



*For Tasman*

# LONG TERM PLAN (LTP) 2018 – 2028

VOLUME 1

DRAFT FOR ADOPTION



## Table of Contents

<b>Part 1 - Introduction</b> .....	3
Welcome To Tasman District Council’s Long Term Plan (LTP) 2018-2028 .....	4
How To Find Your Way Around The LTP .....	7
Mayor’s Message .....	8
Planned Services And Projects .....	9
Financial Projections .....	26
How Will It Be Funded?.....	31
Consultation And Submissions .....	38
Audit Report.....	40
<b>PART 2 - COUNCIL VISION AND COMMUNITY OUTCOMES</b> .....	41
Council Vision And Community Outcomes .....	42
<b>PART 3 - COUNCIL ACTIVITIES</b> .....	46
Council Activities Summaries .....	47
<b>ENVIRONMENT AND PLANNING</b> .....	48
Environmental Management .....	49
Public Health And Safety .....	67
<b>ENGINEERING</b> .....	81
Transportation, Roads and Footpaths .....	82
Coastal Structures .....	93
Water Supply .....	100
Wastewater .....	115
Stormwater .....	125
Solid Waste .....	137
Flood Protection and River Control Works .....	146
<b>COMMUNITY DEVELOPMENT</b> .....	154
<b>GOVERNANCE</b> .....	182
<b>COUNCIL ENTERPRISES</b> .....	191
<b>SUPPORT SERVICES</b> .....	201
<b>PART 4 – ACCOUNTING INFORMATION</b> .....	208
Inflation Adjusted Accounts.....	222
Assumptions .....	235
Reserve Funds .....	250
Financial Regulations Benchmarks.....	253
<b>PART 5 - APPENDICES</b> .....	263
Appendix 1: Glossary of Terms .....	264

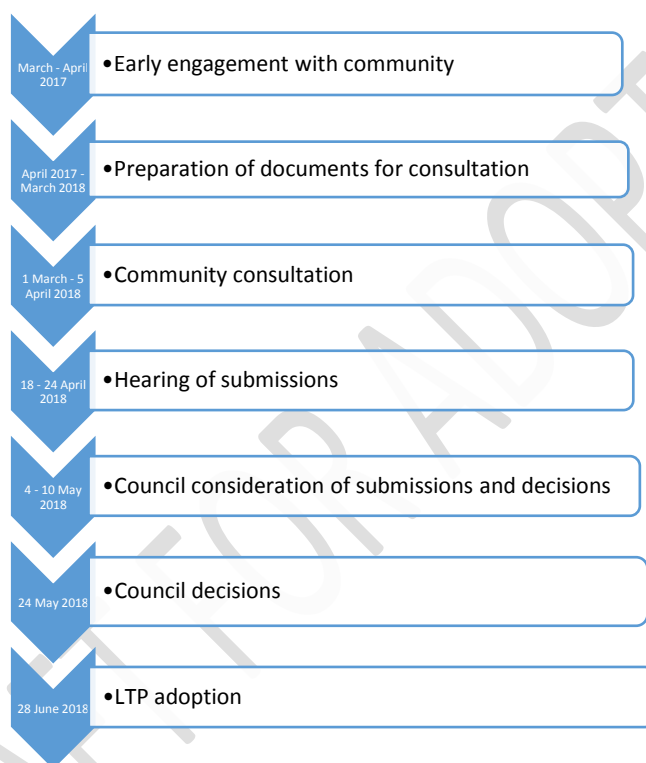
## PART 1 - INTRODUCTION

DRAFT FOR ADOPTION

# WELCOME TO TASMAN DISTRICT COUNCIL'S LONG TERM PLAN (LTP) 2018-2028

This plan incorporates the Annual Plan 2018/2019, and Council's financial and infrastructure strategies.

This LTP 2018 - 2028 outlines the services and projects that we are planning over the next 10 years, and a summary of the financial impacts. It states the vision for the District and the Community Outcomes which indicate how Council will promote community well-being – socially, culturally, economically and environmentally. The LTP sets out the services and projects we are planning to undertake to contribute to those Community Outcomes, the costs of providing the services and activities, and how they will be funded. The end result, is an all-encompassing document that outlines what the community can expect over the next ten years and how Council, with the help of the community and other organisations, will work to achieve these outcomes.



Through an early engagement process in March/April 2017, we sought ideas from our community about the things it felt should (and should not) be included in the LTP 2018-2028. Councillors and staff considered the requests and ideas raised during the early engagement, determining the costs and considering whether and how best to fund the services and activities requested. The outcome of this process and others was the LTP Consultation Document, supporting information and concurrent consultations, which outlined the proposed work plan for the next ten years.

The public had the opportunity to make submissions on the proposals and options for the LTP during March and April 2018. Council also held hearings across the District, where over 100 submitters took the opportunity to present their submissions. Council considered all the submissions received through their deliberation meetings and made decisions on the changes it wanted to include in the final LTP.

## WHY PRODUCE AN LTP?

Council manages millions of dollars of assets on the community's behalf and is conscious of the effect the level of rates can have on individuals, families and businesses. Planning ahead is important for Council to manage its assets and the services it delivers to the community in an efficient and effective manner. Good planning makes sense. It helps us avoid surprises that may cause unexpected, big increases in our rates or debt.

Also under the Local Government Act 2002, 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 LTP must be reviewed and re-evaluated once every three years. This LTP is part of the Council's three yearly review process and incorporates the Annual Plan for 2018/2019.

Between the three yearly LTP reviews, Council produces an Annual Plan for each financial year. These Annual Plans contain our proposed annual budgets and funding impact for the forthcoming year and highlight any variations in these from what is planned in the LTP 2018-2028. Council is only required to consult on the Annual Plan when there will be significant or material differences from the LTP.

Each year Council produces an Annual Report which outlines what Council actually delivered, what it cost that year and the Council's financial position compared to what it was planning in the LTP or Annual Plan.

Our next full review of the LTP will be in three years' time for the start of the 2021/2022 financial year.

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 relatively 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.



DRAFT

# HOW TO FIND YOUR WAY AROUND THE LTP

This section provides a basic guide to the LTP. 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 1 for an explanation of terms.

## TWO VOLUMES

The LTP 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.
- The key projects planned to be undertaken and when they are planned to occur.
- 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.
- Revenue and Financing Policy (sets out policies on why and how funding sources including rates are determined and used to fund Council expenditure).
- Rates Remission Policy.
- Policy on Rate Relief for Māori Freehold Land.
- Significance and Engagement Policy (explains how Council will determine the significance of decisions and how it will consult with the public on these decisions).
- Statement on Fostering Māori Participation in Council Decision-Making.
- Treasury Risk Management Policy (outlines our policies and procedures for administering financial assets and holdings to ensure risk is managed prudently).
- Variations between the LTP and Council's Water and Sanitary Services Assessment and Waste Management and Minimisation Plan.

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

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 LTP. 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 LTP. If you can't find a project you are interested in, check to see if it is listed in the relevant Activity Management Plan, available separately on Council's website.

The Development and Financial Contributions Policy and the Schedule of Charges for 2018/2019 were consulted on concurrently with the LTP. Information on the final versions of the Development and Financial Contributions Policy can be found on Council's website ([www.tasman.govt.nz/policy/policies/development-contributions/](http://www.tasman.govt.nz/policy/policies/development-contributions/)) and the final Schedule of Charges can be found at [www.tasman.govt.nz/services/fees-charges/](http://www.tasman.govt.nz/services/fees-charges/).

# MAYOR'S MESSAGE

I would like to thank our residents, ratepayers, and organisations that took the time to make a submission and attend hearings on our Long-Term Plan 2018-2028, as well as to those that participated in the early engagement process in March/April 2017. Despite the ongoing issues caused by ex-tropical cyclones Fehi and Gita, many of you still took the time to inform us of your opinions and requests. The Councillors and I appreciated the passion with which many submitters made their views known at the hearings.

The LTP talks a lot about rates and debt, so it's easy to lose sight of its real purpose. All the planning, budgeting and programming is for Tasman's communities, businesses, households and families. It's so that everyone can appreciate the environment; have access to community facilities, safe and reliable water and wastewater (and many other services); make a good living; and enjoy a lifestyle that contributes to society.

Since 2015 we have made significant progress on making only modest rates increases and keeping our debt at a manageable level. It is important the Council stays on its current financially prudent path whilst supporting the community to develop in a sustainable manner. That means retaining the financial limits set out in our LTP 2015-2025 with rates revenue increases limited to 3% (plus an allowance for growth), and net debt managed to remain below an upper cap of \$200 million.

To remain within these limits we have been selective in the projects and improvements in services to include in the LTP 2018-2028. Inevitably we received lots of requests and cannot include them all. We hope that you can understand the tough choices we have made to achieve the right balance.

We have planned to provide water, wastewater, stormwater and transportation infrastructure to keep pace with the rapid growth we are experiencing in our District. Over the past few years population and housing growth has taken place faster than expected utilising much of our land with available infrastructure ready for development. In general, the costs of new infrastructure needed for growth are paid for by those in the development sector through development and financial contributions. The introduction of three separate catchments in our Development and Financial Contributions Policy means the varying costs of supplying infrastructure for growth in different parts of the District is better reflected in the charges. We have responded to greater use of our unsealed, rural roads by local people and visitors by increasing the budgets for their maintenance, and raised the funding for pedestrian and cycling facilities in part as a response to changes in our community and partly due to requests from our residents.

We plan to make heavy investment in water treatment and reticulation infrastructure over the next ten years to help us meet the NZ Drinking Water Standards in all our urban water schemes. The contamination of drinking water in Havelock North offers a timely reminder of the important role we play in providing a safe and secure water supply. Prompted by investment in water treatment in Motueka, we are introducing a fixed charge which will moderate increases to volumetric charges for the Motueka urban water supply.

The Waimea Community Dam is important to provide a secure supply of drinking water for the Waimea area now and in the future. Whilst this project remains controversial, Council's view is that it provides the best means of supplying water to the urban and rural communities in the Waimea Plains, and has the added benefits of improving the environment in the Waimea River and supporting our local economy. The other options for supplying drinking water are all significantly more costly and do not have these added benefits.

The storm events that battered our communities recently confirm that planning for natural hazards remains an important consideration for our community and Council. Ex-tropical cyclones Fehi and Gita have highlighted some of the areas we need to address, while at the same time not losing sight of the potential for earthquakes and other risks. As a response to the submissions received, we have provided funding to increase compliance monitoring for forestry activities in the District and expanded a planned river flooding study for Motueka to encompass Riwaka. Over the next three years and beyond we will be working consistently to assess and mitigate the risks from natural hazards through a wide range of our activities.

I would like to take this opportunity to thank Lindsay McKenzie for his contribution to Council and our District over his nearly seven years as Chief Executive Officer. Lindsay has been integrally involved in the development of this LTP and had a great heart for our Tasman community. I would also like to welcome Janine Dowding who has recently joined us as Council's Chief Executive. We are all looking forward to Janine's time leading the management of Council's resources and I look forward to introducing her throughout the District in the months ahead.

