playing fields and neighbourhood reserves) as “fairly satisfied” or better in the annual residents’ surveys.	Our residents survey undertaken in May 2016 shows that 92% of respondents and 94% of users were satisfied with the our recreational facilities. This is a very slight increase on last year’s results which were 90% and 92% respectively. These results tend to indicate that we are providing the recreational amenities that our residents require.  <b>See Figure 40</b> Satisfaction with Recreational Facilities, page 123.
Public toilets at appropriate locations that meet the needs of users and are pleasant to use and maintained to a high standard of cleanliness.	At least 70% of respondents rate their satisfaction with public toilets as “fairly satisfied” or better in the annual residents’ surveys.	Our residents survey reported that 68% of respondents and 81% of users were satisfied with our public toilet facilities across the District. This compares to 72% and 83% in 2015 and 76% and 84% in 2014.  <b>See Figure 41</b> Satisfaction with Public Toilets, page 123.
A network of public halls and community buildings (including multi-purpose community and recreation facilities in major centres and local halls) that provide reasonable access to indoor activities, and recreation space.	A community building is available within a 15-minute drive for 95% of the population (i.e. 20km radius catchment).	This remains unchanged from last year, where a community building* is available within a 15 minute drive for 99% of Our District’s population.  <small>*A community building is a recreation centre, public hall or community house.</small>

## COMMUNITY DEVELOPMENT – COMMUNITY FACILITIES AND PARKS (CONT.)

## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...	CURRENT PERFORMANCE
Accessible and affordable housing to eligible people within the community.	Tenants' overall satisfaction with community housing is at least 80%, as measured through a biennial survey of tenants.	A tenant survey undertaken in November 2015 reported that there was a 92% satisfaction rate with our community housing. Satisfaction rates reflected their tenancy management, the condition of the cottages, and how their enquiries were dealt with.
Swimming pools that meet the needs of users and provide opportunity for aquatic based recreation activities and learn to swim programmes.	Admissions to the Aquatic Centre per m <sup>2</sup> of swimming pool per annum is not lower than 10% below the peer group average, as measured by Yardstick (once every three years).	For our Aquatic Centre this year we achieved admissions of 160 swims per m <sup>2</sup> of swimming pool, as surveyed in 2015, down slightly from 164 swims per m <sup>2</sup> of swimming pool in 2014 and 168 in 2013.  The next Yardstick survey will be undertaken during September 2018.  Median for peer group aquatic admissions by m <sup>2</sup> of water area is 146.
	At least 85% of respondents rate their satisfaction with Aquatic Centre facilities as fairly satisfied or better, in annual surveys of customers.  (Target: 85%.)	In our annual survey 81% of users said that they were satisfied or very satisfied with the Aquatic Centre. Although we narrowly missed meeting our target we are pleased with the high levels of user satisfaction.  To improve user experience further, we will be trialling new water treatment methods in 2016/2017 to reduce chlorine exposure for pool users.
The provision of access to a wide range of information relevant to the community's recreation and learning needs.	The number of lending/reference items available at Tasman libraries is 3.0 items per resident. Stock numbers will be measured quarterly using information available from the Library Management System software.	From July 2015 to June 2016, 19,832 new physical items and 1,018 new electronic items were purchased for our libraries.  Items held at 30 June 2016 totalled 146,422, comprising 141,213 physical items and 5,209 electronic items; this equates to 3 items per resident.
	At least 83% of residents are fairly or very satisfied with the public libraries, as measured through the annual residents' survey.	The residents survey undertaken in May 2016 showed that 79% of respondents and 89% of users are satisfied with our public libraries (compared to 81% and 92% in 2015, and 82% and 91% in 2014). The main dissatisfaction was with the Motueka Library where users thought the facility was too small and in need of upgrading.  <b>See Figure 42</b> Satisfaction with Public Libraries. page 124.

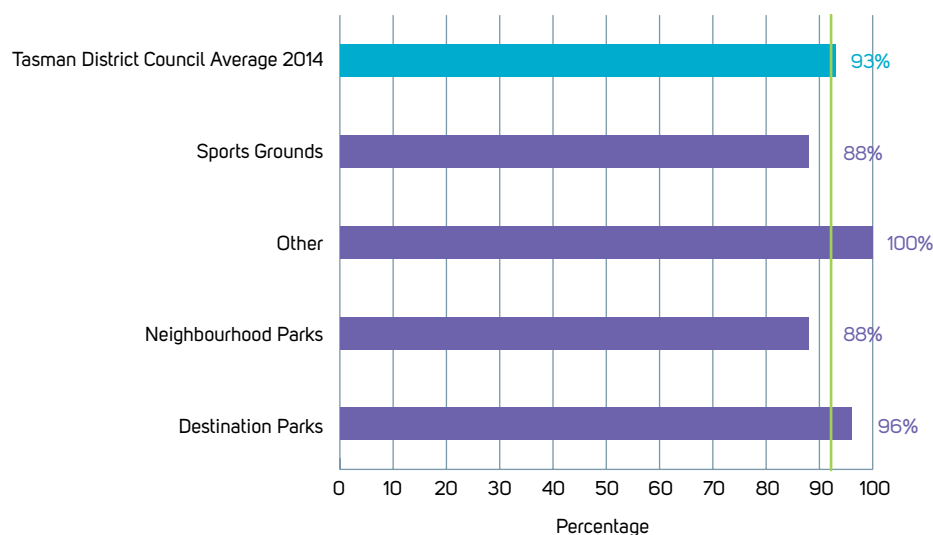
## COMMUNITY DEVELOPMENT – COMMUNITY FACILITIES AND PARKS (CONT.)

## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...	CURRENT PERFORMANCE
<p>The provision of safe, welcoming, attractive and accessible library facilities for customers to access library services.</p>	<p>Tasman District Council library buildings provide adequate spaces to enable the delivery of quality library services as measured against the Library and Information Association of New Zealand Aotearoa (LIANZA) standard.</p> <p>(Target 1: The Richmond, Takaka and Murchison libraries floor areas are maintained at the current size.</p> <p>Target 2: Motueka Library floor area does not meet the LIANZA standard)</p>	<p>The Richmond, Takaka, and Murchison Library floor areas have all been maintained at their current size.</p> <p>The floor space of the Richmond and Takaka Libraries meet the LIANZA standard. The Murchison Library building at 160 m<sup>2</sup> is less than the 210 m<sup>2</sup> recommended in the LIANZA standard.</p> <p>As reflected in residents survey, space issues in our Motueka Library are continuing to cause difficulties with service delivery. The floor area of the building at 472 m<sup>2</sup> achieves only 48% of the LIANZA standard. Funding for the redevelopment of the Motueka Library which will begin in 2019 – 2021 has been included in our Long Term Plan 2015 – 2025.</p>

FIGURE 39. Satisfaction with the Facilities in Parks and Reserves

(Based on the last survey in 2014)



COMMUNITY DEVELOPMENT – COMMUNITY FACILITIES AND PARKS (CONT.)

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM (CONT.)

FIGURE 40. Satisfaction with Recreational Facilities

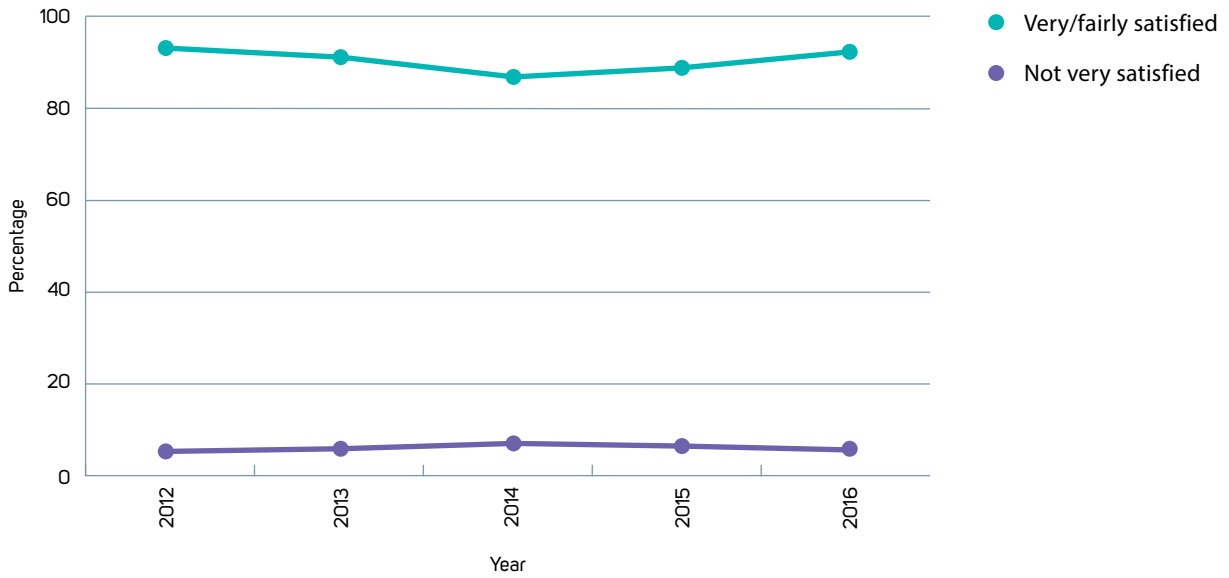
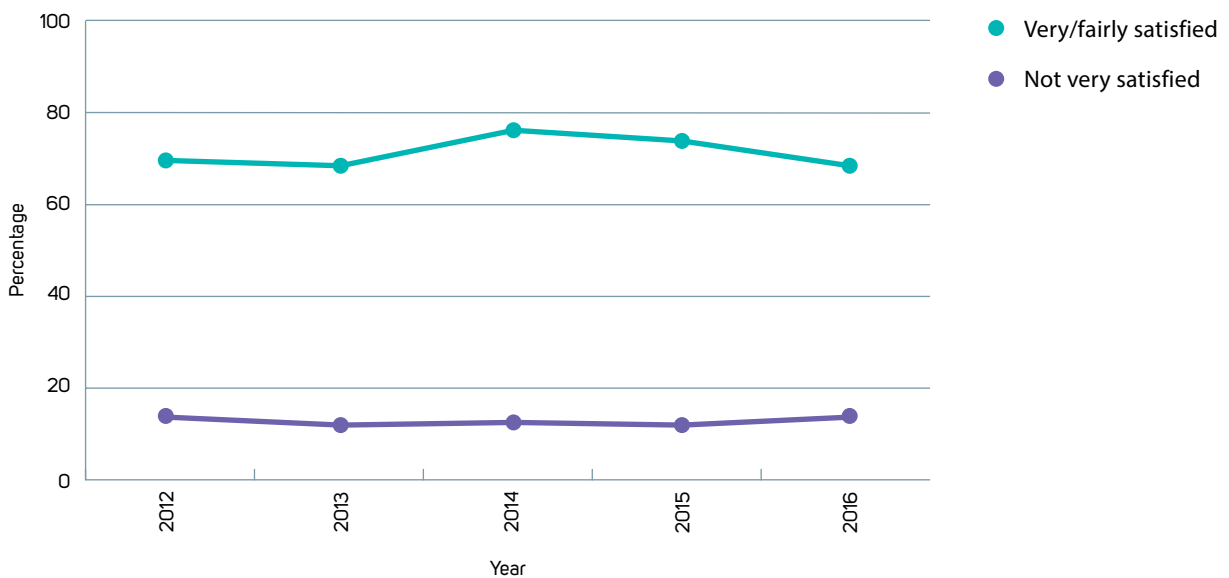


FIGURE 41. Satisfaction with Public Toilets



COMMUNITY DEVELOPMENT – COMMUNITY FACILITIES AND PARKS (CONT.)

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM (CONT.)

FIGURE 42. Satisfaction with Public Libraries

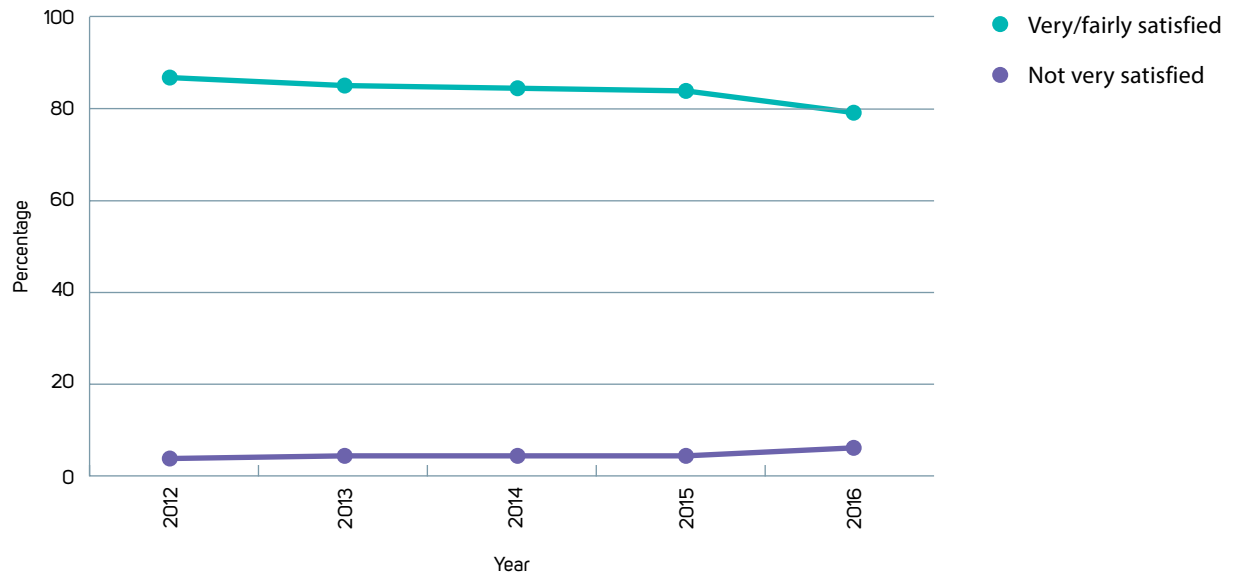
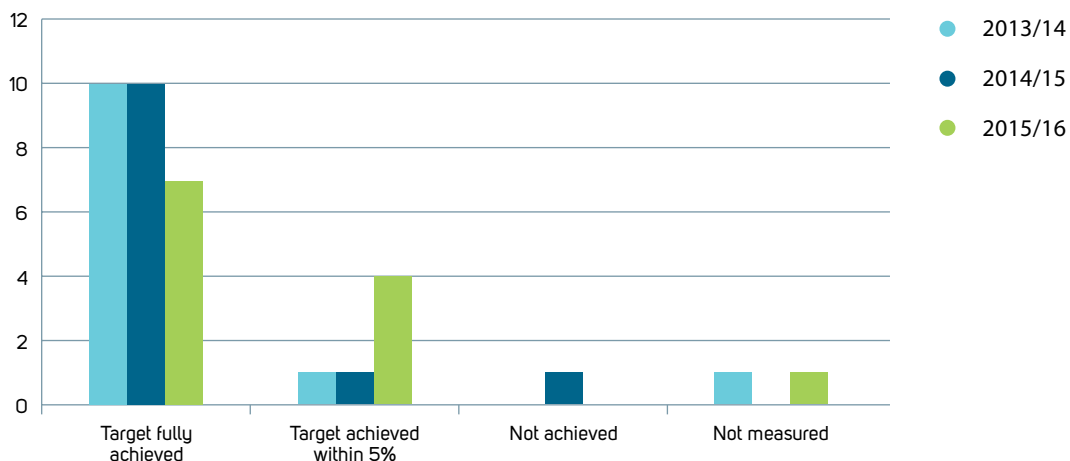


FIGURE 43. Community Facilities and Parks Performance Measures

Comparison of number of performance measures met over three years



Some of the Community Facilities and Parks Activity Group's measures have been amended from the last Long Term Plan and four new measures have been introduced. The performance targets have been updated and measures reviewed to ensure they are a useful reflection of our performance.

A very high percentage of the targets have been met fully or achieved within 5% of the target. Only one target was not measured, which related to customer satisfaction with our parks and reserves facilities – this target is next due to be measured in 2017.



## COMMUNITY DEVELOPMENT – COMMUNITY FACILITIES AND PARKS (CONT.)

## MAJOR ACTIVITIES

Ongoing management, maintenance and renewal of Council's parks and reserves, cemeteries, playgrounds, libraries, district and shared facilities, public toilets, Council cottages, and swimming pools. Specifically, in 2015/2016 major activities included:

PROJECT NAME	LTP YEARS 1–3	2015–2016 BUDGET	ACTUAL 2015/2016
Golden Bay Recreation Reserve	\$1,943,700	\$1,943,700	<p>Council is in the process of constructing a new indoor community recreation facility in Golden Bay. 20% of the funding for the facility has been raised by the community, with Council providing the remaining 80%. \$1,268,750 was carried over from the 2014/2015 year to this year. \$977,292 was spent in the current financial year. We anticipate unspent funds will be carried over to 2016/2017 to complete the project.</p> <p>Council allocated a further \$150,000 to the project during the year to fund the costs of investigating and remediating the 'soft spot' found in the ground where the facility is being built.</p> <p>The project is due for completion in December 2016.</p>
District-wide	\$1,578,836	\$511,500	<p>Purchase of new reserves throughout the District (usually as a result of subdivision). No funds were spent in the current financial year. We anticipate unspent funds will be carried over to 2016/2017.</p>
Ben Cooper Park	\$227,986	\$112,530	<p>Construction of new public toilet facilities. Project is planned to commence in 2017/2018.</p>
Richmond Cemetery	\$53,844	–	<p>Roading extensions and purchase of new land. This project was not programmed to start in Year 1.</p>
Saxton Field	\$465,543	\$139,128	<p>Champion Road access. No funds were spent in the current financial year. We anticipate unspent funds will be carried over to 2016/2017. We are working with Nelson City Council on this project and plan to commence work on it in 2016/2017. During 2015/2016 Tasman District Council completed other projects at Saxton Field with funding carried over from previous years, including developing the playing fields in Champion Green, constructing the Avery Field toilets, and constructing the Velodrome. The first two projects are complete, with the Velodrome due for completion in December 2016.</p>

## COMMUNITY DEVELOPMENT – COMMUNITY FACILITIES AND PARKS (CONT.)

## MAJOR ACTIVITIES (CONT.)

PROJECT NAME	LTP YEARS 1–3	2015–2016 BUDGET	ACTUAL 2015/2016
Saxton Field (cont.)	\$76,725	\$76,725	Wetland planting. No funds were spent in the current financial year. We anticipate unspent funds will be carried over to 2016/2017. We are working with Nelson City Council on this project and plan to commence work on it in 2016/2017.
	\$100,377	\$56,265	Walkway links. No funds were spent in the current financial year. We anticipate unspent funds will be carried over to 2016/2017. We are working with Nelson City Council on this project and plan to commence work on it in 2016/2017.
	\$25,575	\$25,575	Velodrome lights. No funds were spent in the current financial year. We anticipate unspent funds will be carried over to 2016/2017. This project will be commenced as part of the completion of the Velodrome project later in 2016.
	\$268,977	–	Renewing a hockey turf. Project is planned to commence in 2017/2018.
	\$73,463	\$30,690	General. No funds were spent in the current financial year.
Council Libraries	\$358,060	\$358,050	The conversion to RFID technology project is underway and will be completed by December 2016. \$128,292 was spent in the current financial year. We anticipate unspent funds will be carried over to 2016/2017.
	\$895,466	\$295,622	Ongoing purchasing of new reference/lending items in order to maintain the library collections at three items per resident. \$301,447 was spent in the current financial year. \$38,044 was carried over from 2014/2015 to the current year.
	\$174,732	\$51,592	Growth of digital collections (including digital newspapers and electronic databases). \$50,247 was spent in the current financial year.
Aquatic Centre, Richmond	\$51,834	\$25,575	Upper plant room – heating pump. \$21,121 was spent in the current financial year.
	\$132,331	–	Installation of new UV water treatment plant to reduce chloramines. Project is planned to commence in 2016/2017.



Tasman District Library, Richmond

## MAJOR ACTIVITIES (CONT.)

PROJECT NAME	LTP YEARS 1–3	2015–2016 BUDGET	ACTUAL 2015/2016
Aquatic Centre, Richmond	\$101,539	\$44,603	Lighting. No funds were spent in the current financial year. We anticipate unspent funds will be carried over to 2016/2017.
	\$43,150	–	Controllers and switchboards. Project is planned for years 2 and 3.
	\$31,772	\$3,478	Other electrical – PA system, heating, auto door, driers. No expenses in the current financial year.
	\$63,738	–	Replace pool tiles and floor coverings. Project is planned to commence in 2017/2018.

(Note: the amounts in the table above are the Tasman District Council's contribution. Some projects may include contributions from users of the facilities and/or Nelson City Council).

### New reserves

During the year, four new reserves have been brought into this activity adding approximately 6 hectares to the 804 hectares already held, including: Kahu Close Reserve, Kerei Street Reserve, Gossey Drive Esplanade Reserve and Bronte Road East Esplanade Reserve; and an increase to Dellside Reserve.

## COMMUNITY DEVELOPMENT – COMMUNITY FACILITIES AND PARKS (CONT.)

### RESERVE FINANCIAL CONTRIBUTIONS

#### HOW FUNDS ARE RECEIVED

All new subdivisions, from one new lot up to hundreds of new lots, are required to pay Reserve Financial Contributions for reserves and other community services. Reserve Financial Contributions are based on 5.62% of the value of all new allotments (the valuation is based on the area of the allotment or a notional building site on an allotment of 2500 m<sup>2</sup>, whichever is the lesser), less the value of any land vested or easements created for reserves or walkways. Credits are also given in some cases for additional work that is carried out by the developer over and above what is required by the Engineering Standards. Examples of such credits would be the formation of paths and amenity plantings.

Reserve Financial Contributions are also payable as a percentage of the cost of some large constructions. For example, new factories and commercial premises.

All Reserve Financial Contributions received must be separately accounted for. We keep Reserve Financial Contributions in four separate accounts as follows:

- Golden Bay Ward
- Motueka Ward
- Moutere/Waimea and Lakes/Murchison Wards
- Richmond Ward.

Revenue in each of these accounts varies considerably from year to year, depending on the demand for new sections and the availability of land for development.

#### WHAT THE RESERVE FINANCIAL CONTRIBUTIONS CAN BE USED FOR

Strict criteria apply to the use of Reserve Financial Contributions, with use mainly restricted to:

- Land purchase for reserves
- Capital improvements to reserves
- Other capital works for community services.

#### ALLOCATION OF FUNDS

Each year as part of our Long Term Plan review or Annual Plan process, a list of works in each of the four Reserve Financial Contributions accounts is produced.

These requests are considered by the Community Boards and Councillors in Golden Bay and Motueka, and the Ward Councillors for each of the remaining two ward groupings listed above. Recommendations are then forwarded to our Community Development Committee or Full Council for approval before being included in the Long Term Plan or Annual Plan.

Note: Some of the following Reserve Financial Contribution accounts have large surpluses. The majority of these funds are already committed, or have been allocated to projects which have not yet commenced.

## COMMUNITY DEVELOPMENT – COMMUNITY FACILITIES AND PARKS (CONT.)

## RESERVE FINANCIAL CONTRIBUTIONS (CONT.)

DISTRICT WIDE RESERVE FINANCIAL CONTRIBUTIONS	2015/2016 ACTUAL (\$)	2015/2016 BUDGET (\$)
<b>PROJECTS</b>		
<b>Staff costs</b>		
Valuation costs	6,952	11,091
Consultant fees	6,136	21,995
Library books	10,230	10,230
Rainbow Project	51,429	12,877
Loan interest	–	336
Loan principal	–	11,405
<b>Total expenditure</b>	<b>74,747</b>	<b>67,934</b>
Opening balance	44,508	31,532
Internal interest received	1,254	1,088
Transfer from ward accounts	56,529	56,529
<b>Closing balance</b>	<b>27,544</b>	<b>21,215</b>

## COMMUNITY DEVELOPMENT – COMMUNITY FACILITIES AND PARKS (CONT.)

## RESERVE FINANCIAL CONTRIBUTIONS (CONT.)

RICHMOND WARD RESERVE FINANCIAL CONTRIBUTIONS	2015/2016 ACTUAL (\$)	2015/2016 BUDGET (\$)
<b>PROJECTS</b>		
<b>Walkways/cycleways</b>		
General	15,563	–
<b>Sportsfields</b>		
General	82,501	–
<b>Gardens</b>	–	10,000
<b>Picnic areas</b>		
General	138	10,240
<b>Playgrounds</b>		
General	–	15,345
Saxton Velodrome	–	100,000
<b>Toilets</b>		
General	–	112,530
<b>Miscellaneous</b>		
Loan interest	28,943	26,717
Loan principal	905,653	905,653
Transfer to District Wide Contributions	16,958	16,959
<b>Total expenditure</b>	<b>1,049,756</b>	<b>1,197,444</b>
Opening balance	2,080,627	1,172,240
Income	743,922	875,037
Internal interest received	58,622	40,442
	<b>2,883,171</b>	<b>2,087,719</b>
<b>Expenditure</b>	<b>1,049,756</b>	<b>1,197,444</b>
<b>Closing balance</b>	<b>1,833,414</b>	<b>890,275</b>

## COMMUNITY DEVELOPMENT – COMMUNITY FACILITIES AND PARKS (CONT.)

## RESERVE FINANCIAL CONTRIBUTIONS (CONT.)

WAIMEA/MOUTERE AND LAKES WARD RESERVE FINANCIAL CONTRIBUTIONS	2015/2016 ACTUAL (\$)	2015/2016 BUDGET (\$)
<b>PROJECTS</b>		
<b>Walkways/cycleways</b>		
General	9,869	10,230
<b>Sportsfields</b>		
General	–	25,575
<b>Gardens</b>		
General	12,336	10,240
<b>Playgrounds</b>		
General – new reserves etc	44,879	102,300
<b>Cemeteries</b>		
General	–	10,240
<b>Coastcare</b>		
	1,265	22,528
<b>Miscellaneous</b>		
Valuation fees	15,830	6,759
New reserves land	–	255,750
Transfer to District Wide Contributions	16,959	16,959
Loan interest	70,288	70,092
Loan principal	281,377	298,178
<b>Total expenditure</b>	<b>452,803</b>	<b>828,851</b>
Opening balance	1,643,422	739,369
Income	638,722	644,780
Internal interest received	46,303	25,508
	<b>2,328,448</b>	<b>1,409,657</b>
<b>Expenditure</b>	<b>452,803</b>	<b>828,851</b>
<b>Closing balance</b>	<b>1,875,645</b>	<b>580,806</b>

## COMMUNITY DEVELOPMENT – COMMUNITY FACILITIES AND PARKS (CONT.)

## RESERVE FINANCIAL CONTRIBUTIONS (CONT.)

MOTUEKA WARD RESERVE FINANCIAL CONTRIBUTIONS	2015/2016 ACTUAL (\$)	2015/2016 BUDGET (\$)
<b>PROJECTS</b>		
<b>Walkways/cycleways</b>		
General	22,821	–
<b>Artwork</b>		
General	–	10,230
<b>Playgrounds</b>		
General – new reserves etc	77,666	66,495
<b>Toilets</b>		
	–	35,805
<b>Cemeteries</b>		
General	–	7,168
<b>Coastcare</b>		
General	–	17,920
<b>Miscellaneous</b>		
Purchase new reserve	–	255,750
Valuation fees/future planning	5,970	10,230
Keep Motueka Beautiful	13,289	10,230
Motueka Clock Tower Trust	7,000	7,161
Transfer to District Wide Contributions	16,959	16,959
<b>Total expenditure</b>	<b>143,704</b>	<b>437,948</b>
Opening balance	875,495	1,237,557
Income	249,009	266,766
Internal interest received	24,667	42,696
	<b>1,149,171</b>	<b>1,547,019</b>
<b>Expenditure</b>	<b>143,704</b>	<b>437,948</b>
<b>Closing balance</b>	<b>1,005,467</b>	<b>1,109,071</b>





Saxton Oval, Saxton Field, Richmond

## RESERVE FINANCIAL CONTRIBUTIONS (CONT.)

GOLDEN BAY WARD RESERVE FINANCIAL CONTRIBUTIONS	2015/2016 ACTUAL (\$)	2015/2016 BUDGET (\$)
<b>PROJECTS</b>		
<b>Walkways/cycleways</b>		
General	79,839	-
<b>Sportsfields</b>		
Golden Bay recreation reserve	-	15,345
<b>Coastcare</b>		
Transfer to District Wide Contributions	5,653	5,653
<b>Total expenditure</b>	<b>93,236</b>	<b>41,458</b>
Opening balance	570,980	604,770
Income	52,512	47,431
Internal interest received	16,087	20,865
	<b>639,579</b>	<b>673,066</b>
<b>Expenditure</b>	<b>93,236</b>	<b>41,458</b>
<b>Closing balance</b>	<b>546,343</b>	<b>631,608</b>

## COMMUNITY DEVELOPMENT – COMMUNITY FACILITIES AND PARKS (CONT.)

2014/2015 LTP BUDGET \$'000	2014/2015 ACTUAL \$'000	COMMUNITY FACILITIES AND PARKS	2015/2016 ACTUAL \$'000	2015/2016 ANNUAL PLAN BUDGET \$'000	% OF ANNUAL PLAN BUDGET
<b>SOURCES OF OPERATING FUNDING</b>					
8,514	8,530	General rates, uniform annual general charges, rates penalties	8,472	8,472	100%
3,229	3,322	Targeted rates	3,330	3,329	100%
112	215	Subsidies and grants for operating purposes	373	116	322%
–	1,375	Fees and charges	1,649	1,283	129%
–	–	Internal charges and overheads recovered	571	–	–
1,810	447	Local authorities fuel tax, fines, infringement fees, other receipts	101	458	22%
<b>13,665</b>	<b>13,889</b>	<b>Total operating funding</b>	<b>14,496</b>	<b>13,658</b>	<b>106%</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>					
8,576	7,625	Payments to staff and suppliers	7,556	8,065	94%
1,756	1,418	Finance costs	1,475	1,641	90%
2,769	2,981	Internal charges and overheads applied	2,678	2,920	92%
–	–	Other operating funding applications	–	–	–
<b>13,102</b>	<b>12,024</b>	<b>Total applications of operating funding</b>	<b>11,709</b>	<b>12,626</b>	<b>93%</b>
<b>564</b>	<b>1,865</b>	<b>Surplus/(deficit) of operating funding</b>	<b>2,787</b>	<b>1,032</b>	<b>270%</b>
<b>SOURCES OF CAPITAL FUNDING</b>					
–	–	Subsidies and grants for capital expenditure	526	–	–
1,301	2,630	Development and financial contributions	1,589	1,834	87%
1,472	(790)	Increase/(decrease) in debt	493	254	194%
–	–	Gross proceeds from sale of assets	4	–	–
–	–	Lump sum contributions	–	–	–
–	–	Other dedicated capital funding	–	–	–
<b>2,772</b>	<b>1,840</b>	<b>Total sources of capital funding</b>	<b>2,612</b>	<b>2,088</b>	<b>125%</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>					
<b>Capital expenditure</b>					
1,586	705	• to meet additional demand	1,003	1,380	73%
1,473	596	• to improve the level of service	282	2,352	12%
513	115	• to replace existing assets	2,408	289	833%
(236)	2,294	Increase/(decrease) in reserves	1,837	(902)	-204%
–	(5)	Increase/(decrease) in investments	(131)	–	–
<b>3,336</b>	<b>3,705</b>	<b>Total applications of capital funding</b>	<b>5,399</b>	<b>3,119</b>	<b>173%</b>
<b>(564)</b>	<b>(1,865)</b>	<b>Surplus/(deficit) of capital funding</b>	<b>(2,787)</b>	<b>(1,032)</b>	<b>270%</b>

**Comment:**

**Fees and charges** – Council received additional fees from the McKee Domain Camping Ground. **Subsidies and grants for capital expenditure** – Tasman District Council received \$526,000 of funding for the Saxton Oval Velodrome from Nelson City Council and the Saxton Velodrome Trust. **Applications of capital funding** – When the Long Term Plan 2015 – 2025 was written an error was made in the classification of expenditure within the capital area. This has resulted in a mis-alignment between the actual spend and budget. **Lottery Community Facilities Fund** – Council has received \$256,554 from the Lottery Community Facilities Fund towards the Motueka Recreation Centre upgrade. The Council and community are extremely grateful for this support.

# COMMUNITY DEVELOPMENT (CONT.)

## COMMUNITY RELATIONS

### WHAT WE DO

The Community Relations activity delivers Council's communications and community relations responsibilities in order to build a sense of community and pride of place in Tasman and to build capacity within the Tasman community. We achieve this through engaging with community groups, providing community recreation opportunities, providing grant funding, and educating and facilitating partnerships between Council and its communities.

Our activities include:

- the provision of funding and advice for community initiatives and community organisations to enable them to achieve their objectives. Grants are predominately for 'not for profit' community and voluntary groups working for the benefit of Tasman District communities;
- community engagement – where we provide information to our community and seek their views on Council's proposals;
- the promotion and celebration of our history and diverse cultures through the support of organisations that preserve and display our region's heritage;
- delivery of community and recreation activities will be delivered and funded either through rates or external sources, to promote a pride of place and community wellbeing;
- providing an awareness of environmental and sustainability issues through environmental education programmes, to influence community behaviours and to meet Council's Resource Management Act (RMA) obligations in this field.

### WHY WE DO IT

This activity is charged with delivering Council's communications and community relations activities in order to build a sense of community and pride and place in Tasman. It will do this by building capacity within the community through engaging with and empowering community groups, providing community recreation opportunities and education and facilitating partnerships.

The Community Relations activity helps promote the well-being of our community so that our communities:

- are informed about Council's activities and have the opportunity to express their views on Council's proposals. The decisions local authorities make affect their communities on a daily basis. Effective community engagement builds trust and understanding in Council's decision making, while also increasing Council's awareness of issues in the community;
- are aware of what actions they can undertake to reduce their impact on the environment and to live in a more sustainable manner;
- are fit and healthy through the provision of recreation activities and programmes;
- have access to and support the protection of the District's culture and heritage values and artefacts for the education and enjoyment of current and future generations;
- receive funding and advice to assist and support the development of communities and the work voluntary organisations undertake within our communities.

### OUR GOAL

To lead, manage and facilitate the effective management, planning and delivery of Council's community engagement, communications, recreation, events, community grants and environmental education responsibilities to build a sense of place and community wellbeing in support of the community outcomes and enhancement of Council's reputation and role within the community it serves.

## COMMUNITY DEVELOPMENT – COMMUNITY RELATIONS (CONT.)

### HOW THIS ACTIVITY CONTRIBUTES TO THE COUNCIL'S COMMUNITY OUTCOMES

COMMUNITY OUTCOMES	HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
Our communities are healthy, safe, inclusive and resilient.	Providing and supporting quality recreational services and facilities which enable participation in community-based activities that are inclusive, healthy and enjoyable.
Our communities have opportunities to celebrate and explore their heritage, identity and creativity.	Promoting and celebrating our history and diverse cultures. Supporting organisations that preserve and display our region's heritage and culture.
Our communities have access to a range of social, educational and recreational facilities and activities.	Promoting, supporting and delivering recreational, educational and social services and activities that reflect the diversity of the Tasman District. Assisting community-led facilities, projects and initiatives to deliver benefits across the broader community.
Our unique natural environment is healthy and protected.	Through the Enviroschools programme, partially funded through the Ministry for the Environment, schools have assistance to initiate activities supporting and teaching sustainability and how we can all reduce our impact on the environment. Assists Council and community-led initiatives to deliver environmental benefits across the broader community.
Our urban and rural environments are people-friendly, well-planned and sustainably managed.	In partnership with Council's Engineering and Environment and Planning departments delivering environmental, air quality and waste minimisation education to support sustainable management and lifestyles.  Assisting communities to create a unique sense of place through community group funding and advice.
Our Council provides leadership and fosters partnerships, a regional perspective and community engagement.	Providing opportunities for engagement between Council and its communities through our communications activities.

### OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...	CURRENT PERFORMANCE
Promotion and delivery of community events and recreational services.	Residents attending a range of Council-organised community events rate their satisfaction as "fairly satisfied" or better, as measured through the residents' survey three yearly.  (Target: not measured.)	This target was not measured this year and is due to be reported again in 2018. In the 2015 survey we attained 91% satisfaction.

## COMMUNITY DEVELOPMENT – COMMUNITY RELATIONS (CONT.)

## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...	CURRENT PERFORMANCE
<p>Grants to community groups to deliver services and facilities that enhance community wellbeing.</p>	<p>Groups are delivering the services outlined in their applications and that they receive grant money to provide services to the community.</p> <p>(Target: 100% of accountability forms are returned completed.)</p>	<p>For the year (2015/2016), of the 168 grants allocated, only a small number (4) did not return their grant accountability forms. This equates to a 97.6% return rate.</p> <p><b>See Figure 44</b> Percentage of Accountability Forms Returned Completed, page 138.</p>
<p>Leadership and co-ordination to schools and early childhood centres, to protect and enhance our local environment through education.</p>	<p>The number of schools and early childhood centres developing and maintaining environmental care practices is sustained.</p> <p>The achievement level of each enviroschool improves over time, as measured by the EnviroSchools stages of Bronze, Silver to Green-Gold.</p> <p>(Target 1. 25 schools are engaged in EnviroSchools programme.</p> <p>Target 2. EnviroSchools achievement levels improve over time.)</p>	<p>The number of Tasman schools registered as EnviroSchools has increased to 28, an increase of three over the year. 40% of the District's schools are now registered. Significantly, 82% of Tasman kindergartens are registered.</p> <p>Of the schools registered, the following levels of recognition have been achieved in 2015:</p> <ul style="list-style-type: none"> <li>• Green/gold 3 (3: 2014)</li> <li>• Silver 4 (2: 2014)</li> <li>• Bronze 8 (8: 2014).</li> </ul> <p><b>See Figure 45</b> EnviroSchool Levels, page 138.</p>
<p>We provide a range of communication channels that enhance Council's ability to engage and connect with the communities it serves.</p>	<p>Residents are informed and actively engage with Council:</p> <p>At least 80% of residents consider the information supplied by Council to be sufficient (i.e. enough or more than enough), as measured by the annual residents' survey.</p> <p>Usage of Council's website (i.e. sessions, users and page views) increases at a rate of 5% or more per year.</p>	<p>The residents survey undertaken in May 2016 showed that 77% of respondents are satisfied with the information we supply. This compares to 79% in 2015 and 81% in 2014.</p> <p>Although only minor, there does seem to be a decreasing trend in resident satisfaction. This is something we will investigate further over the coming year.</p> <p><b>See Figure 46</b> Sufficiency of Information Supplied by Council, page 139.</p> <p>Our website usage has increased by a significant margin of 11% (average) compared to the previous year.</p> <p><b>See Figure 47</b> Usage of Council's Website, page 139.</p>

COMMUNITY DEVELOPMENT – COMMUNITY RELATIONS (CONT.)

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM (CONT.)

FIGURE 44. Percentage of Accountability Forms Returned Completed

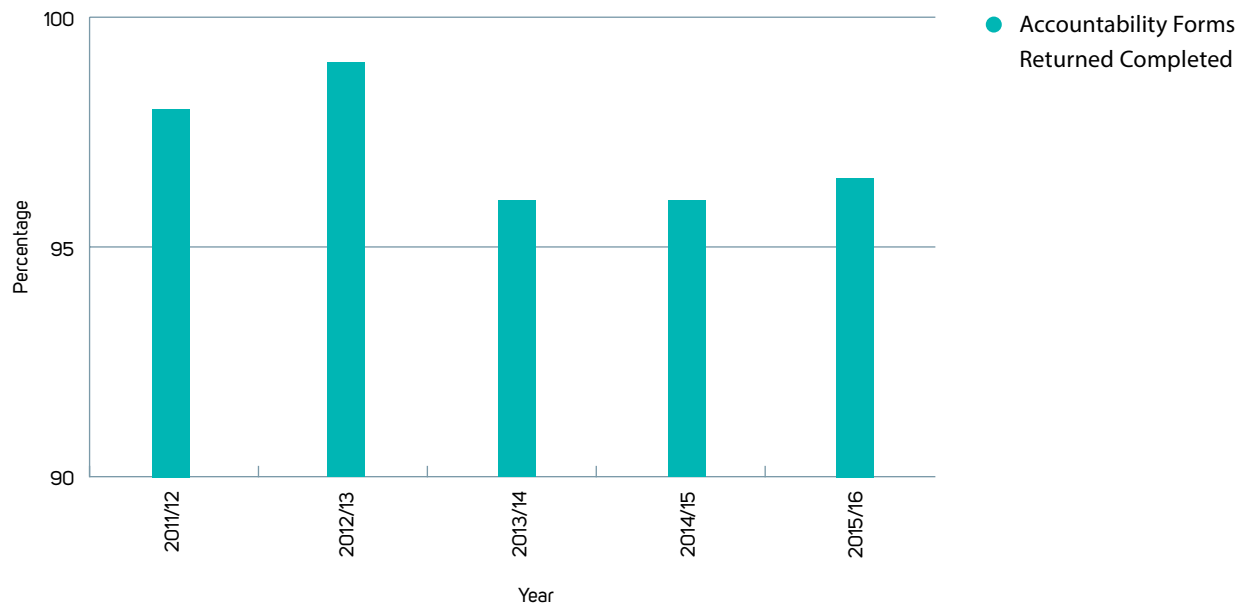
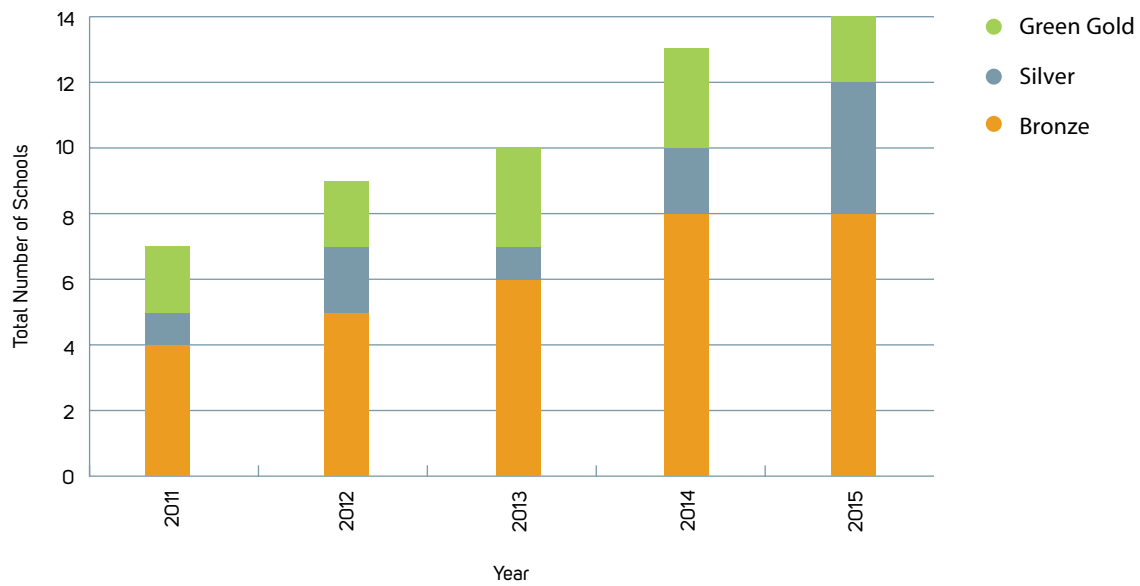


FIGURE 45. EnviroSchool Levels



COMMUNITY DEVELOPMENT – COMMUNITY RELATIONS (CONT.)

