

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

**Date:** Friday 18 December 2020  
**Time:** 10.00 am  
**Meeting Room:** Tasman Council Chamber  
**Venue:** 189 Queen Street  
Richmond

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## **Full Council**

# **ATTACHMENTS**

### **ATTACHMENTS UNDER SEPARATE COVER**

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<b>ITEM</b>	<b>PAGE</b>
Tasman District Council Annual Report 2019-2020	2
Tasman District Council Annual Report Summary 2019-2020	206



TASMAN DISTRICT COUNCIL

# ANNUAL REPORT 2020

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

*Attached as at 15 December 2020*

# Contents

A MESSAGE FROM OUR MAYOR AND CHIEF EXECUTIVE OFFICER .....	4
OUR COUNCIL MEMBERS.....	6
PART ONE: OVERVIEW .....	7
2019/2020: A YEAR IN REVIEW .....	8
OUR NON-FINANCIAL PERFORMANCE AT A GLANCE .....	17
KEY FINANCIAL INFORMATION .....	19
PART TWO: COUNCIL VISION AND COMMUNITY OUTCOMES .....	24
VISION AND MISSION STATEMENT .....	25
COMMUNITY OUTCOMES.....	25
PART THREE: ROLES, COMPLIANCE AND AUDIT STATEMENT .....	26
THE ROLE OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS .....	27
STATEMENT OF COMPLIANCE AND RESPONSIBILITY.....	28
HOW THE ANNUAL REPORT FITS INTO COUNCIL’S OVERALL PLANNING FRAMEWORK .....	29
INDEPENDENT AUDITOR’S REPORT .....	30
PART FOUR: FINANCIAL AND NON-FINANCIAL PERFORMANCE.....	35
STATEMENTS OF OBJECTIVES AND SERVICE PERFORMANCE.....	36
ENVIRONMENT AND PLANNING .....	39
ENVIRONMENTAL MANAGEMENT.....	39
PUBLIC HEALTH AND SAFETY .....	51
ENGINEERING.....	57
TRANSPORTATION, ROADS AND FOOTPATHS .....	57
COASTAL STRUCTURES.....	65
WATER SUPPLY.....	68
WASTEWATER.....	76
STORMWATER.....	82
SOLID WASTE .....	87
FLOOD PROTECTION AND RIVER CONTROL WORKS.....	95
COMMUNITY DEVELOPMENT .....	99
GOVERNANCE .....	110
COUNCIL ENTERPRISES .....	113
SUPPORT SERVICES .....	118
APPENDICES .....	122
APPENDIX ONE: APPLICATIONS PROCESS.....	123
APPENDIX TWO: COUNCIL’S COMMITTEES, RESPONSIBILITIES AND PORTFOLIOS .....	125
APPENDIX THREE: COMMUNITY BOARDS.....	130
APPENDIX FOUR: MANAGEMENT STAFF .....	131

APPENDIX FIVE: GLOSSARY OF TERMS..... 132  
DIRECTORY ..... 136

# A MESSAGE FROM OUR MAYOR AND CHIEF EXECUTIVE OFFICER

## Welcome to Council's Annual Report for the 2019/2020 year

The 2019/2020 year was one of change and challenges. The triennial election held in October saw a change in Mayor, and five new Councillors. The Council then faced the unprecedented challenges as a result of the Covid-19 pandemic and alert level restrictions. We are pleased to report that we were able to maintain essential infrastructure and community services during the lockdown phase, while adjusting to having most of our staff working from home.

We are grateful to all of those who responded to the pandemic, including iwi, community groups, Nelson City Council, and other organisations, including central government. Once again, our community came together to support each other, and to play their part to halt the spread of Covid-19.

In response to the economic pressures on parts of our community, the Council provided rent relief for some commercial tenants, reduced registration fees for campgrounds and commercial vessels, and increased the frequency of payments to our local suppliers. The Council also set a zero percent rates revenue increase for 2020/2021.

Despite these challenging times, the Council has managed to make progress on a number of key projects across the District, which were identified for 2019/2020, Year 2 of the Long Term Plan (LTP) 2018-2028. Many of these are significant multi-year projects, including the Waimea Community Dam, Motueka Library, Brightwater Town Centre Upgrade, a new water supply for north-west Motueka, and water supply and wastewater upgrades in Māpua.

There have been significant infrastructure projects to support the rapid growth in Richmond, including a new water main through Richmond south and west, and the widening of Bateup Road, which included upgrading underground services at the same time. We have worked collaboratively with developers on stormwater channel improvements at Poutama Drain and Borck Creek to achieve efficiencies and cost savings for all parties.

Several important infrastructure upgrades were completed, including the Headingly Lane trunk water main in Richmond, a watermain renewal in Wakefield, a new wastewater pump station in Pōhara and a stormwater upgrade in Collingwood. The Gardner Valley Road/Moutere Highway and Lower Queen Street/McShane Road intersections were upgraded and the first stage of upgrading Tākaka's Resource Recovery Centre was also completed. We also made progress on flood mitigation works for Ned's Creek in Murchison.

We also celebrated the completion of several exciting new recreation projects, including the Tākaka to Pōhara cycleway, a beautiful new entrance for Te Maatu/Thorp Bush in Motueka and new playgrounds in Mārahau and Tākaka. We made further improvements to the facilities at Saxton Field, including a new junior mountain bike track. New toilets were installed in Richmond, Alexander Bluff and St Arnaud.

The Council has also continued to take a long-term view, particularly in terms of the Tasman environment and climate change. The Council adopted the Tasman Climate Action Plan, setting itself new goals, targets and actions. We also embarked on a complete review of its resource management plans, to guide planning for growth, climate change and natural hazards, and how natural resources are managed.

During 2019/2020, the Council also adopted several other strategic plans, such as the Future Development Strategy and the Joint Waste Management and Minimisation Plan, both in conjunction with Nelson City Council.

The Council and iwi of Te Tau Ihu have continued to engage in a more meaningful and collaborative manner supported by our Kaihautū, Te Waari Carkeek, and our two Kaumātua (Matua Harvey Ruru and Whaea Jane du Feu) who were all welcomed to the Council late last year. Throughout the year Council and local iwi have worked together closely on several projects and iwi were at the heart of the Civil Defence response during lockdown. The Council has also started to develop a bilingual identity, adopting an official te reo Māori name, Te Kaunihera o te tai o Aorere.

The projects outlined here are a reflection of the diverse range of activities that we undertake to help ensure Tasman has a healthy environment, strong economy and a vibrant community. Many of our projects take a collaborative approach with other organisations, particularly local iwi, neighbouring councils, government agencies and community groups. The strength of these relationships is a taonga of our District. In line with the purpose of local government, many of these projects also aim to enhance social, economic, environmental and cultural outcomes.

Looking forward to 2020/2021, while there is still a high level of uncertainty, Tasman is well placed for recovery. Project Kōkiri – the Nelson Tasman Economic Response and Recovery Plan was released in June 2020 and aims to stimulate the economy, protect and create new jobs and accelerate investment into the region. The Council has also developed a fast-track capital works programme which will provide the community services we need, while at the same time boosting the local economy.

We would like to thank the community, Councillors, Community Board members, staff, iwi, volunteers and contractors for their contributions throughout the year to support the vibrant place we live in. Your support ensures that we continue to enjoy the Tasman District from the mountains to the sea (ki uta ki tai), as a beautiful place to live.

**Tim King**  
Mayor

**Janine Dowding**  
Chief Executive Officer

“He rau ringa e oti au”

“With many hands the work will be done”

# OUR COUNCIL MEMBERS

## OUR COUNCIL MEMBERS

Tasman Mayor



Mayor, Tim King

Motueka Ward



Cr David Ogilvie



Cr Trindi Walker



Cr Barry Dowler

Richmond Ward



Cr Mark Greening



Cr Kit Malling



Cr Trevor Tuffnell



Cr Dana Wensley

Moutere/Waimea Ward



Cr Christeen Mackenzie



Cr Dean McNamara



Cr Anne Turley

Golden Bay Ward



Cr Celia Butler



Cr Chris Hill

Lakes/Murchison Ward



Cr Stuart Bryant

# PART ONE: OVERVIEW



## 2019/2020: A YEAR IN REVIEW

Over the last year, we have welcomed a new Mayor and several new faces to the Council table. We farewelled the previous mayor, Richard Kempthorne, after nearly 12 years in the job, as well as Councillors Peter Canton, Paul Hawkes, Sue Brown and Paul Sangster.

We have progressed and completed many of the plans and projects which the Council and the community agreed were our priorities for Year Two of the LTP 2018-2028. However, we have also experienced unprecedented challenges this year with the Covid-19 pandemic and Alert Level restrictions.

### COVID-19 PANDEMIC AND RESTRICTIONS

The Covid-19 pandemic has had a huge impact on a global scale. Although the Tasman community has not experienced the health impacts that many overseas countries are suffering, the uncertainty and economic impacts continue to prevail, and the recovery is going to be a long haul. But one thing is certain: we can achieve a great deal when we work together and support each other.

During the initial lockdown period, Council was able to maintain essential infrastructure, environmental, and community services. Our Information Services team quickly responded to enable most of our staff to work from home, providing online tools and capabilities. Council's Customer Service Centres and Libraries closed when Level 3 restrictions came in, from 23 March. The Customer Service Centres reopened on 14 May (Level 2). Libraries opened with restricted hours from 20 May, and with normal hours on 10 June (once at Level 1).

Council supported the Nelson Tasman Civil Defence Emergency Management Group (NTCDDEM) to assist people with urgent welfare needs. Council staff also kept in touch with all of our community housing tenants to ensure they were coping during the lockdown.

Local government actions also play a significant role in recovery and rebuilding the local economy. To reflect the challenges faced by our residents and ratepayers, the Council made the decision to set a zero percent rates revenue increase for 2020/2021. Council also made the decision to continue various capital investment projects to provide local construction jobs and support to the region. We also provided rental relief for some commercial tenants; halved registration fees for operators of registered campgrounds and commercial vessels; made more frequent payments to businesses who provide services to Council; and streamlined our procurement process. Ratepayers could also apply to defer the payment of any remaining rates for 2019/2020.

In close collaboration with Nelson Regional Development Agency, Nelson Tasman Chamber of Commerce, Nelson City Council, Iwi and the government's regionally based agencies, Council contributed to developing Project Kōkiri – the Nelson Tasman Economic Response and Recovery Plan. Project Kōkiri was formed during the lockdown to deal with the economic fallout from Covid-19 in a coordinated and aligned way across the region. Released in June 2020, the plan aims to stimulate the economy, protect and create new jobs and accelerate investment into the region.

### ELECTION

Council's triennial elections were held on 12 October 2019. Voter turnout was 51.7% (compared with the national average of 41.4%) and the final outcome of the election resulted in a new mayor, Tim King, five new councillors, and two new Motueka Community Board members. The resignation in February 2020 of Motueka Councillor Claire Hutt meant the need to hold a by-election to fill the vacancy. The by-election was scheduled for 12 May 2020 but was extended to 26 May due to the difficulty faced by some voters during the Covid-19 restrictions. Barry Dowler was the successful candidate to be elected as a Motueka Councillor.

A poll on electoral systems was held in conjunction with the triennial elections which resulted in 11,460 electors voting to retain the First Past the Post (FPP) Electoral System, as against 6,692

electors voting for the Single Transferable Vote (STV). The FPP electoral system will therefore be the system used for the 2022 and 2025 Tasman District Council triennial elections, including any other by-elections or polls.

## WORKING WITH IWI

The Council and iwi of Te Tau Ihu have continued to engage in a more meaningful and collaborative manner supported by the Kaihautū and Kaumātua who we welcomed to Council late last year. Te Waari Carkeek (Ngāti Toa Rangatira and Ngāti Raukawa) joined Council in October 2019 as our full-time kaihautū, a new senior advisory role that will help Council strengthen the relationships with our region's eight Te Tau Ihu iwi and Ngāi Tahu.

The kaihautū role provides cultural support to Council, ensures Māori perspective informs our decision-making, and helps foster an internal culture which is welcoming, inclusive, and acknowledges Te Ao Māori (Māori world view). It will also help us, iwi, and our community realise the partnership embodied by Te Tiriti o Waitangi.

Kaumātua, Archdeacon Emeritus Harvey Ruru QSM and Jane du Feu MNZM, also commenced their role in October 2019 following the retirement of Archdeacon Emeritus Andy Joseph QSM. Jane and Harvey are recognised as taonga and highly respected elders by Council and iwi and provide the Mayor and elected members with tikanga Māori support at civic events, and help us understand iwi and Māori priorities.

Council has also started to develop a bilingual identity, adopting an official te reo Māori name, Te Kaunihera o te tai o Aorere, and a bilingual logo. Te Tai-o-Aorere is an ancient name for Tasman Bay and many continue to use the name today. 'Te Kaunihera' means the Council, while 'o te tai' refers to the sea. 'Aorere' can be likened to 'the many rivers of floating clouds'. Incorporating te reo Māori into our name is an important way to respect Council's connection with Māori who live in our communities.

Throughout the year, Council and local iwi have been working closely on several projects:

- Covid-19 response: Iwi were at the heart of the NTCDEM response during lockdown, and were quick to organise and take advantage of online technology to keep connected and well-informed. They responded quickly to extraordinary challenges, establishing protocols and ensuring their most vulnerable whānau were receiving the support they needed.
- Te Tau Ihu Regional Intersectoral Forum (RIF): Our CEO is the co-chair of the forum group, and staff contribute to the Cultural, Environmental, and Economic Pou. Under the Environmental Pou, Council staff also supported the Project Moturoa iwi cadetship programme since early 2019.
- Tasman Environmental Policy Iwi Working Group: a group of staff and iwi representatives who meet regularly to work on and discuss the full review of the Tasman Resource Management Plan and Regional Policy Statement, which will become the new Tasman Environment Plan.
- Appointment of a Mātauranga Māori expert on the Council hearing panel for the Responsible Camping Strategy, and involvement in recent discussions around Waitapu Bridge in Golden Bay/Mohua.
- Waimea Community Dam: Ngāti Koata are a key local land owner, with the Dam partly covering their land. Their involvement in the project and their role as kaitiaki will continue to build strong links between us.
- Port Tarakohe Redevelopment: Iwi are part of the Steering Group for this project, including Maara Moana, an iwi-owned aquaculture company.

- Replanting Mārahau with native forest: a partnership between Ngāti Tama ki Te Waipounamu Trust, Ngāti Rārua Settlement Trust, Ministry for Primary Industries, and Council. The purpose is to manage sediment and land disturbance by replanting 114 hectares of former pine forest on highly erodible Separation Point Granit land with permanent native forest cover. It is set up as successional planting with the initial plantings being all Manuka while future planning may involve inter-planting with older growth species such as native conifers/podocarps.
- Kotahitanga Mō Te Taiao Alliance Strategy: an inter-generational strategy to deliver landscape scale conservation outcomes for the region, co-designed through a partnership between councils, iwi and the Department of Conservation. The Alliance aims to drive large-scale conservation projects with wider social, cultural and economic outcomes across the Buller, Tasman, Nelson, Marlborough and Kaikōura regions. The Strategy embraces the values of Mātauranga Māori (Māori world knowledge), but also relies on science and empowered people, to achieve the strategic vision.
- Waimea Inlet Management Strategy: a coordination group involving both Nelson and Tasman councils, iwi, Department of Conservation and other stakeholders have collaboratively developed an action plan to implement the Strategy.
- Te Tauihu Intergenerational Strategy: a collaboration between Wakatū Incorporation, Tasman, Nelson and Marlborough Councils, Iwi, Chambers of Commerce, Nelson Regional Development Agency, Nelson Marlborough Institute of Technology (NMIT) and businesses, to develop an intergenerational growth strategy for Te Tau Ihu that looks at the long term wellbeing of the region's people, economy and environment.
- Urban Stormwater Strategy and Richmond Catchment Management Plan: staff have worked with our iwi partners on the development of the Strategy's key components and the Management Plan. The process helped to develop closer partnerships between Council and iwi for the management of stormwater.
- Motueka Library redevelopment: three iwi representatives have attended working group meetings, and a matakite walkover of the site at Decks Reserve has taken place. Recommendations from a cultural impact assessment by Tiakina Te Taiao have been implemented. The iwi representatives are assisting the project team with appropriate tikanga and cultural elements in the design of the library.
- Collingwood Campground upgrade: the campground is a significant archaeological site and Council has worked with our iwi partners and Heritage New Zealand to ensure cultural and heritage sensitivities are respected.
- Wastewater Strategy for Motueka: staff have undertaken early engagement with iwi to seek their input to inform the development of a long-term wastewater strategy for Motueka. All eight iwi trust representatives have been invited to join a working group. The role of the working group is to work with Council staff to gather community input, convey community needs/concerns, identify opportunities, and provide project guidance.
- Bio Strategy: this is a significant and collaborative piece of work to develop a Strategy for restoring and sustaining our natural biodiversity and ensuring biosecurity in Tasman. Iwi representatives are part of both the working group and governance group.
- Review of the Moutere-Waimea Reserve Management Plan: Early engagement with iwi has taken place and will continue throughout the Plan review.
- Golden Bay Community Board: since July 2019, a Manawhenua ki Mohua advisor has been invited to attend Golden Bay Community Board meetings, with speaking, but not voting rights.

- Iwi advisors as members of committees: both the Nelson Regional Sewerage Business Unit and the Nelson-Tasman Regional Landfill Business Unit have iwi members with full voting rights. The Tasman Regional Transport Committee includes an iwi member with non-voting rights.

Te Kaunihera o te tai o Aorere staff have also been developing their Māori language skills through attending te reo Māori courses. Staff have also formed a waiata group that meets regularly to sing a variety of Māori waiata, learn the meaning behind the waiata and tikanga, and participate in Council events. A Te Ao Māori Working Group of staff meet regularly to discuss iwi engagement, current projects affecting iwi, and ways of improving awareness and understanding of Te Ao Māori.

## **PROTECTING AND ENHANCING OUR NATURAL ENVIRONMENT**

### **CLIMATE CHANGE ACTION**

In 2019, the Council developed and adopted an internally-focused 'Tasman Climate Action Plan'. The Action Plan brings together all the work that Council is already doing, along with new goals, targets and actions. Council staff have set up an internal working group to ensure the Action Plan progresses.

One of the actions was involvement in the Nelson-Tasman Climate Forum, with the launch taking place on 29 February 2020. Mayor King spoke at the launch and several Councillors attended this event, along with over 350 people. Councillors Wensley and Walker have been appointed to attend Climate Forum meetings.

Key progress highlights include:

- Implementing the Joint Waste Management and Minimisation Plan that was adopted in 2019
- A NIWA-commissioned report outlining the likely impacts of climate change on Tasman District, with a focus on primary production
- Replacement of lights to LED at the Richmond Library, and a type 1 energy audit of Council buildings and assets
- Funding secured from the Ministry for Primary Industries (MPI) to expand the size of Council's willow and poplar nursery over the next three years
- An E-bike added to the Council pool vehicle fleet, for staff use on short trips from the Richmond service centre, to help reduce CO<sub>2</sub> emissions from business travel
- Investigations underway regarding inundation issues impacting Te Mamaku/Ruby Bay and Motueka residents
- Investigations to reduce construction and organic waste production
- A monthly column in Newsline, with tips for how residents can reduce their impact on the environment.

Council has also continued its review of the natural hazards strategic policy, with a focus on coastal inundation and land disturbance. The purpose of the policy is to ensure that we are prepared and ready to adapt to our ever-changing environment, including sea level rise and natural hazards. Following our first round of community engagement (22 July – 27 September 2019), work is underway to identify areas, objects or experiences that our communities value and that may be impacted by sea level rise and coastal hazards. These will then be assessed for their risk and vulnerability. Long-term adaptive planning work will take several years to complete and the conversations with our communities will be ongoing.

## **ENVIRONMENTAL PLANS AND PROJECTS**

During the year, Council progressed several plans and strategies that are aimed to protect and enhance our natural environment.

Council has started work on a new Bio Strategy for restoring and sustaining our natural biodiversity and ensuring biosecurity in Tasman. Taking advantage of the huge expertise in this region and with a desire to collaborate across organisations and interests, we've set up a working group of external advisors. By the end of 2020, the group will produce a draft Bio Strategy for the Council to consider. The purpose of this process is to help Council, our community, and tangata whenua collaborate on how we can improve and secure biodiversity for everyone's benefit, by changing our practices and through active care and protection.

Council has embarked on a complete review of its resource management plans and aims to create a single plan called the Tasman Environment Plan. The current plans – the Tasman Regional Policy Statement and the Tasman Resource Management Plan – provide a blueprint for where and how our communities will grow and how we manage natural resources. Creating the new Tasman Environment Plan is anticipated to take the next six to 10 years to complete and there will be plenty of opportunities for the public to be involved. The priorities for the review are: planning for growth, climate change and natural hazards, and reviewing freshwater management and land disturbance policies.

On 15 August 2019, Council adopted a new Nelson Tasman Waste Management and Minimisation Plan. Developed jointly with Nelson City Council, the Plan aims to guide future decision-making to minimise and manage waste in our region. The Plan includes an aspirational goal to avoid unnecessary waste to landfill and a target of a 10 per cent reduction per person in waste going to landfill by 2030. To do this, our three goals are to avoid the creation of waste, improve the efficiency of resource use, and reduce the harmful effects of waste.

The implementation of the Kotahitanga Mō Te Taiao (KMTT) Alliance Strategy has taken a step forward with the appointment of a programme coordinator, as part of a relationship between the Alliance and The Nature Conservancy (TNC). TNC is a world-wide environmental, not for-profit organisation who will also contribute to the funding model and provide additional in-kind support. The TNC programme coordinator will provide expertise, connections and potential funding to more effectively enable the successful implementation of the strategy and long-term sustainability of the Alliance. The Alliance aims to drive large-scale conservation projects with wider social, cultural and economic outcomes across the Buller, Tasman, Nelson, Marlborough and Kaikōura regions.

In July 2019, 1300 hectares of fire-damaged land in Eves Valley was re-sown with grass seed to reduce the risk of large amounts of sediment run-off into our rivers and estuaries. The project cost \$700,000 which was entirely funded by the Lotteries Grants Board.

## **PROVIDING FOR OUR COMMUNITIES**

### **DRINKING WATER SUPPLY AND QUALITY**

Ensuring a safe and secure water supply for our households and businesses was identified as a key issue in the Long Term Plan 2018-2028.

The Waimea Community Dam will provide a secure supply of drinking water to the Richmond, Brightwater, Māpua and Redwood Valley communities, now and in the future. The three-year construction project began in early March 2019. Waimea Water Ltd is a Council-controlled organisation which has been established to manage and oversee the dam construction and ongoing operation once it is built. Throughout 2019, work progressed with the upgrade of the Lee Valley access road and preparation of the construction area, including vegetation clearance and sediment retention ponds. In August 2019, a ground-breaking ceremony at the construction site formally marked the start of the dam build. In March 2020, the costs and timeframe were revised by Waimea Water Ltd, after encountering unforeseen geological conditions. Although the Covid-19 pandemic

caused further delays, the project reached a significant milestone in August 2020 with the completion of the 165-metre-long diversion culvert.

Several other projects have been underway to provide a safe and secure water supply. Work has progressed on a new water supply system in the north-west urban area of Motueka, and new or upgraded water mains in Richmond, Māpua and Wakefield.

In September 2019 the Council adopted an amended Public Water Supply Bylaw to protect and manage the community's access to safe and secure water supply. The Bylaw includes a water restrictions protocol for how we will manage water use during a drought or in an emergency.

Following the Havelock North water contamination event in 2016, all Councils are required to ensure higher standards for drinking water quality are met. In May 2020, the Council approved a Drinking Water Quality Management Policy which sets the overarching framework for Council's Water Safety Plans.

Throughout 2019/2020, staff have been investigating options for meeting drinking water standards. In August 2020, Council consulted on a proposal to introduce chlorination to another five of Council's water supply schemes.

Due to the high number of private domestic water bores in Motueka and Riwaka, bore water quality testing began in October 2019 to identify any potential health risks. The results will be reported to the Council before the end of 2020.

## **GROWTH**

The Long Term Plan 2018-2028 identified growth and infrastructure as a key issue, including the need to enable an adequate supply of serviced and zoned land and to manage the environmental impacts of growth.

In recent years, Tasman's population has grown at a relatively high rate, and reached 55,100 as at June 2019 (according to the latest Stats NZ estimate). Similarly, there has been a relatively high number of new dwellings, with 491 consented in 2019/2020.

Throughout the year, there has been significant progress on growth-related infrastructure projects. In Richmond, a multi-year project is underway to install a new water main through Richmond south and west. The widening of Bateup Road was completed, which included upgrading underground services at the same time. We have worked collaboratively with developers in Richmond west on stormwater channel improvements at Poutama Drain and Borck Creek, achieving efficiencies and cost savings for all parties. Also supporting growth in Richmond west, the Headingly Lane trunk water main was completed.

Work has continued on the water and wastewater upgrade in Māpua. The replacement of the water main provides a safe and secure water supply for future subdivisions and means the moratorium on new water connections in Māpua will be lifted from August 2021.

To guide future planning, the Council, together with Nelson City Council, adopted the Future Development Strategy. This high level plan identifies potential growth locations for housing and business to provide for our growing population over the next 30 years.

## **GETTING AROUND TASMAN**

Our transport network plays a key role in both social and economic connection and there have been several significant projects progressed over the last year to improve the accessibility and safety of various transport options.

The new Tākaka to Pōhara cycleway was officially opened with a celebration event on 30 January 2020. The 7.5km cycleway is a welcome addition to the walking and cycling network in the Bay, for both residents and visitors, and provides a safe option for children biking to school.

The Gardner Valley Road/Moutere Highway and Lower Queen Street/McShane Road intersections were both upgraded, improving safety in these growth areas.

The Brightwater Town Centre upgrade is underway, which will see Ellis Street become a safer, more attractive public space.

Ensuring road speed limits are appropriate for the conditions is an important part of a safe roading network. Following public consultation, we made changes to the Speed Limits Bylaw which lowered the speed limits for many local roads.

A new Wakefield Community Bus service began in August 2019, run by Nelson Tasman Community Transport Trust (NTCTT) and supported by Council. While the Trust is a separate entity, its mission aligns with our desire to enable a public transport service for those that have limited transport options.

### **COMMUNITY SPACES AND PLACES**

During the last year, Council has approved the location, design and construction contract for the new Motueka Library, and construction began in September 2020. The new library has been planned for several years to replace the ageing and undersized library in Pah Street with a modern, sustainable new building in Decks Reserve. Council reconsidered the project in light of Council's zero rates revenue increase for 2020/2021 and confirmed the project would continue. The project will provide local construction jobs and support to the region, as well as provide long-term benefits to the Motueka community.

At an extraordinary meeting on 19 March 2020, the Council decided to progress towards repairing the Golden Bay Grandstand in Tākaka. Once completed, it will be available for public use once again.

A new entrance way has been installed for Te Maatu/Thorp Bush in Motueka, a project which was initiated by the Motueka Youth Council. Visitors to the reserve can now enter the park through two carved pou, gifted by Ngāti Rārua Ātiawa Iwi Trust (NRAIT). The redeveloped entrance also incorporates lighting and social seating arrangements, and information panels contributed by Keep Motueka Beautiful.

New public toilets have been installed at Fittal Street (funded through central government's Responsible Camping Fund), at Alexander Bluff, and at St Arnaud near the Lake Rotoiti Hall (partly funded through central government's Tourism Infrastructure Fund).

New playgrounds were completed at Newhaven Crescent in Mārahau and at the Golden Bay Recreation Park (funded by the Golden Bay Shared Recreation Facility Committee).

The Motueka Community Board provided funding from its Special Projects fund for seven community projects, including a skate park upgrade and new footpaths, cycle lanes, and seating.

During the year we made further improvements to facilities at Saxton Field, in conjunction with Nelson City Council. The junior mountain bike track was completed, the athletics track was resurfaced, and lighting was installed for the velodrome. Designs were completed for stage 2 of the Champion Road-Saxton Drive link road.

We began work to review the Moutere-Waimea Reserve Management Plan and the Saxton Field Reserve Management Plan. These plans will provide future vision and direction for managing opportunities for sport, recreation and play in these public reserves, as well as the natural environment and landscape.

## INFRASTRUCTURE PROJECTS

As well as the growth, water supply and transport infrastructure projects mentioned above, we have completed several other key engineering upgrades to maintain or improve the levels of service to our community. These include:

- Pōhara Valley Wastewater Pump Station replacement – installing a new pump station and replacing old pipes
- Collingwood Gibbs Road Stormwater Upgrade - installing an underground piped stormwater system to reduce the risk of flooding
- Murchison Ned’s Creek Flood Mitigation – building a small levee (stop-bank) and new culvert to reduce flooding
- Tākaka Resource Recovery Centre – construction of a new waste handling area on the lower level of the site and improvements to the recycling drop-off area on the upper level

## PLANNING FOR THE FUTURE

Council also started work on several key planning documents.

Work began to develop the Long Term Plan (LTP) 2021 - 2031 and the strategies and policies associated with Council’s long term planning. Between March and June 2020, Council undertook an early community engagement process (2020 Vision for Tasman) to help inform the development of the LTP 2021 - 2031. The deadline for providing feedback was extended twice due to the Covid-19 restrictions occurring over this time. The proposed LTP key issues and financial implications will go back out to the community in early 2021 for formal consultation.

This year was the first year of a 6-10 year project to review the Tasman Regional Policy Statement and Tasman Resource Management Plan. The project will culminate in a single new “Tasman Environment Plan”. Work this year involved reviewing how effective the existing plans have been, including what needs to change.

Work continued on the Te Taihū Intergenerational Strategy. The Strategy looks at the long term wellbeing of the region’s people, economy and environment. It is a collaboration between Wakatū Incorporation, Tasman, Nelson and Marlborough Councils, Iwi, Chambers of Commerce, Nelson Regional Development Agency, Nelson Marlborough Institute of Technology (NMIT) and businesses. The initiative is backed by investment from central government’s Provincial Growth Fund. The development of the Strategy began in early 2019 and a series of community conversations were held across Te Tau Ihu throughout July and August 2019. The draft strategy was open for community feedback in early 2020, and the final strategy was launched in November 2020.

In April 2020, Council adopted the Responsible Camping Strategy to provide direction on how freedom camping is managed across Tasman District. Management will be undertaken through a combination of regulations, provision of appropriate facilities and information. Over the 2019/2020 summer, there was a trial programme of Freedom Camping Ambassadors, working across the District to encourage responsible camping behaviour. The trial programme was funded by a grant from the Ministry of Business, Innovation and Employment Responsible Camping Fund.

We also progressed planning work for some of community spaces and places. The Kingsland Forest Park Development Plan was adopted in July 2020, to guide future planting and recreational use of an area of Council land on the flanks of the Barnicoat Range above Richmond. The Plan also considers stormwater management, biodiversity restoration and landscape enhancement.



## **WORKING TOGETHER WITH OUR COMMUNITY**

Many of Council's activities and projects also benefit from the contribution from the wider community. Achieving our Community Outcomes and promoting community well-being relies on Council working in partnership with the whole community, including individuals, businesses, government agencies, philanthropic trusts, and community organisations.

There are numerous volunteers and community groups, including iwi and churches, who support our community's welfare needs, such as providing food parcels during the Covid-19 response.

There are now several community-led transport services across the District, helping our rural communities to stay connected and access services.

Tasman residents also care deeply about our unique natural environment. There is a huge amount of work happening across the district to protect and restore the special places, landscapes, water bodies, native species and natural ecosystems of Tasman.

We are grateful to the many residents who maintain local facilities, including community halls, walking tracks, and gardens.

These are just a few examples which demonstrate the collective and collaborative approach by the Tasman community to enhance Tasman's social, economic, environmental and cultural outcomes. Many hands make light work, or he rau ringa e oti ai. The strength of these relationships is a taonga of our District.

## **DELIVERING OUR BUSINESS AS USUAL**

The services we provide underpin almost every aspect of people's daily lives. These services and facilities are funded by rates, user charges and subsidised by income from our commercial activities. They help to keep people safe, protect and improve the environment, provide essential infrastructure, and bring our community together to do the things they want, in the places they want. Every day our staff and contractors are working hard to:

- maintain roads, bridges, footpaths, cycleways and walkways, car parks, streetlights, traffic signs and culvert pipes;
- look after parks, reserves, playgrounds, libraries, public toilets and some of our District's historic sites;
- provide regulatory services like animal and noise control, food safety, resource and building consents, and alcohol licensing;
- maintain the water, wastewater and stormwater networks across our District;
- engage with communities and create partnerships to undertake local projects;
- monitor and manage the quality of our land, air, water, coasts and biodiversity;
- collect and manage waste and recyclables;
- maintain flood protection along 285km of our major rivers;
- ensure new buildings are safe and healthy;
- ensure our coastal waters are accessible and safe for boaties and swimmers;
- make sure our popular places and activities can continue to be enjoyed, such as Richmond Aquatic Centre, Moturoa/Rabbit Island Reserve, and Tasman's Great Taste Trail;
- provide Land Information Memorandums (LIMs) on request and respond to the multitude of enquiries from the public received by mail, email, telephone or in person;
- register more than 11,000 dogs; and
- ensure that rates are collected to fund Council's activities and respond to rates queries from the public.

# OUR NON-FINANCIAL PERFORMANCE AT A GLANCE

We measure our performance in delivering services to our community using a set of performance targets which are set out in the LTP 2018 - 2028. Reporting against these targets presents a high level view of our performance. More results on other aspects of performance, such as environmental and regulatory monitoring can be found in the public reports held on our website or by contacting Council.

We have 121 targets that we report on through this Annual Report. We aim to report on most, but not all of these targets each year. Full details on all the performance indicators are included in Part 4 of this Annual Report.

We achieved 85 of our targets fully, 12 were achieved within 5% of the target, 19 were not achieved, and there were 5 that we either did not have the full information available to report on or they were not due to be measured this year.

Overall, there was a higher level of achievement in 2019/2020 than in 2018/2019, with 85 targets achieved this year, compared with 74 last year.

## PERFORMANCE HIGHLIGHTS



## AREAS FOR IMPROVEMENT



There are a range of reasons for the number of performance targets that have not been achieved this year. In some cases, the impacts of the Covid-19 pandemic and alert level restrictions affected performance (eg library visits, earnings for Council Enterprises, recycling, and customer response timeframes). These impacts are outlined in Table 1 below. Staff capacity and workload issues affected our performance in areas such as resource consent processing times. In other cases, further investigation and investment is required to address performance issues, such as compliance with drinking water and fire protection standards. However, there has been an overall improvement in the achievement of performance targets, with 16 performance measures which did not achieve their target in 2019/2020, compared with 26 in 2018/2019.

## COVID-19 IMPACTS

Some of our performance measures were affected to varying degrees by the Covid-19 pandemic and restrictions. In some cases the performance targets were still achieved. In other cases, the performance for the eight months to 31 March 2020 was on track to reach the target, but the Covid-19 restrictions meant the annual result did not achieve the target.

Table 1: Performance measures significantly affected by Covid-19

Impact	Measures
Not achieved due to Covid-19 impact	<ul style="list-style-type: none"> <li>The number of visits to our libraries (per resident per year)</li> <li>Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA) for holiday parks and campgrounds</li> </ul>
Not achieved, partly due to Covid-19 impact	<ul style="list-style-type: none"> <li>Percentage of general enquiries that are responded to by Council staff within three working days of receipt of enquiry</li> <li>EBITDA for Port Tarkohe</li> <li>Resources diverted from landfill by Council services</li> <li>Contamination levels in our kerbside recycling</li> </ul>
Achieved but with some impact from Covid-19	<ul style="list-style-type: none"> <li>A reduction in waste per capita going to landfill</li> <li>Admissions to the Aquatic Centre pool facility</li> <li>EBITDA for Commercial Properties</li> <li>Electoral processes are carried out within statutory timeframes and there are no successful challenges</li> <li>Customer Service Requests relating to waste management activities are completed on time</li> </ul>
Not measured, partly due to Covid-19 impact	<ul style="list-style-type: none"> <li>In conjunction with the New Zealand Police, we detect no sale of liquor to minors through random controlled purchase operations (CPOs)</li> </ul>
Not measured, but performance still shown to have been affected by Covid-19	<ul style="list-style-type: none"> <li>Annual growth in use of passenger transport</li> </ul>

Details of our performance against all our targets and the impact of Covid-19 is provided in Part 4: Financial and Non-Financial Performance of this report.

## KEY FINANCIAL INFORMATION

We have continued our positive financial trend from the previous year and recorded another surplus. The surplus for the 2019/2020 year was higher than budgeted. The accounting surplus was \$26.9 million and total comprehensive revenue and expense was 102.3 million.

The net debt position of \$156.2 million was well below the planned debt level of \$191.0 million, with rates revenue also remaining within the agreed cap of 3%.

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

- Increased revenue from forestry activities
- Lower borrowing costs
- Low inflation
- Higher than anticipated population growth.

Offsetting these were:

- Costs associated with delays in projects due to the Covid-19 pandemic.

A fuller description of the financial variances from the Annual Plan 2019/2020 are contained in Note 36 to the Accounts in this Report.

### REPORTING AGAINST OUR FINANCIAL STRATEGY

The Financial Strategy in the LTP 2018–2028 provides an outline of our policy on financing capital works and managing debt. The LTP 2018-2028 provides for capital expenditure of between \$43 million and \$64 million per annum, and operating expenditure of between \$115 million and \$124 million per annum for the 2018/2019 to 2020/2021 years.

The majority of proposed capital expenditure and associated loans are for engineering works such as water, stormwater, wastewater and transportation networks, with a small percentage for community facilities.

The Financial Strategy outlines how we will manage our revenue, expenses and assets, liabilities and investments. The objective is to provide for the current and future interests of the community while also:

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

### NET EXTERNAL DEBT

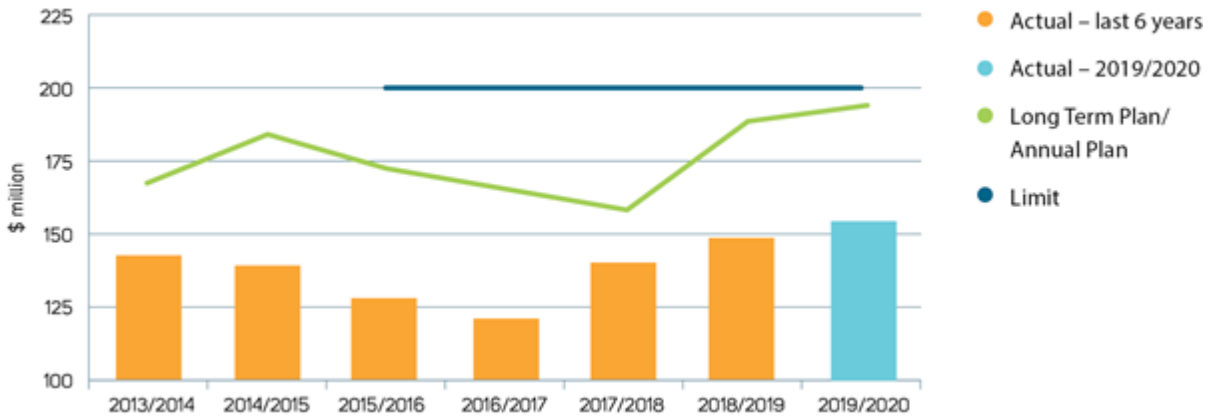
Our net external debt at 30 June 2020 was \$156.2 million (after adjusting for liquid financial assets in joint ventures), which is below our net external debt cap of \$200 million in our current Financial Strategy. This is also lower than the \$191.0 million forecast in the Annual Plan 2019/2020 (and \$194.3 million in the LTP 2018-2028 for year 2).

Debt has been reduced due to:

- direct savings from operational budgets which have been used to repay debt;
- favourable interest and borrowing conditions;

- a lower opening debt position than budgeted;
- delays to some large capital works;
- higher than anticipated income due to things like higher population growth than forecast, and
- greater forestry income than planned.

FIGURE 1. How Are We Tracking Against Planned Net Debt?



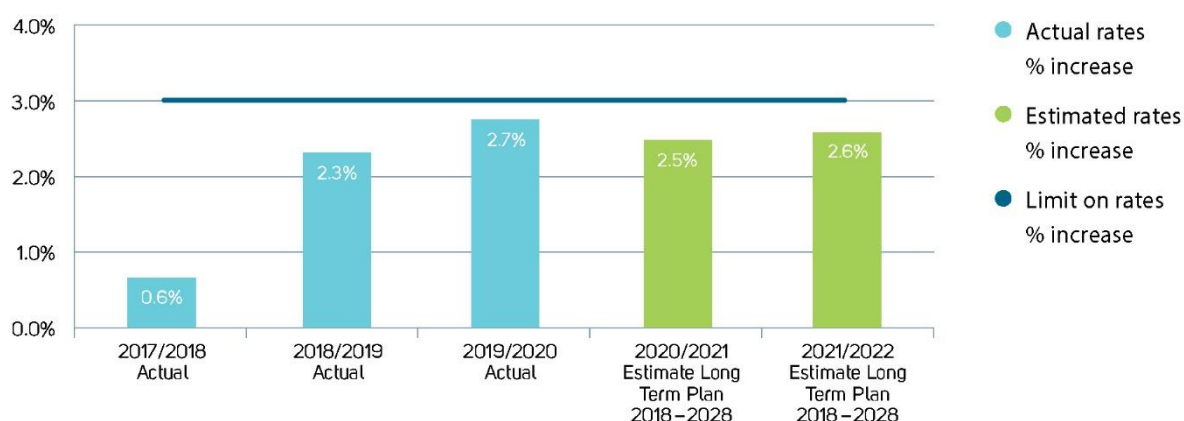
#### RATES AFFORDABILITY

To help manage rates affordability, we include a limit on rates revenue in our Financial Strategy. For the LTP 2018-2028 this limit was set at \$65 million for General Rates and \$60 million for Targeted Rates per annum over the life of the LTP, reflecting the work done to address rates affordability issues. This Annual Report shows our actual levels were below the limit, at \$40.3 million for General Rates and \$35.7 million for Targeted Rates.

We also include a limit in our Financial Strategy on rates income increases. Increases are currently limited to a maximum 3% per annum, plus an allowance for annual growth in rateable properties. This was a new limit set as part of the LTP 2015-2025 (which is why the graph starts at 2015/2016) and retained in the LTP 2018-2028.

The blue bars in **Figure 2** show how we have performed against the 3% limit. The 2019/2020 year saw rates income increase by 2.74% while the 2020/21 Annual Plan has a 0% rate rise as a result of Covid-19.

FIGURE 2. Rates Income Increases



### DEBT AFFORDABILITY

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

TABLE 2. DEBT/AFFORDABILITY LIMITS

						ANNUAL PLAN
		2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
MEASURE	LIMIT	ACTUAL	ACTUAL	ACTUAL	ACTUAL	(ESTIMATE)
Net External Debt <sup>1</sup> / Total Operating Income <sup>2</sup>	<225%	108%	109%	115%	113%	127%
Net External Debt / Equity	<20%	9%	9%	10%	10%	11%
Net Interest on External Debt / Total Operating Income	<15%	6%	6%	5%	5%	6%
Net Interest on External Debt / Annual Rates Income	<25%	10%	10%	9%	9%	11%

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

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

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

### FINANCIAL PERFORMANCE SUMMARY

Our credit rating is 'AA with a stable outlook' (Standard and Poor's). This rating reflects our strong financial management, budgetary flexibility, liquidity and low contingent liabilities; and enables us to borrow funds at more favourable interest rates.

Total Council net assets now total \$1.59 billion, which is an increase of \$103 million since 2019.

## REVENUE AND SAVINGS

Total rates revenue for the year was \$76 million, and revenue from all other sources totalled \$84.5 million.

General rate revenue increased partially as a result of growth in the District being higher than expected for the year (see Figure 3).