Thank you again for your participation in the process and thank you to the Councillors, the Senior Management Team, and staff for all their work in preparing this LTP.

**Richard Kempthorne**  
Mayor



# PLANNED SERVICES AND PROJECTS

## KEY ISSUES

In the LTP Consultation Document we identified five key issues that Council is facing. This section outlines those issues, how we are proposing to address them and what it means for rates, debt and levels of service.

### RATES AFFORDABILITY AND MANAGING COUNCIL’S DEBT

In the LTP 2015-2025 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. These delays in capital projects 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 healthy financial position, such as increased population and household growth, requirements to invest in improved 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.

What have decided to do	Implications	Consequences
Cap maximum total rates income increases to 3% per annum plus an allowance for growth.	<p>Ratepayers have reasonable certainty about the maximum average increase in rates they are likely to experience.</p> <p>Expenditure is limited and timed to avoid significant rate increases.</p> <p>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.</p>	<p>Rates increases are kept at more sustainable increments.</p> <p>No direct impact on Council debt.</p> <p>No significant impact on changes to levels of service.</p>
External net debt capped at \$200 million.	<p>Limits available funds for capital expenditure.</p> <p>Provides flexibility to borrow funds to respond to external or unexpected events such as natural disasters</p> <p>An increased proportion of the depreciation on assets and infrastructure is paid by current ratepayers, rather than transferring these costs to future ratepayers.</p>	<p>Net debt levels are maintained below a self-imposed debt cap.</p> <p>No significant impact on changes to levels of service.</p> <p>Limiting debt helps to control rates increases.</p>

Whilst an upper cap on rates revenue increase of three percent (plus an allowance for growth) is being imposed, 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 revaluation carried out by Quotable Value in 2017 does not increase or decrease Council's total rates income, but it does affect how rates are allocated. If Council's rates income charged on rateable value was a pie, a ratepayer's slice might get bigger if their property value has increased by more than the average.

## GROWTH AND INFRASTRUCTURE

Tasman is growing and the challenge is to manage this growth in a sustainable and timely manner, including its environmental impacts. Enabling an adequate supply of suitably zoned land connected to infrastructure is important to accommodate the additional people wishing to live or establish businesses in the District and to improve housing affordability. On behalf of our community we own and manage a range of infrastructural assets, some of which we will need to upgrade or replace over the next 30 years. Along with growth we must also cater for an ageing population which brings with it different challenges and demands on infrastructure, such as wider footpaths and wheelchair access.

Over the next 10 years we expect an increase of approximately 4,400 residents in the District. In order to accommodate this population growth and trend for smaller households, we anticipate a further 3,000 new dwellings will be needed, and 243 new business lots created by 2028. Between 2028 and 2048, we predict a further 3,000 dwellings and 212 new business lots will be needed. 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 on 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 closely with Nelson City Council to provide for the predicted growth in the Richmond/Nelson area.

The projected development and population growth 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 (and other asset) 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.

What have decided to do	Implications	Consequences
Provide land and invest in new infrastructure to support a medium/high level of growth with a total growth investment of \$57.5 million over 10 years.	<p>Extending current service levels to new development areas will mean increases in Council's debt level to fund progressive capital costs.</p> <p>Enables supply of housing needed to meet projected demand and meet NPS-UDC requirements for the Nelson/Richmond area.</p> <p>If growth is slower than anticipated, Council may hold debt for a longer timeframe and be able to defer projects that are yet to start.</p>	<p>Lower impact on rates rises as debt is used to fund infrastructure. Debt will largely be repaid through development and reserve financial contributions.</p> <p>Current service levels extended to new development areas.</p> <p>Increase in development contributions where new infrastructure is provided.</p>
Selectively upgrade and improve some assets with a total capital investment of \$164.1 million over 10 years.	Assets will be selectively improved to maintain or enhance services to the community. This is made up of Water Supply (\$57.8m), Transportation (\$27.8m), Stormwater (\$27.8m), Wastewater (\$18.3m), Community	<p>Every additional \$10 million in capital expenditure in capital costs approximately \$1 million per year to be funded by a combination of rates and charges.</p> <p>Increase in rate rises and debt to fund associated costs.</p>

	Facilities and Parks(\$13.7m), Flood Protection and River Control (\$11.6 m) and Other (\$7.1m).	Improved levels of services and enhancement in the natural environment.
--	--	---

## DEVELOPMENT AND FINANCIAL CONTRIBUTIONS POLICY

The purpose of the Development and Financial Contributions Policy is to ensure that those developing properties and who directly benefit, pay for 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 previous Development and Financial Contributions Policy, all developments in the main settlements in Tasman paid the same development contributions. This meant regardless of where the development occurred, each developer was 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 have moved to a new three catchment system for charging development contributions for wastewater, stormwater and water services. We will retain a single, District-wide catchment for transport development contributions. By having several different catchments for the three waters, we are able to collect varying levels of development contributions that better reflect the true cost of providing that infrastructure.

Retaining the existing policy with the same development contribution charges in all settlements was not considered realistic because it did not fully comply with the legislation.

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 lowering charges for small homes, better reflecting the lower demands smaller homes place on our infrastructure.

The 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.

The Development and Financial Contributions Policy was consulted on concurrently with the LTP and has been adopted as a separate document. Details of the completed Development and Financial Contributions Policy can be found on Council's website at [www.tasman.govt.nz/policy/policies/development-contributions/](http://www.tasman.govt.nz/policy/policies/development-contributions/)

What have decided to do	Implications	Consequences
<p>Operate the Development Contributions Policy with three identified catchments for wastewater, water supply, and stormwater.</p> <p>Retain transport development contributions as a single District-wide catchment.</p> <p>Provide lower charges for smaller homes.</p> <p>The calculation method for financial contributions remains unchanged.</p>	<p>The costs of providing growth infrastructure in different parts of the District will be better reflected in the charges for each area/catchment.</p> <p>Smaller homes will pay lower development charges better reflecting their lower demands on infrastructure and helping housing affordability.</p>	<p>There is little or no impact on rates and debt.</p> <p>No impact on levels of service.</p>

## DRINKING WATER SUPPLY AND QUALITY

### PART A) ENHANCING WATER SUPPLY CAPACITY AND SECURITY

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 take measures to mitigate these effects.

We are undertaking a programme of works 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 plan 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 plan to progressively upgrade the water reticulation infrastructure beginning in 2018/2019 with the Aranui Road & 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.

What have decided to do	Implications	Consequences
<p>Enhance security and supply in accordance with the proposed programme. Total capital investment \$45.5* million for water security and capacity projects over next 10 years.</p>	<p>Safe and secure supply of water to existing and new homes and businesses.</p> <p>Service to users of our water supplies improve.</p>	<p>Every additional \$10 million in capital expenditure costs approximately \$1 million per year to be funded by a combination of rates and charges.</p> <p>Increase in targeted rates for:</p> <ul style="list-style-type: none"> <li>• all members of the Urban Water Club.</li> <li>• those water schemes outside the Urban Water Club to fund the direct costs of their own schemes.</li> </ul> <p>Increased Council debt. Development contributions used to repay the growth component.</p>

\*Includes \$23.2 million for the Waimea Community Dam in 2018/2019.

### **Waimea Community Dam**

The proposed Waimea Community Dam (the Dam) is a major project to increase water supply security in the Waimea area. In July 2017, Council confirmed that the Dam was the most cost-effective solution for meeting the community's needs for a good quality water supply. In 2017 Council consulted on three key aspects; funding Council's share of the Dam, governance and ownership arrangements, and underwriting the Crown Irrigation Investments 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 including: 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.

Through this LTP Council has confirmed its investment in the Council Controlled Organisation (CCO) of \$26.8 million towards the capital cost of the Dam and approximately \$715,000 per annum for operational costs. If the project proceeds construction is planned to begin in 2018/2019. Council will also act as a guarantor for up to \$29 million to cover loans from Crown Irrigation Investments Ltd to the CCO in support of Waimea Irrigators Limited (WIL) who will service the loans. The Revenue and Financing Policy provides for any cost overruns of up to \$3 million to be met 50/50 between WIL and Council. For any overruns above this amount Council is responsible. The Revenue and Financing Policy provides Council the ability to recover any cost overruns from ratepayers, including a portion from irrigators. Any project or consultation costs not funded through the Joint Venture will be recovered by Council using a mixture of targeted rates, and fees and charges

Council separately confirmed that a CCO would be formed to own and operate the Dam, subject to the project proceeding. From day one, Council will own the majority of the company shares and appoint four of the seven directors on the Board. If the Dam proceeds, Council will include its investment in the Council Controlled Organisation (to be formed to own and operate the Dam) in the list of Strategic Assets in the Significance and Engagement Policy.

Between the LTP Consultation Document being published in March 2018 and the finalisation of the LTP in June 2018, there was a delay in the anticipated financial close for the Dam project. As a result the capital contribution for the Dam of \$14.1 million that was anticipated to take place in 2017/2018 (i.e. prior to the start of this LTP) is now planned to take place later in Year one of the LTP (2018/2019).

Council commissioned the development of a full business case for a hydroelectric scheme to be added to the Dam. The initial advice is that the scheme is feasible and that it would provide sufficient returns to cover its costs, with a cost estimate of \$5.9 to \$8.1 million. If Council determines that such a hydroelectric scheme is feasible, then it will look at options to procure, fund and operate the scheme. The scheme will operate within the operational parameters of the Dam, and be subject to a separate decision of Council. It will also require agreement with the Joint Venture Partners to ensure it does not significantly impact on the key outcomes or timelines for the proposed Dam.

There are several concurrent work streams underway on the Dam including; 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.

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. In this case Council will fund its share of wind up costs from the same sources as it intends to use to fund the Dam.

## **PART B) IMPROVING DRINKING WATER QUALITY**

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 systems, and associated infrastructure varies from scheme to scheme, with some not 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, chlorination and 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.

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 out 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.

#### 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 have emergency chlorination only, no financial provision has been made in our LTP for permanent chlorine treatment. If continuous treatment is required, we estimate a total of \$1 million capital will be needed, plus an additional \$50,000 per annum for operational related costs.

What have decided to do	Implications	Consequences
<p>Upgrade water treatment to achieve drinking water standards in accordance with the proposed programme.</p> <p>Total capital investment \$27 million for major water treatment upgrades over next 10 years.</p>	<p>Reduces the risk of drinking water contamination and resulting health implications. A serious public health outbreak can have large social and economic costs to the community.</p> <p>Upgrading the water schemes will improve the levels of service for drinking water quality to users.</p>	<p>Every additional \$10 million in capital expenditure costs approximately \$1 million per year to be funded by a combination of rates and charges.</p> <p>Increased targeted rates for:</p> <ul style="list-style-type: none"> <li>all members of the Urban Water Club.</li> <li>water schemes outside the Club to fund direct costs of upgrades to those schemes</li> </ul> <p>Increased debt until loan repaid – typically 20 years. Development contributions used to repay the growth component of these water schemes.</p>

#### FUNDING MOTUEKA'S WATER SUPPLY

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 planned 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, a new fixed water service charge is being introduced across all connected properties. The fixed water charge will progressively increase to reach a maximum contribution in Year 3 of the LTP (2020/2021). The remainder of the costs will be recovered through volumetric charging. This is consistent with our current Urban Water Club charging regime. The Motueka water supply will continue to be funded as a standalone scheme and will not be part of the Urban Water Club.

