

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

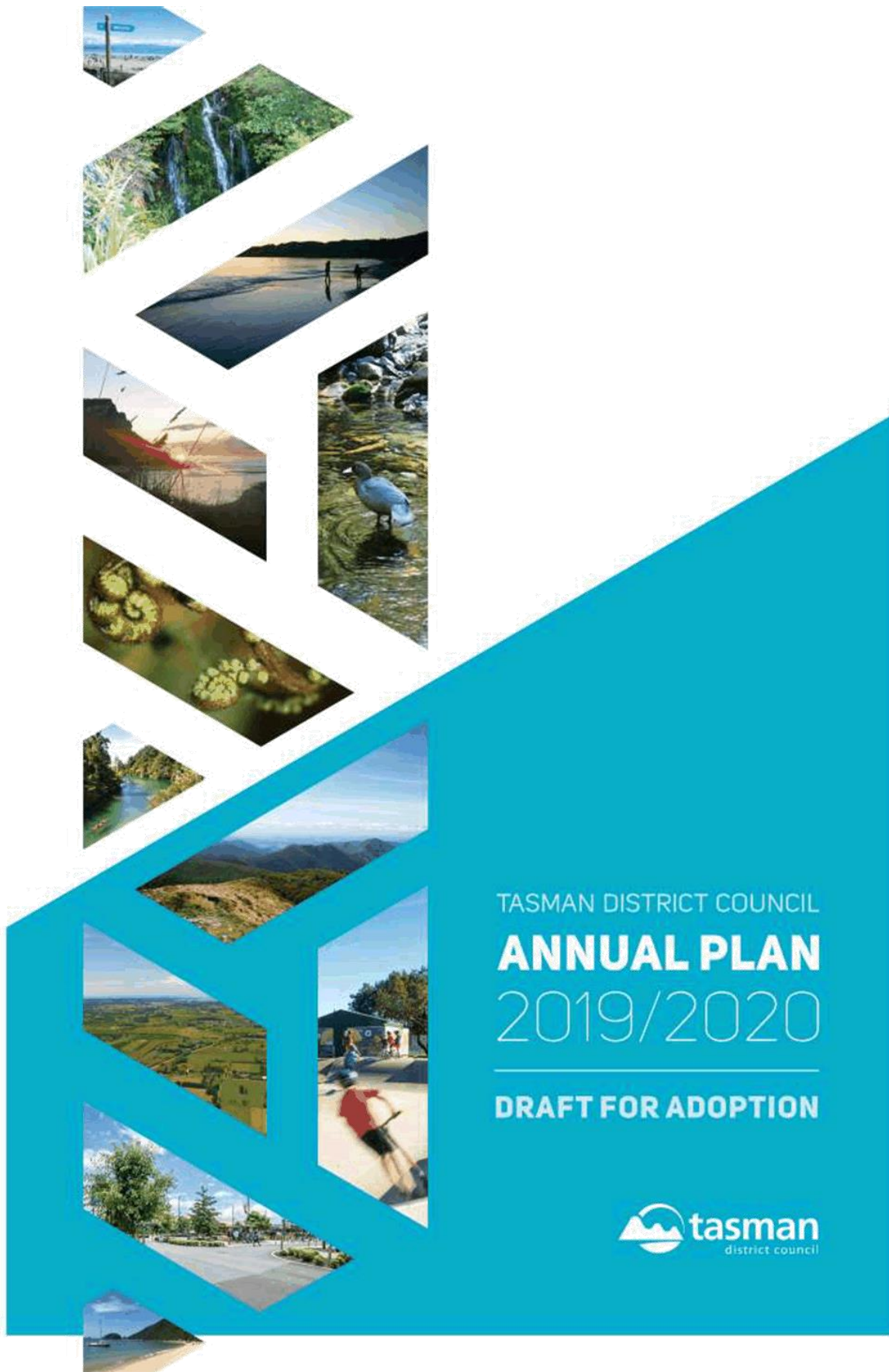
Date: Friday 31 May 2019
Time: 9.30am
Meeting Room: Tasman Council Chamber
Venue: 189 Queen Street
Richmond

Full Council

ATTACHMENTS

ATTACHMENTS UNDER SEPARATE COVER

ITEM	PAGE
8.1 Adoption of the Annual Plan 2019/2020	
1. Draft Annual Plan 2019-2020 for Adoption	3



Contents

Mayor and CEO’s Message	iii
PART 1 - INTRODUCTION AND OVERVIEW	5
WHAT IS THE ANNUAL PLAN?	7
HOW TO FIND YOUR WAY AROUND THE ANNUAL PLAN	8
PART 2 - HIGHLIGHTS	9
FINANCE SUMMARY	11
HOW WILL YOUR RATES BE AFFECTED?	12
FOR OUR COMMUNITY – MAJOR PROJECTS AND INITIATIVES FOR 2019/2020	15
CHANGES FROM THE LONG TERM PLAN 2018 - 2028	21
PART 3 - ACCOUNTING INFORMATION	23
ACCOUNTING INFORMATION OVERVIEW	24
INFLATION ADJUSTED ACCOUNTS	43
PROSPECTIVE FUNDING IMPACT STATEMENT	49
PROSPECTIVE FUNDING IMPACT STATEMENTS BY ACTIVITY	51
FINANCIAL REGULATIONS BENCHMARKS	65
FUNDING IMPACT STATEMENT	71
RATES IMPACT ON EXAMPLE PROPERTIES	94
RATINGS MAPS INDEX	104
APPENDIX ONE – GLOSSARY OF TERMS	157

Our Team



Back row: Councillors Peter Canton, Paul Hawkes, Dean McNamara, and Kit Maling.

Middle row: Councillors Dana Wensley, Trevor Tuffnell, and Stuart Bryant.

Front row: Councillors Anne Turley, Paul Sangster, Deputy Mayor Tim King, Mayor Richard Kempthorne, Chief Executive Officer Janine Dowding, Councillors David Ogilvie, and Sue Brown.

Insert: Councillor Mark Greening.

Mayor and CEO's Message

Welcome to Council's Annual Plan for the 2019/2020 year.

Before we look forward to the coming year, there are three significant events from the end of the 2018/2019 year, which we would like to comment on. The terrible tragedy, which happened in Christchurch on Friday 15 March 2019, affects all of us in New Zealand. There is no place for the extremism, hate or feelings of supremacy, which led to this event. Our thoughts and prayers go to everyone affected by this tragedy and to the wider Muslim community.

The drought and Civil Defence response to the Pigeon Valley fire have been front and centre of Council's work, particularly in February and March of this year. Many Council staff put aside their usual work to take on roles within the Civil Defence Emergency Operations Centre. We also need to recognise the massive contribution made during the fire from the various organisations and individuals who helped respond to this event. The drought has also affected our communities and our businesses. We will continue to work with those affected to help them recover from these events.

Before the fire and drought events, we had been in the process of finalising our proposed work programmes for the 2019/2020 year (July 2019 until June 2020).

Our plan for 2019/2020 is largely what we signalled for the year in the Long Term Plan 2018 - 2028. The forthcoming year will be a case of continuing to work with our communities on the things that help make Tasman a great place to live, work and holiday, and in a way that is affordable to ratepayers.

This year we expect to see significant progress on the construction of the Waimea Community Dam. The Dam will secure the water supply needs for the Waimea Plains and surrounding communities, current and future. Once it is fully operational, the Dam will protect against a one in 60 year drought. This means that unless we experience conditions greater than a one in 60 year drought, there will be no water restrictions in this area and our community will be able to continue to have access to the water it needs.

Setting the 2019/2020 rates revenue increase to 2.74% means that we will stay below our self-imposed cap of 3% for the fifth consecutive year. We are doing this to keep rates as affordable as possible. We also remain focused on managing our borrowing and are forecasting debt to be a little lower than we previously anticipated at \$191 million by 30 June 2020.

Due to a range of technical and operational reasons, we have made a few changes to the timing of some of the projects we have planned, with details provided in this document.

iii

Following the tragedy in Christchurch, and more closer to home, the Pigeon Valley Fire event and recent drought, we hope for a more positive year in 2019/2020. One where we can all enjoy the benefits of living in our unique and picturesque Tasman District.

Thank you for taking the time to read through our Annual Plan.



Richard Kempthorne
Mayor



Janine Dowding
Chief Executive Officer

PART 1 - INTRODUCTION AND OVERVIEW

ANNUAL PLAN 2019/2020 OVERVIEW

Our Annual Plan outlines the activities and the services Council plans to provide over 2019/2020, being Year Two of the Long Term Plan 2018 – 2028.

Rates income increase **2.74%** (after allowance for growth)

“We are keeping to our intentions for 2019/2020 as set out in the LTP 2018 – 2028, with only minor changes.”



Council’s anticipated debt by July 2020 **\$191.4 MILLION**

KEY PROJECTS

- Motueka library design and planning
- Takaka to Pohara cycle link
- Brightwater town centre upgrade
- Saxton Field athletic track resurfacing
- Flood mitigation planning in Motueka and Riwaka
- Moutere Waimea Reserve Management Plan
- Neds Creek flood mitigation work

PROGRESSING CONSTRUCTION OF THE WAIMEA COMMUNITY DAM

- Site access and clearance
- Temporarily divert the Lee River
- Commence construction of structure and embankment

PROTECTING OUR ENVIRONMENT

- Biostrategy
- Natural Hazard risk community engagement
- Regional Policy Statement and Tasman Resource Management Plan (TRMP) effectiveness review
- Survey of fish in the Waimea Estuary
- TRMP changes to protect freshwater in Takaka and Waimea
- Sediment source tracking



WHAT IS THE ANNUAL PLAN?

Our Annual Plan outlines the activities and the services Council plans to provide in 2019/2020. The Annual Plan also identifies changes or differences to the information included in Year Two of the Long Term Plan 2018 - 2028.

Under the Local Government Act 2002, Tasman District Council is required to produce an Annual Plan in each year between the three-yearly reviews of the Long Term Plan.

As this Annual Plan is not significantly or materially different from the plans we made in our Long Term Plan 2019/2020, we did not carry out public consultation. We published and communicated information about this Annual Plan during March and April 2019.

As a separate process, we ran a Special Consultative Procedure on our Schedule of Charges for 2019/2020. The Schedule of Charges sets out the fees we intend to charge for a range of the services we provide. You can find a copy of our Schedule of Charges on our website.

We have taken the general approach of only including information in this document that is not already contained within the Long Term Plan. You can view our Long Term Plan 2018 - 2028 on our website www.tasman.govt.nz

We have endeavoured to ensure that our financial projections are as accurate as possible based on current information. It is important to note, however, that the financial information contained in this Annual Plan is forecast information based on assumptions, which we reasonably expect to occur. Actual results achieved are likely to vary from the information presented and these variations may at times be major. We will report actual performance through the Annual Report at the end of 2019/2020.

HOW TO FIND YOUR WAY AROUND THE ANNUAL PLAN

This section provides a short guide to what's in the Annual Plan and where to find it.

Part 1: The introductory part of this document shows the Annual Plan 'headlines' in pictorial form and an explanation about what the Annual Plan is all about.

Part 2: Sets out the highlights of our Annual Plan for 2019/2020. It illustrates how we intend to continue to address the key issues identified in the Long Term Plan (LTP) 2018 - 2028 and a summary of financial information including rating information, and an outline of where rates and other Council income will be spent. We have outlined many of the projects we plan to undertake, as well as an explanation of the main changes from what we had planned in the LTP for the 2019/2020 year.

Part 3: Sets out the financial information in more detail including Accounting Information, the Prospective Funding Impact Statement, and Funding Impact Statements for rates, Reserve Funds and Financial Regulation Benchmarks.

Please note that all the budget figures in this Annual Plan contain an allowance for inflation. All figures in this document are GST exclusive, except for rates, which are GST inclusive. Any exceptions are expressly stated.

We have done our best to keep jargon and abbreviations to a minimum. However, there are some words that we use because of legislation or the specialised activities that Council carries out. We have provided a glossary of terms used at the back of the document for your reference.

If you are unable to find the information you are looking for in this document, we encourage you to look in our LTP 2018 - 2028.

You can find more information on our activities and services in Volume I of the LTP. Further details on activities and when we are planning to undertake specific projects are contained in the Activity Management Plans. These are available for most of the activities Council undertakes. The LTP and Activity Management Plans are available on our website www.tasman.govt.nz

This Annual Plan is supported by policies that Council adopted as part of the development of the LTP. Please refer to our website www.tasman.govt.nz or Volume 2 of the LTP for Council's Revenue and Financing Policy, Rates Remission Policy, Policy on Remission and Postponement of Rates on Māori Freehold Land, Significance and Engagement Policy, and a Statement on Fostering Māori Participation in Council Decision Making.

PART 2 - HIGHLIGHTS

CONTINUING TO ADDRESS THE KEY ISSUES IN 2019/2020

We listed a number of key issues for Tasman in our Long Term Plan 2018 – 2028. Here’s how we intend to continue to address some of these in 2019/2020.

CAP MAXIMUM TOTAL RATES

INCOME INCREASES

▶▶ AT 3% ◀◀

2019/2020: Rates income increase 2.74% plus an allowance for growth

ENHANCE DRINKING WATER SECURITY AND SUPPLY

2019/2020:

- Waimea Community Dam construction
- Richmond South trunk main
- Upgrade Waimea bores
- Motueka water reticulation

FUND MOTUEKA'S WATER SUPPLY

FIXED SERVICE CHARGE PLUS VOLUMETRIC WATER CHARGING

2019/2020: Fixed charge \$97.11. Volumetric charge \$2.13 per m³

PROVIDE LAND AND INFRASTRUCTURE TO SUPPORT TASMAN'S GROWTH

SELECTIVELY UPGRADE AND IMPROVE SOME ASSETS

2019/2020: Planned investment to:

- Support growth
- Upgrade and improve assets

DEVELOPMENT AND FINANCIAL CONTRIBUTIONS POLICY

THREE CATCHMENTS FOR WASTEWATER, WATER SUPPLY AND STORMWATER AND A DISTRICT-WIDE CATCHMENT FOR TRANSPORT

2019/2020: Continue to apply Development and Financial Contributions Policy

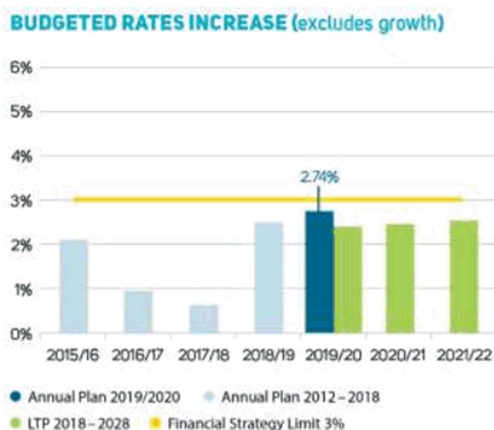
CAP EXTERNAL DEBT AT \$200 MILLION

2019/2020: External debt of \$191.4 million at 30 June 2020

UPGRADE WATER TREATMENT TO ACHIEVE DRINKING WATER STANDARDS

2019/2020: Motueka Water treatment plant upgrade





WHERE THE MONEY GOES

CAPITAL EXPENDITURE (to purchase or create assets) – \$39.7 MILLION



OPERATIONAL EXPENDITURE* (the costs of providing ongoing services) – \$96.2 MILLION



*Excludes depreciation. **Council Enterprises, Governance etc. Graph totals rounded

HOW WILL YOUR RATES BE AFFECTED?

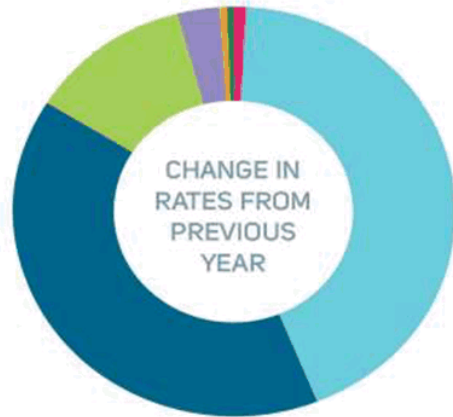
The planned rates revenue increase for 2019/2020 is 2.74%, plus an allowance for growth. This is 0.32% higher than the forecast rates revenue of 2.42% indicated in the Long Term Plan. We are not introducing any new targeted rates in 2019/2020.

Everyone's rates increase will be different.

The rates increase does not apply evenly across all ratepayers due to the mix of general and targeted rates that apply to each property.

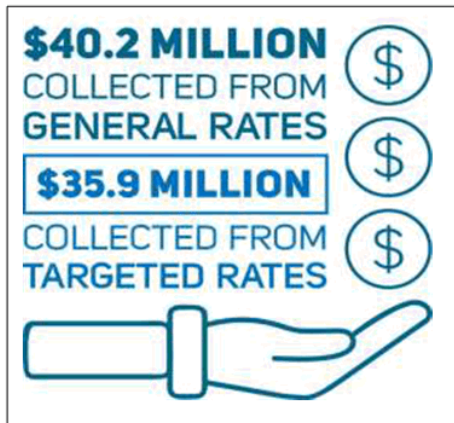
For some ratepayers the rates increase in 2019/2020 will be lower than 2.74%, and for others it will be higher. For 84% of ratepayers, rates will rise by less than \$100. Use our rates tool calculator to check your rates: www.tasman.govt.nz/my-property/rates/search.

For a snapshot of the impact rates will have on a range of sample properties around the District, please go to page 94.

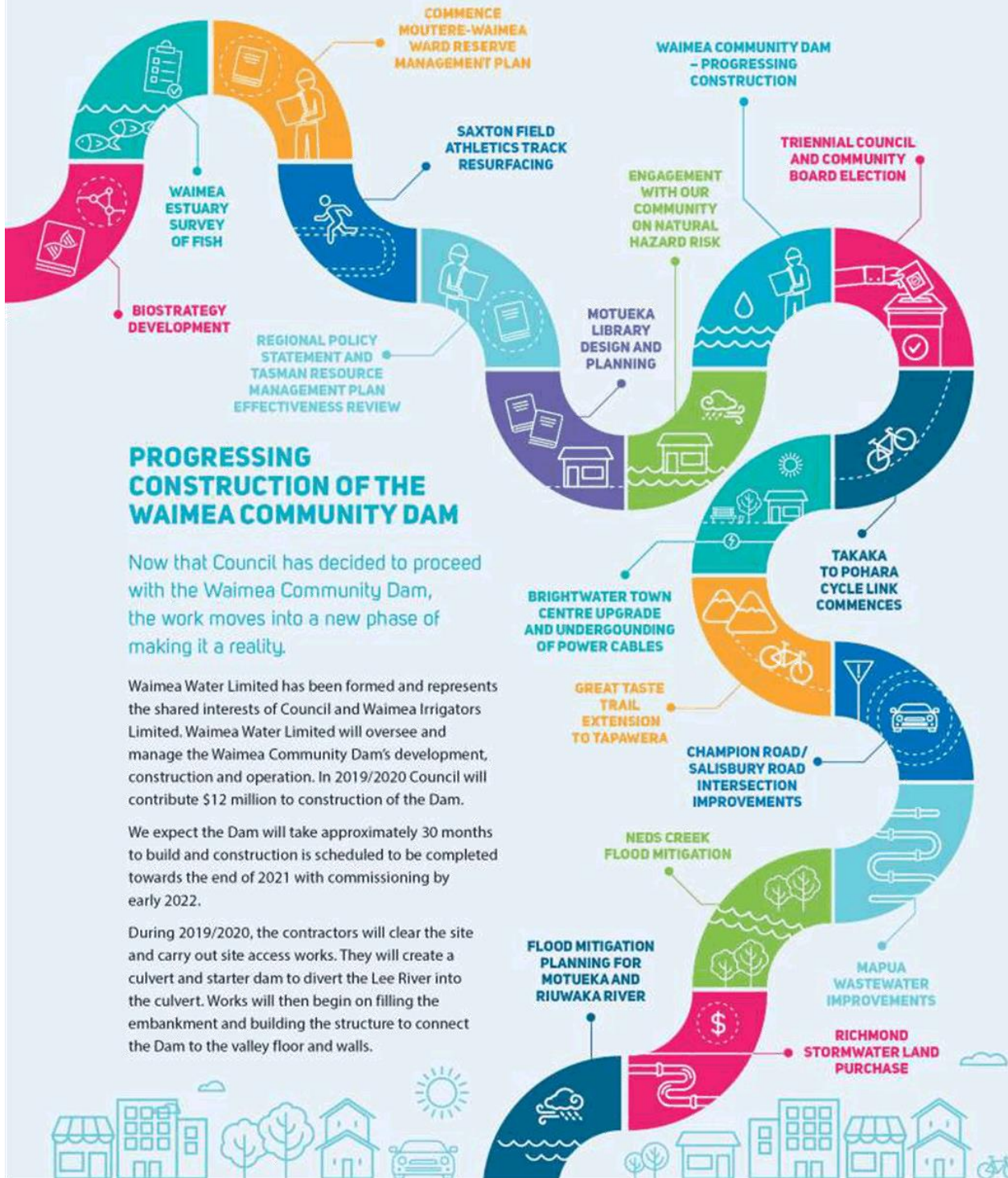


● Decrease ● \$0-\$50 ● \$50-\$100 ● \$100-\$200
 ● \$200-\$400 ● \$400-\$600 ● More than \$600

Note: figures exclude volumetric water charging which varies depending on water usage.



FOR OUR COMMUNITY HERE'S JUST A FEW OF THE PROJECTS WE'RE PLANNING FOR 2019/2020



PROGRESSING CONSTRUCTION OF THE WAI MEA COMMUNITY DAM

Now that Council has decided to proceed with the Waimea Community Dam, the work moves into a new phase of making it a reality.

Waimea Water Limited has been formed and represents the shared interests of Council and Waimea Irrigators Limited. Waimea Water Limited will oversee and manage the Waimea Community Dam's development, construction and operation. In 2019/2020 Council will contribute \$12 million to construction of the Dam.

We expect the Dam will take approximately 30 months to build and construction is scheduled to be completed towards the end of 2021 with commissioning by early 2022.

During 2019/2020, the contractors will clear the site and carry out site access works. They will create a culvert and starter dam to divert the Lee River into the culvert. Works will then begin on filling the embankment and building the structure to connect the Dam to the valley floor and walls.

FOR OUR COMMUNITY – MAJOR PROJECTS AND INITIATIVES FOR 2019/2020

Below we have listed a selection of the projects we have planned for 2019/2020. These are in addition to our normal day to day business.



ENVIRONMENTAL MANAGEMENT

Future Development Strategy - The joint Nelson Tasman Future Development Strategy 2019 will set the high level direction for where and how we manage growth for the Nelson/Richmond urban area, and for all other settlements in the Tasman District. The Strategy will be implemented through changes (including possible land re-zoning) in our resource management policies and plans.

Biostrategy - We will continue progress on a regional biodiversity and biosecurity strategy. This strategy will provide clear direction for decision making, investment and programmes to enhance biosecurity and carry out our biodiversity functions.

Sediment Source Tracking - 2019/2020 will be our third year of tracking the source of sediment by taking core samples in river estuaries. Identifying the sources of sediment will inform further work to manage sediment flow in our rivers and estuaries.

Survey of Estuarine Fish - We plan to survey fish in the Waimea Estuary. This will provide a baseline for a five-yearly monitoring survey so that we can track changes to the health of fish in our estuaries.

Sustainable Seas Project – We will participate in the New Zealand wide project through the National Science Challenge. Locally, the work aims to be able to predict the swimming health of beaches in Golden Bay and Tasman Bay.

Regional Soils Health Re-survey - We will be re-surveying the physical and chemical properties of soils across the District. This will provide a snapshot of our soil health including cadmium risk from phosphate fertilisers, with future surveying planned on a ten yearly basis.

Marahau Resilience Project – We will be partnering with the Ministry of Primary Industries and iwi landowners to identify zones of high risk in the recently clear-felled Marahau catchment, and reverting these to Manuka as a permanent forest cover. This will restore natural storm resilience and biodiversity values to the landscape, and mitigate against future debris and slip risks associated with harvesting.

Takaka Freshwater Plan Change – We will continue with a change to the Tasman Resource Management Plan for freshwater in Takaka. This will enable us to better regulate activities impacting on the quality of water in rivers, streams and other water bodies.

Waimea Water Quality Management – Council will use the recommendations from the Waimea Freshwater and Land Advisory Group (FLAG) to inform changes to the Tasman Resource Management Plan. The aim is to improve the quality of freshwater in the Waimea catchment in line with the National Policy Statement for Freshwater Management.

Natural Hazard Risk Community Engagement - We intend to undertake a significant process of engagement and discussion with our communities about the risks from natural hazards and how to respond to them. Our initial focus will be on coastal and freshwater hazards, and land stability risks. We will be talking with communities about the risks and options for responding to them.

Regional Policy Statement and Tasman Resource Management Plan Review - As an early step in this process, we will be assessing how effective the provisions in these documents have been in delivering positive outcomes for our environment. During 2019/2020, we will be seeking public comments as part of this effectiveness review.



PUBLIC HEALTH AND SAFETY

Electronic Parking Ticket Dispensers - We will be equipping our parking enforcement staff with enhanced mobile technology for issuing and processing parking tickets. This will increase the efficiency of our parking enforcement activities.

Dog Microchipping Roadshow – Free microchipping of dogs will be offered during a roadshow throughout the District. Microchipping helps identify specific dogs and assists us in contacting the owner when required.

Kiwi Aversion Training For Dogs - We will be working with the Department of Conservation on Kiwi aversion training for dogs in the District. This helps to reduce the risk of dogs attacking our endangered kiwi.



COMMUNITY DEVELOPMENT

Motueka Library - We will be undertaking planning and design for the new Motueka Library at Decks Reserve. We have received valuable public input into the design through workshops and a project Reference Group. Construction is due to start in 2020/2021. .

Saxton Field Athletics Track Resurfacing - We intend to resurface the athletics track at Saxton Field. Nelson City Council will jointly fund this work with us.

Completion of Community Housing Review - We anticipate completing our review of Council's role in community housing. This work started in the 2018/2019 financial year, and considers the long-term needs and direction for Council involvement.

Reserve Management Plan for Moutere-Waimea – We will begin planning for the future use and development of all the reserves in the Moutere-Waimea Ward. We will ask for the public's views to help us in this planning.

Iwi Relationships – We will be working to improve our relationship and engagement with Te Taihu iwi.

Climate Change Strategy - We plan to develop a climate change strategy. The Strategy will provide direction for our work in adapting to climate change, reducing emissions, and providing leadership to the wider community.

Community Facilities Strategy – This work will consider the current levels of utilisation, changing patterns of demand/use, future development requirements and funding mechanisms.

Tasman District Council Triennial Election – In October 2019, the Tasman public will have the opportunity to vote for the Mayor, Councillors and our Community Board members to represent them for the next three years.

Freedom Camping Strategy – We aim to complete this Strategy that we started in the 2018/2019 financial year. It aims to provide direction to Council's work to manage this activity in the District and provide direction for amendments to our Freedom Camping Bylaw.



WASTEWATER

Aranui Road (Mapua) Pump Station Upgrade – We are planning to upgrade the wastewater pump station at Aranui Road to improve odour control and storage capacity.

Pump Station Renewals – We will be continuing with our programme of renewing all mechanical and electrical pumps, valve odour mitigation measures and flow meters in our wastewater pump stations. By doing so we aim to reduce the number of overflows and better control odours.

Pohara Pump Station Upgrade – We will be installing a new wastewater pump station and providing emergency storage at Pohara.

Emergency Storage Tanks – We intend to commence a programme of installing emergency storage tanks at our wastewater pump stations. This will help reduce the risk of sewerage overflows and improve the quality of our service.



COUNCIL ENTERPRISES

Kingsland Forest Harvest - We are planning to commence logging the mature trees in the Kingsland Forest during the year. We will also complete planning for the future use of the Forest, considering its role as a commercial asset, alongside its recreational use, and its impact on stormwater in the Richmond urban area.

Buildings Upgrade at Mapua Wharf - We will be upgrading some of the remaining Council owned buildings (the Smokehouse and the Apple Shed buildings) on Mapua Wharf to bring them up to a similar standard as our other buildings in the area.



TRANSPORTATION, ROADS AND FOOTPATHS

Takaka-Pohara Cycleway Connection – We will build the cycleway connection between Takaka and Pohara.

Brightwater Town Centre Upgrade – We will upgrade Brightwater Town Centre by creating a shared pathway from the school to the intersection with Lord Rutherford Road and improving the portion of Tasman’s Great Taste Trail along Ellis Street. We also intend to upgrade the Lord Rutherford Road-Waimea West Road intersection to make it easier for larger vehicles to use.

Champion Road/Salisbury Road Improvements – We will be providing an underground tunnel to enable safe crossing by cyclists and pedestrians. We also plan to improve the junction for motorists to cater for the anticipated increase in traffic due to proposed development in the area.

Tasman’s Great Taste Trail – We are intending to extend Tasman’s Great Taste Trail to Tapawera in 2019/2020. We will also be carrying out safety improvements on the section of the trail along West Bank Road.

New Richmond Bus Service and Cheaper Bus Travel - The new Richmond loop bus service will commence on a trial basis for up to four years in 2019/2020. We will also be introducing electronic ticketing on bus services to help reduce the cost for passengers travelling between Richmond and Nelson.

Keeping Our Roads in Good Condition – We plan to spend \$1.1 million on metalling unsealed, rural roads during the year. In addition, we have budgeted \$2.1 million to resurface roads, and \$630,000 for road pavement renewals to take into account wear and tear from more and heavier vehicles.

Maintaining and Improving Our Footpaths – We have budgeted \$430,000 to renew existing footpaths and develop new ones across the District.

Sandwich Board Policy - In 2019/2020, we aim to complete our policy to address the use of sandwich boards on footpaths in town centres.



WATER SUPPLY

New Motueka Water Treatment Plant – We will continue to work on building a new water treatment plant at Parker Street to enable us to meet the Drinking-water Standards for New Zealand (DWSNZ).

Motueka Reticulation Around Water Treatment Plant – We are planning to install new pipes to the streets around the Parker Street Water Treatment Plant to allow reticulation to these properties.

New Water Trunk Main in Richmond South – We will be constructing a new water trunk main in Richmond, from the water treatment plant to the new low-level reservoir. This will help meet the growing needs for drinking water in the area.

Waimea Bore Pump Upgrade – We expect to upgrade the pumps for several of the bores that provide water to the Waimea Water Treatment Plant, which supplies the Richmond, Mapua and Ruby Bay areas.

Richmond Water Treatment Plant Capacity Upgrade – We intend to undertake the final parts of this project. This includes a new balance tank and pipe head works to support growth in Richmond South and West.



STORMWATER

Richmond Stormwater Land Purchases – We will continue our programme of land acquisition for several stream widening projects along Borck and Poutama Creeks in Richmond West and Bateup Creek in Richmond South. This stream widening will allow for increased stormwater capacity, which is required to accommodate growth and reduce flood risks. The wider stream corridors allow for a more natural stream design, which is aimed at improving the streams' ecological values and water quality.

Neds Creek Flood Protection – We plan to undertake construction on Neds Creek in Murchison, following consultation on the preliminary design. This work will provide protection from the frequent flooding experienced in the Hampden Street area as a result of floodwaters spilling from the Eastern branch of Neds Creek near the Recreation Centre.

Motueka Catchment Management Plan – We will be developing a catchment management plan for Motueka. This will adopt a holistic approach to the Motueka catchment to identify integrated solutions to the stormwater issues experienced in the area.



