



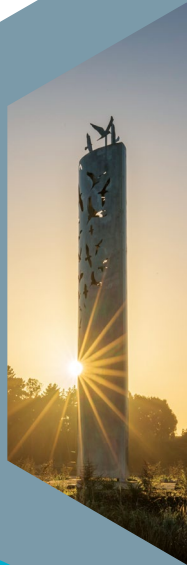
For Tasman

LONG TERM PLAN (LTP) 2018 – 2028

CONSULTATION DOCUMENT



CONSULTATION CLOSES THURSDAY 5 APRIL 2018

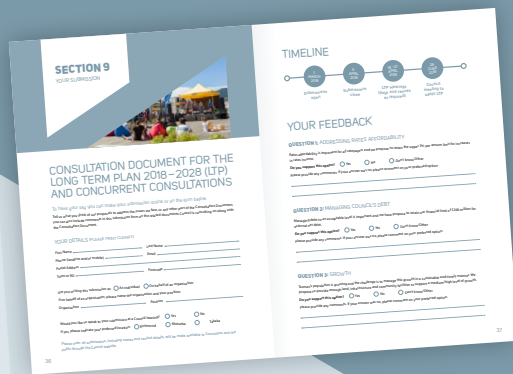


This consultation document summarises the big issues and key options that will influence Council's decisions as it plans its budgets and activities for the next 10 years. It is important that you comment on this document, as it covers the services Council will provide you and the rates and charges you will pay for those services.

As part of our LTP development we are also consulting concurrently on the following documents:

1. Revoking of Policy on Early Payment of Rates in the Current Financial Year
2. Draft Significance and Engagement Policy
3. Draft Development and Financial Contributions Policy
4. Draft Revenue and Financing Policy
5. Draft Rates Remission Policy
6. Draft Schedule of Charges
7. Draft Policy on Remission and Postponement of Rates on Māori Freehold Land

These draft policies have been used in the forecasts underpinning this document. These documents and supporting information can be found on our website, www.tasman.govt.nz/LTP. If you would like a hard copy, please phone 03 543 8400 or visit your local Council service centre or library.



TO HAVE YOUR SAY ON THE ISSUES DESCRIBED IN THIS DOCUMENT (OR ANY OF THE DOCUMENTS BEING CONSULTED ON AS PART OF THE LONG TERM PLAN PROCESS, OR ANY OF THE LTP SUPPORTING INFORMATION), YOU CAN:

- Go to our website www.tasman.govt.nz/LTP and complete your submission online
- Fill in the submission form and either post it back to Council (see address below) or drop it into your local library or Council service centre
- Email your submission to info@tasman.govt.nz
- Send your submission to: LTP Submissions, Tasman District Council, Private Bag 4, Richmond 7050

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SECTION 1

INTRODUCTION



WHAT'S THE LONG TERM PLAN ALL ABOUT?

This document asks for your input to help us make long term planning decisions for the District – particularly over the next ten years. As a unitary authority we cover a broad range of regional and district issues, meaning that we must manage and plan for a diverse and multifaceted set of activities and projects. The Long Term Plan (LTP) includes the services and projects that we are planning for, as well as a summary of the financial impacts.

The LTP is important as it is our contract with you, our community, about how we will spend your money to deliver the services our communities need. This money comes from you – through rates, and also from other sources such as fees and charges, investment returns, and government grants and subsidies.

We are constantly communicating on matters affecting the Tasman community and have consulted on a number of issues over the last three years. Through these interactions we have gained an appreciation of what is important.

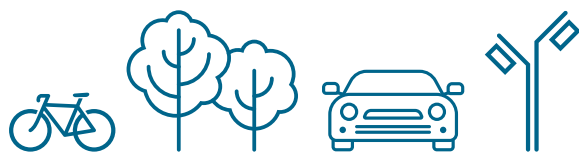
In March and April 2017 we asked our community for its early input to help us develop the LTP. This was an opportunity for you all to identify the things that you considered should be tackled in the LTP. Many of these have been addressed, however it has not been possible to include them all. We have completed a lot of work to get the balance right over the past year and now we need your help to let us know if we have got it correct. Are we focusing on the right key issues and actions to address those issues?

To help create direction for the LTP, the Mayor and Councillors discussed their aspirations for the future of Tasman District. As far as possible these aspirations are reflected here with the LTP focussing primarily on providing a solid infrastructure platform from which these aspirations can be launched.



Managing water in our District to maintain and improve this important resource is key. We must provide a secure and sustainable water supply solution for the Waimea Plains in order to address our urban, rural and environmental requirements.

RICHARD KEMPTHORNE, MAYOR



For Tasman

OUR ASPIRATIONS FOR THE FUTURE

Tasman District is made up of a series of vibrant, connected and caring communities. With Council's help, these communities will have the resilience to respond to future challenges, the ability to determine their own direction and the resourcefulness to resolve their own problems.

Good quality community facilities will enable the interaction between people that creates the heart of communities. Our communities will be well prepared to recover from natural hazard events and to adapt to our changing climate.

Our lifestyles and recreational opportunities will be envied by others and affordable to those living in the District. People and goods

will be able to move around the District with ease, and walking and cycling will be intrinsic parts of the way we live.

We will be highly regarded suppliers of quality produce and have a high value economy that offers a wide range of employment opportunities. The people who live in and who invest in Tasman will be able to earn a decent income and receive good returns on their investments.

In this post Treaty settlement era local iwi are planning to invest to attract whanau to return home. We will work to support that and help to strengthen the identity felt by inhabitants and visitors to places in the District.

WHAT IS DIFFERENT THIS TIME AROUND?

In our last LTP 2015 – 2025, we made significant changes to how we managed our debt, funded the wearing out of assets (depreciation), and capital and operational expenditure programmes. We were more constrained with the activities funded, instead taking time to pay for, use, and enjoy the facilities already built. In general, this approach has served us well.

In this LTP 2018 – 2028 we plan to continue to focus on maintaining our net debt within manageable limits and limiting our rates increases. Looking forward there are a number of factors driving the need to increase our expenditure and borrowing. Population and housing growth has increased at a faster rate than expected, utilising much of our development-ready land (i.e. already serviced with water, wastewater and stormwater). We expect growth to continue at a high level in much of the District over the next few years, bringing with it the demand for us to invest in infrastructure. We also need to invest heavily in drinking water sources, and treatment and reticulation infrastructure to ensure that our community drinking water supplies are safe and secure.

This investment includes improving drinking water security to the Waimea Plains and adjoining areas. Over the last three years we have invested significantly to improve stormwater management and plan to continue this. We intend to continue to focus on increasing the capacity of our primary and secondary stormwater networks in order to reduce the risk of flooding of homes and businesses.

Over the last three years we have made good progress in building our resilience to natural hazard events. Natural hazards and the risk of disaster events have been incorporated in our proposed activities and projects (e.g. stormwater improvements, emergency funds), rather than identified as a key issue in this LTP. We will actively be considering adaptive measures to respond to climate change through a wide range of activities.

We have also made good progress towards maximising our regional opportunities. Most notably with the establishment of the Nelson Tasman Regional Landfill Business Unit and of a joint governance committee with Nelson City Council for Saxton Field. We intend to continue our work in this area, including with the Iwi in Te Tau Ihu to enable Māori participation in Council processes (see Statement on Fostering Māori Participation in Council Decision Making for more details).



COUNCIL'S CAPABILITY AND CAPACITY

There are a number of pressures which are affecting Council's ability to deliver on its functions and strategies and to build an organisation that can meet the challenges of the future. To help review how we are doing and where improvements can be made, we have initiated an external assessment of our capability and capacity. This review will consider whether the organisation is the right size, has the right structure, and is working in the right ways. The review will result in an action plan for us to implement over the short, medium and longer term.

PLANNING FOR OUR REGIONAL FUNCTIONS

We are a unitary authority with both district and regional council functions. The key issues we have identified are largely meeting our district council functions. However, our regional council responsibilities are just as important and some of our planned regional work areas include:

- Improving water quality and stormwater management in Richmond, Motueka and Takaka.
- Developing detailed soil information to enhance land use planning and sediment control.
- Focusing our effort on biodiversity management and controlling pests.
- Maintaining and improving air quality, particularly in winter.
- Continuing to focus on the marine environment and coastal issues.
- Working with communities to build resilience in the face of a changing hazards profile.
- Improving our fresh water resources to maintain safe recreational access and efficient water allocation.

We propose that our swimmable targets for beaches, lakes and rivers is set at 98% using the fine weather samples and 92% using all weather samples. We plan to use these targets to meet our obligations under the National Policy Statement for Freshwater Management. See our Environmental Management Activity Management Plan: www.tasman.govt.nz/LTP

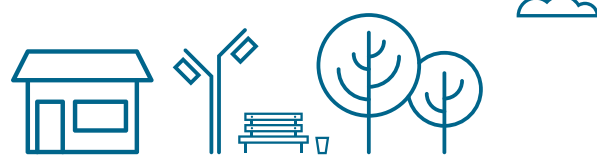
WAIMEA COMMUNITY DAM

In July 2017 Council confirmed that the Waimea Community Dam was the most cost-effective solution for meeting the community's needs for a good quality local water supply. It undertook consultation in late 2017 on three key aspects of this project including; funding Council's share, the governance and ownership arrangements, and underwriting the Crown Irrigation Investments Limited loan to the project. At its 1 and 2 February 2018 deliberations meeting, Council resolved to include the proposed funding and governance options into the LTP 2018 – 2028 Consultation Document and supporting information. A few minor changes were made to the proposal: removing some properties from the Zone of Benefit and including others; and properties connected to the Redwood Valley Water Scheme whose water is sourced from the Waimea aquifers, now contributing towards the extractive user charges.

Council confirms its investment of \$26.8 million towards the capital cost of the Dam and approximately \$715,000 per annum for operational costs. We note that Waimea Irrigators Limited (WIL) project estimate would require higher contributions from the joint venture partners. Any change in contributions is a matter for resolution at financial close. If the project proceeds, construction is planned to begin in 2018/2019. Council will also act as guarantor for up to \$29 million to cover loans from Crown Irrigation Investments Ltd to the Council Controlled Organisation (CCO) in support of WIL who will service the loans. The financial modelling also proposes that cost overruns of up to \$3 million will be shared 50/50 between WIL and Council and for any overruns above this amount Council is responsible. The Draft Revenue and Financing Policy provides Council the ability to recover any cost overruns from rate payers including irrigators.