What have decided to do	Implications	Consequences
<p>Introduce a fixed service charge to all properties connected to the reticulated service. The service charge will begin at a lower level and progressively increase to the full level by the third year.</p> <p>Continue with funding the remainder of the costs through volumetric water charging.</p>	<p>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.</p> <p>The variability of volumetric charges over time will be moderated.</p>	<p>The proposed reticulated water charges are:</p> <ul style="list-style-type: none"> <li>• 2018/2019- fixed \$39.42 and \$2.07/ cubic metre (m<sup>3</sup>)</li> <li>• 2019/2020 –fixed \$107.66 and \$2.23/m<sup>3</sup>*</li> <li>• 2020/2021 – fixed \$232.34 and \$2.55/m<sup>3</sup>.*</li> </ul> <p>*These figures are estimates. Actual figures will be determined through the 2019/2020 and 2020/2021 Annual Plans.</p> <p>No effect on total rates income collected, debt or levels of service.</p> <p>Reduced rates for connected properties using a higher than average amount of water.</p> <p>Increased rates for connected properties using no water or a lower than average amount of water.</p>

## 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 on our website ([www.tasman.govt.nz](http://www.tasman.govt.nz)). Selected levels of service and their associated performance measures are listed in Section 3 of the LTP. Each year through the Annual Report, we report on the levels of service delivered and on the LTP performance measures.

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

In this LTP we have strived to achieve a careful balance between the need for new and replacement infrastructure, improving levels of service and achieving Council's financial goals 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 debt, rates and rates increases in our Financial Strategy.

In our 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 levels of service enjoyed by our communities. In some cases, significant investment is required 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 particular, we have planned to increase the levels of service for water supply through a significant level of investment in water security and capacity, as well as improving water quality. Other activities in which we have planned for selective improvements in levels of service are Environmental Management, Transportation, Stormwater, Wastewater, Community Development, and Council Enterprises.

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.



## INFRASTRUCTURE STRATEGY SUMMARY

The Infrastructure Strategy is set out in full in Volume 2 of this LTP. The Strategy is a 30 year plan that sets out the infrastructure that will be provided to our community and businesses at agreed levels of service, that is cost effective, and within an acceptable level of risk.

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. It identifies the significant infrastructure issues for Tasman, the principal options for managing those issues and the implications of those options.

### 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 our last LTP, 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 have identified the following priorities in our Infrastructure Strategy:

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

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

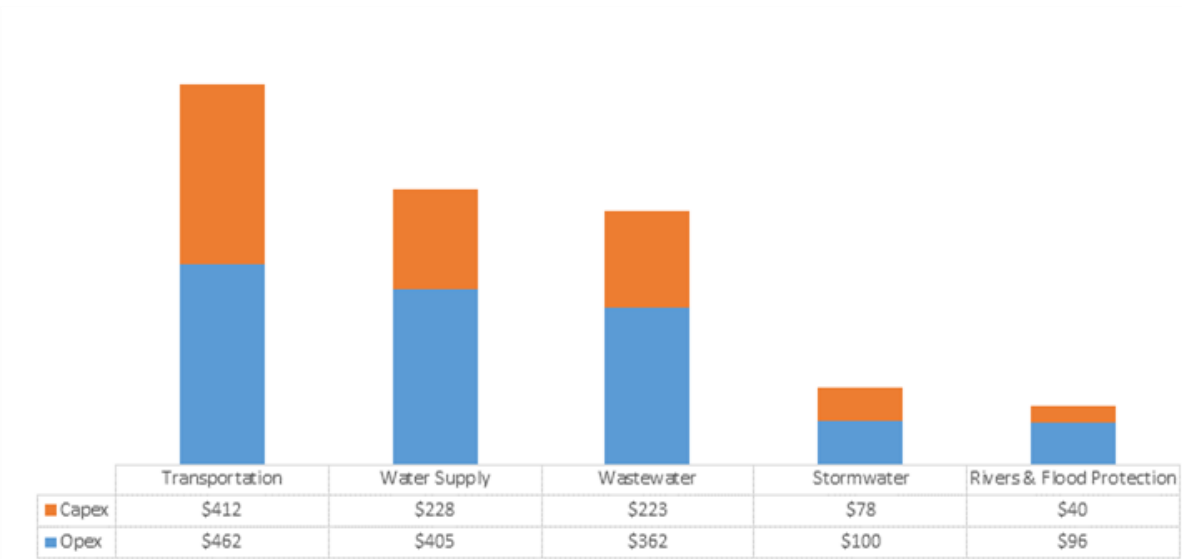
- To support Tasman's population growth, Council needs to invest in new infrastructure, particularly in Richmond, Motueka, and Mapua/Ruby Bay – we have allocated \$57.5 million over the next 10 years.
- Council is required to provide safe water supplies that comply with the NZ Drinking Water Standards - \$27 million is allocated towards upgrading water treatment plants.
- Council also needs to ensure water sources are secure for current and future residents and businesses – We plan to invest \$26.8 million in the Waimea Community Dam, and \$3.1 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 10 years of the LTP. In 2038/2039 there is a spike in the requirement for bridge renewal and 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, including our debt capacity, to respond to this challenge.

### HOW ARE WE GOING TO GET THERE?

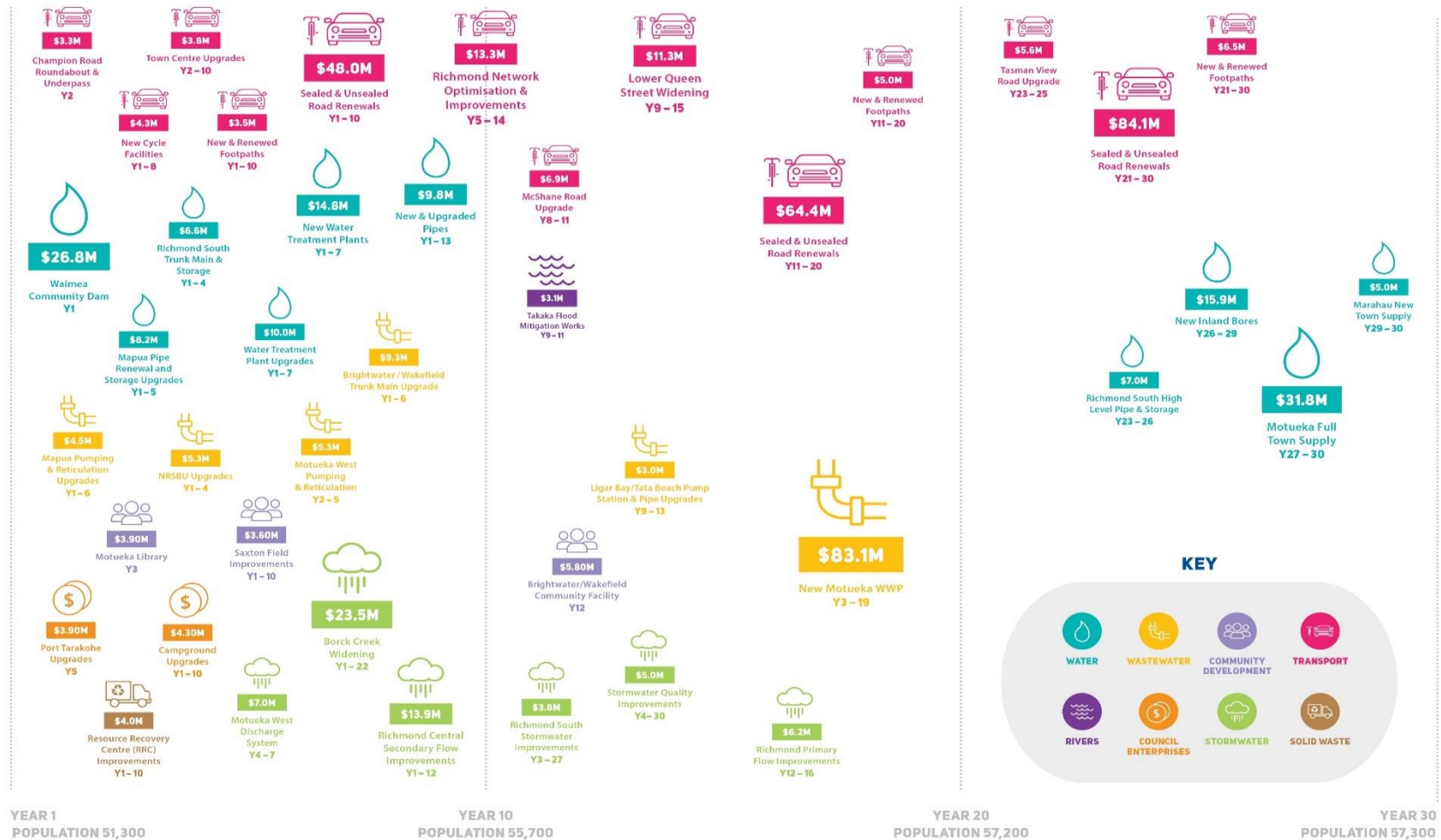
We plan to spend \$714 million on infrastructure services over the next 10 years, and a total of \$2.4 billion over the next 30 years. Figure 1 below shows how much we plan to invest in each of our infrastructure activities over the next 30 years. We need to invest most in transportation due to the high base programme of routine maintenance and renewal work.

Figure 1: Total Infrastructure Expenditure for the next 30 years



# TIMELINE OF OUR MAJOR PROJECTS

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



## PROJECT AND FUNDING CHANGES

The following changes to projects and funding were proposed in the LTP Consultation Document and have been confirmed by Council for this LTP:

### MOTUEKA LIBRARY DEVELOPMENT

We plan to increase the size of the Motueka Library, by either extending the existing library or building a new library. A budget of \$3.9 million has been provided for this purpose with design and planning in 2019/2020 and construction in 2020/2021. This represents an increase in budget from \$2.1 million for the project in the LTP 2015-2025. A feasibility study to weigh up the primary options is being carried out. Funding of the project will mostly be by way of a loan, which will be funded by the General Rate. A contribution of \$450,000 will also come from the Motueka Reserve Financial Contribution account.

### TASMAN'S GREAT TASTE TRAIL

We plan to complete the cycle trail between Wakefield and Wai-iti Domain. We will extend the trail from Norris Gully to Motueka with the aim of closing the loop by the end of year 2021/2022. In total, the budget for this work is approximately \$4 million. The total budgeted by Council in this LTP is \$3 million (\$1 million was also budgeted in 2017/2018 financial year) which is an increase of \$2.1 million from that in the previous LTP 2015-2025. Council will contribute \$2 million, with the remainder to be funded by the Ministry of Business, Innovation and Employment (MBIE). In addition, with the support of the MBIE, we will be upgrading selected areas of the trail to improve its quality.

