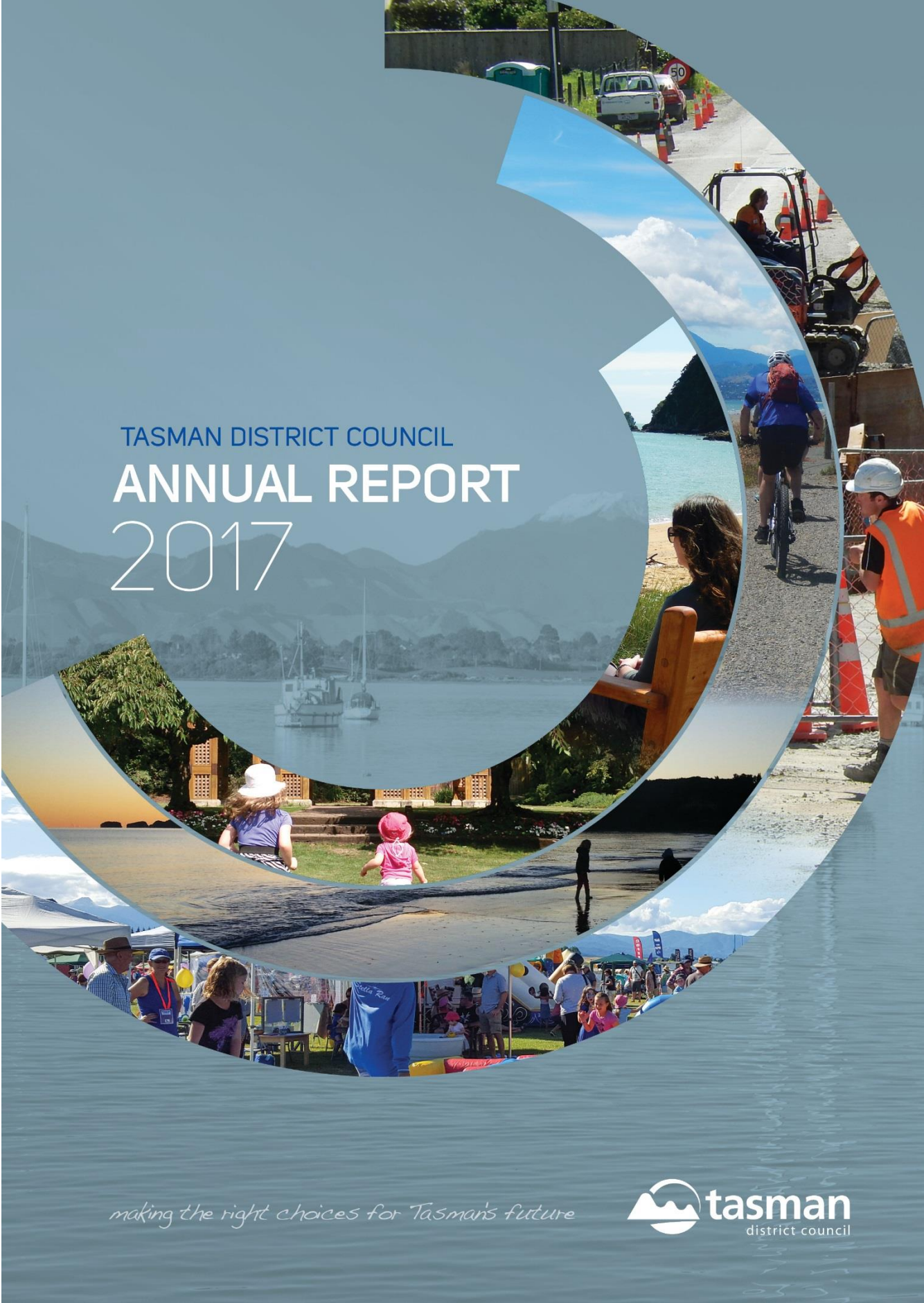


TASMAN DISTRICT COUNCIL
ANNUAL REPORT
2017



making the right choices for Tasman's future

CONTENTS

MEMBERSHIP OF COUNCIL	5
MESSAGE FROM THE MAYOR AND CHIEF EXECUTIVE OFFICER	6
HOW WE'RE TRACKING ON THE KEY ISSUES	7
PART 1 OVERVIEW.....	10
A YEAR IN REVIEW: OUR HIGHLIGHTS FROM 2016/2017	11
OUR NON-FINANCIAL PERFORMANCE AT A GLANCE	20
KEY FINANCIAL INFORMATION.....	21
PART 2: COUNCIL VISION AND COMMUNITY OUTCOMES	27
TASMAN DISTRICT COUNCIL'S VISION:.....	28
TASMAN DISTRICT COUNCIL'S MISSION STATEMENT:	28
COMMUNITY OUTCOMES	28
PART 3: ROLES, COMPLIANCE AND AUDIT STATEMENT.....	30
THE ROLE OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS	31
STATEMENT OF COMPLIANCE AND RESPONSIBILITY	31
HOW THE ANNUAL REPORT FITS INTO COUNCIL'S OVERALL PLANNING FRAMEWORK	32
INDEPENDENT AUDITOR'S REPORT	33
PART 4: FINANCIAL AND NON-FINANCIAL PERFORMANCE.....	36
STATEMENTS OF OBJECTIVES AND SERVICE PERFORMANCE	37
ENVIRONMENT AND PLANNING	39
ENVIRONMENTAL MANAGEMENT	39
PUBLIC HEALTH AND SAFETY.....	58
ENGINEERING	69
TRANSPORTATION, ROADS AND FOOTPATHS	69
COASTAL STRUCTURES.....	83
WATER SUPPLY.....	87
WASTEWATER	101
STORMWATER.....	109
SOLID WASTE.....	118
FLOOD PROTECTION AND RIVER CONTROL WORKS.....	125
COMMUNITY DEVELOPMENT.....	130
COMMUNITY FACILITIES AND PARKS	130
RESERVE FINANCIAL CONTRIBUTIONS	142
COMMUNITY RELATIONS	148
GOVERNANCE.....	156
COUNCIL ENTERPRISES AND PROPERTY	159
SUPPORT SERVICES	175
PART 5: FINANCIAL STATEMENTS.....	179
INTRODUCTION	180
STATEMENT OF ACCOUNTING POLICIES	181

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE	183
BALANCED BUDGET STATEMENT OF FINANCIAL PERFORMANCE	184
STATEMENT OF FINANCIAL POSITION	185
STATEMENT OF CASHFLOWS	186
STATEMENT OF CHANGES IN EQUITY	187
COUNCIL FUNDING IMPACT STATEMENT	188
STATEMENT OF COMMITMENTS.....	189
STATEMENT OF CONTINGENT ASSETS AND LIABILITIES	190
PART 6: NOTES TO FINANCIAL STATEMENTS	192
NOTE 1: SUMMARY OF REVENUE AND EXPENDITURE FOR GROUPS OF ACTIVITIES	193
NOTE 2: RATES.....	194
NOTE 3: OTHER REVENUE	196
NOTE 4: SUBSIDIES AND GRANTS	197
NOTE 5: FEES AND CHARGES.....	197
NOTE 6: EMPLOYEE BENEFIT	198
NOTE 7: OTHER EXPENSES.....	198
NOTE 8: FINANCE COSTS AND FINANCE	199
NOTE 9: TAX	199
NOTE 10: CASH AND CASH EQUIVALENTS.....	201
NOTE 11: TRADE AND OTHER RECEIVABLES.....	201
NOTE 12: DERIVATIVE FINANCIAL INSTRUMENTS	203
NOTE 13: FINANCIAL ASSETS	204
NOTE 14: NON-CURRENT ASSETS (PROPERTY) HELD FOR SALE	207
NOTE 15: PROPERTY, PLANT AND EQUIPMENT.....	208
NOTE 16: INTANGIBLE ASSETS.....	215
NOTE 17: DEPRECIATION BY GROUP OF ACTIVITY	217
NOTE 18: FORESTRY	218
NOTE 19: INVESTMENT PROPERTY.....	219
NOTE 20: INVESTMENT IN ASSOCIATES	219
NOTE 21: INTEREST IN JOINT VENTURES.....	222
NOTE 22: TRADE AND OTHER PAYABLES.....	224
NOTE 23: PROVISIONS.....	225
NOTE 24. EMPLOYEE BENEFIT LIABILITIES.....	226
NOTE 25: BORROWINGS.....	227
NOTE 26: REVALUATION RESERVE	230
NOTE 27: ACCUMULATED EQUITY.....	231
NOTE 28: RESTRICTED AND COUNCIL CREATED RESERVES	232
NOTE 29: CASHFLOW RECONCILIATION	235
NOTE 30: RELATED PARTY TRANSACTIONS	236
NOTE 31: SEVERANCE.....	237
NOTE 32: REMUNERATION.....	237

NOTE 33: FINANCIAL INSTRUMENTS	238
NOTE 34: CAPITAL EQUIPMENT.....	240
NOTE 35: URBAN PORTIONS OF THE STATE HIGHWAY NETWORK	240
NOTE 36: SIGNIFICANT VARIANCES COMPARED TO THE ANNUAL PLAN	241
NOTE 37: EVENTS OCCURRING AFTER BALANCE DATE	242
NOTE 38: ELECTED REPRESENTATIVES	243
NOTE 39: FINANCIAL PERFORMANCE IN RELATION TO REGULATIONS BENCHMARKS	244
NOTE 40. RATING BASE AND INSURANCE OF ASSETS.....	253
PART 7: APPENDICES	255
APPENDIX ONE – APPLICATIONS PROCESSED	256
APPENDIX TWO – COUNCIL’S COMMITTEES, RESPONSIBILITIES AND PORTFOLIOS.....	258
APPENDIX THREE-COMMUNITY BOARDS.....	261
APPENDIX FOUR – MANAGEMENT STAFF	262
APPENDIX FIVE – REPORT ON MĀORI CONSULTATION POLICY.....	263
APPENDIX SIX – GLOSSARY OF TERMS	265
DIRECTORY	268

MEMBERSHIP OF COUNCIL

Tasman Mayor



*Mayor
Richard Kempthorne
Lakes/Murchison Ward*

Motueka Ward



Cr Peter Canton



Cr Paul Hawkes



Cr David Ogilvie

Golden Bay Ward



*Cr Stuart Bryant
Moutere/Waimea Ward*



Cr Sue Brown



Cr Paul Sangster



*Cr Tim King
Richmond Ward*



Cr Dean McNamara



Cr Anne Turley



Cr Mark Greening



Cr Kit Maling



Cr Trevor Tuffnell



Cr Dana Wensley

MESSAGE FROM THE MAYOR AND CHIEF EXECUTIVE OFFICER

We are proud to introduce the Tasman District Council's Annual Report for 2016/2017. Here are some of the significant events and highlights of the year.

Since our last annual report, we've had a significant change in the personnel around the Council table. As a result of the local body elections in October 2016, eight new councillors joined us and we have welcomed six new community board members. This degree of change is an opportunity to get some fresh eyes on what we do and helps establish fresh connections with our community.

Council's debt has been reduced and rate increase has been kept low. We ended the year with net external debt of \$122m million compared to the Annual Plan forecast of \$166 million. Our underlying operating surplus was \$12.9 million better than anticipated. These healthier than anticipated financial results have come about through operational savings, low inflation, low interest rates and not having any significant natural hazard events to respond to. Delays in our capital works programme have contributed to our lower borrowing.

Providing the necessary secure water supply to the communities in and around the Waimea Plain remains a significant issue for the District. We have made progress on the planning and partnerships required to make the Waimea Community Dam a realistic proposition. We realise this project is a controversial one for many residents, as well as for Council, but Council and its partners have worked to get the project to the point where delivering it is now a realistic possibility. Receiving confirmation of funding of \$7 million from the Fresh Water Improvement Fund and of an interest free loan from Crown Irrigation Investment Limited are significant contributions to making the project achievable. We will be consulting with our whole community once an equitable funding model and suitable governance arrangements have been developed.

The Kaikoura Earthquake in December 2016 was a timely reminder that natural hazards can strike at any place, any time. The Murchison and St Arnaud communities were affected by the additional traffic and we have worked with these communities to provide toilets, rubbish facilities, truck parking and lowering speed limits in response to this change.

It is great to see progress with some projects that have been gestating for a number of years such as the Golden Bay Shared Recreation Facility being built and the Nelson Tasman Regional Landfill Business Unit being formed. The renewal of Richmond's Queen Street is underway. This is a very large project for us to undertake and we particularly want to thank the businesses affected during the construction for their forbearance and patience.

As an organisation we have continued to be stretched by the increase in population and the effect that this has had on demand for land zoned for development and serviced with infrastructure. Building consents for dwellings rose by 26% in 2015/2016 and a further 3% in 2016/2017 to reach their highest level since 2004.

As this Annual Report shows, service performance across our core services has generally been maintained, although we are aware of some specific issues with infrastructure becoming unreliable, such as the water reticulation to Mapua.

The majority (75%) of the community are satisfied with the way rates are spent on services and facilities provided by Council. Whilst it is really encouraging to see this level of support, there are areas where we need to lift our performance to meet the expectations of our residents.



Looking forward to 2017/2018 we need to maintain our momentum and undertake the work necessary to develop the Long Term Plan (LTP) 2018-2028. There are a number of issues that we need to face up to in the next LTP and it provides an opportunity for our renewed team of councillors to put their mark on the organisation's priorities.

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

HOW WE'RE TRACKING ON THE KEY ISSUES



1. ADDRESSING RATES AFFORDABILITY

In 2016/2017 rates income rose by 1%, after growth, which was below the Financial Strategy limit of 3%. The Annual Plan 2017/2018 delivered a 0.63% rates income rise, well below the 2.16% forecast in the LTP 2015 – 2025 for the 2017/2018 year.

We continued to work within the fiscal envelope set in the LTP 2015 – 2025, which imposed a limit on general rates of \$51 million per annum and targeted rates of \$46 million per annum. In 2016/2017 general rates were \$36 million and targeted rates were \$34 million.

2. MANAGING COUNCIL'S DEBT

Our net external debt for 2016/2017 was significantly lower than the \$200 million limit set in the Financial Strategy at \$122 million, and \$44 million less than forecast in the Annual Plan 2016/2017. Debt has been reduced by directing savings from operational budgets 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. We've also received increased dividends which have been used to pay down debt.

As part of meeting our financial goals, we are progressively funding depreciation on assets from cash flow.

3. DEVELOPING RESILIENT COMMUNITIES

PART A: PROVIDING A SECURE WATER SUPPLY

Through the LTP 2015 – 2025, we committed to continue working on developing the Waimea Community Dam project to create a secure water supply for urban and rural users in and around the Waimea Plain. The LTP allocated \$25 million over the 10 years towards it. During the past financial year we spent approximately \$840,000 on progressing this project. During 2016/2017 the initial stages of procurement, involving early contractor engagement, was carried out and processes to obtain land for the dam were commenced. Significant progress has been made on funding especially with Crown Irrigation Investments Limited's (CIIL) proposed \$25 million loan to Waimea Irrigation Limited (WIL) and non-binding expressions of interest from irrigators to subscribe \$15 million of capital being obtained by WIL. An application was successfully made to the Government's Fresh Water Improvement Fund (\$7m) and Nelson City Council is discussing a \$5 million grant. Further work on funding, commercial terms and governance arrangements is ongoing. We expect to be undertaking community consultation on important parts of the package in late 2017/early 2018.

During 2016/2017 we have been considering the best options to improve water conservation. Our modelling for Richmond and Mapua show that losses from the water supply reticulation system are a significant factor. We have undertaken leak detection and repairs on about 130 leaky pipes in Richmond and another 35 in Mapua.



**MORE FOR
DISASTER
RECOVERY**



**SPENT ON NEW
INFRASTRUCTURE
AND FACILITIES**



**JOINT LANDFILL
OPERATIONS WITH
NELSON CITY COUNCIL**



**CONSENTS FOR
DWELLINGS
403 NEW HOUSES**

PART B: HAZARD PLANNING AND PROVISIONS TO RECOVER FROM DISASTER EVENTS

Progress on the Richmond Catchment Management Plan was slower than anticipated during 2016/2017 with work on improving the service level and quality of stormwater discharges taking precedence. This was compounded by the required modelling taking longer than anticipated to complete and the loss of key staff in this area. A new staff resource experienced in catchment management planning has been recruited and we aim to complete the Richmond and Motueka Stormwater Catchment Management Plans in 2017/2018.

In 2016/2017 we allocated \$600,000 towards our Disaster Recovery Fund. This fund was not used during the year due to favourable weather. Our target is to build the Disaster Recovery Fund up to \$6.5 million plus an adjustment for inflation.

4. RESPONDING TO POPULATION GROWTH

PART A: PROVIDING SUFFICIENT LAND AND SERVICES

Statistics NZ estimated Tasman District to have a normally resident population of 50,200 in 2016, and projects this to rise to 51,300 in 2018 under a 'medium growth' scenario or 52,400 under a 'high growth' scenario.

Growth is not occurring evenly across the District. The areas in and around Richmond, Brightwater, Wakefield, Mapua and Motueka are experiencing the highest levels of growth. Building consents for dwellings rose by 26% in 2015/2016 and a further 3% in 2016/2017 to reach their highest level since 2004. 381 building consents for new dwellings were issued in the year enabling 403 new houses to be built in the District (i.e. some building consents were issued for multiple dwellings). This level of growth impacts how we provide services, where they are provided and how we plan for the future. A review of Council's Growth Strategy has been carried out to inform the LTP 2018-2028. We have initiated a zone plan change in Wakefield to enable future growth to be accommodated and a further zoning plan change in Brightwater is nearing completion. We also progressed another change to the Tasman Resource Management Plan aimed to increase the flexibility of use of rural land to better cater for co-operative and modern family living arrangements.

In May 2017 Council signed a new Housing Accord with the Minister of Building and Construction. Since then we have approved the creation of eight Special Housing areas designed to speed up the supply of housing by providing fast track consenting and are expected to deliver 1200 new homes in the next 3-5 years.

We spent approximately \$32 million on capital works over the last year including local road improvements, the Queen Street Upgrade, Motueka Wastewater Treatment Plant upgrade, commencing the replacement of the Kaiteriteri sewer main, completing the Golden Bay Community Recreation Facility and stormwater improvements at Champion Road and in Richmond West. Further extensions of infrastructure are planned for Richmond South, Richmond West, Motueka and consolidation of development around the existing settlements of Mapua and Wakefield.

PART B: DEVELOPMENT CONTRIBUTIONS POLICY CHANGES

The Development Contributions Policy was amended through the LTP 2015 – 2025 to incorporate legislative changes and increase charges by 18% overall. Development contributions and reserve financial contributions for 2016/2017 provided \$5.1 million income to Council. The list of projects that are funded by Development Contributions is included in the LTP 2015 – 2025. We have begun the process to review the Development Contributions Policy focusing on a number of different catchments for charging. The revised Development Contributions Policy will be consulted on as part of our next LTP 2018 – 2028.

5. MAXIMISING REGIONAL OPPORTUNITIES

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

This year we agreed with Nelson City Council to form a joint committee to govern the two landfills in the Region (Eves Valley and York Valley landfills) together through the Nelson Tasman Regional Landfill Business Unit.

HOW WE'RE TRACKING ON THE KEY ISSUES

With Nelson City Council we have formed a new joint committee to oversee the development and management of Saxton Field. Both Councils own land that forms Saxton Field and have invested in facilities over a number of years. The Joint Committee has the delegated power to decide matters that are within the respective Council's allocated budgets and will govern the marketing of the complex.

We have sought feedback from the public and industry stakeholders on a shared Land Development Manual with Nelson City Council that will set the same standards for development across both Councils.

The work we have carried out with Nelson City Council and Marlborough District Council in developing a Digital Enablement Plan was a significant contributing factor in the Government allocating funding to rollout ultrafast broadband to Takaka, Kaiteriteri, Motueka, Ruby Bay, Brightwater, Wakefield and Murchison between 2018 and 2023.

We remain committed to developing a strategic relationship framework and memorandums of understanding with each or all iwi in Te Tau Ihu (top of the South). We have been in discussions iwi including the Te Waka a Maui Chairs. In the coming year we will be looking to progress the relationship with our iwi partners and, in combination with Nelson City Council and Marlborough District Council, to develop an aligned approach across Te Tau Ihu.

The National Policy Statement on Urban Development Capacity identified Nelson/Richmond as an urban area experiencing medium growth and requires that we plan to increase the supply of serviced land for development in this area. We have been working closely with Nelson City Council to accommodate the growth in demand for land for development to meet the new requirements. This recognises that Nelson, Stoke and Richmond is one contiguous property market.

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

PART 1 OVERVIEW



Pohara

A YEAR IN REVIEW: OUR HIGHLIGHTS FROM 2016/2017

RENEWING THE COMMERCIAL HEART OF RICHMOND

MAKING PROGRESS IN UPGRADING QUEEN STREET

We have begun work on the largest capital project ever carried out in Tasman District - the multi-million dollar Queen Street upgrade. This work will secure the future of central Richmond's core infrastructure and provide a vibrant town centre.

The upgrade is driven by the changing demands on Richmond's underground services and the growth in the area. Extreme weather events, a rapid increase in population and evolving dynamics within the town (once a rural service centre that is increasingly being looked to as the retail heart of a thriving urban area) have all increased the demands on the trunk stormwater and water services that are located beneath Queen Street.

The ageing infrastructure is being replaced and the road will be lowered to better control floodwaters. The resulting wider footpaths, narrower traffic carriageway and continuous smooth surface with no kerb and channel are designed to slow traffic speeds and create a safer, more accessible pedestrian-focused space.

Significant progress has been made to date with a new water main installed over the full length of the project area. The old cement based stormwater pipe is being removed stage by stage. Stage 1 (the area between Gladstone Road and Noel Leeming) reached the final road construction phase in June 2017 with street-top touches and planting being carried out in July 2017. Stage 2 (Noel Leeming to Cambridge Street) is well underway. Inevitably the work is noisy and disruptive. We are very conscious of the effect this is having on businesses and construction methods are being constantly adjusted to accommodate street users. We have appreciated the patience and understanding of business operators in the area – the end result is a long-term solution that will benefit everyone.

IMPROVING COMMUNITY SAFETY

STAYING SAFE ON THE WATER

Working with Maritime NZ we undertook boating safety initiatives throughout the summer. Between December 2016 and March 2017 we directly engaged with our boating community, carrying out lifejacket and safety equipment checks on about 500 boats. Our Harbourmaster's presence was a good reminder to behave well out on the water, and also gave reassurance that help is at hand should it be required.

We distributed 500 brightly coloured flags for display on towboats (e.g. water skiers, ski biscuits etc.) to indicate that they have a person in the water. The aim was to prevent accidents involving people getting run over by following boats.

We have also been busy updating our boat ramp navigation safety signage. These have been replaced with large maps which also note the changes to the Navigational Safety Bylaw.

GIVING OUR CHILDREN THE SKILLS TO BE SAFE

The Clued Up Kids event was held at the Richmond A&P Showgrounds between 17 to 21 October 2016. The Emergency Services, Nelson Marlborough District Health Board, Accident Compensation Corporation (ACC), and a number of other companies worked with us to provide some 450 eight and nine year old children first-hand experience on a range of different topics. These ranged from water safety, dog safety, fire safety, first aid, cycle safety, quad bike safety, and safety in the home to earthquake preparedness. Children from schools in Appleby, Wakefield, Ranzau, Hope, Brightwater and Richmond participated.

EQUIPPING OUR RURAL FIRE FIGHTERS AS THEY ENTER THE NEW FIRE SERVICE AGENCY

The Government has set up a new fire emergency service known as Fire and Emergency New Zealand (FENZ). As of 1 July 2017 FENZ took over responsibility for rural fire management. As part of the Waimea Rural Fire Authority we have been working hard to ensure a smooth transition to FENZ and making sure our local fire services are well resourced.

Before the changes took place we provided the Lakes Volunteer Rural Fire Force (VRFF) at St Arnaud with additional training and equipment to deal with the increase in traffic due to the closure of State Highway 1. In Motueka a new fire shed has been constructed for the Tasman VRFF, and a response ute has been purchased for the Brightwater VRFF. The construction of a new station will take place for the Appleby VRFF in the near future, and we have made a cash donation to FENZ for the construction of a new shed in Marahau.

IMPROVING TRAFFIC SAFETY AROUND SCHOOLS

We have installed new safety signage at a number of schools throughout the District. These are:

- 40 Km/hour variable school zones established at Brightwater School, Ranzau School, Hope School, Motupipi School and Motueka High School
- Electronic school warning signs at Richmond Primary School
- Additional static school warning signs and renewal of existing signs at several schools including Parklands School, Riwaka School, Tasman School, Wakefield School, Tasman Bay Christian School, Tapawera Area School, and Collingwood Area School

We also held stopping distance demonstrations throughout the District to show school children why the road is not a playground, and also provide a reminder to adults to slow down. The sessions proved an effective way to show children how important it is not to cross the road in front of an approaching car – even if it looks a reasonable distance away. The demonstrations took place at Brightwater, Hope, Lower Moutere, Mapua, Motueka, Murchison, Ngatimoti, Richmond, Takaka and Tasman.

STREET AMBASSADORS

Tasman Street Ambassadors were out and about in Motueka and Richmond through the evening and early hours between early December 2016 and early February 2017. Street ambassadors, made up of experienced youth workers, patrolled public places delivering safety messages, offering assistance when needed and intervening to stop trouble before it started. During the summer period 1,860 interventions to defuse potential disorder or safety issues were undertaken. The Street Ambassadors worked in partnership with the Police, community patrols and Maori Wardens to keep our communities safe. The Street Ambassadors service is funded by us and delivered by Youth and Community works.

PREPARING FOR AND RESPONDING TO NATURAL HAZARDS

RESPONSE TO THE EFFECTS OF THE KAIKOURA-HURUNUI EARTHQUAKE

We have been fortunate not to experience any disaster events in our own area this year. However, the District has felt the ongoing effects of the major earthquake in Kaikoura on 14 November 2016. In the immediate aftermath of the earthquake, Council staff assessed roads and infrastructure for damage. With the regular State Highway 1 closed the alternative route through Murchison and St Arnaud saw a massive increase in traffic. Whilst some businesses have benefited from this unexpected boom, there has been a large strain placed on our infrastructure and services. In response we have installed more rubbish bins in both towns, added more toilets in St Arnaud, and provided a new truck stop in Murchison in conjunction with a local business. The New Zealand Transport Agency, Council staff, and contractors have been working hard to keep the alternate State Highway 1 route maintained and the traffic flowing. Speed limits have been lowered on some stretches of the highway to keep our communities safe.

SEISMIC UPGRADES FOR GOLDEN BAY SERVICE CENTRE AND OTHER COMMUNITY BUILDINGS

Our seismic upgrade of the Golden Bay Service Centre has been completed. Staff moved back into the building in early December 2016. The building provides for the needs of a modern service centre, while protecting its heritage value. Earthquake strengthening has been undertaken at the Richmond Town Hall, the Motueka Memorial Hall, Bainham Hall, Hope Hall and Riwaka Hall. We have also carried out seismic assessments on a number of our other community buildings.

MANAGING TASMAN'S THREE WATERS

WAIMEA COMMUNITY DAM

In the LTP 2015-2025, the Waimea Community Dam was accepted as Council's preferred solution for augmenting the flow of water in the Waimea River and the supply of water available from the aquifers below the Waimea Plains. Augmenting the flow in the river is necessary to increase its summer low flow and increase the rate of aquifer recharge. Benefits accrue to the environment, and to the households and businesses that rely on this resource for water. Over the last year, the focus on this regional scale project was to find an acceptable funding solution for the Waimea Community Dam.

Given the requirement in the Tasman Resource Management Plan (TRMP) to commit to construction of the Dam by November 2018 (in order to avoid the strict 'without dam' rationing conditions), several work streams have been progressed in tandem.

An agreement with Waimea Irrigators Ltd (WIL) was entered into to fund (50/50) the procurement of a contractor to construct the Dam and complete its design. A process of early contractor engagement was commenced and three capable contractors were shortlisted for the latter stages of the procurement process which will be undertaken during 2017/2018.

Negotiations were progressed to obtain land for the Dam and access to the construction site. Slow progress led to the issue of Notices of Intention to take some private land (compulsory acquisition) under the Public Works Act. Access to Department of Conservation and Land Information New Zealand land is also being sought by agreement under that Act. Separate talks to obtain an agreement to store water on Ngati Koata land has also occurred.

Most of the effort has gone into attempting to find a solution to our funding challenges. Significant progress has been made, especially as a result of Crown Irrigation Investments Limited's (CIIL) proposed \$25m loan to WIL. A request for Council to underwrite that loan was made, but is still under negotiation. Non-binding expressions of interest from irrigators to subscribe \$15m of the capital funds required for the Dam have been obtained by WIL.

Our LTP 2015-2025 budget provision was up to \$25m. On 22 June 2017 Council narrowly passed a resolution agreeing to continue negotiating with WIL and CIIL in relation to a proposal to slightly increase Council's capital contributions, and to materially increase its contribution to the operating costs of providing the environmental flow benefits. An application was successfully made to the Government's Fresh Water Improvement Fund (\$7m) and Nelson City Council is discussing a \$5m grant.

Work on funding, commercial terms, and governance arrangements is ongoing. We expect to be undertaking community consultation on the important parts of the package in late 2017/early 2018.

LEARNING FROM HAVELOCK NORTH WATER CONTAMINATION

In the light of the campylobacter contamination of the drinking water supply in Havelock North, we have been reviewing the measures to prevent a similar event here. We have evaluated the Stage 1 findings from the Havelock North enquiry and are using them to improve the quality assurance of our systems. One of the key findings in Hawkes Bay was the lack of communication between the entities involved. As Tasman District Council is a unitary authority we hold both the District Council and Regional Council roles. Whilst working relationships between the staff in different roles were already effective, regular meetings including the District Health Board's Drinking Water Assessor, have been programmed to further improve communication. A review of Council's bore headworks has been undertaken to minimise the risk that these could become a source of aquifer contamination.

Work to complete water safety plans for each scheme is already underway and will continue throughout 2017 and 2018. These plans include contingency plans for water events, i.e. poor quality water or lack of water. We are receiving external advice from a former Drinking Water Assessor in preparing these plans.

There are currently two untreated water supplies in the Tasman District; these are Kaiteriteri and Motueka. An upgrade for the Kaiteriteri water treatment plant including permanent Ultra-violet (UV) disinfection and emergency chlorine treatment is underway. The Motueka water supply upgrade in Parker Street is currently being designed with funding to be considered in the LTP 2018-2028, along with plans to upgrade all our water treatment plants to comply with the NZ Drinking Water Standards.

The Havelock North enquiry hearings are ongoing throughout 2017, and further changes to drinking water management are likely to be recommended.

MOTUEKA WASTEWATER TREATMENT PLANT UPGRADED

Officially opened on 13 December 2016, we have invested \$8m to upgrade the Motueka Wastewater Treatment Plant. Using new technology, the upgrade provides a better outcome for the environment. The works included the installation of a membrane filtration plant, which removes bacterial pathogens and viruses; and a new pipeline and outfall providing a controlled discharge. The original soakage basins are no longer required as part of the upgraded treatment facility, and will be rehabilitated to form a wetland with native plantings.

REPLACING KAITERITERI SEWER MAIN

Work has commenced to replace the major sewer line that conveys wastewater from Kaiteriteri to the Motueka treatment plant. The new sewer line will cost approximately \$5.2m and increase the overall capacity of wastewater it can transfer. Most importantly, the new sewer line is being laid over land (beneath the road between Stephen's Bay and Goodall Road), rather than across the Tapu Bay estuary, which is the current route of the pipeline. A larger pipeline is needed to provide for the growing number of houses in Kaiteriteri, and an over-land route is preferred for environmental and cultural reasons, as well as making access for maintenance easier in the future.

By the end of June 2017, a kilometre of the new pipe had been laid from Cederman Drive towards Riwaka. The work is due for completion in June 2018 and planned so that it avoids the busy summer period.

CARING FOR OUR ENVIRONMENT

WORKING FOR SWIMMABLE WATER

Our work to implement the National Policy Statement for Freshwater has continued with projects and programmes across the District focused on maintaining and improving water quality and water management. Swimmability has continued to be a key topic for communities with beaches and rivers monitored for bathing having been shown to meet swimmability standards 98% of the time at sampling sites in dry weather throughout the bathing season. Our rivers and lakes are generally highly swimmable compared with most other regions in New Zealand. The improvement in swimmability at Tukuru Stream is particularly pleasing after several years of trying to find the sources of faecal contamination.

PUBLIC INPUT TO MANAGE TAKAKA'S PRECIOUS FRESHWATER RESOURCES

The Takaka Freshwater and Land Advisory group (Takaka FLAG) group is made up of representatives from the Takaka community including iwi, who have been working for the past three years to come up with ways to manage and protect Takaka's precious freshwater resources.

The Takaka FLAG identified eight key values and management objectives in a summary report for public feedback. Public feedback was sought between November 2016 and the end of January 2017 with 165 responses received. The public feedback is being assessed and the Takaka FLAG is looking to finalise its recommendations to Council in late 2017. The FLAG's recommendations will include draft changes to the policies and rules in our Tasman Resource Management Plan and an implementation guide. Non-regulatory methods, such as supporting industry good practice, monitoring, advocacy and education, will also be used to achieve improved water quality outcomes.

KEEPING AN EYE ON NITRATES IN WAIMEA

We completed a survey of the Waimea plains groundwater (131 sites) between mid-November and mid-December 2016 to monitor nitrate levels. The results show, the historic higher levels are continuing to decline for much of the area. However, in the Bartlett Road /Ranzau Road area through to the Appleby straight, the results indicate that nitrate levels appear to be increasing, especially in winter. We anticipate this increase may be due to the intensive land use in the area and further work is being undertaken to focus on the source of the nitrates and ways to reduce these levels.

ENGAGING OUR COMMUNITY ON WATERWAYS HEALTH

After a year in the making and with a huge volunteer effort, the first screening of our video 'Our Waters in Common' took place on 4 August 2016 in Richmond. The documentary video examines the benefits that our local rivers provide, the issues faced, and how we are working together with our communities and other agencies to improve them. The beauty and diversity of the District's rivers are shown as well as the stories of the many great people working to improve the health of our waterways. A road show screening the video and presenting information to increase awareness and engage with our communities on the key issues for local waterways was successfully carried out between August and November 2016. Over the past year we have been liaising with interested people about how to improve the freshwater in their catchments.

IMPROVING THE PROTECTION OF OUTSTANDING NATURAL LANDSCAPES IN GOLDEN BAY

Many people are drawn to Golden Bay by its natural beauty – whether to live, play or holiday. We want to make sure Golden Bay's outstanding natural features and landscapes are preserved and protected for future generations. With the community's help, we have spent several years identifying the Bay's most precious places and reviewing the rules that govern the way they are managed and protected. During 2016/2017 we consulted on a draft set of locations in need of particular care, as well as rule changes for the Tasman Resource Management Plan to ensure their protection. We are assessing the issues raised in feedback received and anticipate a further round of consultation in late 2017/early 2018.

LIBRARY PROGRAMME PROMOTES MORE SUSTAINABLE LIVING

Council signed up to the Sustainable Living website in July 2016 to provide residents with access to the sustainability resources available including a library and case studies. In our Richmond Library we offered a series of classes to encourage members of the community to share their knowledge of sustainable practices and best ways to sustainably use our resources. Residents supported the programme with presentations on how to use and preserve edible foods; water conservation including efficient plumbing technology; and efficient use of energy and ways to reuse and redesign clothing. Three classes were also held in Motueka as part of Kai Fest and bi-monthly classes are planned for Takaka Library.

SUPPORTING OUR COMMUNITY TO ENJOY ITS RECREATION

NEW COMMUNITY RECREATION FACILITY FOR GOLDEN BAY

We have completed the construction of the Golden Bay Community Recreation Facility in Takaka. This facility and its fit out were supported by \$1m of funding raised by the Golden Bay Shared Recreation Committee. The building was blessed by Iwi on 3 January 2017 and was first used for the Golden Bay A&P Show in January this year. Its official opening was 4 March 2017.

The facility's indoor sports court, squash court, toilets and changing rooms are receiving regular use from the local community, along with two new netball courts provided on the associated Golden Bay Recreation Park. Opening of the function room is awaiting resolution of the grandstand, car parking and drainage issues. The new facility is providing a much-needed venue for sport, recreation, community activities and events in Golden Bay.

SAXTON FIELD VELODROME

Earthworks for stage 1 of the construction of the Saxton Field Velodrome track were completed in April 2017. This included all site excavations, drainage installation and embankment formation. The underpass and fully accessible ramps that will provide access and entry to the facility and the centre of the track have also been completed. Time was allowed for settlement of the embankment to take place and the track sealing is due to be undertaken in late 2017.

RICHMOND AQUATIC CENTRE CONTINUES TO ATTRACT THE CROWDS

The Richmond Aquatic Centre continues to provide a recreational hub for the area. The Centre has been operating since 2004 and attracts over 300,000 visitors per year. The facility was recognised nationally by those working in the recreation industry winning the New Zealand Recreation Association Outstanding Pool of the Year 2016 award. It also won Facility of the Year, Café of the Year, Aquatics Department of the Year and Swim School of the Year amongst the 17 swimming pools operated across the country by Community Leisure Management.

A new and innovative water treatment system, Wapotec, was installed on the lane pool in September 2016. This has been a great success and enabled the pool to provide improved water quality while running at significantly lower chlorine levels. It has also significantly reduced chlorine odour in the pool hall. The system has worked so well that it was also installed in the wave pool in April 2017.

WORKING TOGETHER TO HANDLE THE REGION'S WASTE

SOLID WASTE JOINT VENTURE TAKES OFF

This year we reached agreement with Nelson City Council to form a joint committee to manage and operate the two landfills in the Region. On 1 July 2017 landfill operations transferred to the Nelson Tasman Regional Landfill Business Unit and our Eves Valley landfill ceased receiving waste. The Eves Valley landfill, while mothballed, will remain available for use in emergencies and potential use in the future. In the meantime the Region's solid waste will be disposed of at the York Valley Landfill in Nelson.

The formation of the joint committee to govern it and the business unit to manage it, were the final outcomes of work started in the Joint Waste Management and Minimisation Plan in 2010 which was adopted by both Councils in April 2012. The joint approach will see long term savings for both Councils and provide opportunities to better manage resources and reduce waste in our Region.

ENHANCING OUR PARKS AND GREENSPACES

PLANNING FOR THE FUTURE OF OUR RESERVES

The review of the Moturoa/Rabbit Island Reserve Management Plan (RMP), came to a conclusion in September 2016. The process to develop the Plan has been recognised by a nomination to the LGNZ Excellence Award for Community Engagement 2017. Public feedback on the draft RMP showed that the community wanted recreational and ecological values to be made a priority ahead of commercial operations.

Delivering on the RMP has commenced with work underway to improve signage on the Islands and to develop a 'Habitat Protection and Restoration Work Plan'. As part of the RMP, the first game bird hunting events were trialled with two shoots held on the eastern half of Moturoa/Rabbit Island in June and July 2017.

We have also begun the process to develop a draft Reserve Management Plan for the reserves, parks, gardens, sports fields and picnic spots in Motueka Ward. During the summer of 2016/2017, we invited the public to submit their ideas for the future management of these reserves. Suggestions were received from over 100 individuals and organisations during this initial feedback round.

IMPROVING OUR PARKS AND RESERVES

During the year we worked with our local volunteers, community, schools, scout and service groups who provided a number of new seats, signs, shelters, paths for our reserves, carried out pest animal and pest plant control and planted around 20,000 native trees and shrubs on these reserves.

Playground upgrades were carried out at Upper Moutere, Tasman Memorial and Brightwater Recreation Reserves and Chelsea Avenue Reserve to provide renewed areas for children to explore.

The Tasman Area Community Association provided a new toilet for the LEH Baigent Memorial Reserve which we installed. We have also carried out upgrades of Saltwater Baths, Riwaka Memorial Reserve and Wakefield Recreation Reserve Toilets.

Landscaping of the Ligar Bay esplanade area commenced during the year with the aim of providing an attractive setting for picnicking and recreation. An area where baches were formerly located has been reorganised and the first stage of work has encompassed the establishment of coastal shrub plantings and forming car park areas. Further plantings, specimen trees and picnic tables will form the second stage, which will be ongoing until 2018. The landscaping plans were finalised with the help of local residents, who contributed ideas and attended a meeting on the reserve with our staff to discuss the plans.

WAIMEA RIVER PARK

Regular users of the Waimea River near Appleby Bridge will have seen a significant step forward in the implementation of the planned Waimea River Park. The Park will stretch from the Waimea cycle bridge back up towards Brightwater incorporating Challies Island and the Two Rivers walkway. Direct vehicle access to areas of the Park has been restricted with new car parking areas established close to Appleby Bridge and Lower Queen Street. Landscaping has commenced with native riparian planting in an area upstream of Appleby Bridge and at Lower Queen Street. The development of Waimea River Park is a long term project that will take place over the next decade. Next year further car parking areas will be developed at Challies Road extension and Clover Road West. Whilst vehicle access will be limited to specific car parks, walking and cycling access will remain throughout the park's development.

HELPING TO EDUCATE OUR YOUNG PEOPLE ON ENVIRONMENTAL MATTERS

EDUCATING THROUGH THE ENVIROSCHOOLS PROGRAMME

Council, partnered by the Toimata Foundation, once again funded an Enviroschools coordinator and facilitated programme. Enviroschools encourages schools and early childhood centres to commit to a long term process of growing their sustainability learning and practices through student empowerment. The programme helps schools deliver on the sustainability expectations in the New Zealand Curriculum and New Zealand Early Childhood Curriculum. Currently, there are 28 Enviroschools in Tasman evolving their own journey at different levels of practice, with one new school and three new early childhood centres joining in the last year.

Ngatimoti School was the first Enviroschool in the District in 2002 and reconfirmed its GreenGold Enviroschool status at the end of 2016. The students planned the review process which was moderated by experienced guests and parents and wowed everyone with their knowledge and empowered decision making for long term actions.

CREATING AND RACING ELECTRIC VEHICLES

Teams from Motueka High School and Waimea College entered the Evolocity competition to design, build and race electric vehicles. The contest encompassed physics, mechanical technology, design, electronics and computer programming, as well as finding sponsors, teamwork and wider collaboration. Lots of testing and problem solving were required by students to meet the different race parameters such as turning around tight corners, electric motor longevity, controlled range of speed and manoeuvrability. Council provided sponsorship and support for the regional racing competition with winning teams progressing in the national competition.

ENABLING THE GROWTH OF OUR DISTRICT

ACCELERATING THE PROVISION OF HOUSES IN HIGH DEMAND AREAS

In May 2017 the Mayor and the Minister of Building and Construction signed a new Housing Accord for Tasman. This is an agreement between Council and the Government to work collaboratively to address the high demand for housing in Tasman. The Accord sets aspirational targets for both serviced residential sections and total dwellings consented. The continuing high levels of growth saw Tasman exceed its aspirational targets for new homes. Since the Accord was signed we have received multiple applications to establish Special Housing Areas across the District. Special Housing areas are intended to speed up the supply of housing by fast-tracking the consenting process with limited rights of appeal. To date we have agreed to eight Special Housing Areas that would provide at least 1,281 sections in Richmond, Wakefield, Marahau and Pohara.

RULE CHANGES ENABLE LIVING ON RURAL LAND

We have notified decisions in the Tasman Resource Management Plan that provide for more flexible housing, commercial and temporary activity on rural land. These changes are designed to better cater for co-operative living and modern family living requirements. At the same time, the rule changes should achieve greater protection of the best productive land, enhanced recognition of the importance of rural character, as well as improved controls on business and associated noise and traffic in rural areas. These changes are now under appeal to the Environment Court.

SUPPORTING OUR ECONOMY THROUGH COUNCIL CONTROLLED ORGANISATIONS

The economy is an important part of our Region. As a shareholder, we have been happy to support the redevelopment of Port Nelson to better meet the needs of local industry in the Top of the South. Port Nelson Limited is investing to ensure that its marine services and facilities meet the requirements of its customers and also to make the best use of its assets.

Council also holds shares in Nelson Airport and supports the terminal redevelopment plans which were finalised this year. Work has begun and the \$32m terminal project will take approximately 24 months to complete. The redevelopment will greatly enhance the customer experience with more space for seating, airline lounges, toilets, new retail spaces and increased car parking. The new terminal will cater for growth projections out to 2035, when 1.4m passengers a year are forecast to pass through the facility.

CAPITALISING ON NEW TECHNOLOGY

BUILDING CONSENTS GOING DIGITAL

We are participating in GoShift with the Government and twenty other councils around the country to improve the performance, consistency and levels of service across the building consents system. During the year we have been preparing for this change, converting our building consent processes and communicating with customers ready to go live with stage 1 on 1 July 2017. Go Shift means that the forms and processes will be standardised across all participating councils. Certainty will be provided about what information needs to be supplied by those applying for a consent, processing will be faster and applicants can track progress on line. For us it means issuing fewer requests for further information and enables us to share resources with other councils as workloads fluctuate.

FASTER AND MORE ACCURATE PROCESSING OF LIBRARY ISSUES AND RETURNS

Radio Frequency Identification Technology (RFID) was installed in the Richmond, Motueka and Takaka libraries during October 2016. RFID allows library items to be tracked using radio waves rather than by reading barcodes. This means that multiple items can be issued or returned simultaneously resulting in faster and more accurate processing of issues and returns. The installation of self-check kiosks in Richmond and Motueka libraries has provided users with the option of issuing their own items. Use of the kiosks is steadily increasing as users become more comfortable with the technology. As at 30 June 2017, approximately 50% of items in the Richmond and Motueka libraries were issued through the self-issue kiosks. The new technology helps to provide great service at a lower cost.

ULTRAFAST BROADBAND ROLLOUT COMING TO TASMAN SETTLEMENTS

The Government announced that funding of \$10.6m will be allocated to rollout ultrafast broadband between 2018 and 2023 to the following Tasman settlements: Takaka, Kaiteriteri, Motueka, Ruby Bay, Brightwater, Wakefield and Murchison. This decision was the result of work we carried out in 2015 with the then Nelson Regional Economic Development Agency. We have also developed a Digital Enablement Plan with local community groups, which looks at how best to use the availability of ultrafast broadband to benefit our District.

LIBRARIES PLAYING AN IMPORTANT ROLE IN OUR COMMUNITIES

LIBRARIES ATTRACT MULTIPLE USES

Tasman District Libraries continue to be well used by their local communities. During the past year 476,268 people visited our libraries and 600,339 items were borrowed; that's the equivalent of each Tasman District resident visiting the library 10 times and borrowing 12 items.

WIDE RANGE OF EVENTS PROVIDE SOMETHING FOR EVERYONE

During the past year our libraries delivered a total of 834 events and programmes with attendances totalling almost 16,000. As well as raising awareness of what the libraries have to offer, the events and programmes provide opportunities for learning, knowledge-sharing and community engagement. Events included class visits; holiday programmes; outreach visits to schools and preschools; book group meetings; craft groups; author visits; book launches and digital training sessions. Highlights included:

- The celebration of New Zealand Music Month in May with music events held at the Takaka and Motueka libraries.
- Celebration of New Zealand's author Patricia Grace who visited the Takaka Library and spoke with local author Gerard Hindmarsh to more than 80 people.
- Holding the seventh Winter Series at Takaka Library which featured lunchtime talks on a wide range of subjects with most of the speakers coming from the Golden Bay community.
- The annual Children's Book Quiz which was held in Richmond, Motueka and Takaka Libraries. Teams of children from 24 schools took part.

MOTUEKA LIBRARY CELEBRATES 160 YEARS

Motueka Library celebrated 160 years of public library services with a celebratory morning tea. The event was attended by Councillors and Community Board members, past and present library staff and volunteers, members of the public, and representatives from local schools, kindergartens and community organisations. To add to the celebration students from Motueka High School provided musical accompaniments. Commemorative bookmarks designed by local artists were also created to celebrate the anniversary.

THE COMMUNITY HAS ITS SAY

COUNCIL ELECTIONS RESULT IN EIGHT NEW COUNCILLORS

Council's triennial elections were held on 8 October 2016. Voter turnout was 49.36% (compared with the national average of 42%) and the final outcome of the election resulted in eight new councillors and five new community board members. A by-election for a Motueka Community Board member was required as one candidate was elected as both a Motueka Ward Councillor and Motueka Community Board member. The by-election was held on 17 February 2017, and attracted four candidates for the position.

Prior to the election our Chief Executive published his pre-election report as required by legislation. The report was intended to promote public discussion of the issues facing Council in the lead up to the local elections. It outlined our current priorities and financial performance, our forecast financial position, and summarised the major projects that were either underway or proposed over the next three years.

CUSTOMERS RATE COUNCIL SERVICES

In the annual survey of residents carried out in May 2017, 400 local people over 18 years of age rated Council's performance. 75% of residents reported that they are satisfied with the way rates are spent on the services and facilities provided by Council. When it comes to the provision of information 80% of residents feel there is more than enough/enough supplied by Council.

Satisfaction with many Council services remain high, notably recreational facilities, kerbside recycling, community buildings and libraries. Even though the results are generally positive, satisfaction with stormwater services, roads and footpaths, environmental planning and policy remain significantly lower than we would like.

We asked about the Council's reputation and of those that responded 69% felt we have a good reputation which is an improvement on last year. Residents in the Lakes-Murchison, Moutere-Waimea and Richmond wards were most positive with 77% feeling our reputation was good. This contrasted with the Golden Bay ward where only 33% felt this way.

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 region's historic sites
- provide regulatory services like animal and noise control, food safety, resource consents and alcohol licensing
- maintain the water, wastewater and stormwater networks across our 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 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.

OUR NON-FINANCIAL PERFORMANCE AT A GLANCE

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

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

We achieved 85 of our targets fully, 9 were achieved within 5% of the target, 33 were not achieved, and there were 14 that we either did not have the full information available to report on or they were not due to be measured this year.

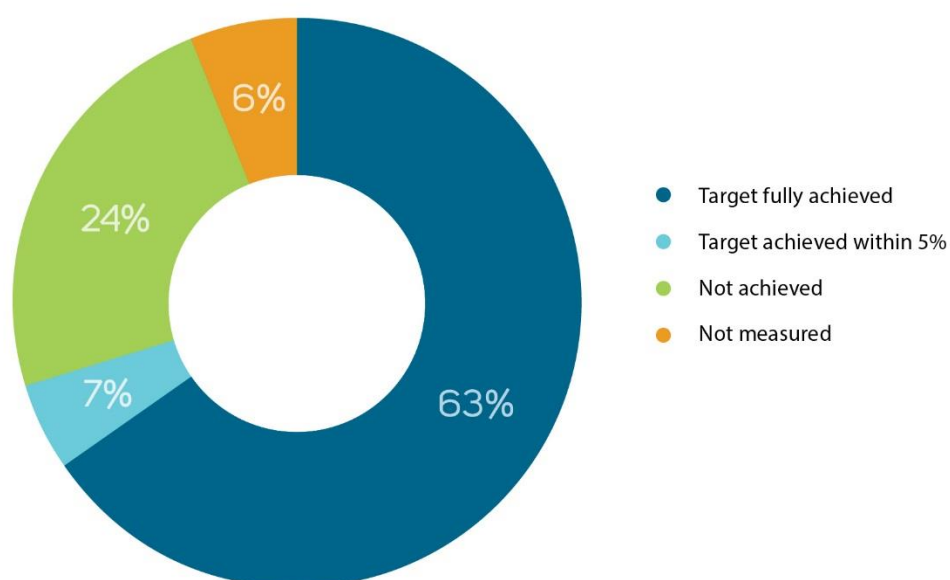
As this is the second year of the LTP 2015-2025 we are able to provide meaningful comparisons with last year's results. The comparable results for 2015/2016 were 9 targets fully achieved, 18 targets achieved within 5% of the target, 17 not achieved, and there were 14 that we either did not have the full information available to report on or were not due to be measured.

It should be noted that although we did not achieve all of our targets, we have purposely set some of these at a high level to ensure we continue to improve our performance. 14 of these targets can be considered to be 'stretch targets' for us to aim for in the future. It is difficult to identify a central contributing factor that affected our performance against the targets we failed to achieve this year. These areas of activity are widely dispersed across the organisation with specific causal factors in each case, rather than a common theme. The lack of staff resources in our Property Team, some examples of deferred maintenance and growth related infrastructure capacity pressures have contributed to our lower achievement level. In other cases significant infrastructure upgrades (which are in our forward programme) are required before the targets can be achieved.

Details of our performance against all our targets is provided in section 4: Financial and Non- Financial Performance of this report.

FIGURE 1

Performance measure target achievement for Council activities 2016/2017



Note: Targets that were not due to be measured in 2016/2017 have been excluded from the percentages in this chart.

KEY FINANCIAL INFORMATION

We have continued our positive financial trend from the previous year and recorded another surplus. The surplus for the 2016/2017 year was significantly higher than budgeted. The underlying operational surplus was \$12.9 million¹.

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

- Increased revenue from forestry activities
- Lower debt levels and borrowing costs
- Low inflation
- Higher than anticipated population growth
- Increased dividends
- Higher grant receipts
- Lower than expected expenditure on responding to emergency events

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

REPORTING AGAINST OUR FINANCIAL STRATEGY

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

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

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

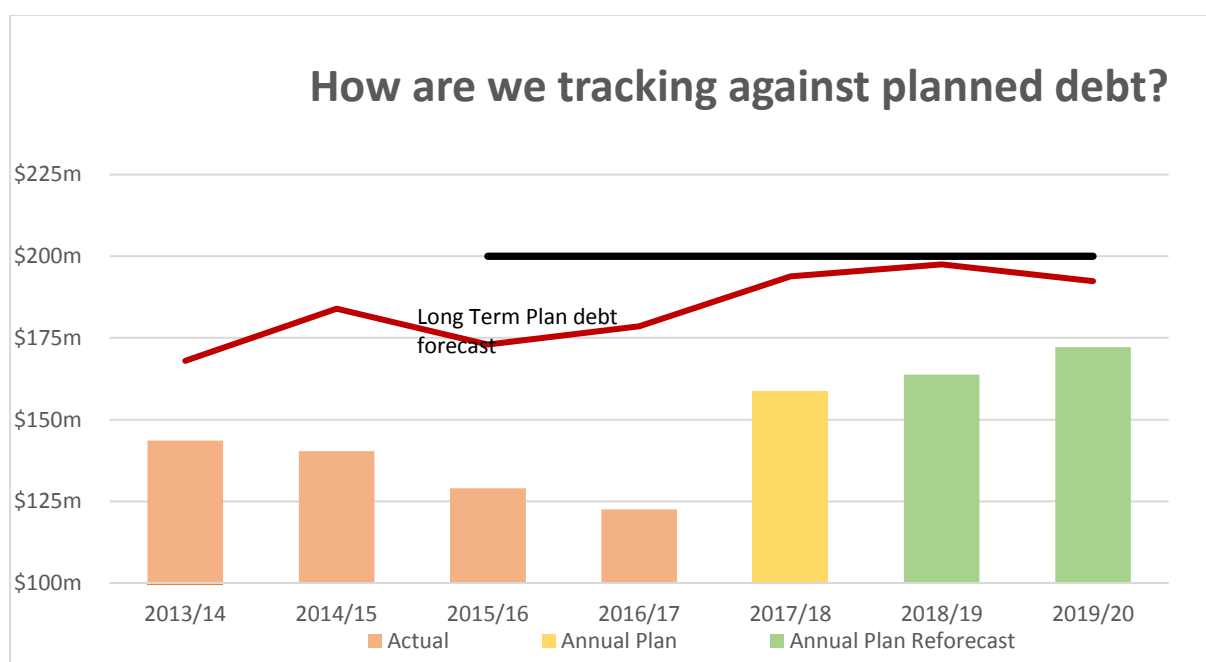
The objective is to provide for the current and future interests of the community while also:

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

NET EXTERNAL DEBT

Our net external debt at 30 June 2017 was \$122 million. The Annual Plan 2017/2018 forecasts this to be \$159 million by 30 June 2018 – although with net external debt now lower than forecast at year end for 2016/2017 it is likely that we will not reach the expected \$159 million net external debt figure. (See figure 2).

¹ Once the non-cash and capital funds were removed.

FIGURE 2. How are we tracking against planned debt?

RATES AFFORDABILITY

To help manage rates affordability, we include a limit on rates revenue in our Financial Strategy. For the LTP 2015 – 2025 this limit was set at \$51 million for General Rates and \$46 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 we are below the limit at \$36 million for General Rates and \$34 million for Targeted Rates.

(See table 1).

TABLE 1 Rates Revenue

MEASURE	2014/2015 ACTUAL	LTP 2015-2025 ANNUAL LIMIT	2015/2016 ACTUAL	2016/2017 ACTUAL	2017/2018 ANNUAL PLAN ESTIMATE
General rates revenue	\$33m	\$51m	\$35m	\$36m	\$37m
Targeted rates revenue	\$32m	\$46m	\$33m	\$34m	\$34m

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.

The blue bars in **Figure 3** show how we have performed against the 3% limit. The 2016/2017 year saw rates income increase by 1.0% (**See Figure 3**)

FIGURE 3. Rates Income Increases

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

DEBT AFFORDABILITY

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

TABLE 2. Debt/Affordability Limits

MEASURE	LIMIT	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
		ACTUAL	ACTUAL	ACTUAL	ACTUAL	ANNUAL PLAN (ESTIMATE)
Net External Debt ¹ / Total Operating Income ²	<225%	138%	130%	122%	108%	149%
Net External Debt / Equity	<20%	12%	11%	10%	9%	12%
Net Interest on External Debt / Total Operating Income	<15%	7%	7%	7%	6%	7%
Net Interest on External Debt / Annual Rates Income	<25%	12%	10%	10%	10%	11%

¹ Net External Debt = total external debt less liquid financial assets and investments

² 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

We have again received an unmodified audit opinion from Audit New Zealand. Our credit rating is 'AA- with a positive outlook' (Standard and Poors). This rating reflects our strong financial management, budgetary flexibility, liquidity and low contingent liabilities; and enables us to borrow funds at more favourable interest rates.

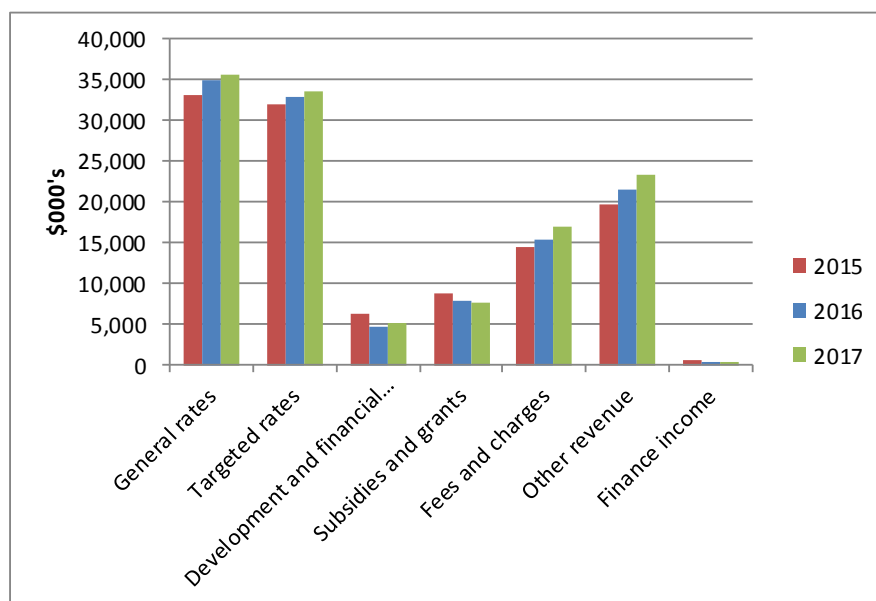
Total Council assets now total \$1.55 billion, which is an increase of \$76.5 million since 2016.

REVENUE AND SAVINGS

Total rates revenue for the year was \$69.5 million, and revenue from all other sources totalled \$62.9 million.

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

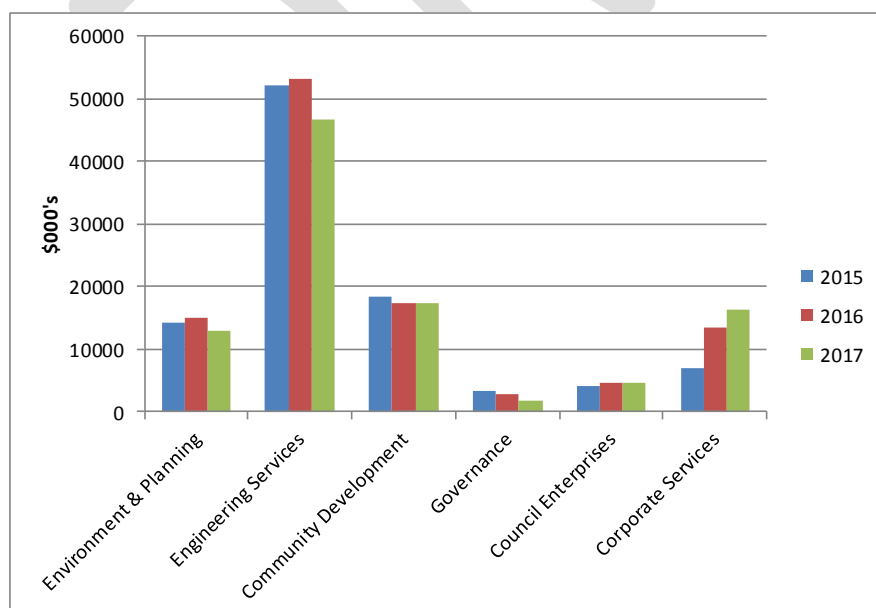
FIGURE 4. Main Sources of Revenue (excluding revenue from associates and joint ventures).



EXPENDITURE

(See figure 5).

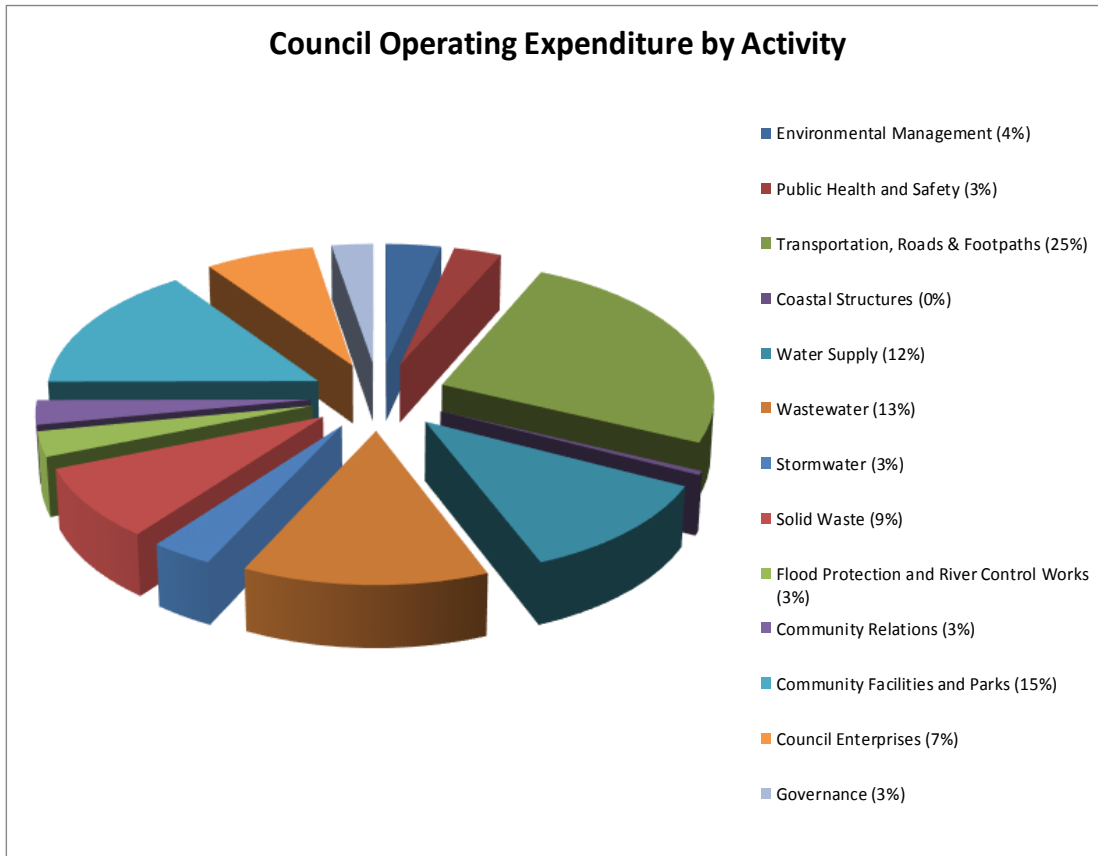
FIGURE 5. Total Council Expenditure



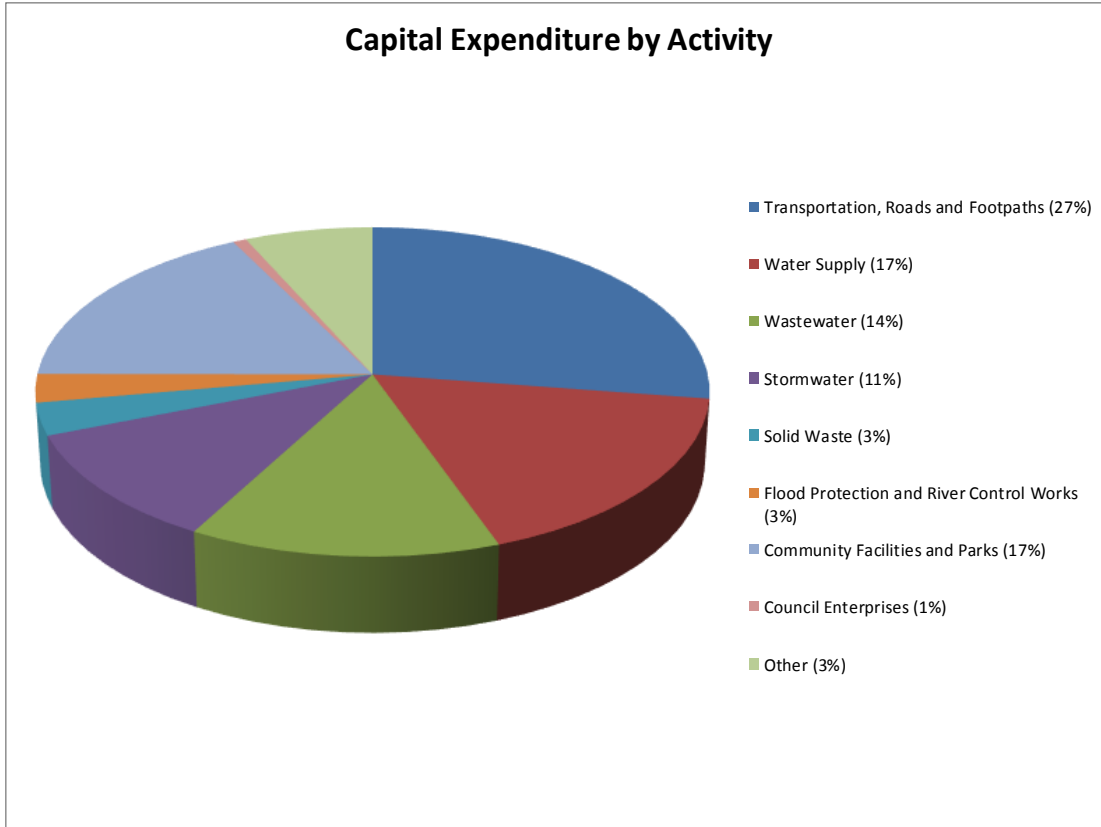
A summary of the large capital projects where capital expenditure has been delayed or deferred in 2016/2017 is listed below.