Council separately confirmed that a CCO would be formed to own and operate the Dam, subject to the project proceeding. There are several concurrent work streams underway on the Dam including WIL raising its capital contribution to the Dam, finalisation and agreement of a construction price, land and access arrangements, and project and contractual arrangements. A final decision by Council, WIL, and Crown Irrigation Investments Limited on whether to proceed with the construction of the Dam will be made once all of these work streams have been finalised and confirmed. That may occur before the LTP 2018 – 2028 is adopted.

In the event the project does not proceed, Council will need to revisit its options for augmenting its urban water supply for the Waimea area.



THE NEXT 10 YEARS



DEBT AND RATES

Debt levels will consistently remain below our self-imposed net debt cap of \$200 million. Projected net debt will change from \$189 million at 30 June 2018, reaching a peak of \$199 million in 2020/2021, decreasing to \$147 million by 2028. Rates income increases will range from 1.17% to 2.98% and will not exceed 3% (plus an allowance for growth) in any one year.



LEVELS OF SERVICE

We are investing in infrastructure to protect current levels of service, or in some cases allow us to achieve levels of service that we have so far been unable to attain. This is particularly the case for water supply, stormwater and transport.



MAJOR INFRASTRUCTURE PROJECTS AND OTHER ACTIVITIES

- Upgrading and replacing drinking water treatment plants.
- Improving Mapua, Motueka and Richmond drinking water reticulation and storage infrastructure.
- Improving urban water supply and river flows – Waimea Community Dam.
- Extending water and wastewater services to service growth in Motueka and Richmond.
- Improving Richmond Central Stormwater secondary flow.
- Improving Motueka West Stormwater discharge system.
- Improving cycleways and pedestrian facilities.
- Improving maintenance of gravel roads.
- Providing a regional boat ramp.
- Adding recycling drop-off points in Pohara, Kaiteriteri and Murchison.
- Developing the Motueka Library.
- Ongoing development of Saxton Field and renewal of some infrastructure.
- Improving Port Tarohe.
- Upgrading campgrounds.



ENVIRONMENTAL MANAGEMENT

- Developing a new Biodiversity Strategy and commencing its implementation.
- Improving land management to enhance river water quality.
- Increasing pest and weed control.
- Transforming the Tasman Resource Management Plan from a paper-based plan to a digital plan.



DAY-TO-DAY SERVICES

- Responding to customer enquiries.
- Operating libraries, parks, recreational spaces and facilities.
- Processing consents and carrying out compliance duties.
- Fulfilling environmental health responsibilities.



SECTION 2

THE KEY ISSUES



KEY ISSUES FOR TASMAN DISTRICT OVER THE NEXT 10 YEARS

We are facing the challenges of meeting increasing community expectations, new residential and business growth, changing demographics, and the need to improve environmental sustainability and resilience to natural disasters.

At the same time we need to look after our existing public infrastructure and ensure that it is maintained and fit for purpose. These are all important considerations in planning our future programme. We have taken a long-term (30 year plus) view to ensure the right infrastructure is provided in the right places at the right time. We have identified five key issues important for the activities and budgets in this LTP, particularly over the first three years.



Over and above upgrading our infrastructure and keeping rates affordable, we must ensure our communities are happy places to live, work, and enjoy – we need to create “soul” in our place.

TREVOR TUFFNELL, RICHMOND WARD



- Issue 1: Rates Affordability and Managing Council's Debt**
- Issue 2: Growth and Infrastructure**
- Issue 3: Development and Financial Contributions Policy**
- Issue 4: Drinking Water Supply and Quality**
- Issue 5: Funding Motueka's Water Supply**



ISSUE 1

RATES AFFORDABILITY AND MANAGING COUNCIL'S DEBT

THE ISSUE

In the last LTP we responded to community views by focusing on reducing the amount of rates revenue collected and capping the amount of planned Council net debt. We achieved these reductions by spending less on capital projects and maximising the useful life of assets.

The good news is that we met our goals and have been able to achieve more progress in improving rates affordability. There have been a number of contributing factors such as operational savings, additional commercial income and delays in our capital works programme. Delays in our capital works programme have also contributed to our debt levels being lower than we had planned. However, these matters still remain important issues for the District. There are significant pressures on us that could negatively impact Council's financial position, such as increased population and household growth, requirements to invest in improving drinking water quality, and to reduce the risk of flooding. These pressures have shaped the proposed programme of capital and operational expenditure.

Rates affordability is important for all ratepayers, particularly for the high proportion of our District that are in older age groups and on lower fixed incomes. Managing debt to an acceptable level and running a balanced budget is important because of the impact higher debt has on rates affordability, our exposure to increasing interest rates and providing sufficient capacity to deal with unexpected events e.g. natural disasters in the future. It is also important to anticipate the future need to replace existing assets or invest in new ones and to preserve the capacity to borrow for these.

We are proposing to retain our self-imposed financial restraints from the last LTP:

- an upper cap of three percent (3%) rates revenue increase (plus an allowance for growth) in any one year. The allowance for growth ranges between 1.08% and 1.48% per annum over the 10 years of the LTP.
- a maximum level of net debt of \$200 million (with a maximum of 15% of operating income being required to service Council debt).

YOUR RATES

Whilst an upper cap on rates revenue increase of three percent (plus an allowance for growth) is being proposed, the rates paid on individual properties will vary and in some cases will exceed three percent in any one year. The rates paid on a specific property are influenced by the value of the property, the services it receives, and by the movement of the individual rates that make up the overall balance – including both general rates and targeted rates. Each rate is set on a particular basis with some common methods being based on capital value, land value, fixed charges and water supply volumetric charges. The property revaluations carried out by Quotable Value NZ in 2017 effects the relative values of different properties and will affect the rates levels for some properties.



Financial Strategy: www.tasman.govt.nz/LTP



It is important that as a Council we reduce our debt and that we keep rates affordable for our community

ANNE TURLEY, MOUTERE/WAIMEA WARD



OPTIONS: ADDRESSING RATES AFFORDABILITY AND MANAGING COUNCIL'S DEBT

1

PROPOSED

Cap maximum total rates income increases to 3% per annum plus an allowance for growth.

Implications: Ratepayers have reasonable certainty about the maximum average increase in rates they are likely to experience. Expenditure is limited and timed to avoid significant rate increases. The timing of fully funding the wearing out of assets over their life (depreciation) will continue to be used to smooth the impact of rates increases.

Consequences: Rates increases are kept at more sustainable increments. No direct impact on Council debt. No significant impact on changes to levels of service.

2

PROPOSED

External net debt capped to \$200 million.

Implications: Limits available funds for capital expenditure. Provides flexibility to borrow funds to respond to external or unexpected events such as natural disasters. An increased proportion of the depreciation on assets and infrastructure is paid by current ratepayers, rather than transferring these costs to future ratepayers.

Consequences: Net debt levels are maintained below a self-imposed net debt limit. No significant impact on changes to levels of service. Limiting debt helps to control rates increases.

1a

ALTERNATIVE

Set lower increase in rates income (2%) or higher increase in rates income (4–6%).

Implications: A lower increase means rates will be more affordable, but the levels of services could be compromised. Ability to pay off debt would be reduced. A 1% rates reduction on the 2017/2018 base equates to \$703,000. A higher rates income means we can selectively increase the quality or quantity of some services. Priorities and levels of service would be re-evaluated.

Consequences: Reduced rates may increase debt and reduce levels of service. Higher rates may result in earlier debt repayment and/or improved levels of service. Some ratepayers may find these increases unaffordable.

2a

ALTERNATIVE

Set higher (\$250 million) net debt cap or lower (\$150 million) net debt cap.

Implications: For every additional \$10 million borrowed, this costs \$1 million per year (5% per annum on a 20 year loan) for interest and principal repayments. This additional revenue would need to be collected through rates and fees. A lower net debt cap means savings on interest and principal repayments. Some infrastructure projects would have to be delayed or abandoned. Our capacity to borrow to recover from adverse events is increased.

Consequences: A higher net debt cap may result in improved levels of service with new capital expenditure. Council's financial capacity to respond to unexpected future events would be reduced. May affect Council's credit rating leading to higher borrowing costs. A lower net debt cap means increases in rates and charges to repay debt early. Reduced levels of service. Under a lower net debt cap it is likely that Council would not be able to meet the Government's standards for drinking water or the growth requirements under the Government's National Policy Statement on Urban Development Capacity.



ISSUE 2

GROWTH AND INFRASTRUCTURE

THE ISSUE

Tasman is growing and the challenge is to manage this growth in a sustainable and timely manner, including its environmental impacts. On behalf of our community we own and manage a range of infrastructural assets, some of which need upgrade or replacement over the next 30 years. Along with growth we must also cater for an ageing population which brings with it different demands on infrastructure, such as wider footpaths for mobility scooters and wheelchair access.

Over the next 10 years we are expecting an increase of approximately 4,400 residents in the District. In order to accommodate this population growth and the trend for smaller households, we anticipate a further 3,000 new dwellings will be needed, and 243 new business lots created by 2028. Looking forward, we predict a further 3,000 dwellings and 212 new business lots will be needed between 2028 and 2048.

Our 10 year demand has been based on expected high population growth for Richmond, Motueka, Brightwater,

Wakefield and Mapua/Ruby Bay; and medium growth for the remainder of the District. For Richmond and Nelson, the National Policy Statement – Urban Development Capacity (NPS – UDC) requires Council to ensure an additional margin of feasible development capacity over and above projected demand of at least 20% in the short and medium term and 15% in the long term. We will be working more with Nelson City Council to provide for predicted growth in this area.

The projected development and increasing population will require improved and/or additional roads/footpaths, water, stormwater, wastewater, and other public amenities such as parks, libraries, and community centres. Meeting our infrastructure requirements requires a well thought out strategic plan that aligns with our Financial Strategy and meets the needs of our community.

At the same time we have areas where the quality or quantity of service we deliver to the community needs to improve and areas where we need to improve the environmental performance of our services.

OPTIONS: GROWTH AND INFRASTRUCTURE

1

PROPOSED

Provide land and invest in new infrastructure to support a medium/high level of growth with a total growth investment of \$58 million over 10 years.

Implications: Increases Council’s debt level to fund progressive capital costs. Enables supply of housing needed to meet projected demand and meet NPS – UDC requirements for the Nelson/Richmond area. If growth is slower than anticipated, some growth related projects may be deferred. Council may hold debt for a longer timeframe for growth projects that do proceed.