FLOOD PROTECTION AND RIVER CONTROL WORKS

Flood Mitigation Planning in Motueka and Riuwaka Rivers – We will be planning how to best mitigate the flood risks in Motueka and Riuwaka Rivers. We will seek public input to help us develop a blueprint for future works.

Flood Mitigation Planning in Takaka – We will be investigating the flood hazard risks to Takaka as a means of planning mitigation measures.



COASTAL ASSETS

Complete Coastal Asset Management Strategy - We will complete a strategy to improve our planning and future management of Council's coastal assets.

Tasman Bay Boat Access Study – We intend to review the boat launching and jetty services around Tasman Bay to identify potential future requirements.



SOLID WASTE

Takaka Resource Recovery Centre Improvements – We will complete changes required to separate rubbish and recycling activities. The work will make it easier, safer and quicker for users of the facility.

Richmond Resource Recovery Centre Improvements – We will be improving the storage of hazardous goods and upgrading the waste tipping pit.

CHANGES FROM THE LONG TERM PLAN 2018 - 2028

We are keeping to our intentions for 2019/2020 in the Long Term Plan 2018 – 2028, with only minor changes.

The changes from what we had planned for the year include:

Higher Rates Revenue

The increase in rates revenue will be 2.74% in 2019/2020 rather than the 2.42% planned in the LTP. The major drivers of this 0.32% increase are as follows:

- Replenishing the Rivers activity emergency fund depleted from ex-cyclones Fehi and Gita recoveries.
- Reviewing the Tasman Resource Management Plan and Tasman Regional Policy Statement. This work is required to ensure these important planning documents guide Tasman's long-term vision for growth and environmental stewardship. The full costs of this work were not included in the LTP 2018 - 2028 because government policy has evolved and the introduction of national planning standards has taken place since the LTP was prepared.
- Improving our ability to deliver our functions and meet community expectations now and in the future.
- Higher insurance premiums.

Lower Capital Expenditure

We are now planning to spend \$39.7¹ million on capital projects in 2019/2020, compared with the \$43.6 million stated in the LTP 2018 - 2028. The main reason for this reduction is a delay with progressing the new water treatment plant for Wakefield. We need to do further testing of the raw water from its source to ensure that we design the best treatment system. We have rescheduled construction to 2020/2021.

There have also been some other changes to the scheduling of capital projects. For a range of technical and operational reasons, we have altered the timing of the following projects:

- Nelson Regional Sewerage Business Unit (NRSBU). Improvement works have been delayed pending resource consent decisions.
- Mapua water trunk main design (Moturoa/Rabbit Island). We have brought forward the design work to commence in 2018/2019 and conclude in 2019/2020, prior to construction in 2020/2021.

¹ In addition, we will be contributing funding of \$12 million towards construction of the Waimea Community Dam.

Lower Debt Level

We anticipate Council's debt level being \$191 million at the end of June 2020. This is lower than the \$194 million forecast in the LTP 2018 - 2028. The main driver of the lower debt is a reduction in capital spend of \$3.9 million as detailed above.

Lower Interest Rates

Council expects the average interest cost of loans to be 4.35%, which is lower than the 4.88% that was originally forecast in the LTP 2018 - 2028. Council's Liability Management Policy provides for the use of interest rate hedging instruments to smooth out the highs and lows of interest rate movements. Using interest rate hedging enables us to have more certainty around the interest rates we have to pay.

PART 3 - ACCOUNTING INFORMATION

ACCOUNTING INFORMATION OVERVIEW

REPORTING ENTITIES

Tasman District Council (the Council) 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. Council provides local infrastructure, local public services, and performs regulatory functions for the community. Council does not operate to make a financial return.

Financial information within this Annual Plan is prepared and disclosed on a full group basis (except where specifically stated otherwise). 'The Group' consists of the Tasman District Council, its controlled and jointly controlled entities and operations. All entities are domiciled in New Zealand.

The primary objective of Council is to provide services and facilities to the community for social benefit rather than to make a financial return. Council is designated as a Public Benefit Entity (PBE) for financial reporting and applies New Zealand Tier 1 PBE accounting standards.

STATEMENT OF COMPLIANCE

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

A CAUTIONARY NOTE

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

The forecast information prepared is to enable the public to participate in the decision-making processes as to the services to be provided by Tasman District Council to the Tasman communities over the 2019/2020 financial year. The main purpose of prospective financial statements in the Annual Plan is to provide users with information about the core services that Council intends to provide to ratepayers, the expected cost of those services and, as a consequence, how much Council requires by way of rates to fund the intended levels of service. The level of rates funding required is not affected by subsidiaries except to the

extent that Council obtains distributions from, or further invests in, those subsidiaries. Such effects are included in the prospective financial statements of Council.

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

BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis with the exception of certain items identified in specific accounting policies below. They are presented in New Zealand dollars (NZD), which is the functional currency of each of the Councils entities, and are rounded to the nearest thousand dollars (\$000), unless otherwise stated. All items in the financial statements are stated exclusive of Goods and Services Tax (GST), except for receivables and payables, which include GST invoiced. The financial statements have been prepared on an ongoing concern basis and the accounting policies have been applied consistently throughout the planned period.

Council has a balance date of 30 June and these prospective financial statements are for the period from 1 July 2019 to 30 June 2020.

For this Annual Plan, financial information from the LTP 2018 - 2028 has been provided to better compare.

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

BASIS OF CONSOLIDATION

The forecast consolidated financial statements include the projections of Council and its controlled and jointly controlled operations, which are added on a line-by-line basis, together with the projections of its jointly controlled entities which are accounted for using the equity method. Transactions and balances between Council and its controlled and jointly controlled operations, are eliminated on consolidation. Where necessary, adjustments are made to the financial statements of subsidiaries, associates and joint ventures to bring their accounting policies in line with Council.

SIGNIFICANT JUDGEMENTS AND ESTIMATES

The preparation of financial statements, in conformity with PBE standards, is issued by the External Reporting Board. The External Reporting Board requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed

to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

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

Summary of Significant Accounting Policies

THE GROUP

Council consolidates in the Group financial statements all entities where Council has the capacity to control their financing and operating policies so as to obtain benefits from the activities of the subsidiary. This power exists where Council controls the majority voting power on the governing body, where such policies have been irreversibly predetermined by Council, or where the determination of such policies is unable to materially affect the level of potential ownership benefits that arise from the activities of the subsidiary.

Council's controlled organisation is:

- Waimea Water Limited. Council holds a minimum 51% interest in this entity.

A joint venture is a binding arrangement whereby two or more parties are committed to undertake an activity that is subject to joint control. Joint control is the agreed sharing of control over an activity.

For jointly controlled operations, the group recognises in its financial statements the assets it controls, the liabilities and expenses it incurs, and the share of revenue that it earns from the joint venture. Jointly controlled entities are accounted for using the equity method.

The Councils' (Nelson City Council and Tasman District Council) jointly controlled operations are:

- Nelson Regional Sewerage Business Unit. Council has a 50% interest in this entity.
- Nelson Tasman Combined Civil Defence Organisation. Council has a 50% interest in this entity.
- Nelson Tasman Regional Landfill Business Unit. Council has a 50% interest in this entity.

Jointly controlled entities are:

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

REVENUE RECOGNITION

Rates Recognition

Rates income is measured at fair value.

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. 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 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.

Other Revenue Recognition

Revenue is measured at fair value.

The following particular policies apply:

- Development contributions and reserve financial contributions are recognised as revenue when Council provides, or is able to provide, the service that gave rise to the charging of the contribution. Otherwise, development contributions and financial contributions are recognised as liabilities until such time as Council provides, or is able to provide, the service.
- 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.
- Council receives government grants from the New Zealand Transport Agency (NZTA), which subsidises part of Councils costs in maintaining the local roading infrastructure. NZTA revenue is recognised on entitlement when conditions pertaining to eligible expenditure is 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.

- 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.

CASH AND CASH EQUIVALENTS

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

Bank overdrafts are shown in current liabilities in the statement of financial position.

TRADE AND OTHER RECEIVABLES

Trade and other receivables are initially measured at fair value. They are subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

WORK IN PROGRESS

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

EXPENDITURE

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

OTHER EXPENSES

Grant Expenditure

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

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

Payables

Short-term payables are recorded at their face value.

Leases

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

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

Borrowing Costs

Borrowing costs are recognised as an expense in the period in which they are incurred. Borrowings are initially recognised at their fair value plus transaction costs. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless Council has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

Taxation

Council is exempt from income tax under the Income Tax Act 2007, except for certain income received from Council Controlled Organisations (CCOs) and port-related earnings. Income tax comprises current tax and deferred tax, which is calculated using the tax rate that has been enacted, or substantively enacted, by the reporting date. Income tax is charged or credited to the surplus or deficit, except when it relates to items that are recognised in other comprehensive revenue and expenditure or directly in equity. In which case, the current and deferred tax are also recognised in other comprehensive revenue and expenditure or directly in equity. Current tax is the amount of income tax payable in the current period, plus any adjustments to income tax payable in respect of prior periods. Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses.

FINANCIAL ASSETS**Financial Assets at Fair Value through Surplus or Deficit**

This category has two sub-categories: financial assets held for trading, and those designated at fair value through surplus or deficit at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term, or if so designated by management. After initial recognition they are measured at fair value. Gains or losses on measurement are recognised in the surplus or deficit.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition they are measured at amortised cost using the effective interest method. Gain or loss on impairment or de-recognition are recognised in the surplus or deficit.

Held-to-maturity Investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that management has the positive intention and ability to hold to maturity. After initial recognition they are measured at amortised cost using the effective interest method. Gain or loss on impairment or de-recognition are recognised in the surplus or deficit.

Community loans are held-to-maturity assets and are stated at fair value.

Financial Assets at Fair Value through Comprehensive Income

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every balance date.

Impairment of Financial Assets

At each Statement of Financial Position 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.

ACCOUNTING FOR DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

The Group uses derivative financial instruments to hedge exposure to interest rate risks arising from financing activities. In accordance with its Treasury Policy, Council does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at each balance date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

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

Council has elected not to hedge account for its interest rate swaps.

INTANGIBLE ASSETS

Acquired computer software licences are capitalised on the basis of costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives.

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 five years, 20%

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

PROPERTY, PLANT AND EQUIPMENT

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 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 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** 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	2 – 10 years
Infrastructure Assets	
• Bridges	100 years
• Roads	4 – 80 years
• Formation	Not depreciated
• Sub-base (sealed)	Not depreciated
• Basecourse (sealed)	65 – 75 years
• 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	
• Stopbanks	Not depreciated
• Rock protection	Not depreciated
• Willow plantings	Not depreciated
• Gabion baskets	30 years
• Railway irons	50 years
• Outfalls	60 years

Revaluation

With the exception of vested assets at the initial point of recognition, all valuations are carried out or reviewed by the Council's Engineering Services Manager, or by independent qualified valuers, and it is intended that valuations are carried out on a three-yearly cycle. The carrying values of revalued items are reviewed at each balance date to ensure that these values are not materially different to fair value. Where materially different, Council will revalue at an earlier point. Revaluations are carried out on an asset class basis. Forestry valuations are carried out annually. The net revaluation results are credited or debited to other comprehensive revenue and expenses and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expenses, but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expenses.

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

- Roothing
- Stormwater
- Solid Waste
- Water Supply
- Wastewater
- Rivers
- Coastal Structures
- Land and Buildings

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

The anticipated results of the revaluations have been included in the Annual Plan.

Impairment

Intangible assets that have an indefinite useful life, or are not yet available for use, are not

subject to amortisation and are tested annually for impairment.

Property, plant and equipment that have a finite useful life are reviewed for impairment at each balance date and whenever events, or changes in circumstances, indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value, less costs to sell, and its value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit.

For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss on a revalued asset is credited to other comprehensive revenue and expense. This increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit.

For assets not carried at a revalued amount, the reversal of an impairment loss is recognised in the surplus or deficit.

Value in use for Non-Cash-Generating Assets

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non-cash-generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, a restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

Value in use for Cash-Generating Assets

Cash-generating assets are those assets that are held with the primary objective of generating a commercial return.

The value in use for cash-generating assets and cash-generating units is the present value of expected future cash flows.

FORESTRY ASSETS

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 the current market determined rate. This calculation is based on existing sustainable felling plans and assessments regarding growth, timber prices, felling and silviculture costs, and takes into consideration environmental, operational, and market restrictions.

Gains or losses arising on initial recognition of forestry assets at fair value, less estimated point-of-sale costs and from a change in fair value, less estimated point-of-sale costs are recognised in the surplus or deficit.

The costs to maintain the forestry assets are included in the surplus or deficit when incurred.

CONTRACT 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.

OVERHEADS

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

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

INVESTMENT PROPERTIES

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rent or for capital appreciation. Investment property is measured initially at its cost, including transaction costs. After initial recognition, Council measures all investment property at fair value as determined annually by an independent valuer. Gains or losses arising from a change in the fair value of investment property are recognised in the surplus or deficit.

PROPERTIES INTENDED FOR RESALE

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use. Non-current

assets held for sale are measured at the lower of their carrying amount and fair value, less costs to sell. Any impairment losses for write-downs of non-current assets held for sale are recognised in the surplus or deficit. Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised. Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group, classified as held for sale, continue to be recognised.

PROVISIONS

Council recognises a provision for future expenditure of an uncertain amount or timing, when there is a present obligation (either legal or constructive) as a result of a past event. It is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation, using a pre-tax discount rate that reflects current market assessments, of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in “finance costs”.

EMPLOYEE ENTITLEMENTS

Short-Term Benefits

Employee benefits that Council expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

Council recognises a liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that Council anticipates it will be used by staff to cover those future absences.

Council recognises a liability and an expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

Long-Term Benefits

Entitlements that are payable beyond 12 months, such as long service leave and retirement

leave have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information;
- the present value of the estimated future cash flows [Note: Retirement leave has not been discounted to present value]; and
- presentation of employee entitlements

Sick leave, annual leave, vested long service leave, and non-vested long service leave and retirement gratuities expected to be settled within 12 months of balance date, are classified as a current liability. All other employee entitlements are classified as a non-current liability.

Superannuation Schemes

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the surplus or deficit as incurred.

Key Assumptions in Measuring Retirement and Long Service Leave Obligations

The present value of long service leave obligations depend on a number of factors that are determined on an actuarial basis. Two key assumptions used in calculating this liability include the discount rate and the salary inflation factor. Any changes in these assumptions will affect the carrying amount of the liability.

The expected future payments are discounted using forward discount rates derived from the yield curve of New Zealand government bonds. The discount rates used have maturities that match, as closely as possible, the estimated future cash outflows. The salary inflation factor is based on the treasury inflation rate.

The retirement obligations have not been discounted to present value.

LANDFILL AFTER-CARE COSTS

Landfills in the region are now provided regionally, through the Nelson-Tasman Regional Landfill Business Unit, which is a joint committee of the Nelson City Council and Tasman District Council. This business unit commenced operations on 1 July 2017. From this date, the Eves Valley Landfill, which Council previously managed, stopped receiving waste and all waste is now directed the York Valley Landfill (located in Nelson City).

As the landfills in the District are now a 50% Joint Venture, Tasman District Council recognise 50% of the post-care provisions for both Eves Valley and York Valley landfills, our 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 Reporting Standard 19 Provisions, Contingent Liabilities and Contingent Assets. This provision is calculated on the basis of discounting closure and post-closure costs into present day value.

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

ACCUMULATED EQUITY

Equity is the community's interest as measured by total assets less total liabilities. Public equity is disaggregated and classified into a number of reserves. The components of equity are:

- Accumulated funds
- Restricted reserves and Council-created reserves
- Asset revaluation reserve

Reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by Council.

RESTRICTED AND COUNCIL CREATED RESERVES

Restricted reserves are those reserves subject to specific conditions accepted as binding by Council and which may not be revised without reference to the Courts or third party. Council-created reserves are reserves established by a Council decision. Council may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at the discretion of Council.

FUNDING IMPACT STATEMENTS

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

The purpose of these statements is to report the net cost of services for significant groups of activities (GOA) of 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 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.

Funding in Accordance with the Local Government Act 2002

Section 100(1) of the Local Government Act 2002 requires local authorities to set operating revenues at a level to cover all operating expenses, except as provided in S100(2). Operating expenses include an allowance for debt servicing and for the decline in service potential of assets (depreciation). Council has complied with S100(1) in the preparation of this Annual Plan.

CHANGES IN ACCOUNTING POLICIES

There are no changes to accounting policies.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

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

INFRASTRUCTURAL ASSETS

Infrastructural asset valuations are carried out on a three-yearly cycle, on a depreciated replacement cost basis. The carrying values of revalued items are reviewed at each balance date to ensure that these values are not materially different to fair value. The most recent revaluation was performed as at 31 March 2017. Where materially different, Council will revalue at an earlier point. There are a number of assumptions and estimates used when performing depreciated replacement cost basis valuations over infrastructural assets. These include:

- the physical deterioration and condition of an asset, for example, Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets which are not visible, for example, stormwater, wastewater and water supply pipes that are underground. This risk is minimised by

Council performing a combination of physical inspections and condition modelling assessments of underground assets;

- estimating any obsolescence or surplus capacity of an asset; and
- estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example, weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then Council could be over or under estimating the annual depreciation charge recognised as an expense in the surplus or deficit. To minimise this risk, our infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group. We then adjust for local conditions based on 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 us further assurance over its useful life estimates.

Valuations are carried out by Council management and reviewed by independent qualified valuers.

OPERATIONAL ASSETS

Specialised buildings are valued at fair value using depreciated replacement cost because no reliable market data is available for such buildings. Significant assumptions include:

- The replacement asset is based on the reproduction cost of the specific assets with adjustments where appropriate for obsolescence due to over-design or surplus capacity.
- The replacement cost is derived from recent construction contracts of similar assets and Property Institute of New Zealand cost information.
- The remaining useful life of assets is estimated.
- 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. This valuation is effective as at 30 June 2018.

Land is valued at fair value using market-based evidence based on its highest and best use with reference to comparable land values. Adjustments have been made to the

“unencumbered” land value where there is a designation against the land or the use of the land is restricted because of reserve or endowment status. These adjustments are intended to reflect the negative effect on the value of the land where an owner is unable to use the land more intensely.

CLASSIFICATION OF PROPERTY

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

INFLATION ADJUSTED ACCOUNTS

The PBE Financial Reporting Standard 42 – ‘Prospective Financial Information’, requires councils to incorporate the effects of inflation into their financial forecasts.

This means that all financial figures shown in this document incorporate inflation adjustments.

Inflation data for the local government sector is provided by Business and Economic Research Ltd, (BERL). The data is prepared to assist councils with planning models, particularly their Long Term Plans.

Council considered the BERL figures along with other economic factors like forecast labour costs and the economic conditions currently being experienced.

We have used the data from BERL to derive our inflation-adjusted financial projections. Since the preparation of the LTP economic conditions have changed and accordingly, Council has reduced the expected inflation rates in this plan.

PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE for the Annual Plan 2019/2020

	2018/19 LTP BUDGET \$'000	2019/20 LTP BUDGET \$'000	2019/20 BUDGET \$'000
INCOME			
General rates	38,374	39,771	40,071
Targeted rates (other than for water supply)	30,062	31,224	31,284
Targeted rates for a water supply	4,260	4,544	4,471
Development and financial contributions	10,033	10,131	10,135
Operating subsidies and grants	3,620	3,691	3,643
Capital subsidies	3,050	6,641	7,585
Fees and charges	15,071	15,849	15,305
Other revenue	18,669	21,160	19,119
Fair value movement on revaluation	466	621	621
Other gains	62	62	62
Finance income	293	354	253
Revenue of joint ventures	6,890	7,194	7,398
Share of associates surplus/deficit	-	-	-
Total income	130,850	141,242	139,947

PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE (CONT.)
for the Annual Plan 2019/2020

	2018/19 LTP BUDGET \$000	2019/20 LTP BUDGET \$000	2019/20 BUDGET \$000
EXPENSE			
Finance expense	9,696	9,551	8,137
Employee related expense	24,711	25,894	26,286
Other expenses	29,575	31,103	32,153
Maintenance	24,180	26,354	25,305
Depreciation and amortisation	26,392	27,707	26,925
Expenditure of joint ventures	3,587	3,889	3,889
Total expense	118,141	124,498	122,695
Surplus/(deficit) before taxation	12,709	16,744	17,252
Income tax expense	-	-	-
Net surplus for the year	12,709	16,744	17,252
OTHER COMPREHENSIVE INCOME			
Gain on asset revaluations	-	89,694	-
Deferred tax on asset revaluations	-	-	-
Movement in NZLG shares value	-	-	-
Asset impairment loss	-	-	-
Share of associate other comprehensive income	-	-	-
Total other comprehensive income	-	89,694	-
Total comprehensive surplus/deficit	12,709	106,438	17,252
Total operating surplus (as above)	12,709	16,744	17,252
LESS NON-CONTROLLABLE ACTIVITIES			
Capital subsidies	3,050	6,641	7,585
Vested assets	4,259	4,352	4,352
Fair value movement on revaluation	466	621	621
Share of JV & associates surplus/deficit	3,304	3,305	3,509
Total non-controllable activities	11,079	14,919	16,067
Total controllable surplus/deficit	1,630	1,825	1,185

PROSPECTIVE STATEMENT OF FINANCIAL POSITION for the Annual Plan 2019/2020

	2018/19 LTP BUDGET \$000	2019/20 LTP BUDGET \$000	2019/20 BUDGET \$000
CURRENT ASSETS			
Cash and cash equivalents	6,047	3,627	7,263
Trade and other receivables	19,632	21,305	16,074
Other financial assets	1,833	1,833	1,700
Non current assets held for resale	560	560	-
Total current assets	28,072	27,325	25,037
CURRENT LIABILITIES			
Trade and other payables	17,578	17,998	19,488
Employee benefit liabilities	2,180	2,253	1,987
Current portion of borrowings	16,228	16,228	16,116
Current portion of derivative financial instruments	818	818	90
Total current liabilities	36,804	37,297	37,681
Working capital	(8,732)	(9,972)	(12,644)
NON-CURRENT ASSETS			
Investments in associates	123,311	123,311	134,405
Other financial assets	38,553	38,428	41,206
Intangible assets	1,386	1,449	1,193
Trade & other receivables	-	-	2,055
Forestry assets	36,724	37,345	42,293
Investment property	4,700	4,700	5,006
Property, plant and equipment	1,428,248	1,538,133	1,535,980
Total non-current assets	1,632,922	1,743,366	1,762,138
NON-CURRENT LIABILITIES			
Term borrowings	180,872	183,670	184,302
Derivative financial instruments	11,582	11,582	12,611
Employee benefit liabilities	557	578	480
Provisions	3,286	3,233	3,224
Total non-current liabilities	196,297	199,063	200,617
Total net assets	1,427,893	1,534,331	1,548,877
EQUITY			
Accumulated equity	626,909	640,806	631,118
Restricted reserves	9,825	12,672	15,061
Revaluation reserves	791,159	880,853	902,698
Total equity	1,427,893	1,534,331	1,548,877

PROSPECTIVE STATEMENT OF CASHFLOWS for the Annual Plan 2019/2020

	2018/19 LTP BUDGET \$000	2019/20 LTP BUDGET \$000	2019/20 BUDGET \$000
CASHFLOW FROM OPERATING ACTIVITIES			
Cash was provided from:			
Fees and charges	45,777	55,197	54,841
Rates	72,695	75,512	75,861
Dividends received	2,955	2,955	2,955
Interest received	293	354	253
Net GST received	-	-	-
	121,720	134,018	133,910
Cash was disbursed to:			
Payments to staff and suppliers	(81,273)	(86,038)	(87,030)
Interest paid	(9,696)	(9,551)	(8,137)
	(90,969)	(95,589)	(95,167)
Net cash from operating activities	30,751	38,429	38,743
CASHFLOW FROM INVESTING ACTIVITIES			
Cash was provided from:			
Proceeds from sale of assets	62	62	62
Proceeds from sale of investments	55	45	45
	117	107	107
Cash was disbursed to:			
Purchase of investments	(23,262)	(24)	(24)
Purchase of property, plant and equipment	(42,479)	(43,730)	(39,994)
	(65,741)	(43,754)	(40,018)
Net cash from investing activities	(65,624)	(43,647)	(39,911)
CASHFLOW FROM FINANCING ACTIVITIES			
Cash was provided from:			
Proceeds from loans	44,101	19,743	19,438
Cash was disbursed to:			
Repayment of borrowings	(15,421)	(16,945)	(16,116)
Net cash from financing activities	28,680	2,798	3,322
Total net cashflows	(6,193)	(2,420)	2,154
Opening cash held	12,240	6,047	5,109
Closing cash balance	6,047	3,627	7,263
Represented by:			
Cash and cash equivalents	6,047	3,627	7,263
Cash and cash equivalents	6,047	3,627	7,263

PROSPECTIVE STATEMENT OF CHANGES IN NET ASSETS/EQUITY
for the Annual Plan 2019/2020

	2018/19 LTP BUDGET \$000	2019/20 LTP BUDGET \$000	2019/20 BUDGET \$000
Equity at the start of the year	1,415,183	1,427,893	1,531,625
Total comprehensive revenue and expenses	12,710	106,438	17,252
Equity at the end of the year	1,427,893	1,534,331	1,548,877
COMPONENTS OF EQUITY			
Accumulated general equity at beginning of year	615,319	626,909	611,488
Net surplus/(deficit) for the year	12,710	16,744	17,252
Net transfers (to)/from reserves	(1,120)	(2,847)	2,378
Accumulated general equity at end of year	626,909	640,806	631,118
Accumulated reserve funds at beginning of year	8,705	9,825	17,439
Net transfers to/(from) reserves	1,120	2,847	(2,378)
Accumulated reserve funds at end of year	9,825	12,672	15,061
Accumulated revaluation reserves at beginning of year	791,159	791,159	902,698
Revaluation surplus/(deficit)	-	89,694	-
Accumulated revaluation reserves at end of year	791,159	880,853	902,698
Equity at the end of the year	1,427,893	1,534,331	1,548,877

PROSPECTIVE STATEMENT OF CASHFLOWS for the Annual Plan 2019/2020

	2018/19 LTP BUDGET \$'000	2019/20 LTP BUDGET \$'000	2019/20 BUDGET \$'000
CASHFLOW FROM OPERATING ACTIVITIES			
Cash was provided from:			
Fees and charges	45,777	55,197	54,841
Rates	72,695	75,512	75,861
Dividends received	2,955	2,955	2,955
Interest received	293	354	253
Net GST received	-	-	-
	121,720	134,018	133,910
Cash was disbursed to:			
Payments to staff and suppliers	(81,273)	(86,038)	(87,030)
Interest paid	(9,696)	(9,551)	(8,137)
	(90,969)	(95,589)	(95,167)
Net cash from operating activities	30,751	38,429	38,743
CASHFLOW FROM INVESTING ACTIVITIES			
Cash was provided from:			
Proceeds from sale of assets	62	62	62
Proceeds from sale of investments	55	45	45
	117	107	107
Cash was disbursed to:			
Purchase of investments	(23,262)	(24)	(24)
Purchase of property, plant and equipment	(42,479)	(43,730)	(39,994)
	(65,741)	(43,754)	(40,018)
Net cash from investing activities	(65,624)	(43,647)	(39,911)
CASHFLOW FROM FINANCING ACTIVITIES			
Cash was provided from:			
Proceeds from loans	44,101	19,743	19,438
Cash was disbursed to:			
Repayment of borrowings	(15,421)	(16,945)	(16,116)
Net cash from financing activities	28,680	2,798	3,322
Total net cashflows	(6,193)	(2,420)	2,154
Opening cash held	12,240	6,047	5,109
Closing cash balance	6,047	3,627	7,263
Represented by:			
Cash and cash equivalents	6,047	3,627	7,263
Cash and cash equivalents	6,047	3,627	7,263

PROSPECTIVE FUNDING IMPACT STATEMENT

The following is an explanation of the relationship between this Funding Impact Statement and the Prospective Income Statement (pursuant to FRS-42 paragraph 40).

This Funding Impact Statement has been prepared in accordance with the Local Government (Financial Reporting) Regulations 2011. This is a reporting requirement unique to local government and the disclosures contained within. The presentation of this statement is not prepared in accordance with GAAP.

This statement is based on cash transactions prepared on an accrual basis, and as such does not include non-cash/accounting transactions that are included within the Prospective Comprehensive Income Statement, as required under GAAP. These items include, but are not limited to, Council's depreciation, gain and/or losses on revaluation and vested assets.