- Queen Street Upgrade, Richmond Town Centre
- Kaiteriteri Sewer Main Replacement
- Lower Queen Street Stormwater Upgrade
- Kaiteriteri Water Treatment Upgrade
- Ridings Grove Stormwater Pipe Upgrade

FIGURE 6. Operating and Capital Expenditure



This pie chart excludes corporate costs

FIGURE 7. Capital Expenditure by Activity

PART 2: COUNCIL VISION AND COMMUNITY OUTCOMES



TASMAN DISTRICT COUNCIL'S VISION:

THRIVING COMMUNITIES ENJOYING THE TASMAN LIFESTYLE

TASMAN DISTRICT COUNCIL'S MISSION STATEMENT:

TO ENHANCE COMMUNITY WELLBEING AND QUALITY OF LIFE

COMMUNITY OUTCOMES

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

As part of the development of the LTP 2015-2025, Council worked together with Nelson City Council to align the Community Outcomes of both Councils. The resulting set of joint Community Outcomes retain the overall direction of the previous Outcomes, however the wording in these new Outcomes has been amended slightly. Changes made to the Local Government Act 2002 (the Act) at the end of 2010 changed the definition of Community Outcomes from being those that are developed and implemented in conjunction with the community to those that Council itself aims to achieve.

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

OUTCOME 1

OUR UNIQUE NATURAL ENVIRONMENT IS HEALTHY AND PROTECTED

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

OUTCOME 2

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

- our current and future urban and rural living environments provide the important features that we need to enjoy Tasman;
- urban and rural areas are designed to be people friendly, particularly for children, families and our increasing, ageing population;

- we think and plan regionally and act locally within that context;
- our built environments are well planned and based on sound urban design principles;
- urban areas are attractive, safe, accessible and have parks and reserves available for residents to use;
- Tasman has affordable roading services that meet the needs of our communities; and
- there is a range of community housing and community facilities, with more intensification in towns/settlements and clear urban/rural boundaries.

OUTCOME 3

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

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

OUTCOME 4

OUR COMMUNITIES ARE HEALTHY, SAFE, INCLUSIVE AND RESILIENT

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

OUTCOME 5

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

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

PART 3: ROLES, COMPLIANCE AND AUDIT STATEMENT



Motueka River

THE ROLE OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

The contents of this Annual Report will make reference to the District strategies and plans, including the LTP 2015 – 2025. The LTP 2015 – 2025 was adopted by Council on 25 June 2015, after considerable consultation with ratepayers and interested others. In 2016 an amendment was made to the Annual Plan 2015-2025, following further consultation, to recognise changes to the Solid Waste activity. This is the second Annual Report prepared under the LTP 2015 – 2025.

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

The report from the Mayor and Chief Executive Officer 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

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

RESPONSIBILITY

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

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

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



R G Kempthorne
Mayor



L McKenzie
Chief Executive Officer



M G Drummond, CA
Corporate Services Manager

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



INDEPENDENT AUDITOR'S REPORT

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

INDEPENDENT AUDITOR'S REPORT (CONT.)

INDEPENDENT AUDITOR'S REPORT (CONT.)

PART 4: FINANCIAL AND NON-FINANCIAL PERFORMANCE



PART 4 FINANCIAL AND NON-FINANCIAL PERFORMANCE

Upper Takaka

STATEMENTS OF OBJECTIVES AND SERVICE PERFORMANCE

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

- ENVIRONMENT AND PLANNING
- ENGINEERING SERVICES
- COMMUNITY DEVELOPMENT
- CORPORATE SERVICES

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

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

Each significant activity area as a whole incorporates elements of quality, quantity, timeliness, cost and location (where applicable). Unless otherwise noted, all tasks were completed by 30 June 2017. 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 2015 – 2025, we included survey measures as a measure of progress toward the achievement of our objectives, as well as checking residents' levels of satisfaction with the services we provide. We report on these measures using data from the annual 'Communitrak Survey' – 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 New Zealand Transport Agency subsidies projected to be received for road renewal works, development and reserve financial contributions and gains on sale of assets are recorded as capital funding sources. Under GAAP these are treated as revenue in the Comprehensive Revenue and Expense Statement.

ENVIRONMENT AND PLANNING

POLICY AND OBJECTIVE

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

NATURE AND SCOPE

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

- Environmental Management
- Public Health and Safety

These output classes involve the development of resource policy and plans under the Resource Management Act and related legislation, the associated processing and monitoring of resource consents, improving the understanding of the District's environment through investigations and promoting improved environmental performance by resource users. Undertaking Council's regulatory responsibilities such as building assurance, environmental health, animal control, 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 requirements.
- The development and implementation of resource management policies and plans.
- Investigating significant environmental issues affecting or likely to affect the District.
- Maintaining an efficient resource information base to respond to environmental hazards, and to provide advice on environmental conditions and issues affecting the District.
- Assessing and processing resource consent applications and related compliance monitoring and enforcement.
- Processing development contributions assessments.
- Undertaking biosecurity (pest management) responsibilities including in the marine environment.

WHY WE DO IT

Council undertakes its environmental management responsibilities in order to promote the sustainable management of Tasman District's resources and to manage the consequences of human activity on the environment. Many of Council's policies and plans are statutory documents required under legislation, Council's state of the environment monitoring and information work is undertaken to monitor progress to achieve environmental outcomes, to help target planning controls, consent conditions and education programmes, to identify new issues, and to provide information of use to farmers, businesses and the public. Council processes resource consent applications and undertakes compliance activities to reduce the impact of human activity on other people and the environment. Council's biosecurity activities help protect the environment from unwanted plant and animal pests and other biosecurity incursions.

OUR GOAL

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

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

quality of the environment we enjoy.

7. Providing environmental information to enable sustainable, resilient, and productive communities within the District.


HOW THIS ACTIVITY CONTRIBUTES TO COUNCIL'S COMMUNITY OUTCOMES

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



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

COMMUNITY OUTCOMES	HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
Our region is supported by an innovative and sustainable economy.	<ul style="list-style-type: none"> • Policies, plans and information help identify opportunities for economic development and potential hazards and constraints affecting such opportunities. • Resource information identifies opportunities for economic development in the use and development of resources of benefit to current and future generations, and potential hazards and constraints affecting such opportunities. • Resource consents can facilitate economic development opportunities and compliance monitoring can ensure fair and equal opportunities for all. • We encourage people to adopt best practice in relation to their use of resources such as land, water, air, and the coast.



OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	CURRENT PERFORMANCE
An appropriate policy framework that effectively promotes the sustainable management of the District's natural and physical resources by: identifying and responding to resource management policy issues; and providing a sound and appropriate policy planning framework that will protect and enhance our unique environment and promote healthy and safe communities.	At least 65% of respondents are fairly or very satisfied with Council's resource management policy and planning work, as measured via the annual resident's survey. (Target: 65%.)	 <p>In 2017 59% of residents were satisfied or very satisfied with our resource management policy and planning work. 23% of residents were not very satisfied. This compares with 58% satisfied or very satisfied and 27% not very satisfied in 2016. These results are very similar to our satisfaction levels measured over the past five years.</p> <p>17% of respondents did not know enough to comment. A total of 71% of those with knowledge were therefore satisfied or very satisfied with our work.</p> <p>See Figure 8 Satisfaction with the Council's Environmental Policy and Planning Work, page 51.</p>

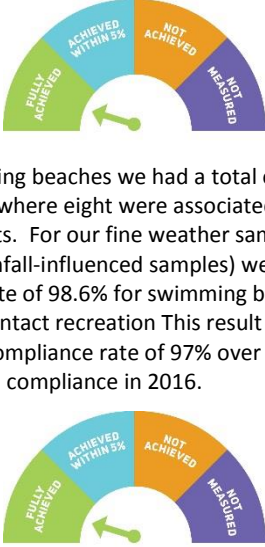
OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	CURRENT PERFORMANCE
<p>Monitoring of environmental trends and conditions and reporting systems that protect and inform the community about environmental conditions, changes and risks.</p>	<p>Council meets the Air Quality National Environmental Standard (NES) by 2020 (i.e. no more than one day per year when air quality is > 50 µg/m³ PM₁₀).</p> <p>(Target: Number of exceedances of the Air Quality National Environmental Standard is no more than three.)</p>	 <p>At our air quality monitoring site in Oxford Street in Richmond, the air quality standards (NESAQ) were exceeded five times for the 24 hour average particulate matter smaller than 10 microns (PM₁₀) requirement during the 2016 winter period.</p> <p>The winter of 2016 was characterized by being warmer and windier than the average since 2000. The higher than average temperatures and wind speed is likely to have decreased concentrations of PM₁₀ than might otherwise have occurred.</p> <p>For the 2016/2017 year, there have been a total of six exceedances, with three occurring in the winter of 2016 and a further three by the end of June 2017.</p> <p>The maximum 24-hour concentration recorded in the financial year was 60 µg /m³. The annual average PM₁₀ rose from 17.8 µg/m³ for 2014/2015, 18.5 µg/m³ during 2015/16, to 18.3 µg/m³ for 2016/2017 and complies with the ambient air quality guideline of 20 µg/m³.</p> <p>For more meaningful results, the number of exceedances are reported for each winter period (June/July/early August) rather than per financial year. We currently use the calendar year to report exceedances to the Environment and Planning Committee. The full 2017 air quality monitoring results will be reported to the Environment and Planning Committee in November 2017. The 2016 Air Quality report was presented in November 2016.</p>
	<p>Air quality at the Richmond Central monitoring site will be reported on Council's website, including any air quality breaches.</p>	 <p>Our website is continuously updated with live data from our monitoring stations. In addition we manually update the number of exceedances on our website and report breach notices in the paper.</p> <p>See Figure 9 Number of Exceedances and 2nd Highest 24hr PM₁₀ for Richmond Central, page 51.</p>

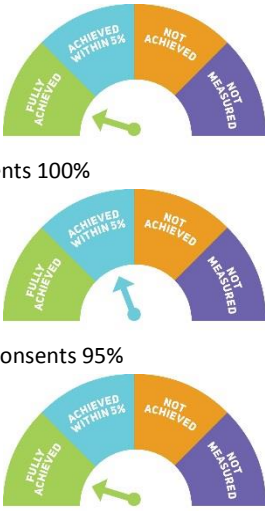
OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF ...	CURRENT PERFORMANCE
Monitoring of environmental trends and conditions and reporting systems that protect and inform the community about environmental conditions, changes and risks (cont.)	<p>One issue based State of the Environment report to be released each year.</p> <p>(Target one report released by 30 June.)</p>	 <p>We completed and released a number of State of the Environment Reports during the past year including:</p> <p>State of the Environment Soil Intactness 2017 (completed and pending release).</p> <p>The Health of the Whanganui Inlet Broad-Scale Habitat Mapping and Fine-Scale Assessment 2017</p> <p>Note: This target was achieved in 2015/2016 with six reports released.</p>
	<p>An annual Recreational Bathing Water summary report is drafted and reported to Council or a Committee by 31 July each year.</p>	 <p>We released our Contact Recreation Water Quality report for 2016/2017 on 3 August 2017 at the Environment and Planning Committee meeting.</p> <p>Using the Ministry for the Environment “Suitability for Recreation Grade” criteria, both Moturoa/Rabbit Island Main Beach were graded “Very Good”, Kaiteriteri Beach and Mapua Leisure Park Beach were graded “Good” and Pohara Beach was graded “Poor” during all weather.</p> <p>For the river sites: Takaka at Paynes Ford, and Lee River at Reserve, were both graded “Very Good” during dry weather. All other sites have only “interim” grades due to insufficient samples. Our investigations at Tukurua appear to have been successful at locating the source of faecal contamination but at Pohara we have not revealed a clear source of faecal contamination.</p> <p>Toxic algae coverage at selected sites (those known to exceed interim guidelines) did not exceed guidelines. However, one dog almost died after allegedly consuming toxic algae in the Waimea River. We are installing permanent warning signs on the Lower Wai-iti and Waimea Rivers.</p> <p>Note: this target was achieved in 2015/2016.</p>


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

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF ...	CURRENT PERFORMANCE
	<p>Swimming beaches and rivers are suitable for contact recreation, all or most of the time.</p> <p>(Target 1: 98% of swimming beaches and rivers are suitable for contact recreation using fine weather sample; and</p> <p>Target 2: 92% of swimming beaches and rivers are suitable for contact recreation using all weather samples.)</p>	 <p>At our swimming beaches we had a total of 16 exceedances, where eight were associated with wet weather events. For our fine weather samples (excluding rainfall-influenced samples) we achieved a compliance rate of 98.6% for swimming beaches suitable for contact recreation This result is in line with our average compliance rate of 97% over the past 10 years and 96% compliance in 2016.</p> <p>In all weather the rate of compliance is 94.4%. This compares with 93% compliance reported in 2016.</p>
<p>We provide a responsive and efficient process for assessing resource consent applications and ensuring compliance obligations are fairly and appropriately enforced.</p>	<p>At least 80% of survey respondents rate their satisfaction with Council’s resource consent processing work as fairly satisfied or better.</p>	 <p>In 2017 68% of residents were satisfied or very satisfied with our resource consent processing work. Close to a third (32%) of residents were not satisfied for reasons including the time taken and processing costs. The proportion satisfied or very satisfied is higher than the 63.3% in 2016 and the proportion dissatisfied lower than the 34.7% in 2016.</p> <p>Reasons for dissatisfaction include the time taken and processing costs. Staff gaps during the 2016-2017 year and a surge in numbers of applications received have impacted on our timeliness results.</p> <p>See Figure 10, Resource Consent Processing Satisfaction Rate, page 52.</p>



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

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF ...	CURRENT PERFORMANCE
<p>We provide a responsive and efficient process for assessing resource consent applications and ensuring compliance obligations are fairly and appropriately enforced.</p>	<p>Consent applications are processed within statutory timeframes (where they exist). (Target: Notified consents 100% Non-notified consents 100% Limited notified consents 100%)</p>	 <p>The figure consists of three donut charts, each divided into four segments: 'FULLY ACHIEVED' (green), 'ACHIEVED WITHIN 5%' (blue), 'NOT ACHIEVED' (orange), and 'NOT MEASURED' (purple). 1. Top chart: 'Notified consents 100%'. The 'FULLY ACHIEVED' segment is 100% of the chart. A green arrow points to the 'FULLY ACHIEVED' segment. 2. Middle chart: 'Non-notified consents 95%'. The 'FULLY ACHIEVED' segment is 95% of the chart. A blue arrow points to the 'FULLY ACHIEVED' segment. 3. Bottom chart: 'Limited notified consents 100%'. The 'FULLY ACHIEVED' segment is 100% of the chart. A green arrow points to the 'FULLY ACHIEVED' segment.</p> <p>Notified consents 100%</p> <p>Non-notified consents 95%</p> <p>Limited notified consents 100% (cf 100%, 99% and 100% respectively in 2015/2016).</p>


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

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF ...	CURRENT PERFORMANCE
	<p>An annual report is prepared and presented to Council or a Council committee each year.</p> <p>This report details the level of compliance with consent conditions or plan rules for those undertaking activities under resource consents or permitted activities, as described under tailored monitoring programmes.</p> <p>(Target: Annual report tabled to Council or a Council committee by 31 October, showing that all resource consents that are monitored are assigned appropriate compliance performance grades.)</p>	 <p>Over the 2016/2017 year, we achieved our target through active monitoring and reporting on 2,340 resource consents and targeted permitted activities occurring in our district*.</p> <p>The Annual Compliance and Enforcement summary report will be released on 31 August 2017.</p> <p>Note: this target was achieved in 2015/2016.</p> <p>See Figure 11 for Resource Consent Compliance Rate, page 52.</p> <p>Where we detected non-compliance proportionate action was taken in accordance with our Enforcement Policy, which ranged from education and advice through to enforcement action. While we dealt with many minor matters through warnings and infringement fines, the year saw some significant and successful enforcement actions with five prosecutions and two enforcement orders before the Environment Court.</p> <p>*We do not monitor all resource consents that are granted in a calendar year. Instead, we undertake a targeted monitoring programme that reflects the Council's agreed monitoring strategy for resource consents and permitted activities. This allows for structured and consistent effects-based monitoring of resource consents. Our monitoring is prioritised according to a set of key factors including risk to the environment, level of public interest, regional and national policy objectives. Monitoring may also be prioritised where Council requires a comprehensive understanding of the activity and its sector performance in order to meet reporting obligations. Operating a targeted monitoring strategy allows for efficient use of the department's limited staff resources.</p>

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

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF ...	CURRENT PERFORMANCE																				
<p>We provide a responsive efficient process for assessing resource consent applications and ensuring compliance obligations are fairly and appropriately enforced (cont.)</p>	<p>Where significant non-compliance is recorded, that resolution is achieved within appropriate timeframes.</p> <p>(Target 1: 80%, are resolved within nine months and;</p> <p>Target 2: 95% within 12 months.)</p>	<p>Target 1:</p>  <p>Target 2:</p>  <p>Where non-compliance was detected: 100% were resolved within nine months (cf 97% within 9 months and 100% within 12 months in 2015/2016).</p> <table border="1" data-bbox="853 884 1380 1736"> <thead> <tr> <th></th> <th>NUMBER OF ACTIONS</th> <th>RESOLVED (9 months)</th> <th>RESOLVED (12 months)</th> </tr> </thead> <tbody> <tr> <td>Non-compliances rescored and resolved this current period.</td> <td>6</td> <td>6</td> <td>N/A</td> </tr> <tr> <td>Non-compliances carried over from the previous year subject to measure*</td> <td>N/A</td> <td>N/A</td> <td>N/A</td> </tr> <tr> <td>Non-compliances with nine and 12 month deadline beyond this reporting period**</td> <td>N/A</td> <td>N/A</td> <td>N/A</td> </tr> <tr> <td>Total</td> <td>6</td> <td>100%</td> <td>100%</td> </tr> </tbody> </table> <p>*Significant non-compliances carried over from the previous year report where those non compliances that were identified in that period, but resolution dates fell beyond.</p> <p>**Represents significant non-compliances recorded in the reporting period, not yet resolved and where the nine and 12 month measures fall beyond this current reporting period. These will be reported in our next annual report.</p>		NUMBER OF ACTIONS	RESOLVED (9 months)	RESOLVED (12 months)	Non-compliances rescored and resolved this current period.	6	6	N/A	Non-compliances carried over from the previous year subject to measure*	N/A	N/A	N/A	Non-compliances with nine and 12 month deadline beyond this reporting period**	N/A	N/A	N/A	Total	6	100%	100%
	NUMBER OF ACTIONS	RESOLVED (9 months)	RESOLVED (12 months)																			
Non-compliances rescored and resolved this current period.	6	6	N/A																			
Non-compliances carried over from the previous year subject to measure*	N/A	N/A	N/A																			
Non-compliances with nine and 12 month deadline beyond this reporting period**	N/A	N/A	N/A																			
Total	6	100%	100%																			

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

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF ...	CURRENT PERFORMANCE
<p>We provide a responsive efficient process for assessing resource consent applications and ensuring compliance obligations are fairly and appropriately enforced (cont.)</p>	<p>An annual report is prepared and presented to Council committee or 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.</p> <p>(Target: Annual report tabled to Council or a Council committee by 31 October.)</p>	 <p>The 2016/2017 water metering report was presented at the 3 August 2017 Environment and Planning Committee meeting.</p> <p>The Dry Weather Taskforce was only required to convene on one occasion to impose restrictions under Section 329 of the Resource Management Act 1991. This was due to the wetter season.</p> <p>Consents administered under the water metering project in the 2016/2017 season decreased from 1,486 to 1,461. This was as a result of people surrendering consents or undertaking consent amalgamations. A total of 988 meters were physically audited during the summer season using student assistance to undertake this key task.</p> <p>This season the number of water meter readings we received electronically increased to 90% of users. Of those filing electronically, 80% are via the web page service, 9% are email, and 4% are through telemetry. We have recently introduced the ability to provide meter readings through the use of a mobile phone and although still a relatively new method, we are now receiving 7% of water meter readings this way.</p> <p>Overall compliance during the season was good but required significant contact between us and consent holders to maintain that level. This was because irrigation use was intermittent due to the wetter weather. As the season progressed, an increasing number of water users became tardy at supplying weekly readings and would supply readings in blocks. Overtakes did occur; however, we only issued one infringement notice as many were the result of missing readings or failed equipment. We investigated each overtake that did occur and assessed them on a case by case basis. We issued seven infringement notices on water users who despite contact from council continued to fail to supply weekly water meter readings. Five audit fees were also sent for staff time required to physically read water meters (up from four last season). The ongoing failure to supply the required water readings required these audits.</p> <p>Implementation of the Reporting of Water Takes Regulations 2010 continues. Last season there were 319 consented water takes of 5 l/s or greater that required installation of a complying water meter by November 2016. These meters must be verified as accurate by June 2017. To date only 63 require installation of a meter.</p> <p>Note: this target was achieved in 2015/2016.</p>

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

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF ...	CURRENT PERFORMANCE												
<p>We provide a responsive efficient process for assessing resource consent applications and ensuring compliance obligations are fairly and appropriately enforced (cont.)</p>	<p>An annual Dairy Monitoring report is prepared detailing the performance of the District's dairy farms against the Council's dairy effluent discharge rules and Clean Streams Accord targets.</p> <p>(Target: 95% fully compliant.)</p>	<div data-bbox="965 353 1232 488" style="text-align: center;"> </div> <p>We presented the 2016/2017 Annual Dairy Effluent Discharge report to the 3 August 2017 Environment and Planning Committee.</p> <p>The report disclosed that in the 2016/2017 season, 139 dairy sheds had active discharges in the Tasman District. Of those 134 operated as permitted activities, with the remaining five holding resource consents to discharge treated effluent to water.</p> <p>During our inspections, each farm was assessed against its resource consent conditions for the discharge of treated dairy effluent to water, or against the Permitted Activity Rule 36.1.2.3 (the discharge of animal effluent to land).</p> <p>The final compliance results for all 139 farms was relatively high and reported as:</p> <table border="1" data-bbox="815 976 1385 1122"> <thead> <tr> <th>2016/2017</th> <th></th> <th>2015/2016</th> </tr> </thead> <tbody> <tr> <td>93%</td> <td>Fully compliant</td> <td>94%</td> </tr> <tr> <td>4%</td> <td>Non-compliant</td> <td>4%</td> </tr> <tr> <td>3%</td> <td>Significantly non-compliant</td> <td>2%</td> </tr> </tbody> </table> <p>It is pleasing to report that Tasman farmers on the whole continue to maintain a high level of compliance with only nine farms found in non-compliance. Of these, five farms had issues that were rated as minor with little if any adverse environmental effect. These could be dealt with at the lower end of the enforcement scale, only four were found with significant enough non-compliance to warrant a more elevated enforcement response.</p> <p>This continual high standard of compliance can be directly attributed to the commitment of most farm owners and their staff to employ best farm practices and the work Council has put in to this area. Although only a small percentage of farms were non-compliant, we are also committed to protecting the natural environment and therefore took appropriate action with those farmers who weren't meeting standards. This we achieved through either education and advice or other enforcement actions where this was deemed necessary. In these, cases we used infringements and abatement notices for one farm and another faces prosecution in the Environment Court.</p> <p>See Figure 12 Dairy Farm Compliance, page 53 shows a comparison of the compliance rates from the previous four years with this latest survey.</p>	2016/2017		2015/2016	93%	Fully compliant	94%	4%	Non-compliant	4%	3%	Significantly non-compliant	2%
2016/2017		2015/2016												
93%	Fully compliant	94%												
4%	Non-compliant	4%												
3%	Significantly non-compliant	2%												

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

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF ...	CURRENT PERFORMANCE
<p>We will implement the provisions of the Regional Pest Management Strategy in Tasman and in Nelson to ensure that pests included in the Strategy are managed to minimise their impact on our productive sector and our natural areas.</p>	<p>Timely reporting of pest management operations in accordance with requirements of the Biosecurity Act.</p> <p>(Target: Annual report tabled to Council or a Council committee by 30 November.)</p>	 <p>We reported the Annual Report on Biosecurity Operations to the 17 November 2016 Environment and Planning Committee Meeting (REP16-11-01 refers). Note this target was achieved in 2015/2016).</p>

FIGURE 8

Satisfaction with the Council’s Environmental Policy and Planning Work

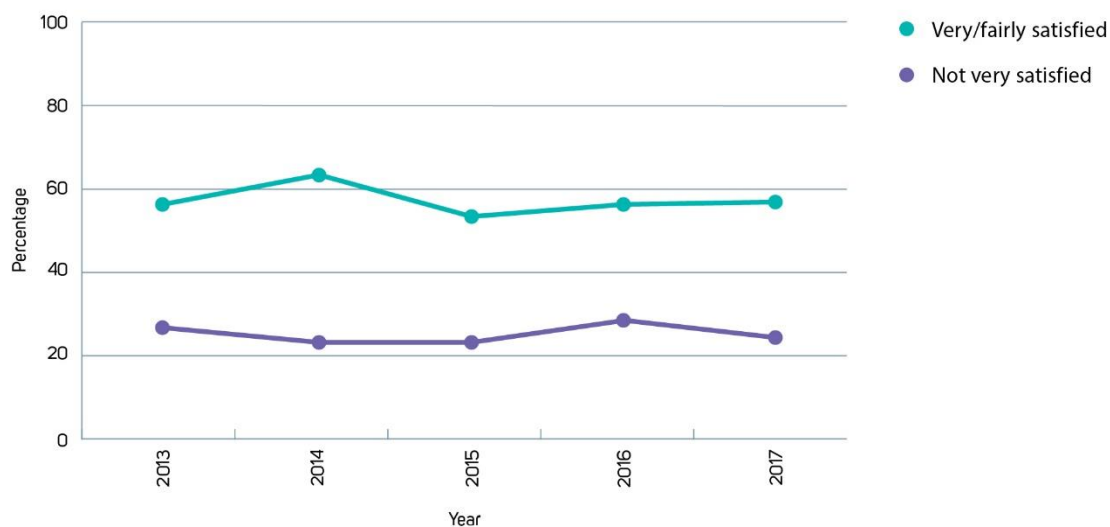
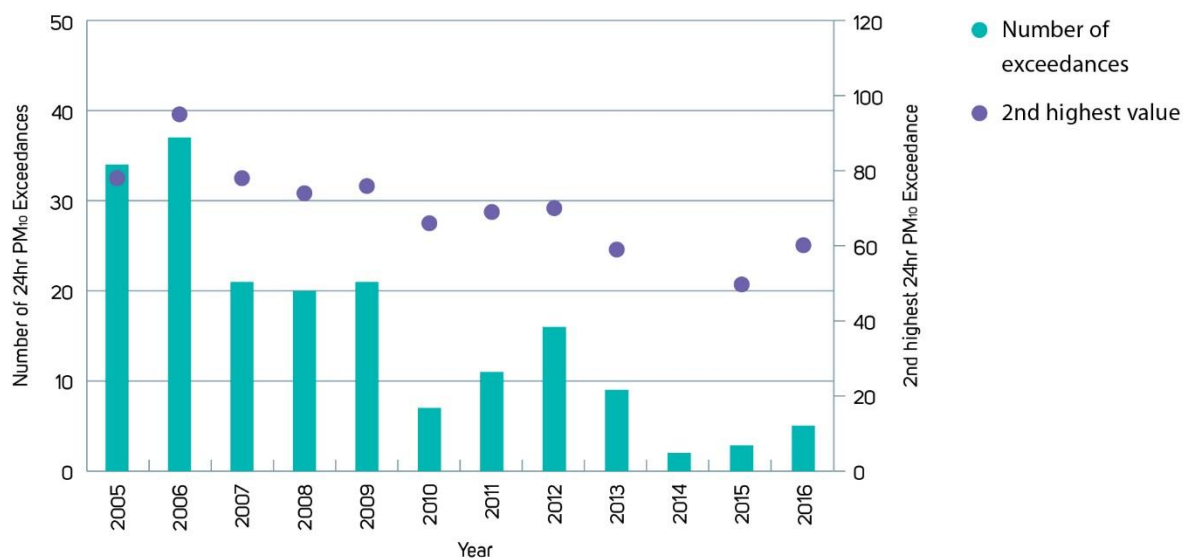


FIGURE 9

Number of Exceedances and 2nd Highest 24hr PM₁₀ for Richmond Central



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

FIGURE 10

Resource Consent Processing Satisfaction Rate

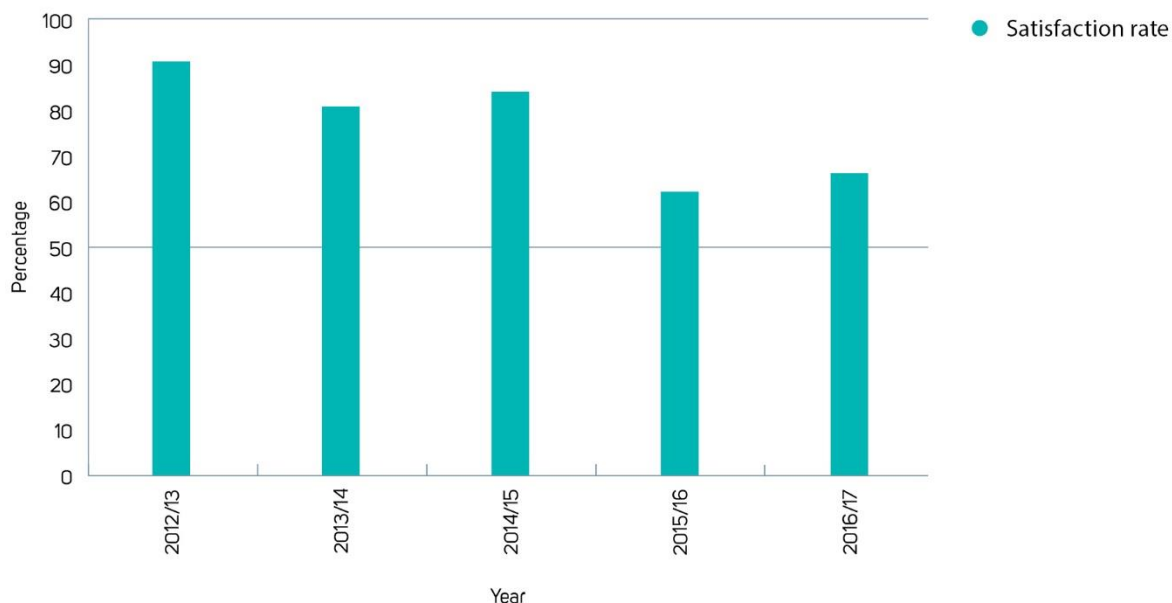
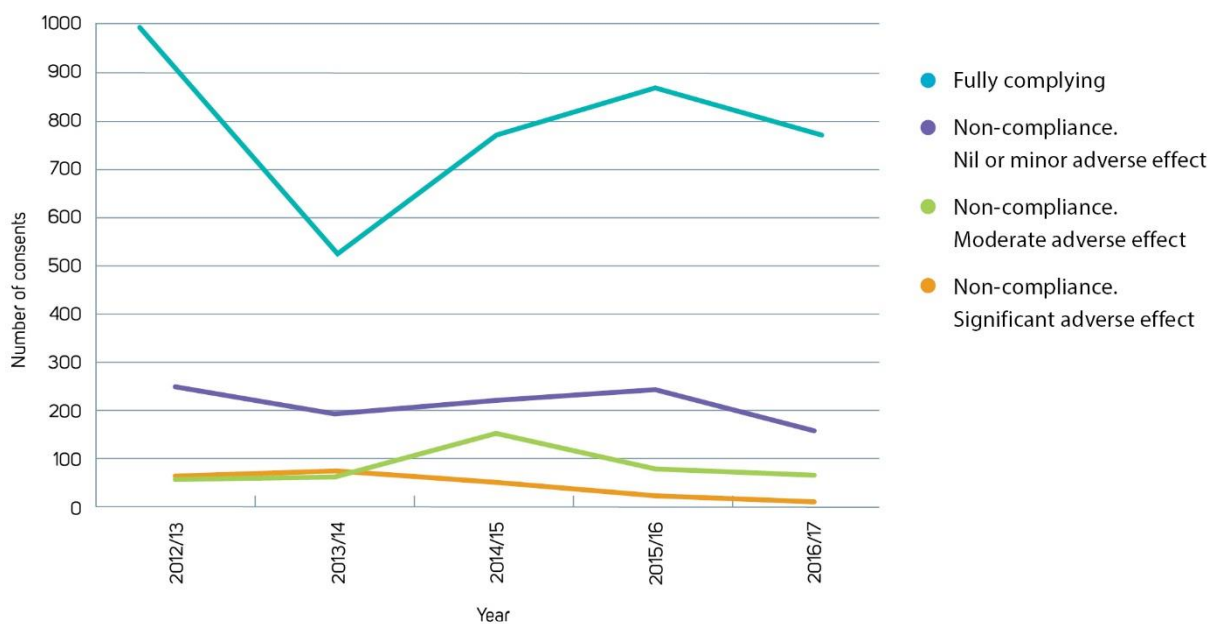


FIGURE 11

Resource Consent Compliance Rating



Note: Figure 11 excludes compliance ratings for water metered consents.

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

FIGURE 12

Dairy Farm Compliance

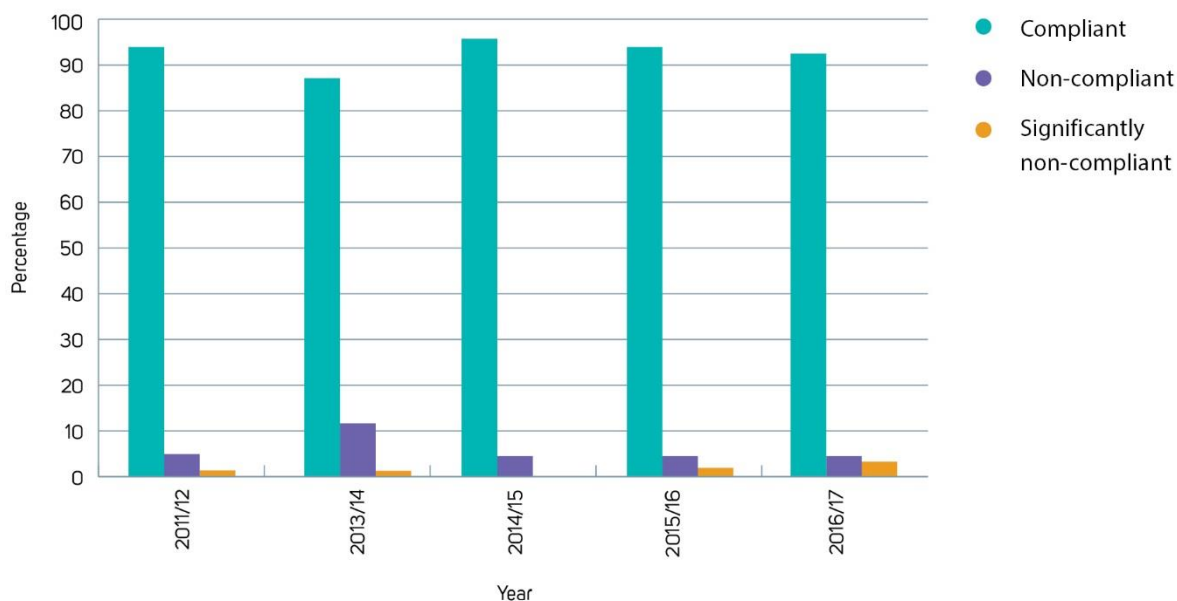
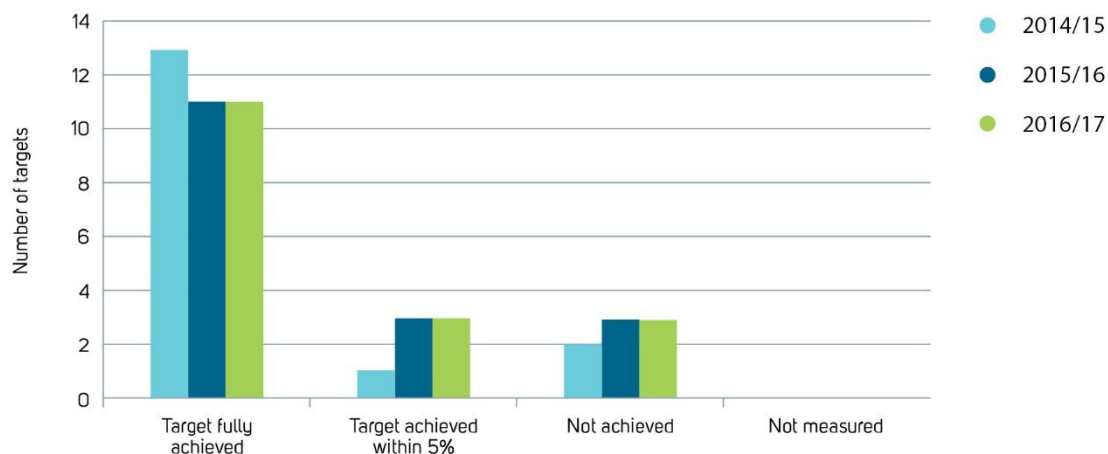


FIGURE 13

Environmental Management Performance Measures

Comparison of number of performance measures met over three years



The performance measures for Environmental Management have remained relatively unchanged from the 2015-2025 LTP, with only a small number of amendments to targets and some measures. The results from this group have also remained constant, with high levels of achievement. The targets not achieved relate to satisfaction with the resource consent processing, satisfaction with the Council’s resource management policy and planning work, and air quality.

MAJOR ACTIVITIES

PLANNED	ACTUAL 2016/2017
<p>Undertake environmental monitoring of the District's resources, state of the environment reporting, hydrology and flood warning monitoring, and provision of environmental information.</p>	<p>The monitoring, collection and maintenance of resource data/records is ongoing. The data is reported in real-time and, in many cases, climate and hydrological data are available online. Council is presently carrying out a major upgrade of the groundwater monitoring sites.</p> <p>The flood warning team responded to 15 events over the year, and three of these escalated to the point where warnings were issued. Nelson City Council's hydrology programme is carried out by Tasman District Council under contract.</p> <p>Water resource information on the Tasman District Council's 'Flowphone' and web page continue to be widely used by anglers, kayakers and others. Over the year 182 significant data requests were answered. We also supplied data to the Land and Water Aotearoa website (LAWA), a federated environmental data website to which all Regional Councils are contributing, and staff advised on the creation of new National Environmental Monitoring Standards (NEMS), and have implemented some existing Standards.</p> <p>Resource investigation and environmental monitoring programmes continue. These included investigation and monitoring of bathing water quality and toxic algae, river water quality, freshwater fish, freshwater wetlands, estuary health, groundwater quality, contaminated land, soil survey, gravel availability, air quality and soil mapping and health surveys. Specific issue-investigations included faecal source tracking at both Pohara Creek and Tukuru Stream, Murchison (Neds) Creek, Clay Creek, and Mackay Creek.</p> <p>We also undertook quarterly monitoring of groundwater and river water quality throughout the region, and monthly water quality monitoring of the lower Waimea, Motueka, Sherry, Takaka and Aorere Rivers. (Note: all river water quality monitoring is now done monthly). Weekly salinity monitoring of the Waimea and Motueka bores was carried out from December to mid-April for water resource management.</p> <p>The wetland mapping project, which includes basic significance assessment, has completed all ground surveys in the Buller catchment where requested by the landowner (over 2/3rds of all wetland owners). Following the mail out of wetland maps to all landowners in Golden Bay in June 2016, all the urgent ground surveys have been completed. We are working on a project to develop standard methodology to assess wetland significance.</p> <p>We carried out additional work during the financial year to establish source apportionment and to look at some additional atmospheric contaminants.</p> <p>GNS Science Consultancy report CR_2016-049_TasmanDC_Richmond PM₁₀ Source Apportionment Report Final (initially issued as final in July and August 2016 and then amended Jan 2017)</p> <p>GNS Science Consultancy report – Apportionment of PM_{2.5} and PM₁₀ sources in the Richmond Airshed, Tasman District – June 2017 Draft</p> <p>Environet Limited – Assessment of the impacts of regulatory measures targeting domestic home heating on annual average PM_{2.5} in Richmond - May 2017</p> <p>The air quality source apportionment studies were based on data collected over the period June 2013 to September 2015 for PM₁₀ and September 2015 to October 2016 for PM_{2.5} (draft). The studies undertaken show that about half of the PM₁₀ air pollution in Richmond is coming from biomass burning, whilst 75% of the finer PM_{2.5} fraction is attributed to biomass combustion. The biomass combustion is attributed mainly to households burning solid fuel fires for home heating. The source apportionment of the finer particulate matter (PM_{2.5}) has shown 75% of the finer PM_{2.5} is from burning wood and coal in fires for home heating.</p>

MAJOR ACTIVITIES (CONT.)

PART4 – STATEMENTS OF OBJECTIVES AND SERVICE PERFORMANCE

PLANNED	ACTUAL 2016/2017																								
<p>Undertake environmental monitoring of the District's resources, state of the environment reporting, hydrology and flood warning monitoring, and provision of environmental information (cont.)</p>	<p>The biomass burning in winter is the dominant source contributing to the exceedances of the PM₁₀ National Environmental Standard for Air Quality. Metals arsenic and lead were found to be present in the particulate matter and is associated with burning treated wood and painted timber as fuel for heating. The annual average arsenic concentrations for 2014 (14 µg/m³) exceeded the New Zealand Ambient air quality guideline (5.5 µg/m³). A secondary source of arsenic in PM₁₀ was also identified from the source apportionment studies, and this has led to separate enforcement action. Further modelling of arsenic in the Richmond airshed was undertaken, based on the known concentrations measured at the air quality monitoring site in Richmond.</p>																								
<p>Provide advice to potential applicants for resource consents and processing resource consent applications and development contribution notices.</p>	<p>We continue to respond to enquiries and all other aspects of resource consent applications on an ongoing basis.</p> <p>As at 30 June 2017 we had completed the processing of 826 non-notified applications, with 95% complying with statutory timeframes (in 2016 the figure was 990 at 99%). Timeframes for subdivision applications in particular were not fully achieved, compared to previous years. The lower number of non-notified applications completed compared to the previous year reflects the deferment of 300 replacement water permits, pending decisions relating to the proposed Waimea Community Dam.</p> <p>There were also 48 notified or limited applications completed with 100% complying with statutory timeframes (in 2016 the figure was 28 at 100%). As at 30 June 2017, one appeal to the Environment Court is awaiting resolution (cf four in 2016).</p>																								
<p>Undertake compliance activities to enforce planning rules, bylaws and resource consent conditions, and undertaking enforcement action when needed.</p>	<p>The compliance monitoring team continues to carry out consent compliance monitoring in accordance with the Compliance Monitoring Strategy. We continue to undertake annual water metering, prepare Annual Farm Dairy Effluent Discharges reports and report on Compliance and Enforcement.</p> <p>Staff also responded to written and verbal complaints and maintained a file of complaints with record of actions taken which range from informal intervention through to enforcement actions. The following breakdown records the type of complaints received over the year:</p> <table data-bbox="564 1245 895 1771"> <tbody> <tr> <td>Noise</td> <td>786</td> </tr> <tr> <td>Land Use</td> <td>207</td> </tr> <tr> <td>Discharges – Air</td> <td>253</td> </tr> <tr> <td>Discharges – Water</td> <td>70</td> </tr> <tr> <td>Discharges – Land</td> <td>87</td> </tr> <tr> <td>Water takes</td> <td>16</td> </tr> <tr> <td>Rivers</td> <td>18</td> </tr> <tr> <td>Coastal</td> <td>15</td> </tr> <tr> <td>Rubbish Enforcement</td> <td>42</td> </tr> <tr> <td>Abandoned vehicles</td> <td>277</td> </tr> <tr> <td>Other</td> <td>618</td> </tr> <tr> <td>Total</td> <td>2,389</td> </tr> </tbody> </table> <p>(cf 2,140 in 2015/2016).</p> <p>The results show an increase of 249 complaints from the previous year. 103 were instances of abandoned vehicles around the district. The other significant increase was in discharges to air predominantly smoke and odour complaints.</p>	Noise	786	Land Use	207	Discharges – Air	253	Discharges – Water	70	Discharges – Land	87	Water takes	16	Rivers	18	Coastal	15	Rubbish Enforcement	42	Abandoned vehicles	277	Other	618	Total	2,389
Noise	786																								
Land Use	207																								
Discharges – Air	253																								
Discharges – Water	70																								
Discharges – Land	87																								
Water takes	16																								
Rivers	18																								
Coastal	15																								
Rubbish Enforcement	42																								
Abandoned vehicles	277																								
Other	618																								
Total	2,389																								

MAJOR ACTIVITIES (CONT.)

PLANNED	ACTUAL 2016/2017
<p>Undertake plant and animal pest management planning and operations, including in Nelson City through a contractual arrangement with Nelson City Council.</p>	<p>We carried out pest management operations on an ongoing basis in accordance with the Operational Plan prepared under the Nelson Tasman Regional Pest Management Strategy. A detailed annual report was presented to the Environment and Planning Committee at their November 2016 meeting.</p> <p>The Top of the South Marine Biosecurity Partnership, co-funded by Council, has been working with stakeholders on reducing marine biosecurity risks and has coordinated local input to assist the Ministry of Primary Industries in its assessment of risk and management of incidents that included drilling rigs, fouled vessels and new organism finds. To further this the three top of the South Councils initiated a Small Scale Management Plan (SSMP) for each of their areas to manage the invasive Mediterranean Fanworm. Tasman's SSMP came into force on 1 July 2017.</p> <p>We no longer provide funds to OSPRI's bovine TB Vector Management programme. This funding finished on 30 June 2016 when the funding became the responsibility of Central Government and the beneficiary industry groups.</p>
<p>Implement the Environmental Policy work programme, including:</p> <ul style="list-style-type: none"> • reviews of, and changes to, the Tasman Resource Management Plan (TRMP); • development plans for various settlements within the District; • rural policy reviews (including subdivision and rural land use, landscape protection); • land disturbance review; • network services rules and design guidance development; • water allocation reviews; • riparian land management strategy; • natural hazards strategic policy review; • review of the Tasman Regional Policy Statement and consideration of combining it with the TRMP; and • provision of policy advice. 	<p>We continued to work on the Rural Land Use and Subdivision Policy review. Council decisions were released in December and seven appeals have been received that we hope can be resolved through Environment Court mediation. Submissions on Golden Bay Landscapes (draft plan change) closed in September and further analysis is necessary to finalise a plan change. The Brightwater and Wakefield Development Reviews have now been completed.</p> <p>The Upper Motueka water management plan change has been completed.</p> <p>We notified plan changes to further amend the water management provisions in the Waimea Plains.</p> <p>The Takaka catchment collaborative community group (Takaka FLAG) continued its work to advise Council on water quantity and water quality management and received 165 responses to its summary report on proposed management methods. It held well attended public sessions to discuss its work in March 2017. The Waimea catchment collaborative community group has been paused until the Takaka project is completed.</p> <p>We responded to Government's amendments to the Resource Management Act (Resource Legislation Amendment Act) and the new National Policy Statement on Urban Development Capacity. In April 2017, we entered into a new Housing Accord with the Government after the 2014 Accord expired. As a result of the new Housing Accord Council received 10 requests for Special Housing Areas and recommended eight to the Minister for Building and Construction to be gazetted. This will enable approximately 1200 new homes to be built.</p> <p>The review of the Tasman Regional Policy Statement continues to be on hold, but a scoping of this review project is in progress with a start date of October 2017.</p> <p>We received two Private Plan Change requests, one for a supermarket development in Richmond and a second to change the rules around resource consents to catch mussel spat in Golden Bay. Both plan changes have progressed through the plan change process with the supermarket change now completed. The spat catching change has been appealed and will be heard in the Environment Court in October 2017.</p>

Tasman District Council
Funding Impact Statement
For the year ended June 2017

LTP 2016 \$000	Actual 2016 \$000	ENVIRONMENTAL MANAGEMENT	Actual 2017 \$000	Budget 2017 \$000	LTP 2017 \$000	% of Budget
SOURCES OF OPERATING FUNDING						
6,618	6,635	General rates, uniform annual general charges, rates penalties	6,523	6,547	6,585	100%
281	311	Targeted rates	204	200	274	102%
123	0	Subsidies and grants for operating purposes	12	125	126	10%
2,341	2,452	Fees and charges	2,915	2,392	2,413	122%
0	25	Internal charges and overheads recovered	0	0	0	0%
49	113	Local authorities fuel tax, fines, infringement fees, and other receipts	503	50	51	1006%
9,412	9,536	TOTAL OPERATING FUNDING	10,157	9,314	9,449	109%
APPLICATIONS OF OPERATING FUNDING						
5,555	5,538	Payments to staff and suppliers	5,694	5,495	5,443	104%
105	65	Finance costs	53	56	97	95%
3,411	3,390	Internal charges and overheads applied	3,767	3,401	3,494	111%
0	0	Other operating funding applications	0	0	0	0%
9,071	8,993	TOTAL APPLICATIONS OF OPERATING FUNDING	9,514	8,952	9,034	106%
341	543	SURPLUS (DEFICIT) OF OPERATING FUNDING	643	362	415	178%
SOURCES OF CAPITAL FUNDING						
0	0	Subsidies and grants for capital expenditure	0	0	0	0%
0	0	Development and financial contributions	0	0	0	0%
(146)	(132)	Increase (decrease) in debt	(89)	(89)	(146)	100%
0	0	Gross proceeds from sale of assets	0	0	0	0%
0	0	Lump sum contributions	0	0	0	0%
0	0	Other dedicated capital funding	0	0	0	0%
(146)	(132)	TOTAL SOURCES OF CAPITAL FUNDING	(89)	(89)	(146)	100%
APPLICATIONS OF CAPITAL FUNDING						
Capital expenditure						
0	0	- to meet additional demand	0	0	0	0%
0	0	- to improve the level of service	9	0	0	0%
185	211	- to replace existing assets	333	257	259	130%
10	200	Increase (decrease) in reserves	212	16	10	1325%
0	0	Increase (decrease) in investments	0	0	0	0%
195	411	TOTAL APPLICATIONS OF CAPITAL FUNDING	554	273	269	203%
(341)	(543)	SURPLUS (DEFICIT) OF CAPITAL FUNDING	(643)	(362)	(415)	178%
0	0	FUNDING BALANCE	0	0	0	0%

Fees and Charges: More revenue was received in the Subdivision Consent Area as a result of extra demand during the year over and above budget expectations. **Reserve Movement Increase or Decrease** - The movement in reserve is a reflection of the additional revenue and underspend in this activity, which has increased the surplus.

ENVIRONMENT AND PLANNING (CONT.)

PUBLIC HEALTH AND SAFETY

WHAT WE DO

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

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

WHY WE DO IT

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

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

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

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

OUR GOAL

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

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

HOW THIS ACTIVITY CONTRIBUTES TO COUNCIL'S COMMUNITY OUTCOMES

COMMUNITY OUTCOMES	HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
Our unique natural environment is healthy and protected.	Managing risk from rural fire and ensuring recreational boating is safe keeps Tasman special.
Our urban and rural environments are people-friendly, well planned and sustainably managed.	The activity ensures that living environments are safe, and that the activities of others do not negatively impact on citizen's lives. Through ensuring buildings are well constructed, safe and weather-tight, the activity contributes to the development of the District, and also ensures that the resale value of the community's assets are protected.
Our infrastructure is efficient, cost effective and meets current and future needs.	Parking control ensures parking facilities are available to ensure public access to urban retailers and services.
Our communities are healthy, safe, inclusive and resilient.	<p>This activity safeguards the community's health and well-being by ensuring standards of construction, food safety, and registered premises operation are met and that liquor consumption and nuisances from dogs and stock, and risk from fire do not adversely affect quality of life.</p> <p>Our civil defence and emergency management system is designed to promote the safety of people and a resilient community.</p>
Our communities have opportunities to celebrate and explore their heritage, identity and creativity.	Safe boating and providing such things as ski lanes ensures community access to the coastal waters of Tasman.
Our Council provides leadership and fosters partnerships, a regional perspective and community engagement.	We encourage people to make preparations for civil emergencies.




OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	CURRENT PERFORMANCE
<p>We will provide building control services in a professional and timely manner to ensure building work is safe and in accordance with the New Zealand Building Code.</p>	<p>Applications for building consent (BC) and code compliance certificates (CCC) are processed within statutory timeframes.</p>	<p>Target 1:</p> 
	<p>(Target 1: 100% of BC's)</p>	<p>100% of Building Consents were issued within the statutory timeframe of 20 working days, meeting the level of service. Note the target was 98% in 2015/2016 and the result 98.6%.</p>
	<p>(Target 2: 98% of CCC's.)</p>	<p>Target 2:</p>  <p>Code Compliance Certificates did not meet level of service requirements however with 92% being completed within the statutory timeframes. We are putting a close lens over this process during the latter part of 2017 to identify opportunities for improvement. Note the target was 95% in 2015/2016 and the result 88.77%.</p>
	<p>The average time taken to process a Building Consent is 10 working days.</p>	 <p>The average processing time for processing Building Consents was achieved at the level of service target at 10 days on average. (cf 14 days in 2015/2016).</p>
	<p>We maintain Building Consent Authority Accreditation.</p>	 <p>All Building Consenting Authorities are audited on a regular basis against a rigorous set of requirements. This is a critical part of our on-going commitment to quality improvement. Reaccreditation as a Building Consenting Authority was achieved in October 2016. The next reaccreditation is due in October 2017.</p>
<p>At least 85% of survey respondents rate their satisfaction with Council's building control work as fairly satisfied or better.</p>	 <p>In 2017, 78% of survey respondents were satisfied with our building control work. This is an increase from the 61.8% of respondents satisfied in 2016. Note the target in 2015/2016 was 80%.</p> <p>See Figure 14 Building Control Satisfaction Rate, page 63.</p>	

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

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE CURRENT PERFORMANCE LEVEL OF SERVICE IF	
<p>We will provide an environmental health service that:</p> <p>(a) In association with other agencies, fosters the responsible sale and consumption of liquor.</p> <p>(b) Ensures that food provided for sale is safe, free from contamination and prepared in suitable premises.</p>	<p>(a) In conjunction with the New Zealand Police, we detect no sale of liquor to minors through random controlled purchase operations (CPOs) run annually.</p> <p>(Target: At least two annual operations with no offences detected.)</p>	 <p>CPOs: We conducted four rounds of CPO visits in the period – 29 July 2016; 28 October 2016; 20 January 2017 and 24 June 2017. A total of 38 premises were tested and no offences were disclosed. (cf three CPOs on four occasions in 2015/2016).</p>
	<p>(b) All food premises are inspected at least once annually for compliance and appropriately licensed.</p> <p>(Target: 100%.)</p>	 <p>1 March 2017 marked the end of the first year of transition to the new regime of food safety, with the Council and the Ministry of Primary Industries (MPI) acting as co-regulators. The year saw 100% of the premises required to be transitioned in the first year into the new regime successfully transitioned. Additionally under the new regime, Council registers some food businesses but does not provide an audit service for them. The bulk of premises remaining under the old food hygiene registration regime will transition in the next year, and the dwindling number that remain will be removed from that control to the new regime by 1 March 2019. (cf 69% of food premises inspected in 2015/2016).</p>
<p>We will provide animal control services to minimize the danger, distress, and nuisance caused by dogs and wandering stock and to ensure all known dogs are recorded and registered</p>	<p>All known dogs are registered annually by 30 September.</p> <p>(Target: 100%.)</p> <p>We respond to high priority dog complaints within 60 minutes, 24 hours a day, seven days a week.</p> <p>(Target: 100%.)</p>	 <p>We met our target with 100% of the 10,502 known dogs registered as at 30 June 2017. The status of the three known dogs which were not accounted for will be ascertained as a priority. (cf 99.9% known dogs registered in 2015/2016).</p>  <p>Our target was fully achieved (100%) with responses via phone calls or onsite presence. (cf 100% in 2015/2016).</p>

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

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	CURRENT PERFORMANCE
<p>A civil defence and emergency management system that is designed to promote the safety of people and a resilient community in the event that emergencies occur.</p>	<p>The level of community support for Council's civil defence emergency management (CDEM) activity is rated as fairly satisfied or better through community survey. (Target: 70%.)</p> <p>The Nelson Tasman CDEM Group Plan is reviewed and kept up to date.</p>	 <p>In 2017 57% of residents were satisfied or very satisfied with our emergency management. 12% were not satisfied. This is slightly down from 58% satisfied or very satisfied and 12% not satisfied in 2016. A relatively high proportion, 31% did not know enough to comment and this compared to 30% in 2016. Of those who were able to comment 82% were satisfied or better with our civil defence emergency management activities.</p> <p>See Figure 15 Emergency Management Satisfaction Rate, page 64.</p>  <p>We are currently reviewing the Group Plan with approval expected in September 2017. Our aim is to maintain our position as being MCDEMs most highly rated team in New Zealand.</p> <p>In order to improve community support, twice a year the Nelson Tasman Emergency Team visit 11 community groups across the region in March and November to help prepare and equip the communities in the event of an emergency. These groups are made up with community members and the Emergency Services for the area.</p> <p>We have focused on the identification and processes of our Civil Defence Centres (CDC's) within the district. Looking at the areas of need and what options we have. As an example, the Golden Bay area will need a number of CDC's to cover that area as there are many areas that could be cut off in an event, such as Collingwood and Pohara.</p> <p>We need more volunteers within these areas to go through training to be able to support their community in the Welfare sector.</p>
<p>To safeguard life and property by the prevention, detection, restriction and control of fire in forest and rural areas.</p>	<p>The area of forest lost through fire annually does not exceed 20 hectares. (Target: No more than 20 ha lost through fire annually.)</p>	 <p>There were 15 vegetation fires over the year resulting in 1.1 ha of total area burnt with some minor damage (500m²) to production forest (cf 5.8 ha in 2015/2016).</p> <p>See Figure 16 Hectares of Forest Burnt, page 64.</p>

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



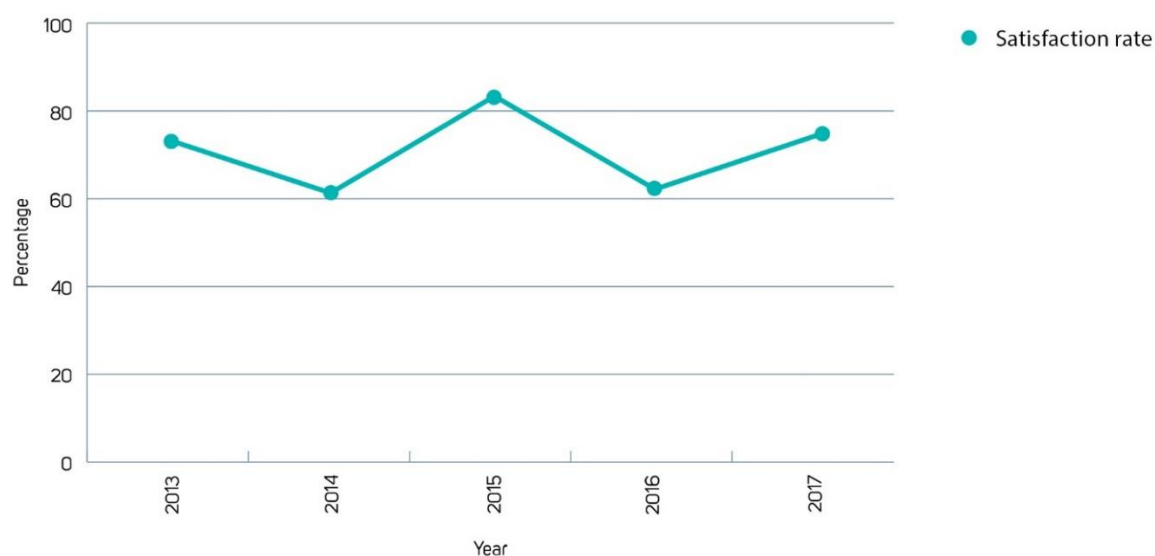
LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	CURRENT PERFORMANCE
We will provide Maritime Administration services to ensure Tasman's harbour waters are safe and accessible and that all known commercial vessel operators are licensed.	All known commercial vessel operators are licensed. (Target: 100%.)	 <p>All known commercial operators are registered i.e. either licensed (31) or registered as exempt (5). River rafting, commercial non-passenger and commercial fishing vessels are not presently required to hold a license. (cf all known operators registered in 2015/2016).</p>
We will provide parking control services to facilitate the public's access to urban retailers and services, respond to any misuse of disabled parking, and remove reported abandoned vehicles.	Compliance by not less than 80 out of every 100 vehicles parking in time controlled areas within the Traffic Bylaw, based on an annual snap survey. (Target: 85%.)	 <p>From our survey undertaken in November 2016 – 53% of the vehicles complied. This is lower than target level largely due to:</p> <ul style="list-style-type: none"> the District Health Board relocating 300+ staff to the Richmond CBD, the private car park which services the Richmond Mall having frequent daily enforcement on their three hour parking limit. <p>The surveys indicate that there is a lack of free parking available in Richmond, especially for those working in the town all day.</p> <p>Note the target was 80% in 2015/2016 and the result was 87%.</p> <p>See Figure 17 Compliance with Parking Time Limits, page 65.</p>

FIGURE 14

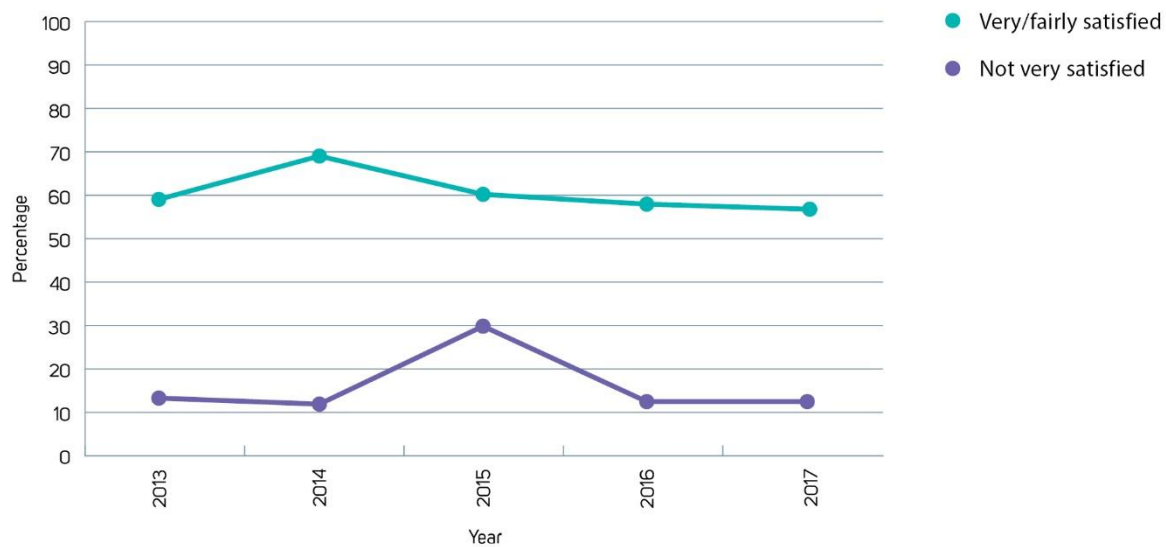
Building Control Satisfaction Rate



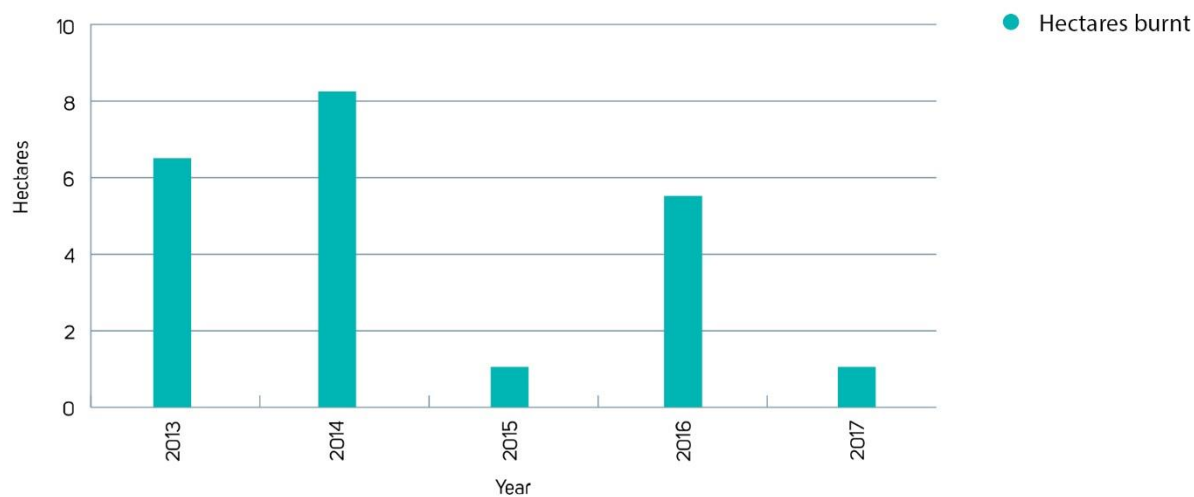
OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM (CONT.)