FIGURE 3. Main Sources of Revenue (excluding joint arrangements and fair value gains)

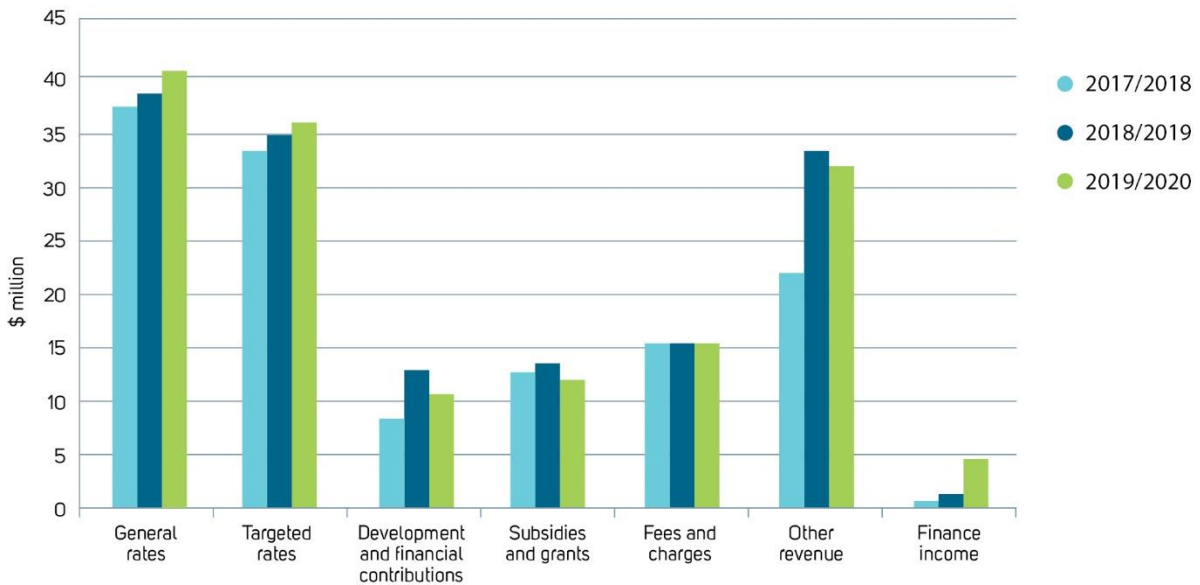


FIGURE 4. Total Council Expenditure by Department

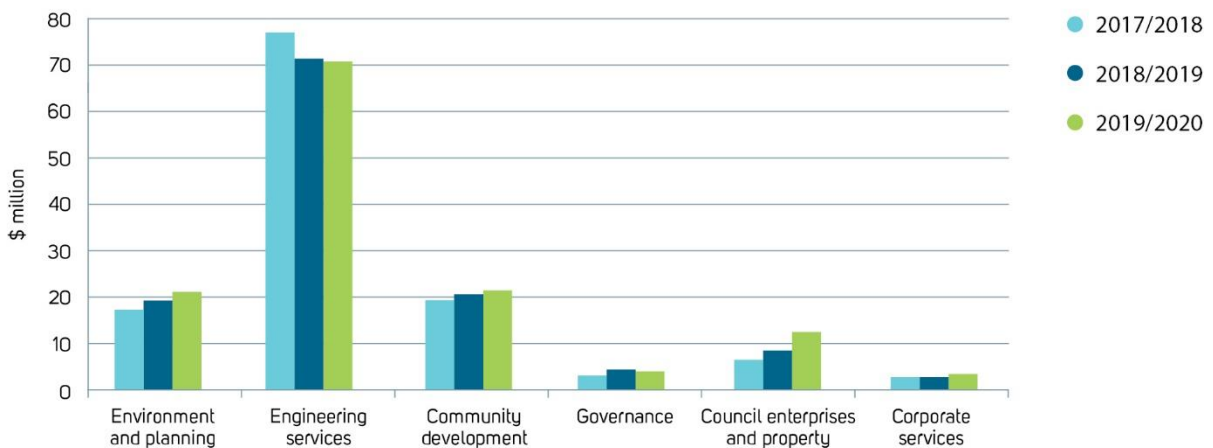


FIGURE 5. Operating Expenditure by Activity

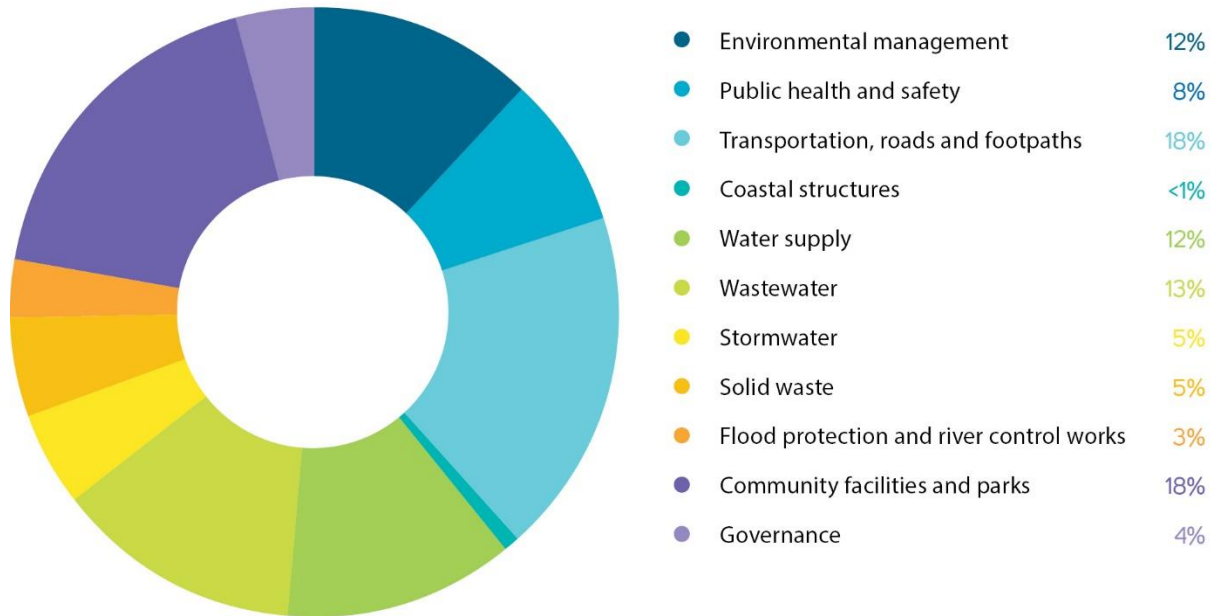
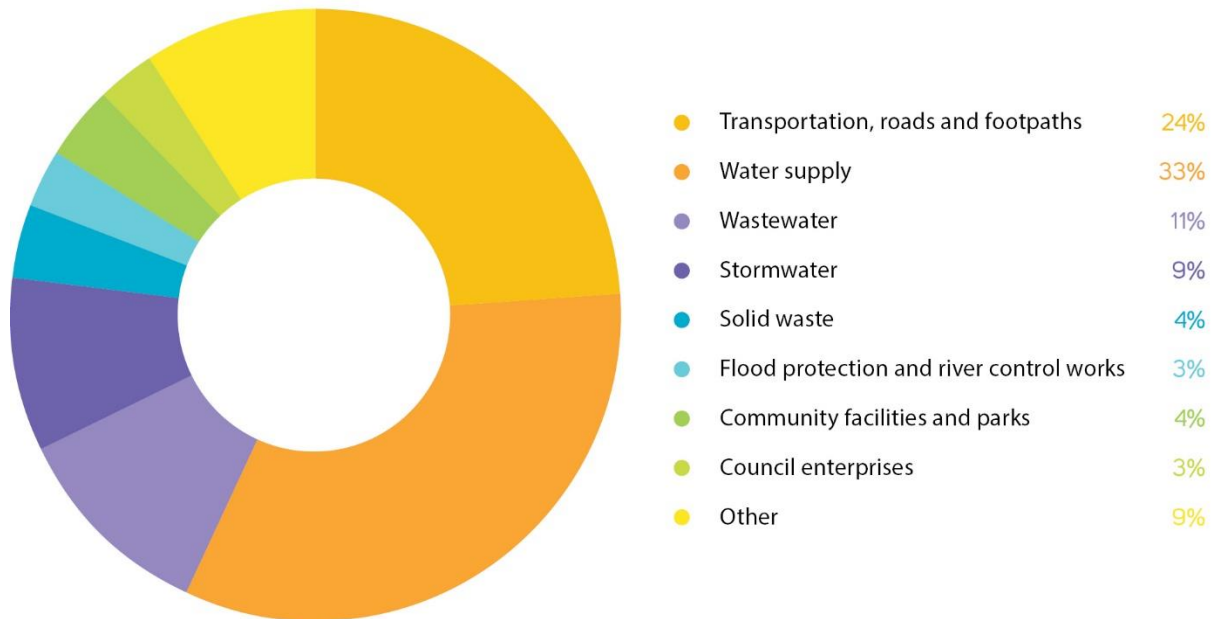


FIGURE 6. Capital Expenditure by Activity





## PART TWO: COUNCIL VISION AND COMMUNITY OUTCOMES

## OUR VISION

Thriving communities enjoying the Tasman lifestyle

## OUR MISSION STATEMENT

To enhance community wellbeing and quality of life

# VISION AND MISSION STATEMENT

In the LTP 2018 - 2028 Council retained the same Vision and Mission that was included in the LTP 2015 - 2025. The vision recognises that there are many different communities within our District, not just geographic communities, but non-profit organisations, environmental communities, art communities, church communities, sporting communities, to name just a few. We would like all these communities to succeed and to benefit from the many opportunities that our District provides.

# COMMUNITY OUTCOMES

## BACKGROUND

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

Council believes that achievement of Community Outcomes relies on working in partnership with the whole community, including individuals, businesses, government agencies and community organisations. Everyone's views on describing how our District would look if we achieved these Outcomes will be slightly different. Full descriptions of the Outcomes are available in the LTP 2018 - 2028.

## COMMUNITY OUTCOME STATEMENTS

- Our unique natural environment is healthy, protected and sustainably managed.
- Our urban and rural environments are people-friendly, well planned, accessible and sustainably managed.
- Our infrastructure is efficient, cost effective and meets current and future needs.
- Our communities are healthy, safe, inclusive and resilient.
- Our communities have opportunities to celebrate and explore their heritage, identity and creativity.
- Our communities have access to a range of social, cultural, educational and recreational facilities and activities.
- Our Council provides leadership and fosters partnerships, a regional perspective, and community engagement.
- Our region is supported by an innovative and sustainable economy.

In Part Four, we have listed which community outcomes each activity primarily contributes to.

## PART THREE: ROLES, COMPLIANCE AND AUDIT STATEMENT

# THE ROLE OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS

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

The Annual Report is also an important tool for showing how our community outcomes are being achieved. This document, therefore, also represents an opportunity to provide interested parties with a range of additional information to give a more complete picture of the District's affairs. The contents of this Annual Report will make reference to the District's strategies and plans, including the LTP 2018 – 2028. The LTP 2018 – 2028 was adopted by Council on 28 June 2018, after considerable consultation with ratepayers and interested others. This is the second Annual Report prepared under the LTP 2018 – 2028.

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

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

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

# STATEMENT OF COMPLIANCE AND RESPONSIBILITY

## **COMPLIANCE**

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

## **RESPONSIBILITY**

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

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

In the opinion of Council and management of Tasman District Council, the annual financial statements for the year ended 30 June 2020 fairly reflect the financial position, operations and service performance of Tasman District Council.

*T B King*  
*Mayor*

*J W Dowding*  
*Chief Executive Officer*

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



# INDEPENDENT AUDITOR'S REPORT

AUDIT NEW ZEALAND  
Mana Arotake Aotearoa

**To the readers of Tasman District Council's annual report  
for the year ended 30 June 2020**











## PART FOUR: FINANCIAL AND NON-FINANCIAL PERFORMANCE

# STATEMENTS OF OBJECTIVES AND SERVICE PERFORMANCE

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

- Environment and Planning
- Engineering
- Community Development
- Governance
- Council Enterprises

Each of these areas of work is broken down into groups of related activities. The grouping of activities reflects changes to the Local Government Act in 2010. These changes require councils to report on a number of mandatory activities. The intention is to enable comparisons between councils' performance for these mandatory activities.

The mandatory activities are all in the Engineering area:

- Transportation, Roads and Footpaths
- Water Supply
- Wastewater
- Stormwater
- Flood Protection and River Control Works

Council also reports on the following Groups of Activities:

- Solid Waste
- Coastal Structures
- Environmental Management
- Public Health and Safety
- Community Development
- Governance
- Council Enterprises

Within each group of activities there may be a number of smaller activities, for example Public Health and Safety includes Building Assurance, Environmental Health, Animal Control, Civil Defence Emergency Management (CDEM), Maritime Safety and Parking Control.

We have also reported on the performance of Support Services, but this is not a separate group of activities.

We have listed the service goals, objectives and performance indicators for each of Council's significant activities (where applicable). These are followed by a statement on the level of achievement for the year ended June 2020.

Each significant activity area, as a whole, incorporates elements of quality, quantity, timeliness, cost and location (where applicable). Unless otherwise noted, all tasks were completed by 30 June 2020. Quality processes (which affect the quality of the output) are also a standard feature of the internal management control systems. In particular:

## PREPARATION OF INTERNAL REPORT

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

## CAPITAL WORKS

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

## RESOURCE MANAGEMENT

These functions are performed by appropriately qualified staff and/or accredited hearing commissioners. This is one mechanism by which Council assures the quality of service given to the public. In relation to policy investigations and the development of regional and district plans, we follow processes outlined in legislation and established public consultation procedures.

## MAINTENANCE WORKS

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

## LEGISLATIVE AND FINANCIAL COMPLIANCE

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

## ACTIVITY MANAGEMENT PLANNING

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

## PERFORMANCE MEASURES

In many cases in preparing our LTP 2018 – 2028, we included survey measures as a measure of progress toward the achievement of our objectives, as well as checking residents' levels of satisfaction with the services we provide. We report on these measures using data from the annual 'Communitrak™ Survey' – a survey of residents undertaken independently by the National Research Bureau.

## FUNDING IMPACT STATEMENTS (FIS)

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

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

It also departs from GAAP as funding sources are disclosed based on whether they are deemed for operational or capital purposes. Revenue such as subsidies for capital projects, for example Waka

Kotahi NZ Transport Agency (Waka Kotahi) subsidies projected to be received for road renewal works, development and reserve financial contributions and gains on sale of assets are recorded as capital funding sources. Under GAAP these are treated as revenue in the Comprehensive Revenue and Expense Statement.

# ENVIRONMENT AND PLANNING

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

- Environmental Management
- Public Health and Safety

These output classes involve

- developing resource policy and plans under the Resource Management Act and related legislation
- the associated processing and monitoring of resource consents, and
- improving the understanding of the District's environment through investigations and promoting improved environmental performance by resource users.

Undertaking Council's regulatory responsibilities such as building assurance, environmental health, animal control and civil defence are also included in these activities.

## ENVIRONMENTAL MANAGEMENT

### WHAT WE DO

Council's environmental management functions and responsibilities include:

- the provision of policy advice, including responses to national environmental initiatives
- the development, review and implementation of resource management policies and plans
- investigating significant environmental issues affecting or likely to affect the District, and maintaining an efficient resource information base to respond to environmental hazards, providing advice on environmental conditions and issues affecting the District
- assessing and processing resource consent applications and related compliance monitoring and enforcement
- processing development contributions assessments, and
- undertaking biosecurity (pest management) responsibilities and control work in the District and maintaining indigenous biological diversity.

### WHY WE DO IT

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

Council's state of the environment monitoring and information work is undertaken to

- monitor progress to achieve environmental outcomes
- help target planning controls
- apply consent conditions and provide education programmes
- identify new issues, and
- provide information of use to farmers, businesses and the public.

Council processes resource consent applications and undertakes compliance activities to reduce the impact of human activity on other people and the environment. Council's biosecurity activities help protect the environment from unwanted plant and animal pests.



## CONTRIBUTION TO COMMUNITY OUTCOMES

The Environmental Management activity primarily contributes to the following community outcomes:

- Our unique natural environment is healthy, protected and sustainably managed.
- Our urban and rural environments are people-friendly, well-planned, accessible and sustainably managed.
- Our urban and rural environments are people-friendly, well-planned, accessible and sustainably managed.
- Our communities are healthy, safe, inclusive and resilient.

## OUR GOAL

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




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





## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS

● Fully achieved    
 ● Achieved within 5%    
 ● Not achieved    
 ● Not measured

	Outcome	2020 Target	2020 Result	2019 Result	How did we perform
<b>We provide an appropriate policy framework that effectively promotes the sustainable management of the District’s natural and physical resources by:</b> <ul style="list-style-type: none"> <li>• <b>identifying and responding to resource management policy issues; and</b></li> <li>• <b>providing a sound and appropriate policy planning framework that is responsive to our changing environment and will protect and enhance our unique environment and promote healthy and safe communities</b></li> </ul>					
Residents’ satisfaction for those residents who are aware of the Council’s role in resource management policy and planning work	<span style="color: green;">●</span>	68%	69%	69%	Result very similar to last year. 70% of those surveyed were aware of the Council’s role in resource management policy and planning work. We anticipate this will increase next year as community engagement on the Tasman Environment Plan begins.
Council meets the Air Quality National Environmental Standard (NES) by 2020 (i.e. no more than one day per year when air quality is > 50 µg/m <sup>3</sup> PM10). <sup>1</sup>	<span style="color: green;">●</span>	≤3 days	1 day	12 days	In Richmond, there were two exceedance days of the daily threshold concentration of 50 µg/m <sup>3</sup> (24-hour average) over the year 1 July 2019 to 30 June 2020 period. However, one of these exceedances, in December 2019, was related to the Australian bushfires and has been officially exempt by the Ministry for the Environment.
One issue-based State of the Environment report to be released each year	<span style="color: green;">●</span>	By 30 June	More than one	Achieved	Several reports were released in 2019/2020: <ul style="list-style-type: none"> <li>• Waimea Plains nitrate supplementary data: land-use, soil and groundwater properties (Operations Committee 20 February 2020)</li> <li>• Riwaka, Brooklyn and Motueka Air Quality Monitoring 2019 (Operations Committee 20 February 2020)</li> </ul>

<sup>1</sup> Air quality at the Richmond Central monitoring site will be reported on Council’s website, including any air quality breaches.

	Outcome	2020 Target	2020 Result	2019 Result	How did we perform
					<ul style="list-style-type: none"> <li>2019 Annual Air Quality Report (Regulatory Committee 28 November 2019)</li> </ul>
An annual Recreational Bathing Water summary report is drafted and reported to Council or a Committee		By 31 July	18 June 2020	Not Achieved (5 September 2019)	The report was reported to the Operations Committee, 18 June 2020. Water quality at swimming sites over the 2019-20 season was one of the best on record, even with recently-introduced high-risk sites such as Rototai and Riuwaka included.
Swimming beaches and rivers are suitable for contact recreation, all or most of the time, as measured by:					
Fine weather samples		98%	99%	94.4%	For the few samples that exceeded water quality guidelines, the bacteria is likely to be of natural source.
All weather samples		92%	97%	92.7%	The improvement in water quality this year was partly due to fewer rain-affected samples.
<b>We provide a responsive and efficient process for assessing resource consent applications and ensuring compliance obligations are fairly and appropriately enforced</b>					
Customer satisfaction with Council's resource consent processing work		80%	74.0%	76.5%	There was slightly lower satisfaction in 2019/2020, with a rating of 74% from respondents. Processing costs and time taken were reasons for dissatisfaction.
Consent applications are processed within statutory timeframes (where they exist):					
Notified consents		100%	100%	100%	In 2019/2020, we processed 100% of four publicly notified applications within statutory timeframes.
Non-notified consents		100%	95.5%	92%	We had an improved result for 2019/2020 of 95.5% of non-notified applications being processed in time. Delays were caused mainly by staff shortages during a continuing period of high

	Outcome	2020 Target	2020 Result	2019 Result	How did we perform
					growth in the District.
Limited notified consents		100%	100%	46%	We processed 100% of 25 limited notified consents in 2019/2020 within time.
<b>We undertake monitoring of environmental trends and conditions and maintain reporting systems that protect and inform the community about environmental conditions, changes and risks</b>					
An annual report is prepared and presented to Council or a Council committee each year. This report details the level of compliance with consent conditions or plan rules for those undertaking activities under resource consents or permitted activities, as described under tailored monitoring programmes.		By 30 September	3 September 2020	5 September 2019	<p>The Annual Compliance and Enforcement summary report was reported to the Regulatory Committee on 3 September 2020.</p> <p>Over the 2019/2020 year, we achieved our objectives through active monitoring and reporting on 1,814 resource consents and targeted permitted activities occurring in our District.</p> <p>Overall, the outcome of the wide range of activities we monitored was high with 84% achieving full compliance at time of inspection. Of the remainder, 10% were minor breaches that required no action. The remainder required some form of corrective action, ranging from education and advice right through to enforcement action including one prosecution.</p>
Where significant non-compliance is recorded, that resolution is achieved within appropriate timeframes:					
Percentage resolved within nine months		80%	100%	100%	For the resource consents and targeted permitted activities that were monitored during this 12-month period, two (2) activities received a grade of significant non-compliance that required direct enforcement action.
Percentage resolved within 12 months		95%	100%	100%	

	Outcome	2020 Target	2020 Result	2019 Result	How did we perform
					Both (100%) of these were resolved quickly and within the nine-month period using a range of enforcement options. As all these matters were resolved within the nine-month period, this meant that all (100%) were also resolved within 12 months.
An annual report is prepared and presented to a Council committee or a Council meeting on Water Metering Compliance detailing the performance of consented and permitted activity ground and surface water abstractions requiring monitoring as defined in the Tasman Resource Management Plan.	●	By 31 October	23 July 2020	25 July 2019	We presented the 2019/2020 Water Metering Compliance Monitoring report to the 23 July 2020 Regulatory Committee. Compliance behaviour was reasonably high despite the challenge of drought and the Covid-19 pandemic. The greatest issue identified was the number of water usage readings being missed even after reminders. While the impact of the pandemic did have a bearing on behaviour in the latter part of season, it did not account for most of the lapses. The failure to comply did result in a number of warnings, infringement fines and abatement notices being issued.
An annual Dairy Monitoring report is prepared detailing the performance of the District's dairy farms against the Council's dairy effluent discharge rules and relevant national legislation (percentage of farms fully compliant)	●	98%	99%	95%	We presented the 2019/2020 Dairy Farm Compliance report to the 23 July 2020 Regulatory Committee.  All 126 dairy farms were assessed against the discharge of treated dairy effluent. The final compliance results were: <ul style="list-style-type: none"> <li>• 99% - Fully Compliant</li> <li>• 0% - Non- Compliant</li> <li>• 1% - Significantly Non-Compliant</li> </ul>

	Outcome	2020 Target	2020 Result	2019 Result	How did we perform
					The results were very pleasing with a very high level of compliance maintained despite significant change occurring in the sector. The one significant non-compliance was sufficient in seriousness to result in a prosecution that is now before the court.
The Operational Plan outlines the objectives and activities to be undertaken in implementing the Tasman-Nelson Regional Pest Management Plan for the present financial year (date reported to Council or a Council committee)	●	By 30 November	28 November 2019	29 November 2018	The new Regional Pest Management Plan 2019-2029 took effect on 1 July 2019 and the new operational plan late in 2019. With Covid-19 disruption, time has been limited and it has been necessary to prioritise activity. All eradication programme and progressive containment work has been completed along with service requests.
Timely reporting of pest management operations for the previous financial year, in accordance with requirements of the Biosecurity Act (date of annual reports to Council or a Council committee)	●	By 30 November	28 November 2019	29 November 2018	An annual report on the activities undertaken in 2018/2019 was reported to the Regulatory Committee on 28 November 2019.

## MAJOR ACTIVITIES

PLANNED	ACTUAL 2019/2020
<p>Implementing the Resource Policy work programme, including:</p> <ul style="list-style-type: none"> <li>• Reviews of, and changes to, the Tasman Resource Management Plan.</li> <li>• Review of the Tasman Regional Policy Statement and consideration of combining it with the TRMP.</li> <li>• Development plans for various settlements within the District.</li> </ul>	<p>The main priority is currently the review of the Tasman Regional Policy Statement and Tasman Resource Management Plan. This will be a significant undertaking for the Council and community that will culminate in a single new “Tasman Environment Plan”. This year was year 1 of the project and involved reviewing how effective the existing plans have been and identifying which parts of the plan have been effective, which parts have not achieved the intended results and also what needs to change.</p>
<p>Implementation of the National Policy Statement for Urban Development Capacity and planning for and responding to urban growth pressures.</p>	<p>The Nelson Tasman Future Development Strategy (FDS) was adopted in July 2019. The FDS is a high-level plan that sets out how Tasman District and Nelson City will accommodate the next 30 years of housing and business growth. It shows where growth is to be located, and in what form, and what infrastructure will be needed to support that growth. The FDS was developed as part of implementing the National Policy Statement, along with monitoring and reporting on indicators of housing and business demand and supply.</p>
<p>Implementation of the National Policy Statement for Freshwater Management.</p>	<p>Implementation is on-going. Changes to the Resource Management Act in June 2020 have brought forward the deadline for implementing the NPS-FM by seven years. Councils are now required to notify plan changes to fully implement the national policy statement no later than December 2024. The Government has since released a new National Policy Statement for Freshwater Management and a number of new regulations which take effect from 3 September 2020 and will require a review of current work programmes.</p>
<p>Natural hazards strategic policy review.</p>	<p>Review of our natural hazards policy is on track and progressing well. The work remains a priority for Council. There was a successful community engagement process on the implications of coastal hazards and sea level rise from July to September 2019.</p>

**PLANNED****ACTUAL 2019/2020**

Provision of policy advice.

Policy advice is a core Council function and includes advice to the public, developers, iwi, and central government. Advice to central government included submissions on:

- The comprehensive review of the resource management system in New Zealand
- Covid-19 related legislation
- Amendments to the Resource Management Act
- Proposed National Policy Statement on Urban Development
- Proposed National Policy Statement on Highly Productive Land
- Proposed National Policy Statement on Indigenous Biodiversity
- Proposed New Zealand Bio-Strategy
- Essential Freshwater Package (Proposed National Policy Statement and regulations)

Review of the combined Nelson/Tasman Land Development guidelines.

The Nelson Tasman Land Development Manual became operative on 1 July 2019. The Manual replaces the Tasman District Council Engineering Standards 2013 and the Nelson Land Development Manual 2010, and provides one set of standards for the Nelson and Tasman region. It has been incorporated into the Tasman Resource Management Plan through a plan change that became operative in June 2020.

Undertake compliance activities to enforce planning rules, bylaws and resource consent conditions, and undertaking enforcement action when needed.

Council staff continue to carry out consent monitoring in accordance with the monitoring strategy, which targets activities in accordance with their risk to the environment. Council spends a lot of time working with users of natural resources and monitoring compliance with their consents. A lot of effort is put into ensuring activities do not create adverse effects on our waterways, air quality, and amenity. When activities are found to be non-complying, Council uses a range of tools to gain compliance, from education right through to prosecution before the Court for serious cases, in accordance with our Enforcement Policy. A summary of the Councils activities in compliance and enforcement are published each year.

Staff also provide a 24-hour, seven day a week service responding to public complaints. All complaints are recorded and actioned accordingly. The following breakdown records the type of complaints received over the year.

Type of Complaint	Number of Complaints
Noise	883
Land-use	193
Discharges – Air	417



**PLANNED**

**ACTUAL 2019/2020**

Discharges - Water	62
Discharges – Land	74
Water takes	23
Rivers	47
Coastal	22
Rubbish Enforcement	29
Abandoned Vehicles	262
Forestry (NES-PF)	6
Other enquiries	876
<b>Total</b>	<b>2,894</b>

(Compared with 2,631 in 2018/2019).

The results show an overall increase of around 10% on last year’s figures and reflects the continuing trend of increasing complaints over recent years. While many categories did not deviate significantly from last year’s figures, complaints about air quality rose as a result of smoke and odour issues. Customer enquiries also doubled, mostly due to residents’ enquiries in the Richmond Air shed prompted by the monitoring strategy. The only decline was in water related complaints and is accounted for by the fact that in 2018, residents in the district were affected by significant drought and restrictions.

Undertaking environmental monitoring of the District’s resources, state of the environment reporting, hydrology and flood warning monitoring, and provision of environmental information.

Hydrological monitoring, which is an ongoing work programme, was undertaken as planned. Council operates an extensive network for water resources and flood management. The 2019/2020 drought also entailed more detailed work monitoring low flows, groundwater and salinity levels across the district for the Dry Weather Task Force. The more focussed Upper Motueka river flow, temperature and dissolved oxygen data collection work was also completed.

The updated Motueka/Riwaka Plains river aquifer model was completed and reported to Council.

Additionally, the Motueka/Riwaka Plains summer survey for groundwater quality was completed and is pending reporting to Council.

The Waimea River/Aquifer model work is ongoing. The model was updated to include the latest land use cover data.

The new Te Tau Ihu Forestry Management Advisor role focuses on improving sedimentation and erosion control following harvesting and supporting the planting of exotic and indigenous forests, working together

PLANNED	ACTUAL 2019/2020
	<p>with iwi to achieve improved environmental outcomes and options for alternative land use for erosion prone land.</p> <p>Mapping of wetlands in the Golden Bay/Mohua area continued, although unfortunately there was some delay in the project due to Covid-19 lockdown, but additional resources have been secured to enable accelerated coverage in the forthcoming year.</p> <p>The estuarine fish monitoring project in the Waimea Inlet was deferred due to delays in the approvals process and is programmed for February-March 2021.</p> <p>Work on the constructed wetland in the Fish Creek catchment was completed.</p> <p>Progress has been made on catchment enhancement projects in the Sherry River and in the in-stream restoration on the Motupipi with riparian planting progressing as planned. Sediment removal and riparian planting was completed in the Nieman Creek area also.</p>
<p>Providing advice to potential applicants for resource consents and processing resource consent applications and development contribution notices.</p>	<p>Advice was provided by way of Duty Planner appointments at Council’s Richmond, Motueka and Tākaka offices and by way of customer service requests (CSRs) responded to by email or phone calls.</p> <p>During 2019/2020, Council completed 1,772 applications for resource consents and related permissions, compared with 1,435 in 2018/2019 (see Appendix 1 for further details).</p> <p>The Development Contributions Administrator provided advice to developers and builders on Development Contributions (DCs)</p>
<p>Undertaking plant and animal pest management planning and operations, including in Nelson City through a contractual arrangement with Nelson City Council.</p>	<p>Tasman continued to provide Biosecurity Services to Nelson City Council as part of an annual contract for services. While Covid-19 caused some disruption, service was maintained where reasonable, with staff able to respond as essential service personnel.</p>

## FUNDING IMPACT STATEMENT – ENVIRONMENTAL MANAGEMENT

For the year ended 30 June 2020

Budget 2018/2019 \$000	Actual 2018/2019 \$000	Notes	Actual 2019/2020 \$000	Budget 2019/2020 \$000	% of Budget
<b>SOURCES OF OPERATING FUNDING</b>					
8,438	8,438	General rates, uniform annual general charges, rates penalties	9,080	9,080	100%
177	184	Targeted rates	167	164	102%
20	10	Subsidies and grants for operating purposes	217	21	1033%
2,708	2,787	Fees and charges	2,779	2,607	107%
-	-	Internal charges and overheads recovered	-	-	-
418	533	Local authorities fuel tax, fines, infringement fees, and other receipts	641	462	139%
<b>11,761</b>	<b>11,952</b>	<b>Total operating funding</b>	<b>12,884</b>	<b>12,334</b>	<b>104%</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>					
6,985	6,258	Payments to staff and suppliers	7,558	7,276	104%
34	34	Finance costs	23	24	96%
4,282	4,821	Internal charges and overheads applied	4,907	4,611	106%
-	-	Other operating funding applications	-	-	-
<b>11,301</b>	<b>11,113</b>	<b>Total applications of operating funding</b>	<b>12,488</b>	<b>11,911</b>	<b>105%</b>
<b>460</b>	<b>839</b>	<b>Surplus/(deficit) of operating funding</b>	<b>396</b>	<b>423</b>	<b>94%</b>
<b>SOURCES OF CAPITAL FUNDING</b>					
-	-	Subsidies and grants for capital expenditure	-	-	-
-	-	Development and financial contributions	-	-	-
(84)	(84)	Increase (decrease) in debt	(84)	(84)	100%
-	-	Gross proceeds from sale of assets	-	-	-
-	-	Lump sum contributions	-	-	-
-	-	Other dedicated capital funding	-	-	-
<b>(84)</b>	<b>(84)</b>	<b>Total sources of capital funding</b>	<b>(84)</b>	<b>(84)</b>	<b>100%</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>					
Capital expenditure					
-	-	- to meet additional demand	-	-	-
200	41	- to improve the level of service	132	212	62%
137	148	- to replace existing assets	120	133	90%
39	566	Increase (decrease) in reserves	60	(6)	-1000%
-	-	Increase (decrease) in investments	-	-	-
<b>376</b>	<b>755</b>	<b>Total applications of capital funding</b>	<b>312</b>	<b>339</b>	<b>92%</b>
<b>(460)</b>	<b>(839)</b>	<b>Surplus/(deficit) of capital funding</b>	<b>(396)</b>	<b>(423)</b>	<b>94%</b>

## PUBLIC HEALTH AND SAFETY

### WHAT WE DO

This activity involves the provision of advice and discharging statutory functions in the areas of public health, building, environmental health (including liquor licensing, food safety), hazardous substances, animal control, CDEM, parking control and maritime safety. It involves assessing and processing permit and registration applications, the administration of bylaws, and associated monitoring and enforcement action.

### WHY WE DO IT

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

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

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

1. the community has confidence in the service provided historically by Council (and so Council continues to provide the service)
2. Council already provides the service, and changing the mode of delivery would be more costly and less effective
3. the community expects Council to provide the service
4. Council considers that it can contribute to and/or enhance community well-being by providing the service.

### CONTRIBUTION TO COMMUNITY OUTCOMES

The Public Health and Safety activity primarily contributes to the following community outcomes:

- Our unique natural environment is healthy, protected and sustainably managed.
- Our urban and rural environments are people-friendly, well-planned, accessible and sustainably managed.
- Our communities are healthy, safe, inclusive and resilient.

### OUR GOAL







The Public Health and Safety activity goal is to:


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

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS



	Outcome	2020 Target	2020 Result	2019 Result	How did we perform
<b>We will provide building control services in a professional and timely manner to ensure building work is safe and in accordance with the New Zealand Building Code</b>					
All applications for building consents (BC) are processed within statutory timeframes		100%	99.4%	95%	Excellent result considering Covid-19 and the training of new staff. Competency has advanced and training to be completed in 2021
Percentage of applications for code compliance certificates (CCC) which are processed within statutory timeframes		98%	99.3%	98%	A good result and an improvement compared with last year.
The average time taken to process a Building Consent		10 working days	9.4 working days	12 working days	Excellent result considering Covid-19 and the training of new staff.
We maintain Building Consent Authority Accreditation		Accreditation maintained	Accreditation maintained	Accreditation maintained	
Satisfaction with Council’s building control work		85%	68%	64%	Improved trend compared with 2019. Overall satisfaction marked down because of responses to costs and perceived time delays. Changes in process are being made and increased customer engagement underway.
<b>We will provide an environmental health service that in association with other agencies, fosters the responsible sale and consumption of liquor</b>					
In conjunction with the New Zealand Police, we detect no sale of liquor to minors through random controlled purchase operations (CPOs) run annually		At least 75% of CPOs with no offences detected	Not Measured	Not achieved (only one clear operation)	Due to NZ Police not being available due in part to Covid-19, no CPOs were carried out over the period. Police now have the necessary resources.

	Outcome	2020 Target	2020 Result	2019 Result	How did we perform
<b>We will provide an environmental health service that ensures that food provided for sale is safe, free from contamination and prepared in suitable premises</b>					
All food premises are inspected at least once annually for compliance and appropriately licensed		No target due to change in inspection /audit regimes	Not measured	Not measured	Staff have adopted the new food verification scheme very well and were one of the first nationally to do so. Covid-19 and the changes to the legislation have altered inspection requirements which can vary from 6 to 18 months so the measure is no longer appropriate.
<b>We will provide animal control services to minimise the danger, distress, and nuisance caused by dogs and wandering stock and to ensure all known dogs are recorded and registered</b>					
All known dogs are registered or otherwise accounted for annually by 30 June		100%	100%	100%	Animal control services continued throughout lockdown.
We respond to high priority dog complaints within 60 minutes, 24 hours a day, seven days a week.		100%	100%	100%	This service was maintained at the level indicated, even during lockdown.
<b>A civil defence and emergency management system that is designed to promote the safety of people and a resilient community in the event that emergencies occur</b>					
The level of community support for Council's civil defence emergency management (CDEM) activity (residents' satisfaction)		70%	78%	78%	CDEM operated in support of the Covid-19 response. An Incident Management Team (IMT) was also available to respond to other CDEM events.
The Nelson Tasman CDEM Group Plan is reviewed and kept up to date		Plan is reviewed and kept up to date	Achieved	Achieved	
<b>We will provide Maritime Administration services to ensure Tasman's regional waters are safe and accessible and that all known commercial vehicle operators are licensed</b>					
All known commercial vessel operators are licensed		100%	100%	100%	All commercial vessels were registered and maritime safety duties performed at a very high standard. The Harbourmaster operated

	Outcome	2020 Target	2020 Result	2019 Result	How did we perform
					throughout lockdown and maintained aids to navigation etc.
<b>We will provide parking control services to facilitate the public's access to urban retailers and services, respond to any misuse of disabled parking, and remove reported abandoned vehicles</b>					
Compliance by vehicles parking in time controlled areas within the Traffic Bylaw, based on an annual snap survey.		85%	82%	79%	During lockdown we did not issue tickets but responded to emergencies and abandoned vehicles.

## MAJOR ACTIVITIES

PLANNED	ACTUAL 2019/2020
Respond to enquiries, process permits and consents, and undertake inspectorial responsibilities under the Health Act, Building Act, Sale and Supply of Alcohol Act, Food Act, Gambling Act, Dog Control Act, Land Transport Act, Maritime Transport Act, the Hazardous Substances and New Organisms Act, and associated regulations and Council bylaws.	<p>Inspectorial responsibilities under the Health, Building, and Sale and Supply of Alcohol Acts and Council bylaws continue to be carried out by professionally-trained and qualified staff and contractors (see Appendix 1 for details).</p> <p>We processed 99.4% of 1,204 building consents within the statutory processing time limit (compared to 1,298, at 95%, in 2018/2019). Our average processing time was 9.4 days (12 days in 2018/2019). We issued consents for 488 new dwellings. In addition, 185 Schedule 1(2) exemptions from requiring a building consent were approved (compare this with 127 in 2018/2019).</p> <p>Public Health licensing has been busy despite the Covid-19 lockdown. Overall customer satisfaction levels were 92% being satisfied or more than satisfied with Council service. The Gambling Venues Policy was updated by Council 28 November 2019.</p> <p>Freedom camping control continued but saw a 30% fall in complaints and fines issued. In April 2020, Council adopted the Responsible Camping Strategy to provide direction on how freedom camping is managed across Tasman District</p>

PLANNED	ACTUAL 2019/2020
Carry out navigation and safety functions including implementation of the Joint Oil Spill Contingency Plan (with Nelson City Council).	The Harbourmasters moved into a new shed in Port Motueka. Much work was done with recreational boat users and marine farmers. The Oil Spill response capability was maintained at 100% and exercised twice.
Carry out animal control responsibilities.	Dog and stock control were effective throughout the year. Dog numbers in the District were 11,483 registered as at April 2020. All known dogs were accounted for before 30 June and the customer satisfaction survey indicates that the public are very supportive of our service at 96%.
Carry out civil defence and emergency management responsibilities.	The CDEM team assisted with the Covid-19 outbreak. An on-call Incident Management Team (IMT) is regularly exercised and available.
Carry out parking control responsibilities under Council's Parking Bylaw.	Parking control continued at a high rate with several new patrol areas being added under the Traffic Control Bylaw. New handheld meters have been provided to wardens to make the process of issuing and uploading tickets easier and faster. Parking wardens issued 4,385 tickets over the full year period.



## FUNDING IMPACT STATEMENT – PUBLIC HEALTH AND SAFETY

For the year ended 30 June 2020

Budget 2018/2019 \$000	Actual 2018/2019 \$000	Notes	Actual 2019/2020 \$000	Budget 2019/2020 \$000	% of Budget
<b>SOURCES OF OPERATING FUNDING</b>					
1,926	1,926	General rates, uniform annual general charges, rates penalties	2,093	2,093	100%
-	-	Targeted rates	-	-	-
-	57	Subsidies and grants for operating purposes	198	-	100%
4,129	4,155	Fees and charges	5,249	4,481	117%
-	-	Internal charges and overheads recovered	-	-	-
347	871	Local authorities fuel tax, fines, infringement fees, and other receipts	1,232	350	352%
<b>6,402</b>	<b>7,009</b>	<b>Total operating funding</b>	<b>8,772</b>	<b>6,924</b>	<b>127%</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>					
3,823	5,096	Payments to staff and suppliers	5,613	4,183	134%
15	15	Finance costs	13	11	118%
2,365	2,693	Internal charges and overheads applied	2,754	2,680	103%
-	-	Other operating funding applications	-	-	-
<b>6,203</b>	<b>7,804</b>	<b>Total applications of operating funding</b>	<b>8,380</b>	<b>6,874</b>	<b>122%</b>
<b>199</b>	<b>(795)</b>	<b>Surplus/(deficit) of operating funding</b>	<b>392</b>	<b>50</b>	<b>784%</b>
<b>SOURCES OF CAPITAL FUNDING</b>					
-	-	Subsidies and grants for capital expenditure	-	-	-
-	-	Development and financial contributions	-	-	-
(27)	(27)	Increase (decrease) in debt	460	(28)	-1643%
-	-	Gross proceeds from sale of assets	-	-	-
-	-	Lump sum contributions	-	-	-
-	-	Other dedicated capital funding	-	-	-
<b>(27)</b>	<b>(27)</b>	<b>Total sources of capital funding</b>	<b>460</b>	<b>(28)</b>	<b>-1643%</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>					
Capital expenditure					
-	-	- to meet additional demand	-	-	-
-	-	- to improve the level of service	-	-	-
-	37	- to replace existing assets	514	3	17133%
172	(859)	Increase (decrease) in reserves	338	19	1779%
-	-	Increase (decrease) in investments	-	-	-
<b>172</b>	<b>(822)</b>	<b>Total applications of capital funding</b>	<b>852</b>	<b>22</b>	<b>3873%</b>
<b>(199)</b>	<b>795</b>	<b>Surplus/(deficit) of capital funding</b>	<b>(392)</b>	<b>(50)</b>	<b>784%</b>

# ENGINEERING

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

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

## TRANSPORTATION, ROADS AND FOOTPATHS

### WHAT WE DO

Council manages a transportation network that comprises approximately 1,741km of roads, (967km sealed and 784km unsealed), 494 bridges (including footbridges), 423km of footpaths, walkways and cycleways, 22 off street car park areas, on street car parking, streetlights, traffic signs, culverts and Tasman's Great Taste Trail. Each road in the transportation network has been categorised into a transportation hierarchy based on the road's purpose and level of use.

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

### WHY WE DO IT

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

### CONTRIBUTION TO COMMUNITY OUTCOMES

The Transportation, Roads and Footpaths activity primarily contributes to the following community outcomes:

- Our urban and rural environments are people-friendly, well-planned, accessible and sustainably managed.
- Our infrastructure is efficient, cost effective and meets current and future needs.
- Our communities are healthy, safe, inclusive and resilient.
- Our region is supported by an innovative and sustainable economy.




### OUR GOAL

Council will manage transportation activities to facilitate movement of people and goods within communities and around the District.

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS

● Fully achieved    
 ● Achieved within 5%    
 ● Not achieved    
 ● Not measured

	Outcome	2020 Target	2020 Result	2019 Result	How did we perform
<b>Safety: Our transportation network is becoming safer for its users</b>					
There is a downward trend in the number of serious and fatal injury crashes occurring on our road network.	●	Decreasing	Decreasing	Increasing	The latest five years of crash data shows a downward trend.  <b>See Figure 7</b> All Crash Types, Tasman District Council roads only, fatal and serious crashes
The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number. Mandatory measure 1.	●	≤ 0	Decrease of 7	Decrease of 13	There were fewer fatal and serious crashes in 2019/2020 (10) than the previous year (17).
<b>Accessibility: Our transportation network enables the community to choose from various modes of travel</b>					
The Council constructs a minimum length of new footpath each financial year to meet population growth plus an additional proportion to reduce the gaps in the existing footpath network over 30 years.	●	≥500m	560m	2,780m	560m of new footpath was constructed on Lower Queen Street.
The annual growth in use of cycle routes exceeds specified levels.	●	≥1%	Not measured	Not measured	A new counting contract in 2018 and change in method made comparisons with historic data irrelevant. In addition, for 2020 we also counted cyclists on the footpaths to get a more complete count of cyclists. Conclusions cannot yet be drawn from this data.

	Outcome	2020 Target	2020 Result	2019 Result	How did we perform
The annual growth in use of passenger transport exceeds specified levels. Measured using yet to be implemented integrated ticketing service data for people travelling to, from or within Richmond.		≥1%	Not measured	Not measured	There was a delay in the implementation of the integrated ticketing service, which was introduced in August 2020. Data from Nelson City Council indicates that patronage for the Richmond routes of the NBus service has been relatively stable. However with Covid-19, the patronage dropped away in 2019/2020. For the 2019 calendar year, prior to Covid-19, it was shaping up to be a good year with patronage on track for annual growth above 1%.
<b>Value for money: Our transportation network is maintained cost effectively and whole of life costs are optimised</b>					
The percentage of sealed local road that is resurfaced each financial year. Mandatory measure 3.		5%-7%	4.5%	6.4%	Resurfacing completed was 44.8km (centreline) which equates to 4.5% of the network (based on 983km of maintained sealed network). The percentage is less than the target due to larger than usual asphalt surfacing and cost escalations increasing the overall cost of resurfacing.
<b>Amenity: The travel quality and aesthetics of our transportation network is managed at a level appropriate to the importance of the road and satisfies the community's expectations</b>					
The percentage of footpaths within the Tasman district that are maintained to a condition of average or better, as measured through the triennial footpath condition rating survey. Mandatory measure 4.		≥95%	95.8%	Not measured	The 2020 condition rating shows overall condition is within the target condition.









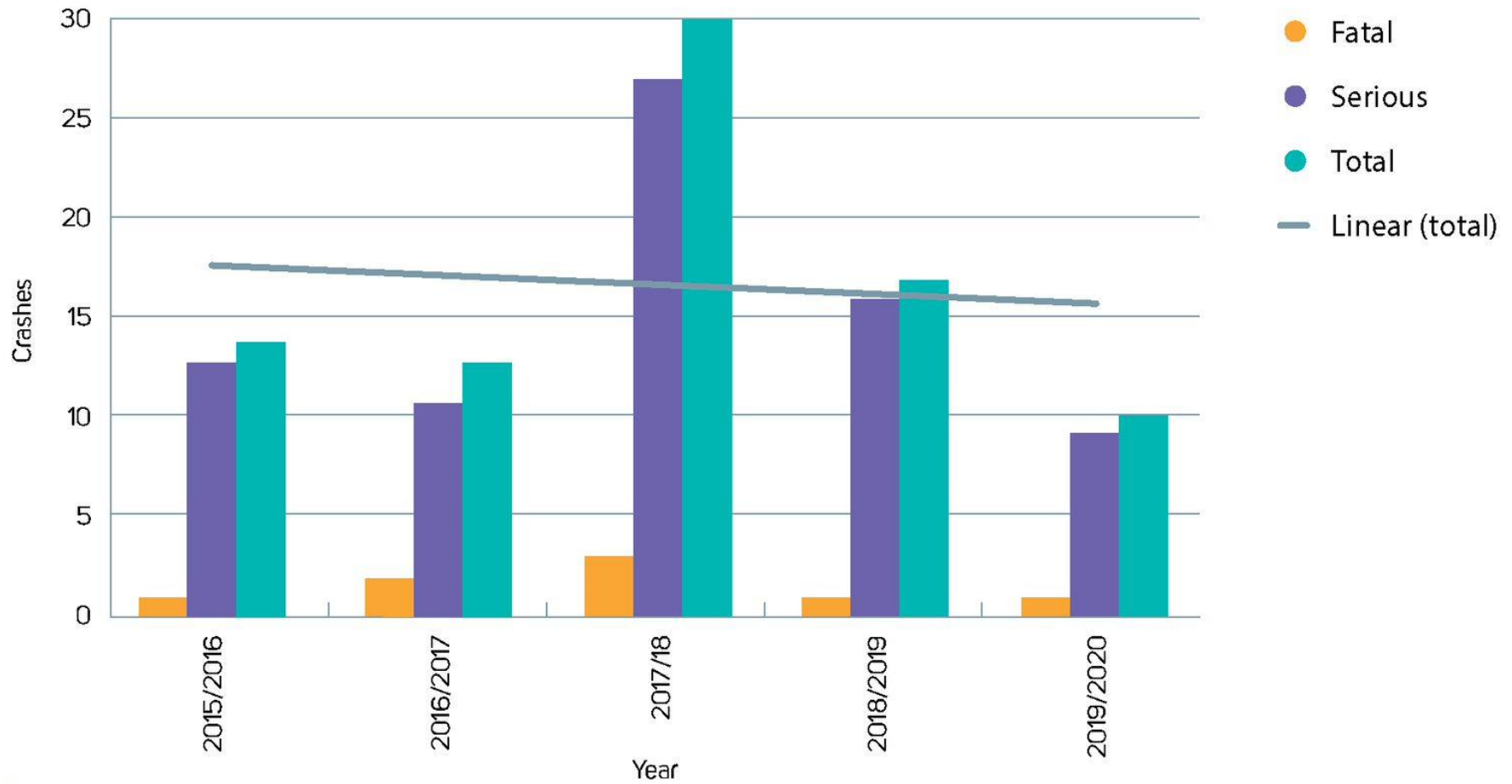
	Outcome	2020 Target	2020 Result	2019 Result	How did we perform
<p>The proportion of travel undertaken on the sealed road network meets the specified comfort levels (known as Smooth Travel Exposure). Smooth travel exposure (STE) is defined as the proportion of vehicle kilometres travelled on roads with roughness below the following thresholds.</p> <p>Mandatory measure 2.</p>					
Arterial Roads		≥95%	89.5%	98%	<i>Note: includes Urban and Rural figures</i>
Primary Collector Roads		≥95%	95.1%	95%	
Secondary Collector Roads		≥95%	94.9%	91%	
Access Roads		≥90%	93.1%	95%	
Access (Low Volume) Roads		≥90%	94.4%	96%	
Residents are satisfied with Council's roads and footpaths in the District.					
Footpaths		≥70%	74%	68%	
Roads		≥70%	72%	69%	
<p>Customer Service Requests relating to the transportation network and activities are completed on time.</p> <p>ONRC Safety – PM7.</p> <p>Mandatory Measure 5.</p>					
		≥90%	86%	74%	

Figure 7

All crash types, Tasman District Council roads only, fatal and serious crashes



## MAJOR ACTIVITIES

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

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

## NEW CAPITAL EXPENDITURE

The following table details the major capital and renewal work for the year 2019/2020. A full list of projects and programmes for work that was planned to be completed is included in Appendix F of the Transportation Activity Management Plan.