Consequences: Low impact on rates rises as debt is used to fund growth in infrastructure which will largely be repaid through development contributions. Current service levels extended to new development areas. Increase in development contributions where new infrastructure is provided.

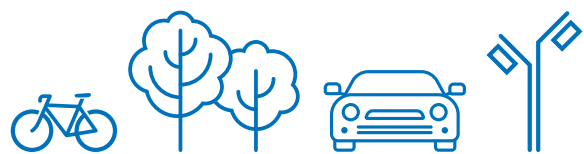
2

PROPOSED

Selectively upgrade and improve some assets with a total capital investment of \$157 million over 10 years.

Implications: Assets will be selectively improved to maintain or enhance services to the community. This is made up of Water Supply (\$41.3m), Transportation (\$27.9m), Stormwater (\$27.8m), Wastewater (\$18.3m), Community Facilities and Parks (\$13.7m), Flood Protection and River Control (\$11.5m), Council Enterprises (\$7.6m), Other (\$8.9m).

Consequences: Increase in rate rises and debt to fund associated costs. Improved levels of service and enhancement in the natural environment.



OPTIONS: GROWTH AND INFRASTRUCTURE (CONT.)

1a

ALTERNATIVE

Provide services for growth in Richmond and Mapua only with a total growth investment of \$41.6 million over 10 years.

Implications: Infrastructure provided to accommodate growth only in these areas. Some growth may still occur outside these areas where property owners or developers provide their own services. In Motueka this will limit the land available for residential and business development thereby limiting growth. Demand for new houses is likely to exceed supply which may increase house prices. Council would achieve its NPS-UDC targets for Richmond.

Consequences: Lower debt by \$16.4 million. Potential for rates to increase as property values rise. Services only extended to new areas in Richmond and Mapua. Higher costs for individuals providing their own services.

2a

ALTERNATIVE

Invest an additional \$10 million i.e. \$167 million in total over 10 years to reduce nuisance stormwater flooding, upgrade town centres to a higher standard and build a new community facility for Brightwater/Wakefield.

Implications: Reduced stormwater flooding of backyards and sections. Town centre upgrades take place to a similar standard to that of Queen Street. The \$5.8 million for Brightwater/Wakefield community facility is within 10 years.

Consequences: Services to our community will be improved. Debt increased by \$10 million. Increased rates to service the debt. Will breach our financial caps with potential impact on Council's credit rating and subsequent increase in our borrowing costs.



BB

Tasman faces significant challenges in the next 10 years. Natural hazards, a changing demographic, increased infrastructure demands and high debt levels. Help us 'future proof' Tasman by submitting on this plan. Make sure your voice is heard.

DANA WENSLEY, RICHMOND WARD

BB



ISSUE 3

DEVELOPMENT AND FINANCIAL CONTRIBUTIONS POLICY

THE ISSUE

The purpose of the Development and Financial Contributions Policy is to ensure that those developing properties and who directly benefit, pay their share of the growth related costs of that infrastructure. Who pays, and how much, for the additional growth component of wastewater, water supply, stormwater, and transport infrastructure continues to be an issue.

In our current Development and Financial Contributions Policy, all developments in the main settlements in Tasman pay the same development contributions charges. This means regardless of where the development occurs, each developer is charged on the same cost basis. This approach does not acknowledge that there are different levels of costs to provide infrastructure in different parts of the District, therefore not reflecting the 'real' cost to Council from the development concerned.

In this LTP, we propose to move to a new three catchment system for charging development contributions for wastewater, stormwater and water services. We propose to retain a single, District-wide catchment for transportation development contributions. By having different catchments for the three water services, we are able to collect varying

levels of development contributions that better reflect the true cost of providing that infrastructure.

The impact of this change in approach is that development contributions will be higher in some areas and lower in others. In some areas the only charge will be for transportation.

Council is also proposing to lower charges for small homes, better reflecting the lower demands smaller homes place on our infrastructure.

Retaining the existing policy with the same development contributions charges in all settlements is not considered realistic because it does not fully comply with the legislation.

The proposed Development and Financial Contributions Policy contains an explanation of how development contributions will be calculated for residential and non-residential activities, maps showing where the various development contributions catchments apply, and a schedule of projects for which development contributions will be used.



Draft Development and Financial Contributions Policy: www.tasman.govt.nz/LTP

OPTIONS: DEVELOPMENT AND FINANCIAL CONTRIBUTIONS POLICY

1

PROPOSED

Adopt the amended Development and Financial Contributions Policy with three identified development contributions catchments for wastewater, water supply, and stormwater. Retain transport development contributions as a single District-wide catchment. Provide lower charges for smaller homes. The calculation method for financial contributions remains unchanged.

Implications: The cost of providing growth infrastructure in different parts of the District will be better reflected in the charges for each area/catchment. Smaller homes will pay lower development contribution charges better reflecting their demands on infrastructure and helping housing affordability.

Consequences: There is little or no impact on rates and debt. No impact on levels of service.

1a

ALTERNATIVE

Use smaller catchments to charge development contributions and charge the same level regardless of house size.

Implications: The more catchments created, the more complex the Policy becomes to understand and more costly to administer. The effect on development contribution charges in different parts of the District will depend on the configuration of catchments, the cost of infrastructure to provide for growth in each catchment, and the number of new households the infrastructure services. Smaller houses will pay the same development contribution charges as larger ones, despite creating less demand on infrastructure.

Consequences: Changing the development contributions catchment configuration will impact administrative costs increasing rates to a minor extent. No impact on debt or levels of service.

ISSUE 4

DRINKING WATER SUPPLY AND QUALITY

PART A) ENHANCING WATER SUPPLY CAPACITY AND SECURITY

THE ISSUE

The provision of a safe and secure water supply at an affordable cost to households and businesses is important. To supply this, suitable water reticulation infrastructure is required to provide sufficient capacity for the forecast growth. Reticulation infrastructure generally consists of pipes, pumps and reservoirs. The growth in population and housing in recent years has placed pressure on the capacity of this infrastructure in some parts of our District, and growth is forecast to continue over the next ten years.

The risk of not having safe and secure water sources means there may be insufficient water available for our residents and businesses during dry summer periods. It also limits our ability to service new areas of residential and business development. Some factors affecting a safe and secure supply are outside of our control e.g. climate change is likely to result in more extreme weather events such as increased frequency and duration of droughts and floods. We can however undertake measures to mitigate these effects.

The development of the proposed Waimea Community Dam (the Dam) is a major project to increase water supply security in the Waimea area. Information on Council's intention to develop the Dam and its recent decisions is included on page 6. Council's contribution for urban water use is \$9.58 million.

We are proposing to undertake a programme of work to improve water sources and capacity. This includes new trunk mains to service growth in Richmond South and Motueka West, and relocation of our Richmond water supply bores to reduce the risk of saltwater intrusion. We also propose to install a new water source for the Dovedale rural water scheme.

In Mapua the infrastructure is ageing and unreliable and there have been multiple pipe breakages. We propose to progressively upgrade the water reticulation infrastructure beginning in 2018/2019 with the Aranui Road and Stafford Drive water main renewal. This will be followed by the Rabbit Island trunk main renewal in 2020/2021 and the upgrade of the Mapua storage reservoirs from 2021/2022.

OPTIONS: PART A) ENHANCING WATER SUPPLY CAPACITY AND SECURITY

1

PROPOSED

Enhance water security and supply in accordance with the proposed programme.

Total capital investment \$31.6 million* for water security and capacity projects over the next 10 years.

Implications: Safe and secure supply of water to existing and new homes and businesses. Service to users of our water supplies improve.

Consequences: Increase in targeted rates for all members of the Urban Water Club and those water schemes outside the Urban Water Club to fund the direct costs of their own schemes. Increased Council debt. Development contributions used to repay the growth component.

1a

ALTERNATIVE

Enhance water security and supply over a longer time horizon.

Implications: Similar investment required but over a longer time period. Timing dependent, certain schemes will be at risk of failure meaning Council may not meet its requirements under the Government's drinking water standards.

Consequences: The timing and extent of increases in targeted rates will be moderated. Levels of service will remain lower than required for a longer period with delayed extension to new areas. Reduces debt in the short term.

1b

ALTERNATIVE

Enhance water security and supply over a shorter time horizon.

Implications: Similar investment required, but over a shorter time period.

Consequences: Increased rates and debt in the short to medium term. Levels of service to users will be improved. Likely to breach our financial caps with subsequent increase in our borrowing costs.



PART B) IMPROVING DRINKING WATER QUALITY

THE ISSUE

Drinking water standards, as required by Central Government, have become more rigorous in recent years. With the contamination of drinking water in Havelock North comes a reminder of the important role we play in supplying safe drinking water to our communities.

Council operates 18 drinking water schemes that serve different areas of our District. The quality of the water source, treatment system, and associated infrastructure varies from scheme to scheme, with some not currently meeting the required water quality standards.

To ensure we avoid a similar situation to that experienced in Havelock North, we are planning to employ multiple barriers to contamination at each site. This involves, for example, installing new filtration systems, UV, and emergency chlorination.

To fully comply with the drinking water standards, we must significantly invest in our water treatment plants by either building new ones or upgrading the existing ones. We are planning to spend approximately \$27 million over the next 10 years for these projects.

Havelock North Drinking Water Enquiry Stage 2

The Government's response to the findings of the Havelock North Drinking Water Enquiry Stage 2 is not yet known. Council may be required to continuously chlorinate all drinking water supplies. This will only affect our Richmond, Kaiteriteri, Motueka and Upper Takaka schemes, which we do not currently continuously chlorinate. Whilst we have designed the Kaiteriteri and Motueka treatment plant upgrades to be able to do this, no financial provision has been made in our LTP for this treatment. If continuous chlorination is required, we estimate an additional \$1 million will be needed across all our urban water schemes, plus an additional \$50,000 per annum for operational related costs.

Most Council urban reticulated water supplies (Richmond, Murchison, Upper Takaka, Pohara, Collingwood, Hope, Brightwater, Wakefield, Tapawera, Kaiteriteri, and Riwaka) are in the Urban Water Club. The Urban Water Club is used to smooth the variation in rates for water supply year on year and to achieve a consistent charge across users in the Club. The Urban Water Club also delivers economies of scale and makes it easier to manage maintenance costs when unexpected costs arise.