FIGURE 15

Emergency Management Satisfaction Rate

**FIGURE 16**

Hectares of Forest Burnt



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

FIGURE 17

Compliance with Parking Time Limits

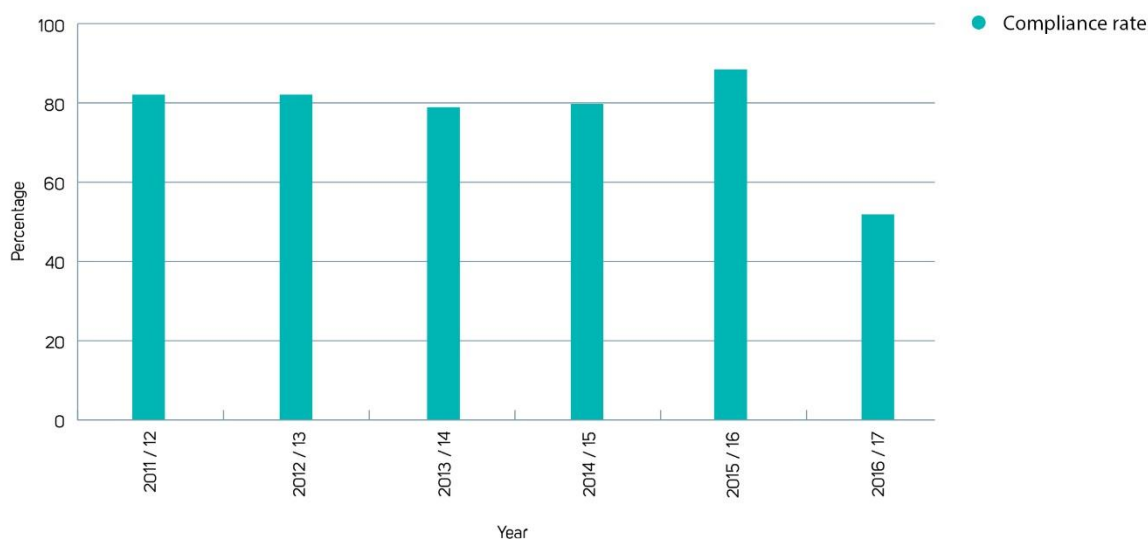
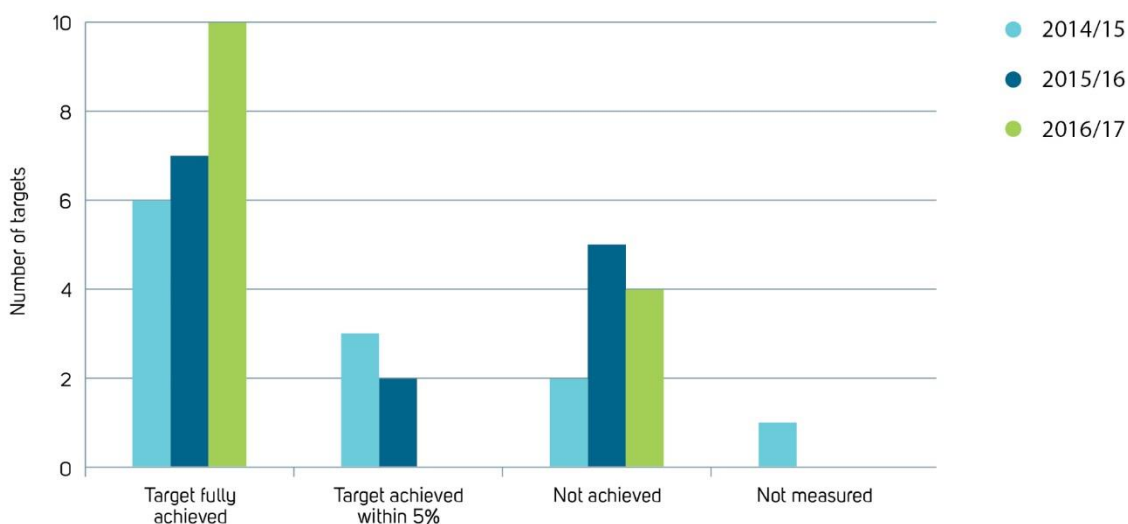


FIGURE 18

Public Health and Safety Performance Measures

Comparison of number of performance measures met over three years



The number of Public Health and Safety performance measures have increased slightly from the last LTP, rising from 12 to 14. There were also some relatively minor adjustments to the measures to make them more measurable or meaningful. In 2016/2017 we achieved more of the targets than in 2015/2016. The targets not achieved relate to satisfaction with civil defence and emergency services; satisfaction with building control work; parking compliance in Richmond and the proportion of Code Compliance Certificates being processed within statutory timeframes.

MAJOR ACTIVITIES

PLANNED	ACTUAL
<p>Respond to enquiries, process permits and consents, and undertake inspectorial responsibilities under the Health Act, Building Act, Sale of Liquor Act, Food Act, Dog Control Act, Forests and Rural Fires Act, Transport Act, Maritime Transport Act, the Hazardous Substances and New Organisms Act, and associated regulations and Council bylaws.</p>	<p>Inspectorial responsibilities under the Health, Building, and Sale and Supply of Alcohol Acts and Council bylaws continue to be carried out by professionally-trained and qualified staff and contractors.</p> <p>99.5% of 1,564 building consents were processed within the statutory processing time limit (cf 1,474 at 98.64% in 2015/2016). The average processing time was 10 days (cf 14 in 2015/2016). 381 consents were issued for new dwellings and this resulted in 403 new houses being built in the district (i.e. some building consents were issued for multiple dwellings). In addition, 105 out of 120 applications for Schedule 1(2) exemptions from requiring a building consent were approved (cf 71 and 79 in 2015/2016).</p> <p>All technical building staff are engaged in training to meet legal requirements of the Building Act Accreditation Regulations.</p> <p>The transition arrangements for the Food Act 2014 have gone well although some operators have faced higher costs with Council not providing a service for operations subject to national programmes.</p> <p>Harbourmaster services continued to be provided during what was a busy year with increased recreational boating activity.</p>
<p>Carry out navigation and safety functions including implementation of the Joint Oil Spill Contingency Plan (with Nelson City Council).</p>	<p>No oil spill events occurred this year (compared with two in 2015/16). We currently have one trained Regional On Scene Commanders (ROSC) and have increased the number of trained oil spill responders to the required level following some loss of capacity.</p> <p>We have exercised twice in the last year to retain currency.</p>
<p>Carry out animal control responsibilities.</p>	<p>We administer the Dog Control Act and associated Bylaw with service delivery being undertaken by Control Services (Nelson) Ltd. There were 5729 rural dogs and 5119 urban dogs registered in Tasman District during the year. Council's contractors responded to complaints regarding wandering stock and dogs and impounded animals as required. 208 Dog Control Infringement Notices were issued (compared with 212 in 2015/16), 121 of which were for unregistered dogs (compared with 184 in 2015/2016). Most notably, 82 Infringements were issued for failure to implant a microchip (compared with 0 in 2015/16). This reflects a push in the last year to get all dogs microchipped. Council implanted dogs free of charge to encourage compliance and issued infringement notices to those that refused to do so after several warnings. A separate annual report to the Secretary of Local Government is available for further details (REP17-08-03).</p> <p>100% of residents were satisfied with the Council's efforts in controlling dogs (compared with 91.8% in 2015/2016).</p>

MAJOR ACTIVITIES (CONT.)

PLANNED	ACTUAL
Carry out civil defence and emergency management responsibilities.	<p>We did not activate the Emergency Operations Centre in the past year. Council participated in multi-agency exercises and as part of the CDEM Group and has provided personnel for the Incident management Team (IMT). The IMT is effectively a team of first responders if there is a CDEM event.</p> <p>The review of the Nelson Tasman Lifelines Project is complete. The information gathered will assist in ensuring resilience of major utilities and supply networks in the event of an emergency.</p> <p>We have continued training and preparedness and commenced the review of our CDEM Plan.</p>
Carry out parking control responsibilities under Council's Parking Bylaw.	<p>Parking enforcement responsibilities are carried out under contract by Control Services (Nelson) Ltd. 2,526 infringement notices were issued (compared with 1,546 in 2015/2016) during the year along with other advisory warnings concerning parking. An additional 30 hours of parking enforcement was added in May 2017 to deal with pressure on parking during the Queen Street upgrade. Otherwise we applied the same resources to parking enforcement as the previous year. The significant increase in infringement notices issued indicates that compliance was far worse in 2016/2017.</p>
Ensure fire risk in the District is effectively managed through supporting rural fire parties and the Waimea Rural Fire Authority.	<p>Rural Fire risk in the District has been effectively managed by the Waimea Rural Fire Authority through a contract with Rural Fire Network and the ongoing support of rural fire parties. There were 439 callouts in 2016/2017 (compared with 419 in 2015/2016) within Tasman District, 226 of which were attended by Volunteer Rural Fire Forces. Of these 13 were unpermitted rubbish fires and 31 were false alarms.</p> <p>On 1 July 2017 Fire Emergency NZ (FENZ) was formed. This organisation is an amalgamation of the NZ Fire Service and the NZ Rural Fire Authority. The Waimea Rural Fire Authority no longer exists. A large volume of work has taken place over the last 12 months to ensure there was a smooth transition and that our communities will continue to be protected at a suitable level.</p>

NEW CAPITAL EXPENDITURE

PROJECT NAME	LTP YEARS 1-3-	2016/2017 BUDGET	ACTUAL 2016/2017
Rural Fire Appliances Replacement	\$34,000	\$0	A new ute was purchased for Brightwater VRRF at a cost of \$40,876 using surplus funds in the Waimea Rural Fire Authority account. This vehicle and all others in service under Rural Fire have been transferred to the new FENZ organisation.
Rural Fire Depots	\$30,000	\$67,000	\$67,000 was spent in the form of an operational grant to construct new Rural Fire sheds at Marahau (\$20,000) and Appleby (\$47,000). This money was the available cash left in the Rural Fire Account at the point of handover to FENZ. Use of the money for this purpose was agreed by the Council in February – see report RCN 17-02-05.

Tasman District Council

Funding Impact Statement

For the year ended June 2017

LTP 2016 \$000	Actual 2016 \$000	PUBLIC HEALTH AND SAFETY	Actual 2017 \$000	Budget 2017 \$000	LTP 2017 \$000	% of Budget
SOURCES OF OPERATING FUNDING						
1,576	1,576	General rates, uniform annual general charges, rates penalties	1,732	1,708	1,615	101%
0	0	Targeted rates	0	0	0	0%
0	0	Subsidies and grants for operating purposes	0	0	0	0%
3,298	3,526	Fees and charges	3,714	3,477	3,393	107%
0	0	Internal charges and overheads recovered	600	0	0	0%
94	82	Local authorities fuel tax, fines, infringement fees, and other receipts	414	96	97	431%
4,968	5,184	TOTAL OPERATING FUNDING	6,460	5,281	5,105	122%
APPLICATIONS OF OPERATING FUNDING						
3,132	3,736	Payments to staff and suppliers	4,218	3,358	3,196	126%
21	17	Finance costs	23	27	32	85%
1,730	1,802	Internal charges and overheads applied	2,175	1,795	1,772	121%
0	0	Other operating funding applications	0	0	0	0%
4,883	5,555	TOTAL APPLICATIONS OF OPERATING FUNDING	6,416	5,180	5,000	124%
85	(371)	SURPLUS (DEFICIT) OF OPERATING FUNDING	44	101	105	44%
SOURCES OF CAPITAL FUNDING						
0	5	Subsidies and grants for capital expenditure	0	42	42	0%
0	0	Development and financial contributions	0	0	0	0%
339	267	Increase (decrease) in debt	(38)	26	23	-146%
0	0	Gross proceeds from sale of assets	13	0	0	0%
0	0	Lump sum contributions	0	0	0	0%
0	0	Other dedicated capital funding	0	0	0	0%
339	272	TOTAL SOURCES OF CAPITAL FUNDING	(25)	68	65	-37%
APPLICATIONS OF CAPITAL FUNDING						
Capital expenditure						
0	0	- to meet additional demand	0	0	0	0%
64	0	- to improve the level of service	0	0	0	0%
346	410	- to replace existing assets	33	151	152	22%
14	(509)	Increase (decrease) in reserves	(14)	18	18	-78%
0	0	Increase (decrease) in investments	0	0	0	0%
424	(99)	TOTAL APPLICATIONS OF CAPITAL FUNDING	19	169	170	11%
(85)	371	SURPLUS (DEFICIT) OF CAPITAL FUNDING	(44)	(101)	(105)	44%
0	0	FUNDING BALANCE	0	0	0	0%

Internal Charges and Overheads Recovered: The \$600,000 actual recovery in 2017 is a result of the Council decision made on June 22nd to use reserves in other areas of the business for the deficit occurring in the building area. This deficit was as a result of Weather Tight Home payments, and legal and other fees associated with this process. In addition, overspend in the Building Assurance operational activity required to meet demand and statutory timeframes, which were partially offset by an increase in revenue in this activity, contributed to the deficit. **Payments to staff and Suppliers:** The leaky homes costs and additional spend explained above contributed to the overspend in this area. **Reserve Movement Increase or Decrease** - The movement in reserve is a reflection of the underspend in the other activities within this group, which has increased the surplus.

ENGINEERING

POLICY AND OBJECTIVE

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

NATURE AND SCOPE

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

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

TRANSPORTATION, ROADS AND FOOTPATHS

WHAT WE DO

Council manages a transportation network that comprises approximately 1,741km of roads, (955km sealed and 786km unsealed), 483 bridges (including footbridges), 282km of footpaths, walkways and cycleways, 22 off street car park areas, on street car parking, streetlights, traffic signs, culverts and Tasman's Great Taste Trail. Each road in the transportation network has been categorised into a transportation hierarchy based on the road's purpose and level of use.

This activity includes:

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

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

WHY WE DO IT

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

OUR GOAL

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

HOW THIS ACTIVITY CONTRIBUTES TO COUNCIL'S COMMUNITY OUTCOMES




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

SUBSIDISED AND NON-SUBSIDISED TRANSPORT ACTIVITIES





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

The Financial Assistance Rate (FAR) for Tasman in 2016/2017 was 51%. The FAR depends on the size of the overall programme of work and the assessed ability to pay, which is related to the capital value of the District.



OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...	CURRENT PERFORMANCE
<p>Safety</p> <p>Our transportation network is becoming safer for its users.</p>	<p>There is a downward trend in the number of serious and fatal injury crashes occurring on our road network.</p> <p>Measured using the NZ Transport Agency's crash database. The crash database is assessed annually on a calendar year basis, i.e. 1 January to 31 December.</p> <p>One Network Road Classification Safety (ONRCS) – Outcome Measure 1. (Target: decreasing.)</p>	 <p>Over the past year there have been two fatal and 10 serious injury crashes on Tasman District Council roads. There is an increasing trend in fatal and serious injury crashes in the last five years.</p> <p>In order to reduce serious crashes, our road safety activities include:</p> <ul style="list-style-type: none"> • Analysis of crash data to identify issues and themes, to help inform our improvement programme. • Maintenance of existing features such as signs and guardrails. • Community programmes including engagement with vulnerable users such as schools, and motorcyclists. <p>However, crashes are random events with many factors outside of our control. Our activities form part of the safe system approach, through our ability to provide a forgiving network and educational programmes. Prioritising removal of roadside hazards such as trees is a focus of our programme going forward.</p> <p>See Figure 19 All Crash Types 2012/2013 – 2016/2017 Tasman District Council Roads only, fatal and serious crashes page 76.</p>
	<p>The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network expressed as a number.</p> <p>Local Government Act Mandatory Measure. (Target: -1.)</p>	 <p>There were 12 fatal and serious crashes in 2016/2017, compared with 8 in 2015/2016.</p> <p>In previous years this result has been reported by calendar year.</p> <p>See Figure 20 All Crash Types 2012/2013 – 2016/2017 Tasman District Council Roads only, fatal and serious crashes, page 76.</p>
	<p>There is a decreasing number of loss of control crashes occurring on bends on our road network each year.</p> <p>Measured using NZ Transport Agency's crash database. The crash database is assessed annually on a calendar year basis, i.e. 1 January to 31 December. (Target: Decreasing.)</p>	 <p>The crash database shows that there is a decreasing trend in the number of loss of control crashes occurring on bends in our District over the last five years.</p> <p>See Figure 20 Bend-lost control, 2012/2013-2016/2017, Tasman District Council roads only, all injury types, page 76.</p>

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

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...	CURRENT PERFORMANCE
<p>Safety</p> <p>Our transportation network is becoming safer for its users (cont.)</p>	<p>There is a decreasing number of loss of control crashes on straights on our road network each year.</p> <p>Measured using the NZ Transport Agency's crash database. The crash database is assessed annually on a calendar year basis, i.e. 1 January to 31 December. (Target: Decreasing.)</p>	 <p>The crash database shows that there is an increasing trend of loss of control crashes occurring on straight roads in our District over the last five years. However the number of loss of control crashes fell from 26 in 2015/2016 to 21 in 2016/2017</p> <p>See Figure 21 Straight-lost control 2012/2013-2016/2017, Tasman District Council Roads only, All injury types, page 77.</p>
<p>Resilience</p> <p>We proactively maintain roads in high risk areas to minimise unplanned road closures.</p>	<p>Specified sites that Council considers to have a high risk of failure are inspected and attended to if necessary in response to severe weather warnings.</p> <p>Measured through the road maintenance contractor's monthly reports.</p> <p>(Target: Sites are inspected in response to severe weather warnings at least 100% of the time.)</p>	 <p>We carried out high risk drainage inspections 100% for all severe weather warnings. Specific high risk sites are specified in our road maintenance contracts and the timely inspection and maintenance is crucial if roads are to remain open. There are associated financial implications for contractors to ensure our targets are met. Our staff and contractors are signed up to notification lists to receive weather watches and warnings generated by Metservice. (cf 100% of high risk drainage inspected in 2015/2016).</p>
<p>Accessibility</p> <p>Our transportation network enables the community to choose from various modes of travel.</p>	<p>Council constructs a minimum of 500 metres of new footpath each financial year to reduce the length of gaps in the existing footpath network.</p> <p>Measured using RAMM Inventory data and GIS mapping.</p> <p>(Target: ≥500 metres.)</p>	 <p>Over the past year we have constructed no new footpaths, compared with 523 metres in 2015/2016. A planned new footpath on Higgs Road (640m) was deferred to 2017/2018 due to land and design issues. We maintain a list of gaps in our network which are prioritized to form our annual work programme. Factors we use to prioritise include number and type of pedestrians, and safety.</p>
<p>Value for money</p> <p>Our transportation network is maintained cost effectively and whole of the costs are optimised.</p>	<p>The percentage of sealed local road that is resurfaced each financial year. Local Government Act Mandatory Measure.</p> <p>(Target: 4.8%.)</p>	 <p>5.1% of our sealed network was resurfaced during the year. Relatively low bitumen prices enabled us to carry out more resurfacing than planned to be carried out. (cf 4.5% of sealed roads resurfaced in 2015/2016).</p>




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

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...	CURRENT PERFORMANCE
<p>Travel time</p> <p>Our transportation network is managed so that changes to normal travel time patterns across the network are communicated effectively.</p>	<p>Council communicates planned works programme and road closures to road users via the weekly road status report published on Council's website.</p> <p>Measured by tracking weekly website updates.</p> <p>ONRC TTR – PMI.</p> <p>(Target: 100%.)</p>	 <p>We achieved our target, with weekly reports of upcoming activities affecting our roads published on our website - actual result 100%. (cf 100% in 2015/2016).</p> <p>We are considering improvements to the way we inform road users making use of more interactive mediums such as Facebook and web maps.</p>
<p>Amenity</p> <p>The travel quality and aesthetics of our transportation network is managed at a level appropriate to the importance of the road and satisfies the community's expectations.</p>	<p>The percentage of footpaths with the Tasman District that are maintained to a condition of average or better.</p> <p>As measured through the triennial footpath condition rating survey (completed in 2016/2017, next due 2019/2020). ONRC Safety – PM8.</p> <p>Local Government Act Mandatory Measure.</p> <p>(Target: ≥90%)</p>	 <p>Actual = 90.9%.</p> <p>The triennial footpath condition rating survey was completed in May 2017.</p> <p>Our previous results for this measure were:</p> <p>94% as at May 2014</p> <p>94.3% as at November 2010</p> <p>We use the condition rating survey as an input to determine the size and priority of our footpath rehabilitation and maintenance programmes. Routine inspections of footpaths identify short term maintenance requirements.</p> <p>The next condition rating inspection will be in 2019/2020.</p>

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

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...	CURRENT PERFORMANCE																		
<p>Amenity</p> <p>The travel quality and aesthetics of our transportation network is managed at a level appropriate to the importance of the road and satisfies the community's expectations (cont.).</p>	<p>The proportion of travel undertaken on the sealed road network meets the specified comfort levels. Known as Smooth Travel Exposure (STE).</p> <p>Smooth travel exposure is defined as the proportion of vehicle kilometres travelled on roads with roughness below the following thresholds:</p> <table border="1" data-bbox="438 616 833 1153"> <thead> <tr> <th data-bbox="438 616 582 728">Urban Roads VEHICLES PER DAY</th> <th data-bbox="582 616 833 728">ROUGHNESS (NAASRA)</th> </tr> </thead> <tbody> <tr> <td data-bbox="438 728 582 772"><500</td> <td data-bbox="582 728 833 772">≤180</td> </tr> <tr> <td data-bbox="438 772 582 817">500 – 3,999</td> <td data-bbox="582 772 833 817">≤150</td> </tr> <tr> <td data-bbox="438 817 582 862">4,000 – 9,999</td> <td data-bbox="582 817 833 862">≤120</td> </tr> <tr> <td data-bbox="438 862 582 907">≥10,000</td> <td data-bbox="582 862 833 907">≤110</td> </tr> <tr> <th data-bbox="438 952 582 974">Rural Roads</th> <th data-bbox="582 952 833 974"></th> </tr> <tr> <th data-bbox="438 974 582 1041">VEHICLES PER DAY</th> <th data-bbox="582 974 833 1041">ROUGHNESS (NAASRA)</th> </tr> <tr> <td data-bbox="438 1041 582 1086"><1,000</td> <td data-bbox="582 1041 833 1086">≤150</td> </tr> <tr> <td data-bbox="438 1086 582 1131">≥1,000</td> <td data-bbox="582 1086 833 1131">≤130</td> </tr> </tbody> </table> <p>(NAASRA is an acronym for the National Association of Australian State Road Authorities)</p> <p>As reported through RAMM, based on traffic count and roughness survey data.</p> <p>One Network Road Classification Amenity – Outcome Measure 1. Local Government Act Mandatory Measure. (Target 95%.)</p>	Urban Roads VEHICLES PER DAY	ROUGHNESS (NAASRA)	<500	≤180	500 – 3,999	≤150	4,000 – 9,999	≤120	≥10,000	≤110	Rural Roads		VEHICLES PER DAY	ROUGHNESS (NAASRA)	<1,000	≤150	≥1,000	≤130	<div data-bbox="986 331 1252 459" data-label="Figure"> </div> <p>Based on our traffic count and roughness survey data we achieved 96% for this performance measure. This is the same result as for 2015/2016.</p> <p>There is no direct link between smoothness and funding to improve smoothness. That is, smoothness (or roughness) is not a primary driver of renewal activities such as resurfacing or pavement rehabilitation and only a partial driver of maintenance activity.</p> <p>However our activities do influence smoothness:</p> <p>Pavement maintenance Bumps and depressions which affect smoothness have intervention levels in terms of allowable size/depth before they are treated.</p> <p>Resurfacing Bumps and depressions which are below normal intervention levels are typically treated prior to resurfacing a road. Therefore resurfacing generally leads to improved smoothness.</p> <p>Rehabilitation Rehabilitation, where failing pavements are reconstructed, also improve smoothness.</p> <p>See Figure 22 Smooth Travel Exposure (STE), page 77.</p>
Urban Roads VEHICLES PER DAY	ROUGHNESS (NAASRA)																			
<500	≤180																			
500 – 3,999	≤150																			
4,000 – 9,999	≤120																			
≥10,000	≤110																			
Rural Roads																				
VEHICLES PER DAY	ROUGHNESS (NAASRA)																			
<1,000	≤150																			
≥1,000	≤130																			

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

Levels of service (we provide)	We will know we are meeting the level of service if...	Current performance
<p>Amenity</p> <p>The travel quality and aesthetics of our transportation network is managed at a level appropriate to the importance of the road and satisfies the community's expectations (cont.)</p>	<p>Residents are satisfied with Council's roads and footpaths in the District.</p> <p>As measured through the annual Communitrak survey.</p> <p>(Target: Footpaths ≥ 70%; Roads ≥ 70%.)</p>	 <p>In 2017, 74% of residents were satisfied or very satisfied with our footpaths. 21% of residents were not satisfied. This is an increase from 71% satisfied or very satisfied in 2016 and a similar level not satisfied (22%) in 2016.</p> <p>The percent not very satisfied is slightly below the peer group average and similar to the national average and the 2016 reading.</p>  <p>In 2017 76% of residents were satisfied or very satisfied with our roads. 24% were not very satisfied. These results are similar to the 2016 results – 75% satisfied or very satisfied and 24% dissatisfied.</p> <p>The percent not very satisfied is similar to the peer group and national averages.</p> <p>See Figure 23 Satisfaction with Roads and Footpaths, page 78.</p>
	<p>Customer Service Requests relating to the transportation network and activities are completed on time.</p> <p>As measured by the maintenance contractor's compliance with fault response time requirements (using RAMM Contractor), and the percentage of requests assigned to Council staff which are attended to within 5 days (using NCS).</p> <p>ONRC Safety PM7.</p> <p>Local Government Act Mandatory Measure.</p> <p>(Target: ≥ 90%.)</p>	 <p>88.2% of contractor requests, and 79% of Council requests, were completed on time. This compares with 94% and 83% respectively in 2015/2016.</p> <p>The number of service requests received in 2016/2017 increased by 25% compared with 2015/2016, without a corresponding increase in staffing or resource levels.</p> <p>Ongoing and regular wet weather created us challenges for unsealed road maintenance response times. Additional road maintenance resources were not always available due to the busy contracting market and Kaikoura earthquake.</p>

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

FIGURE 19

All Crash Types, 2012/13 – 2016/17 Tasman District Council roads only, fatal and Serious crashes

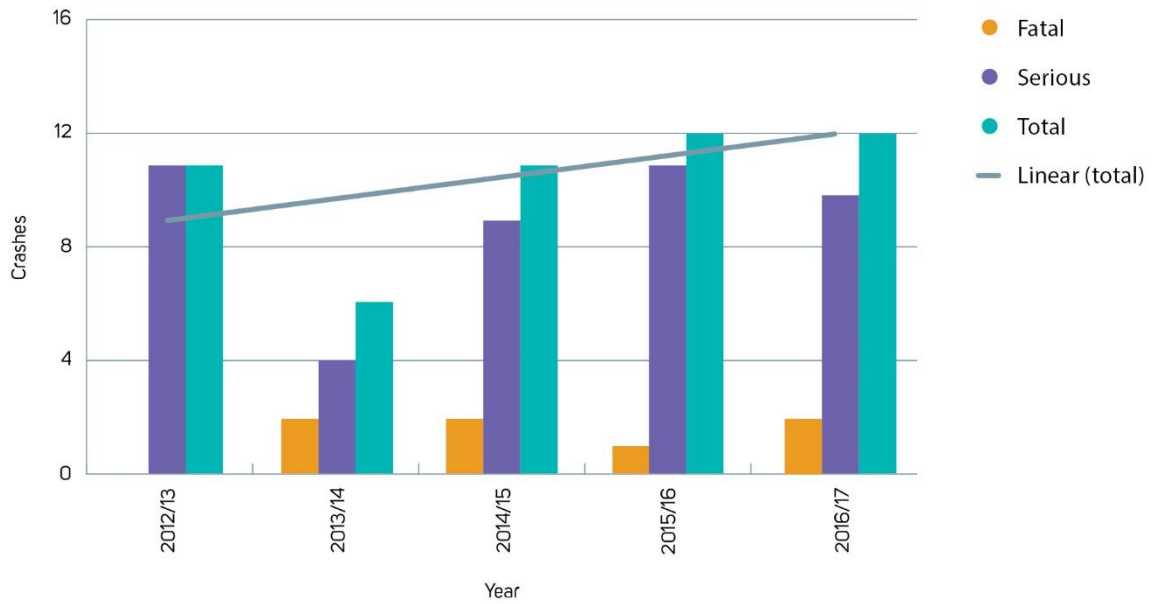
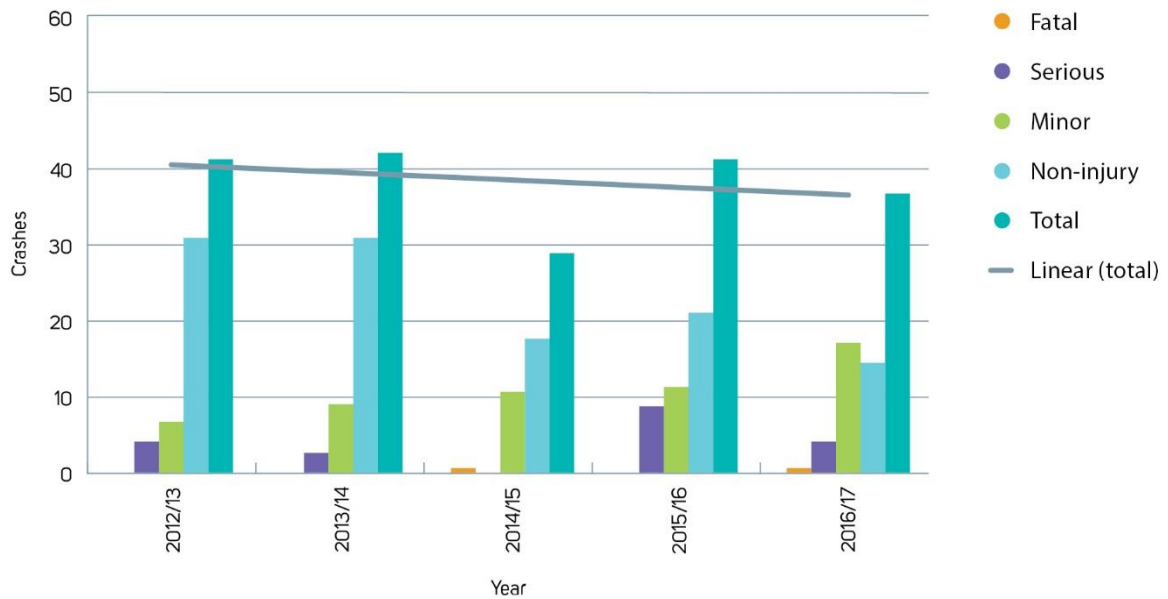


FIGURE 20

Bend-lost control, 2012/13 – 2016/17, Tasman District Council roads only, All injury types



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

FIGURE 21

Straight-lost control, 2012/13 – 2016/17, Tasman District Council roads only, All injury types

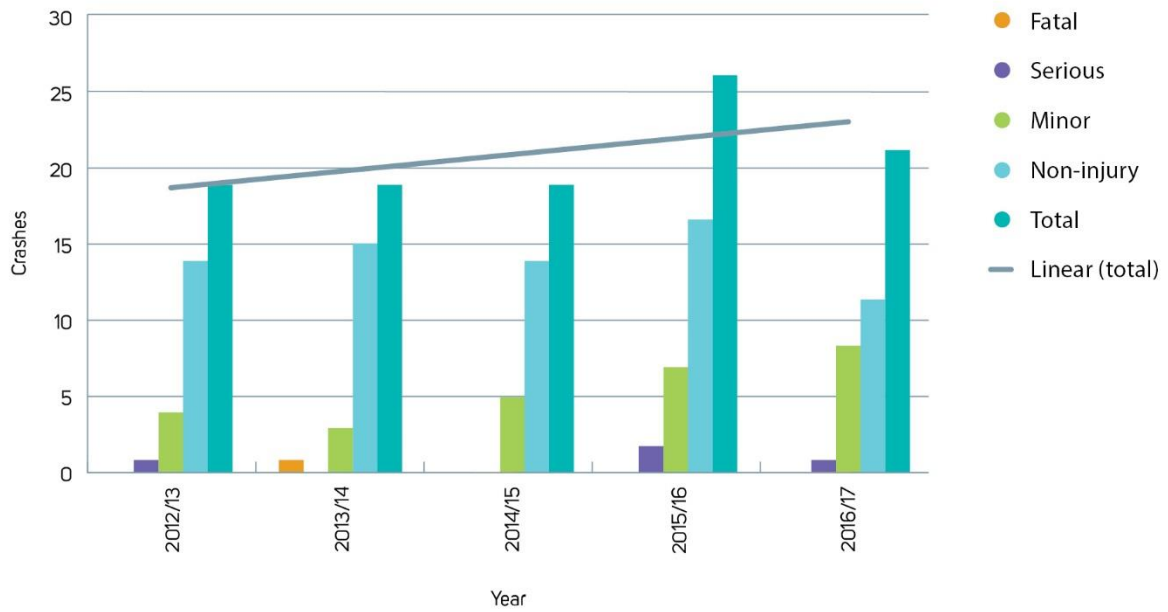
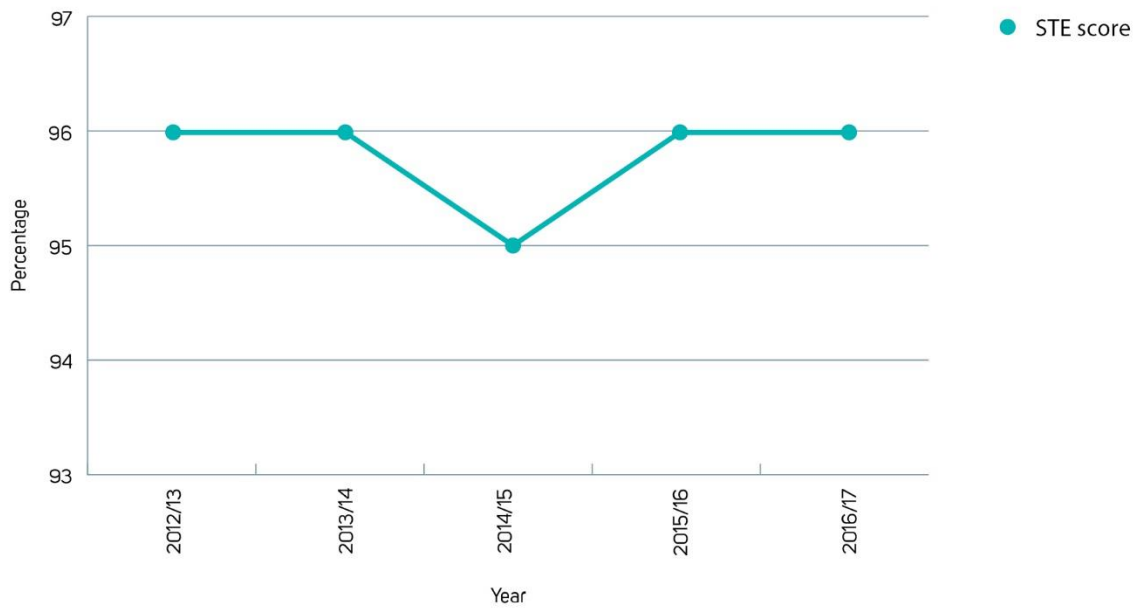


FIGURE 22

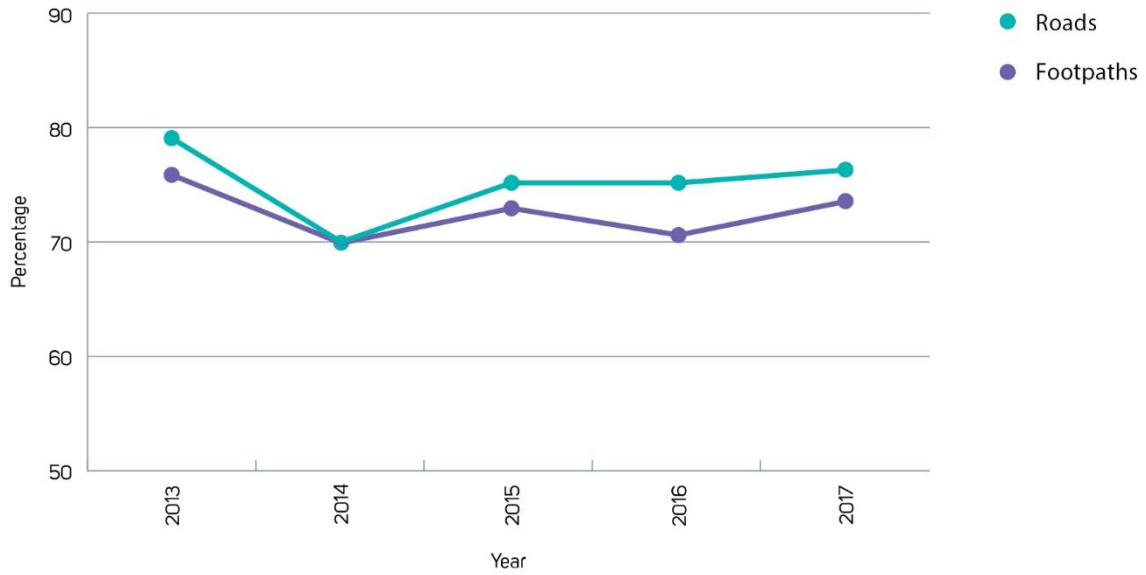
Smooth Travel Exposure (STE)



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

FIGURE 23

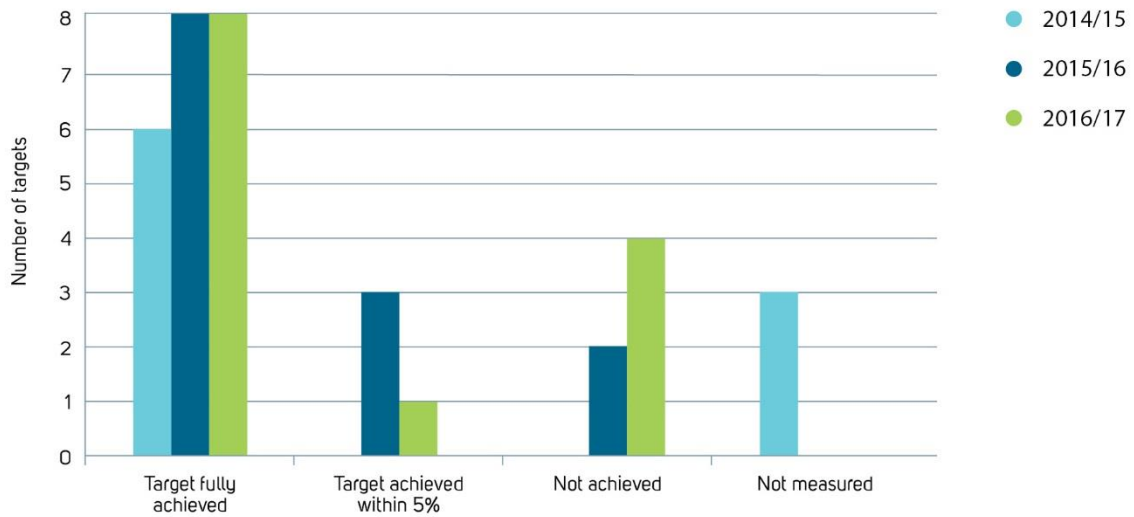
Satisfaction with Roads and Footpaths



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

FIGURE 24

Transportation, Roads and Footpaths Performance Measures
Comparison of number of performance measures met over three years



Nearly all of the performance measures for Transportation were introduced through the last LTP 2015-2015 or are now required as part of the Local Government Act Mandatory Measures. Comparative data for previous years has been provided as much as possible.

In our Transportation activity we achieved the majority of the targets in 2016/2017. Of the targets not achieved three relate to the number of crashes on roads in the District. One of these showed an improved result compared with 2015/2016 and the other two had the same result as 2015/2016. It should be noted that crashes are random events with many factors that are outside our control. The other target not achieved was for the distance of footpath constructed during the year.

MAJOR ACTIVITIES

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

We have approved a Regional Land Transport 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 2016/2017. A full list of projects and programmes for work that was planned to be completed is included in Appendix F of the Transportation Activity Management Plan.

PROJECT NAME	LTP YEARS 1 - 3	2016/2017 BUDGET	ACTUAL 2016/2017
Sealed Road Resurfacing	\$5,354,125	\$1,700,991	Resurfacing of sealed roads: \$1,648,003 was spent in the 2016/2017 financial year. Low bitumen prices enabled more resurfacing to be completed than was planned, but still within budget.
Drainage Renewals	\$2,896,431	\$969,500	Renewal of drainage assets including kerb and channel, culverts, sumps and water tables: \$812,950 was spent in the 2016/2017 financial year. Some planned renewals were not able to be delivered due to contracting resources not being available, following the November Kaikoura earthquake and due to a busy local economy.
Unsealed Road Metalling	\$2,593,601	\$795,600	Routine metalling of unsealed roads to replace lost aggregate: \$1,002,444 was spent in the 2016/2017 financial year. This included additional metalling carried over from 2015/16.
Pavement Rehabilitation	\$1,102,320	\$500,000	Pavement rehabilitation of sites which meet NZTA funding criteria: \$445,125 was spent in the 2016/2017 financial year. Sites are chosen where rehabilitation (rather than maintenance) is the long-term least-cost option.
Traffic Services Renewals	\$1,465,223	\$473,000	Renewal of signs, edge marker posts and street lighting: \$421,405 was spent in the 2016/2017 financial year. This included final completion of LED street light conversion project.
Structures Component Replacements	\$1,243,041	\$394,500	Bridge component replacements: \$391,701 was spent in the 2016/2017 financial year.
Footpath Rehabilitation	\$314,949	\$104,244	Footpath and walkway rehabilitation sites identified through a priority matrix: \$57,213 was spent in the 2016/2017 financial year. This budget was overspent in 2015/2016 therefore the 2016/2017 work was reduced to balance this.
New Footpaths	\$251,959	\$83,395	Construction of new footpaths across the District: There was no expenditure in the 2016/2017 financial year due to delays on the Higgs Road project. We anticipate unspent funds will be carried over to 2017/2018.

MAJOR ACTIVITIES (CONT.)

PROJECT NAME	LTP YEARS 1 - 3	2016/2017 BUDGET	ACTUAL 2016/2017
Minor Improvements	\$2,972,736	\$983,936	Minor road improvements, sites identified through a priority matrix: \$860,471 was spent in the 2016/2017 financial year. We anticipate unspent funds will be carried over to 2017/2018.
Tasman's Great Taste Trail Construction	\$1,822,923	\$625,462	Construction of the Great Taste Trail: \$621,738 was spent in the 2016/2017 financial year. \$795,528 was carried over from 2015/2016. Construction was completed from Quail Valley Road, through to the south side of Spooners Tunnel and Norris Gully. Work on Wakefield to Wai-iti Domain section has been delayed due to difficulties securing permanent access to land, however work will continue in 2017/2018.
Richmond Central Improvements – Queen Street Town Centre Renewal	\$4,534,027	\$2,886,581	Reinstatement of Queen Street in conjunction with utilities infrastructure upgrades: \$1,398,388 was spent in the 2016/2017 financial year. \$133,020 was carried over from the 2015/2016. We anticipate unspent funds will be carried over to the 2017/2018 financial year. Construction will continue during 2017/2018.
Motueka Town Centre Renewal	\$924,853	\$89,649	Upgrade of High Street pedestrian areas to provide for a shared environment: No funds were spent in the current financial year as this project has been deferred to align with works arising from an NZTA business case for safety improvements on High Street.
Brightwater Town Centre Improvements	\$177,686	\$0	Upgrade of Ellis Street to provide for a shared environment: This project commences in 2017/2018.
Bateup Road Widening	\$3,005,768	\$260,610	Widening of Bateup Road to provide for growth: \$139,166 was spent in the 2016/2017 financial year. \$12,751 was carried over from the 2015/2016. Design commenced in 2016/2017 and will continue in 2017/2018. Construction is expected to begin in the second half of 2017/2018.
Oxford Street Widening	\$48,149	\$52,122	Widening of Oxford Street between Wensley Road and Gladstone Road to improve flows on the Richmond Ring Route: This project has been deferred pending the outcome of the Richmond Network Operating Framework being developed with NZTA and NCC.
Pah Street, Greenwood Street and High Street Intersection Improvements	\$53,844	\$0	Improvements to the intersection to increase efficiency: This project has been deferred to align with works arising from an NZTA business case for safety improvements on High Street.

Tasman District Council

Funding Impact Statement

For the year ended June 2017

LTP 2016 \$000	Actual 2016 \$000	TRANSPORTATION, ROADS AND FOOTPATHS	Actual 2017 \$000	Budget 2017 \$000	LTP 2017 \$000	% of Budget
SOURCES OF OPERATING FUNDING						
11,461	11,461	General rates, uniform annual general charges, rates penalties	11,598	11,598	11,643	100%
0	0	Targeted rates	0	0	0	0%
4,344	3,778	Subsidies and grants for operating purposes	3,276	4,281	4,281	77%
139	355	Fees and charges	151	141	143	107%
0	182	Internal charges and overheads recovered	967	0	0	0%
358	324	Local authorities fuel tax, fines, infringement fees, and other receipts	908	365	368	249%
16,302	16,100	TOTAL OPERATING FUNDING	16,900	16,385	16,435	103%
APPLICATIONS OF OPERATING FUNDING						
8,552	6,184	Payments to staff and suppliers	7,331	8,742	8,671	84%
1,801	2,002	Finance costs	1,901	1,994	1,856	95%
1,177	1,338	Internal charges and overheads applied	2,598	912	1,150	285%
0	0	Other operating funding applications	0	0	0	0%
11,530	9,524	TOTAL APPLICATIONS OF OPERATING FUNDING	11,830	11,648	11,677	102%
4,772	6,576	SURPLUS (DEFICIT) OF OPERATING FUNDING	5,070	4,737	4,758	107%
SOURCES OF CAPITAL FUNDING						
3,404	2,529	Subsidies and grants for capital expenditure	3,665	3,307	3,330	111%
134	114	Development and financial contributions	130	150	150	87%
(922)	(851)	Increase (decrease) in debt	1,081	2,152	2,267	50%
0	0	Gross proceeds from sale of assets	0	0	0	0%
0	0	Lump sum contributions	0	0	0	0%
0	0	Other dedicated capital funding	0	0	0	0%
2,616	1,792	TOTAL SOURCES OF CAPITAL FUNDING	4,876	5,609	5,747	87%
APPLICATIONS OF CAPITAL FUNDING						
Capital expenditure						
0	249	- to meet additional demand	0	0	0	0%
2,377	2,268	- to improve the level of service	1,104	5,352	5,477	21%
5,011	4,415	- to replace existing assets	7,652	4,994	5,028	153%
0	1,436	Increase (decrease) in reserves	1,190	0	0	0%
0	0	Increase (decrease) in investments	0	0	0	0%
7,388	8,368	TOTAL APPLICATIONS OF CAPITAL FUNDING	9,946	10,346	10,505	96%
(4,772)	(6,576)	SURPLUS (DEFICIT) OF CAPITAL FUNDING	(5,070)	(4,737)	(4,758)	107%
0	0	FUNDING BALANCE	0	0	0	0%

Subsidies and Grants for Operating Purposes: No emergency event occurred during the year. A budget of \$2m was provided for this. If the event had occurred TDC would have received \$1.04m from NZTA. No event meant less revenue.

Payments to staff and suppliers: As stated above no emergency events occurred which meant a \$2m underspend in this area. Please note this increased the reserve by \$1m as can be seen in the Increase to reserve lines above.

Reserve Movement Increase or Decrease - The movement in reserve is a reflection of the underspend in this activity, which has increased the surplus.

ENGINEERING (CONT.)

COASTAL STRUCTURES

WHAT WE DO

This group of activities comprises:

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

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

- ownership and management of the wharf at Riwaka;
- jetties, boat ramps, navigational aids and moorings;
- coastal protection works at Ruby Bay and Marahau; and
- navigation aids associated with harbour management.

WHY WE DO IT

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

OUR GOAL

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

HOW THIS ACTIVITY CONTRIBUTES TO COUNCIL'S COMMUNITY OUTCOMES

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

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM


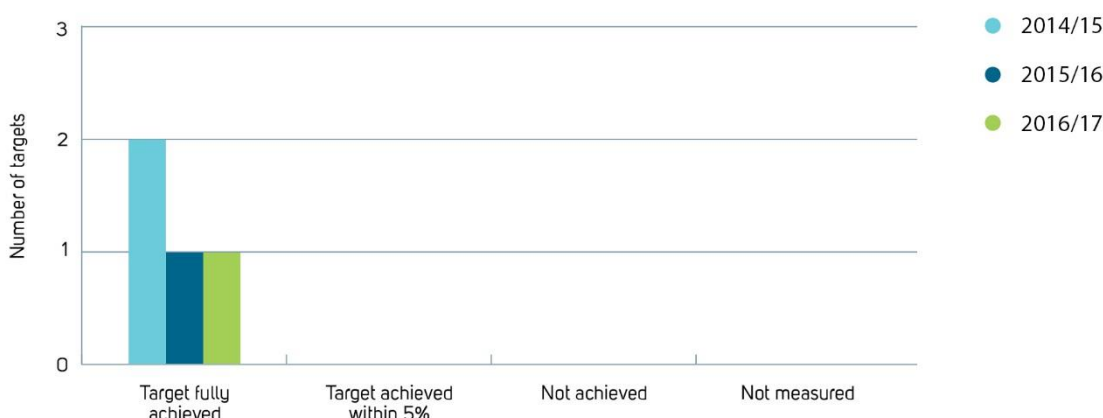
LEVELS OF SERVICE WE PROVIDE	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF ...	CURRENT PERFORMANCE
Our works are carried out so that the impacts on the natural coastal environment are minimised to a practical but sustainable level.	Resource consents are held and complied with for works undertaken by Council or its contractors on Council owned coastal protection – as measured by the number of notices issued to Council. (Target: no notices issued.)	 <p>We hold and comply with resource consents for works undertaken by the Council or its contractors with no notices issued in 2016/2017. (cf no notices issued in 2015/2016).</p>

FIGURE 25

Coastal Structures Performance Measures

Comparison of number of performance measures met over three years



MAJOR ACTIVITIES

This group of activities involves ongoing management, maintenance and renewal of Council's coastal structures.

The following table details the major capital and renewal work programmed for 2016/2017. A full list of projects and programmes for when the work is planned to be completed is included in Appendix F of the Coastal Structures Activity Management Plans.

NEW CAPITAL EXPENDITURE

PROJECT NAME	LTP YEARS 1-3	2016/2017	ACTUAL 2016/2017
Waimea Inlet Boat Access	\$81,840	\$0	Improvements to existing boat access facilities in the Waimea Inlet: No funds were spent in the 2016/2017 financial year. Council is working with the boat ramp users and the community to identify a suitable location for new facilities. Consultation will continue in 2017/2018.

Tasman District Council
Funding Impact Statement
For the year ended June 2017

LTP 2016 \$000	Actual 2016 \$000	COASTAL STRUCTURES	Actual 2017 \$000	Budget 2017 \$000	LTP 2017 \$000	% of Budget
SOURCES OF OPERATING FUNDING						
608	608	General rates, uniform annual general charges, rates penalties	435	435	462	100%
105	103	Targeted rates	102	101	102	101%
0	0	Subsidies and grants for operating purposes	0	0	0	0%
0	4	Fees and charges	0	0	0	0%
0	0	Internal charges and overheads recovered	0	0	0	0%
0	15	Local authorities fuel tax, fines, infringement fees, and other receipts	32	0	0	0%
713	730	TOTAL OPERATING FUNDING	569	536	564	106%
APPLICATIONS OF OPERATING FUNDING						
464	124	Payments to staff and suppliers	199	308	316	65%
95	81	Finance costs	52	80	92	65%
43	19	Internal charges and overheads applied	56	33	42	170%
0	0	Other operating funding applications	0	0	0	0%
602	224	TOTAL APPLICATIONS OF OPERATING FUNDING	307	421	450	73%
111	506	SURPLUS (DEFICIT) OF OPERATING FUNDING	262	115	114	228%
SOURCES OF CAPITAL FUNDING						
0	0	Subsidies and grants for capital expenditure	0	0	0	0%
0	0	Development and financial contributions	0	0	0	0%
(23)	(38)	Increase (decrease) in debt	(93)	(101)	(107)	92%
0	0	Gross proceeds from sale of assets	0	0	0	0%
0	0	Lump sum contributions	0	0	0	0%
0	0	Other dedicated capital funding	0	0	0	0%
(23)	(38)	TOTAL SOURCES OF CAPITAL FUNDING	(93)	(101)	(107)	92%
APPLICATIONS OF CAPITAL FUNDING						
Capital expenditure						
0	0	- to meet additional demand	0	0	0	0%
82	0	- to improve the level of service	0	0	0	0%
0	61	- to replace existing assets	2	0	0	0%
6	407	Increase (decrease) in reserves	167	14	7	1193%
0	0	Increase (decrease) in investments	0	0	0	0%
88	468	TOTAL APPLICATIONS OF CAPITAL FUNDING	169	14	7	1207%
(111)	(506)	SURPLUS (DEFICIT) OF CAPITAL FUNDING	(262)	(115)	(114)	228%
0	0	FUNDING BALANCE	0	0	0	0%

Payments to staff and Suppliers: Costs associated with Jackett Island did not eventuate and resulted in an underspend.

Reserve Movement Increase or Decrease - The movement in reserve is a reflection of the underspend in this activity, which has increased the surplus.

ENGINEERING (CONT.)

WATER SUPPLY

WHAT WE DO

This group of activities comprises the provision of potable water (i.e. water suitable for use and consumption by people) to properties within 16 water supply areas. The water supply areas consist of 11 urban water supply schemes (known as the urban water club), Motueka water supply scheme, three rural supply schemes and the Hamama community scheme. The Mapua Rise Water Scheme was transferred to Council in May 2017 and increases the total number of schemes to 16, from the 15 schemes reported last year.

In addition, the Takaka Firefighting Scheme supplies the central Takaka area with a non-potable firefighting supply.

Our water supply network is extensive and growing rapidly currently to meet increasing urban growth. At present, the network comprises approximately 807 kms of pipeline, 36 pumping stations, 11,100 domestic connections and 111 reservoirs and break pressure tanks with a usable capacity of approximately 18,000 cubic metres of water. In addition, we manage the Wai-iti water storage dam to provide supplementary water into the Lower Wai-iti River and aquifer. This enables sustained water extraction for land irrigation at times of low river flows.

WHY WE DO IT

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

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




OUR GOAL

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

HOW THIS ACTIVITY CONTRIBUTES TO COUNCIL'S COMMUNITY OUTCOMES



COMMUNITY OUTCOMES	HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOMES
Our unique natural environment is healthy and protected.	All water in Council-owned schemes is taken from the environment (surface or groundwater) and so they all require resource consents. Consented activity can be managed so the impact of the water take does not prove detrimental to the surrounding environment.
Our urban and rural environments are people-friendly, well-planned and sustainably managed.	The water supply activity is a service to the community providing water that is safe to drink and is efficiently delivered to meet customer needs. It also provides a means for firefighting consistent with the national firefighting standards in many areas.
Our infrastructure is efficient, cost effective and meets current and future needs.	The water activity is considered an essential service that should be provided to all properties within water supply network areas in sufficient capacity and pressure. This service should also be efficient and sustainably managed.
Our communities are healthy, safe, inclusive and resilient.	The water supply activity provides water that is safe to drink. Alternative sources and interconnectivity of networks support resilience of the system.
Our communities have opportunities to celebrate and explore their heritage, identity and creativity.	The opening of larger key facilities is celebrated with community groups.
Our communities have access to a range of social, educational and recreational facilities and activities.	The water supply activity underpins other facilities and activities by providing safe water for human and animal needs.
Our Council provides leadership and fosters partnerships, a regional perspective and community engagement.	The water supply activity supports this outcome, as witnessed by agreements that we have with NCC and the Waimea Community Dam process.
Our region is supported by an innovative and sustainable economy	The water supply activity underpins the economy by providing safe water for human and animal needs. Sustainable future supply is a key driver of our planning activities.

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM




LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	CURRENT PERFORMANCE																																				
Our water takes are sustainable.	All water takes have resource consents. All resource consents are held in NCS. (Target: 100%.)	 <p>We have all necessary resource consents in place meeting our 100% target (2015/2016: 100%).</p>																																				
	Compliance with water resource consents is achieved, as measured by the number of: <ul style="list-style-type: none"> • abatement notices (≤ 1) • infringement notices (0) • enforcement orders (0) • convictions (0) 	 <p>We have achieved 100% compliance with our resource consents. We received no notices or enforcement orders during the 2016/2017 year. (cf 100% in 2015/2016).</p>																																				
	Our percentage of real water loss from the network is less than the target. (Mandatory measure 2). (Target: 29%)	 <p>We have not managed to achieve our target of 29% for the total network. However, we have achieved this target in eight out of our 11 urban schemes. (cf achieved in seven out of 10 urban water schemes in 2015/2016. Note our target for 2015/2016 was 31%).</p> <p>Water loss on the rural water schemes is difficult to assess on the same terms as the urban schemes and as a result, the calculations are often inconclusive.</p> <p>We also monitor loss on an ongoing basis and weekly readings and automated zone flow calculations are helping to reduce loss. Where loss is suspected specialist testing is undertaken.</p> <table border="1" data-bbox="852 1464 1386 2018"> <thead> <tr> <th>URBAN SCHEME</th> <th>REAL LOSS DIVIDED BY USAGE PER CONNECTION (LITRES)</th> <th>ACTUAL REAL LOSS/INPUT VOLUME</th> </tr> </thead> <tbody> <tr> <td>Brightwater</td> <td>24,911</td> <td>5%</td> </tr> <tr> <td>Collingwood</td> <td>7,184</td> <td>19%</td> </tr> <tr> <td>Kaiteriteri</td> <td>4,3294</td> <td>31%</td> </tr> <tr> <td>Mapua*</td> <td>10,8371</td> <td>23%</td> </tr> <tr> <td>Motueka</td> <td>31,392</td> <td>12%</td> </tr> <tr> <td>Murchison*</td> <td>18,780</td> <td>21%</td> </tr> <tr> <td>Pohara</td> <td>4,023</td> <td>26%</td> </tr> <tr> <td>Richmond*</td> <td>61,2356</td> <td>22%</td> </tr> <tr> <td>Tapawera</td> <td>42,290</td> <td>56%</td> </tr> <tr> <td>Wakefield</td> <td>9,5871</td> <td>32%</td> </tr> <tr> <td>Upper Takaka</td> <td>3,275</td> <td>64%</td> </tr> </tbody> </table>	URBAN SCHEME	REAL LOSS DIVIDED BY USAGE PER CONNECTION (LITRES)	ACTUAL REAL LOSS/INPUT VOLUME	Brightwater	24,911	5%	Collingwood	7,184	19%	Kaiteriteri	4,3294	31%	Mapua*	10,8371	23%	Motueka	31,392	12%	Murchison*	18,780	21%	Pohara	4,023	26%	Richmond*	61,2356	22%	Tapawera	42,290	56%	Wakefield	9,5871	32%	Upper Takaka	3,275	64%
URBAN SCHEME	REAL LOSS DIVIDED BY USAGE PER CONNECTION (LITRES)	ACTUAL REAL LOSS/INPUT VOLUME																																				
Brightwater	24,911	5%																																				
Collingwood	7,184	19%																																				
Kaiteriteri	4,3294	31%																																				
Mapua*	10,8371	23%																																				
Motueka	31,392	12%																																				
Murchison*	18,780	21%																																				
Pohara	4,023	26%																																				
Richmond*	61,2356	22%																																				
Tapawera	42,290	56%																																				
Wakefield	9,5871	32%																																				
Upper Takaka	3,275	64%																																				

*Leak detection has been carried out in Richmond and Mapua Schemes and is to be

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

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	CURRENT PERFORMANCE																								
Our water takes are sustainable (cont.)	<p>The average consumption of drinking water per day per resident is less than the target.</p> <p>(Mandatory measure 5).</p> <p>(Target: < 300L/person/day.)</p>	 <p>As the table below shows, we have achieved this target, with the majority well below the measure. This measure was also achieved in 2015/2016).</p> <table border="1" data-bbox="855 600 1366 1059"> <thead> <tr> <th>URBAN SCHEME</th> <th>AVERAGE LITRES PER DAY PER CONNECTION</th> </tr> </thead> <tbody> <tr> <td>Brightwater</td> <td>251</td> </tr> <tr> <td>Collingwood*</td> <td>140</td> </tr> <tr> <td>Kaiteriteri*</td> <td>170</td> </tr> <tr> <td>Mapua</td> <td>223</td> </tr> <tr> <td>Motueka</td> <td>185</td> </tr> <tr> <td>Murchison</td> <td>249</td> </tr> <tr> <td>Pohara*</td> <td>230</td> </tr> <tr> <td>Richmond</td> <td>226</td> </tr> <tr> <td>Tapawera</td> <td>209</td> </tr> <tr> <td>Wakefield</td> <td>214</td> </tr> <tr> <td>Upper Takaka</td> <td>101</td> </tr> </tbody> </table> <p>*Low occupancy rate, with a high number of holiday locations or alternate water supplies.</p>	URBAN SCHEME	AVERAGE LITRES PER DAY PER CONNECTION	Brightwater	251	Collingwood*	140	Kaiteriteri*	170	Mapua	223	Motueka	185	Murchison	249	Pohara*	230	Richmond	226	Tapawera	209	Wakefield	214	Upper Takaka	101
URBAN SCHEME	AVERAGE LITRES PER DAY PER CONNECTION																									
Brightwater	251																									
Collingwood*	140																									
Kaiteriteri*	170																									
Mapua	223																									
Motueka	185																									
Murchison	249																									
Pohara*	230																									
Richmond	226																									
Tapawera	209																									
Wakefield	214																									
Upper Takaka	101																									
Our use of the water resource is efficient.	<p>Water Demand Management Plans are in place for each water scheme.</p> <p>(Target: 9 out of 15.)</p>	 <p>Out of the 15 water schemes, we currently have eight Demand Management Plans in place for the following zones: Richmond, Brightwater/Hope, Wakefield, Mapua/Ruby Bay, Riwaka /Kaiteriteri, Collingwood, Murchison, Motueka and Tapawera. (cf eight Demand Management Plans in place in 2015/2016 which, achieved our target of eight for that year).</p> <p>Plans are in place for major urban supplies. The remaining schemes have lower demand. We undertake basic checks on the remaining schemes, comparing water sold through water meters with what was pumped. This helps us determine the quantity of water leakage. Additionally we carry out leak detection testing when major leakage is suspected.</p>																								

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

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	CURRENT PERFORMANCE
Our water is safe to drink.	<p>Number of temporary advisory notices issued to boil water – as issued in consultation with the Medical Officer of Health.</p> <p>(Target: Nil.)</p>	 <p>We issued one temporary boil water notice in Brightwater in April 2017. This was due to heavy rain causing the river to rise and become dirty. This in turn affected the groundwater quality in the supply bores, which are close to the river. This is compared to zero in 2015/2016 and one in 2014/2015.</p> <p>There is a permanent boil water notice in place at Dovedale, which is not covered in the targets as it is permanently in place.</p>
We comply with part 4 (bacteria compliance criteria) of the drinking-water standards.	<p>(Mandatory measure).</p>	<p>Part 4</p>  <p>Four schemes did not comply with the turbidity requirements, as the water was too cloudy to be effectively chlorinated at the treatment plant. There is no filtration at these treatment plants.</p> <p>See table Results: Bacterial Compliance in Plant and Zone on page 92.</p>
Bacterial water sampling results show no presence of <i>E.coli</i> .	<p>(Target: 99%)</p>	 <p>In relation to Part 4 of the Drinking Water Standards: in total we undertook 1606 <i>E.coli</i> samples with six failures, resulting in a 99.6% compliance. (cf 99% compliance in 2015/2016).</p> <p><i>Of the failed samples:</i></p> <ul style="list-style-type: none"> • Three samples were from Dovedale zone which has a permanent boil water notice as the chlorine treatment is subject to failures • Two samples were from Upper Takaka treatment plant, probably caused a reservoir roof leak. • One sample was from the Richmond Zone, cause unknown. Emergency chlorination was employed in this case, so that a boil water notice was not needed <p>We carry out water compliance testing on all of our supplies in accordance with DWSNZ 2005 (revised 2008).</p>

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

2016/17 Results: Bacterial compliance in Plant and Zone (Part 4 NZDWS)

BACTERIAL COMPLIANCE IN PLANT	Plant Compliance			Zone Compliance	
	BACTERIAL SAMPLING COMPLIED?	WATER QUALITY COMPLIANCE ¹	REASON FOR NON-COMPLIANCE	BACTERIAL COMPLIANCE IN ZONE?	REASON FOR NON-COMPLIANCE
Collingwood	Yes	No	NTU	Yes	NA Complied
Dovedale Rural	Yes	No	NTU, Chlor	No	T, PBWN
Eighty Eight Valley Rural	Yes	No	NTU	Yes	NA Complied
Hope/Brightwater	Yes	No	NTU	Yes	NA Complied
Kaiteriteri	Yes	N/A	NA Complied	Yes	NA Complied
Motueka	Yes	N/A	NA Complied	Yes	NA Complied
Murchison	Yes	Yes	NA Complied	Yes	NA Complied
Pohara	Yes	N/A	NA Complied	Yes	NA Complied
Redwood Valley 1	Yes	Yes	NA Complied	Yes	NA Complied
Redwood Valley 2	Yes	Yes	NA Complied	Yes	NA Complied
Richmond	Yes	N/A	NA Complied	Yes	NA Complied
Waimea Industrial*	N/A	N/A	-	Yes	NA Complied
Tapawera	Yes	Yes	NA Complied	Yes	NA Complied
Mapua Ruby Bay	Yes	Yes	NA Complied	Yes	NA Complied
Wakefield	Yes	Yes	NA Complied	Yes	NA Complied
Upper Takaka	No	N/A	T	Yes	NA Complied
Mapua Rise	Y	N/A	NA Complied	Yes	NA Complied

KEY

T – Transgression: *E.coli* detected
IS – Insufficient sampling (technical non-compliance)
NT – No protozoa treatment in place yet
TF – Treatment failure
Tech – Technical non-compliance (e.g. data collection failure due to server outage)
PBWN -Permanent Boil Water notice
NTU - High turbidity
Chlor - chlorine level (<0.2mg/l)

¹ physical water quality parameters: pH, turbidity and free available chlorine (FAC)

* Waimea Industrial is a zone only and has no separate plant. It is supplied from the Richmond treatment plant.