PROJECT	LTP BUDGET (YEARS EXPENDITURE PLANNED)	2019/2020 BUDGET	ACTUAL 2019/2020
Road Renewals – Replacement or renewal of road surface and structure	\$48,000,000 (Y1 – 10)	\$3,993,588	Council spent \$4,002,752 in the 2019/2020 year.
Bridge Renewals – Renewal or replacements of bridges and structural components	\$5,600,000 (Y1 – 10)	\$916,305	Council spent \$802,822 in the 2019/2020 year. Budget of \$239,000 was carried forward from the 2018/2019 year into 2019/2020 year.
Traffic Services Renewals – Replacement of road signs and streetlights	\$4,600,000 (Y1 – 10)	\$315,859	Council spent \$290,422 in the 2019/2020 year.
Drainage Renewals – Renewal or replacement of culverts and surface water channels	\$10,100,000 (Y1 – 10)	\$833,952	Council spent \$849,431 in the 2019/2020 year.

PROJECT	LTP BUDGET (YEARS EXPENDITURE PLANNED)	2019/2020 BUDGET	ACTUAL 2019/2020
Town Centre Upgrades – Upgrading of town centre areas to provide improved shared spaces	\$3,750,000 (Y2 – 10)	\$1,584,509	Council spent \$1,444,159 in the 2019/2020 year.  The Brightwater Town Centre project was affected by the Covid-19 lockdown but on track for completion in first half of 2020/2021.
New Cycle Facilities – Construction of new cycle paths and crossing facilities including extension of Tasman’s Great Taste Trail	\$4,300,000 (Y1 – 8)	\$2,013,994	Council spent \$1,804,352 in the 2019/2020 year. This included the new Tākaka to Pōhara cycleway and the extension of the Great Taste Trail.  Budget of \$367,311 was carried out of the 2019/2020 year into 2020/2021.
New and Renewed Footpaths – Construction of new footpaths and replacement of existing footpaths in poor condition	\$3,600,000 (Y1 - 10)	\$354,430	Council spent \$263,338 in the 2019/2020 year.  Māpua Drive path project was slightly delayed by land acquisition process.
Champion Road Roundabout and Underpass	\$3,300,000 (Y2)	\$3,334,766	Council spent \$220,676 in the 2019/2020 year. Budget of \$2,827,000 was carried out of the 2019/2020 year into 2020/2021.



## FUNDING IMPACT STATEMENT – TRANSPORTATION, ROADS AND FOOTPATHS

For the year ended 30 June 2020

Budget 2018/2019 \$000	Actual 2018/2019 \$000	Notes	Actual 2019/2020 \$000	Budget 2019/2020 \$000	% of Budget
<b>SOURCES OF OPERATING FUNDING</b>					
12,029	12,029	General rates, uniform annual general charges, rates penalties	12,312	12,312	100%
-	-	Targeted rates	-	-	-
3,579	6,349	Subsidies and grants for operating purposes	4,729	3,602	131%
158	276	Fees and charges	255	161	158%
-	-	Internal charges and overheads recovered	-	-	-
991	1,005	Local authorities fuel tax, fines, infringement fees, and other receipts	1,095	1,015	108%
<b>16,757</b>	<b>19,659</b>	<b>Total operating funding</b>	<b>18,391</b>	<b>17,090</b>	<b>108%</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>					
7,363	11,969	Payments to staff and suppliers	9,600	7,702	125%
1,709	1,626	Finance costs	1,413	1,530	92%
2,176	2,331	Internal charges and overheads applied	2,368	2,204	107%
-	-	Other operating funding applications	-	-	-
<b>11,248</b>	<b>15,926</b>	<b>Total applications of operating funding</b>	<b>13,381</b>	<b>11,436</b>	<b>117%</b>
<b>5,509</b>	<b>3,733</b>	<b>Surplus/(deficit) of operating funding</b>	<b>5,010</b>	<b>5,654</b>	<b>89%</b>
<b>SOURCES OF CAPITAL FUNDING</b>					
3,050	4,028	Subsidies and grants for capital expenditure	5,889	7,585	78%
433	406	Development and financial contributions	639	433	148%
(661)	2,032	Increase (decrease) in debt	2,244	2,164	104%
-	-	Gross proceeds from sale of assets	-	-	-
-	-	Lump sum contributions	-	-	-
-	-	Other dedicated capital funding	-	-	-
<b>2,822</b>	<b>6,466</b>	<b>Total sources of capital funding</b>	<b>8,772</b>	<b>10,182</b>	<b>86%</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>					
Capital expenditure					
-	-	- to meet additional demand	-	-	-
393	2,018	- to improve the level of service	3,231	4,484	72%
6,250	9,393	- to replace existing assets	8,980	10,319	87%
1,688	(1,212)	Increase (decrease) in reserves	1,571	1,033	152%
-	-	Increase (decrease) in investments	-	-	-
<b>8,331</b>	<b>10,199</b>	<b>Total applications of capital funding</b>	<b>13,782</b>	<b>15,836</b>	<b>87%</b>
<b>(5,509)</b>	<b>(3,733)</b>	<b>Surplus/(deficit) of capital funding</b>	<b>(5,010)</b>	<b>(5,654)</b>	<b>89%</b>

Debt was lower than budget as a direct result of the capital spend being lower than budget.

# COASTAL STRUCTURES

## WHAT WE DO

This group of activities comprises:

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

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

- ownership and management of the wharf at Riwaka
- jetties, boat ramps, navigational aids and moorings
- coastal protection works at Te Mamaku/Ruby Bay and Mārahau
- navigation aids associated with harbour management

## WHY WE DO IT

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

## CONTRIBUTION TO COMMUNITY OUTCOMES

The Coastal Structures activity primarily contributes to the following community outcomes:

- Our infrastructure is efficient, cost effective and meets current and future needs.
- Our communities have access to a range of social, cultural, educational and recreational facilities and activities.
- Our communities are healthy, safe, inclusive and resilient.

## OUR GOAL

Council aims to ensure access to the sea can be enjoyed by all whilst managing the effects of the sea on property.

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS

● Fully achieved    
 ● Achieved within 5%    
 ● Not achieved    
 ● Not measured

	Outcome	2020 Target	2020 Result	2019 Result	How did we perform
<b>Protection: Our communities are protected from natural hazard events</b>					
Council owned coastal protection is maintained to its original constructed standard. Council has a detailed inventory of coastal assets and condition, as measured by routine inspections after storm events.	<span style="color: lightblue;">●</span>	100%	97%	100%	Three rock revetments that protect roads were assessed during routine inspections as being very poor. They are unlikely to offer the original designed protection. These will be repaired in due course.
<b>Safety: Our structures are safe for the public to use</b>					
Council structures are maintained to a safe level to allow general public to use. Measure percentage of structures deemed 'safe' through annual safety audit.	<span style="color: green;">●</span>	100%	100%	Not measured	One concrete step structure was determined as being very poor during routine inspection, and staff are yet to determine whether the step should be repaired or removed. However it is currently not posing a safety issue.

## FUNDING IMPACT STATEMENT – COASTAL STRUCTURES

For the year ended 30 June 2020

Budget 2018/2019 \$000	Actual 2018/2019 \$000	Notes	Actual 2019/2020 \$000	Budget 2019/2020 \$000	% of Budget
<b>SOURCES OF OPERATING FUNDING</b>					
470	470	General rates, uniform annual general charges, rates penalties	517	517	100%
90	90	Targeted rates	84	85	99%
-	10	Subsidies and grants for operating purposes	-	-	-
-	-	Fees and charges	10	-	100%
-	-	Internal charges and overheads recovered	-	-	-
16	16	Local authorities fuel tax, fines, infringement fees, and other receipts	15	15	100%
<b>576</b>	<b>586</b>	<b>Total operating funding</b>	<b>626</b>	<b>617</b>	<b>101%</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>					
350	231	Payments to staff and suppliers	100	407	25%
34	30	Finance costs	22	22	100%
65	56	Internal charges and overheads applied	62	65	95%
-	-	Other operating funding applications	-	-	-
<b>449</b>	<b>317</b>	<b>Total applications of operating funding</b>	<b>184</b>	<b>494</b>	<b>37%</b>
<b>127</b>	<b>269</b>	<b>Surplus/(deficit) of operating funding</b>	<b>442</b>	<b>123</b>	<b>359%</b>
<b>SOURCES OF CAPITAL FUNDING</b>					
-	-	Subsidies and grants for capital expenditure	-	-	-
-	-	Development and financial contributions	-	-	-
(86)	(82)	Increase (decrease) in debt	(66)	(81)	81%
-	-	Gross proceeds from sale of assets	-	-	-
-	-	Lump sum contributions	-	-	-
-	-	Other dedicated capital funding	-	-	-
<b>(86)</b>	<b>(82)</b>	<b>Total sources of capital funding</b>	<b>(66)</b>	<b>(81)</b>	<b>81%</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>					
Capital expenditure					
-	-	- to meet additional demand	-	-	-
-	-	- to improve the level of service	-	-	-
-	89	- to replace existing assets	-	-	-
41	98	Increase (decrease) in reserves	376	42	895%
-	-	Increase (decrease) in investments	-	-	-
<b>41</b>	<b>187</b>	<b>Total applications of capital funding</b>	<b>376</b>	<b>42</b>	<b>895%</b>
<b>(127)</b>	<b>(269)</b>	<b>Surplus/(deficit) of capital funding</b>	<b>(442)</b>	<b>(123)</b>	<b>359%</b>

Increase (decrease) in Reserves – the movement in reserves is a reflection of underspend in the activity which has increased the surplus. Payments on direct expenditure were under budget.

Reserves were more than budget as a result of less spend in the supplier costs.

## WATER SUPPLY

### WHAT WE DO

This activity comprises the provision of potable water (i.e. water suitable for use and consumption by people) to properties within 18 supply schemes. This consists of 11 urban water supply schemes (known as the Urban Water Club), Motueka water supply scheme, four rural supply schemes (Dovedale, Eighty-Eight Valley, Redwood Valley 1 and 2) and the Hamama neighbourhood scheme. The Māpua Rise Water Scheme was transferred to Council in May 2017. In addition, the Tākaka Firefighting Scheme supplies the central Tākaka area with a non-potable firefighting supply.

Council's existing network is extensive and continues to grow. At present, the network comprises of 15 water treatment plants, 21 pump stations, 756km of reticulation pipeline, 61 reservoirs, 32 bores, 11,200 metered connections and 1,520 rural restrictors. In addition, Council manages the Wai-iti water storage dam to provide supplementary water into the Lower Wai-iti River and aquifer. This enables sustained water extraction for land irrigation at times of low river flows.

Council aims to provide a continuous supply of water to its users but this cannot always be guaranteed.

### WHY WE DO IT

Clean and safe drinking water is fundamental to public health. Council provides ready access to high quality drinking water in the urban areas to enhance the health of Tasman's communities. Ready access to water also facilitates economic growth and enables the protection of property through the provision of water at a pressure adequate for firefighting needs. The service provides many public benefits and Council considers it necessary and beneficial to the community to undertake the planning, implementation and maintenance of water supply services in the District.

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

### CONTRIBUTION TO COMMUNITY OUTCOMES

The Water Supply activity primarily contributes to the following community outcomes:

- Our urban and rural environments are people-friendly, well-planned, accessible and sustainably managed.
- Our infrastructure is efficient, cost effective and meets current and future needs.
- Our communities are healthy, safe, inclusive and resilient.
- Our region is supported by an innovative and sustainable economy.

### OUR GOAL



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


## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS

● Fully achieved    
 ● Achieved within 5%    
 ● Not achieved    
 ● Not measured








	Outcome	2020 Target	2020 Result	2019 Result	How did we perform
<b>Our water takes are sustainable</b>					
Compliance with resource consent is achieved, measured by the number of:					
Abatement notices	●	0	0	0	Compliance was achieved with all consents.
Infringement notices	●	0	0	2	
Enforcement orders	●	0	0	0	
Convictions	●	0	0	0	
The volume and percentage of real water loss <sup>2</sup> from the network is less than the target. Mandatory measure 2.	●	≤25%	25%	19%	The calculated losses are higher than in 2019. In 2019 the meter reading dates changed for Richmond and an adjustment was required to annualise the readings.
The average urban consumption of drinking water per day per resident is less than the target. Mandatory measure 5.	●	<250 Litres	219 Litres	224 Litres	The target was achieved with a slight improvement on 2019.
<b>Our water is safe to drink</b>					
Minimise the number of temporary advisory notices issued to customers to boil water.	●	0	1	0	A boil water notice was issued for Upper Tākaka with an event at the treatment plant. Samples taken in the reticulation were all clear and the event was isolated to the plant.  There is a permanent boil water notice in place in Dovedale.

<sup>2</sup> Total real loss = total water provided – water metered – non revenue water.  
 % = L real loss divided by average L usage per connection as yearly average.

	Outcome	2020 Target	2020 Result	2019 Result	How did we perform
We comply with Part 4 (bacterial compliance criteria) of the Drinking Water Standards, as determined by the Drinking Water Assessor. Mandatory measure 1. Measured by the number of schemes with:					
Plant compliance		16/17	10/14	9/14	In 2019/2020, we did not achieve this target, with four schemes failing to comply.
Zone compliance		16/17	12/15	13/15	In 2019/2020, there were 14 plants and 15 zones which required compliance with Part 4 of the Drinking Water Standards.  Of the water schemes which must comply with Part 4 of the Drinking Water Standard, four schemes, consisting of four plants and three zones, did not comply: <ul style="list-style-type: none"> <li>• Dovedale Plant and Zone: This scheme has a permanent boil water notice in place. The source water is generally too dirty to effectively treat with chlorination.</li> <li>• Collingwood Plant and Zone: Bacteria was picked up at the plant and in the zone on the same day. The scheme is chlorinated.</li> <li>• Eighty Eight Valley Plant: There were turbidity events. The scheme is chlorinated.</li> <li>• Pōhara Plant and Zone: Bacteria was picked up at the plant and in the zone, despite good levels of chlorine there are ongoing issues with high turbidity which can be associated with E.coli transgressions.</li> <li>• The Māpua Rise plant is not currently in use.</li> </ul>

	Outcome	2020 Target	2020 Result	2019 Result	How did we perform
					There are two other schemes (Upper Tākaka and Tapawera) identified in the target under the LTP 2018-2028 which are small water supplies (under 500 people) and require compliance with Section 10 of the Drinking Water Standards 2005 (revised 2018, DWSNZ2005/18), instead of Parts 4 and 5. Tapawera achieved compliance with Section 10 (DWSNZ2005/18).
We comply with Part 5 (protozoal compliance criteria) of the Drinking Water Standards, as measured by the number of schemes with compliant protozoa treatment determined by the Drinking Water Assessor. Mandatory measure 1.		5/15	2/14	1/14	<p>Two schemes (Richmond and Tapawera) complied in 2019/2020.</p> <p>Five treatment plants have protozoa treatment installed (Richmond, Kaiteriteri, Tapawera, Upper Tākaka and Murchison).</p> <p>The Murchison plant did not comply with monitoring requirements in accordance with the DWSNZ2005/18. The Kaiteriteri plant did not comply due to intermittent turbidity events. The Māpua Rise plant is not currently in use.</p> <p>Although the Tapawera scheme was identified in this target under the LTP 2018-2028, the Tapawera and Upper Tākaka schemes are small water supplies (under 500 people) and require compliance with Section 10 of the Drinking Water Standards, instead of Parts 4 and 5.</p>



	Outcome	2020 Target	2020 Result	2019 Result	How did we perform
<b>Our water supply systems provide fire protection to a level that is consistent with the national standard</b>					
Compliance with FW2 standards, for not less than five randomly selected fire hydrants tested annually in urban supplies. *15 hydrants for Richmond.		95%	87%	88%	The random sampling picked up a number of sites that were below the requirements. Some of these cannot be fixed. Others require investigation.
<b>Our water supply systems are built, operated and maintained so that failures can be managed and responded to quickly</b>					
Planned service interruptions do not exceed eight hours as required under the Health Act 1956.		<8 hours	8 hours and 12 minutes	10 hours	Of the 32 planned water shutdowns, 31 were completed within the eight-hour timeframe. One interruption in Brightwater was a very technical job and went over the target by 12 minutes.
<b>Our water supply activities are managed at a level that the community is satisfied with</b>					
Percentage of customers (who receive a service) are satisfied with the water supply.		≥80%	81%	80%	
Complaints per 1,000 connections are less than the target – relates to clarity, taste, odour, pressure or flow, continuity of supply and Council response to these issues.		<20	25	19	Most of the complaints related to rural water supplies. These can relate to blocked flow restrictors or system issues preventing the correct flow reaching all customers.
Median response times are within targets for urgent call-outs.		<2 hours	1.6 hours	1.7 hours	The median response time of 1.6 hours is a slight improvement on 2019.
Median response times are within targets for non-urgent call-outs.		<48 hours	3.4 hours	17.9 hours	The median response time of 3.4 hours for non-urgent call-outs is a dramatic improvement from 2019.
Median resolution times are within targets for urgent call-outs.		<24 hours	6.8 hours	16.0 hours	Another significant improvement on the 2019 results due to the greater emphasis placed on contractor resolution times.
Median resolution times are within targets for non-urgent call-outs.		<8 working days	22.1 hours	23.2 hours	This pleasing result is similar to the previous year.

## MAJOR ACTIVITIES

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

## NEW CAPITAL EXPENDITURE

The following table details the major capital and renewal work for 2019/2020.

PROJECT	LTP BUDGET (YEARS EXPENDITURE PLANNED)	2019/2020 BUDGET	ACTUAL 2019/2020
Water Treatment Plant upgrades – upgrade of existing water treatment plants to meet Drinking Water Standards NZ and increase water supply capacity	\$9,950,000 (Y1 – 7)	\$1,680,727	Council spent \$523,887 in the 2019/2020 year. Budget of \$216,522 was carried forward from the 2018/2019 year into 2019/2020 year. Design has been carried out for four Treatment Plant upgrades and two contracts have been let, for the Māpua and Collingwood plants.
New Water Treatment Plants – construction of new water treatment plants to improve water security, water quality and water supply capacity	\$14,000,000 (Y1 – 7)	\$4,056,134	Council spent \$128,570 in the 2019/2020 year. Budget of \$3,904,309 was carried out of the 2019/2020 year into 2020/2021. The new Motueka Water Treatment Plant is out for tender.
Waimea Community Dam – community water supply's contribution to the Waimea Dam	\$23,244,000*	\$11,900,000	Council spent \$10,877,398 in the 2019/2020 year.
Richmond South Trunk Main and Storage - construction of a new Trunk Main between Richmond Water Treatment Plant and Richmond South, and construction of new Water Reservoirs	\$6,600,000 (Y1 – 4)	\$427,400	Council spent \$95,556 in the 2019/2020 year. Budget of \$125,900 was carried out of the 2019/2020 year into 2020/2021. The pipeline is proceeding in line with development progress in Richmond West.

PROJECT	LTP BUDGET (YEARS EXPENDITURE PLANNED)	2019/2020 BUDGET	ACTUAL 2019/2020
Māpua Pipe Renewal and Storage – upgrade and replacement of Water Mains and Storage Reservoirs	\$8,200,000 (Y1 – 4)	\$160,610	Council spent \$2,295,547 in the 2019/2020 year. Budget of \$2,564,943 was carried forward from the 2018/2019 year into 2019/2020 year. Work is proceeding well along Aranui Road and Stafford Drive. A contract has been let for the line across rabbit island and the new reservoir is at detail design stage.
Water Main renewals – replacement of existing Water Mains	\$24,000,000 (Y1 – 10)	\$1,577,505	Council spent \$364,454 in the 2019/2020 year. Budget of \$989,627 was carried out of the 2019/2020 year into 2020/2021.
Motueka West Water Main – construction of a new Water Main to supply water to Motueka West	\$1,000,000 (Y2 – 3)	\$62,546	Council spent \$37,359 in the 2019/2020 year. This work is in early design phase.
New and Upgraded Pipes – install new pipes to improve network connectivity and capacity	\$8,000,000 (Y1 – 10)	\$1,699,665	Council spent \$416,680 in the 2019/2020 year. Budget of \$968,130 was carried out of the 2019/2020 year into 2020/2021.

\* This is the full LTP budget for the Waimea Community Dam. This differs from the \$9,580,000 recorded in the Water Supply section of the LTP 2018 - 2028 which was referring to the share of the budget funded by the Urban Water Account. The budget was also funded by targeted rates, the CIIL loan, and reserves and dividends.

## FUNDING IMPACT STATEMENT – WATER SUPPLY

For the year ended 30 June 2020

Budget 2018/2019 \$000	Actual 2018/2019 \$000		Notes	Actual 2019/2020 \$000	Budget 2019/2020 \$000	% of Budget
<b>SOURCES OF OPERATING FUNDING</b>						
56	56	General rates, uniform annual general charges, rates penalties		56	56	100%
9,691	10,099	Targeted rates		10,194	10,284	99%
-	-	-Subsidies and grants for operating purposes		10	-	100%
1,503	1,425	Fees and charges		1,401	1,553	90%
-	-	-Internal charges and overheads recovered		-	-	-
336	3,468	Local authorities fuel tax, fines, infringement fees, and other receipts		1,103	334	330%
<b>11,586</b>	<b>15,048</b>	<b>Total operating funding</b>		<b>12,764</b>	<b>12,227</b>	<b>104%</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>						
5,223	6,098	Payments to staff and suppliers		6,267	5,506	114%
2,306	1,883	Finance costs		2,259	2,193	103%
1,563	1,637	Internal charges and overheads applied		1,707	1,720	99%
-	-	-Other operating funding applications		-	-	-
<b>9,092</b>	<b>9,618</b>	<b>Total applications of operating funding</b>		<b>10,233</b>	<b>9,419</b>	<b>109%</b>
<b>2,494</b>	<b>5,430</b>	<b>Surplus/(deficit) of operating funding</b>		<b>2,531</b>	<b>2,808</b>	<b>90%</b>
<b>SOURCES OF CAPITAL FUNDING</b>						
-	-	-Subsidies and grants for capital expenditure		-	-	-
1,697	1,512	Development and financial contributions		1,945	1,697	115%
24,079	24,561	Increase (decrease) in debt		12,716	15,019	85%
-	-	-Gross proceeds from sale of assets		-	-	-
-	-	-Lump sum contributions		-	-	-
-	-	-Other dedicated capital funding		-	-	-
<b>25,776</b>	<b>26,073</b>	<b>Total sources of capital funding</b>		<b>14,661</b>	<b>16,716</b>	<b>88%</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>						
Capital expenditure						
1,229	88	- to meet additional demand		383	737	52%
6,733	11,265	- to improve the level of service		15,561	2,635	591%
3,122	4,594	- to replace existing assets		3,766	3,261	115%
(6,059)	(3,832)	Increase (decrease) in reserves		3,664	991	370%
23,245	19,388	Increase (decrease) in investments		(6,182)	11,900	-52%
<b>28,270</b>	<b>31,503</b>	<b>Total applications of capital funding</b>		<b>17,192</b>	<b>19,524</b>	<b>88%</b>
<b>(2,494)</b>	<b>(5,430)</b>	<b>Surplus/(deficit) of capital funding</b>		<b>(2,531)</b>	<b>(2,808)</b>	<b>90%</b>

Debt was lower than budget as a direct result of the capital spend being lower than budget.

# WASTEWATER

## WHAT WE DO

Council provides and manages wastewater collection, treatment and disposal facilities for residents connected to Council's nine wastewater networks. These networks convey wastewater to nine treatment plants, eight of which are owned and managed by Council. The largest treatment plant (Bell Island) is owned by both Nelson and Tasman Councils on a 50:50 share basis and is managed by the Nelson Regional Sewerage Business Unit.

## WHY WE DO IT

The provision of wastewater services is a core public health function of local government and is something that Council has always provided. By undertaking the planning, implementation and maintenance of wastewater services Council promotes and protects public health within the District. For Council a key duty required by the Health Act 1956 is to improve, promote, and protect public health within the District. Providing wastewater services helps to achieve this.

## CONTRIBUTION TO COMMUNITY OUTCOMES

The Wastewater activity primarily contributes to the following community outcomes:

- Our infrastructure is efficient, cost effective and meets current and future needs.
- Our urban and rural environments are people-friendly, well-planned, accessible and sustainably managed.
- Our unique natural environment is healthy, protected and sustainably managed.
- Our communities are healthy, safe, inclusive and resilient.
- Our Council provides leadership and fosters partnerships, a regional perspective, and community engagement.
- Our region is supported by an innovative and sustainable economy.





## OUR GOAL

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

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS

● Fully achieved    
 ● Achieved within 5%    
 ● Not achieved    
 ● Not measured

	Outcome	2020 Target	2020 Result	2019 Result	How did we perform
<b>Our wastewater systems do not adversely affect the receiving environment</b>					
Compliance with resource consents for discharges from wastewater systems is achieved. Measured by the number of: <ul style="list-style-type: none"> <li>• abatement notices</li> <li>• infringement notices</li> <li>• enforcement orders</li> <li>• convictions</li> </ul> received in relation to those resource consents. Mandatory measure 2.	<span style="color: green;">●</span>	0	0	0	In 2019/2020, there were no notices or enforcement orders issued or convictions received.
The number of times temporary wastewater overflow signs are erected at waterways is minimised.	<span style="color: green;">●</span>	<5	4	2	We have started using social media to advise of widespread overflows along with use of signs. Signs are good for localised overflows only. The overflows in 2019/2020 were caused by two rain events and two blockages.
<b>Our wastewater systems reliably take out wastewater with a minimum of odours, overflows or disturbance to the public</b>					
The total number of complaints (per 1000 connections) received about: <ul style="list-style-type: none"> <li>• odour</li> <li>• system faults</li> <li>• system blockages</li> <li>• Council's response to issues within its systems</li> </ul> Mandatory measure 4.	<span style="color: green;">●</span>	<35	1.5	1.5	We received 21 complaints, the same as 2018/2019. All were associated with odour. Most issues were resolved quickly.

	Outcome	2020 Target	2020 Result	2019 Result	How did we perform
<b>Our wastewater systems are built, operated and maintained so that failures can be managed and responded to quickly</b>					
The number of dry weather <sup>3</sup> overflows from Council wastewater system (expressed per 1,000 connections to wastewater system).		<5	2.2	1.2	Most dry weather overflows were the result of blockages within the gravity reticulation.
Overflows resulting from a blockage or other fault in the wastewater system are attended and resolved within the target timeframes. Mandatory measure 3.					
Attendance time <sup>4</sup> (median)		≤60 mins	59 mins	Not measured	The median attendance time was just within the targeted 60 minutes.
Resolution time <sup>5</sup> (median)		≤9 hours	4 hours	Not measured	The overflow resolution result was significantly better than the target.
<b>Our wastewater activities are managed at a level that satisfies the community</b>					
Percentage of customers (who receive a service) who are satisfied with the wastewater service.		>80%	92%	94%	

<sup>3</sup> Dry weather is defined as a continuous 96 hours with less than 1mm of rain within each 24-hour period.

<sup>4</sup> Attendance time – from the time Council receives notification to the time that service personnel reach the site.

<sup>5</sup> Resolution time – from the time Council receives notification to the time that the service personnel confirm resolution of the blockage or other fault.

## MAJOR ACTIVITIES

This group of activities involves ongoing management, maintenance and renewal of Council’s wastewater network, comprising wastewater collection, treatment and disposal systems.

## NEW CAPITAL EXPENDITURE

The following table details the major capital and renewal work for 2019/2020.

PROJECT	LTP BUDGET (YEARS EXPENDITURE PLANNED)	2019/2020 BUDGET	ACTUAL 2019/2020
Motueka West Pumping and Reticulation – construction of new Wastewater Main and Pump Station to serve Motueka West area	\$5,300,000 (Y2 – 5)	\$585,226	Council spent \$2,902 in the 2019/2020 year. Design is planned for 2020/2021.
Pōhara/Ligar Bay Capacity Improvements – Wastewater Main and Pump Station capacity upgrades	\$7,000,000 (Y1 – 8)	\$580,535	Council spent \$1,092,706 in the 2019/2020 year. Budget of \$616,358 was carried forward from the 2018/2019 year into 2019/2020 year.
Māpua Reticulation & Pump Station Improvements – construction of a new Wastewater Main and Pump Station, and adjoining pump station capacity upgrades	\$4,500,000 (Y1 – 6)	\$274,162	Council spent \$2,160,152 in the 2019/2020 year. Budget of \$2,214,565 was carried forward from the 2018/2019 year into 2019/2020 year.



PROJECT	LTP BUDGET (YEARS EXPENDITURE PLANNED)	2019/2020 BUDGET	ACTUAL 2019/2020
Brightwater & Wakefield Trunk Main Upgrade – secure easement for the trunk main and increase capacity	\$9,300,000 (Y1 – 6)	\$511,026	Council spent \$129,473 in the 2019/2020 year. Budget of \$321,652 was carried out of the 2019/2020 year into 2020/2021.
Network Resilience Improvements – purchase new mobile generators and install emergency storage tanks at pump stations	\$1,600,000 (Y1 – 9)	\$429,485	Council spent \$133,959 in the 2019/2020 year. Budget of \$329,485 was carried out of the 2019/20 year into 2020/2021.
Pipe and Component Renewals – replacement of existing pipes, and mechanical and electrical components	\$24,600,000 (Y1 – 10)	\$1,863,031	Council spent \$835,635 in the 2019/2020 year.
Headingly Lane Pump Station and Rising Main Upgrade – wastewater main and pump station upgrade to provide increased capacity	\$2,000,000 (Y1 – 3)	\$67,759	Council spent \$183,962 in the 2019/2020 year. Budget of \$37,742 was carried forward from the 2018/19 year into 2019/2020 year.

## FUNDING IMPACT STATEMENT – WASTEWATER

For the year ended 30 June 2020

Budget 2018/2019 \$000	Actual 2018/2019 \$000		Notes	Actual 2019/2020 \$000	Budget 2019/2020 \$000	% of Budget
<b>SOURCES OF OPERATING FUNDING</b>						
-		-General rates, uniform annual general charges, rates penalties		(24)	-	100%
10,231	10,139	Targeted rates		10,396	10,557	98%
-		20Subsidies and grants for operating purposes		-	-	-
174	242	Fees and charges		222	230	97%
-		-Internal charges and overheads recovered		-	-	-
3,327	3,334	Local authorities fuel tax, fines, infringement fees, and other receipts		3,282	3,423	96%
<b>13,732</b>	<b>13,735</b>	<b>Total operating funding</b>		<b>13,876</b>	<b>14,210</b>	<b>98%</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>						
6,731	7,016	Payments to staff and suppliers		7,910	7,019	113%
1,501	1,236	Finance costs		1,021	1,362	75%
1,362	1,377	Internal charges and overheads applied		1,397	1,421	98%
-		-Other operating funding applications		-	-	-
<b>9,594</b>	<b>9,629</b>	<b>Total applications of operating funding</b>		<b>10,328</b>	<b>9,802</b>	<b>105%</b>
<b>4,138</b>	<b>4,106</b>	<b>Surplus/(deficit) of operating funding</b>		<b>3,548</b>	<b>4,408</b>	<b>80%</b>
<b>SOURCES OF CAPITAL FUNDING</b>						
-		-Subsidies and grants for capital expenditure		38	-	100%
2,322	3,195	Development and financial contributions		2,834	2,322	122%
3,515	2,635	Increase (decrease) in debt		1,683	889	189%
-		-Gross proceeds from sale of assets		-	-	-
-		-Lump sum contributions		-	-	-
-		-Other dedicated capital funding		-	-	-
<b>5,837</b>	<b>5,830</b>	<b>Total sources of capital funding</b>		<b>4,555</b>	<b>3,211</b>	<b>142%</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>						
Capital expenditure						
294	151	- to meet additional demand		275	792	35%
7,903	4,131	- to improve the level of service		6,770	2,886	235%
1,105	2,230	- to replace existing assets		1,099	2,885	38%
673	3,424	Increase (decrease) in reserves		(41)	1,056	-4%
-		-Increase (decrease) in investments		-	-	-
<b>9,975</b>	<b>9,936</b>	<b>Total applications of capital funding</b>		<b>8,103</b>	<b>7,619</b>	<b>106%</b>
<b>(4,138)</b>	<b>(4,106)</b>	<b>Surplus/(deficit) of capital funding</b>		<b>(3,548)</b>	<b>(4,408)</b>	<b>80%</b>

**Finance costs** - Under budget as capital expenditure did not meet plan coupled with lower interest rates.

**Development Contributions** - were also higher which reflects the growth in the district.

Debt was lower than budget as a direct result of the capital spend being lower than budget.

# STORMWATER

## WHAT WE DO

The stormwater activity encompasses the provision of stormwater collection, reticulation, and discharge systems in Tasman District. The assets used to provide this service include drainage channels, piped reticulation networks, tide gates, detention or ponding areas, inlet structures, discharge structures and quality treatment assets.

The stormwater sumps and road culvert assets are generally owned and managed by Council's transportation activity or by Waka Kotahi, depending upon whether they are located on local roads or state highways. This stormwater activity does not include land drains or river systems which are covered under Council's Rivers activity. Nor does it cover stormwater systems in private ownership.

Council manages its stormwater activities primarily within 15 Urban Drainage Areas (UDAs). Systems that are outside the UDAs include small communities with stormwater systems that primarily collect and convey road run-off to suitable discharge points.

## WHY WE DO IT

Council undertakes the stormwater activity to minimise the risk of flooding of buildings and property from surface runoff and small urban streams. Council enables the safe and efficient conveyance and disposal of stormwater from the urban drainage areas; this improves the economic and social well-being of the District by protecting people and property from surface flooding.

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

## CONTRIBUTION TO COMMUNITY OUTCOMES

The Stormwater activity primarily contributes to the following community outcomes:

- Our unique natural environment is healthy, protected and sustainably managed.
- Our infrastructure is efficient, cost effective and meets current and future needs.
- Our urban and rural environments are people-friendly, well-planned, accessible and sustainably managed.
- Our communities are healthy, safe, inclusive and resilient.

## OUR GOAL

We aim to provide cost-effective and sustainable stormwater systems that reduce flooding and meet environmental standards.





## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS

● Fully achieved    
 ● Achieved within 5%    
 ● Not achieved    
 ● Not measured

	Outcome	2020 Target	2020 Result	2019 Result	How did we perform
<b>Stormwater flooding: We have measures in place to respond to and reduce flood damage from stormwater to property and risk to the community</b>					
For each flooding event <sup>6</sup> , the number of habitable floors <sup>7</sup> flooded per event (expressed per 1,000 properties connected). Mandatory measure 1.	●	<1	0.07	0	There was one habitable floor flooded in 2019/2020. There were no flooding events in 2018/2019 that caused flooding to habitable floor levels.
The median response time to attend a flooding event, measured from the time that Council receives notification to the time that service personnel reach the site. Mandatory measure 3.	●	<2 hours	35 minutes	Not measured	There was only one customer request for flooding during the year, which was attended in 35 minutes.
The number of complaints received by Council about the performance of its stormwater system, expressed per 1,000 properties connected to the stormwater system. Mandatory measure 4.	●	<20	4.4	5.2	There were very few intensive or continuous rainfall events in 2019/2020 which will tend to reduce the number of complaints received.
<b>Customer satisfaction: Our stormwater activities are managed at a level which satisfies the community</b>					
Percentage of customers satisfied with the stormwater service.	●	80%	84%	80%	This is a good result but was likely influenced by the lack of extreme storm events and possibly a Covid-19 influence.

<sup>6</sup> A flooding event means an overflow of stormwater from Councils stormwater system that enters a habitable floor.

<sup>7</sup> Habitable floor refers to a floor of a building (including a basement) but does not include ancillary structures such as stand-alone garden sheds or garages.

	Outcome	2020 Target	2020 Result	2019 Result	How did we perform
<b>The environment: Our stormwater systems do not adversely affect or degrade the receiving environment</b>					
Compliance with Councils resource consents for discharge from its stormwater system, measured by the number of:					
Abatement notices		≤1	0	0	Compliance was achieved over the 2019/2020 year.
Infringement notices		0	0	0	
Enforcement orders		0	0	0	
Successful prosecutions		0	0	0	

## MAJOR ACTIVITIES

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

## NEW CAPITAL EXPENDITURE

The following table details the major capital and renewal work for 2019/2020.

PROJECT	LTP BUDGET (YEARS EXPENDITURE PLANNED)	2019/2020 BUDGET	ACTUAL 2019/2020
Richmond Central Secondary Flow Improvements – capacity improvements within Central Richmond to improve mitigation of secondary stormwater flows	\$11,500,000 (Y1 – 10)	\$454,139	Updating the stormwater model and reviewing options. Budget of \$453,000 carried out of the 2019/2020 year into 2020/2021.
Borck Creek land acquisition and widening - projects related to development in Richmond South and West	\$15,800,000 (Y1 – 10)	\$1,923,302	Council spent \$3,143,003 in the 2019/2020 year. Budget of \$3,185,149 was carried forward from the 2018/2019 year into 2019/2020 year.
Reactive Stormwater Improvements – funding to mitigate emerging stormwater issues	\$1,100,000 (Y1 – 10)	\$104,244	Council spent \$145,681 in the 2019/2020 year. Budget of \$222,520 was carried forward from the 2018/2019 year into 2019/2020 year.

## FUNDING IMPACT STATEMENT – STORMWATER

For the year ended 30 June 2020

Budget 2018/2019 \$000	Actual 2018/2019 \$000		Notes	Actual 2019/2020 \$000	Budget 2019/2020 \$000	% of Budget
<b>SOURCES OF OPERATING FUNDING</b>						
-	-	General rates, uniform annual general charges, rates penalties		-	-	-
4,661	4,785	Targeted rates		4,746	4,698	101%
-	-	Subsidies and grants for operating purposes		-	-	-
-	-	Fees and charges		-	-	-
-	-	Internal charges and overheads recovered		-	-	-
168	338	Local authorities fuel tax, fines, infringement fees, and other receipts		206	178	116%
<b>4,829</b>	<b>5,123</b>	<b>Total operating funding</b>		<b>4,952</b>	<b>4,876</b>	<b>102%</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>						
1,432	1,060	Payments to staff and suppliers		1,639	1,408	116%
1,052	1,012	Finance costs		870	852	102%
739	612	Internal charges and overheads applied		630	634	99%
-	-	Other operating funding applications		-	-	-
<b>3,223</b>	<b>2,684</b>	<b>Total applications of operating funding</b>		<b>3,139</b>	<b>2,894</b>	<b>108%</b>
<b>1,606</b>	<b>2,439</b>	<b>Surplus/(deficit) of operating funding</b>		<b>1,813</b>	<b>1,982</b>	<b>91%</b>
<b>SOURCES OF CAPITAL FUNDING</b>						
-	-	Subsidies and grants for capital expenditure		-	-	-
1,525	1,875	Development and financial contributions		1,635	1,525	107%
600	2,708	Increase (decrease) in debt		1,842	744	248%
-	-	Gross proceeds from sale of assets		-	-	-
-	-	Lump sum contributions		-	-	-
-	-	Other dedicated capital funding		-	-	-
<b>2,125</b>	<b>4,583</b>	<b>Total sources of capital funding</b>		<b>3,477</b>	<b>2,269</b>	<b>153%</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>						
Capital expenditure						
26	73	- to meet additional demand		226	26	869%
2,524	1,301	- to improve the level of service		1,251	3,307	38%
38	3,989	- to replace existing assets		3,245	(199)	-1631%
1,143	1,659	Increase (decrease) in reserves		568	1,117	51%
-	-	Increase (decrease) in investments		-	-	-
<b>3,731</b>	<b>7,022</b>	<b>Total applications of capital funding</b>		<b>5,290</b>	<b>4,251</b>	<b>124%</b>
<b>(1,606)</b>	<b>(2,439)</b>	<b>Surplus/(deficit) of capital funding</b>		<b>(1,813)</b>	<b>(1,982)</b>	<b>91%</b>

**Capital Expenditure** - While capital appears overspent a carryover report went to Council to authorise the over expenditure.

**Increase (decrease) in debt** - This is also reflected in the higher debt figure.

Debt was higher than budget as a direct result of the capital spend being higher than budget.

## SOLID WASTE

### WHAT WE DO

Council provides a comprehensive range of waste management and minimisation services. We do this by providing:

- kerbside recycling and waste collection services
- five Resource Recovery Centres – at Richmond, Māiri, Tākaka, Collingwood and Murchison
- processing facilities for recycling
- contracting a greenwaste processor
- transport services to move these materials around the District, and
- a range of waste minimisation initiatives to reduce the production of waste and minimise harm.

All public and commercial waste disposal is through the Resource Recovery Centres. Waste from these sites is transferred to landfill. Recyclable materials, greenwaste and cleanfill are diverted away from landfill and they are processed and on-sold by Council's contractors. We also recover hazardous materials at these sites, and ensure that they are processed safely.

Council promotes waste minimisation through kerbside collection of recyclable materials, ongoing engagement programmes, grants and other support of waste minimisation initiatives, and drop off facilities for green waste, reusable and recyclable materials.

Council also maintains 22 closed landfills around the District. 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 we previously managed) stopped receiving waste and all waste is now directed to the York Valley Landfill (located in Nelson City).

### WHY WE DO IT

We provide waste management and minimisation services to protect our public's health and our natural environment. Our waste minimisation activities promote efficient use of resources, reduces waste for businesses and households and extends the life of the region's landfill assets.

The Waste Minimisation Act 2008 requires councils to promote effective and efficient waste management and minimisation within their district. The Act aims to protect the environment from harm by encouraging the efficient use of materials and a reduction in waste.

Under this legislation Council is required to prepare a Waste Management and Minimisation Plan (WMMP). This Plan sets the strategic direction of Council for solid waste management. Council has elected to do this jointly with Nelson City Council. The goals of the Councils' Joint Waste Management and Minimisation Plan are to:

- avoid the creation of waste
- improve the efficiency of resource use, and
- reduce the harmful effects of waste.

### CONTRIBUTION TO COMMUNITY OUTCOMES

The Solid Waste activity primarily contributes to the following community outcomes:

- Our infrastructure is efficient, cost effective and meets current and future needs.
- Our urban and rural environments are people-friendly, well-planned, accessible and sustainably managed.
- Our unique natural environment is healthy, protected and sustainably managed.



## OUR GOAL

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

1. avoid the creation of waste
2. improve the efficiency of resource use, and
3. reduce the harmful effects of waste.

## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS



Fully achieved



Achieved within 5%




Not achieved



Not measured

	Outcome	2020 Target	2020 Result	2019 Result	How did we perform
<b>We provide effective waste minimization activities and services</b>					
There is an increase in resources diverted from landfill by Council services (on a per capita basis).		>177 kg	117 kg	134 kg	<p>A total of 6455 tonnes of material was diverted from landfill, with an estimated population of 55,100 in June 2019.</p> <p>The principal reason that Council did not meet the target was that greenwaste accepted at a private facility in Richmond is no longer diverted through a Council contract. We estimate that around 4000 tonnes are diverted annually at this site (73kg per capita for the district), and if this was included this target would be exceeded.</p> <p>Other greenwaste and glass diversion increased this year, but non-glass recycling decreased. The decrease in recycling was due to approximately 210 tonnes of non-glass recycling being sent direct to landfill during Covid-19 Level 4 and 3 restrictions (around 3.8kg per person).</p>
There is a reduction in waste per capita going to landfill.		<686 kg	630 kg	760 kg	<p>A total of 68,474 tonnes were landfilled in the Nelson Tasman region, with an estimated population of 108,700 in June 2019. Of this waste to landfill 575kg was municipal waste, and 56kg special waste (hazardous waste, contaminated soil, and waste such as bio-solids and sawdust).</p> <p>The reduction in waste to landfill was driven by reduced waste volumes during Covid-19 Level 4 and 3 restrictions. In the first six months landfill volumes were trending towards an annual total of 646kg per person.</p>

	Outcome	2020 Target	2020 Result	2019 Result	How did we perform
There are high levels of participation in our kerbside recycling service, as measured through annual residents' survey of those provided with Council's kerbside recycling collection services who use it three times or more per annum.		>95%	94%	98%	In the 2020 annual residents' survey, 87% of residents reported that they received the recycling service and 82% reported using the service three times or more in the last year – a participation rate of 94%.
Contamination levels in our kerbside recycling are low.		<5%	10.3%	8.8%	Contamination has risen this year, driven in part by increased contamination following Covid-19 restrictions, when we informed the public that non-glass recycling was being landfilled. Further communications and bin audits have commenced, in an effort to reduce contamination. We now consider 9-10% is an achievable target.
<b>Our kerbside recycling and bag collection services are reliable, easy to use</b>					
Percentage of customer satisfaction with kerbside recycling services.		90%	92%	90%	This measure has been consistently high over the past five years.
Percentage of customer satisfaction with kerbside bag collection services.		70%	62%	71%	Satisfaction with Council's official rubbish bag service has decreased in this year's survey, driven by an increase in residents who "don't know" or didn't give an opinion when asked about our service. This year 32% of residents who receive this service gave a "don't know" response, an increase from 22% in 2019.
Customer Service Requests relating to waste management activities are completed on time.		95%	96.5%	93%	Covid-19 restrictions impacted on performance in April and May 2020 (90% and 92.9% resolution) but the annual performance target was still met.

	Outcome	2020 Target	2020 Result	2019 Result	How did we perform
<b>Our resource recovery centres are easy to use and operated in a reliable manner</b>					
Percentage of customer satisfaction, as measured by annual customer on-site surveys		95%	97%	97%	This measure has been consistently high over the past five years.

## MAJOR ACTIVITIES

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

In August 2019, Council approved the joint Waste Management and Minimisation Plan, developed in conjunction with Nelson City Council.

## NEW CAPITAL EXPENDITURE

The following table details the major capital and renewal work for 2019/2020.

PROJECT	LTP BUDGET (YEARS EXPENDITURE PLANNED)	2019/2020 BUDGET	ACTUAL 2019/2020
Richmond Resource Recovery Centre - hazardous goods store and upgrade to the Waste Tipping Pit	\$176,000 (Y2)	\$176,202	Council did not spend against this budget in the 2019/2020 year. The funding for the upgrade of the Richmond tipping pit (\$98,019) was reallocated to provide a roof at the Tākaka Resource Recovery Centre, as this project had a higher benefit. Work on hazardous goods facilities was suspended due to additional unbudgeted safety and environmental works on Resource Recovery Centre sites.
Tākaka Resource Recovery Centre - replacement of the Waste Compactor and Tipping Pit, installation of a Weighbridge and improvements to the recycling area	\$1,200,000 (Y1 – 2)	\$119,629	Council spent \$1,186,309 in the 2019/2020 year. Budget of \$700,701 was carried forward from the 2018/2019 year and \$400,000 of additional funding approved by Council on 12 September 2019. Stage 1 of this project was completed in January 2020. Stage 2 of the work was delayed by the Covid-19 lockdown and is scheduled to commence in August 2020.
Minor improvements at Resource Recovery Centres and closed landfills	\$550,000 (Y1 – 10)	\$41,698	Council spent \$143,696 in the 2019/2020 year. Budget of \$15,300 was carried forward from the 2018/2019 year into 2019/2020 year. Expenditure this year included safety improvements (including additional CCTV cameras in response to Covid-19), litter fencing at the Richmond site and additional stormwater treatment at the Tākaka Resource Recovery Centre.