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

PROSPECTIVE FUNDING IMPACT STATEMENT for the Annual Plan 2019/2020

	2018/19 LTP BUDGET \$000	2019/20 LTP BUDGET \$000	2019/20 BUDGET \$000
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	38,886	40,295	40,602
Targeted rates	34,542	35,993	35,936
Subsidies and grants for operating purposes	3,640	3,712	3,664
Fees and charges	15,051	15,828	15,284
Interest and dividends from investments	3,248	3,309	3,208
Local authorities fuel tax, fines, infringement fees, and other receipts	19,002	21,757	18,999
Total operating funding	114,369	120,894	117,693
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	81,259	86,342	88,135
Finance costs	9,697	9,552	8,137
Other operating funding applications	-	-	-
Total applications of operating funding	90,956	95,894	96,272
Surplus/(deficit) of operating funding	23,413	25,000	21,421
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	3,050	6,641	7,585
Development and financial contributions	10,033	10,131	10,135
Increase/(decrease) in debt	28,680	2,798	11,322
Gross proceeds from sale of assets	62	62	62
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	41,825	19,632	29,104
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure			
• To meet additional demand	1,549	1,556	1,556
• To improve the level of service	21,711	20,369	15,351
• To replace existing assets	17,715	21,686	22,758
Increase/(decrease) in reserves	1,107	1,146	(915)
Increase/(decrease) in investments	23,156	(125)	11,775
Total applications of capital funding	65,238	44,632	50,525
Surplus/(deficit) of capital funding	(23,413)	(25,000)	(21,421)
Funding balance	-	-	-

PROSPECTIVE FUNDING IMPACT STATEMENTS BY ACTIVITY

ENVIRONMENTAL MANAGEMENT for the Annual Plan 2019/2020

PROSPECTIVE FUNDING IMPACT STATEMENT	2018/19 LTP \$'000	2019/20 LTP \$'000	2019/20 BUDGET \$'000
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	8,438	8,909	9,080
Targeted rates	177	171	164
Subsidies and grants for operating purposes	20	21	21
Fees and charges	2,708	2,590	2,607
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	418	418	462
Total operating funding	11,761	12,109	12,334
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	6,985	7,124	7,276
Finance costs	34	28	24
Internal charges and overheads applied	4,282	4,453	4,611
Other operating funding applications	-	-	-
Total applications of operating funding	11,301	11,605	11,911
Surplus/(deficit) of operating funding	460	504	423
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	(84)	(84)	(84)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	(84)	(84)	(84)
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure			
• To meet additional demand	-	-	-
• To improve the level of service	200	237	212
• To replace existing assets	137	143	133
Increase/(decrease) in reserves	39	40	(6)
Increase/(decrease) in investments	-	-	-
Total applications of capital funding	376	420	339
Surplus/(deficit) of capital funding	(460)	(504)	(423)
Funding balance	-	-	-

PUBLIC HEALTH AND SAFETY for the Annual Plan 2019/2020

PROSPECTIVE FUNDING IMPACT STATEMENT	2018/19 LTP \$'000	2019/20 LTP \$'000	2019/20 BUDGET \$'000
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	1,926	1,837	2,093
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	4,129	4,341	4,481
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	347	348	350
Total operating funding	6,402	6,526	6,924
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	3,823	3,969	4,183
Finance costs	15	13	11
Internal charges and overheads applied	2,365	2,492	2,680
Other operating funding applications	-	-	-
Total applications of operating funding	6,203	6,474	6,874
Surplus/(deficit) of operating funding	199	52	50
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	(27)	(28)	(28)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	(27)	(28)	(28)
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure			
• To meet additional demand	-	-	-
• To improve the level of service	-	-	-
• To replace existing assets	-	3	3
Increase/(decrease) in reserves	172	21	19
Increase/(decrease) in investments	-	-	-
Total applications of capital funding	172	24	22
Surplus/(deficit) of capital funding	(199)	(52)	(50)
Funding balance	-	-	-

TRANSPORTATION, ROADS AND FOOTPATHS for the Annual Plan 2019/2020

PROSPECTIVE FUNDING IMPACT STATEMENT	2018/19 LTP \$'000	2019/20 LTP \$'000	2019/20 BUDGET \$'000
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	12,029	12,556	12,312
Targeted rates	-	-	-
Subsidies and grants for operating purposes	3,579	3,649	3,602
Fees and charges	158	161	161
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	991	1,012	1,015
Total operating funding	16,757	17,378	17,090
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	7,363	7,668	7,702
Finance costs	1,709	1,640	1,530
Internal charges and overheads applied	2,176	2,285	2,204
Other operating funding applications	-	-	-
Total applications of operating funding	11,248	11,593	11,436
Surplus/(deficit) of operating funding	5,509	5,785	5,654
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	3,050	6,641	7,585
Development and financial contributions	433	433	433
Increase/(decrease) in debt	(661)	3,049	2,164
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	2,822	10,123	10,182
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure			
• To meet additional demand	-	-	-
• To improve the level of service	393	4,484	4,484
• To replace existing assets	6,250	10,319	10,319
Increase/(decrease) in reserves	1,688	1,105	1,033
Increase/(decrease) in investments	-	-	-
Total applications of capital funding	8,331	15,908	15,836
Surplus/(deficit) of capital funding	(5,509)	(5,785)	(5,654)
Funding balance	-	-	-

53

COASTAL STRUCTURES for the Annual Plan 2019/2020

PROSPECTIVE FUNDING IMPACT STATEMENT	2018/19 LTP \$'000	2019/20 LTP \$'000	2019/20 BUDGET \$'000
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	470	538	517
Targeted rates	90	87	85
Subsidies and grants for operating purposes	-	-	-
Fees and charges	-	-	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	16	15	15
Total operating funding	576	640	617
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	350	409	407
Finance costs	34	28	22
Internal charges and overheads applied	65	66	65
Other operating funding applications	-	-	-
Total applications of operating funding	449	503	494
Surplus/(deficit) of operating funding	127	137	123
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	(86)	(94)	(81)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	(86)	(94)	(81)
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure			
• To meet additional demand	-	-	-
• To improve the level of service	-	-	-
• To replace existing assets	-	-	-
Increase/(decrease) in reserves	41	43	42
Increase/(decrease) in investments	-	-	-
Total applications of capital funding	41	43	42
Surplus/(deficit) of capital funding	(127)	(137)	(123)
Funding balance	-	-	-

WATER SUPPLY for the Annual Plan 2019/2020

PROSPECTIVE FUNDING IMPACT STATEMENT	2018/19 LTP \$'000	2019/20 LTP \$'000	2019/20 BUDGET \$'000
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	56	56	56
Targeted rates	9,691	10,386	10,284
Subsidies and grants for operating purposes	-	-	-
Fees and charges	1,503	1,670	1,553
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	336	332	334
Total operating funding	11,586	12,444	12,227
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	5,223	5,406	5,506
Finance costs	2,306	2,333	2,193
Internal charges and overheads applied	1,563	1,752	1,720
Other operating funding applications	-	-	-
Total applications of operating funding	9,092	9,491	9,419
Surplus/(deficit) of operating funding	2,494	2,953	2,808
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	1,697	1,697	1,697
Increase/(decrease) in debt	24,079	5,637	15,019
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	25,776	7,334	16,716
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure			
• To meet additional demand	1,229	737	737
• To improve the level of service	6,205	7,857	2,635
• To replace existing assets	3,650	2,580	3,261
Increase/(decrease) in reserves	(6,059)	(887)	991
Increase/(decrease) in investments	23,245	-	11,900
Total applications of capital funding	28,270	10,287	19,524
Surplus/(deficit) of capital funding	(2,494)	(2,953)	(2,808)
Funding balance	-	-	-

WASTEWATER for the Annual Plan 2019/2020

PROSPECTIVE FUNDING IMPACT STATEMENT	2018/19 LTP \$'000	2019/20 LTP \$'000	2019/20 BUDGET \$'000
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates	10,231	10,720	10,557
Subsidies and grants for operating purposes	-	-	-
Fees and charges	174	230	230
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	3,327	3,522	3,423
Total operating funding	13,732	14,472	14,210
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	6,731	7,002	7,019
Finance costs	1,501	1,580	1,362
Internal charges and overheads applied	1,362	1,398	1,421
Other operating funding applications	-	-	-
Total applications of operating funding	9,594	9,980	9,802
Surplus/(deficit) of operating funding	4,138	4,492	4,408
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	2,322	2,322	2,322
Increase/(decrease) in debt	3,515	845	889
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	5,837	3,167	3,211
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure			
• To meet additional demand	294	792	792
• To improve the level of service	7,903	4,306	2,886
• To replace existing assets	1,105	1,568	2,885
Increase/(decrease) in reserves	673	993	1,056
Increase/(decrease) in investments	-	-	-
Total applications of capital funding	9,975	7,659	7,619
Surplus/(deficit) of capital funding	(4,138)	(4,492)	(4,408)
Funding balance	-	-	-

STORMWATER for the Annual Plan 2019/2020

PROSPECTIVE FUNDING IMPACT STATEMENT	2018/19 LTP \$'000	2019/20 LTP \$'000	2019/20 BUDGET \$'000
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates	4,661	4,700	4,698
Subsidies and grants for operating purposes	-	-	-
Fees and charges	-	-	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	168	178	178
Total operating funding	4,829	4,878	4,876
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	1,432	1,379	1,408
Finance costs	1,052	943	852
Internal charges and overheads applied	739	741	634
Other operating funding applications	-	-	-
Total applications of operating funding	3,223	3,063	2,894
Surplus/(deficit) of operating funding	1,606	1,815	1,982
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	1,525	1,525	1,525
Increase/(decrease) in debt	600	33	744
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	2,125	1,558	2,269
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure			
• To meet additional demand	26	26	26
• To improve the level of service	2,524	2,298	3,307
• To replace existing assets	38	27	(199)
Increase/(decrease) in reserves	1,143	1,022	1,117
Increase/(decrease) in investments	-	-	-
Total applications of capital funding	3,731	3,373	4,251
Surplus/(deficit) of capital funding	(1,606)	(1,815)	(1,982)
Funding balance	-	-	-

SOLID WASTE for the Annual Plan 2019/2020

PROSPECTIVE FUNDING IMPACT STATEMENT	2018/19 LTP \$'000	2019/20 LTP \$'000	2019/20 BUDGET \$'000
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	1,392	1,349	1,000
Targeted rates	2,015	2,065	2,371
Subsidies and grants for operating purposes	-	-	-
Fees and charges	4,457	4,644	4,644
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	4,698	4,888	5,071
Total operating funding	12,562	12,946	13,086
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	10,120	10,447	10,520
Finance costs	412	380	321
Internal charges and overheads applied	800	843	899
Other operating funding applications	-	-	-
Total applications of operating funding	11,332	11,670	11,740
Surplus/(deficit) of operating funding	1,230	1,276	1,346
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	406	(381)	(599)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	406	(381)	(599)
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure			
• To meet additional demand	-	-	-
• To improve the level of service	1,191	414	414
• To replace existing assets	445	451	288
Increase/(decrease) in reserves	(17)	6	21
Increase/(decrease) in investments	17	24	24
Total applications of capital funding	1,636	895	747
Surplus/(deficit) of capital funding	(1,230)	(1,276)	(1,346)
Funding balance	-	-	-

FLOOD PROTECTION AND RIVER CONTROL WORKS for the Annual Plan 2019/2020

PROSPECTIVE FUNDING IMPACT STATEMENT	2018/19 LTP \$'000	2019/20 LTP \$'000	2019/20 BUDGET \$'000
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	29	27	27
Targeted rates	2,611	2,803	2,973
Subsidies and grants for operating purposes	-	-	-
Fees and charges	21	21	21
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	521	530	530
Total operating funding	3,182	3,381	3,551
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	1,775	1,938	1,958
Finance costs	6	2	2
Internal charges and overheads applied	466	488	563
Other operating funding applications	-	-	-
Total applications of operating funding	2,247	2,428	2,523
Surplus/(deficit) of operating funding	935	953	1,028
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	(93)	(89)	(89)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	(93)	(89)	(89)
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure			
• To meet additional demand	-	-	-
• To improve the level of service	821	839	839
• To replace existing assets	-	-	-
Increase/(decrease) in reserves	21	25	100
Increase/(decrease) in investments	-	-	-
Total applications of capital funding	842	864	939
Surplus/(deficit) of capital funding	(935)	(953)	(1,028)
Funding balance	-	-	-

COMMUNITY DEVELOPMENT for the Annual Plan 2019/2020

PROSPECTIVE FUNDING IMPACT STATEMENT	2018/19 LTP \$'000	2019/20 LTP \$'000	2019/20 BUDGET \$'000
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	10,351	10,849	11,181
Targeted rates	4,754	4,742	4,486
Subsidies and grants for operating purposes	41	42	42
Fees and charges	538	547	545
Internal charges and overheads recovered	512	515	515
Local authorities fuel tax, fines, infringement fees, and other receipts	1,532	1,554	1,558
Total operating funding	17,728	18,249	18,327
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	11,042	11,807	11,899
Finance costs	1,195	1,106	960
Internal charges and overheads applied	3,886	4,032	4,238
Other operating funding applications	-	-	-
Total applications of operating funding	16,123	16,945	17,097
Surplus/(deficit) of operating funding	1,605	1,304	1,230
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	4,056	4,154	4,159
Increase/(decrease) in debt	(375)	179	319
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	3,681	4,333	4,478
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure			
• To meet additional demand	-	1	-
• To improve the level of service	362	407	407
• To replace existing assets	3,912	4,344	4,094
Increase/(decrease) in reserves	1,067	994	1,315
Increase/(decrease) in investments	(55)	(109)	(108)
Total applications of capital funding	5,286	5,637	5,708
Surplus/(deficit) of capital funding	(1,605)	(1,304)	(1,230)
Funding balance	-	-	-

GOVERNANCE for the Annual Plan 2019/2020

PROSPECTIVE FUNDING IMPACT STATEMENT	2018/19 LTP \$'000	2019/20 LTP \$'000	2019/20 BUDGET \$'000
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	3,607	3,455	3,328
Targeted rates	312	319	320
Subsidies and grants for operating purposes	-	-	-
Fees and charges	7	8	8
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	117	181	181
Total operating funding	4,043	3,963	3,837
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	2,054	2,330	2,258
Finance costs	-	-	-
Internal charges and overheads applied	1,045	1,056	1,008
Other operating funding applications	-	-	-
Total applications of operating funding	3,099	3,386	3,266
Surplus/(deficit) of operating funding	944	577	571
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	50	(11)	(11)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	50	(11)	(11)
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure			
• To meet additional demand	-	-	-
• To improve the level of service	-	-	-
• To replace existing assets	56	-	-
Increase/(decrease) in reserves	938	566	560
Increase/(decrease) in investments	-	-	-
Total applications of capital funding	994	566	560
Surplus/(deficit) of capital funding	(944)	(577)	(571)
Funding balance	-	-	-

COUNCIL ENTERPRISES for the Annual Plan 2019/2020

PROSPECTIVE FUNDING IMPACT STATEMENT	2018/19 LTP \$'000	2019/20 LTP \$'000	2019/20 BUDGET \$'000
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	(217)	(247)	(215)
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	1,337	1,599	1,015
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	8,351	10,594	8,903
Total operating funding	9,471	11,946	9,703
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	5,960	7,642	6,511
Finance costs	441	431	349
Internal charges and overheads applied	900	891	944
Other operating funding applications	-	-	-
Total applications of operating funding	7,301	8,964	7,804
Surplus/(deficit) of operating funding	2,170	2,982	1,899
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	1,874	(459)	(31)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	1,874	(459)	(31)
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure			
• To meet additional demand	-	-	-
• To improve the level of service	2,387	167	167
• To replace existing assets	291	271	621
Increase/(decrease) in reserves	1,366	2,085	1,080
Increase/(decrease) in investments	-	-	-
Total applications of capital funding	4,044	2,523	1,868
Surplus/(deficit) of capital funding	(2,170)	(2,982)	(1,899)
Funding balance	-	-	-

PROSPECTIVE BALANCED BUDGET STATEMENT for the Annual Plan 2019/2020

	2018/19 LTP BUDGET \$000	2019/20 LTP BUDGET \$000	2019/20 BUDGET \$000
Total income	130,850	141,242	139,947
Total expenditure	118,141	124,498	122,695
Total accounting surplus	12,709	16,744	17,252
LESS			
Vested assets	4,259	4,352	4,352
Other gains/losses	466	621	621
Development and financial contributions	10,033	10,131	10,135
Capital rates income	2,678	1,225	1,275
Capital grants and subsidies	3,050	6,641	7,585
Loan principal repaid from rates income	1,832	1,192	1,335
	22,318	24,162	25,303
PLUS			
Depreciation not funded	11,693	11,189	10,893
Operations funded from reserve funds	911	1,434	1,884
	12,604	12,623	12,777
Underlying operating surplus/(deficit)	2,995	5,205	4,726
Net transfers to reserves and equity	(2,995)	(5,205)	(4,726)
Balanced budget	0	0	0

DEPRECIATION AND AMORTISATION EXPENSE BY GROUPS OF ACTIVITIES

for the Annual Plan 2019/2020

	2018/19 LTP \$000	2019/20 LTP \$000	2019/20 BUDGET \$000
Environmental Management	198	247	178
Public Health and Safety	108	96	92
Transportation, Roads and Footpaths	11,196	11,777	10,894
Coastal Structures	87	87	87
Solid Waste	441	498	480
Wastewater	3,888	4,083	3,608
Stormwater	1,641	1,661	1,567
Flood Protection and River Control Works	63	62	39
Water Supply	3,354	3,535	3,606
Community Development	3,324	3,382	4,150
Council Enterprises	661	710	698
Governance	6	12	11

This table has been included in accordance with section 4 of the Local Government (Financial Reporting) Regulations 2011, and will constitute part of the notes to the financial statements in Council's Annual Reports.

The purpose of this table is to specify in relation to each group of activities, the combined depreciation and amortisation expense for assets used directly in providing the group of activities.

FINANCIAL REGULATIONS BENCHMARKS

Annual Plan disclosure statement for year ending 30 June 2020

WHAT IS THE PURPOSE OF THIS STATEMENT?

The purpose of this statement is to disclose Council's planned financial performance in relation to various benchmarks to enable the assessment of whether Council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

Council is required to include this statement in its Annual Plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

BENCHMARK		PLANNED	MET
Rates affordability benchmark			
• General rates revenue	\$51m	\$40m	Yes
• Targeted rates revenue	\$46m	\$36m	Yes
• Rates increases	3%	2.74%	Yes
Debt affordability benchmark			
• Net debt limit	\$200m	\$50m	Yes
• Net debt to equity	20%	3%	Yes
• Net debt to operating revenue	225%	40%	Yes
• Net interest to operating revenue	15%	6%	Yes
• Net interest to rates revenue	25%	10%	Yes
Balanced budget benchmark	100%	101%	Yes
Essential services benchmark	100%	162%	Yes
Debt servicing benchmark	15%	6%	Yes

NOTES

Rates Affordability Benchmark

1. For this benchmark —

- a. Council's planned rates income for the year is compared with quantified limits on rates contained in the financial strategy, included in Council's Long Term Plan; and
- b. Council's planned rates increases for the year are compared with a quantified limit on rates increases for the year contained in the financial strategy, included in Council's Long Term Plan.

2. Council meets the rates affordability benchmark if —

- a. its planned rates income for the year equals or is less than each quantified limit on rates; and

65

- b. its planned rates increases for the year are equal or less than the quantified limit on rates increases.

Debt Affordability Benchmark

1. For this benchmark, Council's planned borrowing is compared with quantified limits on borrowing contained in the financial strategy, included in Council's Long Term Plan.
2. Council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing.

Balanced Budget Benchmark

1. For this benchmark, Council's planned revenue (excluding development contributions, vested assets, financial contributions, gains on derivative financial instruments, and revaluations of property, plant and equipment) is presented as a proportion of its planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant and equipment).
2. Council meets the balanced budget benchmark if its revenue equals or is greater than its operating expenses.

Essential Services Benchmark

1. For this benchmark, Council's planned capital expenditure on network services is presented as a proportion of expected depreciation on network services.
2. Council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.

Debt Servicing Benchmark

1. For this benchmark, Council's planned borrowing costs are presented as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant and equipment).
2. Because Statistics New Zealand projects that Council's population will grow faster than the national population growth rate, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 15% of its planned revenue.

Additional Information or Comment

Debt Affordability Benchmark

The definitions contained in the regulations differ from those used in Council's Treasury Risk Management Policy and Financial Strategy. The quantified limits on borrowing contained in the Financial Strategy are taken from Council's Treasury Policy.

The planned result reported in this disclosure statement is determined based on the

prescribed definitions contained in the regulations. The main departure between these two documents relates to the definition of net debt in the regulations compared to net external debt in the Treasury Policy.

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 borrowing of Council, excluding debt of Council's associate organisations, including any capitalised finance leases, and financial guaranteed 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 investment, held from time to time, and equity instruments of other entities e.g. investments in Council Controlled Organisations (CCOs).

Net external debt is defined in the Treasury Policy as total external debt, less liquid financial assets and investments.

Balanced Budget Benchmark

This benchmark result is based on the prescribed definitions of the regulations (outlined above). The Financial Strategy outlines a fundamental change in direction for Council in progressively funding depreciation from 2015/2016. Given the full depreciation charge is included in the operating expenses used to determine the above result, an operating deficit is produced, as defined by the regulations that does not reflect the cash operating position of Council. A more detailed balanced budget is contained in the financial statements above. This shows Council runs a cash operating surplus over the same period; we considered this a better measure of Council's operating performance.

RESERVE FUNDS

Changes to the Local Government Act 2002 now require councils to provide a summary of the reserve funds that it holds.

Background

These changes placed more focus on the accounting for, and disclosure of reserves. The Act defines reserve funds as "money set aside by a local authority for a specific purpose".

Reserves are part of equity which may or may not be physically backed by cash/investments.

Reserves are often used to separate a funding surplus of an activity. The Act requires Council to specify the amount expected to be deposited in the fund, and the amount expected to be withdrawn from the fund over the period that the Plan covers. Council does not transfer money from one reserve to fund another. Council also does not charge/pay 'internal' interest on any surplus or deficit balances that each individual reserve may have.

Opening balance surpluses are usually due to approved committed projects not yet being undertaken or completed

Reserves

Reserve Reporting	Activity to which the fund relates	Opening Balance 1 July 2019 (000's)	Transfer into fund (000's)	Transfers out of fund (000's)	Closing Balance 30 June 2020 (000's)
Reserve Financial Contributions Reserve	Community Facilities & Parks	5,098	4,240	(3,188)	6,150
Rivers Disaster Fund	Rivers & Flood Protection	-	100	-	100
Rivers Reserve	Rivers & Flood Protection	-	3,447	(3,447)	-
Water Reserve	Water	620	16,900	(16,981)	539
Wastewater Reserve	Wastewater	677	14,127	(14,107)	697
Self Insurance Fund	Overall Council	1,057	-	-	1,057
Stormwater Reserve	Stormwater	659	6,579	(6,519)	719
Solid Waste Reserve	Solid Waste	360	11,050	(11,169)	241
Dog Control Reserve	Public Health & Safety	58	439	(427)	70
Community Facilities Rate Reserve	Community Facilities & Parks	456	3,744	(3,744)	456
Camping Ground Reserve	Council Enterprises & Property	32	1,429	(1,341)	120
Community Housing Reserve	Community Facilities & Parks	305	901	(679)	527
Development Contribution Reserve	Roading & Footpaths, Water, Wastewater, Stormwater	3,936	1,756	(2,753)	2,939
General Disaster Fund	Governance	886	560	-	1,446
TOTAL		14,144	65,272	(64,355)	15,061

Dog Control Reserve

The dog control reserve is used to separate all funding and expenditure for the dog control activity. Each year Council sets the proposed income, expenditure and funding budgets for this activity. Any variations from these budgets, for example timing of projects or unplanned expenditure, are recorded in the dog control reserve to keep any surpluses/deficits separate from other activities.

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 in that infrastructure will need to expand and be further developed in order to cope with those demands.

This includes additional demand on services such as roading, water supply, wastewater and stormwater management. All development contributions must be separately accountable and Council keeps development contributions received in four separate accounts: roading, wastewater, stormwater and water. Strict criteria apply to the use of these funds.

Any budgeted surpluses/deficits for these funds in any given year are funded through borrowing or repaying development contribution loans.

Water Reserve

The water reserve is used to separate all funding and expenditure for the water activity, excluding development contributions income and projects. Each year Council sets the proposed income, expenditure and funding budgets for this activity. Any variation from these budgets, 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.

Wastewater Reserve

The wastewater reserve is used to separate all funding and expenditure for the wastewater activity, excluding development contributions income and projects. Each year Council sets the proposed income, expenditure and funding budgets for this activity. Any 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 income and projects. Each year Council sets the proposed income, 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 proposed income, expenditure and funding budgets set 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). No allowance has been made in this Annual Plan for any withdrawals on this disaster fund as the timing of any disasters cannot be predicted.

Rivers Reserve

The rivers reserve is used to enable separate accounting for the funding and expenditure for the rivers activity. Each year Council sets the proposed income, expenditure and funding budgets. Any 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 Council keeps reserve financial contributions received in four

separate accounts (Golden Bay Ward, Motueka Ward, Moutere-Waimea/Lakes-Murchison Wards and the 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 the 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. No allowance has been made in this Annual Plan for any withdrawals on this disaster fund as disasters are impossible to predict. This plan includes provision to increase the Disaster Fund to \$6.5 million over the next 10 years.

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.

FUNDING IMPACT STATEMENT

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

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

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

RATING AREA MAPS

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

RATING UNIT: DEFINITION

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

RATING DIVISIONS

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

RATING BASE INFORMATION

Clause 20A of Schedule 10 of the Local Government Act 2002 requires the Council to disclose its projected number of rating units within the District at the end of the preceeding financial year, as well as the projected total capital value and land value of these rating units.

STATISTICS	PROJECTED FIGURES FIGURES AT 1 JULY 2019		
	RATEABLE	NON RATEABLE	TOTAL RATING UNITS
Capital value (note last general revaluation was in late 2017)	\$17,292,865,978	\$825,230,500	\$18,118,096,478
Land value (note last general revaluation was in late 2017)	\$8,916,764,176	\$560,741,500	\$9,477,505,676
Rating Units	23,666	1,309	24,975

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

DESCRIPTION OF EACH RATE

GENERAL RATE

DIFFERENTIAL CATEGORY	
GENERAL RATE	
<p>The General rate funds activities which are deemed to provide a general benefit across the entire District or which are not economic to fund separately. These activities include: environmental management, public health and safety, transportation, roads and footpaths, coastal structures, water supply, solid waste, flood protection and river control works, community development, governance, and council enterprises.</p> <p><i>A portion of the general rate is used to replenish the Council's General Disaster Fund.</i></p> <p><i>The capital values are assessed by independent valuers. Their results are audited by the Office of the Valuer General.</i></p>	
UNIFORM ANNUAL GENERAL CHARGE (UAGC)	
<p>Funding the same activities as the general rate.</p> <p><i>The Council has determined a portion of the general rate is to be assessed as a UAGC.</i></p> <p><i>The purpose of setting the UAGC is to ensure that every ratepayer makes a minimum contribution to the Council's activities.</i></p>	

TARGETED RATES

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

DIFFERENTIAL CATEGORY	
1 STORMWATER RATE	
<p>(Funding the Stormwater activities including operating, maintaining and improving the stormwater infrastructure assets.)</p> <p><i>Ratepayers in the Urban Drainage Rating Area receive greater benefits from stormwater infrastructure. For this reason the Council has determined that a differential charge will be applied as follows:</i></p>	
<p><i>*Urban Drainage Area – Stormwater Differential – A differential of 1 will apply.</i></p>	<p>Urban Drainage Area – Stormwater Differential</p>
<p><i>*Balance of the District – General Drainage Stormwater Differential – A differential of 0.105 will apply.</i></p>	<p>Balance of the District – General Drainage Stormwater Differential</p>

CATEGORIES OF LAND ON WHICH RATE IS SET	MAP REF. (IF APPLICABLE)	FACTORS	2019 - 2020 RATE (\$GST INC)	2019 - 2020 TOTAL RATE (\$'000, GST INC)
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Every rateable rating unit in the District		Rate in the \$ of Capital Value	0.2277 cents	39,377
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CATEGORIES OF LAND ON WHICH RATE IS SET	MAP REF. (IF APPLICABLE)	FACTORS	2019 - 2020 RATE (\$GST INC)	2019 - 2020 TOTAL RATE (\$'000, GST INC)
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Every rateable rating unit in the District		Fixed amount \$ per Rating Unit	\$290.00	6,863
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CATEGORIES OF LAND ON WHICH RATE IS SET	MAP REF. (IF APPLICABLE)	FACTORS	2019 - 2020 RATE (\$GST INC)	2019 - 2020 TOTAL RATE (\$'000, GST INC)
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Every rateable rating unit in the District which has a land value				
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Where the land is situated being rateable rating units in the Stormwater Urban Drainage Rating Area	A1 - A15	Rate in the \$ of Capital Value	0.0567 cents	4,915
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Where the land is situated being rateable rating units with land value, that are not in the Stormwater Urban Drainage Rating Area	Balance of District	Rate in the \$ of Capital Value	0.0060 cents	487
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DESCRIPTION OF EACH RATE (CONT.)

TARGETED RATES (CONT.)

DIFFERENTIAL CATEGORY
2 WATER SUPPLY RATES
<p>2.1 WATER SUPPLY RATES – URBAN WATER SUPPLY METERED CONNECTIONS AND RURAL WATER EXTENSIONS TO URBAN WATER SCHEMES ("THE CLUB")</p> <p><i>Ratepayers on the Urban Water Supply with a metered connection pay both the volumetric charge and the service charge. The portion of revenue allocated to the service charge for rates is determined by taking 36% of the total revenue required for the urban water supply including the portion billed to other users as charges but excluding the rural water extensions to urban water scheme revenue, and then deducting the portion recovered through charges.</i></p> <p><i>Ratepayers on the Urban Water Supply with a water restrictor pay the Rural Water Extensions to Urban Water Schemes Rate.</i></p> <hr/> <p>2.1 (a) Water Supply – Urban Water Supply Metered Connections (excluding Motueka Water Supply & Industrial Water Supply Agreement Holders): Volumetric charge (Funding the urban water supply (not including Motueka) including operating, maintaining and improving the infrastructure assets relating to water supply.) <i>This water rate will be billed separately from the rates invoice.</i></p> <hr/> <p>2.1 (b) Water Supply – Urban Water Supply Metered Connections (excluding Motueka Water Supply & Industrial Water Supply Agreement Holders): Service Charge (Funding the urban water supply (not including Motueka) including operating, maintaining and improving the infrastructure assets relating to water supply.)</p> <hr/> <p>2.1 (c) Water Supply – Rural Water Extensions to Urban Water Schemes (Funding the urban water supply (not including Motueka) including operating, maintaining and improving the infrastructure assets relating to water supply.) <i>The 1m³ base rate is set at 80% of the Urban Metered Connections volumetric rate multiplied by 365.</i> <i>The extensions that will be charged this rate are: Best Island Water Supply, Mapua/Ruby Bay Water Supply, Brightwater/Hope Water Supply, Richmond Water Supply, Wakefield Water Supply, and any others which are referred to as the Other Rural Water Supply Extensions.</i></p>

DESCRIPTION OF EACH RATE (CONT.)

CATEGORIES OF LAND ON WHICH RATE IS SET	MAP REF. (IF APPLICABLE)	FACTORS	2019 – 2020 RATE (\$GST INC)	2019 – 2020 TOTAL RATE (\$000, GST INC)
Provision of service being the supply of metered water to those rating units in the District, which have metered water connections, excluding those connected to the Motueka Water Supply because they have a different targeted rate, and excluding the industrial water supply users who have a commercial water supply agreement with the Council		Per m ³ of water supplied	\$2.17	4,695
Provision of a service being a connection to a metered water supply by rating units in the District, excluding those connected to the Motueka Water Supply, and excluding the industrial water supply users who have a commercial water supply agreement with the Council		Fixed amount \$ per connection (meter)	\$337.56	3,389
Provision of a service being a connection to a supply of water via a rural extension to urban schemes through a lowflow restricted water connection		Extent of provision of service: 1m ³ /day (based on size of water restrictor volume) e.g. 2m ³ /day restrictor volume will be charged at two times the listed annual rate	\$634.71	745

75

DESCRIPTION OF EACH RATE (CONT.)

TARGETED RATES (CONT.)

DIFFERENTIAL CATEGORY	
<p>2.2 WATER SUPPLY RATES – MOTUEKA WATER SUPPLY METERED CONNECTIONS</p> <p><i>Ratepayers on the Motueka Water Supply with a metered connection pay both a volumetric water supply charge and a service charge. The portion of revenue allocated to the service charge is determined by taking 27% of the total revenue required for the Motueka water supply and the Motueka firefighting water supply less the rates recovered by the Motueka firefighting water supply rate. This is planned to escalate to and remain at 36% after 2019 – 2020.</i></p> <p><i>The existing Motueka Water Supply account will continue to operate separately to the Urban Water Supply – Club account. This means that the water charges for the existing connected Motueka water users will have a different cost structure. As renewals and capital upgrades are required, these will be reflected in the water supply charges.</i></p>	
<p>2.2 (a) Water Supply – Motueka Water Supply Metered Connections: Volumetric Charge (Funding the Motueka Water Supply including operating, maintaining and improving the infrastructure assets relating to water supply.)</p> <p><i>This water rate will be billed separately from the rates invoice.</i></p>	
<p>2.2 (b) Water Supply – Motueka Water Supply Metered Connections: Service Charge (Funding the Motueka Water Supply including operating, maintaining and improving the infrastructure assets relating to water supply.)</p>	
<p>2.3 WATER SUPPLY – RURAL CONNECTIONS</p>	
<p>2.3 (a) Water Supply – Dovedale Rural Water Supply (Funding the Dovedale Rural Water Supply including operating, maintaining and improving the infrastructure assets relating to water supply.)</p> <p><i>The Council has determined that a differential charge will be applied:</i></p>	
<p><i>*Dovedale Differential A – includes the supply of water for up to and including the first 2m³ per day. This rate is charged based on the extent of provision of service using the size of restrictor volume, with a base of 1m³ per day. A differential of 1 per 1m³ per day will apply.</i></p> <p><i>For example, users with a 2m³ per day restrictor volume will be billed two of the Differential A charge.</i></p>	Dovedale Differential A
<p><i>*Dovedale Differential B – includes the supply of water greater than 2m³ per day. This rate is charged based on the extent of provision of service based using the size of restrictor volume, with a base of 1m³ per day. A differential of 0.77 per 1m³ per day will apply.</i></p> <p><i>For example, users with a 3m³ per day restrictor volume will be billed two of the Differential A charge and one of the Differential B charge.</i></p>	Dovedale Differential B

DESCRIPTION OF EACH RATE (CONT.)