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


2015/2016 Results

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

KEY

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

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

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE CURRENT PERFORMANCE LEVEL OF SERVICE IF...	
<p>Our water is safe to drink (cont.)</p>	<p>We comply with part 5 (protozoal compliance criteria) of the drinking-water standards.</p> <p>As measured by a number of schemes with compliant protozoa treatment determined by the Drinking Water Assessor.</p> <p>(Mandatory measure 1)</p>	<p>Part 5</p>  <p>Currently only one of our 15 drinking water plants fully complies with this measure (Upper Takaka). (cf one drinking water plant fully compliant in 2015/2016).</p> <p>Mapua Rise is a new plant handed to council to run in April 2017. The part of the year that it was operated achieved compliance.</p> <p>Murchison, Tapawera and Richmond also have protozoa treatment; however monitoring procedures are not yet comprehensive enough to classify these as fully compliant.</p> <p>*Both Murchison and Tapawera only have one UV unit. Technical issues with both of these units caused outages for part of the year.</p> <p>**As Richmond is a large supply, it requires 'continuous monitoring'. Technical issues with capturing and storing all of the data needed to prove compliance have meant that full compliance was not attempted. This does not mean the treatment plant does not provide water treated for protozoa 100% of the time.</p>

2016/2017 Results Part 5 NZDWS

PLANT PROTOZOA COMPLIANCE	PROTOZOAL COMPLIANCE	REASONS FOR NON COMPLIANCE (PROTOZOAL)
Collingwood	No	NT
Dovedale Rural	No	NT
Eighty Eight Valley Rural	No	NT
Hope/Brightwater	No	NT
Kaiteriteri	No	NT
Motueka	No	NT
Murchison*	No*	Tech, TF
Pohara	No	NT
Redwood Valley 1	No	NT
Redwood Valley 2	No	NT
Richmond**	No*	Tech
Tapawera*	No*	Tech, TF
Mapua Ruby Bay	No	NT
Wakefield	No	NT
Upper Takaka	Yes	NA Complied
Mapua Rise	Yes	NA Complied

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

<p>KEY NT – No protozoa treatment in place yet NA – Not applicable TF – Treatment failure Tech – Technical non-compliance (e.g. data collection failure due to server outage)</p>
--

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE CURRENT PERFORMANCE LEVEL OF SERVICE IF...
--------------------------------	--

Our water supply systems provide fire protection to a level that is consistent with the national standard.

Our water supply systems meet the FW2 standard as per the Code of Practice for Fire Fighting Water Supplies – measured through hydraulic modelling, and field testing revised biennially.

(Target: 90%)



This year we have achieved a 100% compliance as measured through random testing in a number of schemes. There are some small areas in Richmond which do not achieve full compliance, as measured through modelling. Rural water supplies and community supplies do not provide firefighting capacity, so are not covered by this measure (cf 2015-16: 90%).

Our water supply activities are managed at a level that the community is satisfied with.

% of customers are satisfied with the water supply service – as measured through the annual residents’ survey.


(Target: 80%)



In 2017, of those residents who receive a service, 80% were satisfied or very satisfied. 16% of residents who receive a service were not very satisfied. This compares with 79% satisfied or very satisfied and 18% not satisfied in 2016.

See Figure 26 Water Supply Services Satisfaction Rate, page 97.

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

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE CURRENT PERFORMANCE LEVEL OF SERVICE IF...	
Our water supply systems are built, operated and maintained so that failures can be managed and responded to quickly.	<p>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 – as recorded through Council’s Confirm database.</p> <p>(Mandatory measure 4.)</p> <p>(Target: <20.)</p>	 <p>Although we provided a high standard of drinking water to our users, we did not meet our target and recorded a total of 43 complaints per 1,000 connection (cf 30 complaints per 1000 connections in 2015/2016). Most of these complaints related to rural water supplies, and consisted of customers calling us to have their flow-restrictors serviced (as they had become blocked). The majority of complaints related to the rural water supplies in Dovedale and Redwoods, as these water supplies have higher levels of sediment than others.</p> <p>In summary, there were 1,775 enquiries relating to the water supplies logged in the Confirm system in the 2016-2017 year. Approximately 500 of these were classed as complaints as explained above. 165 issues were logged in the NCS system and 41 of these were identified as complaints.</p>
Our water supply systems are built, operated and maintained so that failures can be managed and responded to quickly (cont.).	<p>Median resolution times are within targets for urgent call-outs (one day). (Mandatory measure 3.) (Target: <24 hours.)</p> <p>Median response times are within targets for urgent call-outs (2 hours). (Mandatory measure 3.) (Target: < 2 hours.)</p> <p>Median response times are within targets for non-urgent call-outs (72 hours). (Mandatory measure 3.) (Target: < 72 hours.)</p> <p>Median resolution times are within targets for non-urgent call-outs (seven working days). (Mandatory measure 3.) (Target: < 8 working days.)</p>	 <p>We had systems in place for the contractor to record the time they arrive on site and time the service was restored. However, due to faults in this system and data entry errors the data produced in 2016/2017 is unreliable and not credible. As a consequence we are not able to report performance against this target with any confidence. We will be improving the system required to record response and service restored times for each job so that we can report reliable information against this target next year.</p>

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

FIGURE 26

Water Supply Services Satisfaction Rate

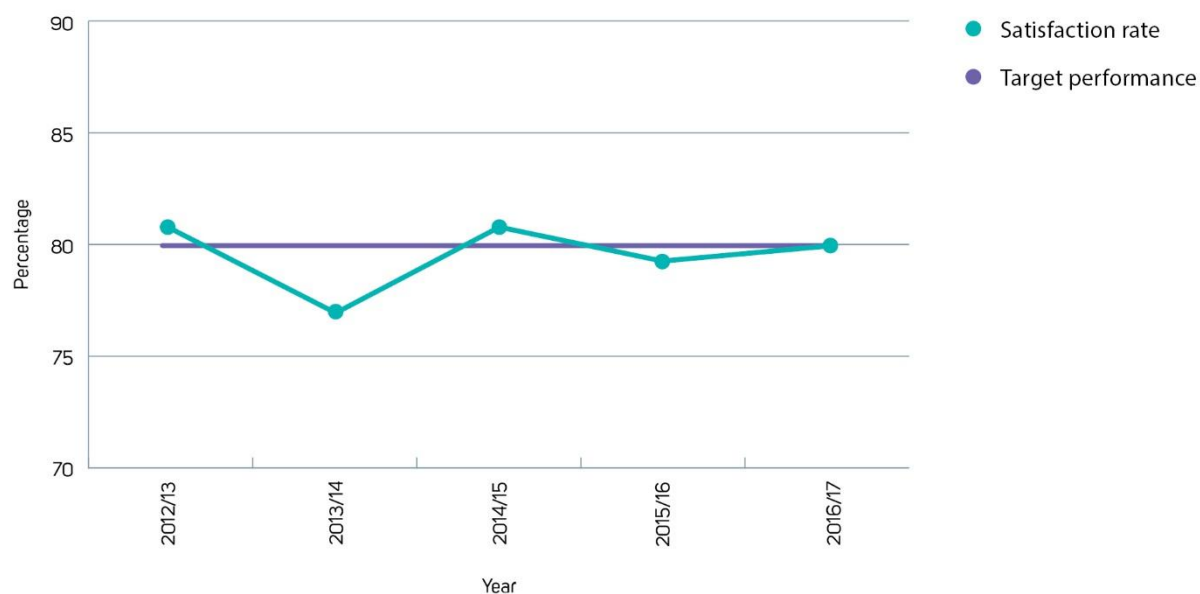
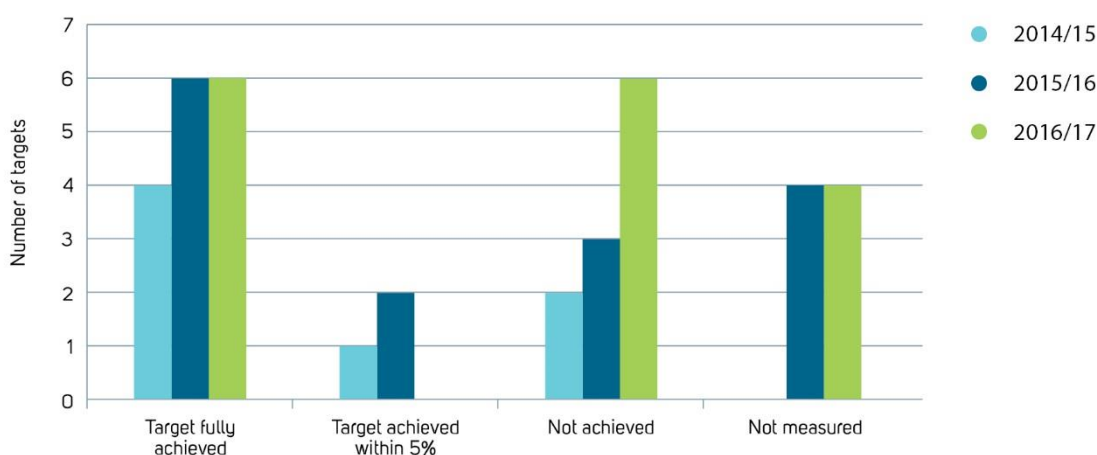


FIGURE 27

Water Supply Performance Measures

Comparison of number of performance measures met over three years



Performance against targets has been mixed in the Water Supply activity for 2016/2017. More customers were satisfied with the service than our target, we complied with all our resource consents, we met the code of practice for fire-fighting water supplies and water consumption levels achieved the target. Bacterial treatment compliance met our target for the percentage of compliant water samples but did not meet the NZ Drinking Water Standards Part 4 criteria because four of our schemes did not meet turbidity requirements. However, protozoal treatment compliance was not achieved and the number of complaints per 1000 connections was higher than our target. We also did not achieve our targets for the number of temporary boil water notices we issued, the percentage of real water loss from the system and the number of water demand management plans in place. We attempted to measure our response time to call-outs however as a result of data recording errors we were unable to report results for 2016/2017.

MAJOR ACTIVITIES

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

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

NEW CAPITAL EXPENDITURE

PROJECT NAME	LTP YEARS 1- 3	2016/2017 BUDGET	ACTUAL 2016/2017
Collingwood – treatment upgrade	\$581,358	\$492,656	Upgrade the existing treatment plant to meet DWSNZ and reduce contamination risks: Concept design and investigation work has been carried out. Insufficient funding is available for construction of the preferred option. A second supply bore has been drilled and headworks will be constructed. Work is on hold until funding is available to progress the project.
Kaiteriteri – treatment upgrade	\$895,314	\$665,706	Upgrade the existing supply by drilling a second supply bore and building a new water treatment plant to meet DWSNZ: The project has been slightly delayed due to difficulties securing access to land required for the new plant. There was insufficient funding available for construction of the preferred option and subsequently the budget has been increased. \$240,289 was spent in the 2016/2017 financial year.
Richmond – Fauchelle Avenue, Darcy Street and Florence Street	\$1,055,789	\$753,151	Renewing of old failing water mains: Construction will be completed in 2017/2018. \$737,848 was spent in the 2016/2017 financial year from a budget of \$1,308,509. The remainder will be spent in 2017/18.
Richmond – Lower Queen Street replacement	\$891,046	\$0	Upsizing and replacing the existing 100mm main down Lower Queen Street: The construction contract has been awarded and the upgrade will happen in 2017/2018. \$75,010 was spent in the 2016/2017 financial year. \$768,430 was carried over from the 2015/2016 financial year.
Richmond – Queen Street main replacement	\$1,925,751	\$1,811,010	Replacing the 300mm trunk main down Queen Street within Central Richmond in conjunction with other infrastructure works: \$1,398,968 was spent in the 2016/2017 financial year. \$202,420 was carried over from 2015/2016 to the 2016/2017 year. We anticipate unspent funds will be carried over to 2017/2018. Consultation and detailed design were undertaken in 2015/2016. Design was finalised and construction commenced in 2016/2017. Construction is expected to be completed during 2017/2018.
Wakefield – new water treatment plant	\$4,081,257	\$416,974	Construct a new treatment plant at Spring Grove to meet DWSNZ: \$67,190 was spent in the 2016/2017 financial year. Design of the treatment plant and associated pipeline is programmed for 2017/2018, with construction scheduled for the following year.

MAJOR ACTIVITIES (CONT)

PROJECT NAME	LTP YEARS 1- 3	2016/2017 BUDGET	ACTUAL 2016/2017
Waimea Community Dam	\$14,504,791	\$1,893,762	This project is expected to proceed via a CCO for the construction of a new Dam: \$902,000 was spent in the 2016/2017 financial year of which \$840,000 was funded by Council. Investigation, land negotiations and land purchase was undertaken during 2016/2017. Work is continuing but has been slowed due to delays confirming the funding model. We anticipate unspent funds will be carried over to 2017/2018.
Water meter renewals	\$2,765,911	\$728,403	Three year water meter renewal project: \$1,209,376 was spent in the 2016/2017 financial year. \$451,034 was carried over from 2015/2016 to the 2016/2017 year. Budget for 2017/2018 is \$742,970.91.
Richmond – pipes and rider mains renewals	\$472,423	\$156,366	Pipeline renewal programme: There were some rider main renewals in Murchison and some minor pipeline renewals carried out in 2016/2017, with the balance of the budget expected to be carried over to 2017/2018. \$124,982 was spent in the 2016/2017 financial year. \$55,089 was carried over from 2015/2016.
Richmond South main, Lower Queen Street to low level reservoir	\$538,444	\$0	New main along Borck Creek to facilitate development: This project will commence in 2017/2018.
Renewals contingency	\$472,423	\$156,366	Contingency amount to allow for miscellaneous renewals on an as required basis: \$106,770 was spent in the 2016/2017 financial year. \$50,000 was carried over from 2015/2016.
Richmond – telemetry upgrade	\$298,389	\$109,456	New control panels and telemetry and renewals of existing sites: \$90,453 was spent in the 2016/2017 financial year.
Relocate Fearons Bush Water Treatment Plant (WTP) to Parkers Street Water Treatment Plant	\$688,790	\$658,690	Relocate Fearons Bush WTP to Parker Street WTP and extend mains in Jocelyn Avenue and Parker Street: Work was carried out on hydraulic modelling as part of concept design which was funded by the related Parker Street project. \$21,850 was spent in the 2016/2017 financial year. \$357,000 is budgeted for 2017/18.
Pohara Water Treatment Plant upgrade	\$207,260	\$0	Pohara Water Treatment Plant Upgrade: Insufficient funding is available for construction of the preferred option. \$49,880 was spent in the 2016/2017 financial year on preparations of the Pohara Water Treatment upgrade. Some funding was transferred to other water projects by decision of Council.

Tasman District Council
Funding Impact Statement
For the year ended June 2017

LTP 2016 \$000	Actual 2016 \$000	WATER SUPPLY	Actual 2017 \$000	Budget 2017 \$000	LTP 2017 \$000	% of Budget
SOURCES OF OPERATING FUNDING						
159	159	General rates, uniform annual general charges, rates penalties	171	172	171	99%
8,423	8,649	Targeted rates	8,607	8,559	8,946	101%
0	0	Subsidies and grants for operating purposes	0	0	0	0%
1,363	1,353	Fees and charges	1,571	1,406	1,500	112%
0	0	Internal charges and overheads recovered	0	0	0	0%
0	0	Local authorities fuel tax, fines, infringement fees, and other receipts	373	0	0	0%
9,945	10,161	TOTAL OPERATING FUNDING	10,722	10,137	10,617	106%
APPLICATIONS OF OPERATING FUNDING						
4,771	4,342	Payments to staff and suppliers	5,190	4,833	4,864	107%
2,034	1,663	Finance costs	1,561	2,070	2,431	75%
828	897	Internal charges and overheads applied	1,311	993	780	132%
0	0	Other operating funding applications	0	0	0	0%
7,633	6,902	TOTAL APPLICATIONS OF OPERATING FUNDING	8,062	7,896	8,075	102%
2,312	3,259	SURPLUS (DEFICIT) OF OPERATING FUNDING	2,660	2,241	2,542	119%
SOURCES OF CAPITAL FUNDING						
0	0	Subsidies and grants for capital expenditure	0	0	0	0%
582	1,038	Development and financial contributions	711	651	652	109%
4,712	451	Increase (decrease) in debt	2,680	5,772	5,433	46%
0	0	Gross proceeds from sale of assets	0	0	0	0%
0	0	Lump sum contributions	0	0	0	0%
0	(92)	Other dedicated capital funding	0	0	0	0%
5,294	1,397	TOTAL SOURCES OF CAPITAL FUNDING	3,391	6,423	6,085	53%
APPLICATIONS OF CAPITAL FUNDING						
Capital expenditure						
317	125	- to meet additional demand	0	0	0	0%
1,723	998	- to improve the level of service	247	2,778	2,914	9%
3,982	1,052	- to replace existing assets	5,238	3,983	3,840	132%
125	2,481	Increase (decrease) in reserves	566	9	(21)	6289%
1,459	0	Increase (decrease) in investments	0	1,894	1,894	0%
7,606	4,656	TOTAL APPLICATIONS OF CAPITAL FUNDING	6,051	8,664	8,627	70%
(2,312)	(3,259)	SURPLUS (DEFICIT) OF CAPITAL FUNDING	(2,660)	(2,241)	(2,542)	119%
0	0	FUNDING BALANCE	0	0	0	0%

Capital expenditure - The programme of work was not completed as expected. A significant amount of the underspend is anticipated to be carried over to 2017/2018. **Finance Costs** – These are under budget as a result of a favourable interest rate compared with the Annual Plan estimate coupled with an underspend on the capital programme. **Debt** - The result of a lower capital spend means less debt was raised than planned. **Reserve Movement Increase or Decrease** - The movement in reserve is a reflection of the underspend in expenditure and increased revenue in this activity, which has increased the surplus.

ENGINEERING (CONT.)

WASTEWATER

WHAT WE DO

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

WHY WE DO IT

The provision of wastewater services is a core public health function of Local Government and is something that Council has always provided. By undertaking the planning, implementation and maintenance of wastewater services Council promotes and protects public health within the District.

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

OUR GOAL

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

HOW THIS ACTIVITY CONTRIBUTES TO COUNCIL'S COMMUNITY OUTCOMES

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

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM

LEVELS OF SERVICE (WE PROVIDE) WE WILL KNOW WE ARE MEETING THE CURRENT PERFORMANCE LEVEL OF SERVICE IF...

Our wastewater systems do not adversely affect the receiving environment. All necessary consents are held. Measured by resource consents held in Council's NCS database.

(Target: 100%.)



We have all necessary consents in place meeting our 100% target. (2016: 100%).

The number of temporary wastewater overflow signs are erected at waterways is minimised. Measured by the number of contractor job requests. (Target: <5.)



Over the past year there have been six wastewater overflows from our network into waterways where warning signs were erected (cf three in 2015/2016).

Of these incidents, five affected Pohara. Two were the result of storm events overloading the wastewater network and three resulted from rising main breaks. We plan to replace the rising mains in 2018/2019. This is expected to reduce the volume of overflows due to storm events but overflows will still occur until the new Tarakohe pump station and rising main are constructed.

The sixth overflow was in Kerr Bay adjacent to Lake Rotoiti. The manhole blockage may have been caused by raggage/wipes being dumped at the Department of Conservation caravan dump point as another blockage occurred a few months later, but did not result in an overflow to a waterway.

See Figure 28 Number of Temporary Wastewater Overflow Signs Erected at Waterbodies, page 105.

Compliance with resource consents for discharges from wastewater systems is achieved, as measured by the number of:

- abatement notices (≤ 1)
- infringement notices (0)
- enforcement orders (0); or
- convictions (0).



We have achieved 100% compliance with our resource consents with no notices or enforcement orders received during the 2016/2017 period (cf 100% compliance in 2015/2016).

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

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE CURRENT PERFORMANCE LEVEL OF SERVICE IF...	
<p>Our wastewater systems reliably take our wastewater with a minimum of odour or disturbance to the public.</p>	<p>The total number of complaints received about: odour, system faults, blockages, and Council's response to issues for each 1,000 properties connected to the wastewater system is less than the target. (Target: ≤ 35.)</p>	 <p>Generally, we have treated overflows or blockages as requests for service. In total 21 complaints were received by us; seven for odour, three for noise, eight for the Hickmott dump point in Motueka and three regarding overflows. This equates to 1.6 per 1000 connections compared to 1.5 per 1000 connections in 2015/2016.</p> <p>See Figure 29 Total Number of Complaints per 1000 properties connected, page 105.</p>
<p>Our wastewater systems reliably take our wastewater with a minimum of odour or disturbance to the public (cont.).</p>	<p>The number of dry weather wastewater overflows from all wastewater systems, expressed per 1,000 wastewater connections in Tasman District. Dry weather is defined as a continuous 96 hours with less than 1mm of rain within each 24 hour period. (Target: <5.)</p>	 <p>This year there were 1.7 dry weather overflows per 1,000 connections (cf 1.2 in 2015/2016). A 'dry weather overflow' is measured as any wastewater overflow that did not occur because of a rain event, and data is collected on wet and dry days.</p> <p>We are focused on the operational aspects that have led to overflows, particularly whether the network failed or did not have the capacity to contain wastewater flows as a result of operational performance, rather than weather related factors.</p> <p>In 2016/2017 a total of 23 overflows occurred that were not caused by weather (cf 16 in 2015/2016). Eight of these were pressure main breaks (seven in Pohara), four were operational issues and the rest were due to blockages caused by rag, wipes, fat or tree roots. Third party damage has been excluded.</p>
<p>Our wastewater activities are managed at a level that satisfies the community.</p>	<p>Percentage of customers satisfied with the wastewater service meets our targets. As measured through the annual residents' survey. (Target: 80%.)</p>	 <p>In 2017 an outstanding 94% of residents who receive a service were satisfied or very satisfied with our wastewater service. 4% of residents who receive a service were not very satisfied. This compares with 95% satisfied or very satisfied and 4% not very satisfied in 2016.</p> <p>See Figure 30 Wastewater Services Satisfaction Rate, page 106.</p>

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

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE CURRENT PERFORMANCE LEVEL OF SERVICE IF...
--------------------------------	--

Our wastewater systems are built, operated and maintained so that failures can be managed and responded to quickly

Overflows resulting from blockages or other faults in the wastewater system are responded to within the target timeframes. As recorded in Confirm.

Attendance time – from the time Council received notification of the fault to the time that service personnel reach the site (Target: Median ≤ 60 mins), and

Resolutions time – from the time notification is received to the time that the service personnel confirm resolution of the blockage or other fault.

(Target: Median ≤ 9 hours)



We had systems in place for the contractor to record the time they arrive on site and time the service was restored. However, due to faults in this system and data entry errors the data produced in 2016/2017 is unreliable and not credible. As a consequence we are not able to report performance against this target with any confidence. We will be improving the system required to record response and service restored times for each job so that we can report reliable information against this target next year.



We had systems in place for the contractor to record the time they arrive on site and time the service was restored. However, due to faults in this system and data entry errors the data produced in 2016/2017 is unreliable and not credible. As a consequence we are not able to report performance against this target with any confidence. We will be improving the system required to record response and service restored times for each job so that we can report reliable information against this target next year.

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

FIGURE 28

Number of Temporary Wastewater Overflow Signs Erected at Waterbodies

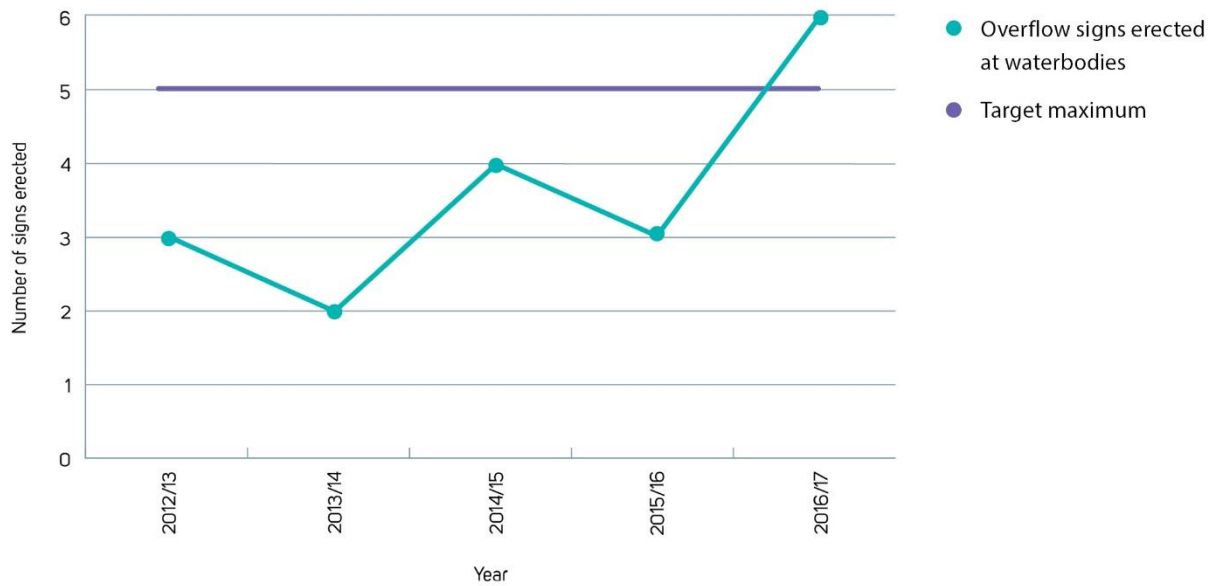
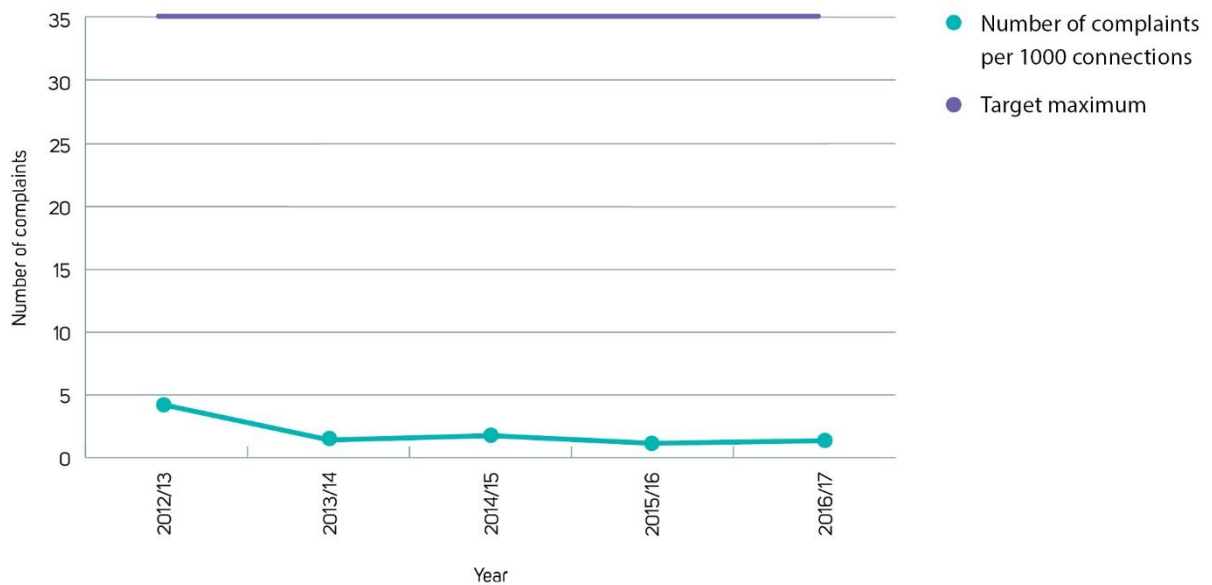


FIGURE 29

Total Number of Complaints per 1000 properties connected



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

FIGURE 30

Wastewater Services Satisfaction Rate

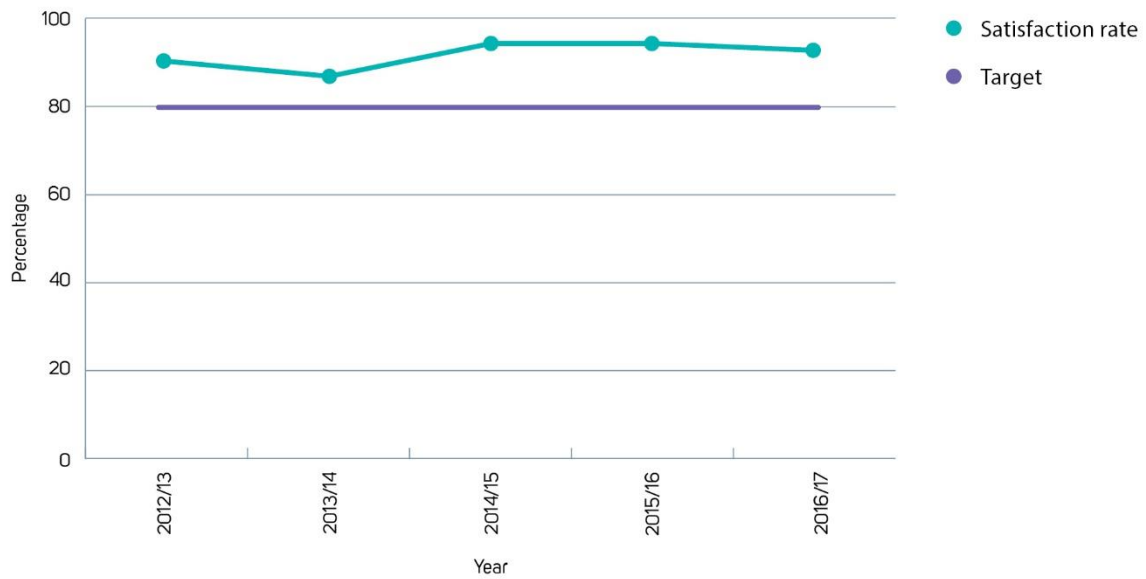
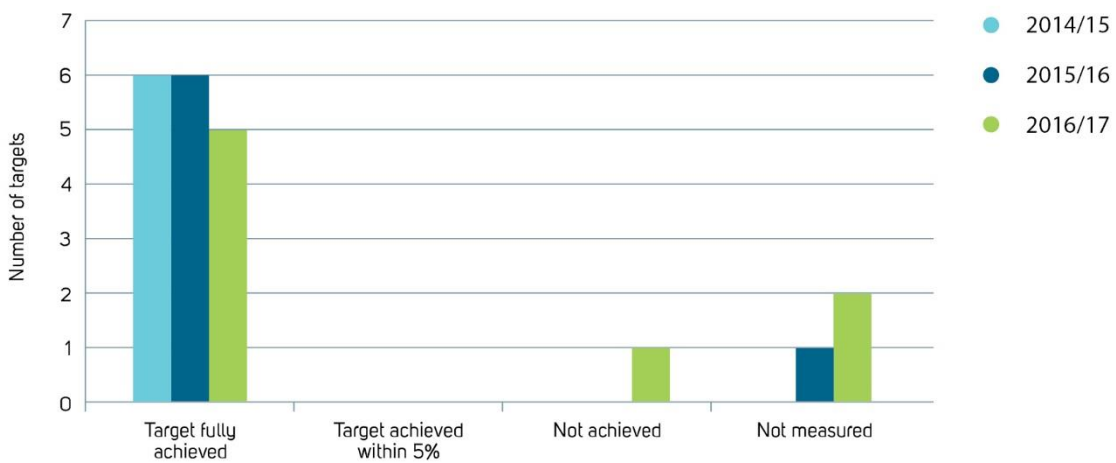


FIGURE 31

Wastewater Performance Measures

Comparison of number of performance measures met over three years



Many of the performance measures for Wastewater were slightly amended through the LTP 2015 – 2025, and one new measure introduced relating to compliance with resource consent conditions. The Wastewater activity group continues to achieve a high percent of its targets. Two measures were unable to be measured during the financial year (both relating to response times to wastewater overflows). There continues to be issues around the robustness of the asset management systems.

MAJOR ACTIVITIES

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

NEW CAPITAL EXPENDITURE

PROJECT NAME	LTP YEARS 1-3	2016/2017 BUDGET	ACTUAL 2016/2017
Motueka Wastewater Treatment Plant (WWTP) upgrade	\$2,726,100	\$0	The Motueka Wastewater Treatment Plant upgrade is a multi-year staged project. The major physical works have been completed. \$1,580,178 was spent in the current financial year. We anticipate \$969,000 being carried over from 2016/2017 into 2017/2018. This budget is needed to complete the wetland restoration project, odour management and for the defect/maintenance period for both construction projects associated with the upgrade. There are also costs associated with fine tuning the treatment processes.
Pohara to Tarakohe rising main and pump station upgrades	\$281,046	\$0	Progressive upgrade of rising mains and pump stations, including emergency storage, from Four Winds to Tarakohe pump stations: This project will commence in 2017/2018.
Kaiteriteri Replacement Sewer Main (previously Tapu Bay Pipeline)	\$3,983,569	\$1,574,146	The current resource consents for the wastewater pipeline through the estuary in Tapu Bay lapse in October 2018. An agreement was made with iwi to abandon the main in the estuary and replace it with one on land. The pipeline also needs to be increased in size to meet future growth in Kaiteriteri. Construction of the pipeline commenced in March 2017 and was about a third complete by 30 June 2017. \$1,162,393 was spent in 2016/2017. \$638,932 was carried over from 2015/2016 to the current year. We anticipate unspent funds will be carried over to 2017/2018.

Tasman District Council
Funding Impact Statement
For the year ended June 2017

LTP 2016 \$000	Actual 2016 \$000	WASTEWATER	Actual 2017 \$000	Budget 2017 \$000	LTP 2017 \$000	% of Budget
SOURCES OF OPERATING FUNDING						
0	0	General rates, uniform annual general charges, rates penalties	0	0	0	0%
10,408	10,243	Targeted rates	10,463	10,475	11,035	100%
0	0	Subsidies and grants for operating purposes	0	0	0	0%
170	324	Fees and charges	562	268	270	210%
0	0	Internal charges and overheads recovered	75	0	0	0%
4,520	2,610	Local authorities fuel tax, fines, infringement fees, and other receipts	3,673	4,519	4,543	81%
15,098	13,177	TOTAL OPERATING FUNDING	14,773	15,262	15,848	97%
APPLICATIONS OF OPERATING FUNDING						
8,516	4,827	Payments to staff and suppliers	7,672	9,006	9,053	85%
2,526	1,793	Finance costs	1,537	1,852	2,487	83%
618	647	Internal charges and overheads applied	1,421	957	673	148%
0	0	Other operating funding applications	0	0	0	0%
11,660	7,267	TOTAL APPLICATIONS OF OPERATING FUNDING	10,630	11,815	12,213	90%
3,438	5,910	SURPLUS (DEFICIT) OF OPERATING FUNDING	4,143	3,447	3,635	120%
SOURCES OF CAPITAL FUNDING						
0	5	Subsidies and grants for capital expenditure	0	0	0	0%
1,412	901	Development and financial contributions	1,343	1,601	1,601	84%
210	1,019	Increase (decrease) in debt	(89)	(2,057)	(2,262)	4%
0	0	Gross proceeds from sale of assets	0	0	0	0%
0	0	Lump sum contributions	0	0	0	0%
0	0	Other dedicated capital funding	0	0	0	0%
1,622	1,925	TOTAL SOURCES OF CAPITAL FUNDING	1,254	(456)	(661)	-275%
APPLICATIONS OF CAPITAL FUNDING						
Capital expenditure						
0	0	- to meet additional demand	0	0	63	0%
3,992	4,376	- to improve the level of service	349	2,432	2,449	14%
1,068	883	- to replace existing assets	5,414	559	462	969%
0	2,576	Increase (decrease) in reserves	(366)	0	0	0%
0	0	Increase (decrease) in investments	0	0	0	0%
5,060	7,835	TOTAL APPLICATIONS OF CAPITAL FUNDING	5,397	2,991	2,974	180%
(3,438)	(5,910)	SURPLUS (DEFICIT) OF CAPITAL FUNDING	(4,143)	(3,447)	(3,635)	120%
0	0	FUNDING BALANCE	0	0	0	0%

Capital expenditure - The programme of work was not completed as expected. A significant amount of the underspend is anticipated to be carried over to 2017/2018. **Finance Costs** – These are under budget as a result of a favourable interest rate compared with the Annual Plan estimate coupled with an underspend on the capital programme. **Debt** - The result of a lower capital spend means less debt was raised than planned. **Reserve Movement Increase or Decrease** - The movement in reserve is a reflection of the underspend in this activity, which has increased the surplus.

ENGINEERING (CONT.)

STORMWATER

WHAT WE DO

This activity encompasses the provision of stormwater collection, reticulation and discharge systems in Tasman District. The assets used to provide this service include drainage channels, piped reticulation networks, tide gates, detention or ponding areas, inlet structures, discharge structures and quality treatment assets. The system is designed and operated to manage small to medium storm events.

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

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

WHY WE DO IT

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

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

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

OUR GOAL

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




HOW THIS ACTIVITY CONTRIBUTES TO COUNCIL'S COMMUNITY OUTCOMES

COMMUNITY OUTCOMES	HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
Our unique natural environment is healthy and protected.	Stormwater arising within urban development areas is controlled, collected, conveyed and discharged safely to the receiving environment. This activity can be managed so the impact of the discharges does not adversely affect the health and cleanliness of the receiving environment.
Our urban and rural environments are people-friendly, well-planned and sustainably managed.	The stormwater activity ensures our built urban and rural environments are functional, pleasant and safe by ensuring stormwater is conveyed without putting the public at risk or damaging property, businesses or essential infrastructure.
Our infrastructure is efficient, cost effective and meets current and future needs.	The stormwater activity is considered an essential service that should be provided to all properties within urban drainage areas in sufficient size and capacity. This service should also be efficient and sustainably managed.
Our communities are healthy, safe, inclusive and resilient.	The stormwater activity provides for the transfer of runoff through urban areas to minimise risk to life and property damage.
Our communities have opportunities to celebrate and explore their heritage, identity and creativity.	The stormwater activity incorporates natural waterways that have extensive areas of high cultural, recreational and biodiversity.
Our communities have access to a range of social, educational and recreational facilities and activities.	The stormwater activity provides for runoff management to minimise disruption of access to community facilities due to storm events.
Our Council provides leadership and fosters partnerships, a regional perspective and community engagement.	The stormwater activity provides for runoff management across the territorial boundary with Nelson City. Schools, Iwi and other groups are engaged with the natural waterways elements of the network.
Our region is supported by an innovative and sustainable economy.	The stormwater activity underpins the economy by minimising risk and damage from flooding. Allowance for climate change in design provides for future sustainability.

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	CURRENT PERFORMANCE
Our stormwater systems do not adversely affect or degrade the receiving environment.	Council has resource consents in place for each of the 15 stormwater UDAs. Resource consents are held in Council's Confirm database (Target: 2 out of 15 [Motueka].)	 <p>We do not currently have the consents in place that are required for our stormwater UDAs. Work has started on the discharge consent for Richmond and we are currently reviewing the programme. (Our target was one resource consent for Richmond in 2015/2016. This target was not achieved).</p>
	Compliance with resource consents is achieved, as measured by the number of: <ul style="list-style-type: none"> • abatement notices (≤1) • infringement notices (0) • enforcement orders (0), or • convictions issued (0). (Mandatory measure 2).	 <p>Whilst the Council does not have resource consents in place for full UDAs, it does hold a number of individual stormwater consents. There have been no notices or orders received in 2016/2017 (cf no notices or orders in 2015/2016).</p>
We have adequate knowledge of our stormwater systems capacity and usage to facilitate improvement.	The number of Urban Drainage Areas that have Catchment Management Plans meets the target. (Target: 2)	 <p>Due to other work priorities we have not been able to meet this target. However, the Catchment Management Plan for Richmond has begun and is expected to be in place by June 2018. As resources allow we will also develop other catchment management plans. (Our target was one catchment management plan in 2015/2016. This target was not achieved).</p>
	The number of flooding events that occur (per year) is less than the target. As measured through complaints recorded in the Confirm database. (Mandatory measure 1). (Target: <20.)	 <p>Our complaints database shows that this target was achieved. No flooding events occurred this year that affected habitable floors (11 flooding events were reported in 2015/2016, however only two of these affected habitable floors).</p> <p>There were some significant rainfall events during the year. Collingwood experienced heavy rainfall again in May nearly a year after a similar storm event. Motueka again experienced surface flooding and flooding of garages but generally the stormwater systems have coped well with the year's rainfall events.</p>

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

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	CURRENT PERFORMANCE
We have adequate knowledge of our stormwater systems capacity and usage to facilitate Improvement (cont.)	Number of habitable floors affected in each flood event for each 1000 properties connected to the stormwater system is less than the target. As measured through complaints recorded in the Confirm database. (Mandatory measure 1). (Target: < 5.)	 <p>There were no habitable floors flooded in the Tasman District (cf six habitable floors flooded in in 2015/2016). The Courthouse Café in Collingwood was flooded though the backdoor but we do not consider this a habitable floor as it is a commercial building. Also, there were a number of garages flooded during the rainfall events that occurred during the year.</p> <p>The target aims for less than 5 per 1000 properties (of which there are 13,881) The actual level was very low at 0.43, well below our target.</p>
Our stormwater activities are managed at a level which satisfies the community	Percentage of customers satisfied with the stormwater service – as measured through the annual residents’ survey. (Target: 80%.)	 <p>In 2017 79% of residents who receive a service were satisfied or very satisfied with our stormwater service. 19% of residents who receive a service were not very satisfied. These results are slightly below those for 2016 – 81% satisfied or very satisfied and 16% not very satisfied.</p> <p>Dissatisfaction by users was generally attributed to localised flooding, inadequate systems, and blocked drains.</p> <p>See Figure 32 Stormwater Services Satisfaction Rate, page 114.</p>
	Complaints per 1000 connections are less than the target – as recorded through Council’s Confirm database. (Mandatory measure 4). (Target: < 20.)	 <p>The total number of stormwater complaints we recorded in our Confirm and NCS databases was 97. This equates to 6.9 complaints per 1000 properties (cf 2.6 in 2015/2016). This is significantly below our target level of <20.</p> <p>Complaints related to such things as blocked drainage sumps, drainage maintenance, erosion, effects of upstream development or high intensity rainfall exceeding the design capacity of the network leading to surface flooding.</p>

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

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	CURRENT PERFORMANCE
<p>We have measures in place to respond to and reduce flood damage to property and risk to the community within stormwater UDAs.</p>	<p>The median response time to attend a flooding event, is less than the target (3 hours) – as recorded through Council’s Confirm database. (Mandatory measure 3). (Target: < 3 hours.)</p>	<div data-bbox="986 331 1257 465" data-label="Figure"> </div> <p>This performance target was not measured in 2016/2017 or 2015/2016.</p> <p>The system to record response times for each job was still in a development phase.</p>

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

FIGURE 32

Stormwater Services Satisfaction Rate

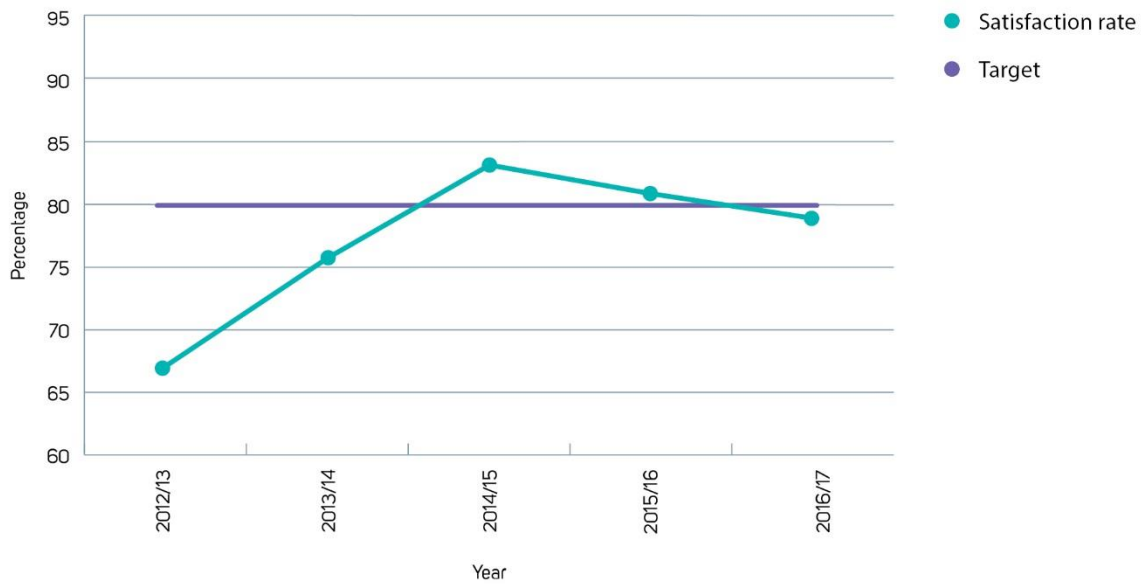
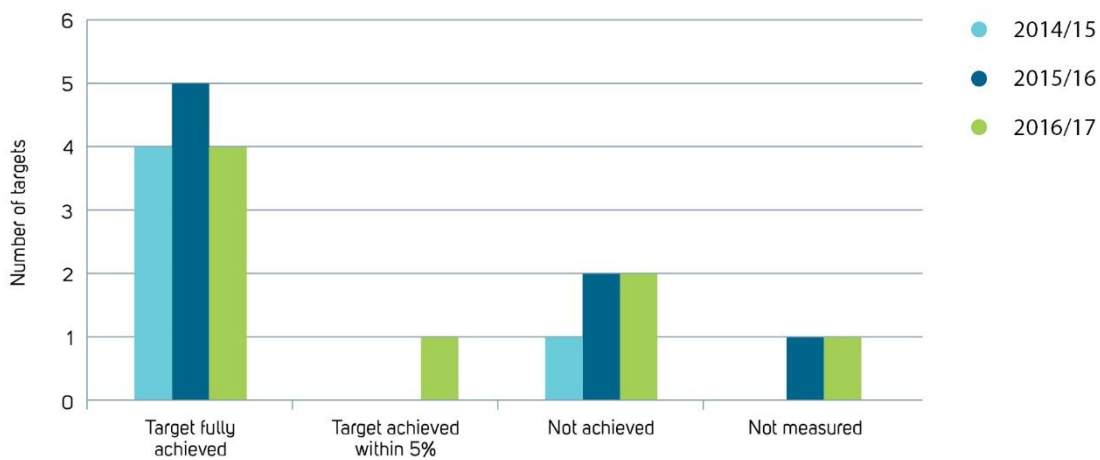


FIGURE 33

Stormwater Performance Measures

Comparison of number of performance measures met over three years



The LTP 2015 – 2025 introduced six new performance measures for the Stormwater Activity Group. Many of these are new mandatory measures. We also introduced a new measure for consent compliance, although we do not yet have resource consents in place for the Urban Drainage Areas, we do hold a number of individual stormwater consent. These consents were complied with. We have achieved half of the performance measures and satisfaction with stormwater services by our residents has remained similar to last year. We did not achieve our targets for the number of Catchment Management Plan.

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

PROJECT NAME	LTP YEARS 1–3	2016/2017 BUDGET	ACTUAL 2016/2017
Pohara main settlement	\$920,700	\$0	\$46,199 was spent in the current financial year. Council is modelling upgrade options and obtaining cost estimates for proposed improvement works. We anticipate unspent funds will be carried over to 2017/2018.
Lower Borck Creek Catchment Works – SH6 to outlet including land	\$3,149,486	\$1,042,437	Borcks Creek catchment works: \$666,340 was spent in the current financial year. \$1.241 million was carried over to this budget from 2015/2016. We anticipate unspent funds will be carried over to 2017/2018 as delays occurred around the Lower Queen Street project.
Richmond – Middlebank Drive	\$1,292,265	\$0	Installation of stormwater pipe from Gladstone Road to Olympus Way to Middlebank Drive: This project was scheduled for 2017/2018 but due to other priorities, it is now proposed to reconsider it in the 2018-2028 LTP as part of a report to Council in September 2017. It will now be programmed to commence in 2028/2029.
Richmond Central Improvements	\$7,299,908	\$3,909,139	A five year programme of major works in Queen Street, Oxford Street, Beach Road drain, Poutama link and Washbourn Gardens area: The first stage of this programme is underway with the Queen Street upgrade work commencing in February 2017 and due to be complete in May 2018. The design for the Washbourn Gardens diversion and the Poutama Drain are underway.
Richmond – Park Drive	\$1,111,619	\$996,156	Increase capacity through Ridings Grove. Duplicate line in walkway reserve and upgrade Hill Street crossing: No funds were spent in the current financial year. The project is on hold until Richmond modelling is completed and upgrade options can be assessed. We anticipate unspent funds will be carried over to 2017/2018.
Richmond – Ranzau Road/Paton Road/ White Road	\$860,792	\$0	Upgrade to White Road and Ranzau Road at Paton Road intersection: No funds were spent in the current financial year. Assessed improvement requirements in the area and now no house floors appear to be flooding on a regular basis following protection works that have occurred. On hold until Richmond modelling is completed. The Richmond modelling is being funded from this budget. We anticipate unspent funds will be carried over to 2017/2018.

MAJOR ACTIVITIES (CONT.)

PROJECT NAME	LTP YEARS 1–3	2016/2017 BUDGET	ACTUAL 2016/2017
Secondary flow management initiatives	\$317,643	\$104,244	District Wide as derived from the Catchment Management Plans: \$5,953 was spent in the current financial year. Opportunities identified to date for secondary flow path upgrades are being recorded. The application of funds is expected to be delayed until internal resources are available to assess the improvement opportunities.
Richmond Deviation bund drainage	\$969,199	\$0	Bird Street and Arbor-Lea works to reduce flood risk: This project will commence in 2017/2018.
Motueka drainage improvements	\$48,460	\$0	Poole Street, Jocelyn Avenue, Wilkie and Fry Streets pipe extension to drain low points: This project will commence in 2017/2018.

Tasman District Council
Funding Impact Statement
For the year ended June 2017

LTP 2016 \$000	Actual 2016 \$000	STORMWATER	Actual 2017 \$000	Budget 2017 \$000	LTP 2017 \$000	% of Budget
SOURCES OF OPERATING FUNDING						
0	0	General rates, uniform annual general charges, rates penalties	0	0	0	0%
3,885	3,905	Targeted rates	4,473	4,518	4,510	99%
0	370	Subsidies and grants for operating purposes	0	0	0	0%
0	15	Fees and charges	145	0	0	0%
0	0	Internal charges and overheads recovered	106	0	0	0%
0	0	Local authorities fuel tax, fines, infringement fees, and other receipts	126	0	0	0%
3,885	4,290	TOTAL OPERATING FUNDING	4,850	4,518	4,510	107%
APPLICATIONS OF OPERATING FUNDING						
1,198	1,076	Payments to staff and suppliers	1,056	1,483	1,443	71%
1,027	841	Finance costs	827	1,103	1,195	75%
424	435	Internal charges and overheads applied	654	525	458	125%
0	0	Other operating funding applications	0	0	0	0%
2,649	2,352	TOTAL APPLICATIONS OF OPERATING FUNDING	2,537	3,111	3,096	82%
1,236	1,938	SURPLUS (DEFICIT) OF OPERATING FUNDING	2,313	1,407	1,414	164%
SOURCES OF CAPITAL FUNDING						
0	0	Subsidies and grants for capital expenditure	0	0	0	0%
1,305	1,077	Development and financial contributions	1,309	1,486	1,486	88%
1,830	178	Increase (decrease) in debt	1,116	3,492	3,529	32%
0	0	Gross proceeds from sale of assets	0	0	0	0%
0	0	Lump sum contributions	0	0	0	0%
0	0	Other dedicated capital funding	0	0	0	0%
3,135	1,255	TOTAL SOURCES OF CAPITAL FUNDING	2,425	4,978	5,015	49%
APPLICATIONS OF CAPITAL FUNDING						
Capital expenditure						
1,981	405	- to meet additional demand	26	1,131	1,139	2%
1,932	1,390	- to improve the level of service	356	5,077	5,112	7%
458	692	- to replace existing assets	3,164	177	178	1788%
0	706	Increase (decrease) in reserves	1,192	0	0	0%
0	0	Increase (decrease) in investments	0	0	0	0%
4,371	3,193	TOTAL APPLICATIONS OF CAPITAL FUNDING	4,738	6,385	6,429	74%
(1,236)	(1,938)	SURPLUS (DEFICIT) OF CAPITAL FUNDING	(2,313)	(1,407)	(1,414)	164%
0	0	FUNDING BALANCE	0	0	0	0%

Capital expenditure - The programme of work was not completed as expected. A significant amount of the underspend is anticipated to be carried over to 2017/18. **Finance Costs** – These are under budget as a result of a favourable interest rate compared with the Annual Plan estimate coupled with an underspend on the capital programme. **Debt** - The result of a lower capital spend means less debt was raised than planned. **Reserve Movement Increase or Decrease** - The movement in reserve is a reflection of the underspend in this activity, which has increased the surplus.

ENGINEERING (CONT.)

SOLID WASTE

WHAT WE DO

Council provides comprehensive waste management and minimisation services. It achieves this through the provision of kerbside recycling and waste collection services, operating five resource recovery centres – at Richmond, Mariri, Takaka, Collingwood and Murchison and a range of other waste minimisation initiatives.

Waste from resource recovery centres has been transferred to a Council owned landfill and recyclable material is processed and on sold by Council contractors. All public and commercial waste disposal is through the resource recovery centres with special waste disposed of directly to landfill.

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

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

On 1 July 2017 and the control of the Eves Valley landfill and the York Valley landfill in Nelson City transferred to the Nelson Tasman Regional Landfill Business Unit. This joint business unit with Nelson City Council is governed by the Nelson Tasman Joint Landfill Committee.

WHY WE DO IT

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

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

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

OUR GOAL

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

They are to:

Avoid the creation of waste.


Improve the efficiency of resource use.

Reduce the harmful effects of waste.

HOW THIS ACTIVITY CONTRIBUTES TO THE COUNCIL'S COMMUNITY OUTCOMES

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

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE CURRENT PERFORMANCE LEVEL OF SERVICE IF	
<p>We provide effective waste minimisation activities and services.</p>	<p>There is an increase in resources diverted from landfill by Council services.</p> <p>As measured monthly and reported annually on a per capita basis (Target 223kg/capita.)</p>	<p>This year, while we saw increased diversion of recycling and greenwaste from landfill, we did not achieve our target. In total 9,955 tonnes of recycling and greenwaste was diverted from landfill. However, some of the greenwaste was diverted by a private contractor rather than by us.</p> <p>In total, we diverted 8,377 tonnes recycling and greenwaste from landfill, which represents 167 kg per person*.</p> <p>This year we diverted 5,232 tonnes of recyclable material through Council services and contractors. This is a 9% increase on 4,786 tonnes diverted last year. The increase was mainly driven by increases in mixed recycling from kerbside collections and commercial services processed in our materials recovery facility. We also processed a further 1,900 tonnes from Nelson City Council, but this is not included in our total.</p> <p>We also diverted 3,145 tonnes of greenwaste through Council contracts, which is a decrease on 4,077 tonnes last year. The decrease was due to changes in contracts in February 2017. From this date greenwaste received in Richmond ceased to be covered by a Council contract. If the greenwaste processed by the private contractor is included we see 4,723 tonnes diverted from landfill (a 15% increase on last year).</p> <p>Note: In 2015/2016 the target was 209Kg per capital and 197Kg per capital was diverted).</p> <p>* These results are based on data provided by our contractors. In developing our LTP 2015 – 2025 performance measures we assumed a density of four cubic metres per tonne when estimating green waste tonnages. Further work completed indicates that the average density is actually five cubic metres per tonne. If we retain our earlier assumptions and include all greenwaste diverted in Richmond in 2016/17, then our reported diversion would be 214kg per person.</p> <p>See Figure 34 Total Resources Diverted from Landfill per head (kg p.a.), page 121.</p>

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

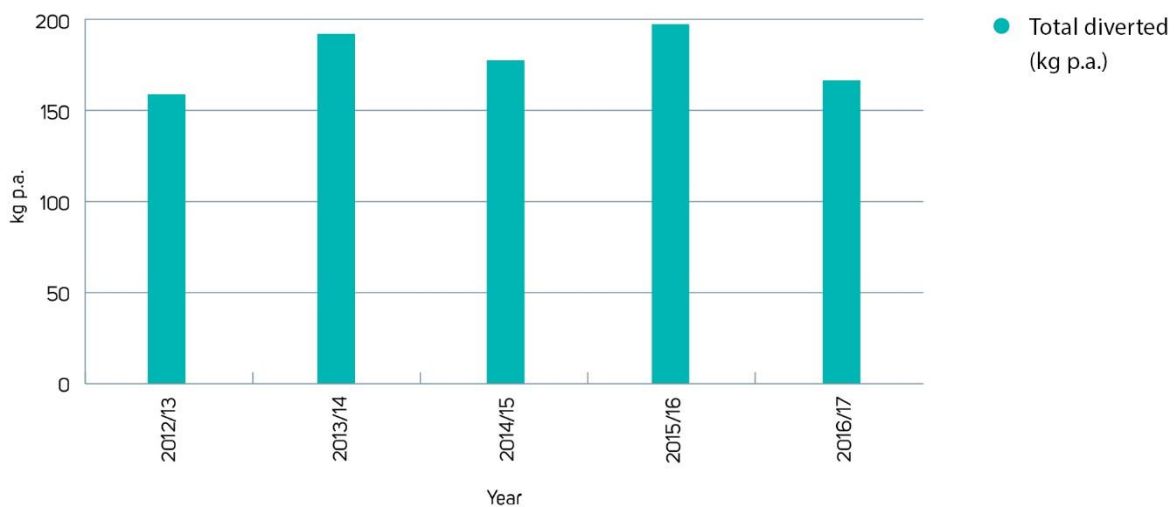
LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE CURRENT PERFORMANCE LEVEL OF SERVICE IF
We provide effective waste minimisation activities and services (cont.)	<p>There is a reduction in waste per capita going to landfill as measured by tonnage recorded at landfill. (Target: 560kg/capita.)</p>  <p>The total waste to landfill this year was 693 kg per person. This result was a significant increase on last year where 573 kg per person was reported but the correct figure was subsequently discovered to be 603Kg (target 570Kg in 2015/2016). The increase was largely driven by increases in special waste (132 kg per person, compared to 15kg per person last year). This waste was mainly contaminated soils. Waste through our resource recovery centres was 561 kg per person, a 0.5% increase on 558kg per person last year.</p> <p>See Figure 35 Waste to Landfill per capita (kg p.a.), page 122.</p>
We provide effective waste minimisation activities and services. Our kerbside recycling and bag collection services are reliable and easy to use.	<p>% of enquiries resolved within 24 hours – as measured through Confirm. (Target: 95%.)</p>  <p>This year we responded to 93% of all enquiries within 24 hours (cf 95% in 2015/2016). In some cases enquires have required several responses to resolve and we have reported on the first response time.</p>
	<p>% customer satisfaction with kerbside recycling services.</p> <p>As measured through annual resident survey of those provided with Council's kerbside recycling collection services. (Target: 90%.)</p>  <p>In 2017 92% of residents who receive a service were satisfied or very satisfied with our kerbside recycling service. 7% of residents who receive a service were not very satisfied. These results are similar to 2016 - 93% satisfied or very satisfied and 4% not very satisfied.</p>
	<p>% customer satisfaction with kerbside bag collection services.</p> <p>As measured through annual resident survey of those provided with Council's kerbside bag collection services. (Target: 70%.)</p>  <p>In 2017, 73% of residents provided with a service were satisfied or very satisfied with our kerbside rubbish bag service. 90% of users of our service were satisfied or very satisfied. 6% of residents who have a service provided and 6% of users were not very satisfied.</p> <p>The proportions satisfied or very satisfied are improvements on the 2016 results – those provided a service 70% and users 88%. The proportions who are not very satisfied for both, those who receive a service and users, remain unchanged from the 2016 level (6%).</p>

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

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE CURRENT PERFORMANCE LEVEL OF SERVICE IF												
<p>Our resource recovery centres are easy to use and operated in a reliable manner</p>	<p>% customer satisfaction based on-site surveys – as measured by annual customer surveys at the resource recovery centres. (Target: 95%)</p> <div data-bbox="1002 331 1270 472"> </div> <p>Each year we survey customers at each of our resource recovery centres in December and January and these are the basis of our performance measure. These surveys showed a very high level of satisfaction with the services that we provide.</p> <p>The following are the results achieved for customers who were “very satisfied” or “fairly satisfied” in 2016/17:</p> <table border="0"> <tr> <td>Richmond:</td> <td>99%</td> </tr> <tr> <td>Mariri:</td> <td>99%</td> </tr> <tr> <td>Takaka:</td> <td>100%</td> </tr> <tr> <td>Collingwood:</td> <td>100%</td> </tr> <tr> <td>Murchison:</td> <td>97%</td> </tr> <tr> <td>Overall:</td> <td>99%</td> </tr> </table> <p>This compares with overall satisfaction of 99.8% in 2015/2016).</p> <p>This year we also included a satisfaction survey for these sites in our Communitrak telephone survey. This survey showed only 77% of users were satisfied or very satisfied. We note the significant variation in these two surveys, and will consider the best methodology to use in future.</p>	Richmond:	99%	Mariri:	99%	Takaka:	100%	Collingwood:	100%	Murchison:	97%	Overall:	99%
Richmond:	99%												
Mariri:	99%												
Takaka:	100%												
Collingwood:	100%												
Murchison:	97%												
Overall:	99%												

FIGURE 34

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



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

FIGURE 35

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

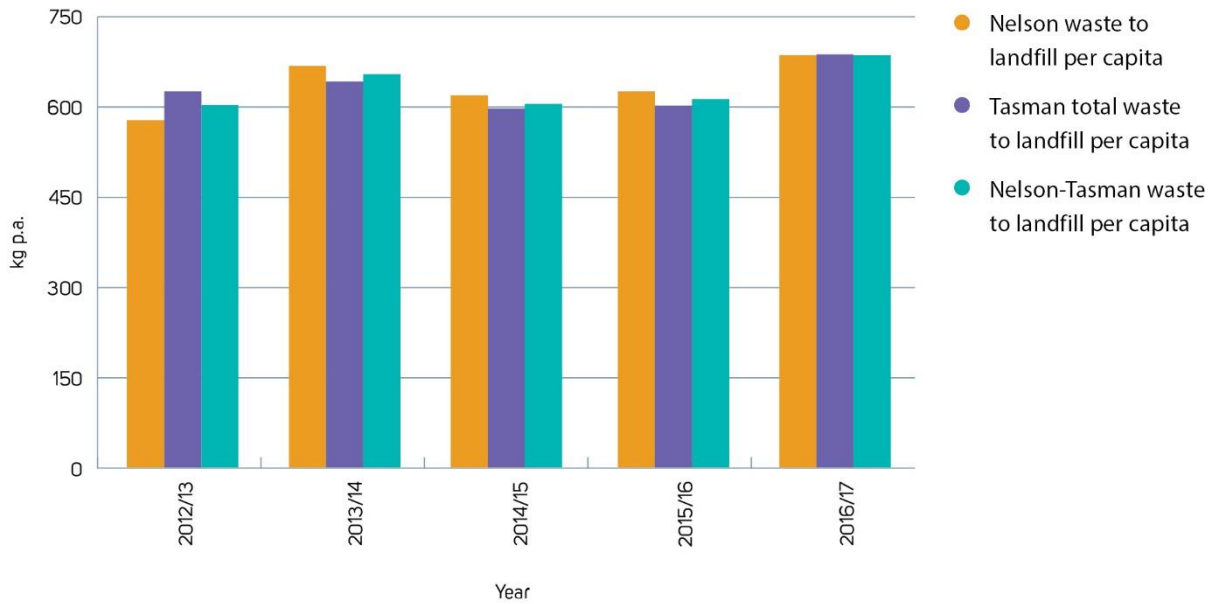
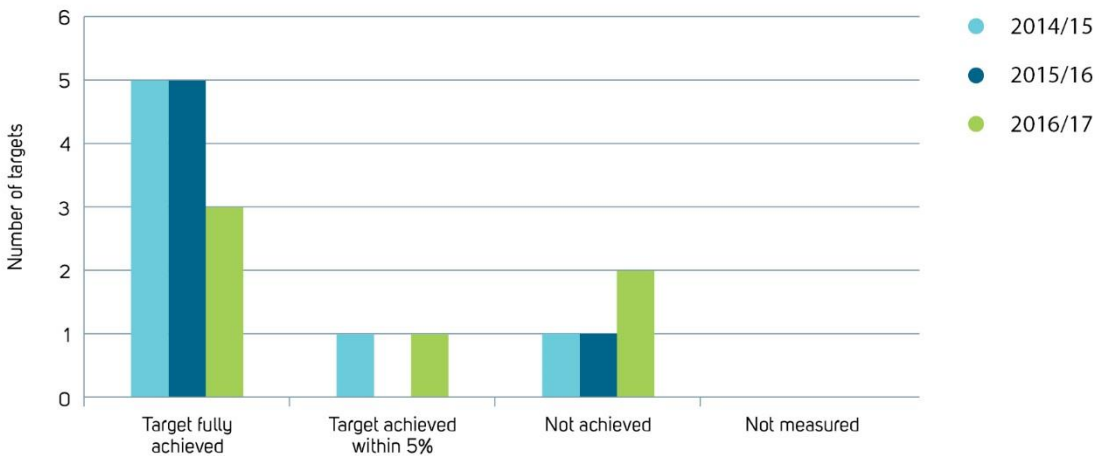


FIGURE 36

Solid Waste Performance Measures

Comparison of number of performance measures met over three years



The Solid Waste Activity Group performance measures are very similar to those contained in the previous LTP. Some of the targets have been amended to reflect higher aspirations of Council, particularly relating to customer satisfaction targets. The Group has been able to meet three of six measures. The diversion from landfill and total waste to landfill targets were not met this year, and resolution rate for enquires was just under our target.

