

TASMAN DISTRICT COUNCIL

LONG TERM PLAN 2015–2025

INCLUDING THE ANNUAL PLAN 2015/2016

VOLUME 1

making the right choices for Tasman's future

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MEMBERSHIP OF THE COUNCIL

Tasman Mayor



Mayor Richard Kempthorne

Moutere/Waimea Ward



Cr Brian Ensor



Deputy Mayor, Cr Tim King



Cr Trevor Norriss

Lakes/Murchison Ward



Cr Stuart Bryant

Golden Bay Ward



Cr Martine Bouillir



Cr Paul Sangster

Motueka Ward



Cr Peter Canton



Cr Barry Dowler



Cr Jack Inglis

Richmond Ward



Cr Judene Edgar



Cr Mark Greening



Cr Michael Higgins



Cr Zane Mirfin



PART 1

INTRODUCTION

WELCOME TO TASMAN DISTRICT COUNCIL'S LONG TERM PLAN 2015-2025. THIS PLAN INCORPORATES THE ANNUAL PLAN 2015/2016, AND COUNCIL'S FINANCIAL AND INFRASTRUCTURE STRATEGIES.

This Long Term Plan outlines the activities and services Council is planning to provide over the coming 10 years. It states the vision for the District, the Community Outcomes, the services and activities Council is planning to undertake to contribute to those Outcomes, and the costs of Council providing those services and activities.

The outcomes identified by Council and community indicate how the District should promote community well-being – socially, culturally, economically and environmentally. The end result, is an all-encompassing document that outlines the community's expectations and shows how Council, with the help of the community and other organisations, will work together to achieve these outcomes.

The public had the opportunity to make submissions on Council's options via the Consultation Document, supporting information and related consultations for the Long Term Plan during March and April 2015. Council also held hearings where submitters could present their submissions in person if they chose. Council has considered the submissions received during the consultation phase and made decisions on the changes it wanted to include in the final Plan.

Under the Local Government Act 2002, Tasman District Council is required to produce a Long Term Plan. The first (interim) Long Term Council Community Plan was produced in 2004, with subsequent Plans produced in 2006, and then three yearly. The Long Term Plan must be reviewed and re-evaluated once every three years. This Long Term Plan is part of the Council's three yearly review process and incorporates the Annual Plan for 2015/2016.

Between the three yearly Long Term Plan reviews, Council produces an Annual Plan for each financial year. Council will only consult on the Annual Plan when there will be significant or material differences from the content of the Long Term Plan.

Each year Council produces an Annual Report which outlines what Council actually did that year compared to what it was planning to do in the Long Term Plan or Annual Plan.

It is important to note that the financial information contained in this document is forecast information based on assumptions of what Council reasonably expects to occur. Actual results achieved are likely to vary from the information presented and these variations may at times be reasonably large. We have endeavoured to make sure that our financial forecasts are as accurate as we can reasonably make them based on the information we currently have.



HOW TO FIND YOUR WAY AROUND THE LONG TERM PLAN

For first time readers, this section provides a beginners guide to the Long Term Plan. Reading this section will enable you to find the information you need more quickly.

We have done our best to keep jargon and abbreviations to a minimum, but there are some words that have been used because of legislation or the specialised activities that Council carries out. For example, 'community outcomes' come from the Local Government Act. Please refer to the glossary in Appendix 3 for an explanation of unfamiliar terms.

TWO VOLUMES

The Long Term Plan comprises two volumes.

Volume 1 (this document) is where you will find:

- The key issues Council is planning to address.
- Council's vision, mission, and community outcomes.
- The services Council plans to provide and to what level.
- What key projects will be undertaken and when they are planned to occur.
- Most of Council's financial information and how much Council plans to spend on its activities, services or projects.

Volume 2 contains all of the supporting policies and strategies that Council is required to include, such as:

- The Financial Strategy
- The Infrastructure Strategy
- Funding Impact Statement (sets out information on the rating system) and Rating Maps
- Schedule of Charges
- Revenue and Financing Policy
- Rates Remission Policy
- Policy for Early Payment of Rates in the Current Financial Year
- Policy on Rate Relief for Māori Freehold Land

- Significance and Engagement Policy
- Statement on Fostering Māori Participation in Council Decision-Making
- Development Contributions Policy
- Treasury Risk Management Policy
- Variations between the Long Term Plan and Council's Water and Sanitary Services Assessment and Waste Management and Minimisation Plan.

Further detail on activities and when specific projects are planned to occur is contained in Council's Activity Management Plans, which are available for most of the activities Council undertakes. These Activity Management Plans are useful supporting information as they provide the foundation for the preparation of this Long Term Plan. The other reason for looking at them is that they outline Council's planned capital works or key projects for the next 20 years, so they go beyond what is contained in this Long Term Plan. If you can't find something you are interested in within this Long Term Plan, check to see if it is listed in the section on projects that were considered but not included (Appendix 4) or in the Activity Management Plans, which are available separately on Council's website, or from Council on CD.

Please note that all the budget figures in this Plan contain an allowance for inflation. All rates within the Plan are GST inclusive. Any exceptions to the inclusion of inflation, or GST on rates, are expressly stated.

MAYOR'S AND CHIEF EXECUTIVE OFFICER'S MESSAGE

Welcome to our Long Term Plan for 2015-2025. This Plan is one of the most challenging we have produced. We have had to face some big issues and make difficult decisions about how Council spends its money over the next 10 years. As indicated in our earlier Consultation Document, issues include supporting the community to develop sustainably and putting Council on a more stable financial footing. That has meant limiting rate increases for our ratepayers, and managing Council's expenditure and debt within tighter limits. Our other challenging issues include responding to population growth; coping with natural hazards; securing an adequate supply of water for the future; and obtaining regional benefits for Tasman District.

We have made some substantial changes to what activities Council funds and how we fund them since the last Long Term Plan. The changes enable Council to address some of the community's concerns about debt. We think you will be pleased with the significant reduction in our net debt forecast which is now \$120 million in year 10 of the Plan and the 3% per annum (plus an allowance for growth) limit we propose on increases to rates income in any one year. We can achieve our financial objectives of reducing the projected growth in debt and rates by changing how we fund the wearing out of assets (depreciation), and by ensuring that the amount of money we spend on capital projects supports growth and is spent wisely. We are confident we can achieve these objectives without compromising what's important to our communities.

Providing core services and planning for growth continue to be our priorities. In the past, Council has invested heavily in roads, stormwater networks, drinking water supplies, wastewater systems and community facilities. We recognise that Council cannot afford to continue to invest at that rate nor do we need to. Tasman District is well set up for the future. While we will continue to develop our asset base to meet growth demands and the changing standards set by national legislation, we can afford to cut non-essential projects and delay others in order to reduce costs. We have reduced our external contracts and increased in-house engineering capacity. This change in management approach allows us to understand our assets better and get more life out of the assets we own before they have to be renewed (and saves money by doing so). We have also focused on reducing our operating costs.

Supplying water to our communities continues to be a core responsibility of Council and is a significant issue for us. This means we must consider and plan for secure water supplies for our communities. Water shortages could reduce our levels of service and affect current and future users, adversely impacting on our environment and many areas of our regional economy.

A proposal to fund the Waimea Community Dam almost entirely from rates was consulted on in 2014 but the funding proposal did not proceed. We are still proposing to provide funding for the Waimea Community Dam in the Long Term Plan 2015-2025 – but to a lesser extent. The funding is limited to \$25 million and will mainly be used to meet the Council's community water supplies needs and to pay for some of the public benefits (like the environmental and economic benefits) that the dam will provide. We have budgeted to meet two thirds of the cost of the capacity of the dam that is for environmental purposes and other community benefits. If the funds aren't used for the Waimea Community Dam they will be needed to meet the cost of an alternative community water supply.

If the project is to go ahead the other major water users, irrigators mostly, will need to investigate and provide their own funding. Engagement with irrigators is planned to be carried out by the Waimea Community Dam Company.

While we are focused on a lack of water on the one hand we also recognise that Tasman is subject to some extreme weather events and other natural hazards. Our priority is to plan for these and to ensure there is enough money committed to recover from damaging natural events. Finally, we are committed to building effective relationships with our regional partners including Nelson City Council and Nga Iwi o Te Tau Ihu.

We would like to thank Councillors, the senior management team and the staff for all their work in preparing this Plan particularly given the challenging financial limits and goals set out in the Financial Strategy.

We would also like to thank the over 500 submitters who took the time to write submissions on the Consultation Document and supporting information, many of whom presented their submissions at the hearings. About half of those submitters supported Council funding (to various degrees) the Kohatu Motor Sport Park. While Council is supportive of initiatives with regional benefits, regrettably the project does not fit with Council's funding priorities at this time.



Richard Kempthorne
Mayor

Lindsay McKenzie
Chief Executive Officer

To the reader

Independent auditor's report on Tasman District Council's 2015/25 Long Term Plan

I am the Auditor General's appointed auditor for Tasman District Council (the Council). Section 94 of the Local Government Act 2002 (the Act) requires an audit report on the Council's Long Term Plan (the plan). I have carried out this audit using the staff and resources of Audit New Zealand. We completed the audit on 25 June 2015.

OPINION

In my opinion:

- the plan provides a reasonable basis for:
 - long term, integrated decision making and coordination of the Council's resources; and
 - accountability of the Council to the community;
- the information and assumptions underlying the forecast information in the plan are reasonable; and
- the disclosures on pages 284 to 291 of volume one represent a complete list of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 and accurately reflect the information drawn from the Council's audited information.

This opinion does not provide assurance that the forecasts in the plan will be achieved, because events do not always occur as expected and variations may be material. Nor does it guarantee complete accuracy of the information in the plan.

BASIS OF OPINION

We carried out our work in accordance with the Auditor General's Auditing Standards, relevant international standards and the ethical requirements in those standards.¹

We assessed the evidence the Council has to support the information and disclosures in the plan and the application of its policies and strategies to the forecast information in the plan. To select appropriate audit procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the plan.

Our audit procedures included assessing whether:

- the Council's financial strategy, and the associated financial policies, support prudent financial management by the Council;
- the Council's infrastructure strategy identifies the significant infrastructure issues that the Council is likely to face over the next 30 years;
- the information in the plan is based on materially complete and reliable asset and activity information;
- the Council's key plans and policies have been consistently applied in the development of the forecast information;

- the assumptions set out within the plan are based on the best information currently available to the Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast financial information has been properly prepared on the basis of the underlying information and the assumptions adopted and complies with generally accepted accounting practice in New Zealand;
- the rationale for the Council's activities is clearly presented and agreed levels of service are reflected throughout the plan;
- the levels of service and performance measures are reasonable estimates and reflect the main aspects of the Council's intended service delivery and performance; and
- the relationship between the levels of service, performance measures and forecast financial information has been adequately explained within the plan.

We did not evaluate the security and controls over the electronic publication of the plan.