CATEGORIES OF LAND ON WHICH RATE IS SET	MAP REF. (IF APPLICABLE)	FACTORS	2019 – 2020 RATE (\$/ST INC)	2019 – 2020 TOTAL RATE (\$000, GST INC)
Provision of service being the supply of metered water to rating units connected to the Motueka Water Supply		Per m ³ of water supplied	\$2.13	523
Provision of service being a connection to the Motueka Water Supply		Fixed amount \$ per connection (meter)	\$97.11	132
Provision of a service being a connection to the Dovedale Rural Water Supply through a lowflow restricted water connection				
		Extent of provision of service: 1m ³ /day (based on size of water restrictor volume).	\$706.91	351
		Extent of provision of service: 1m ³ /day (based on size of water restrictor volume).	\$544.32	231

77

DESCRIPTION OF EACH RATE (CONT.)

TARGETED RATES (CONT.)

DIFFERENTIAL CATEGORY

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

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

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

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

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

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

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

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

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

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

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

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

DESCRIPTION OF EACH RATE (CONT.)

CATEGORIES OF LAND ON WHICH RATE IS SET	MAP REF. (IF APPLICABLE)	FACTORS	2019 – 2020 RATE (\$/ST INC)	2019 – 2020 TOTAL RATE (\$'000, \$/ST INC)
Provision of a service being a connection to the Redwood Valley Rural Water Supply through a lowflow restricted water connection		Extent of provision of service: 1m ³ /day (based on size of water restrictor volume) e.g. 2m ³ /day restrictor volume will be charged at two times the listed annual rate	\$432.71	457
Provision of a service being a connection to the Eighty Eight Valley Rural Water Supply through a lowflow restricted water connection		Extent of provision of service: 1m ³ /day (based on size of water restrictor volume) e.g. 2m ³ /day restrictor volume will be charged at two times the listed annual rate	\$270.90	131
Provision of a service being a connection to the Eighty Eight Valley Rural Water Supply through a lowflow restricted water connection		Fixed amount \$ per rating unit	\$301.01	46
Provision of a service being a connection to the Hamama Rural Water Supply		Rate in the \$ of Land Value	0.044 cents	9
Provision of a service being a connection to the Hamama Rural Water Supply		Fixed amount \$ per rating unit	\$238.36	7
Where the land is situated being rating units in the Hamama Rural Water Supply Rating Area	B1	Rate in the \$ of set land value (which is the land value at the time capital works were completed in 2005)	0.165 cents	9

79

DESCRIPTION OF EACH RATE (CONT.)

TARGETED RATES (CONT.)

	DIFFERENTIAL CATEGORY
2.4 WATER SUPPLY FIREFIGHTING	
2.4 (a) Water Supply: Motueka Firefighting (Funding the Motueka Township firefighting water supply.)	
2.4 (b) Water Supply: Takaka Firefighting – Capital (Funding the Takaka CBD firefighting water supply capital costs.) <i>The amount of revenue planned to be raised by each of the differentials is shown.</i>	
	Takaka CBD Differential
	Takaka Residential Differential
	Takaka Balance of Golden Bay Ward Differential
2.4 (c) Water Supply: Takaka Firefighting – Operating (Funding the Takaka CBD firefighting water supply operating costs.)	
2.5 WATER SUPPLY – DAMS	
2.5 (a) Water Supply – Dams: Wai-iti Valley Community Dam (Funding the costs of the Wai-iti Valley Community Dam.) <i>Water is only released from the dam when low flows are reached.</i>	

DESCRIPTION OF EACH RATE (CONT)

CATEGORIES OF LAND ON WHICH RATE IS SET	MAP REF. (IF APPLICABLE)	FACTORS	2019 - 2020 RATE (\$/ST INC)	2019 - 2020 TOTAL RATE (\$'000, GST INC)
Where the land is situated being rating units in the Motueka Firefighting Water Supply Rating Area	C1	Fixed amount \$ per Rating Unit	\$17.88	61
Every Rating Unit in the Golden Bay Ward	D1 - D3			
Where the land is situated being rating units in the Takaka Firefighting Water Supply Commercial CBD Rating Area	D1	Rate in the \$ of Capital Value	0.093 cents	53
Where the land is situated being rating units in the Takaka Firefighting Water Supply Residential Rating Area	D2	Fixed amount \$ per Rating Unit	\$52.13	22
Where the land is situated being rating units in the Takaka Firefighting Water Supply Rest of Golden Bay Rating Area	D3	Fixed amount \$ per Rating Unit	\$15.33	43
Where the land is situated being rating units in the Takaka Firefighting Water Supply Commercial CBD Rating Area and Takaka Firefighting Water Supply Residential Rating Area	D1, D2	Fixed amount \$ per Rating Unit	\$46.00	25
Where land is situated and the provision of service and the activities controlled under the Tasman Resource Management Plan under the Resource Management Act 1991. This rate will apply to those rating units in the Wai-iti Dam Rating Area that are permit holders under the Resource Management Act 1991 because they are able to use the amount of augmented water as permitted by their resource consent and apply it to the land in accordance with the amount and rate specified in the resource consent.	E1	Extent of provision of service: charged at \$ per hectare as authorised by water permits granted under the Resource Management Act 1991	\$328.55	292

81

DESCRIPTION OF EACH RATE (CONT.)

TARGETED RATES (CONT.)

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

DESCRIPTION OF EACH RATE (CONT.)

CATEGORIES OF LAND ON WHICH RATE IS SET	MAP REF. (IF APPLICABLE)	FACTORS	2019 - 2020 RATE (\$/ST INQ)	2019 - 2020 TOTAL RATE (\$000, GST INQ)
Provision of a service. The provision of service is measured by the number of toilets and/or urinals ("pans") connected either directly or by private drain to a public wastewater system with a minimum of one pan being charged per connected rating unit				
		Uniform charge in the \$ for each toilet or urinal (pan)	\$706.87	9,871
		Uniform charge in the \$ for each toilet or urinal (pan)	\$530.15	1,580
		Uniform charge in the \$ for each toilet or urinal (pan)	\$353.44	689
Every rateable rating unit in the district				
Where the land is situated being rateable rating units in the River Rating Area X	F1, F2	Rate in the \$ of Land Value	0.1020 cents	949
Where the land is situated being rateable rating units in the River Rating Area Y	F1, F2	Rate in the \$ of Land Value	0.1020 cents	724
Where the land is situated being rateable rating units in the River Rating Area Z	F2	Rate in the \$ of Land Value	0.0230 cents	1,673

DESCRIPTION OF EACH RATE (CONT.)

TARGETED RATES (CONT.)

5 MOTUEKA BUSINESS RATE	DIFFERENTIAL CATEGORY
<p>(Funding Governance activities – providing a grant to Our Town Motueka to fund promotion of the Motueka business area and covering administration and other associated costs.)</p> <p><i>The promotion of the Motueka business area has a greater benefit for those businesses that are closer to the CBD. For this reason the Council has determined that a differential charge will be applied.</i></p> <p><i>The differentials are planned to generate two times the total amount of rates from the Area A Differential than the Area B Differential.</i></p>	<hr/> <p>Motueka Business Area A Differential</p> <hr/> <p>Motueka Business Area B Differential</p>
6 RICHMOND BUSINESS RATE	
<p>(Funding Governance activities – providing a grant to Richmond Unlimited to fund promotion of the Richmond business area and covering administration and other associated costs.)</p>	

DESCRIPTION OF EACH RATE (CONT.)

CATEGORIES OF LAND ON WHICH RATE IS SET	MAP REF. (IF APPLICABLE)	FACTORS	2019 – 2020 RATE (\$/ST INC)	2019 – 2020 TOTAL RATE (\$'000, GST INC)
Where the land is situated being rateable rating units in the Motueka Business Rating Area A and B and the use to which the land is put. The land usage categories as set out in the Rating Valuations Rules 2008 for actual property use that will be charged for this rate include: Commercial, Industrial, Multi use commercial/ industrial, Residential – public communal/ multi use, Lifestyle – multi-use, Transport, Utility services – communications, Community services – Medical and allied, and Recreational	G1, G2			
This will apply to properties with land use categories as listed above for rateable rating units in Motueka Business Rating Area A	G1, G2	Rate in the \$ of Capital Value	0.0423 cents	42
This will apply to properties with land use categories as listed above for rateable rating units in Motueka Business Rating Area B	G1	Rate in the \$ of Capital Value	0.0273 cents	21
Where the land is situated being rateable rating units in the Richmond Business Rating Area and the use to which the land is put. The land usage categories as set out in the Rating Valuations Rules 2008 for actual property use that will be charged for this rate include: Commercial, Industrial, Multi use commercial/ industrial, Residential – public communal/ multi use, Lifestyle – multi-use, Transport, Utility services – communications, Community services – Medical and allied, and Recreational	H1	Rate in the \$ of Capital Value	0.0469 cents	128

DESCRIPTION OF EACH RATE (CONT.)

TARGETED RATES (CONT.)

	DIFFERENTIAL CATEGORY
<p>7 RUBY BAY STOPBANK RATE</p> <p>(Funding the costs of Coastal Structure activities – the capital costs of the Ruby Bay Stop Bank.)</p>	
<p>8 MAPUA STOPBANK RATE</p> <p>(Funding the costs of Coastal Structure activities – the capital costs of the Mapua Stop Bank and the operating and other costs of the Ruby Bay and Mapua Stop Banks and coastal studies.)</p>	
<p>9 MOTUEKA FLOOD CONTROL RATE</p> <p>(Funding Flood Protection and River Control Works- the costs of the Motueka Flood Control Project, including project investigation design and feasibility study.)</p> <p><i>The flood control was intended to benefit the rating units in the Motueka Flood Control Rating areas, with a higher degree of benefits for those that are closer to the river. For this reason the Council has determined that a differential charge will be applied.</i></p> <p><i>The differentials are set so that the A Differential contributes 57% of the planned targeted rate revenue and the B Differential contributes 43% of the planned targeted rate revenue.</i></p>	<p>Motueka Flood Control Area A Differential</p> <p>Motueka Flood Control Area B Differential</p>
<p>10 TORRENT BAY REPLENISHMENT RATE</p> <p>(Funding the costs of Coastal Structure Activities- reinstating and maintaining the beach at Torrent Bay.)</p> <p><i>The replenishment has a benefit to the rating units in the Torrent Bay area, with a higher degree of benefits for those that are closer to the foreshore. For this reason the Council has determined that a differential charge will be applied.</i></p> <p><i>The differentials are set to generate the same amount of planned rates from Torrent Bay Area A Differential and Torrent Bay Area B Differential. There are significantly more rating units in Area B than in Area A which means those individual rating units in Area A will be contributing more for the higher degree of benefits they receive.</i></p>	<p>Torrent Bay Area A Differential</p> <p>Torrent Bay Area B Differential</p>
<p>11 DISTRICT FACILITIES RATE</p> <p>(Funding Community Development activities including part of the costs of capital funding for new, large, community, recreational, sporting or cultural district projects which have met defined criteria, and will provide benefit to the residents of Tasman District.)</p>	

DESCRIPTION OF EACH RATE (CONT.)

CATEGORIES OF LAND ON WHICH RATE IS SET	MAP REF. (IF APPLICABLE)	FACTORS	2019–2020 RATE (\$/ST INC)	2019–2020 TOTAL RATE (\$000, GST INC)
Where the land is situated being rateable rating units in the Ruby Bay Stopbank Rating Area	I1	Fixed amount \$ per Rating Unit	\$1,072.38	11
Where the land is situated being rateable rating units in the Mapua Stopbank Rating Area	J1	Fixed amount \$ per Rating Unit	\$56.67	66
Where the land is situated being rateable rating units in the Motueka Flood Control Rating Area A and B	K1 – K2			
Where the land is situated being rateable rating units in the Motueka Flood Control Rating Area A	K1	Rate in the \$ of Capital Value	0.0068 cents	42
Where the land is situated being rateable rating units in the Motueka Flood Control Rating Area B	K2	Rate in the \$ of Capital Value	0.0010 cents	31
Where the land is situated being rateable rating units in the Torrent Bay Rating Area A and B	L1 – L2			
Where the land is situated being rateable rating units in the Torrent Bay Rating Area A	L1	Fixed amount \$ per Rating Unit	\$857.52	10
Where the land is situated being rateable rating units in the Torrent Bay Rating Area B	L2	Fixed amount \$ per Rating Unit	\$270.79	10
Every rateable rating unit in the District		Fixed amount \$ per Rating Unit	\$46.97	1,112

DESCRIPTION OF EACH RATE (CONT.)

TARGETED RATES (CONT.)

	DIFFERENTIAL CATEGORY
12 SHARED FACILITIES RATE	
(Funding Community Development activities including part of the costs of capital funding for new, large, community, recreational, sporting or cultural regional projects which have met defined criteria, and will provide benefit to the residents of Tasman District and Nelson City.)	
13 FACILITIES OPERATIONS RATE	
(Funding Community Development activities including the operating costs of various community facilities within the District.)	
14 MUSEUMS FACILITIES RATE	
(Funding Community Development museum activities including contributing to the capital and operating costs of the Regional Museum, and the Council's District museums.)	
15 REFUSE/RECYCLING RATE	
(Funding Solid Waste activities including kerbside recycling, rubbish collection and other waste related activities.)	
16. MAPUA REHABILITATION RATE	
(Funding costs of Environmental Management activities – interest and loans and holding costs associated with the former Fruit Grower Chemical Company site.)	
17 GOLDEN BAY COMMUNITY BOARD RATE	
(Funding Governance activities- the costs of the Golden Bay Community Board and specific projects that the Board wishes to undertake in the Golden Bay Ward.)	
18 MOTUEKA COMMUNITY BOARD RATE	
(Funding Governance activities- the costs of the Motueka Community Board and specific projects that the Board wishes to undertake in the Motueka Ward.)	

DESCRIPTION OF EACH RATE (CONT.)

CATEGORIES OF LAND ON WHICH RATE IS SET	MAP REF. (IF APPLICABLE)	FACTORS	2019-2020 RATE (\$/ST INC)	2019-2020 TOTAL RATE (\$'000, GST INC)
Every rateable rating unit in the District		Fixed amount \$ per Rating Unit	\$64.22	1,520
Every rateable rating unit in the District		Fixed amount \$ per Rating Unit	\$50.48	1,195
Every rateable rating unit in the District		Fixed amount \$ per Rating Unit	\$56.33	1,333
Where the land is situated being rating units in the Refuse/ Recycling Rating Area	M1 - M16	Fixed amount \$ per Rating Unit	\$136.23	2,726
Every rateable rating unit in the District		Fixed amount \$ per Rating Unit	\$5.94	141
Where the land is situated being rateable rating units in the Golden Bay Community Board Rating Area, which is the Golden Bay Ward	N1	Fixed amount \$ per Rating Unit	\$19.37	65
Where the land is situated being rateable rating units in the Motueka Community Board Rating Area, which is the Motueka Ward	O1	Fixed amount \$ per Rating Unit	\$19.12	111

DESCRIPTION OF EACH RATE (CONT.)

TARGETED RATES (CONT.)

	DIFFERENTIAL CATEGORY
19 WARM TASMAN RATE	
(Funding the costs of Environmental Management activities – the Warm Tasman Scheme.)	
<i>The rate will commence in the first rating year after the application is finalised.</i>	
20 WAIMEA COMMUNITY DAM: ENVIRONMENTAL AND COMMUNITY BENEFITS RATES	
<i>The Council utilises two targeted rates to fund the Council's rates contribution for environmental and community benefits associated with the Waimea Community Dam. The Districtwide rate is set to fund 70% of the environmental and community benefit cost to be funded through rates less the amount recovered through charges. In addition those rating units within the Zone of Benefit (ZOB) will fund the remaining 30% of the revenue less the amount recovered through charges because properties with a closer proximity to the water supplied by the dam will have a greater benefit than those farther away.</i>	
<i>The Waimea Community Dam – Environmental & Community Benefits Rates include some funding for costs incurred that have not been covered as part of the project joint venture. In the event that the project doesn't proceed, Council will use the full funds collected by these rates to fund costs that have been incurred up to the point of making a decision.</i>	
20.1 WAIMEA COMMUNITY DAM – ENVIRONMENTAL AND COMMUNITY BENEFITS DISTRICTWIDE RATE	
(Funding the costs of the water supply activity – Council's contribution for the environmental & community benefits associated with the Waimea Community Dam.)	
20.2 WAIMEA COMMUNITY DAM – ENVIRONMENTAL AND COMMUNITY BENEFITS ZOB RATE	
(Funding the costs of the water supply activity – Council's contribution for the environmental & community benefits associated with the Waimea Community Dam.)	
TOTAL INCLUDING GST	
TOTAL EXCLUDING GST	
Plus: Rates penalties	
TOTAL RATES INCLUDING RATES PENALTIES INCLUDING GST	
TOTAL RATES INCLUDING RATES PENALTIES EXCLUDING GST	

DESCRIPTION OF EACH RATE (CONT.)

CATEGORIES OF LAND ON WHICH RATE IS SET	MAP REF. (IF APPLICABLE)	FACTORS	2019 – 2020 RATE @ GST INC)	2019 – 2020 TOTAL RATE (\$'000, GST INC)
Provision of service which occurs when homeowners apply and are approved into the scheme which results in the installation of a wood burner and/or insulation into their property		Extent of provision of service: calculated per \$ of the total cost of the installed works and the administration fee charged over a 9 year period including GST and interest	\$0.1553	48
Every rateable rating unit in the District		Fixed amount \$ per Rating Unit	\$17.98	426
Where the land is situated being rateable rating units in the Waimea Community Dam Zone of Benefit Rating Area	P1	Rate in the \$ of Capital Value	0.0025 cents	180
				87,567
				76,145
				393
				87,960
				76,538

91

ASSESSMENT AND INVOICING

For rates other than volumetric metered water rates, rates are set as at 1 July each year and the Council invoices rates quarterly, with the instalment invoice dates being 1 August, 1 November, 1 February and 1 May. Each instalment is one quarter of the total annual rates payable for the year. Rates are due and payable to the Tasman District Council. The 2019/2020 rates instalments due dates for payment are:

INSTALMENT 1	20 AUG 2019
INSTALMENT 2	20 NOV 2019
INSTALMENT 3	20 FEB 2020
INSTALMENT 4	20 MAY 2020

Volumetric metered water rates are invoiced separately from other rates. Invoices for the majority of users are issued six monthly and invoices for larger industrial users are issued monthly. The 2019/2020 due dates for payment are as follows:

METERS INVOICED IN JUNE: 22 JUL 2019
(may include but is not limited to meters in Murchison, Upper Takaka, Pohara, Collingwood & meters W00898, W00897, W00906, W45268)

METERS INVOICED IN JULY: 20 AUG 2019
(may include but is not limited to meters in Hope, Brightwater, Wakefield, Tapawera, meters W00898, W00897, W00906, W45268)

METERS INVOICED IN AUGUST: 20 SEP 2019
(may include but is not limited to meters in Mapua, meters W00898, W00897, W00906, W45268)

METERS INVOICED IN SEPTEMBER: 21 OCT 2019
(may include but is not limited to meters in Motueka, Kaiteriteri, Riwaka, meters W00898, W00897, W00906, W45268)

METERS INVOICED IN OCTOBER: 20 NOV 2019
(may include but is not limited to meters in Richmond, meters W00898, W00897, W00906, W45268)

METERS INVOICED IN NOVEMBER: 20 DEC 2019
(may include but is not limited to meters W00898, W00897, W00906, W45268)

METERS INVOICED IN DECEMBER: 20 JAN 2020
(may include but is not limited to meters in Murchison, Upper Takaka, Pohara, Collingwood & meters W00898, W00897, W00906, W45268)

METERS INVOICED IN JANUARY: 20 FEB 2020
(may include but is not limited to meters in Hope, Brightwater, Wakefield, Tapawera, meters W00898, W00897, W00906, W45268)

METERS INVOICED IN FEBRUARY: 20 MAR 2020
(may include but is not limited to meters in Mapua, meters W00898, W00897, W00906, W45268)

METERS INVOICED IN MARCH: 20 APR 2020
(may include but is not limited to meters in Motueka, Kaiteriteri, Riwaka, meters W00898, W00897, W00906, W45268)

METERS INVOICED IN APRIL: 20 MAY 2020
(may include but is not limited to meters in Richmond, meters W00898, W00897, W00906, W45268)

METERS INVOICED IN MAY: 22 JUN 2020
(may include but is not limited to meters W00898, W00897, W00906, W45268)

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

ASSESSMENT AND INVOICING (CONT.)**PENALTIES**

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

INSTALMENT 1	21 AUG 2019
INSTALMENT 2	21 NOV 2019
INSTALMENT 3	21 FEB 2020
INSTALMENT 4	21 MAY 2020

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

METERS INVOICED IN JUNE: 23 JUL 2019

METERS INVOICED IN JULY: 21 AUG 2019

METERS INVOICED IN AUGUST: 23 SEP 2019

METERS INVOICED IN SEPTEMBER: 22 OCT 2019

METERS INVOICED IN OCTOBER: 21 NOV 2019

METERS INVOICED IN NOVEMBER: 23 DEC 2019

METERS INVOICED IN DECEMBER: 21 JAN 2020

METERS INVOICED IN JANUARY: 21 FEB 2020

METERS INVOICED IN FEBRUARY: 23 MAR 2020

METERS INVOICED IN MARCH: 21 APR 2020

METERS INVOICED IN APRIL: 21 MAY 2020

METERS INVOICED IN MAY: 23 JUN 2020

On 4 July 2019, a further penalty of five percent (5%) will be added to rates (including previously applied penalties) that remain unpaid from previous years on 1 July 2019. On 7 January 2020, a further penalty of five percent (5%) will be added to any portion of previous years rates (including previously applied penalties) still remaining unpaid on 4 January 2020.

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

RATES IMPACT ON EXAMPLE PROPERTIES

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

The General Rate applies to every rateable rating unit in the District. Targeted rates are applied to rating units depending on how each targeted rate is set, as detailed in the Council's Funding Impact Statement.

To demonstrate rates changes between the 2018/2019 year and the rates for the 2019/2020 year, a selection of 26 properties from the District have been set out below.

These properties are examples and do not cover all situations for all of the rateable properties in the District.

More information on the rates for a particular property can be found on the Council's website, www.tasman.govt.nz.

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

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

The overall rates change for these properties range from 0.4% to 5.8%.

Residential – Takaka	
Residential – Murchison, with 121m ³ of water, Urban Water Supply Metered Connections	
Residential – Mapua (no wastewater/metered water)	
Residential – Mapua, with 146m ³ of water, Urban Metered Water Supply	
Residential – Kaiteriteri, with 127m ³ of water, Urban Water Supply Metered Connections	
Residential – Brightwater, with 121m ³ of water, Urban Water Supply Metered Connections	
Residential – Wakefield, with 151m ³ of water, Urban Water Supply Metered Connections	
Residential – Motueka, with 118m ³ of water, Motueka Water Supply Metered Connections	
Residential – Richmond (Waimea Village,) with 30m ³ of water, Urban Water Supply Metered Connections	
Residential – Richmond, with 112m ³ of water, Urban Water Supply Metered Connections	
Residential – Richmond, with 106m ³ of water, Urban Water Supply Metered Connections	
Dairy Farm – Collingwood-Bainham	
Forestry – Motueka	
Horticultural – Hope	
Horticultural – Ngatimoti	

RATES IMPACT ON EXAMPLE PROPERTIES (CONT.)

CAPITAL VALUE (2017 DISTRICT WIDE REVALUATION)	2018/2019 ACTUAL RATES	2019/2020 RATES	% CHANGE FROM 2018/2019	\$ CHANGE FROM 2018/2019
\$350,000	\$2,550	\$2,587	1.5%	\$37
\$190,000	\$2,382	\$2,392	0.4%	\$10
\$645,000	\$2,290	\$2,346	2.4%	\$56
\$495,000	\$3,533	\$3,581	1.4%	\$48
\$790,000	\$4,285	\$4,352	1.6%	\$67
\$500,000	\$3,582	\$3,645	1.8%	\$63
\$455,000	\$3,336	\$3,382	1.4%	\$46
\$490,000	\$3,109	\$3,219	3.5%	\$110
\$280,000	\$2,580	\$2,617	1.4%	\$37
\$670,000	\$3,890	\$3,954	1.6%	\$64
\$1,210,000	\$5,418	\$5,514	1.8%	\$96
\$7,800,000	\$20,353	\$21,087	3.6%	\$734
\$3,830,000	\$10,021	\$10,360	3.4%	\$339
\$1,555,000	\$4,435	\$4,580	3.3%	\$145
\$905,000	\$2,726	\$2,785	2.2%	\$59

RATES IMPACT ON EXAMPLE PROPERTIES (CONT)

Horticultural – Waimea West, with 9 hectares, with Water Supply Dams- Wai-iti Valley Community Dam
Pastoral Farming (Fattening) – Upper Moutere
Lifestyle – Wakefield, with 3m ³ /day restrictor, Eighty Eight Valley Rural Water Supply
Lifestyle – East Takaka
Lifestyle – Neudorf, with 2m ³ /day restrictor, Dovedale Rural Water Supply
Lifestyle – Tasman with 2m ³ /day restrictor, Rural Water Extension to Urban Water Scheme
Lifestyle – Bronte, with 3m ³ /day restrictor, Redwood Valley Rural Water Supply
Commercial – Queen Street, Richmond, with 106m ³ of water, Urban Water Supply Metered Connections
Commercial – High Street, Motueka
Industrial – Cargill Place, Richmond, with 97m ³ of water, Urban Water Supply Metered Connections
Utility

The following table shows the breakdown of the rates for the example properties for 2019/20:

	GENERAL RATES	DISTRICT-WIDE TARGETED RATES (B)	STORM-WATER RATE	WASTE-WATER RATE	REGIONAL RIVER WORKS RATE	REFUSE/RECYCLING RATE	COMMUNITY BOARD RATES (C)
Residential – Takaka	\$1,087	\$242	\$199	\$707	\$99	\$136	\$19
Residential – Murchison, with 121m ³ of water, Urban Water Supply Metered Connections	\$722	\$242	\$108	\$707	\$12	–	–
Residential – Mapua (no wastewater/ metered water)	\$1,759	\$242	\$38	–	\$98	\$136	–
Residential – Mapua, with 146m ³ of water, Urban Metered Water Supply	\$1,417	\$242	\$281	\$707	\$73	\$136	–

RATES IMPACT ON EXAMPLE PROPERTIES (CONT.)

CAPITAL VALUE (2017 DISTRICT WIDE REVALUATION)	2018/2019 ACTUAL RATES	2019/2020 RATES	% CHANGE FROM 2018/2019	\$ CHANGE FROM 2018/2019
\$1,515,000	\$7,941	\$8,062	1.5%	\$121
\$1,090,000	\$3,172	\$3,251	2.5%	\$79
\$2,000,000	\$6,153	\$6,508	5.8%	355
\$570,000	\$1,930	\$1,962	1.7%	32
\$430,000	\$2,887	\$3,013	4.4%	126
\$825,000	\$3,928	\$4,008	2.0%	80
\$1,390,000	\$5,185	\$5,436	4.8%	251
\$1,370,000	\$8,662	\$8,840	2.1%	\$178
\$1,460,000	\$7,068	\$7,165	1.4%	\$97
\$660,000	\$3,819	\$3,881	1.6%	\$62
\$77,210,000	\$171,026	\$176,339	3.1%	\$5,313

WATER SUPPLY FIRE- FIGHTING RATES (1)	MOTUEKA FLOOD CONTROL RATE	MARUA STOPBANK RATE	BUSINESS RATES (4)	WATER SUPPLY - DAMS- WAI- ITI VALLEY COMMUNITY DAM RATE	WATER SUPPLY RATES (5)	WAINEA COMMUNITY DAM - ENVIRONMENTAL & COMMUNITY BENEFITS ZONES RATE	TOTAL RATES
\$98	-	-	-	-	-	-	\$2,587
-	-	-	-	-	\$601	-	\$2,392
-	-	\$57	-	-	-	\$16	\$2,346
-	-	\$57	-	-	\$655	\$13	\$3,581

RATES IMPACT ON EXAMPLE PROPERTIES (CONT.)

	GENERAL RATES	DISTRICT-WIDE TARGETED RATES (1)	STORM-WATER RATE	WASTE-WATER RATE	REGIONAL RIVER WORKS RATE	REFUSE/RECYCLING RATE	COMMUNITY BOARD RATES (2)
Residential – Kaiteriteri, with 127m ² of water, Urban Water Supply Metered Connections	\$2,089	\$242	\$448	\$707	\$90	\$136	\$19
Residential – Brightwater, with 121m ² of water, Urban Water Supply Metered Connections	\$1,428	\$242	\$284	\$707	\$235	\$136	–
Residential – Wakefield, with 151m ² of water, Urban Water Supply Metered Connections	\$1,326	\$242	\$258	\$707	\$47	\$136	–
Residential – Motueka, with 118m ² of water, Motueka Water Supply Metered Connections	\$1,406	\$242	\$278	\$707	\$59	\$136	\$19
Residential – Richmond (Wairaea Village,) with 30m ² of water, Urban Water Supply Metered Connections	\$927	\$242	\$159	\$707	\$36	\$136	–
Residential – Richmond, with 112m ² of water, Urban Water Supply Metered Connections	\$1,816	\$242	\$380	\$707	\$75	\$136	–
Residential – Richmond, with 106m ² of water, Urban Water Supply Metered Connections	\$3,045	\$242	\$686	\$707	\$99	\$136	–
Dairy Farm – Collingwood-Bainham	\$18,051	\$242	\$465	–	\$2,295	–	\$19
Forestry – Motueka	\$9,011	\$242	\$228	–	\$686	\$136	\$19

RATES IMPACT ON EXAMPLE PROPERTIES (CONT)

WATER SUPPLY FIRE-FIGHTING RATES (3)	MOTUEKA FLOOD CONTROL RATE	MAPUA STOPBANK RATE	BUSINESS RATES (4)	WATER SUPPLY - DAMS: WAI-ITI VALLEY COMMUNITY DAM RATE	WATER SUPPLY RATES (5)	WAIKATA COMMUNITY DAM - ENVIRONMENTAL & COMMUNITY BENEFITS ZONE RATE	TOTAL RATES
-	\$8	-	-	-	\$613	-	\$4,352
-	-	-	-	-	\$600	\$13	\$3,645
-	-	-	-	-	\$666	-	\$3,382
\$18	\$5	-	-	-	\$349	-	\$3,219
-	-	-	-	-	\$403	\$7	\$2,617
-	-	-	-	-	\$581	\$17	\$3,954
-	-	-	-	-	\$568	\$31	\$5,514
\$15	-	-	-	-	-	-	\$21,087
-	\$38	-	-	-	-	-	\$10,360

RATES IMPACT ON EXAMPLE PROPERTIES (CONT.)