The Motueka water supply scheme, our three rural water supply schemes (Dovedale, Eighty Eight Valley and Redwood Valley) and the Hamama Community scheme are outside the Urban Water Club. They all pay rates based on the direct costs of the water scheme that supplies their water.



Water Supply Activity Management Plan:
www.tasman.govt.nz/LTP



OPTIONS: PART B) IMPROVING DRINKING WATER QUALITY

1

PROPOSED

Upgrade water treatment to achieve drinking water standards in accordance with the proposed programme.

Total capital investment \$27 million for major water treatment upgrades over next 10 years.

Implications: Reduces the risk of drinking water contamination and resulting health implications. A serious public health outbreak could have large social and economic costs to the community. Upgrading the water schemes will improve the levels of service for drinking water quality to users.

Consequences: Increased targeted rates for all members of the Urban Water Club, and water schemes outside the Club to fund direct costs of upgrades to those schemes. Increased debt until loan repaid – typically 20 years. Development contributions used to repay the growth component of these water schemes.

1a

ALTERNATIVE

Upgrade schemes over next three years.

Implications: The more quickly these upgrades are implemented, the less time the risk of contamination persists. Significant cost implications to the communities and Council. May be a shortage of local contractors to complete the work required.

Consequences: Larger upfront increases in rates for all water users. Significant increase in debt in the first three years of the LTP. Likely to breach our financial caps with subsequent increase in our borrowing costs.

1b

ALTERNATIVE

In addition to the proposed option continuously chlorinate the Richmond, Kaiteriteri, Motueka and Upper Takaka water schemes.

Implications: It is estimated that continuous chlorination of these schemes will cost a further \$1 million in capital plus an additional \$50,000 per annum for operational related costs. The safety of drinking water supplies will be enhanced. Some members of the public may not be happy with their water supply being continuously chlorinated. Government regulations may require continuous chlorination of our water schemes.

Consequences: Increased targeted rates for:

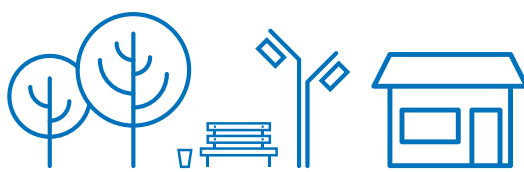
- all members of the Urban Water Club.
- those using the Motueka water scheme.

Increased debt. Higher levels of service for drinking water quality.



The LTP provides our community with the chance to see what we have planned over the next ten years and keep Council accountable – have your say.

DEAN MCNAMARA, MOUTERE/WAIMEA WARD



ISSUE 5

FUNDING MOTUEKA'S WATER SUPPLY

THE ISSUE

We plan to upgrade the water treatment plants in Motueka in order to comply with the New Zealand Drinking Water Standards. The significant increase in the costs of treating Motueka's water supplies means we must consider the best way to fund this service.

The proposed upgrades include a new water treatment plant, the replacement of the Fearon Street bore, which has a high risk of contamination from nearby septic tanks, and the installation of associated infrastructure. The total projected costs are \$5.9 million. These costs will need to be paid for by users of the service and will have a significant impact on their targeted water rates.

Currently Council provides different levels of water supply services to different parts of Motueka. In accordance with the level of service involved, different ratepayers pay different levels of rates for their service. Currently over 3,300 properties have access to a water service that is designed for fire-fighting purposes, but includes only the cost of using wells, bores and a portable dam. All the properties that have access to the fire-fighting water service currently pay for it through their targeted rates, and we intend to continue this funding arrangement.

Approximately 1,260 properties are connected to Council's reticulated drinking water supply and all new subdivisions in Motueka must have a reticulated drinking water supply. Those properties connected to the reticulated service pay for it through volumetric charging i.e. properties pay based on how much water they use. There are some connected properties who choose not to take water from the reticulated supply, so do not contribute. Council incurs significant costs including pipes and other infrastructure which have to be paid for regardless of whether water is used by those properties.

To address the significant costs involved in upgrading the scheme, we propose to introduce a fixed service charge across all connected properties. The proposal is for this fixed charge to progressively increase to reach the full level in Year 2020/2021. The remainder of the costs will be recovered through volumetric charging. This proposal aligns with our current Urban Water Club charging regime. However, The Motueka water supply will continue to be funded as a standalone scheme and will not be part of the Urban Water Club.

OPTIONS: FUNDING MOTUEKA'S WATER SUPPLY

1

PROPOSED

Introduce a fixed service charge to all properties connected to the reticulated service. The fixed service charge will begin at a lower level and progressively increase to the full level by the third year.

Continue with funding the remainder of the costs through volumetric water charging.

Implications: All connected properties pay a fixed charge that increases over a three year period. Volumetric unit charges will increase between years 2018 and 2021 as water treatment work is progressively completed. The fixed charge moderates the increase in volumetric water charges.

The variability of the volumetric water charges over time will be moderated.

Consequences: The proposed reticulated water charges are:

- 2018/2019 – fixed \$45.05 and \$2.21/m³
- 2019/2020 – fixed \$115.94 and \$2.36/m³
- 2020/2021 – fixed \$243.19 and \$2.66/m³

No effect on total rates income collected, debt, or levels of service.

Reduced rates for connected properties using a higher than average amount of water.

Increased rates for connected properties using no water or a lower than average amount of water.



OPTIONS: FUNDING MOTUEKA'S WATER SUPPLY (CONT.)

1a

ALTERNATIVE

Introduce a full fixed service charge to all properties connected to the reticulated service from year one.

Implications: Further moderates the increase in volumetric unit charges. The overall amount each household or business will be charged will continue to vary based on how much water is used. Variability of the volumetric water charges over time will be moderated.

Consequences: The proposed reticulated water charges are:

- 2018/2019 – fixed \$132.54 and \$1.72/m³
- 2019/2020 – fixed \$168.42 and \$2.07/m³
- 2020/2021 – fixed \$243.19 and \$2.66/m³

Fixed and volumetric unit charges will increase between years 2018 and 2021 as water treatment work is progressively completed.

No effect on total rates income collected, debt, or levels of service.

1b

ALTERNATIVE

Continuation of current funding mechanism which is based only on a volumetric charge.

Implications: Charges are likely to be more variable on a year on year basis. Some users may choose to reduce the volume of reticulated water they use. This would increase the charges to those properties that continue to use the service. These costs may become prohibitive. If this happens Council may need to introduce a different charging regime – most likely a fixed service charge to cover all the fixed costs.

Consequences: Volumetric reticulated water charges will be:

- 2018/2019 – \$2.46/m³
- 2019/2020 – \$3.00/m³
- 2020/2021 – \$4.00/m³

Water rates charged will depend on the volume of water used by each reticulated property. No change to total amount of rates income collected, debt or levels of service.

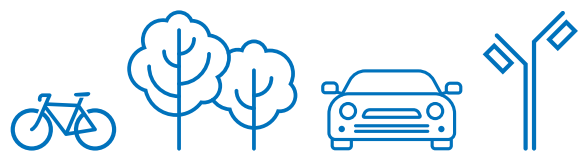


BB

It is really important for Motueka that we address stormwater and flooding concerns, construct a new library, resolve traffic issues, and maintain our parks and reserves.

DAVID OGILVIE, MOTUEKA WARD

BB



SECTION 3

OTHER PROJECTS AND FUNDING CHANGES



OTHER PROPOSED PROJECTS

- **Motueka Library Development** – \$3.9 million with design and planning in 2019/2020, and construction in 2020/2021.
- **Takaka to Pohara shared pathway past Motupipi School** – \$1.2 million planned for the 2019/2020 year. A financial contribution is anticipated from NZTA.
- **Regional Boat Ramp** – \$1.2m for construction between 2022 and 2024 following the development of a feasibility study.
- **Increased funding for rural gravel roads** – budget increase from \$460,000 to \$630,000 per year to improve road maintenance.
- **Improved footpaths and pedestrian facilities** – budget increase from \$180,000 to \$347,000 per year. Planned town centre upgrades will also include improvements in these facilities.
- **Saxton Field Development** – Council contribution of \$3.6 million over next 10 years for a range of projects.
- **Biodiversity Strategy** – Work will start in 2018. Priorities will be agreed with stakeholders to provide direction to our programmes to protect biodiversity.
- **Digitisation of Council Services** – \$520,000 between 2018 and 2021 to redesign Council's online services.
- **Tasman's Great Taste Trail extension from Norris Gully to Motueka** – \$1.05 million with the aim of closing the loop by the end of 2021/2022.
- **Golden Bay Community Board Special Projects** – \$10,000 per year for local projects, through an increase to the Community Board Rate.
- **Local Museum Funding** – increased funding of \$33,600 per year to increase support to the Motueka District, Golden Bay, and Murchison museums.
- **Local Information Centre Funding** – \$85,000 per year with \$40,000 for the Motueka information centre, \$30,000 for the Takaka information centre, \$15,000 for the Murchison information centre.
- **Nelson Tasman Business Trust** – funding of \$15,000 per annum instead of applying for contestable grant funding.



For more information on these changes, including the proposed funding, visit: www.tasman.govt.nz/LTP



Q&A ON OTHER PROJECTS AND CHANGES

What is happening to recycling services?

We are trialling three new recycling drop off points this summer at Pohara, Kaiteriteri and Murchison. Funded through the Government's Waste Minimisation Levy a further 10 recycling drop-off points will be located in isolated rural and holiday areas. Modest extensions to existing kerbside services are also proposed.

Will there be any additional bus services to Richmond?

Results from the feasibility study for bus services between Wakefield and Richmond, and between Motueka and Richmond indicate that these cannot be sustainably operated without significant subsidies. We will be trialling a ring route service around Richmond and intend to support ride sharing schemes.

What assistance is available for land owners for river control works?

Z-rated landowners adjoining rivers may apply for funding of up to 50% of the costs for river control works where a specific problem has developed at the site. Funding is increased from \$200,000 to \$408,000 per year. This increase is funded by a transfer from the X and Y-rated rivers fund.

Will there be any work to reduce flooding in Motueka?

Further investigation and consultation work is planned to find the best flood mitigation approach for the Motueka River. Flood plain modelling with be integrated with stormwater network modelling. Budget of \$154,000 between 2018 and 2020 to undertake work.

Will there be any changes to funding for tourism and business development?

Funding for the Nelson Regional Development Agency (NRDA) is being reduced from \$400,000 to \$300,000 per year. \$100,000/year is going towards funding our local information centres and the Nelson Tasman Business Trust. We will also contract directly with NRDA, rather than via Nelson City Council.