RESPONSIBILITIES OF THE COUNCIL AND AUDITOR

The Council is responsible for:

- meeting all legal requirements affecting its procedures, decisions, consultation, disclosures and other actions relating to the preparation of the plan;
- presenting forecast financial information in accordance with generally accepted accounting practice in New Zealand; and
- having systems and processes in place to enable the preparation of a plan that is free from material misstatement.

I am responsible for expressing an independent opinion on aspects of the plan, as required by sections 94 and 259C of the Act. I do not express an opinion on the merits of the plan's policy content.

INDEPENDENCE

We have followed the independence requirements of the Auditor General, which incorporate those of the External Reporting Board. Other than our work in carrying out all legally required external audits, we have no relationship with or interests in the Council or any of its subsidiaries.



Bede Kearney, Audit New Zealand

On behalf of the Auditor General, Christchurch, New Zealand

¹ The International Standard on Assurance Engagements (New Zealand) 3000 (Revised): *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and The International Standard on Assurance Engagements 3400: *The Examination of Prospective Financial Information*.

EXECUTIVE SUMMARY

KEY ISSUES AND RESPONSES

The key issues in this Long Term Plan have informed and shaped which projects and activities we will undertake in the coming years to respond to them. The key issues section is one of the most important in the document. We encourage you to read the information about each of the key issues on pages 26-34, which state what the issues are and what Council is planning to do about them. The table below provides a summary of these issues and how Council plans to respond.

ISSUE	RESPONSE
1. Addressing Rates Affordability	<ul style="list-style-type: none"> Limit total rates income increases to a maximum of 3% per annum plus an allowance for growth. Growth rates are expected to be between 1.17% to 2.55% per annum during the 10 years of the plan. Work within a fiscal envelope that sets a limit on general rates of \$51 million per annum and targeted rates of \$46 million per annum over the 10 year period.
2. Managing Council's Debt	<ul style="list-style-type: none"> Set the external net debt limit at \$200 million. Limit servicing of Council debt to 15% of operating income. Fund "the 'wear and tear' (depreciation) on assets progressively from cash flow as the asset wears out rather than borrowing to pay for the replacement asset. Council assets will be reviewed for potential sale.
3A. Developing Resilient Communities Part A. Providing a secure water supply, with a focus on the Waimea Community Dam	<ul style="list-style-type: none"> Provide up to \$25 million towards the construction of the Waimea Community Dam with the balance of costs to be funded by external sources including irrigators and Crown Irrigation Investment Fund. Refer to the Waimea Community Dam website (www.waimeacommunitydam.co.nz) for more information on the proposed dam.
3B. Developing Resilient Communities Part B. Hazard planning and recovery.	<ul style="list-style-type: none"> Undertake an assessment of stormwater secondary flow paths at a cost of \$2.017 million over 10 years. Undertake hazard risk assessments and modelling for settlements vulnerable to sea level rise and associated planning responses. Build and maintain the Council's disaster recovery funds to \$6.5 million by 2018. Maintain appropriate operational budgets, insurance cover, committed borrowing facilities and self insurance funds to mitigate or recover from unexpected disaster events.
4A. Responding to Population Growth Part A. Providing sufficient land and services	<ul style="list-style-type: none"> Extend infrastructure rather than provide for piecemeal development when considering additional land for residential development including through Tasman Resource Management Plan Changes. Implementing the Central Government Housing Accord for Tasman District.
4B. Responding to Population Growth Part B. Development Contributions Policy changes	<ul style="list-style-type: none"> Adopt the Development Contributions Policy. Require the costs of providing the growth component of infrastructure to be paid by the developer, rather than general ratepayers.
5. Maximising Regional Opportunities	<ul style="list-style-type: none"> Develop a memorandum of understanding with each or all iwi in Te Tau Ihu (the top of the South). Rationalise investment of capital for regional infrastructure (e.g. solid waste landfill). Improve governance arrangements for shared facilities, such as regional scale infrastructure and facilities that deliver regional benefit. Review existing funding of 'out of Tasman District' activities to enable Council to fund further activities within the Tasman District. Not fund 'out of district' regional initiatives.

THE MAJOR CAPITAL PROJECTS WE HAVE PLANNED FOR YOU FROM 2015–2025

Over the next 10 years we are planning to:

- Upgrade wastewater and stormwater systems,
- Develop new water supplies and upgrade existing ones to meet Central Government drinking water standards,
- Undertake town centre improvements,
- Upgrade the Motueka library and,
- Complete the Golden Bay Community Facility.

Council is also planning to undertake maintenance, replacement and renewal of a range of its existing assets. Funding has been allowed in the Long Term Plan to undertake that work.

The infrastructure strategy also sets out the major capital engineering projects, but for a longer time period – from 2015 to 2045. This enables Council to plan ahead. The following list shows what and when Council is planning to undertake projects exceeding approximately \$5 million over the term of this Long Term Plan.

MAJOR PROJECTS TIMELINE		
YEARS	PROJECTS	BUDGET
2015 – 2025	Richmond central improvements (stormwater)	\$15m
2015 – 2032	Borck Creek capacity upgrade (stormwater)	\$14.1m
2015 – 2020	Waimea Community Dam (water)	\$25m
2018 – 2023	Mapua/Ruby Bay rising mains and pump stations upgrades (wastewater)	\$5.1m
2018 – 2026	Pohara to Tarakohe pump station and rising main upgrades (wastewater)	\$6.1m
2023 – 2035	Wastewater trunk main upgrade from Wakefield to Three Brothers corner (wastewater)	\$12.5m
2024 – 2026	Richmond new ground water source (water)	\$4.5m

OTHER CAPITAL PROJECTS 2015-2025

GOLDEN BAY COMMUNITY FACILITY

\$3.2 million split over the 2014/2015 and 2015/2016 financial years.

FUNDING THE EXPANSION/REDEVELOPMENT OF THE MOTUEKA LIBRARY

\$2.1 million over two years starting in 2019/2020 for design and construction costs.

SAXTON FIELD PROJECTS

\$2.8 million for Saxton Field developments over the next 10 years.

FUNDING FOR CYCLEWAYS

\$1.2 million allocated for completion of Tasman's Great Taste Trail through to Woodstock (provided matching funds can be obtained from external providers).

The capital works programmes are outlined in more detail in each of the Activity Management Plans. Significant changes to the last Long Term Plan programme have been made, with many projects delayed, budgets cut or removed from the programme entirely.

LEVELS OF SERVICE

The Council is tasked with providing good quality local infrastructure and local public services, and cost effective regulatory functions. The budgets in this Long Term Plan are designed to maintain the overall level of services, facilities and regulatory functions provided by the Council.

Previous investment by the Council means Tasman's infrastructure needs are well provided for. As a result, the Council has been able to pull back on many planned projects to lift service levels, particularly in the first 10 years of the Long Term. This helps achieve our financial goals of reducing debt and rates income increases. For some activities and services there will be improvements to levels of service. In the short term, the Council's highest priority for service level improvements will be on ensuring water security for the Waimea urban water supply areas and stormwater improvements in Tasman District. Other important improvements to levels of service that have been programmed are:

- Improvements to comply with drinking water standards;
- Improvements to stormwater drainage in some catchments;
- Increased services for recycling solid waste;
- Commercial campground facilities; and,
- Improvements to comply with wastewater disposal standards.

You shouldn't notice many changes in the services we deliver. Cuts to non-essential projects or delays to others are not expected to reduce the levels of service enjoyed by our communities.

In the longer term, better management will allow us to get more life out of the assets we own before they have to be renewed. The Council anticipates 'sweating its assets' (the term described in the Infrastructure Strategy as a way of extending the life of an asset) which may increase the risk of occasional unexpected disruptions to service delivery. The Council will be working hard to avoid these disruptions, where possible, by improving its knowledge of asset condition; retaining budgets for operations and maintenance; and holding sufficient borrowing capacity should an asset urgently need to be replaced.

HOW WE PLAN TO PAY FOR IT ALL

Council is planning to spend an average of \$29.5 million per annum (including inflation) on capital projects and an average of \$79.4 million per annum on day to day essential services (operational expenditure, excluding interest and depreciation) over the next 10 years. Council uses a mix of general and targeted rates, user charges, commercial income, rental income and NZ Transport Agency subsidies as a means of funding both operating and capital expenditure.

The use of targeted rates depends on whether a particular activity can be clearly identified from other works or functions of Council. Targeted rates can also be applied to a defined sub-set of the community which would benefit from a particular service or function. Where works or services apply to the entire District, and cannot reasonably be ring-fenced, they are usually funded by the general rate.

To assist in keeping rates affordable, Council is limiting general rates income to \$51 million per annum and targeted rates to \$46 million per annum over the life of this Plan. When adjusted for inflation, the increase in rates during this Plan is relatively low and well below the level of increase experienced between 2005 and 2012, and that forecast in the last Long Term Plan 2012-2022.

Council is also limiting total rates income increases to a maximum of 3% per annum, plus an allowance for annual growth in rateable properties. The growth component varies from 1.17% to 2.55% per annum during the 10 years of the Plan.

Since 2005, the increases in targeted rates have been higher than general rates, which reflects the investment in infrastructure. This increase in targeted rates impacts on households receiving the services, usually households in urban areas. During the term of this Plan, increases to targeted rates are similar to general rates.

OUR DEBT PROFILE OVER THE 10 YEARS

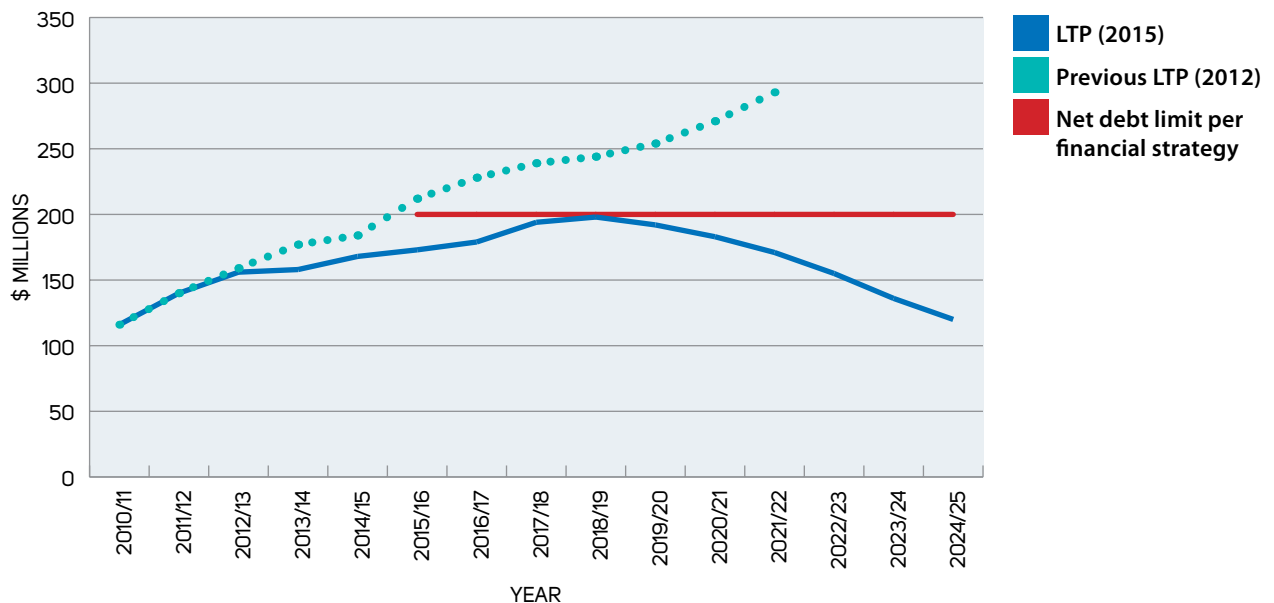
Significant debt reductions are forecast under Council's financial strategy. Reductions in debt are mainly driven by:

- moving to fully funding the wearing out of assets over their lives (funding depreciation). This will result in improved cashflows into Council, so it needs to borrow less to fund the replacement of existing infrastructure;
- reducing the overall capital expenditure programme;
- a reduction in Council's Opening Debt Position; and
- a reduction in debt associated with development contributions.