	GENERAL RATES	DISTRICT-WIDE TARGETED RATES (1)	STORM-WATER RATE	WASTE-WATER RATE	REGIONAL RIVER WORKS RATE	REFUSE/RECYCLING RATE	COMMUNITY BOARD RATES (2)
Horticultural – Hope	\$3,831	\$242	\$92	–	\$239	\$136	–
Horticultural – Ngatimoti	\$2,351	\$242	\$54	–	\$110	–	\$19
Horticultural – Waimea West, with 9 hectares, with Water Supply Dams- Wai-iti Valley Community Dam	\$3,740	\$242	\$90	–	\$897	\$136	–
Pastoral Farming (Fattening) – Upper Moutere	\$2,772	\$242	\$65	–	\$172	–	–
Lifestyle – Wakefield, with 3m ³ /day restrictor, Eighty Eight Valley Rural Water Supply	\$4,844	\$242	\$119	–	\$189	–	–
Lifestyle – East Takaka	\$1,588	\$242	\$34	–	\$64	–	\$19
Lifestyle – Neudorf, with 2m ³ /day restrictor, Dovedale Rural Water Supply	\$1,269	\$242	\$26	–	\$62	–	–
Lifestyle – Tasman with 2m ³ /day restrictor, Rural Water Extension to Urban Water Scheme	\$2,169	\$242	\$49	–	\$122	\$136	–
Lifestyle – Bronte, with 3m ³ /day restrictor, Redwood Valley Rural Water Supply	\$3,455	\$242	\$83	–	\$187	\$136	–
Commercial – Queen Street, Richmond, with 106m ³ of water, Urban Water Supply Metered Connections	\$3,409	\$242	\$777	\$2,827	\$203	\$136	–

RATES IMPACT ON EXAMPLE PROPERTIES (CONT)

WATER SUPPLY FIRE-FIGHTING RATES (2)	MOTUEKA FLOOD CONTROL RATE	MAPUA STOPBANK RATE	BUSINESS RATES (4)	WATER SUPPLY - DAMS - WAL-TI VALLEY COMMUNITY DAM RATE	WATER SUPPLY RATES (5)	WAIHEA COMMUNITY DAM - ENVIRONMENTAL & COMMUNITY BENEFITS ZONE RATE	TOTAL RATES
-	-	-	-	-	-	\$40	\$4,580
-	\$9	-	-	-	-	-	\$2,785
-	-	-	-	\$2,957	-	-	\$8,062
-	-	-	-	-	-	-	\$3,251
-	-	-	-	-	\$1,114	-	\$6,508
\$15	-	-	-	-	-	-	\$1,962
-	-	-	-	-	\$1,414	-	\$3,013
-	-	-	-	-	\$1,269	\$21	\$4,008
-	-	-	-	-	\$1,298	\$35	\$5,436
-	-	-	\$643	-	\$568	\$35	\$8,840

101

RATES IMPACT ON EXAMPLE PROPERTIES (CONT.)

	GENERAL RATES	DISTRICT-WIDE TARGETED RATES (1)	STORM-WATER RATE	WASTE-WATER RATE	REGIONAL RIVER WORKS RATE	REFUSE/RECYCLING RATE	COMMUNITY BOARD RATES (2)
Commercial – High Street, Motueka	\$3,614	\$242	\$828	\$1,237	\$438	\$136	\$19
Industrial – Cargill Place, Richmond, with 97m ² of water, Urban Water Supply Metered Connections	\$1,793	\$242	\$374	\$707	\$63	\$136	–
Utility	\$176,097	\$242	–	–	–	–	–

- (1) Includes District Facilities Rate, Shared Facilities Rate, Facilities Operations Rate, Museums Facilities Rate, Mapua Rehabilitation Rate, and Waimea Community Dam Environmental and Community Benefits Districtwide Rate.
- (2) Includes Golden Bay Community Board Rate and Motueka Community Board Rate.
- (3) Includes Water Supply: Motueka Firefighting, Water Supply: Takaka Firefighting – Capital, and Water Supply: Takaka Firefighting – Operating.
- (4) Includes Motueka Business Rate and Richmond Business Rate.
- (5) Includes Water Supply – Urban Water Supply Metered Connections: Volumetric Charge, Water Supply – Urban Water Supply Metered Connections: Service Charge, Water Supply – Rural Water Extensions to Urban Water Schemes, Water Supply – Motueka Water Supply Metered Connections: Volumetric Charge, Water Supply – Motueka Water Supply Metered Connections: Service Charge, Water Supply – Dovedale Rural Water Supply, Water Supply – Redwood Valley Rural Water Supply, Water Supply – Eighty Eight Valley Rural Water Supply – Variable Charge, Water Supply – Eighty Eight Valley Rural Water Supply – Service Charge.

The following rates are not presented in the above examples:

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

RATES IMPACT ON EXAMPLE PROPERTIES (CONT.)

WATER SUPPLY FIRE-FIGHTING RATES (3)	MOTUEKA FLOOD CONTROL RATE	MAPUA STOPBANK RATE	BUSINESS RATES (4)	WATER SUPPLY - DAMS: WAITI VALLEY COMMUNITY DAM RATE	WATER SUPPLY RATES (5)	WAIHEA COMMUNITY DAM - ENVIRONMENTAL & COMMUNITY BENEFITS ZDB RATE	TOTAL RATES
\$18	\$15	-	\$618	-	-	-	\$7,165
-	-	-	-	-	\$549	\$17	\$3,881
-	-	-	-	-	-	-	\$176,339

RATING MAPS INDEX

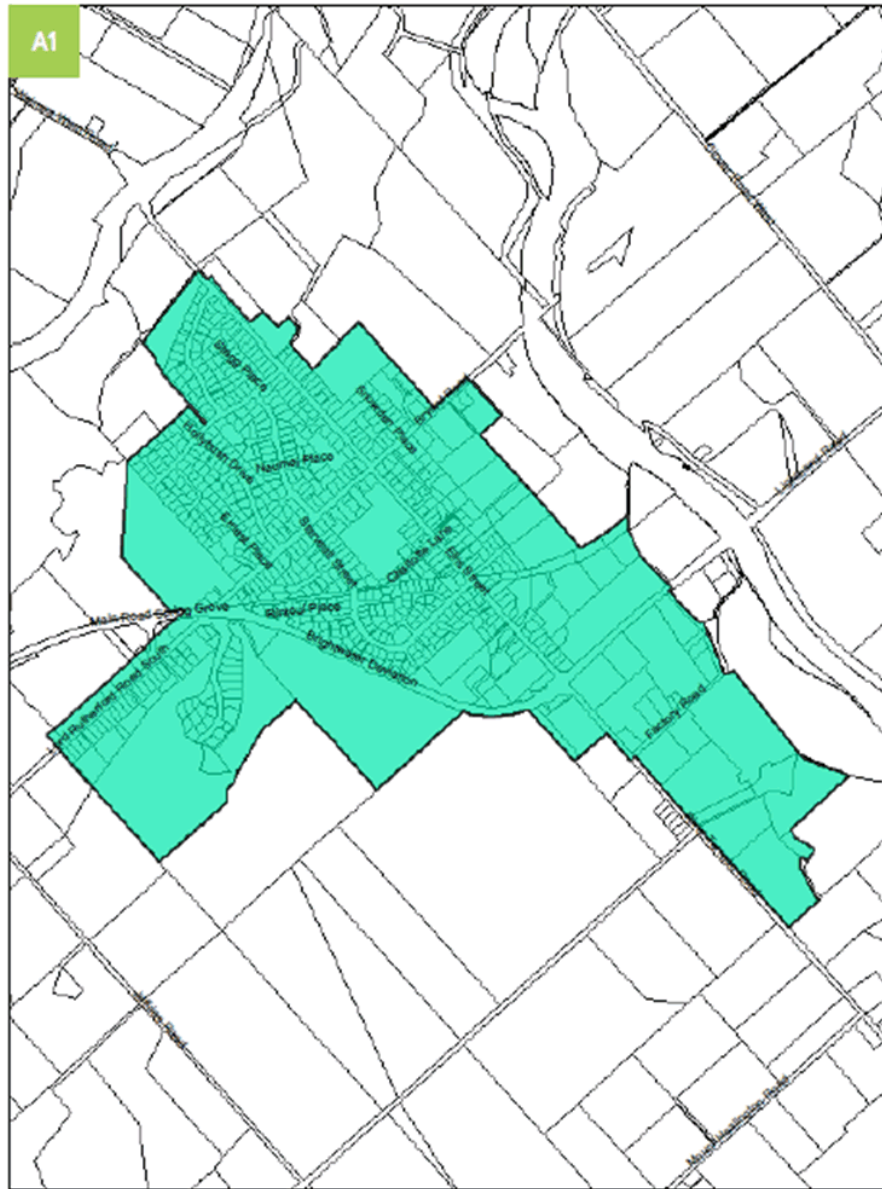
INDEX

RATING MAP NAME	MAP REF
STORMWATER URBAN DRAINAGE RATING AREA	
Brightwater	A1 (F)
Collingwood	A2 (F)
Kaiteriteri	A3 (F)
Ligar Bay – Tata Beach	A4 (F)
Mapua – Ruby Bay	A5 (F)
Motueka	A6 (F)
Murchison	A7 (F)
Patons Rock	A8 (F)
Pohara	A9 (F)
Richmond	A10 (F)
St Arnaud	A11 (F)
Takaka	A12 (F)
Tapawera	A13 (F)
Tasman	A14 (F)
Wakefield	A15 (F)
HAMAMA RURAL WATER SUPPLY RATING AREA	
MOTUEKA FIREFIGHTING WATER SUPPLY RATING AREA	
TAKAKA FIREFIGHTING WATER SUPPLY COMMERCIAL CBD RATING AREA	D1 (F)
TAKAKA FIREFIGHTING WATER SUPPLY RESIDENTIAL RATING AREA	D2 (F)
TAKAKA FIREFIGHTING WATER SUPPLY REST OF GOLDEN BAY RATING AREA	D3 (F)
WAI-TI DAM RATING AREA	
RIVER RATING AREA X AND Y	F1 (F)
RIVER RATING AREA X, Y, AND Z	F2 (F)
MOTUEKA BUSINESS RATING AREA A AND B	
MOTUEKA BUSINESS RATING AREA A AND B – DETAIL MAP	G2 (F)

RATING MAPS INDEX (CONT.)

RATING MAP NAME	MAP REF
RICHMOND BUSINESS RATING AREA	H1 (F)
RUBY BAY STOPBANK RATING AREA	I1 (F)
MAPUA STOPBANK RATING AREA	J1 (F)
MOTUEKA FLOOD CONTROL RATING AREA A	K1 (F)
MOTUEKA FLOOD CONTROL RATING AREA B	K2 (F)
TORRENT BAY RATING AREA A	L1 (F)
TORRENT BAY RATING AREA B	L2 (F)
REFUSE/RECYCLING RATING AREA:	M
Brightwater – Waimea	M1 (F)
Collingwood	M2 (F)
Kaiteriteri	M3 (F)
Korere Tophouse	M4 (F)
Ligar Bay – Tata Beach	M5 (F)
Marahau	M6 (F)
Motueka	M7 (F)
Moutere	M8 (F)
Pohara	M9 (F)
Richmond	M10 (F)
Riwaka	M11 (F)
St Arnaud	M12 (F)
Takaka	M13 (F)
Tapawera	M14 (F)
Upper Takaka	M15 (F)
Wakefield	M16 (F)
GOLDEN BAY COMMUNITY BOARD RATING AREA	N1 (F)
MOTUEKA COMMUNITY BOARD RATING AREA	O1 (F)
WAIMEA COMMUNITY DAM ZONE OF BENEFIT RATING AREA	P1 (F)

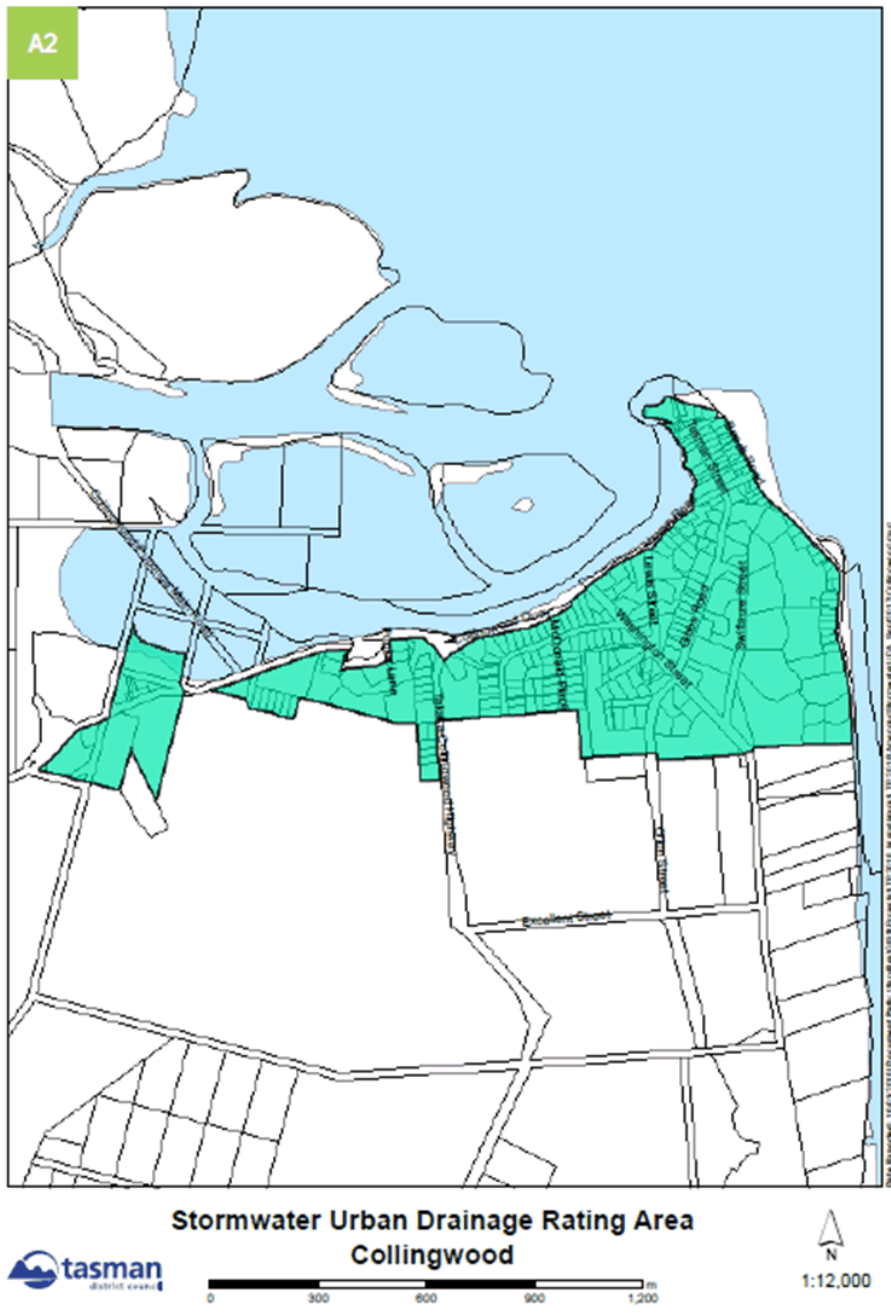
RATING MAPS INDEX (CONT.)



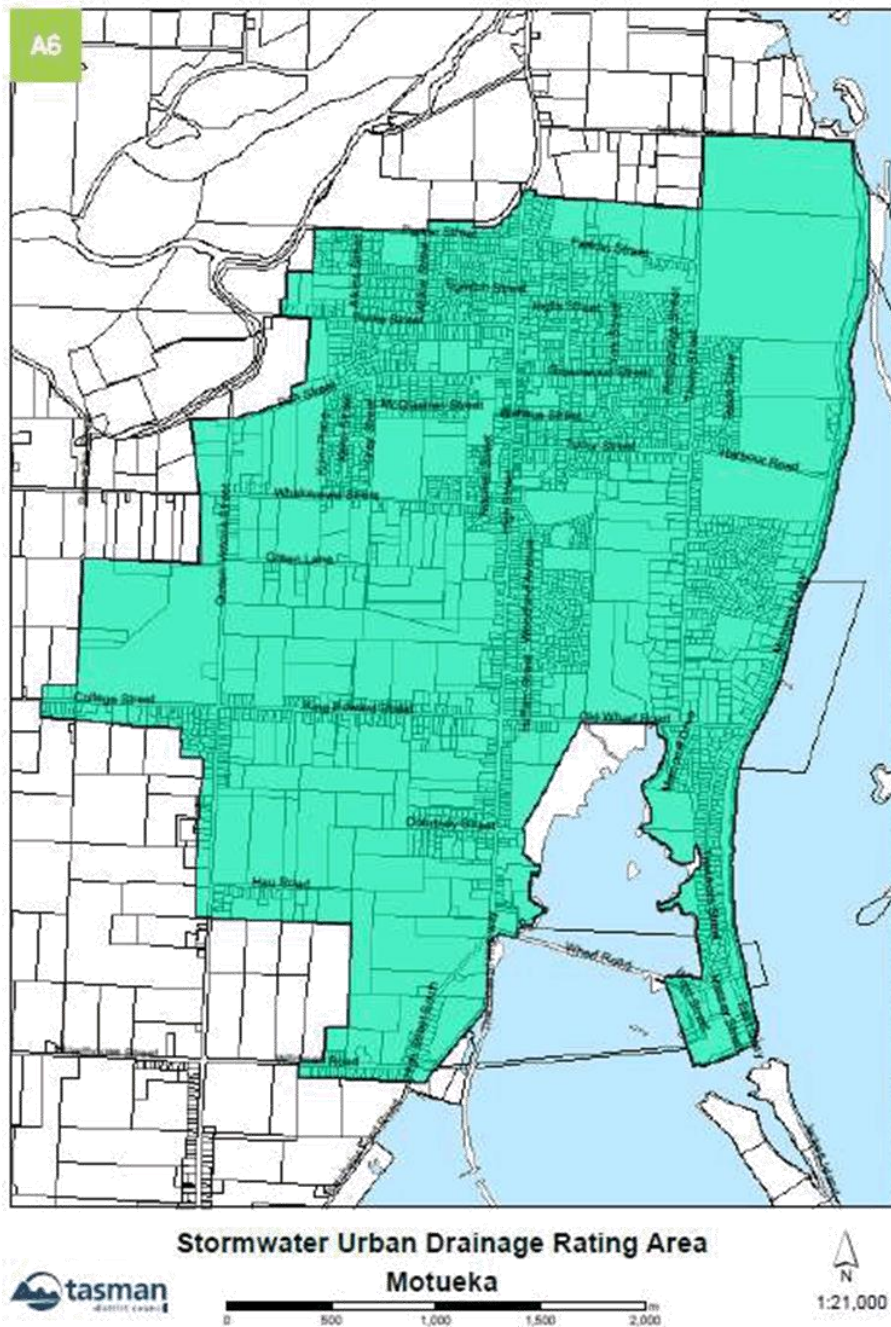
Stormwater Urban Drainage Rating Area
Brightwater



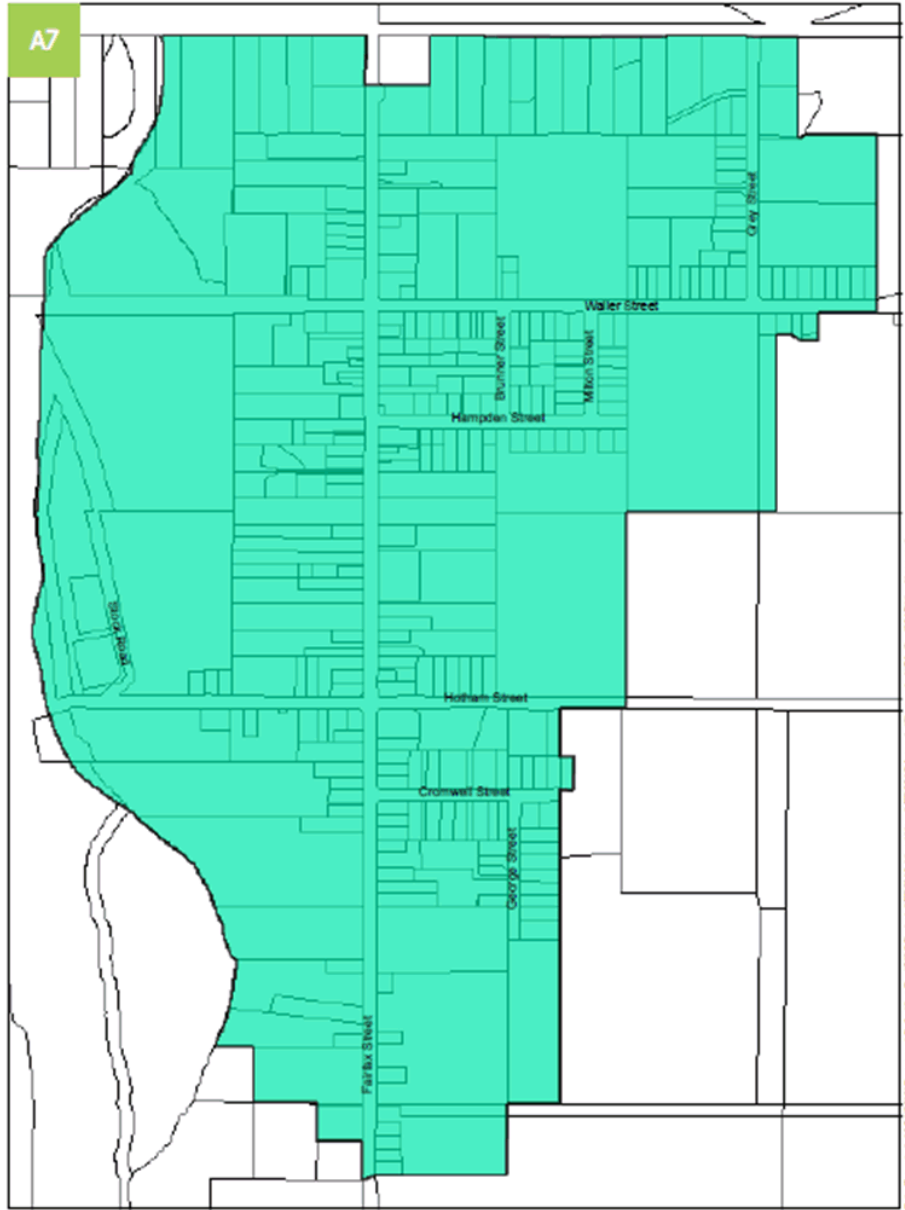
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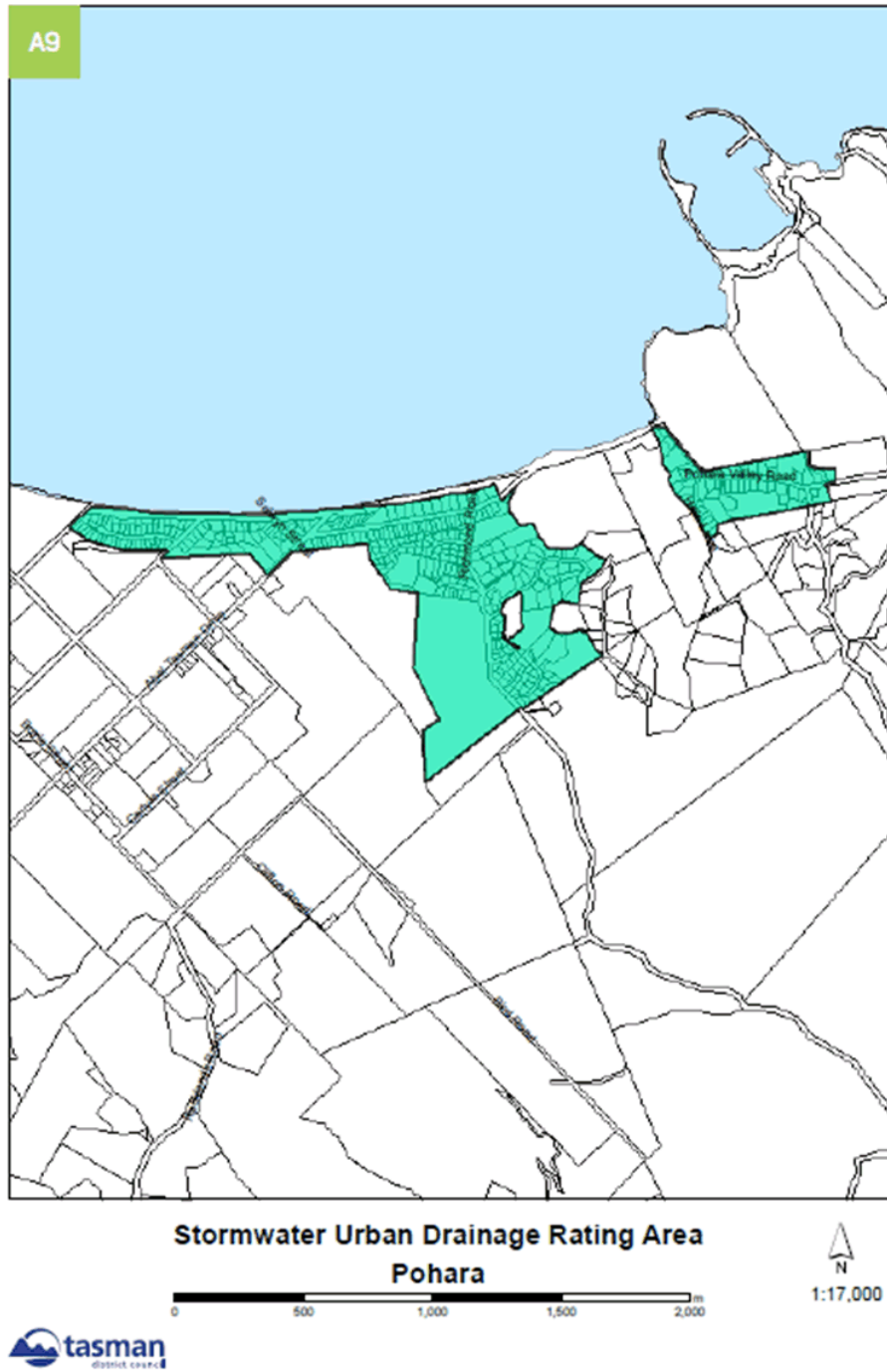
RATING MAPS INDEX (CONT)



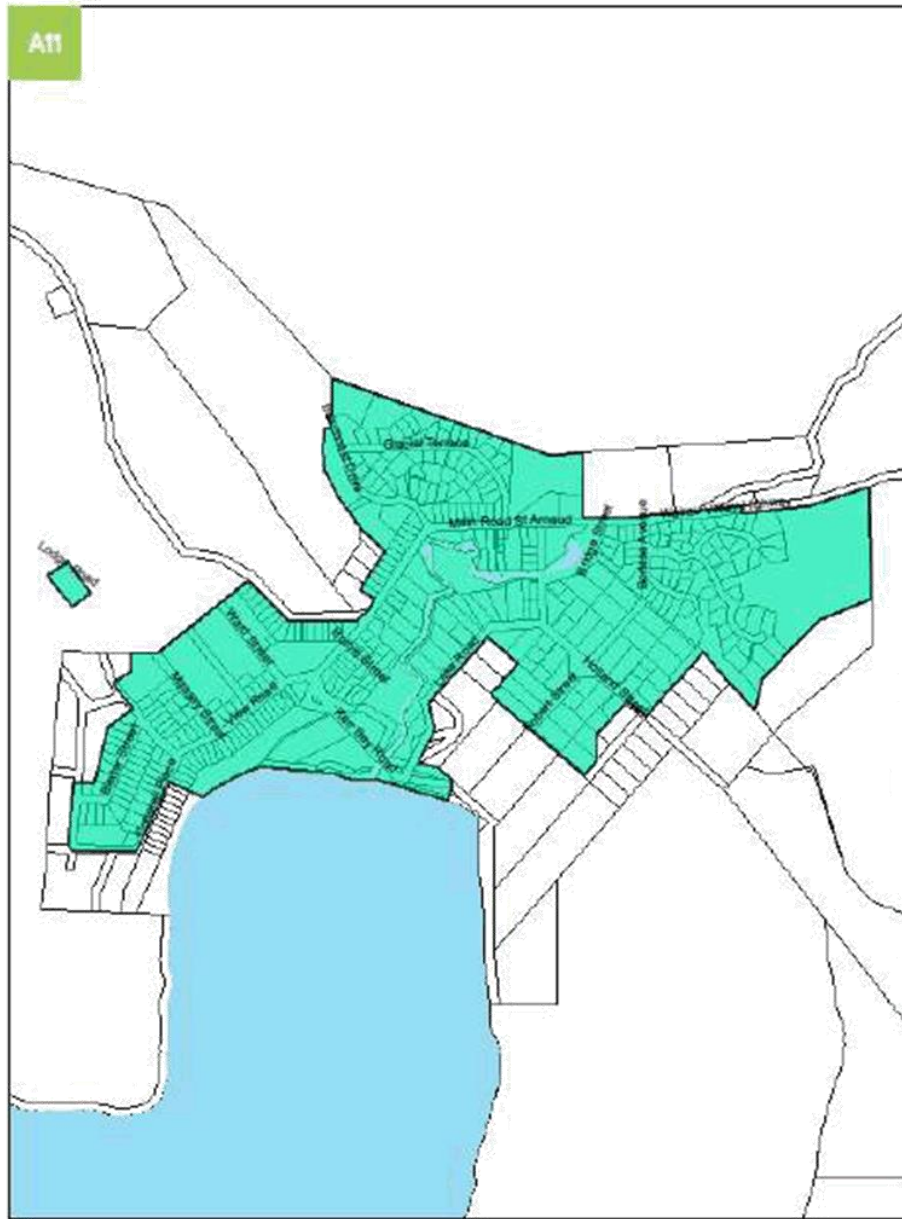
RATING MAPS INDEX (CONT.)



RATING MAPS INDEX (CONT.)



RATING MAPS INDEX (CONT.)