PROJECT	LTP BUDGET (YEARS EXPENDITURE PLANNED)	2019/2020 BUDGET	ACTUAL 2019/2020
Public place recycling and other waste minimisation infrastructure (funded by the waste levy)	\$594,000 (Y1 – 10)	\$91,735	Council did not spend against this budget in the 2019/2020 year. This budget was intended for additional public place recycling bins, but work was suspended to enable a review of the effectiveness of the existing bins and evaluate the effect of a central government proposal for container return schemes.
Resource Recovery Centre Renewals – routine asset renewal programme	\$2,600,000 (Y1 – 10)	\$240,475	Council spent \$364,585 in the 2019/2020 year. Budget of \$344,435 was carried forward from the 2018/2019 year into 2019/2020 year. The work completed in this year included pavement renewal at the Richmond Resource Recovery Centre and four new waste transport bins.

## FUNDING IMPACT STATEMENT – SOLID WASTE

For the year ended 30 June 2020

Budget 2018/2019 \$000	Actual 2018/2019 \$000		Notes	Actual 2019/2020 \$000	Budget 2019/2020 \$000	% of Budget
<b>SOURCES OF OPERATING FUNDING</b>						
1,392	1,392	General rates, uniform annual general charges, rates penalties		1,000	1,000	100%
2,015	2,029	Targeted rates		2,379	2,371	100%
-	10	Subsidies and grants for operating purposes		-	-	-
4,457	4,200	Fees and charges		3,785	4,644	82%
-	-	Internal charges and overheads recovered		-	-	-
4,698	4,989	Local authorities fuel tax, fines, infringement fees, and other receipts		5,146	5,071	101%
<b>12,562</b>	<b>12,620</b>	<b>Total operating funding</b>		<b>12,310</b>	<b>13,086</b>	<b>94%</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>						
10,120	10,472	Payments to staff and suppliers		11,282	10,520	107%
412	466	Finance costs		389	321	121%
800	809	Internal charges and overheads applied		929	899	103%
-	-	Other operating funding applications		-	-	-
<b>11,332</b>	<b>11,747</b>	<b>Total applications of operating funding</b>		<b>12,600</b>	<b>11,740</b>	<b>107%</b>
<b>1,230</b>	<b>873</b>	<b>Surplus/(deficit) of operating funding</b>		<b>(290)</b>	<b>1,346</b>	<b>-22%</b>
<b>SOURCES OF CAPITAL FUNDING</b>						
-	41	Subsidies and grants for capital expenditure		-	-	-
-	-	Development and financial contributions		-	-	-
406	(15)	Increase (decrease) in debt		820	(599)	-137%
-	-	Gross proceeds from sale of assets		-	-	-
-	-	Lump sum contributions		-	-	-
-	-	Other dedicated capital funding		-	-	-
<b>406</b>	<b>26</b>	<b>Total sources of capital funding</b>		<b>820</b>	<b>(599)</b>	<b>-137%</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>						
Capital expenditure						
-	-	- to meet additional demand		-	-	-
1,191	502	- to improve the level of service		1,259	414	304%
445	665	- to replace existing assets		609	288	211%
(17)	(268)	Increase (decrease) in reserves		(1,338)	21	-6371%
17	-	Increase (decrease) in investments		-	24	-
<b>1,636</b>	<b>899</b>	<b>Total applications of capital funding</b>		<b>530</b>	<b>747</b>	<b>71%</b>
<b>(1,230)</b>	<b>(873)</b>	<b>Surplus/(deficit) of capital funding</b>		<b>290</b>	<b>(1,346)</b>	<b>-22%</b>

## FLOOD PROTECTION AND RIVER CONTROL WORKS

### WHAT WE DO

Tasman District Council maintains 285 kilometres of the District's X and Y classified rivers in order to carry out its statutory roles to promote soil conservation and mitigate damage caused by floods and riverbank erosion. These classified rivers are funded by a differential river rating system based on land value. The river works in the classified rivers, such as stopbanks, are predominantly owned, maintained and improved by Council.

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

The approach to river management places emphasis on channel management through gravel relocation/repositioning, and vegetation and land buffers on the river's edge. The aim is to manage the river channel and catchment so that there is less need to use hard engineering methods to prevent erosion.

This activity does not include stormwater or coastal structures, which are covered as individual activities and have their own Activity Management Plans.

### WHY WE DO IT

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

### CONTRIBUTION TO COMMUNITY OUTCOMES

The Flood Protection and River Control Works activity primarily contributes to the following community outcomes:

- Our unique natural environment is healthy, protected and sustainably managed.
- Our infrastructure is efficient, cost effective and meets current and future needs.
- Our communities are healthy, safe, inclusive and resilient.
- Our urban and rural environments are people-friendly, well-planned, accessible and sustainably managed.

### OUR GOAL

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



OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS

● Fully achieved    
 ● Achieved within 5%    
 ● Not achieved    
 ● Not measured

	Outcome	2020 Target	2020 Result	2019 Result	How did we perform
<b>Protection: Our communities are protected from natural hazard events</b>					
The major flood protection and control works that are maintained, repaired and renewed to their original constructed standard: <ul style="list-style-type: none"> <li>• Riuwaka River = 1 in 10 yr flood return in 1950</li> <li>• Lower Motueka River = 1 in 50 yr flood return in 1950</li> <li>• Waimea River = 1 in 50 yr flood return in 1950</li> </ul>	<span style="color: green;">●</span>	100%	100%	100%	
<b>Amenity: Our river environments are attractive and enjoyed by our communities</b>					
We maintain existing native riparian planting sites and develop new sites.	<span style="color: green;">●</span>	>13,000 plants	13,881 plants	12,249 plants	Although this work started three weeks late, due to dry conditions, planting has progressed well.
Complaints about illegal dumping in the X and Y classified rivers and on adjacent beaches on public land are actioned within five working days.	<span style="color: orange;">●</span>	100%	93%	96%	Of 15 dumpings over the year, 14 were picked up on time.

### MAJOR ACTIVITIES

This group of activities includes ongoing management, maintenance and renewal of Council's flood protection and river control assets, including promoting soil conservation and mitigating damage caused by floods.

### NEW CAPITAL EXPENDITURE

The following table details the major capital and renewal work for 2019/2020.

PROJECT	LTP BUDGET (YEARS EXPENDITURE PLANNED)	2019/2020 BUDGET	ACTUAL 2019/2020
Rivers Y capital works – routine rock placement works	\$7,800,000 (Y1 - 10)	\$714,071	Council spent \$1,179,840 in the 2019/2020 year. This included completion of Cyclone Gita event repairs.
Rivers X capital works – routine rock placement works	\$1,400,000 (Y1 – 10)	\$125,093	Council spent \$132,963 in the 2019/2020 year.

## FUNDING IMPACT STATEMENT – FLOOD PROTECTION AND RIVER CONTROL WORKS

For the year ended 30 June 2020

Budget 2018/2019 \$000	Actual 2018/2019 \$000	Notes	Actual 2019/2020 \$000	Budget 2019/2020 \$000	% of Budget
<b>SOURCES OF OPERATING FUNDING</b>					
29	29	General rates, uniform annual general charges, rates penalties	27	27	100%
2,611	2,661	Targeted rates	2,968	2,973	100%
-	(87)	Subsidies and grants for operating purposes	-	-	-
21	310	Fees and charges	40	21	190%
-	-	Internal charges and overheads recovered	-	-	-
521	636	Local authorities fuel tax, fines, infringement fees, and other receipts	559	530	105%
<b>3,182</b>	<b>3,549</b>	<b>Total operating funding</b>	<b>3,594</b>	<b>3,551</b>	<b>101%</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>					
1,775	3,268	Payments to staff and suppliers	2,063	1,958	105%
6	6	Finance costs	2	2	100%
466	549	Internal charges and overheads applied	597	563	106%
-	-	Other operating funding applications	-	-	-
<b>2,247</b>	<b>3,823</b>	<b>Total applications of operating funding</b>	<b>2,662</b>	<b>2,523</b>	<b>106%</b>
<b>935</b>	<b>(274)</b>	<b>Surplus/(deficit) of operating funding</b>	<b>932</b>	<b>1,028</b>	<b>91%</b>
<b>SOURCES OF CAPITAL FUNDING</b>					
-	-	Subsidies and grants for capital expenditure	-	-	-
-	-	Development and financial contributions	-	-	-
(93)	(93)	Increase (decrease) in debt	(89)	(89)	100%
-	-	Gross proceeds from sale of assets	-	-	-
-	-	Lump sum contributions	-	-	-
-	-	Other dedicated capital funding	-	-	-
<b>(93)</b>	<b>(93)</b>	<b>Total sources of capital funding</b>	<b>(89)</b>	<b>(89)</b>	<b>100%</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>					
Capital expenditure					
-	-	- to meet additional demand	-	-	-
821	1,014	- to improve the level of service	1,313	839	156%
-	-	- to replace existing assets	-	-	-
21	(1,381)	Increase (decrease) in reserves	(470)	100	-470%
-	-	Increase (decrease) in investments	-	-	-
<b>842</b>	<b>(367)</b>	<b>Total applications of capital funding</b>	<b>843</b>	<b>939</b>	<b>90%</b>
<b>(935)</b>	<b>274</b>	<b>Surplus/(deficit) of capital funding</b>	<b>(932)</b>	<b>(1,028)</b>	<b>91%</b>

# COMMUNITY DEVELOPMENT

## WHAT WE DO

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

- 815 hectares of parks and reserves (including 239 hectares at Moturoa/Rabbit Island, 13 formal gardens, 14 special interest sites, 20 sports grounds, 103 urban open space/amenity reserves, 46 walkways, 217 rural recreation and esplanade reserves, seven sports facilities and three non-commercial camping grounds);
- 115 hectares of land vested as esplanade strip;
- 12 operating and two closed cemeteries;
- 55 playgrounds;
- 102 public toilet facilities;
- four libraries;
- funding for District and Shared Facilities such as the Saxton Field complex;
- 18 community halls;
- five multi-use community recreation centres;
- two community centres;
- three museums;
- miscellaneous community buildings (eg Plunket rooms, former church);
- eight community housing complexes (101 separate units in total); and
- the Richmond Aquatic Centre and three outdoor community swimming pools.

We also deliver Council's communications and community partnership responsibilities in order to build a sense of community and pride of place in Tasman and to build capacity within Tasman community groups. We achieve this through engaging with community groups, providing community recreation opportunities and events, providing grant funding, and educating and facilitating partnerships between Council and its communities. Our Community Relations activities include:

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

## WHY WE DO IT

We directly provide and manage community and recreational facilities, for the people of Tasman District to use.

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

Libraries develop an informed community whose members are literate and inspired. By providing a quality library service, Council supports the community's cultural, social, learning and leisure needs, while also providing a collective resource that is greater than local families or individuals can afford.

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

Central Government previously granted Council subsidies and low cost loans to meet a specific need for low-cost, community-based housing for people on low incomes. Although Government support ended in 1992, Council has continued to provide housing for older adults to help meet this need. Council provides community housing for older adults on low incomes that is affordable, accessible and fit for purpose.

We also provide public toilets throughout the District to meet community and visitor needs.

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

Council provides cemeteries that create an attractive, peaceful and respectful environment for the memorial and remembrance of the deceased. Council is legally required to provide cemeteries to ensure the burial and cremation needs of our District are met now, and in the future. Cemeteries are also provided for public health reasons and to provide a location for bereavement within close proximity to communities.

The Community Relations activities help promote the well-being of our community so that our communities:

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

## CONTRIBUTION TO COMMUNITY OUTCOMES

The Community Development activity primarily contributes to the following community outcomes:

- Our unique natural environment is healthy, protected and sustainably managed.
- Our urban and rural environments are people-friendly, well-planned, accessible and sustainably managed.
- Our infrastructure is efficient, cost effective and meets current and future needs.
- Our urban and rural environments are people-friendly, well-planned, accessible and sustainably managed.
- Our communities are healthy, safe, inclusive and resilient.
- Our communities have opportunities to celebrate and explore their heritage, identity and creativity.
- Our Council provides leadership and fosters partnerships, a regional perspective, and community engagement.





## OUR GOALS

OUR GOALS	WE AIM TO PROVIDE ...
Parks and reserves	Parks, reserves and recreational facilities that promote the physical, psychological, environmental and social well-being of communities in Tasman District and to also provide amenities that meet the needs of residents and visitors.
Cemeteries	An attractive and peaceful environment for the burial, memorial and remembrance of the deceased.
Public toilets	Clean public toilet facilities to meet community and visitor needs, in appropriate locations.
Community facilities	Community facilities that assist in meeting the community demand for indoor activities and recreation spaces.
Community housing	Community housing for older adults on low incomes that is affordable, accessible and fit for purpose.
Libraries	Quality services which enrich the life of the community by promoting lifelong learning and the creative use of leisure.
Richmond Aquatic Centre and outdoor swimming pools	An Aquatic Centre facility and outdoor swimming pools that assist in meeting the community demand for aquatic activities and provide the level of service that the customers want and are prepared to pay for.
Community Relations	To lead, manage and facilitate the effective management, planning and delivery of Council's community engagement, communications, recreation, events, community grants and partnerships and environmental education responsibilities to build a sense of place and community well-being in support of the community outcomes and enhancement of Council's reputation and role within the community it serves.

## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS




● Fully achieved
 ● Achieved within 5%
 ● Not achieved
 ● Not measured



	Outcome	2020 Target	2020 Result	2019 Result	How did we perform
<b>An interconnected open space network and recreation facilities that provide a range of leisure opportunities and meet the needs of users and the community</b>					
Residents' satisfaction with recreational facilities (which include playing fields and neighbourhood reserves)	●	85%	90%	90%	Satisfaction with Council's recreational facilities remains high at 90%, which was the same as in 2019, but higher than 2018 (84%).
Percentage of properties zoned 'Residential' which are located within 500 metres of open space	●	85%	92%	91%	The percentage of residential property located within 500 m of open space is 92% which is a minor increase from 2019.
<b>Public toilets at appropriate locations that meet the needs of users and are pleasant to use and maintained to a high standard of cleanliness</b>					
Satisfaction of residents who have used the District's public toilets within the past year	●	70%	81%	79%	We have had a slight increase (2%) in the levels of satisfaction of users of our public toilets over the last year. Council has undertaken a number of toilet upgrades and constructed new toilets over the last two years, which is likely to have contributed to the improved levels of satisfaction.
<b>A network of public halls and community buildings (including multi-purpose community and recreation facilities in major centres and local halls) that provide reasonable access to indoor activities, and recreation space</b>					
A community building is available within a 15 minute drive for 95% of the population (ie 20 km radius catchment)	●	95%	99%	99%	The availability of community buildings at 99% is unchanged from 2018/2019.
<b>Accessible and affordable housing to eligible people within the community</b>					
Tenants' overall satisfaction with community housing	●	80%	83%	Not measured in 2018/2019 (previous year was 85%)	There was a slight decline in community housing tenants' satisfaction from the previous survey in the 2017/2018 year, where 85% of tenants were satisfied with our community housing.

	Outcome	2020 Target	2020 Result	2019 Result	How did we perform
<b>The provision of access to a wide range of information relevant to the community's recreation and learning needs</b>					
The number of lending/reference items available at Tasman libraries (per resident). Measured using information available from e-resource vendors and the Library Management System software		3.0	2.9	2.9	Items available at 30 June 2020 totalled 157,687, comprising 140,299 physical items and 17,388 electronic items.
Satisfaction of library users with the public libraries. Measured through the annual Residents Survey		83%	91%	91%	There was a high level of satisfaction from residents who have used the libraries, which is consistent with the 2019 result.
<b>The provision of safe, welcoming, attractive and accessible library facilities for customers to access library services</b>					
Tasman District Council library buildings provide adequate spaces to enable the delivery of quality library services as measured against the Library and Information Association of New Zealand Aotearoa (LIANZA) standard:					
The Richmond, Tākaka and Murchison libraries (floor areas)		Maintain current size	Maintained current size	Maintained current size	No building work was undertaken in 2019/2020. The Richmond, Tākaka and Murchison buildings were maintained at their current size.
The Motueka Library		Funding for design and planning for redevelopment <sup>8</sup>	Achieved target	Achieved target	Planning and design work for a new Motueka library building was undertaken during the 2019/2020 year. The project was tendered and the contract has been awarded. Construction of the new library commenced on time in September 2020.

<sup>8</sup> Following the redevelopment the floor area of the Motueka Library will meet the LIANZA standard.



	Outcome	2020 Target	2020 Result	2019 Result	How did we perform
The number of visits to our libraries (per resident per year), measured using data from door counters at the Richmond, Motueka and Tākaka libraries.		9	7.9	10.5	There were 437,432 visits to the Richmond, Motueka and Tākaka libraries in 2019/2020. The target was not achieved due to the closure of the libraries during Covid-19 Levels 4 and 3. The number of visits for the eight months to the end of February 2020 totalled 367,836, which equates to 6.7 visits per resident. The visitor numbers were on track to meet the target, had the libraries remained open.
<b>There is a high level of satisfaction reported from users of the Richmond Aquatic Centre facility</b>					
Users' satisfaction with Aquatic Centre facilities		80%	90%	Not measured	There was a high level of satisfaction from residents who have used the Aquatic Centre. Council last measured satisfaction in the 2017 residents' survey, with 78% of users being fairly satisfied or better.
<b>The Richmond Aquatic Centre facility is well used</b>					
Admissions to the Aquatic Centre pool facility increases over time		232,000	256,916	303,072	The target was achieved, although the number of visits was lower than previous years due to Covid-19.
<b>Promotion and delivery of community events and recreational services</b>					
Residents' satisfaction with a range of Council-organised community events		75%	74%	81%	There were only 5% of respondents not satisfied with the community events. However, the number of people who were unable to comment (21%) is much higher than last year (13%). Our biggest event was unable to be held this year due to Covid-19, which is likely to have impacted on this year's results.
<b>We provide a range of communication channels that enhance Council's ability to engage and connect with the communities it serves</b>					
Residents are informed and engage with Council:					
Percentage of residents who consider the information supplied by Council to be sufficient		80%	74%	70%	While remaining ahead of the national average for sufficiency of information satisfaction (60%), we are always looking to improve our engagement processes

	Outcome	2020 Target	2020 Result	2019 Result	How did we perform
					to ensure as many people as possible have input into Council's decision-making processes.
Increase in the usage of Council's online information sources (ie website and social media channels)		5%	Not achieved	Not achieved	There was a decline in the number of users of our main website, from 288,899 in 2018/2019 to 228,717 in 2019/2020.  Council's Facebook followers have increased from 4,073 to 5,468 between 2018/2019 and 2019/2020.
<b>Leadership and coordination to schools and early childhood centres, to protect and enhance our local environment through education</b>					
The number of schools and early childhood centres developing and maintaining environmental care practices is sustained		Number sustained	Achieved	Number increased	In 2019/2020, there were 18 schools and seven early childhood centres involved in the Enviroschools programme. There are also an additional 15 schools now involved in the Friends of Enviroschools programme as they wait to join the full Enviroschools programme. One school moved to the bronze stage and one school moved to the silver stage.

## MAJOR ACTIVITIES

The Community Development group of activities involves the ongoing management, maintenance and renewal of Council's parks and reserves, cemeteries, playgrounds, libraries, museums, halls, recreation centres, other district and shared facilities, public toilets, community housing, non-commercial campgrounds, Richmond Aquatic Centre and swimming pools. For the Community Relations component of this activity, the major activities include the provision of funding and advice for community initiatives and community organisations, community engagement - where we provide information to our community, enable debate and conversation and seek their views on Council's proposals, the support of organisations that preserve and display our region's heritage, the delivery of community and recreation activities and events, and the provision of environmental and sustainability opportunities through environmental education programmes.

The major projects for Community Development for 2019/2020 have included:

PROJECT	LTP BUDGET (YEARS EXPENDITURE PLANNED)	2019/2020 BUDGET	ACTUAL 2019/2020
Purchase of new reserves	\$18,213,000 (Y1 - 10)	\$2,004,066	<p>Council spent \$344,963 in the 2019/2020 year on the purchase of new reserves throughout the District (usually as a result of subdivision). We anticipate Council will carry forward unspent funds to 2020/2021.</p> <p>New reserves acquired in 2019/2020 totaling 7.2 ha in area were:</p> <ul style="list-style-type: none"> <li>• Old Mill Walkway extension</li> <li>• Deck Road Tasman Reserve</li> <li>• Lake Otuhie Esplanade Reserve</li> <li>• Estuary Place Esplanade and Reserve</li> <li>• Bronte Road West/Trafalgar Road Walkway</li> <li>• Iwa Street Esplanade Reserve</li> <li>• Moutere Highway Lookout Reserve</li> <li>• Dublin Road Reserve (Totara View Road)</li> <li>• Penny Lane Walkway</li> <li>• Poutama Drain Walkway</li> <li>• Paton Rise Walkway</li> <li>• Little Kaiteriteri/Stephens Bay Walkway Extension (Talisman Heights)</li> <li>• Paton Road Walkway.</li> </ul>

PROJECT	LTP BUDGET (YEARS EXPENDITURE PLANNED)	2019/2020 BUDGET	ACTUAL 2019/2020
Playgrounds and public toilets	\$4,418,000 (Y1 - 10)	\$651,525	<p>Council spent \$73,333 in the 2019/2020 year. Budget of \$58,975 was carried forward from the 2018/2019 year into 2019/2020 year. We anticipate Council will carry forward unspent funds to 2019/2020.</p> <p>Development Projects included:</p> <ul style="list-style-type: none"> <li>• new toilets at Fittal Street (funded through the Responsible Camping Fund) and new toilets at Alexander Bluff and St Arnaud near the Lake Rotoiti Hall (funded through the Tourism Infrastructure Fund); and</li> <li>• new playground at Newhaven Crescent in Mārahau and at the Golden Bay Recreation Park (funded by the Golden Bay Shared Recreation Facility Committee).</li> </ul>
Saxton Field development*	\$3,600,000 (Y1 - 10)	\$587,249	<p>Council spent \$550,768 in the 2019/2020 year.</p> <p>The projects completed include:</p> <ul style="list-style-type: none"> <li>• design completed for stage 2 of Champion Road-Saxton Drive link road;</li> <li>• junior mountain bike track was completed;</li> <li>• athletics track was resurfaced; and</li> <li>• velodrome lighting was installed.</li> </ul> <p>We anticipate Council will carry forward unspent funds to 2020/2021.</p>
Development of new and existing community facilities, parks and reserves.	\$4,921,000 (Y1 - 10)	\$589,083	<p>Council spent \$377,016 in the 2019/2020 year. Budget of \$799,106 was carried forward from the 2018/2019 year into 2019/2020 year. We anticipate Council will carry forward unspent funds to 2020/2021.</p> <p>Development projects included:</p> <ul style="list-style-type: none"> <li>• adult fitness equipment at Memorial Park, Tapawera Playground Reserve in association with a shade sail, and Bill Wilkes Reserve;</li> </ul>

PROJECT	LTP BUDGET (YEARS EXPENDITURE PLANNED)	2019/2020 BUDGET	ACTUAL 2019/2020
			<ul style="list-style-type: none"> <li>• plantings throughout the District;</li> <li>• walkways – Motueka Inlet View walkway (in association with Keep Motueka Beautiful), Trewavas Street Foreshore Reserve walkway upgrade in Motueka, Excellence Street walkway in Collingwood and finished the Ventura Cove to Tower Bay walkway in Golden Bay/Mohua;</li> <li>• Te Maatu/Thorp Bush entranceway upgrade and installation of pou; and</li> <li>• maintenance and various renewals of community halls.</li> </ul>
Motueka Library	\$3,940,000 (Y2-3)	\$312,732	Council spent \$348,443 in the 2019/2020 year. Planning and design work for a new Motueka library building was undertaken during the 2019/2020 year. The project was tendered and the contract has been awarded. Construction of the new library will commence on time in September 2020.
Library collection renewal	\$3,074,000 (Y1 - 10)	\$297,513	Council spent \$283,779 in the 2019/2020 year. We purchased 13,882 items for our lending/reference collections in 2019/2020. The number of items in these collections now totals 140,299.
Richmond Aquatic Centre renewals	\$1,451,455 (Y1 - 10)	\$242,598	Council spent \$141,216 in the 2019/2020 year, including upgrading of the bathroom facilities at the Centre. Budget of \$102,346 was carried forward from the 2018/2019 year into 2019/2020 year.
Digital Strategy	\$1,343,000 (Y1-10)	\$208,896	<p>Council spent \$11,520 in the 2019/2020 year, resulting in a significant underspend from budget.</p> <p>While the response to Covid-19 played a part in reducing expenditure on activity associated with the Digital Strategy, the main reason for the underspend was the time needed for Council's new Chief Information Officer (CIO) to conduct a current state assessment before committing to further investment. This work was completed in March and communicated during lockdown. It is expected that investment activity will pick up during Quarter Two of 2020/2021. The CIO, appointed at Tier 2, is a new role for Tasman District Council. The CIO commenced with Council in October 2019.</p>

\* Nelson City Council, sports codes and other funders also contribute funding to the development of Saxton Field.

## FUNDING IMPACT STATEMENT – COMMUNITY DEVELOPMENT

For the year ended 30 June 2020

Budget 2018/2019 \$000	Actual 2018/2019 \$000		Notes	Actual 2019/2020 \$000	Budget 2019/2020 \$000	% of Budget
<b>SOURCES OF OPERATING FUNDING</b>						
10,351	10,326	General rates, uniform annual general charges, rates penalties		11,154	11,181	100%
4,754	4,764	Targeted rates		4,487	4,486	100%
41	795	Subsidies and grants for operating purposes		134	42	319%
538	607	Fees and charges		544	545	100%
512	512	Internal charges and overheads recovered		515	515	100%
1,532	1,815	Local authorities fuel tax, fines, infringement fees, and other receipts		1,742	1,558	112%
<b>17,728</b>	<b>18,819</b>	<b>Total operating funding</b>		<b>18,576</b>	<b>18,327</b>	<b>101%</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>						
11,042	11,665	Payments to staff and suppliers		12,112	11,899	102%
1,195	1,126	Finance costs		908	960	95%
3,886	3,935	Internal charges and overheads applied		4,327	4,238	102%
-	-	Other operating funding applications		-	-	-
<b>16,123</b>	<b>16,726</b>	<b>Total applications of operating funding</b>		<b>17,347</b>	<b>17,097</b>	<b>101%</b>
<b>1,605</b>	<b>2,093</b>	<b>Surplus/(deficit) of operating funding</b>		<b>1,229</b>	<b>1,230</b>	<b>100%</b>
<b>SOURCES OF CAPITAL FUNDING</b>						
-	128	Subsidies and grants for capital expenditure		31	-	100%
4,056	5,937	Development and financial contributions		3,474	4,159	84%
(375)	(120)	Increase (decrease) in debt		63	319	20%
-	-	Gross proceeds from sale of assets		-	-	-
-	-	Lump sum contributions		-	-	-
-	-	Other dedicated capital funding		-	-	-
<b>3,681</b>	<b>5,945</b>	<b>Total sources of capital funding</b>		<b>3,568</b>	<b>4,478</b>	<b>80%</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>						
Capital expenditure						
-	-	- to meet additional demand		-	-	-
362	534	- to improve the level of service		47	407	12%
3,912	3,166	- to replace existing assets		1,865	4,094	46%
1,067	4,442	Increase (decrease) in reserves		2,939	1,315	223%
(55)	(104)	Increase (decrease) in investments		(54)	(108)	50%
<b>5,286</b>	<b>8,038</b>	<b>Total applications of capital funding</b>		<b>4,797</b>	<b>5,708</b>	<b>84%</b>
<b>(1,605)</b>	<b>(2,093)</b>	<b>Surplus/(deficit) of capital funding</b>		<b>(1,229)</b>	<b>(1,230)</b>	<b>100%</b>

Debt was lower than budget as a direct result of the capital spend being lower than budget.

# GOVERNANCE

## WHAT WE DO

These activities involve running the electoral process (under the direction of the Electoral Officer) to provide the District with a democratically elected Mayor, Councillors and Community Board members and the governance of the District by its elected representatives. It also involves:

- organising and preparation for Council meetings;
- organising civic ceremonies, such as citizenship ceremonies and Anzac Day services;
- support for councillors, Council and Community Boards and any other assistance required by the Mayor;
- running elections and democratic processes, including community consultation; and
- making appointments to Council Controlled Trading Organisations (CCTOs) and Council Controlled Organisations (CCOs).

Council has a shareholding in a number of CCO and CCTOs, including:

- Nelson Airport Ltd,
- New Zealand Local Government Funding Agency Limited (LGFA),
- Civic Financial Services Ltd, and
- Waimea Water Ltd.

In addition, Council owns a 50% share in Port Nelson Ltd. Port Nelson is not a CCO under the Local Government Act (LGA). It is covered by the Port Companies Act 1988, which imposes similar obligations on port companies as those that would apply if the port was a CCO under the LGA.

## WHY WE DO IT

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

## CONTRIBUTION TO COMMUNITY OUTCOMES

The Governance activity primarily contributes to the following community outcomes:

- Our Council provides leadership and fosters partnerships, a regional perspective, and community engagement.
- Our region is supported by an innovative and sustainable economy.
- Our communities are healthy, safe, inclusive and resilient.

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS

● Fully achieved    
 ● Achieved within 5%    
 ● Not achieved    
 ● Not measured

	Outcome	2020 Target	2020 Result	2019 Result	How did we perform
<b>We effectively run election processes</b>					
Electoral processes are carried out within statutory timeframes and there are no successful challenges.	<span style="color: green;">●</span>	No successful challenges	No successful challenges	No successful challenges (no election)	There were no successful challenges to the 2019 Council election or the 2020 Motueka by-election. To allow for difficulties faced by voters during the Covid-19 Level Three restrictions, the Motueka by-election was extended by 14 days to Tuesday 26 May.



## FUNDING IMPACT STATEMENT – GOVERNANCE

For the year ended 30 June 2020

Budget 2018/2019 \$000	Actual 2018/2019 \$000	Notes	Actual 2019/2020 \$000	Budget 2019/2020 \$000	% of Budget
<b>SOURCES OF OPERATING FUNDING</b>					
3,607	3,607	General rates, uniform annual general charges, rates penalties	3,328	3,328	100%
312	310	Targeted rates	319	320	100%
-	1,150	Subsidies and grants for operating purposes	369	-	100%
7	(2)	Fees and charges	-	8	-
-	-	Internal charges and overheads recovered	-	-	-
117	602	Local authorities fuel tax, fines, infringement fees, and other receipts	169	181	93%
<b>4,043</b>	<b>5,667</b>	<b>Total operating funding</b>	<b>4,185</b>	<b>3,837</b>	<b>109%</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>					
2,054	3,502	Payments to staff and suppliers	2,868	2,258	127%
-	-	Finance costs	-	-	-
1,045	1,013	Internal charges and overheads applied	1,110	1,008	110%
-	-	Other operating funding applications	-	-	-
<b>3,099</b>	<b>4,515</b>	<b>Total applications of operating funding</b>	<b>3,978</b>	<b>3,266</b>	<b>122%</b>
<b>944</b>	<b>1,152</b>	<b>Surplus/(deficit) of operating funding</b>	<b>207</b>	<b>571</b>	<b>36%</b>
<b>SOURCES OF CAPITAL FUNDING</b>					
-	50	Subsidies and grants for capital expenditure	-	-	-
-	-	Development and financial contributions	-	-	-
50	-	Increase (decrease) in debt	30	(11)	-273%
-	-	Gross proceeds from sale of assets	9	-	100%
-	-	Lump sum contributions	-	-	-
-	-	Other dedicated capital funding	-	-	-
<b>50</b>	<b>50</b>	<b>Total sources of capital funding</b>	<b>39</b>	<b>(11)</b>	<b>-355%</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>					
Capital expenditure					
-	-	- to meet additional demand	-	-	-
-	-	- to improve the level of service	-	-	-
56	22	- to replace existing assets	33	-	100%
938	1,180	Increase (decrease) in reserves	213	560	38%
-	-	Increase (decrease) in investments	-	-	-
<b>994</b>	<b>1,202</b>	<b>Total applications of capital funding</b>	<b>246</b>	<b>560</b>	<b>44%</b>
<b>(944)</b>	<b>(1,152)</b>	<b>Surplus/(deficit) of capital funding</b>	<b>(207)</b>	<b>(571)</b>	<b>36%</b>

Payments to Staff and Suppliers - the adverse movement was caused by payments from the Mayoral relief fund associated with the Pigeon Valley fire. This was offset by donations to this fund.

# COUNCIL ENTERPRISES

## WHAT WE DO

This group of activities involves the management of approximately 2,700 stocked hectares of commercial plantation forest, aerodromes in Motueka and Tākaka, a mixture of leased and managed holiday parks in Motueka, Pōhara, Collingwood and Murchison, the management of Port Tarohe and the management of various commercial property assets.

## WHY WE DO IT

Council's ownership and management of commercial assets provide benefits to all users, via employment and development for the wider community. Their economic development and strategic importance is critical to all ratepayers and facility users. Income streams from commercial activities and commercial investments provide additional income to Council. This additional income reduces Council's reliance on rates to fund its activities.

## CONTRIBUTION TO COMMUNITY OUTCOMES

The Council Enterprises activity primarily contributes to the following community outcomes:

- Our communities have access to a range of social, cultural, educational and recreational facilities and activities.
- Our region is supported by an innovative and sustainable economy.

## OUR GOAL

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

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS

● Fully achieved    
 ● Achieved within 5%    
 ● Not achieved    
 ● Not measured

	Outcome	2020 Target	2020 Result	2019 Result	How did we perform
<b>Commercial assets are managed prudently to provide a financial return for the benefit of the District's ratepayers</b>					
Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA) for Port Taranaki will provide adequate funding cover	<span style="color: orange;">●</span>	0.7	-0.1	0.5	The main reason for lower earnings in 2019/2020 was a timing difference for \$225,000 of professional fees which were incurred during the year, but funded by the Provincial Growth Fund in the following year. However, wharfage income was also lower than budget as Covid-19 restricted access to key markets for mussel farmers.
EBITDA for holiday parks and campgrounds will provide for increasing funding cover	<span style="color: orange;">●</span>	1.5	0.6	1.2	EBITDA was significantly lower than budget due to Covid-19 related rent relief provided to our leased holiday parks, plus the direct impact of Covid-19 on our managed holiday park.
EBITDA for commercial properties will provide adequate funding cover	<span style="color: green;">●</span>	0.9	1.0	1.2	Commercial properties did provide adequate funding cover, despite some Covid-19 related rent relief for hospitality and retail tenants.
Net return on forestry assets provide a commercial outcome	<span style="color: green;">●</span>	9.0%	9.1%	6.3%	The return from forestry was above the target due to additional harvesting and higher than budgeted average log prices.

## MAJOR ACTIVITIES

The Council Enterprises group of activities involves the management, maintenance and renewals of Council's investments in forestry, Port Tarkohe and Māpua, Motueka and Tākaka aerodromes, four holiday parks and various commercial property.

The major projects for Council Enterprises for 2019/2020 have included:

PROJECT	LTP BUDGET (YEARS EXPENDITURE PLANNED)	2019/2020 BUDGET	ACTUAL 2019/2020
Port Tarkohe New Wharf Construction	\$2,220,000 (Y1 & Y8)	\$0	Council spent \$0 in the 2019/2020 year. Budget of \$1,020,000 was carried forward from the 2018/2019 year into 2019/2020 year. The project is delayed pending the decision on a related application for government funding.
Māpua Shed 5 Structural Works	\$255,000 (Y1)	\$0	Council spent \$245,993 in the 2019/2020 year. Budget of \$220,866 was carried forward from the 2018/2019 year into 2019/2020 year. Several small variations to the original scope increased the cost by \$25,127.
Māpua Wharf Capital Works	\$0	\$350,000	Council spent \$102,211 in the 2019/2020 year. Budget of \$50,000 was carried forward from the 2018/2019 year into 2019/2020 year. The project was approved to repair and upgrade Shed 2. The project commenced in May 2020 and was ongoing at the year-end.
Collingwood Holiday Park Upgrade	\$541,000 (Y1)	\$0	Council spent \$499,521 in the 2019/2020 year. Budget of \$450,000 was carried forward from the 2018/2019 year into 2019/2020 year. Overspend of \$49,521 offset by underspend of \$52,122 on renewals below.
Collingwood Holiday Park Renewals	\$566,000 (Y1 - 10)	\$52,122	Council spent \$0 in the 2019/2020 year. Budget of \$30,474 was carried forward from the 2018/2019 year into 2019/2020 year.

PROJECT	LTP BUDGET (YEARS EXPENDITURE PLANNED)	2019/2020 BUDGET	ACTUAL 2019/2020
Pōhara Holiday Park Capital Buyback	\$541,000 (Y1)	\$0	Council spent \$540,000 in the 2019/2020 year. Budget of \$540,000 was carried forward from the 2018/2019 year into 2019/2020 year.
Pōhara Holiday Park Renewals	\$680,000 (Y1 - 10)	\$62,546	Council spent \$0 in the 2019/2020 year. Budget of \$15,000 was carried forward from the 2018/2019 year into 2019/2020 year.
Murchison Riverside Holiday Park Upgrade	\$167,000 (Y2)	\$166,790	Council spent \$0 in the 2019/2020 year. Project was delayed due to Covid-19.
Murchison Riverside Holiday Park Renewals	\$556,000 (Y1 - 10)	\$52,122	Council spent \$0 in the 2019/2020 year. Budget of \$51,000 was carried forward from the 2018/2019 year into 2019/2020 year.
Motueka Holiday Park Renewals	\$1,133,000 (Y1 - 10)	\$104,244	Council spent \$118,743 in the 2019/2020 year. Budget of \$98,087 was carried forward from the 2018/2019 year into 2019/2020 year.

## FUNDING IMPACT STATEMENT – COUNCIL ENTERPRISES

For the year ended 30 June 2020

Budget 2018/2019 \$000	Actual 2018/2019 \$000		Notes	Actual 2019/2020 \$000	Budget 2019/2020 \$000	% of Budget
<b>SOURCES OF OPERATING FUNDING</b>						
(217)	(217)	General rates, uniform annual general charges, rates penalties		(218)	(215)	101%
-	-	Targeted rates		-	-	-
-	210	Subsidies and grants for operating purposes		50	-	100%
1,337	1,051	Fees and charges		769	1,015	76%
-	-	Internal charges and overheads recovered		-	-	-
8,351	9,690	Local authorities fuel tax, fines, infringement fees, and other receipts		15,083	8,903	169%
<b>9,471</b>	<b>10,734</b>	<b>Total operating funding</b>		<b>15,684</b>	<b>9,703</b>	<b>162%</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>						
5,960	7,125	Payments to staff and suppliers		10,985	6,511	169%
441	309	Finance costs		265	349	76%
900	834	Internal charges and overheads applied		905	944	96%
-	-	Other operating funding applications		-	-	-
<b>7,301</b>	<b>8,268</b>	<b>Total applications of operating funding</b>		<b>12,155</b>	<b>7,804</b>	<b>156%</b>
<b>2,170</b>	<b>2,466</b>	<b>Surplus/(deficit) of operating funding</b>		<b>3,529</b>	<b>1,899</b>	<b>186%</b>
<b>SOURCES OF CAPITAL FUNDING</b>						
-	-	Subsidies and grants for capital expenditure		-	-	-
-	-	Development and financial contributions		-	-	-
1,874	(445)	Increase (decrease) in debt		467	(31)	-1506%
-	-	Gross proceeds from sale of assets		-	-	-
-	-	Lump sum contributions		-	-	-
-	-	Other dedicated capital funding		-	-	-
<b>1,874</b>	<b>(445)</b>	<b>Total sources of capital funding</b>		<b>467</b>	<b>(31)</b>	<b>-1506%</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>						
Capital expenditure						
-	-	- to meet additional demand		-	-	-
2,387	50	- to improve the level of service		1,286	167	770%
291	131	- to replace existing assets		430	621	69%
1,366	1,840	Increase (decrease) in reserves		2,280	1,080	211%
-	-	Increase (decrease) in investments		-	-	-
<b>4,044</b>	<b>2,021</b>	<b>Total applications of capital funding</b>		<b>3,996</b>	<b>1,868</b>	<b>214%</b>
<b>(2,170)</b>	<b>(2,466)</b>	<b>Surplus/(deficit) of capital funding</b>		<b>(3,529)</b>	<b>(1,899)</b>	<b>186%</b>

Debt was higher than budget as a direct result of the capital spend being higher than budget. The increase in reserves was a result of higher forestry net income due to a change in the harvesting programme.

## SUPPORT SERVICES

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

Support Services are the internal teams that help Council operate efficiently. Support Services are an essential part of ensuring we operate in an effective and efficient manner, meeting our statutory obligations, and working towards the achievement of community outcomes. These activities are internally focused and do not generally have a direct output to the community, rather they are internal support systems for those activities that do. The Support Service activities have their own business plans which outline the strategic focus for the activity and the major projects proposed.

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

### STRATEGIC PLANNING

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

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

### CUSTOMER SERVICES

The customer services team provide a 'one stop shop', offering various contact options to customers through phone, email or face to face contact. Service centres are based in Richmond, Motueka, Tākaka and Murchison.

Internal departments also rely on customer services to answer customer enquiries and process certain applications on their behalf.

### FINANCE

The finance team is responsible for offering financial advice and services to all of our other activities. All of our operations have some financial aspect to them and require support in areas such as revenue gathering, capital funding, meeting financial and tax obligations, monitoring of expenditure, and corporate reporting.

This activity provides a cost effective financial and accounting service that enhances the achievement of our goals and meets the needs of the organisation. It also provides a payroll service.

### HUMAN RESOURCES

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

## **INFORMATION SERVICES AND RECORDS MANAGEMENT**

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

## **HEALTH AND SAFETY**





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



## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS

● Fully achieved    
 ● Achieved within 5%    
 ● Not achieved    
 ● Not measured

	Outcome	2020 Target	2020 Result	2019 Result	How did we perform
<b>We respond to customer requests in a timely and professional manner</b>					
At least 85% of respondents are either fairly satisfied or very satisfied with the service they receive when they contact Council	<span style="color: green;">●</span>	87.5%	88%	86%	57% of residents had contacted Council offices in the last 12 months, with similar satisfaction levels to last year.
Percentage of general enquiries that are responded to by Council staff within three working days of receipt of enquiry	<span style="color: orange;">●</span>	95%	85%	86.5%	Response times have been impacted by the Covid-19 lockdown and reopening.
<b>We produce high quality, fit for purpose and accessible Long Term Plan (LTP), Annual Plans (AP) and Annual Reports (AR)</b>					
The Long Term Plan, Annual Plans and Annual Reports are prepared within statutory timeframes and there are no successful challenges to these processes	<span style="color: green;">●</span>	Statutory timeframes met	Fully Achieved	Fully achieved	The Annual Report for 2018/2019 was adopted on 10 October 2019, and the Annual Plan 2020/2021 was adopted on 25 June 2020.
<b>We consult effectively with the public in our decision-making processes</b>					
50% of residents are either very satisfied or satisfied with the way Council consults the public in the decisions it makes	<span style="color: lightblue;">●</span>	≥50%	48%	44%	With 32% neither satisfied nor dissatisfied and a drop in the proportion who were dissatisfied (15% compared to 21% in 2019), the satisfaction rating of 48% provides an improvement on the 2019 result.
<b>We provide resolution of most customer phone enquiries during the initial conversation with a Customer Services Officer</b>					
80% of customer phone calls are resolved at first point of contact (ie without the need to transfer the call to another staff member)	<span style="color: green;">●</span>	≥80%	85%	85%	The call resolution process was impacted due to a change of telephony software during Covid-19 Levels 3 and 4.

	Outcome	2020 Target	2020 Result	2019 Result	How did we perform
<b>We provide Land Information Memorandums (LIMs) to customers within 10 working days</b>					
100% of LIM applications are processed within the statutory timeframes (ie 10 working days)		100%	100%	100%	Council processed 100% of LIMs within 10 working days. We processed 718 applications in an average of six working days. There were 10% more applications processed than the previous year.
<b>All Council-owned buildings are safe</b>					
All operational buildings (offices and libraries) comply with resource and building consents and any other legislative requirements		100% compliance	100%	100%	
<b>Property and building assets that are functionality appropriate and meet the needs of users and customers</b>					
Customers and users are satisfied with the buildings that they occupy and the level of service provided		75%	Not measured (three yearly survey)	Achieved	This is measured on a three yearly basis. According to the 2019 residents' survey, between 87% and 94% of customers were satisfied with various aspects of libraries and service centres (physical access, layout, ambience and maintenance).
<b>Leases and licenses for Council properties are current and reviewed on time</b>					
The percentage of leases and licenses for Council properties that are not current is reducing on an annual basis.		70% of leases and licenses are current	76%	80%	Some processing delays were due to the Covid-19 lockdown.

# APPENDICES

# APPENDIX ONE: APPLICATIONS PROCESS

## ENVIRONMENT AND PLANNING DEPARTMENT

APPLICATIONS PROCESSED 1 JULY 2019 TO 30 JUNE 2020

### RESOURCE MANAGEMENT ACT 1991

TYPE OF CONSENT	OUTCOME 2018/2019	OUTCOME 2019/2020
Land Use	551	521
Water	108	483
Discharge	146	129
Coastal	10	18
Subdivision	141	121
Title Plans	111	116
Completion Certificates	110	116
Certificates of Compliance	8	14
Deemed Permitted Boundary Notices	51	31
Marginal or Temporary Exemption Notices	38	22
Resource Consent (Permit) Transfers	145	195
Right of Way (s348 Local Govt. Act 1974)	16	6
<b>TOTAL</b>	<b>1,435</b>	<b>1,772</b>

### BUILDING ACT 2004

TYPE OF CONSENT	NUMBER ISSUED 2018/2019	VALUE 2018/2019 \$million	NUMBER ISSUED 2019/2020	VALUE 2019/2020 \$million
Dwelling	368	150.9	448	189.5
Commercial	59	36	46	34.9
Other	871	41	710	40.2
<b>TOTAL</b>	<b>1,298</b>	<b>227.9</b>	<b>1,204</b>	<b>264.8</b>

**LICENCES**

TYPE	NUMBER OF CERTIFICATES ISSUED 2018/2019	NUMBER OF CERTIFICATES ISSUED 2019/2020
Food premises/Operators	363	361
Hairdressers	44	45
Campgrounds	36	42
Hawkers/Mobile Traders	48	40
Others*	6	11
Commercial vessel operators	28	22

**SALE OF ALCOHOL**

TYPE OF LICENCE	NUMBER OF LICENCES ISSUED 2018/2019	NUMBER OF LICENCES ISSUED 2019/2020
Manager's certificate	270	290
On and Off licences	65	106
Club licence	11	14
Special licence	65	52
Temporary authority order	6	13

**OTHER**

TYPE	2018/2019	2019/2020
Land Information Memoranda	664	718
Complaints received	2631	2,894
Abatement Notices issued	67	54
Infringement Notices issued	79	69
Enforcement orders	1	0
Excessive noise directions	189	203

\*As a result of law changes, food stalls are not being reported along with all food premises.

# APPENDIX TWO: COUNCIL'S COMMITTEES, RESPONSIBILITIES AND PORTFOLIOS

## COUNCIL STANDING COMMITTEES

Following the triennial election, Mayor King established a new committee structure. There are three standing Committees of the Council, each having delegated powers to handle their affairs. All Councillors have membership on these committees. Mayor King is an ex officio member of all committees. Committees normally meet six-weekly.