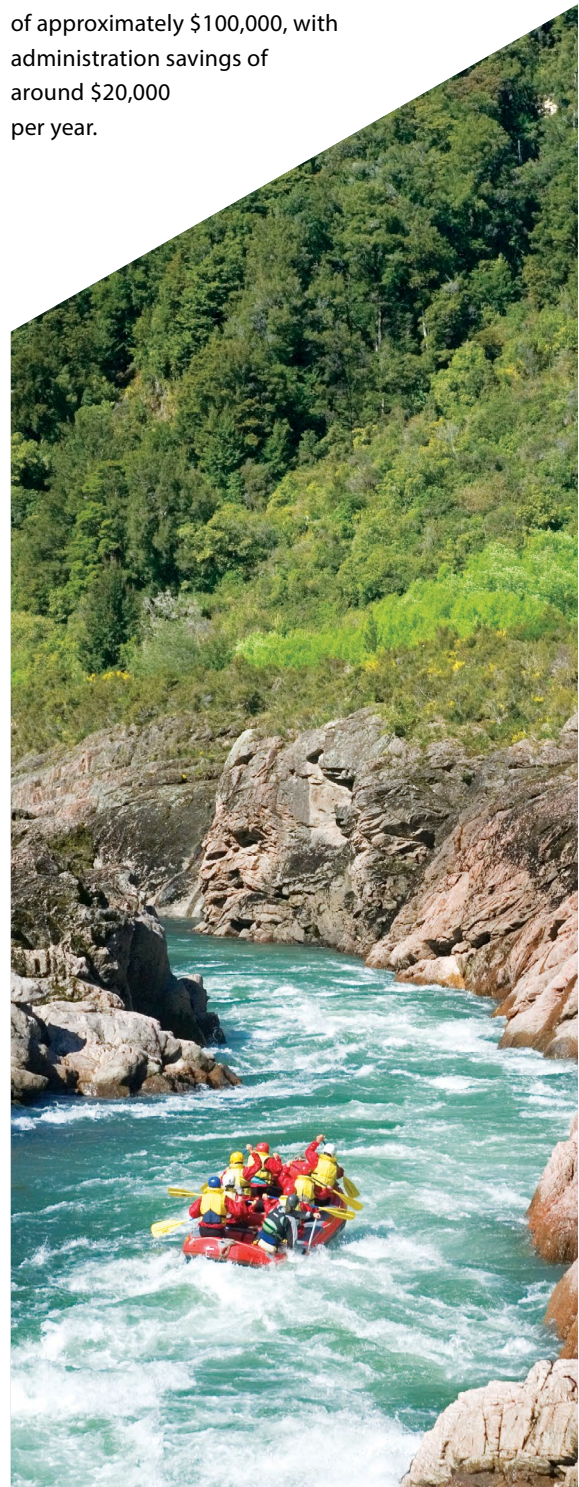
When will the Tasman Resource Management Plan move on to a digital platform?

As required under the Resource Legislation Amendment Act, the Plan will be electronic by the end of 2020. There will be a one-off cost of approximately \$100,000, with administration savings of around \$20,000 per year.



This is your chance and time to influence the direction of our community for the future, particularly in the next three years. Have your say, your input is important and does make a difference.

KIT MALING, RICHMOND WARD



SECTION 4

FINANCIAL INFORMATION



TASMAN'S FINANCIAL STRATEGY

The Financial Strategy sets out Council's plan to finance its activities over the next 10 years. It is fundamentally a continuation of the strategy we adopted in our last LTP 2015 – 2025. In determining our approach to this Strategy we have tried to strike a balance between providing services to help achieve our vision whilst balancing affordability. We have done this by managing rates and debt levels within an overall fiscal envelope.



This LTP is all about fulfilling the needs of the people of Tasman whilst being aware of the need to balance the budget.

PAUL SANGSTER, GOLDEN BAY WARD



There are a number of key matters that our Financial Strategy responds to.

- **Affordability of Rates** – compared with similar Council's our rates and debt levels are reasonably high. Over the last three years we have been able to reduce debt levels significantly with modest increases in rates revenue (excluding the effects of the growth in rating units).
- **Growing Population** – our population is relatively small and dispersed across a large geographic area. This has implications for how we fund and provide infrastructure. With our population forecast to continue to grow we will need more houses and business premises. We also have an ageing population with many on fixed incomes.
- **Natural Hazards** – the risks from natural hazards are real. We must ensure we provide resilient infrastructure and be financially prepared to respond to and recover from emergency events.
- **Environmental and Public Health Risks** – with a growing awareness of these risks, we have seen higher public expectations and tighter regulatory requirements. Responding to these has significant costs and funding implications.



GOALS AND STRATEGIES

Our Financial Strategy aims to:

- Provide good stewardship of community resources
- Enhance rates affordability and value for current and future ratepayers
- Manage debt to achieve intergenerational equity.

We intend to use five broad strategies to achieve these goals.

1. Act in a financially prudent manner
2. Use other sources of revenue to moderate rates levels.
3. Maintain rates increases at modest and stable levels
4. Where possible, over assets' lifetimes, charge those who benefit from their use.
5. Share the costs of providing services across the District.

FINANCIAL CAPS

We have proposed three key financial caps to create an overall financial boundary for our activities.

These caps are:

- **Overall Rates Income** – capped at a maximum of 3% per annum, plus an allowance for annual growth in rateable properties.
- **Rates Income** – general rates capped at \$65 million per annum and targeted rates to \$60 million per annum.
- **Net External Debt** – capped at a maximum of \$200 million.

We have made sure our Financial Strategy is consistent with the Infrastructure Strategy. This means we can deliver our proposed Infrastructure Strategy work programme within the financial limits we have set.

It is important to note that the financial information contained in this Consultation Document is forecast information based on the assumptions which we reasonably expect to occur. Actual results 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 reasonably possible based on current information.

The diagram below shows the amount of rates revenue that we plan to use in different activities over the next 10 years. These activities are also funded by revenue from fees and charges and other sources.

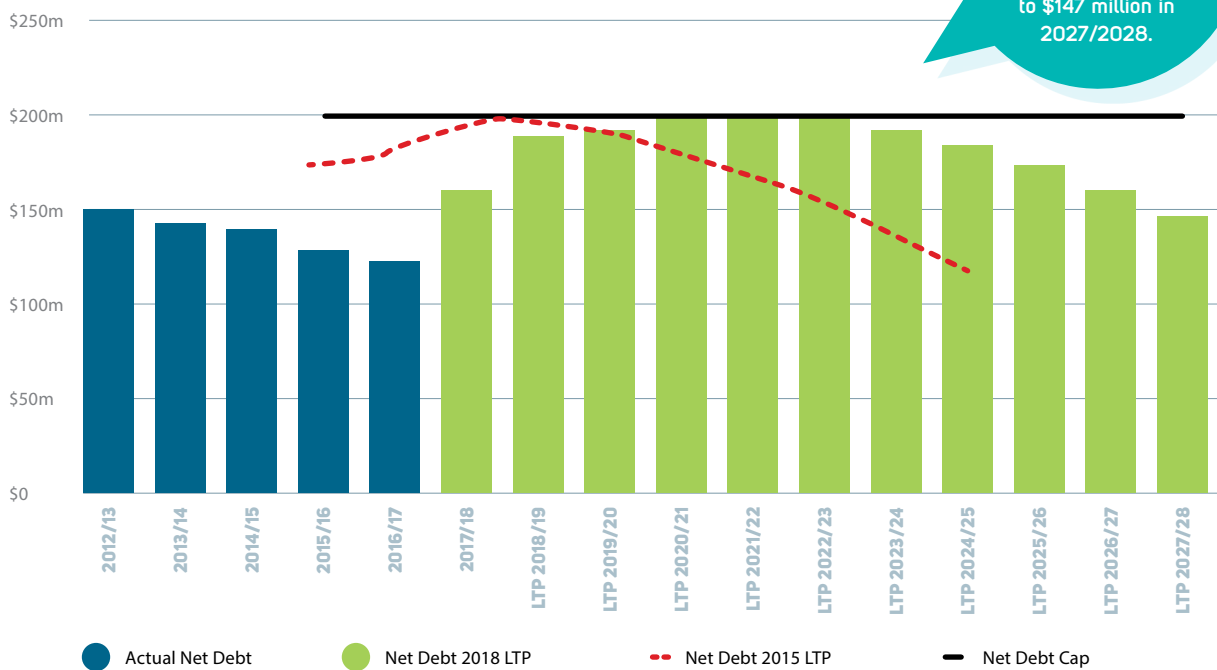
In the diagram: **Environment and Planning** is made up of resource management planning, environmental monitoring and information, resource consent processing, biodiversity activities, regulatory services and building assurance; **Community Development** is made up of community facilities (including libraries and Richmond Aquatic Centre), museums and community relations; **Transportation** is made up of roads, cycleways, footpaths, river control and flood protection and coastal structures; **Other** is made up of Council's commercial activities, governance and support services.



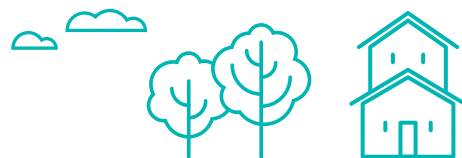
BUDGETED RATES INCREASES (EXCLUDING GROWTH)



TOTAL NET DEBT



Net debt is total debt less unencumbered liquid financial assets and investments. Total net debt is expected to peak later than forecast in the LTP 2015 – 25 and to fall from the peak later. This is because some projects that had been planned to be undertaken before 2018 have been deferred to future years, growth is taking place more quickly than anticipated and there is a need to invest to achieve levels of service, e.g. to meet drinking water standards.



**DRAFT
10-YEAR
BUDGET AT
A GLANCE**

	CAPITAL SPEND	OPERATING SPEND	FUNDING SOURCES	LEVELS OF SERVICE
 ENVIRONMENTAL MANAGEMENT	\$4.0M	\$127.3M	RATES 76% OTHER* 24%	^
 PUBLIC HEALTH & SAFETY	\$87,000	\$72.3M	RATES 27% OTHER* 73%	~
 TRANSPORTATION	\$109.2M	\$123.1M	RATES 75% OTHER* 25%	^
 WATER SUPPLY	\$89.7M	\$110.2M	RATES 84% OTHER* 16%	^^
 STORMWATER & WASTEWATER	\$107.1M	\$159.3M	RATES 83% OTHER* 17%	^
 COMMUNITY DEVELOPMENT	\$42.2M	\$182.4M	RATES 86% OTHER* 14%	^
 COUNCIL ENTERPRISES	\$12.0M	\$86.7M	RATES -2% OTHER* 102%	^

* including fees and charges.