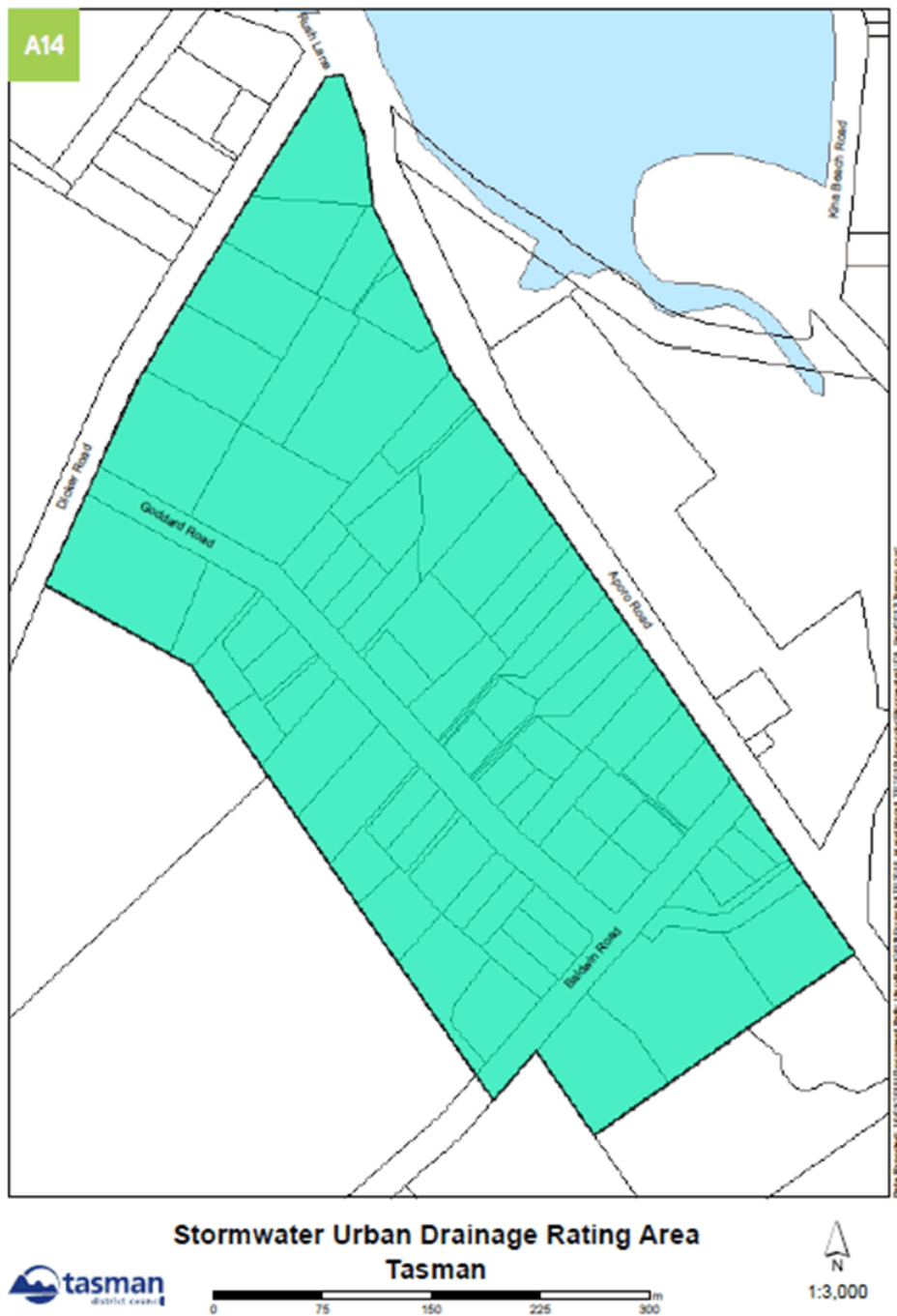
Stormwater Urban Drainage Rating Area
St Arnaud

tasman DISTRICT COUNCIL

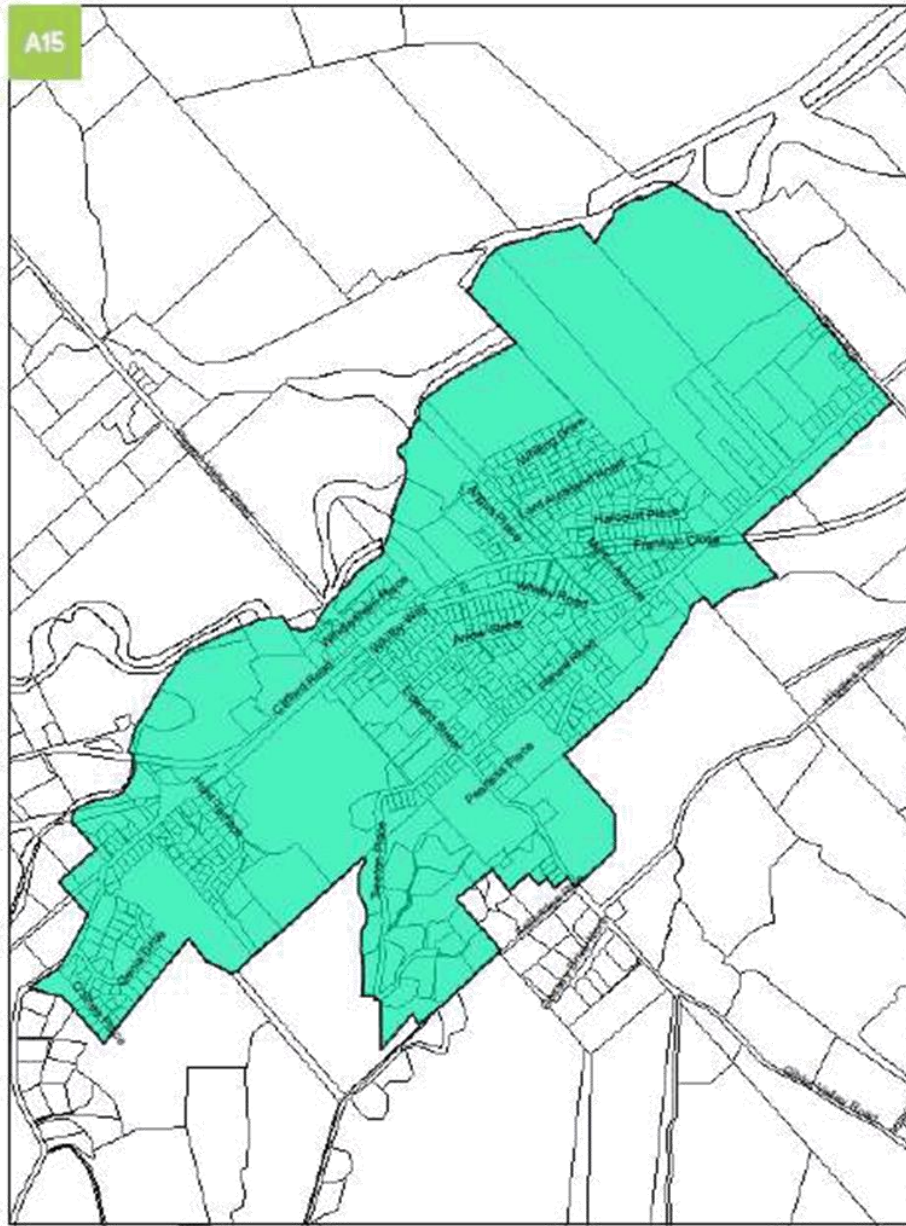
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RATING MAPS INDEX (CONT.)



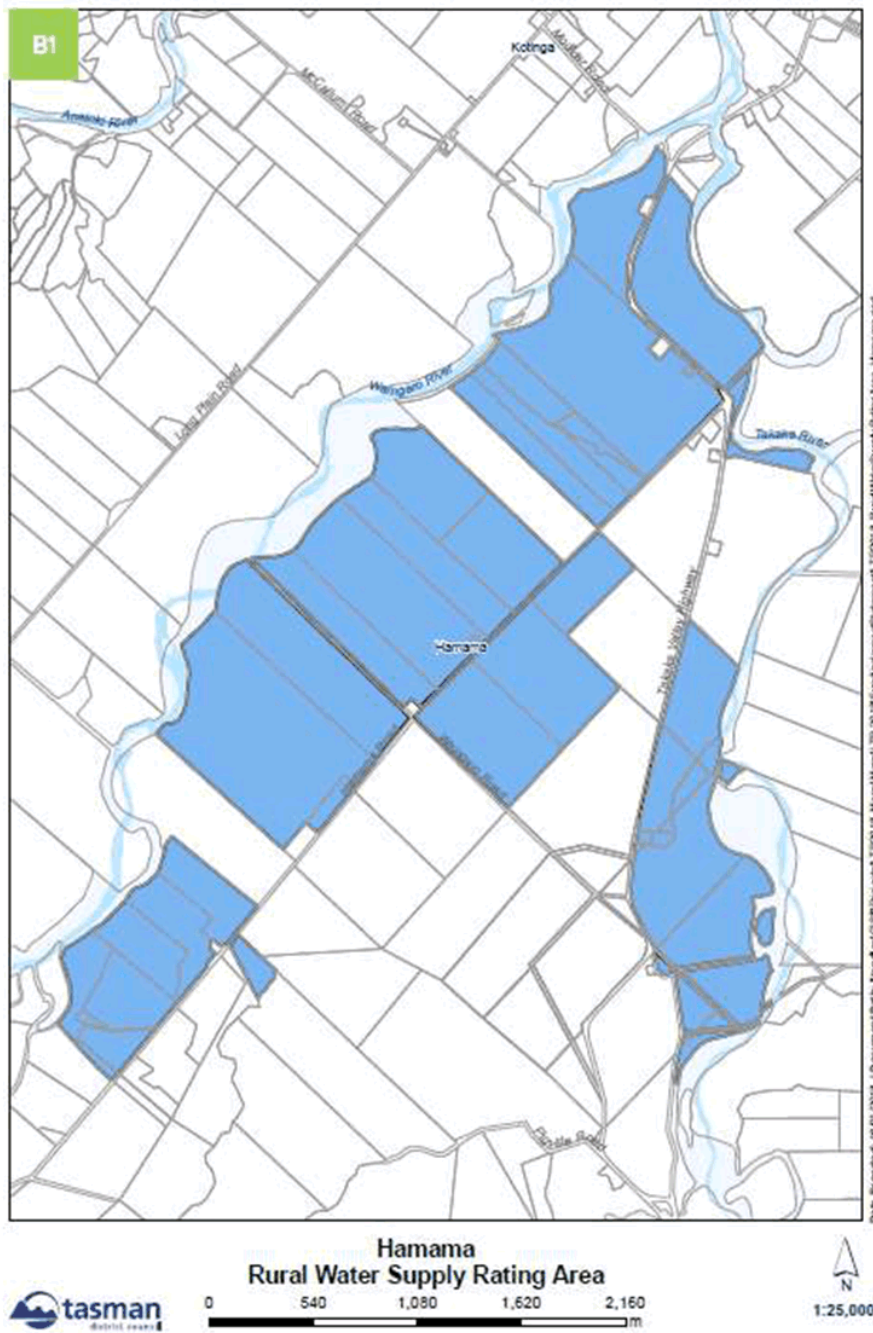
RATING MAPS INDEX (CONT)



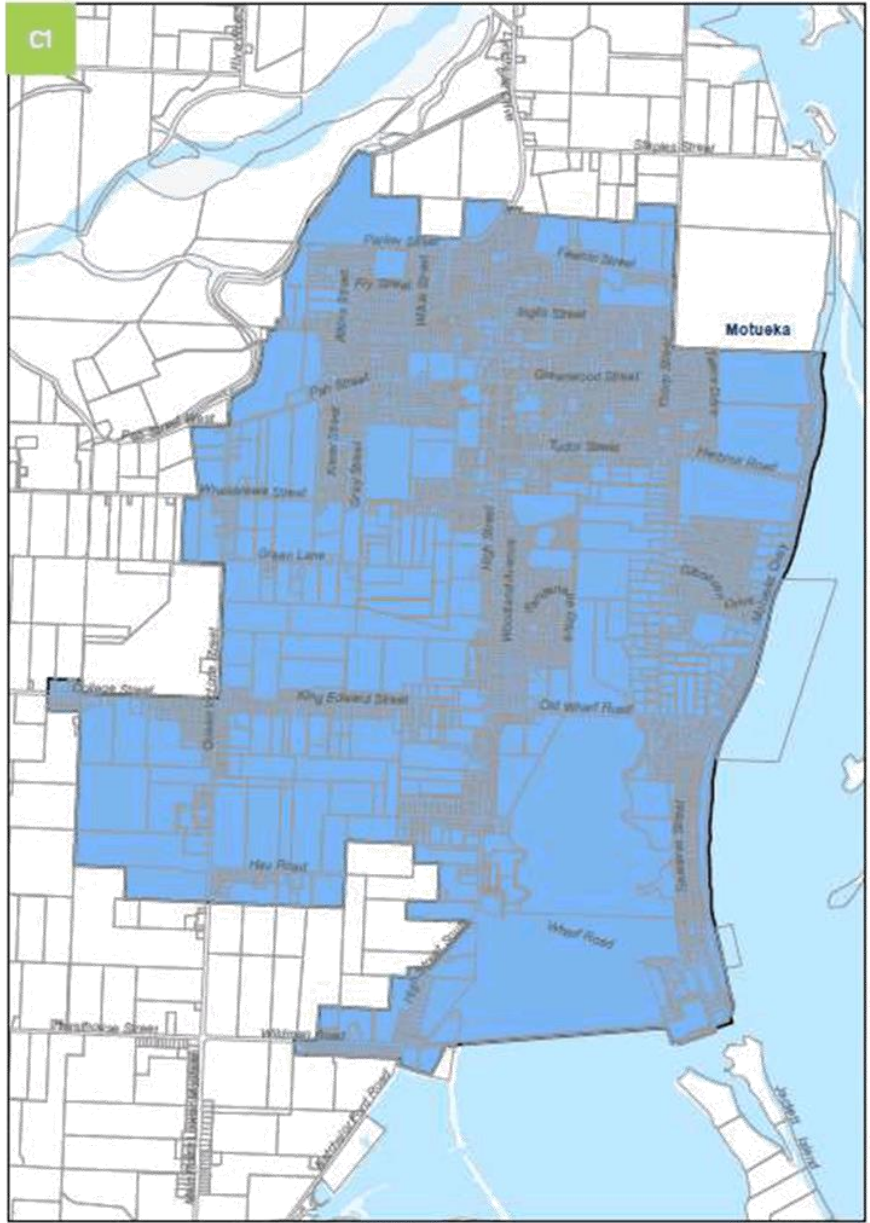
Stormwater Urban Drainage Rating Area
Wakefield



RATING MAPS INDEX (CONT.)



RATING MAPS INDEX (CONT)



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Motueka
Firefighting Water Supply Rating Area

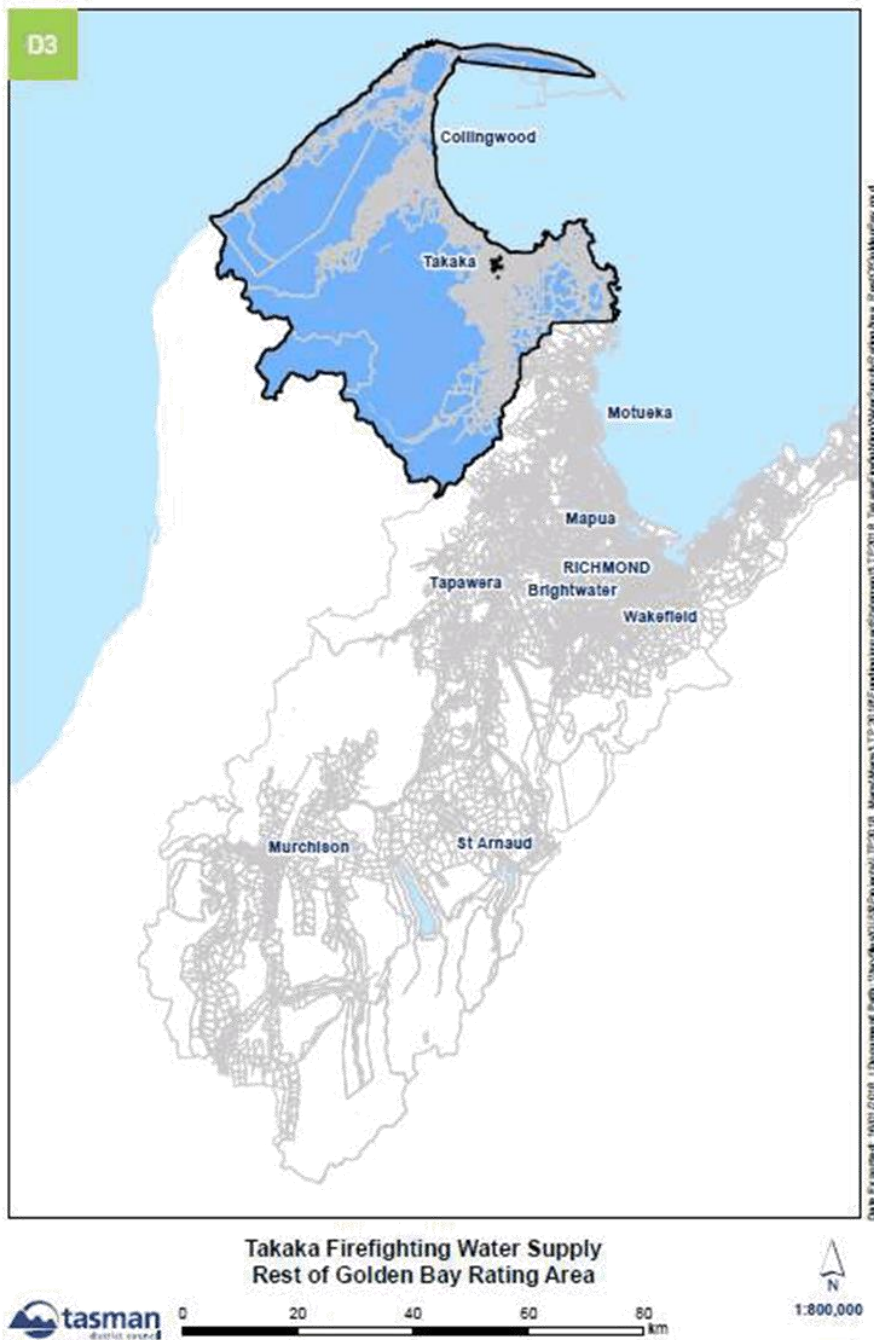
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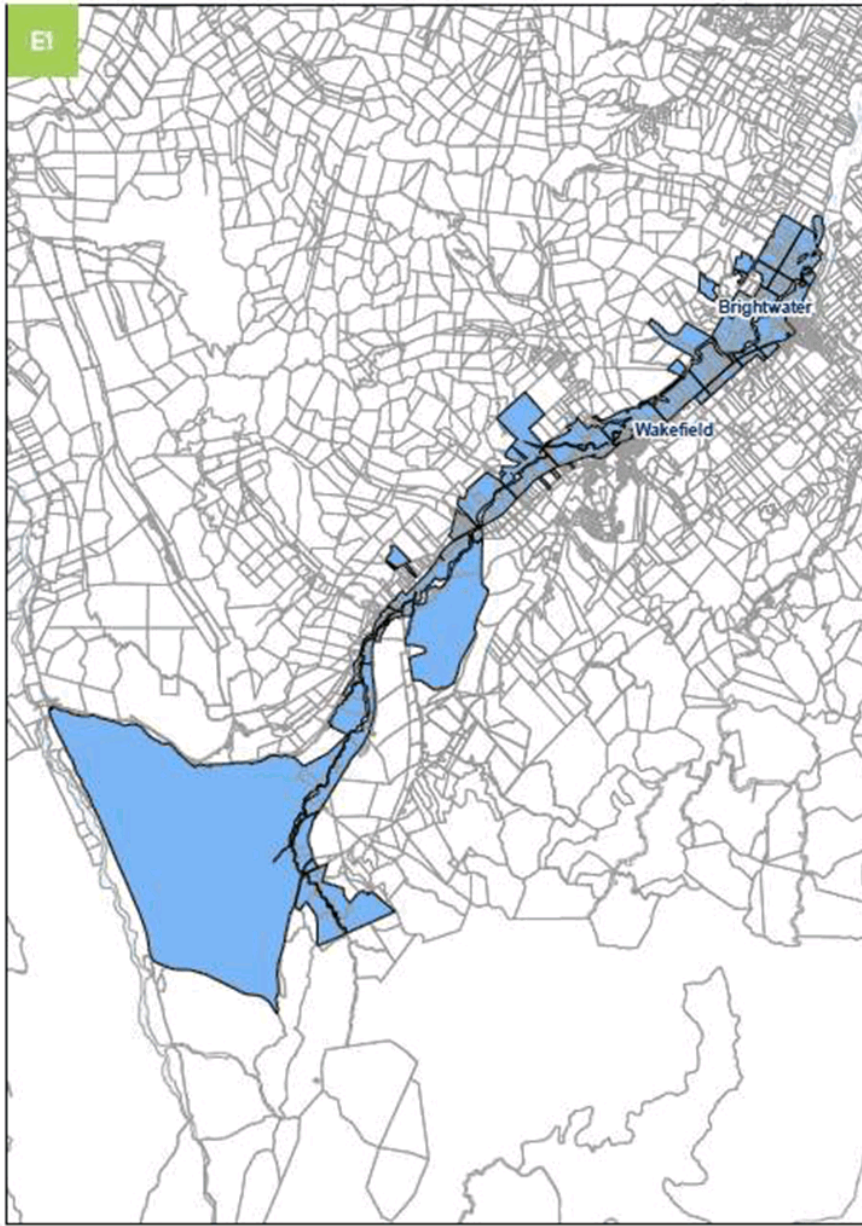
RATING MAPS INDEX (CONT)



RATING MAPS INDEX (CONT.)



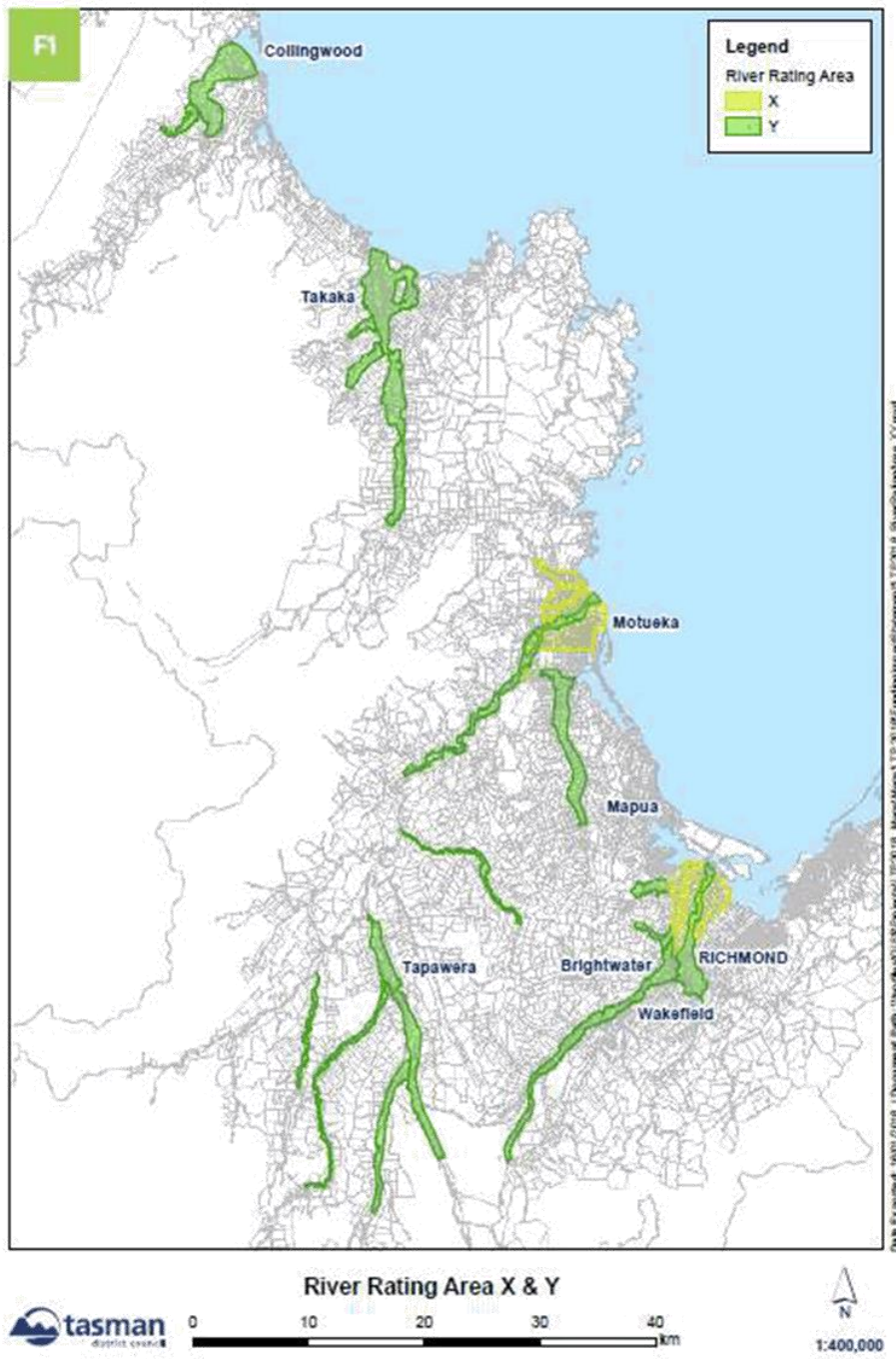
RATING MAPS INDEX (CONT.)



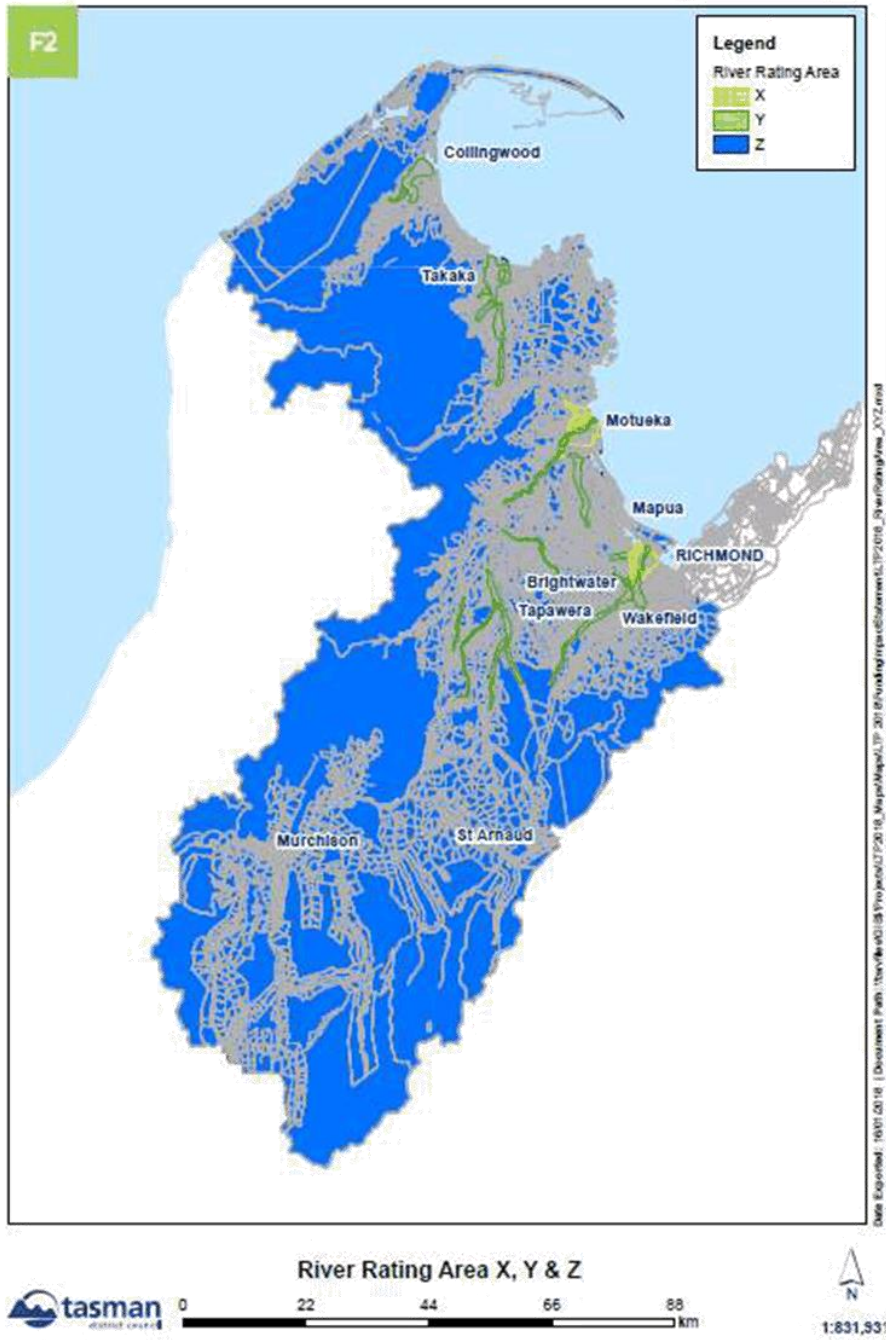
Wai-iti Dam Rating Area



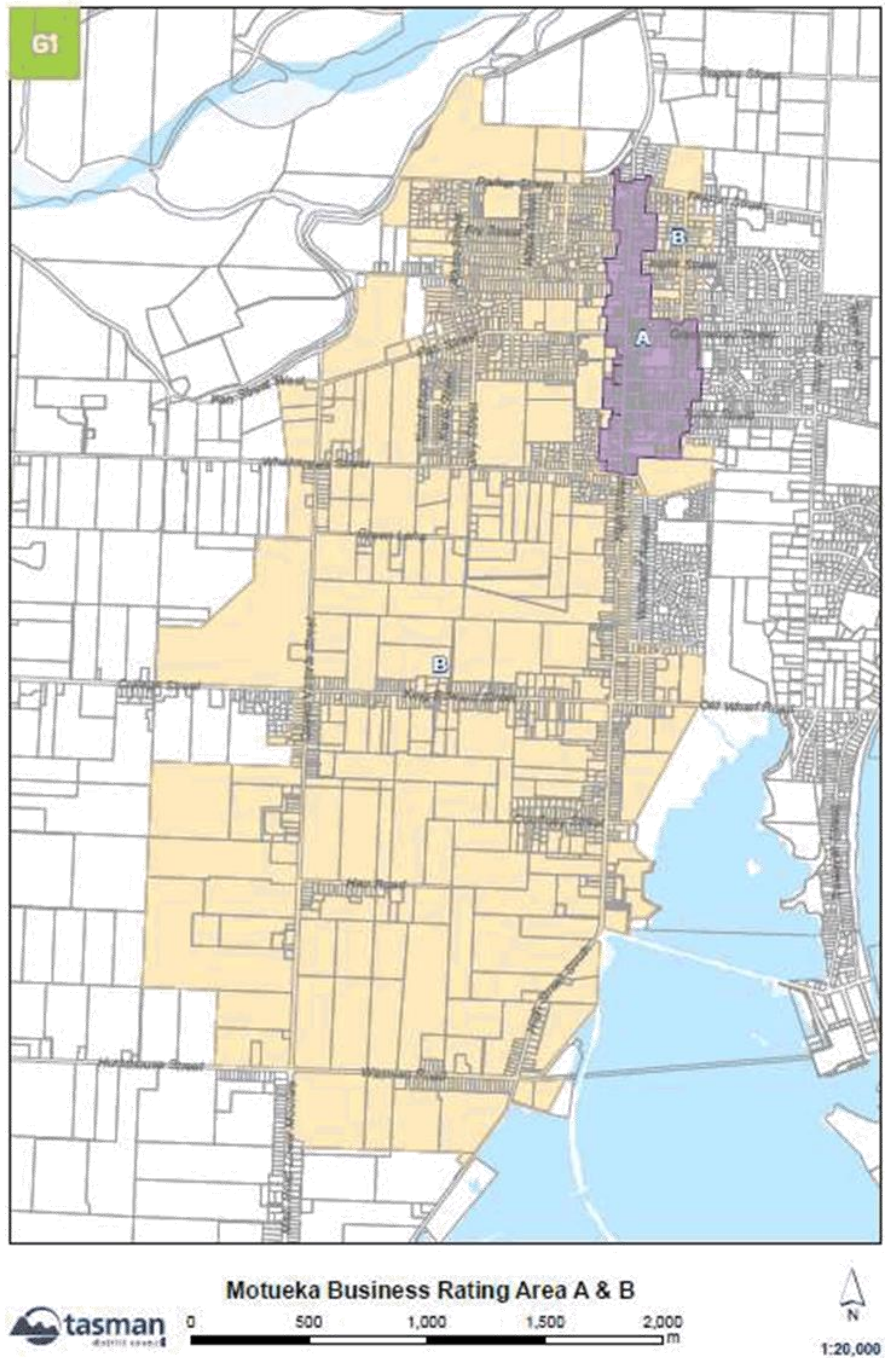
RATING MAPS INDEX (CONT.)