MAJOR ACTIVITIES

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

Over the last 12 months we have made significant progress on a regional approach to waste management. We have continued work with Nelson City Council to implement the joint Waste Management and Minimisation Plan, with the major work stream being a proposal for joint landfill management.

In October 2016 the Council adopted an amendment to the LTP 2015 – 2025 to enable joint management of Eves Valley landfill. In April 2017 we agreed with Nelson City Council to form a joint business unit, governed by a joint committee of the Councils. On 1 July 2017 the Eves Valley and York Valley landfills transferred to the joint business unit and all waste in the region was directed to the York Valley landfill in Nelson.

The past 12 months has also seen the consolidation of our improved recycling service, with on-going growth in recyclables collected. This year also saw an increase in recycling processes for the wider region, with an increase in mixed recyclables from Nelson City Council. From March 2017 we also started receiving glass from Nelson City Council for processing.

NEW CAPITAL EXPENDITURE

PROJECT NAME	LTP YEARS 1-3	2016/2017 BUDGET	ACTUAL 2016/2017
Eves Valley Landfill	\$157,474	\$52,122	The scope of this project was to undertake landscape planting at the landfill. A total of \$44,772 was carried over this year from 2015/16. \$17,169 was spent in the current financial year. We have completed further fencing and commenced planting in the gully below the landfill this year. We anticipate unspent funds will be carried over to 2017/2018 to enable further planting around the landfill site.
Mariri Resource Recovery Centre	\$664,525	\$0	Improve traffic flow and layout: A report to Council increased the budget to \$1,210,400 in the current year through a combination of funds carried forward and reallocated from 2015/16, and funds advanced from 2017/18. The scope of work now includes a waste compactor, weighing system and improvements to the waste pit and drainage. \$429,140 was spent in the current financial year. This work has commenced, but has not been completed. Equipment for the site was purchased but an initial tender failed to attract any tenders for the civil works on site. The work was retendered and work commenced in July 2017.
Closed landfills	\$262,895	\$198,635	Rock protection work at the Richmond Resource Recovery Centre: The scope of this work was increased to include protection of the Great Taste Trail cycleway and further funding of \$154,500 from the Ministry of Business Innovation and Employment was secured. In December 2016 the Council budget for this work was increased to \$330,000, giving total funding of \$484,500. A total of \$494,445 was spent this year. The work was completed in May 2017.

Tasman District Council
Funding Impact Statement
For the year ended June 2017

LTP 2016 \$000	Actual 2016 \$000	SOLID WASTE	Actual 2017 \$000	Budget 2017 \$000	LTP 2017 \$000	% of Budget
SOURCES OF OPERATING FUNDING						
287	287	General rates, uniform annual general charges, rates penalties	333	333	322	100%
2,201	2,180	Targeted rates	2,284	2,277	2,301	100%
0	0	Subsidies and grants for operating purposes	0	0	0	0%
5,275	4,222	Fees and charges	4,681	5,587	5,623	84%
0	0	Internal charges and overheads recovered	0	0	0	0%
156	184	Local authorities fuel tax, fines, infringement fees, and other receipts	508	170	171	299%
7,919	6,873	TOTAL OPERATING FUNDING	7,806	8,367	8,417	93%
APPLICATIONS OF OPERATING FUNDING						
6,167	5,505	Payments to staff and suppliers	4,957	6,804	6,818	73%
400	870	Finance costs	457	348	356	131%
446	446	Internal charges and overheads applied	786	403	471	195%
0	0	Other operating funding applications	0	0	0	0%
7,013	6,821	TOTAL APPLICATIONS OF OPERATING FUNDING	6,200	7,555	7,645	82%
906	52	SURPLUS (DEFICIT) OF OPERATING FUNDING	1,606	812	772	198%
SOURCES OF CAPITAL FUNDING						
0	0	Subsidies and grants for capital expenditure	0	0	0	0%
0	0	Development and financial contributions	0	0	0	0%
(166)	(506)	Increase (decrease) in debt	271	(529)	(682)	-51%
0	0	Gross proceeds from sale of assets	0	0	0	0%
0	0	Lump sum contributions	0	0	0	0%
0	0	Other dedicated capital funding	0	0	0	0%
(166)	(506)	TOTAL SOURCES OF CAPITAL FUNDING	271	(529)	(682)	-51%
APPLICATIONS OF CAPITAL FUNDING						
Capital expenditure						
18	81	- to meet additional demand	0	235	37	0%
567	106	- to improve the level of service	0	52	52	0%
256	67	- to replace existing assets	1,012	0	0	0%
(101)	(708)	Increase (decrease) in reserves	865	(4)	1	-21625%
0	0	Increase (decrease) in investments	0	0	0	0%
740	(454)	TOTAL APPLICATIONS OF CAPITAL FUNDING	1,877	283	90	663%
(906)	(52)	SURPLUS (DEFICIT) OF CAPITAL FUNDING	(1,606)	(812)	(772)	198%
0	0	FUNDING BALANCE	0	0	0	0%

Capital Expenditure - A council report authorised the over expenditure in capital above. Effectively budgets were brought forward from out-years to fund this. **Reserve Movement Increase or decrease** - The movement in reserve is a reflection of the additional income in this activity, which has increased the surplus.

ENGINEERING (CONT.)

FLOOD PROTECTION AND RIVER CONTROL WORKS

WHAT WE DO

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

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

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

The Rivers activity is managed holistically. This approach to rivers management places emphasis on channel management through gravel relocation/repositioning and vegetation and land buffers on the river's edge. The aim is to manage the river channel and catchment so that there is less need to use hard engineering methods to prevent erosion. This group of activities does not include stormwater or coastal structures, which are covered in other groups of activities.

WHY WE DO IT

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

OUR GOAL

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

HOW THIS ACTIVITY CONTRIBUTES TO THE COUNCIL'S COMMUNITY OUTCOMES

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

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE CURRENT PERFORMANCE LEVEL OF SERVICE IF...
<p>We maintain Council's stopbank assets in River X classified areas to deliver flood protection to the level that the stopbanks were originally constructed.</p>	<p>The major flood protection and control works that are maintained, repaired and renewed to the key standards defined below (Mandatory Performance Measure 1):</p> <p>Our stopbanks are maintained to their original constructed standard.</p> <p>(Riwaka River = 1 in 10 year flood return in 1950).</p> <p>(Lower Motueka River = 1 in 50 year flood return in 1950).</p> <p>(Waimea River = 1 in 50 year flood return in 1950).</p> <p>No failure of flood protection in the existing stopbank system maintained by Council below the specified design levels.</p> <p>(Target: Riwaka River 88% Motueka River 100% Waimea River 100%.)</p>
	<p>We had no significant floods affecting our flood protection schemes in the last financial year. (cf two significant floods in 2015/2016).</p> <p>We have continued to maintain our stopbanks through mowing and through inspection and clearing of the associated flap gate and tide gate outfall structures.</p>
	<p>The following targets for these flood protection schemes were met:</p> <p>Riwaka River: 100% (cf 100% in 2015/2016). Motueka River: 100% (cf 100% in 2015/2016). Waimea River: 100% (cf 100% in 2015/2016).</p>



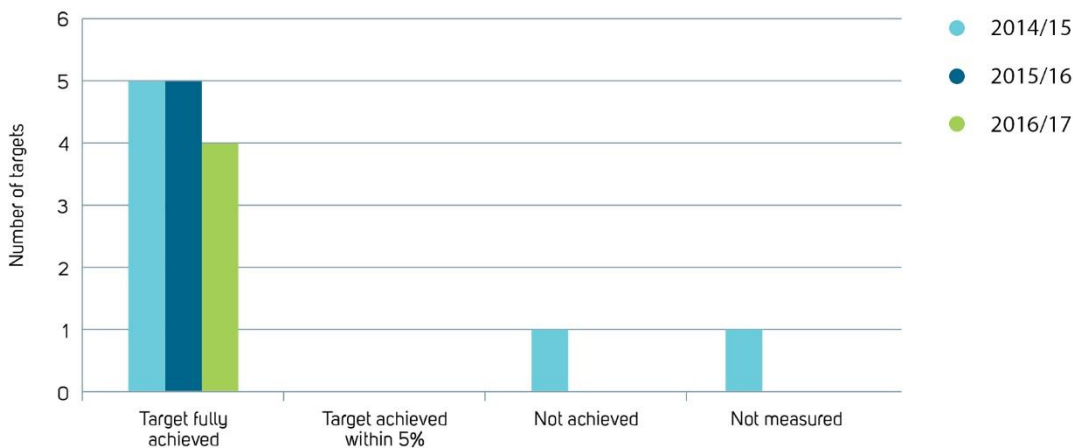
OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE CURRENT PERFORMANCE LEVEL OF SERVICE IF...
<p>River maintenance tasks are carried out in a safe, efficient and sustainable manner.</p>	<p>Council holds appropriate consents for the work it does.</p> <p>As measured by the number of notices issued to Council’s flood protection and rivers control activity.</p> <p>(Target: no notices issued.)</p> <div data-bbox="1002 369 1273 510"> </div> <p>We were granted a new Global Rivers consent to cover river maintenance works in September 2016.</p> <p>No notices were issued and no preliminary investigations for the issuing of a notice occurred under this consent or the previous consent up to its expiry for the financial year in question. (cf no notices or investigations in 2015/2016).</p>
<p>We manage waste/rubbish in the river system.</p>	<p>Complaints about illegal dumping in the X and Y classified rivers and on adjacent beaches on public land are actioned within five days.</p> <p>As measured through Customer Service Requests in Council’s database. CSR’s are responded to within five days.</p> <p>(Target: 100%.)</p> <div data-bbox="1002 772 1273 913"> </div> <p>We responded to 100% of complaints within the five-day target period (cf 100% in 2015/2016).</p> <p>This result excludes complaints relating to abandoned vehicles, as these are managed by our Regulatory and Compliance group.</p>

FIGURE 37

Flood Protection Performance Measures

Comparison of number of performance measures met over three years



The Flood Protection and River Control Group have met all the performance targets set in the LTP 2015 – 2025. The performance measures are the same as those contained in the last LTP.

MAJOR ACTIVITIES

This group of activities involves ongoing management, maintenance and renewal of Council's river control and flood protection structures.

The following table details the major capital and renewal work programmed for 2016/2017. A full list of projects and programmes for when the work is planned to be completed is included in Appendix F of the Rivers Activity Management Plan.

NEW CAPITAL EXPENDITURE

PROJECT NAME	LTP YEARS 1-3	2016/2017 BUDGET	ACTUAL 2016/2017
Waimea Asset Improvement Catchment Y	\$178,000	\$57,000	\$55,000 was spent in 2016/2017. There was little to no damage from the February 2016 20-year flood in Wairoa. Wai-iti was also unaffected. Native riparian planting work was undertaken at a similar level as previous years in the Wai-iti. The Wai-iti 2017 April/May flood damage repairs were not underway until July 2017.
Waimea Asset Improvement Catchment X	\$304,000	\$99,000	\$150,820 was spent in 2016/2017. We undertook more rock bank protection works than anticipated. The February 2016 20-year flood damage repairs were undertaken on Waimea. Native riparian planting work was undertaken at a similar level as previous years.
Takaka Asset Improvement	\$630,000	\$250,000	\$104,000 was spent in 2016/2017. Less rock bank protection was required than anticipated. There was relatively little damage from February 2016 flood other than to Z rated areas.
Aorere Asset Improvement	\$356,000	\$115,000	\$116,000 was spent in 2016/2017. Rock bank protection was completed in line with budget expectations.
Upper Motueka Asset Improvement	\$872,000	\$283,000	\$215,000 was spent in 2016/2017. Expenditure was close to budget expectation. Native riparian planting on the Sherry was carried out and rock bank protection on the Motupiko and Upper Motueka mainstem.
Lower Motueka Asset Improvement Y	\$162,000	\$52,000	\$219,000 was spent in 2016/2017. A large increase in rockwork was required in Dove and Moutere Rivers due to Easter and May 2017 floods. Higher levels of native riparian planting than usual were undertaken (Lower Motueka).
Lower Motueka Asset Improvement X	\$760,000	\$245,000	\$33,000 was spent in 2016/2017. Nothing larger than a mean annual flood was experienced in the Lower Motueka or Riwaka. No new riparian plantings took place in this area. Relatively little damage was experienced from the February 2016 20-year flood in Riwaka.

Tasman District Council

Funding Impact Statement

For the year ended June 2017

LTP 2016 \$000	Actual 2016 \$000	FLOOD PROTECTION AND RIVER CONTROL WORKS	Actual 2017 \$000	Budget 2017 \$000	LTP 2017 \$000	% of Budget
SOURCES OF OPERATING FUNDING						
35	35	General rates, uniform annual general charges, rates penalties	33	33	34	100%
2,691	2,680	Targeted rates	2,723	2,720	2,759	100%
0	53	Subsidies and grants for operating purposes	0	0	0	0%
42	291	Fees and charges	227	43	43	528%
0	0	Internal charges and overheads recovered	85	0	0	0%
218	226	Local authorities fuel tax, fines, infringement fees, and other receipts	379	222	224	171%
2,986	3,285	TOTAL OPERATING FUNDING	3,447	3,018	3,060	114%
APPLICATIONS OF OPERATING FUNDING						
1,519	1,422	Payments to staff and suppliers	2,058	1,554	1,561	132%
38	25	Finance costs	18	18	32	100%
264	274	Internal charges and overheads applied	436	264	274	165%
0	0	Other operating funding applications	0	0	0	0%
1,821	1,721	TOTAL APPLICATIONS OF OPERATING FUNDING	2,512	1,836	1,867	137%
1,165	1,564	SURPLUS (DEFICIT) OF OPERATING FUNDING	935	1,182	1,193	79%
SOURCES OF CAPITAL FUNDING						
0	0	Subsidies and grants for capital expenditure	0	0	0	0%
0	0	Development and financial contributions	0	0	0	0%
(105)	(93)	Increase (decrease) in debt	(93)	(93)	(105)	100%
0	0	Gross proceeds from sale of assets	0	0	0	0%
0	0	Lump sum contributions	0	0	0	0%
0	0	Other dedicated capital funding	0	0	0	0%
(105)	(93)	TOTAL SOURCES OF CAPITAL FUNDING	(93)	(93)	(105)	100%
APPLICATIONS OF CAPITAL FUNDING						
Capital expenditure						
0	0	- to meet additional demand	0	0	0	0%
1,032	583	- to improve the level of service	252	1,052	1,059	24%
0	0	- to replace existing assets	640	0	0	0%
28	888	Increase (decrease) in reserves	(50)	37	29	-135%
0	0	Increase (decrease) in investments	0	0	0	0%
1,060	1,471	TOTAL APPLICATIONS OF CAPITAL FUNDING	842	1,089	1,088	77%
(1,165)	(1,564)	SURPLUS (DEFICIT) OF CAPITAL FUNDING	(935)	(1,182)	(1,193)	79%
0	0	FUNDING BALANCE	0	0	0	0%

Payments to staff and Suppliers: Additional spend occurred on River Z areas that caused the overspend in this area. **Fees and Recoveries:** 50% of the River Z work is recovered from property owners and explains the increased revenue in this activity.

COMMUNITY DEVELOPMENT

POLICY AND OBJECTIVE

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

NATURE AND SCOPE

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

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

COMMUNITY FACILITIES AND PARKS

WHAT WE DO

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

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

WHY WE DO IT

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

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

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

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

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

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

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

OUR GOALS

Parks and reserves

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

Cemeteries

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

Public toilets

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

Community buildings

We aim to provide community facilities that assist in meeting the community demand for indoor activities and recreation spaces.

Community housing

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

Libraries

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

Swimming pools

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

HOW THIS ACTIVITY CONTRIBUTES TO COUNCIL'S COMMUNITY OUTCOMES

COMMUNITY OUTCOMES	HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
Our unique natural environment is healthy and protected.	<p>Protection of the natural environment and ecologically significant areas. Provision and enhancement of open space.</p> <p>Vegetation enhancement and awareness.</p> <p>Enhanced community involvement in conservation and restoration work.</p> <p>Protection and enhancement of coastal and riparian areas.</p>
Our urban and rural environments are people-friendly, well-planned and sustainably managed.	<p>Provision and enhancement of open space and an interconnected open space network. Provision of neighbourhood and community parks within walking distance of homes.</p>
Our communities are healthy, safe, inclusive and resilient.	<p>Provision of open space and recreation facilities that cater for and promote active lifestyles. This includes casual activities such as walking and cycling, and organised sports and recreation activities.</p> <p>Parks and facilities are designed and managed to ensure users safety and to cater for the needs of the whole community.</p> <p>Community facilities are provided that support specific social needs.</p> <p>Community housing provides good quality affordable housing for the elderly and others who meet the criteria of Council's Policy on Pensioner Housing.</p> <p>Libraries provide safe spaces for our community to socialise and interact. Libraries provide equitable access to information for all in the community; as such libraries are an integral part of a strong democracy at local and national levels.</p> <p>The Aquatic Centre supports specific social needs and is designed and managed to ensure users safety and to cater for the needs of the whole community.</p>
Our communities have opportunities to celebrate and explore their heritage, identity and creativity.	<p>We provide recreation facilities that cater for and promote healthy communities and active lifestyles through social and recreation activity.</p> <p>Libraries contribute to the enhancement of community identity through the collection and preservation of local heritage materials. Libraries are involved in regional history/heritage projects which increase access to local historical/cultural information and materials. Library resources and facilities encourage creative, cultural and recreational activities.</p> <p>Provision of an Aquatic Centre facility that caters for and promotes healthy communities and active lifestyles through social and recreation activity.</p> <p>Cemeteries provide a location for interments and remembrance.</p>
Our communities have access to a range of social, educational and recreational facilities and activities.	<p>Provision of high quality open space, community, recreation and cultural facilities that provide a range of leisure and cultural opportunities.</p> <p>Provision of attractive well maintained and functional toilet facilities.</p> <p>We provide high quality community, recreation and cultural facilities providing a range of leisure and cultural opportunities and targeted social support.</p> <p>Libraries provide access to a wide range of materials in a variety of formats to support the recreational, educational, cultural, social, and business needs of the community Libraries provide a range of resources which enrich quality of life for all.</p>
Our Council provides leadership and fosters partnerships, a regional perspective and community engagement.	<p>Through the provision of freely accessible community spaces, libraries encourage social interaction and community engagement.</p>



OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...	CURRENT PERFORMANCE
<p>An interconnected open space network and recreation facilities that provide a range of leisure opportunities and meet the needs of users and the community.</p>	<p>The total area of park land* provided by Council exceeds the industry average, as measured by Yardstick Parkcheck.</p> <p>(Target: 16.9 ha per 1000 residents.)</p> <p><small>*Includes all park and reserve land provided by Tasman District Council, but excludes esplanade strips.</small></p>	 <p>The area of park land per 1000 residents is 16.8 ha. This is the same as in 2015/2016 and above the industry average of 15.9 hectares per 1000 residents. Our target in 2015/2016 was 17 pa per 1000 residents.</p>
	<p>Overall customer satisfaction with the facilities in parks and reserves exceeds 85%, as measured by the triennial Yardstick ParkCheck Visitor Measures Survey.</p> <p>(Target: not measured.)</p>	 <p>Performance was not due to be measured in 2016/2017 (or in 2015/2016). Survey work has commenced and we will report results in 2017/2018.</p>
	<p>At least 85% of respondents rate their satisfaction with recreational facilities (which include playing fields and neighbourhood reserves) as “fairly satisfied” or better in the annual residents’ surveys.</p>	 <p>In 2017 87% of residents and 89% of users were satisfied or very satisfied with our recreational facilities in 2017. 7% of residents and 7% of users were not very satisfied. These results compare to 92% of residents and 94% of users satisfied or very satisfied in 2016. 5% of residents and 4% of users were not very satisfied in 2016.</p> <p>The results tend to indicate that we are providing the recreational amenities that our residents require.</p> <p>See Figure 38 Satisfaction with Recreational Facilities, page 137.</p>
<p>Public toilets at appropriate locations that meet the needs of users and are pleasant to use and maintained to a high standard of cleanliness.</p>	<p>At least 70% of respondents rate their satisfaction with public toilets as “fairly satisfied” or better in the annual residents’ surveys.</p>	 <p>In 2017 61% of residents and 76% of users were satisfied or very satisfied with our public toilets. 18% of residents and 19% of users were not very satisfied with our public toilets. These results compare with 68% of residents and 81% of users satisfied or very satisfied in 2016. 15% of both residents and users were not very satisfied in 2016.</p> <p>We upgraded a number of public toilet during the year and have planned further upgrades for 2017/2018.</p> <p>See Figure 39 Satisfaction with Public Toilets, page 137.</p>



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

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...	CURRENT PERFORMANCE
<p>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.</p>	<p>A community building is available within a 15-minute drive for 95% of the population (i.e. 20km radius catchment).</p>	 <p>This remains unchanged from last year, where a community building* is available within a 15 minute drive for 99% of our District's population.</p> <p>*A community building is a recreation centre, public hall or community house.</p>
<p>Accessible and affordable housing to eligible people within the community.</p>	<p>Tenants' overall satisfaction with community housing is at least 80%, as measured through a biennial survey of residents.</p>	 <p>Performance was not due to be measured in 2016/2017.</p> <p>We undertook a tenant survey in November 2015 which reported that there was a 92% satisfaction rate with our community housing. Satisfaction rates reflected their tenancy management, the condition of the cottages, and how their enquiries were dealt with.</p>
<p>Swimming pools that meet the needs of users and provide opportunity for aquatic based recreation activities and learn to swim programmes.</p>	<p>Admissions to the Richmond Aquatic Centre per m² of swimming pool per annum is not lower than 10% below the peer group average, as measured by Yardstick (once every three years).</p> <p>This target was measured this year even though we had not intended to do so in the LTP 2015-2025.</p>	 <p>For our Aquatic Centre this year we achieved admissions of 214 swims per m² of swimming pool, in 2016/2017, up significantly from 160 swims per m² of swimming pool in 2015/2016 and 164 in 2014/2015.</p> <p>The median for peer group aquatic admissions by m² of water area is 146.</p>
	<p>At least 85% of respondents rate their satisfaction with Aquatic Centre facilities as fairly satisfied or better, in annual surveys of customers.</p> <p>(Target: 85%)</p>	 <p>In 2017, 69% of respondents to the Council's residents' survey were satisfied or very satisfied with the Aquatic Centre and 14% not satisfied. This compares with 78% of users who were satisfied or very satisfied and 13% of users were not very satisfied. For 2015/2016 70% of respondents and 81% of users were satisfied or very satisfied.</p> <p>To improve user experience further, we installed the Wapotec Water treatment system in the Leisure Pool and in the Wave Pool during 2016/2017.</p>

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

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...	CURRENT PERFORMANCE
<p>The provision of access to a wide range of information relevant to the community's recreation and learning needs.</p>	<p>The number of lending/reference items available at Tasman libraries is 3.0 items per resident.</p> <p>Stock numbers will be measured quarterly using information available from the Library Management System software.</p> <p>(Target: 3.0 items per resident).</p>	 <p>From July 2016 to June 2017, we purchased 16,929 new physical items and 1,494 new electronic items for our libraries.</p> <p>Items available at 30 June 2017 totalled 156,350, comprising 145,697 physical items and 10,653 electronic items; this equates to 3.1 items per resident (cf 3 items per resident in 2015/2016). The number of electronic items includes items available through e-book consortia shared purchasing arrangements.</p>
	<p>At least 83% of residents are fairly or very satisfied with the public libraries, as measured through the annual residents' survey.</p> <p>Target: 83%</p>	 <p>In May 2017 78% of residents and 88% of users were satisfied or very satisfied with our public libraries. 7% of respondents and 8% of users were not very satisfied.</p> <p>These results compare to 79% of residents and 89% users satisfied or very satisfied in 2016. 7% of residents and 10% of users were not very satisfied in 2016.</p> <p>The main dissatisfaction was with the Motueka Library where users thought the facility was too small and in need of upgrading.</p> <p>The percentage not very satisfied is on par with the peer group and national averages and is similar to the 2016 result.</p> <p>See Figure 40 Satisfaction with Public Libraries. page 138.</p>

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

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...	CURRENT PERFORMANCE
<p>The provision of safe, welcoming, attractive and accessible library facilities for customers to access library services.</p>	<p>Tasman District Council library buildings provide adequate spaces to enable the delivery of quality library services as measured against the Library and Information Association of New Zealand Aotearoa (LIANZA) standard.</p> <p>(Target 1: The Richmond, Takaka and Murchison libraries floor areas are maintained at the current size.</p> <p>Target 2: Motueka Library floor area does not meet the LIANZA standard)</p>	<p>Target 1:</p>  <p>The Richmond, Takaka, and Murchison Library floor areas have all been maintained at their current size.</p> <p>The floor space of the Richmond and Takaka Libraries meet the LIANZA standard. The Murchison Library building at 160m² is less than the 210m² recommended in the LIANZA standard.</p> <p>Target 2:</p>  <p>As reflected in the residents' survey, space issues in our Motueka Library are continuing to cause difficulties with service delivery. The floor area of the building at 472m² achieves only 48% of the LIANZA standard. A feasibility study will be undertaken during 2017/2018. The study will investigate the proposed redevelopment options. Funding for the preferred redevelopment option is proposed to be included in the LTP 2018-2028.</p>

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

FIGURE 38

Satisfaction with Recreational Facilities

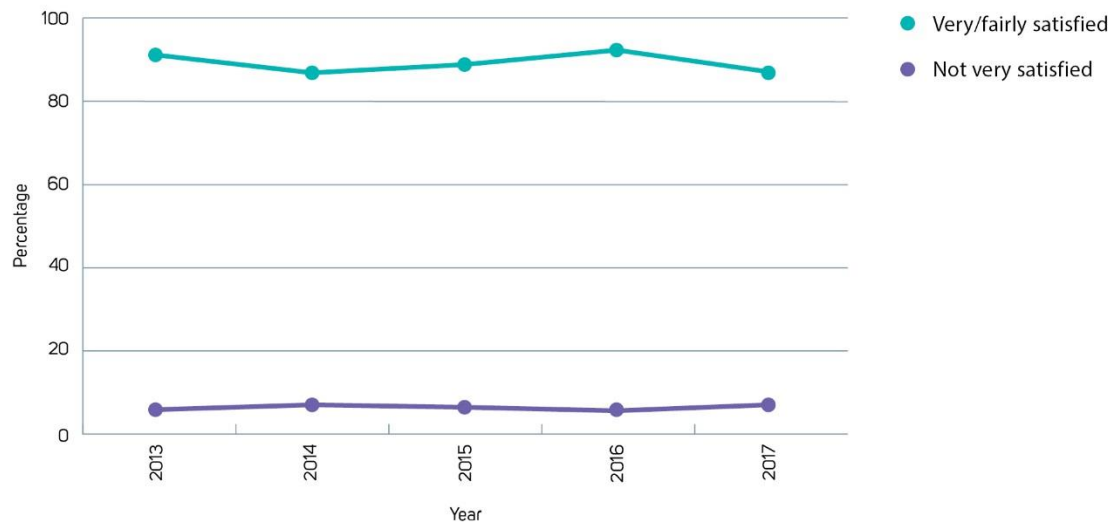
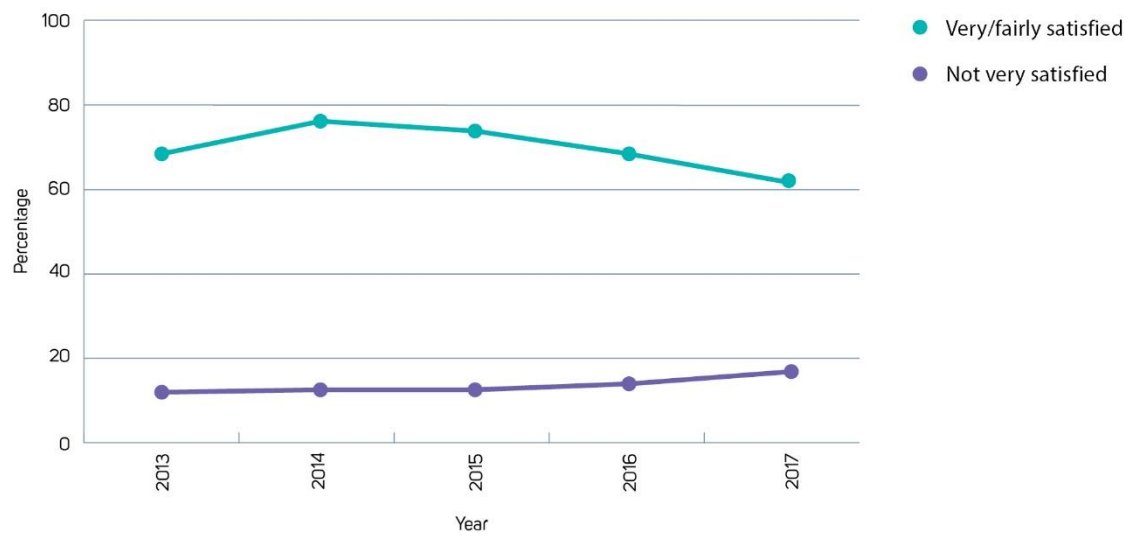


FIGURE 39

Satisfaction with Public Toilets



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

FIGURE 40

Satisfaction with Public Libraries

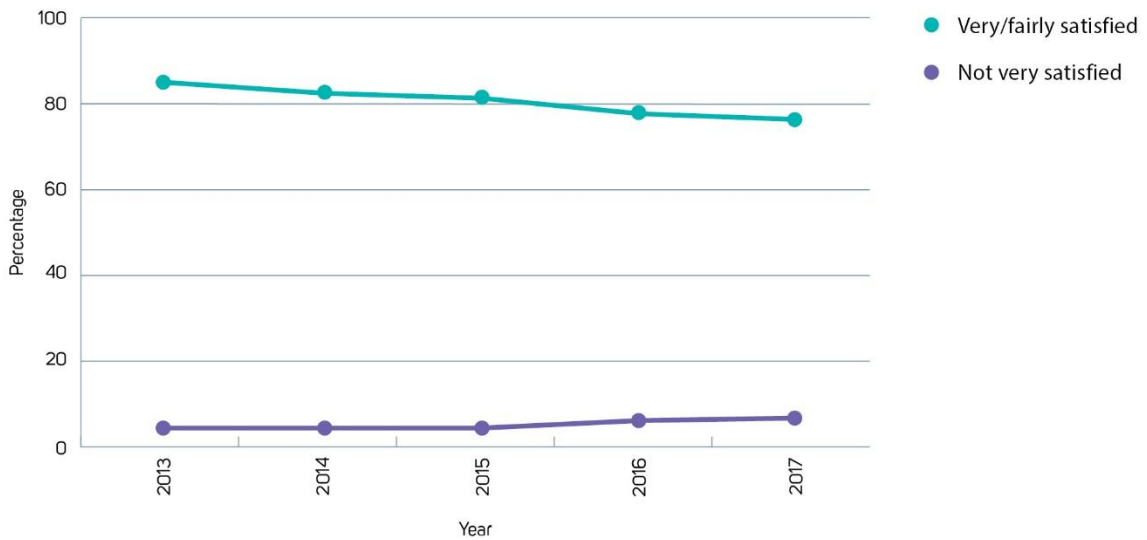
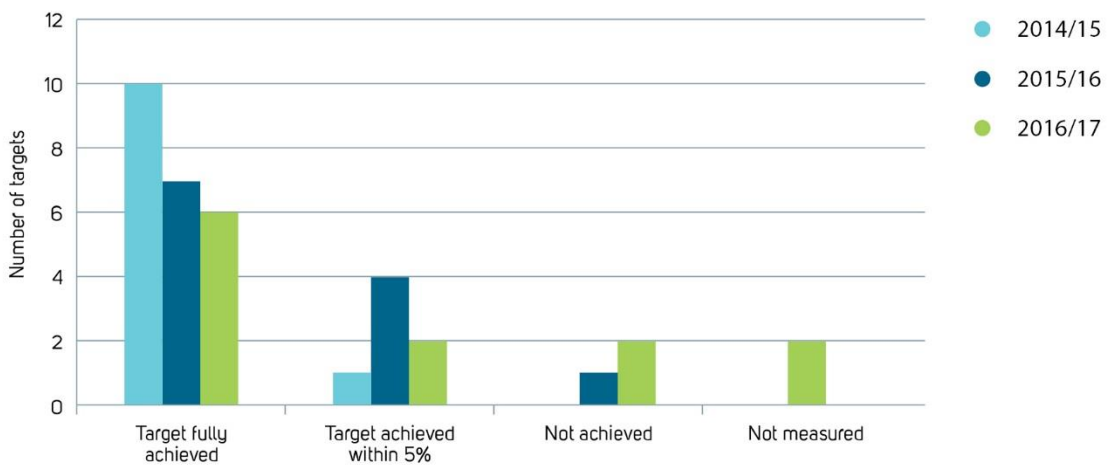


FIGURE 41

Community Facilities and Parks Performance Measures

Comparison of number of performance measures met over three years



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

The majority of the targets have been met fully or achieved within 5% of the target. The measures that were not achieved are satisfaction level with the Aquatic Centre and public toilets.

MAJOR ACTIVITIES

Ongoing management, maintenance and renewal of Council's parks and reserves, cemeteries, playgrounds, libraries, district and shared facilities, public toilets, Council cottages, and swimming pools. Specifically, in 2016/2017 major activities included:

NEW CAPITAL EXPENDITURE

PROJECT NAME	LTP YEARS 1-3	2016/2017 BUDGET	ACTUAL 2016/2017
Golden Bay Recreation Reserve	\$1,943,700	\$0	<p>Council has completed construction of a new indoor community recreation facility in Golden Bay. 20% of the funding for the facility has been raised by the community, with Council providing the remaining 80%. \$2,355,158 was carried over from the 2015/2016 year to this year. \$3,236,242 was spent in the current financial year.</p> <p>The new facility is currently not able to be fully opened, as Council cannot provide the required on-site car parking due to the old grandstand /clubroom/squash court building remaining on the site. Council faced a legal challenge to the Environment Court by a group within the Golden Bay community opposed to the removal of the grandstand building. The case cost approximately \$150,000 of unbudgeted legal and consultancy costs, which means the project was over budget. Council won the case. However, Council has decided to allow the community group further time to prepare a proposal to retain the grandstand, which will mean the new Facility will not be able to be fully opened for some time.</p>
District-wide reserves	\$1,578,836	\$364,853	<p>Purchase of new reserves throughout the District (usually as a result of subdivision): \$476,300 was spent in the current financial year. We anticipate unspent funds will be carried over to 2017/2018. New reserves of note in 2016/2017 were Pearl Creek Reserve (Appleby) and Mapua Recreation Reserve Extension (funded by Reserve Financial Contributions).</p>
Ben Cooper Park	\$227,986	\$114,668	<p>Construction of new public toilet facilities: No funds were spent in 2016/2017. Detailed plans are being prepared and the project is planned to commence in 2017/2018. We anticipate the funds will be carried over to 2017/2018.</p>
Richmond Cemetery	\$53,844	\$0	<p>Roading extensions and purchase of new land: This project is programmed to start in 2017/2018.</p>

MAJOR ACTIVITIES (CONT.)

PROJECT NAME	LTP YEARS 1-3	2016/2017 BUDGET	ACTUAL 2016/2017
Saxton Field	\$465,543	\$309,639	<p>Champion Road access: \$135,000 was carried over from the 2015/2016 year. No funds were spent in the current financial year. We anticipate unspent funds will be carried over to 2017/2018.</p> <p>We are working with Nelson City Council on this project. Detailed design plans have been prepared. It is expected that stage 1 of this project will commence in the 2017/2018 year.</p> <p>Velodrome. Significant progress has been made in constructing the velodrome with earthworks completed including all site excavations, drainage installation and embankment formation. An underpass and fully accessible ramps to the centre of the track have also been completed. The sealing of the track is due to be undertaken in late 2017.</p>
	\$76,725	\$0	<p>Wetland Planting: \$75,000 was carried over from the 2015/2016 year. No funds were spent in the current financial year. We anticipate unspent funds will be carried over to 2017/2018. Nelson City Council has carried out wetland planting along Saxton Stream as part of a stormwater project.</p>
	\$100,377	\$0	<p>Walkway links: \$55,000 was carried over from 2015/2016. \$28,400 was spent in 2016/2017. We anticipate unspent funds will be carried over to 2017/2018. Minor walkway links were undertaken and plans for further work in 2017/2018 have been completed.</p>
	\$25,575	\$0	<p>Velodrome lights: \$25,000 was carried over from 2015/2016. No funds were spent in the current financial year. We anticipate unspent funds will be carried over to 2017/2018. Work will commence when the completion of the velodrome reaches the appropriate stage for installation of lights and when additional funding is provided by the two Councils. The project is likely to cost more than the current budget.</p>
	\$268,977	\$0	<p>Renewing a hockey turf: Project is planned to commence in 2017/2018.</p>
	\$73,463	\$30,000	<p>General: \$25,000 was spent on planting, landscaping and drainage upgrades in 2016/2017. We anticipate unspent funds will be carried over to 2017/2018.</p>

MAJOR ACTIVITIES (CONT.)

PROJECT NAME	LTP YEARS 1-3	2016/2017 BUDGET	ACTUAL 2016/2017
Council Libraries	\$358,060	\$0	The conversion to Radio Frequency Identification Technology project was completed in October 2016. \$229,758 was carried over from 2015/16 and \$193,924 was spent in the current year.
	\$895,466	\$296,466	Ongoing purchasing of new reference/lending items in order to maintain the library collections at three items per resident: \$271,841 was spent in the current financial year. The budget under-spend arose primarily because a number of outstanding book orders were not received before the end of the financial year.
	\$174,732	\$57,875	Growth of digital collections (including digital newspapers and electronic databases): \$60,685 was spent in the current financial year.
Aquatic Centre, Richmond	\$51,834	\$125,092	Building assessment and installation of non-slip surface: \$18,816.
	\$132,331	\$61,295	Installation of the new Wapotec water treatment system on the Leisure and Wave pools to reduce chloramines: \$40,170 was spent in 2016/2017.
	\$101,539	\$56,936	Lighting: No funds were spent in the current financial year. We anticipate unspent funds will be carried over to 2017/2018.
	\$43,150	\$21,575	Controllers and switchboards: No funds have been spent in 2016/2017.
	\$31,772	\$28,924	Other electrical: PA system, heating, auto door, driers. No funds have been spent in 2016/2017.
	\$63,738	\$31,869	Replace pool tiles and floor coverings: \$16,340 was spent on a non-slip surface for the hydro slide and spa walkway in 2016/2017.

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

RESERVE FINANCIAL CONTRIBUTIONS

HOW FUNDS ARE RECEIVED

All new subdivisions, from one new lot up to hundreds of new lots, are required to pay Reserve Financial Contributions for reserves and other community services. Reserve Financial Contributions are based on 5.62% of the value of all new allotments (the valuation is based on the area of the allotment or a notional building site on an allotment of 2500 m², whichever is the lesser), less the value of any land vested or easements created for reserves or walkways. Credits are also given in some cases for additional work that is carried out by the developer over and above what is required by the Engineering Standards. Examples of such credits would be the formation of paths and amenity plantings.

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

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

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

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

WHAT THE RESERVE FINANCIAL CONTRIBUTIONS CAN BE USED FOR

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

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

ALLOCATION OF FUNDS

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

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

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

District Wide Reserve	2016/2017	2016/2017
Financial Contributions 2016-2017	Actual \$	Budget \$
PROJECTS		
Valuation costs	5,926	11,320
Consultant Fees	2,204	38,271
Library Books	10,435	10,441
DILS Golden Bay Sportsfield Upgrade		22,642
Rainbow Project		13,142
TOTAL EXPENDITURE	18,565	95,816
Opening Balance	27,544	42,972
Internal Interest Received	646	1,612
Transfer from Ward Accounts	-	57,315
	28,190	101,899
Expenditure	18,565	95,816
CLOSING BALANCE	9,625	6,083

Richmond Ward Reserve	2016/2017	2016/2017
Financial Contributions 2016-2017	Actual \$	Budget \$
PROJECTS		
Walkways/Cycleways		
General	38,571	129,995
Estuary Walkway		16,251
Sportsfields		
General		88,607
Picnic Areas		
General		25,424
Playgrounds		
General	31,757	25,000
Saxton Velodrome	12,498	100,000
Toilets		
General		227,198
Miscellaneous		
Consultants		
Community Contribution	28,000	30,000
Community Projects	16,392	36,849
Valuation Expenses/Future Planning	7,460	10,441
Security Cameras		20,849
Waimea River Park		127,078
New Reserves		104,244
Transfer to District Wide Contributions	-	17,194
TOTAL EXPENDITURE	134,678	959,130

Richmond Ward Reserve	2016/2017	2016/2017
Financial Contributions 2016-2017	Actual \$	Budget \$
Opening Balance	1,733,415	2,688,699
Income	381,433	891,384
Internal Interest Received	40,649	51,539
	2,155,497	3,631,622
Expenditure	134,678	959,130
CLOSING BALANCE	2,020,819	2,672,492

Waimea/Moutere & Lakes/Murchison Ward Reserve	2016/2017	2016/2017
Financial Contributions 2016-2017	Actual \$	Budget \$
PROJECTS		
Walkways/Cycleways		
General	11,894	62,927
Sportsfields		
General	4,520	189,238
Gardens		
General	2,037	30,185
Picnic Areas		
General	7,353	4,408
Playgrounds		
General	54,678	121,213
Toilets	17,310	26,061
Cemeteries		
General		20,685
Coastcare	10,124	47,375
Miscellaneous		
Community Contribution	40,435	10,000
Valuation Fees	18,430	12,015
Land Purchases	476,300	516,359
Transfer to District Wide Contributions		17,194
Loan Interest	51,458	50,826
Loan Principal	269,712	269,711
TOTAL EXPENDITURE	964,251	1,378,197
Opening Balance	1,875,645	1,859,609
Income	851,138	670,031
Internal Interest Received	43,984	49,953
	2,770,767	2,579,593
Expenditure	964,251	1,378,197
CLOSING BALANCE	1,806,516	1,201,396

Motueka Ward Reserve Financial Contributions 2016-2017	2016/2017 Actual \$	2016/2017 Budget \$
PROJECTS		
Walkways/Cycleways		
General	2,129	48,816
Stephens Bay Development		30,000
Sportsfields		
General		52,122
Riwaka Rugby Ground		14,500
Sportspark - New Field development		137,216
Picnic Areas/Gardens		
General	1,188	29,654
Gardens		
Goodman Ponds		1,612
Artwork		
General		20,000
Playgrounds		
General - new reserves etc	5,639	137,075
Toilets		
	-	20,000
Cemeteries		
General	-	14,479
Coastcare		
General	-	35,676
Carparking/Landscaping		
General		65,000
Miscellaneous		
Community Projects		35,805
Purchase New Reserve	-	348,750
Valuation Fees/Future Planning	7,790	6,264
Keep Motueka Beautiful	1,846	10,441
Motueka Clock Tower Trust	7,000	7,309
Motueka Quay Wharf Repairs		48,000
Motueka Museum		24,000
Motueka Library Invest & concept plans		25,000
Transfer to District Wide Contributions	-	17,194
TOTAL EXPENDITURE	25,592	1,128,913
Opening Balance	1,005,466	1,623,342
Income	346,200	268,625
Internal Interest Received	23,578	4,468
	1,375,244	1,896,435
Expenditure	25,592	1,128,913
CLOSING BALANCE	1,349,652	767,522

Golden Bay Ward Reserve Financial Contributions 2016-2017	2016/2017 Actual \$	2016/2017 Budget \$
PROJECTS		
Walkways/Cycleways		
General		59,375
Sportsfields		
General		42,642
East Takaka Reserve	419	6,900
Picnic Areas		
General	5,703	21,961
Gardens		
		20,000
Art Works		
General		21,000
Playgrounds		
General - new reserves etc		133,000
Coastcare		
General		81,395
Miscellaneous		
Takaka Drama Society		40,000
Security Cameras		
Valuation Fees	1,550	
Transfer to District Wide Contributions		5,731
TOTAL EXPENDITURE	7,672	432,004
Opening Balance	553,843	956,735
Income	32,720	89,443
Internal Interest Received	12,988	6,483
	599,551	1,052,661
Expenditure	7,672	432,004
CLOSING BALANCE	591,879	620,657

Tasman District Council
Funding Impact Statement
For the year ended June 2017

LTP 2016 \$000	Actual 2016 \$000	COMMUNITY FACILITIES AND PARKS	Actual 2017 \$000	Budget 2017 \$000	LTP 2017 \$000	% of Budget
SOURCES OF OPERATING FUNDING						
8,472	8,472	General rates, uniform annual general charges, rates penalties	8,720	8,719	8,755	100%
3,329	3,330	Targeted rates	3,338	3,347	3,498	100%
116	373	Subsidies and grants for operating purposes	116	118	119	98%
1,283	1,649	Fees and charges	2,093	1,334	1,339	157%
0	571	Internal charges and overheads recovered	700	477	477	147%
458	101	Local authorities fuel tax, fines, infringement fees, and other receipts	499	23	24	2170%
13,658	14,496	TOTAL OPERATING FUNDING	15,466	14,018	14,212	110%
APPLICATIONS OF OPERATING FUNDING						
8,066	7,556	Payments to staff and suppliers	7,825	8,291	8,272	94%
1,641	1,475	Finance costs	1,419	1,521	1,632	93%
2,920	2,678	Internal charges and overheads applied	3,048	2,653	2,711	115%
0	0	Other operating funding applications	0	0	0	0%
12,627	11,709	TOTAL APPLICATIONS OF OPERATING FUNDING	12,292	12,465	12,615	99%
1,031	2,787	SURPLUS (DEFICIT) OF OPERATING FUNDING	3,174	1,553	1,597	204%
SOURCES OF CAPITAL FUNDING						
0	526	Subsidies and grants for capital expenditure	357	0	0	0%
1,834	1,589	Development and financial contributions	1,611	1,919	1,936	84%
254	493	Increase (decrease) in debt	1,879	(1,074)	(1,051)	-175%
0	4	Gross proceeds from sale of assets	7	0	0	0%
0	0	Lump sum contributions	0	0	0	0%
0	0	Other dedicated capital funding	0	0	0	0%
2,088	2,612	TOTAL SOURCES OF CAPITAL FUNDING	3,854	845	885	456%
APPLICATIONS OF CAPITAL FUNDING						
Capital expenditure						
1,380	1,003	- to meet additional demand	0	0	0	0%
2,352	282	- to improve the level of service	546	0	0	0%
289	2,408	- to replace existing assets	5,036	1,965	1,966	256%
(902)	1,837	Increase (decrease) in reserves	1,446	433	516	334%
0	(131)	Increase (decrease) in investments	0	0	0	0%
3,119	5,399	TOTAL APPLICATIONS OF CAPITAL FUNDING	7,028	2,398	2,482	293%
(1,031)	(2,787)	SURPLUS (DEFICIT) OF CAPITAL FUNDING	(3,174)	(1,553)	(1,597)	204%
0	0	FUNDING BALANCE	0	0	0	0%

Fees and Revenue: Council received funds from external sources for the Velodrome and the Golden Bay Community Centre. However rather than budgeting for these items they offset the capital budget. As a result we received more revenue than budget but also spent more than budget in the capital area.

COMMUNITY DEVELOPMENT (CONT.)

COMMUNITY RELATIONS

WHAT WE DO

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

Our activities include:

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

WHY WE DO IT

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

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

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

OUR GOAL

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

HOW THIS ACTIVITY CONTRIBUTES TO COUNCIL'S COMMUNITY OUTCOMES

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

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE CURRENT PERFORMANCE LEVEL OF SERVICE IF	
<p>Promotion and delivery of community events and recreational services.</p>	<p>Residents attending a range of Council-organised community events rate their satisfaction as “fairly satisfied” or better, as measured through the residents’ survey three yearly. (Target: not measured.)</p>	 <p>Performance was not due to be measured in 2016/2017. It is due to be reported again in 2018. In the 2015 survey we attained 91% satisfaction.</p>
<p>Grants to community groups to deliver services and facilities that enhance community wellbeing.</p>	<p>Groups are delivering the services outlined in their applications and that they receive grant money to provide services to the community. (Target: 100% of accountability forms are returned completed.)</p>	 <p>For the year (2016/2017), of the 137 grants allocated, only a small number (4) did not return their grant accountability forms. This equates to a 97.1% return rate (cf 2015/2016 97.6%) See Figure 42 Percentage of Accountability Forms Returned Completed, page 151.</p>
<p>Leadership and co-ordination to schools and early childhood centres, to protect and enhance our local environment through education.</p>	<p>The number of schools and early childhood centres developing and maintaining environmental care practices is sustained. The achievement level of each Enviroschool improves over time, as measured by the Enviroschools stages of Bronze, Silver to Green-Gold. (Target 1. 26 schools are engaged in Enviroschools programme. Target 2. Enviroschools achievement levels improve over time.)</p>	 <p>The number of Tasman schools registered as Enviroschools has increased to 28, an increase of three over the year. Note our target in 2015/2016 was 25 schools.40% of the District’s schools are now registered. Significantly, all but two of Tasman kindergartens are registered.</p>  <p>Of the schools registered, the following levels of recognition have been achieved in 2016: Green/Gold 4 (3: 2015) Silver 3 (4: 2015) Bronze 8 (8: 2015). See Figure 43 Enviroschool Levels, page 152.</p>

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

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE CURRENT PERFORMANCE LEVEL OF SERVICE IF
<p>We provide a range of communication channels that enhance Council's ability to engage and connect with the communities it serves.</p>	<p>Residents are informed and actively engage with Council: At least 80% of residents consider the information supplied by Council to be sufficient (i.e. enough or more than enough), as measured by the annual residents' survey.</p>
	<p>Usage of Council's website (i.e. sessions, users and page views) increases at a rate of 5% or more per year.</p>



In 2017 80% of residents believe the Council provides more than enough or enough information. This is an increase up on the 2016 survey that showed 77% of respondents are satisfied with the information we supply. This compares to 79% in 2015.

See Figure 44 Sufficiency of Information Supplied by Council, page 152.



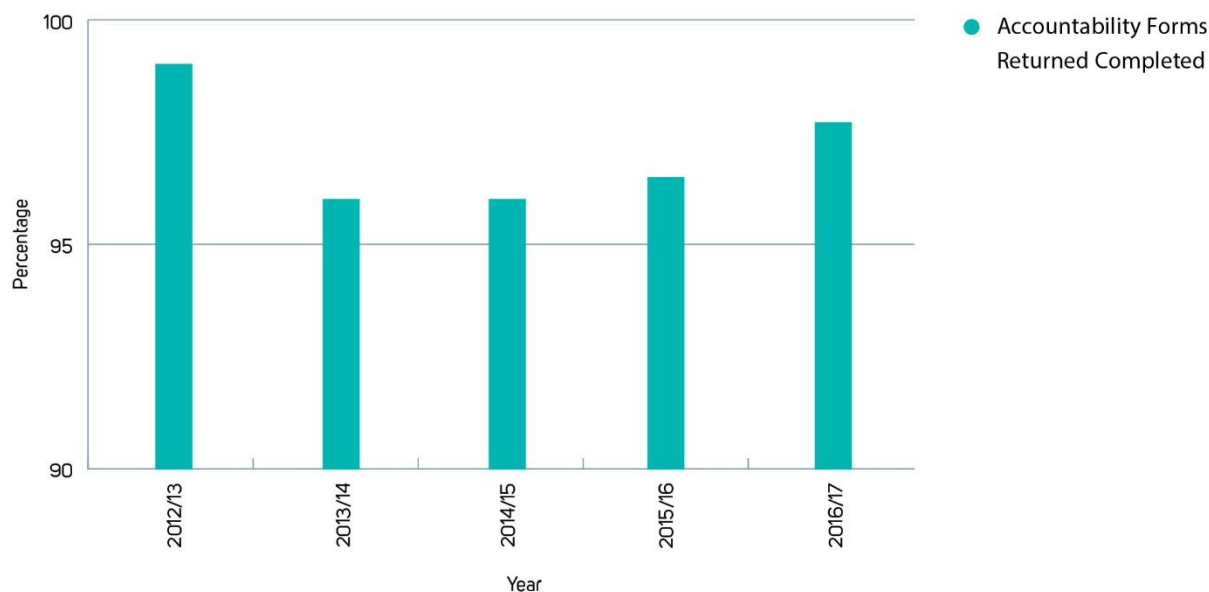
Our website usage has increased by a significant margin of 11% compared to the previous year (cf 11% in 2015/2016).

Also recorded was a 5% increase in unique IP addresses accessing the Council's site.

See Figure 45 Usage of Council's Website, page 153.

FIGURE 42

Percentage of Accountability Forms Returned Completed



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

FIGURE 43

Enviroschool Levels

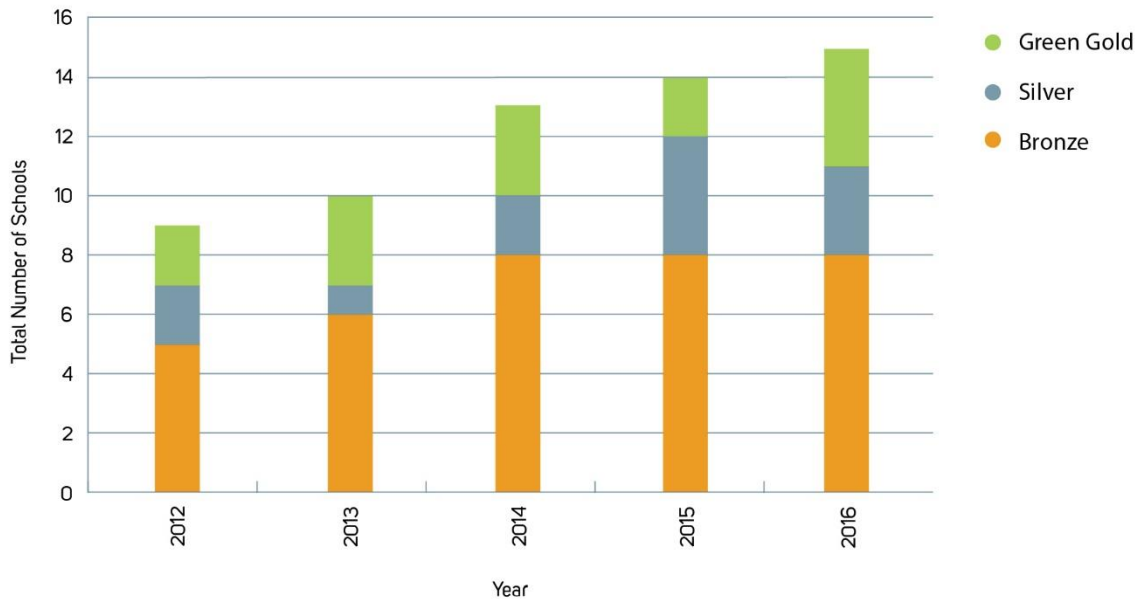
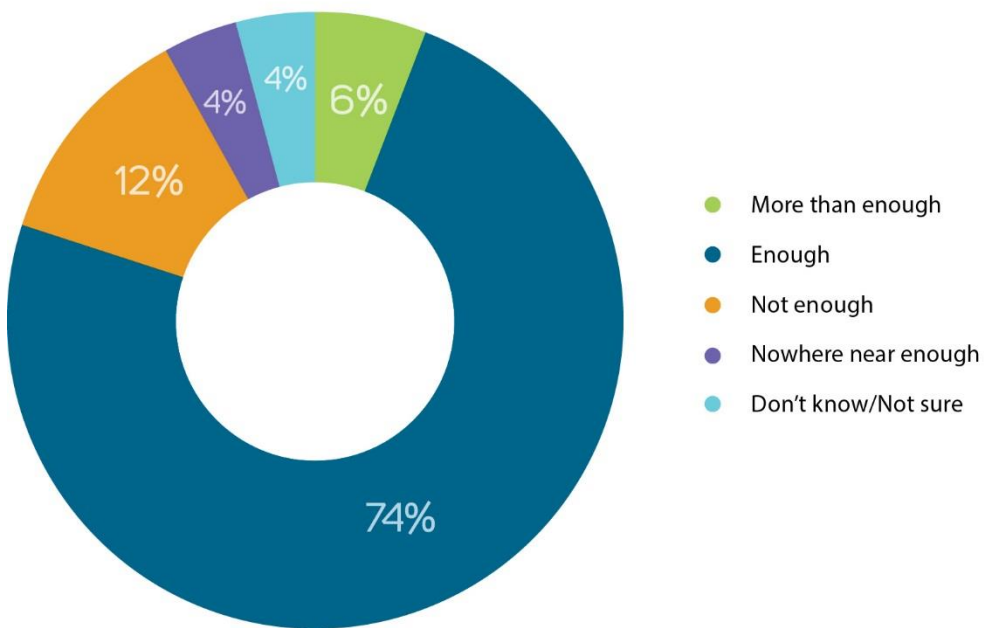


FIGURE 44

Sufficiency of Information Supplied by Council



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

FIGURE 45

Usage of Council's Website

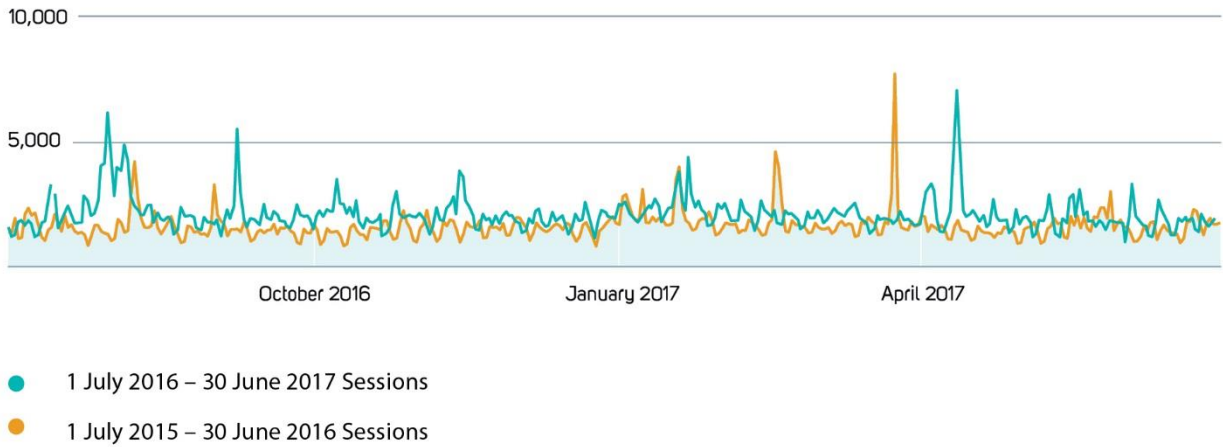
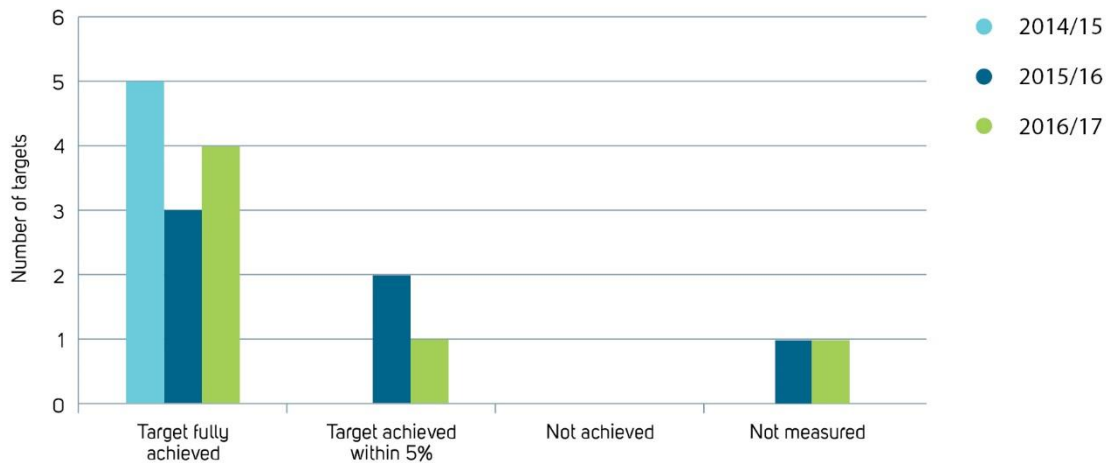


FIGURE 46

Community Relations Performance Measures

Comparison of number of performance measures met over three years



The Group has achieved, or significantly achieved all of the targets that were due to be measured in 2016/2017.