Reducing debt has multiple benefits, including more affordable rates over the long term, and improved flexibility to respond to unexpected events as they arise.

The following graph on debt reflects the net debt profile and limits on debt for the Long Term Plan 2015-2025. Net debt is predicted to peak at \$197.5 million and reduce from \$168 million (projected at 30 June 2015) to \$120.3 million by 2025.

FIGURE 1. TOTAL NET DEBT



CONSULTATION AND SUBMISSIONS

Council would like to thank all of the groups and individuals who provided input into the preparation of this Long Term Plan and who submitted on the Consultation Document, related consultation processes and/or supporting information. Your input has been considered throughout the decision making processes.

CONSULTATION PROCESS

The Consultation Document for the Long Term Plan and related consultations were publicly notified on 9 March 2015, with submissions closing on 20 April 2015.

We publicised the availability of the Consultation Document and related consultations online, on the radio, through public notices, at community meetings and in several editions of Council's fortnightly publication 'Newslines' (i.e. those published between January and April 2015). Newslines are delivered to every household and ratepayer in the District. Copies of the Consultation Document, related consultations and supporting information were available on Council's website, CD or in hardcopy at Council's offices and libraries. The Tasman District Settlement Areas document provided a summary of what was being proposed in each settlement.

We ran a series of consultation discussion sessions around Tasman District on Long Term Plan consultations during March and April 2015. The public consultation included informal discussion sessions during the daytime with Councillors and staff available to answer questions, usually followed by a more formal presentation and question session in the evenings. Several of the evening sessions were held in conjunction with local community association meetings.

A total of 544 submissions were received on the Consultation Document or related consultations, with 98 submitters wishing to be heard. We held four days of hearings in Richmond, Motueka, and Takaka in May to listen to the submissions. The hearings were followed by four days of workshops in late May for Councillors to discuss the submissions. Council considered its response to the submissions at a meeting on 28 May 2015. Council adopted this final Long Term Plan on 25 June 2015.

SUBMISSIONS AND CHANGES MADE FOR THE FINAL LONG TERM PLAN

We received submissions on the Long Term Plan consultation material from the Motueka and Golden Bay Community Boards, various community associations, iwi, youth groups, business and community groups, and primary sector groups, as well as from hundreds of individuals. These submissions provided us with valuable information on what the people in Tasman would like to see and their views on the priorities for the next 10 years in Tasman District.

The information was considered by Council in the preparation of this final Long Term Plan. It informed and assisted our decision making. Unfortunately we cannot do everything asked for without generating large rate increases. Council received requests for expenditure on a wide range of activities or services for the period 2015-2025. To grant all these requests would also have meant Council would have breached its rates and debt limits set out in the Financial Strategy. Refer to Appendix 4 for the list of items considered by Council during the preparation of the Long Term Plan but which were not included.

The key topics raised in the submissions, along with the approximate number of submissions (noting that some submissions are combined submission points or groups representing wider membership), were:

- Motorsport facility (224)
- Waimea Community Dam (162)
- Environment and planning matters (48)
- Community development matters (43)
- Cycleways (41)
- Debt (33)
- Consultation Document (33)
- Corporate matters (31)
- Draft Development Contributions policy (25)
- Rates Affordability (24)
- Stormwater (23)

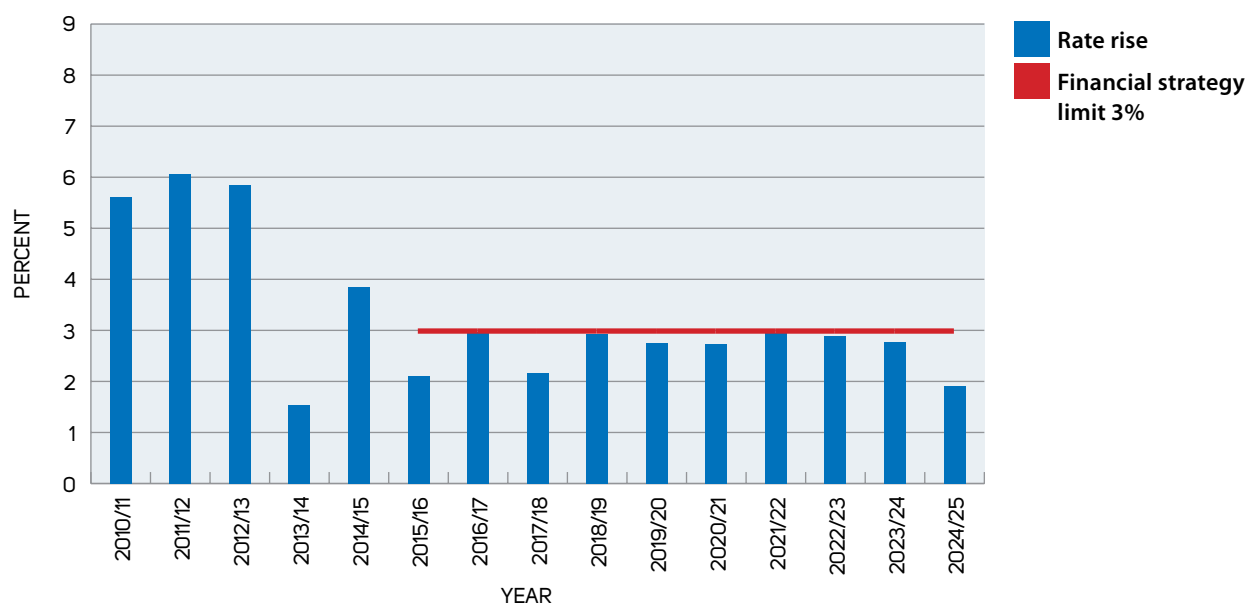
In addition to the specific matters raised above there were a smaller number of submissions covering other subjects.

YOUR RATES

AVERAGE PERCENTAGE INCREASE IN RATES INCOME (INCLUSIVE OF INFLATION)

Council has worked hard to prioritise the services and projects that are essential for our future, to provide them when they will be needed, and at an affordable cost. Council is limiting total rates income increases to a maximum of 3% per annum, plus an allowance for growth. The growth component varies from 1.17% to 2.55% per annum over the 10 years of the Plan. Within this overall limit, individual rates may change by a greater or lesser extent depending on the services available to the property and changes to relative property values. This is a substantially lower level of increase than has occurred in the past.

FIGURE 2. INCREASE TO RATES INCOME (EXCLUDING GROWTH)



The uniform annual general charge in 2015/2016 remains at the 2014/2015 amount of \$290 per rating unit. A total of \$6,529,000 (incl. GST) is proposed to be collected from the uniform annual general charge in 2015/2016.

Council considers that where direct beneficiaries of Council services are identified, a targeted rate provides more transparency and reduces cross subsidisation of those not directly benefiting from the service. During the term of this Plan, increases to targeted rates are similar to general rates. Targeted rates are expected to remain stable at just under 35% of total annual operating revenue during the term of this Plan. This is a lower proportion of total income, compared to the last Plan. This reflects the changes to the capital programme, the impact of changing how depreciation is funded and operational savings.

Council has identified targeted rates over the next 10 year period for:

- Stormwater
- Water supply
- Wastewater
- Regional river works
- Motueka and Richmond business rates
- Ruby Bay stopbank
- Mapua stopbank
- Motueka flood control
- Torrent Bay replenishment
- District facilities
- Shared facilities
- Facilities operations
- Museums facilities
- Refuse/recycling
- Golden Bay and Motueka community boards
- Mapua rehabilitation
- Warm Tasman (optional rate)

Targeted rates to be discontinued are set out in the table below and reflect changes to Council's funding policies or projects.

TARGETED RATES TO BE DISCONTINUED OVER THE 10 YEARS ARE:

EXISTING RATES TO BE DISCONTINUED	LAST YEAR RATE PLANNED
Motueka Flood Control Rate	Year 5
Ruby Bay Stopbank Rate	Year 7

For a more detailed analysis of how targeted rates are likely to affect you for the 2015/2016 year, please refer to the Funding Impact Statement in Volume 2 of this Long Term Plan.

If you want to know what will be happening to your rates, please give us a call or go to our website (www.tasman.govt.nz) to find out. There is also the Rates Rebate Scheme to help people on lower incomes (www.ratesrebates.govt.nz).

EXAMPLES OF TOTAL RATE CHANGES FOR PROPERTIES

To further clarify the rates changes between the 2014/2015 year to those for the 2015/2016 year, a selection of properties from throughout the District have been summarised to provide a guide. It is important to note that these properties are a sample of the total properties and do not cover all situations for the rateable properties in the District.

The rating effects on individual properties vary because of differing valuation changes, and because targeted rates do not apply uniformly to all properties. An increase in property value does not necessarily mean a corresponding increase in rates.

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

The Tasman District's last triennial revaluation was carried out by Quotable Value Limited at 1 September 2014. The capital value of the District increased by 4% and the land value of the District increased by 2.5%. The new values apply from the 2015/2016 rating year.

The tables below present what the rate increase would have been on the example properties 'before and after' the effects of the triennial revaluation are taken into account.