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM (CONT.)

FIGURE 46. Sufficiency of Information Supplied by Council

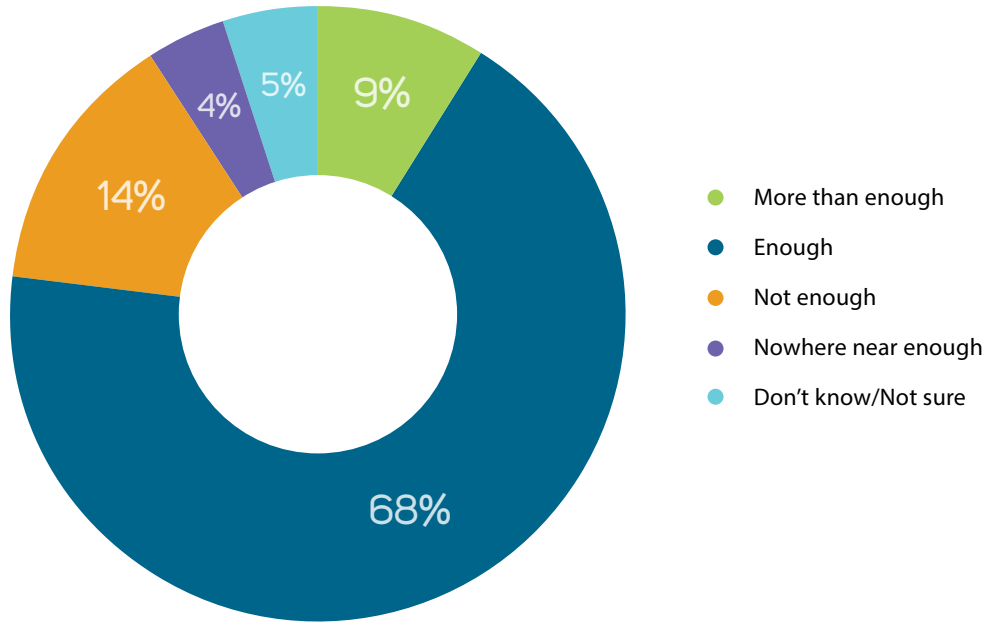
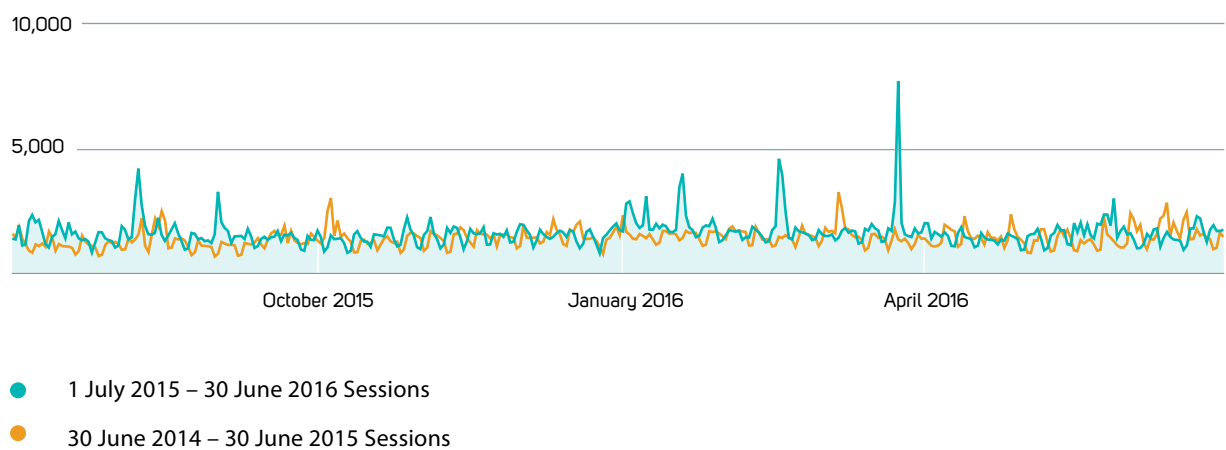


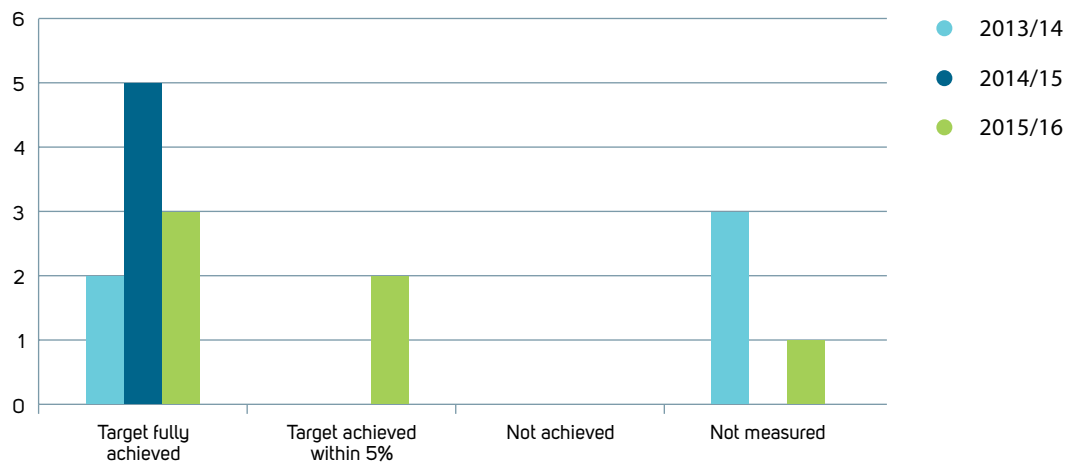
FIGURE 47. Usage of Council's Website



## COMMUNITY DEVELOPMENT – COMMUNITY RELATIONS (CONT.)

### OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM (CONT.)

**FIGURE 48. Community Relations Performance Measures**  
Comparison of number of performance measures met over three years



Community Relations Activity Group's performance targets have altered slightly from the last Long Term Plan 2012 – 2022, with new measures for web usage and the transfer of the Enviroschools performance target (from Environment and Planning Activity Group in 2015).

The Group has achieved, or significantly achieved all of the targets that were due to be measured in 2015/2016.

## MAJOR ACTIVITIES

The major activities for Community Relations for 2015/2016 have included:

PLANNED	ACTUAL 2015/2016
The provision of funding and advice for community initiatives and community organisations to enable them to achieve their objectives. Grants are predominately for 'not for profit' community and voluntary groups working for the benefit of Tasman District communities.	Community Grants are provided through three avenues: Community Grants (previously Grants from Rates), Tasman Creative Communities grants, and the Rural Travel grants we administer on behalf of Sport NZ Rural Travel Fund.



## COMMUNITY DEVELOPMENT – COMMUNITY RELATIONS (CONT.)

## MAJOR ACTIVITIES (CONT.)

PLANNED	ACTUAL 2015/2016
<p>Community engagement – where we provide information to our community and seek their views on Council’s proposals.</p>	<p>There is an increasing focus on engagement with Tasman residents led by our Significance And Engagement Policy. In response to this policy we have increased our focus on three primary areas:</p> <ul style="list-style-type: none"> <li>• pre-engagement of specific proposals to gauge the level of interest, forming of a draft position and measuring the level of interest and information required for our community to engage;</li> <li>• taking more processes online; and</li> <li>• revisiting our standard consultation processes with a view to engaging with our communities under the theme of ‘on their turf, in their time and on their terms’.</li> </ul>
<p>The promotion and celebration of our history and diverse cultures through the support of organisations that preserve and display our region’s heritage.</p>	<p>The Community Development Department administers operating grants to the Tasman Bays Heritage Trust (Regional Museum) and the Takaka, Murchison and Motueka museums. The smaller local museums of Collingwood, Rockville and Aorere are supported through community grants.</p>
<p>Delivery of community and recreation activities which will be funded either through rates or external sources, to promote a pride of place and community wellbeing.</p>	<p>The Council provides three community facilities in Murchison, Motueka and Upper Moutere where management is subcontracted to community groups and Sport Tasman. We have joint ownership and management of the Saxton Field complex with Nelson City Council.</p> <p>There is an increased focus on leveraging external funds to provide for community activities. Beyond the Council-managed events of Carols by Candlelight, Teddy Bears picnic and other events, we partner with a number of organisations and community groups to provide additional events.</p>
<p>Providing an awareness of environmental and sustainability issues through environmental education programmes, to influence community behaviours and to meet Council’s RMA obligations in this field.</p>	<p>The Environmental Education programme continues to grow with more schools registering in the year taking the number registered to 28 (40% of schools) including 82% of kindergartens.</p> <p>There has been an increased focus on taking environmental issues and ideas to the community through a process ‘In Your Neighbourhood’ where we and associated community groups literally meet in local parks to discuss issues and possible solutions with affected and interested residents.</p>

## COMMUNITY DEVELOPMENT – COMMUNITY RELATIONS (CONT.)

2014/2015 LTP BUDGET \$'000	2014/2015 ACTUAL \$'000	COMMUNITY RELATIONS	2015/2016 ACTUAL \$'000	2015/2016 ANNUAL PLAN BUDGET \$'000	% OF ANNUAL PLAN BUDGET
<b>SOURCES OF OPERATING FUNDING</b>					
1,234	1,138	General rates, uniform annual general charges, rates penalties	1,185	1,042	114%
1,208	1,192	Targeted rates	1,205	1,205	100%
211	149	Subsidies and grants for operating purposes	163	78	209%
–	36	Fees and charges	45	51	88%
–	–	Internal charges and overheads recovered	–	–	–
150	41	Local authorities fuel tax, fines, infringement fees, other receipts	83	140	59%
<b>2,802</b>	<b>2,556</b>	<b>Total operating funding</b>	<b>2,681</b>	<b>2,516</b>	<b>107%</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>					
2,246	1,995	Payments to staff and suppliers	1,936	1,921	101%
124	119	Finance costs	106	107	99%
322	373	Internal charges and overheads applied	370	337	110%
–	–	Other operating funding applications	–	–	–
<b>2,692</b>	<b>2,487</b>	<b>Total applications of operating funding</b>	<b>2,412</b>	<b>2,365</b>	<b>102%</b>
<b>111</b>	<b>69</b>	<b>Surplus/(deficit) of operating funding</b>	<b>269</b>	<b>151</b>	<b>178%</b>
<b>SOURCES OF CAPITAL FUNDING</b>					
–	–	Subsidies and grants for capital expenditure	–	–	–
–	–	Development and financial contributions	–	–	–
(11)	(111)	Increase/(decrease) in debt	(151)	(151)	100%
–	–	Gross proceeds from sale of assets	–	–	–
–	–	Lump sum contributions	–	–	–
–	–	Other dedicated capital funding	–	–	–
<b>(11)</b>	<b>(111)</b>	<b>Total sources of capital funding</b>	<b>(151)</b>	<b>(151)</b>	<b>100%</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>					
<b>Capital expenditure</b>					
–	–	• to meet additional demand	–	–	–
–	–	• to improve the level of service	–	–	–
–	7	• to replace existing assets	–	–	–
100	(46)	Increase/(decrease) in reserves	121	–	–
–	(3)	Increase/(decrease) in investments	(3)	–	–
<b>100</b>	<b>(42)</b>	<b>Total applications of capital funding</b>	<b>118</b>	<b>–</b>	<b>–</b>
<b>(111)</b>	<b>(69)</b>	<b>Surplus/(deficit) of capital funding</b>	<b>(269)</b>	<b>(151)</b>	<b>178%</b>

**Comment:**

This activity is in line with budget.

# GOVERNANCE

## WHAT WE DO

This activity involves managing the electoral process to provide the District with a democratically elected Mayor, Council and Community Boards and the governance of the 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 councillors, Council and Community Boards and any other assistance required by the Mayor;
- running elections and democratic processes, including community consultation; and
- managing Council's investments in Council Controlled Trading Organisations (CCTOs) and Council Controlled Organisations (CCOs).

Council invests in CCTOs to assist it to achieve its objectives. The CCTOs, listed below, independently manage facilities, deliver services, and undertake developments on behalf of Council:

- Nelson Airport Limited; and
- Port Nelson Limited (note: although Port Nelson is a company half-owned by Council, it is not classed as a CCTO in legislation. However, performance monitoring requirements are similar to those of a CCTO).

## WHY WE DO IT

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

## ELECTORAL PROCESS

Our District is divided into five electoral wards – Golden Bay, Lakes/Murchison, Motueka, Moutere/Waimea and Richmond. Councillors are elected by ward. The Mayor is elected from across the District. We have Community Boards in Golden Bay and Motueka.

Elections are held every three years under the Local Electoral Act 2001.

Council comprises a Mayor and 13 Councillors elected as follows:

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

## FRIENDLY TOWNS

We enjoy friendly town/community relationships with three towns across the world, two in Japan and one in Holland. Motueka has a friendly town relationship with Kiyosato in Japan, and Richmond has a friendly town relationship with Fujimi-Machi in Japan. There are regular exchanges of students and adults between the towns. Takaka has a friendly towns relationship with Grootegast in Holland, and the Tasman District Council has a friendly communities relationship with Grootegast Council. These relationships foster and encourage economic and cultural relations between the areas.

## GOVERNANCE (CONT.)

### HOW THIS ACTIVITY CONTRIBUTES TO THE COUNCIL'S COMMUNITY OUTCOMES

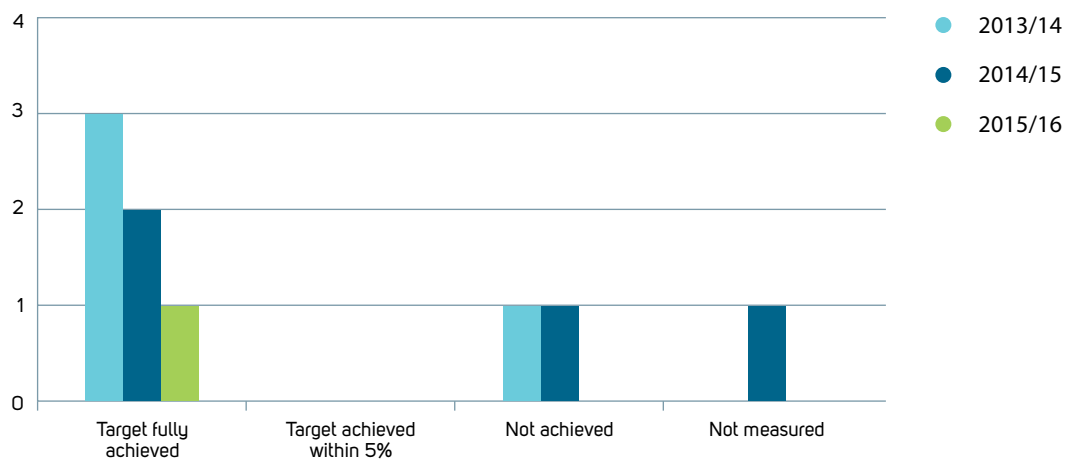
COMMUNITY OUTCOMES	HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
Our Council provides leadership and fosters partnerships, a regional perspective and community engagement.	The Governance activity ensures that democratic processes are undertaken and supports the work of elected members.
Our region is supported by an innovative and sustainable economy.	The CCTOs provide an economic return to Council and ratepayers and also provide employment opportunities.

### OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...	CURRENT PERFORMANCE
We effectively run election processes.	Electoral processes are carried out within statutory requirements and there are no successful challenges.	No election was held in 2015/2016 and therefore we received no challenges. The triennial local government election is due on 8 October 2016.

FIGURE 49. Governance Performance Measures

Comparison of number of performance measures met over three years



The number of performance measures for the Governance Group have decreased from the previous Long Term Plan 2012 – 2022. Several performance measures have been transferred to ‘Support Services’.

As there was no election this year, the performance target set for the Governance Group has been achieved.

## GOVERNANCE (CONT.)

2014/2015 LTP BUDGET \$'000	2014/2015 ACTUAL \$'000	GOVERNANCE	2015/2016 ACTUAL \$'000	2015/2016 ANNUAL PLAN BUDGET \$'000	% OF ANNUAL PLAN BUDGET
<b>SOURCES OF OPERATING FUNDING</b>					
3,010	2,558	General rates, uniform annual general charges, rates penalties	2,946	2,946	100%
757	672	Targeted rates	288	289	100%
–	–	Subsidies and grants for operating purposes	–	–	–
–	107	Fees and charges	24	22	109%
–	–	Internal charges and overheads recovered	–	–	–
497	207	Local authorities fuel tax, fines, infringement fees, other receipts	–	97	–
<b>4,264</b>	<b>3,544</b>	<b>Total operating funding</b>	<b>3,258</b>	<b>3,354</b>	<b>97%</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>					
3,149	2,549	Payments to staff and suppliers	2,297	2,403	96%
186	–	Finance costs	–	–	–
564	674	Internal charges and overheads applied	358	463	77%
–	–	Other operating funding applications	–	–	–
<b>3,898</b>	<b>3,223</b>	<b>Total applications of operating funding</b>	<b>2,655</b>	<b>2,866</b>	<b>93%</b>
<b>365</b>	<b>321</b>	<b>Surplus/(deficit) of operating funding</b>	<b>603</b>	<b>488</b>	<b>124%</b>
<b>SOURCES OF CAPITAL FUNDING</b>					
–	–	Subsidies and grants for capital expenditure	–	–	–
–	–	Development and financial contributions	–	–	–
–	–	Increase/(decrease) in debt	–	–	–
–	–	Gross proceeds from sale of assets	1	–	–
–	–	Lump sum contributions	–	–	–
–	–	Other dedicated capital funding	–	–	–
–	–	<b>Total sources of capital funding</b>	<b>1</b>	<b>–</b>	<b>–</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>					
<b>Capital expenditure</b>					
–	–	• to meet additional demand	–	–	–
–	–	• to improve the level of service	–	–	–
2	–	• to replace existing assets	–	2	–
363	321	Increase/(decrease) in reserves	604	486	124%
–	–	Increase/(decrease) in investments	–	–	–
<b>365</b>	<b>321</b>	<b>Total applications of capital funding</b>	<b>604</b>	<b>488</b>	<b>124%</b>
<b>(365)</b>	<b>(321)</b>	<b>Surplus/(deficit) of capital funding</b>	<b>(603)</b>	<b>(488)</b>	<b>124%</b>

**Comment:**

This activity is in line with budget.

# COUNCIL ENTERPRISES AND PROPERTY

## NATURE AND SCOPE

The Council Enterprises and Property section comprises:

- Councils Commercial Activities which include forestry, aerodromes, ports, commercial campgrounds and commercial property;
- Property Services (i.e. residential tenancies, Council offices and libraries and provision of leasing and property management services).

## WHAT WE DO

This group of activities involves the management of approximately 2,800 stocked hectares of commercial plantation forest, aerodromes in Motueka and Takaka, a mixture of leased and managed camping grounds in Motueka, Pohara, Collingwood and Murchison, management of Port Tarkohe and management of commercial property assets.

## WHY WE DO IT

Council's ownership and management ensures its assets are retained for both the commercial and recreational community – their economic development and strategic importance is critical to all ratepayers and facility users. These assets provide benefits to all users via employment and development for the wider community. Income streams from commercial activities and commercial investments provide additional income to Council. This additional income reduces Council's reliance on rates to fund its activities.

## OUR GOAL

To provide management of Council property assets that contributes toward the enhancement of our District at the level of service that the customer wants and is prepared to pay for and in a manner that minimises conflict with the community.

To undertake commercial and semi-commercial activities that meet user needs, provide a safe and compliant working environment, and that are financial sustainable.

## HOW THIS ACTIVITY CONTRIBUTES TO THE COUNCIL'S COMMUNITY OUTCOMES

### AERODROMES

COMMUNITY OUTCOMES	HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
Our unique natural environment is healthy and protected.	All aerodromes can be managed so the impacts of any effects do not affect the health and cleanliness of the receiving environment.
Our urban and rural environments people-friendly, well planned and sustainably managed.	The aerodromes activity ensures our built urban environments are functional, pleasant and safe by ensuring the aerodromes are operated without causing public health hazards and by providing attractive recreational and commercial facilities.
Our infrastructure is efficient, cost effective and meets current and future needs.	Aerodromes provide commercial and recreational facilities to meet the community needs at an affordable level and are available to the whole community. The facilities are also sustainably managed.

## COUNCIL ENTERPRISES AND PROPERTY (CONT.)

### HOW THIS ACTIVITY CONTRIBUTES TO THE COUNCIL'S COMMUNITY OUTCOMES (CONT.)

#### CAMPGROUNDS

COMMUNITY OUTCOMES	HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
Our region is supported by an innovative and sustainable economy.	Running a viable and economically sustainable model ensures development and growth opportunities are paid for by users, not the ratepayers. Facilities are able to be maintained and levels of service gradually improved through a consistent reinvestment strategy based on community use.
Our infrastructure is efficient, cost effective and meets current and future needs.	Campgrounds provide the users with a variety of facilities to choose from at an affordable price level while also looking towards future needs of a changing market. There is a changing community expectations around campground facilities.
Our Council provides leadership and fosters partnerships, a regional perspective and community engagement.	Open and good dialogue with operators of Council facilities fosters strong relationships with common ground. Council receives constant feedback and recommendations from operators regarding trends and issues which achieves strong buy in by lessees.
Our communities are healthy, safe, resilient and inclusive.	The campground industry is heavily regulated by public health authorities. This is achieved through operating and complying with increasing legislative and health and safety standards.

#### COMMERCIAL PROPERTY

COMMUNITY OUTCOMES	HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
Our region is supported by an innovative and sustainable economy.	Council have approved the construction of a retail commercial property on council land at Mapua. This will support the increased economic activity Council have seen in this area over recent years. Financial analysis shows a sound return on investment can be expected. Other commercial property holdings provide an income stream to Council to reduce its reliance on rates and adds to the critical mass already achieved on this site.  Council continues to manage commercial properties at Mapua, Fittal Street, Queen Street and Port Motueka.
Our infrastructure is efficient, cost effective and meets current and future needs.	Assets must meet current and future needs reflected in both commercial performance and viability and, where appropriate, community benefits. The primary focus of all commercial assets is the financial viability.
Our Council provides leadership and fosters partnerships, a regional perspective and community engagement.	Council established the Mapua Advisory Group as a means of engaging with the community on council activities in the Mapua Wharf precinct.
Our communities have access to a range of social, educational and recreational facilities and activities.	Evidenced by use of the Mapua precinct for a range of educational and recreational activities e.g. Sea scouts, boat club, fishing and boat ramp for fishing and recreational craft.

## COUNCIL ENTERPRISES AND PROPERTY (CONT.)

### HOW THIS ACTIVITY CONTRIBUTES TO THE COUNCIL'S COMMUNITY OUTCOMES (CONT.)

#### FORESTRY

COMMUNITY OUTCOMES	HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
Our region is supported by an innovative and sustainable economy.	The long term cut plan has been developed to produce as much as possible an even flow of timber from Council's forestry estate. The ultimate objective is to achieve a non declining annual volume cut from the forests with an average stand rotation length of approximately 28 years.
Our unique natural environment healthy and protected.	All forests are managed according to the various policies and plans so the impacts of any effects do not affect the health and cleanliness of the receiving environment.
Our urban and rural environments people-friendly, well planned and sustainably managed.	Where practical and safe Council enables public access and use of forests for recreation e.g. biking, horse riding and walking.
Our infrastructure is efficient, cost effective and meets current and future needs.	Olsen's have been appointed with a management contract over all Tasman District Council forests and have gained Forest Stewardship Council (FSC) accreditation ensuring our forests are sustainably managed within internationally recognised guidelines.

#### PORTS

COMMUNITY OUTCOMES	HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
Our region is supported by an innovative and sustainable economy.	Running a viable and economically sustainable port ensures development and growth opportunities are paid for by users and does not place an undue burden on District ratepayers.
Our infrastructure is efficient, cost effective and meets current and future needs.	The Port Tarakohe activity provides commercial and recreational users with facilities to meet stakeholder needs, at an affordable cost and is positioned for future growth. Applying commercial disciplines to the running of the port ensures it is efficient and financially sustainable.
Our Council provides leadership and fosters partnerships, a regional perspective and community engagement.	Council has re-established the Port Tarakohe Advisory Group (PTAG) and opened communication lines with all key stakeholders to improve engagement with all users and gain support for port development initiatives.
Our communities have access to a range of social, educational and recreational facilities and activities.	Port Tarakohe facilities offer access for communities to a safe boating facility for a range of recreational activities to meet social, educational and recreational needs.
Our unique natural environment is healthy and protected.	Port Tarakohe facilitates activities within a recognised landscape area and attempts to minimise any impact on the wider Golden Bay environment.



## COUNCIL ENTERPRISES AND PROPERTY (CONT.)

### HOW THIS ACTIVITY CONTRIBUTES TO THE COUNCIL'S COMMUNITY OUTCOMES (CONT.)

#### PROPERTY

COMMUNITY OUTCOMES	HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
Our unique natural environment is healthy and protected.	All Property assets can be managed so the impacts of any effects do not affect the health and cleanliness of the receiving environment.
Our urban and rural environments people-friendly, well planned and sustainably managed.	The Property activity can be managed so that the impact of any property development upon the environment is minimised and any future developments have environmental sustainability as an expectation.
Our communities are healthy, safe, inclusive and resilient.	Our offices and Libraries will be accessible for persons with disabilities and will also provide a safe and welcoming environment.

### OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...	CURRENT PERFORMANCE
Buildings and property services that comply with legislative and resource and building consent requirements.	All operational buildings (offices and libraries) and commercial buildings comply with resource, building consent and any other legislative requirements.  (Target: 100% compliance.)	All our buildings comply with resource consent and legislative requirements.
Our aerodromes are operated in a safe manner.	Our aerodromes are managed in accordance with Civil Aviation Authority (CAA) requirements.  As measured through a CAA audit.  (Target: 100%.)	There was no CAA audit this year, nor where there any audits instigated by CAA at their discretion. In addition, there were no reported issues by the users to Operational and Safety or Aerodrome Advisory groups.
	The glide path for planes is free of obstructions, as determined by CAA.  (Target: 0 non-compliances.)	We achieved this target with no non compliances and no reported issues of obstructions to either us or our Advisory groups.
	No Health and Safety incidents.  (Target: 0 non-compliances.)	There were no Health and Safety instances reported us or advised by the CAA.

## COUNCIL ENTERPRISES AND PROPERTY (CONT.)

## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...	CURRENT PERFORMANCE
Faults in the aerodromes system are responded to and fixed promptly.	We respond to Customer Service Requests regarding faults on our aerodromes within the timeframes we have agreed with our suppliers and operators, and within available funding.  (Target: 100%.)	During the reporting timeframe we had no faults reported to us that remain outstanding either through Service requests or the Advisory groups.
Aerodromes managed in a financially sustainable manner.	Aerodromes managed in a financially sustainable manner.  (No target.)	Both Motueka and Takaka are managed with a focus on improving financial sustainability and continue to record an operational cash profit from trading. The focus remains on improving all revenue streams so that depreciation funding can be obtained over the next three years.
Campground Health and Safety procedures are in line with industry best practice and improved to external audit findings.	Fully compliant at all times, or if issues identified a corrective plan implemented within 30 days.  (Target: partly compliant.)	<p>During 2015 the campground activities were independently reviewed by Cosman Parkes for Health and Safety matters to align with industry best practice. While we achieved our target of being partially compliant, the report included recommendations around emergency procedures, health and safety reporting, recordings and contractor processes, that were subsequently implemented.</p> <p>Council compliance and regulatory certification is held for all sites, therefore ensuring a safe and continued operational environment.</p> <p>We undertake quarterly (Collingwood) and six monthly (Motueka, Murchison and Pohara) inspections to all sites for operational and health and safety reasons.</p> <p>We have aligned our findings from these inspections to form part of the procedures now in place for the operation of all commercial campgrounds.</p>
Campground financial sustainability must be achieved.	Earnings Before Interests, Taxes, Depreciation and Amortization (EBITDA) performance of the campgrounds must provide 1.2 times funding cover.  (Target: 2.1 times).	The reported financial EBITDA provides 2.6 times funding cover.

## COUNCIL ENTERPRISES AND PROPERTY (CONT.)

## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...	CURRENT PERFORMANCE
<p>Effective, and responsible management of campground assets ensuring achieving financial sustainability, whilst recognising the social and recreational benefits of campgrounds to the community.</p>	<p>Condition assessment is based on lease or management model. It should include a focus to improve ratings. (Target: 3 star average.)</p> <p>Occupancy should sit within a 10% variable of the regional average by year 3 for similar campground activities. (Target: Unmeasured.)</p> <p>Achieving financial returns in line with the budget projections while not compromising the level of service to the community on most assets. (Target: Tariffs = Unmeasured; Model = mixed.)</p> <p>Council's return will improve based on reinvestment levels – Levels of Service (LOS) changes in new financial strategy adoption. (Target: 15%.)</p>	<p>We have moved from a reactive inspection and maintenance programme to a reactive programme. This means we conduct quarterly inspections of assets and is resulting in improved asset condition. The condition of assets is reflected in the ratings we receive through 'Trip Advisor' which are:</p> <ul style="list-style-type: none"> <li>• Motueka – 4.5 out of 5.0 star rating</li> <li>• Pohara – 4.5 out of 5.0 star rating</li> <li>• Murchison – 4.7 out of 5.0 star rating</li> <li>• Collingwood – 4.0 out of 5.0 star rating.</li> </ul> <p>The weighted average for our campgrounds is therefore equal to a 4.4 out of 5.0 star rating.</p> <p>The systems we have in place do not currently allow for this measurement. In our Long Term Plan 2015 2025, we have signalled the development of processes and systems that will allow measurement from Year 3 (i.e. 2017/2018).</p> <p>Each Campground has however reported growth in occupancy during year one of the Long Term Plan 2015 – 2025.</p> <p>Three of the four commercial campgrounds have reported increased revenue and returns during Year one of the Long Term Plan 2015 – 2025 (2015/2016). This has been from both occupancy and tariff lifting reasons. Council control tariffs at Collingwood only, all other tariffs are controlled by Lessees on Motueka, Murchison and Pohara. Tariffs are therefore not measured.</p> <p>Motueka, Pohara and Murchison have seen a significant improvement in levels of service through the improvements that have been made on site.</p> <p>Collingwood continues to improve levels of service through minor changes. A decision regarding substantial investment during 2016/2017 will be made which is required to upgrade the campgrounds infrastructure.</p> <p>We came close to meeting our target of 15% return on equity, achieving 13.7%. This result was assisted by a 24% lift in sales for campground activity recorded in 2015/2016.</p> <p>Implementation of our Campground Financial Strategy has been completed at Motueka, but not Pohara or Murchison, which is planned in 2016/2017.</p> <p>Pohara and Collingwood will be assessed in 2016/2017, and work in Murchison is planned for the 2017/2018 financial year.</p>

## COUNCIL ENTERPRISES AND PROPERTY (CONT.)

### OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...	CURRENT PERFORMANCE
<p>Commercial property assets that are financially sustainable.</p>	<p>EBITDA performance of the commercial property portfolio will increase towards 1.0 times funding cover of all depreciation and debt servicing.</p> <p>(Target: Actual 0.7.)</p> <p>Occupancy of all commercial tenancies at or above 90% at all times.</p> <p>(Target: Occupancy= 100%.)</p> <p>Weighted lease terms evenly spread with 3 year average.</p> <p>(Target: average lease 3 years.)</p>	<p>The EBITDA performance has shown significant improvement over the past three years following the introduction of a commercial approach to commercial property assets. Increased returns have resulted from the construction of Shed 4 in Mapua, and a review of all leased properties to current market rates. This has resulted in a 75% increase in revenue. This lift has significantly assisted our EBITDA result for this year to 1.8 times funding cost cover.</p> <p>As at 30 June 2016, 100% of properties are tenanted as measured in our commercial property database.</p> <p>As at 30 June 2016, eight of our 12 commercial property leases in place had leases for five years or longer. The four remaining leases were for three years. This averages out to leases of 4 years.</p>
<p>Commercial property assets that are financially sustainable.</p>	<p>Condition assessment programme reviewed every 3 months.</p> <p>(Target: regular completion or quarterly condition assessment – no variation.)</p>	<p>Properties are inspected quarterly and reported in our commercial property spreadsheet.</p>
<p>Fit for purpose commercial assets that are required to comply with legislative needs, minimise health and safety issues, providing effectiveness and efficiencies now and into the future.</p>	<p>No health and safety issues arise directly attributable to Council inaction/control.</p> <p>(Target nil.)</p> <p>Council are able to respond to reasonable Customer Service Requests within the timeframes we have agreed with our suppliers and within the available funding.</p> <p>(Target: all service requests completed with 48 hours and within budget.)</p>	<p>We achieved our target with no health and safety issues directly attributable to Council. During 2015 our commercial property at Mapua was independently reviewed by Cosman Parkes for Health and Safety matters to align with industry best practice. Suggestions around traffic management and wharf health and safety considerations have since been instigated.</p> <p>A number of service requests have been raised at this site given its high use by our residents and visitors. While service requests are recorded we do not have a system for reporting whether or not they have been completed within 48 hours and within budget. All matters have been responded to based on urgency and safety.</p> <p>We know some issues have taken longer than 48 hours to coordinate and provide a satisfactory resolution. Some fixes are based on our sub-contractors ability to address/respond.</p>

## COUNCIL ENTERPRISES AND PROPERTY (CONT.)

## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...	CURRENT PERFORMANCE
<p>Fit for purpose commercial assets that are required to comply with legislative needs, minimise health and safety issues, providing effectiveness and efficiencies now and into the future (cont.)</p>	<p>Resource consents and building consents are held and complied with for works undertaken by Council or its contractors. As measured by inspections, defaults and abatement notices issued to Council. (Target: all buildings and activities consents – no variation.)</p>	<p>Consents are measured on our commercial property spreadsheet and reviewed quarterly when completing condition assessment reviews.</p>
<p>Forestry health and safety procedures are in line with industry best practice and improved to external audit findings.</p>	<p>Forestry is a high risk activity. Regular external audit of all Council processes will occur. (Target: compliant.) Contractors are to have their own health and safety processes which are externally audited and assessed within Forest Stewardship Council (FSC) accreditation processes. (Target: accredited.)</p>	<p>Compliance is achieved via a number of external audits. Our forestry consultants, PF Olsens, review activities through their own operation audits. As part of their Forest Stewardship Council certification an external audit of processes is also completed annually. During 2015 the forestry activity was independently reviewed by Cosman Parkes for Health and Safety matters to align with industry best practice. The external process review was positive towards current management practices with some minor improvements suggested around our interaction and responsibilities for our contractors. All contractors are accredited. Council staff were interviewed as part of FSC accreditation annual process.</p>
<p>Forestry fit for purpose condition assessment is required to comply with legislative and user requirements whilst providing efficient and effective Forestry operations. This LOS will be directly related and recognise the commercial returns required by further investment by Council.</p>	<p>External six monthly risk reviews identifying key risks and actions required to mitigate. (Target: key risks = not met or measured.) Quarterly internal processes have been refined throughout 2014 to ensure full quarterly review identifies and limits key risks. (Target: quarterly processes underway – met.) External quarterly reporting is required within 45 days of period end by contractor. (Target: contractor reporting – no exceptions.)</p>	<p>This target was set in Year 1 as ‘not met or measured’ due to expected capacity constraints. However, we have been able to conduct the six monthly risk reviews and therefore have brought forward the target from Year 2. Our reports address risk management issues and corrective actions required. Quarterly reporting is required and documented under our Forestry contract with PF Olsens. As mentioned above, we do not have a system in place to measure our customer service requests.</p>

## COUNCIL ENTERPRISES AND PROPERTY (CONT.)

## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM (CONT.)

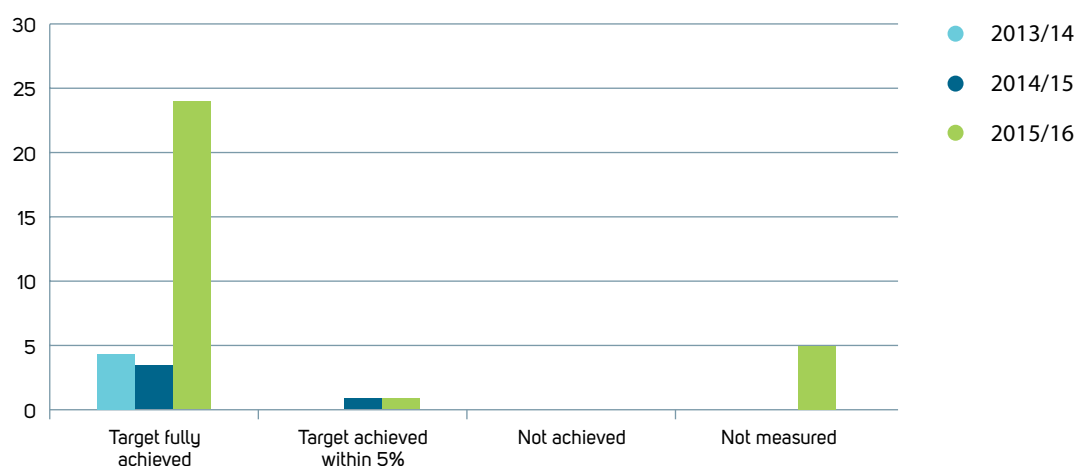
LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...	CURRENT PERFORMANCE
<p>Forestry fit for purpose condition assessment is required to comply with legislative and user requirements whilst providing efficient and effective Forestry operations. This LOS will be directly related and recognise the commercial returns required by further investment by Council (cont.)</p>	<p>We respond to customer service requests within 48 hours and within available budget funding.</p> <p>(Target: service requests – no exceptions.)</p> <p>Appropriate consents are held and complied with. Measured by inspections, defaults and abatement notices issued to Council.</p> <p>(Target: consents – no exceptions.)</p>	<p>All service requests received are reviewed and addressed based on the level of risk and urgency.</p> <p>PF Olsens externally manage this process with our regulatory and compliance teams. No exceptions have been advised to Forestry owner in writing during this year.</p>
<p>Forestry financial sustainability must be achieved.</p>	<p>Performance of Forestry must provide a net Return on Assets return (ex replanting, management and all activities) of 4%.</p> <p>(Target: 4.3%)</p>	<p>Results confirm that a 7.0% net return on assets has been achieved during the 2015/2016 year. An increased harvest area and higher market returns have improved returns to Council. We anticipate returns to continue to improve as the trees mature and provide a higher percentage yield over the coming 5 – 10 years.</p>
<p>Port Tarakohe health and safety procedures are in line with industry best practice and improved to external audit findings.</p>	<p>There will be no health and safety events at the port that are attributed to Council or the Port Manager.</p> <p>(Target: compliant.)</p>	<p>We have had no Council attributed health and safety events during this year.</p> <p>During 2015 Port Tarakohe was independently reviewed by Cosman Parkes for Health and Safety matters to align with industry best practice. Findings around emergency and operational procedures, were immediately implemented. SOP's have been developed for Port operators and a number of ongoing improvements are planned.</p>
<p>Financial sustainability for Port Tarakohe must be achieved.</p>	<p>EBITDA performance of the Port must provide 1.2 times funding cover of all depreciation and debt servicing. The main activities at the port (wharf, marina, recreation) are self-funding.</p> <p>(Target: 1.5 times.)</p>	<p>This year an EBITDA performance of only 0.2 times was achieved. We have seen a significant drop in revenue associated with reductions in dolomite, fishing activities, anticipated aquaculture and marina activity levels.</p> <p>Increases in professional costs involved with discussions on the Port charging methodology and levels have also been required during the year.</p>

## COUNCIL ENTERPRISES AND PROPERTY (CONT.)

### OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM (CONT.)

**FIGURE 50. Council Enterprise and Property Performance Measures**

Comparison of number of performance measures met over three years



The number of performance measures for Council Enterprise has increased in the Long Term Plan 2015 – 2025 from the previous Long Term Plan. The measures now set a detailed range of performance targets.

All targets that could be measured have been achieved or significantly achieved.

## MAJOR ACTIVITIES

The Council Enterprises and Property Group of Activities involves the management, maintenance and renewals of Council's investments in Forestry, Motueka and Takaka aerodromes, four camping grounds, commercial property, operation property, residential tenancies and provision of property management services.

PROJECT NAME	LTP YEARS 1–3	2015 – 2016 BUDGET	ACTUAL 2015/2016
Golden Bay Service Centre	\$506,534	\$506,534	Proposal to seismically strengthen and refit the Centre. Delays to the project meant only \$49,949 was spent in the current financial year. The project is now expected to be completed by the end of 2016.
Motueka Aerodrome access off College Street	\$16,368	\$16,368	Construct and seal access off College Street to Marchwood Park and hangars. \$15,677 was spent in the current financial year.
Motueka Aerodrome Power and Data Reticulation	\$96,920	–	Installation of new power and data services. This project is planned to occur in 2017/2018.

## COUNCIL ENTERPRISES AND PROPERTY (CONT.)

## MAJOR ACTIVITIES (CONT.)

PROJECT NAME	LTP YEARS 1–3	2015 – 2016 BUDGET	ACTUAL 2015/2016
Motueka Aerodrome Pressure Wastewater System	\$10,769	–	Design and installation of a new wastewater system. This project is planned to occur in 2017/2018.
Mapua rebuild	\$1,023,000	\$1,023,000	Commercial retail premises, related community space services and parking contributions were completed. \$1,540,000 was spent in the current financial year. \$155,000 was carried over from 2014/2015 to the current year. The additional costs related to professional costs, cultural finds and tenancy fit-outs (which were subsequently recovered).
Mapua wharf extension/ streetscaping	\$283,681	\$40,920	The streetscaping of the Mapua Wharf precinct was budgeted to occur over two years, this work was brought forward to gain efficiencies. \$260,000 was spent in the current financial year, with a further \$60,000 due 2016/2017. Council agreed to bring forward the future budget from 2016/2017 of \$208,000 to pay for this work.
Port Tarakohe Pile Berths	\$81,840	\$81,840	Commercial berths for larger vessels and addressing Health and safety issues on current structures. \$16,143 was spent in the current financial year as Council investigate and respond to changing demands from Port users. Balance of project to continue 2016/2017.
Port Tarakohe Water Piping and Storage	\$51,150	\$51,150	No funds were spent in the current financial year. This project is to be carried out at the same time as the Pile Berth changes during 2016/2017.
Port Tarakohe Crane	\$167,936	–	One crane for main wharf. This project is planned to commence in 2016/2017 subject to review and business case.
Port Tarakohe Second Wharf	\$76,725	\$76,725	Rebuild fuel platform and main wharf access to address Health and safety issues, replace existing wooden condemned wharf with purpose built wharf to service the mussel industry. \$8,937 was spent in the current financial year and we are now amalgamating this project with the Pile Berth wharf.