### TAKAKA – POHARA SHARED PATHWAY

In response to community demand, a shared pathway between Takaka to Pohara past Motupipi School is planned with design in 2018/2019 and construction starting in year 2019/2020. We have budgeted \$1.18 million for this work and anticipate receiving funding from the New Zealand Transport Agency to support this project. Council's portion is funded by way of a loan over 35 years with the General Rate bearing the costs of the loan.

### INCREASING BUDGET FOR GRAVEL ROADS

We are increasing the budget from \$490,000 to \$630,000 per annum for the maintenance of gravel roads to meet customer expectations and current vehicle numbers. The additional costs will be funded from the General Rate.

### IMPROVING FOOTPATHS AND PEDESTRIAN FACILITIES

We will be increasing our efforts to improve footpaths in the District and pedestrian facilities. We have increased the budget for footpath maintenance and resurfacing from \$180,000 to \$347,000 per annum to take account of the most recent condition report and respond to the desire for improved footpath quality. The additional costs will be funded from the General Rate. In addition, there are a number of programmed projects that have new shared pathways or improved pathways within them, including:

- |  |  |
|--|--|
| a) Takaka/Pohara cycle connection          | i) Upper Oxford Street Upgrade                   |
| b) Cycle crossing of a widened Borck Creek | j) Champion Road safe crossing                   |
| c) McShane Road Upgrade                    | k) Salisbury Road hierarchy improvements         |
| d) Lower Queen Street Widening             | l) Williams Road hierarchy improvements          |
| e) Bird Lane Improvements                  | m) Oxford/Wensley intersection improvements      |
| f) Brightwater town centre upgrade         | n) McGlashen Avenue pedestrian crossing facility |
| g) Motueka town centre upgrade             | o) Tudor Street pedestrian crossing facility     |
| h) Mapua town centre upgrade               |  |

### RICHMOND RING ROUTE BUS SERVICE

We will be trialling a ring route service around Richmond over the next four years. We also intend to support ride sharing schemes.

Results from a feasibility study for dedicated commuter bus services between Wakefield and Richmond, and between Motueka and Richmond indicated that these cannot be sustainably operated without significant subsidies.

### FURTHER SAXTON FIELD DEVELOPMENT

Council has budgeted \$3.6 million for Saxton Field development over the next 10 years. Nelson City Council also contributes an equal amount to these projects. Planned improvement include: the development of Champion Drive link road, renewal of the hockey turf and athletics track, and a new pavilion/storage/toilet facility for Champion Green later in the 10 year period. Council's costs will be funded by way of a loans up to a maximum of 20 years funded from the Shared Facilities Targeted Rate.

## **REGIONAL BOAT RAMP**

We plan to undertake a regional boat ramp feasibility study in year 2019/2020 to fully assess the current provision and needs of boat launching facilities within the District. There is funding for the design of a regional boat ramp (location to be decided through the strategy work) with a budget of \$1.2 million for its construction in 2022/2023 and 2023/2024. This is funded by way of a loan over 50 years with the General Rate bearing the costs of the loan.

## **BIO-STRATEGY**

We will start work in year 2018/2019 on a bio-strategy, planning future biodiversity and biosecurity work. We plan to engage with key stakeholders to agree priorities and explore opportunities to develop a strategy that will provide clear direction for decision-making, investment and programmes to enhance biosecurity and carry out our biodiversity functions. The strategy will provide a vital link to other biodiversity and biosecurity initiatives in the Top of the South. We have budgeted \$15,000 per annum for development and delivery of a targeted programme of work to implement this strategy. The additional costs will be funded from the General Rate.

## **DIGITISING COUNCIL SERVICES**

We have budgeted \$520,000 between years 2018/2019 and 2021/2022 to make a significant step change in the implementation of digital services. We are proposing to redesign services so they can be easily delivered online as well as face to face at our offices. At the same time, we intend to simplify processes that are brought online to ensure they are easy and user friendly for our residents and ratepayers to get things done. We plan talk to customers, use business data, and user testing to help ensure services are delivered efficiently and effectively. The additional costs will be funded via overheads with all rates being impacted by the cost.

## **GOLDEN BAY COMMUNITY BOARD SPECIAL PROJECTS**

We are creating a budget for Golden Bay Community Board special projects of \$10,000 per annum. The funding will be used for projects with local support, which contribute to Council's community outcomes and are generally of 'bricks and mortar' type. The Golden Bay Community Board will determine allocation of the funding. The funds will be sourced through an increase in the Golden Bay Community Board targeted rate of approximately \$3.50 per ratepayer per annum.

## **LOCAL VISITOR INFORMATION CENTRE FUNDING**

In this LTP a total of \$85,000 per annum of funding to support has been provided for our local information centres. This funding has been allocated as follows: Motueka visitor information centre \$40,000 per annum, Takaka visitor information centre \$30,000 per annum, Murchison visitor information centre \$15,000 per annum. Funding is only for the next three years, with further consideration of the future model for visitor information provision occurring at the next LTP 2021/2022.

## **NELSON TASMAN BUSINESS TRUST**

We will provide funding of \$15,000 per annum for three years to the Nelson Tasman Business Trust to assist in the provision of training, advice and mentoring to small businesses and new start-ups in the Tasman District. In previous years Nelson-Tasman Business Trust has successfully applied for a lesser amount through contestable Council grant funding each year.

## **FUNDING FOR THE NELSON REGIONAL DEVELOPMENT AGENCY**

Funding for the Nelson Regional Development Agency (NRDA) has been reduced from \$400,000 to \$300,000 per year.

In the future, the services provided by the NRDA will be contracted directly, rather than via a service agreement with Nelson City Council.

## **LOCAL MUSEUM FUNDING**

During the 2016/2017 and 2017/2018 financial years we increased the operational funding to our three District museums. This level of funding has been continued across the 10 years of this LTP. The funding is an increase of \$15,000 on the \$65,700 annual funding for each of the Motueka District and Golden Bay Museums. Funding for the Murchison Museum has increased from \$14,300 per annum to \$17,600 per annum. This additional funding will be funded by an increase in the Museums Rate. In addition to funding these local museums, we will continue to support the Nelson Provincial Museum at the existing level.

## **DIGITISING THE TASMAN RESOURCE MANAGEMENT PLAN**

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

## RIVER CONTROL FUNDING

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 and there is a proven community benefit. We have increased funding from \$200,000 to \$408,000 per year for this purpose. This increase is funded by a transfer from the X and Y-rated rivers fund.

The river rating system is based on three-tiers of X, Y and Z rated areas.

- The X-rated areas are those that enjoy the benefits of an approved stopbank system. These areas include the lower sections of the Riwaka, Motueka and Waimea Rivers.
- The Y-rated areas cover 285 km of Classified River systems from the channel out to a line where the estimated 50 year return period flood would likely inundate the adjacent land.
- The Z-rated areas are all other rateable properties.

## INCREASING RECYCLING DROP OFF POINTS

Funded through the Government's Waste Minimisation Levy, a further 10 recycling drop-off points will be located in isolated rural and holiday areas across the District.

The following changes to projects and funding were made between the proposals contained in the LTP Consultation Document and this final LTP as a result of submissions.

## FREEDOM CAMPING BYLAW IMPLEMENTATION

To enable improved implementation of the Freedom Camping Bylaw, \$10,000 has been budgeted for additional and replacement signage.

## MOTUEKA/RIWAKA FLOOD MITIGATION STUDY

As a result of submissions about the flooding issues experienced in Riwaka, we have increased the scope of the proposed flood mitigation study for Motueka to include Riwaka. The study will now cover the Lower Motueka catchment and the Riwaka Catchment including Brooklyn. Funds of \$175,000 in 2018/2019 and \$175,000 in 2019/2020 have been included in the LTP for this work. Once this mitigation study is complete, Council will be in a stronger position to consider and plan capital budgets for the required flood mitigation works.

## STUDY TO REVIEW ALL PUBLIC TRANSPORT NETWORKS

Demand for public transport is increasing around the District. We are working with Nelson City Council to improve the existing bus routes between Richmond and Nelson which currently has good patronage. We are also looking at extensions to bus services within Richmond. \$60,000 in year 2 of the LTP (2019/2020) will be used from existing budgets for a further study to determine demand and how it could be met across the District.

## RICHMOND WEST TRANSPORT PROJECTS TO TAKE PLACE EARLIER

With Richmond West developing faster than anticipated, we have brought forward the timing of two projects. The Lower Queen Street and Berryfield Drive intersection upgrade project (\$990,000) has been advanced from 2025/2026 to 2023/2024. The Borck Creek Shared Pathway Crossing project has also been brought forward from years 2025-2027 to 2023/2024.

## CHAMPION ROAD/SALISBURY ROAD ROUNDABOUT UPGRADE TO TAKE PLACE SOONER

Funding of \$899,000 has also been brought forward from 2021/2022 to 2019/2020 for the roundabout upgrade and underpass at Champion Road/Salisbury Road intersection. In addition, \$60,000 has been included for a business case for this project with the expectation that a NZTA subsidy will be received towards this. These changes are in response to the development taking place in that part of Richmond, and the desire to provide a safe route for pedestrians and cyclists as early as possible.

## REFUSE AND RECYCLING ROUTES AND RATING AREAS

We consulted on possible extensions to the refuse/recycling routes and rating areas through the LTP, as well as by contacting affected ratepayers directly. Having considered the feedback, we have decided not to proceed with the proposed extensions of rubbish/recycling routes to Flaxmore Road, Sunrise Valley Road, Supplejack Valley Road, Weka Road/Wood Loop, Sunset Valley Road and Greenvine Lane. Similarly, while we proposed to remove some properties from the rating area in St Arnaud, and this has been confirmed, following feedback on two properties we decided to retain these within the rating area. We will carry out further investigations into drop-off options in St Arnaud.

## INCREASED FUNDING FOR PROJECT DEVINE

Project Devine has an excellent track record of delivering plant and pest management in the area from Riwaka to Wainui Bay. It is actively engaged with the community providing Council with exceptional value for money. Funding has been static at \$7,500 per annum for the last three years, and we have decided to increase this to \$11,250 per year by adjusting existing budgets.

### **FUNDING FOR FORESTRY COMPLIANCE**

We received many submissions on forestry plantation regulations and compliance. The National Environmental Statement, Plantation Forestry (NES-PF) has been released and there is now a suite of rules that control forest activities. There will be additional forestry monitoring requirements from the NES-PF and in recognition of the views expressed in submissions, a budget of \$100,000 per annum has been provided for monitoring and compliance purposes. We anticipate that half of this cost will be recovered through consent monitoring fees.