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

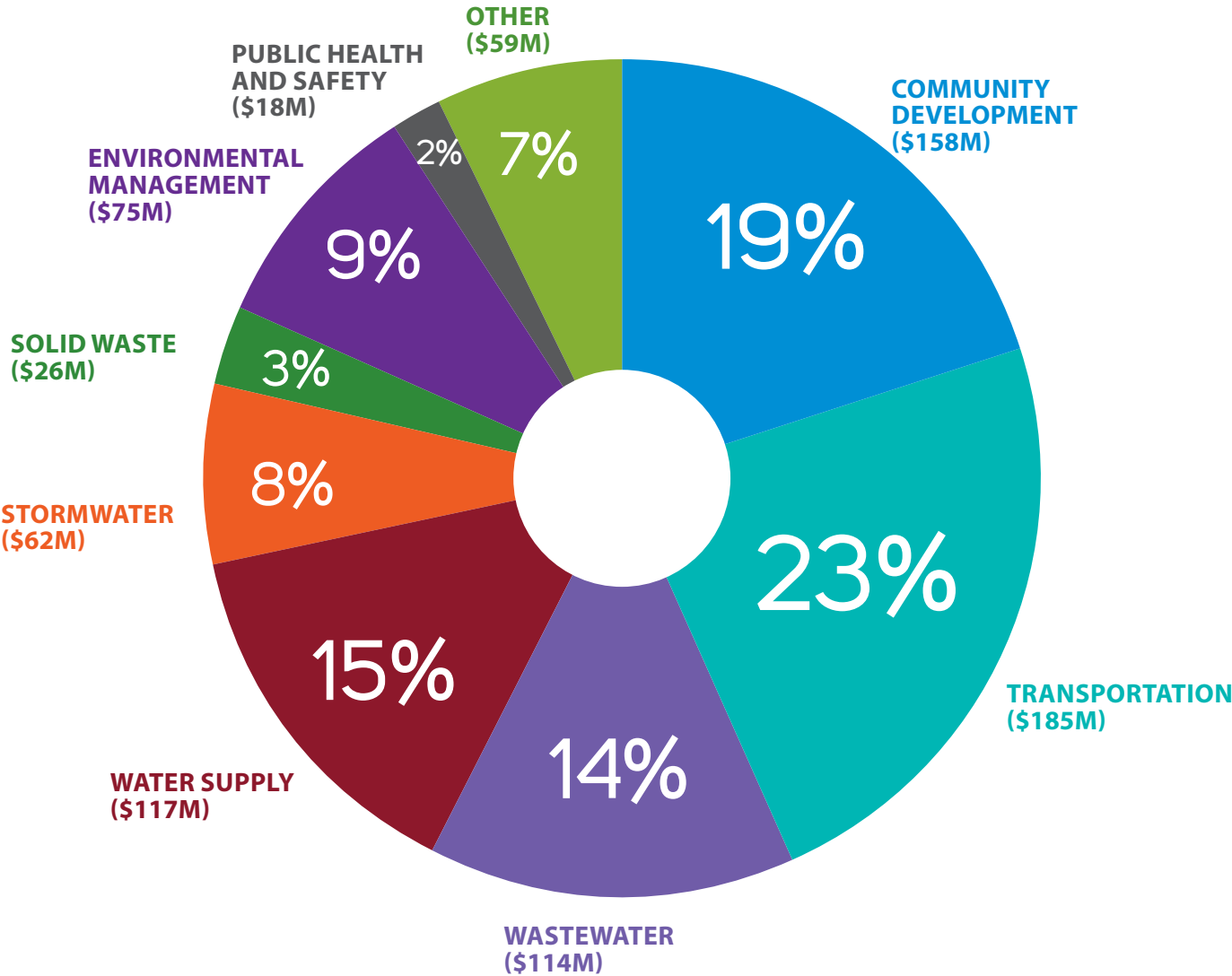
	CAPITAL VALUE (2014 DISTRICT WIDE REVALUATION)	2014/2015 ACTUAL RATES	2015/2016 RATES IF 2014 REVALUATION HAD NOT OCCURRED	2015/2016 RATES (POST REVALUATION)	% CHANGE FROM 2014/15
Residential – Takaka	\$270,000	\$2,477	\$2,501	\$2,459	-0.7%
Residential – Murchison	\$160,000	\$1,803	\$1,829	\$1,807	0.2%
Residential – Mapua	\$495,000	\$2,129	\$2,103	\$2,144	0.7%
Residential – Kaiteriteri, with 65m ³ of water, Urban Water Supply Metered Connections	\$660,000	\$4,219	\$4,199	\$4,106	-2.7%
Residential – Brightwater, with 183m ³ of water, Urban Water Supply Metered Connections	\$385,000	\$3,444	\$3,521	\$3,555	3.2%
Residential – Wakefield, with 140m ³ of water, Urban Water Supply Metered Connections	\$350,000	\$3,058	\$3,149	\$3,184	4.1%

	CAPITAL VALUE (2014 DISTRICT WIDE REVALUATION)	2014/2015 ACTUAL RATES	2015/2016 RATES IF 2014 REVALUATION HAD NOT OCCURRED	2015/2016 RATES (POST REVALUATION)	% CHANGE FROM 2014/15
Residential – Motueka, with 138m ³ of water, Motueka Urban Water Supply Metered Connections	\$380,000	\$2,893	\$2,937	\$2,988	3.3%
Residential – Richmond (Waimea Village,) with 30m ³ of water, Urban Water Supply Metered Connections	\$200,000	\$2,380	\$2,439	\$2,462	3.4%
Residential – Richmond, with 133m ³ of water, Urban Water Supply Metered Connections	\$510,000	\$3,583	\$3,693	\$3,703	3.4%
Residential – Richmond, with 186m ³ of water, Urban Water Supply Metered Connections	\$1,020,000	\$5,269	\$5,450	\$5,471	3.9%
Dairy Farm – Collingwood-Bainham	\$7,450,000	\$22,928	\$22,964	\$22,611	-1.4%
Forestry – Motueka	\$5,575,000	\$14,901	\$15,049	\$16,508	10.8%
Horticultural – Hope	\$1,210,000	\$4,209	\$4,203	\$4,038	-4.1%
Horticultural – Ngatimoti	\$660,000	\$2,417	\$2,425	\$2,398	-0.8%
Horticultural – Waimea West, with 9 hectares, with Water Supply Dams – Wai-iti Valley Community Dam	\$1,150,000	\$7,329	\$7,242	\$7,628	4.1%
Pastoral Farming (Fattening) – Upper Moutere	\$940,000	\$3,226	\$3,234	\$3,172	-1.7%
Lifestyle – Wakefield, with 3m ³ /day restrictor, Eighty–Eight Valley Rural Water Supply	\$1,600,000	\$5,433	\$5,513	\$5,496	1.2%
Lifestyle – East Takaka	\$495,000	\$1,957	\$1,951	\$1,890	-3.4%
Lifestyle – Neudorf, with 3m ³ /day restrictor, Dovedale Rural Water Supply	\$550,000	\$3,452	\$3,613	\$3,545	2.7%
Lifestyle – Tasman with 2m ³ /day restrictor, Rural Water Extension to Urban Water Scheme	\$680,000	\$3,756	\$3,833	\$3,808	1.4%
Lifestyle – Bronte, with 3m ³ /day restrictor, Redwood Valley Rural Water Supply	\$1,070,000	\$4,514	\$4,704	\$4,627	2.5%
Commercial – Queen St, Richmond, with 270m ³ of water, Urban Water Supply Metered Connections	\$1,310,000	\$9,066	\$9,332	\$9,548	5.3%
Commercial – High St, Motueka	\$1,300,000	\$7,292	\$7,455	\$7,258	-0.5%
Industrial – Cargill Place, Richmond, with 69m ³ of water, Urban Water Supply Metered Connections	\$620,000	\$3,925	\$4,046	\$3,922	-0.1%
Utility	\$69,960,000	\$637	\$196,862	\$179,527	28102%

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

WHERE YOUR RATES GO

Council provides a wide range of services. The following graph shows the proportion of rates proposed to be collected for these services over the next 10 years.



ENVIRONMENT AND PLANNING 11% (\$93M)

- Resource Policy.
- Resource and Environmental Information.
- Resource Consents.
- Environmental Monitoring.
- Regulatory Services – animal control, building consents, health and liquor licensing and inspections, noise control, parking control.
- Land Information.
- Civil Defence Emergency Management.
- Rural Fire.
- Biosecurity – pest plant and animal management.

TRANSPORTATION 23% (\$185M)

- Roading – 1,741km of roads (955 sealed, 786km unsealed), 483 bridges and footbridges, 282km footpaths, walkways and cycleways, 22 off street car park areas, on street car parking, streetlights, traffic signs, culverts and Tasman's Great Taste Trail.
- Coastal Structures – Provision and management of coastal structures (wharves, jetties, boat ramps, associated buildings and foreshore protection walls) owned by Council, along with provision of navigational aids to help safe use of the coastal waters.

STORMWATER, WASTEWATER, WATER SUPPLY AND SOLID WASTE 40% (\$319M)

- Water – 15 water supply areas, 807km pipelines, 36 pumping stations, 11,600 domestic connections, 110 reservoirs and break pressure tanks, Wai-iti water storage dam.
- Wastewater – 14 Urban Drainage Areas, 396km pipeline, 3,670 manholes, 77 sewerage pumping stations, 7 wastewater treatment plants.
- Stormwater – 15 Urban stormwater drainage areas and 1 general district area, assets used include drainage channels, piped reticulation networks, tide gates, detention or ponding areas, inlet structures, discharge structures.
- Solid Waste – 1 operational landfill and 22 closed landfills, 5 resource recovery centres.
- Rivers – Council maintains 285km of X and Y classified rivers, assets include river protection works such as stopbanks, rock protection and willow plantings.

COMMUNITY DEVELOPMENT 19% (\$158M)

- Parks and reserves – 804ha of reserve land and 52 playgrounds.
- Community recreation.
- 20 Community halls.
- 5 multi-use community recreation centres
- Other community facilities and buildings.
- Cultural services and Community Grants.
- 4 Public libraries.
- 3 Museums
- 1 Indoor swimming pool (Aquatic Centre) and 3 outdoor swimming pools.
- 12 Cemeteries.
- 91 Public toilets.
- 8 Community housing complexes – (101 separate units in total).

OTHER 7% (\$59M)

- Forestry (approximately 2,800 hectares).
- 4 commercially operated Camping Grounds.
- Property.
- Motueka and Takaka Aerodromes.
- Council Controlled and Council Controlled Trading Organisations.
- Council Support.
- Elections.
- Representation reviews.
- Strategic Planning.
- Communication.
- Elected Representatives.

FINANCIAL STRATEGY SUMMARY

The financial strategy is set out in full in Volume 2. It sets the overall direction for Council's finances over the next ten years. It outlines a fundamental change to Council's approach to financial management of depreciation, capital expenditure and rates income from the last financial strategy. These changes are proposed to more fairly allocate costs and to reduce debt levels over the long term to create a more financially sustainable future.

Significant debt reductions are forecast as a result of the financial strategy. Reductions in debt are mainly driven by two things:

- Moving to fully funding the wearing out of assets over their lives (funding depreciation). This will result in improved cashflows into Council, so it needs to borrow less to fund the replacement of existing infrastructure; and
- Reducing the overall capital expenditure programme.