## MAJOR ACTIVITIES (CONT.)

PROJECT NAME	LTP YEARS 1 – 3	2015 – 2016 BUDGET	ACTUAL 2015/2016
Motueka Campground	\$1,655,079	\$1,442,430	Buyback of lessee improvements with cabin, road and shed upgrade and ongoing maintenance programme. \$1,611,515 was spent in the current financial year. \$120,000 was carried over from 2014/2015 to the current year and additional costs around. Additional costs related to environmental and tree protection costs for project, which were partly offset by cabin sales.
Pohara Campground	\$632,488	–	Buyback of lessee improvements and ongoing maintenance programme. This project commences in 2016/2017.
Murchison Campground	\$161,533	–	New managers and office accommodation and ongoing maintenance programme. This project commences in 2017/2018.
Collingwood Campground	\$565,310	\$460,350	Major upgrade of facilities to repair impaired infrastructure and address Health and safety issues identified, failures and future requirement plus ongoing maintenance programme. \$85,991 was spent in the current financial year preparing condition assessment and design work.

## COUNCIL ENTERPRISES AND PROPERTY (CONT.)

2014/2015 LTP BUDGET \$'000	2014/2015 ACTUAL \$'000	COUNCIL ENTERPRISES AND PROPERTY	2015/2016 ACTUAL \$'000	2015/2016 ANNUAL PLAN BUDGET \$'000	% OF ANNUAL PLAN BUDGET
<b>SOURCES OF OPERATING FUNDING</b>					
501	342	General rates, uniform annual general charges, rates penalties	(4)	(4)	100%
-	-	Targeted rates	-	-	-
-	-	Subsidies and grants for operating purposes	-	-	-
-	611	Fees and charges	1,083	1,344	81%
824	810	Internal charges and overheads recovered	-	-	-
3,074	2,902	Local authorities fuel tax, fines, infringement fees, other receipts	5,333	3,785	141%
<b>4,399</b>	<b>4,665</b>	<b>Total operating funding</b>	<b>6,412</b>	<b>5,125</b>	<b>125%</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>					
2,735	2,810	Payments to staff and suppliers	3,323	2,815	118%
322	352	Finance costs	392	451	87%
578	318	Internal charges and overheads applied	790	511	155%
-	-	Other operating funding applications	-	-	-
<b>3,635</b>	<b>3,480</b>	<b>Total applications of operating funding</b>	<b>4,505</b>	<b>3,777</b>	<b>119%</b>
<b>763</b>	<b>1,185</b>	<b>Surplus/(deficit) of operating funding</b>	<b>1,907</b>	<b>1,348</b>	<b>141%</b>
<b>SOURCES OF CAPITAL FUNDING</b>					
-	136	Subsidies and grants for capital expenditure	-	-	-
-	-	Development and financial contributions	-	-	-
(322)	(934)	Increase/(decrease) in debt	1,360	2,533	54%
-	-	Gross proceeds from sale of assets	412	-	-
-	-	Lump sum contributions	-	-	-
-	-	Other dedicated capital funding	176	-	-
<b>(322)</b>	<b>(798)</b>	<b>Total sources of capital funding</b>	<b>1,948</b>	<b>2,533</b>	<b>77%</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>					
<b>Capital expenditure</b>					
28	-	• to meet additional demand	-	-	-
-	83	• to improve the level of service	3,290	3,013	109%
91	35	• to replace existing assets	99	180	55%
322	269	Increase/(decrease) in reserves	466	688	68%
-	-	Increase/(decrease) in investments	-	-	-
<b>441</b>	<b>387</b>	<b>Total applications of capital funding</b>	<b>3,855</b>	<b>3,881</b>	<b>99%</b>
<b>(763)</b>	<b>(1,185)</b>	<b>Surplus/(deficit) of capital funding</b>	<b>(1,907)</b>	<b>(1,348)</b>	<b>141%</b>

**Note:** The Funding Impact Statement (FIS) in Long Term Plan 2015 – 2025 for Council Enterprises and Property only contained financials relating to 'Council Enterprises'. The financials for 'Property' are treated as overheads and are not included in the FIS above.

**Comment: Fees and charges** – Port Tarakohe revenue streams were lower than planned for the year. Wharfage revenue was down as growth in mussel crops was lower than expected, Dolomite is also down, but this was offset by growth in general freight. Berthage was down due to a number of early exits from the Port for various reasons, which has since recovered as the Port reconfigures operations, to increase its commercial focus and deals with non-financial users.

**Local authorities fuel tax, infringement fees, and other receipts** – Harvesting revenue was considerably more than expected due to a combination of log prices and harvest volumes being significantly higher than planned. Volumes were up partially due to the clearing of some windblown blocks and entering Borlase Forest earlier than planned. **Payments to staff and suppliers** – Forestry logging costs were up due to higher than forecast volumes being harvested, this is in line with the additional harvesting revenue. Consultancy and legal fees in Port Tarakohe were up as we are engaged in discussion with the Commerce Commission around the new charging scheme introduced at Port Tarakohe as part of the Long Term Plan 2012 – 2022. This process is expected to be concluded in late 2016.

**Gross proceeds from sale of assets** – The additional revenue primarily relates to the gain received on the sale of Forestry carbon credits during the year.

# SUPPORT SERVICES

This section covers strategic planning, customer services, finance, human resources, information management, and health and safety.

Support Services are the internal teams that help Council operate efficiently. Support Services are an essential part of ensuring we operate in an effective and efficient manner, meeting our statutory obligations, and working towards the achievement of 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 proposed.

This group is not classed as a 'group of activities' for Long Term Plan purposes and no funding impact statement is produced for these activities, however we set and report against levels of service.

## STRATEGIC PLANNING

We engage the community in the development of our key documents. The Long Term Plan is our 10 year business plan that provides the vision and direction for the District; we prepare these once every three years. The Annual Plan is prepared in the years between Long Term Plans. The Annual Report is produced every year to ensure that we are doing what we said we would in the Long Term Plan/Annual Plan.

We are responsible for other cross-Council policy work (e.g. Growth Strategy, Pre-Election Report); for reserves planning; for monitoring and reporting on performance; and for guidance on legislative processes (e.g. bylaws, consultation requirements etc.).

## CUSTOMER SERVICES

The customer services team provide a 'one stop shop', offering various contact options to customers through phone, email or face to face contact. Service centres are based in Richmond, Motueka, Takaka and Murchison. Internal departments also rely on customer services to answer customer enquiries and process certain applications on their behalf.

## FINANCE

The finance team is responsible for offering financial advice and services to all of our other activities. All of our operations have some financial aspect to them and require support in areas such as revenue gathering, capital funding, meeting financial and tax obligations, monitoring of expenditure, and corporate reporting. This activity provides a cost effective financial and accounting service that enhances the achievement of our goals and meets the needs of the organisation. It also provides a payroll service.

## HUMAN RESOURCES

The human resource activity works in partnership with managers to ensure that we recruit, train, and support our staff to perform in their roles competently. This activity provides training and development, performance management, remuneration, and related policy development and planning.

## INFORMATION SERVICES AND RECORDS MANAGEMENT

The primary roles of the information services and records management teams are to support and assist other activities to meet their goals and objectives through the provision of practical technological solutions and effective management of data and records. Services provided include information technology, records management, land administration, data integrity and geographical information systems.

## HEALTH AND SAFETY

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

## SUPPORT SERVICES (CONT.)

## OUR LEVEL OF SERVICE – WHAT COUNCIL WILL DO AND HOW IT WILL MEASURE PERFORMANCE OVER THE 10 YEARS FROM 2015 – 2025

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF..	CURRENT PERFORMANCE
We respond to customer requests in a timely and professional manner.	At least 85% of respondents are either fairly satisfied or very satisfied with the service they receive when they contact Council, as measured by the annual residents' survey.  (Target: 85.5% customer satisfaction rate.)	Results from our annual residents survey showed that of those residents that did contact us, either by phone, in person, in writing, or online, 85% were satisfied with our services (this includes 44% who were very satisfied.*  <b>See Figure 51</b> Satisfaction with Service received When Contacting Council, page 161.  * Note the survey does not record figures to 0.5 decimal places.
We produce high quality, fit for purpose and accessible Long Term Plans (LTP), Annual Plans (AP) and Annual Reports (AR).	The Long Term Plan, Annual Plans and Annual Reports are prepared within statutory timeframes and there are no successful challenges to these processes.  (Target: All LTP, AP and AR statutory timeframes are met. LTP amendments are managed to meet statutory requirements.)	The Annual Plan for 2016/2017 was adopted on time and in compliance with statutory requirements. There were no challenges to the process.  The Pre-Election report was also prepared within the statutory deadline.
We provide resolution of most customer phone enquiries during the initial conversation with a Customer Services Officer.	80% of customer phone calls are resolved at first point of contact (i.e. without the need to transfer the call to another staff member).  (Target: ≥80% of customer phone calls resolved at first point of contact.)	82% of all customer phone calls were resolved at first point of contact.
We provide Land Information Memorandums (LIMs) to customers within 10 working days.	100% of LIM applications are processed within the statutory timeframes (i.e. 10 working days).  (Target 1: 100% of LIMs are processed within statutory timeframes.)  The average time taken to process a LIM is reduced to 5 working days by 2016.  (Target 2: The average LIM processing time is 5.5 working days.)	For the year we achieved a 100% success rate with all 831 LIM applications processed on time. This is a 16% increase on our results from the previous year.  The average processing time for our LIMs is seven days. This is a good result given the significant property turnover and growth that has occurred in the District, which placed pressure on staff to process the LIM's on time.  Although we did not meet our target of 5.5 working days, our processing timeframe are still within the legislative requirement of 10 working days (LGOIMA 1987 s44A).

SUPPORT SERVICES (CONT.)

OUR LEVEL OF SERVICE – WHAT COUNCIL WILL DO AND HOW IT WILL MEASURE PERFORMANCE OVER THE 10 YEARS FROM 2015 – 2025 (CONT.)

FIGURE 51. Satisfaction with Service received When Contacting Council

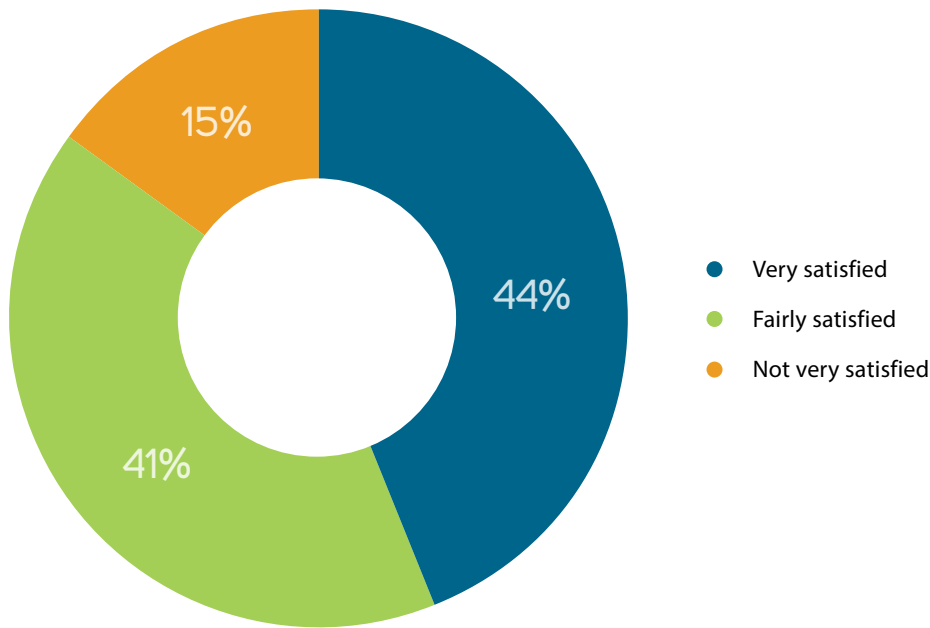
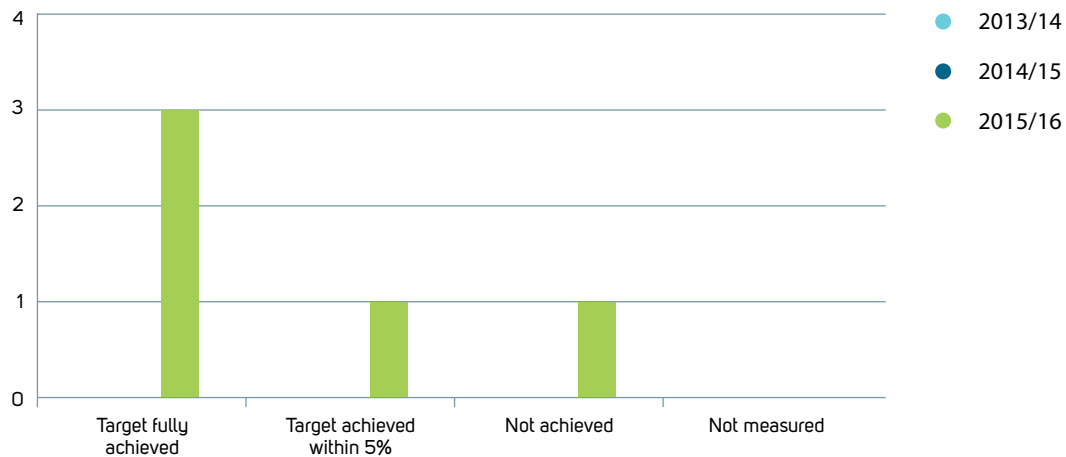


FIGURE 52. Support Services Performance Measures

Comparison of number of performance measures met over three years



Support Services were introduced as a new performance reporting measure in the Long Term Plan 2015 – 2025, so this is the first time these measures are reported against. However, some of the measures such as production of Long Term Plans, Annual Reports etc are the same or similar to the performance measures previously contained in the Governance section of the Long Term Plan 2012 – 2022.

The majority of measures were achieved, with only one measure not achieved. The measure that was not achieved related to the time for processing LIMs. While Council meets the statutory timeframe for processing LIMs (10 working days) it has not met the target it set for itself, of 5.5 working days.

# PART 5 FINANCIAL STATEMENTS

# INTRODUCTION

## STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

The Statement of Comprehensive Revenue and Expense summarises all revenue received including that from rates, the significant activities and Council's associates and joint ventures.

From the total of this revenue is deducted the gross cost of services brought forward from the individual activities, together with expenditure not related to any of the significant activities.

Comprehensive revenue and expense also summarises the change in equity of the Council from transactions and other events and circumstances from non-owner sources. It includes all changes in equity during a period. Therefore, it also includes such items as revaluations of property, plant and equipment.

## BALANCED BUDGET STATEMENT OF FINANCIAL PERFORMANCE

Council is required under the provisions of the LGA 2002 (s.101) to manage its revenues, expenses, assets, liabilities, investments and general dealings prudently and in a manner that promotes the current and future interests of its community. The LGA 2002 (s.100) requires that local authorities "balance the books". This means Council must ensure that each year's projected operating revenues are set at a level sufficient to meet that year's projected operating expenses (breakeven).

## STATEMENT OF FINANCIAL POSITION

The Statement of Financial Position shows the assets and liabilities of the Tasman District Council.

## STATEMENT OF CASHFLOWS

The Statement of Cashflows summarises the cashflows for the year ended 30 June 2016.

## STATEMENT OF CHANGES IN EQUITY

The Statement of Changes in Equity provides a breakdown of the movements in total equity.

## COUNCIL FUNDING IMPACT STATEMENT

The Council Funding Impact Statement provides a breakdown of the net cost of services for significant groups of activities of the Council.

## INDIVIDUAL FUNDING IMPACT STATEMENTS

The individual Funding Impact Statements of Council's significant activities record Council's objectives, and achievements for the year ended 30 June 2016, together with the costs associated with the provision of each service.

## RELATIONSHIP TO THE LONG TERM PLAN 2015–2025 (LTP)

Efforts have been made to structure this report to follow as closely as possible the assumptions, objectives, policies, measures and statements format used in the LTP.

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The Financial Statements should be read in conjunction with the "Notes to the Financial Statements".

# STATEMENT OF ACCOUNTING POLICIES

## REPORTING ENTITY

Tasman District Council (TDC) is a unitary local authority governed by the Local Government Act 2002 (LGA) and the Local Government (Rating) Act 2002. It is domiciled and operates in New Zealand.

The Council provides local infrastructure, local public services, and performs regulatory functions to the community. The Council does not operate to make a financial return.

The Council has designated as a public benefit entity (PBE) for financial reporting purposes.

The financial statements of Council are for the year ended 30 June 2016. The financial statements were authorised for issue by Council on 27 October 2016.

The financial statements have been prepared on the going concern basis, and the accounting policies have been applied consistently throughout the period.

From the 2015/2016 financial year the Council is now revaluing its airfield assets. Previously these were recognised at deemed cost.

The financial statements of Council have been prepared in accordance with the requirements of the LGA which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

These financial statements have been prepared in accordance with Tier 1 PBE accounting standards. These financial statements comply with PBE Standards.

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$'000).

## GST

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST-inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of

cash flows.

Commitments and contingencies are disclosed exclusive of GST.

## OVERHEADS

Indirect overheads have been apportioned on an activity basis, using labour cost of full-time staff employed in those specific output areas.

Indirect costs not directly charged to activities are allocated as overheads using appropriate cost drivers such as actual usage, staff numbers and floor area.

## BUDGET FIGURES

The budget figures are those approved by the Council in Year 1 of its Long Term Plan 2015 – 2025. The budget figures are consistent with the accounting policies adopted by the Council for the preparation of the financial statements at the time the budget was prepared.

## FUNDING IMPACT STATEMENTS

The Funding Impact Statements ("FIS") have been prepared in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014. This is a reporting requirement unique to Local Government and the disclosures contained within and the presentation of these statements is not prepared in accordance with generally accepted accounting practices ("GAAP").

The purpose of these statements is to report the net cost of services for significant groups of activities ("GOA") of the Council, and are represented by the revenue that can be allocated to these activities less the costs of providing the service. They contain all funding sources for these activities and all applications of this funding by these activities. The GOA FIS include internal transactions between activities such as internal overheads and charges applied, and or recovered. A FIS is also prepared at the whole of Council level summarising the transactions contained within the GOA FIS, eliminating internal transactions, and adding in other transactions not reported in the GOA statements.

These statements are based on cash transactions prepared on an accrual basis and as such do not include non cash/accounting transactions that are included within the Comprehensive Revenue and



## STATEMENT OF ACCOUNTING POLICIES (CONT.)

Expense Statement as required under GAAP. These items include, but are not limited to, Council's depreciation, gain and/or losses on revaluation and vested assets.

They also depart from GAAP as funding sources are disclosed within the FIS as being either for operational or capital purposes. Revenue such as subsidies received for capital projects, development and financial contributions and gains on sale of assets are recorded as capital funding sources. Under GAAP these are treated as revenue in the Comprehensive Revenue and Expense Statement.

### CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

In preparing these financial statements Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

#### LANDFILL AFTERCARE COSTS

As operator of the Eves Valley and Murchison landfills, the Council has a legal obligation to provide ongoing maintenance and monitoring services at the landfill sites after closure. The landfill post-closure provision is recognised in accordance with PBE IPSAS 19 Provisions, Contingent Liabilities and Contingent Assets. This provision is calculated on the basis of discounting closure and post-closure costs into present-day value.

The calculations assume no change in the legislative requirements for closure and post-closure treatment.

#### INFRASTRUCTURAL ASSETS

There are a number of assumptions and estimates used when performing DRC valuations over Infrastructural assets. These include:

- the physical deterioration and condition of an asset, for example the Council could be carrying an asset at an amount that does not reflect

its actual condition. This is particularly so for those assets which are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets;

- estimating any obsolescence or surplus capacity of an asset; and
- estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then Council could be over or under estimating the annual depreciation charge recognised as an expense in the surplus or deficit. To minimise this risk Council's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of the Council's asset management planning activities, which gives Council further assurance over its useful life estimates.

Experienced independent valuers perform Council's infrastructural asset revaluations.

### CRITICAL JUDGEMENT IN APPLYING COUNCIL'S ACCOUNTING POLICIES

Management have exercised the following critical judgement in applying the Council's accounting policies.

#### CLASSIFICATION OF PROPERTY

Council owns a number of properties which are maintained primarily to provide community housing. The receipt of lower than market-based rental from these properties is incidental to holding these properties. These properties are held for service delivery objectives. These properties are accounted for as property, plant and equipment.

# STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the year ended 30 June 2016

JUNE 15 ACTUAL \$'000		NOTES	JUNE 16 ACTUAL \$'000	JUNE 16 BUDGET \$'000	% OF BUDGET
<b>REVENUE</b>					
33,187	General rates	2	35,046	35,039	100%
31,910	Targeted rates	2	32,853	32,817	100%
6,203	Development and financial contributions		4,720	5,267	90%
8,728	Subsidies and grants	4	7,801	8,065	97%
14,462	Fees and charges	5	15,368	15,953	96%
19,611	Other revenue	3	21,939	7,253	302%
667	Finance revenue	8	449	536	84%
2,755	Revenue of joint ventures	21	2,697	4,064	66%
4,149	Share of associates surplus/deficit	20	2,239	2,372	94%
<b>121,672</b>	<b>Total revenue</b>	<b>1</b>	<b>123,112</b>	<b>111,366</b>	<b>111%</b>
<b>EXPENSES</b>					
8,068	Finance costs	8	7,941	9,864	81%
18,964	Employee benefit expenses	6	20,023	19,905	101%
21,635	Depreciation	15, 17	22,259	23,883	93%
48,690	Other expenses	7	53,191	47,259	113%
2,899	Expenditure of joint venture	21	2,964	2,922	101%
<b>100,256</b>	<b>Total expenses</b>	<b>1</b>	<b>106,378</b>	<b>103,833</b>	<b>102%</b>
<b>21,416</b>	<b>Surplus/(deficit) before taxation</b>		<b>16,734</b>	<b>7,533</b>	<b>222%</b>
–	Tax expense	9	(860)	–	–
<b>21,416</b>	<b>Surplus/(deficit) after tax</b>	<b>36</b>	<b>15,874</b>	<b>7,533</b>	<b>211%</b>
<b>OTHER COMPREHENSIVE REVENUE AND EXPENSE</b>					
34,679	Gain on asset revaluations	26	33,630	47,585	71%
–	Deferred tax on asset revaluations	9	860	–	–
756	Movement in NZLG shares value	26	1,055	–	–
(63)	Opening equity restatement– JV/associate		–	–	–
185	Other comprehensive revenue– associates	20, 26	(276)	–	–
<b>35,557</b>	<b>Total other comprehensive revenue and expense</b>		<b>35,269</b>	<b>47,585</b>	<b>74%</b>
<b>56,973</b>	<b>Total comprehensive revenue and expense</b>		<b>51,143</b>	<b>55,118</b>	<b>93%</b>

The table shows the actual accounting net position was a surplus of \$16.7 million compared with a budgeted accounting surplus of \$7.5 million. This equates to a surplus or favourable variance of \$9.2 million, and includes such items as; development contributions, vested assets, interest rate swap valuations, and movement in the forestry revaluation.

# BALANCED BUDGET STATEMENT OF FINANCIAL PERFORMANCE

For the year ended 30 June 2016

JUNE 15 ACTUAL \$'000		JUNE 16 ACTUAL \$'000	JUNE 16 BUDGET \$'000
121,672	Total revenue	123,112	107,302
100,256	Total expenses	106,378	100,911
<b>21,416</b>	<b>Surplus/(deficit)</b>	<b>16,734</b>	<b>6,391</b>
	<b>LESS</b>		
4,005	Share of JV and associates (net)	1,972	-
7,172	Vested assets	7,895	2,966
5,122	Capital grants and subsidies	3,064	3,404
6,203	Development and financial contributions	4,720	5,267
(1,751)	Other gains/losses	(4,762)	476
-	Capital rates income	2,564	3,119
19,573	Principal repaid (excl JV) through operating revenue*	13,004	942
<b>40,324</b>		<b>28,457</b>	<b>16,174</b>
	<b>PLUS</b>		
21,635	Depreciation not funded	22,259	10,653
3,075	Dividends from associates	2,705	-
<b>24,710</b>		<b>24,964</b>	<b>10,653</b>
<b>5,802</b>	<b>Underlying operating surplus</b>	<b>13,241</b>	<b>870</b>
(5,802)	Net transfers from reserves and equity	(13,241)	(870)
<b>-</b>	<b>Balanced budget – operating revenue agrees to operating expenditure</b>	<b>-</b>	<b>-</b>

\* Repayment of principal on loans is treated as an operating expense as Council chooses to loan fund renewals rather than to cash fund depreciation. Council has started to transition to fully funded depreciation.

## EXPLANATION OF COUNCIL'S BALANCED BUDGET REQUIREMENT

Council is required under the provisions of the LGA 2002 (s.101) to manage its revenues, expenses, assets, liabilities, investments and general dealings prudently and in a manner that promotes the current and future interests of its community. The LGA 2002 (s.100) requires that local authorities "balance the books". This means Council must ensure that each year's projected operating revenues are set at a level sufficient to meet that year's projected operating expenses (break even).

# STATEMENT OF FINANCIAL POSITION

As at 30 June 2016

JUNE 15 ACTUAL \$'000		NOTES	JUNE 16 ACTUAL \$'000	JUNE 16 BUDGET \$'000
<b>CURRENT ASSETS</b>				
3,202	Cash and cash equivalents	10	3,221	1,769
15,190	Trade and other receivables	11	13,275	11,934
1,491	Other financial assets	13	1,521	1,715
288	Non-current assets held for resale	14	770	1,864
<b>20,171</b>			<b>18,787</b>	<b>17,282</b>
<b>CURRENT LIABILITIES</b>				
13,534	Trade and other payables	22	12,290	12,329
2,029	Employee benefit liabilities	24	1,772	1,722
54	Derivative financial instruments	12	–	–
6,002	Current portion of borrowings	25	3	16,564
<b>21,619</b>			<b>14,065</b>	<b>30,615</b>
<b>(1,448)</b>	<b>Working capital</b>		<b>4,722</b>	<b>(13,333)</b>
<b>NON-CURRENT ASSETS</b>				
92,213	Investments in associates	20	109,933	88,098
5,101	Other financial assets	13	6,165	6,574
1,043	Intangible assets	16	984	859
–	Trade and other receivables	11	–	32
26,789	Forestry assets	18	32,848	22,009
1,770	Investment property	19	4,620	1,869
1,279,724	Property, plant and equipment	15	1,301,387	1,355,265
<b>1,406,640</b>			<b>1,455,937</b>	<b>1,474,706</b>
<b>NON-CURRENT LIABILITIES</b>				
139,009	Term borrowings	25	133,006	160,187
8,075	Derivative financial instruments	12	17,946	3,197
532	Employee benefit liabilities	24	512	562
1,204	Provisions	23	1,680	1,041
<b>148,820</b>			<b>153,144</b>	<b>164,987</b>
<b>1,256,372</b>	<b>Total net assets</b>		<b>1,307,515</b>	<b>1,296,386</b>
<b>EQUITY</b>				
535,173	Accumulated equity	27	554,438	528,482
18,467	Reserve funds	28	17,447	17,405
702,732	Revaluation reserves	26	735,630	750,499
<b>1,256,372</b>	<b>Total equity</b>		<b>1,307,515</b>	<b>1,296,386</b>

The Statement of Accounting Policies and Notes to the Financial Statements form an integral part of, and should be read in conjunction with, these financial statements.

# STATEMENT OF CASHFLOWS

For the year ended 30 June 2016

JUNE 15 ACTUAL \$'000	NOTES	JUNE 16 ACTUAL \$'000	JUNE 16 BUDGET \$'000
<b>CASHFLOW FROM OPERATING ACTIVITIES</b>			
<b>Cash was provided from:</b>			
36,019	• Fees and charges	40,672	36,191
65,490	• Rates revenue	67,326	67,794
2,350	• Dividends received	2,908	2,502
602	• Interest received	403	536
<b>104,461</b>		<b>111,309</b>	<b>107,023</b>
<b>Cash was disbursed to:</b>			
(60,650)	• Payments to suppliers and employees	(64,200)	(69,121)
(8,563)	• Interest paid	(8,545)	(9,864)
(218)	• Net GST paid	(363)	-
<b>(69,431)</b>		<b>(73,108)</b>	<b>(78,985)</b>
<b>35,030</b>	<b>Net cashflow from operating</b>	<b>38,201</b>	<b>28,038</b>
	<b>29</b>		
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
<b>Cash was provided from:</b>			
1,617	• Proceeds from sale of assets	728	87
221	• Proceeds from sale of investments	194	-
<b>1,838</b>		<b>922</b>	<b>87</b>
<b>Cash was disbursed to:</b>			
(33,295)	• Purchase of assets	(26,906)	(33,984)
(372)	• Purchase of investments	(196)	(1,482)
<b>(33,667)</b>		<b>(27,102)</b>	<b>(35,466)</b>
<b>(31,829)</b>	<b>Net cashflow from investing</b>	<b>(26,180)</b>	<b>(35,379)</b>
<b>CASHFLOW FROM FINANCING ACTIVITIES</b>			
<b>Cash was provided from:</b>			
<b>6,025</b>	• Loans raised	-	<b>24,252</b>
<b>Cash was disbursed to:</b>			
<b>(10,050)</b>	• Loan principal repayments	<b>(12,002)</b>	<b>(16,564)</b>
<b>(4,025)</b>	<b>Net cashflow from financing</b>	<b>(12,002)</b>	<b>7,688</b>
<b>(824)</b>	<b>Total net cashflows</b>	<b>19</b>	<b>347</b>
4,026	Opening cash held	3,202	1,422
<b>3,202</b>	<b>Closing cash balance</b>	<b>3,221</b>	<b>1,769</b>
<b>Represented by:</b>			
3,202	• Cash and cash equivalents	3,221	1,769
<b>3,202</b>		<b>3,221</b>	<b>1,769</b>

The Statement of Accounting Policies and Notes to the Financial Statements form an integral part of, and should be read in conjunction with, these financial statements.



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## STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2016

JUNE 15 ACTUAL \$'000		JUNE 16 ACTUAL \$'000	JUNE 16 BUDGET \$'000
<b>1,199,399</b>	<b>Equity at the start of the year</b>	<b>1,256,372</b>	<b>1,241,268</b>
56,973	Total comprehensive revenue and expense	51,143	55,118
<b>1,256,372</b>	<b>Equity at the end of the year</b>	<b>1,307,515</b>	<b>1,296,386</b>

The Statement of Accounting Policies and Notes to the Financial Statements form an integral part of, and should be read in conjunction with, these financial statements.

# COUNCIL FUNDING IMPACT STATEMENT

For the year ended 30 June 2016

2014/2015 ANNUAL PLAN BUDGET \$'000	2014/2015 ACTUAL \$'000	FUNDING IMPACT STATEMENT	2015/2016 ACTUAL \$'000	2015/2016 LTP BUDGET \$'000	% OF LTP BUDGET
<b>SOURCES OF OPERATING FUNDING</b>					
33,298	33,301	General rates, uniform annual general charges, rates penalties	35,478	35,039	101%
31,822	32,088	Targeted rates	32,894	32,816	100%
4,086	3,606	Subsidies and grants for operating purposes	4,737	4,661	102%
16,003	14,542	Fees and charges	19,187	15,754	122%
2,810	3,065	Interest and dividends from investments	3,334	3,508	95%
6,910	5,961	Local authorities fuel tax, fines, infringement fees, and other receipts	7,659	8,610	84%
<b>94,929</b>	<b>92,563</b>	<b>Total operating funding</b>	<b>103,289</b>	<b>100,388</b>	<b>103%</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>					
68,636	60,524	Payments to staff and suppliers	63,876	71,328	90%
9,995	8,071	Finance costs	8,103	9,844	81%
-	-	Other operating funding applications	-	-	-
<b>78,631</b>	<b>68,595</b>	<b>Total applications of operating funding</b>	<b>71,979</b>	<b>81,172</b>	<b>89%</b>
<b>16,298</b>	<b>23,968</b>	<b>Surplus/(deficit) of operating funding</b>	<b>31,310</b>	<b>19,216</b>	<b>163%</b>
<b>SOURCES OF CAPITAL FUNDING</b>					
4,760	5,122	Subsidies and grants for capital expenditure	3,064	3,404	90%
2,920	6,252	Development and financial contributions	4,720	5,267	90%
8,734	(4,026)	Increase/(decrease) in debt	(12,000)	7,689	-156%
85	116	Gross proceeds from sale of assets	476	87	547%
-	17	Lump sum contributions	-	-	-
-	-	Other dedicated capital funding	176	-	-
<b>16,499</b>	<b>7,481</b>	<b>Total sources of capital funding</b>	<b>(3,564)</b>	<b>16,447</b>	<b>-22%</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>					
<b>Capital expenditure</b>					
3,461	3,423	• to meet additional demand	1,915	2,316	83%
16,293	22,161	• to improve the level of service	13,466	14,718	91%
11,380	8,731	• to replace existing assets	10,997	17,267	61%
1,663	(3,772)	Increase/(decrease) in reserves	1,402	(97)	3546%
-	906	Increase/(decrease) in investments	(34)	1,459	-2%
<b>32,797</b>	<b>31,449</b>	<b>Total applications of capital funding</b>	<b>27,746</b>	<b>35,663</b>	<b>78%</b>
<b>(16,298)</b>	<b>(23,968)</b>	<b>Surplus/(deficit) of capital funding</b>	<b>(31,310)</b>	<b>(19,216)</b>	<b>163%</b>

The Statement of Accounting Policies and Notes to the Financial Statements form an integral part of, and should be read in conjunction with, these financial statements.

# STATEMENT OF COMMITMENTS

As at 30 June 2016

## CONTRACTUAL COMMITMENTS

These are commitments for which a formal contract has been entered at 30 June 2016.

2014/2015 \$'000		2015/2016 \$'000
10,037	Utilities maintenance	7,005
1,366	Stormwater	160
8,169	Road maintenance	16,468
20,331	Refuse operations	17,149
1,295	Water supply maintenance	1,055
190	Wastewater reticulation maintenance	2,377
1,914	River maintenance	5,186
462	Parks and reserves programmed maintenance	356
92	Richmond Aquatic Centre	892
6,386	Parks and reserves	4,258
<b>50,242</b>		<b>54,906</b>

These commitments are based on the legal commitment outstanding under contracts. They do not take into account any additional work required due to emergency events or any adjustments to costs based on inflation.

## OPERATING LEASES AS LESSEE

Council leases property, plant and equipment in the normal course of its business. The majority of these leases have a non-cancellable term of 24 months. The future aggregate minimum lease payments to be made under non-cancellable operating leases are as follows:

2014/2015 \$'000	NON CANCELLABLE OPERATING LEASE COMMITMENTS	2015/2016 \$'000
8	No later than one year	2
2	Later than one year, not later than two years	-
-	Later than two years, not later than five years	-
<b>10</b>		<b>2</b>



# STATEMENT OF CONTINGENT ASSETS AND LIABILITIES

As at 30 June 2016

## A) GUARANTEES

Council has agreed to act as guarantor for the following loan:

2014/2015		2015/2016
\$20,000	Motueka Promotions Association	\$20,000
<b>\$20,000</b>		<b>\$20,000</b>

This is in the form of a guarantee for the loan to Westpac. The probability of liability is considered remote and hence no estimate of possible liability has been made. The value of guarantees disclosed as contingent liabilities reflects Council's assessment of the undiscounted portion of financial guarantees that are not recognised in the statement of financial position.

## B) GUARANTEE – NEW ZEALAND LOCAL GOVERNMENT FUNDING AGENCY LIMITED

Tasman District Council is a guarantor of the New Zealand Local Government Funding Agency Limited (NZLGFA). The NZLGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand and it has a current credit rating from Standard and Poor's of AA+.

Tasman District Council is one of 31 local authority shareholders and 43 local authority guarantors of the NZLGFA. In that regard it has uncalled capital of \$1.866 million. When aggregated with the uncalled capital of other shareholders, \$20 million is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, Tasman District Council is a guarantor of all of NZLGFA's borrowings. At 30 June 2016, NZLGFA had borrowings totalling \$6.22 billion (2015: \$4.998 billion).

Financial reporting standards require Tasman District Council to recognise the guarantee liability at fair value. However, the Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. The Council considers the risk of NZLGFA defaulting on repayment

of interest or capital to be very low on the basis that:

- we are not aware of any local authority debt default events in New Zealand; and
- local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required.

## C) OTHER CONTINGENT LIABILITIES

Council has contingent liabilities of \$Nil (30 June 2015: \$Nil). Council has no contingent claims against other parties (30 June 2015: Nil).

Seven active claims have been lodged with the Weathertight Homes Resolution Service (WHRS) as at 30 June 2016 (June 2015: six active claims). These claims relate to weather tightness issues of homes in the Tasman District and name Tasman District Council as well as other parties. It is not certain whether all of these claims are valid. Council is unable to assess its exposure to the claims lodged with the WHRS and has not allowed for any contingent liabilities relating to this. RiskPool from 1 July 2009 is no longer providing coverage for leaky homes. Council has provided for no contingent liability claims in 2016 (2015: Nil).

Council is a signatory to the Government's leaky homes package, which may expose Council to up to 25% of any settlement costs.

The Council is also exposed to potential future claims which have not yet been advised until the statutory limitation period expires. The amount of potential future claims are not able to be reliably measured and is therefore unquantifiable. Claims must be made within 10 years of construction or alteration of the dwelling in order for the claim to be eligible under the Weathertight Homes Resolution Services (WHRS) Act 2006, but other statutory limitation periods could also affect claims.

RiskPool provides public liability and professional indemnity insurance for its members. The Council is a member of RiskPool. The Trust Deed of RiskPool provides that, if there is shortfall (whereby claims exceed contributions of members and reinsurance

## STATEMENT OF CONTINGENT ASSETS AND LIABILITIES (CONT.)

recoveries) in any Fund year, then the Board may make a call on members for that fund year.

The Council received a notice during July 2012 for a call for additional contributions in respect of the 2002/2003 and 2003/2004 Fund years as those funds are exhibiting deficits due to the "leaky building" issue. This notice also highlighted that it is possible that further calls could be made in the future. A liability will be recognised for the future calls when there is more certainty over the amount of the calls.

Council is aware of two claims brought against Council. The first claim relates to an Environment Court ruling against Council with orders made. Council's maximum exposure to this claim is approximately \$850,000, of which \$383,044 has already been paid. Further proceedings were initiated in the Nelson High Court in April 2014.

The second claim relates to the sinking of a yacht and its valuation. An amended claim was served on Council in April 2016. It is too early to estimate the outcome and effect on Council. Council is covered by insurance with an excess of \$5,000.

Council is required to undertake seismic assessments of its buildings under its Earthquake Prone Buildings Policy prepared under the Building Act 2004. These assessments are in two parts, firstly Initial Evaluation Procedures (IEPs) are made and if the results show that a building may be earthquake prone, then a further Detailed Engineering Assessment (DEA) is made. The assessments undertaken to date only cover some of the Council's community buildings. There are a number of other buildings where initial or detailed assessments have yet to be completed. The Golden Bay Service Centre has been vacated as it is considered unsafe and the value of the building has been written down to \$Nil. The design for the strengthening and refurbishment of the Golden Bay Service Centre has commenced. Decisions were made as part of the Long Term Plan 2015 – 2025 process as to whether to strengthen any buildings or whether any buildings under standard will be demolished if necessary. Currently five buildings have been assessed as high priorities for upgrade (2015: five buildings). Instructions have been issued to undertake IEP's for 14 further

community buildings

### D) OTHER CONTINGENT ASSETS

2016: \$Nil. (2015: For the flood events that occurred in December 2010 and December 2011, Council is able to recover a portion of its costs from a number of sources, including insurance, New Zealand Transport Agency subsidies and Central Government subsidies. For the December 2011 event, Council has recognised a Ministry of Civil Defence and Emergency Management claim for the event. Council expects that it is probable that this claim will be accepted).

### E) ASSOCIATES CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Calwell Basin, which has been fully impaired, contains contaminated seabed sediments. Port Nelson has title to this area of seabed. While the marine engineering and vessel coating industries in and around the slipway area are now controlled, the historical contamination still persists in the sediments. The ongoing sedimentation of the basin now requires dredging to allow for the ongoing operation of the slipway and surrounding the marine engineering and vessel coating industries. Port Nelson, together with the Nelson City Council, has attained reasonable certainty regarding the quantification of the liability associated with the remediation works.

During 2013 Port Nelson, together with the Nelson City Council, obtained funding from the MFE to undertake Remediation Planning (Phase Three) work to establish a preferred approach for remediation of the contaminated sediments. The work required under Phase Three was completed during the 2014 financial year.

During the 2015 financial year Port Nelson and MFE signed a letter of intent that proposes the commencement of remediation in the 2017 financial year. Phase 3b works were undertaken in the 2016 financial year. This phase refined the remediation approach and resulted in an application for resource consent to complete the works being lodged. The approved programme of work for Phase 4 is expected to be completed by 31 December 2017.

# PART 6 NOTES TO THE FINANCIAL STATEMENTS



Commercial Street, Takaka

# NOTES TO THE FINANCIAL STATEMENTS

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## NOTE 1: SUMMARY OF REVENUE AND EXPENDITURE FOR GROUPS OF ACTIVITIES

2014/2015 \$'000	NOTE 1 SUMMARY REVENUE AND EXPENDITURE FOR GROUPS OF ACTIVITIES	2015/2016 \$'000
<b>REVENUE</b>		
10,172	Environmental Management	9,865
4,843	Public Health and Safety	5,366
20,090	Transportation, Roads and Footpaths	19,173
1,919	Coastal Structures	740
10,007	Water	11,491
12,237	Wastewater	11,903
4,705	Stormwater	5,461
6,976	Solid Waste	7,154
3,507	Flood Protection and River Control Works	3,356
2,556	Community Relations	2,680
16,519	Community Facilities and Parks	16,435
11,741	Council Enterprises and Property	13,246
3,544	Governance	3,353
12,856	Overhead activities including treasury, joint ventures and associates	12,889
<b>121,672</b>	<b>Total revenue</b>	<b>123,112</b>
<b>EXPENSES</b>		
9,246	Environmental Management	9,386
4,949	Public Health and Safety	5,716
19,800	Transportation, Roads and Footpaths	20,074
1,392	Coastal Structures	349
9,129	Water	10,046
8,664	Wastewater	8,581
3,303	Stormwater	3,855
6,268	Solid Waste	7,537
2,267	Flood Protection and River Control Works	1,831
2,522	Community Relations	2,452
15,750	Community Facilities and Parks	14,889
3,987	Council Enterprises and Property	4,535
3,255	Governance	2,737
9,724	Overhead activities including treasury, joint ventures and associates	14,390
<b>100,256</b>	<b>Total expenses</b>	<b>106,378</b>

## NOTE 2: RATES

### RATES RECOGNITION

Rates income is recognised on an accrual basis and is measured at the fair value of consideration received or receivable.