MAJOR ACTIVITIES

The major activities for Community Relations for 2016/2017 have included:

PLANNED	ACTUAL 2016/2017
<p>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.</p>	<p>Community Grants are provided through three avenues: Community Grants (previously Grants from Rates), Tasman Creative Communities grants, and the Rural Travel grants we administer on behalf of Sport NZ Rural Travel Fund.</p> <p>Also included is the management of the Council's Special Grant which is available, with specific criteria, when the Council recorded an operational surplus due to additional growth in the District than planned.</p>
<p>Community engagement – where we provide information to our community and seek their views on Council's proposals.</p>	<p>Council's focus during the year has been on three primary areas:</p> <ul style="list-style-type: none"> • early engagement with the community to enable input into the preparation of draft policies and into project planning; and • taking more processes online; and • revisiting our standard consultation processes with a view to engaging with our communities under the theme of 'on their turf, in their time and on their terms'. <p>During the year, Council has supported the Youth Councils in our District. We are working collaboratively to enable the Youth Councillors to play an advisory role within the Motueka and Golden Bay Community Boards.</p>
<p>The promotion and celebration of our history and diverse cultures through the support of organisations that preserve and display our region's heritage.</p>	<p>The Community Development Department administers operating grants to the Tasman Bays Heritage Trust (Provincial Museum) and the Golden Bay, Murchison and Motueka district museums. The smaller local museums of Collingwood, Rockville and Aorere are supported through community grants.</p>
<p>Delivery of community and recreation activities which will be funded either through rates or external sources, to promote a pride of place and community wellbeing.</p>	<p>The Council provides four community facilities in Murchison, Motueka, Golden Bay and Upper Moutere. Management is subcontracted to community groups except for the Motueka Recreation Centre, where management is contracted to Sport Tasman. We have joint ownership and management of the Saxton Field complex with Nelson City Council.</p> <p>There is an increased focus on leveraging external funds to provide for community activities. Beyond the Council managed events of Carols by Candlelight, Teddy Bears picnic and other events, we partner with, and assist a number of organisations and community groups to provide additional events.</p>
<p>Providing an awareness of environmental and sustainability issues through environmental education programmes, to influence community behaviours and to meet Council's RMA obligations in this field.</p>	<p>The Environmental Education programme works with 28 (40%) schools and 82% of kindergartens in the Tasman District.</p> <p>We have also increased our focus on taking environmental issues and ideas to the community through 'In Your Neighbourhood' sessions where we and associated community groups meet in local parks to discuss issues and possible solutions with affected and interested residents.</p>

Tasman District Council

Funding Impact Statement

For the year ended June 2017

LTP 2016 \$000	Actual 2016 \$000	COMMUNITY RELATIONS	Actual 2017 \$000	Budget 2017 \$000	LTP 2017 \$000	% of Budget
SOURCES OF OPERATING FUNDING						
1,042	1,185	General rates, uniform annual general charges, rates penalties	1,182	1,182	1,199	100%
1,205	1,205	Targeted rates	1,202	1,205	1,209	100%
78	163	Subsidies and grants for operating purposes	175	80	80	219%
51	45	Fees and charges	31	175	176	18%
0	0	Internal charges and overheads recovered	117	0	0	0%
140	83	Local authorities fuel tax, fines, infringement fees, and other receipts	76	5	5	1520%
2,516	2,681	TOTAL OPERATING FUNDING	2,783	2,647	2,669	105%
APPLICATIONS OF OPERATING FUNDING						
1,921	1,936	Payments to staff and suppliers	1,900	2,045	2,051	93%
107	106	Finance costs	93	92	99	101%
337	370	Internal charges and overheads applied	424	359	368	118%
0	0	Other operating funding applications	0	0	0	0%
2,365	2,412	TOTAL APPLICATIONS OF OPERATING FUNDING	2,417	2,496	2,518	97%
151	269	SURPLUS (DEFICIT) OF OPERATING FUNDING	366	151	151	242%
SOURCES OF CAPITAL FUNDING						
0	0	Subsidies and grants for capital expenditure	0	0	0	0%
0	0	Development and financial contributions	0	0	0	0%
(151)	(151)	Increase (decrease) in debt	(129)	(151)	(151)	85%
0	0	Gross proceeds from sale of assets	0	0	0	0%
0	0	Lump sum contributions	0	0	0	0%
0	0	Other dedicated capital funding	0	0	0	0%
(151)	(151)	TOTAL SOURCES OF CAPITAL FUNDING	(129)	(151)	(151)	85%
APPLICATIONS OF CAPITAL FUNDING						
Capital expenditure						
0	0	- to meet additional demand	0	0	0	0%
0	0	- to improve the level of service	0	0	0	0%
0	0	- to replace existing assets	115	0	0	0%
0	121	Increase (decrease) in reserves	125	0	0	0%
0	(3)	Increase (decrease) in investments	(3)	0	0	0%
0	118	TOTAL APPLICATIONS OF CAPITAL FUNDING	237	0	0	100%
(151)	(269)	SURPLUS (DEFICIT) OF CAPITAL FUNDING	(366)	(151)	(151)	242%
0	0	FUNDING BALANCE	0	0	0	0%

Reserve Movement Increase or Decrease - The movement in reserve is a reflection of the underspend in this activity, which has increased the surplus.

GOVERNANCE

WHAT WE DO

This activity involves managing the electoral process to provide the District with a democratically elected Mayor, Council and Community Boards and the governance of the District by its elected representatives. It also involves:

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

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

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

WHY WE DO IT

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

ELECTORAL PROCESS

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

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

Council comprises a Mayor and 13 Councillors elected as follows:

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

FRIENDLY TOWNS

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

HOW THIS ACTIVITY CONTRIBUTES TO THE COUNCIL'S COMMUNITY OUTCOMES

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

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM


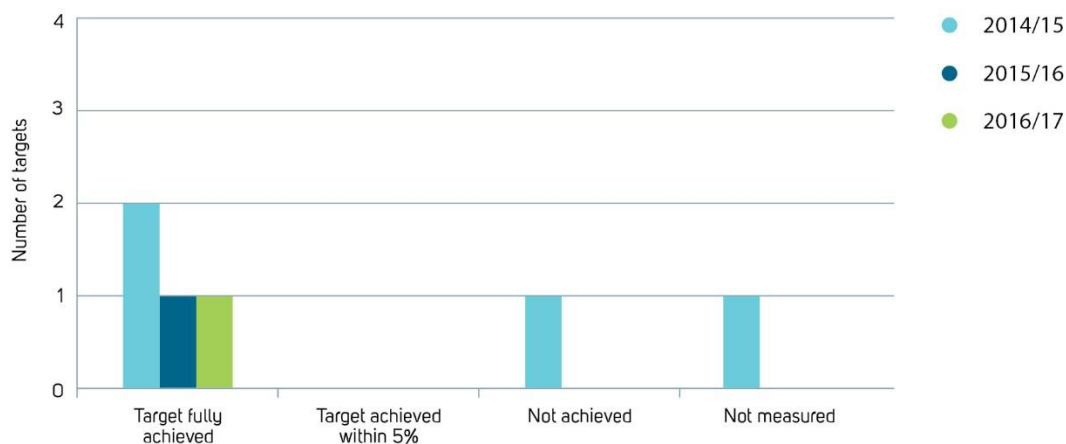
LEVELS OF SERVICE WE PROVIDE	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...	CURRENT PERFORMANCE
We effectively run election processes.	Electoral processes are carried out within statutory requirements and there are no successful challenges.	 <p data-bbox="834 568 1390 622">There were no challenges to the 2016 triennial election or the Motueka Community Board By-election.</p>

FIGURE 47

Governance Performance Measures

Comparison of number of performance measures met over three years



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

Tasman District Council

Funding Impact Statement

For the year ended June 2017

LTP 2016 \$000	Actual 2016 \$000	GOVERNANCE	Actual 2017 \$000	Budget 2017 \$000	LTP 2017 \$000	% of Budget
SOURCES OF OPERATING FUNDING						
2,946	2,946	General rates, uniform annual general charges, rates penalties	3,025	3,025	3,010	100%
289	288	Targeted rates	295	295	296	100%
0	0	Subsidies and grants for operating purposes	0	0	0	0%
22	24	Fees and charges	87	88	89	99%
0	0	Internal charges and overheads recovered	433	0	0	0%
97	0	Local authorities fuel tax, fines, infringement fees, and other receipts	109	0	0	0%
3,354	3,258	TOTAL OPERATING FUNDING	3,949	3,408	3,395	116%
APPLICATIONS OF OPERATING FUNDING						
2,403	2,297	Payments to staff and suppliers	1,983	2,089	2,062	95%
0	0	Finance costs	0	0	0	0%
463	358	Internal charges and overheads applied	1,381	782	817	177%
0	0	Other operating funding applications	0	0	0	0%
2,866	2,655	TOTAL APPLICATIONS OF OPERATING FUNDING	3,364	2,871	2,879	117%
488	603	SURPLUS (DEFICIT) OF OPERATING FUNDING	585	537	516	109%
SOURCES OF CAPITAL FUNDING						
0	0	Subsidies and grants for capital expenditure	0	0	0	0%
0	0	Development and financial contributions	0	0	0	0%
0	0	Increase (decrease) in debt	0	0	0	0%
0	1	Gross proceeds from sale of assets	0	0	0	0%
0	0	Lump sum contributions	0	0	0	0%
0	0	Other dedicated capital funding	0	0	0	0%
0	1	TOTAL SOURCES OF CAPITAL FUNDING	0	0	0	0%
APPLICATIONS OF CAPITAL FUNDING						
Capital expenditure						
0	0	- to meet additional demand	0	0	0	0%
0	0	- to improve the level of service	0	0	0	0%
2	0	- to replace existing assets	13	2	2	650%
486	604	Increase (decrease) in reserves	572	535	514	107%
0	0	Increase (decrease) in investments	0	0	0	0%
488	604	TOTAL APPLICATIONS OF CAPITAL FUNDING	585	537	516	109%
(488)	(603)	SURPLUS (DEFICIT) OF CAPITAL FUNDING	(585)	(537)	(516)	109%
0	0	FUNDING BALANCE	0	0	0	0%

Internal Charges and Overheads applied - The \$433,000 represents the transfer of the annual Emergency Fund provision to the reserve balance. Historically this had all occurred in the reserve area. A change in accounting practice has meant that it now has more visibility. It will be budgeted like this going forward.

COUNCIL ENTERPRISES AND PROPERTY

NATURE AND SCOPE

The Council Enterprises and Property section comprises:

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

WHAT WE DO

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

WHY WE DO IT

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

OUR GOAL

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

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

HOW THIS ACTIVITY CONTRIBUTES TO COUNCIL'S COMMUNITY OUTCOMES

AERODROMES

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

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

CAMPGROUNDS

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

COMMERCIAL PROPERTY

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

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

FORESTRY

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

PORTS

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

PROPERTY

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



OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE CURRENT PERFORMANCE LEVEL OF SERVICE IF ...	
Buildings and property services that comply with legislative and resource and building consent requirements.	All operational buildings (offices and libraries) and commercial buildings comply with resource, building consent and any other legislative requirements. (Target: 100% compliance.)	 <p>We display current Building Warrants of Fitness, maintain compliance schedules and comply with resource consents (cf 100% in 2015/2016).</p>
Property and building assets that are functionally appropriate and meet the needs of users and customers.	Customers and users are satisfied with the buildings they occupy and the level of service provided. As measured by a three-yearly survey of selected customers.	 <p>Performance was not due to be measured in 2016/2017. A survey of selected customers is due to be carried out in 2017/2018.</p>
Our aerodromes are operated in a safe manner.	Our aerodromes are managed in accordance with Civil Aviation Authority (CAA) requirements. As measured through a CAA audit. (Target: 100%.)	 <p>Takaka and Motueka aerodromes are non-certificated aerodromes. They were not inspected by CAA in the past year. The rehabilitation of the grass runway at Motueka Aerodrome has taken longer than originally anticipated which has resulted in dissatisfaction from some users.</p>
The glide path for planes is free of obstructions, as determined by CAA.	(Target: 0 non-compliances.)	 <p>No confirmed non-compliance (cf 0 non-compliance in 2015/2016). There is concern that there may be encroachment into the obstacle limitation thresholds at Takaka. We have commissioned surveys to identify any intrusion into the obstacle limitation surfaces of both aerodromes and the information is due in September 2017.</p>
No Health and Safety incidents.	(Target: 0 non-compliances.)	 <p>There were no health and safety incidents reported to us (cf 0 in 2015/2016). There were three Civil Aviation Authority (CAA) occurrences during the year which were managed in accordance with CAA procedures.</p>

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

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE CURRENT PERFORMANCE LEVEL OF SERVICE IF ...
<p>Faults in the aerodromes system are responded to and fixed promptly.</p>	<p>We respond to Customer Service Requests regarding faults on our aerodromes within the timeframes we have agreed with our suppliers and operators, and within available funding. (Target: 100%.)</p> <div data-bbox="986 327 1251 461" data-label="Figure"> </div> <p>Takaka aerodrome faults are attended to by the local management committee. Motueka Aerodrome faults are managed from Council’s Richmond office through the customer service request process. However, there is currently no system for consistently recording the timeframe in which these are responded to (cf no outstanding faults in 2015/2016). We will put a suitable measurement system in place for the 2017/2018 year.</p>
<p>Aerodromes managed in a financially sustainable manner.</p>	<p>Aerodromes managed in a financially sustainable manner. (No target.)</p> <div data-bbox="986 748 1251 882" data-label="Figure"> </div> <p>Council holds financial accounts for Motueka Aerodrome and they have been requested for Takaka Aerodrome from the Management Committee.</p> <p>We manage both Motueka and Takaka Aerodromes with a focus on improving financial sustainability and continue to record an operational cash profit from trading. Our focus remains on improving all revenue streams but it is unlikely that they will be able to self-fund runway resealing and depreciation in the immediate future.</p>





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

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE CURRENT PERFORMANCE LEVEL OF SERVICE IF ...
<p>Campground Health and Safety procedures are in line with industry best practice and improved to external audit findings.</p>	<p>Fully compliant at all times, or if issues identified a corrective plan implemented within three days. (Target: Compliant)</p>  <p>During 2015 the campground activities were independently reviewed by Cosman Parkes to assess whether health and safety matters continue to align with industry best practice. While the report noted that we were partially compliant, recommendations were included around emergency procedures, health and safety reporting, recordings and contractor processes that we have subsequently implemented.</p> <p>Council compliance and regulatory certification is held for all sites, therefore ensuring a safe and continued operational environment.</p> <p>We undertake quarterly (Collingwood) and six monthly (Motueka, Murchison and Pohara) inspections to all sites for operational and health and safety reasons.</p> <p>Collingwood campground continues to have failing infrastructure issues due to the age and the delays in completing the upgrade project.</p> <p>We have aligned our findings from these inspections to form part of the procedures now in place for the operation of all commercial campgrounds.</p>
<p>Campground financial sustainability must be achieved.</p>	<p>Earnings Before Interests, Taxes, Depreciation and Amortisation (EBITDA) performance of the campgrounds must provide 1.2 times funding cover. (Target: 1.8 times)</p>  <p>The reported financial EBITDA provides 2.1 times funding cover (cf 2.6 times in 2015/2016).</p>

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

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE CURRENT PERFORMANCE LEVEL OF SERVICE IF ...	
<p>Effective, and responsible management of campground assets ensuring achieving financial sustainability, whilst recognising the social and recreational benefits of campgrounds to the community.</p>	<p>Condition assessment is based on lease or management model. It should include a focus to improve ratings. (Target: 3 star average)</p>	<p>We have moved from a reactive inspection and maintenance programme to a proactive programme. This means we conduct quarterly inspections of assets and is resulting in improved asset condition. The condition of assets is reflected in the new 2017 ratings we receive through 'Trip Advisor' which are:</p> <ul style="list-style-type: none"> Motueka – 4.5 out of 5.0 star rating Pohara – 4.5 out of 5.0 star rating Murchison – 4.5 out of 5.0 star rating Collingwood – 4.0 out of 5.0 star rating. <p>The weighted average for our campgrounds is therefore equal to a 4.4 out of 5.0 rating (cf 4.4 in 2015/2016).</p>
	<p>Occupancy should sit within a 10% variable of the regional average by Year 3 for similar campground activities. (Target: Not measured)</p>	<p>Performance was not due to be measured in 2016/2017. The systems we have in place do not currently allow for measurement of this performance measure. In our LTP 2015-2025, we have signalled the development of processes and systems that will allow measurement from Year 3 (i.e. 2017/2018).</p> <p>Each campground has however reported growth in occupancy during year one and two of the LTP 2015-2025.</p>
	<p>Achieving financial returns in line with the budget projections while not compromising the level of service to the community on most assets. (Target: Tariffs=Unmeasured; Model=mixed).</p>	<p>Performance was not due to be measured in 2016/2017. All of our four commercial campgrounds have reported increased revenue and returns during 2015/2016 and 2016/2017. This has been from both occupancy and tariff lifting reasons. Council controls tariffs at Collingwood only, all other tariffs are controlled by lessees at Motueka, Murchison and Pohara. Tariffs are therefore not measured.</p>

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

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE CURRENT PERFORMANCE LEVEL OF SERVICE IF ...
<p>Effective, and responsible management of campground assets ensuring achieving financial sustainability, whilst recognising the social and recreational benefits of campgrounds to the community (cont.).</p>	<p>Council’s return will improve based on reinvestment levels. Levels of service (LOS) changes in new financial strategy adoption. (Target: 16%)</p>  <p>Council’s commercial strategy of moving to own all improvements was implemented at Motueka in 2015/2016. Other sites (Pohara, Collingwood and Murchison) have not progressed and the improvement in levels of service and strategy have not materialised.</p> <p>A slight decrease in return on equity at 12.5% (from 13.7% in 2015/2016) has been recorded, due to delays in implementing the financial strategy, against our target of 15%. Note the target was 15% in 2015/2016.</p>
<p>Commercial property assets that are financially sustainable.</p>	<p>Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) performance of the commercial property portfolio will increase towards 1.0 times funding cover of all depreciation and debt servicing. (Target: Actual 0.7)</p>  <p>Our Funding cost cover was 0.8 times in 2016/2017 (cf 1.8 times in 2015/2016).</p> <p>The EBITDA performance has shown significant improvement over the past three years following the introduction of a commercial approach to commercial property assets.</p>
<p>Occupancy of all commercial tenancies at or above 90% at all times. (Target: Occupancy= 100%.)</p>	<p>Weighted lease terms evenly spread with three year average. (Target: average lease three years)</p>  <p>As at 30 June 2017, 100% of properties are tenanted as measured in our commercial property database (cf 100% in 2015/2016).</p>
	 <p>As at 30 June 2017, eight of our 12 commercial property leases in place had leases for four years or longer. The four remaining leases were for three years. This averages out to leases of 3.6 years. Note: the average in 2015/2016 was four years.</p>

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

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE CURRENT PERFORMANCE LEVEL OF SERVICE IF ...
Commercial property assets that are financially sustainable (cont.)	<p>Condition assessment programme reviewed every three months. (Target: regular completion or quarterly condition assessment – no variation.)</p>  <p>We have not inspected all properties quarterly and a number have identified legacy issues around poor maintenance that need correcting.</p> <p>Note this target was achieved in 2015/2016.</p>
Fit for purpose commercial assets that are required to comply with legislative needs, minimise health and safety issues, providing effectiveness and efficiencies now and into the future	<p>No health and safety issues arise directly attributable to Council inaction/control. (Target nil.)</p>  <p>We achieved our target with no health and safety issues directly attributable to Council, as we are entering a stable operation period (cf 0 in 2015/2016).</p>
	<p>Council is able to respond to reasonable Customer Service Requests within the timeframes we have agreed with our suppliers and within the available funding. (Target: all service requests completed with 48 hours and within budget.)</p>  <p>A number of service requests have been raised at the Mapua precinct given its high use by our residents and visitors. Whilst service requests are recorded we do not have a system for reporting whether or not they have been completed within 48 hours and within budget. All matters have been responded to based on urgency and safety.</p> <p>We know some issues have taken longer than 48 hours based on our sub-contractors ability to address/respond. During this year there have been no major issues in nature or impact.</p>
	<p>Resource consents and building consents are held and complied with for works undertaken by Council or its contractors. As measured by inspections, defaults and abatement notices issued to Council. (Target: all buildings and activities consents – no variation.)</p>  <p>We measure resource consents on our commercial property spreadsheet and review these quarterly. An outstanding Code of compliance exists at Shed 4 in Mapua. This work stream remains with the project manager for completion.</p> <p>Note this target was achieved in 2015/2016.</p>

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

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE CURRENT PERFORMANCE LEVEL OF SERVICE IF ...	
<p>Forestry health and safety procedures are in line with industry best practice and improved to external audit findings.</p>	<p>Forestry is a high risk activity. Regular external audit of all Council processes will occur. (Target: compliant.)</p>	<p>Compliance is achieved via a number of external audits. During 2015/2016 the forestry activity was independently reviewed by Cosman Parkes for health and safety matters to align with industry best practice. The external process review was positive towards current management practices with some minor improvements suggested around our interaction and responsibilities for our contractors. Work is underway to implement the improvements identified. In particular at Moturoa/Rabbit Island where there is a mix of recreation and production forestry which creates a higher risk environment. (Note 2015/2016 result was compliant).</p>
<p></p>	<p>Contractors are to have their own health and safety processes which are externally audited and assessed within Forest Stewardship Council (FSC) accreditation process. (Target: accredited.)</p>	<p>Our forestry consultants, PF Olsen, reviews activities through its own operation audits. As part of its Forest Stewardship Council certification an external audit of processes is also completed annually. (2015/2016 compliant).</p>

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

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE CURRENT PERFORMANCE LEVEL OF SERVICE IF ...
<p>Forestry fit for purpose condition assessment is required to comply with legislative and user requirements whilst providing efficient and effective Forestry operations. This LOS will be directly related and recognise the commercial returns required by further investment by Council.</p>	<p>External six monthly risk reviews identifying key risks and actions required to mitigate. (Target: key risks = not met or measured.)</p> <p>Quarterly internal processes have been refined throughout 2014 to ensure full quarterly review identifies and limits key risks. (Target: quarterly processes underway – met.)</p> <p>We are working with our forestry managers on this.</p>  
<p>External quarterly reporting is required within 45 days of period end by contractor. (Target: contractor reporting –no exceptions.)</p>	<p>Regular performance reporting includes risk management matters and corrective actions. Due to limited resources the formal quarterly reviews have not be carried out. These reviews were carried out in 2015/2016.</p>  <p>Quarterly reporting is required and documented under our Forestry contract with PF Olsen.</p>
<p>We respond to customer service requests within 48 hours and within available budget funding. (Target: service requests – no exceptions.)</p> <p>Appropriate consents are held and complied with. Measured by inspections, defaults and abatement notices issued to Council. (Target: consents – no exceptions.)</p>	<p>All service requests received are reviewed and addressed based on the level of risk and urgency. Whilst requests have been responded to within 48 hours, corrective actions can take considerably longer. Note this target was achieved in 2015/2016.</p>   <p>PF Olsen is responsible for ensuring consents are complied with and managing any non-compliance. No cases of non-compliance have been advised to Council during this year (cf no exceptions in 2015/2016).</p>

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

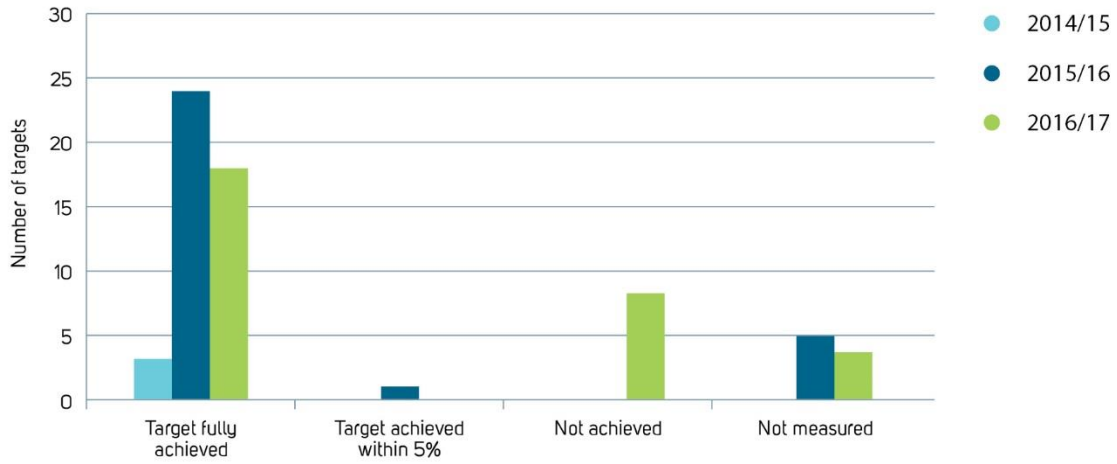
LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE CURRENT PERFORMANCE LEVEL OF SERVICE IF ...	
Forestry financial sustainability must be achieved.	Performance of Forestry must provide a net Return on Assets return (ex replanting, management and all activities) of 4%. (Target: 3.5%)	 <p>Results confirm that we have achieved a 9.7% net sales return on assets during the 2016/2017 year (cf 7.0% in 2015/2016). A static harvest area and higher market returns have improved returns to Council. We anticipate returns to continue to improve as the trees mature and provide a higher percentage yield over the coming 5 – 10 years.</p>
Port Tarakohe health and safety procedures are in line with industry best practice and improved to external audit findings.	There will be no health and safety events at the port that are attributed to Council or the Port Manager. (Target: compliant.)	 <p>We have had no Council attributed health and safety events during this year (cf 0 in 2015/2016).</p>
Financial sustainability for Port Tarakohe must be achieved.	Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) performance of the Port must provide 1.2 times funding cover of all depreciation and debt servicing. The main activities at the port (wharf, marina, recreation) are self-funding. (Target: 1.6 times.)	 <p>EBITDA performance has improved from 0.2 to 0.4 times this year.</p> <p>Council's 3 year planned step change at the Port, including recent Rock exports and changes being made around balance date, are expected to bring the Port into line with this target.</p> <p>Note the target for 2015/2016 was 1.2 times. This was not achieved with a result of 0.2 times.</p>

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

FIGURE 48

Council Enterprise and Property Performance Measures

Comparison of number of performance measures met over three years



The number of performance measures for Council Enterprise has increased in the LTP 2015 – 2025 from the previous LTP. The measures now set a detailed range of performance targets. Approximately 69% of the targets measured have been achieved.

MAJOR ACTIVITIES

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

NEW CAPITAL EXPENDITURE

PROJECT NAME	LTP YEARS 1-3	2016/2017 BUDGET	ACTUAL 2016/2017
Golden Bay Service Centre	\$506,534	\$0	\$611,585 was carried forward from 2015/2016 into 2016/2017. \$564,959 was spent on the project in this financial year. The Golden Bay Service centre has been seismically strengthened and refitted. The project is complete.
Motueka Aerodrome access off College Street	\$16,368	\$0	Construct and seal access off College Street to Marchwood Park and hangers: The work was completed in 2015/16.
Motueka Aerodrome Pressure Wastewater System	\$10,769	\$0	Design and installation of a new wastewater system: This project was planned to occur in 2017/2018. The timing is being reviewed as part of the LTP 2018-2028 preparations.
Mapua Rebuild	\$1,023,000	\$0	The scope of this project was modified to meet the overall objective of upgrading the environs in the wharf precinct. The additional work and redefinition of the scope is being undertaken as part of the Mapua Development Plan process. \$88,285 spent in 2016/2017. \$79,000 was carried forward from 2015/2016.
Mapua Wharf extension/streetscaping	\$283,681	\$209,920	No funds were spent in the current financial year. These funds were transferred to the Mapua rebuild project whose scope was increased to include some streetscaping.
Port Tarakohe Pile Berths	\$81,840	\$720,000	Council approved \$1.35 million budget for Commercial berths redevelopment in May 2017. Marina replacement is necessary due to increasing scale of vessels, addressing health and safety issues on current structures and fuel facility improvements.

MAJOR ACTIVITIES (CONT.)

PROJECT NAME	LTP YEARS 1-3	2016/2017 BUDGET	ACTUAL 2016/2017
Port Tarakohe Water Piping and Storage	\$51,150	\$0	This has been merged into the Pile Berth removal and Concrete Marina and Fuel project set for completion by November 2017.
Port Tarakohe Crane	\$167,936	\$0	This budget was removed for the Crane and redirected into the Pile Berth removal and Concrete Marina and Fuel project.
Port Tarakohe Second Wharf	\$76,725	\$0	This budget was removed and redirected into the Pile Berth removal and Concrete Marina and Fuel project.
Motueka Aerodrome Power and Data Reticulation	\$96,920	\$0	Installation of new power and data services: This project was planned to occur in 2017/2018. But it is being reviewed for the LTP 2018-2028. The project is dependent on the level of new development at the Aerodrome.
Motueka Campground	\$1,655,079	\$104,244	Two ablution blocks were upgraded during the year at a cost of \$163,484 and the balance of the budget was brought forward from the 2017/2018 year and the future years maintenance budget reduced by the same amount.
Pohara Campground	\$632,488	\$521,219	Buyback of lessee improvements did not proceed and we anticipate the unspent funds will be carried forward.
Murchison Campground	\$161,533	\$0	New managers and office accommodation. No funds were spent in the current financial year. Project was planned for 2017/2018.
Collingwood Campground	\$565,310	\$104,244	Minor works: \$2,352 was spent in the current financial year towards the upgrade of facilities, to address health and safety issues and as part of the ongoing maintenance programme. We anticipate the unspent funds will be carried forward to 2017/2018.

Tasman District Council

Funding Impact Statement

For the year ended June 2017

LTP 2016 \$000	Actual 2016 \$000	COUNCIL ENTERPRISES	Actual 2017 \$000	Budget 2017 \$000	LTP 2017 \$000	% of Budget
SOURCES OF OPERATING FUNDING						
(4)	(4)	General rates, uniform annual general charges, rates penalties	28	28	46	100%
0	0	Targeted rates	0	0	0	0%
0	0	Subsidies and grants for operating purposes	0	0	0	0%
1,344	1,083	Fees and charges	1,162	1,269	1,422	92%
0	0	Internal charges and overheads recovered	300	0	0	0%
3,785	5,333	Local authorities fuel tax, fines, infringement fees, and other receipts	5,935	3,666	3,913	162%
5,125	6,412	TOTAL OPERATING FUNDING	7,425	4,963	5,381	150%
APPLICATIONS OF OPERATING FUNDING						
3,015	3,323	Payments to staff and suppliers	4,292	2,944	2,867	146%
451	392	Finance costs	391	501	536	78%
311	790	Internal charges and overheads applied	1,046	521	473	201%
0	0	Other operating funding applications	0	0	0	0%
3,777	4,505	TOTAL APPLICATIONS OF OPERATING FUNDING	5,729	3,966	3,876	144%
1,348	1,907	SURPLUS (DEFICIT) OF OPERATING FUNDING	1,696	997	1,505	170%
SOURCES OF CAPITAL FUNDING						
0	0	Subsidies and grants for capital expenditure	0	0	0	0%
0	0	Development and financial contributions	0	0	0	0%
2,533	1,360	Increase (decrease) in debt	(475)	205	181	-232%
0	412	Gross proceeds from sale of assets	426	0	0	0%
0	0	Lump sum contributions	0	0	0	0%
0	176	Other dedicated capital funding	0	0	0	0%
2,533	1,948	TOTAL SOURCES OF CAPITAL FUNDING	(49)	205	181	-24%
APPLICATIONS OF CAPITAL FUNDING						
Capital expenditure						
0	0	- to meet additional demand	0	0	0	0%
3,013	3,290	- to improve the level of service	4	0	0	0%
180	99	- to replace existing assets	225	1,105	1,113	20%
688	466	Increase (decrease) in reserves	1,418	97	573	1462%
0	0	Increase (decrease) in investments	0	0	0	0%
3,881	3,855	TOTAL APPLICATIONS OF CAPITAL FUNDING	1,647	1,202	1,686	137%
(1,348)	(1,907)	SURPLUS (DEFICIT) OF CAPITAL FUNDING	(1,696)	(997)	(1,505)	170%
0	0	FUNDING BALANCE	0	0	0	0%

Local authorities fuel tax, infringement fees and other receipts -The Borlase forestry block was harvested ahead of budget expectations. This resulted in more revenue than budgeted. **Payments to Suppliers and Staff** - Harvesting Borlase ahead of schedule also means increased harvesting costs, explaining this adverse variance. **Reserve Movement Increase or Decrease** - The movement in reserve is a reflection of the net gain in harvesting, which has increased the surplus.

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

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 these 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 (e.g. Growth Strategy, Pre-Election Report); for reserves planning; for monitoring and reporting on performance; and for guidance on legislative processes (e.g. bylaws, consultation requirements etc.).

CUSTOMER SERVICES

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

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

FINANCE

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

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

HUMAN RESOURCES

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




INFORMATION SERVICES AND RECORDS MANAGEMENT

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



HEALTH AND SAFETY

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

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM

LEVELS OF SERVICE	WE WILL KNOW WE ARE MEETING THE LEVEL IF...	CURRENT PERFORMANCE
<p>We respond to customer requests in a timely and professional manner.</p>	<p>At least 85% of respondents are either fairly satisfied or very satisfied with the service they receive when they contact Council, as measured by the annual residents' survey.</p> <p>(Target: 85.5% customer satisfaction rate.)</p>	 <p>In 2017 90% of residents that contacted us, either by phone, in person, in writing, or online were very satisfied or fairly satisfied. 10% of residents that contacted us were not very satisfied in 2017.</p> <p>These results compare with 81% Very satisfied or fairly satisfied and 15% not very satisfied in 2016.</p> <p>See Figure 49 Satisfaction with Service received When Contacting Council, page 178.</p>
<p>We produce high quality, fit for purpose and accessible Long Term Plans (LTP), Annual Plans (AP) and Annual Reports (AR).</p>	<p>The Long Term Plan, Annual Plans and Annual Reports are prepared within statutory timeframes and there are no successful challenges to these processes.</p> <p>(Target: All LTP, AP and AR statutory timeframes are met. LTP amendments are managed to meet statutory requirements.)</p>	 <p>Council adopted the Annual Plan for 2017/2018 on 25 May 2017 in compliance with statutory requirements. There were no challenges to the process.</p> <p>The Annual Report 2015/2016 was adopted by Council on 27 October 2016 in compliance with statutory requirements.</p>
<p>We provide resolution of most customer phone enquiries during the initial conversation with a Customer Services Officer.</p>	<p>80% of customer phone calls are resolved at first point of contact (i.e. without the need to transfer the call to another staff member).</p> <p>(Target: ≥80% of customer phone calls resolved at first point of contact.)</p>	 <p>82% of all customer phone calls were resolved at first point of contact. This level is the same as for 2016.</p>

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

LEVELS OF SERVICE	WE WILL KNOW WE ARE MEETING THE LEVEL IF...	CURRENT PERFORMANCE
<p>We provide Land Information Memorandums (LIMs) to customers within 10 working days.</p>	<p>100% of LIM applications are processed within the statutory timeframes (i.e. 10 working days).</p> <p>(Target 1: 100% of LIMs are processed within statutory timeframes.)</p> <p>The average time taken to process a LIM is reduced to 5 working days by 2016.</p> <p>(Target 2: The average LIM processing time is 5.5 working days.)</p>	<p>Target 1:</p>  <p>For the 2016/2017 year we achieved a 100% success rate with all 759 LIM applications processed on time (cf 100% in 2015/2016). There was a 9% decrease in the number of LIM applications processed from the previous year.</p> <p>Target 2:</p>  <p>The average processing time for our LIMs is seven days (cf seven days in 2015/2016). Although we did not meet our target of 5.5 working days, our processing timeframe are still within the legislative requirement of 10 working days (LGOIMA 1987 s44A).. Note this target was not achieved in 2015/2016.</p>

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

FIGURE 49

Satisfaction with Service received When Contacting Council

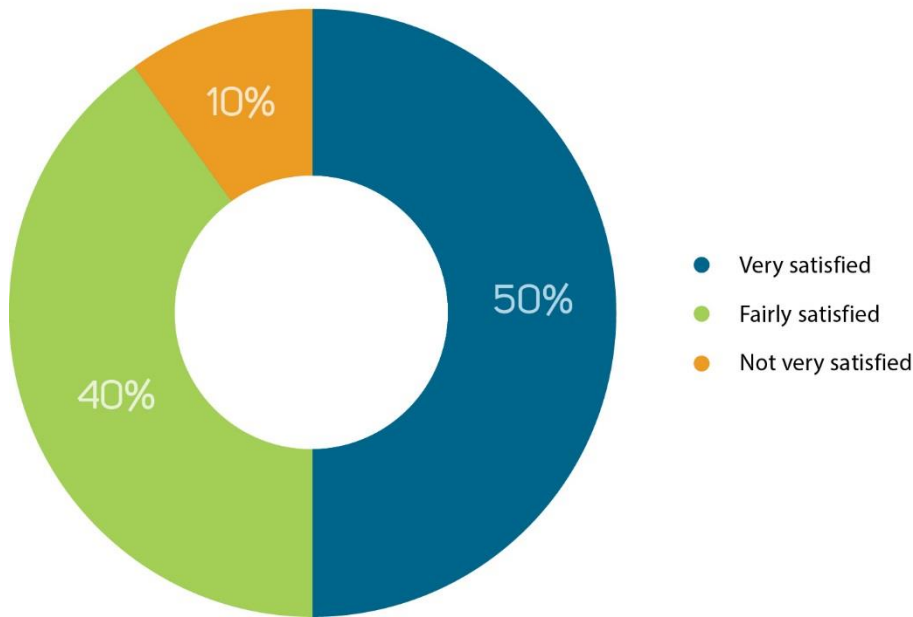
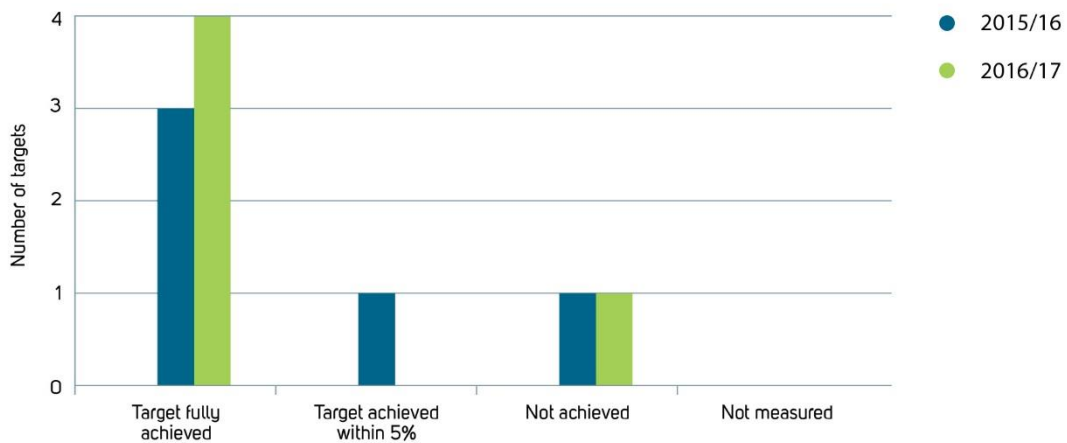


FIGURE 50

Support Services Performance Measures

Comparison of number of performance measures met over three years



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

PART 5: FINANCIAL STATEMENTS



INTRODUCTION

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

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

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

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

BALANCED BUDGET STATEMENT OF FINANCIAL PERFORMANCE

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

STATEMENT OF FINANCIAL POSITION

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

STATEMENT OF CASHFLOWS

The Statement of Cashflows summarises the cashflows for the year ended 30 June 2017.

STATEMENT OF CHANGES IN EQUITY

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

COUNCIL FUNDING IMPACT STATEMENT

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

INDIVIDUAL FUNDING IMPACT STATEMENTS

The individual Funding Impact Statements of Council's significant activities record Council's objectives, and achievements for the year ended 30 June 2017, together with the costs associated with the provision of each service.

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

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

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

STATEMENT OF ACCOUNTING POLICIES

REPORTING ENTITY

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

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

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

The financial statements of Council are for the year ended 30 June 2017. The financial statements were authorised for issue by Council on **28 September 2017**.

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 labour cost of full-time staff employed in those specific output areas.

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

BUDGET FIGURES

The budget figures are those approved by the Council in its Annual Plan 2016/2017 unless shown otherwise. The budget figures are consistent with the accounting policies adopted by the Council for the preparation of the financial statements at the time the budget was prepared.

FUNDING IMPACT STATEMENTS

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

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

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

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

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

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

LANDFILL AFTERCARE COSTS

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

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

INFRASTRUCTURAL ASSETS

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

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

Experienced independent valuers perform Council's infrastructural asset revaluations.

CRITICAL JUDGEMENT IN APPLYING COUNCIL'S ACCOUNTING POLICIES

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

CLASSIFICATION OF PROPERTY

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

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the year ended 30 June 2017

June 16 Actual \$(000's)		Notes	June 17 Actual \$(000's)	June 17 Budget \$(000's)	% of Budget
	Revenue				
35,046	General rates	2	35,686	35,614	100%
28,700	Targeted rates (other than for water supply)	2	29,523	29,741	99%
4,153	Targeted rates for water supply	2	4,013	3,956	101%
4,720	Development and financial contributions		5,104	5,807	88%
4,737	Operating subsidies and grants	4	3,568	4,604	77%
3,064	Capital subsidies	4	4,021	3,349	120%
15,368	Fees and charges	5	16,981	15,062	113%
15,396	Other revenue	3	13,977	12,166	115%
111,184	Total Revenue		112,873	110,299	102%
6,067	Fair value movement on revaluation	3	9,167	653	1404%
449	Finance revenue	8	338	557	61%
476	Other gains	3	97	93	104%
2,697	Revenue of joint ventures	21	2,605	4,083	64%
2,239	Share of associates surplus/deficit	20	7,520	0	-
123,112	Total Revenue	1	132,600	115,685	115%
	Expenses				
7,941	Finance Costs	8	7,060	9,409	75%
20,023	Employee Benefit Expenses	6	20,558	21,037	98%
22,259	Depreciation	17	22,705	25,235	90%
53,191	Other Expenses	7	46,443	50,262	92%
2,964	Expenditure of joint venture	21	2,968	2,917	102%
106,378	Total Expenses	1	99,734	108,860	92%
16,734	Surplus/(Deficit) before Taxation		32,866	6,825	482%
(860)	Tax expense	9	-	-	-
15,874	Surplus/(Deficit) after tax	36	32,866	6,825	482%
	Other comprehensive revenue and expense				
33,630	Gain on asset revaluations	26	45,211	-	-
-	Reversal of Asset Impairment	15,26	340	-	-
860	Deferred tax on asset revaluations	9	-	-	-
1,055	Movement in NZLG shares value	26	820	-	-
-	Opening Equity Restatement		95	-	-
-	Prior Year adjustments - Associates	26	(310)	-	-
(276)	Other comprehensive Revenue - Associates	20,26	9,468	-	-
35,269	Total other comprehensive revenue and expense		55,624	-	-
51,143	Total comprehensive revenue and expense		88,490	6,825	1297%

The table shows the actual accounting net position was a surplus of \$32.9 million compared with a budgeted accounting surplus of \$6.8 million. This equates to a surplus or favourable variance of \$26.1 million, and includes such items as; development contributions, vested assets, interest rate swap valuations, share of associates income and movement in the forestry revaluation.

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.

BALANCED BUDGET STATEMENT OF FINANCIAL PERFORMANCE

For the year ended 30 June 2017

June 16 Actual \$(000's)		Notes	June 17 Actual \$(000's)	June 17 Budget \$(000's)
123,112	Total Revenue		132,600	111,602
106,378	Total Expenses		99,734	105,943
16,734	Surplus/(Deficit)		32,866	5,659
	less			
1,972	Share of JV & Associates (Net)		7,157	0
7,895	Vested Assets		4,897	3,007
3,064	Capital Grants and Subsidies		4,021	3,349
4,720	Development & Financial Contributions		5,104	5,807
(4,762)	Other Gains/Losses		9,264	653
2,564	Capital rates income		2,074	2,789
13,004	Principal Repaid (excl JV) through operating revenue		14,711	965
28,457			47,228	16,570
	plus			
22,259	Depreciation not funded		23,648	11,693
2,705	Dividends from Associates		3,610	911
24,964			27,258	12,604
13,241	Underlying Operating Surplus		12,896	1,693
(13,241)	Net transfers from reserves and equity		(12,896)	(1,693)
-	Balanced Budget - Operating revenue agrees to operating expenditure		-	-

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

EXPLANATION OF COUNCIL'S BALANCED BUDGET REQUIREMENT

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

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 2017

June 16 Actual \$(000's)		Notes	June 17 Actual \$(000's)	June 17 Budget \$(000's)
	CURRENT ASSETS			
3,221	Cash and cash equivalents	10	2,243	7,364
13,275	Trade and other receivables	11	13,983	15,389
1,521	Other financial assets	13	1,833	1,537
770	Non current assets held for resale	14	560	288
18,787			18,619	24,578
	CURRENT LIABILITIES			
12,290	Trade and other payables	22	13,041	17,143
1,772	Employee Benefit Liabilities	24	1,893	2,216
-	Derivative Financial Instruments	12	818	53
3	Current portion of borrowings	25	16,228	16,047
14,065			31,980	35,459
4,722	WORKING CAPITAL		(13,361)	(10,881)
	NON CURRENT ASSETS			
109,933	Investments in associates	20	123,310	92,212
6,165	Other financial assets	13	6,591	8,454
984	Intangible Assets	16	1,398	1,147
-	Trade & other receivables	11	0	0
32,848	Forestry Assets	18	35,461	21,227
4,620	Investment property	19	4,700	1,323
1,301,387	Property, plant and equipment	15	1,360,810	1,368,139
1,455,937			1,532,270	1,492,502
	NON CURRENT LIABILITIES			
133,006	Term borrowings	25	110,003	159,259
17,946	Derivative Financial Instruments	12	10,648	8,075
512	Employee benefit liabilities	24	470	577
1,680	Provisions	23	1,783	1,053
153,144			122,904	168,964
1,307,515	TOTAL NET ASSETS		1,396,005	1,312,657
	EQUITY			
554,438	Accumulated equity	27	586,746	543,522
17,447	Reserve funds	28	18,100	18,610
735,630	Revaluation reserves	26	791,159	750,525
1,307,515	TOTAL EQUITY		1,396,005	1,312,657

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 2017

June 16 Actual \$(000's)		Notes	June 17 Actual \$(000's)	June 17 Budget \$(000's)
	Cashflow From Operating Activities			
	Cash was Provided From:			
40,672	Fees and charges		41,441	37,973
67,326	Rates revenue		69,174	69,288
2,908	Dividends received		2,760	2,802
403	Interest received		413	557
	Net GST received			0
111,309			113,788	110,620
	Cash was Disbursed To:			
(64,200)	Payments to suppliers & employees		(68,627)	(73,402)
(8,545)	Interest paid		(7,404)	(9,409)
(363)	Net GST paid		123	
(73,108)			(75,908)	(82,811)
38,201	Net Cashflow From Operating	29	37,880	27,809
	Cashflow From Investing Activities			
	Cash was Provided From:			
728	Proceeds from sale of assets		265	93
194	Proceeds from sale of investments		1,394	-
922			1,659	93
	Cash was Disbursed To:			
(26,906)	Purchase of assets		(32,460)	(33,976)
(196)	Purchase of investments		(1,279)	(1,916)
(27,102)			(33,739)	(35,892)
(26,180)	Net Cashflow From Investing		(32,080)	(35,799)
	Cashflow From Financing Activities			
	Cash was Provided From:			
0	Loans raised		225	22,234
	Cash was Disbursed To:			
(12,002)	Loan principal repayments		(7,003)	(16,045)
(12,002)	Net Cashflow From Financing		(6,778)	6,189
19	Total Net Cashflows		(978)	(1,801)
3,202	Opening Cash Held		3,221	9,165
3,221	Closing Cash Balance		2,243	7,364
	Represented By:			
3,221	Cash and cash equivalents		2,243	7,364
3,221			2,243	7,364

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 2017

June 16 Actual \$(000's)		Notes	June 17 Actual \$ (000's)	June 17 Budget \$ (000's)
1,256,372	Equity at the start of the year		1,307,515	1,305,832
51,143	Total comprehensive revenue and expense		88,490	6,825
1,307,515	Equity at the end of the year		1,396,005	1,312,657

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 2017

Annual Plan 2016 \$000	Actual 2016 \$000		Actual 2017 \$000	Annual Plan 2017 \$000
		SOURCES OF OPERATING FUNDING		
35,039	35,478	General rates, uniform annual general charges, rates penalties	36,160	36,017
32,816	32,894	Targeted rates	33,692	33,697
4,661	4,737	Subsidies and grants for operating purposes	3,580	4,604
15,754	19,187	Fees and charges	17,923	16,419
3,508	3,334	Interest and dividends from investments	4,052	3,836
8,610	7,659	Local authorities fuel tax, fines, infringement fees, and other receipts	7,065	8,202
100,388	103,289	TOTAL OPERATING FUNDING	102,472	102,775
		APPLICATIONS OF OPERATING FUNDING		
71,328	63,876	Payments to staff and suppliers	70,649	74,258
9,844	8,103	Finance costs	7,060	9,367
0	0	Other operating funding applications	0	0
81,172	71,979	TOTAL APPLICATIONS OF OPERATING FUNDING	77,709	83,625
19,216	31,310	SURPLUS (DEFICIT) OF OPERATING FUNDING	24,763	19,150
		SOURCES OF CAPITAL FUNDING		
3,404	3,064	Subsidies and grants for capital expenditure	4,021	3,349
5,267	4,720	Development and financial contributions	5,104	5,807
7,689	(12,000)	Increase (decrease) in debt	(6,778)	6,189
87	476	Gross proceeds from sale of assets	523	93
0	0	Lump sum contributions	0	0
0	176	Other dedicated capital funding	0	0
16,447	(3,564)	TOTAL SOURCES OF CAPITAL FUNDING	2,870	15,438
		APPLICATIONS OF CAPITAL FUNDING		
		Capital expenditure		
2,316	1,915	- to meet additional demand	26	1,366
14,718	13,466	- to improve the level of service	2,868	16,743
17,267	10,997	- to replace existing assets	30,551	14,441
(97)	1,402	Increase (decrease) in reserves	(5,760)	144
1,459	(34)	Increase (decrease) in investments	(52)	1,894
35,663	27,746	TOTAL APPLICATIONS OF CAPITAL FUNDING	27,633	34,588
(19,216)	(31,310)	SURPLUS (DEFICIT) OF CAPITAL FUNDING	(24,763)	(19,150)
0	0	FUNDING BALANCE	0	0

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

STATEMENT OF COMMITMENTS

As at 30 June 2017

CONTRACTUAL COMMITMENTS

These are commitments for which a formal contract has been entered at 30 June 2017.

2015/2016 \$(000's)		2016/2017 \$(000's)
7,005	Utilities Maintenance	973
160	Stormwater	7,723
16,468	Road Maintenance	22,328
17,149	Refuse Operations	18,572
1,055	Water Supply Maintenance	938
2,377	Wastewater Reticulation Maintenance	3,292
5,186	River Maintenance	3,722
356	Parks and Reserves Programmed Maintenance	304
-	Property Programmed Maintenance	479
892	Richmond Aquatic Centre	669
<u>4,258</u>	Parks and Reserves	<u>2,129</u>
<u>54,906</u>		<u>61,129</u>

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

Non Cancellable Operating Lease Commitments

2015/2016 \$(000's)		2016/2017 \$(000's)
2	No later than one year	20
-	Later than one year, not later than two years	20
-	Later than two years, not later than five years	<u>26</u>
<u>2</u>		<u>66</u>

STATEMENT OF CONTINGENT ASSETS AND LIABILITIES

As at 30 June 2017

A. GUARANTEES

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

2015/2016 \$		2016/2017 \$
\$20,000	Tasman Bay Promotions	\$20,000
\$20,000		\$20,000

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

B. GUARANTEE – NEW ZEALAND LOCAL GOVERNMENT FUNDING AGENCY LIMITED

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

Tasman District Council is one of 30 local authority shareholders and 14 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 2017, NZLGFA had borrowings totalling \$7.946 billion (2016: \$6.22 billion).

Financial reporting standards require Tasman District Council to recognise the guarantee liability at fair value.

However, the Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. The Council considers the risk of NZLGFA defaulting on repayment of interest or capital to be very low on the basis that:

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

C. OTHER CONTINGENT LIABILITIES

Council has contingent liabilities of \$Nil (30 June 2016: \$Nil). Council has no contingent claims against other parties (30 June 2016: Nil).

Five active claims have been lodged with the Weathertight Homes Resolution Service (WHRS) as at 30 June 2017 (June 2016: seven active claims). These claims relate to weather tightness issues of homes in the Tasman District and name Tasman District Council as well as other parties. One claim is expected to be settled during the 2017/2018 financial year. It is not certain whether the remaining claims are valid. Council is unable to assess its exposure to the unsettled claims lodged with the WHRS and has not allowed for any contingent liabilities relating to this. RiskPool from 1 July 2009 is no longer providing coverage for leaky homes. Council has provided for no contingent liability claims in 2017 (2016: Nil).

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

The Council is also exposed to potential future claims which have not yet been advised until the statutory limitation period expires. The amount of potential future claims are not able to be reliably measured and is therefore unquantifiable. Claims

must be made within 10 years of construction or alteration of the dwelling in order for the claim to be eligible under the Weathertight Homes Resolution Services (WHRS) Act 2006, but other statutory limitation periods could also affect claims.

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 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, 2 of which are located within Tasman District. At present there is insufficient information to conclude on potential liability and claim quantum, if any.

RiskPool provides public liability and professional indemnity insurance for its members. The 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 Fund year, then the Board may make a call on members for that fund year.

Council is required to undertake seismic assessments of its buildings under its Earthquake Prone Buildings Policy prepared under the Building Act 2004. These assessments are in two parts, firstly Initial Evaluation Procedures (IEPs) are made and if the results show that a building may be earthquake prone, then a further Detailed Engineering Assessment (DEA) is made. The assessments undertaken to date only cover some of the Council's community buildings. There are a number of other buildings where initial or detailed assessments have yet to be completed.

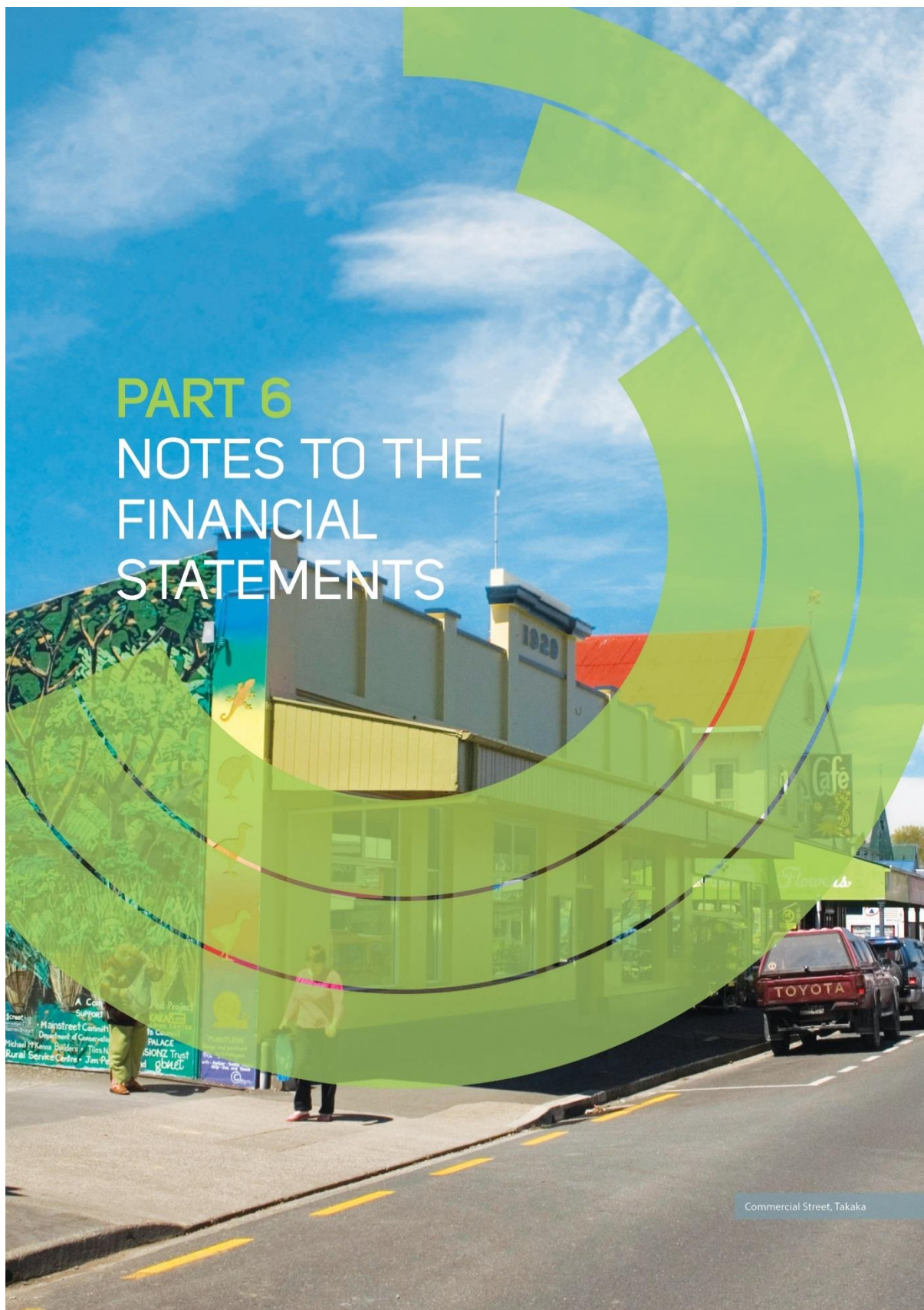
D. OTHER CONTINGENT ASSETS

2017: \$Nil. (2016: \$Nil)

E. ASSOCIATES CONTINGENT LIABILITIES AND CONTINGENT ASSETS

HNZ New Zealand Limited (HNZ) currently own and occupy a Building in the airport precinct which includes offices, an airport terminal and hangarage. HNZ occupy the site under a ground lease with Nelson Airport Limited. The ground lease expires on 12th October 2017, unless renewed under a right of renewal for a further period of 20 years. HNZ has advised Nelson Airport Limited that it will not be exercising its right of renewal. This notice triggers an obligation under the lease for Nelson Airport Limited to purchase the improvements at fair market value, a figure yet to be agreed between the parties. Nelson Airport Limited anticipates taking vacant possession of the building on 13th October 2017. The transaction when concluded will result in a net cash outflow for Nelson Airport Limited and recognition of a corresponding non-current asset.

PART 6: NOTES TO FINANCIAL STATEMENTS



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

2015/16 Note 1	2016/17
\$(000's) Summary revenue and expenditure for groups of activities	\$(000's)
Revenue	
9,865 Environmental Management	9,769
5,366 Public Health and Safety	5,647
19,173 Transportation, Roads and Footpaths	19,230
740 Coastal Structures	552
11,491 Water	11,065
11,903 Wastewater	14,795
5,461 Stormwater	5,927
7,154 Solid Waste	7,491
3,356 Flood Protection and River Control Works	3,290
2,680 Community Relations	2,621
16,435 Community Facilities and Parks	16,301
13,246 Council Enterprises	10,092
3,353 Governance	3,407
12,889 Overhead activities including Treasury, joint ventures and associates	22,413
123,112 Total Revenue	132,600
2015/16	
\$(000's) Expenses	
9,386 Environmental Management	9,505
5,716 Public Health and Safety	6,194
20,074 Transportation, Roads and Footpaths	20,512
349 Coastal Structures	419
10,046 Water	10,863
8,581 Wastewater	11,689
3,855 Stormwater	3,744
7,537 Solid Waste	6,886
1,831 Flood Protection and River Control Works	2,466
2,452 Community Relations	2,567
14,889 Community Facilities and Parks	15,596
4,535 Council Enterprises	5,952
2,737 Governance	2,931
14,390 Overhead activities including Treasury, joint ventures and associates	410
106,378 Total Expenses	99,734

NOTE 2: RATES

RATES RECOGNITION

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

The following particular policies apply:

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

2015/16 Note 2	2016/17
\$(000's) RATES	\$(000's)
35,046 General Rates	35,686
Targeted rates attributable to activities	
311 Environmental Management	204
0 Transportation, Roads & Footpaths	0
103 Coastal Structures	102
8,608 Water Supply	8,550
10,243 Wastewater	10,364
3,905 Stormwater	4,474
2,180 Solid Waste	2,284
2,680 Flood Protection and River Control Works	2,723
3,330 Community Facilities & Parks	3,338
1,205 Community Relations	1,202
288 Governance	295
32,853	33,536
67,899 Total rates	69,222

Included in targeted rates attributable to water supply is income received or to be received from targeted rates for metered water supply of \$6,691,000 (2016: \$6,777,000).

The Council is required by the LGFA Guarantee and Indemnity Deed to disclose in its financial statements (or notes) its annual rates revenue. That Deed defines annual rates revenue as an amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating Act) 2002 together with any revenue received by the Council from other local authorities for services provided by that Council for which those other Local Authorities rate. The annual rates revenue of the Council for the year ended 30 June 2017 for the purposes of the LGFA Guarantee and Indemnity Deed disclosure is shown below:

67,899 Rates	69,222
- Lump sum contributions	-
67,899	69,222

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

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

68,120	Total rates revenue	69,323
<u>(221)</u>	Rates remissions	<u>(101)</u>
<u>67,899</u>	Rates revenue net of remissions	<u>69,222</u>

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

NOTE 3: OTHER REVENUE

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

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

2015/16 Note 3		2016/17
\$(000's) OTHER REVENUE		\$(000's)
275	Rental revenue from investment properties	361
112	Infringements & fines	197
360	Petrol tax	390
120	Dividend revenue	104
4,464	Forestry Harvesting Revenue	4,868
7,895	Vested Assets	4,897
176	Insurance recoveries	0
1,994	Other	3,160
<u>15,396</u>		<u>13,977</u>

2015/16 Note 3		2016/17
\$(000's) Fair Value Movement on revaluation		\$(000's)
0	Unrealised gain on Interest Rate Derivatives	6,480
6,057	Gain on changes in fair value of forestry assets	2,607
10	Investment Property revaluation movement	80
<u>6,067</u>		<u>9,167</u>

2015/16 Note 3		2016/17
\$(000's) Other gains		\$(000's)
476	Gain on disposal of property plant and equipment	97
<u>476</u>		<u>97</u>

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.

2015/16 Note 4	2016/17
\$(000's) OPERATING SUBSIDIES & GRANTS	\$(000's)
3,778 NZ Transport Agency roading subsidies	3,276
959 Other grants and subsidies	292
4,737	3,568

2015/16 Note 4	2016/17
\$(000's) CAPITAL SUBSIDIES & GRANTS	\$(000's)
2,100 NZ Transport Agency roading subsidies	3,248
964 Other grants and subsidies	773
3,064	4,021

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

NOTE 5: FEES AND CHARGES

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

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

2015/16 Note 5	2016/17
\$(000's) FEES AND CHARGES	\$(000's)
3,912 Building, resource consent, public health and liquor licensing	4,472
4,222 Landfill/resource recovery centre charges	4,680
3,884 Sales	3,814
1,218 Sundry Fees & Recoveries	1,180
2,132 Other fees and charges	2,835
15,368	16,981

NOTE 6: EMPLOYEE BENEFIT

2015/16 Note 6		2016/17
\$(000's) EMPLOYEE BENEFIT EXPENSES		\$(000's)
19,541	Salary & Wages	19,694
759	Kiwisaver/Superannuation Schemes employer contributions	785
<u>(277)</u>	Increase/(Decrease) in employee benefit liabilities	<u>79</u>
<u>20,023</u>		<u>20,558</u>

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.