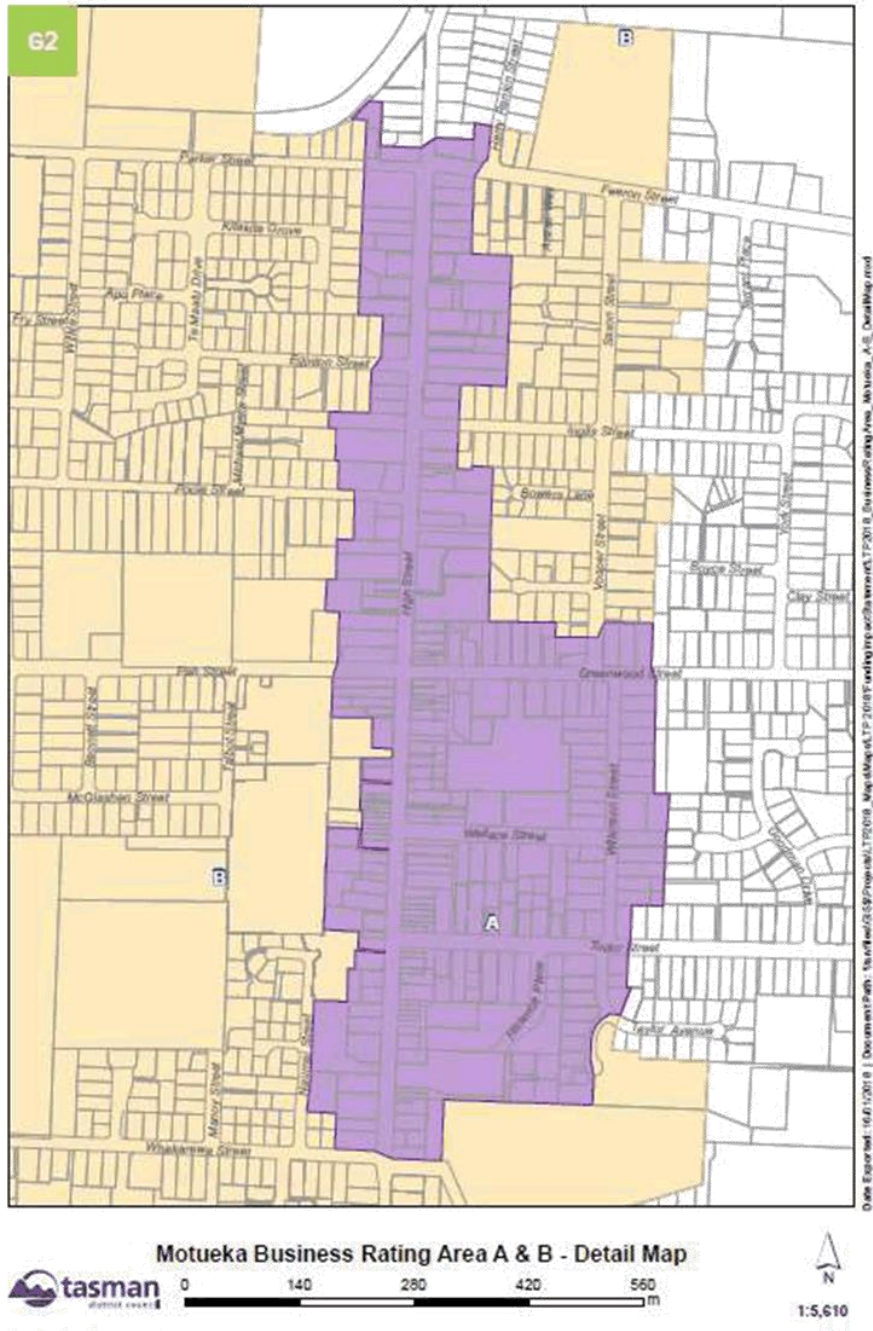
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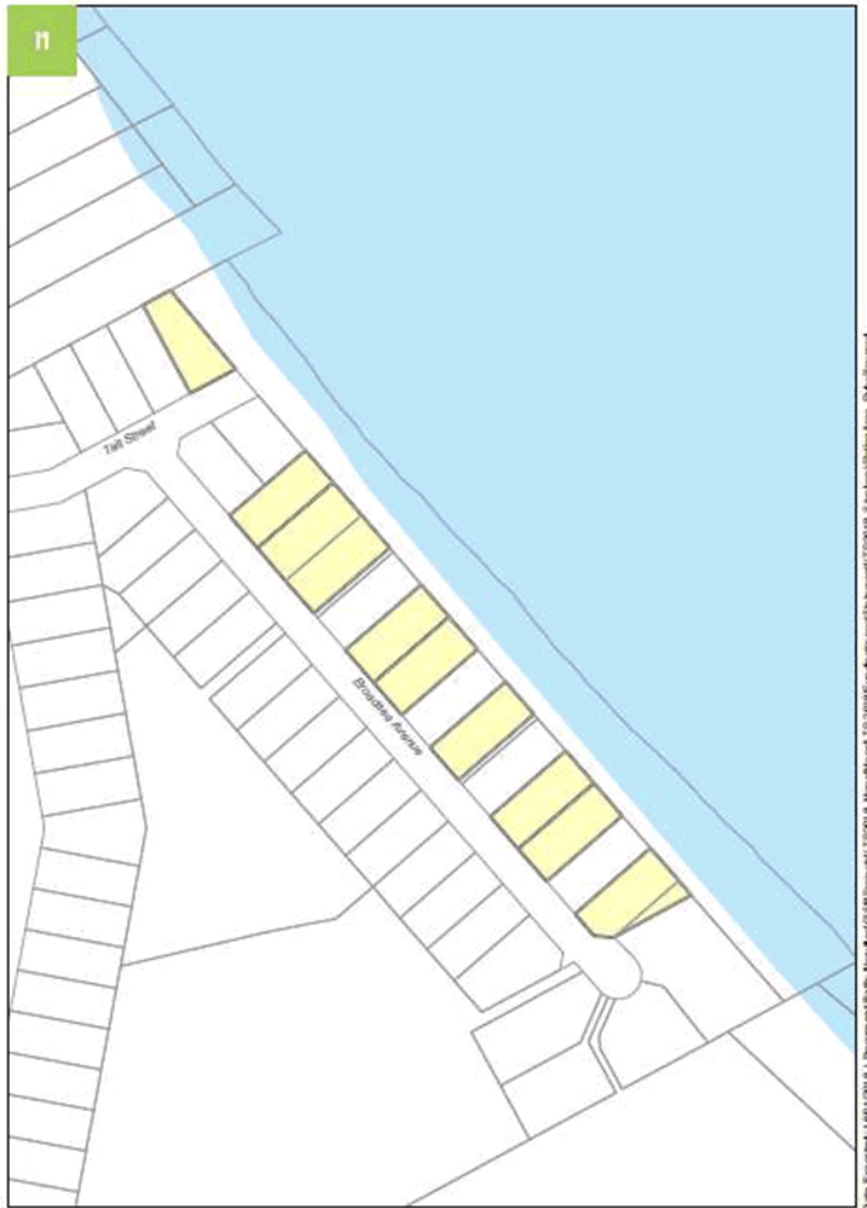
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RATING MAPS INDEX (CONT.)



RATING MAPS INDEX (CONT.)

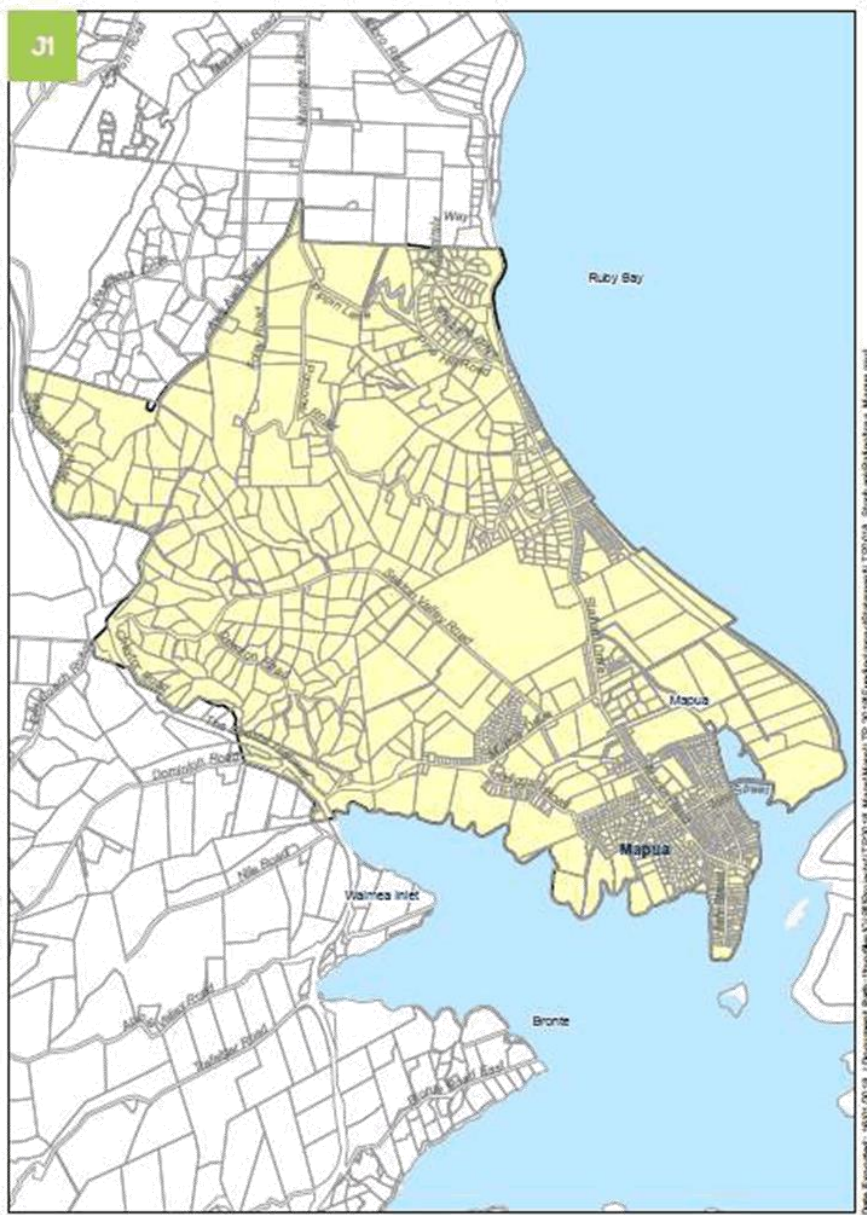


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Ruby Bay Stopbank Rating Area

RATING MAPS INDEX (CONT.)

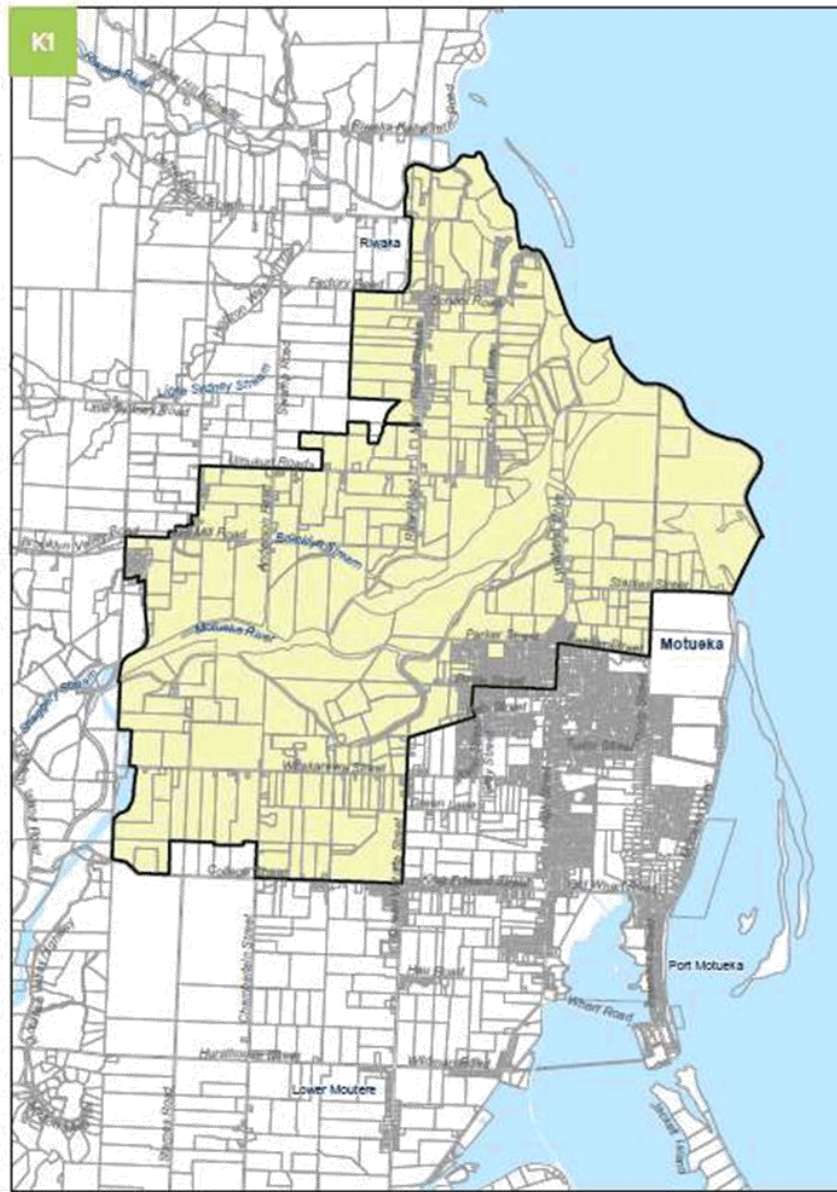


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Mapua Stopbank Rating Area

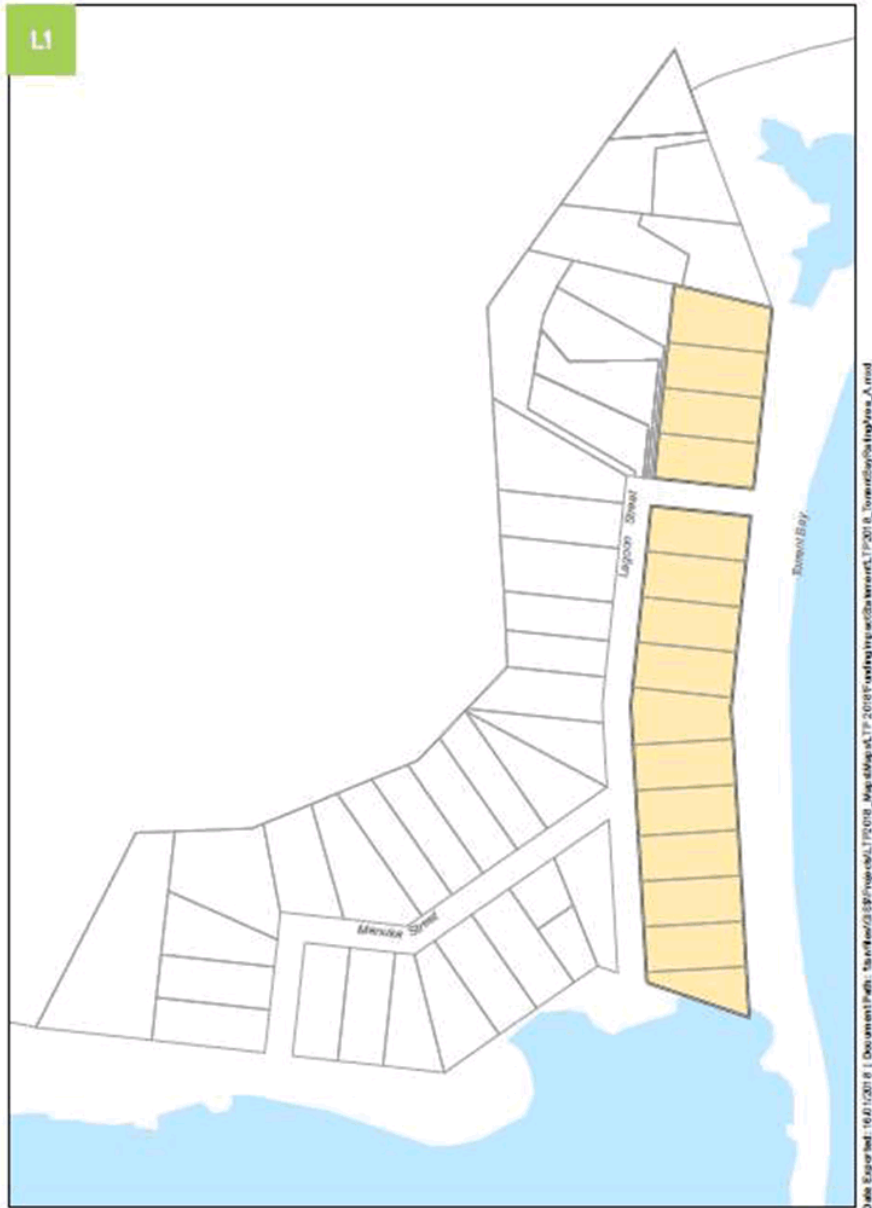


RATING MAPS INDEX (CONT.)



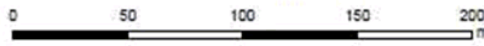
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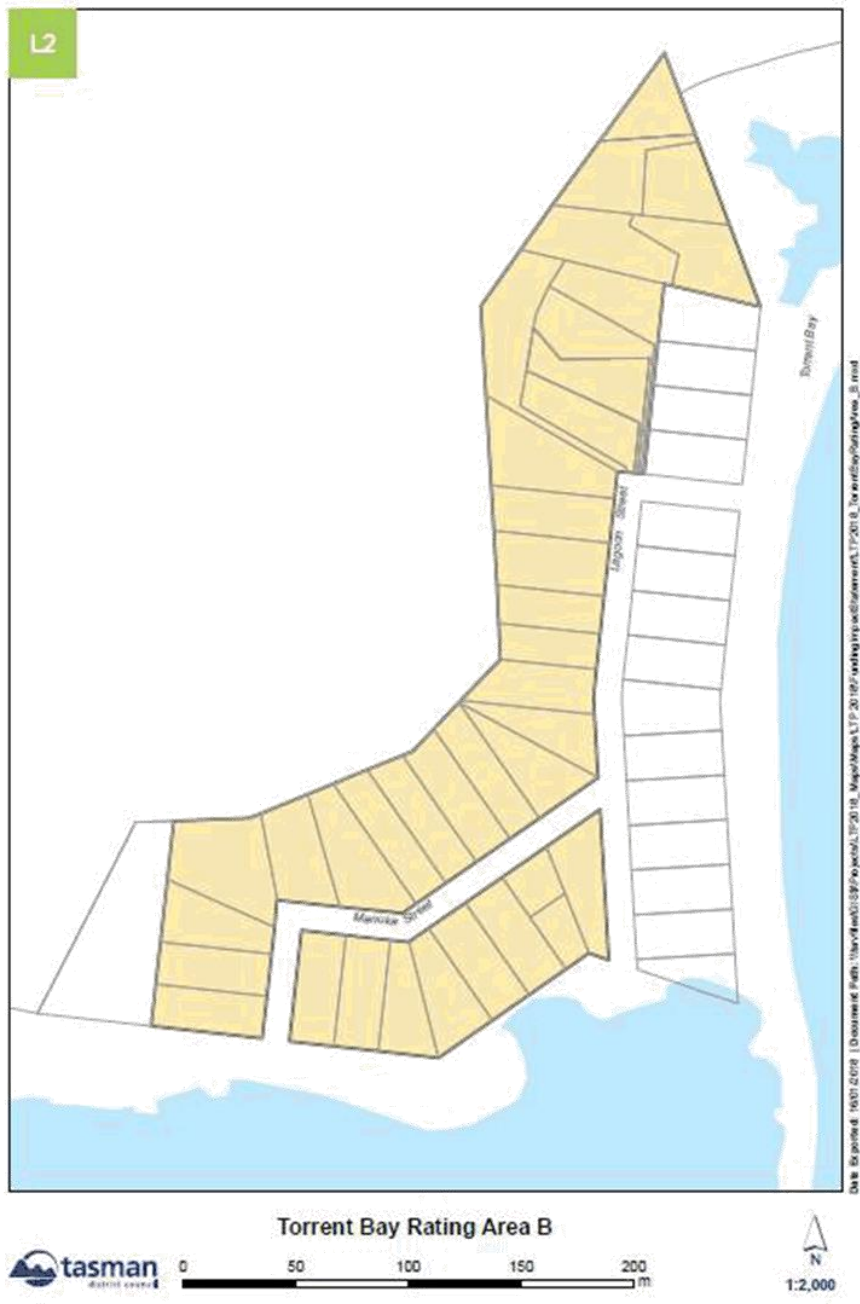


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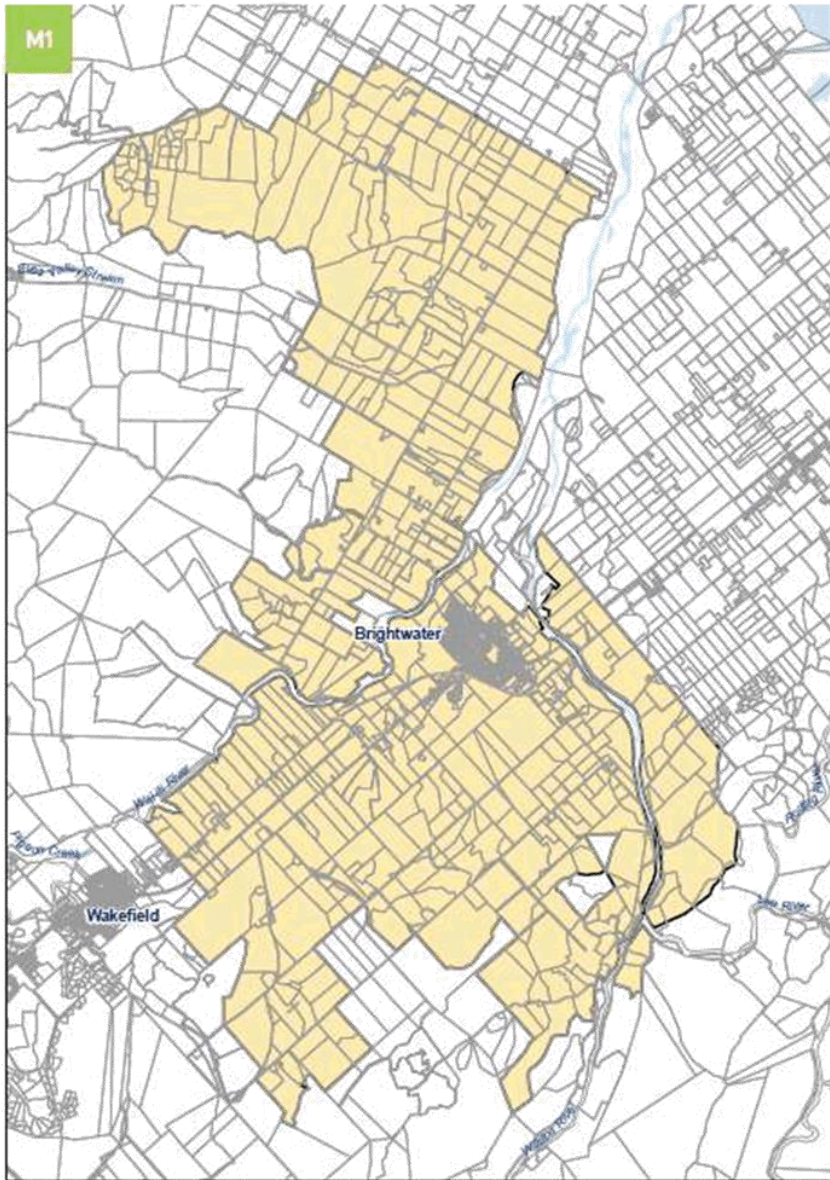
Torrent Bay Rating Area A



RATING MAPS INDEX (CONT.)



RATING MAPS INDEX (CONT.)



Refuse - Recycling Rating Area
Brightwater - Waimea



RATING MAPS INDEX (CONT.)

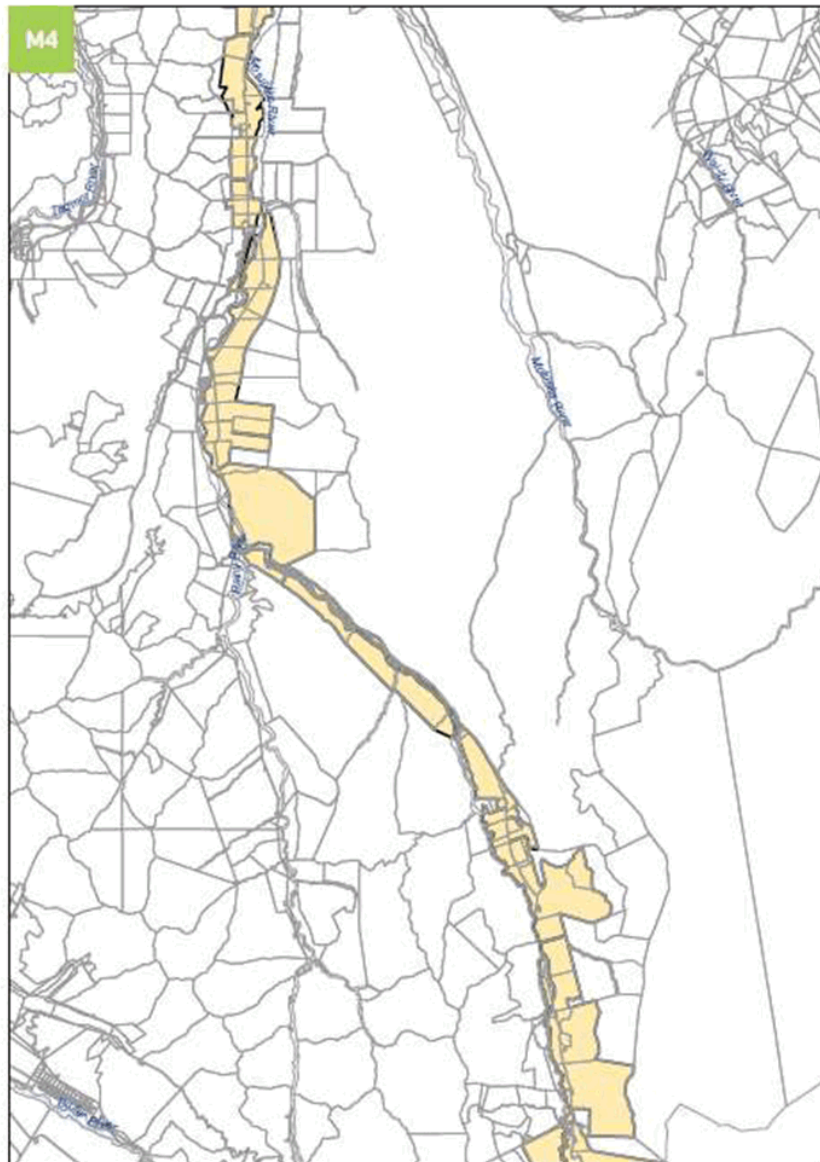


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Refuse - Recycling Rating Area
Collingwood



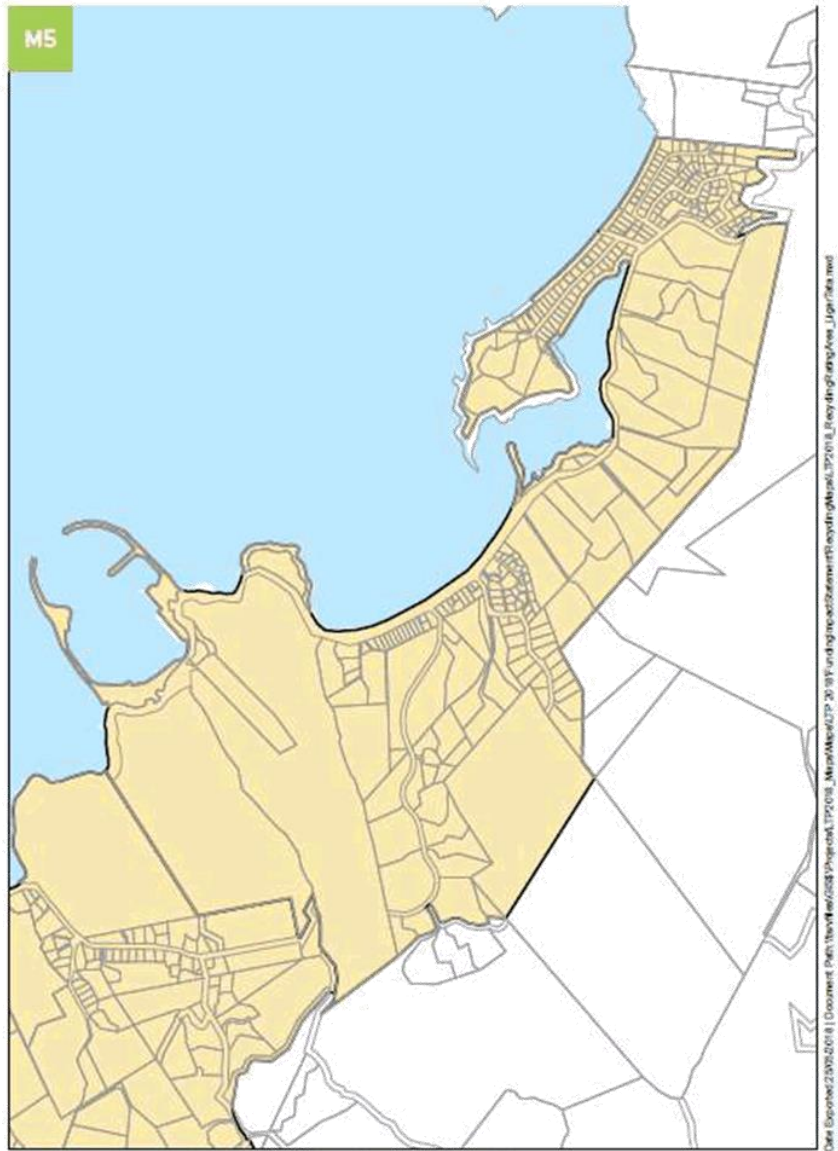
RATING MAPS INDEX (CONT.)