### **REPAIRS TO THE MOTUEKA WAR MEMORIAL**

Funding of \$18,500 has been budgeted for repairs to the Motueka War Memorial and concrete surrounds. Of this \$7,000 will be made available from existing budgets and \$11,500 will be budgeted in the 2018/2019 year.

### **HOPE TENNIS CLUB COURTS REPLACEMENT**

Council has decided to provide a grant of \$50,000, and a loan of \$50,000 over 15 years to the Hope Tennis Club to replace six astroturf courts at the Hope Recreation Reserve in 2018/2019.

We received submissions and support for the following two projects:

### **KOHATU MOTORSPORT PARK**

The Kohatu Motorsport Park is a proposed new venture to be developed on the outskirts of Tapawera by the Central Motorsport Incorporated Society. Council supports the development of the Park and recognises its value to the community as a regional adventure and motorsport park. Over the past few years, Council has contributed to the facility by providing funding for a feasibility study, and absorbing approximately \$15,000 of costs for the project. Council is also contributing approximately \$300,000 to the upgrade of the intersection to the Motorsport Park at Olivers Road and Motueka Valley Highway.

### **TASMAN BAY HERITAGE TRUST**

Tasman Bay Heritage Trust is proposing to redevelop the Nelson Provincial Museum to extend the facility and provide a new regional collection facility. Council supports the redevelopment of the Museum and recognises the important value the facility provides to our community. Council has contributed to this facility in the past and continues to through this LTP. In Year 1 (2018/2019) we have committed operational funding of approximately \$865,000 for the Trust, and \$63,000 (GST exclusive) for the museum storage facility at Elm Street. Council also provides the Trust with an interest free loan of \$1 million which costs Council approximately \$43,000 per annum in interest on behalf of the Trust. Council intends to revisit the request for capital funding in the next LTP 2021-2022.

## SHARED SERVICES WITH NELSON CITY COUNCIL

Nelson City Council is our neighbour and many residents who live in Tasman work in Nelson city and vice versa. It is important that both councils work closely together to provide joint community benefit. In 2015 our Councils jointly developed our Community Outcomes. Today they remain virtually identical, indicating that we are both striving to achieve the same goals for our communities.

We collaborate closely with Nelson City Council, which benefits the wider Region and results in the provision of better services to ratepayers, improved efficiency and/or cost savings.

Examples of shared services, projects and programmes include:

- Joint ownership, for example, the Port Company and Nelson Airport
- Joint capital funding, such as for the development of Saxton Field
- Co-funding of services and activities, such as the Nelson Provincial Museum
- Aligning service delivery, for example shared library services
- Co-ordinated strategic planning such as the development of consistent engineering standards.
- The provision of services, like those in place for hydrological and biosecurity functions.

Some Region-wide programmes are led by one council because it has particular expertise, so specialist skills do not have to be duplicated. For example, Tasman District Council implements the Regional Pest Management Strategy. In other cases a shared approach benefits customer service, for example the reciprocal lending agreement allows residents to use libraries in both council areas. We also work with other councils, including Marlborough District Council on a range of issues and in areas like shared rainfall measuring sites and the Top of the South Marine Biosecurity Partnership.

Some other joint Nelson Tasman projects, programmes and services are described below, under broad operational headings.

### ENGINEERING/INFRASTRUCTURE

Interconnected water supply services provide enhanced security of supply for both councils, especially during an emergency situation.

Nelson City Council can currently provide a small proportion of Tasman's water supply needs, but lacks the infrastructure to supply large volumes. We provide water and wastewater services to some Nelson residents and business premises in Nelson South.

Cycleways between Richmond and Stoke involved the two Councils working together at the design stage.

Regional transport planning continues to involve both Councils. Regional advocacy to Central Government is coordinated through the Top of the South Land Transport Liaison Forum, involving Tasman District, Marlborough District and Nelson City Councils.

Nelson and Tasman District Councils share a joint regional landfill business unit.

The Nelson Regional Sewerage Business Unit (NRSBU) is operated jointly by our Council and Nelson City Council to treat the municipal waste (mainly domestic sewage) from Nelson City and Richmond, Wakefield, Brightwater (the Waimea Basin) and Mapua in the Tasman District.

There is a coordination of bylaws where issues span Council boundaries, including the Trade Waste Bylaw.

### COMMUNITY DEVELOPMENT

The Saxton Field development is a good example of how the development of one regional facility benefits residents of both Tasman and Nelson. With Nelson, we have invested significantly in developing the facilities, and have signalled further commitments to future development in their respective LTPs. A joint committee oversees the development, management and marketing of the Saxton Field complex.

Some community policy development is undertaken collaboratively, e.g. the Regional Places and Spaces Strategy.

The Nelson Regional Development Agency (NRDA) runs the 'ItsOn' website which showcases events in the Nelson Tasman Region. Tasman Libraries work with Nelson and Marlborough Libraries, Nelson Marlborough Institute of Technology and the Nelson Provincial Museum on The Prow website, which details historical and cultural stories across the Region. Tasman Libraries are part of partnerships with Marlborough District Libraries and other libraries in the South Island for the purchase of some books and e-books.

Other shared activities in this area include the Positive Ageing Expo and the Found Community Directory.



## ENVIRONMENT/PLANNING/REGULATION ACTIVITIES

We are a partner with Nelson City Council in the Nelson Tasman Civil Defence Emergency Management Group (CDEM). The CDEM Group is jointly resourced by the Councils and operates a regional Emergency Operations Centre based in Richmond. In 2018 the Region experienced severe weather events in the form of ex-tropical cyclones Fehi and Gita, which have required long term recovery programmes. The Civil Defence Emergency Management Plan for the Nelson Tasman Region has recently been reviewed and consulted on.

The two Councils work together on aligning monitoring programmes, including estuarine monitoring and industrial land needs. We manage Nelson City Council's air quality, water level and rainfall data and provide flood warnings through a Hydrological Shared Services contract.

Along with Marlborough District Council and Nelson City Council, we are a partner with the Ministry of Primary Industries (MPI) in the Top of the South Marine Biosecurity Partnership. The main aim of the group is to build systems and processes for the early detection and prevention of marine invasive species. We are also the biosecurity management agency for Nelson City Council under the joint Nelson-Tasman Regional Pest Management Plan.

We also work together on the management of growth in our Region, including, combined monitoring and reporting on housing and business trends as required under the National Policy Statement for Urban Development Capacity. In addition, we are working together to produce a joint Future Development Strategy for the wider Nelson-Tasman Region. The Strategy will identify location, timing and sequencing of future development capacity over the long term for urban development.

Together we also coordinate coastal oil spill contingency planning and management.

Under the Joint Waste Management and Minimisation Plan, we collaborate on a range of community engagement programmes, events and activities such as Second-hand Sunday and Kickstart Compost Month. The purpose is to enable our communities to avoid or reduce their waste. We also collaborate on combined regional enviroschools events such as Moturoa Mission at Rabbit Island/Moturoa.

There are a variety of regional environmental fora that both Councils participate in, such as the Waimea Inlet Forum, the Mount Richmond Forest Park Management Unit Stakeholder Group, and the Kotahitanga mō te Taiao Alliance, along with other partners.

## CORPORATE AND ECONOMIC ACTIVITIES

Marlborough, Nelson and Tasman Councils have jointly procured insurance including for building assets.

With Nelson City Council, we are part of the Aon South Island collective, which is a local government scheme insuring water supply, wastewater, stormwater and flood protection assets.

We share our planning and asset information, including for the preparation of our LTPs and strategic plans.

Top of the South Maps is a joint initiative between both Councils to provide common geographic and map information to the public.

The Nelson Regional Development Agency (NRDA) is owned by Nelson City Council, but funding is provided from both Councils.

# FINANCIAL PROJECTIONS

## OUR TEN YEAR FINANCIAL PERFORMANCE SUMMARY

We have considered our five key issues and what we can do to manage those within the parameters of our Financial Strategy caps. We have looked at what is needed to: reduce debt, manage rates affordability; meet expected population growth; maintain existing core infrastructure and services; and meet legislative requirements.

We have prioritised activities and projects. The planned projects are, however, subject to review through future annual plan processes, business cases and the LTP review in 2021. As a result of these processes, projects after Year 1 of the LTP may be deferred, and/or their timing and scope changed.

The financial information in this LTP reflects the activities and projects we plan to deliver over the coming 10 years. Please refer to the Financial Strategy in Volume 2 for more information about our financial goals and limits.

### COUNCIL'S OVERALL FINANCIAL SUMMARY:

	2017/18 Budget \$000	2018/19 Budget \$000	2019/20 Budget \$000	2020/21 Budget \$000	2021/22 Budget \$000	2022/23 Budget \$000
General Rates	37,210	38,374	39,771	41,437	42,704	44,729
Targeted Rates	33,087	34,322	35,768	37,066	38,954	40,213
Total Net Debt	160,540	189,220	194,438	199,551	198,740	197,038
Total Operating Expenditure	106,215	114,554	120,609	124,199	126,013	129,978
Total Capital Expenditure	45,522	64,220	43,611	45,808	39,222	39,854

	2023/24 Budget \$000	2024/25 Budget \$000	2025/26 Budget \$000	2026/27 Budget \$000	2027/28 Budget \$000
General Rates	46,562	48,072	49,207	50,953	51,990
Targeted Rates	41,848	42,494	44,057	45,469	47,384
Total Net Debt	189,707	182,396	172,322	155,541	143,827
Total Operating Expenditure	133,193	136,450	139,160	141,982	141,269
Total Capital Expenditure	36,710	37,609	36,298	31,226	37,021

Pages 223-234 contain Council's prospective statement of comprehensive revenue and expense, prospective statement of financial position, prospective statement of cash flows, prospective statement of changes in net assets/equity, prospective cash flow reconciliation, prospective funding impact statement and depreciation and amortisation expense by groups of activities.

It is important to note that the financial information contained in this 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.

## FINANCIAL STRATEGY SUMMARY

The Financial Strategy sets out the overall financial picture for 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 and affordability. We have done this by managing rates and debt levels, and planning programmes of work within an overall fiscal envelope.

### KEY ISSUES

There are a number of key issues 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 a growing 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 have significant costs and funding implications.

### GOALS AND STRATEGIES

Our Financial Strategy aims to:

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

We intend to use five broad approaches to achieve these goals:

1. Act in a financially prudent manner
2. Maximise non-rates revenue
3. Maintain rates increases at modest and stable levels
4. Where possible charge those who benefit from assets over their lifetime
5. Share the costs of providing utility services across the District.