The following particular policies apply:

- General rates, targeted rates (excluding water-by-meter), and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. The Council considers that the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.
- Rates arising from late payment penalties are recognised as revenue when rates become overdue.
- Rates remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rates remission policy.
- Water billing revenue is recognised on an accrual basis with unread meters at year end accrued on an average usage basis.

2014/2015 \$'000	NOTE 2 RATES	2015/2016 \$'000
<b>33,187</b>	<b>General rates</b>	<b>35,046</b>
<b>TARGETED RATES ATTRIBUTABLE TO ACTIVITIES</b>		
371	Environmental Management	311
6	Transportation, Roads and Footpaths	–
119	Coastal Structures	103
8,005	Water Supply	8,608
9,728	Wastewater	10,243
3,330	Stormwater	3,905
2,169	Solid Waste	2,180
2,996	Flood Protection and River Control Works	2,680
3,322	Community Facilities and Parks	3,330
1,192	Community Relations	1,205
672	Governance	288
<b>31,910</b>		<b>32,853</b>
<b>65,097</b>	<b>Total rates</b>	<b>67,899</b>

## NOTE 2: RATES (CONT.)

Included in targeted rates attributable to water supply is income received or to be received from targeted rates for metered water supply of \$6,777,000 (2015: \$6,304,000).

The Council is required by the LGFA Guarantee and Indemnity Deed to disclose in its financial statements (or notes) its annual rates revenue. That Deed defines annual rates revenue as an amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating Act) 2002 together with any revenue received by the Council from other local authorities for services provided by that Council for which those other Local Authorities rate. The annual rates revenue of the Council for the year ended 30 June 2016 for the purposes of the LGFA Guarantee and Indemnity Deed disclosure is shown below:

2014/2015 \$'000		2015/2016 \$'000
65,097	Rates	67,899
–	Lump sum contributions	–
<b>65,097</b>		<b>67,899</b>
65,446	Total rates revenue	68,120
(349)	Rates remissions	(221)
<b>65,097</b>	<b>Rates revenue net of remissions</b>	<b>67,899</b>

Rates revenue is shown net of rates remissions. The rates remission policy allows TDC to remit rates when certain conditions and criteria are met. Some examples of situations where rates may be remitted include when land has been detrimentally affected by natural disaster, on properties with a rating valuation up to \$4,500, and on land used for sporting, recreation or community services purposes.

In accordance with Local Government (Rating) Act 2002 certain properties cannot be rated for general rates. This includes schools, places of religious worship, public gardens and reserves. These non-rateable properties, where applicable, may be subject to targeted rates in respect of wastewater, water, refuse and sanitation. Non rateable land does not constitute a remission under Councils rates remission policy.

A rating revaluation occurs every three years. They are prepared on behalf of the Tasman District Council by Quotable Value (QV). The entire process is independently audited by the Office of the Valuer General. The effective date for the current revaluation is 1 September 2014, and will be used by Council as the basis for distributing individual rates obligations for the three financial years, starting from 1 July 2015.

### NOTE 3: OTHER REVENUE

Revenue is recognised on an accrual basis and is measured at the fair value of consideration received or receivable.

The following particular policies apply:

- Development contributions and reserve financial contributions are recognised as revenue when the Council provides, or is able to provide, the service that gave rise to the charging of the contribution. Otherwise development contributions and financial contributions are recognised as liabilities until such time as the Council provides, or is able to provide, the service.
- Interest is recognised using the effective interest method.
- Dividends are recognised when the right to receive payment has been established.
- Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as revenue. Assets vested in Council are recognised as revenue when control over the asset is obtained. The fair value of vested or donated assets is usually determined by reference to the cost of constructing the asset. For assets received from property developments, the fair value is based on construction price information provided from the most recent revaluation.
- Infringements are recognised when the fine is issued.

2014/2015 \$'000	NOTE 3 OTHER REVENUE	2015/2016 \$'000
80	Rental revenue from investment properties	275
90	Infringements and fines	112
350	Petrol tax	360
132	Dividend revenue	120
2,327	Forestry harvesting revenue	4,464
7,172	Vested assets	7,895
116	Gain on disposal of property plant and equipment	476
–	Insurance recoveries	176
6,691	Gain on changes in fair value of forestry assets	6,057
2,653	Other	2,004
<b>19,611</b>		<b>21,939</b>



## NOTE 4: SUBSIDIES AND GRANTS

Revenue is recognised on an accrual basis and is measured at the fair value of consideration received or receivable.

The following particular policies apply:

- Council receives government grants from the New Zealand Transport Agency, which subsidises part of Council's costs in maintaining the local roading infrastructure. New Zealand Transport Agency revenue is recognised on entitlement when conditions pertaining to eligible expenditure are fulfilled.
- Other grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

2014/2015 \$'000	NOTE 4 SUBSIDIES AND GRANTS	2015/2016 \$'000
7,860	NZ Transport Agency government grants	5,878
614	Government grants	97
254	Government subsidies	1,826
<b>8,728</b>		<b>7,801</b>

There are no unfulfilled conditions and other contingencies attached to government grants recognised.

## NOTE 5: FEES AND CHARGES

Revenue is recognised on an accrual basis and is measured at the fair value of consideration received or receivable.

The following particular policies apply:

- Fees and charges for building and resource consent services are recognised on a percentage completion basis with reference to the recoverable costs incurred at balance date.

2014/2015 \$'000	NOTE 5 FEES AND CHARGES	2015/2016 \$'000
3,697	Building, resource consent, public health and liquor licensing charges	3,912
4,053	Landfill/resource recovery centre charges	4,222
3,710	Sales	3,884
1,236	Sundry fees and recoveries	1,218
1,766	Other fees and charges	2,132
<b>14,462</b>		<b>15,368</b>

## NOTE 6: EMPLOYEE BENEFIT EXPENSES

2014/2015 \$'000	NOTE 6 EMPLOYEE BENEFIT EXPENSES	2015/2016 \$'000
17,997	Salary and wages	19,541
740	Kiwisaver/Superannuation Schemes employer contributions	759
227	Increase/(decrease) in employee benefit liabilities	(277)
<b>18,964</b>		<b>20,023</b>

## NOTE 7: OTHER EXPENSES

### GRANT EXPENDITURE

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

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

### OPERATING LEASE

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight line basis over the lease term.

2014/2015 \$'000	NOTE 7 OTHER EXPENSES	2015/2016 \$'000
196	Bad debts written off	144
332	Movement in bad debts provision	105
109	Audit fees – Annual Report	111
2	Audit fees – other	2
88	Audit fees – LTP	10
12	Donations	14
154	Minimum lease payments under operating leases	149
4,310	Consultants	4,724
19,039	Contractors/maintenance	18,891
652	Loss on changes in fair value of investment property	651
–	Revaluation decrease greater than revaluation reserve	976
7,830	Unrealised loss on interest rate derivatives	9,817
76	Loss on disposal of property plant and equipment	827
15,890	Other expenses	16,770
<b>48,690</b>		<b>53,191</b>

## NOTE 8: FINANCE COSTS AND FINANCE REVENUE

Interest revenue is recognised using the effective interest method.

2014/2015 \$'000	NOTE 8 FINANCE COSTS AND FINANCE REVENUE	2015/2016 \$'000
<b>FINANCE COSTS</b>		
<b>Interest expense</b>		
8,013	Interest on borrowings	7,467
4	Interest on finance leases	2
51	Provisions: discount unwinding	472
<b>8,068</b>	<b>Total finance costs</b>	<b>7,941</b>
<b>FINANCE REVENUE</b>		
<b>Interest revenue</b>		
569	Interest on bank deposits	403
83	Interest on related party loans	33
15	Interest on community loans	13
<b>667</b>	<b>Total finance revenue</b>	<b>449</b>

## NOTE 9: TAX

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

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

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

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

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

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

## NOTE 9: TAX (CONT.)

2014/2015 \$'000	NOTE 9 TAX	2015/2016 \$'000
<b>RELATIONSHIP BETWEEN TAX EXPENSE AND ACCOUNTING PROFIT</b>		
<b>21,416</b>	<b>Net surplus</b>	<b>16,734</b>
5,996	Prima facie tax at 28%	4,686
<b>Non deductible expenditure</b>		
(6,014)	Loss not previously recognised (tax effect)	(4,152)
18	Deferred tax adjustment	326
<b>-</b>	<b>Tax expense</b>	<b>860</b>
<b>COMPONENTS OF TAX EXPENSE</b>		
-	Current tax expense	-
-	Adjustments to current tax in prior years	-
-	Deferred tax expense	860
-	Income tax expense	-
<b>-</b>		<b>860</b>

	PROPERTY, PLANT AND EQUIPMENT \$'000	TAX LOSSES \$'000	TOTAL \$'000
<b>DEFERRED TAX ASSETS/(LIABILITIES)</b>			
<b>Balance at 1 July 2014</b>	<b>(834)</b>	<b>834</b>	<b>-</b>
Charged to surplus or deficit	18	(18)	-
Charged to comprehensive revenue and expense	-	-	-
<b>Balance at 1 July 2015</b>	<b>(816)</b>	<b>816</b>	<b>-</b>
Charged to surplus or deficit	(534)	(326)	860
Charged to comprehensive revenue and expense	860	-	860
<b>Balance at 1 July 2016</b>	<b>(490)</b>	<b>490</b>	<b>-</b>

A deferred tax asset has not been recognised in relation to tax losses of \$10,369,000 (2015: \$8,594,000).

## NOTE 10: CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash-in-hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

2014/2015 \$'000	NOTE 10 CASH AND CASH EQUIVALENTS	2015/2016 \$'000
3,202	Cash at bank and in hand	3,221
-	Short term deposits maturing three months or less from date of acquisition	-
<b>3,202</b>	<b>Total cash and cash equivalents</b>	<b>3,221</b>

The carrying value of short-term deposits with maturity dates of three months or less approximates their fair value.

## NOTE 11: TRADE AND OTHER RECEIVABLES

Receivables are recorded at their face value, less any provision for impairment.

2014/2015 \$'000	NOTE 11 TRADE AND OTHER RECEIVABLES	2015/2016 \$'000
1,292	Rates receivables	1,170
14,543	Other receivables	12,699
173	Prepayments	367
<b>16,008</b>		<b>14,236</b>
(818)	Less provision for doubtful debts	(961)
<b>15,190</b>		<b>13,275</b>
	<b>Comprising:</b>	
15,190	Current portion	13,275
-	Non-current	-
<b>15,190</b>	<b>Total trade and other receivables</b>	<b>13,275</b>

The carrying amount of trade and other receivables approximates their fair value.

There is no concentration of credit risk with respect to receivables.

## NOTE 11: TRADE AND OTHER RECEIVABLES (CONT.)

TDC does not provide for any impairment on rates receivable as it has various powers under the Local Government (rating) Act 2002 to recover any outstanding debts. These powers allow the Council to commence legal proceedings to recover any rates that remain unpaid 4 months after the due date for payment. If payment has not been made within 3 months of the Court's judgement, then the Council can apply to the Registrar of the High Court to have the judgement enforced by sale or lease of the rating unit.

All receivables greater than 30 days in age are considered to be past due.

The impairment provision has been calculated based on a review of specific overdue receivables. There has been no collective impairment based on an analysis of past collection history and debt write-offs. The Council holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.

Movements in the provision for impairment of receivables is as follows:

2014/2015 \$'000	NOTE 11 TRADE AND OTHER RECEIVABLES (CONT.)	2015/2016 \$'000
487	At 1 July	818
348	Additional provisions made during the year	753
(17)	Recoverables written off during period	(610)
<b>818</b>	<b>At 30 June</b>	<b>961</b>

The status of other receivables as at 30 June 2016 and 2015 are detailed as below:

2016	GROSS \$'000	IMPAIRMENT \$'000	NET \$'000
Current	8,831	–	8,831
30–60 days	652	–	652
61–90 days	407	–	407
90+ days	2,809	(961)	1,848
	<b>12,699</b>	<b>(961)</b>	<b>11,738</b>

2015	GROSS \$'000	IMPAIRMENT \$'000	NET \$'000
Current	10,747	(26)	10,721
30–60 days	423	(11)	412
61–90 days	252	(11)	241
90+ days	3,121	(770)	2,351
	<b>14,543</b>	<b>(818)</b>	<b>13,725</b>

## NOTE 12: DERIVATIVE FINANCIAL INSTRUMENTS

### ACCOUNTING FOR DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

Council uses derivative financial instrument to hedge exposure to interest rate risks arising from financing activities. In accordance with its treasury policy, Council does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value at each balance date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

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

Council has elected not to hedge account for its interest rate swaps.

Council's associate Port Nelson Limited has applied hedge accounting to its interest rate swaps.

2014/2015 \$'000	NOTE 12 DERIVATIVE FINANCIAL INSTRUMENTS	2015/2016 \$'000
(8,129)	Interest rate swaps	(17,946)
<b>(8,129)</b>	<b>Total derivative financial instruments</b>	<b>(17,946)</b>
<b>Comprising:</b>		
(54)	Current portion	-
(8,075)	Non-current	(17,946)
<b>(8,129)</b>	<b>Total trade and other receivables</b>	<b>(17,946)</b>

### Fair Value

The fair values of interest rate swaps have been determined using a discounted cash flows valuation technique based on quoted market prices. The inputs into the valuation model are from independently sourced market parameters such as interest rate yield curves.

### Interest Rate Swaps

The notional principal amounts of the outstanding interest rate swap contracts for the Council were \$224.8m of which \$140.78m is 'live' at balance date (2015: \$215.8m of which \$130.78m is 'live' at balance date). At 30 June 2016, the fixed interest rates of cash flow hedge interest rate swaps vary from 2.9425% to 5.528% (2015: 3.22% to 5.895%).

### Sensitivity Analysis

Council's interest rate swaps are sensitive to market movements. Will all other variables held constant, based on Council's financial instrument exposures at balance date, a movement in interest rates of plus or minus 1% has an effect on the swap value of plus \$8.4m or minus \$9.2m.

## NOTE 13: FINANCIAL ASSETS

Council classifies its financial assets into the following four categories: financial assets at fair value through surplus or deficit, held-to-maturity investments, loans and receivables and financial assets at fair value through comprehensive revenue and expense. The classification depends on the purpose for which the investments were acquired.

Financial assets and liabilities are initially measured at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in the surplus or deficit.

Purchases and sales of investments are recognised on trade-date, the date on which Council commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Council has transferred substantially all the risks and rewards of ownership.

The fair value of financial instruments traded in active markets is based on quoted market prices at the Statement of Financial Position date. The quoted market price used is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The four categories of financial assets are:

- **Financial assets at fair value through surplus or deficit include financial assets held for trading**

A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of short-term profit-taking. Derivatives are also categorised as held for trading unless they are designated into a hedge accounting relationship for which hedge accounting is applied.

After initial recognition, financial assets in this category are measured at their fair values with gains or losses on re-measurement recognised in the surplus or deficit.

Currently, Council holds interest rate swaps in this category.

- **Loans and receivables**

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.

After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit. Loans and receivables are classified as "trade and other receivables" in the Statement of Financial Position.

Loans to community organisations made at nil or below-market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar financial instrument. The loans are subsequently measured at amortised cost using the effective interest method. The difference between the face value and present value of the expected future cash flows of the loan is recognised in the surplus or deficit as a grant.

Council currently has trade and other receivables and other financial assets in this category.



## NOTE 13: FINANCIAL ASSETS (CONT.)

- **Held to maturity investments**

Held to maturity investments are assets with fixed or determinable payments and fixed maturities that Council has the positive intention and ability to hold to maturity.

After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Council currently has disaster fund and short term deposits in this category.

- **Financial assets at fair value through comprehensive revenue and expense**

Financial assets at fair value through comprehensive revenue and expense are those that are designated as fair value through comprehensive revenue and expense or are not classified in any of the other categories above.

This category encompasses:

- Investments that Council intends to hold long-term but which may be realised before maturity; and
- Shareholdings that it holds for strategic purposes.

After initial recognition these investments are measured at their fair value.

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

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

## IMPAIRMENT OF FINANCIAL ASSETS

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

### Loans and other receivables

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

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

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

## NOTE 13: FINANCIAL ASSETS (CONT.)

2014/2015 \$'000	NOTE 13 OTHER FINANCIAL ASSETS	2015/2016 \$'000
<b>CURRENT PORTION</b>		
<b>Loans and receivables</b>		
191	Current portion of community loans	186
100	Current portion of related party loans	100
<b>Held to maturity</b>		
1,200	Disaster funds	1,200
–	Monies administered for organisations	35
<b>1,491</b>	<b>Total current portion</b>	<b>1,521</b>
<b>NON-CURRENT PORTION</b>		
<b>Loans and receivables</b>		
227	Community loans	271
620	Loans to related parties	554
<b>Fair value through comprehensive revenue and expense</b>		
79	Unlisted shares – NZ LG Insurance	93
2,617	Unlisted shares – NZ LG Funding Agency	3,657
1,541	Borrower notes – NZ LG Funding Agency	1,590
<b>Held to maturity</b>		
17	Monies administered for organisations	–
<b>5,101</b>		<b>6,165</b>

Council holds a cash bond of \$35,000 (2015: Nil) that is subject to restrictions.

Due to the immaterial size and nature of Council's investments, the fair value of the unlisted shares in the New Zealand Local Government Insurance Corporation Limited and the New Zealand Local Government Funding Agency have been determined by calculating Tasman District Council's share of total equity based on shares held. The fair value of the borrower notes have been determined based on cost.

There were no impairment provisions for other financial assets.

The total value of other financial assets that can only be used for a specific purpose is \$1,200,000 (2015: \$1,200,000).

The loan to related parties is at a nil interest rate (2015: Nil). The fair value of the loan has been determined using cashflows discounted at 5.35% (2015: 5.35%).

Interest rates receivable on community loans range from nil to 9%, with an average rate of 4.87% (2015: Nil to 7.97%, with an average rate of 5.56%).

## NOTE 13: FINANCIAL ASSETS (CONT.)

## COMMUNITY LOANS

The face value of community loans is \$465,814 (2015: \$431,933).

2014/2015 \$'000	NOTE 13 OTHER FINANCIAL ASSETS (CONT.)	2015/2016 \$'000
288	At 1 July	227
-	Amount of new loans granted during the year	110
(65)	Loans repaid during the year	(44)
-	Loans forgiven during the year	(26)
4	Unwind of discount	4
<b>227</b>		<b>271</b>

The community loans are to help not-for-profit organisations in the Tasman district to develop or improve new or existing facilities and other major projects. Only organisations with the ability to repay are granted loans.

The fair value of loans at initial recognition has been determined using cashflows discounted at a rate based on the loan recipients assessed financial risk factors.

## NOTE 14: NON-CURRENT ASSETS (PROPERTY) HELD FOR SALE

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the surplus or deficit.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

2014/2015 \$'000	NOTE 14 PROPERTY HELD FOR RESALE	2015/2016 \$'000
63	Buildings	460
125	Land	310
100	Plant	-
<b>288</b>		<b>770</b>

## NOTE 15: PROPERTY, PLANT AND EQUIPMENT

### PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of:

- **Operational assets** – These include land, buildings, computers and office equipment, building improvements, library books, plant, equipment, wharves and motor vehicles.
- **Restricted assets** – Assets owned or vested in Council which cannot easily be disposed of because of legal or other restrictions and provide a benefit or service to the community.
- **Infrastructural assets** – Infrastructural assets are the fixed utility systems owned by the Council. Each asset type includes all items that are required for the network to function, e.g. sewer reticulation includes reticulation piping and sewer pump stations.

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

**Additions:** The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to Council and the cost of the item can be measured reliably. Work in progress is recognised at cost less impairment and is not depreciated. In most instances, an item of property, plant, and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

**Disposals:** Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

**Subsequent costs:** Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to Council and the cost of the item can be measured reliably.

Values included in respect of assets are as follows:

- **Vested assets** – Certain infrastructural assets and land have been vested in the Council as part of the subdivision consent process. Vested infrastructural assets have been valued by calculating the cost of providing identical quantities of infrastructural components. Vested assets are recognised as revenue when control over the asset is obtained.
- **Depreciation** – Depreciation is provided on a straight line basis on all assets at rates which will write off the cost (or valuation) of the assets to their estimated residual values, over their useful lives.

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

• Land	Not depreciated
• Buildings (including fit out)	10 – 100 years
• Plant and equipment	5 – 10 years
• Motor vehicles	5 – 10 years
• Library books	5 – 10 years
<b>Infrastructure assets</b>	
• Bridges	100 years
• Roads	4 – 80 years
• Formation	Not depreciated
• Sub-base (sealed)	Not depreciated
• Basecourse (sealed)	65 – 75 years

## NOTE 15: PROPERTY, PLANT AND EQUIPMENT (CONT.)

- Surfaces 2 – 50 years
- Car parks – formation Not depreciated
- Car parks – components 8 – 45 years
- Footpaths 5 – 50 years
- Pavement base (unsealed) Not depreciated
- Drainage 15 – 80 years

**Wastewater**

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

**Water**

- Wells and pumps 10 – 80 years
- Pipes/valves/meters 15 – 80 years

**Stormwater**

- Channel/detention dams Not depreciated
- Pipe/manhole/sumps 80 – 120 years
- Ports and wharves 7 – 100 years
- Airfields 10 – 80 years
- Refuse 15 – 100 years

**Rivers**

- Stop banks Not depreciated
- Rock protection Not depreciated
- Willow plantings Not depreciated
- Gabion baskets 30 years
- Railway irons 50 years
- Outfalls 60 years

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

- **Revaluation of assets** – With the exception of vested assets at the initial point of recognition, all valuations are carried out or reviewed by the Council's Engineering Manager or by independent qualified valuers and it is intended that valuations be carried out on a three-yearly cycle. The carrying values of revalued items are reviewed at each balance date to ensure that these values are not materially different to fair value. Where materially different, Council will revalue at an earlier point. Revaluations are carried out on an asset class basis. Forestry valuations are carried out annually. The net revaluation results are credited or debited to other comprehensive revenue and expenses and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expenses but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expenses.

## NOTE 15: PROPERTY, PLANT AND EQUIPMENT (CONT.)

**INFRASTRUCTURAL ASSET CLASSES: ROADS AND BRIDGES, WASTEWATER, SOLID WASTE, WATER SUPPLY, STORMWATER, COASTAL STRUCTURES, PORTS, AND RIVER PROTECTION ASSETS**

Roads and bridges, wastewater, solid waste, water supply, stormwater, coastal structures, ports, and river protection infrastructural assets are valued using the depreciated replacement cost method. There are a number of estimates and assumptions exercised when valuing infrastructural assets using the depreciated replacement cost method.

These include:

- Estimating any obsolescence or surplus capacity of the asset.
- Estimating the replacement cost of the asset. The replacement cost is derived from recent construction contracts in the region for similar assets.
- Estimates of the remaining useful life over which the asset will be depreciated. These estimates can be affected by the local conditions. For example, weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then the Council could be over- or underestimating the annual depreciation charge recognised as an expense in the statement of comprehensive revenue and expense. To minimise this risk, infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration, and condition-modelling are also carried out regularly as part of asset management planning activities, which provides further assurance over useful life estimates.

**Roads and bridges** have been valued at fair value using optimised depreciated replacement cost by MWH New Zealand Ltd as at 31 March 2015.

**Wastewater, solid waste, water supply, stormwater, coastal assets, and river protection assets** have been valued at optimised depreciated replacement cost by MWH New Zealand Ltd as at 31 March 2015. River protection assets consist of stop banks, rock protection and riparian protection. Stop bank assets were valued for inclusion in Council's financial statement at optimised depreciated replacement cost by MWH New Zealand Ltd as at 31 March 2015.

**Ports** – A new asset category for Port assets has been created in the 2014/2015 year. Council considered that it was appropriate to distinguish the commercial port assets from other coastal structures. These have been valued at optimised depreciated replacement cost by Jones Lang Lasalle IP, Inc of Auckland as at 30 June 2016. The Port assets were not revalued during the previous three yearly cycle in order for the specialist valuation to be undertaken.

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

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

**Airfields** – From 1 July 2008 the Council has ceased revaluing its airfield assets, recognising these assets at deemed cost, from that date. Council has reviewed its policy regarding revaluation of airfield assets, and these assets are revalued from the 2015/2016 year onwards. Council's aerodrome assets are not material and will be revalued during the next infrastructure asset revaluation cycle.

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

- |                             |          |
|-----------------------------|----------|
| • Adult and technical books | 10 years |
| • Children's books          | 5 years  |
| • CD's and talking books    | 2 years  |

## NOTE 15: PROPERTY, PLANT AND EQUIPMENT (CONT.)

**Furniture and fittings** – Furniture and fittings were recorded at valuation. The latest valuation was conducted by Duke & Cooke Ltd, registered valuers as at 31 October 2000, using the assessed market value in situ. Furniture and fittings are not revalued and are now treated as deemed cost. Additions are recorded at cost.

**Land (operational, restricted, and infrastructural)** – Land is valued at fair value using market-based evidence based on its highest and best use with reference to comparable land values. Adjustments have been made to the “unencumbered” land value where there is a designation against the land or the use of the land is restricted because of reserve or endowment status. These adjustments are intended to reflect the negative effect on the value of the land where an owner is unable to use the land more intensely. The most recent valuation was performed by GR Butterworth SPINZ, ANZIV of QV Valuations Limited, and the valuation is effective as at 30 June 2016.

**Buildings (operational and restricted)** – Specialised buildings are valued at fair value using depreciated replacement cost because no reliable market data is available for such buildings. Depreciated replacement cost is determined using a number of significant assumptions. Significant assumptions include:

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

Non-specialised buildings (for example, residential buildings) are valued at fair value using market-based evidence. Market rents and capitalisation rates were applied to reflect market value. The most recent valuation was performed by GR Butterworth SPINZ, ANZIV of QV Valuations Limited, and the valuation is effective as at 30 June 2016.

**Heritage assets** – Heritage assets comprise Council assets that are subject to an Historic Places protection order and are identified as such in the Resource Management Plan. Heritage assets were identified and introduced at 30 June 2002 at a fair market value as determined by QV Valuations, registered valuers. The fair market values have been adopted as deemed cost. Subsequent additions are at cost or independently determined fair market value which is adopted as deemed cost.

## IMPAIRMENT OF PROPERTY, PLANT, AND EQUIPMENT AND INTANGIBLE ASSETS

Intangible assets that have an indefinite useful life, or are not yet available for use, are not subject to amortisation and are tested annually for impairment.

Assets that have a finite useful life are reviewed for indicators of impairment at each balance date. When there is an indicator of impairment, the asset's recoverable amount is estimated. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the service potential of the asset is not primarily dependent on the asset's ability to generate net cash inflows and where the Council or group would, if deprived of the asset, replace its remaining service potential. The value in use for cash-generating assets and cash-generating units is the present value of expected future cash flows.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit. For assets not carried at a revalued amount (other than goodwill), the reversal of an impairment loss is recognised in the surplus or deficit.

## NOTE 15: PROPERTY, PLANT AND EQUIPMENT (CONT.)

2016 \$'000	COST/ REVALUATION 1 JULY 2015	ACC DEPN AND IMPAIRMENT 1 JULY 2015	NBV* 1 JULY 2015	CURRENT YEAR ADDITIONS	CURRENT YEAR VESTED ASSETS
<b>FIXED ASSETS</b>					
Land	114,895	–	114,895	214	55
Buildings	62,336	(7,107)	55,229	7,392	–
Furniture and fittings	3,483	(3,053)	430	197	–
Motor vehicles	4,285	(3,332)	953	223	–
Plant	2,781	(1,869)	912	534	–
Office equipment	6,560	(5,774)	786	354	–
Library books	6,409	(5,231)	1,178	302	–
Heritage assets	1,843	(461)	1,382	–	–
Finance lease	71	(60)	11	–	–
	<b>202,663</b>	<b>(26,887)</b>	<b>175,776</b>	<b>9,216</b>	<b>55</b>
<b>INFRASTRUCTURAL ASSETS</b>					
Roading	522,277	(1,941)	520,336	6,541	2,488
Bridges	69,179	(360)	68,819	429	–
Land under roads	67,433	–	67,433	118	917
Stormwater	117,837	(325)	117,512	2,240	2,172
Wastewater	135,857	(562)	135,295	5,159	1,478
Refuse	10,162	(76)	10,086	263	–
Water	108,178	(638)	107,540	2,175	785
Rivers	62,041	(9)	62,032	583	–
Coastal structures	4,202	(309)	3,893	92	–
Ports	10,808	(624)	10,184	–	–
Aerodromes	1,340	(522)	818	21	–
	<b>1,109,314</b>	<b>(5,366)</b>	<b>1,103,948</b>	<b>17,621</b>	<b>7,840</b>
<b>TOTAL</b>					
<b>Fixed assets</b>	<b>202,663</b>	<b>(26,887)</b>	<b>175,776</b>	<b>9,216</b>	<b>55</b>
<b>Infrastructure assets</b>	<b>1,109,314</b>	<b>(5,366)</b>	<b>1,103,948</b>	<b>17,621</b>	<b>7,840</b>
	<b>1,311,977</b>	<b>(32,253)</b>	<b>1,279,724</b>	<b>26,837</b>	<b>7,895</b>

\* Net book value.

Included in net book value is work in progress of \$8,041,000. These assets have not been depreciated.



## NOTE 15: PROPERTY, PLANT AND EQUIPMENT (CONT.)

CURRENT YEAR DISPOSAL	CURRENT YEAR IMPAIRMENT	CURRENT YEAR DEPRECIATION	REVALUATION SURPLUS	COST/ REVALUATION 30 JUNE 2016	ACC DEPN AND IMPAIRMENT 30 JUNE 2016	NBV* 30 JUNE 2016
(1,707)	–	–	6,952	120,409	–	120,409
(2,339)	–	(3,556)	12,795	69,521	–	69,521
–	–	(144)	–	3,680	(3,197)	483
(26)	–	(320)	–	4,482	(3,652)	830
(107)	–	(182)	13	3,221	(2,051)	1,170
–	–	(289)	–	6,914	(6,063)	851
–	–	(277)	–	6,711	(5,508)	1,203
–	–	(34)	–	1,843	(495)	1,348
–	–	(3)	–	71	(63)	8
<b>(4,179)</b>	<b>–</b>	<b>(4,805)</b>	<b>19,760</b>	<b>216,852</b>	<b>(21,029)</b>	<b>195,823</b>
–	–	(8,066)	–	531,306	(10,007)	521,299
–	–	(1,445)	–	69,608	(1,805)	67,803
–	–	–	–	68,468	–	68,468
–	–	(1,312)	–	122,249	(1,637)	120,612
–	–	(3,188)	406	142,900	(3,750)	139,150
–	–	(340)	–	10,425	(416)	10,009
(822)	–	(2,685)	–	110,316	(3,323)	106,993
–	–	(37)	–	62,624	(46)	62,578
–	–	(326)	–	4,294	(635)	3,659
–	–	–	(5,975)	4,209	–	4,209
–	–	(55)	–	1,361	(577)	784
<b>(822)</b>	<b>–</b>	<b>(17,454)</b>	<b>(5,569)</b>	<b>1,127,760</b>	<b>(22,196)</b>	<b>1,105,564</b>
<b>(4,179)</b>	<b>–</b>	<b>(4,805)</b>	<b>19,760</b>	<b>216,852</b>	<b>(21,029)</b>	<b>195,823</b>
<b>(822)</b>	<b>–</b>	<b>(17,454)</b>	<b>(5,569)</b>	<b>1,127,760</b>	<b>(22,196)</b>	<b>1,105,564</b>
<b>(5,001)</b>	<b>–</b>	<b>(22,259)</b>	<b>14,191</b>	<b>1,344,612</b>	<b>(43,225)</b>	<b>1,301,387</b>

## NOTE 15: PROPERTY, PLANT AND EQUIPMENT (CONT.)

CORE ASSETS \$'000	CLOSING BOOK VALUE AT 30 JUNE 2016	ASSETS CONSTRUCTED FOR THE YEAR ENDING 30 JUNE 2016	ASSETS TRANSFERRED FOR THE YEAR ENDING 30 JUNE 2016	REPLACEMENT COST AT 30 JUNE 2016
Treatment plants	30,969	1,564	–	31,051
Reticulation	76,024	611	785	123,398
<b>Water supply</b>	<b>106,993</b>	<b>2,175</b>	<b>785</b>	<b>154,449</b>
Treatment plants	61,595	3,657	–	65,252
Reticulation	77,555	1,502	1,478	89,211
<b>Sewerage</b>	<b>139,150</b>	<b>5,159</b>	<b>1,478</b>	<b>154,463</b>
<b>Stormwater drainage</b>	<b>120,612</b>	<b>2,240</b>	<b>2,172</b>	<b>146,333</b>
<b>Flood protection and control works</b>	<b>62,578</b>	<b>583</b>	<b>–</b>	<b>64,210</b>
<b>Roads and footpaths</b>	<b>657,570</b>	<b>7,088</b>	<b>3,405</b>	<b>773,070</b>

CORE ASSETS \$'000	CLOSING BOOK VALUE AT 30 JUNE 2015	ASSETS CONSTRUCTED FOR THE YEAR ENDING 30 JUNE 2015	ASSETS TRANSFERRED FOR THE YEAR ENDING 30 JUNE 2015	REPLACEMENT COST AT 30 JUNE 2015
Treatment plants	8,172	7,784	–	8,172
Reticulation	99,368	3,822	840	141,817
<b>Water supply</b>	<b>107,540</b>	<b>11,606</b>	<b>840</b>	<b>149,989</b>
Treatment plants	6,368	2,781	–	8,979
Reticulation	128,927	1,822	1,209	137,383
<b>Sewerage</b>	<b>135,295</b>	<b>4,603</b>	<b>1,209</b>	<b>146,362</b>
<b>Stormwater drainage</b>	<b>117,512</b>	<b>1,488</b>	<b>2,126</b>	<b>140,516</b>
<b>Flood protection and control works</b>	<b>62,032</b>	<b>711</b>	<b>–</b>	<b>62,997</b>
<b>Roads and footpaths</b>	<b>656,588</b>	<b>10,758</b>	<b>2,890</b>	<b>755,027</b>

WORK IN PROGRESS	2015/2016 \$'000	2014/2015 \$'000
Roading	295	–
Water	121	10,535
Stormwater	797	922
Wastewater	4,075	3,122
Buildings	2,753	560
Refuse	–	353
	<b>8,041</b>	<b>15,492</b>



Washbourn Gardens, Richmond

## NOTE 15: PROPERTY, PLANT AND EQUIPMENT (CONT.)

2015 \$'000	COST/ REVALUATION 1 JULY 2014	ACC DEPN AND IMPAIRMENT 1 JULY 2014	NBV* 1 JULY 2014	CURRENT YEAR ADDITIONS	CURRENT YEAR VESTED ASSETS
<b>FIXED ASSETS</b>					
Land	115,011	–	115,011	376	102
Buildings	61,215	(3,552)	57,663	1,288	25
Furniture and fittings	3,427	(2,866)	561	56	–
Motor vehicles	3,989	(3,045)	944	296	–
Plant	2,844	(1,705)	1,139	261	–
Office equipment	6,312	(5,467)	845	248	–
Library books	6,131	(4,948)	1,183	278	–
Heritage assets	1,843	(426)	1,417	–	–
Finance lease	71	(58)	13	–	–
	<b>200,843</b>	<b>(22,067)</b>	<b>178,776</b>	<b>2,803</b>	<b>127</b>
<b>INFRASTRUCTURAL ASSETS</b>					
Roading	511,454	(7,414)	504,040	9,023	2,210
Bridges	67,833	(1,380)	66,453	1,611	–
Land under roads	66,629	–	66,629	124	680
Stormwater	117,744	(2,629)	115,115	1,488	2,126
Wastewater	136,410	(5,298)	131,112	4,603	1,209
Refuse	7,991	(473)	7,518	1,842	–
Water	103,116	(4,863)	98,253	11,606	840
Rivers	44,902	(48)	44,854	711	–
Coastal structures	3,771	(206)	3,565	10	–
Ports	10,531	(413)	10,118	277	–
Aerodromes	1,329	(467)	862	11	–
	<b>1,071,710</b>	<b>(23,191)</b>	<b>1,048,519</b>	<b>31,306</b>	<b>7,065</b>
<b>TOTAL</b>					
<b>Fixed assets</b>	<b>200,843</b>	<b>(22,067)</b>	<b>178,776</b>	<b>2,803</b>	<b>127</b>
<b>Infrastructure assets</b>	<b>1,071,710</b>	<b>(23,191)</b>	<b>1,048,519</b>	<b>31,306</b>	<b>7,065</b>
	<b>1,272,553</b>	<b>(45,258)</b>	<b>1,227,295</b>	<b>34,109</b>	<b>7,192</b>

\* Net book value.

Included in net book value is work in progress of \$15,491,000. These assets have not been depreciated.

## NOTE 15: PROPERTY, PLANT AND EQUIPMENT (CONT.)

CURRENT YEAR DISPOSAL	CURRENT YEAR IMPAIRMENT	CURRENT YEAR DEPRECIATION	REVALUATION SURPLUS	COST/ REVALUATION 30 JUNE 2015	ACC DEPN AND IMPAIRMENT 30 JUNE 2015	NBV* 30 JUNE 2015
(594)	–	–	–	114,895	–	114,895
(145)	(54)	(3,555)	7	62,336	(7,107)	55,229
–	–	(187)	–	3,483	(3,053)	430
–	–	(287)	–	4,285	(3,332)	953
(100)	(230)	(164)	6	2,781	(1,869)	912
–	–	(307)	–	6,560	(5,774)	786
–	–	(283)	–	6,409	(5,231)	1,178
–	–	(35)	–	1,843	(461)	1,382
–	–	(2)	–	71	(60)	11
<b>(839)</b>	<b>(284)</b>	<b>(4,820)</b>	<b>13</b>	<b>202,663</b>	<b>(26,887)</b>	<b>175,776</b>
–	–	(7,785)	12,848	522,277	(1,941)	520,336
–	–	(1,402)	2,157	69,179	(360)	68,819
–	–	–	–	67,433	–	67,433
–	41	(1,326)	68	117,837	(325)	117,512
–	57	(3,059)	1,373	135,857	(562)	135,295
(907)	–	(260)	1,893	10,162	(76)	10,086
–	15	(2,516)	(658)	108,178	(638)	107,540
–	–	(18)	16,485	62,041	(9)	62,032
–	–	(183)	501	4,202	(309)	3,893
–	–	(211)	–	10,808	(624)	10,184
–	–	(55)	–	1,340	(522)	818
<b>(907)</b>	<b>113</b>	<b>(16,815)</b>	<b>34,667</b>	<b>1,109,314</b>	<b>(5,366)</b>	<b>1,103,948</b>
<b>(839)</b>	<b>(284)</b>	<b>(4,820)</b>	<b>13</b>	<b>202,663</b>	<b>(26,887)</b>	<b>175,776</b>
<b>(907)</b>	<b>113</b>	<b>(16,815)</b>	<b>34,667</b>	<b>1,109,314</b>	<b>(5,366)</b>	<b>1,103,948</b>
<b>(1,746)</b>	<b>(171)</b>	<b>(21,635)</b>	<b>34,680</b>	<b>1,311,977</b>	<b>(32,253)</b>	<b>1,279,724</b>

## NOTE 16: INTANGIBLE ASSETS

**Software acquisition and development** – Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

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

**Carbon credits** – Purchased carbon credits are recognised at cost on acquisition. They have an indefinite useful life and are not amortised, but are instead tested for impairment annually. They are derecognised when they are used to satisfy carbon emission obligations.

**Amortisation** – The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the surplus or deficit.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

- Computer software 5 years 20%

NOTE 16 INTANGIBLE ASSETS	COMPUTER SOFTWARE \$'000	CARBON CREDITS \$'000	TOTAL \$'000
<b>COST</b>			
Balance at 1 July 2015	3,497	348	3,845
Additions	264		264
Disposals	(4)	(35)	(39)
<b>Balance at 30 June 2016</b>	<b>3,757</b>	<b>313</b>	<b>4,070</b>
Balance at 1 July 2014	3,286	213	3,499
Additions	211	138	349
Disposals	–	(3)	(3)
<b>Balance at 30 June 2015</b>	<b>3,497</b>	<b>348</b>	<b>3,845</b>
<b>ACCUMULATED AMORTISATION AND IMPAIRMENT</b>			
Balance at 1 July 2015	2,802	–	2,802
Amortisation charge	284	–	284
Disposals	–	–	–
<b>Balance at 30 June 2016</b>	<b>3,086</b>	<b>–</b>	<b>3,086</b>
Balance at 1 July 2014	2,477	–	2,477
Amortisation charge	325	–	325
Disposals	–	–	–
<b>Balance at 30 June 2015</b>	<b>2,802</b>	<b>–</b>	<b>2,802</b>
<b>CARRYING AMOUNTS</b>			
Balance at 1 July 2014	809	213	1,022
Balance at 30 June and 1 July 2015	695	348	1,043
<b>Balance at 30 June 2016</b>	<b>671</b>	<b>313</b>	<b>984</b>

**NOTE 16: INTANGIBLE ASSETS (CONT.)**

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

**Impairment**

**Carbon credits** – The Council considers there is no impairment of carbon credits held as they are expected to be fully utilised in satisfying carbon obligations from its landfill operations. Carbon units have been assessed as having an indefinite useful life because they have no expiry date and will continue to have economic benefit as long as the Emissions Trading Scheme is in place.

**NOTE 17: DEPRECIATION BY GROUP OF ACTIVITY**

2014/2015 \$'000	NOTE 17 DEPRECIATION AND AMORTISATION EXPENSE BY GROUP OF ACTIVITY	2015/2016 \$'000
231	Environment and planning	266
16,796	Engineering	17,263
3,532	Community services	3,187
457	Council enterprises	567
32	Governance	–
<b>21,048</b>	<b>Total directly attributable depreciation and amortisation by group of activity</b>	<b>21,283</b>
587	Depreciation and amortisation expense not directly related to group of activities	976
<b>21,635</b>	<b>Total depreciation and amortisation expense</b>	<b>22,259</b>

## NOTE 18: FORESTRY ASSETS

Standing forestry assets are independently revalued annually at fair value less estimated costs to sell for one growth cycle. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined rate. This calculation is based on existing sustainable felling plans and assessments regarding growth, timber prices, felling costs, and silviculture costs and takes into consideration environmental, operational, and market restrictions.