^ Minor increase

^^ Major increase

~ Staying the same

The LTP is about the ability to manage resources, allowing security of future water supply alongside water management and quality, at an affordable cost, without reducing any ongoing infrastructure upgrades, maintenance and repair. This is the opportunity to steer a clear pathway forward.

PAUL HAWKES, MOTUEKA WARD



IMPACT ON RATES

To illustrate the impact of the proposals on your rates, we use a range of example properties with different rating mixes and property values.

It is important to note that these are examples of properties and do not cover all situations for all of 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 rateable property in the District. Targeted rates are applied to rateable properties depending on how each targeted rate is set, as detailed in our Funding Impact Statement.

The three-yearly revaluation of the District's properties has just happened. This is where a new value for each individual property is determined by Quotable Value NZ. The capital value of the District increased by 22.3% and the land value of the District increased by 19.6%. The new values apply from the 2018/2019 rating year. They do not affect the total rates income Council receives, but can have a significant affect on individual rates bills.

In the table on pages 26 and 27 you can see how the 2017 valuation has impacted on the property examples compared to the 2014 valuation.

CHANGES TO THE RATES REMISSION POLICY

There are a number of minor changes to our rates remission policy. These include introducing a new policy on rates remission for abandoned land and extending the remission for sporting, recreation and community organisations to cover the stormwater rate.



For full details and to view the full Rates Remission Policy: www.tasman.govt.nz/LTP

POLICY ON EARLY PAYMENT OF RATES IN THE CURRENT FINANCIAL YEAR

We are proposing to simplify our policies by revoking the Policy on Early Payment of Rates in the Current Financial Year as it is no longer necessary. Council has not and does not intend to offer any discounts for the early payment of rates in the financial year in which they are due.



To view the Policy on Early Repayment of Rates in the Current Financial Year: www.tasman.govt.nz/LTP



For information on the proposed rates for a particular property, visit www.tasman.govt.nz/LTP

Rates are not just a bill. They are a contract for social investment in our local community. In presenting the LTP we invite your consideration and feedback on that social contract to help to ensure that together we achieve Tasman's goal of vibrant, connected and caring communities across the District.

SUE BROWN, GOLDEN BAY WARD



RATING EXAMPLES (INCLUDING GENERAL AND TARGETED RATES)

	CAPITAL VALUE (2017 DISTRICT WIDE REVALUATION)	2017/18 ACTUAL RATES	2018/19 RATES IF 2017 REVALUATION HAD NOT OCCURRED	2018/19 PROPOSED RATES (POST REVALUATION)	2019/20 ESTIMATED RATES	2020/21 ESTIMATED RATES
Residential – Takaka	\$350,000	\$2,495	\$2,503	\$2,538	\$2,577	\$2,616
Residential – Murchison, with 63m ³ of water, Urban Water Supply Metered Connections	\$190,000	\$2,237	\$2,261	\$2,240	\$2,284	\$2,343
Residential – Mapua (no wastewater/metered water)	\$645,000	\$2,158	\$2,198	\$2,285	\$2,322	\$2,390
Residential – Mapua, with 131m ³ of water, Urban Metered Water Supply	\$495,000	\$3,374	\$3,403	\$3,482	\$3,549	\$3,645
Residential – Kaiteriteri, with 135m ³ of water, Urban Water Supply Metered Connections	\$790,000	\$4,313	\$4,366	\$4,283	\$4,371	\$4,478
Residential – Brightwater, with 327m ³ of water, Urban Water Supply Metered Connections	\$500,000	\$3,847	\$3,910	\$4,000	\$4,094	\$4,209
Residential – Wakefield, with 165m ³ of water, Urban Water Supply Metered Connections	\$455,000	\$3,254	\$3,279	\$3,347	\$3,418	\$3,511
Residential – Motueka, with 95m ³ of water, Motueka Urban Water Supply Metered Connections	\$490,000	\$2,935	\$3,006	\$3,070	\$3,199	\$3,395
Residential – Richmond (Waimea Village,) with 34m ³ of water, Urban Water Supply Metered Connections	\$280,000	\$2,468	\$2,477	\$2,574	\$2,624	\$2,691
Residential – Richmond, with 112m ³ of water, Urban Water Supply Metered Connections	\$670,000	\$3,702	\$3,751	\$3,873	\$3,953	\$4,064
Residential – Richmond, with 179m ³ of water, Urban Water Supply Metered Connections	\$1,210,000	\$5,714	\$5,829	\$5,559	\$5,676	\$5,842
Dairy Farm – Collingwood – Bainham	\$7,800,000	\$23,087	\$23,716	\$20,256	\$20,850	\$21,455
Forestry – Motueka	\$3,830,000	\$10,849	\$11,084	\$9,986	\$10,255	\$10,531
Horticultural – Hope	\$1,555,000	\$4,136	\$4,248	\$4,424	\$4,531	\$4,684

* Figures have been adjusted for inflation.

RATING EXAMPLES (INCLUDING GENERAL AND TARGETED RATES) (CONT.)

	CAPITAL VALUE (2017 DISTRICT WIDE REVALUATION)	2017/18 ACTUAL RATES	2018/19 RATES IF 2017 REVALUATION HAD NOT OCCURRED	2018/19 PROPOSED RATES (POST REVALUATION)	2019/20 ESTIMATED RATES	2020/21 ESTIMATED RATES
Horticultural – Ngatimoti	\$875,000	\$2,438	\$2,505	\$2,650	\$2,705	\$2,775
Horticultural – Waimea West, with 9 hectares, with Water Supply Dams – Wai-iti Valley Community Dam	\$1,515,000	\$7,612	\$7,769	\$8,128	\$8,141	\$8,032
Pastoral Farming (Fattening) – Upper Moutere	\$1,090,000	\$3,235	\$3,323	\$3,162	\$3,234	\$3,330
Lifestyle – Wakefield, with 3m ³ /day restrictor, Eighty Eight Valley Rural Water Supply	\$2,000,000	\$5,744	\$6,081	\$6,138	\$6,435	\$6,697
Lifestyle – East Takaka	\$570,000	\$1,964	\$2,022	\$1,925	\$1,959	\$2,014
Lifestyle – Neudorf, with 2m ³ /day restrictor, Dovedale Rural Water Supply	\$760,000	\$3,305	\$3,514	\$3,673	\$3,775	\$3,908
Lifestyle, Tasman with 2m ³ /day restrictor, Rural Water Extension to Urban Water Scheme	\$825,000	\$3,835	\$3,937	\$3,903	\$4,005	\$4,157
Lifestyle – Bronte, with 3m ³ /day restrictor, Redwood Valley Rural Water Supply	\$1,390,000	\$4,786	\$5,021	\$5,179	\$5,338	\$5,584
Commercial – Queen St, Richmond, with 241m ³ of water, Urban Water Supply Metered Connections	\$1,370,000	\$9,584	\$9,666	\$8,906	\$9,110	\$9,317
Commercial – High St, Motueka	\$1,460,000	\$7,366	\$7,450	\$7,043	\$7,176	\$7,282
Industrial – Cargill Place, Richmond, with 49m ³ of water, Urban Water Supply Metered Connections	\$660,000	\$3,943	\$4,000	\$3,701	\$3,774	\$3,877
Utility	\$77,210,000	\$184,200	\$187,461	\$170,716	\$175,806	\$182,377



SECTION 5

INFRASTRUCTURE INFORMATION



WHAT IS INFRASTRUCTURE?

Infrastructure provides the foundation on which our District is built. It is essential to health, safety, and for the transport of both people and freight and it enables businesses and communities to flourish. Failure to maintain and invest in infrastructure would inhibit the economic performance, health and prosperity of Tasman.

The Infrastructure Strategy covers the provision of Council's water supplies, stormwater wastewater, rivers and flood control, and transportation activities.

WHAT IS AN INFRASTRUCTURE STRATEGY?

An Infrastructure Strategy is a requirement of the Local Government Act 2002. Its purpose is to identify the significant infrastructure issues for Tasman over the next 30 years, and to identify the principal options for managing those issues and the implications of those options.



Infrastructure Strategy:
www.tasman.govt.nz/LTP



We are aiming to improve maintenance on our roads and enhance water, wastewater and stormwater services whilst keeping rates as affordable as possible.

STUART BRYANT, LAKES-MURCHISON WARD



THE PRIORITIES IN OUR INFRASTRUCTURE STRATEGY ARE:

- Safe and secure infrastructure
- Meeting the needs of our changing population
- Supporting resilient communities
- Prudently managing our existing assets and environment

SUMMARY OF OUR INFRASTRUCTURE STRATEGY

Infrastructure is a core part of what Council provides its communities – it makes up the majority of our spending with over \$1.1 billion worth of assets.

Our Financial Strategy places limits on borrowing and rates increases meaning our ability to invest in and maintain our infrastructure is limited. We therefore have to make choices about how we manage and maintain our assets and what new infrastructure we invest in.

WHERE ARE WE NOW?

The LTP 2015 – 2025 focused on maintaining core renewal programmes, making the most of existing assets first, and undertaking upgrades required to meet agreed levels of service rather than investing in increasing levels of service. Since 2015, Tasman’s population has grown more than anticipated, using up much of the capacity within our existing infrastructure. This means that for some settlements the timing of upgrades need to be advanced, and some new works required.

In 2015, Council decided to accept some risk when programming renewal of some assets. This was in attempt to maximise the life of those existing assets and to keep within the new financial limits. This included deferral of the Mapua trunk water main replacement, and a reduction in our road resurfacing budgets. Since then, there has been a number of failures on the Mapua trunk water main and a decline in the condition of our local roads.

A standout issue for Tasman is the challenge of providing water supplies that meet the requirements of the NZ Drinking Water Standards. We are also still learning about our natural hazards and the risks that they present to our District and communities.

WHERE ARE WE GOING?