### STRATEGY AND POLICY COMMITTEE

The Strategy and Policy Committee's purpose is to provide governance oversight of, guidance on and approval of:

- Council's strategy and policy programmes, services, activities and their associated projects, including the processes to prepare them and public consultation processes
- the physical development and growth of the Tasman District through a focus on land and resource use and the appropriate provision of infrastructure, and
- any policies and plans required under the Resource Management Act 1991 (RMA).

The primary areas of responsibility of the Committee are:

- electoral and democratic functions of local government in the Tasman District
- Long Term Plans, Annual Plans, Activity Management Plans, Statutory Policies, Annual Report, and
- Resource Management Act Policies and Plans.

This Committee is chaired by Cr C M Maling.

### REGULATORY COMMITTEE

The Regulatory Committee's purpose is to provide governance oversight of Council's regulatory programmes, services, and activities, including bylaw development and implementation (noting Full Council only has the power to adopt bylaws) in relation to the Committee's areas of responsibility.

The primary areas of responsibility of the Committee are:

- monitoring and enforcing Council's Resource Management Act functions; and
- enforcing Council's other regulatory functions; and
- undertaking bylaw preparation processes.

This Committee is chaired by Cr D M A Wensley.

### OPERATIONS COMMITTEE

The Operations Committee's purpose is to provide governance oversight of Council's operational programmes, services, activities and projects relating to Council's environmental monitoring programmes, and to Council's community facilities and infrastructural assets (excluding commercial

enterprises covered by the Commercial Committee) in relation to the Committee's areas of responsibility.

The primary areas of responsibility of the Committee are:

- overseeing and monitoring and Council's operational functions; and
- overseeing and monitoring Council's capital works programme.

This Committee is chaired by Cr S G Bryant.

## **COUNCIL COMMITTEES**

### **AUDIT & RISK**

(Reporting to Council) – Mayor T B King, Crs D J Ogilvie (Chair), M J Greening, , C P Hill, C J Mackenzie and T B Walker plus G Naylor (appointed member)

### **CEO REVIEW**

(Reporting to Council) – Mayor T B King (Chair), Crs S G Bryant and D M A Wensley

### **COMMERCIAL**

(Reporting to Council) –Cr C J Mackenzie (Chair), Crs D J Ogilvie, C J Butler, C M Maling and C P Hill plus three appointed members – R N Taylor, A D Dunn and K Armstrong

## **COUNCIL SUBCOMMITTEES**

In addition to the above committees, Council also has a number of special purpose subcommittees. These have delegated powers and only meet as required. Their function is to examine specific areas of Council operations. Their level of autonomy varies depending on the specific delegations with some able to make decisions in their own right whilst others make recommendations to their parent committee or Full Council. The Mayor is ex officio on all subcommittees. The current subcommittees are:

### **COMMUNITY AWARDS**

(Reporting to Operations Committee) – Mayor T B King, Crs D M A Wensley (Chair), B F Dowler, C P Hill and A C Turley

### **COMMUNITY GRANTS**

(Reporting to Operations Committee) – Mayor T B King, Crs A C Turley (Chair), S G Bryant, C J Butler, T B Walker and D M A Wensley

### **CREATIVE COMMUNITIES**

(Reporting to Operations Committee) – Crs C J Butler and T B Walker, plus community representatives

## **OTHER COMMITTEES**

The following two committees operate under separate legislation, and their membership includes both Council and external members. The Mayor is not ex officio on either committee.

### **TASMAN REGIONAL TRANSPORT COMMITTEE**

This Committee operates under the Land Transport Act 2003 and is responsible for preparing for Tasman District a regional land transport strategy, a regional land transport programme, a regional fuel tax scheme, and any advice and assistance Council may request in relation to its transport responsibilities. The Committee is chaired by Cr S G Bryant and members are Crs C J Butler, B F Dowler and A C Turley.

### **DISTRICT LICENSING COMMITTEE**

This Committee operates under the Sale and Supply of Alcohol Act 2012 and is responsible for determining applications for licences to sell alcohol. These could be On or Off Licences, Special Licences for events, Manager's Certificates for people working in licensed premises. The Committee is chaired by Cr D J Ogilvie, member Cr M J Greening, and list members are L Gabites, D Lewis, and M Fitzsimons.

## **JOINT COMMITTEES OF NELSON AND TASMAN COUNCILS**

These are committees made up of representatives of both Tasman District Council and Nelson City Council. The Tasman District Council members of the committees are listed below.

### **JOINT COMMITTEE**

Mayor and all Councillors

### **JOINT SHAREHOLDERS**

Mayor T B King, Crs S G Bryant, B F Dowler, C M Maling, C J Mackenzie and D J Ogilvie

### **NELSON REGIONAL SEWERAGE BUSINESS UNIT (NRSBU)**

Crs C M Maling and T A Tuffnell

Independent member Brendon Silcock

### **CIVIL DEFENCE EMERGENCY MANAGEMENT**

Mayor T B King and Deputy Mayor S G Bryant

### **SAXTON FIELD COMMITTEE**

Crs T A Tuffnell and C M Maling

### **NELSON TASMAN REGIONAL LANDFILL BUSINESS UNIT (NTRLBU)**

Crs S G Bryant and T B Walker



## COUNCIL REPRESENTATIVES AND APPOINTMENTS

### ACCESSIBILITY FOR ALL

Vacant

### FRIENDLY TOWNS

Richmond representative – Cr T A Tuffnell for Fujimi Machi

Motueka representative – Cr T B Walker for Kiyosato

### IWI LIAISON

Mayor T B King and Chief Executive

### LOCAL GOVERNMENT NEW ZEALAND

Regional Sector Group representatives

Mayor T B King and Chief Executive

Rural and Provincial Sector representatives

Mayor T B King and Deputy Mayor S G Bryant as alternate, Community Development Manager

Zone 5 representatives

Mayor T B King and Chief Executive

### MĀPUA WATERFRONT ADVISORY COMMITTEE

Cr A C Turley

### MOTUEKA AIRPORT ADVISORY GROUP

Cr B F Dowler / Cr D J Ogilvie (as alternate)

### NATIVE HABITATS TASMAN

Crs D J Ogilvie and C J Butler

### NELSON AIRPORT LIMITED

Council Director Cr M J Greening

### NELSON PROVINCIAL MUSEUM WORKING GROUP

Crs T A Tuffnell and D J Ogilvie

### NELSON TASMAN BUSINESS TRUST

C M Maling as an independent member

### NELSON TASMAN CLIMATE FORUM

Crs T B Walker and D M A Wensley

### PORT NELSON LIMITED

Council Director Mr P Zealand

### PORT TARAKOHE ADVISORY GROUP

Crs C J Butler and C P Hill

### POSITIVE AGEING FORUM

Cr D M A Wensley

REGIONAL TB FREE

Cr S G Bryant

RICHMOND BRIDGE AND CROQUET

Cr M J Greening

RICHMOND NETWORK OPERATING FRAMEWORK – with Waka Kotahi

Crs S G Bryant, T A Tuffnell and D M A Wensley

TĀKAKA AIRPORT ADVISORY GROUP

Cr C P Hill

TASMAN BAYS HERITAGE TRUST APPOINTMENTS COMMITTEE

Mayor T B King and Chief Executive

TASMAN BIOSTRATEGY GOVERNANCE GROUP

Crs C Butler, D J Ogilvie and T A Tuffnell

TASMAN ENVIRONMENTAL TRUST LIAISON

C J Mackenzie and T B Walker

TASMAN YOUTH COUNCIL

Crs T B Walker and C P Hill

TENDERS PANEL

Crs S G Bryant, C M Maling and T A Tuffnell, and Chief Executive

WAIMEA INLET WORKING GROUP

Cr T A Tuffnell / Cr D M A Wensley (alternate)

# APPENDIX THREE: COMMUNITY BOARDS

Community Boards are separately elected advisory bodies and are not Council Committees. Their main role is to represent, and act as an advocate for, the interests of their community.

There are two Community Boards in the Tasman District, namely the Golden Bay Community Board serving the Golden Bay Ward and the Motueka Community Board serving the Motueka Ward. Both Community Boards have ward councillors appointed.

## GOLDEN BAY COMMUNITY BOARD MEMBERS



## MOTUEKA COMMUNITY BOARD MEMBERS



# APPENDIX FOUR: MANAGEMENT STAFF

## **CHIEF EXECUTIVE OFFICER**

Janine Dowding

## **COMMUNITY DEVELOPMENT MANAGER**

Susan Edwards

## **CORPORATE SERVICES MANAGER**

Mike Drummond

## **ENGINEERING SERVICES MANAGER**

Richard Kirby

## **ENVIRONMENT AND PLANNING MANAGER**

Dennis Bush-King

## **CHIEF INFORMATION OFFICER**

Steve Manners

## **OTHER**

### **BANKERS**

ASB Bank Ltd,  
Queen Street Richmond

### **PANEL OF SOLICITORS**

Fletcher Vautier Moore  
Simpson Grierson

DLA Piper  
Hamish Fletcher

Tasman Law

### **AUDITORS**

Audit New Zealand, on behalf of the Auditor-General

## APPENDIX FIVE: GLOSSARY OF TERMS

To further assist readers of these financial statements, the following definitions of other terms used in the document are set out below:

### **ANNUAL PLAN**

A plan required by the Local Government Act 2002 to be produced by Council in the two intervening years between each three-yearly LTP. The main purpose of the Annual Plan is to identify any amendments and variations to the specific year of the base LTP.

### **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 (AMPs) 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 Council has a significant influence and that is neither a subsidiary nor an interest in a joint venture.

### **ASSUMPTIONS**

Assumptions are the underlying premises made by Council that affect its financial planning for a specific activity, or for all Council activities. These are made clear so everyone can understand the basis for Council's financial planning, and form an opinion about how reasonable those assumptions are.

### **CAPITAL EXPENDITURE**

This expenditure relates to the purchase or creation of assets that are necessary to assist in the provision of services. They have useful lives in excess of one year and are therefore included in the Statement of Financial Position. Capital expenditure includes the creation of assets that did not previously exist or the improvement or enlargement of assets beyond their original size and capacity.

### **CAPITAL VALUE**

Capital value is the value of the property including both the value of the land and any improvements (e.g. buildings) on the land.

### **COMMUNITY**

Community means everyone in Tasman District being individuals, businesses, local and central government, groups and organisations, iwi, Māori, disabled, young, old, families, recent migrants and refugees, rural and urban residents.

### **COMMUNITRAK™ SURVEY**

The Communitrak™ Survey is the survey of residents' opinions that Council has undertaken annually by an independent research agency.

### **COMMUNITY OUTCOMES**

Community outcomes are the priorities and aspirations identified by Council that it aims to achieve in order to promote the present and future social, economic, environmental and cultural well-being of the community.

### **CONSULTATION**

Consultation is the dialogue that comes before decision-making. Consultation is an exchange of information, points of view and options for decisions between affected and interested people and the decision makers.

### **COST OF SERVICES**

The cost of services relate to the activity, not the organisational departments. The Local Government Act 2002 requires the LTP to be expressed by the activity. The cost of the

activity includes the direct and the indirect costs that have been allocated to the activity. Indirect costs include interest on public debt, cost of support services and depreciation allowances.

## **COUNCIL-CONTROLLED ORGANISATION**

As defined by Section 6 of the Local Government Act 2002, a company under the control of local authorities through their:

- shareholding of 50 percent or more
- voting rights of 50 percent or more, or
- right to appoint 50 percent or more of the directors.

## **DEPRECIATION**

Depreciation is an estimate of the wearing out, consumption or loss of value of an asset over time.

## **EXCHANGE REVENUE**

An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value to the other party in exchange.

## **FINANCIAL YEAR**

Council's financial year runs from 1 July to 30 June the following year.

## **GENERAL RATE**

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. It is charged to every rateable property in the District.

## **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**

Revenue received from external sources both cash and non-cash in nature.

## **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 SERVICE**

This term describes what Council will deliver. Performance measures are specific indicators used to demonstrate how Council is doing regarding delivery of services. The measures are described in each Activity Management Plan. Council reports on the levels of service it delivered and on the performance measures each year through the Annual Report.

## **LIQUIDITY**

The ability or ease with which assets can be converted into cash.

## **LONG TERM PLAN (LTP)**

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

## **MAJOR GOALS**

These highlight specific significant outcomes of the activity and what is intended to be achieved. The objectives are in some cases encompassing more than just the current financial year but are considered important enough in terms of providing an overall picture to be included in the Plan.

## **NET EXTERNAL DEBT (NET DEBT)**

Net external debt means total external debt less liquid financial assets and investments.

## **NET INTEREST**

Net interest is interest paid less interest income received.

## **NETWORK INFRASTRUCTURE**

See Infrastructure Assets.

## **OPERATING COSTS (OR OPERATING EXPENDITURE)**

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.

## **PERFORMANCE TARGETS**

These are the measures that will be used to assess whether the performance has been achieved.

## **PRIMARY NETWORK**

The network of pipes and open drains that manage stormwater for most rainfall events.

## **RATES INCOME**

Income derived from setting and assessing general or targeted rates.

## **RENEWALS**

The replacement of an asset or its component that has reached the end of its life, so as to provide a similar level of service or agreed alternative.

## **RETURN ON INVESTMENT APPROACH**

Investments are managed to cover costs as well as return a surplus to Council. Investments with a higher return are favoured over those with a lower return.

## **REVENUE**

This includes fees and licences charged for Council's services and contributions towards services by outside parties.

## **SEPARATELY USED OR INHABITED PARTS OF A RATING UNIT**

Where targeted rates are calculated on each separately used or inhabited part of a rating unit the following definition will apply:  
"Any portion of a rating unit used or inhabited by any person, other than the ratepayer or member of the ratepayer's household, having a right to use or inhabit that portion by virtue

of a tenancy, lease, licence or other agreement."

## **SECONDARY FLOW PATH**

The locations that stormwater flows when the primary network is full or blocked.

## **SOLID WASTE**

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

## **STORMWATER**

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

## **SURPLUS**

A surplus is the result of revenue being greater than operating costs for the year.

## **SUSTAINABLE DEVELOPMENT**

"Development which meets the needs of the present without compromising the ability of future generations to meet their own needs" (from the Sustainable Development for New Zealand Programme of Action, Department of Prime Minister and Cabinet, January 2003).

## **TABLE LOAN**

A loan where your regular repayments are the same each week, fortnight or month, unless your interest rate changes.

Every repayment includes a combination of interest and principal. At first, your repayments comprise mostly interest but as the amount you still owe begins to decrease, your regular repayment will include less interest and repay more of the principal (the amount you borrowed).

## **TARGETED RATES**

A targeted rate is designed to fund a specific function or activity. It can be levied on specific categories of property (eg determined by a particular use or location) and it can be calculated in a variety of ways (eg based on capital value, as a fixed amount per rateable property etc.).

## **TOTAL OPERATING INCOME**

Total operating income is defined as earnings from rates, government grants and subsidies, user charges, levies, interest, dividends, financial and other revenue, but excludes

non-government capital contributions, (eg development contributions and vested assets).

### **TRUNK SERVICES**

The network elements that service larger segments of a community beyond a single street or subdivision.

### **UNCALLED CAPITAL**

Capital that a company has raised by issuing shares or bonds but that the company has not collected because it has not requested payment.

### **UNIFORM ANNUAL GENERAL CHARGE (UAGC)**

A UAGC is a portion of the general rate collected as a fixed charge per rateable property. It is deemed that the properties receive equal benefit for services charged

regardless of the rateable value of the properties, eg 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.

### **URBAN WATER CLUB**

Includes Council-owned urban reticulated water supplies (except Motueka). They are grouped together for the purpose of allocating the costs of urban water supplies. The charge is consistent across all members of the urban water club.

### **WASTEWATER**

Wastewater is the liquid waste from businesses and homes (including toilet, bathroom and kitchen wastewater products).



# DIRECTORY

Tasman District Council is one of only six councils in New Zealand which have responsibility for both regional and territorial functions. Councils with this dual role are commonly known as “Unitary Authorities”.

Tasman District Council is the local government authority for this District. Its power is primarily derived from the Local Government Act 2002 and many other Acts and Statutory Regulations that are referred to throughout this document.

Council is responsible for ensuring that its various functions and activities are properly managed. It does this through a Chief Executive who is responsible for all Council staff.

## MAIN OFFICE

**Street Address** 189 Queen Street, Richmond 7020  
**Postal Address** Private Bag 4, Richmond 7050  
**Telephone** 03 543 8400  
**Fax** 03 543 9524  
**Email** info@tasman.govt.nz

## MOTUEKA OFFICE

**Street Address** 7 Hickmott Place, Motueka 7120  
**Postal Address** PO Box 123, Motueka 7143  
**Telephone** 03 528 2022  
**Fax** 03 528 9751

## GOLDEN BAY OFFICE

**Street Address** 78 Commercial Street, Tākaka 7110  
**Postal Address** PO Box 74, Tākaka 7142  
**Telephone** 03 525 0020  
**Fax** 03 525 9972

## MURCHISON OFFICE

**Street Address** 92 Fairfax Street, Murchison 7007  
**Postal Address** 92 Fairfax Street, Murchison 7007  
**Telephone** 03 523 1013  
**Fax** 03 523 1012

# STATEMENT OF ACCOUNTING POLICIES

## REPORTING ENTITY

Tasman District Council (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 to the community. Council does not operate to make a financial return.

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

The financial statements of Council are for the year ended 30 June 2020. The financial statements were authorised for issue by Council on 26 November 2020.

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

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

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

These financial statements comply with PBE Standards.

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

## GST

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

## OVERHEADS

Indirect overheads have been apportioned on an activity basis, using 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.

## BUDGET FIGURES

The budget figures are those approved by Council in its Annual Plan the 2019/2020 year unless shown otherwise. The budget figures are consistent with the accounting policies adopted by Council for the preparation of the financial statements at the time the budget was prepared.

## **FUNDING IMPACT STATEMENTS**

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

The purpose of these statements is to report the net cost of services for significant groups of activities (“GOA”) of 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 the Council’s depreciation, gain and/or losses on revaluation and vested assets.

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

## **CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS**

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

### **LANDFILL AFTERCARE COSTS**

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

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

## INFRASTRUCTURAL ASSETS

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 30 June 2020 for Roading, Bridges, Refuse and Three Waters assets. 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, Council's infrastructural asset useful lives have been determined according to best practice guides, and have been tailored to based on our assessment of the specific assets in question. Asset inspections, deterioration and condition modelling are also carried out regularly as part of Council's asset management planning activities, which gives Council further assurance over its useful life estimates.

## 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, and the 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. The most recent valuation was performed by GR Butterworth SPINZ, ANZIV of QV Valuations Limited, and the valuation is effective

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

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

### **CLASSIFICATION OF PROPERTY**

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

# STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the year ended 30 June 2020

Actual 2019 \$000		Notes	Actual 2020 \$000	Budget 2020 \$000
<b>REVENUE</b>				
38,535	General rates	2	40,300	40,071
34,899	Targeted rates	2	35,739	35,755
12,926	Development and financial contributions		10,527	10,135
7,784	Operating subsidies and grants	4	5,708	3,643
5,509	Capital subsidies and grants	4	6,143	7,585
15,199	Fees and charges	4	15,196	15,305
33,214	Other revenue	3	31,798	19,119
(3,495)	Fair value gain/ (loss) on revaluation	3	(1,552)	621
76	Other gains	3	16	62
1,194	Finance income	8	4,411	253
6,554	Revenue of joint operations	21	7,192	7,398
8,419	Share of joint ventures surplus/(deficit)	20	5,053	-
<b>160,814</b>	<b>Total revenue</b>	<b>1</b>	<b>160,531</b>	<b>139,947</b>
<b>EXPENSE</b>				
7,934	Finance expense	8	7,936	8,137
23,083	Employee related expense	6	25,627	26,286
38,037	Other expenses	7	43,104	32,153
25,704	Maintenance	7	22,047	25,305
24,498	Depreciation and amortisation	17	25,418	26,925
8,099	Expenditure of joint operations	21	9,500	3,889
<b>127,355</b>	<b>Total expense</b>	<b>1</b>	<b>133,632</b>	<b>122,695</b>
<b>33,459</b>	<b>Surplus/(deficit) before taxation</b>		<b>26,899</b>	<b>17,252</b>
-	- Income tax expense	9	-	-
<b>33,459</b>	<b>Surplus/(deficit) after tax</b>		<b>26,899</b>	<b>17,252</b>
<b>OTHER COMPREHENSIVE REVENUE</b>				
381	Gain on Council property, plant and equipment revaluations	26	44,161	-
-	- Deferred tax on asset revaluations	9	-	-
819	Movement in NZLG shares value	26	781	-
(514)	Asset impairment, disposal gain/(Loss)	15,26	-	-
(960)	Other comprehensive income including share of joint ventures and operations	20,21,26	31,137	-
<b>(274)</b>	<b>Total other comprehensive revenue and expense</b>	<b>26</b>	<b>76,079</b>	<b>-</b>
<b>33,185</b>	<b>Total comprehensive revenue and expense</b>		<b>102,978</b>	<b>17,252</b>

The table above shows surplus before other comprehensive income of \$26.9 million (2019: \$33.5 million) compared with a budgeted accounting surplus of \$17.3 million (2019:\$12.7million). This equates to a surplus or favourable variance of \$9.6 million. Variances are explained in note 36.

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

# STATEMENT OF FINANCIAL POSITION

As at 30 June 2020

Actual 2019 \$'000		Notes	Actual 2020 \$'000	Budget 2020 \$'000
<b>CURRENT ASSETS</b>				
15,273	Cash and cash equivalents	10	28,709	7,263
16,434	Trade and other receivables	11	16,684	16,074
1,371	Other financial assets	13	43,684	1,700
-	- Non current assets held for resale	14	-	-
<b>33,078</b>	<b>Total current assets</b>		<b>89,077</b>	<b>25,037</b>
<b>CURRENT LIABILITIES</b>				
20,429	Trade and other payables	22	26,114	19,488
2,219	Employee benefit liabilities	24	2,888	1,987
35,003	Current portion of borrowings	25	66,003	16,116
3,625	Current portion of derivative financial instruments	12	4,387	90
<b>61,276</b>	<b>Total current liabilities</b>		<b>99,392</b>	<b>37,681</b>
<b>(28,198)</b>	<b>Working capital</b>		<b>(10,315)</b>	<b>(12,644)</b>
<b>NON CURRENT ASSETS</b>				
137,599	Investments in joint ventures	20	169,652	134,405
27,684	Other financial assets	13	19,159	41,206
2,376	Intangible assets	16	2,345	1,193
-	- Trade and other receivables	11	-	2,055
44,101	Forestry assets	18	47,058	42,293
5,250	Investment property	19	5,350	5,006
1,456,128	Property, plant and equipment	15	1,539,778	1,535,980
<b>1,673,138</b>	<b>Total non current assets</b>		<b>1,783,342</b>	<b>1,762,138</b>
<b>NON CURRENT LIABILITIES</b>				
137,862	Term borrowings	25	158,181	184,302
15,511	Derivative financial instruments	12	19,011	12,611
406	Employee benefit liabilities	24	316	480
2,349	Provisions	23	3,729	3,224
<b>156,128</b>	<b>Total non current liabilities</b>		<b>181,237</b>	<b>200,617</b>
<b>1,488,812</b>	<b>Total net assets</b>		<b>1,591,790</b>	<b>1,548,877</b>
<b>EQUITY</b>				
634,288	Accumulated equity	27	655,633	631,118
27,747	Restricted reserves	28	33,301	15,061
826,777	Revaluation reserves	26	902,856	902,698
<b>1,488,812</b>	<b>Total equity</b>		<b>1,591,790</b>	<b>1,548,877</b>

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

# STATEMENT OF CASHFLOWS

As at 30 June 2020

Actual 2019 \$000		Notes	Actual 2020 \$000	Budget 2020 \$000
<b>CASHFLOW FROM OPERATING ACTIVITIES</b>				
<b>Cash was provided from:</b>				
72,737	Fees and charges and other revenue		65,127	54,841
73,566	Rates revenue		75,913	75,861
3,971	Dividends received		3,636	2,955
1,066	Interest received		3,880	253
<b>151,340</b>			<b>148,556</b>	<b>133,910</b>
<b>Cash was disbursed to:</b>				
(90,926)	Payments to suppliers and employees		(91,865)	(87,030)
(7,396)	Interest paid		(8,376)	(8,137)
1,098	Net GST (paid) / received		347	-
<b>(97,224)</b>			<b>(99,894)</b>	<b>(95,167)</b>
<b>54,116</b>	<b>Net cash flow from operating</b>	<b>29</b>	<b>48,662</b>	<b>38,743</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>				
<b>Cash was provided from:</b>				
773	Proceeds from sale of assets		16	62
11,700	Proceeds from sale of investments		1,371	45
<b>12,473</b>			<b>1,387</b>	<b>107</b>
<b>Cash was disbursed to:</b>				
(51,328)	Purchase of assets		(53,554)	(24)
(20,643)	Purchase of investments		(34,378)	(39,994)
<b>(71,971)</b>			<b>(87,932)</b>	<b>(40,018)</b>
<b>(59,498)</b>	<b>Net cash flow from investing</b>		<b>(86,545)</b>	<b>(39,911)</b>
<b>CASHFLOW FROM FINANCING ACTIVITIES</b>				
<b>Cash was provided from:</b>				
68,365	Loans raised		86,322	19,438
<b>Cash was disbursed to:</b>				
(49,003)	Loan principal repayments		(35,003)	(16,116)
<b>19,362</b>	<b>Net cash flow from financing</b>		<b>51,319</b>	<b>3,322</b>
<b>13,980</b>	<b>Total net cash flows</b>		<b>13,436</b>	<b>2,154</b>
1,293	Opening cash held		15,273	5,109
<b>15,273</b>	<b>Closing cash and cash equivalents balance</b>	<b>10</b>	<b>28,709</b>	<b>7,263</b>

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



# STATEMENT OF CHANGES IN EQUITY

As at 30 June 2020

Actual 2019 \$000		Actual 2020 \$000	Budget 2020 \$000
<b>1,455,627</b>	<b>Equity at start of year</b>	<b>1,488,812</b>	<b>1,531,625</b>
33,185	Total comprehensive revenue and expense	102,978	17,252
<b>1,488,812</b>	<b>Total equity</b>	<b>1,591,790</b>	<b>1,548,877</b>

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

# COUNCIL FUNDING IMPACT STATEMENT

As at 30 June 2020

Actual 2019 \$000	Budget 2019 \$000	FUNDING IMPACT STATEMENT	Actual 2020 \$000	Budget 2020 \$000
<b>SOURCES OF OPERATING FUNDING</b>				
39,048	38,886	General rates, uniform annual general charges, rates penalties	40,605	40,602
35,084	34,542	Targeted rates	35,739	35,936
8,534	3,640	Subsidies and grants for operating purposes	5,708	3,664
15,226	15,051	Fees and charges	15,196	15,284
5,555	3,248	Interest and dividends from investments	3,857	3,208
23,986	19,002	Local authorities fuel tax, fines, infringement fees, and other receipts	27,130	18,999
<b>127,433</b>	<b>114,369</b>	<b>Total operating funding</b>	<b>128,235</b>	<b>117,693</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>				
94,433	81,259	Payments to staff and suppliers	100,277	88,135
7,935	9,697	Finance costs	7,938	8,137
-	-	Other operating funding applications	-	-
<b>102,368</b>	<b>90,956</b>	<b>Total applications of operating funding</b>	<b>108,215</b>	<b>96,272</b>
<b>25,065</b>	<b>23,413</b>	<b>Surplus/(deficit) of operating funding</b>	<b>20,020</b>	<b>21,421</b>
<b>SOURCES OF CAPITAL FUNDING</b>				
4,247	3,050	Subsidies and grants for capital expenditure	6,143	7,585
12,926	10,033	Development and financial contributions	10,527	10,135
19,534	28,680	Increase/(decrease) in debt	54,634	11,322
76	62	Gross proceeds from sale of assets	16	62
-	-	Lump sum contributions	-	-
-	-	Other dedicated capital funding	-	-
<b>36,783</b>	<b>41,825</b>	<b>Total sources of capital funding</b>	<b>71,320</b>	<b>29,104</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>				
Capital expenditure				
312	1,549	• to meet additional demand	884	1,556
22,750	21,711	• to improve the level of service	30,860	15,351
25,371	17,715	• to replace existing assets	22,247	22,758
(813)	1,107	Increase/(decrease) in reserves	(1,896)	(915)
14,228	23,156	Increase/(decrease) in investments	39,245	11,775
<b>61,848</b>	<b>65,238</b>	<b>Total applications of capital funding</b>	<b>91,340</b>	<b>50,525</b>
<b>(25,065)</b>	<b>(23,413)</b>	<b>Surplus/(deficit) of capital funding</b>	<b>(20,020)</b>	<b>(21,421)</b>

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

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

2018/2019 \$000	REVENUE	2019/2020 \$000
11,951	Environmental Management	12,883
7,009	Public Health and Safety	8,771
24,093	Transportation, Roads and Footpaths	24,919
586	Coastal Structures	626
16,464	Water Supply	18,017
16,840	Wastewater	16,748
6,997	Stormwater	6,587
12,661	Solid Waste	12,310
3,549	Flood Protection and River Control Works	3,595
24,757	Community Relations	21,951
13,291	Council Enterprises	18,008
5,715	Governance	4,194
16,901	Overhead activities including Treasury, Joint Ventures and Associates	11,922
<b>160,814</b>	<b>Total Revenue</b>	<b>160,531</b>
2018/2019 \$000	EXPENSE	2019/2020 \$000
11,297	Environmental Management	12,624
7,913	Public Health and Safety	8,473
25,739	Transportation, Roads and Footpaths	23,302
356	Coastal Structures	224
12,804	Water	13,662
12,319	Wastewater	13,328
4,181	Stormwater	4,705
12,153	Solid Waste	13,042
3,863	Flood Protection and River Control Works	2,701
20,795	Community Development	21,529
8,486	Council Enterprises	12,586
4,515	Governance	3,978
2,934	Overhead activities including Treasury, joint ventures and associates	3,478
<b>127,355</b>	<b>Total Expense</b>	<b>133,632</b>

## NOTE 2: RATES

### RATES RECOGNITION

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

The following particular policies apply:

- General rates, targeted rates (excluding water-by-meter), and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. 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.

2018/2019 \$000	RATES	2019/2020 \$000
<b>38,535</b>	<b>Total General Rates</b>	<b>40,300</b>
	<b>Targeted rates attributable to activities</b>	
184	Environmental Management	167
-	- Transportation, Roads and Footpaths	-
90	Coastal Structures	84
2,381	Water Supply - excluding metered	2,743
7,623	Water Supply - metered	7,450
10,072	Wastewater	10,396
4,785	Stormwater	4,746
2,029	Solid Waste	2,379
2,661	Flood Protection and River Control Works	2,968
4,764	Community Development	4,487
310	Governance	319
<b>34,899</b>	<b>Total targeted rates attributable to activities</b>	<b>35,739</b>
<b>73,434</b>	<b>Total rates net of remissions</b>	<b>76,039</b>
322	Rates remissions	265
<b>73,756</b>	<b>Total rates gross of remissions</b>	<b>76,304</b>

The annual rates revenue of Council for the year ended 30 June 2020 and 30 June 2019 for the purposes of the LGFA Guarantee and Indemnity Deed disclosure is shown above.

Rates revenue is shown net of rates remissions. The rates remission policy allows Council to remit rates when certain conditions and criteria are met. Some examples of situations where rates may be remitted include when land has been detrimentally affected by natural disaster, on properties with a rating valuation up to \$7,000 and on land used for sporting, recreation or community services purposes.

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

A rating revaluation occurs every three years. They are prepared on behalf of the Tasman District Council by Quotable Value (QV). The entire process is independently audited by the Office of the Valuer General. The effective date for the current revaluation is 1 September 2017. These valuations, along with other factors will be used by Council as the basis for distributing individual rates obligations for the three financial years, starting from 1 July 2018.

### NOTE 3: OTHER REVENUE

Revenue is recognised on an accrual basis and is measured at the fair value of consideration received or receivable. The following particular policies apply:

- Development contributions and reserve financial contributions are recognised as revenue when Council has rights to the contribution and has provided, 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.

2018/2019 \$000	OTHER REVENUE	2019/2020 \$000
8,186	Forestry harvesting revenue	13,638
96	Dividend revenue	86
470	Infringements & fines	345
409	Petrol tax	364
271	Rental revenue from investment properties	245
15,861	Vested assets	11,634
7,921	Other	5,486
<b>33,214</b>	<b>Total Other Revenue</b>	<b>31,798</b>

2018/2019 \$000	FAIR VALUE MOVEMENT ON REVALUATION	2019/2020 \$000
(6,436)	Unrealised gain/ (loss) on interest rate derivatives	(4,261)
2,895	Gain on changes in fair value of forestry assets	2,957
46	Investment property revaluation movement	(248)
<b>(3,495)</b>	<b>Total Fair Value Movement On Revaluation</b>	<b>(1,552)</b>

2018/2019 \$000	OTHER GAINS	2019/2020 \$000
76	Gain on disposal of property plant and equipment	16
<b>76</b>	<b>Total Other Gains</b>	<b>16</b>

#### NOTE 4: SUBSIDIES AND GRANTS

Revenue is recognised on an accrual basis and is measured at the fair value of consideration received or receivable. The following policies apply:

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

2018/2019 \$000	OPERATING SUBSIDIES AND GRANTS	2019/2020 \$000
6,071	NZ Transport Agency roading subsidies	4,662
1,713	Other subsidies, grants and donations	1,046
<b>7,784</b>	<b>Total Operating Subsidies And Grants</b>	<b>5,708</b>

2018/2019 \$000	CAPITAL SUBSIDIES AND GRANTS	2019/2020 \$000
3,258	NZ Transport Agency roading subsidies	5,180
2,251	Other subsidies and grants	963
<b>5,509</b>	<b>Total Capital Subsidies And Grants</b>	<b>6,143</b>

There are no unfulfilled conditions and other contingencies attached to government grants and subsidies recognised as revenue. Amounts received with unfulfilled conditions as at 30 June, are recognised as a liability in note 22.

#### NOTE 5: FEES AND CHARGES

Revenue is recognised on an accrual basis and is measured at the fair value of consideration received or receivable. The following particular policies apply:

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

2018/2019 \$000	FEES AND CHARGES	2019/2020 \$000
5,229	Building, resource consent, public health and liquor licensing charges	5,585
4,200	Landfill/resource recovery centre charges	3,785
3,218	Sales	3,368
502	Sundry fees and recoveries	430
2,050	Other fees and charges	2,028
<b>15,199</b>	<b>Total Fees And Charges</b>	<b>15,196</b>

## NOTE 6: EMPLOYEE BENEFIT EXPENSES

2018/2019 \$000	EMPLOYEE BENEFIT EXPENSES	2019/2020 \$000
22,015	Salary and wages	24,323
887	Kiwisaver/superannuation schemes employer contributions	970
181	Increase/(decrease) in employee benefit liabilities	334
<b>23,083</b>	<b>Total Employee Benefit Expenses</b>	<b>25,627</b>

## NOTE 7: OTHER EXPENSES

### GRANT EXPENDITURE

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

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

### OPERATING LEASE

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

2018/2019 \$000	OTHER EXPENSES	2019/2020 \$000
4,757	Forestry harvesting expenses	8,993
2,036	Projects	1,186
3,003	Grants Paid	2,501
1,498	Rates & Water	1,550
1,060	Levies Paid	1,158
1,109	Electricity	1,102
737	Elected representatives salary (including community board)	818
5,170	Consultants	7,834
11	Impairment and bad debt write offs	67
878	Legal Fees	601
11	Movement in bad debts provision	109
20	Minimum lease payments under operating leases	-
126	Audit fees - annual reporting	127
-	- Audit fees - long term plan	-
-	- Audit fees - Debenture Trust Deed	4
-	- Audit fees - Fee recovery from the prior year	12
14	Donations	8
17,607	Other Operating Expenses	17,034
<b>38,037</b>	<b>Total Other Expenses</b>	<b>43,104</b>

## NOTE 7: OTHER EXPENSES (CONT.)

### MAINTENANCE

Maintenance comprises Council expenditure to maintain its infrastructural and operational assets. This includes the transportation and road network, facilities and parks and Council enterprises, property maintenance. Other Operating Expenses includes general operating expenses, insurance, rating valuation fees, information technology costs, refuse and waste water costs.

2018/2019 \$000	MAINTENANCE	2019/2020 \$000
24,214	Operational Maintenance	19,767
1,490	Other Maintenance	2,280
<b>25,704</b>	<b>Total Maintenance</b>	<b>22,047</b>

## NOTE 8: FINANCE EXPENSE AND FINANCE INCOME

Interest revenue is recognised using the effective interest method.

2018/2019 \$000	FINANCE EXPENSE	2019/2020 \$000
	<b>Interest expense</b>	
7,928	Interest on borrowings	7,936
-	- Interest on finance leases	-
6	Provisions: discount unwinding	-
<b>7,934</b>	<b>Total finance costs</b>	<b>7,936</b>

2018/2019 \$000	FINANCE INCOME	2019/2020 \$000
	<b>Interest Revenue</b>	
-	- Loan fair value adjustment	3,309
1,047	Interest on bank deposits	1,054
140	Interest on related party loans	37
7	Interest on community loans	11
<b>1,194</b>	<b>Total finance revenue</b>	<b>4,411</b>



## NOTE 9: TAX

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

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

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

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

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

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

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

2018/2019 \$000		2019/2020 \$000
<b>RELATIONSHIP BETWEEN TAX EXPENSE AND ACCOUNTING PROFIT</b>		
33,459	Net surplus	26,899
9,369	Tax at 28%	7,532
(9,369)	Less non-taxable income	(7,532)
-	Deferred tax adjustment	-
-	<b>Tax expense</b>	-

	PROPERTY, PLANT AND EQUIPMENT \$000	TAX LOSSES \$000	TOTAL \$000
<b>DEFERRED TAX ASSETS/ (LIABILITIES)</b>			
<b>Balance at 1 July 2018</b>	(480)	480	-
Charged to surplus or deficit	(1)	1	-
Charged to other comprehensive revenue and expense	-	-	-
<b>Balance at 1 July 2019</b>			
Charged to surplus or deficit	(16)	16	-
Charged to other comprehensive revenue and expense	(67)	67	-
<b>Tax expense</b>	<b>(564)</b>	<b>564</b>	<b>-</b>

A deferred tax asset has not been recognised in relation to tax losses of \$12,114,498 (2019: \$11,848,000).

## NOTE 10: CASH AND CASH EQUIVALENTS

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

30 JUNE 2019 \$000	CASH AND CASH EQUIVALENTS	30 JUNE 2020 \$000
10,273	Cash at bank and in hand	28,709
5,000	Short term deposits maturing three months or less from date of acquisition	-
<b>15,273</b>	<b>Total cash and cash equivalents</b>	<b>28,709</b>

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

## NOTE 11: TRADE AND OTHER RECEIVABLES

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

30 JUNE 2019 \$000	TRADE AND OTHER RECEIVABLES	30 JUNE 2020 \$000
1,150	Rates receivables	1,376
15,316	Other receivables	15,580
467	Prepayments	337
<b>16,933</b>		<b>17,293</b>
(499)	Less provision for doubtful debts	(609)
<b>16,434</b>		<b>16,684</b>
	<b>Comprising</b>	
16,434	Current portion	16,684
-	- Non Current	-
<b>16,434</b>	<b>Total Trade &amp; Other Receivables</b>	<b>16,684</b>

The carrying amount of trade and other receivables approximates their fair value. There is no concentration of credit risk with respect to receivables.

Council does not provide for any impairment on rates receivable as it has various powers under the Local Government (rating) Act 2002 to recover any outstanding debts. These powers allow the Council to commence legal proceedings to recover any rates that remain unpaid four months after the due date for payment. If payment has not been made within three months of the Court's judgement, then Council can apply to the Registrar of the High Court to have the judgement enforced by sale or lease of the rating unit.

The impairment provision has been calculated based on a review of specific overdue receivables. There has been no collective impairment based on an analysis of past collection history and debt write-offs. Council holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.

## NOTE 11: TRADE AND OTHER RECEIVABLES (CONT.)

Movements in the provision for impairment of receivables is as follows:

2018/2019 \$000	TRADE AND OTHER RECEIVABLES	2019/2020 \$000
(509)	At 1 July	(499)
(196)	Additional provisions made during the year	(241)
10	Written off during period	51
196	Provisions reversed in year	80
<b>(499)</b>	<b>At 30 June</b>	<b>(609)</b>

The status of rates and other receivables as at 30 June 2020 are detailed as below:

2020 CURRENT AND NON-CURRENT	GROSS \$000	IMPAIRMENT \$000	NET \$000
< 30 days	15,079	(1)	15,078
30-60 days	156	-	156
61-90 days	309	-	309
90+days	1,413	(608)	805
<b>Total other receivables</b>	<b>16,957</b>	<b>(609)</b>	<b>16,348</b>

The status of and other receivables as at 30 June 2020 are detailed as below:

2019 CURRENT AND NON-CURRENT	GROSS \$000	IMPAIRMENT \$000	NET \$000
Current	13,933	-	13,933
30-60 days	359	-	359
61-90 days	63	-	63
90+days	961	(499)	462
<b>Total other receivables</b>	<b>15,316</b>	<b>(499)</b>	<b>14,817</b>

## NOTE 12: DERIVATIVE FINANCIAL INSTRUMENTS

### ACCOUNTING FOR DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

Council 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 remeasured at their fair value at each balance date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The associated gains or losses of derivatives that are not hedge accounted are recognised in the surplus or deficit. Council has elected not to hedge account for its interest rate swaps.

Council's associate Port Nelson Limited has applied hedge accounting to its interest rate swaps.

30 JUNE 2019	DERIVATIVE FINANCIAL INSTRUMENTS	30 JUNE 2020
\$'000		\$'000
19,136	Interest Rate Swaps	23,398
<b>19,136</b>	<b>Total derivative financial instruments</b>	<b>23,398</b>
	<b>Comprising</b>	
3,625	Current portion	4,387
15,511	Non Current	19,011
<b>19,136</b>	<b>Total derivative financial instruments liability</b>	<b>23,398</b>

### FAIR VALUE

The fair values of interest rate swaps have been determined using a discounted cash flow valuation technique based on quoted market prices. The inputs into the valuation model are from independently sourced market parameters such as interest rate yield curves.

### INTEREST RATE SWAPS

The notional principal amounts of the outstanding interest rate swap contracts for Council at 30 June 2020 were \$179 million of which \$111 million is 'live' at balance date (2019: \$188.05 million of which \$122.05 million is 'live' at balance date). At 30 June 2020, the fixed interest rates of cash flow hedge interest rate swaps vary from 2.76% to 5.53% (2019: 2.76% to 5.53%).

### SENSITIVITY ANALYSIS

Council's interest rate swaps are sensitive to market movements. With all other variables held constant, based on Council's financial instrument exposures at balance date, a movement in interest rates of plus or minus 1% has an effect on the swap value of plus \$6.3 million or minus \$6.9 million.

## NOTE 13: FINANCIAL ASSETS

Council classifies its financial assets into the following four categories: financial assets at fair value through surplus or deficit, held-to-maturity investments, loans and receivables and financial assets at fair value through comprehensive revenue and expense. The classification depends on the purpose for which the investments were acquired.

Financial assets and liabilities are initially measured at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in the surplus or deficit.

Purchases and sales of investments are recognised on trade-date, the date on which Council commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Council has transferred substantially all the risks and rewards of ownership.

The fair value of financial instruments traded in active markets is based on quoted market prices at the Statement of Financial Position date. The quoted market price used is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The four categories of financial assets are:

- **Financial assets at fair value through surplus or deficit include financial assets held for trading**

A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of short-term profit-taking. Derivatives are also categorised as held for trading unless they are designated into a hedge accounting relationship for which hedge accounting is applied.

After initial recognition, financial assets in this category are measured at their fair values with gains or losses on re-measurement recognised in the surplus or deficit.

Currently, Council holds interest rate swaps in this category.

- **Loans and receivables**

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.

After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit. Loans and receivables are classified as "trade and other receivables" in the Statement of Financial Position.

Loans to community organisations made at nil or below-market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar financial instrument. The loans are subsequently measured at amortised cost using the effective interest method.

The difference between the face value and present value of the expected future cash flows of the loan is recognised in the surplus or deficit as a grant.

Council currently has trade and other receivables and other financial assets in this category.

## NOTE 13: FINANCIAL ASSETS (CONT.)

### • Held to maturity investments

Held to maturity investments are assets with fixed or determinable payments and fixed maturities that Council has the positive intention and ability to hold to maturity.

After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Council currently has disaster fund and short term deposits in this category.

### • Financial assets at fair value through comprehensive revenue and expense

Financial assets at fair value through comprehensive revenue and expense are those that are designated as fair value through comprehensive revenue and expense or are not classified in any of the other categories above.

This category encompasses:

- Investments that Council intends to hold long-term but which may be realised before maturity; and
- Shareholdings that it holds for strategic purposes.
- After initial recognition these investments are measured at their fair value.

Gain and losses are recognised directly in comprehensive revenue and expense except for impairment losses, which are recognised in the surplus or deficit. In the event of impairment, any cumulative losses previously recognised in other comprehensive revenue and expense will be removed from reserves and recognised in surplus or deficit even though the asset has not been de-recognised.

On de-recognition the cumulative gain or loss previously recognised in equity is recognised in the surplus or deficit.

## IMPAIRMENT OF FINANCIAL ASSETS

At each balance date Council assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the surplus or deficit.

### Loans and other receivables

Impairment of a loan or a receivable is established when there is objective evidence that Council will not be able to collect amounts due according to the original terms. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible, it is written off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current i.e., not past due).

### Financial assets at fair value through other comprehensive revenue and expense

For equity investments classified as fair value through comprehensive revenue and expense, a significant or prolonged decline in the fair value of the investment below its cost is considered an indicator of impairment. If such evidence exists for investments at fair value through comprehensive revenue and expense, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the surplus or deficit) recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit. Impairment losses recognised in the surplus or deficit on equity investments are not reversed through the surplus or deficit.

**NOTE 13: FINANCIAL ASSETS (CONT.)**

30 JUNE 2019 \$000	OTHER FINANCIAL ASSETS	30 JUNE 2020 \$000
<b>Current Portion</b>		
<i>Loans and receivables</i>		
36	Current portion of community loans	29
100	Current portion of related party loans	100
<i>Fair value through comprehensive revenue and expense</i>		
-	Borrower Notes - NZ LG Funding Agency	401
<i>Held to maturity</i>		
1,200	Disaster funds	1,200
-	Other short term deposits with maturities of 4-12 months	41,919
35	Monies administered for organisations	35
<b>1,371</b>	<b>Total Current Portion</b>	<b>43,684</b>
<b>Non-current portion</b>		
<i>Loans and receivables</i>		
116	Community Loans	137
464	Loans to Related Parties	400
<i>Fair value through comprehensive revenue and expense</i>		
107	Unlisted shares - Civic Financial Services Ltd	52
6,149	Unlisted shares - NZ LG Funding Agency	6,930
2,191	Borrower Notes - NZ LG Funding Agency	2,640
<i>Held to maturity</i>		
18,657	Other long term deposits with maturities greater than 12 months	9,000
<b>27,684</b>	<b>Total Non-current Portion</b>	<b>19,159</b>

Council holds a cash bond of \$35,000 (2019: \$35,000) that is subject to restrictions.