Gains or losses arising on initial recognition of forestry assets at fair value less estimated point-of-sale costs and from a change in fair value less estimated point-of-sale costs are recognised in the surplus or deficit.

The costs to maintain the forestry assets are included in the surplus or deficit when incurred.

2014/2015 \$'000	NOTE 18 FORESTRY ASSETS	2015/2016 \$'000
20,108	Balance at 1 July	26,789
4,190	Gains/(losses) arising from changes attributable to price changes	1,153
2,491	Gains/(losses) arising from changes in fair value attributable to physical changes	4,906
<b>26,789</b>		<b>32,848</b>

The carrying value of the volumes harvested was \$2.6m (2015: \$0.5m) and is included as a reduction against gains/(losses) arising from changes in fair value attributable to physical changes.

The gains/(losses) arising from changes in fair value are unrealised.

TDC owns 2,485 hectares of planted pinus radiata forest, which are at varying stages of maturity ranging from 1 to 30 years. TDC also owns 210 hectares of planted Douglas Fir, and 33 hectares of planted Cupressus Species trees.

Total harvested volume during the period was approximately 39,000 tonnes from the Rabbit Island and Borlase forests (2015: 22,498 tonnes harvested at Rabbit Island and Borlase forests).

Independent registered valuers PF Olsen and Company Ltd have valued forestry assets as at 30 June 2016.

The following valuation assumptions have been adopted in determining the fair value of forestry assets:

- A post-tax discount rate of 6.5% has been used in discounting the present value of expected post-tax cash flows (2015: A post-tax discount rate of 7% was used).
- Notional land rental costs have been included for freehold land
- The forests have been valued on a going concern basis and only includes the value of the existing crops on a single rotation basis
- All costs and revenues are expressed in current dollar terms.

Log prices represent the average monthly prices for the last three years to 30 June 2016.

TDC also owns a small stand of timber through its share of the Nelson Regional Sewerage Business Unit joint venture. The movement in the value of this stand is included.

TDC is exposed to financial risks arising from changes in timber prices. TDC is a long-term forestry investor and does not expect timber prices to decline significantly in the foreseeable future, therefore, has not taken any measures to manage the risks of a decline in timber prices. TDC reviews its outlook for timber prices regularly in considering the need for active financial risk management.



## NOTE 19: INVESTMENT PROPERTY

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

Investment property is measured initially at its cost, including transaction costs.

After initial recognition, Council measures all investment property at fair value as determined annually by an independent valuer.

Gains or losses arising from a change in the fair value of investment property are recognised in the surplus or deficit.

2014/2015 \$'000	NOTE 19 INVESTMENT PROPERTY	2015/2016 \$'000
1,300	Balance at 1 July	1,770
1,122	Addition (transfer from property, plant and equipment	3,961
–	Sale of investment property	(460)
(652)	Gain/(loss) on changes in fair value of investment property	(651)
<b>1,770</b>	<b>Balance at 30 June</b>	<b>4,620</b>

TDC's investment properties are valued annually at fair value effective 30 June based on open market evidence. The valuation was performed by Duke & Cooke Ltd, registered valuers. Duke & Cooke Ltd are an experienced valuer with extensive market knowledge in the types and location of investment properties owned by Council. The fair value of investment property has been determined using the capitalisation of net revenue and discounted cash flow methods. These methods are based upon assumptions including future rental revenue, anticipated maintenance costs, and appropriate discount rates.

## NOTE 20: INVESTMENT IN ASSOCIATES

Council accounts for an investment in an associate in the financial statements using the equity method. An associate is an entity over which the Council has significant influence and that is neither a subsidiary nor an interest in a joint venture. The investment in an associate is initially recognised at cost and the carrying amount is increased or decreased to recognise Council's share of the surplus or deficit of the associate after the date of acquisition. Distributions received from an associate reduce the carrying amount of the investment.

Where the Council transacts with an associate, surpluses or deficits are eliminated to the extent of the Council's interest in the associate.

### i) Port Nelson Ltd

Council was vested a 50% shareholding in this entity. To arrive at a fair value the most recent audited statement of financial position (June 2016) has been equity accounted.

### ii) Nelson Airport Ltd

Council has a 50% shareholding in this Company. To arrive at a fair value, the most recent audited statement of financial position (June 2016) has been equity accounted.

### iii) Tasman Bays Heritage Trust

Council has significant influence over the trust as it has the ability to appoint trustees. Council has equity accounted for 50% of this entity. To arrive at a fair value the most recent unaudited statement of financial position (June 2016) has been equity accounted.

## NOTE 20: INVESTMENT IN ASSOCIATES (CONT.)

## LIST OF ASSOCIATES

NOTE 20 INVESTMENT IN ASSOCIATES	PRINCIPAL ACTIVITY	OWNERSHIP	OWNER*	CONTROL	BALANCE DATE
Port Nelson Ltd	Port Operator	50% (2014: 50%)	NCC and TDC	Self administered	30 June
Nelson Airport Ltd	Airport Operator	50% (2014: 50%)	NCC and TDC	Self administered	30 June
Tasman Bays Heritage Trust Inc	Museum Operator	50% (2014: 50%)	NCC and TDC	Self administered	30 June

\* NCC = Nelson City Council. TDC = Tasman District Council

NOTE 20 INVESTMENT IN ASSOCIATES (CONT.) \$'000	2014/15 OPENING BOOK VALUE	2015/16 SHARE OF SURPLUS	2015/16 DIVIDEND RECEIVED	2015/16 MOVEMENT IN OTHER COMPREHENSIVE REVENUE	2015/16 CLOSING BOOK VALUE
Port Nelson Ltd	73,887	2,042	(2,400)	(261)	73,268
Nelson Airport Ltd	8,681	283	(305)	18,462	27,121
Tasman Bays Heritage Trust Inc	9,645	(86)	-	(15)	9,544
	<b>92,213</b>	<b>2,239</b>	<b>(2,705)</b>	<b>18,186</b>	<b>109,933</b>

NOTE 20 INVESTMENT IN ASSOCIATES (CONT.) \$'000	2013/14 OPENING BOOK VALUE	2014/15 SHARE OF SURPLUS	2014/15 DIVIDEND RECEIVED	2014/15 MOVEMENT IN OTHER COMPREHENSIVE REVENUE	2014/15 CLOSING BOOK VALUE
Port Nelson Ltd	73,493	3,497	(2,850)	(253)	73,887
Nelson Airport Ltd	8,123	783	(225)	-	8,681
Tasman Bays Heritage Trust Inc	9,336	(131)	-	440	9,645
	<b>90,952</b>	<b>4,149</b>	<b>(3,075)</b>	<b>187</b>	<b>92,213</b>

In accordance with PBE IPSAS 7, Council discloses on an aggregate basis its share of the following in regard to its associates.

2014/2015 \$'000	NOTE 20 INVESTMENT IN ASSOCIATES (CONT.)	2015/2016 \$'000
1,222	Capital commitments	4,019
-	Contingent liabilities	1,000
-	Contingent assets	-
4,149	Operating surpluses	2,239
187	Other comprehensive revenue and expense	18,186
1,732	Tax expense attributed to the operating surplus	1,897

## NOTE 20: INVESTMENT IN ASSOCIATES (CONT.)

## DIFFERENCES IN ACCOUNTING POLICIES

With the exception of the policy noted below all policies adopted by Council's associates are consistent with the policies adopted by Council.

## ASSETS

Council applies depreciation on a straight line whereas Nelson Airport Ltd has adopted the following policy in regard to certain classes of assets

- Furniture, fittings and floor coverings      Diminishing values
- Vehicles      Diminishing values
- Parking meters      Diminishing values
- Equipment      Diminishing values

The effect of these differences in accounting policy are not significant in Council's Financial Statements.

Previously, as neither Nelson Airport Ltd or Nelson City Council revalued their airport assets Tasman District Council decided to change its accounting policy for the airport assets class. These assets had been recognised at deemed cost from 1 July 2008 by Tasman District Council. This policy has been reviewed by Council, and it was decided that airport assets will be revalued from the 2015/2016 year. Nelson Airport Ltd has revalued their airport assets for the year ended 30 June 2016 and these have been brought into these financial statements. Council's airport assets are not material and will be revalued during the next infrastructure asset revaluation cycle.

## PERFORMANCE MEASURES

## Actual and Target Returns on Associates

A list of the investments in associates with targets for returns is set out below.

NOTE 20 INVESTMENT IN ASSOCIATES (CONT.)	TARGET RETURN	2013/2014	2014/2015	2015/2016
Port Nelson Ltd	4% on average shareholders' funds (2014 – 2015)  Annual dividend of not less than 50% of net profit after tax (2016)	Achieved 5.2% \$2.2m dividend	Achieved 5.1% \$2.85m dividend	Achieved \$2.4m dividend (net profit after tax \$5.18m)
Nelson Airport Ltd	Annual dividend of 5% of the opening shareholders' funds for that year	Achieved 6.9% \$325,000 dividend	Achieved 5.0% \$257,750 dividend	Achieved 5.4% \$305,000 dividend

Council maintained its 50% investment in Port Nelson Limited and Nelson Airport Limited during the year as per its objective of retaining effective local body control of this strategic asset as set out in the Long Term Plan. Council also received a commercial return to reduce Council's reliance on rates income. These organisations carried out the nature and scope of activities as intended to be provided by the organisation for the year.

## NOTE 21: INTEREST IN JOINT VENTURES

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. Council recognises its interest in a jointly controlled entities using proportionate consolidation which means that the statement of financial position of the Council includes its share of the assets that it controls jointly and its share of the liabilities for which it is jointly responsible. The statement of comprehensive revenue and expense of the Council includes its share of the revenue and expenses of the jointly controlled entities.

The entities disclosed below are treated as joint ventures.

### Nelson Regional Sewerage Business Unit (NRSBU)

Council has a 50% interest in this entity. The most recent unaudited financial statements (June 2016) have been used to determine Council's interest.

### Nelson Tasman Combined Civil Defence Organisation (NTCCDO)

Council has a 50% interest in this entity. The most recent unaudited financial statements (June 2016) have been used to determine Council's interest.

FINANCIAL PERFORMANCE (AFTER INTER-ENTITY ELIMINATIONS) \$'000	2015/16 NRSBU	2015/16 NTCCDO	2015/16 TOTAL
Net revenue	2,454	243	2,697
Net expenditure	2,614	350	2,964
<b>Net surplus/(deficit)</b>	<b>(160)</b>	<b>(107)</b>	<b>(267)</b>
<b>Includes:</b>			
Depreciation	884	49	933

**NOTE 21: INTEREST IN JOINT VENTURES (CONT.)**

The Council's share of assets and liabilities proportionately consolidated is:

FINANCIAL POSITION (AFTER INTER-ENTITY ELIMINATIONS) \$'000	2015/16 NRSBU	2015/16 NTCCDO	2015/16 TOTAL
<b>CURRENT ASSETS</b>			
Cash at bank	172	307	479
Receivables	(77)	57	(20)
	<b>95</b>	<b>364</b>	<b>459</b>
<b>NON-CURRENT ASSETS</b>			
Infrastructure – wastewater	26,473	–	26,473
Forestry	8	–	8
Freehold land	1,171	–	1,171
Buildings	108	82	190
Motor vehicles	–	5	5
Plant and equipment	41	25	66
Office furniture and equipment	–	78	78
	<b>27,801</b>	<b>190</b>	<b>27,991</b>
<b>CURRENT LIABILITIES</b>			
Trade creditors	38	14	52
Current portion of term loans	–	–	–
	<b>38</b>	<b>14</b>	<b>52</b>
<b>NON-CURRENT LIABILITIES</b>			
Term loans	7,000	–	7,000
<b>Net assets contributed by the joint venture</b>	<b>20,858</b>	<b>540</b>	<b>21,398</b>

There were no capital commitments or contingent assets and liabilities as at 30 June 2016 (2015: \$Nil).

## NOTE 21: INTEREST IN JOINT VENTURES (CONT.)

Comparative figures for 2014/15 are as follows:

FINANCIAL PERFORMANCE \$'000	2014/15 NRSBU	2014/15 NTCCDO	2014/15 TOTAL
Net revenue	2,525	230	2,755
Net expenditure	2,570	329	2,899
<b>Net surplus/(deficit)</b>	<b>(45)</b>	<b>(99)</b>	<b>(144)</b>
<b>Includes:</b>			
Depreciation	863	49	912

The Council's share of assets and liabilities proportionately consolidated is:

FINANCIAL POSITION \$'000	2014/15 NRSBU	2014/15 NTCCDO	2014/15 TOTAL
<b>CURRENT ASSETS</b>			
Cash at bank	180	271	451
Receivables	230	52	282
	<b>410</b>	<b>323</b>	<b>733</b>
<b>NON-CURRENT ASSETS</b>			
Derivative financial instruments	-	-	-
Infrastructure – Wastewater	26,493	-	26,493
Forestry	6	-	6
Freehold land	1,171	-	1,171
Buildings	108	89	197
Motor vehicles	-	15	15
Plant and equipment	10	29	39
Office furniture and equipment	-	82	82
	<b>27,788</b>	<b>215</b>	<b>28,003</b>
<b>CURRENT LIABILITIES</b>			
Trade creditors	976	3	979
Current portion of term loans	-	-	-
	<b>976</b>	<b>3</b>	<b>979</b>
<b>NON-CURRENT LIABILITIES</b>			
Term loans	8,000	-	8,000
<b>Net assets contributed by the joint venture</b>	<b>19,222</b>	<b>535</b>	<b>19,757</b>

## NOTE 22: TRADE AND OTHER PAYABLES

Creditors and other payables are recorded at their face value.

### CONTRACT RETENTIONS

Certain contracts entitle Council to retain amounts to ensure the performance of contract obligations. These retentions are recognised as a liability and are then used to remedy contract performance or paid to the contractor at the end of the retention period.

2014/2015 \$'000	NOTE 22 TRADE AND OTHER PAYABLES	2015/2016 \$'000
5,182	Trade creditors	4,349
5,754	Sundry accruals	5,541
1,415	Sundry deposits	1,181
1,183	Other	1,219
<b>13,534</b>		<b>12,290</b>
	<b>Comprising:</b>	
13,534	Current	12,290
–	Non-current	–
<b>13,534</b>	<b>Total trade and other payables</b>	<b>12,290</b>

## NOTE 23: PROVISIONS

Council recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in “finance costs”.

2014/2015 \$'000	NOTE 23 PROVISIONS	2015/2016 \$'000
	<b>Term</b>	<b>Term</b>
1,146	Opening balance	1,204
276	Change in provision	527
(218)	Unwinding of discount	(51)
<b>1,204</b>		<b>1,680</b>

## NOTE 23: PROVISIONS (CONT.)

### PROVISION FOR LANDFILL AFTERCARE COSTS

TDC gained resource consents in 1989 to operate Eves Valley and Murchison Landfills. TDC has a responsibility under the resource consents to provide ongoing maintenance and monitoring of the landfills after the site is closed.

The management of the landfills will influence the timing of recognition of some liabilities – for example, the current Eves Valley landfill will operate in two stages. A liability relating to stage two will only be created when this stage is commissioned and when refuse begins to accumulate in this stage.

- The estimated remaining life is 38 years for the Eves Valley landfill. In 2012 the remaining life for Stage Two was reassessed and is now estimated to close in 2017. The provision has been adjusted for the latest estimated capping and monitoring costs.
- Council reassessed the estimated remaining life for the Murchison Landfill in the 2007/2008 financial year. It was decided that it was uneconomic to continue operating the Murchison Landfill and it ceased operations in that financial year. A transfer station was constructed at Murchison.
- Estimates of the life have been made by TDC's engineers based on historical volume information.

The cash outflows for landfill post-closure are expected to occur for 40 years after each site has been decommissioned. The long-term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and using a discount rate of 8% for Murchison (2015: 8%) and 8% for Eves Valley (2015: 8%).

The gross provision before discounting is \$4,620,300 (2015: \$3,532,989).

## NOTE 24. EMPLOYEE BENEFIT LIABILITIES

### EMPLOYEE ENTITLEMENTS

#### Short-term benefits

Employee benefits that Council expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

Council recognises a liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that Council anticipates it will be used by staff to cover those future absences.

Council recognises a liability and an expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.



## NOTE 24: EMPLOYEE BENEFIT LIABILITIES (CONT.)

## Long-term benefits

**Long service leave and retirement leave**

Entitlements that are payable beyond 12 months, such as long service leave and retiring leave have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information; and
- the present value of the estimated future cash flows.

**Presentation of employee entitlements**

Sick leave, annual leave, vested long service leave, and non-vested long service leave and retirement gratuities expected to be settled within 12 months of balance date, are classified as a current liability. All other employee entitlements are classified as a non-current liability.

## Superannuation schemes

**Defined contribution schemes**

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the surplus or deficit as incurred.

2014/2015 \$'000	NOTE 24 EMPLOYEE BENEFIT LIABILITIES	2015/2016 \$'000
656	Accrued pay	288
1,148	Annual leave	1,197
307	Retirement gratuities	354
400	Long service leave	395
50	Sick leave	50
<b>2,561</b>	<b>Total employee benefit liabilities</b>	<b>2,284</b>
	<b>Comprising:</b>	
2,029	Current	1,772
532	Non-current	512
<b>2,561</b>	<b>Total employee benefit liabilities</b>	<b>2,284</b>

**Key assumptions in measuring retirement and long service leave obligations**

The present value of retirement and long service leave obligations depend on a number of factors that are determined on an actuarial basis. Two key assumptions used in calculating this liability include the discount rate and the salary inflation factor. Any changes in these assumptions will affect the carrying amount of the liability.

Expected future payments are discounted using forward discount rates derived from the yield curve of New Zealand government bonds. The discount rates used have maturities that match, as closely as possible, the estimated future cash outflows. The salary inflation factor has been determined after considering historical salary inflation patterns and after obtaining advice from an independent actuary. A weighted average discount rate of 5.03% (2015 5.03%) and an inflation factor of 2.75% (2015 2.75%) were used.

## NOTE 25: BORROWINGS

Borrowing costs are recognised as an expense in the period in which they are incurred.

Borrowings are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective-interest method.

Borrowings are classified as current liabilities unless the Council or group has an unconditional right to defer settlement of the liability for at least 12 months after balance date or if the borrowings are expected to be settled within 12 months of balance date.

### A) SECURITY

All loans are secured by rates over the rateable properties of the Tasman District Council designated area except the investment property building which is secured by rent.

2014/2015 \$'000	NOTE 25 BORROWINGS	2015/2016 \$'000	2015/2016 \$'000
	<b>Current</b>	<b>Term</b>	<b>Current</b>
6,000	Tasman District Council	133,000	-
2	Finance lease	6	3
<b>6,002</b>		<b>133,006</b>	<b>3</b>

### B) REFINANCING

TDC manages its borrowings in accordance with its funding and financial policies, which includes a Liability Management policy.

### C) INTEREST RATES

Interest rates payable on individual loans range from 2.9425% to 5.528% with a weighted average cost of borrowings, including swap rates and bank commitment fees of 5.237% (2015: 3.55% to 4.703% with a weighted average of 5.257%).

The Council's secured loans are issued at floating rates of interest. For floating rate debt, the interest rate is reset quarterly based on the 90 day bank bill rate plus a margin for credit risk. Due to interest rates on debt resetting to the market rate every three months, the carrying amounts of secured loans approximates their fair value.

### D) REPAYABLE PERIOD OF LOANS

TDC 2014/2015 \$'000	NOTE 25 BORROWINGS (CONT.)	TDC 2015/2016 \$'000
	<b>Repayable:</b>	
6,000	Within 1 year	-
6,000	Within 1 – 2 years	16,000
63,000	Within 2 – 5 years	92,000
70,000	5+ years	25,000
<b>139,000</b>	<b>Non-current portion</b>	<b>133,000</b>
<b>145,000</b>	<b>Total loans</b>	<b>133,000</b>

**NOTE 25: BORROWINGS (CONT.)**

Under PBE standards if Council expects and has the discretion to refinance or roll over an obligation for at least 12 months after balance date under an existing loan facility this is classified as non-current, even if it would otherwise be due within a shorter period. If there is no such arrangement for refinancing in place then Council must disclose these obligations as current. Council has no facilities expiring, or up for renewal in the next 12 months.

**E) FINANCE LEASES**

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred. At the commencement of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments. The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability. The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether the Council will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

2014/2015 \$'000	NOTE 25 BORROWINGS (CONT.)	2015/2016 \$'000
	<b>Repayable:</b>	
2	Within 1 year	3
9	Within 1 – 2 years	6
–	Within 2 – 5 years	–
<b>9</b>	<b>Non-current portion</b>	<b>6</b>
<b>11</b>	<b>Total loans</b>	<b>9</b>

**INTERNAL BORROWINGS**

Internal borrowings are charged to activities and then eliminated on consolidation in the Council's financial statements.

GROUP OF ACTIVITY \$'000	OPENING BALANCE	LOANS RAISED	LOANS REPAID	CLOSING BALANCE
Environmental Management	1,848	–	812	1,036
Public Health and Safety	193	292	25	460
Roading and Footpaths	35,660	1,825	3,476	34,009
Coastal Assets	4,859	61	3,575	1,345
Solid Waste	6,909	199	705	6,403
Wastewater and Sewage Control	31,041	3,967	6,821	28,187
Stormwater	14,671	1,285	1,471	14,485
Flood Protection and River Control Works	597	–	230	367
Water	30,981	2,460	4,784	28,657
Community Relations	1,869	–	152	1,717
Community Facilities and Parks	25,279	2,720	2,324	25,675
Council Enterprises and Property	5,090	2,529	483	7,136
Governance	–	–	–	–
<b>Total internal loans</b>	<b>158,997</b>	<b>15,338</b>	<b>24,858</b>	<b>149,477</b>

Interest on internal loans for each activity is disclosed as finance costs in the individual Funding Impact Statements.

## NOTE 25: BORROWINGS (CONT.)

GROUP OF ACTIVITY 2015 \$'000	OPENING BALANCE	LOANS RAISED	LOANS REPAID	CLOSING BALANCE
Environmental Management	1,994	–	146	1,848
Public Health and Safety	243	–	50	193
Roading and Footpaths	32,526	5,560	2,425	35,661
Coastal Assets	5,150	287	578	4,859
Solid Waste	6,230	1,287	608	6,909
Wastewater and Sewage Control	26,604	12,156	7,719	31,041
Stormwater	14,572	1,369	1,270	14,671
Flood Protection and River Control Works	621	141	165	597
Water	23,442	9,612	2,073	30,981
Community Relations	1,979	–	111	1,868
Community Facilities and Parks	26,069	352	1,142	25,279
Council Enterprises and Property	5,491	627	1,028	5,090
Governance	1,753	–	1,753	–
<b>Total internal loans</b>	<b>146,674</b>	<b>31,391</b>	<b>19,068</b>	<b>158,997</b>

## NOTE 26: REVALUATION RESERVE

## ASSET REVALUATION RESERVE

This reserve relates to the revaluation of property, plant and equipment to fair value.

2014/15 \$'000	NOTE 26 REVALUATION RESERVE	INC (DEC) \$'000	TRANSFER TO ACCUMULATED EQUITY \$'000	2015/16 \$'000
48,252	Port Nelson Limited	(261)	–	47,991
11,493	Nelson Regional Sewerage Business Unit	428	–	11,921
3,001	Nelson Airport Limited	18,462	–	21,463
768	NZ Local Government Shares	1,055	–	1,823
2,235	Tasman Bay Heritage Trust	(15)	–	2,220
70,770	Land	6,952	(1,589)	76,133
20,564	Buildings	12,787	78	33,429
353,507	Roads	–	–	353,507
151	Aerodromes	–	–	151
26,190	Rivers	–	–	26,190
4,999	Coastal Structures and Ports	(4,999)	–	–
1,893	Refuse	–	–	1,893
44,621	Wastewater	–	–	44,621
71,445	Stormwater	–	–	71,445
42,843	Water	–	–	42,843
<b>702,732</b>		<b>34,409</b>	<b>(1,511)</b>	<b>735,630</b>

## NOTE 26: REVALUATION RESERVE (CONT.)

2013/14 \$'000	NOTE 26 REVALUATION RESERVE	INC (DEC) \$'000	TRANSFER TO ACCUMULATED EQUITY \$'000	2014/15 \$'000
48,506	Port Nelson Limited	(254)	–	48,252
10,687	Nelson Regional Sewerage Business Unit	806	–	11,493
3,001	Nelson Airport Limited	–	–	3,001
12	NZ Local Government Shares	756	–	768
1,796	Tasman Bay Heritage Trust	439	–	2,235
72,512	Land	–	(1,742)	70,770
20,715	Buildings	–	(151)	20,564
338,502	Roads	15,005	–	353,507
151	Aerodromes	–	–	151
9,705	Rivers	16,485	–	26,190
4,498	Coastal Structures and Ports	501	–	4,999
–	Refuse	1,893	–	1,893
44,042	Wastewater	579	–	44,621
71,377	Stormwater	68	–	71,445
43,501	Water	(658)	–	42,843
<b>669,005</b>		<b>35,620</b>	<b>(1,893)</b>	<b>702,732</b>

## NOTE 27: ACCUMULATED EQUITY

Equity is the community's interest as measured by total assets less total liabilities. Public equity is disaggregated and classified into a number of reserves. The components of equity are:

- Accumulated funds
- Restricted reserves and Council created reserves
- Asset revaluation reserve

Reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by Council.

2014/2015 \$'000	NOTE 27 ACCUMULATED EQUITY	2015/2016 \$'000
514,451	Opening balance	535,173
21,416	Surplus	15,874
(2,524)	Net transfers to reserves	1,020
	<b>Transfers from:</b>	
1,893	Revaluation reserve on disposal of property	1,511
–	Reversal of deferred tax on asset revaluations	860
(63)	Equity restatement – JV/associate	–
<b>535,173</b>		<b>554,438</b>

## NOTE 28: RESTRICTED AND COUNCIL CREATED RESERVES

Restricted reserves are those reserves subject to specific conditions accepted as binding by the Council and which may not be revised by the Council without reference to the Courts or third party. Council created reserves are reserves established by Council decision. The Council may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

2014/2015 \$'000	NOTE 28 RESERVE FUNDS	2015/2016 \$'000
15,943	Opening balance	18,467
	<b>Transfers to:</b>	
2,524	Net transfers to reserves	(1,020)
<b>18,467</b>	<b>Closing balance</b>	<b>17,447</b>
	<b>Restricted funds consist of:</b>	
18,467	Other funds	17,447
<b>18,467</b>		<b>17,447</b>

Other funds consist of funds relating to donations and bequeaths provided to Council by various people for specific projects, along with funds relating to general disaster funds and funds set aside for specific purposes in the future.

## RESERVE REPORTING

RESERVE REPORTING	ACTIVITY TO WHICH THE FUND RELATES	OPENING BALANCE 1 JULY 2015 \$'000	TRANSFER INTO FUND \$'000	TRANSFERS OUT OF FUND \$'000	CLOSING BALANCE 30 JUNE 2016 \$'000
Reserve Financial Contributions Reserve	Community Facilities and Parks	5,215	1,689	(1,708)	5,196
Rivers Disaster Fund	Rivers and Flood Protection	745	1,129	(874)	1,000
Rivers Reserve	Rivers and Flood Protection	730	2,305	(1,775)	1,260
Water Reserve	Water	2,859	13,024	(14,245)	1,638
Wastewater Reserve	Wastewater	5,496	11,001	(14,353)	2,144
Self Insurance Fund	Overall Council	961	31	-	992
Stormwater Reserve	Stormwater	814	6,382	(6,030)	1,166
Solid Waste Reserve	Solid Waste	1,284	8,592	(9,401)	475
Dog Control Reserve	Public Health and Safety	25	425	(396)	54
Community Facilities Rate Reserve	Community Facilities and Parks	552	6,317	(5,855)	1,014
Camping Ground Reserve	Council Enterprises and Property	(54)	2,675	(2,596)	25
Community Housing Reserve	Community Facilities and Parks	174	684	(717)	141
Development Contribution Reserve	Roading and Footpaths, Water, Wastewater, Stormwater	(2,126)	3,132	(1,542)	(536)
General Disaster Fund	Governance	1,792	1,086	-	2,878
<b>Total</b>		<b>18,467</b>	<b>58,472</b>	<b>(59,492)</b>	<b>17,447</b>

## NOTE 28: RESTRICTED AND COUNCIL CREATED RESERVES (CONT.)

RESERVE REPORTING	ACTIVITY TO WHICH THE FUND RELATES	OPENING BALANCE 1 JULY 2014 \$'000	TRANSFER INTO FUND \$'000	TRANSFERS OUT OF FUND \$'000	CLOSING BALANCE 30 JUNE 2015 \$'000
Reserve Financial Contributions Reserve	Community Facilities and Parks	3,786	2,906	(1,477)	5,215
Rivers Disaster Fund	Rivers and Flood Protection	745	–	–	745
Rivers Reserve	Rivers and Flood Protection	198	3,686	(3,154)	730
Water Reserve	Water	944	19,755	(17,840)	2,859
Wastewater Reserve	Wastewater	1,603	16,729	(12,836)	5,496
Self Insurance Fund	Overall Council	950	30	(19)	961
Stormwater Reserve	Stormwater	168	6,074	(5,428)	814
Solid Waste Reserve	Solid Waste	877	9,982	(9,575)	1,284
Dog Control Reserve	Public Health and Safety	54	396	(425)	25
Community Facilities Rate Reserve	Community Facilities and Parks	607	3,896	(3,951)	552
Camping Ground Reserve	Council Enterprises and Property	(22)	855	(887)	(54)
Community Housing Reserve	Community Facilities and Parks	56	652	(534)	174
Development Contribution Reserve	Roading and Footpaths, Water, Wastewater, Stormwater	4,644	3,563	(10,333)	(2,126)
General Disaster Fund	Governance	1,333	459	–	1,792
<b>Total</b>		<b>15,943</b>	<b>68,983</b>	<b>(66,459)</b>	<b>18,467</b>

### Dog Control Reserve

The dog control reserve is used to separate all funding and expenditure for the dog control activity.

### Development Contribution Reserve

It is Tasman District Council's intention that developers should bear the cost of the increased demand that development places on the District's infrastructure. Population growth in the District places a strain on network and community infrastructure. That infrastructure will need to expand and be further developed in order to cope with the demands of population growth. This includes additional demand on services such as roading, water supply, wastewater and stormwater management. All development contributions must be separately accountable and the Council keeps development contributions received in four separate accounts; roading, wastewater, stormwater and water. Strict criteria apply to the use of these funds.

### Water Reserve

The water reserve is used to separate all funding and expenditure for the water activity, excluding development contributions revenue and projects. Each year Council sets the proposed revenue, expenditure and funding budgets for this activity. Variations from these budgets, as a result of timing of projects and/or unplanned expenditure are recorded in the water reserve to keep any surpluses/deficits separate from other activities.

## NOTE 28: RESTRICTED AND COUNCIL CREATED RESERVES (CONT.)

### Wastewater Reserve

The wastewater reserve is used to separate all funding and expenditure for the wastewater activity, excluding development contributions revenue and projects. Each year Council sets the proposed revenue, expenditure and funding budgets for this activity. Variations from these budgets, as a result of timing of projects and/or unplanned expenditure are recorded in the wastewater reserve to keep any surpluses/deficits separate from other activities.

### Stormwater Reserve

The stormwater reserve is used to separate all funding and expenditure for the stormwater activity, excluding development contributions revenue and projects. Each year Council sets the revenue, expenditure and funding budgets for this activity. Any variations from these budgets for example as a result of timing of projects or unplanned expenditure are recorded in the stormwater reserve to keep any surpluses/deficits separate from other activities.

### Solid Waste Reserve

The solid waste reserve is used to separate all funding and expenditure for the solid waste activity. Each year Council sets the revenue, expenditure and funding budgets for this activity. Any variations from these budgets for example timing of projects or unplanned expenditure are recorded in the solid waste reserve to keep any surpluses/deficits separate from other activities.

### Rivers Disaster Fund

The rivers disaster fund (The Classified Rivers Protection Fund) covers the excess for river protection assets insured under the Local Authority Protection Programme (LAPP).

### Rivers Reserve

The rivers reserve is used to enable separate accounting for the funding and expenditure for the rivers activity. Each year Council sets the revenue, expenditure and funding budgets. Variations from these budgets, as a result of timing of projects or unplanned expenditure are recorded in the rivers fund to keep any surpluses/deficits separate from other activities.

### Reserve Financial Contributions Reserve

Reserve financial contributions are paid as a percentage of the land value of new allotments, and are applied to the acquisition and development of land for reserves, and to the development and upgrading of community services. All reserve financial contributions must be separately accountable and the Council keeps reserve financial contributions received in four separate accounts (Golden Bay ward, Motueka ward, Moutere/Waimea/Lakes/Murchison wards, Richmond ward). Strict criteria apply to the use of these funds.

### General Disaster Fund

The General Disaster Fund is to cover uninsurable assets like roads and bridges. Council usually receives a subsidy from NZ Transport Agency to cover part of the costs of any roads and bridges damaged in a disaster but Council needs to fund any remaining costs.

### Self-Insurance Fund

The purpose of this fund is to provide cover for assets that are medium to low risk, but are uneconomic to insure.

### Community Facilities Rate Reserve

The community facilities rate reserve is used to ring-fence all funding and expenditure on the community facilities activity. Each year in Council's Annual Plan revenue, expenditure and funding budgets are set for this activity. Any variations from these budgets (due to timing of projects, unplanned expenditure etc.) are recorded in the community facilities rates reserve so that any surpluses/deficits can be ring-fenced.



## NOTE 28: RESTRICTED AND COUNCIL CREATED RESERVES (CONT.)

## Camping Ground Reserve

The camping ground reserve is used to ring-fence all funding and expenditure on the camping ground activity. Each year in Council's Annual Plan revenue, expenditure and funding budgets are set for this activity. Any variations from these budgets (due to timing of projects, unplanned expenditure etc.) are recorded in the camping ground reserve so that any surpluses/deficits can be ring-fenced.

## Community Housing Reserve

The community housing reserve is used to ring-fence all funding and expenditure on the community housing activity. Each year in Council's Annual Plan revenue, expenditure and funding budgets are set for this activity. Any variations from these budgets (due to timing of projects, unplanned expenditure etc.) are recorded in the community housing reserve so that any surpluses/deficits can be ring-fenced.

## NOTE 29: CASHFLOW RECONCILIATION

2014/2015 \$'000	NOTE 29 CASHFLOW RECONCILIATION	2015/2016 \$'000
21,416	Operating (surplus)/deficit	16,734
	<b>ADD NON CASH ITEMS:</b>	
21,635	Depreciation	22,259
(1,041)	Share of associate	461
(7,172)	Vested assets	(7,895)
652	Unrealised loss on investment property	651
(6,681)	Revaluation of forestry assets	(6,059)
7,830	Unrealised loss/(gain) on interest rate derivatives	9,817
(7)	Unwinding of IFRS discounts	(37)
	<b>MOVEMENTS IN WORKING CAPITAL ITEMS:</b>	
(1,734)	Accounts receivable	2,163
1,450	Accounts payable	(1,386)
	<b>OTHER</b>	
58	Movement in term provisions	476
(40)	Gain/(loss) on sale included in investing activities	351
(1,040)	Movement in fixed asset related payables	78
(74)	Movement in term employee entitlements	(20)
(217)	Net GST	(363)
(5)	NRSBU equity adjustment	(5)
–	Revaluation loss exceed revaluation reserve	976
<b>35,030</b>	<b>Net cash in(out)flow from operating activities</b>	<b>38,201</b>

## NOTE 30: RELATED PARTY TRANSACTIONS

2014/2015 \$'000	NOTE 30 RELATED PARTY TRANSACTIONS	2015/2016 \$'000
<b>A) PORT NELSON LIMITED</b>		
<b>i) Received from:</b>		
2,850	Share of dividends	2,400
1,600	ii) Accounts receivable	1,650
<b>B) TASMAN BAYS HERITAGE TRUST</b>		
<b>i) Paid to:</b>		
856	Operational funding	834
720	ii) Loan funding	654
<b>C) NELSON AIRPORT LIMITED</b>		
<b>i) Received from:</b>		
256	Share of dividends	300
256	ii) Accounts receivable	-

The loan from Council to Tasman Bays Heritage Trust is at a nil interest rate (2015: Nil). The fair value balance on the loan at year end is \$654,000 (2015: \$720,000). The loan has a face value of \$1,025,000 (2015: \$1,125,000).

As all other transactions are deemed to have occurred within a normal supplier/client relationship on terms and conditions considered to be at arm's length, they are not required to be disclosed.

No provision has been required, nor any expense recognised for impairment of receivables, for any loans or receivables to related parties (2015 \$nil).

## KEY MANAGEMENT PERSONNEL

During the year Councillors and key management, as part of a normal customer relationship, were involved in minor transactions with Council (such as rates, purchase of rubbish bags etc).

Key management personnel include the Mayor, Councillors, Chief Executive, and Management Team.

KEY MANAGEMENT PERSONNEL COMPENSATION	2016 \$'000	2015 \$'000
<b>COUNCILLORS</b>		
Remuneration	681	632
Full-time equivalent members	14	14
<b>SENIOR MANAGEMENT TEAM, INCLUDING THE CHIEF EXECUTIVE</b>		
Remuneration	1,122	1,102
Full-time equivalent members	5	5
<b>Total key management personnel remuneration</b>	<b>1,803</b>	<b>1,734</b>
<b>Total full-time equivalent members</b>	<b>19</b>	<b>19</b>

Due to the difficulty in determining the full-time equivalent for Councillors, the full-time equivalent figure is taken as the number of Councillors.

## NOTE 31: SEVERANCE PAYMENTS

In accordance with Schedule 10, Part 3, Clause 19, Local Government Act 2002, Council declares that there has been two individual severance payment of \$4,500 and \$14,499 made to employees during this financial year. (2015: One totalling \$29,786).

## NOTE 32: REMUNERATION

### CHIEF EXECUTIVE

The Chief Executive of Tasman District Council, appointed under Section 42 of the Local Government Act 2002, received total remuneration of \$308,236 during the year ending 30 June 2016 (2015: 300,718).

### COUNCIL EMPLOYEES – HEAD COUNT

TOTAL ANNUAL REMUNERATION BY BAND FOR EMPLOYEES AS AT 30 JUNE	2016 \$'000	2015 \$'000
< \$60,000	104	110
\$60,000 – \$79,999	73	74
\$80,000 – \$99,999	59	55
\$100,000 – \$119,999	18	9
\$120,000 – \$139,999	8	9
\$140,000 – \$319,999	–	6
\$140,000 – \$219,999	6	–
\$300,000 – \$319,999	1	–
<b>Total employees</b>	<b>269</b>	<b>263</b>

Total remuneration includes non-financial benefits provided to employees.

At balance date, the Council employed 220 (2015: 211) full time employees, with the balance of staff representing 34 full time equivalents employees (2015: 31 full time equivalents). A full-time employee is determined on the basis of a 40-hour working week.

## NOTE 33: FINANCIAL INSTRUMENTS

### FINANCIAL INSTRUMENTS RISKS

Council is party to financial instrument arrangements as part of its every day operations. The Council is risk averse and seeks to minimise exposure arising from its treasury activities. The Council has established a Treasury Policy specifying what transactions can be entered into. These financial instruments include bank balances, accounts receivable, accounts payable, loans, guarantees and investments.

#### a) Credit Risk

Credit risk is the risk that a third party will default on its obligation to Council, causing Council to incur a loss. Due to the timing of its cash inflows and outflows, the Council invests surplus cash into term deposits which gives rise to credit risk.

Council's Treasury Management policy limits the amount of credit exposure to any one financial institution or organisation. Council only invests funds with registered banks that have a Standard and Poor's credit rating of at least A+ for short term and AA- for long-term investments, or building societies.

Financial instruments which are potentially subject to credit risk consist of cash, bank balances, accounts receivable and short term deposits.

#### The credit quality of financial assets:

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit ratings (if available) or to historical information about counterparty default rates:

2014/2015 \$'000	COUNTERPARTIES WITH CREDIT RATINGS	2015/2016 \$'000
<b>CASH AND CASH EQUIVALENTS</b>		
3,202	AA-	3,221
<b>3,202</b>	<b>Total cash and cash equivalents</b>	<b>3,221</b>
<b>OTHER FINANCIAL ASSETS HELD TO MATURITY</b>		
1,217	AA-	1,235
<b>1,217</b>	<b>Total financial assets held to maturity</b>	<b>1,235</b>
<b>DERIVATIVE FINANCIAL ASSETS</b>		
(8,129)	AA-	(17,946)
<b>(8,129)</b>	<b>Total financial assets held to maturity</b>	<b>(17,946)</b>

## NOTE 33: FINANCIAL INSTRUMENTS (CONT.)

2014/2015 \$'000	COUNTERPARTIES WITHOUT CREDIT RATINGS	2015/2016 \$'000
<b>COMMUNITY LOANS</b>		
418	Existing counterparty with no defaults in the past	457
–	Existing counterparty with defaults in the past	–
<b>418</b>	<b>Total community loans</b>	<b>457</b>
<b>LOANS TO RELATED PARTIES</b>		
720	Existing counterparty with no defaults in the past	654
–	Existing counterparty with defaults in the past	–
<b>720</b>	<b>Total loans to related parties</b>	<b>654</b>
<b>OTHER FINANCIAL ASSETS HELD TO MATURITY</b>		
–	Existing counterparty with no defaults in the past	–
–	Existing counterparty with defaults in the past	–
–	<b>Total other financial assets held to maturity</b>	–
<b>UNLISTED SHARES</b>		
4,237	Existing counterparty with no defaults in the past	5,340
–	Existing counterparty with defaults in the past	–
<b>4,237</b>	<b>Total unlisted shares</b>	<b>5,340</b>

Debtors and other receivables mainly arise from Council's statutory functions, therefore there are no procedures in place to monitor or report the credit quality of debtors and other receivables with reference to internal or external credit ratings. Council has no significant concentrations of credit risk in relation to debtors and other receivables, as it has a large number of credit customers, mainly ratepayers, and Council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

Council is exposed to credit risk as a guarantor of all of the NZ LGFA's borrowings.

#### b) Cash Flow Interest Rate Risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings and investments issued at variable interest rates expose Council to cash flow interest rate risk.

Council raises some borrowings at floating rates and swaps them into fixed rates using interest rate swaps in order to manage the cash flow interest rate risk. Such interest rate swaps have the economic effect of converting borrowings at floating rates into fixed rates that are generally lower than those available if Council borrowed at fixed rates directly. Under the interest rate swaps, Council agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional principal amounts.