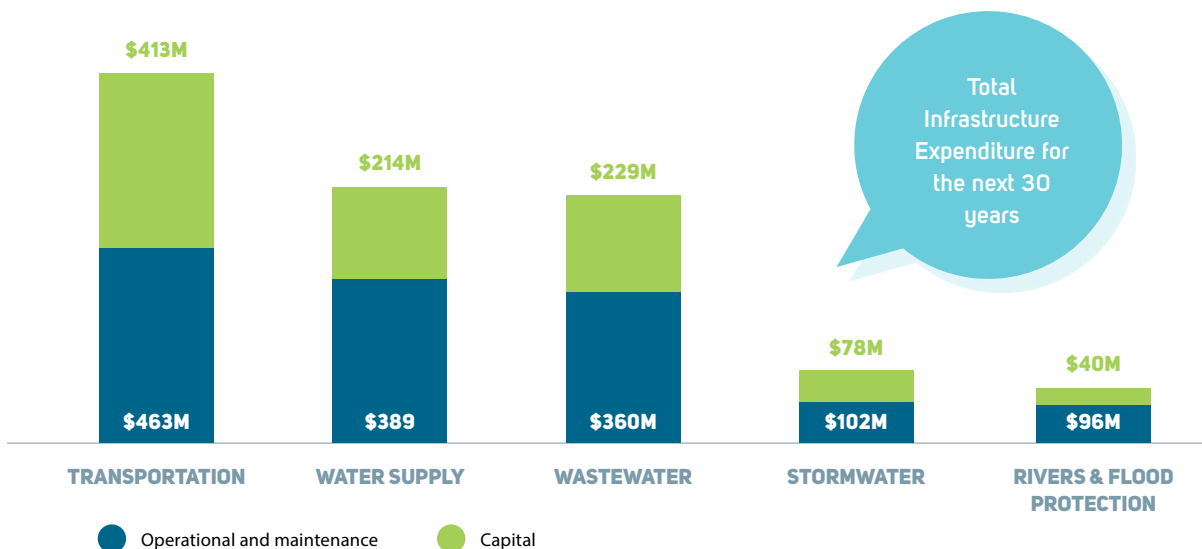
We will use the four key priorities to guide our efforts and investment in planning, developing and maintaining our assets in the short, medium and long term.

- To support Tasman’s population growth, Council needs to invest in new infrastructure, particularly in Richmond, Motueka and Mapua/Ruby Bay – \$58 million over 10 years.
- Council is required to provide safe water supplies that comply with the NZ Drinking Water Standards – \$27 million in upgrading water treatment plants.
- Council also needs to ensure water sources are secure for current and future residents and businesses – \$26.8 million in the Waimea Community Dam, and \$3.6 million in a new source and water treatment plant for the Dovedale water scheme.

We will continue to renew and replace our existing assets at a steady level over the ten years of the LTP. In the longer-term (50 years plus) our planning indicates we will need to invest more heavily in renewing our assets. We will need to plan our future finances to respond to this challenge.

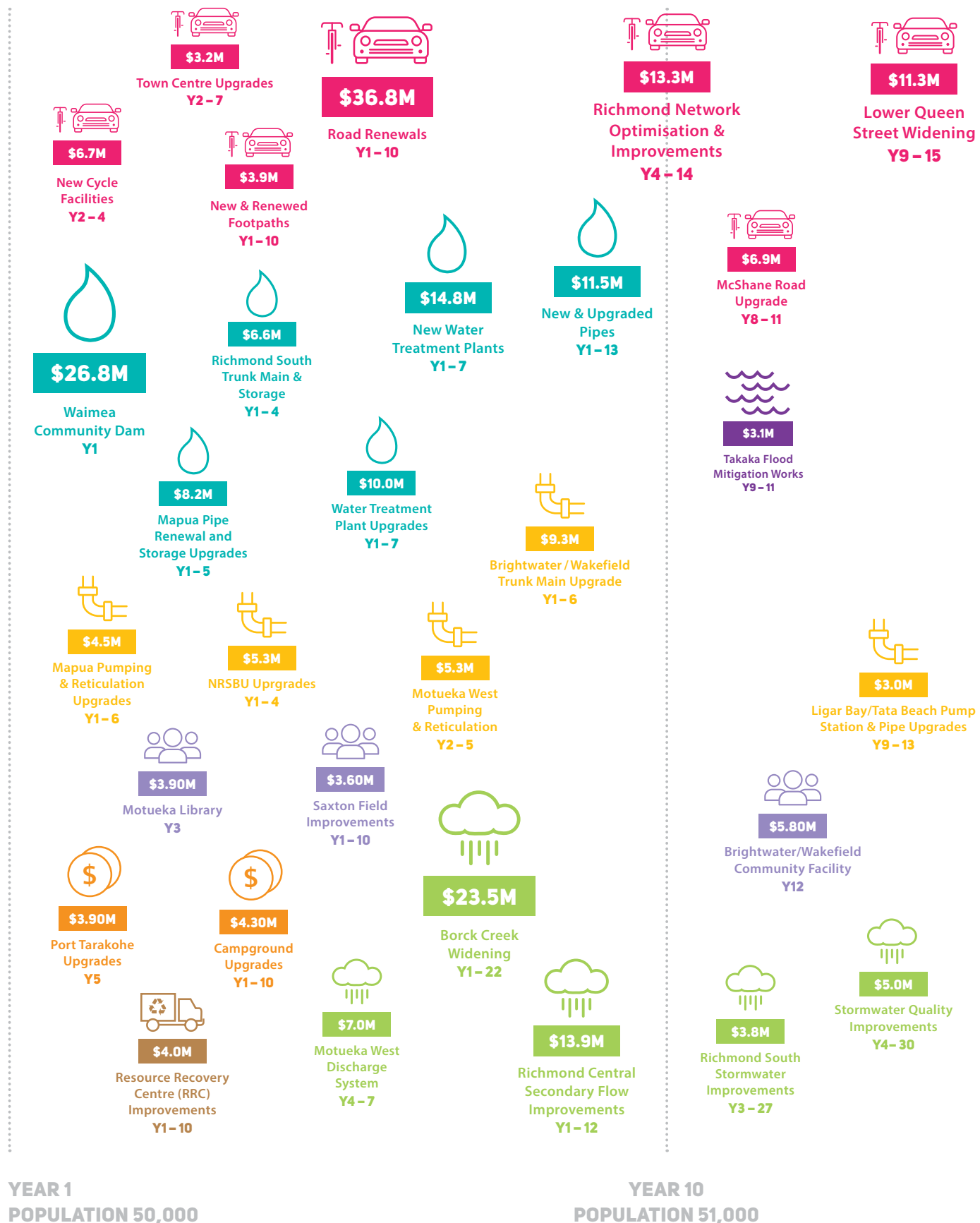
HOW ARE WE GOING TO GET THERE?

We plan to spend \$696 million on infrastructure services over the next 10 years, and a total of \$2.4 billion over the next 30 years. The graph below shows how much we plan to invest in each of our infrastructure activities over the next 30 years. We need to invest most in transportation as there is a high base programme of routine maintenance and renewal work.



TIMELINE OF OUR MAJOR PROJECTS

This timeline shows some of the major capital works planned for the next 30 years.




\$5.0M
 New & Renewed
 Footpaths
 Y11 – 20


\$48.4M
 Road Renewals
 Y11 – 20



\$83.1M
 New Motueka WWP
 Y3 – 19



\$6.2M
 Richmond Primary
 Flow Improvements
 Y12 – 16



\$5.6M
 Tasman View
 Road Upgrade
 Y23 – 25



\$63.1M
 Road Renewals
 Y21 – 30


\$6.5M
 New & Renewed
 Footpaths
 Y21 – 30


\$15.9M
 New Inland Bores
 Y26 – 29


\$7.0M
 Richmond South High
 Level Pipe & Storage
 Y23 – 26


\$5.0M
 Marahau New
 Town Supply
 Y29 – 30


\$31.8M
 Motueka Full
 Town Supply
 Y27 – 30

KEY



YEAR 20
 POPULATION 52,000

YEAR 30
 POPULATION 53,000

SECTION 6

IMPACTS ON LEVELS OF SERVICE

WHAT ARE 'LEVELS OF SERVICE'?

This term describes what we will deliver and the quality of those services. Performance measures are specific indicators used to demonstrate how Council is doing regarding delivery of services. The measures are described in each Activity Management Plan, which can be found as part of the supporting documents for this Consultation Document. Selected levels of service and their associated performance measures are listed in the LTP. Each year through the Annual Report, we report on the levels of service delivered and on the LTP performance measures.



More information about levels of service:
www.tasman.govt.nz/LTP

One of Council's roles is to provide good quality and cost effective local infrastructure, services, and regulatory functions.

We have strived to achieve a careful balance between the need for new and replacement infrastructure, levels of service and achieving Council's financial goal of reducing debt and limiting rates income increases. Some difficult decisions about delaying or foregoing future projects have been taken in order to stay within the limits on net debt, rates and rates increases in our Financial Strategy.

In the Infrastructure Strategy we have maintained the range of services that we deliver. Cuts to non-essential projects or delays to others are not expected to reduce the existing levels of service enjoyed by our communities. In some cases significant investment is planned to enable us to achieve the desired levels of service. As this investment is made our ability to more consistently deliver the levels of service should improve. In the longer term, better asset knowledge and management will allow us to make the most of our existing assets before they have to be renewed.

In developing the Activity Management Plans we have reviewed the way we express the levels of service and report on them. As a result we have made a number of changes, with the intention of making them more meaningful and understandable to our community.



More information is available about levels of service including budgets in the Activity Summaries and Activity Management Plans (AMPS): www.tasman.govt.nz/LTP



SECTION 7

CONCURRENT CONSULTATIONS AND SUPPORTING INFORMATION



There are a range of documents that support the development of this Consultation Document and will underpin the Long Term Plan 2018 – 2028. These documents contain more detailed information on a range of topics. All documents can be accessed on our website www.tasman.govt.nz/LTP or viewed at our libraries and service centres. You are welcome to comment on these documents as part of your submission on this Consultation Document.

CONCURRENT CONSULTATION	WHAT IT COVERS
Policy on Early Payment of Rates in the Current Financial Year – REVOCATION	Council proposes to revoke its policy on the processing of rates paid in advance of their due date in the current financial year. For administrative reasons Council does not provide an early payment discount therefore this policy is not required.
Draft Revenue and Financing Policy	Sets out policies on why and how funding sources including rates are determined and used to fund Council expenditure. This Policy shows how the selection of funding sources complies with the funding policy process in Local Government Act section 101(3).
Draft Development and Financial Contributions Policy	Council's approach to recovering the costs associated with growth through fees to developers i.e. additional infrastructure and services.
Draft Significance and Engagement Policy	Explains how Council will determine the significance of decisions and how it will consult with the public on these decisions.
Draft Rates Remission Policy	Council's approach to determining and administering reductions in rates for particular ratepayers.
Draft Policy on Remission and Postponement of Rates on Māori freehold Land	Council's policy on rates relief for Māori freehold land.
Draft Schedule of Charges	Council's proposed fees and charges for the range of services Council provides.