Reducing debt has multiple benefits, including more affordable rates over the long term, and the flexibility to respond to unexpected events as they arise. Council has set out its key financial goals that drive the budgets of this Plan. Key goals include:

- To reduce net debt from a projected \$168 million in 2015 (163% of operating revenue) to \$120 million in 2025 (83% of operating revenue);
- To limit increases in rates income to a maximum of 3% per annum plus growth;
- To move to fully funding the wearing out of assets over their lifetime (funding depreciation) and have this change fully implemented by 2025;
- To ensure there is sufficient funds or borrowing capacity available to fund the planned capital programme (i.e. provide essential infrastructure and services);

- To ensure the costs of providing the growth component of infrastructure are paid by those that benefit from it (i.e. the growth component of capital projects will be primarily funded through development contributions).
- To limit the provision for new community facilities and renewals in the short term, and increasing the minimum community contribution in the long term;
- To review Council assets and investments for potential sale to reduce debt or fund key projects; and
- To increase Council's income by seeking better performance from Council's commercial investments and activities and to remove rates exemptions for utility networks.

Population growth and an ageing population, land use change, changing legislation, natural hazards, and infrastructure demands are just some of the matters that have been considered in developing this financial strategy. The financial strategy dove-tails with Council's infrastructure strategy, growth strategy, activity management plans and other financial policies. The goals in the financial strategy have helped to inform the financial decisions in this Plan.

INFRASTRUCTURE STRATEGY SUMMARY

The infrastructure strategy is set out in full in Volume 2. Council has an infrastructure strategy to plan its infrastructure over the next 30 years so it can provide the community and businesses with infrastructure at agreed levels of service, cost effectively, and within an acceptable level of service delivery risk.

The infrastructure strategy sets out the major issues, risks, uncertainties and projects for each of the following activities: wastewater, stormwater, transport, urban water supply, solid waste and rivers and flood control.

Our infrastructure strategy signals a significant change to how Council aims to achieve its objectives compared to the Long Term Plan 2012–2022. In particular, Council intends to be more selective in its investment focus for infrastructure. This means:

- Reducing the number of service level improvements by focusing on and prioritising essential improvements;
- Prioritising new capital works that provide the greatest benefit to the community, and facilitates growth; and
- Sensibly managing asset renewal risks by ensuring investment is justified on economic and service level grounds. This can be done by making better use of information about our assets.

The outcomes from this approach should see levels of service maintained for most communities and in some cases improved – i.e. for things like drinking water standards, and stormwater management. Cuts to non-essential projects or delays to others are not expected to reduce the current levels of service.

In the longer term, better management will allow us to get more life out of the assets we own before they have to be renewed. The Council anticipates ‘sweating its assets’ (the term described in the infrastructure strategy as a way of extending the life of an asset) which may increase the risk of occasional unexpected disruptions to service delivery. The Council will be working hard to avoid these disruptions, where possible, by improving its knowledge of asset condition; retaining budgets for operations and maintenance; and holding sufficient borrowing capacity should an asset urgently need to be replaced.

SIGNIFICANT INFRASTRUCTURE ISSUES

Significant infrastructure issues are those which cost a lot, have the potential to impact on public health or property, and/or are a big change to the approach signalled in the Long Term Plan 2012-2022. The significant infrastructure issues signalled in the strategy are:

- Waimea Plains water security. Extended periods of dry weather or drought have occurred nearly every summer since 2001, with impacts on the Waimea River, related aquifers, the environment and associated communities and businesses. Recent changes to the Tasman Resource Management Plan mean that the allocation of water will be much more constrained in the future if the Waimea Community Dam is not constructed.
- Stormwater management. Most residential areas in the District are subject to some level of flood hazard, and many of the District’s stormwater systems are under capacity.
- Joint solid waste initiative with Nelson City Council. It will be more efficient to operate a single landfill servicing both areas at any one time, reducing operating costs and avoiding the duplication of capital.

Council is also aware of the growing importance of managing the effects of more intense storm events, rising sea levels and other natural hazards. Council is doing the work needed to understand the future impacts of these issues. Council has increased its funding for responding to emergencies and natural hazards for roading, stormwater, and coastal structures.

KEY ISSUES

This section is one of the most important in the document. We encourage you to read it to find out what key issues Council is facing, how we are proposing to address the issues, and what it means for rates, debt and levels of service.

1. ADDRESSING RATES AFFORDABILITY

Members of our community expressed concern over the affordability of rates and the increases to rates forecast in the last Long Term Plan (2012-2022). That Long Term Plan contained a large capital expenditure programme and substantial increases in projected debt. This affected rates by pushing up the amount of money Council needed to repay debt and pay loan interest. Rates income was projected to rise at an average of 4.82% per annum, plus an allowance for growth of 1.3%. Council’s priority for the new Long Term Plan is to ensure that rates are affordable over the next 10 years. Council has set a limit on the amount of rates income that can be gathered each year, and will work within a set fiscal envelope.

Compared to the last Long Term Plan, Council plans to reduce the amount of rates income needed by spending less on capital projects and better managing its activities. While some large projects are still planned, Council has ‘smoothed’ the effects of the capital expenditure programme, so that big projects don’t cause a spike in rates in any one year and Council stays within its financial limits.

WHAT WE PLAN TO DO...	IMPLICATIONS	CONSEQUENCE
Limit total rates income increases to a maximum of 3% per annum plus an allowance for growth (from 1.17% to 2.55% per annum during the 10 years of the plan).	Ratepayers face steady but modest increases in rates as costs go up due to inflation and other cost increases. Capital and operational expenditure is limited and timed to avoid significant rate spikes. The timing of the stepped introduction of fully funding depreciation will be used to smooth the impact of rates increases over the 10 years of the Long Term Plan 2015-2025.	Rates increase at controlled increments. No direct impact on debt. No significant changes to levels of service.
Work within a fiscal envelope that sets a limit on general rates of \$51 million per annum and targeted rates of \$46 million per annum over the 10 year period.	No breach is likely unless expenditure exceeds revenue in the later years of the plan. The key control is staying within the rates income increase limit of 3% per annum plus growth.	Rates increase at controlled increments. No direct impact on debt. No significant changes to levels of service.

2. MANAGING COUNCIL'S DEBT

Council's debt has risen steadily over the last 15 years, with net debt projected to be \$168 million at 30 June 2015 (\$7,600 per rateable property). If Council continued with the programme in the Long Term Plan 2012-2022, it would result in a gross debt level of \$311 million (net debt \$293 million) by 2022. This equates to \$12,165 per rateable property. This was a relatively high debt per property ratio.

The high level of debt projected in the Long Term Plan 2012-2022 was the result of decisions to provide a higher standard of infrastructure and community facilities. New capital and renewal of infrastructure and facilities was primarily paid for by borrowing money. Council considers that continuing with that approach would be risky because:

- increasing debt is likely to increase the need for more rates income;
- there is exposure to upward interest rate changes and the availability of borrowings;
- borrowing for growth is not certain, as predicted growth may not occur;
- with high debt servicing costs Council is less able to deal with the unexpected (e.g. a natural disaster); and
- current ratepayers are not fully funding the wearing out of Council's assets as it occurs. This spreads the cost of paying depreciation on to future ratepayers.

Since 2012, Council has focused on how the projected debt level could be reduced. It looked at ways to progressively reduce future debt levels. Council reviews its budgets each year and had already reduced its total rates charges, compared to what was forecast in 2012.

The new financial projections show net debt will peak in 2018/2019 at \$197 million, and then reduce to \$120 million by 2025. Even with planned expenditure on projects like the Waimea Community Dam, there is a significant reduction in the debt forecast. The reduction has been driven by the following significant factors:

Reduction in capital spend funded from debt	\$44.27 million
Reduction in planned Nelson Regional Sewerage Business Unit (NRSBU) capital spend	\$18.46 million
Reduction in debt associated with development contributions	\$21.06 million
Funding of depreciation	\$19.78 million
Using other activities cash surpluses to repay debt	\$11.60 million
NRSBU owners distribution debt offsets	\$854,000
Reduction in opening debt position	\$21.03 million
TOTAL	\$137.05 MILLION

Keeping debt under control in the medium term will require additional changes. The options Council has selected for achieving this are set out in the following table.

2. MANAGING COUNCIL'S DEBT (CONT.)

WHAT WE PLAN TO DO...	IMPLICATIONS	CONSEQUENCE
<p>Place a limit on external net debt limit at \$200 million.</p> <p>Servicing of Council debt will be limited to 15% of operating income.</p>	<p>Reduces available funds for capital expenditure.</p> <p>Reduces vulnerability to external or unexpected events such as interest rate rises or natural disasters.</p> <p>Debt will peak in year 2018/2019 and slowly reduce over the remainder of the Long Term Plan 2015-2025.</p>	<p>Rates income increases at a maximum of 3% per annum (plus an allowance for growth).</p> <p>Debt reductions from year 2019/2020.</p> <p>No significant change to levels of service.</p>
<p>Review Council assets for potential sale.</p>	<p>In reviewing assets and investments for sale, Council will also consider the income provided by that asset and how it contributes to reducing rates or supporting other Council activities.</p> <p>Council will undertake further public consultation on any proposed sale of its strategic assets.</p>	<p>Potential to reduce debt.</p> <p>Potential to reduce income.</p> <p>Potential loss of service for some activities, depending on which assets are sold.</p> <p>Rates may increase if income assets are sold, as their income currently offsets the need for additional rates income.</p>
<p>Progressively fund the 'wear and tear' (depreciation) on assets from cash flow as the asset wears out rather than borrowing to pay for the replacement asset.</p>	<p>Council will move to fully implement cash funding of depreciation within the 10 years of the Long Term Plan 2015-2025.</p> <p>An increasing portion of the wear and tear on assets and infrastructure is paid for by current ratepayers over the next 10 years, rather than spreading these costs out to future generations.</p> <p>The move to fully fund depreciation will have a significant cost implication for ratepayers and for Council. The faster debt is repaid, the higher the costs to current ratepayers, but there are longer term benefits as debt and interest costs decrease.</p> <p>The timing of the progressive introduction of depreciation funding is being used to smooth the rates increases over the 10 years of the Long Term Plan 2015-2025.</p>	<p>Increases to rates, fees and charges, with rates income going to a maximum of 3% per annum (plus an allowance for growth).</p> <p>Reduction in finance costs and interest rate movement risk as debt decreases.</p> <p>Decreases in debt as the capital renewal programme is progressively funded from cash flows.</p> <p>No change to levels of service.</p>

3A. DEVELOPING RESILIENT COMMUNITIES – PROVIDING A SECURE WATER SUPPLY

In times of dry weather, there is a shortage of water in the Waimea River and aquifers. There is not enough water to provide for a healthy river ecosystem while at the same time meeting the demands of reticulated urban and rural water users. Recent changes to the Tasman Resource Management Plan (TRMP) have been made that will significantly reduce the amount of water that can be extracted.