2015/16 Note 7		2016/17
\$(000's) OTHER EXPENSES		\$(000's)
144	Bad debts written off	123
105	Movement in Bad Debts Provision	(588)
111	Audit fees - Annual Report	123
2	Audit fees - Other	2
10	Audit fees - LTP	-
14	Donations	8
149	Minimum lease payments under operating leases	167
4,724	Consultants	5,634
18,891	Contractors/Maintenance	21,681
651	Loss on changes in fair value of investment property	-
976	Revaluation decrease greater than revaluation reserve	-
9,817	Unrealised loss on Interest Rate Derivatives	-
827	Loss on disposal of property plant and equipment	-
<u>16,770</u>	Other Expenses	<u>19,293</u>
<u>53,191</u>		<u>46,443</u>

NOTE 8: FINANCE COSTS AND FINANCE

Interest revenue is recognised using the effective interest method

2015/16 Note 8		2016/17
\$(000's) FINANCE COSTS		\$(000's)
Interest expense		
7,467	Interest on borrowings	6,960
2	Interest on finance leases	2
<u>472</u>	Provisions: discount unwinding	<u>98</u>
<u><u>7,941</u></u>	Total finance costs	<u><u>7,060</u></u>
\$(000's) FINANCE REVENUE		
Interest Revenue		
403	Interest on bank deposits	286
33	Interest on related party loans	30
<u>13</u>	Interest on community loans	<u>22</u>
<u><u>449</u></u>	Total finance revenue	<u><u>338</u></u>

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.

2015/16 Note 9

2016/17

\$(000's) TAX

\$(000's)

Relationship between tax expense & accounting profit

16,734	Net surplus	32,866
4,686	Prima facie tax at 28%	9,202
(4,152)	Non taxable income	(9,208)
326	Deferred tax adjustment	6
860	Tax expense	-

Components of tax expense

-	Current tax expense	-
-	Adjustments to current tax in prior years	-
860	Deferred tax expense	-
860		-

Deferred tax assets/(liabilities)	Property, plant & equipment	Tax losses	Total
Balance at 1 July 2015	(816)	816	-
Charged to surplus or deficit	(534)	(326)	(860)
Charged to comprehensive revenue and expense	860	-	860
Balance at 1 July 2016	(490)	490	-
Charged to surplus or deficit	6	(6)	-
Charged to comprehensive revenue and expense			-
Balance at 1 July 2017	(484)	484	-

A deferred tax asset has not been recognised in relation to tax losses of \$10,918,017 (2016: \$10,369,000).

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.

2015/16 Note 10	2016/17
\$(000's) CASH AND CASH EQUIVALENTS	\$(000's)
3,221 Cash at bank and in hand	2,243
- Short term deposits maturing three months or less from date of acquisition	-
<u>3,221</u> Total cash and cash equivalents	<u>2,243</u>
Disclosed as:	
3,221 Cash and Cash Equivalents	2,243
- Bank overdrafts	-
<u>3,221</u>	<u>2,243</u>

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.

2015/16 Note 11	2016/17
\$(000's) TRADE & OTHER RECEIVABLES	\$(000's)
1,170 Rates receivables	1,218
12,699 Other receivables	12,900
367 Prepayments	176
<u>14,236</u>	<u>14,294</u>
(961) Less provision for doubtful debts	(311)
<u>13,275</u>	<u>13,983</u>
Comprising	
13,275 Current portion	13,983
- Non Current	-
<u>13,275</u> Total Trade & Other Receivables	<u>13,983</u>

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

TDC does not provide for any impairment on rates receivable as it has various powers under the Local Government (rating) Act 2002 to recover any outstanding debts. These powers allow the Council to commence legal proceedings to recover any rates that remain unpaid 4 months after the due date for payment. If payment has not been made within 3 months of the Court's judgement, then the Council can apply to the Registrar of the High Court to have the judgement enforced by sale or lease of the rating unit.

All receivables greater than 30 days in age are considered to be past due.

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

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

2015/16 \$(000's)	2016/17 \$(000's)
818 At 1 July	961
753 Additional provisions made during the year	69
<u>(610) Recoverables written off during period</u>	<u>(719)</u>
<u>961 At 30 June</u>	<u>311</u>

The status of other receivables as at 30 June 2017 and 2016 are detailed as below:

	2017		
	Gross \$(000's)	Impairment \$(000's)	Net \$(000's)
Current	10,679	-	10,679
30-60 days	734	-	734
61-90 days	86	-	86
90+days	1,401	(311)	1,090
	<u>12,900</u>	<u>(311)</u>	<u>12,589</u>

	2016		
	Gross \$(000's)	Impairment \$(000's)	Net \$(000's)
Current	8,831	-	8,831
30-60 days	652	-	652
61-90 days	407	-	407
90+days	2,809	(961)	1,848
	<u>12,699</u>	<u>(961)</u>	<u>11,738</u>

NOTE 12: DERIVATIVE FINANCIAL INSTRUMENTS

ACCOUNTING FOR DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

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

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

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

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

2015/16 Note 12	2016/17
\$(000's) DERIVATIVE FINANCIAL INSTRUMENTS	\$(000's)
(17,946) Interest Rate Swaps	(11,466)
<u>(17,946) Total derivative financial instruments</u>	<u>(11,466)</u>
Comprising	
- Current portion	(818)
(17,946) Non Current	(10,648)
<u>(17,946) Total derivative financial instruments liability</u>	<u>(11,466)</u>

FAIR VALUE

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

INTEREST RATE SWAPS

The notional principal amounts of the outstanding interest rate swap contracts for the Council were \$224.78 million of which \$140.78 million is 'live' at balance date (2016: \$224.8 million of which \$140.78 million is 'live' at balance date). At 30 June 2017, the fixed interest rates of cash flow hedge interest rate swaps vary from 2.95% to 5.528% (2016: 2.9425% to 5.528%).

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 \$6.8 million or minus \$7.4 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 the Council has transferred substantially all the risks and rewards of ownership.

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

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

The four categories of financial assets are:

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

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

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

Currently, Council holds interest rate swaps in this category.

- **Loans and receivables**

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

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

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

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

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

- **Held to maturity investments**

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

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

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

- **Financial assets at fair value through comprehensive revenue and expense**

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

This category encompasses:

- Investments that Council intends to hold long-term but which may be realised before maturity; and
- Shareholdings that it holds for strategic purposes.

After initial recognition these investments are measured at their fair value.

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

2015/16 Note 13	2016/17
\$(000's) OTHER FINANCIAL ASSETS	\$(000's)
Current Portion	
<i>Loans and receivables</i>	
186	194
Current portion of community loans	
100	100
Current portion of related party loans	
<i>Fair value through comprehensive revenue and expense</i>	
-	304
Borrower Notes - NZ LG Funding Agency	
<i>Held to maturity</i>	
1,200	1,200
Disaster funds	
35	35
Monies administered for organisations	
1,521	1,833
Non-current portion	
<i>Loans and receivables</i>	
271	213
Community Loans	
554	483
Loans to Related Parties	
<i>Fair value through comprehensive revenue and expense</i>	
93	100
Unlisted shares - Civic Financial Services Ltd	
3,657	4,471
Unlisted shares - NZ LG Funding Agency	
1,590	1,324
Borrower Notes - NZ LG Funding Agency	
<i>Held to maturity</i>	
-	-
Monies administered for organisations	
6,165	6,591

Council holds a cash bond of \$35,000 (2016: \$35,000) that is subject to restrictions.

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

There were no impairment provisions for other financial assets.

The total value of other financial assets that can only be used for a specific purpose is \$1,200,000 (2016: \$1,200,000).

The loan to related parties is at a nil interest rate (2016: Nil). The fair value of the loan has been determined using cashflows discounted at 5.35% (2016: 5.35%).

Interest rates receivable on community loans range from 5.25% to 9%, with an average rate of 7.15% (2016: Nil to 9%, with an average rate of 4.87%).

COMMUNITY LOANS

The face value of community loans is \$411,526 (2016: \$465,814).

2015/16	2016/17
\$(000's)	\$(000's)
227 At 1 July	271
110 Amount of new loans granted during the year	-
(44) Loans repaid during the year	(55)
(26) Loans forgiven during the year	(7)
4 Unwind of discount	4
271	213

The community loans are to help not-for-profit organisations in the Tasman district to develop or improve new or existing facilities and other major projects. Only organisations with the ability to repay are granted loans.

The fair value of loans at initial recognition has been determined using cashflows discounted at a rate based on the loan recipient's assessed financial risk factors.

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

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

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

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

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

2015/16 Note 14	2016/17
\$(000's) PROPERTY HELD FOR RESALE	\$(000's)
460 Buildings	310
310 Land	250
770	560

The Council-owned property on Fittal Street has been presented as held for sale following the approval by the Council to sell the premises. The Council has approved the sale of the premises, as it will provide no further use to the Council. The sale is expected to be completed in the 2017/2018 financial year.

Council-owned land on Slippery Road has also been presented as held for sale following the approval by the Council to sell the land. The Council has approved the sale of the premises, as it will provide no further use to the Council. The sale is expected to be completed in the 2017/2018 financial year.

NOTE 15: PROPERTY, PLANT AND EQUIPMENT

PROPERTY, PLANT AND EQUIPMENT

- **Operational assets** – These include land, buildings, computers and office equipment, building improvements, library books, plant, equipment, wharves and motor vehicles.
- **Restricted assets** – Assets owned or vested in Council which cannot easily be disposed of because of legal or other restrictions and provide a benefit or service to the community.
- **Infrastructural assets** – Infrastructural assets are the fixed utility systems owned by the Council. Each asset type includes all items that are required for the network to function, e.g. sewer reticulation includes reticulation piping and sewer pump stations.

Property, plant and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses.

Additions: The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to Council and the cost of the item can be measured reliably. Work in progress is recognised at cost less impairment and is not depreciated. In most instances, an item of property, plant, and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

Disposals: Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

Subsequent costs: Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to Council and the cost of the item can be measured reliably.

Values included in respect of assets are as follows:

Vested assets – Certain infrastructural assets and land have been vested in the Council as part of the subdivision consent process. Vested infrastructural assets have been valued by calculating the cost of providing identical quantities of infrastructural components. Vested assets are recognised as revenue when control over the asset is obtained.

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

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

- | | |
|---------------------------------|-----------------|
| • Land | Not depreciated |
| • Buildings (including fit out) | 10 - 100 years |
| • Plant and equipment | 5 – 10 years |
| • Motor vehicles | 5 – 10 years |
| • Library books | 5 – 10 years |

Infrastructure Assets

- | | |
|----------------------------|-----------------|
| • Bridges | 100 years |
| • Roads | 4 – 80 years |
| • Formation | Not depreciated |
| • Sub-base (sealed) | Not depreciated |
| • Basecourse (sealed) | 65 – 75 years |
| • Surfaces | 2 – 50 years |
| • Car parks – formation | Not depreciated |
| • Car parks – components | 8 – 45 years |
| • Footpaths | 5 – 50 years |
| • Pavement base (unsealed) | Not depreciated |
| • Drainage | 15 – 80 years |

Wastewater

- | | |
|-------------------|-----------------|
| • Oxidation ponds | Not depreciated |
| • Treatment | 9 – 100 years |
| • Pipe | 50 – 80 years |
| • Pump stations | 20 – 80 years |

Water

- Wells and pumps 10 – 80 years
- Pipes/valves/meters 15 – 80 years

Stormwater

- Channel/detention dams Not depreciated
- Pipe/manhole/sumps 80 – 120 years
- Ports and wharves 7 – 100 years
- Airfields 10 – 80 years
- Refuse 15 – 100 years

Rivers

- Stop banks Not depreciated
- Rock protection Not depreciated
- Willow plantings Not depreciated
- Gabion baskets 30 years
- Railway irons 50 years
- Outfalls 60 years

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

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

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

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

These include:

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

Roads and bridges have been valued at fair value using optimised depreciated replacement cost by Opus International Consultants Limited as at 31 March 2017.

Wastewater, solid waste, water supply, stormwater, coastal assets, and river protection assets have been valued at optimised depreciated replacement cost by in-house specialists as at 31 March 2017. River protection assets consist of stop banks, rock protection and riparian protection. Stop bank assets were valued for inclusion in Council's financial statement at optimised depreciated replacement cost by in-house specialists as at 31 March 2017. These in-house valuations have been peer reviewed by Opus International Consultants Limited.

Ports – A new asset category for Port assets has been created in the 2014/2015 year. Council considered that it was appropriate to distinguish the commercial port assets from other coastal structures. These have been valued at optimised depreciated replacement cost by Jones Lang Lasalle IP, Inc of Auckland as at 30 June 2016. The Port assets were not revalued during the previous three yearly cycle in order for the specialist valuation to be undertaken.

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

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

Airfields – Airfield assets were valued for inclusion in Council's financial statement at optimised depreciated replacement cost by in-house specialists as at 31 March 2017. The in-house valuations has 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 2016.

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

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

Non-specialised buildings (for example, residential buildings) are valued at fair value using market-based evidence. Market rents and capitalisation rates were applied to reflect market value. The most recent valuation was performed by GR Butterworth SPINZ, ANZIV of QV Valuations Limited, and the valuation is effective as at 30 June 2016.

Heritage assets – Heritage assets comprise Council assets that are subject to 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.

2017	Cost / Revaluation 1 July 2016 \$(000's)	Acc Depn & Impairment 1 July 2016 \$(000's)	*NBV 1 July 2016 \$(000's)	Current Year Additions \$(000's)	Current Year Vested Assets \$(000's)	Current Year Disposal \$(000's)	Current Year Impairment \$(000's)	Current Year Depreciation \$(000's)	Revaluation Surplus \$(000's)	Cost / Revaluation 30 June 2017 \$(000's)	Acc Depn & Impairment 30 June 2017 \$(000's)	*NBV 30 June 2017 \$(000's)
Fixed Assets												
Land	120,409	-	120,409	953	63	(31)	-	-	232	121,626	-	121,626
Buildings	69,521	-	69,521	5,420	-	-	340	(4,055)	54	75,327	(4,047)	71,280
Furniture and Fittings	3,680	(3,197)	483	143	-	-	-	(161)	-	3,823	(3,358)	465
Motor Vehicles	4,482	(3,652)	830	328	-	(72)	-	(324)	-	4,738	(3,976)	762
Plant	3,221	(2,051)	1,170	541	-	(28)	-	(207)	37	3,754	(2,241)	1,513
Office Equipment	6,914	(6,063)	851	802	-	-	-	(616)	-	7,716	(6,679)	1,037
Library Books	6,711	(5,508)	1,203	272	-	-	-	(306)	-	6,983	(5,814)	1,169
Heritage Assets	1,843	(495)	1,348	0	-	-	-	(31)	-	1,843	(526)	1,317
Finance Lease	71	(63)	8	0	-	-	-	(3)	-	71	(66)	5
	216,852	(21,029)	195,823	8,459	63	(131)	340	(5,703)	323	225,881	(26,707)	199,174
Infrastructural Assets												
Roading	531,306	(10,007)	521,299	7,891	1,534	-	-	(8,260)	22,005	546,580	(2,111)	544,469
Bridges	69,608	(1,805)	67,803	392	0	-	-	(1,475)	15,076	82,175	(379)	81,796
Land Under Roads	68,468	-	68,468	212	358	-	-	-	-	69,038	-	69,038
Stormwater	122,249	(1,637)	120,612	3,214	1,394	-	-	(1,352)	(1,455)	122,759	(346)	122,413
Wastewater	142,900	(3,750)	139,150	5,146	677	-	-	(3,349)	2,437	144,730	(669)	144,061
Refuse	10,425	(416)	10,009	1,008	0	-	-	(343)	(750)	10,009	(85)	9,924
Water	110,316	(3,323)	106,993	5,472	871	-	-	(2,876)	(3,693)	107,526	(759)	106,767
Rivers	62,624	(46)	62,578	890	0	-	-	(37)	9,080	72,520	(9)	72,511
Coastal structures	4,294	(635)	3,659	7	0	-	-	(109)	1,778	5,382	(47)	5,335
Ports	4,209	-	4,209	22	0	-	-	(87)	-	4,231	(87)	4,144
Aerodromes	1,361	(577)	784	0	0	-	-	(57)	451	1,193	(15)	1,178
	1,127,760	(22,196)	1,105,564	24,254	4,834	-	-	(17,945)	44,929	1,166,143	(4,507)	1,161,636
Total												
Fixed Assets	216,852	(21,029)	195,823	8,459	63	(131)	340	(5,703)	323	225,881	(26,707)	199,174
Infrastructure Assets	1,127,760	(22,196)	1,105,564	24,254	4,834	-	-	(17,945)	44,929	1,166,143	(4,507)	1,161,636
	1,344,612	(43,225)	1,301,387	32,713	4,897	(131)	340	(23,648)	45,252	1,392,024	(31,214)	1,360,810

* Net book value.

Included in net book value is work in progress of \$7,801,000. These assets have not been depreciated.

2016	Cost / Revaluation 1 July 2015 \$(000's)	Acc Deprn & Impairment 1 July 2015 \$(000's)	*NBV 1 July 2015 \$(000's)	Current Year Additions \$(000's)	Current Year Vested Assets \$(000's)	Current Year Disposal \$(000's)	Current Year Impairment \$(000's)	Current Year Depreciation \$(000's)	Revaluation Surplus \$(000's)	Cost / Revaluation 30 June 2016 \$(000's)	Acc Deprn & Impairment 30 June 2016 \$(000's)	*NBV 30 June 2016 \$(000's)
Fixed Assets												
Land	114,895	-	114,895	214	55	(1,707)	-	-	6,952	120,409	-	120,409
Buildings	62,336	(7,107)	55,229	7,392	-	(2,339)	-	(3,556)	12,795	69,521	-	69,521
Furniture and Fittings	3,483	(3,053)	430	197	-	-	-	(144)	-	3,680	(3,197)	483
Motor Vehicles	4,285	(3,332)	953	223	-	(26)	-	(320)	-	4,482	(3,652)	830
Plant	2,781	(1,869)	912	534	-	(107)	-	(182)	13	3,221	(2,051)	1,170
Office Equipment	6,560	(5,774)	786	354	-	-	-	(289)	-	6,914	(6,063)	851
Library Books	6,409	(5,231)	1,178	302	-	-	-	(277)	-	6,711	(5,508)	1,203
Heritage Assets	1,843	(461)	1,382	-	-	-	-	(34)	-	1,843	(495)	1,348
Finance Lease	71	(60)	11	-	-	-	-	(3)	-	71	(63)	8
	202,663	(26,887)	175,776	9,216	55	(4,179)	-	(4,805)	19,760	216,852	(21,029)	195,823
Infrastructural Assets												
Roading	522,277	(1,941)	520,336	6,541	2,488	-	-	(8,066)	-	531,306	(10,007)	521,299
Bridges	69,179	(360)	68,819	429	0	-	-	(1,445)	-	69,608	(1,805)	67,803
Land Under Roads	67,433	-	67,433	118	917	-	-	-	-	68,468	-	68,468
Stormwater	117,837	(325)	117,512	2,240	2,172	-	-	(1,312)	-	122,249	(1,637)	120,612
Wastewater	135,857	(562)	135,295	5,159	1,478	-	-	(3,188)	406	142,900	(3,750)	139,150
Refuse	10,162	(76)	10,086	263	0	-	-	(340)	-	10,425	(416)	10,009
Water	108,178	(638)	107,540	2,175	785	(822)	-	(2,685)	-	110,316	(3,323)	106,993
Rivers	62,041	(9)	62,032	583	0	-	-	(37)	-	62,624	(46)	62,578
Coastal structures	4,202	(309)	3,893	92	0	-	-	(326)	-	4,294	(635)	3,659
Ports	10,808	(624)	10,184		0	-	-		(5,975)	4,209	-	4,209
Aerodromes	1,340	(522)	818	21	0	-	-	(55)	-	1,361	(577)	784
	1,109,314	(5,366)	1,103,948	17,621	7,840	(822)	0	(17,454)	-5,569	1,127,760	(22,196)	1,105,564
Total												
Fixed Assets	202,663	(26,887)	175,776	9,216	55	(4,179)	-	(4,805)	19,760	216,852	(21,029)	195,823
Infrastructure Assets	1,109,314	(5,366)	1,103,948	17,621	7,840	(822)	0	(17,454)	-5,569	1,127,760	(22,196)	1,105,564
	1,311,977	(32,253)	1,279,724	26,837	7,895	(5,001)	-	(22,259)	14,191	1,344,612	(43,225)	1,301,387

* Net book value.

Included in net book value is work in progress of \$8,041,000. These assets have not been depreciated.

	Closing Book Value at 30 June 2017	Assets constructed for the year ending 30 June 2017	Assets transferred for the year ending 30 June 2017	Replacement Cost at 30 June 2017
Treatment Plants	3,092	0	0	3,255
Reticulation	103,675	5,472	871	170,787
Water Supply	106,767	5,472	871	174,042
Treatment Plants	4,960	1,468	0	7,104
Reticulation	139,101	3,678	677	160,125
Sewerage	144,061	5,146	677	167,229
Stormwater Drainage	122,413	3,214	1,394	156,708
Flood Protection and Control Works	72,511	890	0	73,630
Roads and Footpaths	695,303	8,495	1,892	819,078

	Closing Book Value at 30 June 2016	Assets constructed for the year ending 30 June 2016	Assets transferred for the year ending 30 June 2016	Replacement Cost at 30 June 2016
Treatment Plants	30,969	1,564	0	31,051
Reticulation	76,024	611	785	123,398
Water Supply	106,993	2,175	785	154,449
Treatment Plants	61,595	3,657	0	65,252
Reticulation	77,555	1,502	1,478	89,211
Sewerage	139,150	5,159	1,478	154,463
Stormwater Drainage	120,612	2,240	2,172	146,333
Flood Protection and Control Works	62,578	583	0	64,210
Roads and Footpaths	657,570	7,088	3,405	773,070

Work in Progress

	2016/17 \$(000's)	2015/16 \$(000's)
Roading	1,538	295
Water	1,949	121
Stormwater	2,127	797
Wastewater	1,427	4,075
Buildings	760	2,753
	7,801	8,041

NOTE 16: INTANGIBLE ASSETS

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

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

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

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

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

- Computer software 5 years 20%

Note 16

INTANGIBLE ASSETS

	<u>Computer Software</u>	<u>Carbon Credits</u>	<u>Total</u>
Cost			
Balance at 1 July 2016	3,757	313	4,070
Additions	352	380	732
Disposals	-	(37)	(37)
Balance at 30 June 2017	<u>4,109</u>	<u>656</u>	<u>4,765</u>
Balance at 1 July 2015	3,497	348	3,845
Additions	264		264
Disposals	(4)	(35)	(39)
Balance at 30 June 2016	<u>3,757</u>	<u>313</u>	<u>4,070</u>
Accumulated amortisation and impairment			
Balance at 1 July 2016	3,086	-	3,086
Amortisation charge	281	-	281
Disposals	-	-	-
Balance at 30 June 2017	<u>3,367</u>	<u>-</u>	<u>3,367</u>
Balance at 1 July 2015	2,802	-	2,802
Amortisation charge	284	-	284
Disposals	-	-	-
Balance at 30 June 2016	<u>3,086</u>	<u>-</u>	<u>3,086</u>
Carrying Amounts			
Balance at 1 July 2015	695	348	1,043
Balance at 30 June and 1 July 2016	<u>671</u>	<u>313</u>	<u>984</u>
Balance at 30 June 2017	<u>742</u>	<u>656</u>	<u>1,398</u>

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

IMPAIRMENT

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

NOTE 17: DEPRECIATION BY GROUP OF ACTIVITY

2015/16 Note 17	2016/17
\$(000's)	\$(000's)
DEPRECIATION EXPENSE BY GROUP OF ACTIVITY	
266 Environment & planning	237
17,263 Engineering	16,991
3,187 Community Development	3,520
567 Council enterprises	518
<u>0 Governance</u>	<u>0</u>
<u>21,283 Total Directly attributable depreciation by group of activity</u>	<u>21,266</u>
<u>976 Depreciation Expense not directly related to group of activities</u>	<u>1,439</u>
<u>22,259 Total depreciation expense</u>	<u>22,705</u>
Plus depreciation from Joint Ventures	<u>943</u>
Total depreciation per Fixed Asset Note	<u>23,648</u>

NOTE 18: FORESTRY

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

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

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

Note 18		
FORESTRY ASSETS		
2015/16		2016/17
\$(000's)		\$(000's)
26,789	Balance at 1 July	32,848
1,153	Gains/(losses) arising from changes attributable to price changes	706
4,906	Gains/(losses) arising from changes in fair value attributable to physical changes	1,907
<u>32,848</u>		<u>35,461</u>

The carrying value of the volumes harvested was \$2.6 million (2016: \$2.6 million) and is included as a reduction against gains/(losses) arising from changes in fair value attributable to physical changes.

The gains/(losses) arising from changes in fair value are unrealised.

TDC owns 2,435 hectares of planted pinus radiata forest, which are at varying stages of maturity ranging from 1 to 37 years. TDC also owns 210 hectares of planted Douglas fir, and 32 hectares of planted Cupressus Species trees.

Total harvested volume during the period was 41,898 tonnes from the Rabbit Island and Borlase forests (2016: 39,000 tonnes harvested at Rabbit Island and Borlase forests).

Independent registered valuers PF Olsen and Company Ltd have valued forestry assets as at 30 June 2017. The following valuation assumptions have been adopted in determining the fair value of forestry assets:

- A post-tax discount rate of 6.5% has been used in discounting the present value of expected post-tax cash flows (2016: A post-tax discount rate of 6.5% was used).
- Notional land rental costs have been included for freehold land
- The forests have been valued on a going concern basis and only includes the value of the existing crops on a single rotation basis
- All costs and revenues are expressed in current dollar terms.

Log prices represent the average monthly prices for the last three years to 30 June 2017.

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

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

NOTE 19: INVESTMENT PROPERTY

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

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

After initial recognition, Council measures all investment property at fair value as determined annually by an independent valuer.

Gains or losses arising from a change in the fair value of investment property are recognised in the surplus or deficit.

2015/16 Note 19	2016/17
\$(000's) INVESTMENT PROPERTY	\$(000's)
1,770 Balance at 1 July	4,620
3,961 Addition (transfer from property, plant and equipment	0
(460) Sale of investment property	-
(651) Gain/(loss) on changes in fair value of investment property	80
4,620 Balance at 30 June	4,700

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

NOTE 20: INVESTMENT IN ASSOCIATES

Council accounts for an investment in an associate in the financial statements using the equity method. An associate is an entity over which the Council has significant influence and that is neither a subsidiary nor an interest in a joint venture. The investment in an associate is initially recognised at cost and the carrying amount is increased or decreased to recognise Council's share of the surplus or deficit of the associate after the date of acquisition. Distributions received from an associate reduce the carrying amount of the investment.

Where the Council transacts with an associate, surpluses or deficits are eliminated to the extent of the Council's interest in the associate.

A. PORT NELSON LTD

Council was vested a 50% shareholding in this entity. To arrive at a fair value the most recent audited statement of financial position (June 2017) has been equity accounted.

B. NELSON AIRPORT LTD

Council has a 50% shareholding in this Company. To arrive at a fair value, the most recent audited statement of financial position (June 2017) has been equity accounted.

C. TASMAN BAYS HERITAGE TRUST

Council has significant influence over the trust as it has the ability to appoint trustees. Council has equity accounted for 50% of this entity. To arrive at a fair value the most recent unaudited statement of financial position (June 2017) has been equity accounted.

Note 20 INVESTMENT IN ASSOCIATES	2015/16 Opening Book Value (\$000's)	2016/17 Share of Surplus (\$000's)	2016/17 Dividend Received (\$000's)	Movement in Other comprehensive revenue (\$000's)	2016/17 Closing Book Value (\$000's)
Port Nelson Ltd	73,268	5,898	(3,250)	11,643	87,559
Nelson Airport Ltd	27,121	1,540	(360)	(2,137)	26,164
Tasman Bays Heritage Trust Inc	9,544	82	-	(39)	9,587
	109,933	7,520	(3,610)	9,467	123,310

Note 20 INVESTMENT IN ASSOCIATES	2014/15 Opening Book Value (\$000's)	2015/16 Share of Surplus (\$000's)	2015/16 Dividend Received (\$000's)	2015/16 Movement in Other comprehensive revenue (\$000's)	2015/16 Closing Book Value (\$000's)
Port Nelson Ltd	73,887	2,042	(2,400)	(261)	73,268
Nelson Airport Ltd	8,681	283	(305)	18,462	27,121
Tasman Bays Heritage Trust Inc	9,645	(86)	-	15	9,544
	92,213	2,239	(2,705)	18,186	109,933

In accordance with PBE IPSAS 7, Council discloses on an aggregate basis its share of the following in regard to its associates.

2015/16 \$(000's)	2016/17 \$(000's)
4,019 Capital Commitments	19,664
1,000 Contingent Liabilities	-
- Contingent Assets	-
2,239 Operating Surpluses	7,520
18,186 Other comprehensive revenue and expense	9,467
1,897 Tax expense attributed to the operating surplus	2,503

With the exception of the policy noted below all policies adopted by Council's associates are consistent with the policies adopted by Council.

ASSETS

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

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

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

PERFORMANCE MEASURES

Actual and Target Returns on Associates

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

	Target return	2014/2015	2015/2016	2016/2017
Port Nelson Limited	Annual Dividend of not less than \$4.9m.	4% on average shareholder funds. Achieved 5.1% \$2.85m dividend	Annual Dividend of not less than 50% of net profit after tax. Achieved \$2.4m dividend. [Net profit after tax \$5.18m]	Achieved Total dividend \$6.5m. [Net profit after tax \$10.84m]
Nelson Airport Limited	Formulate a dividend policy to implement alongside fair value accounting.	Annual dividend of 5% of the opening shareholders' funds for that year. Achieved 5.0% \$257,750 dividend	Annual dividend of 5% of the opening shareholders' funds for that year. Achieved 5.4% \$305,000 dividend	A new dividend policy was adopted and included in the Statement of Intent for the 2017/18 year. \$360,000 dividend received

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

NOTE 21: INTEREST IN JOINT VENTURES

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. Council recognises its interest in a jointly controlled entities using proportionate consolidation which means that the statement of financial position of the Council includes its share of the assets that it controls jointly and its share of the liabilities for which it is jointly responsible. The statement of comprehensive revenue and expense of the Council includes its share of the revenue and expenses of the jointly controlled entities.

The entities disclosed below are treated as joint ventures.

Nelson Regional Sewerage Business Unit (NRSBU)

Council has a 50% interest in this entity. The most recent unaudited financial statements (June 2017) have been used to determine Council's interest.

Nelson Tasman Combined Civil Defence Organisation (NTCCDO)

Council has a 50% interest in this entity. The most recent unaudited financial statements (June 2017) have been used to determine Council's interest.

Financial performance (after inter-entity eliminations)

	2016/17 \$(000's)		
	NRSBU	NTCCDO	TOTAL
Net Revenue	2,392	213	2,605
Net Expenditure	2,658	310	2,968
Net surplus/(deficit)	(266)	(97)	(363)

Includes:

Depreciation	896	48	944
--------------	-----	----	-----

The Council's share of assets and liabilities proportionately consolidated.

Financial Position (after inter-entity eliminations)

	2016/17 \$(000's)		
	NRSBU	NTCCDO	TOTAL
The Council's share of assets and liabilities proportionately consolidated is:			
Current Assets			
Cash at Bank	11	517	528
Receivables	76	3	79
	87	520	607
Non Current Assets			
Infrastructure-Wastewater	29,748	-	29,748
Forestry	14	-	14
Freehold Land	1,404	-	1,404
Buildings	157	75	232
Motor Vehicles	-	1	1
Plant & Equipment	165	21	186
Office Furniture and Equipment	-	66	66
	31,488	163	31,651

Current Liabilities

Trade Creditors	320	4	324
Current Portion of Term Loans	225	-	225
	545	4	549

Non Current Liabilities

Term Loans	7,000	-	7,000
Net Assets contributed by the Joint Venture	24,030	679	24,709

The NRSBU has capital commitments of \$195,978 as at 30 June 2017 (2016: \$Nil).

Financial performance (after inter-entity eliminations)

	2015/16 \$(000's)		
	NRSBU	NTCCDO	TOTAL
Net Revenue	2,454	243	2,697
Net Expenditure	2,614	350	2,964
Net surplus/(deficit)	(160)	(107)	(267)
Includes:			
Depreciation	884	49	933

The Council's share of assets and liabilities proportionately consolidated is:

Financial Position (after inter-entity eliminations)

	2015/16 \$(000's)		
	NRSBU	NTCCDO	TOTAL
The Council's share of assets and liabilities proportionately consolidated is:			
Current Assets			
Cash at Bank	172	307	479
Receivables	(77)	57	(20)
	95	364	459
Non Current Assets			
Infrastructure-Wastewater	26,473	-	26,473
Forestry	8	-	8
Freehold Land	1,171	-	1,171
Buildings	108	82	190
Motor Vehicles	-	5	5
Plant & Equipment	41	25	66
Office Furniture and Equipment	-	78	78
	27,801	190	27,991

Current Liabilities

Trade Creditors	38	14	52
Current Portion of Term Loans	-	-	-
	<u>38</u>	<u>14</u>	<u>52</u>

Non Current Liabilities

Term Loans	<u>7,000</u>	<u>-</u>	<u>7,000</u>
Net Assets contributed by the Joint Venture	<u>20,858</u>	<u>540</u>	<u>21,398</u>

NOTE 22: TRADE AND OTHER PAYABLES

Creditors and other payables are recorded at their face value.

CONTRACT RETENTIONS

Certain contracts entitle Council to retain amounts to ensure the performance of contract obligations. These retentions are recognised as a liability and are then used to remedy contract performance or paid to the contractor at the end of the retention period.

2015/16 Note 22	2016/17
\$(000's) TRADE AND OTHER PAYABLE	\$(000's)
4,349 Trade creditors	6,578
5,541 Sundry accruals	3,713
1,181 Sundry deposits	1,290
1,219 Other	1,460
<u>12,290</u>	<u>13,041</u>
Comprising:	
12,290 Current	13,041
- Non-current	-
<u>12,290</u> Total trade and other payables	<u>13,041</u>

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

TDC gained resource consents in 1989 to operate Eves Valley and Murchison Landfills. TDC has a responsibility under the resource consents to provide ongoing maintenance and monitoring of the landfills after the site is closed.

The management of the landfills will influence the timing of recognition of some liabilities – for example, the current Eves Valley landfill will operate in two stages. A liability relating to stage two will only be created when this stage is commissioned and when refuse begins to accumulate in this stage.

- The estimated remaining life is 38 years for the Eves Valley landfill. In 2012 the remaining life for Stage Two was reassessed and is now estimated to close in 2017. The provision has been adjusted for the latest estimated capping and monitoring costs.
- Council reassessed the estimated remaining life for the Murchison Landfill in the 2007/2008 financial year. It was decided that it was uneconomic to continue operating the Murchison Landfill and it ceased operations in that financial year. A transfer station was constructed at Murchison.
- Estimates of the life have been made by TDC's engineers based on historical volume information.

The cash outflows for landfill post-closure are expected to occur for 40 years after each site has been decommissioned. The long-term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and using a discount rate of 8% for Murchison (2016: 8%) and 8% for Eves Valley (2016: 8%).

The gross provision before discounting is \$4,565,653. (2016: \$4,620,300)

2015/16 Note 23		2016/17
\$(000's) PROVISIONS		\$(000's)
Term		Term
1,204	Opening Balance	1,680
527	Change in provision	(55)
(51)	Unwinding of discount	158
<u>1,680</u>		<u>1,783</u>

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.

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.

Note 24		
EMPLOYEE BENEFIT LIABILITIES		
2015/16		2016/17
\$(000's)		\$(000's)
288	Accrued pay	368
1,197	Annual leave	1,272
354	Retirement gratuities	263
395	Long Service Leave	410
50	Sick leave	50
<u>2,284</u>	Total employee benefit liabilities	<u>2,363</u>
	Comprising:	
1,772	Current	1,893
512	Non-current	470
<u>2,284</u>	Total employee benefit liabilities	<u>2,363</u>

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 has been determined after considering historical salary inflation patterns and after obtaining advice from an independent actuary. A weighted average discount rate of 5.03% (2016: 5.03%) and an inflation factor of 2.75% (2016: 2.75%) 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 the 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.

2015/16 \$(000's)	2015/16 Note 25 \$(000's) BORROWINGS	2016/17 \$(000's)	2016/17 \$(000's)
	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.		
	Term	Term	Current
	133,000	110,000	16,225
	6	3	3
	133,006	110,003	16,228
	Current		
	- Tasman District Council		
	3 Finance Lease		

B. REFINANCING

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

C. INTEREST RATES

Interest rates payable on individual loans range from 2.95% to 5.528% with a weighted average cost of borrowings, including swap rates and bank commitment fees of 5.349% (2016: 2.9425% to 5.528% with a weighted average of 5.237%).

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

D. REPAYABLE PERIOD OF LOANS

TDC 2015/16 \$(000's)	d) Repayable Period of Loans	TDC 2016/17 \$(000's)
-	Repayable: - Within 1 year	16,225
16,000	Within 1-2 years	34,000
92,000	Within 2-5 years	51,000
25,000	5+ years	25,000
133,000	Non Current Portion	110,000
133,000	Total Loans	126,225

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 two LGFA loans maturing on 15 December 2017 totalling \$16 million and, as such the full \$16 million drawn is classified as a current liability. This is despite an expectation that these loans will be refinanced and extended within the 12 month period.

E. FINANCE LEASES

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred. At the commencement of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments. The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability. The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether the Council will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

2015/16 e) Finance Lease \$(000's)	2016/17 \$(000's)
3	3
6	3
-	0
<u>6</u>	<u>3</u>
<u>9</u>	<u>6</u>
9 Total Finance Leases	6

INTERNAL BORROWINGS

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

Group of Activity 2017	<u>Internal Loans</u>			
	Opening Balance \$(000's)	Loans Raised \$(000's)	Loans Repaid \$(000's)	Closing Balance \$(000's)
Environmental Management	1,036	-	139	897
Public Health and Safety	460	7	90	377
Transportation, Roading and Footpaths	34,009	3,769	3,051	34,727
Coastal Structures	1,345	-	479	866
Solid Waste	6,403	993	722	6,674
Wastewater	28,187	3,125	5,440	25,872
Stormwater	14,485	3,029	1,970	15,544
Flood Protection and River Control Works	367	-	93	274
Water	28,657	5,837	4,343	30,151
Community Relations	1,717	23	152	1,588
Community Facilities and Parks	25,675	3,305	3,032	25,948
Council Enterprises	7,136	47	522	6,661
Governance	-	-	-	-
Total Internal Loans	149,477	20,135	20,033	149,579

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

Group of Activity 2016	<u>Internal Loans</u>			
	Opening Balance \$(000's)	Loans Raised \$(000's)	Loans Repaid \$(000's)	Closing Balance \$(000's)
Environmental Management	1,848	-	812	1,036
Public Health and Safety	193	292	25	460
Roading and Footpaths	35,660	1,825	3,476	34,009
Coastal Assets	4,859	61	3,575	1,345
Solid Waste	6,909	199	705	6,403
Wastewater and Sewage Control	31,041	3,967	6,821	28,187
Stormwater	14,671	1,285	1,471	14,485
Flood Protection and River Control Works	597	-	230	367
Water	30,981	2,460	4,784	28,657
Community Relations	1,869	-	152	1,717
Community Facilities and Parks	25,279	2,720	2,324	25,675
Council Enterprises and Property	5,090	2,529	483	7,136
Governance	-	-	-	-
Total Internal Loans	158,997	15,338	24,858	149,477

NOTE 26: REVALUATION RESERVE

ASSET REVALUATION RESERVE

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

2015/16 \$(000's)	Note 26 REVALUATION RESERVE	Inc (Dec) \$(000's)	Impairment Adjustment \$(000's)	2016/17 \$(000's)
47,991	Port Nelson Limited	11,599	-	59,590
11,921	Nelson Regional Sewerage Business Unit	3,653	-	15,574
21,463	Nelson Airport Limited	(2,441)	-	19,022
1,823	NZ Local Government Shares	820	-	2,643
2,220	Tasman Bay Heritage Trust	-	-	2,220
76,133	Land	-	-	76,133
33,429	Buildings	-	340	33,769
353,507	Roads	37,081	-	390,588
151	Aerodromes	451	-	602
26,190	Rivers	9,080	-	35,270
0	Coastal Structures and Ports	1,778	-	1,778
1,893	Refuse	(750)	-	1,143
44,621	Wastewater	(934)	-	43,687
71,445	Stormwater	(1,455)	-	69,990
42,843	Water	(3,693)	-	39,150
735,630		55,189	340	791,159

2014/15 \$(000's)	Note 26 REVALUATION RESERVE	Inc (Dec) \$(000's)	Transfer to Accumulated Equity \$(000's)	2015/16 \$(000's)
48,252	Port Nelson Limited	(261)	-	47,991
11,493	Nelson Regional Sewerage Business Unit	428	-	11,921
3,001	Nelson Airport Limited	18,462	-	21,463
768	NZ Local Government Shares	1,055	-	1,823
2,235	Tasman Bay Heritage Trust	(15)	-	2,220
70,770	Land	6,952	(1,589)	76,133
20,564	Buildings	12,787	78	33,429
353,507	Roads	-	-	353,507
151	Aerodromes	-	-	151
26,190	Rivers	-	-	26,190
4,999	Coastal Structures and Ports	(4,999)	-	-
1,893	Refuse	-	-	1,893
44,621	Wastewater	-	-	44,621
71,445	Stormwater	-	-	71,445
42,843	Water	-	-	42,843
702,732		34,409	(1,511)	735,630

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.

2015/16 Note 27	2016/17
\$(000's) ACCUMULATED EQUITY	\$(000's)
535,173 Opening balance	554,438
15,874 Surplus	32,866
1,020 Net Transfers to Reserves	(653)
1,511 Revaluation reserve on disposal of property	-
- Equity Restatement	95
860 Reversal of deferred tax on asset revaluations	-
<u>554,438</u>	<u>586,746</u>

NOTE 28: RESTRICTED AND COUNCIL CREATED RESERVES

Restricted reserves are those reserves subject to specific conditions accepted as binding by the Council and which may not be revised by the Council without reference to the Courts or third party. Council created reserves are reserves established by Council decision. The Council may alter them without reference to any third party or the Courts.

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

2015/16 Note 28		2016/17
\$(000's) RESERVE FUNDS		\$(000's)
18,467	Opening balance	17,447
	Transfers to:	
(1,020)	Net Transfers to Reserves	653
<u>17,447</u>	Closing Balance	<u>18,100</u>
Restricted Funds consist of		
<u>17,447</u>	Other funds	<u>18,100</u>
<u>17,447</u>		<u>18,100</u>

Other funds consist of funds relating to donations and bequeaths provided to Council by various people for specific projects, along with funds relating to general disaster funds and funds set aside for specific purposes in the future.

RESERVE REPORTING

Reserve Reporting	Activity to which the fund relates	Opening Balance 1 July 2016 (000's)	Transfer into fund (000's)	Transfers out of fund (000's)	Closing Balance 30 June 2017 (000's)
Reserve Financial Contributions Reserve	Community Facilities & Parks	5,196	1,695	(1,163)	5,728
Rivers Disaster Fund	Rivers & Flood Protection	1,000	109	-	1,109
Rivers Reserve	Rivers & Flood Protection	1,260	3,391	(3,550)	1,101
Water Reserve	Water	1,638	16,667	(17,706)	599
Wastewater Reserve	Wastewater	2,144	15,772	(16,733)	1,183
Self Insurance Fund	Overall Council	992	32	-	1,024
Stormwater Reserve	Stormwater	1,166	8,241	(8,807)	600
Solid Waste Reserve	Solid Waste	475	10,256	(9,728)	1,003
Dog Control Reserve	Public Health & Safety	54	464	(485)	33
Community Facilities Rate Reserve	Community Facilities & Parks	1,014	7,532	(8,090)	456
Camping Ground Reserve	Council Enterprises & Property	25	991	(956)	60
Community Housing Reserve	Community Facilities & Parks	141	723	(683)	181
Development Contribution Reserve	Roading & Footpaths, Water, Wastewater, Stormwater	(536)	3,880	(1,700)	1,644
General Disaster Fund	Governance	2,878	501	-	3,379
TOTAL		17,447	70,254	(69,601)	18,100

Reserve Reporting	Activity to which the fund relates	Opening Balance 1 July 2015 (000's)	Transfer into fund (000's)	Transfers out of fund (000's)	Closing Balance 30 June 2016 (000's)
Reserve Financial Contributions Reserve	Community Facilities & Parks	5,215	1,689	(1,708)	5,196
Rivers Disaster Fund	Rivers & Flood Protection	745	1,129	(874)	1,000
Rivers Reserve	Rivers & Flood Protection	730	2,305	(1,775)	1,260
Water Reserve	Water	2,859	13,024	(14,245)	1,638
Wastewater Reserve	Wastewater	5,496	11,001	(14,353)	2,144
Self Insurance Fund	Overall Council	961	31		992
Stormwater Reserve	Stormwater	814	6,382	(6,030)	1,166
Solid Waste Reserve	Solid Waste	1,284	8,592	(9,401)	475
Dog Control Reserve	Public Health & Safety	25	425	(396)	54
Community Facilities Rate Reserve	Community Facilities & Parks	552	6,317	(5,855)	1,014
Camping Ground Reserve	Council Enterprises & Property	(54)	2,675	(2,596)	25
Community Housing Reserve	Community Facilities & Parks	174	684	(717)	141
Development Contribution Reserve	Roading & Footpaths, Water, Wastewater, Stormwater	(2,126)	3,132	(1,542)	(536)
General Disaster Fund	Governance	1,792	1,086	-	2,878
TOTAL		18,467	58,472	(59,492)	17,447

DOG CONTROL RESERVE

The dog control reserve is used to separate all funding and expenditure for the dog control activity.

DEVELOPMENT CONTRIBUTION RESERVE

It is Tasman District Council's intention that developers should bear the cost of the increased demand that development places on the District's infrastructure. Population growth in the District places a strain on network and community infrastructure. That infrastructure will need to expand and be further developed in order to cope with the demands of population growth. This includes additional demand on services such as roading, water supply, wastewater and stormwater management. All development contributions must be separately accountable and the Council keeps development contributions received in four separate accounts; roading, wastewater, stormwater and water. Strict criteria apply to the use of these funds.

WATER RESERVE

The water reserve is used to separate all funding and expenditure for the water activity, excluding development contributions revenue and projects. Each year Council sets the proposed revenue, expenditure and funding budgets for this activity. Variations from these budgets, as a result of timing of projects and/or unplanned expenditure are recorded in the water reserve to keep any surpluses/deficits separate from other activities.

WASTEWATER RESERVE

The wastewater reserve is used to separate all funding and expenditure for the wastewater activity, excluding development contributions revenue and projects. Each year Council sets the proposed revenue, expenditure and funding budgets for this activity. Variations from these budgets, as a result of timing of projects and/or unplanned expenditure are recorded in the wastewater reserve to keep any surpluses/deficits separate from other activities.

STORMWATER RESERVE

The stormwater reserve is used to separate all funding and expenditure for the stormwater activity, excluding development contributions revenue and projects. Each year Council sets the revenue, expenditure and funding budgets for this activity. Any variations from these budgets for example as a result of timing of projects or unplanned expenditure are recorded in the stormwater reserve to keep any surpluses/deficits separate from other activities.

SOLID WASTE RESERVE

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

RIVERS DISASTER FUND

The rivers disaster fund (The Classified Rivers Protection Fund) covers the excess for river protection assets insured under the Local Authority Protection Programme (LAPP).

RIVERS RESERVE

The rivers reserve is used to enable separate accounting for the funding and expenditure for the rivers activity. Each year Council sets the revenue, expenditure and funding budgets. Variations from these budgets, as a result of timing of projects or unplanned expenditure are recorded in the rivers fund to keep any surpluses/deficits separate from other activities.

RESERVE FINANCIAL CONTRIBUTIONS RESERVE

Reserve financial contributions are paid as a percentage of the land value of new allotments, and are applied to the acquisition and development of land for reserves, and to the development and upgrading of community services. All reserve financial contributions must be separately accountable and the Council keeps reserve financial contributions received in four separate accounts (Golden Bay ward, Motueka ward, Moutere/Waimea/Lakes/Murchison wards, 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.

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

2015/16 Note 29	2016/17
\$(000's) Cash Flow Reconciliation	\$(000's)
16,734 Operating (Surplus)/Deficit	32,866
<i>Add Non Cash Items:</i>	
22,259 Depreciation	23,929
461 Share of associate	(3,910)
(7,895) Vested assets	(4,897)
651 Unrealised Loss/(Gain) on investment property	(80)
(6,059) Revaluation of forestry assets	(2,613)
9,817 Unrealised Loss/(Gain) on Interest Rate Derivatives	(6,480)
(37) Unwinding of IFRS discounts	(34)
<i>Movements in Working Capital Items:</i>	
2,163 Accounts receivable	(1,057)
(1,386) Accounts payable	1,098
<i>Other</i>	
476 Movement in Term Provisions	103
351 Gain (loss) on sale included in Investing Activities	(97)
78 Movement in fixed asset related payables	(720)
(20) Movement in Term Employee entitlements	(42)
(363) Net GST	123
(5) Associates Equity Adjustment	(309)
976 Revaluation loss exceed revaluation reserve	-
38,201 Net Cash In(Out)flow From Operating Activities	37,880

NOTE 30: RELATED PARTY TRANSACTIONS

2015/2016 \$'000	NOTE 30 RELATED PARTY TRANSACTIONS	2016/2017 \$'000
A) PORT NELSON LIMITED		
i) Received from:		
2,400	Share of dividends	3,250
1,650	ii) Accounts receivable	2,500
B) TASMAN BAYS HERITAGE TRUST		
i) Paid to:		
834	Operational funding	835
654	ii) Loan funding	623
C) NELSON AIRPORT LIMITED		
i) Received from:		
300	Share of dividends	360
–	ii) Accounts receivable	–

The loan from Council to Tasman Bays Heritage Trust is at a nil interest rate (2016: Nil). The fair value balance on the loan at year end is \$583,000 (2016: \$654,000). The loan has a face value of \$925,000 (2016: \$1,025,000).

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 (2016 \$nil).

KEY MANAGEMENT PERSONNEL

During the year Councillors and key management, as part of a normal customer relationship, were involved in minor transactions with Council (such as rates, purchase of rubbish bags etc.).

Key management personnel include the Mayor, Councillors, Chief Executive, and Management Team.

	2017 \$000	2016 \$000
<u>Councillors</u>		
Remuneration	690	681
Full-time equivalent members	14	14
<u>Senior Management Team, including the Chief Executive</u>		
Remuneration	1,089	1,122
Full-time equivalent members	4.8	5
Total key management personnel remuneration	1,779	1,803
Total full-time equivalent members	19	19

Due to the difficulty in determining the full-time equivalent for Councillors, the full-time equivalent figure is taken as the number of Councillors.

NOTE 31: SEVERANCE

In accordance with Schedule 10, Part 3, Clause 19, Local Government Act 2002, Council declares that there has been two individual severance payments made to employees during this financial year of \$2,413 and \$22,910. (2016: two individual severance payment of \$4,500 and \$14,499).

NOTE 32: REMUNERATION

CHIEF EXECUTIVE

The Chief Executive of Tasman District Council, appointed under Section 42 of the Local Government Act 2002, received total remuneration of \$310,862 during the year ending 30 June 2017 (2016: 308,236).

COUNCIL EMPLOYEES – HEAD COUNT

Council Employees - Head Count	2017	2016
Total annual remuneration by band for employees as at 30 June		
< \$60,000	100	104
\$60,000 - \$79,999	76	73
\$80,000 - \$99,999	51	59
\$100,000 - \$119,999	29	18
\$120,000 - \$139,999	14	8
\$140,000 - \$319,999	9	7
Total employees	<u>279</u>	<u>269</u>

Total remuneration includes non-financial benefits provided to employees.

At balance date, the Council employed 214 (2016: 220) full time employees, with the balance of staff representing 41 full time equivalents employees (2016: 34 full time equivalents). A full-time employee is determined on the basis of a 40-hour working week.

NOTE 33: FINANCIAL INSTRUMENTS

FINANCIAL INSTRUMENTS RISKS

Council is party to financial instrument arrangements as part of its every day operations. The Council is risk averse and seeks to minimise exposure arising from its treasury activities. The Council has established a Treasury Policy specifying what transactions can be entered into. These financial instruments include bank balances, accounts receivable, accounts payable, loans, guarantees and investments.

A) Credit Risk

Credit risk is the risk that a third party will default on its obligation to Council, causing Council to incur a loss. Due to the timing of its cash inflows and outflows, the Council invests surplus cash into term deposits which gives rise to credit risk.

Council's Treasury Management policy limits the amount of credit exposure to any one financial institution or organisation. Council only invests funds with registered banks that have a Standard and Poor's credit rating of at least A+ for short term and AA- for long-term investments, or building societies.

Financial instruments which are potentially subject to credit risk consist of cash, bank balances, accounts receivable and short term deposits.

The credit quality of financial assets:

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit ratings (if available) or to historical information about counterparty default rates:

2015/16		2016/17
\$(000's)		\$(000's)
COUNTERPARTIES WITH CREDIT RATINGS		
Cash and cash equivalents		
3,221	AA-	2,243
<u>3,221</u>	Total cash and cash equivalents	<u>2,243</u>
Other financial assets held to maturity		
1,235	AA-	1,235
<u>1,235</u>	Total financial assets held to maturity	<u>1,235</u>
Derivative financial liabilities		
(17,946)	AA-	(11,466)
<u>(17,946)</u>	Total derivative financial liabilities	<u>(11,466)</u>

COUNTERPARTIES WITHOUT CREDIT RATINGS**Community loans**

457	Existing counterparty with no defaults in the past	407
-	Existing counterparty with defaults in the past	-
<u>457</u>	<u>Total Community loans</u>	<u>407</u>

Loans to related parties

654	Existing counterparty with no defaults in the past	583
-	Existing counterparty with defaults in the past	-
<u>654</u>	<u>Total Loans to related parties</u>	<u>583</u>

Unlisted shares

5,340	Existing counterparty with no defaults in the past	6,199
-	Existing counterparty with defaults in the past	-
<u>5,340</u>	<u>Total unlisted shares</u>	<u>6,199</u>

Debtors and other receivables mainly arise from Council's statutory functions, therefore there are no procedures in place to monitor or report the credit quality of debtors and other receivables with reference to internal or external credit ratings. Council has no significant concentrations of credit risk in relation to debtors and other receivables, as it has a large number of credit customers, mainly ratepayers, and Council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

Council is exposed to credit risk as a guarantor of all of the NZ LGFA's borrowings.

B) Cash Flow Interest Rate Risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings and investments issued at variable interest rates expose Council to cash flow interest rate risk.

Council raises some borrowings at floating rates and swaps them into fixed rates using interest rate swaps in order to manage the cash flow interest rate risk. Such interest rate swaps have the economic effect of converting borrowings at floating rates into fixed rates that are generally lower than those available if Council borrowed at fixed rates directly. Under the interest rate swaps, Council agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional principal amounts.

C) Financial Guarantees

Council has guarantees to various organisations which may subject it to credit risk. Maximum exposure to credit risk at balance date was \$20,000 as detailed in the Statement of Contingent Liabilities (2016: \$20,000).

It is not practical to estimate the fair value of the financial guarantees with an acceptable level of reliability.

D) Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. Council is exposed to equity securities price risk on its investments, which are classified as financial assets held at fair value through comprehensive revenue and expense.

E) Liquidity Risk

Liquidity risk is the risk that Council will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Council aims to maintain flexibility in funding by keeping committed credit lines available.

Council manages its borrowings in accordance with its funding and financial policies, which include a Treasury Management policy. These policies have been adopted as part of the Council's Long Term Plan.

Council has a maximum amount that can be drawn down against its overdraft facility of \$100,000 (2016: \$300,000). There are no restrictions on the use of this facility.

Council has an undrawn loan facility of \$12 million with Westpac, and \$24 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 EQUIPMENT

The Council's capital is its equity (or ratepayers' funds), which comprise retained earnings and reserves. Equity is represented by net assets.

The Local Government Act 2002 (the Act) requires the Council to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayers' funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets and not expecting them to meet the full cost of long term assets that will benefit ratepayers in future generations. Additionally, the Council has in place asset/activity management plans for major classes of assets detailing renewal and maintenance programmes, to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires the Council to make adequate and effective provision in its Long Term Plan (LTP) and in its Annual Plan (where applicable) to meet the expenditure needs identified in those plans. The Act sets out the factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in the Council's LTP.

Council has the following Council created reserves:

- Reserves for different areas of benefit;
- Self-insurance reserves; and
- Trust and bequest reserves.

Reserves for different areas of benefit are used where there is a discrete set of rate or levy payers as distinct from the general rate. Any surplus or deficit relating to these separate areas of benefit is applied to the specific reserves.

Self-insurance reserves are built up annually from general rates and are made available for specific unforeseen events. The release of these funds generally can only be approved by Council.

Trust and bequest reserves are set up where Council has been donated funds that are restricted for particular purposes. Interest is added to trust and bequest reserves where applicable and deductions are made where funds have been used for the purpose they were donated.

NOTE 35: URBAN PORTIONS OF THE STATE HIGHWAY NETWORK

The ownership of urban portions of the state highway network is unclear, although there is legal opinion indicating that the ownership rests with local authorities. New Zealand Transport Agency maintains these highways in their entirety without any costs accruing to local authorities.

As a consequence, even if ownership resides with local authorities, in practice, New Zealand Transport Agency controls the economic resources. Pending clarification of ownership and further consideration of the accounting issues which may arise, Tasman District Council has not recognised the urban portion of the state highway network as an asset in these financial statements. The estimated distance of highway involved is 16.7 kilometres.

NOTE 36: SIGNIFICANT VARIANCES COMPARED TO THE ANNUAL PLAN

The Council made a net surplus of \$32.866 million (budgeted surplus of \$6.825 million). Explanations for major variations from the budget are as follows:

Revenue and expenditure	\$(000's)
2016/2017 Annual Plan surplus	6,825
<i>Increases/(reductions)</i>	
Fair value movement on revaluation	8,514
Share of Associates	7,520
Other revenue	1,811
Fees and charges	1,919
Other increases in revenue	(1,371)
Revenue and expenditure of joint venture	(1,529)
Finance costs	2,349
Depreciation	2,530
Other Expense variance	4,298
	<u>26,041</u>
2017 Annual Report Surplus	<u>32,866</u>

The major reasons for the variance between actual and estimated net surplus were:

Fair value movement is up on budget by \$8.5 million mainly due to the inherent difficulties in forecasting market conditions.

Share of associate's income is up of budget due to the outstanding results achieved by Council's associates.

Share of joint venture revenue and expenditure is down on budget after the elimination of intercompany transactions.

Finance costs are down on budget due to market conditions, more active treasury management and a decrease in loans raised due to the capital works programme being behind budget.

Depreciation expense is down on budget due to capital work on major projects being delayed.

Explanations for major variations from the budget are as follows:

Statement of Financial Position	Actual \$(000's)	Annual Plan \$(000's)	Variance \$(000's)
The carrying values of the following items vary significantly from those forecast in the Annual Plan			
Cash and cash equivalents	2,243	7,364	(5,121)
Derivative Financial Instruments	(818)	(53)	(765)
Forestry Assets	35,461	21,227	14,234
Property, Plant And Equipment	1,360,810	1,368,139	(7,329)
Investments In Associates	123,310	92,212	31,098
Term Borrowings	(110,003)	(159,259)	49,256
Revaluation Reserves	(791,159)	(750,525)	(40,634)
Accumulated Equity	(586,746)	(543,522)	(43,224)

The major reasons for the variance between actual and estimated Statement of Financial Position values were:

- Cash and cash equivalents is up on budget due to the timing of cashflows at year end.
- Term borrowings and property, plant and equipment are down on budget due to capital work on major projects being delayed.
- Forestry assets are higher than budget due to the forestry revaluation gain being higher than budgeted due to the inherent difficulties in forecasting market conditions.
- Current portion of Derivative Financial Instruments are lower than budget due to Council leaving their interest rate swaps to expire rather than extending the term.
- Accumulated equity is higher than budgeted due to the surplus for the year and revaluation of infrastructure assets being higher than expected.

NOTE 37: EVENTS OCCURRING AFTER BALANCE DATE

No significant events have occurred since balance date that affect these financial statements.

In the Annual Plan 2016/17 Council consulted on and adopted a proposal for a joint venture landfill model with Nelson City Council (NCC), with each council having a 50% share and TDC paying NCC \$4.2 million on 1 July 2017 reflecting the higher value of the York Valley landfill compared to Eves Valley. The regional landfill will be managed based on the Terms of Reference for the Nelson Tasman Regional Landfill Business Unit as a Joint Committee of Tasman District and Nelson City Councils.

NOTE 38: ELECTED REPRESENTATIVES

In accordance with Schedule 10, Part 3, section 32 of the Local Government Act 2002, the total remuneration and value of other non-financial benefits received by, or payable to the Mayor, and Councillors for the year were as follows:

	SALARY	CONSENT HEARINGS	TOTAL COST	DIRECTOR FEES	TOTAL
	\$	\$	\$	\$	\$
KEMPTHORNE R G	132,378	-	132,378	-	132,378
KING T B	47,470	1,000	48,470	33,576	82,046
BOUILLIR M	9,932	-	9,932	-	9,932
BROWN S	25,949	-	25,949	-	25,949
BRYANT S G	43,819	3,995	47,814	-	47,814
CANTON P L G	41,773	560	42,333	-	42,333
DOWLER B F	10,734	-	10,734	-	10,734
EDGAR J	11,918	-	11,918	18,747	30,665
ENSOR B	9,932	-	9,932	-	9,932
GREENING M J	36,516	-	36,516	-	36,516
HAWKES P	25,949	-	25,949	-	25,949
HIGGINS M J	10,734	-	10,734	-	10,734
INGLIS J L	9,932	-	9,932	-	9,932
MALING K	25,949	-	25,949	-	25,949
MCNAMARA D	25,949	-	25,949	-	25,949
MIRFIN Z	9,932	-	9,932	-	9,932
NORRIS T E	11,918	-	11,918	-	11,918
OGILVIE D J	25,949	-	25,949	-	25,949
SANGSTER P	36,516	1,000	37,516	-	37,516
TUFFNELL T	25,949	-	25,949	-	25,949
TURLEY A	25,949	-	25,949	-	25,949
WENSLEY D	25,949	-	25,949	-	25,949
	631,096	6,555	637,651	52,323	689,974

The Mayor R G Kempthorne has full private use of a vehicle to undertaken his civic duties. The Remuneration Authority values this full private use at \$3,181 (2016: \$3,181).

Deputy Mayor T B King is a Director of Port Nelson Limited and received director fees from Port Nelson of \$33,576 during the year (2016: \$33,744).

Councillor J Edgar was appointed as Director of Nelson Airport Limited on 5 December 2013. She received director fees from Nelson Airport Limited of \$18,747 during the year (2016: \$15,895).

NOTE 39: FINANCIAL PERFORMANCE IN RELATION TO REGULATIONS BENCHMARKS

ANNUAL REPORT DISCLOSURE STATEMENT FOR YEAR ENDING 30 JUNE 2016

What is the purpose of this statement?

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

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

RATES AFFORDABILITY BENCHMARK

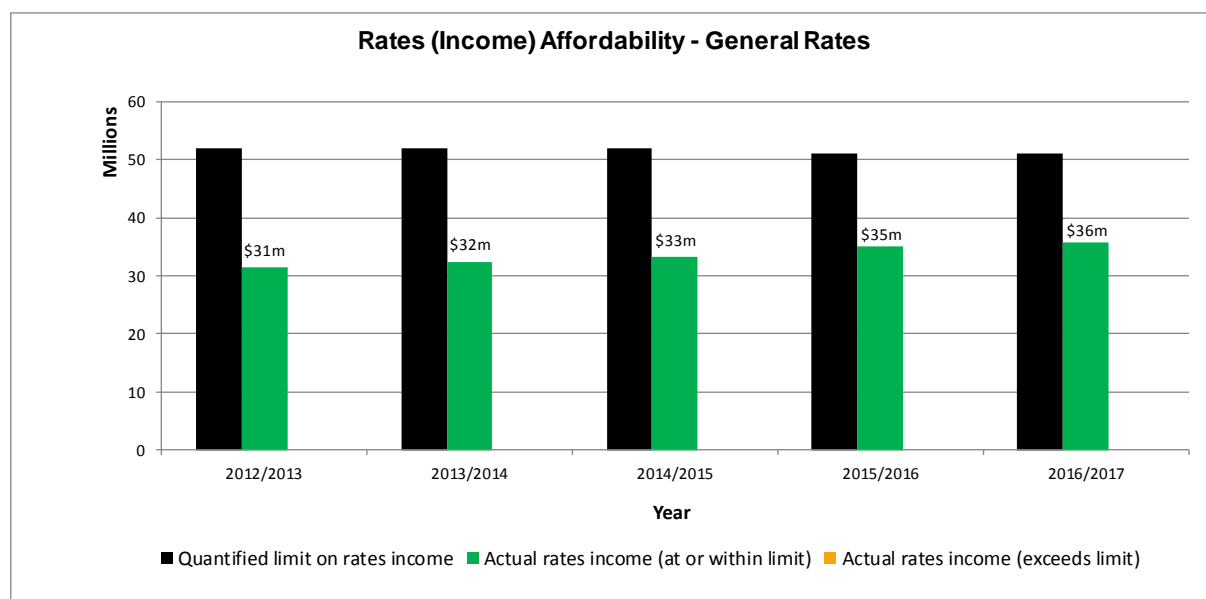
Council meets the rates affordability benchmark if:

- its actual rates revenue equals or is less than each quantified limit on rates; and
- its actual rates increases equal or are less than each quantified limit on rates increases.