CONCURRENT CONSULTATIONS AND SUPPORTING INFORMATION (CONT.)

SUPPORTING INFORMATION	WHAT IT COVERS
Draft Funding Impact Statement	Outlines the sources of funding Council intends to use, the expected amount from each source and how Council plans to spend the funds.
Draft Community Outcomes	The outcomes that we aim to achieve to meet the current and future needs of our communities for good-quality local infrastructure, local public services, and performance of regulatory functions.
Draft Accounting Information (including prospective financial statements and assumptions)	Detailed accounting information including accounting policies, information on inflation adjusted accounts and reserve funds. Provides inflation adjusted financial projections for the 10 years. Outlines the assumptions we have made in developing the LTP.
Draft Financial Strategy	Provides high-level context and direction for the LTP 2018 – 2028. It outlines the strategic issues that have influenced the Strategy, our financial goals, and how we plan to achieve them. It expresses limits on rates and borrowing, and states objectives for borrowing and investment.
Draft Infrastructure Strategy	Summarises the big infrastructure issues for the District over the next 30 years, including their financial and non-financial consequences, and the options for managing them.
Draft Council Activities Summaries and Activity Management Plans	Outline what we do, the level of service that we will provide, how performance will be monitored, what projects will be funded, how activities will be funded and any possible risks. Activity Management Plans are technical documents used to support funding decisions in the LTP.
Summary of the Growth Model	Provides information on the size and location of anticipated development to accommodate population growth.
Draft Statement on fostering Māori participation in Council decision making	Outlines how we will foster Māori capacity to contribute to Council decision making processes over the period of the LTP.
Treasury Risk Management Policy, including Liability Management and Investment Policy	Outlines our policies and procedures for all treasury activity to ensure risk is managed prudently. Expresses Council's mix of investments, procedures for management and reporting on investments and its approach to risk management.
Other Projects and Changes Information	Provides further information on the projects and changes proposed that do not form proposals in our Key Issues.
Settlement Area Reports	Provides an overview of the significant projects Council has planned in the Long Term Plan 2018 – 2028 and information on projected growth for each settlement.



SECTION 8

REPORT FROM
AUDITOR GENERAL



SECTION 9

YOUR SUBMISSION



SUBMISSION FORM

To have your say you can make your submission online or on the form below.

This document summarises the big issues and Council's proposals for the next 10 years. Please give us your feedback on these proposals as they cover the services Council will provide you and the rates and charges you will pay for those services. You can also include comments, in this submission form and online, on the related documents Council is consulting on along with the Consultation Document.

YOUR DETAILS (PLEASE PRINT CLEARLY)

First Name Last Name

Phone Email

Postal Address

Town or RD Postcode

Are you writing this submission as: An individual On behalf of an organisation

If on behalf of an organisation, please name the organisation and your position:

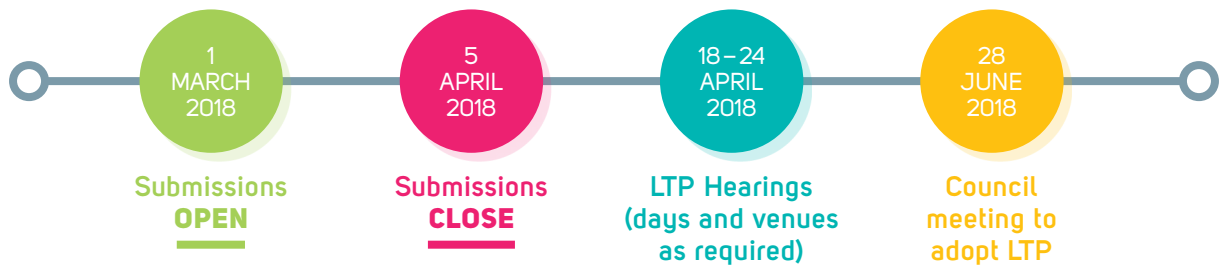
Organisation Position

Would you like to speak to your submission at a Council hearing? Yes No

If yes, please indicate your preferred location: Richmond Motueka Takaka

Please note: all submissions, including names and contact details, will be made available to Councillors and the public through Council's website.

TIMELINE



YOUR FEEDBACK PLEASE

QUESTION 1: ADDRESSING RATES AFFORDABILITY

Rates affordability is important for all ratepayers and we propose to retain an upper cap of 3% per annum for increases in rates income (plus an allowance for growth).

Do you support this option? Yes No Don't know/Other

Please provide any comments. If your answer was no, please comment on your preferred option.

QUESTION 2: MANAGING COUNCIL'S DEBT

Managing debt to an acceptable level is important and we propose to retain a debt cap of \$200 million for external net debt.

Do you support this option? Yes No Don't know/Other

Please provide any comments. If your answer was no, please comment on your preferred option.

QUESTION 3: GROWTH

Tasman's population is growing and the challenge is to manage this growth in a sustainable and timely manner. We propose to provide enough land, infrastructure and community facilities to support a medium/high level of growth.

Do you support this option? Yes No Don't know/Other

Please provide any comments. If your answer was no, please comment on your preferred option.

YOUR FEEDBACK (CONT.)

QUESTION 4: INFRASTRUCTURE

Our projected growth will require improved and/or additional roads/footpaths, water, stormwater, wastewater, and other public amenities such as parks, libraries, and community centres. We propose to invest \$166 million over ten years to selectively upgrade and improve some of our assets.

Do you support this option? Yes No Don't know/Other

Please provide any comments. If your answer was no, please comment on your preferred option.

QUESTION 5: DEVELOPMENT AND FINANCIAL CONTRIBUTIONS POLICY CHANGES

We propose to move to a new three catchment system for charging development contributions for wastewater, stormwater, and water supply, and to retain the single District-wide catchment for transportation. We propose to provide lower charges for smaller homes.

Do you support this option? Yes No Don't know/Other

Please provide any comments. If your answer was no, please comment on your preferred option.

QUESTION 6: ENHANCING DRINKING WATER SUPPLY CAPACITY AND SECURITY

The provision of a safe and secure water supply at an affordable cost to households and businesses is important. We propose to invest \$31.6 million over 10 years for major water security and capacity projects.

Do you support this option? Yes No Don't know/Other

Please provide any comments. If your answer was no, please comment on your preferred option.

QUESTION 7: IMPROVING DRINKING WATER QUALITY

Drinking water standards as required by Central Government have become more rigorous in recent years. In response we propose to invest \$27 million over 10 years for major water treatment upgrades.

Do you support this option? Yes No Don't know/Other

Please provide any comments. If your answer was no, please comment on your preferred option.

YOUR FEEDBACK (CONT.)

QUESTION 8: FUNDING MOTUEKA'S WATER SUPPLY

The significant increase in the costs associated with treating Motueka's water supplies means we must consider the best way to fund this service. We propose to introduce a fixed service charge to all properties connected which will increase progressively over three years to reach 36% of the total cost by Year 3 and we will continue to fund the remainder of the costs through volumetric charging.

Do you support this option? Yes No Don't know/Other

Please provide any comments. If your answer was no, please comment on your preferred option.

QUESTION 9: OTHER PROPOSED PROJECTS

We propose to include other significant projects in our budgets for the next 10 years. Please give us your feedback on these projects, clearly stating which project(s) you are commenting on.

MORE FEEDBACK

Council would like to hear any other feedback you have in relation to the Consultation Document, or any of the documents being consulted on as part of the Long Term Plan process (listed below), or any of the LTP supporting information.

Please clearly indicate which document/s your feedback relates to.

- Consultation Document Draft Schedule of Charges Draft Revenue and Financing Policy
 Draft Development and Financial Contributions Policy Draft Significance and Engagement Policy
 Draft Rates Remission Policy Revoking of Policy on Early Payment of Rates in the Current Financial Year
 Draft Policy on Remission and Postponement of Rates on Māori Freehold Land Other – please state

Please write your feedback on additional pages and attach to this submission form.

WE NEED TO RECEIVE YOUR SUBMISSION BY 5PM, THURSDAY 5 APRIL 2018.

Send it by post, scan and email it, or drop it in to us:



LTP Submissions
Tasman District Council
Private Bag 4
Richmond 7050



info@tasman.govt.nz



Richmond, Motueka,
Takaka or Murchison
Council service
centres or libraries

CONSULTATION MEETINGS

DATE (2018)	MEETING	VENUE	TIME
Monday 5 March	Brightwater Community Assn	Brightwater School Hall	7.00pm
Monday 5 March	Richmond Rotary	Club Waimea	7.00pm
Wednesday 7 March	Probus	Church of Christ, Corner Croucher/Darcy Streets	10.45am
Monday 12 March	Murchison & Districts Community Council	Murchison Sport Recreation and Cultural Centre	1pm
Monday 12 March	Mapua & Districts Community Association	Mapua Hall	7.10pm
Tuesday 13 March	Golden Bay Community Board	Takaka Service Centre	10.30am – 12pm
Wednesday 14 March	Richmond	Council Chamber	3 – 4.30pm
Sunday 18 March	Motueka Market	Motueka Market	8am – 12pm
Monday 19 March	Wakefield Community Council	St John Centre, Edward St, Wakefield	7.30pm
Tuesday 20 March	Motueka Community Board	Motueka Service Centre	2pm
Tuesday 20 March	Moutere Hills Residents Assn	Moutere Hills Community Centre	7pm
Tuesday 20 March	Tapawera & Districts Community Council	Tapawera Community Centre	8pm
Wednesday 28 March	Tasman Area Community Association	Tasman School	7.30pm
Tuesday 3 April	Marahau/Sandy Bay Ratepayers & Residents Assn Inc	Marahau Fire Station/Community Hall	4pm

HEARING DATES

- **Monday 18 April 2018**, Richmond Council Chambers, 9.30am – 4.30pm
- **Tuesday 19 April 2018**, Richmond Council Chambers, 9.30am – 1pm
- **Monday 23 April 2018**, Takaka (venue to be confirmed), 9.30am – 4.30pm
- **Tuesday 24 April 2018**, Motueka St John Hall, 9.30am – 4.30pm

HAVE YOUR
SAY

For Tasman