This is an important issue because:

- Council is a major water user; it uses water from the Waimea River system to supply the Richmond, Brightwater, Mapua/Ruby Bay, Redwood Valley and surrounding low-flow rural reticulated community water supply networks;
- Council has a role in protecting the environmental values of the Waimea River; and
- Much of our economy is based on the primary sector, which relies on a secure water supply.

The Tasman Resource Management Plan currently requires Council to make a decision by 30th June 2015 on whether or not it will provide for a dam in the Lee Valley in the Long Term Plan 2015-2025. If Council decides not to proceed with the Waimea Community Dam, there will be greater water restrictions. The new rules mean the restrictions would be likely to occur more often, last longer, and be harsher than previous years.

Water restrictions would have a large impact on existing and future urban, rural and commercial water users in Richmond, Brightwater, Redwood Valley and Mapua and Waimea Plains horticultural and agricultural water users.

There are many issues that need to be resolved before the project proceeds, particularly relating to the cost and affordability of the proposed Dam. Council recognises that significant external funds are needed to make the project viable. The Waimea Community Dam website explains in more detail what is being proposed, the new timeframe for construction, and implications for the Tasman Resource Management Plan – see www.waimeacommunitydam.co.nz.

WHAT WE PLAN TO DO...	IMPLICATIONS	CONSEQUENCE
<p>Contribute up to a maximum of \$25 million towards the Waimea Community Dam. The funding is mainly to be used to secure water for Council's reticulated water supply users and contribute to the environmental health of the Waimea River.</p> <p>Provide a loan of up to \$300,000 to WCDL to assist them to undertake work to secure external funding. In addition, approximately \$70,000 in 2015/2016 from the Waimea Water Augmentation Project user levy will be provided to WCDL as a grant.</p>	<p>Greater water security for reticulated water supply users in urban centres that source water from the Waimea River system.</p> <p>Higher river flows will support a healthier environment.</p> <p>The 2014 NZIER report commissioned by the Nelson Regional Economic Development Agency states that the difference on the regional Gross Domestic Product between not having a dam and having a dam could be between \$71 million and \$89 million dollars per annum.</p>	<p>Increases in water rates will not cause Council to breach the 3% rates income increase limit.</p> <p>Council debt will increase by up to \$25 million.</p> <p>Levels of service will be secured for reticulated water users that source water from the Waimea River system.</p> <p>Rural water users and irrigators will need to establish an acceptable funding model for the irrigation portion of funding.</p>

3A. DEVELOPING RESILIENT COMMUNITIES – PROVIDING A SECURE WATER SUPPLY (CONT.)

WHAT WE PLAN TO DO...	IMPLICATIONS	CONSEQUENCE
Review options to improve water conservation.	<p>Council would need to expand its demand management programme to ensure greater water conservation by water users.</p> <p>Alone, this option does not provide sufficient water savings to meet reticulated water demands in periods of dry weather.</p>	<p>No significant impact on rates.</p> <p>Increases to operational expenditure if water conservation methods are to be promoted effectively.</p> <p>No direct impact on debt.</p>

3B. DEVELOPING RESILIENT COMMUNITIES – HAZARD PLANNING AND RECOVERING FROM DISASTER EVENTS

At times, Tasman District experiences a diverse range of extreme weather. In recent times, major damage to property and infrastructure has occurred as a result of these extreme weather events, and this has come at significant cost to Council, households and businesses.

Council anticipates increased flooding risk, coastal inundation and increased coastal erosion as a result of changing weather patterns and predicted sea level rise. How Council manages the impacts of more frequent and severe storm events is extremely important. It will have a significant impact on large tracts of coastline, land use planning, private property, and Council's infrastructure and finances.

Council has an emergency fund to respond to, and recover from, disaster events. The fund is made up of the General Fund and the Rivers Fund. The emergency fund balance as at end of June 2015 is predicted to be \$2.547 million. In 2011 Council commissioned a risk assessment report to advise on the level of funding required to be held for disaster events. Council is now aiming for the Fund to reach to a balance of \$6.5 million by 2018.

WHAT WE PLAN TO DO...	IMPLICATIONS	CONSEQUENCE
Undertake an assessment of stormwater secondary flow paths at a cost of \$2.017 million over 10 years.	<p>Improved knowledge and understanding of stormwater in urban areas.</p> <p>Enables Council to better plan for hazards to minimise damage to property.</p> <p>Substantial cost to Council and time to implement.</p>	<p>Increase in targeted rates to pay for the \$2.017 million needed over 10 years.</p> <p>No impact on debt as costs are operational expenditure.</p> <p>Likely future improvements to levels of service for stormwater management.</p>

WHAT WE PLAN TO DO...	IMPLICATIONS	CONSEQUENCE
Undertake hazard risk assessments and modelling for settlements vulnerable to sea level rise and associated planning responses.	Once assessments and modelling have been completed, response options will then need to be identified. Funding of the selected response options will need to be revisited in the 2018 Long Term Plan as no budget has been allocated in this Long Term Plan.	No direct impact on rates. No direct impact on Council debt. No direct change to levels of service in the short to medium term.
Build and maintain Council's disaster recovery funds to \$6.5 million by 2018. Maintain appropriate operational budgets, insurance cover, committed borrowing facilities and self insurance funds to mitigate or recover from unexpected disaster events.	Having a sufficient disaster recovery fund, operational budgets and insurance means Council has the ability to respond to, and recover from, disaster events. If the fund is not used the interest is returned to Council.	The impact on rates is an additional \$1.24 million per annum (adjusted for inflation) for the disaster recovery fund. No change to Council debt. No direct change to levels of service, but enables Council to restore services following disaster events.

4A. RESPONDING TO POPULATION GROWTH – PROVIDING SUFFICIENT LAND AND SERVICES

The population of Tasman District and levels of economic activity continue to grow. The population is projected to increase at a moderate rate from 48,800 in 2013 to 54,000 by 2043 (figures supplied by Statistics New Zealand). This leads to additional demand for services and land for development, particularly around existing urban settlements. Council needs to ensure sufficient land and services are available to accommodate the predicted housing and population growth. Council needs to consider where and how the land and services will be provided most efficiently and cost effectively. There are a number of Tasman Resource Management Plan changes already underway that are considering growth of settlements (e.g. Brightwater and Wakefield) and our rural areas.

WHAT WE PLAN TO DO...	IMPLICATIONS	CONSEQUENCE
When considering additional land for residential development, including through Tasman Resource Management Plan changes, Council will logically extend infrastructure rather than provide for piecemeal development.	Maximises capital and operational cost efficiencies.	Planned increases in debt to fund progressive capital costs. Minimises rate rises. Minimises debt increases. No direct change to levels of service. Increase in development contributions.
Implement the Central Government Housing Accord for Tasman.	Potential for faster release of land for housing developments and improve affordability. Potential additional demand for servicing and infrastructure.	We are intending to align the Housing Accord with the capital programme in the Activity Management Plans so additional debt is not incurred. Limited impact on rates as growth costs funded by development contributions and government assistance. Improved levels of service for land that is currently unserved.

4B. RESPONDING TO POPULATION GROWTH – DEVELOPMENT CONTRIBUTIONS POLICY CHANGES: ENSURING THOSE DEVELOPING PAY FOR THE COSTS OF GROWTH

Ongoing population and housing growth creates demand for additional capacity in Council's infrastructure. Providing this infrastructure comes at a cost. Council seeks to ensure the costs of providing the growth component of infrastructure are paid by those that benefit from it. The growth component is the additional infrastructure capacity needed to accommodate the demand arising from the development (e.g. upsizing of pipes and extensions of networks).

Council applies a charge – called a development contribution – at the time of subdivision or development of a site. This enables the costs of providing the growth component of infrastructure to be paid by the developer, rather than general ratepayers.

Summary of the Development Contributions Policy:

As a consequence of recent changes to the Local Government Act 2002, a new Development Contributions Policy has been developed by Council. The draft policy was open for public submission at the same time as the Consultation Document on the Long Term Plan, so that decisions on development contributions could be linked to the proposed capital expenditure programme. Development contribution charges have increased by 17% overall (this is 1% less than proposed through the draft policy). Some charges have increased such as wastewater charges, while others have decreased such as water charges.

The charges include the cost of new projects in the capital expenditure programme and the costs of existing growth related infrastructure. Significant growth related infrastructure has been built in recent years and has capacity to cater for growth into the future. Consequently, some of the costs associated with these works are being recovered through current charges.

The increase in costs is also because Council previously applied a 10 year capacity life when determining growth costs, but planned to recover the growth cost over 20 years. This substantially reduced development contribution charges compared to what they could have been. The Development Contributions Policy now provides for the 10 year capacity life of an asset to be recovered over 10 years and reduces the risk that there might be loans to be repaid if growth in Tasman District slows down.

As a result of submissions, Council has agreed to:

- Remove four roading projects from the Development Contributions Policy;
- Allow credits for vacant residential lots that predated 1 July 1996; and
- Enable special assessments to be undertaken without the need for a development agreement.

Other minor changes to the policy and maps have been agreed to by Council. The new Development Contributions Policy reflects these changes. The Development Contributions Policy contains an explanation of how development contributions are calculated for residential and non-residential activities, maps showing where development contributions are applied and a schedule of projects for which development contributions will be used.

Council has also directed staff to investigate differential charges for high density housing developments and/or multi-unit developments and establishing a policy for recognising works undertaken by developers. Due to time constraints this work was not able to be incorporated in the new Development Contribution Policy, but is likely to occur prior to the next review of the policy.

WHAT WE PLAN TO DO...	IMPLICATIONS	CONSEQUENCE
Adopt the Development Contributions Policy.	Costs associated with providing additional infrastructure capacity are paid for by developers.	<p>Costs of developing fall on developers.</p> <p>A rise in development contribution fees will contribute to the costs of developing land.</p> <p>Impact on rates through increased operating costs if development is slower than planned.</p> <p>Debt will increase where infrastructure needs to be built before the development contributions are received.</p> <p>Levels of service extended to new developments.</p>

5. MAXIMISING REGIONAL OPPORTUNITIES

The wider Nelson-Tasman region encompasses Tasman District and Nelson City. While each Council operates independently, we work closely on a range of issues and shared services. We share a number of common interests and are economically interdependent.

Tasman District Council wants to maximise regional opportunities and benefits from its investments to ensure there is efficient delivery of shared services. Better regional outcomes and more opportunities may be able to be obtained when the two councils work collaboratively.

It is important that Council also works to build its relationship with tangata whenua. There are eight iwi with mana whenua (traditional authority over parts of the District) in Tasman. The recent Treaty of Waitangi settlements create new rights, responsibilities and opportunities for iwi, Council and community. Council and iwi are in the early stages of redefining how the Treaty Settlements will change and improve our working relationships.