**NOTE 33: FINANCIAL INSTRUMENTS (CONT.)****c) Financial Guarantees**

Council has guarantees to various organisations which may subject it to credit risk. Maximum exposure to credit risk at balance date was \$20,000 as detailed in the Statement of Contingent Liabilities (2015: \$20,000).

It is not practical to estimate the fair value of the financial guarantees with an acceptable level of reliability.

**d) Price Risk**

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. Council is exposed to equity securities price risk on its investments, which are classified as financial assets held at fair value through comprehensive revenue and expense.

**e) Liquidity Risk**

Liquidity risk is the risk that Council will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Council aims to maintain flexibility in funding by keeping committed credit lines available.

Council manages its borrowings in accordance with its funding and financial policies, which include a Treasury Management policy. These policies have been adopted as part of the Council's Long Term Plan.

Council has a maximum amount that can be drawn down against its overdraft facility of \$300,000 (2015: \$300,000). There are no restrictions on the use of this facility.

Council has an undrawn loan facility of \$8.5m with Westpac, and \$20.5m with ASB.

Council is exposed to liquidity risk as a guarantor of all of the NZ LGFA's borrowings. This guarantee becomes callable in the event of the LGFA failing to pay its borrowings when they fall due. Further information is included in the contingencies note.

**NOTE 34: CAPITAL MANAGEMENT**

The Council's capital is its equity (or ratepayers' funds), which comprise retained earnings and reserves. Equity is represented by net assets.

The Local Government Act 2002 (the Act) requires the Council to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayers' funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets and not expecting them to meet the full cost of long term assets that will benefit ratepayers in future generations. Additionally, the Council has in place asset/activity management plans for major classes of assets detailing renewal and maintenance programmes, to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires the Council to make adequate and effective provision in its Long Term Plan (LTP) and in its Annual Plan (where applicable) to meet the expenditure needs identified in those plans. The Act sets out the factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in the Council's LTP.

**NOTE 34: CAPITAL MANAGEMENT (CONT.)**

Council has the following Council created reserves:

- Reserves for different areas of benefit;
- Self-insurance reserves; and
- Trust and bequest reserves.

Reserves for different areas of benefit are used where there is a discrete set of rate or levy payers as distinct from the general rate. Any surplus or deficit relating to these separate areas of benefit is applied to the specific reserves.

Self-insurance reserves are built up annually from general rates and are made available for specific unforeseen events. The release of these funds generally can only be approved by Council.

Trust and bequest reserves are set up where Council has been donated funds that are restricted for particular purposes. Interest is added to trust and bequest reserves where applicable and deductions are made where funds have been used for the purpose they were donated.

**NOTE 35: URBAN PORTIONS OF THE STATE HIGHWAY NETWORK**

The ownership of urban portions of the state highway network is unclear, although there is legal opinion indicating that the ownership rests with local authorities. New Zealand Transport Agency maintains these highways in their entirety without any costs accruing to local authorities.

As a consequence, even if ownership resides with local authorities, in practice, New Zealand Transport Agency controls the economic resources. Pending clarification of ownership and further consideration of the accounting issues which may arise, Tasman District Council has not recognised the urban portion of the state highway network as an asset in these financial statements. The estimated distance of highway involved is 16.7 kilometres.

**NOTE 36: SIGNIFICANT VARIANCES COMPARED TO THE LONG TERM PLAN**

The Council made a net surplus of \$16.734 million (budgeted surplus of \$7.533 million).

Explanations for major variations from the budget are as follows:

REVENUE AND EXPENDITURE	\$'000
2015/2016 Long Term Plan surplus	7,533
<b>INCREASES/(REDUCTIONS)</b>	
Development and financial contributions	(547)
Other revenue	14,686
Other increases in revenue	(1,026)
Revenue and expenditure of joint venture	(1,409)
Finance costs	1,923
Other expenses	(5,932)
Depreciation	1,624
Other expense variance	(118)
	<b>9,201</b>
<b>2016 Annual Report surplus</b>	<b>16,734</b>

**NOTE 36: SIGNIFICANT VARIANCES COMPARED TO THE LONG TERM PLAN (CONT.)**

The major reasons for the variance between actual and estimated net surplus were:

Development contributions being \$302,000 lower than expected. This is a timing issue dependent on when new subdivisions and building developments are liable for development contributions. Reserve Financial Contributions being \$245,000 lower than expected due to a decrease in building consents issued over budgeted.

Other revenue is up on budget mainly due to the forestry revaluation gain of \$6,057,000 being \$5,581,000 higher than budgeted due to the inherent difficulties in forecasting market conditions. Vested assets are also up \$4,929,000 on budget. Harvesting income is up \$1,627,000 on budget due to a combination of log prices and harvest volumes being significantly higher than planned.

Share of joint venture revenue and expenditure is down on budget after the elimination of intercompany transactions.

Finance costs are down on budget due to market conditions, more active treasury management and a decrease in loans raised due to the capital works programme being behind budget.

Other expenses are up on budget due to an unrealised loss on revaluation of the interest rate swaps of \$9.8 million. Maintenance expenditure is down \$3.7million on budget due to a decrease in general maintenance work undertaken.

Depreciation expense is down on budget due to capital work on major projects being delayed.

Explanations for major variations from the budget are as follows:

STATEMENT OF FINANCIAL POSITION	ACTUAL \$'000	LONG TERM PLAN \$'000	VARIANCE \$'000
<b>The carrying values of the following items vary significantly from those forecast in the LTP</b>			
Cash and cash equivalents	3,221	1,202	2,019
Current portion of borrowings	3	16,564	(16,561)
Forestry assets	32,848	22,009	10,839
Property, plant and equipment	1,301,387	1,355,265	(53,878)
Term borrowings	(133,006)	(160,187)	27,181
Derivative financial instruments	(17,946)	(3,197)	(14,749)
Accumulated equity	(554,438)	(528,482)	(25,956)

The major reasons for the variance between actual and estimated Statement of Financial Position values were:

- Cash and cash equivalents is up on budget due to the timing of cashflows at year end.
- Current portion of borrowings are down on budget due to a decrease in forecasted bank loans within the banking facility which was expiring within the next 12 months. This is due to more funding being shifted into the Local Government Funding Agency due to the rates that they were able to offer, and the refinancing of bank terms.
- Term borrowings and property, plant and equipment are down on budget due to capital work on major projects being delayed.
- Forestry assets are higher than budget due to the forestry revaluation gain being higher than budgeted due to the inherent difficulties in forecasting market conditions.
- Derivative Financial Instruments are lower than budget from the unrealised loss on revaluation of the interest rate swaps and the inherent difficulties in forecasting market conditions.
- Accumulated equity is higher than budgeted due to the surplus for the year and revaluation of infrastructure assets being higher than expected.



**NOTE 37: EVENTS OCCURRING AFTER BALANCE DATE**

No significant events have occurred since balance date that affect these financial statements.

**NOTE 38: ELECTED REPRESENTATIVES**

In accordance with Schedule 10, Part 3, section 32 of the Local Government Act 2002, the total remuneration and value of other non-financial benefits received by, or payable to the Mayor, and Councillors for the year were as follows:

	SALARY \$	CONSENT HEARINGS \$	TOTAL COST \$	DIRECTOR FEES \$	TOTAL \$
Kempthorne R G	129,719	–	129,719	–	129,719
King T B	46,540	–	46,540	33,744	80,284
Bouillir M	35,800	–	35,800	–	35,800
Bryant S G	42,960	4,515	47,475	–	47,475
Canton P L G	35,800	–	35,800	–	35,800
Dowler B F	35,800	–	35,800	–	35,800
Edgar J	42,960	–	42,960	15,895	58,855
Ensor B	35,800	–	35,800	–	35,800
Greening M J	35,800	–	35,800	–	35,800
Higgins M J	35,800	–	35,800	–	35,800
Inglis J L	35,800	–	35,800	–	35,800
Mirfin Z	35,800	–	35,800	–	35,800
Norriss T E	42,960	–	42,960	–	42,960
Sangster P	35,800	–	35,800	–	35,800
	<b>627,339</b>	<b>4,515</b>	<b>631,854</b>	<b>49,639</b>	<b>681,493</b>

The Mayor R G Kempthorne has full private use of a vehicle to undertaken his civic duties. The Remuneration Authority values this full private use at \$3,181 (2015: \$3,181).

Deputy Mayor T B King is a Director of Port Nelson Limited and received director fees from Port Nelson of \$33,744 during the year (2015: \$33,746).

Councillor J Edgar was appointed as Director of Nelson Airport Limited on 5 December 2013. She received director fees from Nelson Airport Limited of \$15,895 during the year (2015: \$14,696).

## NOTE 39: FINANCIAL PERFORMANCE IN RELATION TO FINANCIAL REGULATIONS BENCHMARKS

### ANNUAL REPORT DISCLOSURE STATEMENT FOR YEAR ENDING 30 JUNE 2016

#### What is the purpose of this statement?

The purpose of this statement is to disclose Council's financial performance in relation to various benchmarks to enable the assessment of whether Council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

Council is required to include this statement in its annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

Note: The Financial Strategy was a new requirement from the 2012 – 2022 Long Term Plan onwards, and required Council to set limits on a number of benchmarks. As a Financial Strategy was not required prior to this, there were no limits set for the June 2012 year, and therefore, no comparatives have been included in the following graphs for this year.

#### RATES AFFORDABILITY BENCHMARK

Council meets the rates affordability benchmark if:

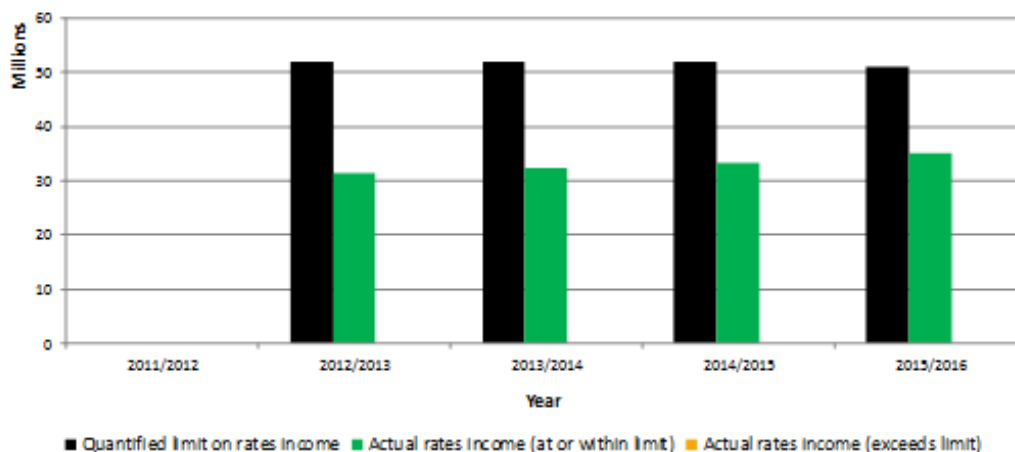
- its actual rates revenue equals or is less than each quantified limit on rates; and
- its actual rates increases equal or are less than each quantified limit on rates increases.

#### Rates (revenue) affordability

The following graph compares Council's actual general rates revenue with a quantified limit on general rates contained in the financial strategy included in Council's Long Term Plan.

The quantified limit for general rates is \$52 million per annum for each year covered by the Long Term Plan 2012 – 2022 and \$51 million per annum for each year covered by the Long Term Plan 2015 – 2025.

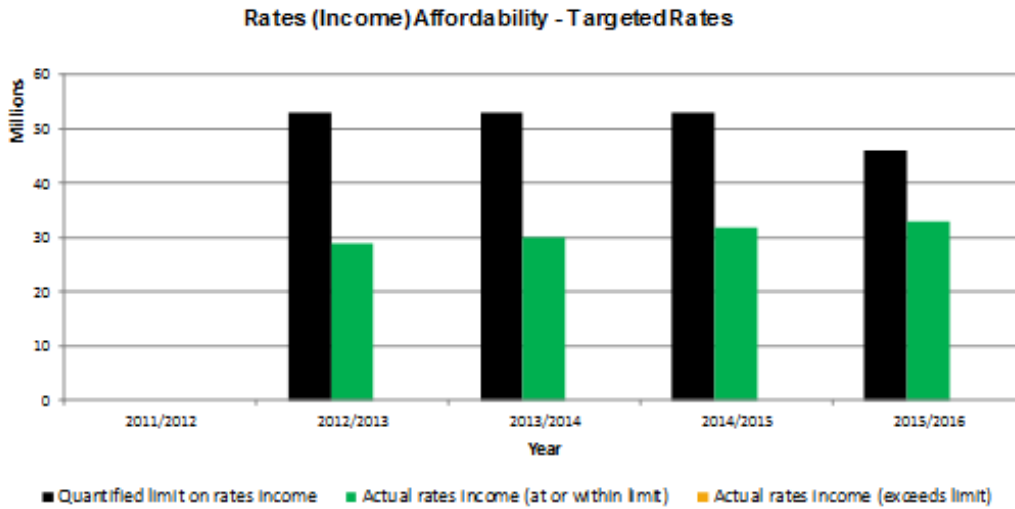
**Rates (Income) Affordability - General Rates**



**NOTE 39: FINANCIAL PERFORMANCE IN RELATION TO FINANCIAL REGULATIONS BENCHMARKS (CONT.)**

The following graph compares Council's actual targeted rates revenue with a quantified limit on targeted rates contained in the financial strategy in Council's Long Term Plan.

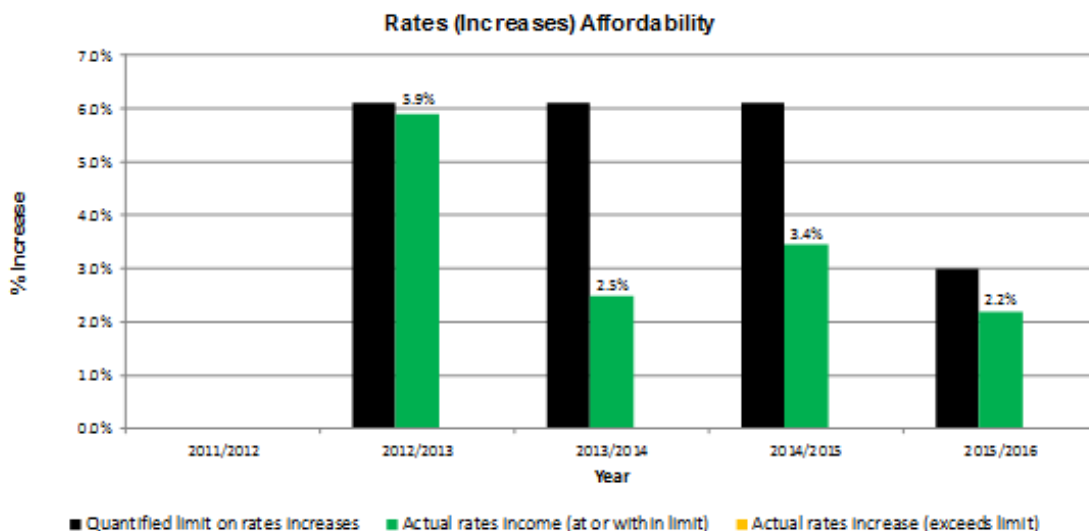
The quantified limit for targeted rates is \$53 million per annum for each year covered by the Long Term Plan 2012 – 2022 and \$46 million per annum for each year covered by the Long Term Plan 2015 – 2025.



**Rates (increases) affordability**

The following Graph compares Council's actual rate increases with a quantified limit on rates increases contained in the financial strategy in Council's Long Term Plan.

The quantified limit is 6.10% per annum for all rates for each year covered by the Long Term Plan 2012 – 2022 and 3% excluding growth per annum for each year covered by the Long Term Plan 2015 – 2025.



## NOTE 39: FINANCIAL PERFORMANCE IN RELATION TO FINANCIAL REGULATIONS BENCHMARKS (CONT.)

## DEBT AFFORDABILITY BENCHMARK

Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing.

The definitions contained in the regulations differ from those used in Council's financial strategy contained in the Long Term Plan. The main departure between these two documents relates to the definition of net debt in the regulations compared to net external debt in the financial strategy. The quantified limits on borrowings contained in the benchmark graphs were taken from the financial strategy, and as such were formulated in relation to the definition of net external debt. Actual results are reported using both the prescribed definitions contained in the regulations, and the definition intended by the financial strategy, explained below.

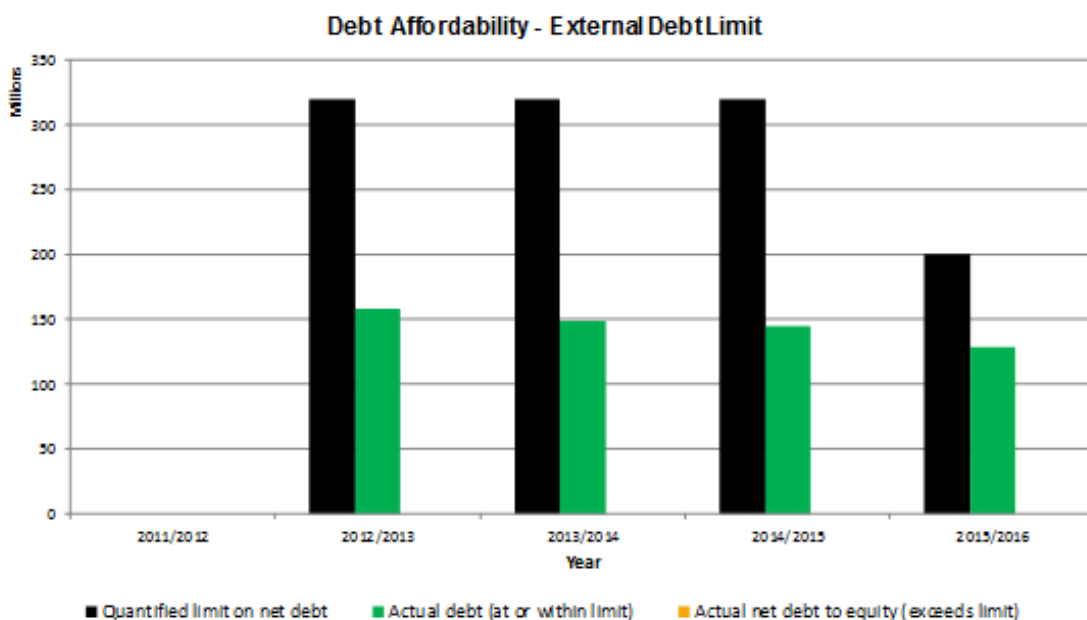
Net external debt is defined in the financial strategy of the Long Term Plan 2015 – 2025 as total external debt less liquid financial assets and investments.

Net debt is defined in the regulations as financial liabilities less financial assets (excluding trade and other receivables). Financial liabilities as defined by GAAP include, gross external debt (aggregate and financial guarantees provided to third parties) plus trade payables and derivative financial instruments (interest rate swaps). Financial assets as defined by GAAP include cash or near cash treasury investments held from time to time, and equity instruments of other entities e.g. investments in CCOs.

## External Debt Limit

The following graph compares Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy contained in Council's Long Term Plan.

The quantified limit is gross external debt not to exceed \$320 million per annum for each year covered by the Long Term Plan 2012 – 2022 and net external debt not to exceed \$200 million per annum for each year covered by the Long Term Plan 2015 – 2025.



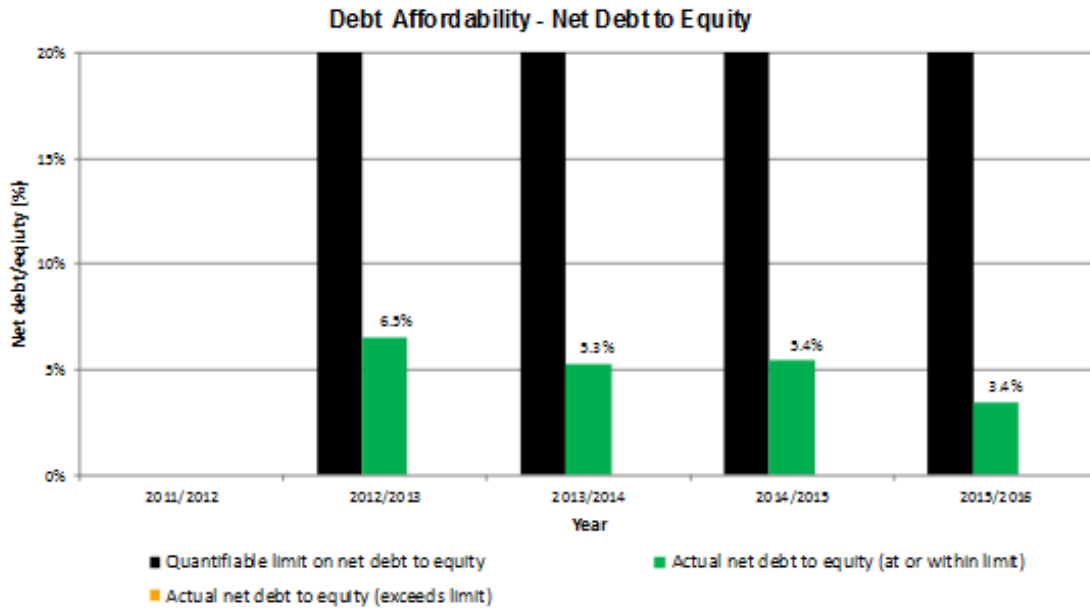
NOTE 39: FINANCIAL PERFORMANCE IN RELATION TO FINANCIAL REGULATIONS BENCHMARKS (CONT.)

**Net Debt to Equity**

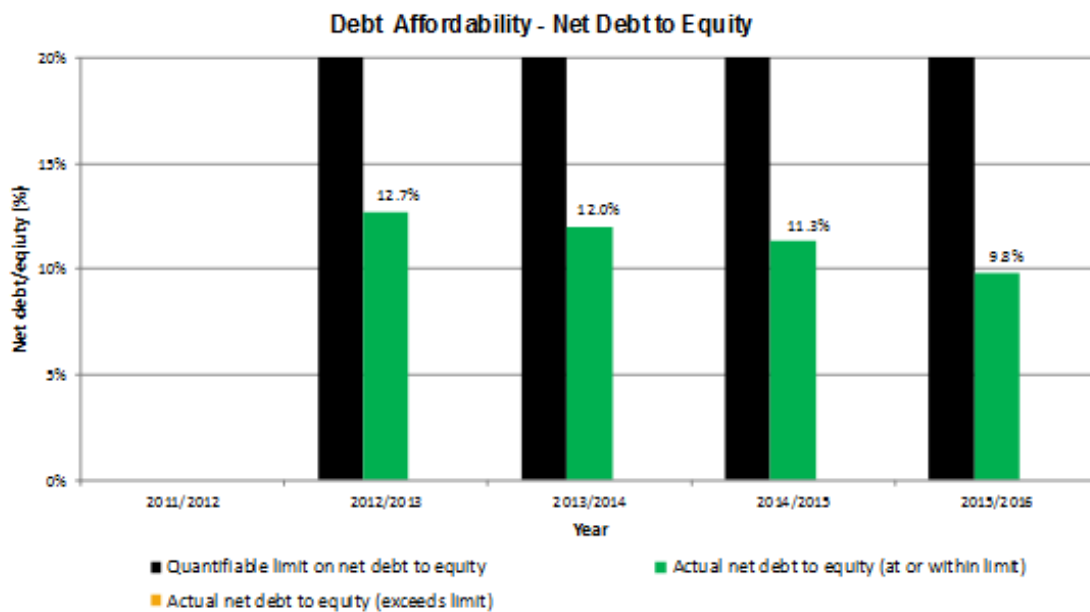
The following graph compares Council's actual net debt with a quantified limit on borrowing stated in the financial strategy contained in Council's Long Term Plan.

The quantified limit is net external debt to not exceed 20% of equity.

The following graph represents the actual results based on the prescribed definitions in the regulations.



The following graph represents the actual results based on the intended definitions contained in the financial strategy.



NOTE 39: FINANCIAL PERFORMANCE IN RELATION TO FINANCIAL REGULATIONS BENCHMARKS (CONT.)

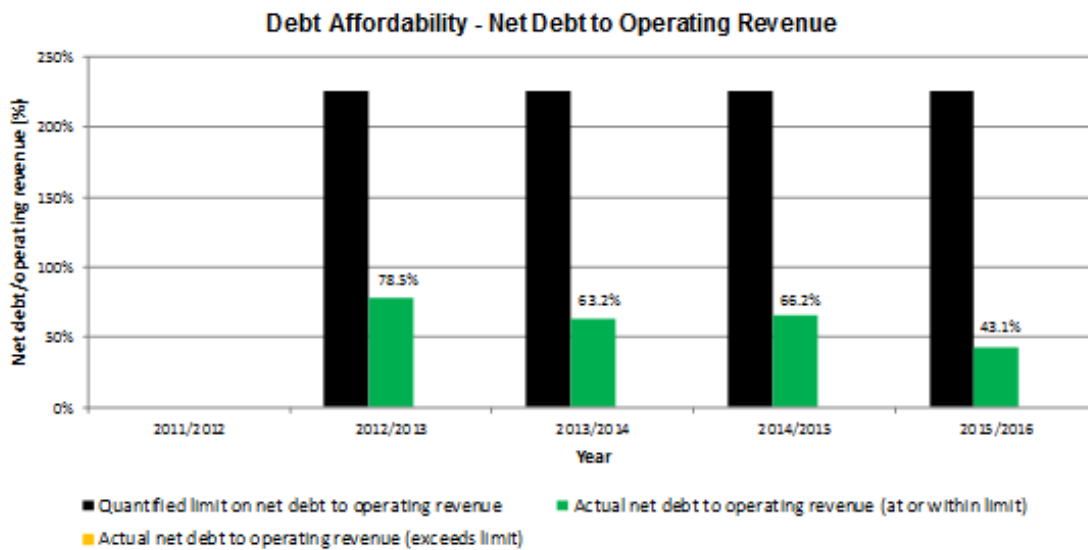
**Net Debt to Total Operating Revenue**

The following graph compares Council's actual net debt with a quantified limit on borrowing stated in the financial strategy contained in Council's Long Term Plan.

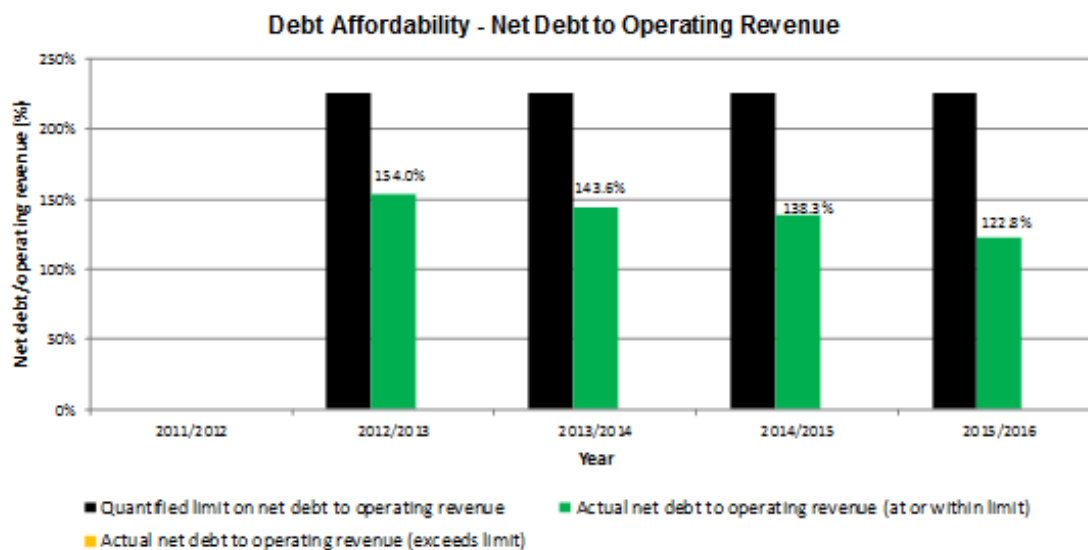
The quantified limit is net external debt to not exceed 225% of total operating revenue.

(Total operating revenue is defined in the financial strategy as earnings from rates, government grants and subsidies, user charges, levies, interest, dividends, financial and other revenue, but excludes non government capital contributions, (e.g. developer contributions and vested assets)).

The following graph represents the actual results based on the prescribed definitions in the regulations.



The following graph represents the actual results based on the intended definitions contained in the financial strategy.

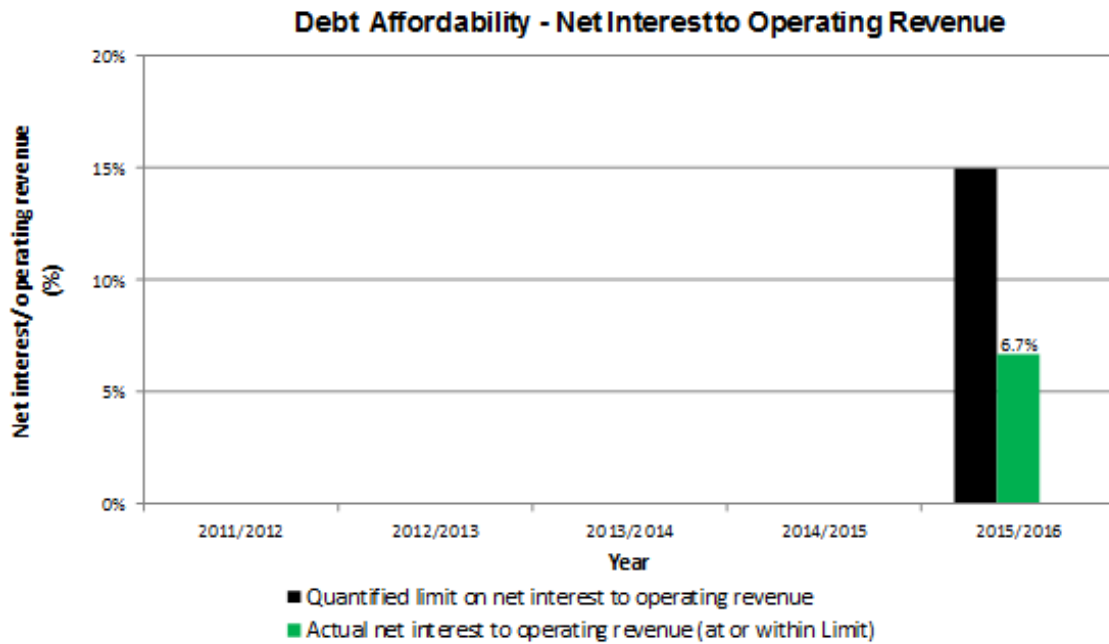


NOTE 39: FINANCIAL PERFORMANCE IN RELATION TO FINANCIAL REGULATIONS BENCHMARKS (CONT.)

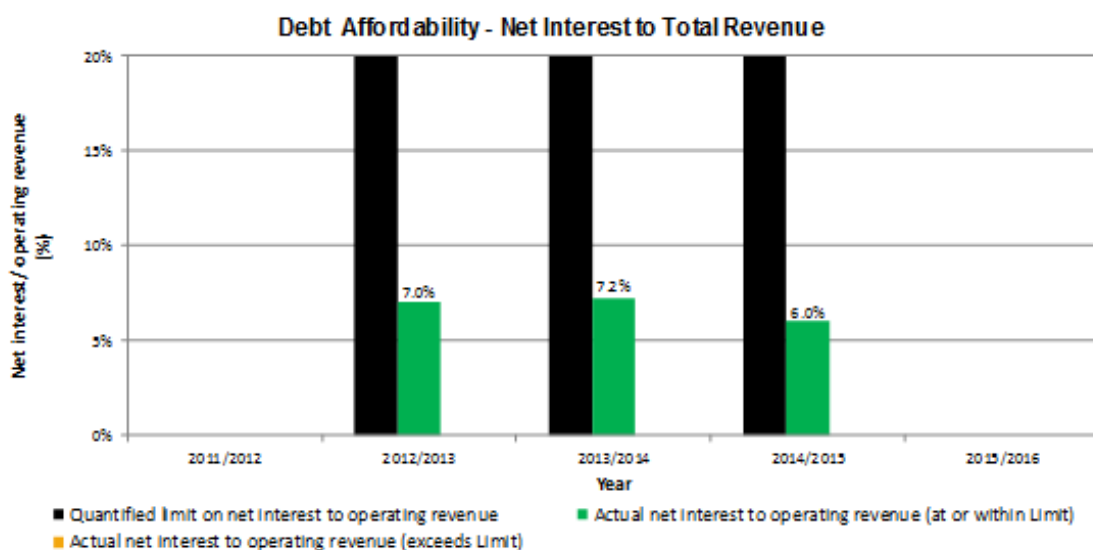
**Net Interest to Total Revenue**

The following graph compares Council's actual net interest expense with a quantified limit on borrowing stated in the financial strategy contained in Council's Long Term Plan.

The quantified limit is net interest on external debt to not exceed 15% of total operating revenue for each year covered by the Long Term Plan 2015 – 2025. This measure replaces the quantified limit contained in the Long Term Plan 2012 – 2022 so has no comparatives.



The quantified limit in the Long Term Plan 2012 – 2022 was net interest on net external debt to not exceed 20% of total revenue for each year covered by the Long Term Plan 2012 – 2022.

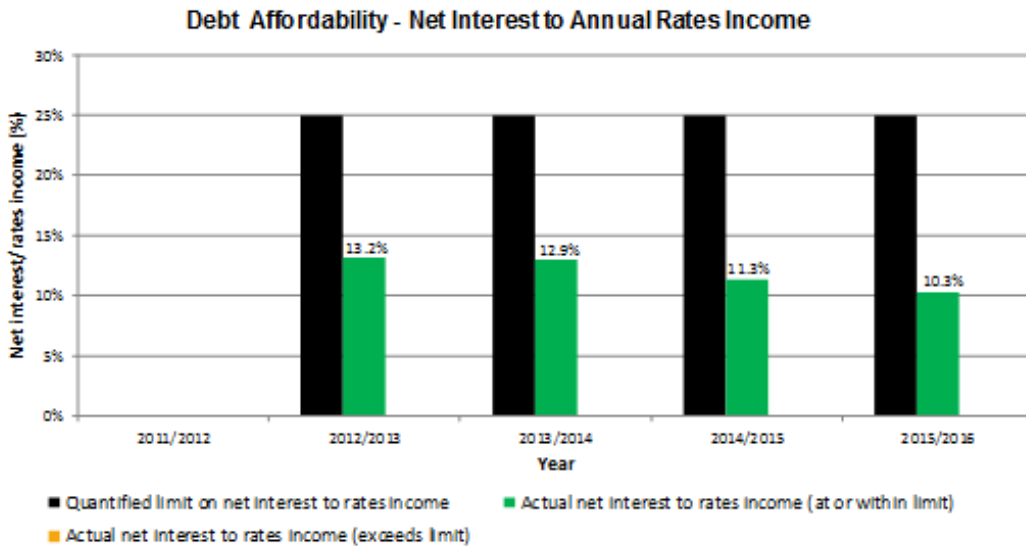


NOTE 39: FINANCIAL PERFORMANCE IN RELATION TO FINANCIAL REGULATIONS BENCHMARKS (CONT.)

Net Interest to Total Rates Revenue

The following graph compares Council's actual net interest expense with a quantified limit on borrowing stated in the financial strategy contained in Council's Long Term Plan.

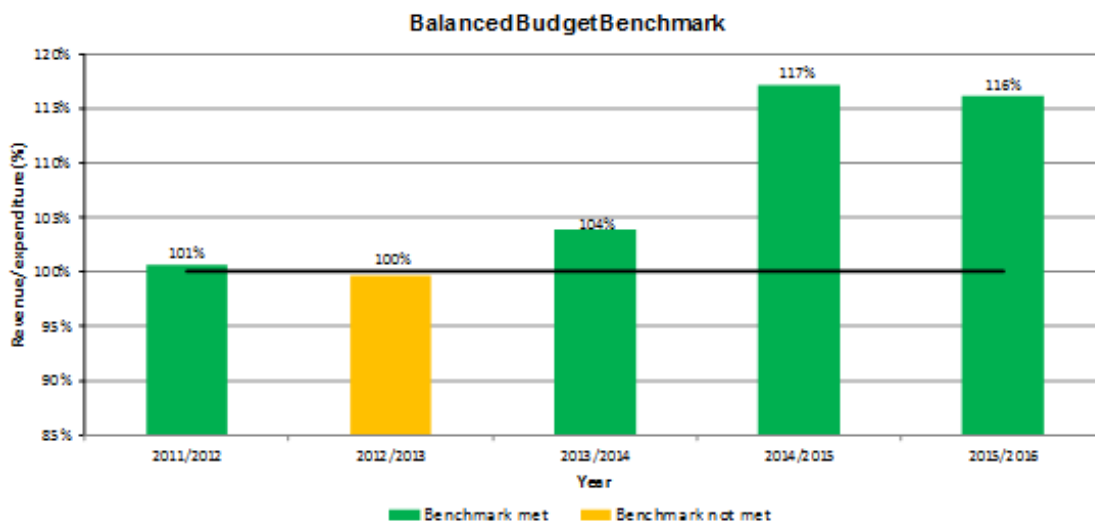
The quantified limit is net interest expense on net external debt to not exceed 25% of annual rates revenue.



BALANCED BUDGET BENCHMARK

The following graph displays Council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

Council meets this benchmark if its revenue equals or is greater than its operating expenses.





## NOTE 39: FINANCIAL PERFORMANCE IN RELATION TO FINANCIAL REGULATIONS BENCHMARKS (CONT.)

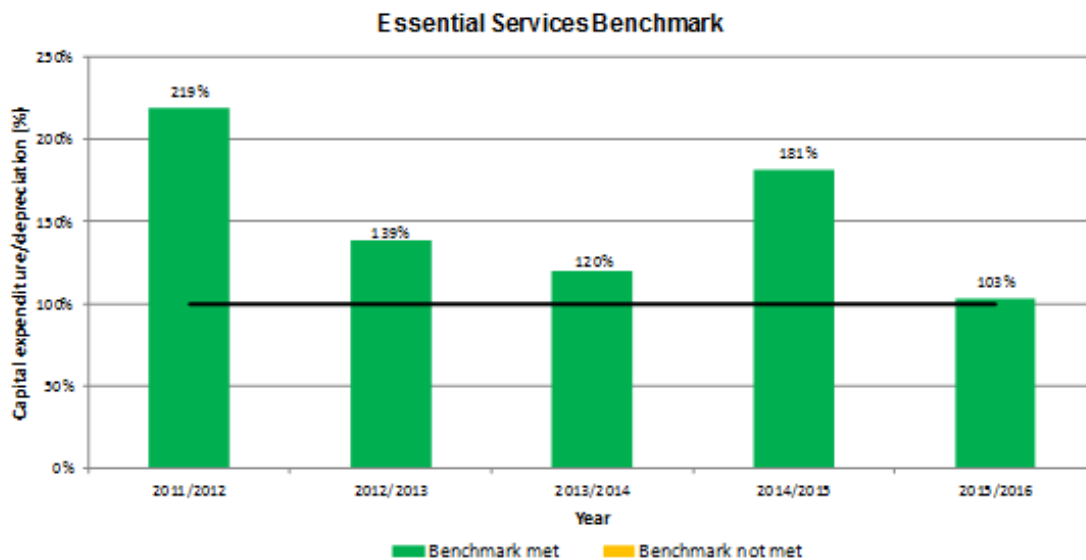
Note: Operating expenses include depreciation. Council decided not to fund depreciation but to fund principal repayments on debt instead, with depreciation being higher than principal repayments. This issue was addressed as part of Council's Long Term Plan 2015 – 2025 with funding of depreciation being phased in over the ten years covered by the plan.

## ESSENTIAL SERVICES BENCHMARK

The following graph displays Council's capital expenditure on network services as a proportion of depreciation on network services.

The regulations define network services as infrastructure related to water supply, sewerage and the treatment and disposal of sewage, stormwater drainage, flood protection and control works, and the provision of roads and footpaths. Therefore infrastructure related to solid waste, coastal structures, and aerodromes and fixed assets have been excluded from this benchmark.

Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services. Capital expenditure excludes vested assets.

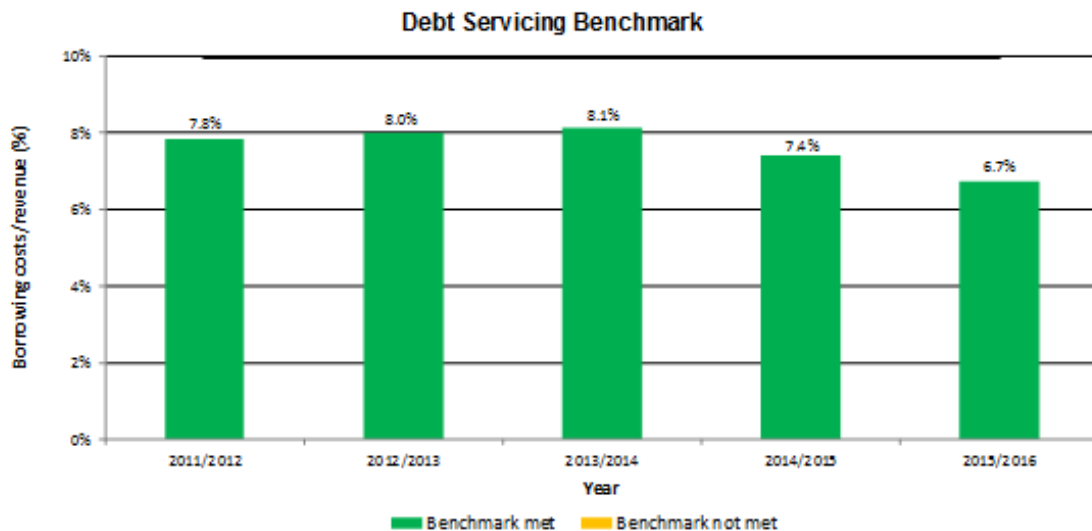


## NOTE 39: FINANCIAL PERFORMANCE IN RELATION TO FINANCIAL REGULATIONS BENCHMARKS (CONT.)

## DEBT SERVICING BENCHMARK

The following graph displays Council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

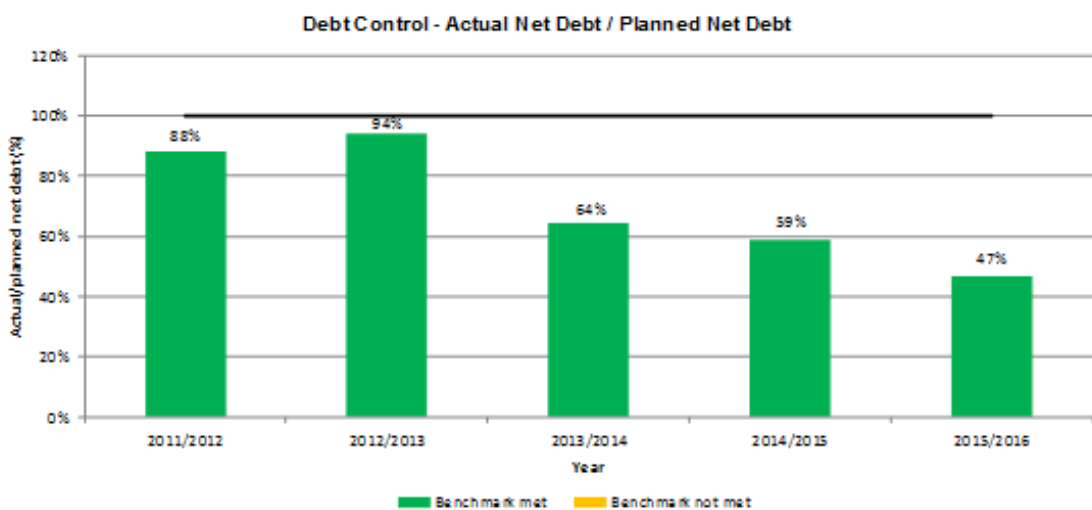
Because Statistics New Zealand projects Council's population will grow faster than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.