Refuse - Recycling Rating Area
Korere Tophouse



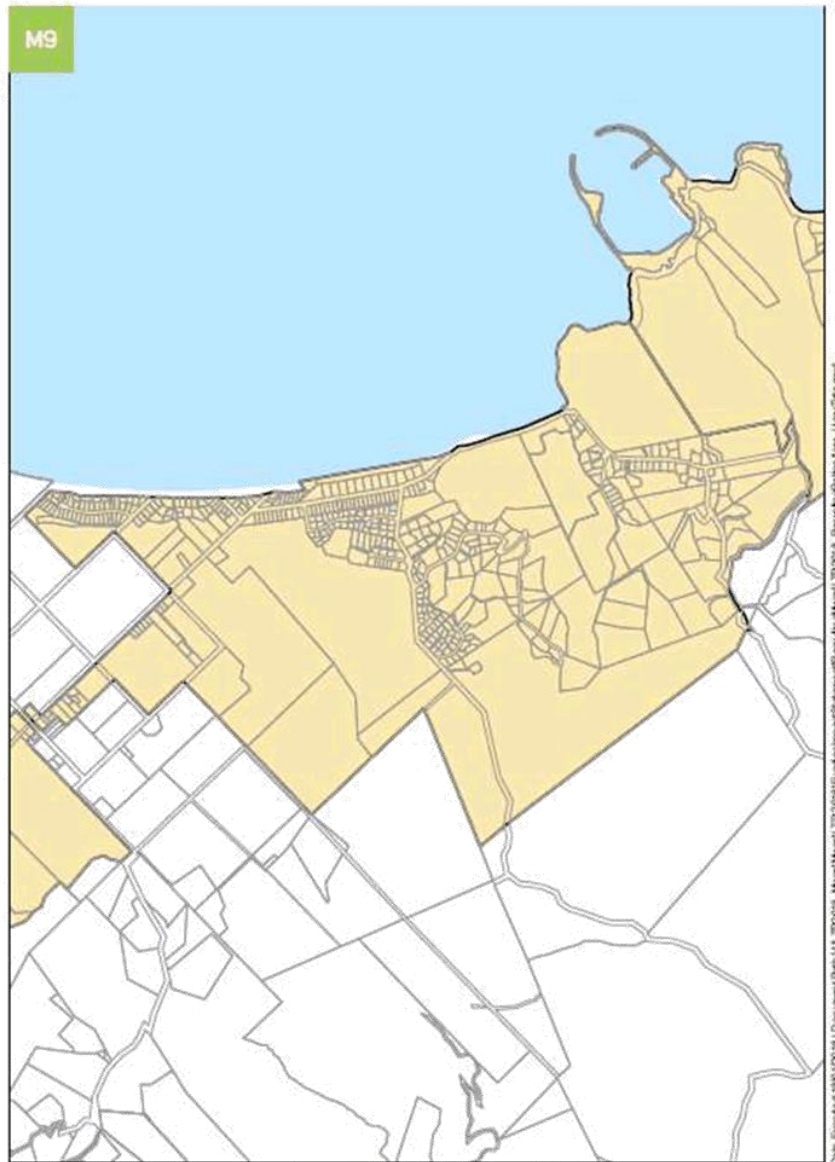
RATING MAPS INDEX (CONT.)



Refuse - Recycling Rating Area
Ligar Bay - Tata Beach



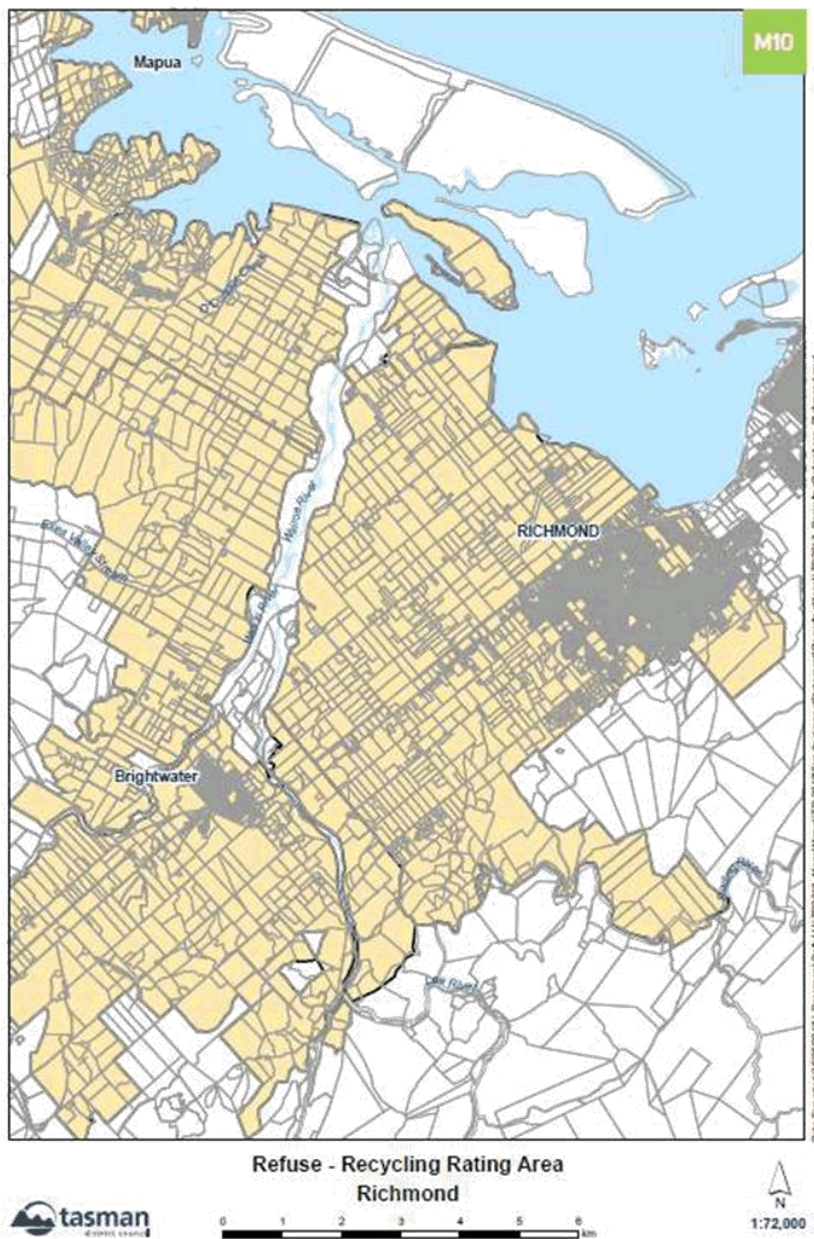
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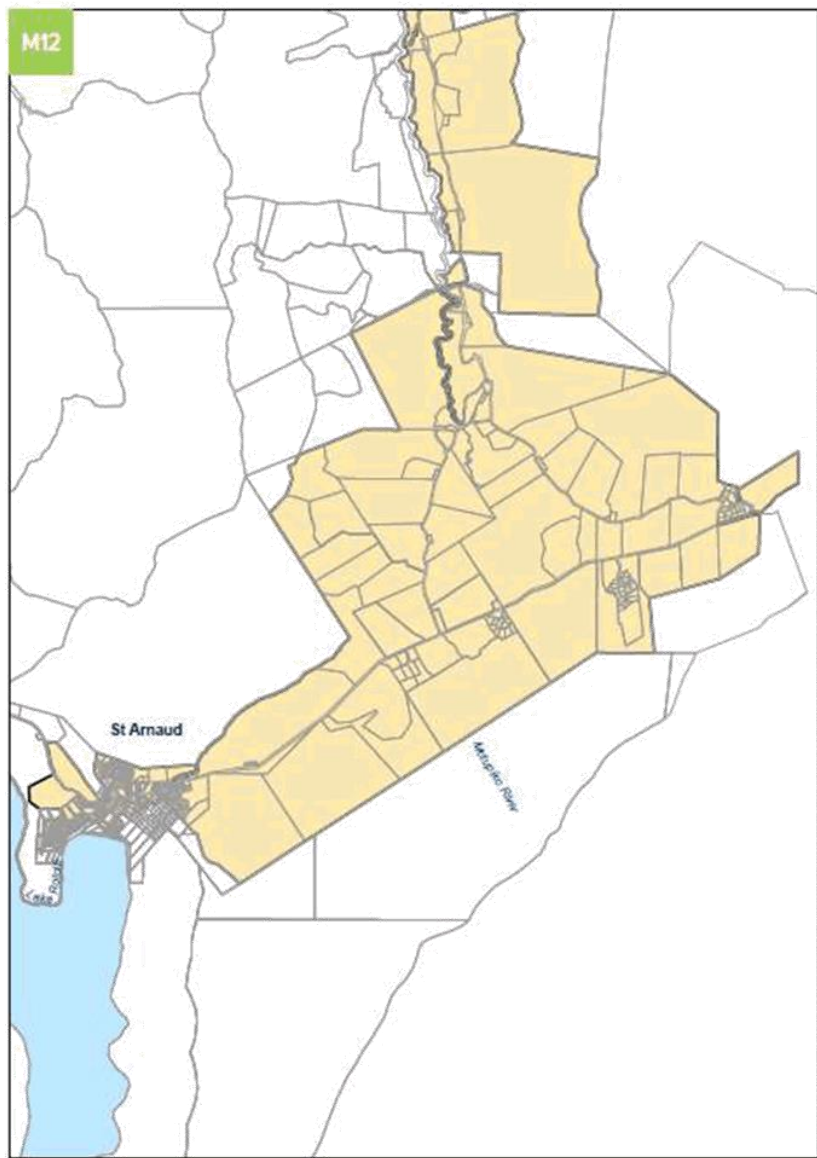
Refuse - Recycling Rating Area
Pohara



RATING MAPS INDEX (CONT.)



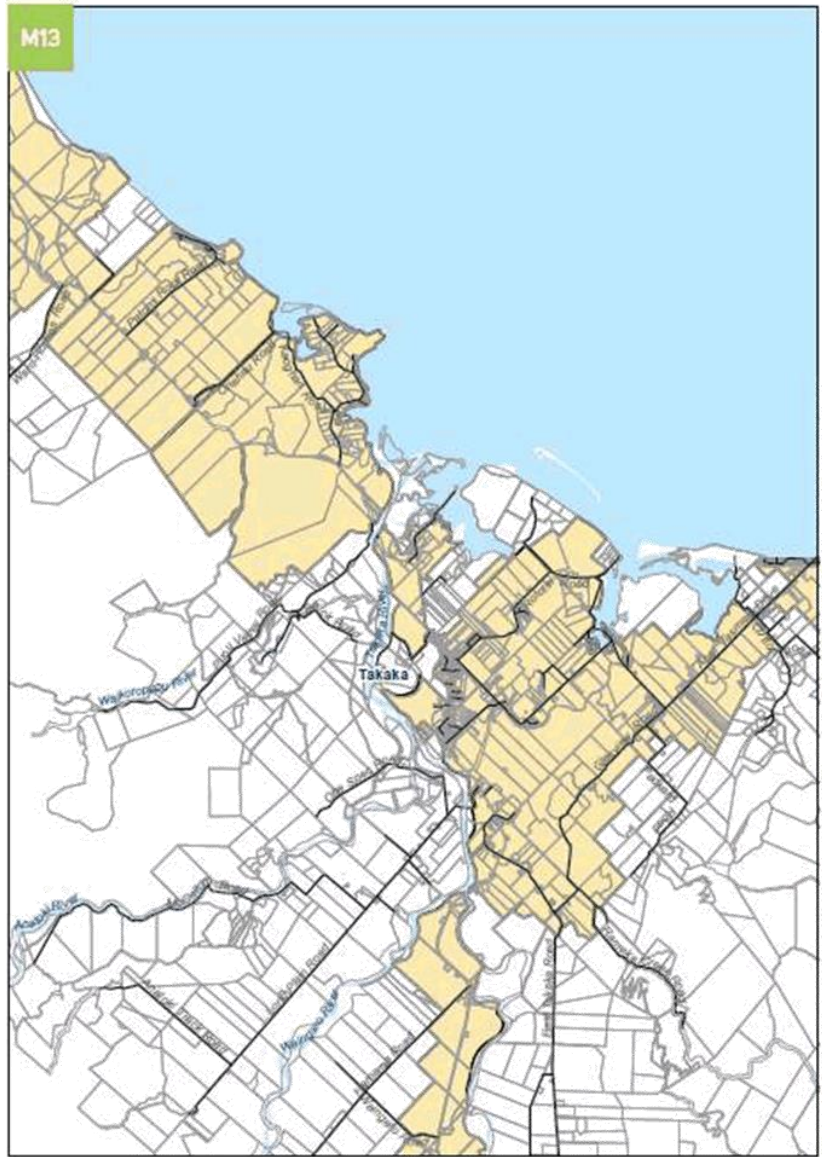
RATING MAPS INDEX (CONT.)



Refuse - Recycling Rating Area
St Arnaud



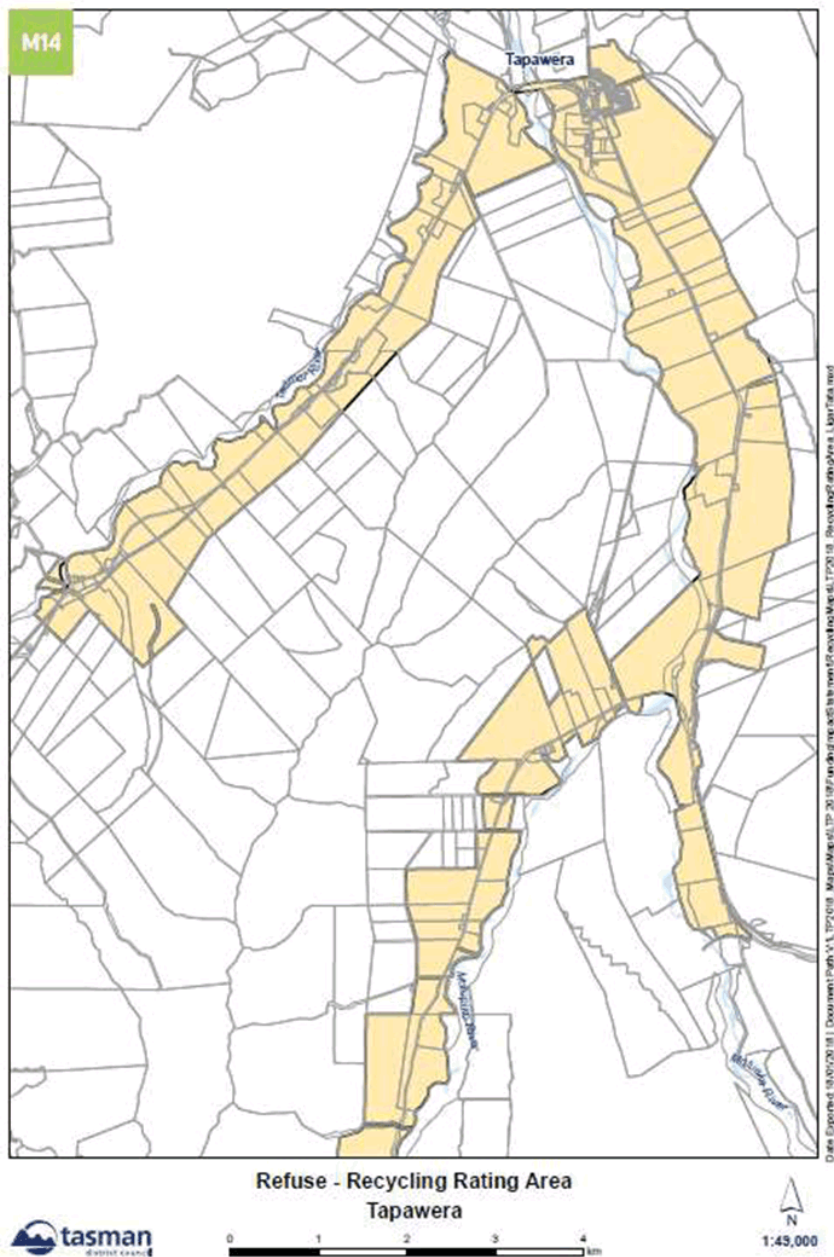
RATING MAPS INDEX (CONT.)



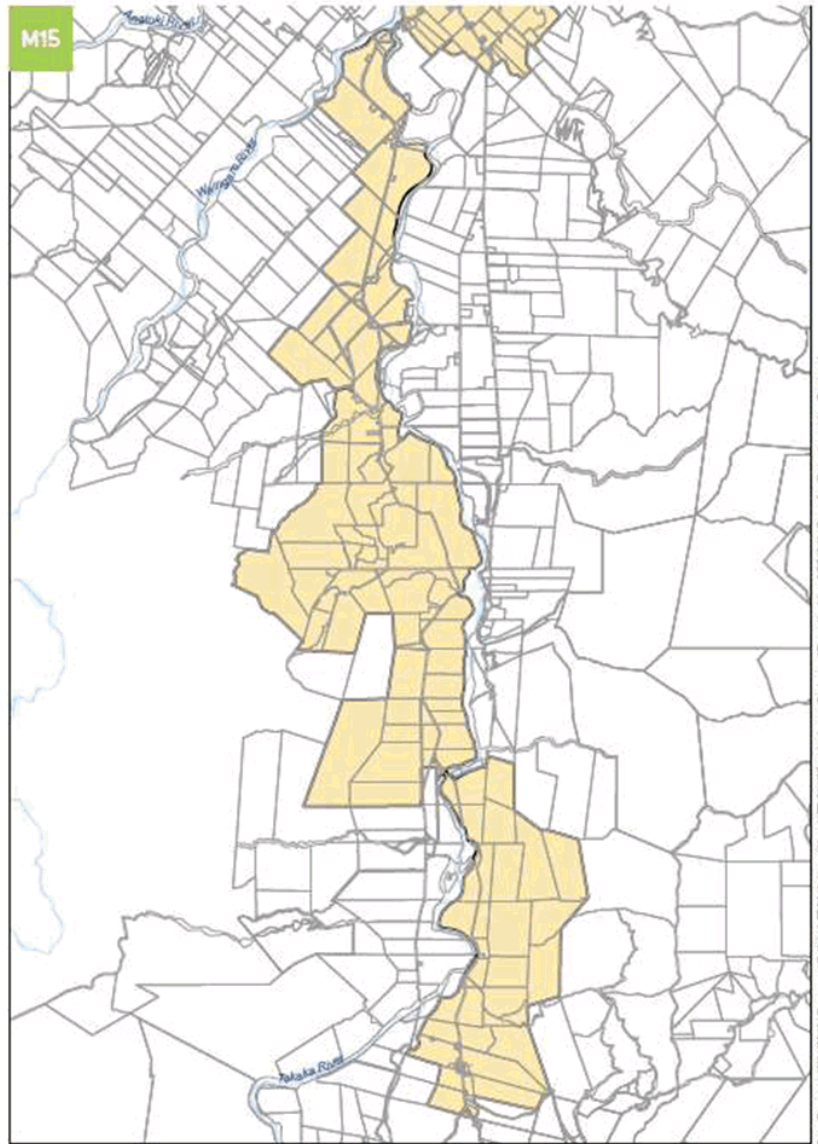
Refuse - Recycling Rating Area
Takaka



RATING MAPS INDEX (CONT.)



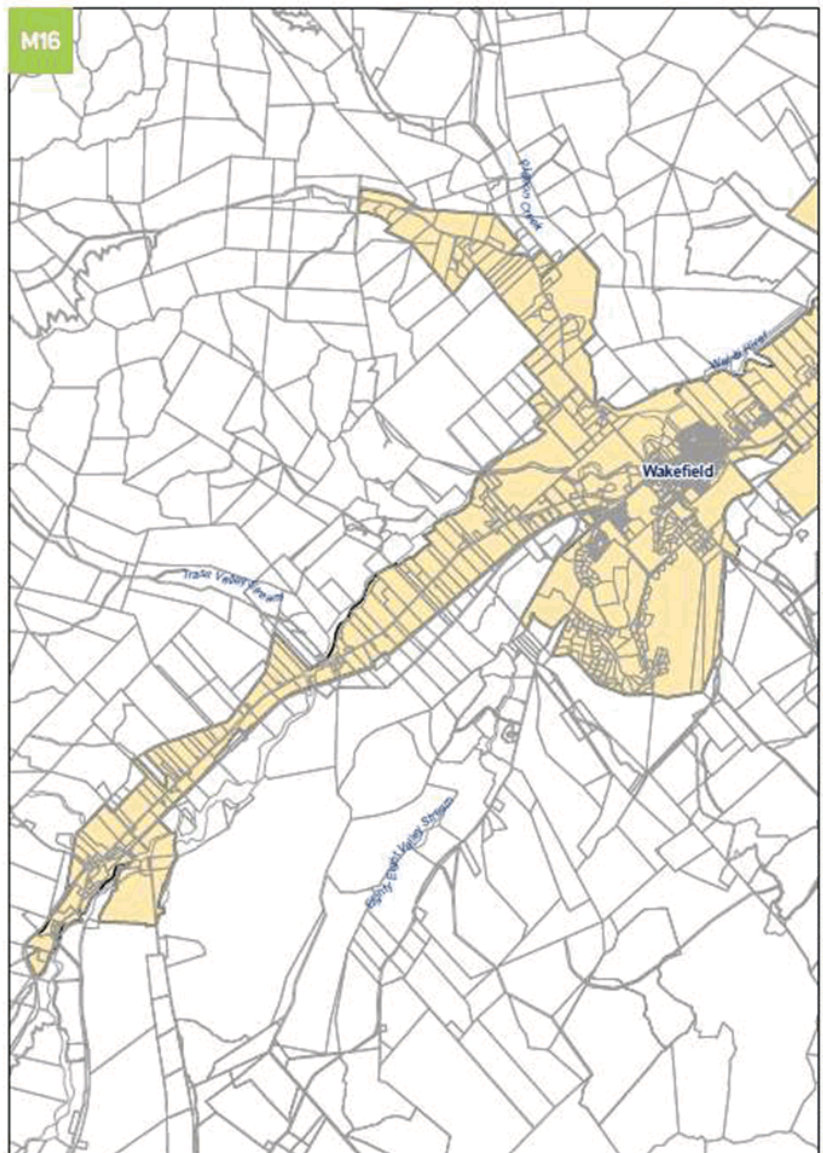
RATING MAPS INDEX (CONT.)



Refuse - Recycling Rating Area
Upper Takaka



RATING MAPS INDEX (CONT.)



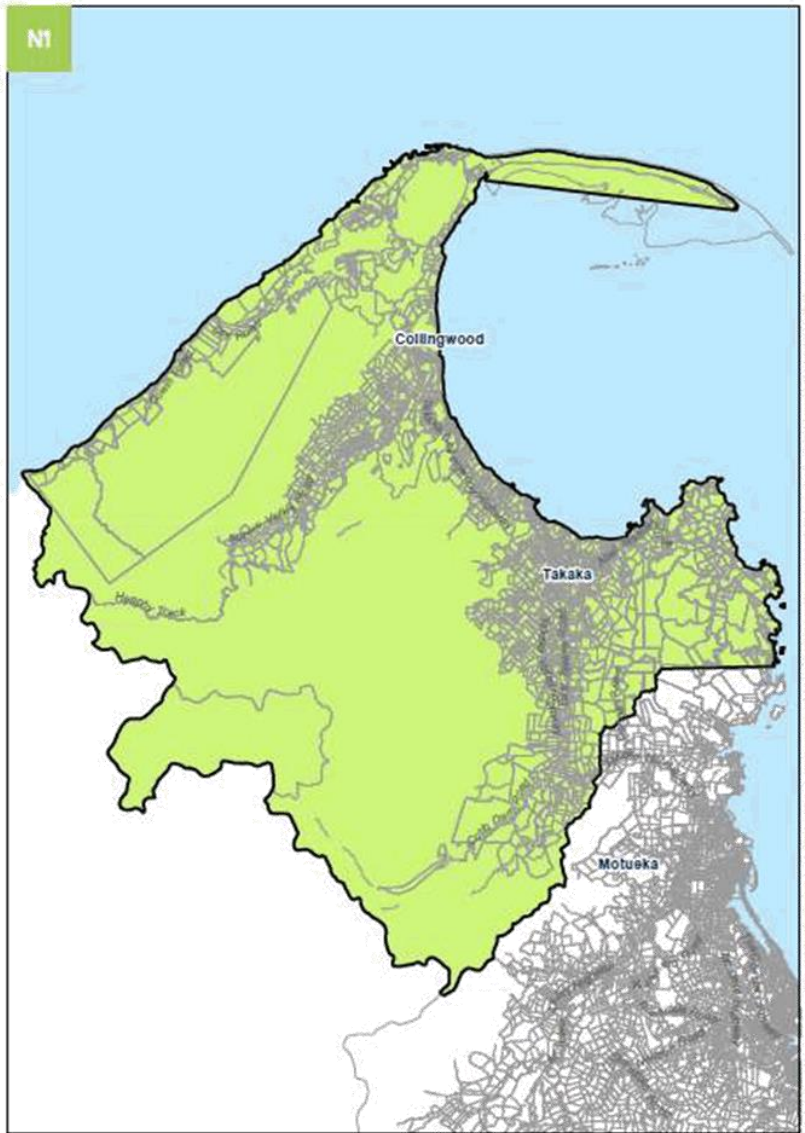
**Refuse - Recycling Rating Area
Wakefield**

tasman
DISTRICT COUNCIL

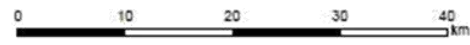
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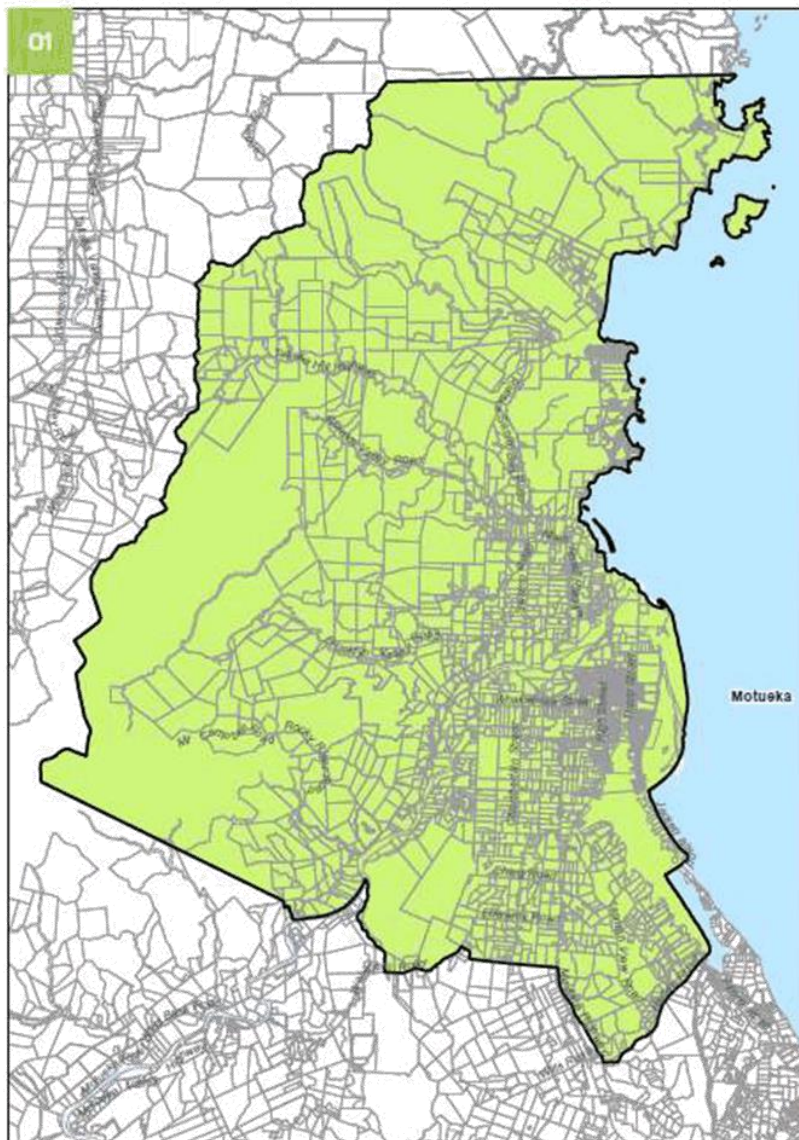
RATING MAPS INDEX (CONT.)



Golden Bay Community Board Rating Area



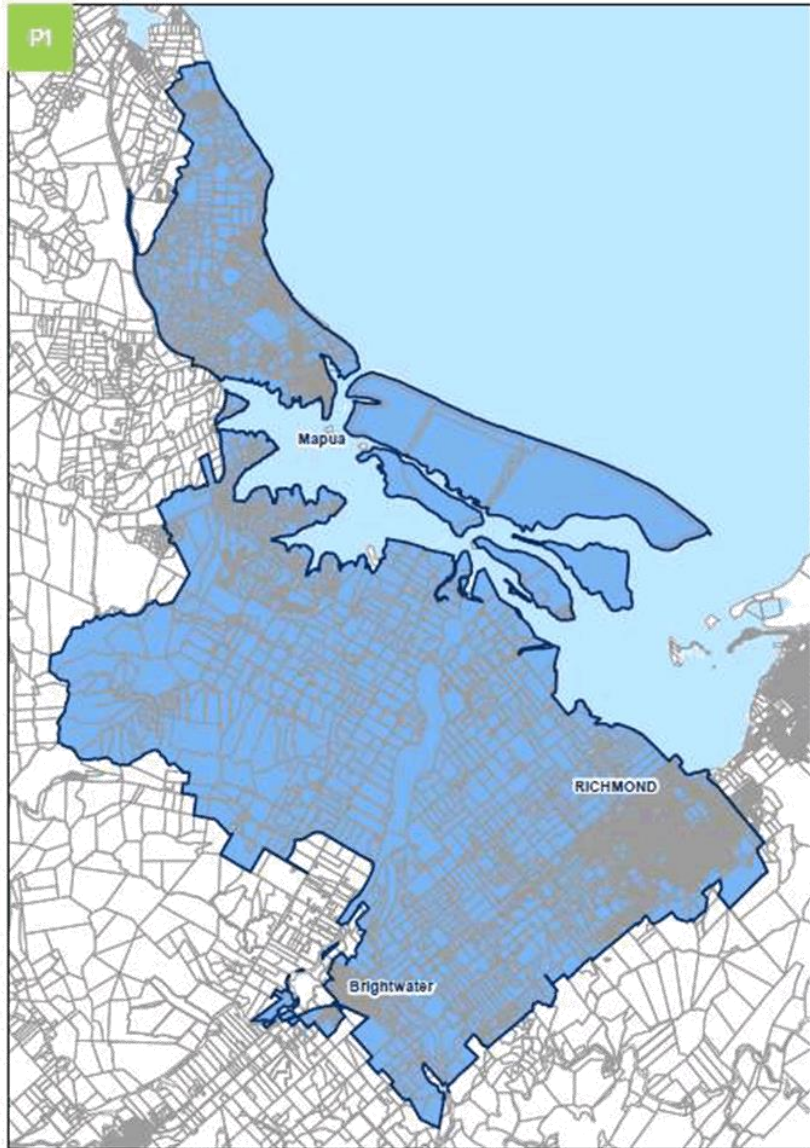
RATING MAPS INDEX (CONT.)



Motueka Community Board Rating Area






RATING MAPS INDEX (CONT.)



Date Exported: 27/05/2019 | Document Path: \\tasman\GIS\Projects\A\TP2019_Map\Map\TP2019_Map.mxd | TP2019_Map.mxd | Tasman District Council | 1:95,000

Waimea Community Dam Zone of Benefit Rating Area



1:95,000

APPENDIX ONE – GLOSSARY OF TERMS

To further assist readers of these financial statements, the following definitions of 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 the 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.

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.

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 and Annual 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 Council-Controlled Organisation is 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 the wearing out, consumption or loss of value of an asset over time.

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 ratepayers' properties.

Groups of Activities

Groups of Activities are the services, projects or goods produced by Council. These are 13 broad groups of all of Council's services and facilities, each with common elements. For example, Community Facilities and Parks is a group of activities and includes services such as Reserves, Libraries and Community Halls.

Income

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 Council will provide.

Long Term Plan

The Local Government Act 2002 requires Council to adopt a Long Term Plan (LTP). The Long Term Plan outlines Council's intentions over a 10 year period. The Long Term Plan requires extensive community consultation, the identification of community outcomes and priorities, and the establishment of monitoring and review mechanisms.

Network Infrastructure

See Infrastructure Assets.

Operating Costs

These expenses, which are included in the Prospective Income Statement, are the regular costs of providing ongoing services and include salaries, maintaining assets, depreciation and interest. The benefit of the cost is received entirely in the year of expenditure.

Solid Waste

Waste products of non-liquid or gaseous nature (for example, building materials, used-packaging, household rubbish).

Stormwater

Water that is discharged during rain and run-off from hard surfaces such as roads.

Targeted 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)

The 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.