The fair value of the unlisted shares in the New Zealand Local Government Insurance Corporation Limited and the New Zealand Local Government Funding Agency have been determined by calculating Tasman District Council's share of total equity based on shares held. The fair value of the borrower notes have been determined based on cost.

There were no impairment provisions for other financial assets.

The total value of other financial assets that can only be used for a specific purpose is \$1,200,000 (2019: \$1,200,000).

The loan to related parties is at a nil interest rate (2019: Nil). The fair value of the loan has been determined using cashflows discounted at 6.50% (2019:6.50%).

Interest rates receivable on community loans range from 3.90% to 9.00%, with an average rate of 6.76% (2019: 4.46% to 9.00%, with an average rate of 7.00%).

## NOTE 14: NON-CURRENT ASSETS (PROPERTY) HELD FOR SALE

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the surplus or deficit.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

As at 30 June 2020 Council did not hold any of its property for sale (2019: Nil).

## NOTE 15: PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consists 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.

Roads, Stormwater, Wastewater and Water Supply assets are recognised on section 224 issued date and by using the latest valuation unit rates, uplifted for inflation as required.

Land assets are recognised when legal titles passes using the rateable valuation.

Land under roads is recognised when legal title passes. The valuation is calculated based on the rateable value of the land pre subdivision, discounted by 50% to reflect the restricted nature of the land.

- **Depreciation** – Depreciation is provided on a straight line basis on all assets at rates which will write off the cost (or valuation) of the assets to their estimated residual values, over their useful lives.

These assets have component lives that have been estimated as follows:

Land	Not depreciated
Buildings (including fit out)	2 – 100 years
Plant and equipment	5 – 10 years
Motor vehicles	5 – 10 years
Library books	2 – 10 years
<b>Infrastructure Assets</b>	
Bridges	100 years
Formation and Sub-base (sealed)	Not depreciated
Drainage	25 - 120 years
Footpaths	25 - 75 years
Roads - other components	15 – 80 years
<b>Wastewater</b>	
Oxidation ponds	Not depreciated
Treatment	9 – 100 years
Pipe	50 – 80 years
Pump stations	20 – 80 years

<b>Water</b>	
Wells and pumps	10 – 80 years
Pipes/valves/meters	15 – 80 years
<b>Stormwater</b>	
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
<b>Rivers</b>	
Stop banks	Not depreciated
Rock protection	Not depreciated
Willow plantings	Not depreciated
Gabion baskets	30 years
Railway irons	50 years
Outfalls	60 years

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

- **Revaluation of assets** – With the exception of vested assets at the initial point of recognition, all valuations for Roading, Threewaters, Refuse, land and Buildings are carried out or reviewed by independent qualified valuers and it is intended that valuations be carried out on a three-yearly cycle. Other assets are not revalued. 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.



## INFRASTRUCTURAL ASSET CLASSES: ROADS AND BRIDGES, WASTEWATER, SOLID WASTE, WATER SUPPLY, STORMWATER, COASTAL STRUCTURES, PORTS AND RIVER PROTECTION ASSETS

Roads and bridges, wastewater, solid waste, water supply, stormwater, coastal structures, ports and river protection infrastructural assets are valued using the depreciated replacement cost method. There are a number of estimates and assumptions exercised when valuing infrastructural assets using the depreciated replacement cost method.

These include:

- Estimating any obsolescence or surplus capacity of the asset.
- Estimating the replacement cost of the asset. The replacement cost is derived from recent construction contracts in the region for similar assets.
- Estimates of the remaining useful life over which the asset will be depreciated. These estimates can be affected by the local conditions. For example, weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then Council could be over- or underestimating the annual depreciation charge recognised as an expense in the statement of comprehensive revenue and expense. To minimise this risk, infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration, and condition-modelling are also carried out regularly as part of asset management planning activities, which provides further assurance over useful life estimates.

**Roads and bridges** have been valued at fair value using optimised depreciated replacement cost by Marsh & McLennan Companies as at 30 June 2020.

**Wastewater, solid waste, water supply, stormwater and coastal assets** have been valued at fair value using optimised depreciated replacement cost by Marsh & McLennan Companies as at 30 June 2020.

**River protection assets** consist of stop banks, rock protection and riparian protection. These assets are no longer revalued. The latest were valued for inclusion in Council's financial statements at optimised depreciated replacement cost by in-house specialists as at 31 March 2017. These in-house valuations have been peer reviewed by Opus International Consultants Limited. These are no longer revalued.

**Ports** – A new asset category for Port assets has been created in the 2014/2015 year. Council considered that it was appropriate to distinguish the commercial Port assets from other coastal structures. These have been valued at optimised depreciated replacement cost by Jones Lang Lasalle IP, Inc. of Auckland as at 13 August 2019. The Port assets were not revalued during the previous three yearly cycle in order for the specialist valuation to be undertaken.

**Land under roads** – Land under roads has been valued at average land sales throughout the District by MWH New Zealand Ltd as at 1 July 2003. Under NZ IFRS, the Council has elected to use the fair value of land under roads as at 1 July 2003 as deemed cost. Land under roads is no longer revalued.

**Library collections** – This asset is recorded at the latest valuation conducted by Duke & Cooke Ltd, registered valuers, as at 30 June 1999. During the 2002 income year Council ceased further revaluations and adopted deemed cost.

**Airfields** – Airfield assets were valued for inclusion in Council's financial statements at optimised depreciated replacement cost by in-house specialists as at 31 March 2017. The in-house valuations have been peer reviewed by Opus International Consultants Limited.

**Library books** – This asset is recorded at the latest valuation conducted by Duke & Cooke Ltd, registered valuers, as at 30 June 1999. During the 2002 income year Council ceased further revaluations and adopted deemed cost. Donated books are assigned a value based on current replacement cost, less an allowance for age and condition. Additions are valued at cost less depreciation. Library books are depreciated on a straight-line basis over the following estimated life:

- |                             |          |
|-----------------------------|----------|
| • Adult and technical books | 10 years |
| • Children's books          | 5 years  |
| • CDs and talking books     | 2 years  |

**Furniture and fittings** – Furniture and fittings were recorded at valuation. The latest valuation was conducted by Duke & Cooke Ltd, registered valuers, as at 31 October 2000, using the assessed market value in situ. Furniture and fittings are not revalued and are now treated as deemed cost. Additions are recorded at cost.

**Land (operational, restricted, and infrastructural)** – Land is valued at fair value using market-based evidence based on its highest and best use with reference to comparable land values. Adjustments have been made to the "unencumbered" land value where there is a designation against the land or the use of the land is restricted because of reserve or endowment status. These adjustments are intended to reflect the negative effect on the value of the land where an owner is unable to use the land more intensely. The most recent valuation was performed by GR Butterworth SPINZ, ANZIV of QV Valuations Limited, and the valuation is effective as at 30 June 2018 with the exception of infrastructural land which was revalued with the relevant asset class.

**Buildings (operational and restricted)** – Specialised buildings are valued at fair value using depreciated replacement cost because no reliable market data is available for such buildings. Depreciated replacement cost is determined using a number of significant assumptions. Significant assumptions include:

- The replacement asset is based on the reproduction cost of the specific assets with adjustments where appropriate for obsolescence due to over-design or surplus capacity.
- The replacement cost is derived from recent construction contracts of similar assets and Property Institute of New Zealand cost information.
- The remaining useful life of assets is estimated.
- Straight-line depreciation has been applied in determining the depreciated replacement cost value of the asset.

Non-specialised buildings (for example, residential buildings) are valued at fair value using market-based evidence. Market rents and capitalisation rates were applied to reflect market value. The most recent valuation was performed by GR Butterworth SPINZ, ANZIV of QV Valuations Limited, and the valuation is effective as at 30 June 2018.

**Heritage assets** – Heritage assets comprise Council assets that are subject to a Historic Places protection order and are identified as such in the Resource Management Plan. Heritage assets were identified and introduced at 30 June 2002 at a fair market value as determined by QV Valuations, registered valuers. The fair market values have been adopted as deemed cost. Subsequent additions are at cost or independently determined fair market value which is adopted as deemed cost.

## IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Intangible assets that have an indefinite useful life, or are not yet available for use, are not subject to amortisation and are tested annually for impairment.

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 and 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.

Note 15: Property, Plant and equipment (Cont.)

	COST/REVALUATION					DEPRECIATION					NET BOOK VALUE			
	COST/REVAL, 01 JULY 2019	CURRENT YEAR ADDITIONS	CURRENT YEAR VESTED ASSETS	CURRENT YEAR DISPOSAL	CURRENT YEAR IMPAIRMENT	REVAL, SURPLUS	REVAL, DEPN, WRITE BACK	COST/ REVAL, 30 JUNE 2020	ACC DEPN <sub>2</sub> & IMPAIRMENT 01 JULY 2019	CURRENT YEAR DEPN <sub>2</sub>	WRITE BACK REVAL, ON DEPN <sub>2</sub> AND DISPOSAL	ADCC DEPN <sub>2</sub> & IMPAIRMENT 30 JUNE 2020	NBV, 01 JULY 2019	NBV, 30 JUNE 2020
2019/2020	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Fixed Assets</b>														
*Land	142,784	3,918	168	-	-	-	146,870	-	-	-	-	-	142,784	146,870
Buildings	85,213	3,113	-	-	-	(18)	88,308	(4,866)	(5,025)	8	(9,883)	(9,883)	80,347	78,424
Furniture and Fittings	4,132	184	-	-	-	-	4,316	(3,708)	(173)	-	(3,881)	(3,881)	424	435
Motor Vehicles	4,732	476	-	(73)	-	-	5,135	(3,891)	(328)	71	(4,148)	(4,148)	841	988
Plant	4,363	235	-	-	-	(25)	4,574	(2,648)	(258)	18	(2,887)	(2,887)	1,715	1,685
Office Equipment	8,730	416	-	-	-	-	9,146	(7,649)	(367)	-	(8,016)	(8,016)	1,081	1,130
Library Books	7,559	284	-	-	-	-	7,843	(6,418)	(355)	-	(6,773)	(6,773)	1,141	1,070
Heritage Assets	1,843	-	-	-	-	-	1,843	(588)	(31)	-	(619)	(619)	1,255	1,224
Finance Lease	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>259,356</b>	<b>8,626</b>	<b>168</b>	<b>(73)</b>	<b>-</b>	<b>(43)</b>	<b>268,034</b>	<b>(29,768)</b>	<b>(6,537)</b>	<b>97</b>	<b>(36,208)</b>	<b>(36,208)</b>	<b>229,588</b>	<b>231,827</b>
<b>Infrastructural Assets</b>														
Roading	573,975	11,199	5,063	-	-	11,903	(27,068)	575,072	(18,786)	(8,282)	27,068	-	555,189	575,072
Bridges	83,420	803	-	-	-	2,042	(5,024)	81,241	(3,464)	(1,560)	5,024	-	79,956	81,241
Land Under Roads	70,383	220	950	-	-	-	71,553	-	-	-	-	-	70,383	71,553
Stormwater	141,488	2,611	2,411	-	-	8,252	(4,847)	149,914	(3,281)	(1,565)	4,846	-	138,207	149,914
Wastewater	159,975	6,550	2,275	-	-	15,672	(9,147)	175,325	(7,119)	(4,020)	10,166	(973)	152,856	174,352
Refuse	12,811	1,895	-	-	-	989	(1,275)	14,419	(857)	(481)	1,275	(63)	11,954	14,356
Water	138,490	19,682	766	-	-	3,908	(10,602)	152,243	(7,179)	(3,471)	10,602	(48)	131,310	152,195
Rivers	74,900	1,313	-	-	-	-	76,213	(85)	(38)	-	(123)	(123)	74,814	76,090
Coastal Structures	5,612	-	-	-	-	-	5,612	(318)	-	-	(318)	(318)	5,294	5,294
*Ports	5,722	-	-	-	-	1,501	(415)	6,808	(207)	(282)	415	(74)	5,515	6,734
Aerodromes	1,197	158	-	-	-	-	1,355	(137)	(68)	-	(205)	(205)	1,060	1,150
	<b>1,267,973</b>	<b>44,430</b>	<b>11,463</b>	<b>-</b>	<b>-</b>	<b>44,266</b>	<b>(58,377)</b>	<b>1,309,755</b>	<b>(41,433)</b>	<b>(19,766)</b>	<b>59,395</b>	<b>(1,804)</b>	<b>1,226,538</b>	<b>1,307,952</b>
<b>Total</b>	<b>1,527,329</b>	<b>53,056</b>	<b>11,631</b>	<b>(73)</b>	<b>-</b>	<b>44,223</b>	<b>(58,377)</b>	<b>1,577,789</b>	<b>(71,201)</b>	<b>(26,303)</b>	<b>59,492</b>	<b>(38,012)</b>	<b>1,456,126</b>	<b>1,539,778</b>

\*\$627,000 of Opening cost was reclassified from Land to Ports. \$230,000 of Opening cost was reclassified from Ports to Coastal.

<sup>1</sup> Revaluation (Reval)

<sup>2</sup> Depreciation (Deprn)

<sup>3</sup> Net Book Value (NBV)

Note 15: Property, Plant and equipment (Cont.)

	COST/REVALUATION					DEPRECIATION					NET BOOK VALUE			
	COST/REVAL, 01 JULY 2018	CURRENT YEAR ADDITIONS	CURRENT YEAR VESTED ASSETS	CURRENT YEAR DISPOSAL	CURRENT YEAR IMPAIRMENT	REVAL, SURPLUS	REVAL, DEPN, WRITE BACK	COST/ REVAL, 30 JUNE 2019	ACC DEPN <sub>2</sub> & IMPAIRMENT 01 JULY 2018	CURRENT YEAR DEPN <sub>2</sub>	WRITE BACK REVAL, ON DEPN <sub>2</sub> AND DISPOSAL	ADCC DEPN <sub>2</sub> & IMPAIRMENT 30 JUNE 2019	NBV, 01 JULY 2018	NBV, 30 JUNE 2019
2018/2019	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Fixed Assets</b>														
Land	139,926	2,898	932	(576)	-	231	-	143,411	-	-	-	-	139,926	143,411
Buildings	83,240	1,971	-	-	-	2	-	85,213	(11)	(4,855)	-	(4,866)	83,229	80,347
Furniture and Fittings	3,999	133	-	-	-	-	-	4,132	(3,544)	(164)	-	(3,708)	455	424
Motor Vehicles	4,494	407	-	(169)	-	-	-	4,732	(3,769)	(291)	169	(3,891)	725	841
Plant	4,010	349	-	-	-	4	-	4,363	(2,411)	(237)	-	(2,648)	1,599	1,715
Office Equipment	8,391	339	-	-	-	-	-	8,730	(7,299)	(350)	-	(7,649)	1,092	1,081
Library Books	7,276	283	-	-	-	-	-	7,559	(6,100)	(318)	-	(6,418)	1,176	1,141
Heritage Assets	1,843	-	-	-	-	-	-	1,843	(557)	(31)	-	(588)	1,286	1,255
Finance Lease	71	-	-	(71)	-	-	-	-	(69)	(3)	72	-	2	-
	<b>253,250</b>	<b>6,380</b>	<b>932</b>	<b>(816)</b>	<b>-</b>	<b>237</b>	<b>-</b>	<b>259,983</b>	<b>(23,760)</b>	<b>(6,249)</b>	<b>241</b>	<b>(29,768)</b>	<b>229,490</b>	<b>230,215</b>
<b>Infrastructural Assets</b>														
Roading	559,697	11,206	3,072	-	-	-	-	573,975	(10,595)	(8,191)	-	(18,786)	549,102	555,189
Bridges	82,679	741	-	-	-	-	-	83,420	(1,912)	(1,552)	-	(3,464)	80,767	79,956
Land Under Roads	70,033	288	62	-	-	-	-	70,383	-	-	-	-	70,033	70,383
Stormwater	133,107	3,757	4,624	-	-	-	-	141,488	(1,755)	(1,526)	-	(3,281)	131,352	138,207
Wastewater	152,195	6,494	2,327	(1,239)	-	198	-	159,975	(3,389)	(3,730)	-	(7,119)	148,806	152,856
Refuse	11,847	1,161	-	-	-	(197)	-	12,811	(448)	(409)	-	(857)	11,399	11,954
Water	116,938	17,038	4,845	(332)	-	-	-	138,490	(3,897)	(3,282)	-	(7,179)	113,041	131,310
Rivers	73,886	1,013	-	-	-	-	-	74,900	(47)	(38)	-	(85)	73,839	74,814
Coastal structures	5,382	-	-	-	-	-	-	5,382	(282)	(36)	-	(318)	5,335	5,064
Ports	5,235	92	-	-	-	-	-	5,327	(47)	(160)	-	(207)	4,953	5,120
Aerodromes	1,197	-	-	-	-	-	-	1,197	(76)	(61)	-	(137)	1,121	1,060
	<b>1,212,196</b>	<b>41,790</b>	<b>14,930</b>	<b>(1,571)</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>1,267,346</b>	<b>(22,448)</b>	<b>(18,985)</b>	<b>-</b>	<b>(41,433)</b>	<b>1,189,748</b>	<b>1,225,913</b>
<b>Total</b>	<b>1,465,446</b>	<b>48,170</b>	<b>15,861</b>	<b>(2,388)</b>	<b>-</b>	<b>238</b>	<b>-</b>	<b>1,527,329</b>	<b>(46,208)</b>	<b>(25,234)</b>	<b>241</b>	<b>(71,201)</b>	<b>1,419,238</b>	<b>1,456,128</b>

<sup>1</sup> Revaluation (Reval)

<sup>2</sup> Depreciation (Depn)

<sup>3</sup> Net Book Value (NBV)

Note 15: Property, Plant and equipment (Cont.)

CORE ASSETS	CLOSING BOOK	ASSETS	ASSETS	REPLACEMENT
	VALUE AT 30 JUNE 2020 \$000	CONSTRUCTED FOR THE YEAR ENDING 30 JUNE 2020 \$000	TRANSFERRED FOR THE YEAR ENDING 30 JUNE 2020 \$000	COSTS AS AT 30 JUNE 2020 \$000
Water Supply Treatment Plants	10,349	7	-	10,712
Water Supply Reticulation	141,846	2,396	766	185,925
<b>Total Water Supply</b>	<b>152,195</b>	<b>2,403</b>	<b>766</b>	<b>196,637</b>
Wastewater Treatment Plants	12,993	221	-	924
Wastewater Reticulation	161,359	3,893	2,275	244,002
<b>Total Wastewater</b>	<b>174,352</b>	<b>4,114</b>	<b>2,275</b>	<b>244,926</b>
<b>Stormwater</b>	<b>149,914</b>	<b>7,918</b>	<b>2,411</b>	<b>192,075</b>
<b>Flood Protection and control works</b>	<b>76,090</b>	<b>1,313</b>	<b>-</b>	<b>77,322</b>
<b>Transportation, roads and footpaths</b>	<b>727,866</b>	<b>5,900</b>	<b>5,063</b>	<b>908,394</b>

CORE ASSETS	CLOSING BOOK	ASSETS	ASSETS	REPLACEMENT
	VALUE AT 30 JUNE 2019 \$000	CONSTRUCTED FOR THE YEAR ENDING 30 JUNE 2019 \$000	TRANSFERRED FOR THE YEAR ENDING 30 JUNE 2019 \$000	COSTS AS AT 30 JUNE 2019 \$000
Water Supply Treatment Plants	6,501	1,246	-	4,501
Water Supply Reticulation	124,809	15,792	4,845	200,836
<b>Total Water Supply</b>	<b>131,310</b>	<b>17,038</b>	<b>4,845</b>	<b>205,337</b>
Wastewater Treatment Plants	5,949	1,485	-	8,589
Wastewater Reticulation	146,907	5,009	2,326	174,941
<b>Total Wastewater</b>	<b>152,856</b>	<b>6,494</b>	<b>2,326</b>	<b>183,530</b>
<b>Stormwater</b>	<b>138,207</b>	<b>3,757</b>	<b>4,624</b>	<b>175,437</b>
<b>Flood Protection and control works</b>	<b>74,814</b>	<b>1,013</b>	<b>-</b>	<b>76,009</b>
<b>Transportation, roads and footpaths</b>	<b>705,528</b>	<b>12,235</b>	<b>3,134</b>	<b>849,063</b>

**WORK IN PROGRESS**

Included in net book value is work in progress. These assets have not been depreciated. Work in progress includes Councils share of Joint Venture assets.

2018/2019 \$000	WORK IN PROGRESS	2019/2020 \$000
227	Refuse	1,688
365	Bridges	510
791	Roading	2,209
15,386	Water	32,571
2,258	Stormwater	2,688
2,651	Wastewater	5,189
-	Land	-
-	Buildings	367
<b>21,678</b>	<b>Total work in progress</b>	<b>45,222</b>

## NOTE 16: INTANGIBLE ASSETS

**Software acquisition and development** – Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs associated with maintaining computer software are recognised as an expense when incurred. Costs that are directly associated with the development of software for internal use by Council, are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

**Carbon credits** – Purchased carbon credits are recognised at cost on acquisition. They have an indefinite useful life and are not amortised, but are instead tested for impairment annually. They are derecognised when they are used to satisfy carbon emission obligations.

**Amortisation** – The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the surplus or deficit.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

- Computer software 5 years, 20%

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

### IMPAIRMENT

**Carbon credits** – Council considers there is no impairment of carbon credits held as they are expected to be fully utilised in satisfying carbon obligations from its landfill and forestry operations. Carbon units have been assessed as having an indefinite useful life because they have no expiry date and will continue to have economic benefit as long as the Emissions Trading Scheme is in place.

2019/2020	COMPUTER SOFTWARE \$000	CARBON CREDITS \$000	TOTAL \$000
<b>Cost</b>			
Cost at 1 July 2019	4,733	1,602	6,335
Additions	587	-	587
Disposals	-	(302)	(302)
<b>Cost at 30 June 2020</b>	<b>5,320</b>	<b>1,300</b>	<b>6,620</b>
Accumulated amortisation at 1 July 2019	(3,959)	-	(3,959)
Amortisation expense	(316)	-	(316)
Disposals	-	-	-
<b>Accumulated amortisation at 30 June 2020</b>	<b>(4,275)</b>	<b>-</b>	<b>(4,275)</b>
<b>Net book value at 30 June 2020</b>	<b>1,045</b>	<b>1,300</b>	<b>2,345</b>

NOTE 16: INTANGIBLE ASSETS (CONT.)

2018/2019			
<b>Cost</b>			
Cost at 1 July 2018	4,545	1,350	5,895
Additions	188	252	440
Disposals	-	-	-
<b>Cost at 30 June 2019</b>	<b>4,733</b>	<b>1,602</b>	<b>6,335</b>
<b>Accumulated amortisation and impairment</b>			
Accumulated amortisation at 1 July 2018	(3,663)	-	(3,663)
Amortisation expense	(296)	-	(296)
Disposals	-	-	-
<b>Accumulated amortisation at 30 June 2019</b>	<b>(3,959)</b>	<b>-</b>	<b>(3,959)</b>
<b>Net book value at 30 June 2019</b>	<b>774</b>	<b>1,602</b>	<b>2,376</b>

NOTE 17: DEPRECIATION BY GROUP OF ACTIVITY

2018/2019	DEPRECIATION EXPENSE BY GROUP OF ACTIVITY	2019/2020
\$000		\$000
226	Environment and Planning	230
17,900	Engineering	18,440
4,191	Community Development	4,312
643	Council Enterprises	816
-	Governance	-
<b>22,960</b>	<b>Total directly attributable Depreciation by Group of Activity</b>	<b>23,798</b>
1,150	Depreciation expense not directly related to group of activities	1,304
<b>24,110</b>	<b>Total Depreciation (excluding Ammortisation Expense)</b>	<b>25,102</b>
1,124	Plus depreciation from joint operations	1,201
<b>25,234</b>	<b>Total Depreciation per Property, Plant and Equipment note (note 15)</b>	<b>26,303</b>
296	Plus ammortisation expense	316
(1,124)	Less depreciation from joint operations	(1,201)
<b>24,498</b>	<b>Total Depreciation and Ammortisation per Statement of Comperhensive Revenue and Income</b>	<b>25,418</b>

## NOTE 18: FORESTRY ASSETS

Standing forestry assets are independently revalued annually at fair value less estimated costs to sell for one growth cycle. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined rate. This calculation is based on existing sustainable felling plans and assessments regarding growth, timber prices, felling costs and silviculture costs and takes into consideration environmental, operational and market restrictions.

Gains or losses arising on initial recognition of forestry assets at fair value, less estimated point-of-sale costs, 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, and revenues from harvest, are included in the surplus or deficit when incurred.

30 JUNE 2019 \$000	FORESTRY ASSETS	30 JUNE 2020 \$000
41,220	<b>Balance at 1 July</b>	44,101
	<b>Gain/(loss) attributable to:</b>	
(5,000)	1. Decrease due to harvest	(5,300)
3,400	2. Advance due to 30 June	3,700
300	3. Update area data and harvest schedule	1,100
-	4. Update crop types and yield tables	9,800
(600)	5. Update costs	(900)
3,300	6. Log price assumption	(5,300)
1,600	7. Discount rate	-
(43)	8. Movement in cost to sell	(46)
64	9. Howard forest JV block	(47)
(140)	10. Other	(50)
<b>2,881</b>	<b>Net gain/(loss)</b>	<b>2,957</b>
<b>44,101</b>	<b>Balance at 30 June</b>	<b>47,058</b>

### Nature of Forestry Assets

Council owns 2,293 hectares of planted pinus radiata forest, which are at varying stages of maturity ranging from one to 39 years. Council also owns 203 hectares of planted douglas fir and 29 hectares of planted Cupressus Species trees.

### Annual Revaluation

Registered valuers PF Olsen Ltd have valued forestry assets as at 30 June 2020. PF Olsen also provides Council with forest management services. To preserve independence, the valuation presented by PF Olsen Ltd was peer reviewed by Woodlands Pacific Consulting Limited. The recommendations of the peer review were taken into account when determining the fair value of forestry assets.

The forests have been valued on a going concern basis and this only includes the value of the existing crops on a single; and rotation basis. All costs and revenues are expressed in current dollar terms.

### Explanation of Significant Assumptions and Movements

1. Removal of areas harvested since 30 June 2019 reduced the tree crop value by \$5.3 million (12%). Total harvested volume during the year ended 30 June 2020 was 120,057 tonnes (2019: 68,408 tonnes harvested).

2. Advancing forest maturity by one year adds physical growth to the crops, reduces the present value of future costs, increases present value of future revenues.

3. Updating the harvest schedule to match the current ten-year operational plan added 3.3% to the valuation and a reduction to the valuation area by 0.6% due to other stand area changes (i.e. excluding harvesting) and remapping.

4. Updating the crop types to reflect current silviculture practice, including recent inventory, and rebuilding the radiata generic yield tables based on inventory plot results increased the valuation by 21.9%.

About a third of this gain was due to incorporating new grades (and destinations) and re-modelling each forest to its optimal cutting strategy. Further the final values were adjusted as per the recommendations made from peer review by Woodlands Pacific Consulting Limited.

5. Marginal changes to Annual costs, Tending costs, Harvest costs and Cartage costs reduced the valuation by 2%

6. The value of this particular forest is considered to be highly sensitive to changes in log prices, because of its moderate distances to established markets and relative maturity. Log prices represent the projection of future prices.

Recent 12-month (June 2019-May 2020) log prices are applied to the 2020 harvest, and 3-year average prices are applied from 2024. Interpolated prices are applied for years 2021-2023 modelling a drift from current prices back towards the 3-year average prices over this period.

Based on market evidence analysed, the log prices assumed in this valuation represent a fair and reasonable view of long-term prices by log grade as demonstrated by log prices implied in recent sales of mature forests; including stumpage sales.

The net impact is a decrease in the valuation of 12%.

Covid-19 impact- Export log prices were extremely volatile over the period March to May 2020 due to Covid-19 related supply and demand shocks. Export 'at wharf gate' log prices in May 2020 spiked to levels not seen in the last 3 years due to high Chinese demand following Covid-19 related supply shortages out of New Zealand, but significantly dropped in June 2020. The May spike was settled with the benefit of some additional time for the market to settle after the Covid-19 lock down period.

7. A post-tax discount rate of 6.0% has been used in discounting the present value of expected post-tax cash flows (2019: post-tax discount rate of 6.0% was used).

8. The increases in value due to advancing the forest maturity one year and revising the harvest schedule were more than offset by the application of more moderate yield tables, an increase in harvesting costs and a reduction in log prices. This resulted in a net 20.2% reduction in the Howard joint venture crop valuation.

9. Council also owns a small stand of timber through its share of the Nelson Regional Sewerage Business Unit joint venture. The movement in the value of this stand is included.

### Risk Management

Council is exposed to financial risks arising from changes in timber prices. Council is a long-term forestry investor and does not expect timber prices to decline significantly in the foreseeable future, therefore, has not taken any measures to manage the risks of a decline in timber prices. Council reviews its outlook for timber prices regularly in considering the need for active financial risk management.



## NOTE 19: INVESTMENT PROPERTY

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

Investment property is measured initially at its cost, including transaction costs.

After initial recognition, the 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.

30 JUNE 2019 \$000	INVESTMENT PROPERTY	30 JUNE 2020 \$000
5,130	<b>Balance at 1 July</b>	5,250
74	Addition (transfer from property, plant and equipment)	348
46	Gain/(loss) on changes in fair value of investment property	(248)
<b>5,250</b>	<b>Balance at 30 June</b>	<b>5,350</b>

Council's investment properties are valued annually at fair value effective 30 June based on open market evidence. The valuations were performed by Duke & Cooke Ltd and Telfer Young, registered valuers. Both are experienced valuers with extensive market knowledge in the types and location of investment properties owned by the Council. The fair value of investment property has been determined using the capitalisation of net revenue and discounted cash flow methods. These methods are based upon assumptions including future rental revenue, anticipated maintenance costs, and appropriate discount rates.

COVID 19 Impact: The real estate market that the subject property is transacted in is being impacted by the uncertainty that the Covid-19 outbreak has caused. As at the date of valuation there is a significant market uncertainty. The valuations are based on the current information and factors known at 30 June.

## NOTE 20: INVESTMENT IN JOINT VENTURES

Council accounts for an investment in a joint venture in the financial statements using the equity method. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. The Council's interest in the net assets, surplus and other comprehensive revenue is included on an equity accounting basis. The investment in a joint venture is initially recognised at cost and the carrying amount is increased or decreased to recognise Council's interest in the surplus or deficit of the joint venture after the date of acquisition. Distributions received from an joint ventures reduce the carrying amount of the investment.

Where Council transacts with a joint venture, surpluses or deficits are eliminated to the extent of Council's interest in the joint ventures.

Council has recognised its interest, according to the entities audited financial statements (30 June 2020) using the equity method for its joint ventures:

PORT NELSON LTD - Council was vested a 50% shareholding, and interest, in this entity.

NELSON AIRPORT LTD - Council has a 50% shareholding, and interest, in this entity.

TASMAN BAYS HERITAGE TRUST - Council has a 50% interest in this Trust.

**NOTE 20: INVESTMENT IN JOINT VENTURES (CONT.)**

INVESTMENT IN JOINT VENTURES	Port Nelson Ltd \$000	Nelson Airport Ltd \$000	Tasman Bays Heritage Trust Inc. \$000	Total \$000
Opening Book Value 1 July 2019	95,147	32,770	9,682	<b>137,599</b>
<b>2019-2020:</b>				
Share of Surplus	4,065	1,003	(15)	5,053
Dividend Received	(2,400)	(435)	-	(2,835)
Movement in Other comprehensive revenue	29,885	(50)	-	29,835
Impairment of Investment	-	-	-	-
<b>Closing Book Value 30 June 2020</b>	<b>126,697</b>	<b>33,288</b>	<b>9,667</b>	<b>169,652</b>

INVESTMENT IN JOINT VENTURES	Port Nelson Ltd \$000	Nelson Airport Ltd \$000	Tasman Bays Heritage Trust Inc. \$000	Total \$000
Opening Book Value 1 July 2018	91,914	32,644	9,847	<b>134,405</b>
<b>2018-2019:</b>				
Share of Surplus	7,693	891	(165)	8,419
Dividend Received	(3,500)	(764)	-	(4,264)
Movement in Other comprehensive revenue	(960)	-	-	(960)
Impairment of Investment	-	-	-	-
<b>Closing Book Value 30 June 2019</b>	<b>95,147</b>	<b>32,770</b>	<b>9,682</b>	<b>137,599</b>

2018/2019 \$000		2019/2020 \$000
13,673	Capital Commitments	7,646
	- Contingent Liabilities	-
	- Contingent Assets	-
8,419	Operating Surplus after tax	5,053
2,966	Tax expense attributed to the operating surplus	1,210
(960)	Other comprehensive revenue and expense	29,835
321	Tax expense attributed to the other comprehensive revenue and expense	5,492

With the exception of the policies noted below all policies adopted by Council's Joint Ventures are consistent with the policies adopted by Council. The Financial Statements of the Joint Venture are published on the publically available websites of the Entities.

**ASSETS**

Council applies depreciation on a straight line basis, whereas Nelson Airport Ltd has adopted the following policy in regard to certain classes of assets:

- |   |                    |
|---|--------------------|
| • Furniture, fittings and floor coverings | Diminishing values |
| • Vehicles                                | Diminishing values |
| • Parking meters                          | Diminishing values |
| • Equipment                               | Diminishing values |

The effect of these differences in accounting policy are not significant in Council's Financial Statements.

Nelson Airport capitalises interest costs, whereas Council expenses these, this is adjusted in Council's Financial Statements, however the impact is not material.

## NOTE 20: INVESTMENT IN JOINT VENTURES (CONT.)

### PERFORMANCE MEASURES

#### Actual and Target Returns on Joint Ventures

A list of the investments in Joint ventures with targets for returns is set out below.

	TARGET RETURN	2017/2018	2018/2019	2019/2020
Port Nelson Limited	Annual dividend of not less than \$5.5m.	Achieved a total dividend \$5.5 million [net profit after tax \$14.05 million].	Achieved a total dividend \$7 million [net profit after tax \$15.3 million].	Achieved a total dividend \$4.8 million [net profit after tax \$8 million].
		Council's dividend share was \$2.75 million.	Council's dividend share was \$3.5 million.	Council's dividend share was \$2.4 million.
Nelson Airport Limited	To deliver dividend growth in excess of CPI movement.	Achieved annual CPI 1.5%, dividend growth 4.2%.	Achieved. Dividend growth 4%.	Achieved. Dividend growth 9%.
		A total dividend of \$750,000 was declared and paid subsequent to 30 June 2018 related to the 2017/18 year.	A total dividend of \$780,000 was declared related to the 2018/19 year.	A total dividend of \$850,000 was declared related to the 2019/20 year.
		Council's dividend share was \$375,000.	Council's dividend share was \$390,000.	Council's dividend share was \$425,000.

Council maintained its 50% investment in Port Nelson Limited and Nelson Airport Limited during the year as per its objective of retaining effective local body control of this strategic asset as set out in the Long Term Plan. Council also received a commercial return to reduce Council's reliance on rates income. These organisations carried out the nature and scope of activities as intended to be provided by the organisation for the year.

## NOTE 21: INTEREST IN JOINT OPERATIONS

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint operations also include operations where their activities primarily aim to provide the joint arrangement parties with an output (ie. the parties have rights to substantially all of the service potential or economic benefits of the assets).

Council recognises in relation to its interest in a joint operation:

- (a) Its assets, including its share of any assets held jointly;
- (b) Its liabilities, including its share of any liabilities incurred jointly;
- (c) Its revenue from the sale of its share of the output arising from the joint operation;
- (d) Its share of the revenue from the sale of the output by the joint operation; and
- (e) Its expenses, including its share of any expenses incurred jointly

The entities disclosed below are joint operations.

### NELSON REGIONAL SEWERAGE BUSINESS UNIT (NRSBU)

Council has a 50% interest in this entity. The most recent unaudited financial statements (30 June 2020) have been used to determine Council's interest.

### NELSON TASMAN CIVIL DEFENCE AND EMERGENCY MANAGEMENT (NTCDEM)

Council has a 50% interest in this entity. The most recent unaudited financial statements (30 June 2020) have been used to determine Council's interest.

## NOTE 21: INTEREST IN JOINT OPERATIONS (CONT.)

### NELSON TASMAN REGIONAL LANDFILL BUSINESS UNIT (NTRLBU)

Council has a 50% interest in this entity. The most recent unaudited financial statements (30 June 2020) have been used to determine Council's interest.

### WAIMEA WATER LIMITED (WWL)

Waimea Water Ltd (WWL), a Council-Controlled Organisation, was established in November 2018 to manage the construction, operation and maintenance of the Waimea Community Dam. WWL is a joint operation between the Tasman District Council and Waimea Irrigators Ltd (WIL). The Dam is a significant infrastructure project for the region and is set to secure the water supply for Nelson Tasman for the next 100+ years. Approval to proceed with the dam was reached by the Tasman District Council on 30 November 2018 and finance was secured for the project on 21 December 2018.

As at 30 June 2020, Council guarantees a loan between WWL and Crown Irrigation Investments Ltd (CIIL). As the loan is repaid and Councils credit support is reduced, WIL's voting shares will increase. This will result in Council voting shares reduce, as it will no longer be guarantor for the loan.

Accounting for Council's interest in WWL:

- Expenses and payables - The Wholesale Water Augmentation Agreement section 5, provides that Council is responsible for 51% of operating costs of WWL.
- Revenue - not yet applicable.
- WWL borrowings - Council is not directly responsible for any borrowings incurred by WWL, this loan is not recognised in Council's financial statements.
- Other assets and liabilities - Council recognises in proportion to Councils paid up equity contributions divided by total paid up equity plus WWL borrowings. At 30 June 2020 this is 48%.

Council's interest in the of assets and liabilities recognised is:

YEAR ENDED 30 JUNE 2020	NRSBU \$000	NTCDDEM \$000	NTRLBU \$000	WWL \$000	TOTAL \$000
<b>FINANCIAL RESULTS AFTER INTER-ENTITY ELIMINATIONS</b>					
Net revenue	2,813	573	3,398	408	7,192
Net expenditure	(3,280)	(824)	(4,729)	(667)	(9,500)
<b>Net surplus/ (deficit)</b>	<b>(467)</b>	<b>(251)</b>	<b>(1,331)</b>	<b>(259)</b>	<b>(2,308)</b>
Includes depreciation of	(1,045)	(28)	(147)	(53)	(1,273)
<b>Other comprehensive income/(expense)</b>	<b>1,327</b>	<b>-</b>	<b>(25)</b>	<b>-</b>	<b>1,302</b>
<b>Total comprehensive income/(expense)</b>	<b>860</b>	<b>(251)</b>	<b>(1,356)</b>	<b>(259)</b>	<b>(1,006)</b>
Current assets	286	331	1,457	10,617	12,691
Current liabilities	(1,348)	-	(1,008)	(2,320)	(4,676)
Non-current assets	35,406	128	3,677	24,601	63,812
Non-current liabilities	-	-	(1,946)	-	(1,946)
<b>Net assets</b>	<b>34,344</b>	<b>459</b>	<b>2,180</b>	<b>32,898</b>	<b>69,881</b>

NOTE 21: INTEREST IN JOINT OPERATIONS (CONT.)

YEAR ENDED 30 JUNE 2019	NRSBU \$000	NTCDEM \$000	NTRLBU \$000	WWL \$000	TOTAL \$000
<b>FINANCIAL RESULTS AFTER INTER-ENTITY ELIMINATIONS</b>					
Net revenue	2,843	163	3,343	205	6,554
Net expenditure	(2,951)	(485)	(4,258)	(405)	(8,099)
<b>Net surplus/(deficit)</b>	<b>(108)</b>	<b>(322)</b>	<b>(915)</b>	<b>(200)</b>	<b>(1,545)</b>
Includes depreciation of	(966)	(37)	(117)	(4)	(1,124)
<b>Other comprehensive income/(expense)</b>	<b>322</b>	<b>-</b>	<b>59</b>	<b>-</b>	<b>381</b>
<b>Total comprehensive income/(expense)</b>	<b>214</b>	<b>(322)</b>	<b>(856)</b>	<b>(200)</b>	<b>(1,164)</b>
Current assets	399	453	468	3,119	4,439
Current liabilities	(441)	-	(949)	(1,310)	(2,700)
Non current assets	32,105	136	4,192	21,537	57,970
Non current liabilities	-	-	(566)	(1,366)	(1,932)
<b>Net assets</b>	<b>32,063</b>	<b>589</b>	<b>3,145</b>	<b>21,980</b>	<b>57,777</b>

NOTE 22: TRADE AND OTHER PAYABLES

Creditors and other payables are recorded at their face value.

30 JUNE 2019 \$000	TRADE AND OTHER PAYABLES	30 JUNE 2020 \$000
7,736	Trade creditors	8,309
9,690	Sundry accruals	8,782
1,260	Sundry deposits	6,267
1,743	Other	2,756
<b>20,429</b>	<b>Total trade and other payables</b>	<b>26,114</b>

## NOTE 23: PROVISIONS

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

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

### PROVISION FOR LANDFILL AFTERCARE COSTS

On 1 July 2017 the Nelson Tasman Regional Landfill Business Unit (NTRLBU) (a joint committee of Nelson City Council and Tasman District Council) took over as the operator of the York Valley from Nelson City Council and the Eves Valley landfill from Tasman District Council. The business unit has a legal obligation to provide ongoing maintenance and monitoring services after closure. The provision is calculated on the basis of discounting closure and post closure costs into present day value. This calculation assumes no change in the resource consent conditions for closure and post closure treatment.

30 JUNE 2019	PROVISIONS	30 JUNE 2020
\$000		\$000
	<b>Term</b>	<b>Term</b>
1,889	Opening Balance	2,349
300	Change in provision	1,180
160	Unwinding of discount	200
<b>2,349</b>		<b>3,729</b>

## NOTE 24. EMPLOYEE BENEFIT LIABILITIES

### EMPLOYEE ENTITLEMENTS

#### Short-term benefits

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

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

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

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

## NOTE 24. EMPLOYEE BENEFIT LIABILITIES (CONT.)

### Long-term benefits

#### Long service leave and retirement leave

Entitlements that are payable beyond 12 months, such as long service leave and retiring leave have been calculated on an actuarial basis. The calculations are based on:

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

#### Presentation of employee entitlements

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

### Superannuation Schemes

#### Defined contribution schemes

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

30 JUNE 2019	EMPLOYEE BENEFIT LIABILITIES	30 JUNE 2020
\$000		\$000
460	Accrued pay	707
1,504	Annual leave	1,849
273	Retirement gratuities	247
388	Long service leave	401
-	Sick leave	-
<b>2,625</b>	<b>Total employee benefit liabilities</b>	<b>3,204</b>
	Comprising:	
2,219	Current	2,888
406	Non-current	316
<b>2,625</b>	<b>Total employee benefit liabilities</b>	<b>3,204</b>

#### 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. A weighted average discount rate of 4.30% (2019: 4.30%) and an inflation factor of 2.30% (2019: 2.30%) were used.

The retirement obligations have not been discounted to present value.

## NOTE 25: BORROWINGS

Borrowing costs are recognised as an expense in the period in which they are incurred.

Borrowings are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective-interest method.

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

### A. SECURITY

All loans are secured by rates over the rateable properties of the Tasman District Council designated area except the investment property building which is secured by rent.

30 JUNE 2019 \$000	30 JUNE 2019 \$000	BORROWINGS	30 JUNE 2020 \$000	30 JUNE 2020 \$000
<b>Term</b>	<b>Current</b>		<b>Term</b>	<b>Current</b>
137,862	35,003	Tasman District Council	158,181	66,003
-	-	Finance Lease	-	-
<b>137,862</b>	<b>35,003</b>		<b>158,181</b>	<b>66,003</b>

### B. REFINANCING

Council manages its borrowings in accordance with its funding and financial policies, which includes a Liability Management policy.

### C. INTEREST RATES

Interest rates payable on individual loans range from 0.56% to 4.53% with a weighted average cost of borrowings, including swap rates and bank commitment fees of 3.83% (2019: 2.18% to 4.53% with a weighted average of 4.53%).

Council's secured loans are issued at floating rates of interest. For floating rate debt, the interest rate is reset quarterly based on the 90 day bank bill rate plus a margin for credit risk. Due to interest rates on debt resetting to the market rate every three months, the carrying amounts of secured loans approximates their fair value.



## NOTE 25: BORROWINGS (CONT.)

### D. REPAYABLE PERIOD OF LOANS

30 JUNE 2019		REPAYABLE PERIOD OF LOANS		30 JUNE 2020
				\$000
	Repayable:			
35,003	Within 1 year			66,003
<b>35,003</b>	<b>Current Portion</b>			<b>66,003</b>
35,000	Within 1-2 years			15,000
42,500	Within 2-5 years			42,500
51,000	5+ years			86,000
9,362	Beyond 10 years			14,681
<b>137,862</b>	<b>Non Current Portion</b>			<b>158,181</b>
<b>172,865</b>	<b>Total Loans</b>			<b>224,184</b>

Under PBE standards, if Council expects and has the discretion to refinance or roll over an obligation for at least 12 months after balance date under an existing loan facility, this is classified as non-current, even if it would otherwise be due within a shorter period. If there is no such arrangement for refinancing in place then Council must disclose these obligations as current.

Council has three loans maturing during the 2020-2021 financial year totalling \$66 million, these are classified as a current liability. It is probable that these loans will be refinanced and extended within the 12 month period.

### E. FINANCE LEASES

Council has no significant finance leases.

### INTERNAL BORROWINGS

Internal borrowings are charged to activities and then eliminated on consolidation in Council's financial statements.

GROUP OF ACTIVITY 2020	30 JUNE 2019	LOANS RAISED	LOANS REPAID	30 JUNE 2020
	\$000	\$000	\$000	\$000
Environmental Management	729	-	(116)	613
Public Health and Safety	324	483	(47)	760
Transportation, Roads and Footpaths	39,177	5,591	(3,348)	41,420
Coastal Structures	656	-	(50)	606
Water Supply	52,987	6,721	(3,056)	56,652
Wastewater	30,054	3,077	(2,837)	30,294
Stormwater	23,812	3,365	(1,843)	25,334
Solid Waste	10,417	1,868	(1,048)	11,237
Flood Protection and River Control Works	89	-	(89)	-
Community Development	25,786	1,465	(1,031)	26,220
Council Enterprises	6,842	1,069	(555)	7,356
<b>Total Internal Loans</b>	<b>190,873</b>	<b>23,639</b>	<b>(14,020)</b>	<b>200,492</b>

Interest on internal loans for each activity is disclosed as finance costs in the individual Funding Impact Statements.

## NOTE 26: REVALUATION RESERVE

### ASSET REVALUATION RESERVE

This reserve relates to the revaluation of property, plant and equipment and financial assets to fair value.