## DEBT CONTROL BENCHMARK

The following graph displays Council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables).

Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.

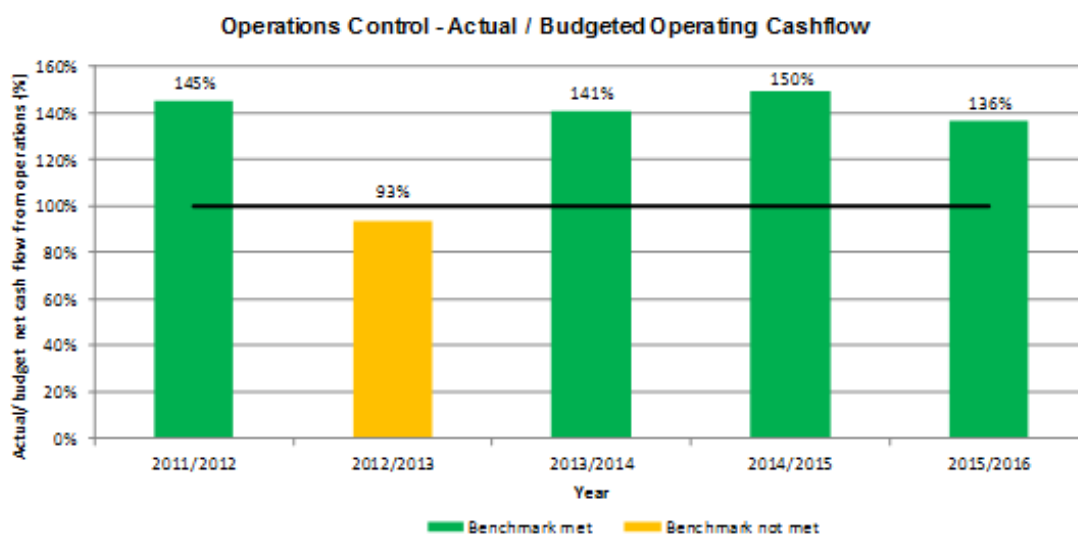


## NOTE 39: FINANCIAL PERFORMANCE IN RELATION TO FINANCIAL REGULATIONS BENCHMARKS (CONT.)

## OPERATIONS CONTROL BENCHMARK

This graph displays Council's actual net cash flow from operations as a proportion of its planned net cash flow from operations.

The Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.



## NOTE 40. RATING BASE AND INSURANCE OF ASSETS

The Local Government Act 2002 was amended early August 2014 and requires information on Council's rating base and insurance of assets.

## RATING BASE INFORMATION

With regards to Clause 30A of the Local Government Act 2002 we disclose the following information regarding the rating base as at 30 June 2015 (the preceding year as required by the Act).

## 2015/2016 Rating Unit info as at 30 June 2015:

	COUNT	LAND VALUE	CAPITAL VALUE
Non rateable 100%	1,080	377,317,150	403,871,650
Non rateable – services only	244	177,375,000	326,268,500
<b>Total non rateable</b>	<b>1,324</b>	<b>494,692,150</b>	<b>730,140,150</b>
Rateable	22,502	7,203,538,800	13,246,547,800
<b>Total rating units</b>	<b>23,826</b>	<b>7,698,230,950</b>	<b>13,976,687,950</b>

## NOTE 40: RATING BASE AND INSURANCE OF ASSETS (CONT.)

### INSURANCE OF ASSETS

With regards to Clause 31A of the Local Government Act 2002 we disclose the following information regarding the insurance of assets as at 30 June 2016.

The cost of the Canterbury earthquakes has highlighted the importance of good risk management and the part insurance and/or risk financing plays when it comes to rebuilding public assets. In many instances, councils can provide services in the future only through the continuing use of their assets. Public entities have had to think carefully about how they are managing their risks and how they are using the insurance and risk finance options available to them.

### WATER, WASTEWATER, STORMWATER, RIVERS, REFUSE, AERODROMES, PORTS AND COASTAL ASSETS

These activities have a total book value of \$448,735,000. Repairs to these assets following a significant event are covered 40% through the LAPP fund with a large deductible, with the remaining 60% being funded by Central Government. (Note: A new Local Government Risk Agency is currently being investigated to pool and co-ordinate local government resources to reduce the risk to assets, and the costs, from disasters). Council has a rivers disaster fund and a general disaster fund to cover the deductible or Council's 40% share if the event is lower than the deductible. The value of the general disaster fund as at 30 June 2016 is \$2,878,000, and the rivers disaster fund is \$1,000,000.

### ROADING AND FOOTPATH ASSETS

These activities have a total book value of \$657,570,000 (including land under roads). For this activity of assets, Council would however receive a minimum of 51% subsidy from the NZTA for subsidised roading assets, with the remaining portion of the loss, and non-subsidised assets, to be funded through the general disaster fund and loan funding.

### LAND, BUILDINGS, PLANT AND EQUIPMENT, AND OTHER ASSETS

This activity has a total asset book value of \$194,993,000.

Assets are insured for reinstatement value or indemnity value as per the most current valuation for assets listed in the Statement of Property Insured, with limits of indemnity of \$2,000,000 for subsidence.

Residential property (material damage) at most recent valuation for assets listed in the Statement of Property Insured, with limits of indemnity of \$2,000,000 for capital additions, construction/alterations of \$2,000,000, landslip \$2,000,000 and subsidence of \$2,000,000.

The harbourmaster boat is insured for \$294,000.

### VEHICLES

This activity has a total asset book value for insurance purposes of \$830,000. All vehicles are insured for market value or replacement value (if vehicle is less than 12 months old).

### SELF-INSURANCE FUND

Council has a self-insurance fund for assets that are uneconomic to insure. However, under the new Top of the South collective, the deductibles have decreased dramatically. The value of this fund as at 30 June 2016 is \$992,000 and is now used to cover deductibles, excesses, and small assets not on the material damages schedule.

# PART 7 APPENDICES

Barnicoat Range looking out over Tasman

# APPENDIX ONE – APPLICATIONS PROCESSED

## ENVIRONMENT AND PLANNING DEPARTMENT APPLICATIONS PROCESSED 1 JULY 2015 TO 30 JUNE 2016

### 1. Resource Management Act

TYPE OF CONSENT	OUTCOMES 2014/15	OUTCOMES 2015/16
Land use	519	502
Subdivision	131	112
Title plans	99	88
Completion certificates	113	90
Certificates of compliance	3	2
Water	349	234
Discharge	231	154
Coastal	17	16
Resource consent transfers	196	145

### 2. Building Act

TYPE OF CONSENT	NO. ISSUED 2014/15	VALUE 2014/15	NO. ISSUED 2015/16	VALUE 2015/16
Dwelling	274	\$93.8m	354	\$113.3m
Commercial	42	\$23.3m	43	\$22.1m
Other	1,155	\$44.8m	1,077	\$49.2m
	<b>1,471</b>	<b>\$161.9m</b>	<b>1,474</b>	<b>\$184.6m</b>

### 3. Licences

TYPE	NO. OF CERTIFICATES ISSUED 2014/15	NO. OF CERTIFICATES ISSUED 2015/16
Food premises	348	314
Hairdressers	39	31
Campgrounds	34	22
Hawkers/mobile shops	38	53
Others	52	57
Commercial vessel operators	26	24

## APPENDIX ONE – APPLICATIONS PROCESSED (CONT.)

ENVIRONMENT AND PLANNING DEPARTMENT  
APPLICATIONS PROCESSED 1 JULY 2015 TO 30 JUNE 2016 (CONT.)

## 4. Sale of Alcohol

TYPE OF LICENCE	NO. OF LICENCES ISSUED 2014/15	NO. OF LICENCES ISSUED 2015/16
Manager's certificate	276	283
On and off licences	74	97
Club licence	10	15
Special licence	66	64
Temporary authority order	27	12

## 5. Other

TYPE	2014/15	2015/16
Land Information Memoranda	701	831
Complaints received	1,860	2,140
Abatement notices issued	32	41
Infringement notices issued	42	61
Enforcement orders	–	–
Excessive noise directions	124	115

# APPENDIX TWO – COUNCIL'S COMMITTEES, RESPONSIBILITIES AND PORTFOLIOS

FOR THE YEAR ENDED 30 JUNE 2016

## COUNCIL STANDING COMMITTEES

There are four standing Committees of Council, each having delegated powers to handle their affairs. All Councillors have membership on these committees. Mayor Kempthorne is an ex officio member of all committees. Committees normally meet six-weekly.

### ENGINEERING SERVICES COMMITTEE

This Committee has responsibility for roads, bridges, water supplies, sewerage treatment and disposal, refuse collection/disposal and waste minimisation, coastal protection, stormwater collection and disposal, some ports/wharves and boat ramps (excludes Port Tarakohe), rivers and waterways and public transport. This Committee is chaired by Cr T E Norriss.

### COMMUNITY DEVELOPMENT COMMITTEE

This Committee has responsibility for recreation and development, parks and reserves, sports grounds, public halls, elections, libraries, walkways, camping grounds, cemeteries, communications, environmental education, community and cultural facilities, Council grants, Annual and Long Term Plans, public conveniences, community housing and customer services.

This Committee is chaired by Cr J L Edgar.

### ENVIRONMENT AND PLANNING COMMITTEE

This Committee has responsibility for resource management, policy, consents, environmental health, building control, sale of liquor, biosecurity, maritime safety, rural fire, animal control, pest management and Council's response to climate change, animal control and compliance.

This Committee is chaired by Cr S G Bryant.

### CORPORATE SERVICES COMMITTEE

This Committee is responsible for providing financial and administrative services to the Council and other departments, including rate collection and financial management and property management. It is also responsible for Council's business enterprises (e.g. Port Tarakohe, aerodromes and forestry).

This Committee is chaired by Cr T B King.

## COUNCIL COMMITTEES

The following two committees operate under separate legislation, and their membership includes both Council and external members. The Mayor is not ex-officio on either committee.

### TASMAN REGIONAL TRANSPORT COMMITTEE

This Committee operates under the Land Transport Act 2003 and is responsible for preparing for Tasman District a regional land transport strategy, a regional land transport programme, a regional fuel tax scheme, and any advice and assistance Council may request in relation to its transport responsibilities.

The Committee is chaired by Cr T E Norriss.

### DISTRICT LICENSING COMMITTEE

This Committee operates under the Sale and Supply of Alcohol Act 2012 and is responsible for determining applications for licences to sell alcohol. These could be On or Off Licences, Special Licences for events, Managers Certificates for people working in licensed premises.

The Committee is chaired by Cr B Ensor.

## COUNCIL SUBCOMMITTEES

In addition to the above committees, Council also has a number of special purpose subcommittees. These have delegated powers and only meet as required. Their function is to examine specific areas of Council operations and then make recommendations to their parent committee or full Council. The Mayor is ex officio on all subcommittees. The current subcommittees are:

### AUDIT

(Reporting to Corporate Services Committee) – Crs M J Higgins (Chair), J L Inglis, P F Sangster, M J Greening, T B King, plus G Naylor (appointed member).

### CEO REVIEW

(Reporting to Council) – Mayor R G Kempthorne (Chair), Crs B W Ensor, J L Edgar.

### COMMERCIAL

(Reporting to Corporate Services Committee) – Crs T B King (Chair), B W Ensor plus three appointed members – P G Grover, R N Taylor, A D Dunn.

### COMMUNITY AWARDS

(Reporting to Community Development Committee) – Crs J L Edgar, M L Bouillir.



## APPENDIX TWO – COUNCIL'S COMMITTEES, RESPONSIBILITIES AND PORTFOLIOS (CONT.)

### COMMUNITY GRANTS AND FACILITIES

(Reporting to Community Development Committee) –  
Crs M L Bouillir (Chair), S G Bryant, P L Canton, J L Edgar  
and T B King.

### CREATIVE COMMUNITIES

(Reporting to Community Development Committee) –  
Crs M L Bouillir (Chair) and Z S Mirfin, plus community  
representatives.

### DEVELOPMENT CONTRIBUTIONS

(Reporting to Environment and Planning Committee) –  
Crs S G Bryant, T E Norriss and B W Ensor.

## COUNCIL REPRESENTATIVES AND APPOINTMENTS

### Accessibility for All

Cr J L Edgar.

### Friendly Towns

Richmond representative – Cr Z S Mirfin for Fujimi Machi.  
Motueka representative – Cr P L Canton for Kiyosato.

### Golden Bay Aerodrome Committee

Cr P F Sangster.

### Iwi Liaison

Mayor R G Kempthorne, Chief Executive.

### Joint Shareholders

Mayor R G Kempthorne, Crs T B King, S G Bryant,  
J L Edgar, M J Higgins and T N Norriss.

### Local Government New Zealand

#### Regional Sector Group representatives

Mayor R G Kempthorne, Chief Executive.

#### Rural and Provincial Sector representatives

Cr T B King, Community Development Manager.

#### Zone 5 representatives

Mayor R G Kempthorne, Chief Executive.

### Motueka Aerodrome Committee

Cr B F Dowler.

### Native Habitats Tasman

Cr B W Ensor.

### Nelson Airport Limited

Council Director Cr J L Edgar.

### Nelson Regional Sewerage Business Unit

Crs B F Dowler and M J Higgins (Chair).

### Nelson Tasman Business Trust

Cr M J Higgins.

### Nelson-Tasman Cycle Trust Working Group

Cr J L Edgar.

### New Zealand Cycle Trail Incorporated (NZCT Inc.)

Gillian Wratt – Council representative.

### Port Nelson Limited

Council Director Cr T B King.

### Positive Ageing Forum

Cr J L Edgar.

### Regional Funding Forum

Crs T B King, J L Edgar.

### Regional TB Free

Cr T E Norriss.

### Safe at the Top Governance Group

Cr J L Edgar.

### Saxton Field Working Group

Crs J L Edgar, B W Ensor.

### Tasman Bays Heritage Trust Appointments Committee

Mayor R G Kempthorne, Chief Executive.

### Tasman Environmental Trust

Cr B W Ensor.

### Tasman Regional Sports Trust Board

Mayor R G Kempthorne.

### Tasman Youth Council

Crs P L Canton, M L Bouillir.

### Tenders Panel

Crs J L Edgar, T B King, T E Norriss, Chief Executive.

### Waimea Rural Fire Committee

Cr T B King.

### Rough Island Equestrian Management Board

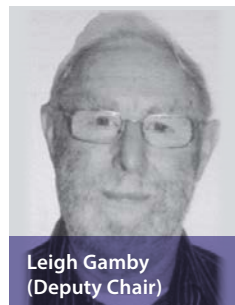
Cr M Higgins.

## APPENDIX THREE – COMMUNITY BOARDS

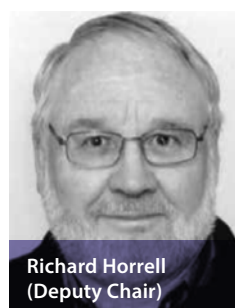
Community Boards are separately elected advisory bodies and are not Council Committees. Their main role is to represent, and act as an advocate for, the interests of its community.

There are two Community Boards in the Tasman District, namely the Golden Bay Community Board serving the Golden Bay Ward and the Motueka Community Board serving the Motueka Ward. Both Community Boards have ward councillors appointed.

### MEMBERSHIP OF THE GOLDEN BAY COMMUNITY BOARD:



### MEMBERSHIP OF THE MOTUEKA COMMUNITY BOARD:



## APPENDIX FOUR – MANAGEMENT STAFF

### CHIEF EXECUTIVE OFFICER

Lindsay McKenzie

### COMMUNITY DEVELOPMENT MANAGER

Susan Edwards

### CORPORATE SERVICES MANAGER

Mike Drummond

### ENGINEERING SERVICES MANAGER

Peter Thomson

### ENVIRONMENT AND PLANNING MANAGER

Dennis Bush-King

### OTHER

#### BANKERS

ASB Bank Ltd  
Queen Street  
Richmond

#### SOLICITORS

Fletcher Vautier Moore  
265a Queen Street, Richmond

#### AUDITORS

Audit New Zealand, on behalf of the Auditor-General

# APPENDIX FIVE – REPORT ON MĀORI CONSULTATION POLICY

## STATEMENT ON FOSTERING MĀORI PARTICIPATION IN COUNCIL DECISION MAKING

### PURPOSE

This statement outlines the steps Council intends to take to foster Māori capacity to contribute to Council decision-making processes over the period of this Long Term Plan, as required by Schedule 10(5) of the Local Government Act 2002.

### BACKGROUND

Council is committed to further improving the close working relationship with the District's Māori community. The Council recognises the wealth of special values that the tangata whenua hold for the places, the resources, the history and the long term sustainability of the District. Council further recognises that its activities and services impinge daily on these values and that in order to make appropriate decisions, Council must consider the values of Māori as a special set of community values. Council consults and engages with Māori on a regular basis. In certain cases, these are ongoing processes required by legislation such as the Resource Management Act 1991. Other cases are a way of recognising the spirit of partnership inherent in the Treaty of Waitangi.

### STEPS COUNCIL IS TAKING TO FOSTER MĀORI PARTICIPATION IN COUNCIL DECISION MAKING

As well as Council's personal commitment to providing opportunities for Māori participation in its decision-making processes the Local Government Act 2002 also places a number of obligations and responsibilities on Council in regard to Māori. These include the need to establish and maintain processes to:

Provide opportunities for Māori to contribute to the decision-making processes of Council.

- Consider ways in which we may foster the development of Māori capacity to contribute to the decision-making processes of Council.
- Provide relevant information to Māori for the above purposes.

There are a number of methods used by Māori and local authorities around New Zealand to improve their relationships. The methods set out below are not exhaustive, but represent some of the steps that Council and iwi and Māori use to include Māori in the decision making processes:

- a. Committing to regular hui/liason meetings with iwi and Māori to develop the relationship further and to discuss specific and general issues of relevance to both parties.
- b. Through hui working with iwi/Māori to identify how to gain input into issues of relevance to iwi and Māori, including the opportunity to be involved in relevant working groups.
- c. Providing assistance to iwi to prepare iwi Management Plans.
- d. Appointing a Councillor as a Māori/iwi portfolio holder.
- e. In conjunction with iwi continue providing some future structured training/familiarisation courses to improve Councillors and staff understanding of iwi perspectives.
- f. Consulting with iwi on the formation of the Long Term Plan, the Annual Plan and on relevant changes to the Tasman Resources Management Plan.
- g. Appointing a Council kaumatua to assist the Mayor and Chief Executive.

## APPENDIX FIVE – REPORT ON MĀORI CONSULTATION POLICY

### MĀORI PARTICIPATION IN DECISION-MAKING PROCESSES

As required by Schedule 10, Part 3, Clause 35 of the Local Government Act 2002 Council reports on the process undertaken to provide Māori with opportunities to contribute to decision-making in the Council. Council recognises its obligations to Māori under various enactments, and has in place mechanisms to provide for Māori input into decision-making.

Council acknowledges Manawhenua (Iwi), meaning specifically those people claiming customary and ancestral ties to this land in Tasman District.

Council continues to attend regular liaison meetings with Maori groups in the community, including attendance at the Tiakina Te Taiao and Manawhenua ki Mohua meetings. A Community Board member has been appointed to attend the Manawhenua ki Mohua meetings. The Mayor and Chief Executive attend the Kotahitanga hui with Nelson City Council and iwi chairs. This and other meeting and hui attendances enable discussion on Council's work programmes, service delivery issues and other matters of concern to be identified and fed back into the organisation to be considered and addressed at the appropriate level.

Council also has a formal arrangement with iwi in regard to the review of resource management consent applications and actively works with the various iwi concerned in regard to planning issues.

Iwi have been engaged in freshwater planning through appointments on the Freshwater and Land Advisory Groups (FLAG) for Waimea and Takaka. Iwi have also been included in the planning and decision making stages for the review of the Rabbit Island/Moturoa Management Plan and the partial review of Abel Tasman Foreshore Scenic Reserve Management Plan.

During 2015/2016 we consulted with iwi on relevant changes to the Tasman Resources Management Plan. Council provides some support for the development of iwi environmental management plans.

In order to support its work, Council also has within its workforce, policy and liaison expertise to enable it to respond to issues raised by the Māori community.

Council continues to liaise with iwi in regard to enhancing relationships and involvement in appropriate issues.

## APPENDIX SIX – GLOSSARY OF TERMS

To further assist readers of these financial statements, the following definitions of other terms used in the document are set out below:

### Annual Plan

A plan required by the Local Government Act 2002 to be produced by Council in the two intervening years between each three-yearly Long Term Plan (LTP). The main purpose of the Annual Plan is to identify any amendments and variations to the specific year of the base Long Term Plan.

### Annual Report

Annual Reports are published following the end of each financial year which ends on 30 June. It is an audited account of whether Council completed its planned work programme. Any work not completed as planned is explained. The Annual Report is a key method for Council to be accountable to the community for its performance.

### Activity Management Plans

Activity Management Plans (which are the 'new generation' of Asset Management Plans) describe the infrastructural assets and the activities undertaken by Council and outline the financial, management and technical practices to ensure the assets are maintained and developed to meet the requirements of the community over the long term. Activity Management Plans focus on the service that is delivered as well as the planned maintenance and replacement of physical assets.

### Associate

An associate is an entity over which Tasman District Council has a significant influence and that is neither a subsidiary nor an interest in a joint venture.

### Assumptions

Assumptions are the underlying premises made by Council that affect its financial planning for a specific activity, or for all Council activities. These are made clear so everyone can understand the basis for Council's financial planning, and form an opinion about how reasonable those assumptions are.

### Capital expenditure

This expenditure relates to the purchase or creation of assets that are necessary to assist in the provision of services. They have useful lives in excess of one year and are therefore included in the Statement of Financial Position. Capital expenditure includes the creation of assets that did not previously exist or the improvement or enlargement of assets beyond their original size and capacity.

### Capital value

Capital value is the value of the property including both the value of the land and any improvements (e.g. buildings) on the land.

### Community

Community means everyone in Tasman District: individuals, businesses, local and central government, groups and organisations, Iwi, Māori, disabled, young, old, families, recent migrants and refugees, rural and urban residents.

### Communitrak™ Survey

The Communitrak™ Survey is the survey of residents' opinions that the Council has undertaken annually by an independent research agency.

### Community outcomes

Community outcomes are the priorities and aspirations identified by the Council that it aims to achieve in order to promote the present and future social, economic, environmental and cultural wellbeing of the community.

### Consultation

Consultation is the dialogue that comes before decision-making. Consultation is an exchange of information, points of view and options for decisions between affected and interested people and the decision makers.

## APPENDIX SIX – GLOSSARY OF TERMS

### Cost of services

The cost of services relate to the activity, not the organisational departments. The Local Government Act 2002 requires the Long Term Plan to be expressed by the activity. The cost of the activity includes the direct and the indirect costs that have been allocated to the activity. Indirect costs include interest on public debt, cost of support services and depreciation allowances.

### Council-controlled organisation

As defined by Section 6 of the Local Government Act 2002, a company under the control of local authorities through their:

- Shareholding of 50 percent or more.
- Voting rights of 50 percent or more; or
- Right to appoint 50 percent or more of the directors.

### Depreciation

Depreciation is a measure of the wearing out, consumption or loss of value of an asset over time.

### Exchange revenue

An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value to the other party in exchange.

### Financial year

Council's financial year runs from 1 July to 30 June the following year.

### General rate

A general rate is a district wide rate through which all ratepayers contribute to a range of council activities and is based on the capital value of ratepayer's properties.

### Groups of activities

Groups of activities are the services, projects or goods produced by Council. There are 13 broad groups of all of Council's services and facilities, each with common elements. For example Community Facilities and Parks is a group of activities and include services such as Reserves, Libraries and Community Halls.

### Revenue

This includes fees and licences charged for Council's services and contributions towards services by outside parties.

### Infrastructure

Networks that are essential to running a district, including the roading network, water supply and wastewater and stormwater networks.

### Infrastructure assets

These are assets required to provide essential services like water, stormwater, wastewater and roading. They also include associated assets such as pump stations, treatment plants, street lighting and bridges.

### Levels of services

The standard to which services are provided, such as speed of response times to information requests or the standard of the stormwater drainage system that prevent incidents of surface water flooding. It is what the Council will provide.

### LiDAR (Light Detection and Ranging)

LiDAR is optical remote sensing technology that measures properties of scattered light to find range and/or other information of a distant target. The prevalent method to determine distance to an object or surface is to use laser pulses.

### Long Term Plan (LTP)

The Local Government Act 2002 requires Council to adopt a Long Term Plan (LTP). The LTP outlines Council's intentions over a 10 year period. The LTP requires extensive community consultation, the identification of community outcomes and priorities, and the establishment of monitoring and review mechanisms. The LTP referred to in this document is the Long Term Plan 2015-2025.

### Major goals

These highlight specific significant outcomes of the activity and what is intended to be achieved. The objectives are in some cases encompassing more than just the current financial year but are considered important enough in terms of providing an overall picture to be included in the Plan.

## APPENDIX SIX – GLOSSARY OF TERMS

### Network infrastructure

See infrastructure assets.

### Non-exchange revenue

A non-exchange transaction is a transaction where the reporting entity receives value from another entity without giving approximately equal value in exchange.

### Operating costs

These expenses, which are included in the Statement of Comprehensive Revenue and Expense are the regular costs of providing ongoing services and include salaries, maintaining assets, depreciation and interest. The benefit of the cost is received entirely in the year of expenditure.

### Park Check

Park Check is based on a nationally developed questionnaire which is implemented by participating councils. The questionnaire asks park users a range of questions about the parks and their experiences. The results of the questionnaires are collated at the national level and the information is then made available to the councils.

### Performance targets

These are the measures that will be used to assess whether the performance has been achieved.

### Separately used or inhabited parts of a rating unit

Where targeted rates are calculated on each separately used or inhabited part of a rating unit the following definition will apply:

Any portion of a rating unit used or inhabited by any person, other than the ratepayer or member of the ratepayer's household, having a right to use or inhabit that portion by virtue of a tenancy, lease, licence or other agreement.

### Solid waste

Waste products of non-liquid or gaseous nature (for example, building materials, used packaging, household rubbish).

### Stormwater

Water that is discharged during rain and run-off from hard surfaces such as roads.

### Surplus

A surplus is the result of revenue being greater than operating costs for the year.

### Sustainable development

"Development which meets the needs of the present without compromising the ability of future generations to meet their own needs" (from the Sustainable Development for New Zealand Programme of Action, Department of Prime Minister and Cabinet, January 2003).

### Targeted rate

A targeted rate is designed to fund a specific function or activity. It can be levied on specific categories of property (e.g. determined by a particular use or location) and it can be calculated in a variety of ways. It may also cover a distinct area of beneficiaries.

### Uniform Annual General Charge (UAGC)

A UAGC is a portion of the general rate collected as a fixed charge per rateable property. It is deemed that the properties receive equal benefit for services charged regardless of the rateable value of the properties, e.g. use of parks, reserves and libraries.

### Unitary authority

Tasman District Council is a unitary authority, which means we carry out the functions of both a regional council and a territorial authority.

### Wastewater

Wastewater is the liquid waste from homes (including toilet, bathroom and kitchen wastewater products) and businesses.

### Yardstick™

Yardstick™ is an international parks benchmarking initiative. It involves council parks departments participating in an annual self-assessment survey. Information collected includes levels of service, financial information, best practice, asset management and policy and planning. The information is collated at the national level and made available to the councils. Over half of the councils in New Zealand are members, as is the Department of Conservation.



# DIRECTORY

Tasman District Council is one of only six councils in New Zealand which have responsibility for both regional and territorial functions. Councils with this dual role are commonly known as “Unitary Authorities”.

Tasman District Council is the local government authority for this District. Its power is primarily derived from the Local Government Act 2002 and many other Acts and Statutory Regulations that are referred to throughout this document.

Council is responsible for ensuring that its various functions and activities are properly managed. It does this through a Chief Executive who is responsible for all Council staff.

## MAIN OFFICE

<b>Street Address</b>	189 Queen Street, Richmond 7020
<b>Postal Address</b>	Private Bag 4, Richmond 7050
<b>Telephone</b>	03 543 8400
<b>Fax</b>	03 543 9524
<b>Email</b>	info@tasman.govt.nz

## MOTUEKA OFFICE

<b>Street Address</b>	7 Hickmott Place, Motueka 7120
<b>Postal Address</b>	PO Box 123, Motueka 7143
<b>Telephone</b>	03 528 2022
<b>Fax</b>	03 528 9751

## GOLDEN BAY OFFICE

<b>Street Address</b>	78 Commercial Street, Takaka 7110 (Temporary Location: 21 Junction Street, Takaka)
<b>Postal Address</b>	PO Box 74, Takaka 7142
<b>Telephone</b>	03 525 0020
<b>Fax</b>	03 525 9972

## MURCHISON OFFICE

<b>Street Address</b>	92 Fairfax Street, Murchison 7007
<b>Postal Address</b>	92 Fairfax Street, Murchison 7007
<b>Telephone</b>	03 523 1013
<b>Fax</b>	03 523 1012









TASMAN DISTRICT COUNCIL  
**SUMMARY  
ANNUAL REPORT  
2016**



*making the right choices for Tasman's future*

# MAYOR AND CHIEF EXECUTIVE OFFICER OVERVIEW

Welcome to Tasman District Council's Annual Report for 2015/2016. This is our chance to tell you about what we have achieved during the year – our successes, and our challenges.

In the past year, we've seen our organisation tackle some key issues facing the District while working steadily towards the goals set out in the Long Term Plan 2015 – 2025. While we've particularly focused on the goals to reduce debt and improve Council's financial resilience, we've also worked hard to make sure communities have been able to enjoy the facilities, parks, events and services that make Tasman such a great place to live.

Along with maintaining all our usual assets and services, we've been able to invest \$26 million in capital works throughout the District over the past year. This includes progressing some large projects such as the Richmond Central upgrade, Golden Bay Community Recreation Facility, Motueka Wastewater Treatment Plant upgrade and the Saxton Velodrome.

While it's difficult to do justice to all that has been achieved during the year, we've highlighted some of the bigger projects, and what is new and different in the next few pages. You'll see that nearly all of the projects we deliver and services we provide enhance the lives of people or the environment in our District.

We're pleased that the Annual Report shows our financial performance is much better than forecast and we are tracking well ahead of our self-imposed rates and debt limits. We ended the year with net external debt of \$129 million compared to the Annual Plan forecast of \$173 million. The operating surplus was \$9 million better than budgeted. The positive financial outcome is a result of significant operational savings, and not having to spend all of the money budgeted for emergency works and clean ups. Also, our borrowing is less than budgeted due to some of our capital works programme being delayed, we've paid off more debt than we expected and we have more cash in the business because of ongoing population growth – among other things. Low inflation and low interest rates have also assisted us.

In the coming years ratepayers will benefit from these better-than-expected financial results. Whether that is through reduced rates, repayment of debt, carrying surpluses forward, creating reserves or spending more is a matter for the future Council to decide. But we are confident that if

we maintain a strong financial position, we can meet our aims of keeping rates increases to a minimum, building our emergency fund in readiness for future natural disasters and reducing our reliance on debt.

Pleasingly, the results in the Annual Report show we are maintaining service performance levels across our core infrastructure services, despite the funding constraints we imposed in our Financial Strategy and a 26% rise in building consents for new dwellings. Population growth in wards like Richmond, Moutere-Waimea and Motueka continues to put pressure on Council to ensure there is sufficient land, infrastructure, community facilities and services.

We've seen good support from the community for the work we do with 74% of residents satisfied with the way rates are spent on the services and facilities provided by Council. Even with generally positive feedback from the community, we know that there is still work to do in some areas to lift our performance to meet residents' expectations.

You'll see in this Summary Report that we have been working towards addressing some broader issues for the District, such as planning for population growth and developing strong partnerships with Nelson City Council.

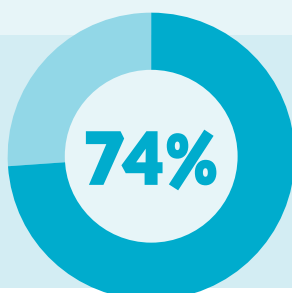
Finally, we would like to thank the community, councillors, community board members, staff, and contractors alike for your contributions throughout the year.



**Richard Kempthorne**  
Mayor



**Lindsay McKenzie**  
Chief Executive Officer



**74% OF RESIDENTS ARE SATISFIED WITH THE WAY RATES ARE SPENT ON THE SERVICES AND FACILITIES PROVIDED BY COUNCIL**

# WHAT HAVE WE ACHIEVED FOR THE YEAR?

We plan for and look after a large network of facilities and infrastructure that service our communities. Some of the major achievements include:



New speed sign at Hope School



New recycling centre



Water Treatment Plant



Saxton Velodrome construction

## TRANSPORT

Local road safety projects, such as the introduction of lower speed zones around schools and resurfacing of roads, are contributing to a positive downward trend in the number of accidents on our roads. There were no fatal crashes but 8 serious ones throughout the year. The transport team has also been helping develop plans for the Central Richmond project that will see significant changes on Queen Street in the town centre. Public consultation on the project throughout 2015 has helped shape the final design.

## SOLID WASTE

Kerbside recycling volumes continue to increase, which reduces the amount of waste to landfill. Our new recycling service has gone down well with most residents, with satisfaction levels rising from 2015. The team is focusing on a proposal for a Tasman and Nelson regional landfill so that both councils can provide more cost effective waste services and work together to reduce waste volumes across the region. We have amended our LTP 2015 – 2025 to enable the joint arrangement to progress.

## WATER

79% of residents who receive a reticulated water supply are satisfied with our services. In terms of water quality, 99% of the drinking water samples showed bacterial compliance with the Drinking Water Standards (Part 4). We treat water at Murchison, Tapawera, Upper Takaka and Richmond with UV for protozoal compliance. For some of Council's other supplies we still have work to do to make sure we can reliably comply for all of the Drinking Water Standards. The completion of our Richmond Water Treatment Plant has resulted in improved water quality for many residents.

## WASTEWATER

We've been installing new telemetry at pump stations as well as converting existing analogue systems to digital ones. We have also been upgrading the Motueka wastewater treatment plant and rehabilitating the Collingwood wastewater treatment plant wetlands to re-establish original design flows. 95% of residents who are connected to our wastewater systems are satisfied with the services they receive, and we received very few complaints about wastewater activities throughout the year. However, we have had a higher than normal number of temporary wastewater overflows due to storm events.

## SAXTON VELODROME

Construction of the Saxton Field Velodrome has been steadily progressing with completion expected in early 2017. This regional cycling facility is shared with Nelson City Council and will be a significant recreational asset to the public of our region.

## WHAT HAVE WE ACHIEVED FOR THE YEAR? (CONT.)



Tasman's Great Taste Trail

### TASMAN'S GREAT TASTE TRAIL

The popular Tasman's Great Taste Trail was further enhanced with the opening of Spooners tunnel, and track extensions to Norris Gully.

### GOLDEN BAY COMMUNITY RECREATION FACILITY

Construction of the Golden Bay Community Recreation Facility got underway in early 2016. Although progress has been delayed due to a soft spot being found in the ground where the building was being constructed, and community concerns relating to the grandstand. Once complete the facility will provide a much welcomed multi-use space used by the community.



Golden Bay Community Recreation Facility construction

### STORMWATER

Richmond's Catchment Management Plan (CMP) has been progressing and will be aimed at helping to manage stormwater flows and flooding in the town. This is one of 15 Catchment Management Plans the Council intends to produce.

### LIBRARIES

The District's libraries continue to evolve and deliver a range of electronic documents, community events, resources as well as the traditional access to a wide range of books. Satisfaction rates of residents with the District's libraries is still high at 79%. Improvements to services are expected as we roll out a new digital check-out and stock management system in 2016 and plan for the Motueka library redevelopment in 2020.

## WHAT WE DO DAY-TO-DAY

The services local government provide are vital to almost every aspect of people's daily lives.

These services and facilities are funded by your rates and subsidised by income from our commercial activities. They help to keep people safe, protect and improve the environment, provide essential infrastructure, and bring people together to do the things they want, in places they want to be. Every day our staff and contractors are working to:

- Maintain roads, bridges, footpaths, cycleways and walkways, carparks, streetlights, traffic signs and culvert pipes.
- Maintain parks, reserves, playgrounds, libraries, public toilets and some of our regions historic sites.
- Provide regulatory services like animal and noise control, food safety, resource consents and alcohol licensing.
- Maintain the water, wastewater and stormwater networks across our 16 settlement areas.
- Engage with communities and create partnerships to undertake local projects.
- Monitor and manage the quality of our land, air, water, coasts and biodiversity.
- Collect and manage waste and recyclables.
- Maintain flood protection along 285km of our major rivers.
- Ensure new buildings are safe and healthy.
- Make our coastal waters accessible and safer for boaties and swimmers; and
- Make sure our popular places can continue to be enjoyed, such as the Richmond Aquatic Centre, Moturoa/Rabbit Island Reserves, and Tasman's Great Taste Trail.



# HOW WE'RE TRACKING ON THE KEY ISSUES

## 1. ADDRESSING RATES AFFORDABILITY

In 2015/2016 rates income rose by 2.1%, after growth, which was below the Financial Strategy limit of 3%.

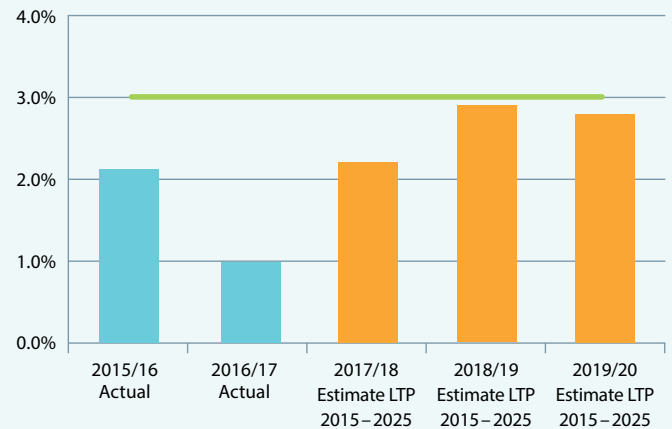
The Annual Plan 2016/2017 delivered a 1% rates income rise, well below the 2.96% forecast in the Long Term Plan 2015 – 2025 for the 2016/2017 year. The forecast for subsequent years continues to be below 3%.

We continued to work within the fiscal envelope set in the Long Term Plan 2015 – 2025, which imposed a limit on general rates of \$51 million per annum and targeted rates of \$46 million per annum. In 2015/2016 general rates were \$35 million and targeted rates were \$33 million.



### RATES INCOME INCREASES

- Actual rates % increase
- Estimated rates % increase
- Limit on rates % increase



## 2. MANAGING THE COUNCIL'S DEBT

Net external debt for 2015/2016 reached \$129 million, which is well below the \$200 million limit set in the Financial Strategy and \$44 million less than forecast in the Annual Plan 2015/2016.

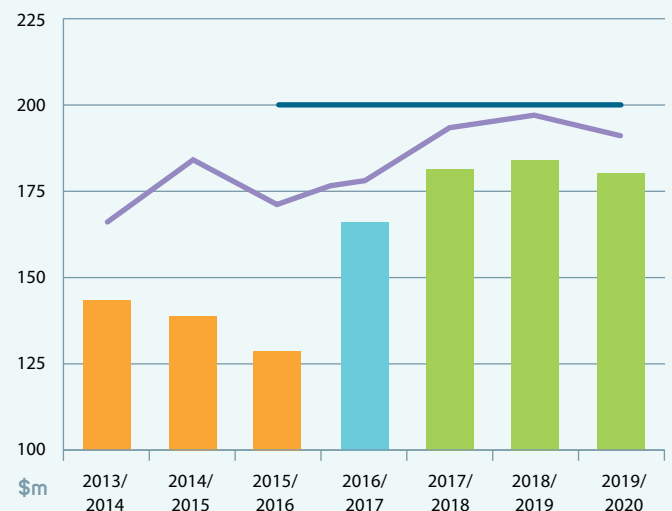
Debt has been reduced by directing savings from operational budgets, favourable interest and borrowing conditions, a lower opening debt position than budgeted, delays to some large capital works, and higher than anticipated income due to things like higher population growth than forecast. We've also received increased dividends which have been used to pay down debt.

As part of meeting our financial goals, we are progressively funding depreciation on assets from cash flow. We also indicated we would conduct a review of assets for potential sale in order to reduce debt. This work has been delayed as we've focused on other priorities.



### HOW ARE WE TRACKING AGAINST PLANNED DEBT?

- Actual
- Annual Plan
- Annual Plan reforecast
- Net external debt limit
- Long Term Plan debt forecast



## HOW WE'RE TRACKING ON THE KEY ISSUES (CONT.)

### 3. DEVELOPING RESILIENT COMMUNITIES

#### PART A: PROVIDING A SECURE WATER SUPPLY

Through the Long Term Plan 2015 – 2025, we committed to continue working on developing the Waimea Community Dam project to create a secure water supply for Waimea water users. The Plan allocated \$25 million over the 10 years towards it. During the past financial year we spent approximately \$600,000 on progressing this project. Further funding and governance decisions have yet to be made on the Waimea Community Dam. The community can expect further consultation prior to a final decision to proceed. The Long Term Plan 2015 – 2025 also committed Council to review options to improve water conservation, and this work is set to commence in 2016/2017.



#### PART B: HAZARD PLANNING AND PROVISIONS TO RECOVER FROM DISASTER EVENTS

Hazard planning has been focused on developing the Richmond Stormwater Catchment Management Plan. We also allocated \$1.24 million in the 2015/2016 budget towards the Disaster Recovery Fund. These funds were not used during the year due to favourable weather. The target for the fund is \$6.5 million. At the end of 2015/2016 total funds reserved for Disaster Emergencies totalled \$4.9 million.