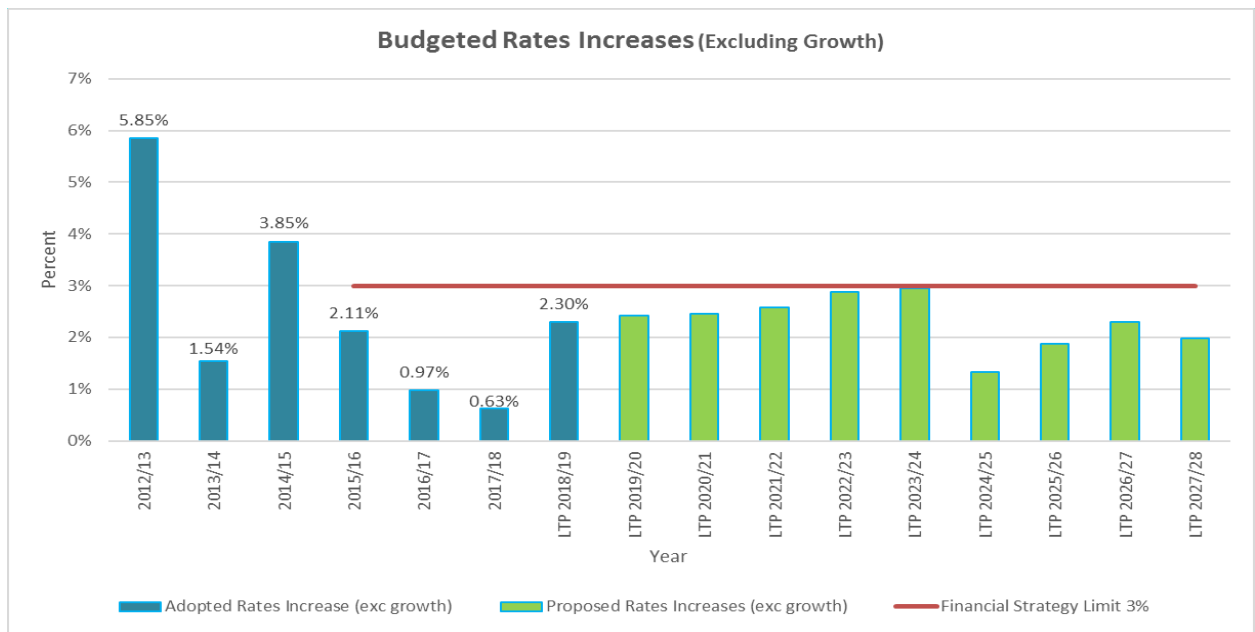
### FINANCIAL CAPS

We have three key financial limits to create an overall financial boundary for our activities. These limits are:

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

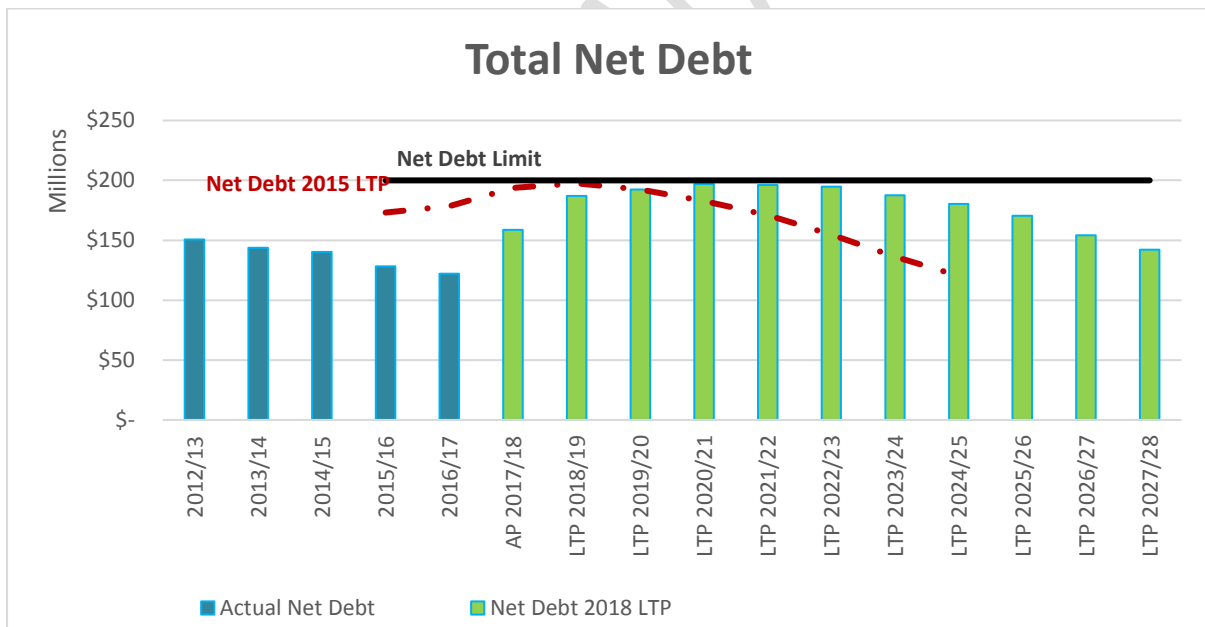
Rates income increases are forecast to be at modest levels throughout the LTP 2018-2028 and remain under the 3% per annum (plus an allowance for annual growth in rateable properties) cap as illustrated by Figure 2 below.

Figure 2: Budgeted Total Rates Income Increases



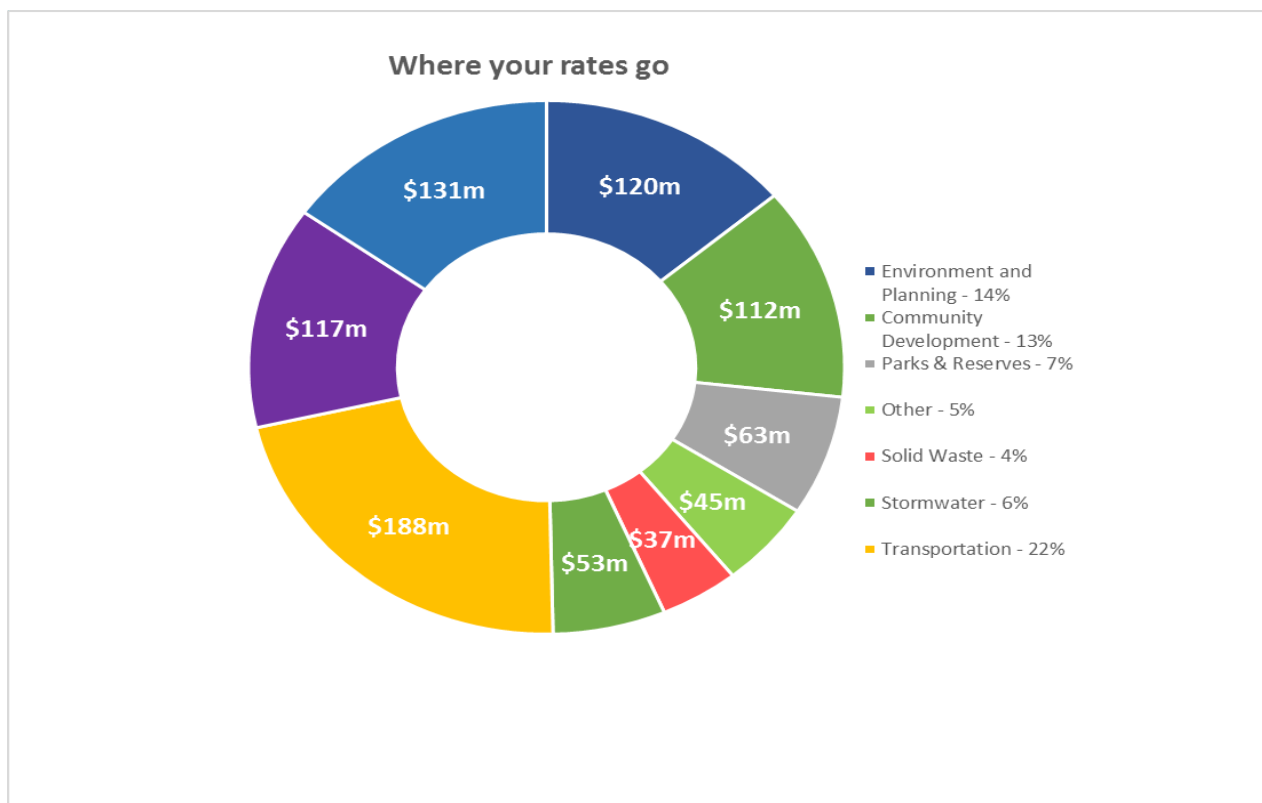
We forecast the Council's debt to be \$160 million as at 30 June 2018 (including carryovers). Debt is expected to peak at \$199 million before reducing to \$144 million in 2027/2028.

Figure 3: Projected net Debt



## WHERE YOUR RATES GO

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



The following section illustrates the level and share of rates to be collected for broad areas of Council activity

### ENVIRONMENT AND PLANNING - 14% (\$120M)

- 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.
- Biosecurity – pest plant and animal management.
- Rainfall site, meteorological station, air quality monitoring and river and ground water level network management including flood management response.

### TRANSPORTATION - 22% (\$188M)

- Roading – 1,751km of roads (967 sealed, 784km unsealed), 494 bridges and footbridges, 285km footpaths, 276km walkways and 9km cycleways, 22 off street car park areas, on street car parking, streetlights, traffic signs, culverts and Tasman's Great Taste Trail (138km).
- 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.
- Rivers – Council maintains 285km of X and Y classified rivers, assets include river protection works such as stop banks, rock protection and willow plantings.

### **STORMWATER, WASTEWATER, WATER SUPPLY AND SOLID WASTE - 39% (\$338M)**

- Water – 18 water supply schemes, including 32 bores, 15 water treatment plants, 61 reservoirs, 756km of reticulated pipe, 21 pumping stations, 4548 valves, 1437 hydrants, 117 backflow preventers, 11,200 meters, 1522 rural restrictors, and Wai-iti storage dam.
- Wastewater – 9 wastewater networks, 9 wastewater treatment plants (one of which is owned by both Nelson and Tasman Councils and managed by the Nelson Regional Sewerage Business Unit), 78 pump stations, 360km of reticulated pipe, 14,041 wastewater connections.
- Stormwater – 15 Urban stormwater drainage areas and 1 general district area, 187km of piped stormwater network, 29km of maintained open drains and streams, 10 detention dams. Other assets used include sumps, tide gates, detention or ponding areas, inlet structures, discharge structures.
- Solid Waste – 22 closed landfills and 5 resource recovery centres.

### **COMMUNITY DEVELOPMENT - 20% (\$175M)**

- Parks and reserves – 804ha of reserve land and 52 playgrounds.
- Community recreation.
- 18 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.
- 98 Public toilets.
- 8 Community housing complexes – (101 separate units in total).
- 4 Customer Service offices.
- 1 Customer Service call centre.

### **OTHER - 5% (\$45M)**

- Forestry (2,676 hectares)
- 4 commercially operated Camping Grounds
- Port Tarkohe
- Motueka and Takaka Aerodromes.
- Property
- Council Controlled and Council Controlled Trading Organisations
- Council Support
- Elections
- Representation reviews
- Strategic Planning
- Communication
- Elected Representatives

# HOW WILL IT BE FUNDED?

## HOW WE PLAN TO PAY FOR IT ALL

Council is planning to spend an average of \$41.16 million per annum (including inflation) on capital projects and an average of \$90.8 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 and NZ Transport Agency subsidies and other Government subsidies as a means of funding both operating and capital expenditure.