30 JUNE 2019 \$000		INCREASE (DECREASE) \$000	IMPAIRMENT ADJUSTMENT \$000	30 JUNE 2020 \$000
58,710	Port Nelson Limited	29,885	-	88,595
-	- Port Tarakohe	1,501	-	1,501
-	- Waimea Water Limited	-	-	-
16,806	Nelson Regional Sewerage Business Unit	1,327	-	18,133
88	Nelson Tasman Regional Landfill Business Unit	(25)	-	63
23,846	Nelson Airport Limited	(51)	-	23,795
4,325	NZ Local Government Shares	781	-	5,106
2,473	Tasman Bay Heritage Trust	-	-	2,473
91,513	Land	-	-	91,513
-	- Bridges	2,042	-	2,042
48,412	Buildings	-	-	48,412
390,588	Roads	11,903	-	402,491
602	Aerodromes	-	-	602
35,270	Rivers	-	-	35,270
1,778	Coastal Structures and Ports	-	-	1,778
53	Refuse	1,183	-	1,236
43,173	Wastewater	15,373	-	58,546
69,990	Stormwater	8,252	-	78,242
39,150	Water	3,908	-	43,058
<b>826,777</b>		<b>76,079</b>	<b>-</b>	<b>902,856</b>

## NOTE 26: REVALUATION RESERVE (CONT.)

30 JUNE 2018 \$000		INCREASE (DECREASE) \$000	IMPAIRMENT ADJUSTMENT \$000	30 JUNE 2019 \$000
59,670	Port Nelson Limited	(960)	-	58,710
16,484	Nelson Regional Sewerage Business Unit	322	-	16,806
29	Nelson Tasman Regional Landfill Business Unit	59	-	88
23,846	Nelson Airport Limited	-	-	23,846
3,506	NZ Local Government Shares	819	-	4,325
2,473	Tasman Bay Heritage Trust	-	-	2,473
91,513	Land	-	-	91,513
48,412	Buildings	-	-	48,412
390,588	Roads	-	-	390,588
602	Aerodromes	-	-	602
35,270	Rivers	-	-	35,270
1,778	Coastal Structures and Ports	-	-	1,778
53	Refuse	-	-	53
43,687	Wastewater	-	(514)	43,173
69,990	Stormwater	-	-	69,990
39,150	Water	-	-	39,150
<b>827,051</b>		<b>240</b>	<b>(514)</b>	<b>826,777</b>

## NOTE 27: ACCUMULATED EQUITY

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

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

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

2018/2019 \$000	ACCUMULATED EQUITY	2019/2020 \$000
608,210	Opening balance	634,288
33,459	Surplus	26,899
(7,381)	Net Transfers (to)/ from Restricted Reserves	(5,554)
-	- Net Transfers (to)/ from Revaluation reserve	-
-	- Equity Restatement	-
<b>634,288</b>		<b>655,633</b>

## NOTE 28: 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 by the Council without reference to the Courts or third party. Council created reserves are reserves established by Council decision. The Council may alter them without reference to any third party or the Courts.

Transfers to and from these reserves are at the discretion of Council.

2018/2019 \$000	RESTRICTED AND COUNCIL CREATED RESERVES	2019/2020 \$000
<b>20,366</b>	<b>At 1 July</b>	<b>27,747</b>
	Transfers to:	
7,381	Net Transfers to reserves	5,554
<b>27,747</b>	<b>At 30 June</b>	<b>33,301</b>
	Restricted Funds consist of;	
27,747	Other Funds (detailed below)	33,301
<b>27,747</b>		<b>33,301</b>

### RESTRICTED RESERVE REPORTING – Other Funds

Other funds consist of funds relating to donations and bequeaths provided to Council by various people for specific projects, along with funds relating to general disaster funds and funds set aside for specific purposes in the future.

2019/2020	ACTIVITY TO WHICH THE FUND RELATES	OPENING BALANCE 1 JULY 2019 \$000	TRANSFER INTO FUND \$000	TRANSFERS OUT OF FUND \$000	CLOSING BALANCE 30 JUNE 2020 \$000
Reserve Financial Contributions Reserve	Community Facilities & Parks	11,637	3,474	(991)	14,120
Rivers Disaster Fund	Rivers & Flood Protection	(3)	100	-	97
Rivers Reserve	Rivers & Flood Protection	7	3,505	(4,008)	(496)
Water Reserve	Water	345	14,851	(15,273)	(77)
Waimea Water Financing	Water	913	990	(24)	1,879
Wastewater Reserve	Wastewater	1,632	13,747	(13,309)	2,070
Self Insurance Fund	Overall Council	1,092	52	-	1,144
Stormwater Reserve	Stormwater	939	7,289	(7,494)	734
Solid Waste Reserve	Solid Waste	672	11,325	(11,760)	237
Dog Control Reserve	Public Health & Safety	79	453	(491)	41
Community Facilities Rate Reserve	Community Facilities & Parks	863	2,458	(3,203)	118
Camping Ground Reserve	Council Enterprises & Property	287	1,663	(1,774)	176
Community Housing Reserve	Community Facilities & Parks	348	887	(605)	630
Development Contribution Reserve	Roading & Footpaths, Water, Wastewater, Stormwater	5,130	6,996	(3,415)	8,711
General Disaster Fund	Governance	3,806	502	(391)	3,917
<b>TOTAL</b>		<b>27,747</b>	<b>68,292</b>	<b>(62,738)</b>	<b>33,301</b>

**NOTE 28: RESTRICTED AND COUNCIL CREATED RESERVES (CONT.)**

2018/2019	ACTIVITY TO WHICH THE FUND RELATES	OPENING BALANCE 1 JULY 2018 \$000	TRANSFER INTO FUND \$000	TRANSFERS OUT OF FUND \$000	CLOSING BALANCE 30 JUNE 2019 \$000
Reserve Financial Contributions Reserve	Community Facilities & Parks	6,934	6,055	(1,352)	11,637
Rivers Disaster Fund	Rivers & Flood Protection	(3)	-	-	(3)
Rivers Reserve	Rivers & Flood Protection	(169)	5,093	(4,917)	7
Water Reserve	Water	853	15,700	(16,208)	345
Waimea Water Financing	Water	-	(4,906)	5,819	913
Wastewater Reserve	Wastewater	1,636	14,104	(14,108)	1,632
Self Insurance Fund	Overall Council	1,024	72	(4)	1,092
Stormwater Reserve	Stormwater	642	8,417	(8,120)	939
Solid Waste Reserve	Solid Waste	295	11,204	(10,827)	672
Dog Control Reserve	Public Health & Safety	5	462	(388)	79
Community Facilities Rate Reserve	Community Facilities & Parks	224	4,708	(4,069)	863
Camping Ground Reserve	Council Enterprises & Property	223	976	(912)	287
Community Housing Reserve	Community Facilities & Parks	155	951	(758)	348
Development Contribution Reserve	Roading & Footpaths, Water, Wastewater, Stormwater	4,661	6,975	(6,506)	5,130
General Disaster Fund	Governance	3,886	618	(698)	3,806
<b>TOTAL</b>		<b>20,366</b>	<b>70,429</b>	<b>(63,048)</b>	<b>27,747</b>

**Dog Control Reserve**

The dog control reserve is used to separate all funding and expenditure for the dog control activity.

**Development Contribution Reserve**

It is Council's intention that developers should bear the cost of the increased demand that development places on the District's infrastructure. Population growth in the District places a strain on network and community infrastructure. That infrastructure will need to expand and be further developed in order to cope with the demands of population growth. This includes additional demand on services such as roading, water supply, wastewater and stormwater management. All development contributions must be separately accountable and Council keeps development contributions received in four separate accounts; roading, wastewater, stormwater and water. Strict criteria apply to the use of these funds.

**Water Reserve**

The water reserve is used to separate all funding and expenditure for the water activity, excluding development contributions revenue and projects. Each year Council sets the proposed revenue, expenditure and funding budgets for this activity. Variations from these budgets, as a result of timing of projects and/or unplanned expenditure, are recorded in the water reserve to keep any surpluses/deficits separate from other activities.

## NOTE 28: RESTRICTED AND COUNCIL CREATED RESERVES (CONT.)

### Wastewater Reserve

The wastewater reserve is used to separate all funding and expenditure for the wastewater activity, excluding development contributions revenue and projects. Each year Council sets the proposed revenue, expenditure and funding budgets for this activity. Variations from these budgets, as a result of timing of projects and/or unplanned expenditure are recorded in the wastewater reserve to keep any surpluses/deficits separate from other activities.

### Stormwater Reserve

The stormwater reserve is used to separate all funding and expenditure for the stormwater activity, excluding development contributions revenue and projects. Each year Council sets the revenue, expenditure and funding budgets for this activity. Any variations from these budgets, for example as a result of timing of projects or unplanned expenditure, are recorded in the stormwater reserve to keep any surpluses/deficits separate from other activities.

### Solid Waste Reserve

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

### Rivers Disaster Fund

The rivers disaster fund (The Classified Rivers Protection Fund) covers the excess for river protection assets insured under the Local Authority Protection Programme (LAPP).

### Rivers Reserve

The rivers reserve is used to enable separate accounting for funding and expenditure for the rivers activity. Each year Council sets the revenue, expenditure and funding budgets. Variations from these budgets, as a result of timing of projects or unplanned expenditure are recorded in the rivers fund to keep any surpluses/deficits separate from other activities.

### Reserve Financial Contributions Reserve

Reserve financial contributions are paid as a percentage of the land value of new allotments, and are applied to the acquisition and development of land for reserves, and to the development and upgrading of community services. All reserve financial contributions must be separately accountable and Council keeps reserve financial contributions received in four separate accounts (Golden Bay Ward, Motueka Ward, Moutere/Waimea/Lakes/Murchison Wards, and Richmond Ward). Strict criteria apply to the use of these funds.

### General Disaster Fund

The General Disaster Fund is to cover uninsurable assets like roads and bridges. Council usually receives a subsidy from NZ Transport Agency to cover part of the costs of any roads and bridges damaged in a disaster but Council needs to fund any remaining costs.

### Self-Insurance Fund

The purpose of this fund is to provide cover for assets that are medium to low risk, but are uneconomic to insure.

### Community Facilities Rate Reserve

The community facilities rate reserve is used to ring-fence all funding and expenditure on the community facilities activity. Each year in Council's Annual Plan revenue, expenditure and funding budgets are set for this activity. Any variations from these budgets (due to timing of projects, unplanned expenditure etc) are recorded in the community facilities rates reserve so that any surpluses/deficits can be ring-fenced.

## NOTE 28: RESTRICTED AND COUNCIL CREATED RESERVES (CONT.)

### Camping Ground Reserve

The camping ground reserve is used to ring-fence all funding and expenditure on the camping ground activity. Each year in Council's Annual Plan revenue, expenditure and funding budgets are set for this activity. Any variations from these budgets (due to timing of projects, unplanned expenditure etc.) are recorded in the camping ground reserve so that any surpluses/deficits can be ring-fenced.

### Community Housing Reserve

The community housing reserve is used to ring-fence all funding and expenditure on the community housing activity. Each year in Council's Annual Plan revenue, expenditure and funding budgets are set for this activity. Any variations from these budgets (due to timing of projects, unplanned expenditure etc.) are recorded in the community housing reserve so that any surpluses/deficits can be ring-fenced.

## NOTE 29: CASHFLOW RECONCILIATION

30 JUNE 2019 \$'000	CASHFLOW RECONCILIATION	30 JUNE 2020 \$'000
<b>33,459</b>	<b>Opening Surplus/(deficit)</b>	<b>26,899</b>
<b>Add non-cash items:</b>		
25,799	Depreciation and amortisation	25,418
(4,154)	Share of associate's (surplus)/deficit net of dividend	(2,933)
194	Asset write down and disposal	-
(15,861)	Vested assets	(11,634)
(46)	Unrealised loss on investment property	248
(2,895)	Fair value loss of forestry assets	(2,957)
6,436	Unrealised loss on interest rate derivatives	4,261
	Unwinding of discount	-
<b>Movements in Working Capital Items:</b>		
5,900	(Increase)/decrease in receivables	250
(352)	Increase/(decrease) in payables and employee benefit liabilities	6,354
<b>Other</b>		
460	Increase/(decrease) in provisions	1,380
774	Gain/(loss) on sale included in investing activities	16
2,421	Movement in fixed asset related payables	1,451
(74)	Increase/(decrease) in non-current employee benefit liabilities	(91)
2,055	(Increase)/decrease in non-current receivables	-
<b>54,116</b>	<b>Net cash flow from operating</b>	<b>48,662</b>

## NOTE 30: RELATED PARTY TRANSACTIONS

2018/2019 \$000	RELATED PARTY TRANSACTIONS	2019/2020 \$000
<b>A) PORT NELSON LIMITED</b>		
3,500	Share of dividends	2,400
2,000	Accounts receivable	1,250
<b>B) TASMAN BAYS HERITAGE TRUST</b>		
861	Operational funding paid	859
563	Loan outstanding	400
100	Loan payments received	100
<b>C) NELSON AIRPORT LIMITED</b>		
<b>Received from:</b>		
765	Share of dividends	435
390	Accounts receivable	425

The loan from Council to Tasman Bays Heritage Trust is at a nil interest rate (2019: Nil). The fair value balance on the loan at year end is \$400,000 (2019: \$563,000). The loan has a face value of \$625,000 (2019: \$725,000).

As all other transactions are deemed to have occurred within a normal supplier/client relationship on terms and conditions considered to be at arm's length, they are not required to be disclosed.

No provision has been required, nor any expense recognised for impairment of receivables, for any loans or receivables to related parties (2019: Nil).

### KEY MANAGEMENT PERSONNEL

During the year Councillors and key management, as part of a normal customer relationship, were involved in minor transactions with Council (such as rates, purchase of rubbish bags etc.).

Key management personnel include the Mayor, Councillors, Chief Executive, and Leadership Team.

2018/2019	KEY MANAGEMENT PERSONNEL REMUNERATION	2019/2020
<b>Leadership Team, including the Chief Executive</b>		
1,163	Remuneration \$(000)	1,363
5	Number of full-time equivalent (FTE) Leadership Team	5.6
<b>Councillors</b>		
696	Remuneration \$(000)	837
14	Number of councillors	14
<b>1,859</b>	<b>Total remuneration \$(000) of key management personnel</b>	<b>2,200</b>
<b>19</b>	<b>Total Leadership Team and Councillors</b>	<b>19.6</b>

Due to the difficulty in determining the full-time equivalent for Councillors, the full-time equivalent figure is taken as the number of Councillors.

An analysis of leadership remuneration is provided in note 32 and Councillor remuneration is provided in note 38.



## NOTE 31: SEVERANCE

In accordance with Schedule 10, Part 3, Clause 19, Local Government Act 2002, Council declares that there have been no individual severance payments made to employees during this financial year. (2019: one severance payment of \$3,000).

## NOTE 32: REMUNERATION

### CHIEF EXECUTIVE

2018/2019 \$'000	CHIEF EXECUTIVE REMUNERATION	2019/2020 \$'000
	<b>Chief Executive</b>	
289	Dowding Janine	328
<b>289</b>	<b>Total Chief Executive remuneration</b>	<b>328</b>

### COUNCIL EMPLOYEES – HEAD COUNT

TOTAL ANNUAL REMUNERATION BY BAND FOR EMPLOYEES AS AT 30 JUNE	30 JUNE HEADCOUNT
<b>30 June 2020</b>	
<60,000	101
\$60,000 - \$79,999	86
\$80,000 - \$99,999	73
\$100,000 - \$119,999	47
\$120,000 - \$139,999	9
\$140,000 - \$159,999	13
\$160,000 - \$319,999	5
>320,000	1
<b>Total employees at 30 June 2020</b>	<b>335</b>
<b>30 June 2019</b>	
<60,000	114
\$60,000 - \$79,999	74
\$80,000 - \$99,999	70
\$100,000 - \$119,999	42
\$120,000 - \$139,999	8
\$140,000 - \$159,999	8
\$160,000 - \$319,999	5
<b>Total employees at 30 June 2019</b>	<b>321</b>

Total remuneration includes non-financial benefits provided to employees including the Chief Executive and Senior Leadership Team. This does not include elective representatives (note 38).

## NOTE 32: REMUNERATION (CONT.)

### COUNCIL EMPLOYEES – FULL TIME EQUIVALENT

30 JUNE 2019 FTE	FULL-TIME EQUIVALENT STAFF NUMBERS	30 JUNE 2020 FTE
235	Full-time staff	250
54	Part-time staff, on full-time equivalent staff basis	57
<b>289</b>	<b>Total full time equivalent staff numbers</b>	<b>307</b>

A full-time employee is determined on the basis of a 40-hour working week. This includes the Chief Executive and Senior Leadership Team. This does not include elective representatives (note 38).

## NOTE 33: FINANCIAL INSTRUMENTS

### FINANCIAL INSTRUMENTS RISKS

Council is party to financial instrument arrangements as part of its every day operations. Council is risk averse and seeks to minimise exposure arising from its treasury activities. Council has established a Treasury Policy specifying what transactions can be entered into. These financial instruments include bank balances, accounts receivable, accounts payable, loans, guarantees and investments.

#### Credit Risk

Credit risk is the risk that a third party will default on its obligation to Council, causing Council to incur a loss. Due to the timing of its cash inflows and outflows, Council invests surplus cash into term deposits which gives rise to credit risk.

Council's Treasury Management policy limits the amount of credit exposure to any one financial institution or organisation. Council only invests funds with registered banks that have a Standard and Poor's credit rating of at least A+ for short term and AA- for long-term investments, or building societies.

Financial instruments which are potentially subject to credit risk consist of cash, bank balances, accounts receivable and short term deposits.

#### The credit quality of financial assets:

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit ratings (if available) or to historical information about counterparty default rates:

2018/2019 \$'000	COUNTERPARTIES WITH CREDIT RATINGS	2019/2020 \$'000
<b>CASH AND CASH EQUIVALENTS</b>		
15,273	AA-	28,709
<b>15,273</b>	<b>Total cash and cash equivalents</b>	<b>28,709</b>
<b>OTHER FINANCIAL ASSETS HELD TO MATURITY</b>		
19,892	AA-	52,254
<b>19,892</b>	<b>Total financial assets held to maturity</b>	<b>52,254</b>
<b>DERIVATIVE FINANCIAL LIABILITIES</b>		
19,136	AA-	23,397
<b>19,136</b>	<b>Total derivative financial liabilities</b>	<b>23,397</b>

## NOTE 33: FINANCIAL INSTRUMENTS (CONT.)

2018/2019 \$000	COUNTERPARTIES WITHOUT CREDIT RATINGS	2019/2020 \$000
<b>COMMUNITY LOANS</b>		
152	Existing counterparty with no defaults in the past	166
<b>152</b>	<b>Total Community loans</b>	<b>166</b>
<b>LOANS TO RELATED PARTIES</b>		
564	Existing counterparty with no defaults in the past	499
<b>564</b>	<b>Total Loans to related parties</b>	<b>499</b>
<b>UNLISTED SHARES</b>		
6,256	Existing counterparty with no defaults in the past	6,981
<b>6,256</b>	<b>Total unlisted shares</b>	<b>6,981</b>
<b>BORROWER NOTES</b>		
2,191	Existing counterparty with no defaults in the past	3,040
<b>2,191</b>	<b>Total borrower notes</b>	<b>3,040</b>

Debtors and other receivables mainly arise from Council's statutory functions, therefore there are no procedures in place to monitor or report the credit quality of debtors and other receivables with reference to internal or external credit ratings. Council has no significant concentrations of credit risk in relation to debtors and other receivables, as it has a large number of credit customers, mainly ratepayers and Council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

Council is exposed to credit risk as a guarantor of all of the NZ LGFA's borrowings.

### Cash Flow Interest Rate Risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings and investments issued at variable interest rates expose Council to cash flow interest rate risk.

Council raises some borrowings at floating rates and swaps them into fixed rates using interest rate swaps in order to manage the cash flow interest rate risk. Such interest rate swaps have the economic effect of converting borrowings at floating rates into fixed rates that are generally lower than those available if Council borrowed at fixed rates directly. Under the interest rate swaps, Council agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional principal amounts.

### Financial Guarantees

Council has guarantees in place in relation to Waimea Water Limited, these are disclosed in note 41, Commitments and Contingencies.

Council has guarantees to various other organisations which may subject it to credit risk. The assessed exposure to credit risk at balance date was \$nil as detailed in the Statement of Contingent Liabilities (2019: \$nil).

It is not practical to estimate the fair value of the financial guarantees with an acceptable level of reliability.

## NOTE 33: FINANCIAL INSTRUMENTS (CONT.)

### Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. Council is exposed to equity securities price risk on its investments, which are classified as financial assets held at fair value through comprehensive revenue and expense.

### Liquidity Risk

Liquidity risk is the risk that Council will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Council aims to maintain flexibility in funding by keeping committed credit lines available.

Council manages its borrowings in accordance with its funding and financial policies, which include a Treasury Management policy. These policies have been adopted as part of the Council's Long Term Plan.

Council has a maximum amount that can be drawn down against its overdraft facility of \$100,000 (2019: \$100,000). There are no restrictions on the use of this facility.

Council has an undrawn loan facility of \$12 million with Westpac, and \$30 million with ASB.

Council is exposed to liquidity risk as a guarantor of all of the NZ LGFA's borrowings. This guarantee becomes callable in the event of the LGFA failing to pay its borrowings when they fall due. Further information is included in the contingencies note.

## NOTE 34: CAPITAL MANAGEMENT

Council's capital is its equity (or ratepayers' funds), which comprise retained earnings and reserves. Equity is represented by net assets.

The Local Government Act 2002 requires Council to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayers' funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising Council's assets and not expecting them to meet the full cost of long term assets that will benefit ratepayers in future generations. Additionally, the Council has in place asset/activity management plans for major classes of assets detailing renewal and maintenance programmes, to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires Council to make adequate and effective provision in its Long Term Plan and in its Annual Plan (where applicable) to meet the expenditure needs identified in those plans. The Act sets out the factors that Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in the Council's Long Term Plan.

Council has the following Council created reserves:

- Reserves for different areas of benefit;
- Self-insurance reserves; and
- Trust and bequest reserves.

### NOTE 34: CAPITAL MANAGEMENT(CONT.)

Reserves for different areas of benefit are used where there is a discrete set of rate or levy payers as distinct from the general rate. Any surplus or deficit relating to these separate areas of benefit is applied to the specific reserves.

Self-insurance reserves are built up annually from general rates and are made available for specific unforeseen events. The release of these funds generally can only be approved by Council.

Trust and bequest reserves are set up where Council has been donated funds that are restricted for particular purposes. Interest is added to trust and bequest reserves where applicable and deductions are made where funds have been used for the purpose they were donated.

### NOTE 35: URBAN PORTIONS OF THE STATE HIGHWAY NETWORK

The ownership of urban portions of the state highway network is unclear, although there is legal opinion indicating that the ownership rests with local authorities. The NZ Transport Agency maintains these highways in their entirety without any costs accruing to local authorities.

As a consequence, even if ownership resides with local authorities, in practice, NZ Transport Agency controls the economic resources. Pending clarification of ownership and further consideration of the accounting issues which may arise, Council has not recognised the urban portion of the state highway network as an asset in these financial statements. The estimated distance of highway involved is 16.7 kilometres.

### NOTE 36: SIGNIFICANT VARIANCES COMPARED TO THE ANNUAL PLAN

Council made a net surplus of \$26.9 million (budgeted surplus of \$17.3 million). Explanations for major variations from the budget are as follows:

#### Variations actual compared to budget

↑ Vested Assets (\$7.3m)

↑ Operating subsidies and grants (\$2.1m)

↓ Capital subsidies and grants (\$1.4m)

↑ Maintenance (\$3.3m)

↑ Depreciation expense (\$1.5m)

↓ Share of Joint Operations surplus/deficit (\$5.8m)

↑ Unrealised Gain on revaluation of forestry, and net surplus on forestry (\$4m)

↓ Fair value loss on derivatives (\$4.3m)

↑ Present value adjustment for loan (\$3.3m)

↓ Other (\$0.4m)

(Arrows indicate impact on surplus)

#### Reasons for variances include:

Growth activity in the district.

Additional NZTA operating subsidies for Sealed Pavement and Environmental Maintenance.

NZTA funding was \$1.4m below budget due to work that was identified in our annual carryover process as needing to be delayed until 2020/21, including the Champion Road Safe Cycle Crossing.

More sealed pavement and environmental maintenance carried out than budgeted.

Capital work on major projects being delayed.

Not included in budget.

Mainly due to increased log prices.

Due to change in interest rates.

Accounting adjustment for interest free loan.

### NOTE 37: EVENTS AFTER THE REPORTING DATE

After the reporting date, Council entered into stimulus funding agreements with Government, totalling \$21.3 million. The most significant of which are:

- On 23 October 2020 the Council signed an agreement with Department of Internal Affairs. The purpose of the agreement is to improve the environmental performance of drinking and waste water systems and support economic recovery through job creation. The Department will provide \$9.78 million to the Council. Council expect it will be spent by 31 March 2022.

- On 20 November 2020 the Council signed an agreement with the Ministry of Business and Innovation. The purpose of the agreement is Investment towards a more productive, sustainable and inclusive economy, enabling our regions to grow and support a modern and connected New Zealand. The result will be a refurbished Motueka stop bank. The Department will provide \$7.5 million to the Council. Council expect it will be spent by 30 September 2023.

## NOTE 38: ELECTED REPRESENTATIVES

In accordance with Schedule 10, Part 3, section 32 of the Local Government Act 2002, the total remuneration and value of other non-financial benefits received by, or payable to the Mayor and Councillors for the year were as follows:

2018/2019 \$	2019/2020 SALARY \$	2019/2020 ALLOWANCES \$	2019/2020 TOTAL COST \$	2019/2020 DIRECTOR FEES \$	2019/2020 TOTAL \$	
83,769	King T B, Mayor from 2019/20	122,738	297	123,035	34,676	157,711
45,913	Bryant S - Deputy Mayor	62,918	6,160	69,078	-	69,078
	<b>Councillors</b>	-	-	0		
38,262	Maling K, Standing Committte Chair	51,028	2,135	53,163	-	53,163
38,262	Wensley D, Standing Committee Chair	51,028	493	51,521	-	51,521
61,281	Greening M	44,699	440	45,139	24,423	69,562
38,262	McNamara D	44,699	4,035	48,734	-	48,734
38,262	Ogilvie D	44,699	8,288	52,987	-	52,987
38,262	Tuffnell T	44,699	497	45,196	-	45,196
38,262	Turley A	44,699	2,095	46,794	-	46,794
-	Hill C	33,052	8,783	41,835	-	41,835
-	Butler C	33,052	3,785	36,837	-	36,837
-	Mackenzie C	33,052	3,785	36,837	-	36,837
-	Walker T	33,052	2,675	35,727	-	35,727
-	Dowler B	5,529	442	5,971	-	5,971
	<b>Previous Councillors</b>	-	-	-		
38,262	Hawkes P	11,646	-	11,646	-	11,646
45,913	Canton P	13,975	1,153	15,128	-	15,128
38,262	Brown S	11,646	6,109	17,755	-	17,755
-	Hutt C	16,491	845	17,336	-	17,336
38,262	Sangster P	11,646	7,034	18,680	-	18,680
138,720	Kemphorne R (mayor)	43,839	-	43,839	-	43,839
<b>719,954</b>	<b>Total councillors</b>	<b>758,187</b>	<b>59,051</b>	<b>817,238</b>	<b>59,099</b>	<b>876,337</b>

The Mayor T B King has full private use of a vehicle to undertaken his civic duties. The Remuneration Authority values this full private use at \$3,158 (2019: \$3,181).

Mayor T B King is a Director of Port Nelson Limited and received director fees from Port Nelson of \$34,676 during the year (2019: \$34,030).

Councillor M Greening is a Director of Nelson Airport Limited and received director fees from Nelson Airport of \$24,423 during the year (2019: \$23,019).

**NOTE 39: FINANCIAL PERFORMANCE IN RELATION TO REGULATIONS BENCHMARKS**

**ANNUAL REPORT 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 financial performance in relation to various benchmarks to enable the assessment of whether Council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

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

**RATES AFFORDABILITY BENCHMARK**

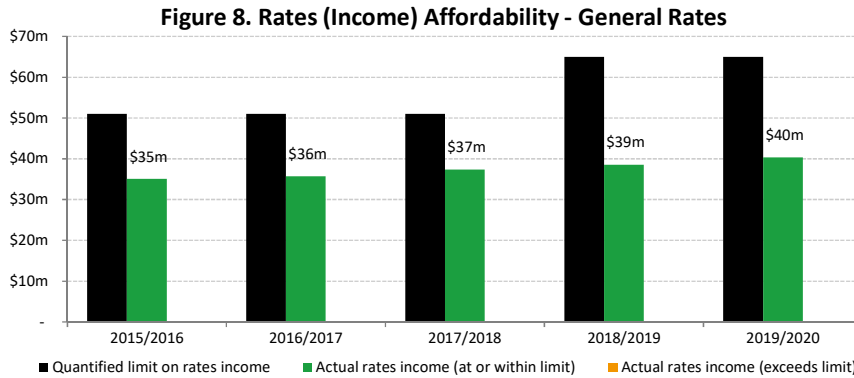
Council meets the rates affordability benchmark if:

- its actual rates revenue equals or is less than each quantified limit on rates; and
- its actual rates increases equal or are less than each quantified limit on rates increases.

**Rates (revenue) affordability**

**Figure 8** compares Council’s actual general rates revenue with a quantified limit on general rates contained in the financial strategy included in Council’s Long Term Plan.

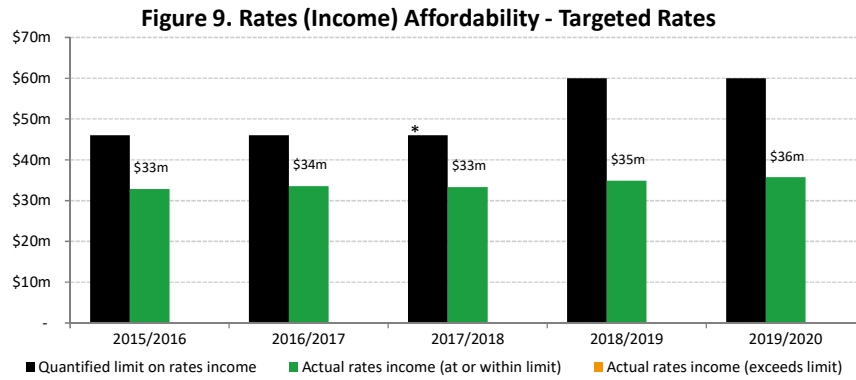
The quantified limit for general rates is \$52 million per annum for each year covered by the Long Term Plan 2012 – 2022 and \$51 million per annum for each year covered by the Long Term Plan 2015 – 2025 and \$65 million per annum for each year covered by the Long Term Plan 2018 – 2028.



**NOTE 39: FINANCIAL PERFORMANCE IN RELATION TO REGULATIONS BENCHMARKS (CONT.)**

**Figure 9** compares Council’s actual targeted rates revenue with a quantified limit on targeted rates contained in the financial strategy in Council’s Long Term Plan.

The quantified limit for targeted rates is \$53 million per annum for each year covered by the Long Term Plan 2012 – 2022 and \$46 million per annum for each year covered by the Long Term Plan 2015 – 2025 and \$60 million per annum for each year covered by the Long Term Plan 2018 – 2028.

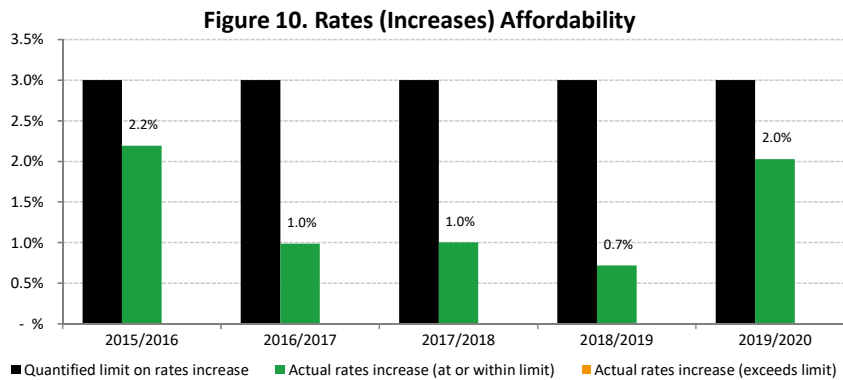


\*Quantified limit on rated income for 2017-2018 financial year was incorrectly reported as \$51 million in 2018-2019 published annual report. This has been corrected to \$46 million in 2019-2020.

**Rates (increases) affordability**

**Figure 10** compares Council’s actual rate increases with a quantified limit on rates increases contained in the financial strategy in Council’s Long Term Plan.

The quantified limit is 6.10% per annum for all rates for each year covered by the Long Term Plan 2012 – 2022 and 3% excluding growth per annum for each year covered by the Long Term Plan 2015 – 2025 and Long Term Plan 2018 – 2028.





## NOTE 39: FINANCIAL PERFORMANCE IN RELATION TO REGULATIONS BENCHMARKS (CONT.)

### DEBT AFFORDABILITY BENCHMARK

Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing.

The definitions contained in the regulations differ from those used in Council's financial strategy contained in the Long Term Plan. The main departure between these two documents relates to the definition of net debt in the regulations compared to net external debt in the financial strategy. The quantified limits on borrowings contained in the benchmark graphs were taken from the financial strategy, and as such were formulated in relation to the definition of net external debt. Actual results are reported using both the prescribed definitions contained in the regulations, and the definition intended by the financial strategy, explained below.

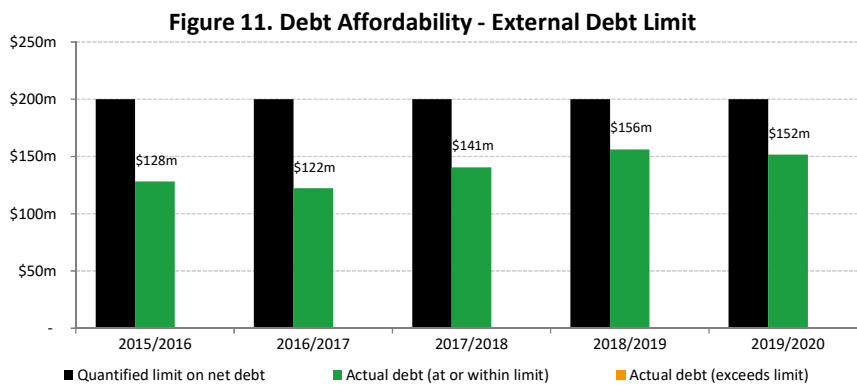
Net external debt is defined in the financial strategy of the Long Term Plan 2015 – 2025 as total external debt less liquid financial assets and investments.

Net debt is defined in the regulations as financial liabilities less financial assets (excluding trade and other receivables). Financial liabilities as defined by GAAP include, gross external debt (aggregate and financial guarantees provided to third parties) plus trade payables and derivative financial instruments (interest rate swaps). Financial assets as defined by GAAP include cash or near cash treasury investments held from time to time, and equity instruments of other entities e.g. investments in CCOs.

### External Debt Limit

Figure 11 compares Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy contained in Council's Long Term Plan.

The quantified limit is gross external debt not to exceed \$320 million per annum for each year covered by the Long Term Plan 2012 – 2022 and net external debt not to exceed \$200 million per annum for each year covered by the Long Term Plan 2015 – 2025 and Long Term Plan 2018 – 2028.



**NOTE 39: FINANCIAL PERFORMANCE IN RELATION TO REGULATIONS BENCHMARKS (CONT.)**

**Net Debt to Equity**

Figure 12 compares Council's actual net debt with a quantified limit on borrowing stated in the financial strategy contained in Council's Long Term Plan.

The quantified limit is net external debt to not exceed 20% of equity.

The following graph represents the actual results based on the prescribed definitions in the regulations.

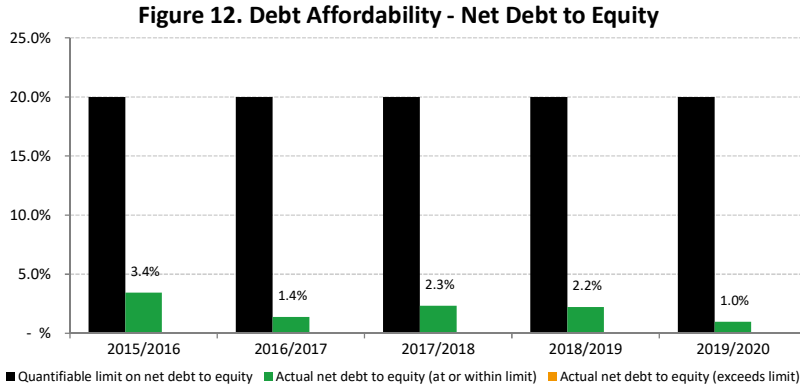
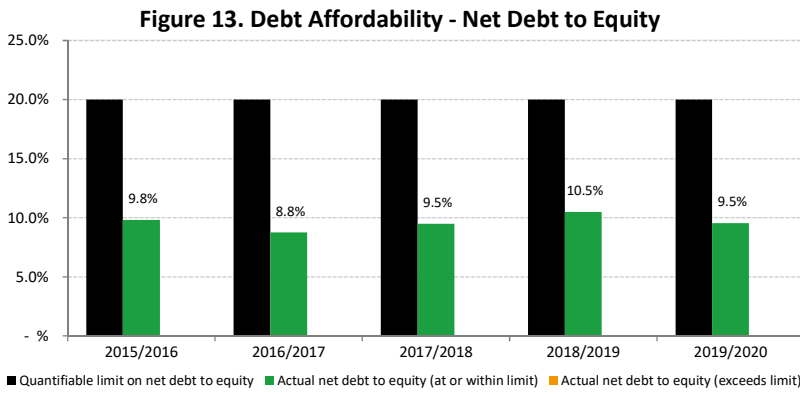


Figure 13 represents the actual results based on the intended definitions contained in the financial strategy.



**NOTE 39: FINANCIAL PERFORMANCE IN RELATION TO REGULATIONS BENCHMARKS (CONT.)**

**Net Debt to Total Operating Revenue**

Figure 14 compares Council’s actual net debt with a quantified limit on borrowing stated in the financial strategy contained in Council’s Long Term Plan.

The quantified limit is net external debt to net exceed 225% of total operating revenue.

(Total operating revenue is defined in the financial strategy as earnings from rates, government grants and subsidies, user charges, levies, interest, dividends, financial and other revenue, but excludes non-government capital contributions, (e.g. developer contributions and vested assets).

The following graph represents the actual results based on the prescribed definitions in the regulations.

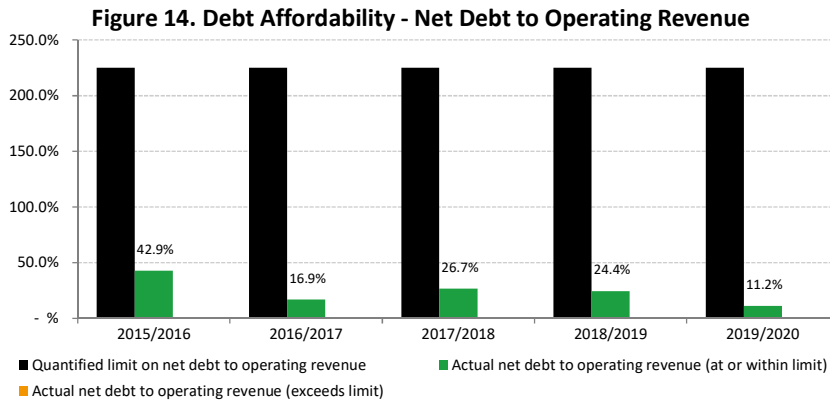
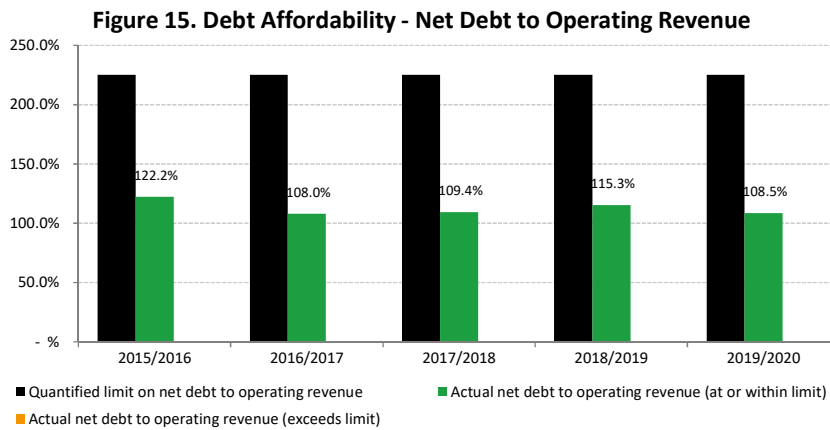


Figure 15 represents the actual results based on the intended definitions contained in the financial strategy.



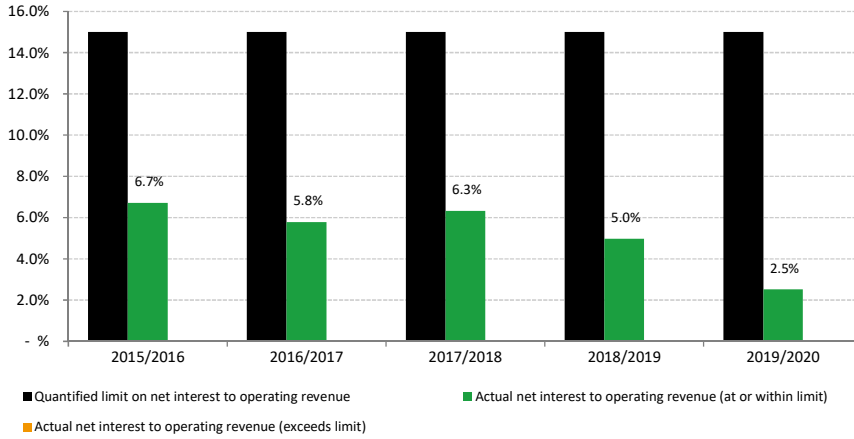
**NOTE 39: FINANCIAL PERFORMANCE IN RELATION TO REGULATIONS BENCHMARKS (CONT.)**

**Net Interest to Total Revenue**

Figure 16 compares Council’s actual net interest expense with a quantified limit on borrowing stated in the financial strategy contained in Council’s Long Term Plan.

The quantified limit is net interest on external debt to not exceed 15% of total operating revenue for each year covered by the Long Term Plan 2015 – 2025 and the Long Term Plan 2018 – 2028. This measure replaces the quantified limit contained in the Long Term Plan 2012 – 2022 so has no comparatives.

**Figure 16. Debt Affordability - Net Interest to Operating Revenue**

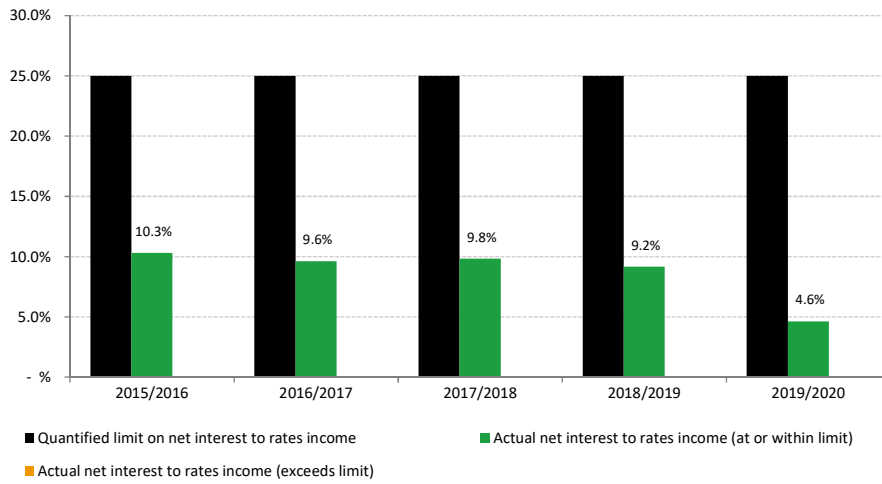


**Net Interest to Total Rates Revenue**

Figure 17 compares Council’s actual net interest expense with a quantified limit on borrowing stated in the financial strategy contained in Council’s Long Term Plan.

The quantified limit is net interest expense on net external debt to not exceed 25% of annual rates revenue.

**Figure 17. Debt Affordability - Net Interest to Annual Rates Income**

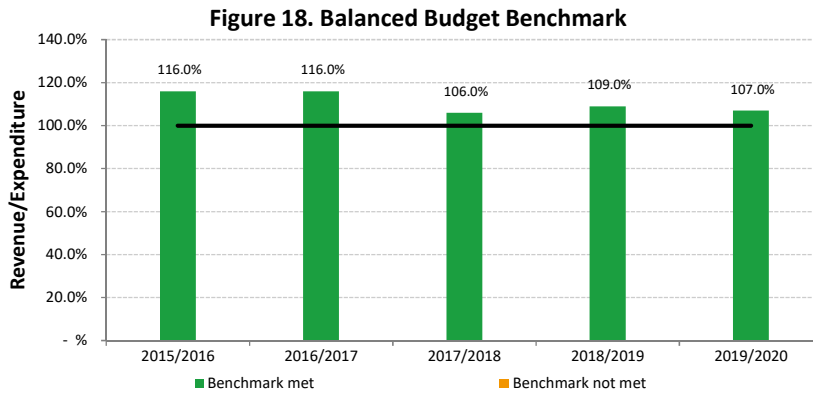


**NOTE 39: FINANCIAL PERFORMANCE IN RELATION TO REGULATIONS BENCHMARKS (CONT.)**

**BALANCED BUDGET BENCHMARK**

**Figure 18** displays Council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

Council meets this benchmark if its revenue equals or is greater than its operating expenses.



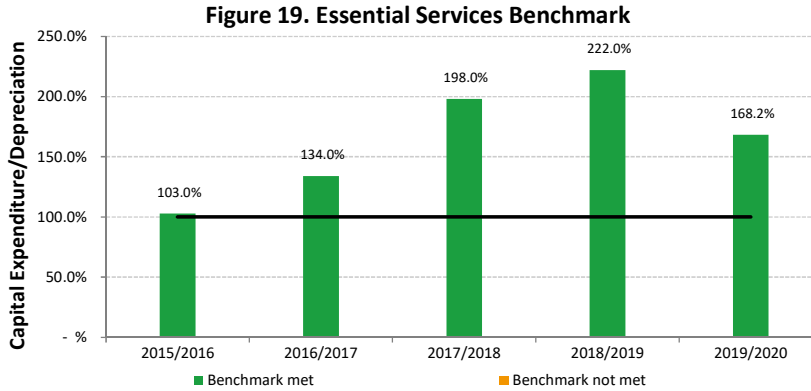
Note: Operating expenses include depreciation. Council decided not to fund depreciation but to fund principal repayments on debt instead, with depreciation being higher than principal repayments. This issue was addressed as part of Council's Long Term Plan 2015 – 2025 with funding of depreciation being phased in over the ten years covered by the plan.

**ESSENTIAL SERVICES BENCHMARK**

**Figure 19** displays Council's capital expenditure on network services as a proportion of depreciation on network services.

The regulations define network services as infrastructure related to water supply, sewerage and the treatment and disposal of sewage, stormwater drainage, flood protection and control works, and the provision of roads and footpaths. Therefore infrastructure related to solid waste, coastal structures, and aerodromes and fixed assets have been excluded from this benchmark.

Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services. Capital expenditure excludes vested assets.

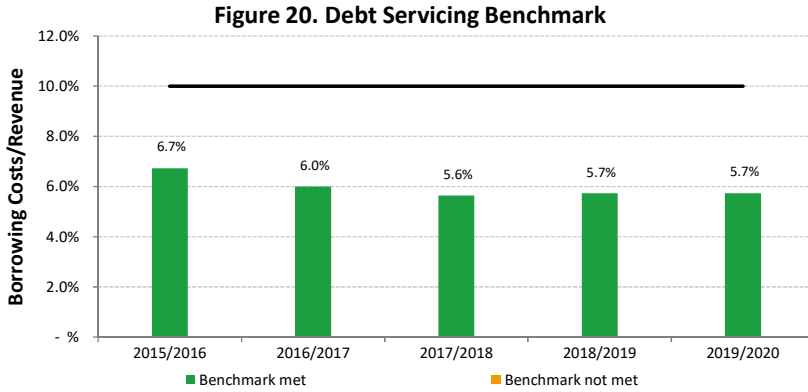


NOTE 39: FINANCIAL PERFORMANCE IN RELATION TO REGULATIONS BENCHMARKS (CONT.)