5. MAXIMISING REGIONAL OPPORTUNITIES (CONT.)

WHAT WE PLAN TO DO...	IMPLICATIONS	CONSEQUENCE
Develop a memorandum of understanding with each or all iwi in Te Tau Ihu (the top of the South).	Increased understanding and support for iwi and Council to work together.	No direct change to rates. Improvements to how Council and iwi work together.
Rationalise investment of capital for regional infrastructure (e.g. solid waste landfill).	Maximise regional benefits from Council's investments and work to ensure there is efficient delivery of shared services and to avoid duplication of costs.	Reduce increases to rates, charges and debt. Maintenance of levels of service.
Improve governance arrangements for shared facilities, such as regional infrastructure and facilities that deliver regional benefit.	Improved performance of facilities (e.g. Nelson Regional Sewerage Business Unit (NRSBU); and Saxton Field sport complex). Potential for additional governance costs, but also potential for additional savings through improved performance.	No direct impact on rates or debt, but potential reduction through improved financial performance. No direct change to levels of service.
Review existing funding of 'out of Tasman District' activities to enable Council to fund further activities within the Tasman District.	Potential reduction in funding for activities and services where these are not located in Tasman District, or where equitable funding arrangements cannot be established.	Potential reduction in rates and additional debt. Potential reduction in levels of service to some ratepayers that use facilities located outside the District, but possibly improvements to services in Tasman, or lower rates.
No new 'out of District' funding for regional initiatives.	No additional funds for activities that are not within Tasman District. New regional events or services may not be viable without funds from Council.	No change to rates or debt. No change to levels of service.

FUNDING CHANGES

This section covers key funding changes:

- From what the last Long Term Plan (2012-2022) contained; and
- Between the proposals contained in the Consultation Document and this final Long Term Plan as a result of submissions, or changed circumstances.

SOLID WASTE MANAGEMENT AT EVES VALLEY LANDFILL

Nelson City and Tasman District Councils previously approved a Regional Landfill subject to the signing of a formal agreement, with the effective date of 1 July 2015. The agreement was to see Tasman's waste taken to Nelson's York Valley landfill from July 2015 and for Tasman's Eves Valley landfill to take both Tasman and Nelson's waste from 2030. The Long Term Plan Consultation Document was prepared on this basis.

Agreement on the details of the deed has not yet been reached, and therefore a regional service will not commence on 1 July 2015 as planned. As a result, the budgets for year 1 of the Long Term Plan have been amended to reflect this delay. Both Councils continue to support one regional landfill. As a way of testing the analysis done by each Council, an independent financial review will be commissioned (with costs to be shared between the two councils) to undertake further modelling.

While both Councils continue to support one regional landfill, there remains a risk that agreement will not be reached.

We are planning to continue to operate the Eves Valley landfill until June 2016. After this we expect to close the landfill and take waste to York Valley. We have amended our budget to reflect these changes:

- New capital of \$255,750 has been added for capping and closure of the Eves Valley landfill in 2015-2016. This will be funded from a provision established for this purpose.
- New capital of \$411,672 has been added for new planting at the Eves valley landfill. This will be to better screen the landfill and to improve stormwater treatment. The planting will occur between 2015-2018 and 2022-2026.

WAIMEA COMMUNITY DAM

We are still proposing to provide funding for the Waimea Community Dam in the Long Term Plan 2015-2025. The funding is limited to \$25 million and will mainly be used to meet the Council's community water supplies needs and to pay for some of the public benefits (like the environmental and economic benefits) that the dam will provide. We have budgeted to meet two thirds of the cost of the capacity of the dam that is for environmental purposes and which will provide other community benefits. If the funds aren't used for the Waimea Community Dam a portion will be needed to meet the cost of an alternative community water supply.

If the project is to go ahead the other major water users, irrigators mostly, will need to investigate and provide their own funding. This work is planned to be done by the Waimea Community Dam Company Limited (WCDL). As noted in the Key Issues section of this document, Council has agreed to provide a loan of up to \$300,000 to assist the WCDL undertake this work. In addition, approximately \$70,000 in 2015/2016 from the Waimea Water Augmentation Project user levy will also be provided to WCDL as a grant.

RICHMOND CENTRAL PROJECTS (PREVIOUSLY REFERRED TO AS RICHMOND TOWN CENTRE PROJECT)

Council has moved the timeframe forward for the Richmond Central project and provided a further \$6 million for drainage works in central Richmond. This has occurred as modelling has identified different options which have been developed for consideration. The new options will also provide the potential to increase the capacity in the Beach Road drain and /or the Poutama Drain.

To minimise costs and disruptions, other projects related to central Richmond have been brought forward so that all services are completed in a similar timeframe rather than several years apart. This includes upgrades to projects that were outlined for Oxford Street within the Water, Wastewater and Transportation budgets.

These changes will positively benefit central Richmond, so that it will not continue to be threatened by excessive stormwater during a significant rainfall event. By having all the work carried out in a similar time period, the disruption to residents and businesses will also be minimised and reinstatement costs will be reduced.

The transportation budget has also been reduced by \$380,000 for central Richmond projects, as alternative options have been selected.

COMMUNITY CONTRIBUTIONS REQUIRED FOR COMMUNITY FACILITIES (SUCH AS NEW HALLS OR SIGNIFICANT RECREATION FACILITIES)

Council has decided to increase the required community contributions (i.e. fundraising) for new or renewal of large, community, recreational, sporting or cultural facilities (excluding Saxton Field), to a minimum of one third of the total project costs. This is an increase from the current 20% contribution. Where a community is prepared to fund two thirds or more of the cost of a new project that is not in Council's Long Term Plan, Council will consider the affordability of contributing the remaining costs and viability of the project.

NELSON TASMAN TOURISM AND ECONOMIC DEVELOPMENT AGENCY FUNDING

Council has allocated \$400,000 per annum in total to support economic development, regional branding and destination marketing activities that benefit the whole region.

Council will negotiate a three year funding agreement with Nelson City Council regarding the services the funding will purchase. The \$400,000 will be funded from the general rate. The \$400,000 is a reduction of \$218,670 provided for the two separate organisations in 2014/2015 and reflects an expected improvement in service delivery from the organisations as a result of more focused attention on outcomes sought by Council.

Both organisations are now fully owned by Nelson City Council. Tasman District Council will no longer directly fund visitor information centres.

CHANGES TO WHO PAYS RATES

Changes to rates and remission policies are set out in the Revenue and Financing Policy, the Funding Impact Statement, and Rates Remission Policy (see Volume 2 of this Plan). Significant rating changes for utility networks have been introduced (see below).

RATING OF UTILITY NETWORKS

A determination by the Court of Appeal in 1998 clarified the requirement for all utilities to be included on District valuation rolls. Up until now, however, Council has not fully rated utility networks for the general rate, only the specific

targeted rates which applied. Council is now charging utility networks the same way as other ratepayers i.e. on capital value, and removing the rate differential that had been applied. The decision to remove the differential considered factors such as fairness to all ratepayers, and that the general rate funds activities which benefit all ratepayers in the District. Key District networks now to be charged the general rates are: Network Tasman – electricity network; Transpower – National Electricity Grid; Chorus (Telecom/Spark) – telecommunications; The Link Network – telecommunications; NZ Post; Tasman District Council water supply, wastewater and stormwater networks; the Nelson Regional Sewerage Business Unit, and dam irrigation schemes. Despite Council's networks incurring additional charges as a result of the proposed new rate, the overall increase in Council's income exceeds the costs to Council.

BOVINE TB VECTOR CONTROL PROGRAMME FUNDING

Previously, Council had contributed around \$225,000 annually to the Bovine TB vector control programme and funded it from general rates. Council has allocated funds for only one further year. A recent funding review and changes to the Bovine TB National Pest Management Plan means that Council will no longer have to contribute funds for the work to continue.

ADDITIONAL FUNDING FOR BIODIVERSITY ACTIVITIES

A further \$50,000 has been allocated for biodiversity monitoring, reporting and management in this Long Term Plan. The additional funding fund for these activities has been met by reprioritising work programmes.

CHANGES TO FEES AND CHARGES

Council has a new schedule of charges. Some charges are rising to cover the cost of inflation or to better reflect the costs of providing services. In other cases the costs have remained the same. A full schedule of the charges is included in Volume 2 of this Plan.

CHANGES TO FUNDING OF THE TASMAN BAYS HERITAGE TRUST

Funding for heritage activities and facilities will stay the same as for the last Long Term Plan (2012-2022). This

amounts to \$974,287 per annum (adjusted for inflation). The Nelson and Tasman Councils have signalled that they will further review their funding of the Tasman Bays Heritage Trust activities (i.e. Nelson Provincial Museum). The Trust has indicated that it will make higher loan repayments from 2015/2016.

IMPROVING THE COMMERCIAL RETURN ON COUNCIL'S INVESTMENTS

Council has a number of commercial assets such as, forestry, Port Tarakohe, commercial campgrounds, Mapua Wharf precinct, and aerodromes. Council intends to provide a greater level of re-investment in commercial assets to ensure their ongoing commercial viability.

Following release of the Consultation Document an additional \$2.48 million has been included in the Commercial budget. This increase has arisen because Council:

- has been advised of additional health and safety related works necessary for the campgrounds and Port Tarakohe;
- has reviewed repairs and maintenance budgets in order to meet service level expectations; and
- has become aware of asset failures that require repair or replacement.

The additional expenditure is forecast to be more than offset by higher income and does not increase rates. Business cases will also be prepared and approved before the expenditure is undertaken.

INCREASE TO THE MOTUEKA COMMUNITY BOARD RATE

Council has agreed to an increase of \$5 per annum per rateable property in the Motueka ward. The additional fund will be directed to the Motueka Community Board's Special Project Fund and criteria for spending the funds will be developed.

RURAL FIRE DEPOT MAINTENANCE

Council has agreed to include \$60,000 as a capital contribution to maintain rural fire depots in Tasman District every second year of the Long Term Plan, commencing 2015/2016.