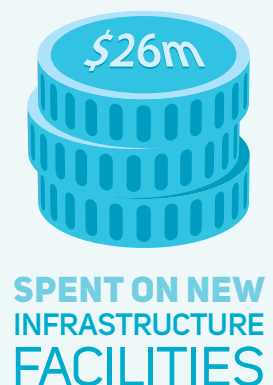


### 4. RESPONDING TO POPULATION GROWTH

#### PART A: PROVIDING SUFFICIENT LAND AND SERVICES

Tasman's population was projected to rise from 47,898 in 2015, to 48,292 in 2016. Growth is not occurring evenly across the District. The areas in and around Richmond, Brightwater, Wakefield, Mapua and Motueka are experiencing the highest levels of growth. In the last year, building consents for dwellings rose by 26% from the previous year. This is a significant increase and impacts how we provide services, where they are provided and how we plan for the future. A review of Council's Growth Strategy is underway in 2016. We have also initiated a number of zone plan changes, including for Richmond, Brightwater and Wakefield to enable future growth to be accommodated.

We spent approximately \$26 million on capital works over the last year including local road improvements, the Motueka Wastewater Treatment Plant upgrade, completion of the Richmond Water Treatment Plant, and starting works on the Golden Bay Community Recreation Facility and Saxton Velodrome, among many others. Further extensions of infrastructure are planned for Richmond South, Richmond West, Motueka and consolidation of development around the existing settlements of Mapua and Wakefield.



## HOW WE'RE TRACKING ON THE KEY ISSUES (CONT.)

### 4. RESPONDING TO POPULATION GROWTH (CONT.)

#### PART B: DEVELOPMENT CONTRIBUTIONS POLICY CHANGES

The Development Contributions Policy was amended through the Long Term Plan 2015 – 2025 to incorporate legislative changes and increase charges by 18% overall. Development contributions and reserve financial contributions for 2015/2016 provided \$4.7 million income to Council. The list of projects that are funded by Development Contributions is included in the Long Term Plan 2015 – 2025. We will review the Development Contributions Policy prior to the development of the next Long Term Plan (2018 – 2028).



Champion Road culvert upgrade

### 5. MAXIMISING REGIONAL OPPORTUNITIES

Council is seeking to maximise regional opportunities and benefits from its investments to ensure efficient delivery of services through collaboration with Nelson City Council.

Activities that have further developed regional collaboration in the past year include the proposal for a joint committee for a regional landfill, work on a shared roading contract process, and a shared Land Development Manual that will set the same standards for development across the two councils.

We've also been working with Nelson City Council and Marlborough District Council on the Digital Enablement Plan (DEP). The DEP aims to achieve enhanced high-speed broadband and internet connectivity across the regions.

We remain committed to progressing a memorandum of understanding with each or all iwi in Te Tau Ihu (top of the South) and have been in discussions with several iwi over the past year.

While we haven't undertaken any specific review of existing funding of 'out of Tasman District' activities, we continue to ensure that any out of District funding spent does deliver outcomes for Tasman residents. No new out of District funding activities have been entered into during the year.

Tasman District and Nelson City Councils have held discussions during the year on the future governance arrangements for Saxton Field. The current proposal, which will be considered by both councils following the October 2016 elections, is for a new joint committee between the two Councils to be formed to govern the Saxton Field complex.



#### DIGITAL ENABLEMENT PLAN UNDERWAY WITH NCC AND MDC



Eves Valley Landfill



Saxton Oval, Saxton Field

## TASMAN'S ENVIRONMENT

Council regularly gathers environmental data and monitors results to ensure we understand what is happening to our environment. We intervene when needed to ensure our natural taonga is managed sustainably.

We routinely monitor bathing water, water quality and quantity, and air quality – to name a few. We've produced environmental reports on:

- Land and Soil, 2016
- River Water Quality in Tasman District Oct, 2015
- Recommended Actions to Improve Degraded Streams, Nov 2015
- Contact Recreation Water Quality report for the 2015/2016 released June 2016
- The Health of the Whanganui Inlet Broad-Scale Habitat Mapping and Fine-Scale Assessment 2016
- State of the environment Coastal Marine Area of Tasman and Golden Bays 2016.

**You can now track Land, Air and Water quality in our District, through a national environmental database called LAWA – see their website for more details: [www.lawa.org.nz](http://www.lawa.org.nz)**



Lake Rotorua



Moturoa/Rabbit Island

## CONNECTING WITH YOU

We're changing some of the ways we consult with communities on the plans and activities of Council.

You can expect to see us at more local events, community meetings, or set up at towns and villages. We're hoping you will take the chance to talk to us about how we're doing, what you want for the District, or give us feedback on the projects we're working on.

You'll also find more information on our website and you can do more online like pay your rates, dog fees, and consent fees, or apply for community grants, as well as lodge and track progress of your building consent. 'Follow' or 'like' us on Twitter or Facebook to hear about things such as latest road closures, emergency events, water shutdowns, community events, notices and consultations.



World Fish Migration Day event

**DO MORE ONLINE.** Find our range of online services at [www.tasman.govt.nz](http://www.tasman.govt.nz)



## SUPPORTING COMMUNITY EVENTS, VOLUNTEERS AND PARTNERSHIPS

Every year the Council funds, supports or delivers a wide range of safe, affordable and enjoyable community events. The events are intended to connect people and communities, enhance wellbeing, and utilise assets the Council has invested in. Council staff also work closely with an army of volunteers to improve our District. Recent examples include:

- the Waimea Inlet walk and cycleway (Richmond) has been enhanced through plantings managed by Keep Richmond Beautiful;
- two new shelters over barbecues on Moturoa/Rabbit Island have been constructed by the Richmond Rotary Club;
- a walkway has been developed through Wakefield's Faulkner Bush from Edward Street by the Wakefield Bush Restoration Society;
- the Soroptimist Society has provided a seat on the cycle trail in Brightwater;
- the Dominion Flats Planting Group organised and hosted another planting group from Wellington;
- the Nelson Heritage Rose Society gifted and planted a number of roses in Washbourn Gardens;
- Keep Motueka Beautiful has completed plantings in Motueka Beach Reserve; and
- the Battle for the Banded Rail group has carried out a number of plantings on reserves around the Waimea Inlet.



## LEGAL STATEMENT

This Summary Annual Report has been extracted from the full Annual Report dated 30 June 2016 and covers the year ended 30 June 2016.

This Summary Annual Report and the full Annual Report were authorised for issue on 27 October 2016 by the Corporate Services Manager, Chief Executive Officer and Mayor of the Council. The Council's full Annual Report has been audited by Audit New Zealand and an **unmodified opinion was issued on 27 October 2016**. This Summary Report cannot be expected to provide as complete an understanding as provided by the full Annual Report (of the financial and service performance, financial position and cashflows of the Council).

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$'000).

The full and summary financial statements have been prepared in accordance with Tier 1 PBE accounting standards. This Summary Annual Report has been prepared in accordance with PBE FRS-43 Summary Financial Statements.

There have been no changes in accounting policies during the year.

**THE FULL ANNUAL REPORT CAN BE OBTAINED FROM COUNCIL'S WEBSITE, [WWW.TASMAN.GOV.T.NZ](http://WWW.TASMAN.GOV.T.NZ).**

# FINANCIAL POSITION AND STATEMENTS

Council ran and continues to run a balanced budget.

- Council has \$1.47 billion worth of assets. This is an increase of \$48 million from last year.
- Council holds \$133 million of external public debt, down from the \$145 million reported in 2014/2015.

## SUMMARY STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE for the year ended 30 June 2016

JUNE 15 ACTUAL \$(000'S)		JUNE 16 ACTUAL \$(000'S)	JUNE 16 BUDGET \$(000'S)	% OF BUDGET
114,768	Total operating income	118,176	104,930	113%
4,149	Share of associates	2,239	2,372	94%
(144)	Share of joint ventures (net)	(267)	1,142	-23%
(89,289)	Total expenditure (excluding finance expense)	(95,473)	(91,047)	105%
(8,068)	Finance expense	(7,941)	(9,864)	81%
<b>21,416</b>	<b>Surplus before taxation</b>	<b>16,734</b>	<b>7,533</b>	<b>222%</b>
-	Tax expense	(860)	-	-
<b>21,416</b>	<b>Net surplus</b>	<b>15,874</b>	<b>7,533</b>	<b>222%</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
34,679	Gain/(loss) on asset revaluations	33,630	47,585	71%
-	Deferred tax on asset revaluations	860	-	-
756	Movement in NZLG shares value	1,055	-	-
(63)	Opening equity restatement – JV	-	-	-
185	Other comprehensive income – associates	(276)	-	-
<b>35,557</b>	<b>Total other comprehensive income</b>	<b>35,269</b>	<b>47,585</b>	<b>72%</b>
<b>56,973</b>	<b>Total comprehensive income</b>	<b>51,143</b>	<b>55,118</b>	<b>93%</b>

## SUMMARY STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2016

JUNE 15 ACTUAL (000'S)		JUNE 16 ACTUAL (000'S)	JUNE 16 BUDGET (000'S)	
1,199,399	Equity at the start of the year	1,256,372	1,241,268	
56,973	Total comprehensive income	51,143	55,118	
<b>1,256,372</b>	<b>Equity at the end of the year</b>	<b>1,307,515</b>	<b>1,296,386</b>	
	ACCUMULATED EQUITY \$(000'S)	RESTRICTED RESERVES \$(000'S)	REVALUATION RESERVE \$(000'S)	TOTAL \$(000'S)
Opening balance	535,173	18,467	702,732	1,256,372
Surplus	16,734	-	-	16,734
Gain on asset revaluations	-	-	34,409	34,409
All other comprehensive income	1,511	-	(1,511)	-
Net transfers between reserves	1,020	(1,020)	-	-
<b>Closing balance</b>	<b>554,438</b>	<b>17,447</b>	<b>735,630</b>	<b>1,307,515</b>

# FINANCIAL POSITION AND STATEMENTS (CONT.)

## SUMMARY STATEMENT OF FINANCIAL POSITION as at 30 June 2016

JUNE 15 ACTUAL \$(000'S)		JUNE 16 ACTUAL \$(000'S)	JUNE 16 BUDGET \$(000'S)
20,171	Current assets	18,787	17,282
(21,619)	Current liabilities	(14,065)	(30,615)
<b>(1,448)</b>	<b>Working capital</b>	<b>4,722</b>	<b>(13,333)</b>
1,406,640	Non current assets	1,455,937	1,474,706
(148,820)	Non current liabilities	(153,144)	(164,987)
<b>1,256,372</b>	<b>Total net assets</b>	<b>1,307,515</b>	<b>1,296,386</b>
<b>1,256,372</b>	<b>Total equity</b>	<b>1,307,515</b>	<b>1,296,386</b>

## SUMMARY STATEMENT OF CASHFLOWS for the year ended 30 June 2016

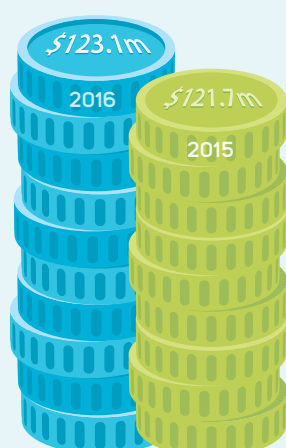
JUNE 15 ACTUAL \$(000'S)		JUNE 16 ACTUAL \$(000'S)	JUNE 16 BUDGET \$(000'S)
35,030	Net cashflow from operating	38,201	28,038
(31,829)	Net cashflow from investing	(26,180)	(35,379)
(4,025)	Net cashflow from financing	(12,002)	7,688
<b>(824)</b>	<b>Total net cashflows</b>	<b>19</b>	<b>347</b>
4,026	Opening cash held	3,202	1,422
<b>3,202</b>	<b>Closing cash balance</b>	<b>3,221</b>	<b>1,769</b>

## INCOME AND EXPENDITURE

### INCOME \$123.1M

#### KEY INCOME FROM:

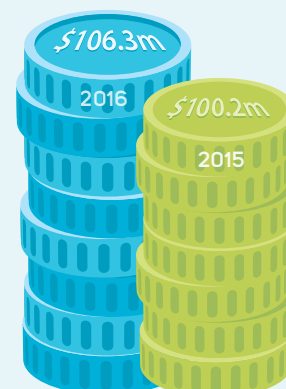
- Rates
- Development contributions
- Subsidies and grants
- Vested assets
- Other fees and charges
- Gains on revaluation of assets
- Dividends



### EXPENDITURE \$106.3M

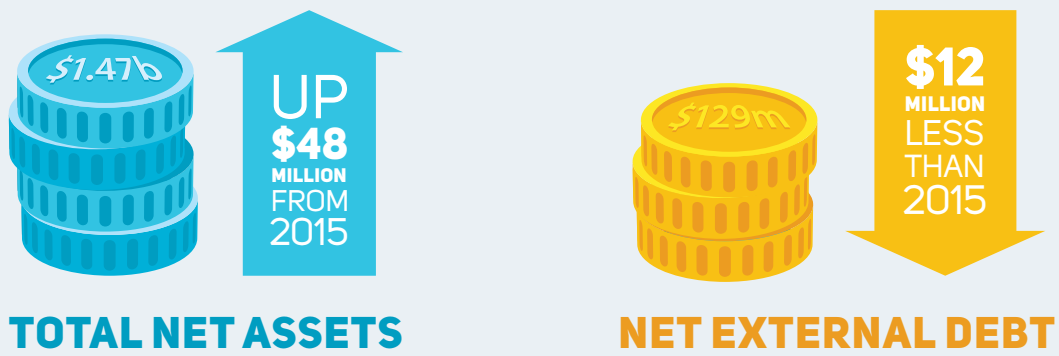
#### KEY EXPENSES WERE:

- Operating costs
- Finance costs (interest on loans)
- Capital investment
- Staff costs



Council's total accounting surplus was \$16.7 million, which included capital income, revaluations and non-cash items.

## NET ASSETS AND NET DEBT



Net assets and net external debt have varied from the Annual Plan 2015/2016 due to such things as forestry income and forestry revaluations being \$5 million higher than anticipated; finance costs being down \$2 million; vested assets up \$5 million due to higher growth than expected; and maintenance costs down \$3 million.

## AUDIT STATEMENT – INDEPENDENT AUDITOR'S REPORT

(TO COME)



### 8.3 ADOPTION OF THE ANNUAL REPORT 2015-2016

#### Decision Required

<b>Report To:</b>	Full Council
<b>Meeting Date:</b>	22 September 2016
<b>Report Author:</b>	Maxine Day, Senior Policy Advisor; Russell Holden, Finance Manager; Bryce Grammer, Financial Accountant
<b>Report Number:</b>	RCN16-09-10

#### 1 Summary

- 1.1 The Annual Report and Summary Annual Report (Attachment 1) for the year ended 30 June 2016 are presented in this report for adoption.
- 1.2 The Annual Report for the year ended 30 June 2016 is attached for Council's adoption (Attachment 2- under separate cover). The Council is required to complete an Annual Report each year, have it audited, and adopted prior to 31 October.
- 1.3 The Annual Report 2015/2016 presents a positive picture for Council's financial and non-financial performance. The report sets out many of Council's achievements in delivering services and facilities to residents and ratepayers. It also explains what the Council has been doing to address the key issues facing the District, as identified in the Long Term Plan 2015-2025.
- 1.4 Council spent \$26.9 million on capital projects and service improvements throughout the year, this was below budget. Council also made operational savings, with an accounting surplus of \$16.7 million for the year. This is a favourable variance of \$9.2 million ahead of budget.
- 1.5 The Council's total debt as at 30 June 2016 was \$129 million, which was considerably below the \$166 million forecast in the Annual Plan 2015/2016. The overall positive financial result is attributed to a number of factors, including:
  - increased revenue from forestry activities
  - lower debt levels and borrowing costs
  - low inflation
  - higher than anticipated growth
  - increased dividends
  - higher grant receipts than budgeted.
- 1.6 Rates revenue for the year was \$68 million, and total income from all other sources was \$55 million (this is an increase from 2015). Growth in the District forms part of this increase.
- 1.7 Council's non-financial performance was similar to last year, with 78% of performance targets being met, or were within 5% of the target. Only 12% were not achieved, and there were 10% that could not be reported on this year. These results demonstrate the Council is meeting the expectations set out in the Long Term Plan for things like resident satisfaction

**ADOPTION OF THE ANNUAL REPORT 2015-2016**

with service delivery, monitoring and reporting, and performance. The Report notes we did not achieve some of our targets, but for some of these we had purposely set these at a high level to ensure we continue to improve our performance (i.e. they are 'stretch targets' for us to aim for in the future). There are other areas of performance that we will need to continue to focus on in order to meet our performance targets, such as stormwater catchment planning, public health and safety, and resource management policy and regulation.

- 1.8 Explanations for all these results and comparisons with previous year's results are contained within the Annual Report.
- 1.9 Audit New Zealand is still undertaking its final review of the Annual Report. Any changes arising from that audit will be tabled at the meeting on 22 September and incorporated in the final version.
- 1.10 A Summary Annual Report has been prepared and is included for adoption at this meeting.

<b>2 Draft Resolution</b>
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**That the Full Council:**

- 1. receives the Adoption of the Annual Report 2015-2016 report RCN16-09-10; and**
- 2. adopts both the Annual Report 2015/2016 and the Summary Annual Report 2015/2016 under section 98 of the Local Government Act 2002; and**
- 3. agrees to the Mayor, Cr King, Cr Edgar and the Chief Executive Officer, signing off any further minor editorial amendments prior to the Annual Report and Summary Annual Report being printed and made available to the public.**

### 3 Purpose of the Report

- 3.1 To adopt Tasman District Council's Annual Report and Summary Annual Report for the year ended 30 June 2016.

### 4 Background and Discussion

- 4.1 Section 98 of the Local Government Act 2002 requires Council to prepare and adopt an Annual Report by 31 October each year.
- 4.2 The Annual Report measures what Council planned to complete as per the relevant Annual Plan, or Long Term Plan, and what was achieved. The preparation of information contained in these documents involves staff throughout Council.
- 4.3 The Draft Annual Report was presented to the Audit Subcommittee on 8 September 2016.
- 4.4 The Annual Report is audited by Audit New Zealand (AuditNZ) on behalf of the Office of the Auditor General. At the time of writing this report, a number of items were still being finalised with AuditNZ, however the auditor's opinion will be completed and available at the meeting for Council to adopt as part of the Annual Report.
- 4.5 Council has a credit rating of AA- with a stable outlook from Standard and Poors. This rating reflects Council's strong financial management, budgetary flexibility, liquidity, and low contingent liabilities. A rating of AA- enables Council to borrow funds at more favourable interest rates and from a wider range of funders than it would otherwise be able to with a lower rating.

#### Finances

- 4.6 In summary, Council has continued its positive financial trend from the previous year and recorded another surplus. The surplus for the 2015/2016 year was significantly higher than budgeted. The underlying operational surplus was \$13.2 million<sup>[1]</sup>.
- 4.7 The positive financial position reflects ongoing operational savings achieved by Council, delayed capital expenditure for some large projects and lower debt. The result was also assisted by a number of external factors which moved in our favour. These external factors include:
- increased revenue from forestry activities
  - lower debt levels and borrowing costs
  - low inflation
  - higher than anticipated population growth
  - increased dividends
  - higher grant receipts.

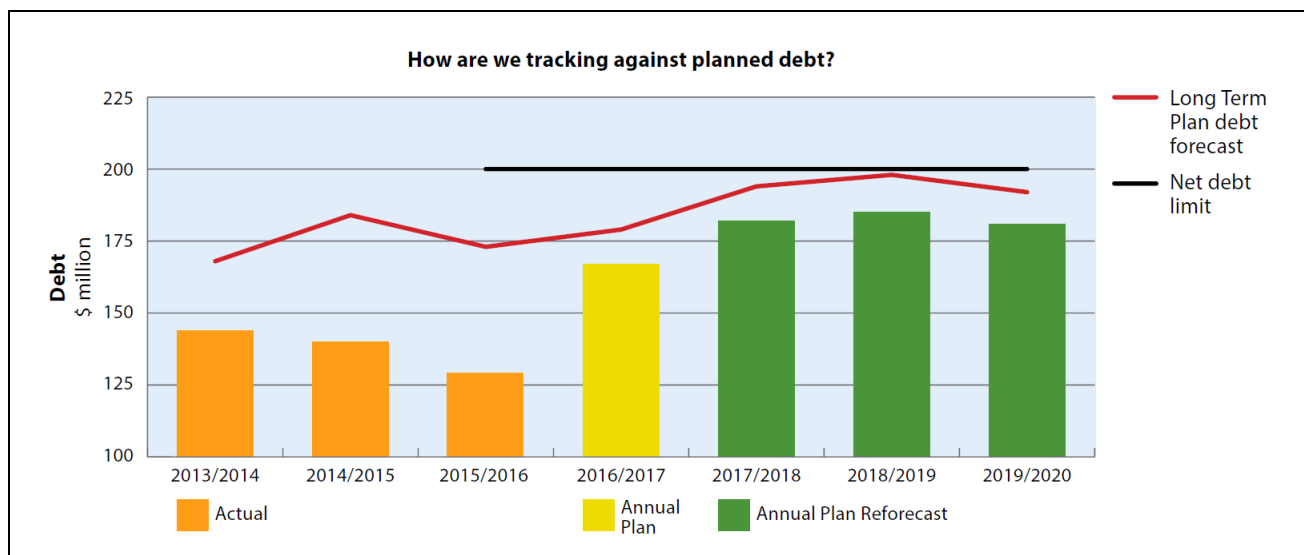
A full description of the financial variances from the Annual Plan 2015/2016 is contained in Note 36 to the Accounts in the Annual Report.

<sup>[1]</sup> Once the non-cash items and capital funds were removed.

## ADOPTION OF THE ANNUAL REPORT 2015-2016

- 4.8 Our net debt at 30 June 2016 was \$129 million. The Annual Plan 2016/2017 forecasts this to be \$166 million by 30 June 2017 – although with net debt now lower than forecast at year end for 2015/2016, it is likely that we will not reach the expected \$166 million debt figure.

**Figure 1: How are we tracking against planned debt?**



- 4.9 To help manage rates affordability, we include a limit in our Financial Strategy on rates revenue. For the Long Term Plan 2012-2022 this limit was set at \$52 million for general rates and \$53 million for targeted rates per annum over the life of the Long Term Plan. This was reduced to \$51 million for general rates and \$46 million for targeted rates per annum in the Long Term Plan 2015-2025, reflecting the work done as part of the last Plan to address rates affordability issues. This Annual Report shows we are well below the limit, at \$35 million for general rates and \$33 million for targeted rates.

### Non-Financial Performance

- 4.10 Council measures its performance each year using a core set of indicators that are determined through the Long Term Plan and Annual Plan. The results present a high level view of performance. A number of indicators are based on the Annual Residents' survey. The results from this survey were discussed at the Community Development Committee meeting on 25 August 2016.
- 4.11 The Annual Report for 2015/2016 shows the non-financial performance results were similar to last year, with 78% of performance targets being met, or were within 5% of the target. Only 12% were not achieved, and there were 10% that could not be reported on this year. These results demonstrate the Council is meeting the expectations set out in the Long Term Plan for such things as resident satisfaction with service delivery, monitoring and reporting, and performance. The report notes we did not achieve some of our targets, but for some of these we had purposely set these at a high level to ensure we continue to improve our performance (i.e. they are 'stretch targets' for us to aim for in the future).
- 4.12 The performance of each Activity Group is set out in Part 4 of the Annual Report.

### Activity Highlights

- 4.13 The Annual Report contains a summary of many of the activities Council has undertaken throughout the year. Some of the highlights include:

## ADOPTION OF THE ANNUAL REPORT 2015-2016

### *The Tasman's Great Taste Trail*

- 4.14 The next stage of Tasman's Great Taste Trail (from the Wai-iti domain through Spooner's Tunnel to Kohatu) opened in April 2016. This stage of the Trail has been made possible by the contributions of landowners, volunteers, Nelson Tasman Cycle Trust, donations, funding from the National Cycleway Project Fund and Tasman District Council.

### *Progressing development of Saxton Field*

- 4.15 We're part way through constructing a new cycling facility for the Nelson/Tasman region, which includes a new velodrome. The Saxton Velodrome will be a community facility suitable for cyclists of all ages, skills and fitness levels. The velodrome will be open to use for the general public. Complementing the Saxton sports field facilities is a new toilet and changing facility at Avery's Field.

### *Constructing the Golden Bay Community Recreation Facility*

- 4.16 Physical progress on the new recreation and community centre at Golden Bay is underway. We have been actively planning for the new facility since 2010, in partnership with the Golden Bay Shared Recreation Facility group (GBSRF). The building in Takaka's Golden Bay Recreation Park will house a gymnasium with indoor netball court, two outdoor netball courts, two squash courts, toilets, changing rooms, and community and function rooms.

### *Reviewing the Moturoa/Rabbit Island Reserve Management Plan*

- 4.17 Consultation on proposals for the future of Moturoa/Rabbit Island started in November 2015. Over the summer of 2015/2016, 660 individuals and groups let us know what they love about Moturoa/Rabbit, Rough and Bird islands, what they think should change and what should stay the same. The Draft Plan was then formally consulted on in June and July 2016.

### *Major Queen Street works to begin in 2017*

- 4.18 Planning and design work has been completed on a new project to upgrade underground pipes and the total replacement of the surface of Richmond's Queen Street. We anticipate starting extensive road works in early 2017.

### *Motueka Wastewater Plant upgrade*

- 4.19 An upgrade of the Motueka Wastewater Treatment Plant is expected to be complete by the end of 2016. Wetland planting will then occur over the following two years. The staged upgrades are already showing big improvements in bacterial concentrations and odour.

### *Cleaner water in Tasman rivers*

- 4.20 Our five yearly State of the Environment River Water Quality report shows the hard work and collaboration between the Council and the community on stock in waterways, riparian management and riverbank planting is paying off, with a marked improvement in river water quality overall. We still have some issues in small lowland rural and urban waterways, and we are working with communities to address these.

### *Recycling volumes up*

- 4.21 Thanks to our community's efforts, our new recycling service is proving successful at reducing the amount of recyclable waste going to landfill. Figures for the past few months show kerbside recycling volumes are up 28% from last year. A new purpose-built recycling

## ADOPTION OF THE ANNUAL REPORT 2015-2016

centre in Richmond opened in Beach Road in August 2015. It's expected that the facility will help manage increasing recycling volumes in coming years.

### *Waimea Community Dam*

- 4.22 Work on the proposed solution (the Waimea Community Dam) is going well. The funding, form of the joint venture, land availability, and the tender price are expected to be certain enough to bring a firm proposal to the community by the end of next year. The Waimea Community Dam Company has asked for time to secure its funding. As a result, we now intend to consult the community on the proposal between September and November 2017.

### *'Sentinel' launched at Port Motueka*

- 4.23 The new Harbourmaster boat, Sentinel, was officially named and launched at Port Motueka in May 2016. Sentinel gives the Harbourmaster greater ability to provide assistance and guidance to other boat users. The boat's primary role is to help keep everyone safer on the water in Tasman.

### *Nelson Tasman Civil Defence rated best*

- 4.24 The Nelson Tasman Civil Defence Emergency Management (CDEM) Group has achieved the highest score in the country as part of its capability assessment report undertaken by the Ministry of Civil Defence and Emergency Management. A score of 82.1% has been awarded to the Group, higher than the target of 79% set in 2013, making them the top Group in New Zealand. Our region held its top position after also being rated best in the last review in 2009.

### *Redevelopment of Mapua Wharf*

- 4.25 People are enjoying the redeveloped Mapua Wharf in big numbers, with the opening of the Shed 4 retail development adding to its popularity as a top Tasman summer destination. We counted people going to the wharf on several days in late December 2015 and early January 2016. There were about 7,500 pedestrian movements (people both entering and exiting) in the wharf precinct on 28 December, almost 9,000 on 2 January and about 6,400 on 17 January.

## **Council everyday**

- 4.26 The services local government provide are vital to almost every aspect of people's daily lives. These every-day services and facilities are funded by rates and the income Council receives from its other revenue sources, including commercial activities such as forestry.
- 4.27 Each year, these services and facilities help to keep people safe, protect and improve the environment, provide essential infrastructure, and bring people together to do the things they want, in places they want to be.

## **Ratepayers' views of our performance**

- 4.28 Since 1996 we have commissioned an annual survey of residents' views on a range of services we deliver. The survey is undertaken by the National Research Bureau to ensure independence and impartiality. A total of 402 residents over 18 years of age were surveyed during May 2016. The results continue to show steady rates of satisfaction with the services and activities provided by Council. 74% of residents are satisfied with the way rates are spent on services and facilities.

## **ADOPTION OF THE ANNUAL REPORT 2015-2016**

- 4.29 79% of residents feel we supply more than enough or enough information.
- 4.30 Satisfaction with some services have increased, particularly for kerbside recycling and rubbish collection, environmental information, and water supply. 92% of residents are satisfied with recreational facilities, such as playing fields and neighbourhood reserves. Despite the generally positive results, satisfaction with resource management policy and planning, resource consenting, and stormwater continue to lag behind other Council activities.
- 4.31 We've also started asking our residents if they feel we have a good reputation as a Council. Overall, 62% of residents feel we do have a good reputation. There is a large variation between wards within this result, with 76% of Richmond ward residents responding positively, and only 28% of Golden Bay ward residents.

### **5 Strategic Challenges / Risks**

- 5.1 The preparation of the Annual Report is a Council-wide project, involving staff from all teams of the organisation.
- 5.2 The form of the financial content is highly regulated by statute and accounting conventions and regulations. There is also a lot of information in the Annual Report which reports the progress Council has made against its performance targets to the public.
- 5.3 The strong results in this year's annual report provide an opportunity to share with the community the positive work that Council does with and for the communities of Tasman.

### **6 Policy / Legal Requirements / Plan**

- 6.1 Section 98 of the Local Government Act 2002 requires all local authorities to prepare and adopt an annual report by 31 October each year.
- 6.2 The Act is also specific on the format and what needs to be reported in each annual report.
- 6.3 The report must also comply with the New Zealand International Financial Reporting Standards.
- 6.4 The Act also requires the annual report to be audited. For us, the audit is carried out by Audit New Zealand on behalf of the Office of the Auditor General.
- 6.5 An Audit Report will be handed to Council by the Auditor at the meeting following Council's adoption of the Annual Report.
- 6.6 Upon adoption of the Annual Report Council must, within one month, make publicly available both the Annual Report and Summary Annual Report. These documents will be available as hardcopies, CD, and via Council's website.

### **7 Consideration of Financial or Budgetary Implications**

- 7.1 The Annual Report details the level of expenditure and income for each group of activities and compares the actual positions to budget. There are no financial or budget implications arising from the adoption of the Annual Report 2015/2016.

**ADOPTION OF THE ANNUAL REPORT 2015-2016****8 Significance and Engagement**

- 8.1 The reporting of the activities of Council is a significant undertaking, however the adoption of the Annual Report, as an action of Council, does not involve a proposal or require a decision that meets the criteria of significance under the Significance and Engagement Policy.
- 8.2 The Summary Annual Report will be available online and full copies of each document will be available on Council's website, at service centres and libraries, on CD or upon request. Newslines will be used to highlight the publication of the Annual Report and Summary, direct readers to them, and convey some of the key outcomes.

**9 Conclusion**

- 9.1 Council must prepare and adopt an annual report by 31 October each year.
- 9.2 The Annual Report 2015/2016 has been completed and is presented for adoption in this report.
- 9.3 The Annual Report 2015/2016 demonstrates positive financial and non-financial outcomes for Council.

**10 Next Steps / Timeline**

- 10.1 Receive the auditor's opinion on 22 September 2016.
- 10.2 Following adoption of the Annual Report 2015/2016 and Summary:
- prepare the documents for publication (hard copies and electronic)
  - distribute copies to the necessary statutory agencies, service centres, and libraries; and post online.

**11 Attachments**

1. Summary Annual Report



## Annual Report 2015/2016 Editing Changes

	Changes approved by Audit NZ
	All changes approved by Council editing Committing

14/10/2016

Page	Previous Wording	New Wording
6	2. Managing The Council's Debt. Debt for 2015/2016 reached \$129 million....	2. Managing The Council's Debt. <b>Net</b> debt for 2015/2016 reached \$129 million....
7	Part B: Development contributions policy changes. 2 <sup>nd</sup> sentence: 'Development contributions for 2015/16 provided for \$4.7 million income to Council'.	Part B: Development contributions policy changes. 2 <sup>nd</sup> sentence: 'Development contributions <b>and reserve financial contributions</b> for 2015/16 provided for \$4.7 million income to Council'.
23	Revenue and Savings. Total Rates revenue for the year way \$67.9 million, and total revenue from all other sources totalled \$5.2 million.	Revenue and Savings. Total Rates revenue for the year way \$67.9 million, and total revenue from all other sources totalled <b>\$55.2</b> million.
31	Date at bottom of page. 22 September 2016	Date at bottom of page. 27 October 2016 <i>Date change.</i>
53	Total in list of complaints. 2,141	Total in list of complaints. <b>2140</b> <i>Sum of individual items equal 2,140.</i>
103	Major Activities – table. Richmond – Middlebank Drive 2015-2016 Budget \$0	Major Activities – table. Richmond – Middlebank Drive 2015-2016 Budget <b>–</b> <i>Consistency with other tables.</i>
129	Table column heading: District Wide Reserve Financial Contributions <b>2015-2025</b>	Table heading: District Wide Reserve Contributions <i>Years deleted.</i>
130	Table column heading: Richmond Ward Reserve Financial Contributions <b>2015-2025</b>	Table heading: Richmond Ward Reserve Contributions <i>Years deleted.</i>
131	Table column heading: Waimea/Moutere Ward Reserve Financial Contributions <b>2015-2025</b>	Table heading: Waimea/Moutere Ward Reserve Contributions <i>Years deleted.</i>
132	Table column heading: Motueka Ward Reserve Financial Contributions <b>2015-2025</b>	Table heading: Motueka Ward Reserve Contributions <i>Years deleted.</i>
132	Table Row – Library invest and concept plans. 2015/2016 Actual (\$) -, 2015/2016 Budget (\$) -.	Table Row – Library invest and concept plans. <b>Row deleted.</b>
133	Table column heading: Golden Bay Ward Reserve Financial Contributions <b>2015-2025</b>	Table heading: Golden Bay Ward Reserve Financial Contributions <i>Years deleted.</i>
164	Reporting Entity	Reporting Entity

	4 <sup>th</sup> paragraph, 2 <sup>nd</sup> sentence The financial statements were authorised for issue by Council on 22 September 2016.	4 <sup>th</sup> paragraph, 2 <sup>nd</sup> sentence The financial statements were authorised for issue by Council on <b>27 October 2016</b> . <i>Date change.</i>
183	Note 8: Finance Costs and Finance Revenue - Table. Bottom row – Total Finance costs	Note 8: Finance Costs and Finance Revenue - Table. Bottom row – <b>Total Finance Revenue</b> . <i>Correct labelling of row.</i>
186	Note 11: Trade and Other Receivables (cont.) First table. Additional provisions made during the year 2015/2016 \$'000 231.	Note 11: Trade and Other Receivables (cont.) First table. Additional provisions made during the year 2015/2016 \$'000 <b>753</b> . <i>Figure corrected.</i>
186	Note 11: Trade and Other Receivables (cont.) First table. Recoverables written off during the period 2015/16 \$'000 (88)	Note 11: Trade and Other Receivables (cont.) First table. Recoverables written off during the period 2015/16 \$'000 <b>(610)</b> . <i>Figure corrected.</i>
206	Note 20: Investment in Associates (cont.). List of Associates – 2 <sup>nd</sup> and 3 <sup>rd</sup> tables on page.	Note 20: Investment in Associates (cont.). List of Associates – 2 <sup>nd</sup> and 3 <sup>rd</sup> tables on page. <b>Column headed '2015/16 Impairment of Investment' - column deleted.</b>
214	A) Security. Table.	A) Security. Table. <i>Row – Joint Venture deleted.</i>
243	Appendix One – Applications Processed (Cont.) 5. Other – table. Complaints received 2014/15 1,860, 2015/16 2,141	Appendix One – Applications Processed (Cont.) 5. Other – table. Complaints received 2014/15 1,860, 2015/16 <b>2,140</b> . <i>Consistency with changed figure on page 53.</i>

Formatting Changes	
165	Classification of Property – sub heading. <i>Font size reduced for consistency.</i>
169	Statement of Cashflows - table. Row – Opening cash held. <i>Shading removed for consistency.</i>
167	Balanced Budget Statement of Financial Performance – table. Row – Net Transfers from reserves and equity. <i>Remove shading for consistency.</i>
167	Balanced Budget Statement of Financial Performance – table. Row – Balanced budget – operating revenue agrees to operating expenditure. <i>Add shading for consistency.</i>
198	Note 15: Property, Plant and Equipment (cont.) – table. Rows – Stormwater drainage, Flood protection and control works, Roads and footpaths. <i>Shading added for consistency in top two parts of the table.</i>
203	Note 17: Depreciation by Group of Activity - table. Row – Depreciation and amortisation expense not directly related to group of activities. <i>Shading removed for consistency.</i>
214	D) Repayable Period of Loans. Figure in row – Within 2-5 years 92,000. <i>Change from bold font to normal font for consistency.</i>
217	Note 27: Accumulated Equity. Table. Row - Revaluation reserve on disposal of property - figure for 2015/16 1,511. <i>Change from bold font to normal font for consistency.</i>

17/10/2016

Page	Previous Wording	New Wording
5	Message from the Mayor and Chief Executive. 5th paragraph, 2 <sup>nd</sup> sentence. 'We ended the year with net debt of \$129 million compared to the Annual Plan forecast of \$173 million'.	'We ended the year with net <b>external</b> debt of \$129 million compared to the Annual Plan forecast of \$173 million'.
21	Key Financial Information. Last paragraph on page. Subheading – 'Net Debt'. Our net debt at 30 June 2016 was \$129 million. The Annual Plan 2016/2017 forecasts this to be \$266 million by 30 June 2017 – although with net debt now lower than forecast at year end for 2015/2016 it is likely that we will not reach the expected \$166 million debt figure (see figure 2)'	Subheading – 'Net <b>External</b> Debt'. Our net <b>external</b> debt at 30 June 2016 was \$129 million. The Annual Plan 2016/2017 forecasts this to be \$266 million by 30 June 2017 – although with net <b>external</b> debt now lower than forecast at year end for 2015/2016 it is likely that we will not reach the expected \$166 million <b>net external</b> debt figure (see figure 2)'
21	Legend to Figure 2. 'Net debt limit'	'Net <b>external</b> debt limit.'
223	Council Employees – Head Count Table. '\$140,000 - \$319,999 2016 \$'000s 7, 2016 \$'000s 6'.	Council Employees – Head Count Table. '\$140,000 - \$319,999 2016 \$'000s , 2016 \$'000s 6.' Addition of two new rows: <b>'\$140,000 - \$219,999 2016 \$'000s 6, 2015 \$'000s -, \$300,000 - \$319,999 2016 \$'000s 1, 2015 \$'000s -.'</b> <i>Change notified by Audit NZ. Required to meet disclosure regulations - LGA 2002 Sch 10 section 32A.</i>
235	Note 39: Financial Performance in relation to financial regulations benchmarks (cont.) Text between the two charts. 'The quantified limit in the Long Term Plan 2012 -2022 was net interest on external debt not to exceed 20% of total revenue for each year covered by the Long Term Plan 2012 – 2022'.	'The quantified limit in the Long Term Plan 2012 -2022 was net interest on <b>net</b> external debt not to exceed 20% of total revenue for each year covered by the Long Term Plan 2012 – 2022'.
236	Note 39: Financial Performance in relation to financial regulations benchmarks (cont.) Net Interest to Total Rates Revenue. 2 <sup>nd</sup> sentence. 'The quantified limit is net interest expense on external debt to not exceed 25% of annual rates revenue.'	'The quantified limit is net interest expense on <b>net</b> external debt to not exceed 25% of annual rates revenue.'

## Changes to Summary Document

Page	Previous Wording	New Wording
Inside of front cover	Mayor and Chief Executive Officer Overview. 5th paragraph, 2 <sup>nd</sup> sentence. 'We ended the year with net debt of \$129 million compared to the Annual Plan forecast of \$173 million'.	'We ended the year with net <b>external</b> debt of \$129 million compared to the Annual Plan forecast of \$173 million'.
How we're tracking on the key issues	2. Managing the Council's Debt 1 <sup>st</sup> line. 'Debt for 2016/2016 reached \$129 million, which is well below the \$200 million limit set in the Financial Strategy and \$44 million less than forecast in the Annual Plan 2015/2016.'	' <b>Net external</b> debt for 2016/2016 reached \$129 million, which is well below the \$200 million limit set in the Financial Strategy and \$44 million less than forecast in the Annual Plan 2015/2016.'
How we're tracking on the key issues	2. Managing the Council's Debt How are we tracking against planned debt? Legend to figure. 'Net debt limit'	'Net <b>external</b> debt limit.
How we're tracking on the key issues (cont)	4. Responding to Population Growth (cont) Part B: Development Contributions Policy changes. 2 <sup>st</sup> sentence. 'Development contributions for 2015/16 provided for \$4.7 million income to Council'.	'Development contributions <b>and reserve financial contributions</b> for 2015/16 provided for \$4.7 million income to Council'.
Legal Statement	2 <sup>nd</sup> sentence: This summary Annual Report and the full Annual Report were authorised for issue on 22 September 2016 by the Corporate Services Manager, Chief Executive Officer and Mayor of the Council.	'This summary Annual Report and the full Annual Report were authorised for issue on <b>27 October 2016</b> by the Corporate Services Manager, Chief Executive Officer and Mayor of the Council'.
Legal Statement	3 <sup>rd</sup> sentence: The Council's full Annual Report has been audited by Audit New Zealand and an unmodified opinion was issued on 22 September 2016.	The Council's full Annual Report has been audited by Audit New Zealand and an unmodified opinion was issued on <b>27 October 2016</b> .
Back cover: Net Asset and Net Debt	1 <sup>st</sup> sentence. 'Net assets and net debt varied from the Annual Plan 2015/2016 due to such things as forestry income and forestry revaluations being \$5 million higher than anticipated; finance e costs being down \$2 million; vested assets up \$5 million due to higher	'Net assets and net <b>external</b> debt varied from the Annual Plan 2015/2016 due to such things as forestry income and forestry revaluations being \$5 million higher than anticipated; finance e costs being down \$2 million; vested assets up \$5 million due to higher growth than expected; and maintenance costs down \$3 million'.

	growth than expected; and maintenance costs down \$3 million’.	
Back cover: Net Asset and Net Debt	Infographic. Righthand side. Subtitle. ‘Net Debt’	‘Net External Debt’