Figure 4: Rates compared to major other revenue sources

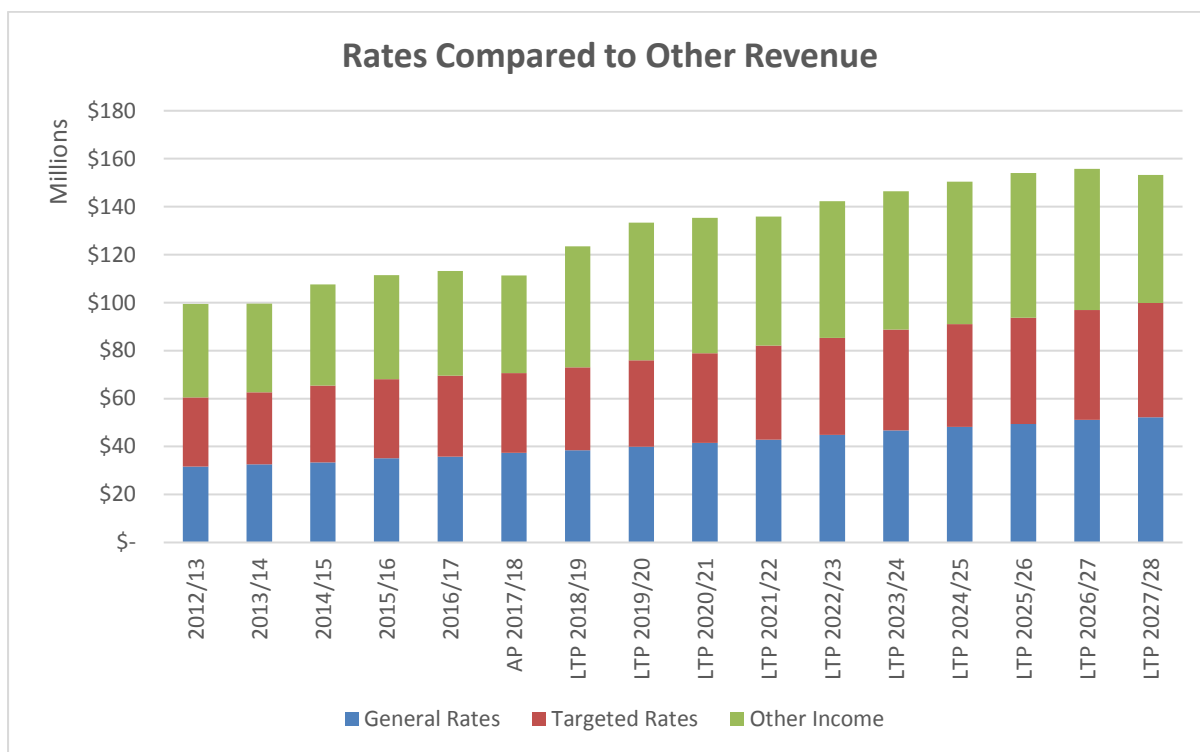
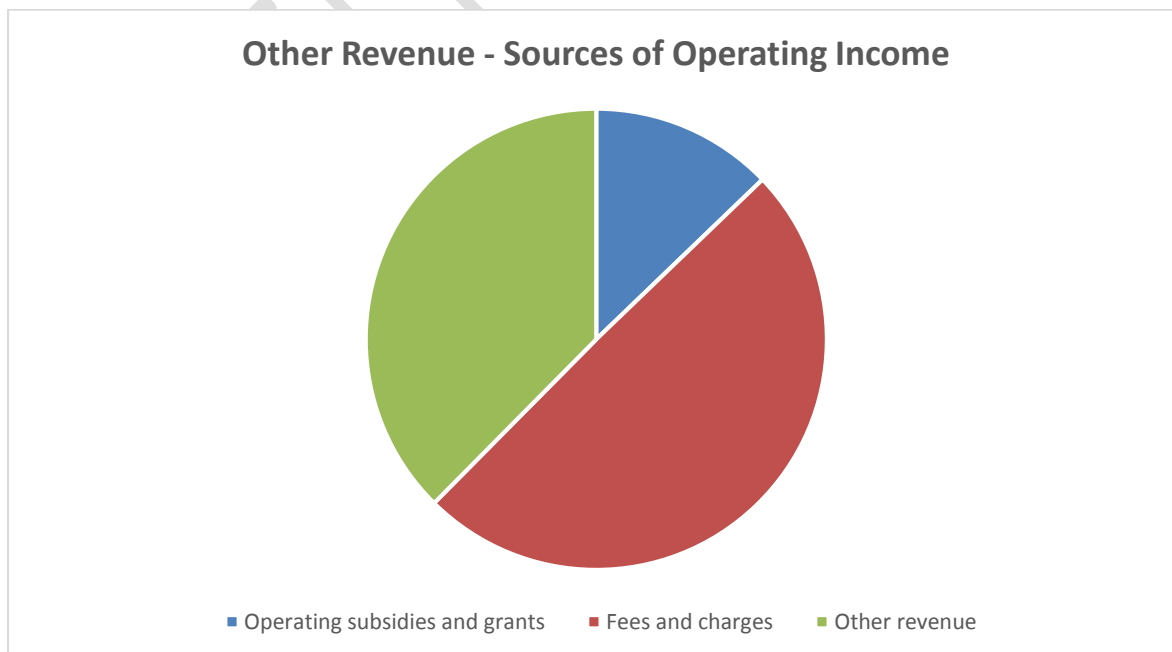


Figure 5: Other Sources of Revenue



Where it is appropriate for users or exacerbators to fund an activity because they receive the benefit, but Council cannot easily attribute or charge the costs individually and the costs are significant enough to warrant separate charging, it may set **targeted rates**. Other than for volumetric water, there are limited legal mechanisms for charging for true “user pays” through rates. Proxies are often used. For example: Council uses a fixed targeted rate for kerbside recycling for those properties in a certain area, which is set as a proxy for the service delivery area.

Council uses **general rates** if the benefits of the activity are largely received by the broader community and the costs of the activity cannot easily be attributed to an individual or group of individuals, or where it is uneconomic to collect via user charges or targeted rates. For example: Civil Defence. Everyone benefits. No individual can be responsible for the costs. Therefore, it is entirely general rate funded.

To assist in keeping rates affordable, Council is limiting general rates income to \$65 million per annum and targeted rates to \$60 million per annum over the life of this LTP. When adjusted for inflation, the increase in rates during is relatively low.

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 1.08% to 1.48% per annum during the 10 years of the LTP.

Over the next 10 years, the portion of the rates income funded by general rates is expected to decline slightly. This is caused by relatively larger increases in the targeted rates, particularly the water supply rates which will be funded by connected users.

Rates income is expected to remain at less than 70% of total operating funding for Council over the next 10 years, which is consistent with the previous LTP.

## YOUR RATES

### Average percentage increase in rates income (inclusive of inflation)

Council has worked hard to prioritise the services and projects that are important for our future, to provide them when they will be needed, and at an affordable cost. The timetable for new and improved capital projects has been carefully scheduled to maintain debt within the cap set in the Financial Strategy (i.e. \$200 million). Council is limiting total rates income increases to a maximum of 3% per annum, plus an allowance for growth. This growth component is the anticipated growth in rates income from new, additional rating units as the result of new houses and businesses. The growth component varies from 1.08% to 1.48% 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.

### 2018-2019 New Rates:

#### Water Supply: Motueka Water Supply Metered Connections: Service charge

Council has introduced a new fixed service charge to all properties connected to the reticulated service in Motueka. Council incurs significant costs including pipes and other infrastructure which have to be paid for regardless of whether water is used by these properties. This proposal aligns with our current Urban Water Club charging regime, where users pay a fixed service water charge.

The new rate in Motueka is \$39.42 per rating unit per connection for Year 1 of the LTP (2018-2019) and will increase to the full rate by Year 3. Without the introduction of the new fixed service charge, the volumetric rate would have substantially increased.

#### Waimea Community Dam- Environmental and Community Benefits Districtwide Rate & Waimea Community Dam- Environmental and Community Benefits Zone of Benefit Rate

Council has introduced two new targeted rates to fund Council's rates contribution for environmental and community benefits associated with the Waimea Community Dam (Dam), including some funding for costs incurred that have not been recovered as part of the project joint venture. In the event that the Dam does not proceed, Council will use the full funds collected by these rates to fund costs that have been incurred up to the point of making that decision.

The District wide rate is set at \$14.33 per rating unit which will fund 70% of the environmental and community benefits to be funded by rates less the amount recovered through charges.

In addition, those rating units within the Zone of Benefit (ZOB) will fund 30% of the revenue because those properties with a closer proximity to the water supplied by the Dam will have a greater benefit than those further away. The rate for 2018-2019 is set at 0.0020 cents per dollar of capital value, \$10 on a \$500,000 property.



### General and Targeted Rates

The Uniform Annual General Charge in 2018/2019 remains at the 2014/2015 amount of \$290 per rating unit.

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 (ending 2021/2022)
- Mapua stopbank
- District facilities
- Shared facilities
- Museums facilities
- Facilities operations
- Waimea Community Dam
- Golden Bay and Motueka Community Boards
- Refuse/recycling
- Mapua rehabilitation
- Torrent Bay replenishment
- Motueka flood control (ending 2019/2020)
- Warm Tasman (ending 2024/2025)

For a more detailed analysis of how targeted rates are likely to affect you for the 2018/2019 year, please refer to the Funding Impact Statement in Volume 2 of this LTP.

If you want to know what will be happening to your rates please give us a call or go to our website to find out ([www.tasman.govt.nz](http://www.tasman.govt.nz)). Also available is our Rates Rebate Scheme that is designed to help people on lower incomes [www.ratesrebates.govt.nz](http://www.ratesrebates.govt.nz).

## RATES IMPACT ON EXAMPLE PROPERTIES

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

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

The District's Last triennial revaluation was carried out by Quotable Value Limited as at 1 September 2017.

The new values apply from the 2018 – 2019 rating year. The capital value of the district increased by 22% and the land value of the district increased by 20%

The revaluation does not increase or decrease the Council's total rating income but it does affect how rates are allocated. If the Council's rates income charged on rateable value was a pie, a ratepayer's slice might get bigger if their property value has increased by more than the average.

The following tables will present what the rate increase would have been on the example properties, before the effects of the triennial revaluation are taken into account.