OTHER MAJOR ENGINEERING BUDGET CHANGES

Some of the key changes made between the Consultation material and this final Plan include:

- Bringing forward \$600,000 of the Bateup Road stormwater drain upgrading budget to 2018/2019. This allows the Council to work with developers in Richmond South to provide an interim solution before the full Borck Creek works programme is completed.
- An extra \$300,000 has been added to the water budget in 2015/2016, so that the Richmond Water Treatment Plant can be operated effectively. From 2016/2017, the budget increases by \$220,000 per year.
- The pump renewal at Richmond West, plus the reticulation and reticulation upsizing across Borck Creek project (amounting to \$500,000) has been brought forward to 2017/2018 from 2028/2029. This is to accommodate expected growth in the Richmond West area.
- Richmond's new groundwater source at a cost of \$2 million has been deferred from 2024/2025 to 2026/2027. This is in order to balance the Development Contributions expenditure.
- In order to cap rate increases to an acceptable level, the following water capital expenditure items have been deferred in the water budget:
 - Thorpe Street, Motueka pipe renewal (\$1.8 million) deferred from 2019-2023 to 2023/2024;
 - Richmond reservoir strengthening (\$500,000) deferred from 2018/2019 to 2025/2026;
 - Water rezoning for Edward Street, Roeske Street and Wilkes street (\$1.1 million) deferred from 2018/2019 to 2025/2026; and
 - Richmond water meter renewals (\$600,000) deferred from 2018/2019 to 2022/2023.
- \$225,000 has been brought forward from 2016/2017 to 2015/2016 to aid development in Richmond South, ahead of schedule. The funds will be used for upsizing water storage, pumping and reticulation.
- In a smoothing exercise to keep rates at the agreed capped level, the pavement rehabilitation programme of \$200,000 has been deferred from 2018/2019 to 2019/2020.
- In order to smooth capital expenditure, the Takaka (\$210,000) and Murchison (\$80,000) Resource Recovery Centres improvements and renewals budgets have both been deferred from 2018/2019 to 2019/2020.

REGIONAL INTERESTS AND SHARED SERVICES WITH NELSON CITY COUNCIL

Council delivers a range of joint projects and programmes with other councils across the top of the south (Te Tau Ihu o te Waka a Maui). These include the Top of the South Maps – a joint project between Tasman District Council and Nelson City Council that provides one source of geographic and map information to the public.

Tasman District Council and Nelson City Council already collaborate closely together and with other councils on a wide range of projects, programmes and shared services. Many residents might not realise the extent to which the Tasman and Nelson councils already work together to the benefit of the wider Nelson Tasman region. This collaboration can provide better services to ratepayers and efficiency gains. At the same time collaboration preserves the separate identities and accountability arrangements of the two councils, enabling each Council to respond to the specific needs and preferences of its local residents.

Both Councils have stated that they wish to work closer together on strategic issues which affect the two communities.

While the specific needs of Tasman's settlements are best met locally, both Councils recognise that the interests of the region as a whole are often best served through a joint approach. There are a range of advantages from working together, including economies of scale through combining services to reduce overall costs for ratepayers or users of a service, or delivering a better service or facility to ratepayers (e.g. the joint Saxton Field development and reciprocal library borrowing). Other programmes are led by one Council because it has particular expertise in that field, so that specialist skills don't have to be duplicated. Regional pest management is a good example of such a programme, which is led by the Tasman District Council.

Examples of the joint Tasman- Nelson projects, programmes and services are grouped under broad operational headings below. These are indicative lists and do not include every area of shared work or services.

Staff and elected representatives from both Councils are in regular contact so new initiatives are likely to be developed or extended throughout the period of this Long Term Plan.

ENGINEERING/INFRASTRUCTURE

- Interconnected water supply services provide enhanced security of supply for both Councils, especially during an emergency. Nelson City Council also provides some of Tasman's water supply needs from the Roding Dam. Tasman District Council supplies water and wastewater services to some Nelson residents living in Stoke.
- Both Councils are members of the Waimea Water Augmentation Committee (which also includes land owners, iwi, Fish and Game, and the Department of Conservation) and contributed to its work on the Waimea Community Dam.
- Nelson Regional Sewerage Business Unit (NRSBU), 50/50 ownership by both Councils, which includes the facilities at Bells Island. Management is overseen by a joint committee, including Tasman District Council and Nelson City Council appointed representatives, and the facility is located in Waimea Inlet, which is bounded by both Councils.
- Port Nelson Limited (50/50 ownership) serves the wider region. The majority of the cargo exiting through the Port is sourced from Tasman District, so both Councils have a strong interest in its successful operation.
- Nelson Airport Limited (50/50 ownership) also serves the wider region, bringing economic benefit to both areas. As with the Port Company, both Councils oversee its performance and jointly appoint directors.
- Road safety and cycle promotion programmes run every year to prevent accidents and increase the already growing numbers of Nelson and Tasman residents who choose to use active transport.
- Cycleways developed between Richmond and Stoke involved the two Councils working together at the design stage.
- Working towards consistent engineering standards across both Councils makes it easier for developers and contractors to follow one set of rules wherever the project is located.

- Both Councils coordinate bylaws where the issues span Council boundaries, including the Tradewaste Bylaw.
 - Total Mobility is funded and is supported by both Councils so there is a coordinated approach to the provision of support to enhance access for all residents.
 - Regional transport planning continues to involve both Councils, although they have separate Regional Transport Committees. This allows each Council to make decisions on matters that lie solely within their individual boundaries. Cross boundary issues are dealt with by joint Council working parties. Regional advocacy to central government is handled through the Top of the South Land Transport Liaison Forum, involving Tasman, Marlborough and Nelson Councils. Council also takes a "Top of the South" perspective in its Regional Land Transport Plan looking at the needs for transport in partnership with our neighbouring councils, Nelson City and Marlborough District.
 - A Tasman-Nelson joint waste working party investigated, co-ordinated and developed a joint Waste Management and Minimisation Plan that has been approved by the two Councils to promote effective and efficient waste minimisation.
- Likewise, the Regional Economic Development Agency provides economic development services across the wider Nelson-Tasman region.
- The Provincial Museum in Nelson is co-funded by the two Councils.
 - Community policy development involves the input of both Councils, including positive ageing, the alcohol strategy and accord, the regional physical activity plan and regional arts strategy.
 - Both Councils work collaboratively on the It's On website and The Prow website.
 - As an International Safe Community, Tasman District Council recognises that safety is "a universal concern and a responsibility for all". Through continuing to work collaboratively with a range of communities, businesses, organisations and agencies as part of Safe at the Top, community safety can be improved by providing commitment, support and leadership.
 - Environmental education involves staff of both Councils working together on campaigns and the development and management of environmental education initiatives.
 - Council staff have shared information for the preparation of the Long Term Plans and have developed an agreed set of Community Outcomes to cover the Nelson-Tasman region.

COMMUNITY DEVELOPMENT

- Reciprocal library borrowing occurs across Tasman and Nelson, and other shared library services are being investigated where they can reduce overall costs or provide a better service for the region's ratepayers and residents. Both Councils have implemented the same library management software service.
- Both Councils are involved in funding the further development of recreation facilities at Saxton Field, which is a jointly-owned and funded regional facility benefiting the residents of Tasman and Nelson. It also benefits the wider region by attracting national level sporting events.
- Nelson Tasman Tourism and the Regional Economic Development Agency are owned by Nelson City Council. Tasman District Council contributes funding towards tourism and economic development activities through a payment for services with Nelson City Council. Nelson Tasman Tourism provides tourism services to promote the wider region, which enhances the economic interests of all Tasman-Nelson communities.

ENVIRONMENT/PLANNING/ REGULATION

- The two Councils have adopted a joint Regional Pest Management Strategy under the Biosecurity Act. A joint strategy for pest management delivers a more targeted and cost effective approach.
- The two Councils work together on aligning monitoring programmes, including industrial land needs, air quality management and where required work on joint planning studies e.g. Nelson South/Richmond East residential intensification options.
- Tasman District Council manages key Nelson City Council water level and rainfall measurement sites and provides flood warnings to the City Council via a Hydrological Shared Services contract.
- Along with Marlborough District Council and Nelson City Council, Tasman is partnered with Ministry for Primary Industries in the Top of the South Marine Biosecurity Partnership. The main aim is to build systems and processes for the early detection and prevention of marine invasive species.

ENVIRONMENT/PLANNING/REGULATION (CONT.)

- The two Councils have a joint urban design panel.
- Coastal oil spill contingency planning and management is coordinated across the two Council areas.
- Staff and Councillors from both Councils take part in best practice and specialist guest speaker workshops e.g. on changes to legislation.
- Civil Defence and Emergency Management services and training (50/50 ownership) currently managed out of Richmond covers the whole Tasman-Nelson region.
- Both Council's are working on separate Housing Accords with the Government, but have committed to collaborate on joint actions.

DEMOCRACY AND ADMINISTRATION

- Growing regional economic interests
- Both Mayors have committed to the Mayors' Taskforce for Jobs programme. The workforce strategy advisory group also involves representatives from both Councils, as workforce issues span the wider region.
- Top of the South Maps is a joint initiative between both Councils to provide common geographic and map information to the public.
- The Marlborough, Nelson and Tasman Councils have undertaken joint procurement of insurance for our building assets, and some other insurances.
- Tasman District Council is part of the Local Authority Protection Programme, which is a local government scheme providing cover from catastrophic failure for underground assets such as water supply, wastewater, stormwater and flood protection assets.
- Tasman District Council is part of the Local Government Funding Agency, which is a local government scheme which enables Council to borrow funding for projects at a lower interest rate than is available from other sources.

We are continually looking at ways to work together to deliver services more efficiently and effectively.

COUNCIL'S TEN YEAR FINANCIAL PERFORMANCE SUMMARY

We have considered the key issues and what Council could do about them within the parameters of our financial strategy limits. We have looked at what we need to do to: reduce debt, manage rates affordability; meet expected population growth; maintain existing core infrastructure and services; and to meet legislative requirements.

We have then prioritised activities and projects. The planned projects are, however, subject to review through future potential annual plan processes, business cases and long term plan review in 2018. As a result of these processes projects from 2016/2017 onwards may be deferred, and their timing and scope could be changed.

The financial information in this Plan reflects the activities and projects Council is planning to deliver over the coming 10 years. Please refer to the financial strategy in Volume 2 for more information about Council's financial goals and limits.

COUNCIL'S OVERALL FINANCIAL SUMMARY:

	2014/2015 BUDGET \$000	2015/2016 BUDGET \$000	2016/2017 BUDGET \$000	2017/2018 BUDGET \$000	2018/2019 BUDGET \$000	2019/2020 BUDGET \$000
General Rates	33,041	35,039	35,727	36,821	38,186	40,270
Targeted Rates	25,767	32,816	34,931	36,271	37,927	38,951
Total Net Debt	168,129	173,267	178,593	193,842	197,518	192,406
Cash & Cash Equivalents	1,422	1,791	1,365	1,656	618	362

	2020/2021 BUDGET \$000	2021/2022 BUDGET \$000	2022/2023 BUDGET \$000	2023/2024 BUDGET \$000	2024/2025 BUDGET \$000
General Rates	42,296	44,157	46,421	48,670	49,665
Targeted Rates	40,061	41,674	42,906	44,223	46,117
Total Net Debt	182,698	170,877	154,769	136,363	120,309
Cash & Cash Equivalents	1,020	1,620	969	1,264	1,642

Pages 242-259 contain Council's prospective statement of comprehensive revenue and expense, prospective statement of financial position, prospective statement of cashflows, prospective statement of changes in net assets/equity, prospective cashflow reconciliation, prospective funding impact statement, prospective balanced budget statement and depreciation and amortisation expense by groups of activities.