DEBT SERVICING BENCHMARK

Figure 20 displays Council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

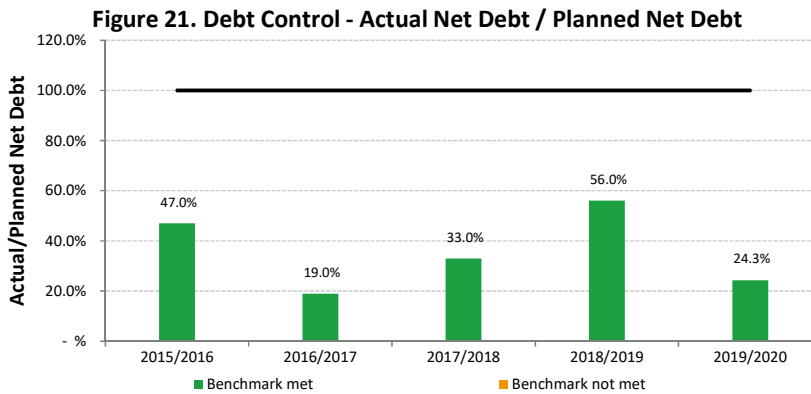
Because Statistics New Zealand projects Council's population will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if its' borrowing costs equal or are less than 10% of its revenue.



DEBT CONTROL BENCHMARK

Figure 21 displays Council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables).

Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.

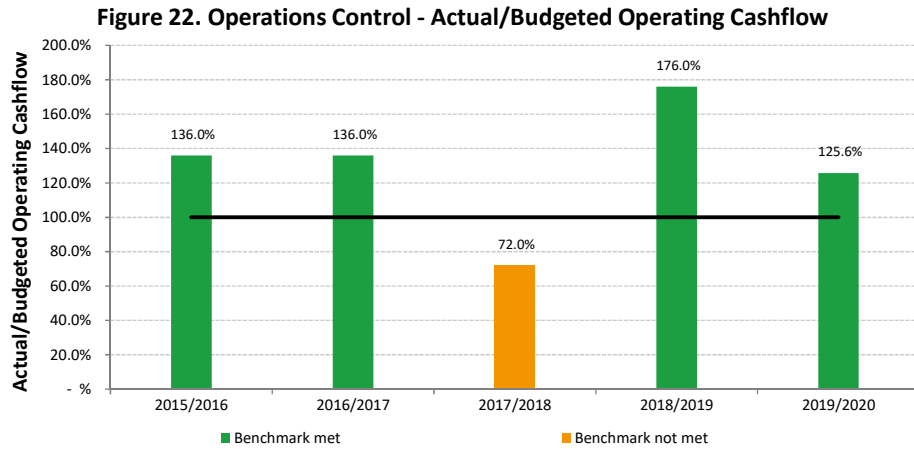


**NOTE 39: FINANCIAL PERFORMANCE IN RELATION TO REGULATIONS BENCHMARKS (CONT.)**

**OPERATIONS CONTROL BENCHMARK**

Figure 22 displays Council's actual net cash flow from operations as a proportion of its planned net cash flow from operations.

Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.



**NOTE 40. RATING BASE AND INSURANCE OF ASSETS**

The Local Government Act 2002 was amended in early August 2014 and requires information on Council's rating base and insurance of assets.

**RATING BASE INFORMATION**

With regards to Clause 30A of the Local Government Act 2002 we disclose the following information regarding the rating base as at 30 June 2019 (the preceding year as required by the Act).

Rating Unit info as at 30 June 2019:

	COUNT	LAND VALUE	CAPITAL VALUE
Non-rateable 100%	1,030	418,608,150	453,776,150
Non-rateable- services only	250	139,380,000	370,106,500
<b>Total non-rateable</b>	<b>1,280</b>	<b>557,988,150</b>	<b>823,882,650</b>
Rateable	24,057	8,913,563,025	17,425,444,625
<b>Total rating units</b>	<b>25,337</b>	<b>9,471,551,175</b>	<b>18,249,327,275</b>

Rating Unit info as at 30 June 2018:

	COUNT	LAND VALUE	CAPITAL VALUE
Non-rateable 100%	1,067	422,120,500	457,642,000
Non-rateable- services only	242	138,621,000	367,588,500
<b>Total non-rateable</b>	<b>1,309</b>	<b>560,741,500</b>	<b>825,230,500</b>
Rateable	23,704	8,822,531,325	17,110,114,025
<b>Total rating units</b>	<b>25,013</b>	<b>9,383,272,825</b>	<b>17,935,344,525</b>

## NOTE 40. RATING BASE AND INSURANCE OF ASSETS (CONT.)

### INSURANCE OF ASSETS

With regards to Clause 31A of the Local Government Act 2002 we disclose the following information regarding the insurance of assets as at 30 June 2020.

The cost of the Canterbury and Kaikoura earthquakes has highlighted the importance of good risk management and the part insurance and/or risk financing plays when it comes to rebuilding public assets. In many instances, councils can provide services in the future only through the continuing use of their assets. Public entities have had to think carefully about how they are managing their risks and how they are using the insurance and risk finance options available to them.

### WATER, WASTEWATER, STORMWATER, RIVERS, REFUSE, AERODROMES, PORTS AND COASTAL ASSETS

These activities have a total book value of \$580,086,000. Repairs to these assets following a significant event are covered 40% through Aon with a large deductible, with the remaining 60% being funded by central government. Council currently has insurance cover for a \$100 million catastrophic disaster event. Council has a rivers disaster fund and a general disaster fund to cover the deductible or Council's 40% share if the event is lower than the deductible. The value of the general disaster fund as at 30 June 2020 is \$3,917,000 (2018/2019 \$3,806,000).

### ROADING AND FOOTPATH ASSETS

These activities have a total book value of \$727,866,000 (including land under roads). For this activity of assets, Council would however receive a minimum of 51% subsidy from the NZ Transport Agency for subsidised roading assets, with the remaining portion of the loss, and non-subsidised assets, to be funded through the general disaster fund and loan funding.

### LAND, BUILDINGS, PLANT AND EQUIPMENT, AND OTHER ASSETS

This activity has a total asset book value of \$230,839,000.

Assets are insured for reinstatement value or indemnity value as per the most current valuation for assets listed in the Statement of Property Insured, with limits of indemnity of \$2,000,000 for subsidence.

Residential property (material damage) at most recent valuation for assets listed in the Statement of Property Insured, with limits of indemnity of \$2,000,000 for capital additions, construction/alterations of \$2,000,000, landslip \$2,000,000 and subsidence of \$2,000,000.

The harbourmaster boat is insured for \$370,797.

### VEHICLES

This activity has a total asset book value for insurance purposes of \$988,000 (2019: \$841,000). All vehicles are insured for market value or replacement value (if vehicle is less than 12 months old).

### SELF-INSURANCE FUND

Council has a self-insurance fund for assets that are uneconomic to insure. However, under the new Top of the South collective, the deductibles have decreased dramatically. The value of this fund as at 30 June 2020 is \$1,144,000 (2019: \$1,092,000) and is now used to cover deductibles, excesses, and small assets not on the material damage.



## NOTE 41. COMMITMENTS AND CONTINGENCIES

### CONTRACTUAL CAPITAL COMMITMENTS

These are capital commitments for which a formal contract has been entered at 30 June 2020.

CONTRACTUAL CAPITAL COMMITMENTS	30 JUNE 2020
	\$000
Transportation	1,953
Three waters	5,767
Refuse	690
Share of Joint Operation – (Waimea Water,NRSBU,NTRLBU)	24,637
Land & Buildings	3,937
Others	1,444
<b>Total capital commitments 30 June 2020</b>	<b>38,428</b>

These are capital commitments for which a formal contract has been entered at 30 June 2019.

CONTRACTUAL CAPITAL COMMITMENTS	30 JUNE 2019
	\$000
Transportation	1,019
Three waters	7,391
Share of Joint Operation – Waimea Water	47,123
Land & Buildings	1,809
<b>Total capital commitments 30 June 2019</b>	<b>57,342</b>

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

### OPERATING LEASES AS LESSEE

Council has no material operating leases as lessee

## NOTE 41. COMMITMENTS AND CONTINGENCIES (CONT.)

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

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

Tasman District Council is one of 30 local authority shareholders and 15 local authority guarantors of the NZLGFA. In that regard, it has uncalled capital of \$1.866 million. When aggregated with the uncalled capital of other shareholders, \$20 million is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, Tasman District Council is a guarantor of all of NZLGFA's borrowings. At 30 June 2020, NZLGFA had borrowings totalling \$11.908 billion (2019: 9.531 billion).

Financial reporting standards require the Council to recognise the guarantee liability at fair value.

However, the Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. The Council considers the risk of NZLGFA defaulting on repayment of interest or capital to be very low on the basis that:

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

### WAIMEA WATER LIMITED JOINT OPERATION

#### Project cost

The Council and Waimea Irrigators Ltd entered into a Joint Operation partnership to build the Waimea Community Dam. The three-year construction project began in March 2019. The reservoir filling is likely to commence in early 2022.

The purpose of the Dam is to provide water security (the Lake will hold approximately 13 billion litres of water), resulting in increased economic prosperity for the region. The Nelson Tasman region is expected to see significant benefit in terms of jobs, general health and well-being, and future economic development. Aside from the share of water to be extracted, a major benefit of the Dam is regaining the river flow. A healthy river is critical for the sake of the environment, to protect the community's drinking water supplies, and so it can be enjoyed safely for fishing, swimming and other recreation.

In December 2018 when WWL was incorporated, approved design and baselines for cost and project schedule were agreed with Shareholders and financiers. Managing these parameters is set in the Company Constitution, Shareholders' Agreements and the Project Funding Agreement.

The most significant risks as the project progresses relates to:

- geological conditions including quality of rockfill and associated zoning costs; and additional stabilisation (colluvium).
- Improved Dam resilience including the Financier's ITE recommendations to improve the spillway drainage and grout curtain.
- Underbudgeted items that were not known at the time of budgeting, including M&E costs, engineering and office costs.
- Savings greater than budget including removal of a bridge; fibre optic cable; and use of a geosynthetic membrane.

WWL expects a corresponding delay (compared to original estimate) to the project of between 2 to 4 months excluding Covid-19 delays, although options are being explored to recover time.

For these reasons, the final cost of the Dam will not be known until near completion of the project.

Risks will be better understood and mitigated in late 2020 after the culvert, starter Dam and plinth are completed, the embankment and grout curtain are well underway, and pricing has been received for the mechanical and electrical works. A more accurate forecast of project cost and schedule is, therefore, expected in WWL's 2020/2021 mid-year report.

The first \$3 million of project cost overrun is to be met through the issue of an equal number of non-voting shares to WIL and Council.

The remaining \$22 million of project overruns are to be funded through the issue of ordinary shares to the Council at the pre-determined share price of \$8,719.91 established in the Shareholders' Agreement. This will result in the Council holding a greater share of voting rights in the Joint Operation in the future. The Council is also required to fund any cost overruns over the \$22 million. The Council's voting right share will be capped at 75%. This could result in Council's investment of the Dam exceeding the net book value Council's share of the Dam, creating a loss on consolidation. However, the Dam will be accounted for based on Depreciated Replacement Cost, and it is not possible to reliably measure what the final book value of the Dam will be. It is also possible that the book value of the assets may exceed Council's investment as time progresses. As such, no financial liability is recognised in relation to the potential difference in investment and book value of the assets. These will be recognised as such obligations crystallise, along with the associated assets generated.

## NOTE 41. COMMITMENTS AND CONTINGENCIES (CONT.)

### **Compensation clause**

Under the terms of the Project Deed (the Deed), a compensation clause is in place.

If within 40 years, Council does not honour the specific provisions of the deed related to its statutory powers and knowingly takes a course of action that is not consistent with the partnership entered into then it may face liability for the economic losses to the irrigators. The Council's maximum exposure is limited to \$50 million in aggregate.

The Council remains committed to the Joint Operation and the Deed. There is no contingent liability or guarantee to be recognised at 30 June 2020 (30 June 2020: Nil) in relation to the compensation clause.

### **CIL Loan, guarantees and credit support**

Crown Irrigation Investments Ltd (CIIL) issued a loan up to \$25m to Council's Joint Operation WWL. WWL is responsible for the servicing and repayment of this loan. The repayments will be funded through water charges paid by WIL. WIL is jointly and severally liable with WWL for the loan as co-obligor and guarantor of all of WWL's obligations under the loan. As the loan is repaid, or if the Council credit support is released, WIL's Non-voting Shares will be converted into Ordinary Shares periodically. This loan is not recognised in Council's financial statements as a liability but is included in the calculation of its interest in WWL.

The Council has provided credit support for this loan to the value of \$29 million (includes capitalised interest and fees). This means that CIIL may call on the Council to satisfy the Company's obligations to CIIL in relation to repayment of the CIIL loan, in accordance with the Project Deed. In return, Council currently holds a greater share of voting rights in the Joint Operation as at 30 June 2020.

No liability has been recognised in relation to the Council's credit support for the CIIL loan. The risk of default of the CIIL loan is as low and as such the liability as nil. While there is a possibility that the liability will accrue a series of circumstances would have to occur which are considered unlikely.

## NOTE 41. COMMITMENTS AND CONTINGENCIES (CONT.)

### CONTINGENT LIABILITIES

Council has contingent liabilities of \$Nil (30 June 2019: \$Nil). Council has no contingent claims against other parties (30 June 2019: Nil).

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

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

In April 2013, the Ministry of Education (MOE) initiated High Court proceedings against Carter Holt Harvey (CHH) and others alleging inherent defects in the cladding sheets and cladding systems manufactured and prepared by CHH. Subsequently, in December 2016, CHH commenced third party proceedings against 48 Councils, including Tasman District Council alleging a breach of duty in the processing of building consents, undertaking building inspections and issuing Code Compliance Certificates. The number of councils has since increased to 54. The councils have applied for orders setting aside and striking out CHH's claims against them. The MOE's claim against CHH is for 833 school buildings, two of which are located within Tasman District. At 30 June 2020 there was insufficient information to conclude on potential liability and claim quantum, if any. Subsequent to year end, the proceedings against all councils have been discontinued.

RiskPool provides public liability and professional indemnity insurance for its members. Council was a member of RiskPool until 1 July 2016. The Trust Deed of RiskPool provides that, if there is shortfall (whereby claims exceed contributions of members and reinsurance recoveries) in any funding year, then the Board may make a call on members for that fund year.

Tasman District Council is required to undertake seismic assessments of some of its buildings in accordance with the Building Act and its own Policy for Earthquake Prone, Dangerous and Insanitary Buildings. All required assessments have now been completed. Our offices and public buildings having either been upgraded or their maximum occupancies have been reclassified to meet the standards.

A detailed assessment of the Richmond Office main building has been completed. This identified that the civic area was <20% of the New Building Standard (NBS). The balance of the complex has been assessed at <34%NBS apart from a 2012 addition which is 35% NBS. As the complex is treated as one building a Earthquake Prone Building Notice has been issued to Council. This provides that we have until 04 June 2033 to strengthen it.

In this reporting year we have removed the chimney at the Imagine Theatre Motueka. We are in discussions regarding the sale of the 8 Ball Club building, Motueka with the buyer being responsible for upgrade works.

Asbestos Assessment reports were completed for Councils buildings in 2018. We have substantially progressed action on rectifying any building elements that were identified in the reports as Asbestos Containing Materials (ACM's) or with assumed ACM's and had a condition rating of "Poor". We have also engaged a certified asbestos assessor to provide more detailed reports. Most of the identified issues have been addressed or are encapsulated and only require further inspection prior to any disturbance.

### OTHER CONTINGENT ASSETS

2020: \$Nil (2019: \$Nil)

### ASSOCIATES CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no material contingent assets or liabilities to record as at the date of this Annual Report.

## NOTE 42. STANDARDS, AMENDMENTS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

### Standards, amendments and interpretations issued that are not yet effective and have not been early adopted are:

**IFRS 9** – This standard has been released in advance of the new financial instruments standard based on IFRS 9. This standard gives mixed groups the opportunity to early adopt a PBE standard that is based on the for profit standard NZ IFRS 9 on the same date that NZ IFRS 9 becomes mandatory in the for profit sector. (effective date 1 Jan 2022)

#### **PBE IFRS 48** – Service Performance Reporting

This Standard establishes requirements for the reporting of service performance information in order to better meet the needs of users of general purpose financial reports of public benefit entities (effective from 1 January 2021).

#### **PBE IPSAS 41** – Financial Instruments

This Standard establishes principles for the financial reporting of financial assets and financial liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows (effective from 1 January 2022).

#### **PBE IPSAS 40** – PBE Combinations

This Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about a public benefit entity (PBE) combination and its effects (effective from 1 January 2021).

#### **PBE IFRS 17** – Insurance Contracts

This Standard establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the Standard (effective from 1 January 2022).

#### **NZ IFRS 16** - Leases

This Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions.

**Impact on Council:** The direct impact of the accounting standards on Council has not yet been assessed.

## NOTE 43. COVID-19 IMPACT

On 31 December 2019, China alerted the World Health Organisation to the outbreak of a virus, now commonly referred to as Covid-19, with the outbreak declared a pandemic on 11 March 2020. The New Zealand Government declared a State of National Emergency on 25 March 2020. The next day the country was put into Alert Level 4 and effectively into lockdown. On 28 April 2020, the Alert Level was reduced to Level 3, and then further reduced to Level 2 on 14 May 2020. The country moved to Level 1 on 9 June 2020.

During the initial lockdown period, Council was able to maintain essential infrastructure, environmental, and community services. Our Information Services team quickly responded to enable most of our staff to work from home, providing online tools and capabilities. Council's Customer Service Centres and Libraries closed when Level 3 restrictions came in, from 23 March. The Customer Service Centres reopened on 14 May (Level 2). Libraries opened with restricted hours from 20 May, and with normal hours on 10 June (once at Level 1).

Due to Covid-19 restrictions, the Council incurred some income loss, mainly from; dividends, rent relief and campgrounds.

There has been an impact on the Council's achievement of its performance targets during the year. The impact on the performance targets are explained in the relevant activity sections of the annual report.

Staff and Council worked to identify savings for the 2020/21 Annual Plan. Our Long Term Plan had predicted that the average rates increase for 2020/21 would be in the region of 2.46%, and Council reduced that to 0%. All budgets and projects were examined and found net savings of \$2.3 million compared with the draft Annual Plan, which permitted this reduction.

This year Council has revalued its infrastructure assets at 30 June 2020. It is possible that replacement cost rates may be subject to short-term changes due to shortages of materials or specialist labour. However, the replacement costs that are used in depreciated replacement cost calculations should reflect typical and sustainable market conditions. At the time of developing the unit rates for this valuation date, there was no information to indicate a change to longer term, sustainable market conditions.

Council incurred some additional civil defence costs in response to providing emergency accommodation and other welfare costs. The Council incurred a total of \$427k in response to the emergency. A claim for these civil defence costs directly associated with Covid-19 has been filed with Central Government totalling \$377k. This claim is undergoing an audit process. The unclaimable portion of costs totalling \$50k is an additional cost to the Council.

Council also revalued its Forestry and Investment Property assets at 30 June 2020, the impact of Covid-19 is included in note 17 and 19.

An impairment assessment has been completed for tangible and intangible assets. The result of this assessment was that there has been no material movement in asset values resulting from Covid-19.

### Port Nelson Investment in Joint Venture

The Council performed an impairment test on its investment in Port Nelson and concluded that no impairment was necessary.

Over lockdown, Port Nelson continued operating as an essential service. However, the export of several commodities including logs, processed forestry commodities, such as medium-density fibreboard and laminated veneer lumber, ceased. Other services including the slipway, marine services and leasehold property were likewise adversely impacted. Since 13 May, Port Nelson's operations have mostly returned to normal. Wine, apples, kiwifruit, fish and logs are likely to continue to have strong export demand. Conversely, in the short-medium term, we expect that the processed forestry sector may experience reduced demand, and it is unclear when or if the cruise industry will fully recover.

Port Nelson's discounted cash flow model includes assumptions relating to the uncertain fiscal environment brought on by the impact of COVID-19 on future cash flows in the medium to long term. Forecasts were reassessed and updated as appropriate due to the significant changes in economic and market conditions. As a result, the discount rate has increased from pre COVID-19 levels to the rate used for impairment testing of 6.6%. The result of this assessment was that no asset impairment was required.

The calculation of the value in use for the CGUs is most sensitive to the inputs for cargo volumes and the post-tax discount rate. Cargo volumes are influenced by several factors that are difficult to predict, in particular nature, export market conditions and shipping schedules.

The table below illustrates the sensitivity on the investment in joint venture assessment as movements from the baseline using the post-tax discount rate of 6.6%, where all other inputs remain constant.

Significant Unobservable Inputs	Sensitivity	Impairment Impact (\$000)
Post-tax discount rate	Increase by 0.25%	-7,447
	Decrease by 0.25%	11,897
Log volumes	Increase by 5%	5,029
	Decrease by 5%	-1,422

### Valuation of Investment property

Movements in the valuation of the investment property have an impact on Port Nelson's surplus/deficit. This impacts the Council's value of joint venture investment and Council's surplus/deficit, because Port Nelson is accounted for under equity method.

The Port's independent valuers have communicated that there is a heightened level of uncertainty concerning the valuations for assets held at fair value at 30 June 2020 due to the market disruption and lack of transactional data during Level 4 lockdown. Therefore, less certainty and a degree of caution should be attached to the valuation than would typically be the case, in particular, for investment property and operational land & buildings subject to leases. The unprecedented set of circumstances have been considered together with the key assumptions used in the valuation, and the valuation still represents the most appropriate value of these assets under the current circumstances.

### Nelson Airport Land Valuation

The COVID-19 pandemic has created a high degree of uncertainty in the property market, in terms of building costs, rentals, property yields and general market conditions. Therefore Nelson Airport have not completed a fair value assessment as at 30 June 2020 for the land and improvements asset class. Nelson Airport Limited consulted with professional advisors, who recommended the company roll over its asset values for another year at current book values and to undertake a revaluation in 2021.

**VERSION AS AT 15 DECEMBER FOR COUNCIL TO APPROVE THE CONTENT AT THE 18 DECEMBER MEETING. AN AUDITED, PROFESSIONALLY DESIGNED VERSION WILL BE PRODUCED IN JANUARY 2021.**



Welcome to this summary of Tasman District Council's Annual Report for 2019/2020. The Annual Report is an important part of our accountability back to you - our community. It outlines the work we have carried out, presents an up-to-date picture of our financial performance, and details our progress on the projects and targets identified for Year 2 of the Long Term Plan (LTP) 2018 - 2028.

## A WORD FROM OUR MAYOR AND CHIEF EXECUTIVE

This year our entire community has faced unprecedented challenges as a result of the Covid-19 pandemic. We are pleased to report that we were able to maintain essential infrastructure and community services during the lockdown phase. Throughout the year, Council also managed to make progress on a number of key projects across the District, including the Waimea Community Dam, Motueka Library, and Brightwater Town Centre Upgrade.

The projects outlined in the Annual Report are a reflection of the diverse range of activities that we undertake. There have been significant infrastructure projects to support growth, especially in Richmond, as well as important upgrades across the District to improve our water, wastewater and stormwater networks. We also celebrated the completion of several exciting new recreation projects, such as the Tākaka to Pōhara cycleway. We have also been busy developing long-term strategic documents to guide Council's response to issues such as population growth, the economy, the environment, and climate change.

We are grateful to all of those who responded to the pandemic, including our own staff, iwi, community groups, Nelson City Council, and other organisations, including central government. While uncertainty remains, Tasman is well placed for recovery. In 2020/2021, the Council will need to continue to invest in our region, supporting projects that stimulate the economy and help provide employment. We look forward to continuing to work with our community and other organisations to help ensure Tasman has a healthy environment, strong economy and a vibrant community.

**Tim King**

Mayor

**Janine Dowding**

Chief Executive  
Officer

## WHAT HAVE WE ACHIEVED FOR THE YEAR?

Here are some the major events and achievements for the year to June 2020:

### COVID-19 PANDEMIC AND RESTRICTIONS

The Covid-19 pandemic continues to have a huge impact on a global scale. In Tasman, continuing uncertainty and economic impacts are ongoing.

Throughout the nationwide lockdown that began in March 2020, the Council was able to maintain essential infrastructure, environmental and community services. Council service centres and libraries closed on 23 March, reopening progressively from mid-May. However, customer service staff continued to be available for community enquiries remotely, while communications staff ensured timely, accurate public information was available and easily accessible. Council staff were part of the Nelson Tasman Civil Defence Emergency Management Group's efforts to assist those with urgent welfare needs, and also kept in touch with our community housing tenants to support them throughout the lockdown.



*Figure 1 The community worked together to create a bit of fun for the kids during the lockdown. This big bear brought smiles in Tapawera.*

In recognition of the challenges our community faced as a result of the pandemic this year, the Council:

- set a zero percent rates revenue increase for 2020/2021
- continued its capital works programme to provide local construction jobs and support to the sector
- provided rent relief for commercial tenants in sectors most affected by the lockdown
- halved registration fees for operators of registered campgrounds and commercial vessels
- increased payment frequency to our service providers
- offered a range of rates payment options for those in need.

Local government will play a significant role in the recovery from Covid-19, including in rebuilding the local economy. The Council is part of Project Kōkiri – the Nelson Tasman Economic Response and Recovery Plan to stimulate the economy, protect and create jobs, and accelerate investment into the region.



## WHAT HAVE WE ACHIEVED FOR THE YEAR?

### WORKING WITH IWI

The Council and iwi of Te Tau Ihu (top of the South Island) have continued to engage in a more meaningful and collaborative manner, supported by our Kaihautū and Kaumātua who we welcomed to the Council in late 2019.

Te Waari Carkeek (Ngāti Toa Rangatira and Ngāti Raukawa), our full-time Kaihautū, provides cultural support to Council, ensures Māori perspective informs our decision-making and helps raise staff awareness and understanding of Te Ao Māori (Māori world view).

Kaumātua Archdeacon Emeritus Harvey Ruru QSM and Jane du Feu MNZM commenced their role in October 2019 following the retirement of Archdeacon Emeritus Andy Joseph QSM. Our Kaumātua are recognised as taonga and highly respected elders by the Council and iwi, and provide the Mayor and elected members with tikanga Māori support at civic events. They also help us understand iwi priorities.

Throughout 2019/2020, the Council and iwi of Te Tau Ihu have worked together on projects such as the Covid-19 response, Waimea Community Dam, Motueka Library and Port Tarakohe. We have also worked together on the development of strategies such as the Te Taihu Intergenerational Strategy, Kotahitanga Mō Te Taiao Alliance, and other key environmental and water management strategies.

This year we adopted a bilingual identity, Te Kaunihera o te tai o Aorere, and logo. Te Tai-o-Aorere is an ancient name for Tasman Bay and many continue to use the name today. 'Te Kaunihera' means the Council, while 'o te tai' refers to the sea. 'Aorere' can be likened to 'the many rivers of floating clouds'.



*Figure 2 Ngāti Rārua Ātiawa Iwi Trust donated these two pou at the entrance to Te Maatu - Thorp Bush in Motueka.*

## WHAT HAVE WE ACHIEVED FOR THE YEAR?

### PROTECTING AND ENHANCING OUR NATURAL ENVIRONMENT

#### CLIMATE CHANGE ACTION

In 2019, we adopted an internally focused Tasman Climate Action Plan. The plan aims to ensure we have our own house in order, improving the sustainability of the way we operate as an organisation. An internal working group is responsible for ensuring progress against the targets in the plan.

Key highlights include:

- an energy audit of Council buildings and assets so we can identify and measure improvements
- installation of LED lights at the Richmond Library
- external funding secured to expand our willow and poplar nursery
- waste management and minimisation initiatives
- further research on the likely impacts of climate change on Tasman District
- an E-bike added to the Council pool vehicle fleet to reduce vehicle emissions related to work travel
- A regular sustainability column in Newline.

Our work reviewing and planning for the natural hazards facing our communities continued, with a focus on coastal inundation, sea level rise and land disturbance. This long-term adaptive planning work will take several years to complete and conversations with our communities will be ongoing.



*Figure 3 Volunteers from Keep Richmond Beautiful planting at Hunter Brown Reserve on Rough Island*

## WHAT HAVE WE ACHIEVED FOR THE YEAR?

### PROTECTING AND ENHANCING OUR NATURAL ENVIRONMENT

#### ENVIRONMENTAL PLANS AND PROJECTS

We have also made significant progress on a range of plans and strategies for protecting and enhancing our natural environment, including:

- a new Bio Strategy for restoring and sustaining our natural biodiversity, and carrying out biosecurity controls in Tasman
- embarking on a complete review of Tasman's resource management plans to create a single Tasman Environment Plan (Aorere ki uta, Aorere ki tai) – the blueprint for the future of our communities and the management and protection of natural resources
- a new Nelson Tasman Waste Management and Minimisation Plan to help our region avoid the creation of waste, improve the way we use resources reduce the harmful effects of waste
- the Kotahitanga Mō Te Taiao Alliance Strategy to drive large-scale conservation projects that also have social, cultural and economic outcomes across the Buller, Tasman, Nelson, Marlborough and Kaikōura regions.



*Figure 4 Riuwaka Resurgence*

### WORKING TOGETHER WITH OUR COMMUNITY

Many of Council's activities and projects also benefit from the contribution from the wider community. There are numerous volunteers and community groups, including iwi and churches, who support our community's welfare needs, such as providing food parcels during the Covid-19 response. There are now several community-led transport services across the District, helping our rural communities to stay connected and access services. There is a huge amount of work happening across the district to protect and restore our unique natural environment. We are grateful to the many residents who maintain their local facilities, including community halls, walking tracks, and gardens.

Many hands make light work, or he rau ringa e oti ai. The strength of these relationships is a taonga of our District.

## WHAT HAVE WE ACHIEVED FOR THE YEAR?

### ENHANCING DRINKING WATER SECURITY AND SUPPLY

Construction of the Waimea Community Dam is well underway, bringing a resilient, secure drinking water supply a step closer for the communities of Richmond, Brightwater, Wakefield, Māpua and Redwood Valley. In August 2019, a ground-breaking ceremony at the construction site formally marked the start of the dam build. In March 2020, the Council-controlled organisation in charge of the dam's construction and eventual operation, Waimea Water Ltd, presented revised project costs and timeframes as a result of encountering unexpected geological conditions. Although the Covid-19 pandemic caused further delays, the project reached a significant milestone in August 2020 with the completion of the 165-metre-long diversion culvert.

Several other projects have been underway to provide a safe and secure water supply, including a new water supply system in the north-west urban area of Motueka, and new or upgraded water mains in Richmond, Māpua and Wakefield.

Work continues on the major water and wastewater upgrades in Māpua. A replacement water main, both increasing capacity and reducing the frequency of breaks and disruption, provides a safe, secure water supply for future subdivisions. The moratorium on new water connections in Māpua will be lifted from August 2021.



Figure 5 Construction on water and wastewater upgrades in Māpua

### TRANSPORTATION IMPROVEMENTS

The way we to get around our District plays a key role in both social and economic connection. We have made some significant improvements to the accessibility and safety of our driving, walking and cycling network over the past year, including:

- Completion of the Tākaka to Pōhara cycleway
- Intersection upgrades
- Brightwater Town Centre upgrade to create a safer, more attractive Ellis Street
- Lower speed limits for many local roads.



Figure 6 The Tākaka to Pōhara cycleway

## WHAT HAVE WE ACHIEVED FOR THE YEAR?

### INFRASTRUCTURE TO SUPPORT GROWTH

Tasman's population has been growing at a relatively high rate for several years, creating demand for serviced land for housing and development. Ensuring land is connected to water, stormwater and sewerage networks so it's suitable for homes and businesses has been keeping us busy - and keeping up with this demand as best we can is a key part of our role in ensuring housing supply isn't constrained (which could push up prices) in Tasman District.

Work is underway on a multi-year project to install a new water main through Richmond south and west. Working together with developers in Richmond west on stormwater channel improvements at Poutama Drain and Borck Creek has created efficiencies and cost savings for ratepayers and developers. The Headingly Lane trunk water main and widening of Bateup Road were completed this year, also supporting population growth in Richmond.



Figure 7 Borck Creek stormwater improvements

### COMMUNITY SPACES AND PLACES

Construction began on a new library for Motueka in September 2020, the culmination of years of planning and investigation to replace the ageing and undersized library in Pah Street. The new library in Decks Reserve will be a purpose-built, sustainable facility capable of providing modern library services to Motueka's growing community. Its design will recognise Motueka's unique cultural and community identity.



Figure 8 Concept design for the new Motueka Library

**READ MORE ABOUT THE PROJECTS AND WORK WE'VE DOING IN 2019/2020 BY READING THE FULL ANNUAL REPORT AT [WWW.TASMAN.GOV.T.NZ/LINK/ANNUAL-REPORTS](http://WWW.TASMAN.GOV.T.NZ/LINK/ANNUAL-REPORTS)**

## WHAT HAVE WE ACHIEVED FOR THE YEAR?

### COMMUNITY SPACES AND PLACES (cont.)

A new entrance way for Te Maatu - Thorp Bush in Motueka was a Tasman Youth Council-initiated project with wide community input. Two carved pou were gifted by Ngāti Rārua Ātiawa Iwi Trust (NRAIT) while Keep Motueka Beautiful contributed information panels. New lighting, seating and a concreted entranceway complete the project to create a safe, welcoming space for everyone to enjoy.

In partnership with Nelson City Council, we carried out further improvements to our region's multi-use sport and recreation destination Saxton Field. These include the completion of the junior mountainbike track, resurfacing of the athletics track, and lighting for the Saxton Velodrome.

Our ongoing work to provide great community facilities this year included a new children's playground at Newhaven Crescent in Marahau and new public toilets at Fittal Street, Richmond, Alexander Bluff, Ngatimoti, and near the Lake Rotoiti Hall in St Arnaud.



### PLANNING FOR THE FUTURE

We're always looking ahead to make sure our projects, services, programmes and plans will continue to meet the needs of our community and environment in decades to come. Some of the key plans we've been working on include:

- The Long Term Plan 2021 – 2031. We sought the community's views on where we should prioritise our efforts during early community engagement in mid-2020. Another round of consultation on our projects, plans and budgets for the next 10 years will take place in March-April 2021.
- The Te Tauihu Intergenerational Strategy (a collaboration of Wakatū Incorporation, councils, iwi, chambers of commerce, the Nelson Regional Development Agency, Nelson Marlborough Institute of Technology and businesses) provides direction for the long-term wellbeing of our region's people, economy and environment.
- The Nelson Tasman Future Development Strategy gives high-level guidance for where and how Tasman District and Nelson City will accommodate housing and business growth over the next 30 years.

## OUR NON-FINANCIAL PERFORMANCE AT A GLANCE

We measure our performance in delivering services to our community using a set of performance targets which are set out in the LTP 2018 - 2028. Reporting against these targets presents a high level view of our performance. You can find more results on other aspects of performance, such as environmental and regulatory monitoring in the public reports held on our website or by contacting Council.

We have 121 targets that we report on through this Annual Report. We aim to report on most, but not all of these targets each year. We achieved 85 of our targets fully, 12 were achieved within 5% of the target, 19 were not achieved, and there were five that we either did not have the full information available to report on or they were not due to be measured this year.

There is a range of reasons for the number of performance targets that have not been achieved this year. In some cases, the impacts of the Covid-19 pandemic and alert level restrictions affected performance (eg library visits, earnings for Council Enterprises, recycling, and customer response timeframes). These impacts are outlined in the full Annual Report. Staff capacity and workload issues affected our performance in areas such as resource consent processing times. In other cases, further investigation and investment is required to address performance issues, such as drinking water compliance.

However, Council is pleased to report there was a higher level of achievement in 2019/2020 than in 2018/2019, with 97 targets fully or nearly achieved this year, compared with 84 last year.

### PERFORMANCE TARGETS FULLY OR NEARLY ACHIEVED



# OUR NON-FINANCIAL PERFORMANCE AT A GLANCE

## PERFORMANCE HIGHLIGHTS



**DETAILS OF OUR PERFORMANCE AGAINST ALL OUR TARGETS IS PROVIDED IN PART 4: FINANCIAL AND NON-FINANCIAL PERFORMANCE OF THE FULL ANNUAL REPORT 2020 AT [WWW.TASMAN.GOV.T.NZ/LINK/ANNUAL-REPORTS](http://WWW.TASMAN.GOV.T.NZ/LINK/ANNUAL-REPORTS)**



## KEY FINANCIAL INFORMATION

We have continued our positive financial trend from the previous year and recorded another surplus. The surplus for the 2019/2020 year was higher than budgeted. The accounting surplus was \$26.9 million and total comprehensive revenue and expense was 102.3 million.

The net debt position of \$156.2 million was well below the planned debt level of \$191.0 million, and still below the \$200 million cap set in our current Financial Strategy as part of the LTP 2018-2028.

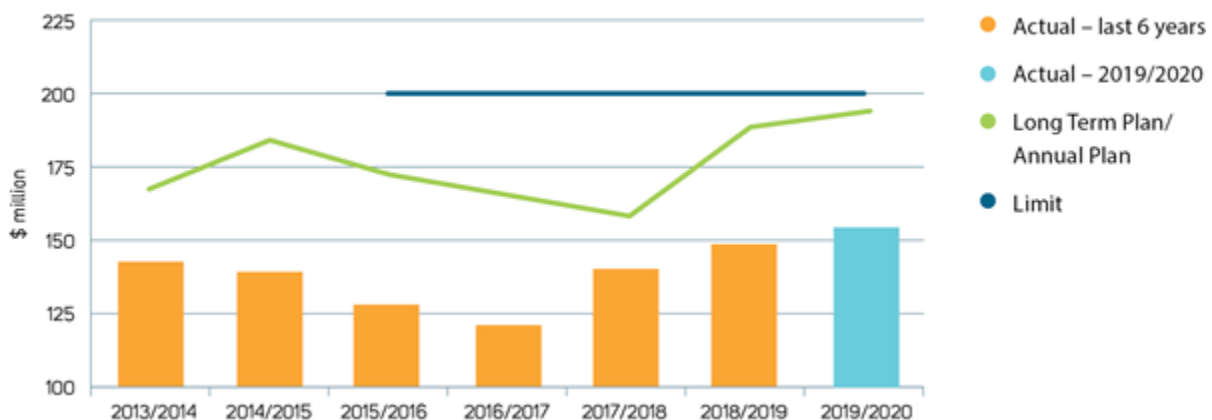
The 2019/2020 year saw rates income increase by 2.74%, after an allowance for growth. This is also below the agreed cap in the Financial Strategy of 3%. The 2020/2021 Annual Plan has a 0% rate rise as a result of COVID-19.

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

A fuller description of the financial variances from the Annual Plan 2019/2020 are contained in Note 36 to the Accounts in the full Annual Report.

Total Council net assets now total \$1.59 billion, which is an increase of \$103 million since 2019.

FIGURE 1. How Are We Tracking Against Planned Net Debt?



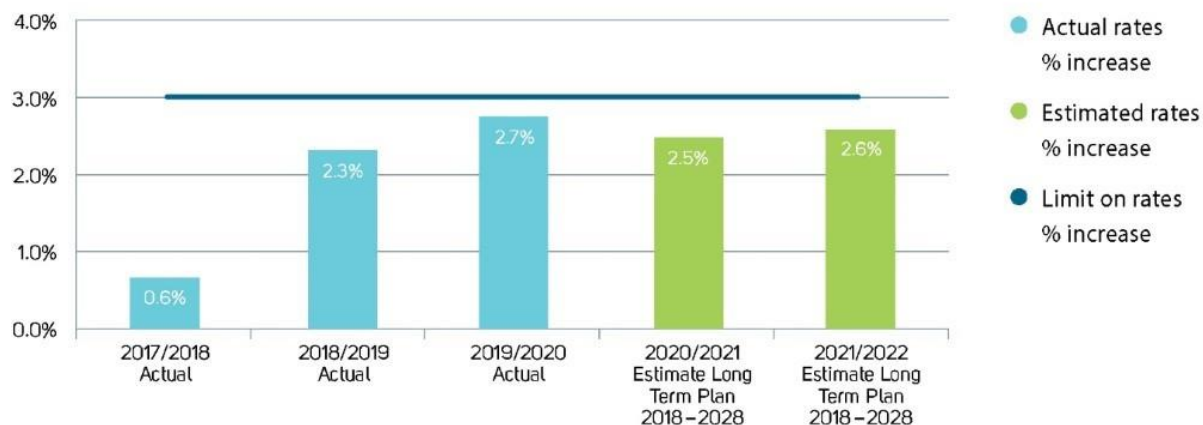
## FINANCIAL POSITION AND STATEMENTS

### SUMMARY STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

Actual 2019 \$000		Actual 2020 \$000	Budget 2020 \$000
154,696	Revenue	152,619	139,073
(3,495)	Fair value gain/ (loss) on revaluation	(1,552)	621
1,194	Finance income	4,411	253
8,419	Share of joint ventures surplus/(deficit)	5,053	-
<b>160,814</b>	<b>Total revenue</b>	<b>160,531</b>	<b>139,947</b>
119,421	Expenditure	125,696	114,558
7,934	Finance expense	7,936	8,137
<b>127,355</b>	<b>Total expense</b>	<b>133,632</b>	<b>122,695</b>
<b>33,459</b>	<b>Surplus/(deficit) before taxation</b>	<b>26,899</b>	<b>17,252</b>
-	Income tax expense	-	-
<b>33,459</b>	<b>Surplus/(deficit) after tax</b>	<b>26,899</b>	<b>17,252</b>
<b>OTHER COMPREHENSIVE REVENUE</b>			
381	Gain on Council property, plant and equipment revaluations	44,161	-
-	Deferred tax on asset revaluations	-	-
819	Movement in NZLG shares value	781	-
(514)	Asset impairment, disposal gain/(Loss)	-	-
(960)	Other comprehensive income including share of joint ventures and operations	31,137	-
<b>(274)</b>	<b>Total other comprehensive revenue and expense</b>	<b>76,079</b>	<b>-</b>
<b>33,185</b>	<b>Total comprehensive revenue and expense</b>	<b>102,978</b>	<b>17,252</b>

The statement above shows surplus before other comprehensive income of \$26.9 million (2019: \$33.5 million) compared with a budgeted accounting surplus of \$17.3 million (2019: \$12.7 million). This equates to a surplus or favourable variance of \$9.6 million. Variances are explained in note 36 of the Annual Report.

FIGURE 2. Rates Income Increases



## FINANCIAL POSITION AND STATEMENTS (CONT.)

### SUMMARY STATEMENT OF FINANCIAL POSITION

Actual 2019 \$000		Actual 2020 \$000	Budget 2020 \$000
33,078	Current assets	89,077	25,037
(61,276)	Current liabilities	(99,392)	(37,681)
<b>(28,198)</b>	<b>Working capital</b>	<b>(10,315)</b>	<b>(12,644)</b>
1,673,138	Non-current assets	1,783,342	1,762,138
(156,128)	Non-current liabilities	(181,237)	(200,617)
<b>1,488,812</b>	<b>Total net assets</b>	<b>1,591,790</b>	<b>1,548,877</b>
<b>1,488,812</b>	<b>Total equity</b>	<b>1,591,790</b>	<b>1,548,877</b>

#### Significant matters

Waimea Water Ltd (WWL), a Council-Controlled Organisation, was established in November 2018 to manage the construction, operation and maintenance of the Waimea Community Dam. WWL is a Joint Venture project between the Tasman District Council and Waimea Irrigators Ltd (WIL). The dam is a significant infrastructure project for the region and will provide a secure water supply for the urban and rural communities in the Waimea Plains for the next 100+ years. Approval to proceed with the dam was reached by the Tasman District Council on 30 November 2018 and finance was secured for the project on 21 December 2018.

The agreements related to the Joint Venture include clauses stipulating:

- The arrangement between the Joint Venture partners in the event of project cost overrun;
- A guarantee in place over a loan from Crown Irrigation Investments Ltd to Council's joint venture partner, WWL. While this guarantee is in place Council holds a higher proportion of voting rights; and
- A compensation clause in place should Council not honour the specific provisions of the deed related to its statutory powers, and knowingly takes a course of action that is not consistent with the partnership entered into.

No liabilities, or contingent liabilities, have been recognised in relation to these clauses. Further details are provided in the Annual Report 2020 in Note 41.

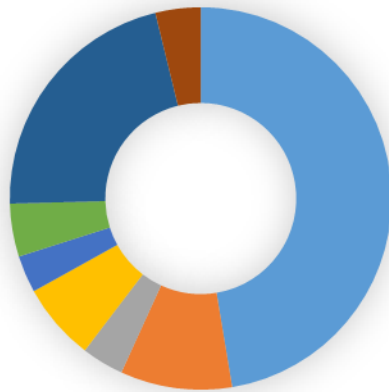
### SUMMARY STATEMENT OF CASHFLOWS

Actual 2019 \$000		Actual 2020 \$000	Budget 2020 \$000
54,116	Net cash flow from operating	48,662	38,743
(59,498)	Net cash flow from investing	(86,545)	(39,911)
19,362	Net cash flow from financing	51,319	3,322
<b>13,980</b>	<b>Total net cash flows</b>	<b>13,436</b>	<b>2,154</b>
1,293	Opening cash held	15,273	5,109
<b>15,273</b>	<b>Closing cash and cash equivalents balance</b>	<b>28,709</b>	<b>7,263</b>

### SUMMARY STATEMENT OF CHANGES IN EQUITY

Actual 2019 \$000		Actual 2020 \$000	Budget 2020 \$000
<b>1,455,627</b>	<b>Equity at start of year</b>	<b>1,488,812</b>	<b>1,531,625</b>
33,185	Total comprehensive revenue and expense	102,978	17,252
<b>1,488,812</b>	<b>Total equity</b>	<b>1,591,790</b>	<b>1,548,877</b>

## REVENUE \$160.5M



- Rates
- Fees and charges
- Operating subsidies and grants
- Development and financial contributions
- Share of joint ventures surplus/(deficit)
- Revenue of joint operations
- Other revenue
- Capital subsidies and grants

## EXPENDITURE \$133.6M



- Finance expense
- Employee related expense
- Other expenses
- Maintenance
- Depreciation and amortisation
- Expenditure of joint operations

## LEGAL STATEMENT

This Summary Annual Report has been extracted from the full Annual Report, which was adopted by Council on **TBC** and covers the year from 1 July 2019 to 30 June 2020.

**The Council's full Annual Report has been audited by Audit New Zealand on behalf of the Office of the Auditor General and an unmodified opinion was issued.** This Summary report cannot be expected to provide as complete an understanding (of the financial and service performance, financial position and cashflows of the Council) as provided by the full Annual Report. The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$'000).

The full and summary financial statements have been prepared in accordance with Tier 1 Public Benefit Entities (PBE) accounting standards. The Summary Annual Report has been prepared with PBE FRS-43 Summary Financial Statements.

There have been no changes in accounting policies during the year.

## INDEPENDENT AUDITOR'S REPORT

**AUDITOR'S REPORT TO BE ADDED**

THE FULL ANNUAL REPORT CAN BE OBTAINED FROM THE COUNCIL'S WEBSITE, [WWW.TASMAN.GOVT.NZ](http://WWW.TASMAN.GOVT.NZ)