Rates (Revenue) Affordability

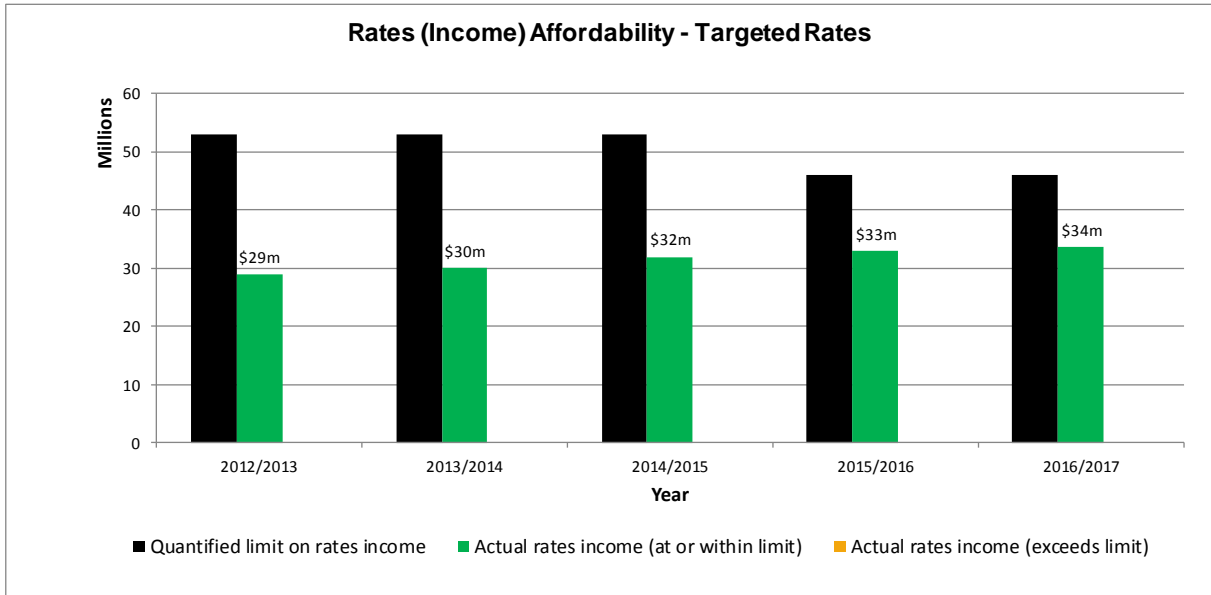
The following graph compares Council's actual general rates revenue with a quantified limit on general rates contained in the financial strategy included in Council's Long Term Plan.

The quantified limit for general rates is \$52 million per annum for each year covered by the Long Term Plan 2012 – 2022 and \$51 million per annum for each year covered by the Long Term Plan 2015 – 2025.



The following graph compares Council’s actual targeted rates revenue with a quantified limit on targeted rates contained in the financial strategy in Council’s Long Term Plan.

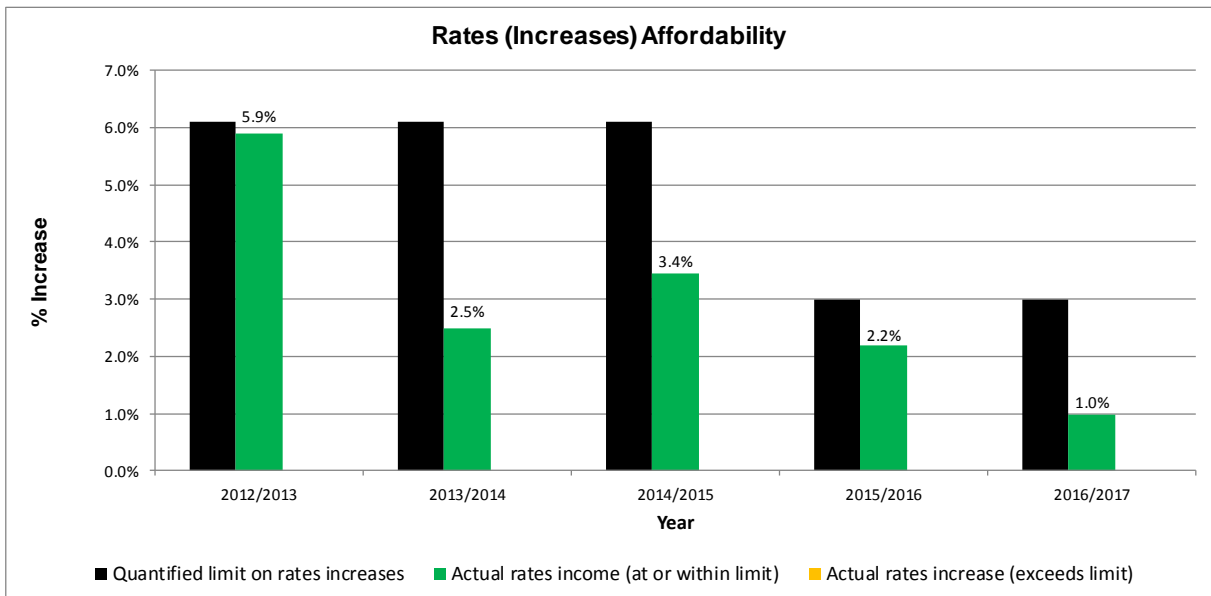
The quantified limit for targeted rates is \$53 million per annum for each year covered by the Long Term Plan 2012 – 2022 and \$46 million per annum for each year covered by the Long Term Plan 2015 – 2025.



Rates (Increases) Affordability

The following Graph compares Council’s actual rate increases with a quantified limit on rates increases contained in the financial strategy in Council’s Long Term Plan.

The quantified limit is 6.10% per annum for all rates for each year covered by the Long Term Plan 2012 – 2022 and 3% excluding growth per annum for each year covered by the Long Term Plan 2015 – 2025.



DEBT AFFORDABILITY BENCHMARK

Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing.

The definitions contained in the regulations differ from those used in Council's financial strategy contained in the Long Term Plan. The main departure between these two documents relates to the definition of net debt in the regulations compared to net external debt in the financial strategy. The quantified limits on borrowings contained in the benchmark graphs were taken from the financial strategy, and as such were formulated in relation to the definition of net external debt. Actual results are reported using both the prescribed definitions contained in the regulations, and the definition intended by the financial strategy, explained below.

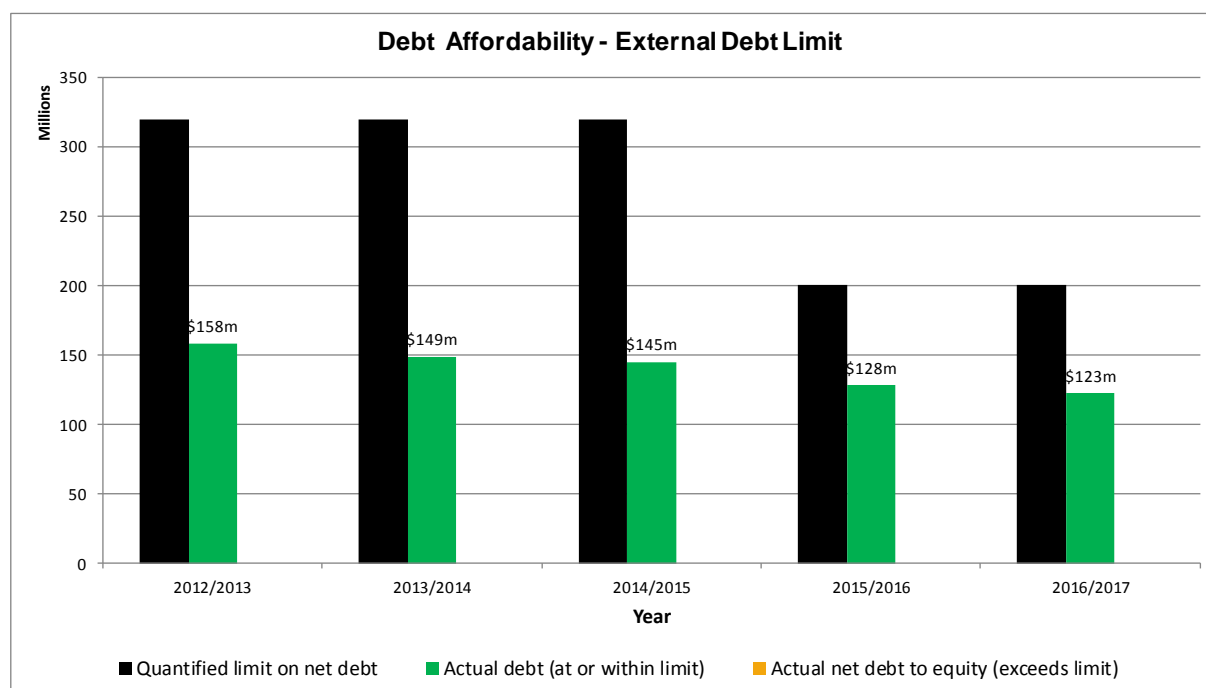
Net external debt is defined in the financial strategy of the Long Term Plan 2015 – 2025 as total external debt less liquid financial assets and investments.

Net debt is defined in the regulations as financial liabilities less financial assets (excluding trade and other receivables). Financial liabilities as defined by GAAP include, gross external debt (aggregate and financial guarantees provided to third parties) plus trade payables and derivative financial instruments (interest rate swaps). Financial assets as defined by GAAP include cash or near cash treasury investments held from time to time, and equity instruments of other entities e.g. investments in CCOs.

External Debt Limit

The following graph compares Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy contained in Council's Long Term Plan.

The quantified limit is gross external debt not to exceed \$320 million per annum for each year covered by the Long Term Plan 2012 – 2022 and net external debt not to exceed \$200 million per annum for each year covered by the Long Term Plan 2015 – 2025.

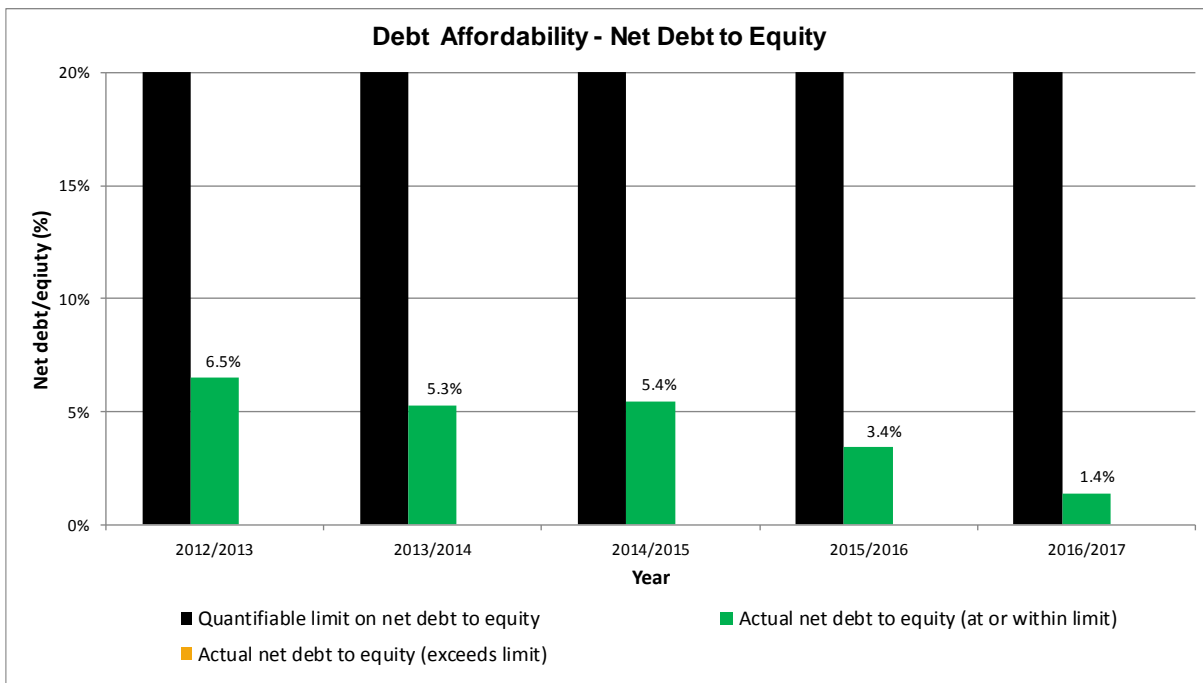


Net Debt to Equity

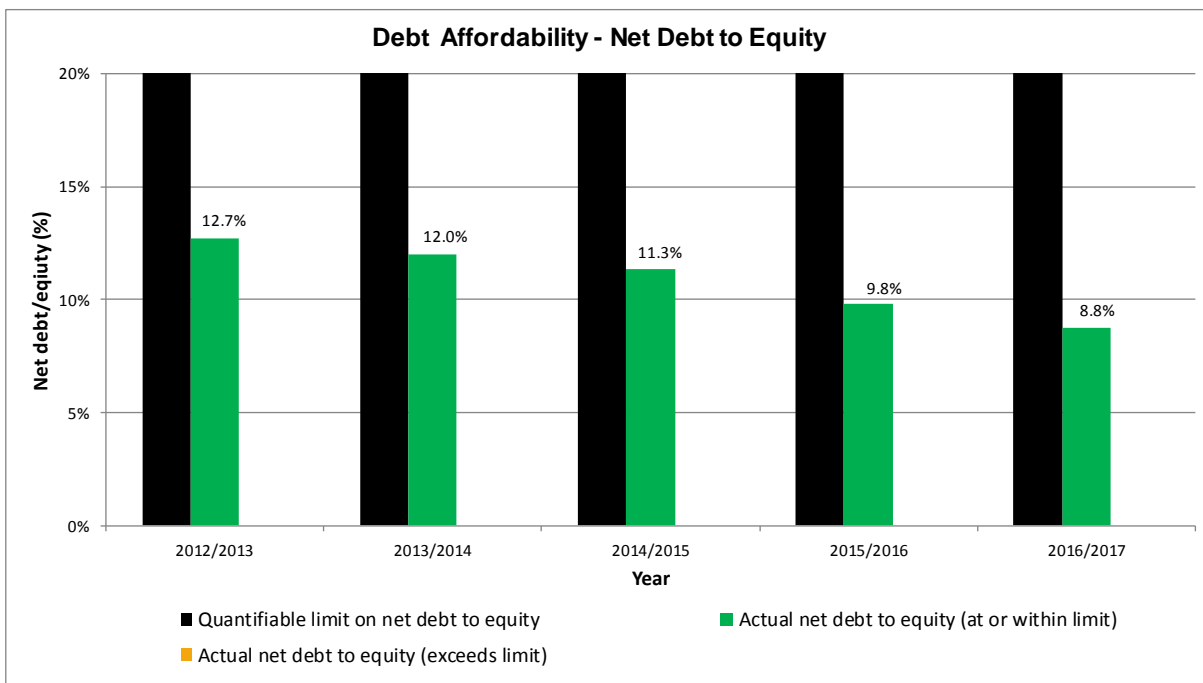
The following graph compares Council's actual net debt with a quantified limit on borrowing stated in the financial strategy contained in Council's Long Term Plan.

The quantified limit is net external debt to not exceed 20% of equity.

The following graph represents the actual results based on the prescribed definitions in the regulations.



The following graph represents the actual results based on the intended definitions contained in the financial strategy.



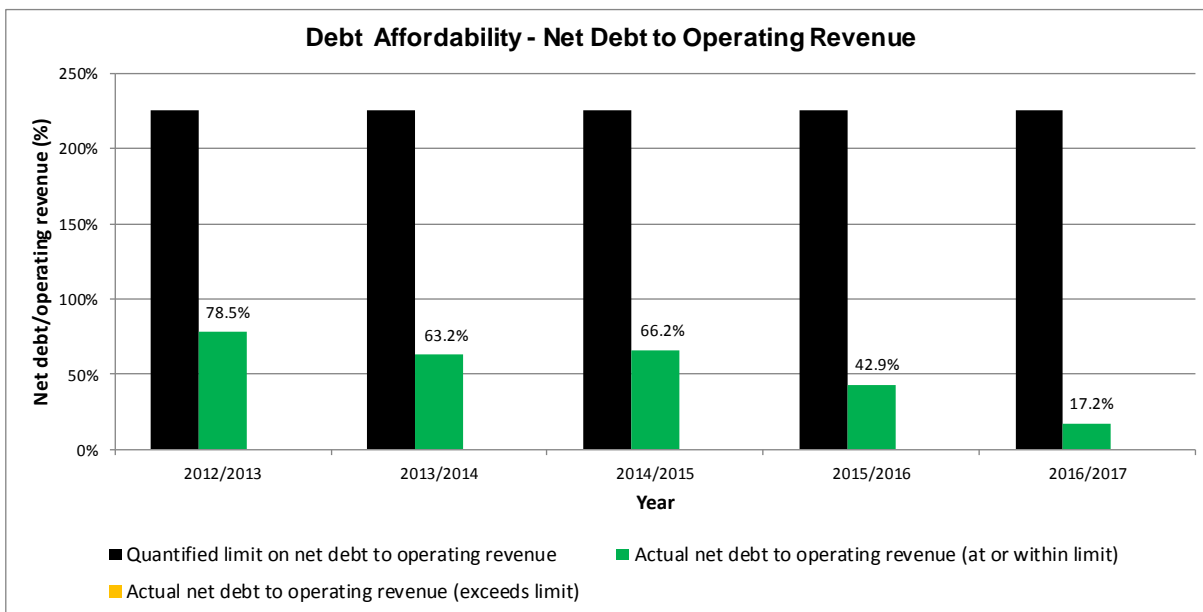
Net Debt to Total Operating Revenue

The following graph compares Council’s actual net debt with a quantified limit on borrowing stated in the financial strategy contained in Council’s Long Term Plan.

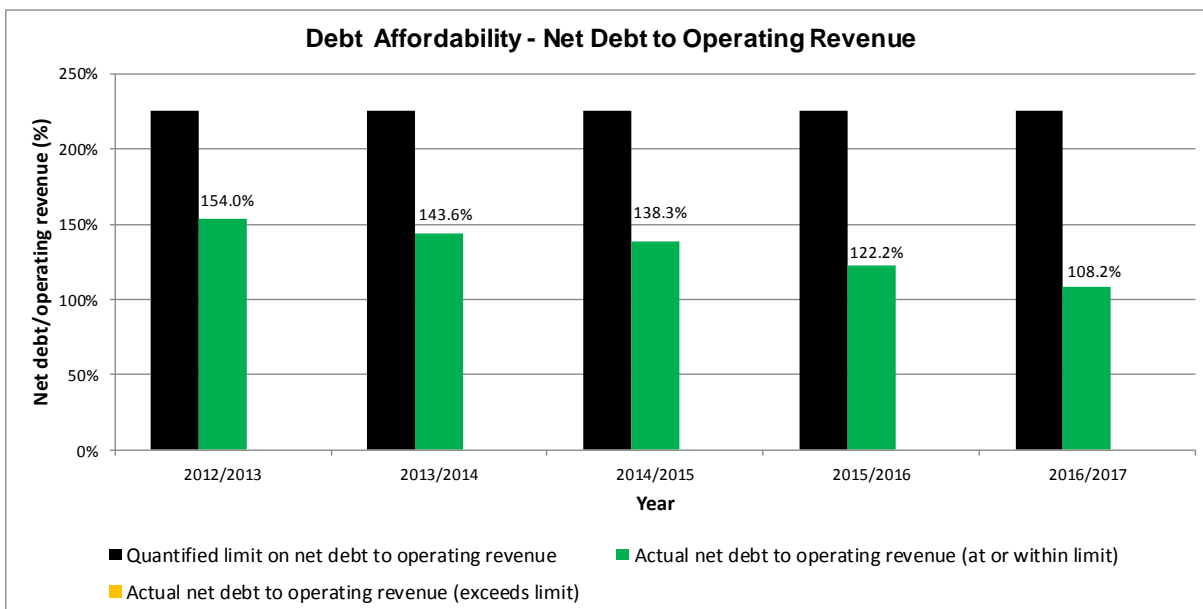
The quantified limit is net external debt to not exceed 225% of total operating revenue.

(Total operating revenue is defined in the financial strategy as earnings from rates, government grants and subsidies, user charges, levies, interest, dividends, financial and other revenue, but excludes non government capital contributions, (e.g. developer contributions and vested assets)).

The following graph represents the actual results based on the prescribed definitions in the regulations.



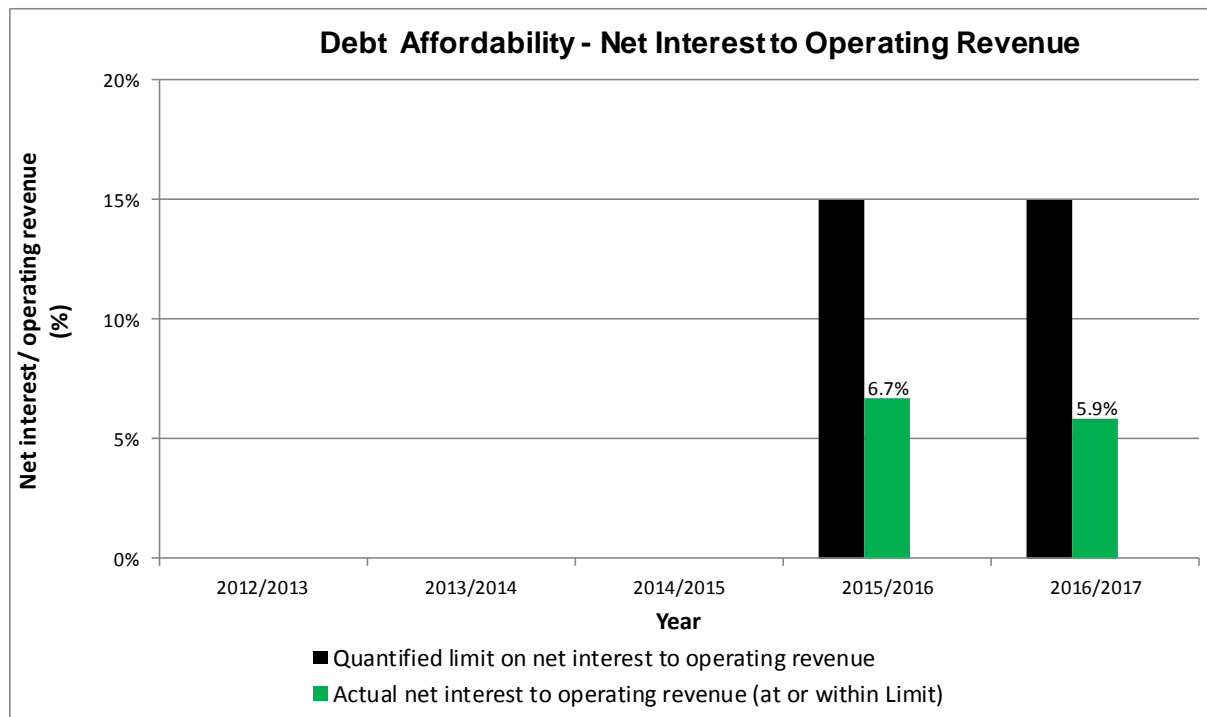
The following graph represents the actual results based on the intended definitions contained in the financial strategy.



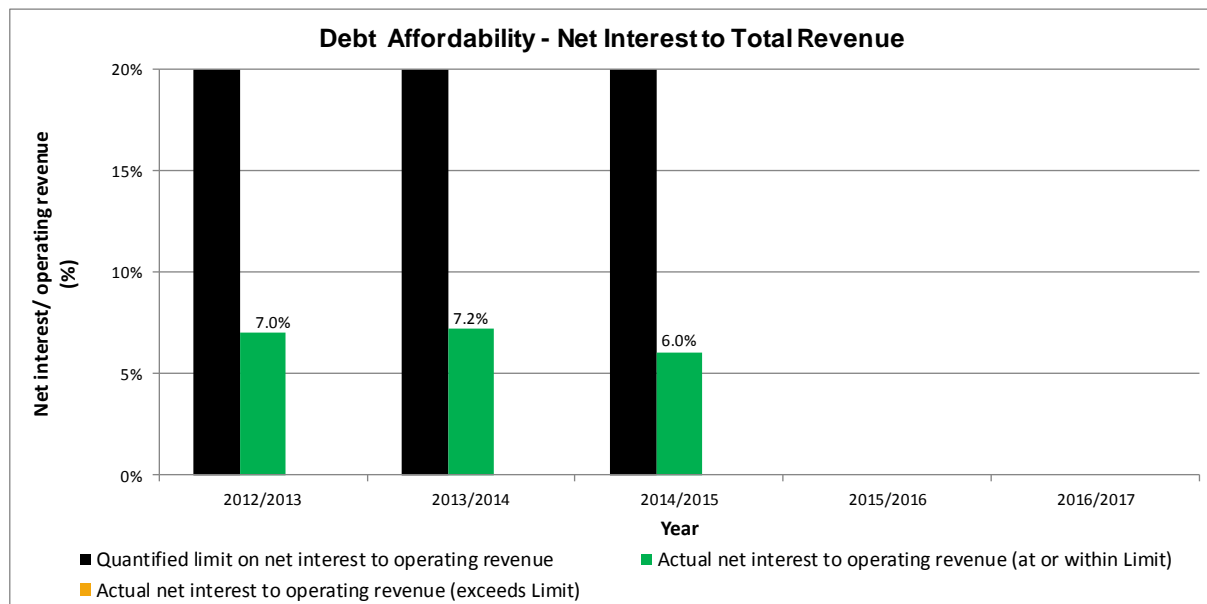
Net Interest to Total Revenue

The following graph compares Council’s actual net interest expense with a quantified limit on borrowing stated in the financial strategy contained in Council’s Long Term Plan.

The quantified limit is net interest on external debt to not exceed 15% of total operating revenue for each year covered by the Long Term Plan 2015 – 2025. This measure replaces the quantified limit contained in the Long Term Plan 2012 – 2022 so has no comparatives.



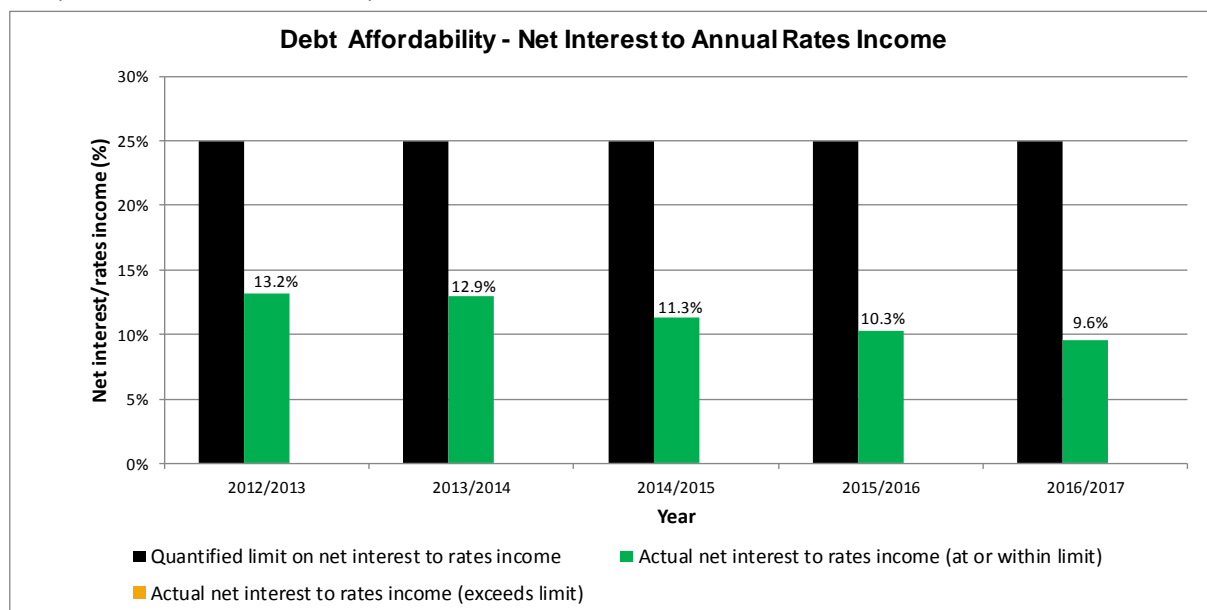
The quantified limit in the Long Term Plan 2012 – 2022 was net interest on net external debt to not exceed 20% of total revenue for each year covered by the Long Term Plan 2012 – 2022.



Net Interest to Total Rates Revenue

The following graph compares Council’s actual net interest expense with a quantified limit on borrowing stated in the financial strategy contained in Council’s Long Term Plan.

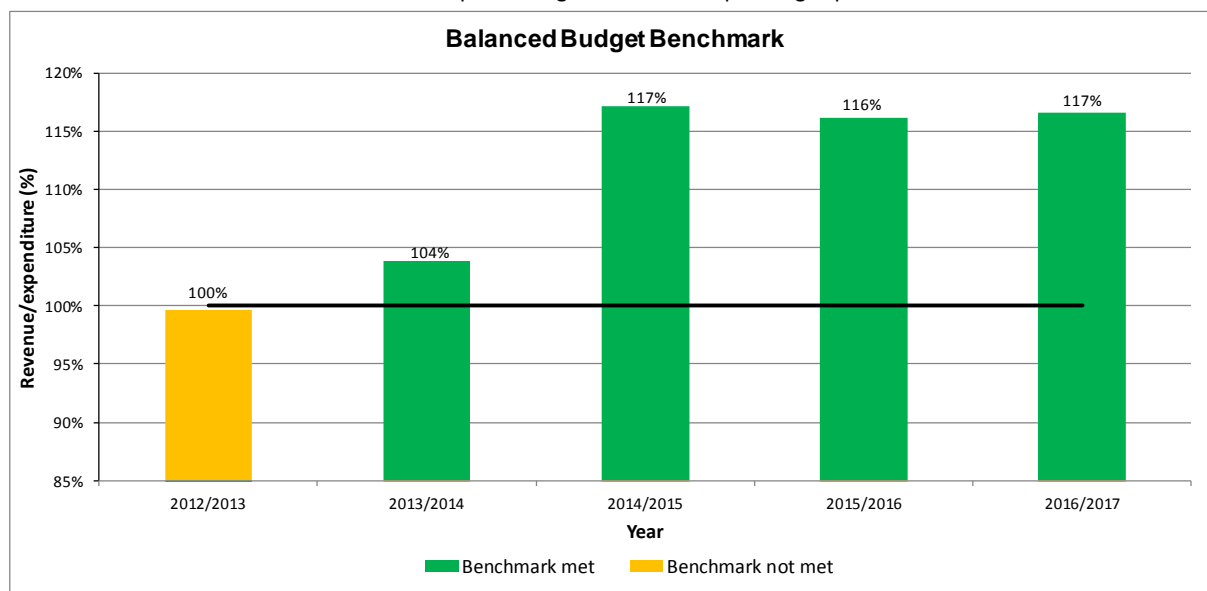
The quantified limit is net interest expense on net external debt to not exceed 25% of annual rates revenue.



BALANCED BUDGET BENCHMARK

The following graph displays Council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

Council meets this benchmark if its revenue equals or is greater than its operating expenses.



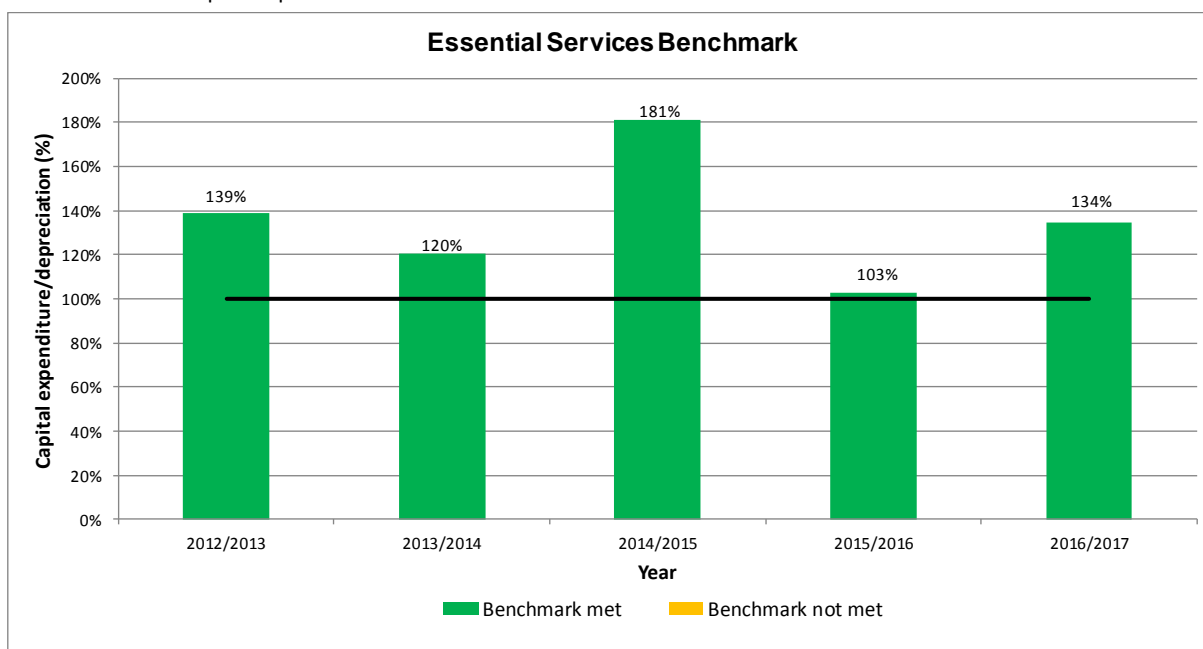
Note: Operating expenses include depreciation. Council decided not to fund depreciation but to fund principal repayments on debt instead, with depreciation being higher than principal repayments. This issue was addressed as part of Council’s Long Term Plan 2015 – 2025 with funding of depreciation being phased in over the ten years covered by the plan.

ESSENTIAL SERVICES BENCHMARK

The following graph displays Council's capital expenditure on network services as a proportion of depreciation on network services.

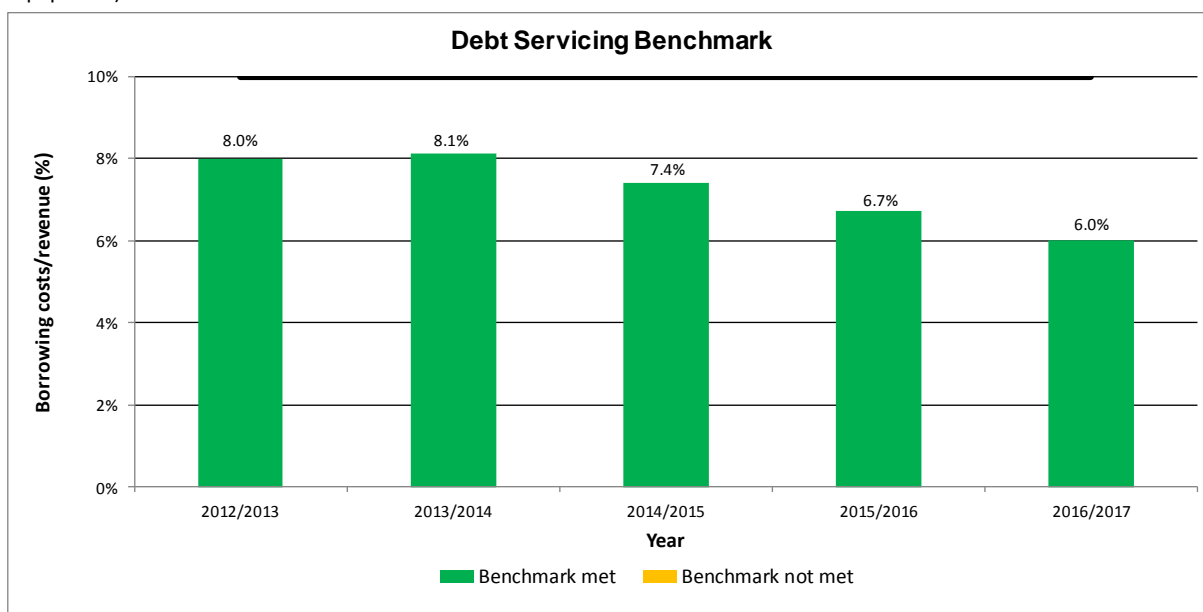
The regulations define network services as infrastructure related to water supply, sewerage and the treatment and disposal of sewage, stormwater drainage, flood protection and control works, and the provision of roads and footpaths. Therefore infrastructure related to solid waste, coastal structures, and aerodromes and fixed assets have been excluded from this benchmark.

Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services. Capital expenditure excludes vested assets.



DEBT SERVICING BENCHMARK

The following graph displays Council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

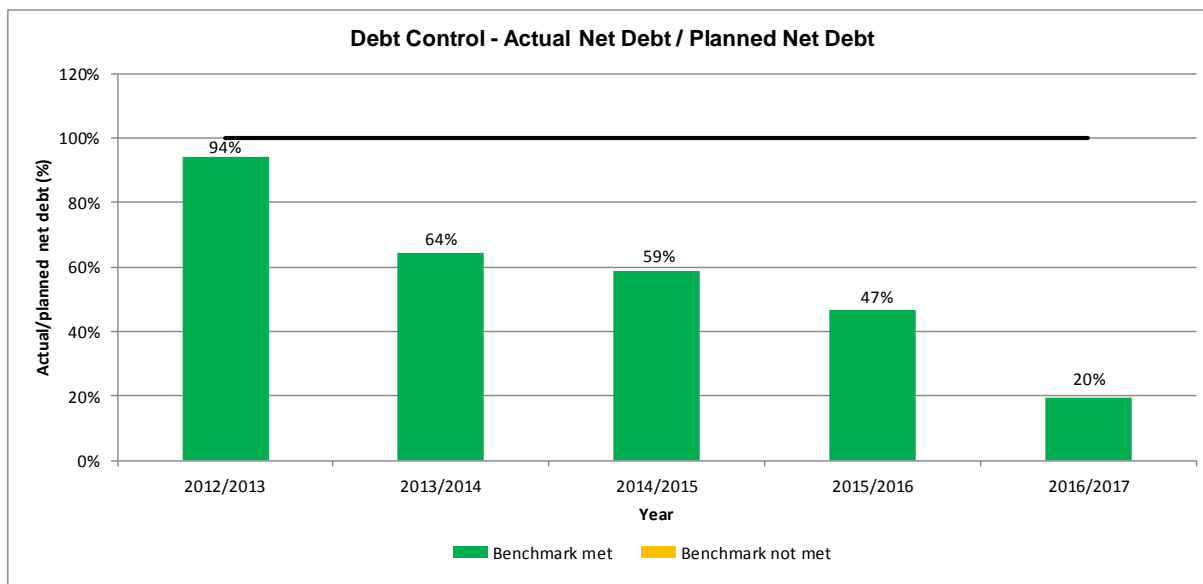


Because Statistics New Zealand projects Council's population will grow faster than the national population growth rate, it meets the debt servicing benchmark if its' borrowing costs equal or are less than 10% of its revenue.

DEBT CONTROL BENCHMARK

The following graph displays Council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables).

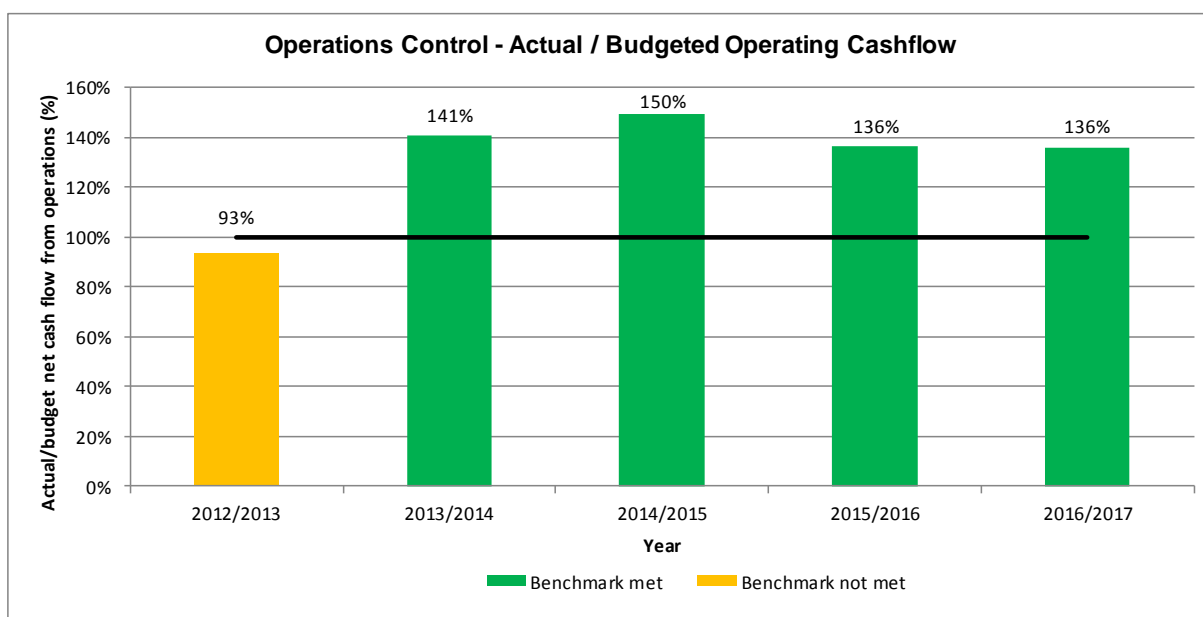
Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



OPERATIONS CONTROL BENCHMARK

This graph displays Council's actual net cash flow from operations as a proportion of its planned net cash flow from operations.

The Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.



NOTE 40. RATING BASE AND INSURANCE OF ASSETS

The Local Government Act 2002 was amended early August 2014 and requires information on Council's rating base and insurance of assets.

RATING BASE INFORMATION

With regards to Clause 30A of the Local Government Act 2002 we disclose the following information regarding the rating base as at 30 June 2015 (the preceding year as required by the Act).

2016/2017 RATING UNIT INFO AS AT 30 JUNE 2016:

2016-2017 Rating Unit info as at 30 June 16:			
	Count	Land Value	Capital Value
Non rateable 100%	1,070	378,049,650	407,501,150
Non rateable- services only	250	117,344,700	326,757,200
Total Non rateable	1,320	495,394,350	734,258,350
Rateable	22,732	7,253,447,300	13,476,583,300
TOTAL RATING UNITS	24,052	7,748,841,650	14,210,841,650

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 2017.

The cost of the Canterbury earthquakes has highlighted the importance of good risk management and the part insurance and/or risk financing plays when it comes to rebuilding public assets. In many instances, councils can provide services in the future only through the continuing use of their assets. Public entities have had to think carefully about how they are managing their risks and how they are using the insurance and risk finance options available to them.

WATER, WASTEWATER, STORMWATER, RIVERS, REFUSE, AERODROMES, PORTS AND COASTAL ASSETS

These activities have a total book value of \$466,333,000. 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 \$125 million catastrophic disaster event. We are currently negotiating additional top-up insurance cover of an additional \$125 million with our insurer. 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 2017 is \$3,379,000, and the rivers disaster fund is \$1,109,000.

ROADING AND FOOTPATH ASSETS

These activities have a total book value of \$695,303,000 (including land under roads). For this activity of assets, Council would however receive a minimum of 51% subsidy from the NZTA for subsidised roading assets, with the remaining portion of the loss, and non-subsidised assets, to be funded through the general disaster fund and loan funding.

LAND, BUILDINGS, PLANT AND EQUIPMENT, AND OTHER ASSETS

This activity has a total asset book value of \$198,412,000.

Assets are insured for reinstatement value or indemnity value as per the most current valuation for assets listed in the Statement of Property Insured, with limits of indemnity of \$2,000,000 for subsidence.

Residential property (material damage) at most recent valuation for assets listed in the Statement of Property Insured, with limits of indemnity of \$2,000,000 for capital additions, construction/alterations of \$2,000,000, landslip \$2,000,000 and subsidence of \$2,000,000.

The harbourmaster boat is insured for \$294,000.

VEHICLES

This activity has a total asset book value for insurance purposes of \$762,000. 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 2017 is \$1,024,000 and is now used to cover deductibles, excesses, and small assets not on the material damages

PART 7: APPENDICES



Barnicoat Range looking out over Tasman

APPENDIX ONE – APPLICATIONS PROCESSED

ENVIRONMENT AND PLANNING DEPARTMENT

APPLICATIONS PROCESSED 1 JULY 2016 TO 30 JUNE 2017

1. RESOURCE MANAGEMENT ACT

TYPE OF CONSENT	OUTCOME 2015/2016	OUTCOMES
Land use	502	558
Subdivision	112	110
Title Plans	88	81
Completion of certificates	90	87
Certificates of compliance	2	4
Water	234	64
Discharge	154	129
Coastal	16	13
Resource consent transfers	145	205

1. BUILDING ACT

TYPE OF CONSENT	NO. ISSUED 2015/16	VALUE 2015/2016	NO. ISSUED 2016/17	VALUE 2016/2017
Dwelling	354	\$113.3m	381	\$112.7m
Commercial	43	\$22.1m	61	\$27.1m
Other	1,077	\$49.2m	1,122	\$36.6m
	1,474	\$184.6m	1,564	\$176.4m

2. LICENCES

TYPE	NO.CERTIFICATES ISSUED 2015/2016	NO.CERTIFICATES ISSUED 2016/2017
Food premises	314	358
Hairdressers	31	38
Campgrounds	22	39
Hawkers/mobile shops	53	61
Others	57	37
Commercial vessel operators	24	31

3. SALE OF ALCOHOL

TYPE OF LICENCE	NO.OF LICENCES ISSUED 2015/2016	NO.OF LICENCES ISSUED 2016/2017
Manager's certificate	283	302
On and off licences	97	93
Club licence	15	10
Special licence	64	53
Temporary authority order	12	12

4. OTHER

TYPE	2015/2016	2016/2017
Land Information Memorandum	831	759
Complaints received	2,141	2,389
Abatement Notices issued	41	54
Infringement Notices issued	61	68
Enforcement orders	0	2
Excessive noise directions	115	141

APPENDIX TWO – COUNCIL’S COMMITTEES, RESPONSIBILITIES AND PORTFOLIOS

COUNCIL STANDING COMMITTEES

There are three standing Committees of Council, each having delegated powers to handle their affairs. All Councillors have membership on these committees. Mayor Kempthorne is an ex officio member of all committees. Committees normally meet six-weekly.

ENGINEERING SERVICES COMMITTEE

This Committee has responsibility for roads, bridges, water supplies, sewerage treatment and disposal, refuse collection/disposal and waste minimisation, coastal protection, stormwater collection and disposal, some ports/wharves and boat ramps (excludes Port Tarohe), rivers and waterways and public transport. This Committee is chaired by Cr S G Bryant.

COMMUNITY DEVELOPMENT COMMITTEE

This Committee has responsibility for recreation and development, parks and reserves, sports grounds, public halls, elections, libraries, walkways, camping grounds, cemeteries, communications, environmental education, community and cultural facilities, Council grants, Annual and LTPs, public conveniences, community housing and customer services. This Committee is chaired by Cr P L G Canton.

ENVIRONMENT AND PLANNING COMMITTEE

This Committee has responsibility for resource management, policy, consents, environmental health, building control, and sale of liquor, biosecurity, maritime safety, rural fire, animal control, pest management and Council’s response to climate change, animal control and compliance.

This Committee is chaired by Cr T B King.

COUNCIL COMMITTEES

AUDIT & RISK

(Reporting to Council) – Mayor, Crs D J Ogilvie (Chair), S R Brown, P F Sangster, M J Greening, T B King, plus G Naylor (appointed member).

CEO REVIEW

(Reporting to Council) – Mayor R G Kempthorne (Chair), Crs S R Brown and T B King.

COMMERCIAL

(Reporting to Council) –

Crs P F Sangster (Chair), T B King, D E McNamara, D J Ogilvie and D M A Wensley, plus three appointed members – P G Grover, R N Taylor, A D Dunn.

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 and 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 Community Development Committee) –

Mayor R G Kempthorne

Crs P L G Canton (Chair), A C Turley, P H W Hawkes, P F Sangster.

COMMUNITY GRANTS

(Reporting to Community Development Committee) –

Mayor R G Kempthorne

Crs P L G Canton (Chair), S G Bryant, P F Sangster, A C Turley & D M A Wensley.

CREATIVE COMMUNITIES

(Reporting to Community Development)

Crs P L G Canton, A C Turley & D M A Wensley. 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.

DISTRICT LICENSING COMMITTEE

This Committee operates under the Sale and Supply of Alcohol Act 2012 and is responsible for determining applications for licences to sell alcohol. These could be On or Off Licences, Special Licences for events, Managers Certificates for people working in licensed premises.

The Committee is chaired by Cr D J Ogilvie.

JOINT COMMITTEES OF NESLON 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 SHAREHOLDERS

Mayor R G Kempthorne

Crs S G Bryant, P L G Canton, T B King, D J Ogilvie & T A Tuffnell.

NELSON REGIONAL SEWERAGE BUSINESS UNIT (NRSBU)

Cr C M (Kit) Maling

Independent member Michael Higgins (for continuity)

CIVIL DEFENCE EMERGENCY MANAGEMENT

Mayor R G Kempthorne

Deputy Mayor T B King

REGIONAL PEST MANAGEMENT

Crs S G Bryant, S R Brown & D E McNamara

LAND DEVELOPMENT MANUAL STEERING

Crs S G Bryant & T B King

SAXTON FIELD COMMITTEE

Crs T B King and C M (Kit) Maling

NELSON TASMAN JOINT LANDFILL COMMITTEE

Crs S G Bryant and C M (Kit) Maling

COUNCIL REPRESENTATIVES AND APPOINTMENTS

ACCESSIBILITY FOR ALL

Cr D M A Wensley.

FRIENDLY TOWNS

Richmond representative – Cr T A Tuffnell for Fujimi Machi. Motueka representative – Cr P L G Canton for Kiyosato, Golden Bay representative – Cr P F Sangster for Grootegast.

GOLDEN BAY AERODROME COMMITTEE

Cr P F Sangster.

IWI LIAISON

Mayor R G Kempthorne, Chief Executive.

LOCAL GOVERNMENT NEW ZEALAND

Regional Sector Group representatives

Mayor R G Kempthorne, Chief Executive.

Rural and Provincial Sector representatives

Mayor R G Kempthorne, Deputy Mayor T B King as alternate, Community Development Manager.

APPENDICES – APPENDIX THREE

Zone 5 representatives

Mayor R G Kempthorne, Chief Executive.

MAPUA WATER AND WASTEWATER BUSINESS CASE WORKING GROUP

Crs S G Bryant, T B King & D E McNamara.

MAPUA WATERFRONT ADVISORY COMMITTEE

Cr T B King.

MOTUEKA AIRPORT ADVISORY GROUP

Cr P L G Canton/Cr P H W Hawkes (as alternate).

NATIVE HABITATS TASMAN

Cr D J Ogilvie.

NELSON AIRPORT LIMITED

Council Director J L Edgar.

NELSON TASMAN BUSINESS TRUST

Crs T A Tuffnell and C M (Kit) Maling as independent members.

NELSON-TASMAN CYCLE TRUST WORKING GROUP

Cr P L G Canton.

NEW ZEALAND CYCLE TRAIL INCORPORATED (NZCT INC.)

Gillian Wratt – Council representative.

PORT NELSON LIMITED

Council Director Cr T B King.

POSITIVE AGEING FORUM

Cr D M A Wensley.

REGIONAL TB FREE

Cr S R Brown.

RICHMOND BRIDGE AND CROQUET

Cr M J Greening.

RICHMOND TRANSPORTATION BUSINESS CASE WORKING GROUP

Crs S G Bryant, M J Greening & T A Tuffnell

TASMAN BAYS HERITAGE TRUST APPOINTMENTS COMMITTEE

Mayor R G Kempthorne, Chief Executive.

TASMAN ENVIRONMENTAL TRUST LIAISON

Cr T A Tuffnell (as Council Liaison)

TASMAN REGIONAL SPORTS TRUST BOARD

Mayor R G Kempthorne.

TASMAN YOUTH COUNCIL

Crs P L G Canton & A C Turley.

TENDERS PANEL

Crs S G Bryant, C M (Kit) Maling & T A Tuffnell. Chief Executive.

ROUGH ISLAND EQUESTRIAN MANAGEMENT BOARD

Cr C M (Kit) Maling.

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.

MEMBERSHIP OF THE GOLDEN BAY COMMUNITY BOARD:



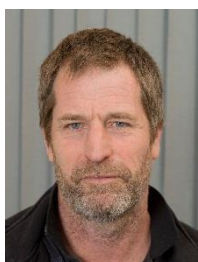
Abbie Langford
(Chair)



Grant Knowles
(Deputy Chair),

No photo by
agreement

Lynn Ensor



David Gowland



Cr Sue Brown



Cr Paul Sangster

MEMBERSHIP OF THE MOTUEKA COMMUNITY BOARD:

Photo to be
inserted

Brian Maru (Chair).

Photo to be
inserted

Richard Horrell
(dep),

Photo to be
inserted

Barry Dowler

Photo to be
inserted

Claire Hutt



Cr Peter Canton



Cr Paul Hawkes



Cr David Ogilvie

APPENDIX FOUR – MANAGEMENT STAFF

CHIEF EXECUTIVE OFFICER

Lindsay McKenzie

COMMUNITY DEVELOPMENT MANAGER

Susan Edwards

CORPORATE SERVICES MANAGER

Mike Drummond

ENGINEERING SERVICES MANAGER

Richard Kirby

ENVIRONMENT AND PLANNING MANAGER

Dennis Bush-King

OTHER

BANKERS

ASB Bank Ltd,
Queen Street Richmond

SOLICITORS

Fletcher Vautier Moore
265a Queen Street, Richmond

AUDITORS

Audit New Zealand, on behalf of the Auditor-General

APPENDIX FIVE – REPORT ON MĀORI CONSULTATION POLICY

STATEMENT ON FOSTERING MĀORI PARTICIPATION IN COUNCIL DECISION MAKING

PURPOSE

This statement outlines the steps Council intends to take to foster Māori capacity to contribute to Council decision-making processes over the period of this LTP, as required by Schedule 10(5) of the Local Government Act 2002.

BACKGROUND

Council is committed to further improving the close working relationship with the District's Māori community. The Council recognises the wealth of special values that the tangata whenua hold for the places, the resources, the history and the long term sustainability of the District. Council further recognises that its activities and services impinge daily on these values and that in order to make appropriate decisions, Council must consider the values of Māori as a special set of community values. Council consults and engages with Māori on a regular basis. In certain cases, these are ongoing processes required by legislation such as the Resource Management Act 1991. Other cases are a way of recognising the spirit of partnership inherent in the Treaty of Waitangi.

STEPS COUNCIL IS TAKING TO FOSTER MĀORI PARTICIPATION IN COUNCIL DECISION MAKING

As well as Council's personal commitment to providing opportunities for Māori participation in its decision-making processes, the Local Government Act 2002 also places a number of obligations and responsibilities on Council in regard to Māori. These include the need to establish and maintain processes to:

Provide opportunities for Māori to contribute to the decision-making processes of Council.

- Consider ways in which we may foster the development of Māori capacity to contribute to the decision-making processes of Council.
- Provide relevant information to Māori for the above purposes.

There are a number of methods used by Māori and local authorities around New Zealand to improve their relationships. The methods set out below are not exhaustive, but represent some of the steps that Council and iwi and Māori use to include Māori in the decision making processes:

- a. Committing to regular hui/liason meetings with iwi and Māori to develop the relationship further and to discuss specific and general issues of relevance to both parties.
- b. Through hui working with iwi/Māori to identify how to gain input into issues of relevance to iwi and Māori, including the opportunity to be involved in relevant working groups.
- c. Providing assistance to iwi to prepare iwi Management Plans.
- d. Appointing a Councillor as a Māori/iwi portfolio holder.
- e. In conjunction with iwi continue providing some future structured training/familiarisation courses to improve Councillors and staff understanding of iwi perspectives.
- f. Consulting with iwi on the formation of the LTP, the Annual Plan and on relevant changes to the Tasman Resources Management Plan.
- g. Appointing a Council kaumatua to assist the Mayor and Chief Executive.

MĀORI PARTICIPATION IN DECISION- MAKING PROCESSES

As required by Schedule 10, Part 3, Clause 35 of the Local Government Act 2002, Council reports on the process undertaken to provide Māori with opportunities to contribute to decision-making in the Council. Council recognises its obligations to Māori under various enactments, and has in place mechanisms to provide for iwi and Māori input into decision making. Council acknowledges manawhenua (iwi), meaning specifically those people claiming customary and ancestral ties to the whenua (land) in Tasman District.

Throughout the year the Council Kaumatua (Māori elder) has assisted the Mayor and Council on numerous official occasions providing cultural support for citizenship ceremonies and welcoming dignitaries. The Kaumatua has also provided cultural support for the organisation as a whole and has supported our community groups to recognise the tikanga and kawa of the haukāinga (home people).

We continue to attend regular liaison meetings with iwi and Māori groups in the community, including regular attendance at the Manawhenua ki Mohua meetings, where a Community Board member also attends those meetings. Until recently we also regularly attended the Tiakina Te Taiao Board meetings, but we are now looking to form partnership agreements with all nine iwi within our District as discussed below. Meeting and hui attendances enable discussion on our work programmes, service delivery issues and other matters of concern to be identified and fed back into the organisation to be considered and addressed at the appropriate level. We have in place arrangements with iwi regarding the dissemination and review of resource management consent applications, and have been actively working with the various iwi concerned with regard to planning issues.

In partnership with Nelson City Council and Marlborough District Council, we have over the past year been working towards the development of a strategic relationship framework with the iwi chairs of Te Taihū o Te Waka a Māui. The Mayors from all three Councils attended a hui with the Te Waka a Maui Iwi Chairs in June 2017 to gather feedback on the terms of reference for the development of this framework. Ongoing discussions with the iwi chairs will be continuing over the coming year as we develop this agreement and work towards developing operational MOUs with each of the iwi groups.

In other areas across Council, iwi have been engaged in freshwater planning through the appointment of iwi representatives on the Freshwater and Land Advisory Groups (FLAG) for both Waimea and Takaka. With the issues arising over the Te Waikoropū Springs in the Takaka catchment, we have been working closely with Manawhenua ki Mohua to ensure that iwi aspirations for the management of the Takaka catchment are integrated into the planning process and development of the TRMP rules for freshwater. We are currently working on the development of a partnership agreement with Manawhenua ki Mohua and are aiming to have that agreement ratified in late 2017.

Iwi have also been included in the planning and decision making stages for the review of the Moturoa/Rabbit Island Reserve Management Plan. Tiakina Te Taiao were contracted to draft the iwi chapter of the Plan, which was then workshoped and amended with Te Tau Ihu iwi. Two iwi representatives were also appointed to the Hearing Panel to contribute their knowledge and expertise in the decision making process. Over the last year iwi have also been approached to provide input into the development of the Mapua Waterfront Area strategic plan. With a history of iwi occupation in the area, Mapua waterfront is an important cultural site of significance for iwi. An iwi representative has also been invited to join the Hearing Panel and be part of the decision making process.

In order to support its work, Council has within its workforce, policy and liaison expertise to enable it to respond to issues raised by the Māori community. We have also had the benefit of being able to rely on the expertise of Nelson City Council's Kaihautū officer to help liaise with iwi. Over the past year we have established an internal staff iwi liaison group that meets monthly to discuss Council work programmes and projects that are of interest to iwi. The purpose is to ensure our interactions and arrangements are coordinated and consistent, and to improve iwi participation in Council projects. The Iwi Liaison Group also undertake an internally focused role to work towards increasing staff knowledge of Māori culture and our capacity to work with iwi.

We are committed to improving and enhancing our relationships with iwi and we will continue to build strong ongoing relationships to aid the effective consideration of Te Ao Māori in all major Council decisions. We believe that by working in partnership with iwi and Māori it will create benefits for the whole community.

APPENDIX SIX – GLOSSARY OF TERMS

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

ANNUAL PLAN

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

ANNUAL REPORT

Annual Reports are published following the end of each financial year which ends on 30 June. It is an audited account of whether Council completed its planned work programme. Any work not completed as planned is explained. The Annual Report is a key method for Council to be accountable to the community for its performance.

ACTIVITY MANAGEMENT PLANS

Activity Management Plans (which are the ‘new generation’ of Asset Management Plans) describe the infrastructural assets and the activities undertaken by Council and outline the financial, management and technical practices to ensure the assets are maintained and developed to meet the requirements of the community over the long term. Activity Management Plans focus on the service that is delivered as well as the planned maintenance and replacement of physical assets.

ASSOCIATE

An associate is an entity over which Tasman District Council has a significant influence and that is neither a subsidiary nor an interest in a joint venture.

ASSUMPTIONS

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

CAPITAL EXPENDITURE

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

CAPITAL VALUE

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

COMMUNITY

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

COMMUNITRAK™ SURVEY

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

COMMUNITY OUTCOMES

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

CONSULTATION

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

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 a measure of the wearing out, consumption or loss of value of an asset over time.

EXCHANGE REVENUE

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

FINANCIAL YEAR

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

GENERAL RATE

A general rate is a district wide rate through which all ratepayers contribute to a range of council activities and is based on the capital value of ratepayer's properties.

GROUPS OF ACTIVITIES

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

REVENUE

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

INFRASTRUCTURE

Networks that are essential to running a district, including the roading network, water supply and wastewater and stormwater networks.

INFRASTRUCTURE ASSETS

These are assets required to provide essential services like water, stormwater, wastewater and roading. They also include associated assets such as pump stations, treatment plants, street lighting and bridges.

LEVELS OF SERVICES

The standard to which services are provided, such as speed of response times to information requests or the standard of the stormwater drainage system that prevent incidents of surface water flooding. It is what the Council will provide.

LIDAR (LIGHT DETECTION AND RANGING)

LiDAR is optical remote sensing technology that measures properties of scattered light to find range and/or other information of a distant target. The prevalent method to determine distance to an object or surface is to use laser pulses.

LONG TERM PLAN (LTP)

The Local Government Act 2002 requires Council to adopt a Long Term Plan (LTP). The LTP outlines Council's intentions over a 10 year period. The LTP requires extensive community consultation, the identification of community outcomes and priorities, and the establishment of monitoring and review mechanisms. The LTP referred to in this document is the Long Term Plan 2015-2025.

MAJOR GOALS

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

NETWORK INFRASTRUCTURE

See infrastructure assets.

NON-EXCHANGE REVENUE

A non-exchange transaction is a transaction where the reporting entity receives value from another entity without giving approximately equal value in exchange.

OPERATING COSTS

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

PARK CHECK

APPENDICES – APPENDIX SIX

Park Check is based on a nationally developed questionnaire which is implemented by participating councils. The questionnaire asks park users a range of questions about the parks and their experiences. The results of the questionnaires are collated at the national level and the information is then made available to the councils.

PERFORMANCE TARGETS

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

SEPARATELY USED OR INHABITED PARTS OF A RATING UNIT

Where targeted rates are calculated on each separately used or inhabited part of a rating unit the following definition will apply:

Any portion of a rating unit used or inhabited by any person, other than the ratepayer or member of the ratepayer's household, having a right to use or inhabit that portion by virtue of a tenancy, lease, licence or other agreement.

SOLID WASTE

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

STORMWATER

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

SURPLUS

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

SUSTAINABLE DEVELOPMENT

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

TARGETED RATE

A targeted rate is designed to fund a specific function or activity. It can be levied on specific categories of property (e.g. determined by a particular use or location) and it can be calculated in a variety of ways. It may also cover a distinct area of beneficiaries.

UNIFORM ANNUAL GENERAL CHARGE (UAGC)

A UAGC is a portion of the general rate collected as a fixed charge per rateable property. It is deemed that the properties receive equal benefit for services charged regardless of the rateable value of the properties, e.g. use of parks, reserves and libraries.

UNITARY AUTHORITY

Tasman District Council is a unitary authority, which means we carry out the functions of both a regional council and a territorial authority.

WASTEWATER

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

YARDSTICK™

Yardstick™ is an international parks benchmarking initiative. It involves council parks departments participating in an annual self-assessment survey. Information collected includes levels of service, financial information, best practice, asset management and policy and planning. The information is collated at the national level and made available to the councils. Over half of the councils in New Zealand are members, as is the Department of Conservation.

DIRECTORY

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

Tasman District Council is the local government authority for this District. Its power is primarily derived from the Local Government Act 2002 and many other Acts and Statutory Regulations that are referred to throughout this document. Council is responsible for ensuring that its various functions and activities are properly managed. It does this through a Chief Executive who is responsible for all Council staff.

MAIN OFFICE

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, Takaka 7110

Postal Address PO Box 74, Takaka 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 03 523 101