	CAPITAL VALUE (PRE 2017 REVALUATION)	2017/2018 ACTUAL RATES	2018/2019 RATES IF 2017 REVALUATION HAD NOT OCCURRED	% INCREASE FROM 2017/2018
Residential – Takaka	\$270,000	\$2,495	\$2,515	0.8%
Residential – Murchison, with 63m <sup>3</sup> of water, Urban Water Supply Metered Connections	\$160,000	\$2,237	\$2,277	1.8%
Residential – Mapua (no wastewater/metered water)	\$495,000	\$2,158	\$2,203	2.1%
Residential – Mapua, with 131m <sup>3</sup> of water, Urban Metered Water Supply	\$380,000	\$3,374	\$3,421	1.4%
Residential – Kaiteriteri, with 135m <sup>3</sup> of water, Urban Water Supply Metered Connections	\$660,000	\$4,313	\$4,385	1.7%
Residential – Brightwater, with 327m <sup>3</sup> of water, Urban Water Supply Metered Connections	\$385,000	\$3,847	\$3,939	2.4%
Residential – Wakefield, with 165m <sup>3</sup> of water, Urban Water Supply Metered Connections	\$350,000	\$3,254	\$3,298	1.4%
Residential – Motueka, with 95m <sup>3</sup> of water, Motueka Water Supply Metered Connections	\$380,000	\$2,935	\$2,997	2.1%
Residential – Richmond (Waimea Village,) with 34m <sup>3</sup> of water, Urban Water Supply Metered Connections	\$200,000	\$2,468	\$2,492	1.0%
Residential – Richmond, with 112m <sup>3</sup> of water, Urban Water Supply Metered Connections	\$510,000	\$3,702	\$3,768	1.8%

## RATES IMPACT ON EXAMPLE PROPERTIES (CONT.)

They also present what the rates increases will be on example properties, after the effects of the revaluation. The rating effects on individual properties will vary because of differing valuation changes, and because targeted rates do not apply uniformly to all properties.

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

More information on the rates for a particular property can be found on the Council website [www.tasman.govt.nz](http://www.tasman.govt.nz).

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

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

The overall rates change for these properties range from -11.9% to 11.8%.

\$ INCREASE FROM 2017/2018	CAPITAL VALUE (2017 DISTRICT WIDE REVALUATION)	% CV INCREASE (2017 COMPARED WITH 2014)	2017/2018 ACTUAL RATES	2018/19 RATES (POST REVALUATION)	% CHANGE FROM 2017/2018	\$CHANGE FROM 2017/2018
\$20	\$350,000	30%	\$2,495	\$2,550	2.2%	\$55
\$40	\$190,000	19%	\$2,237	\$2,256	0.8%	\$19
\$45	\$645,000	30%	\$2,158	\$2,290	6.1%	\$132
\$47	\$495,000	30%	\$3,374	\$3,501	3.8%	\$127
\$72	\$790,000	20%	\$4,313	\$4,303	-0.2%	-\$10
\$92	\$500,000	30%	\$3,847	\$4,029	4.7%	\$182
\$44	\$455,000	30%	\$3,254	\$3,367	3.5%	\$113
\$62	\$490,000	29%	\$2,935	\$3,061	4.3%	\$126
\$24	\$280,000	40%	\$2,468	\$2,589	4.9%	\$121
\$66	\$670,000	31%	\$3,702	\$3,890	5.1%	\$188

	CAPITAL VALUE (PRE 2017 REVALUATION)	2017/2018 ACTUAL RATES	2018/2019 RATES IF 2017 REVALUATION HAD NOT OCCURRED	% INCREASE FROM 2017/2018
Residential – Richmond, with 179m <sup>3</sup> of water, Urban Water Supply Metered Connections	\$1,060,000	\$5,714	\$5,846	2.3%
Dairy Farm – Collingwood – Bainham	\$7,450,000	\$23,087	\$23,825	3.2%
Forestry – Motueka	\$3,480,000	\$10,849	\$11,120	2.5%
Horticultural – Hope	\$1,210,000	\$4,136	\$4,258	2.9%
Horticultural – Ngatimoti	\$660,000	\$2,438	\$2,512	3.0%
Horticultural – Waimea West, with 9 hectares, with Water Supply Dams – Wai-iti Valley Community Dam	\$1,150,000	\$7,612	\$7,579	-0.4%
Pastoral Farming (Fattening) – Upper Moutere	\$940,000	\$3,235	\$3,333	3.0%
Lifestyle – Wakefield, with 3m <sup>3</sup> /day restrictor, Eighty Eight Valley Rural Water Supply	\$1,600,000	\$5,744	\$6,095	6.1%
Lifestyle – East Takaka	\$495,000	\$1,964	\$2,027	3.2%
Lifestyle – Neudorf, with 2m <sup>3</sup> /day restrictor, Dovedale Rural Water Supply	\$560,000	\$3,305	\$3,499	5.9%
Lifestyle, Tasman with 2m <sup>3</sup> /day restrictor, Rural Water Extension to Urban Water Scheme	\$680,000	\$3,835	\$3,962	3.3%
Lifestyle – Bronte, with 3m <sup>3</sup> /day restrictor, Redwood Valley Rural Water Supply	\$1,070,000	\$4,786	\$5,028	5.1%
Commercial – Queen St, Richmond, with 241m <sup>3</sup> of water, Urban Water Supply Metered Connections	\$1,310,000	\$9,584	\$9,715	1.4%
Commercial – High St, Motueka	\$1,300,000	\$7,366	\$7,475	1.5%
Industrial – Cargill Place, Richmond, with 49m <sup>3</sup> of water, Urban Water Supply Metered Connections	\$620,000	\$3,943	\$4,015	1.8%
Utility	\$68,820,000	\$184,200	\$187,805	2.0%

DRAFT

RATES IMPACT ON EXAMPLE PROPERTIES (CONT.)

\$ INCREASE FROM 2017/2018	CAPITAL VALUE (2017 DISTRICT WIDE REVALUATION)	% CV INCREASE (2017 COMPARED WITH 2014)	2017/2018 ACTUAL RATES	2018/19 RATES (POST REVALUATION)	% CHANGE FROM 2017/2018	\$CHANGE FROM 2017/2018
\$132	\$1,210,000	14%	\$5,714	\$5,577	-2.4%	-\$137
\$738	\$7,800,000	5%	\$23,087	\$20,349	-11.9%	-\$2,738
\$271	\$3,830,000	10%	\$10,849	\$10,020	-7.6%	-\$829
\$122	\$1,555,000	29%	\$4,136	\$4,435	7.2%	\$299
\$74	\$905,000	37%	\$2,438	\$2,726	11.8%	\$288
-\$33	\$1,515,000	32%	\$7,612	\$7,941	4.3%	\$329
\$98	\$1,090,000	16%	\$3,235	\$3,171	-2.0%	-\$64
\$351	\$2,000,000	25%	\$5,744	\$6,152	7.1%	408
\$63	\$570,000	15%	\$1,964	\$1,930	-1.7%	-34
\$194	\$760,000	36%	\$3,305	\$3,658	10.7%	353
\$127	\$825,000	21%	\$3,835	\$3,928	2.4%	93
\$242	\$1,390,000	30%	\$4,786	\$5,185	8.3%	399
\$131	\$1,370,000	5%	\$9,584	\$8,955	-6.6%	-\$629
\$109	\$1,460,000	12%	\$7,366	\$7,068	-4.0%	-\$298
\$72	\$660,000	6%	\$3,943	\$3,715	-5.8%	-\$228
\$3,605	\$77,210,000	12%	\$184,200	\$171,026	-7.2%	-\$13,174

# CONSULTATION AND SUBMISSIONS

## PROCESS SUMMARY

We would like to thank all of the groups and individuals who provided input into the preparation of this LTP. Including those who took part in the early engagement, those who submitted, and also appeared at hearings on the Consultation Document, related consultation processes and/or supporting information. Your input is appreciated by Council and has been considered throughout the decision making processes.

March/April 2017	Early Engagement with community on LTP 2018-2028.
May – October 2017	Engagement with youth councils and older residents.
April 2017- March 2018	Preparation of Consultation Document and supporting information for consultation. .
1 March – 5 April 2018	Community Consultation on LTP 2018-2028 Consultation Document.
18, 23 and 24 April 2018	Submission Hearings in Richmond, Golden Bay and Motueka.
4, 7 and 10 May 2018	Deliberations Council meeting (Councillors discussed submissions and decided on changes to incorporate into the LTP).
24 May 2018	Council formally decided on remaining changes to the LTP.
28 June 2018	LTP 2018-2028 adopted.

Early engagement was carried out on the LTP 2018-2028 in March and April 2017. Early submissions were encouraged from the community about the things they felt Council should be addressing and the projects they considered should be included in the LTP 2018-2028. A part of this early engagement we met with community associations around the District to seek their early input. Separately we engaged with the youth councils as a way of understanding the aspirations of our young people. We also sought specific feedback on the needs of our growing older population. This information informed the development of our LTP Consultation Document and supporting information.

Submissions were invited on the Consultation Document and related consultations between 1 March and 5 April 2018.

We publicised the availability of the Consultation Document and related consultations online, through social media, on the radio, through public notices, at community meetings, through a special edition of 'Newsline' and in several following editions of Council's fortnightly publication 'Newsline'. Newsline is 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 or hardcopy at Council's offices and libraries. The Settlement reports and online maps provided a summary of what was being proposed in each settlement.

We held a number of LTP 2018-2028 consultation meetings around the Tasman District during March and April 2018. The majority of the public consultation sessions were held in conjunction with community association and community board meetings. We also presented information and answered questions at meetings at two large community organisations in Richmond and attended the Motueka Market to engage in informal discussions with members of the public.

In total we received 484 submissions on the Consultation Document (and its supporting information) or the concurrent consultations, with 110 submitters wishing to be heard. We held three days of hearings in Richmond, Motueka and Takaka in May 2018.

We received submissions from a wide range of individuals and organisations. These submissions provided us with useful information on what our community thought about the proposals in the Consultation Document and concurrent consultation documents. Many of the submissions also raised additional matters and projects that they would like to see Council do or fund over the next 10 years.

The hearings were followed by two and a half days of Council deliberation meetings in early May when Councillors discussed matters raised in the submissions and made decisions on changes to the final LTP 2018-2028. The information in the submissions informed and assisted our decision making. In some cases the ideas suggested could be accommodated through existing maintenance or other project budgets and did not necessitate making a change in budgets in the final LTP 2018-2028, e.g. a review of public transport networks and increased funding for Project Devine. The timing of the Richmond West transport projects and the Champion Road/Salisbury Road roundabout upgrade were brought forward and Riwaka was added to the flood mitigation study planned for Motueka. Additional funding was added for improved implementation of the Freedom Camping Bylaw, compliance for new forestry plantation regulations, repairs to the Motueka War Memorial and court replacement at Hope Tennis Club. Details of these changes are provided on page 22-23. In other instances requests for additional work and services could not be included. Unfortunately, without generating large rate increases, it is not possible to do everything requested.

Council confirmed the final changes in response to the submissions and other information at its meeting on 24 May 2018. The final LTP 2018-2028 was adopted by Council on 28 June 2018.

The 5 Key Issues in the LTP Consultation Document received the greatest number of submissions:

1. Rates Affordability and Managing Council's Debt (196 submissions)
2. Growth and Infrastructure (171 submissions)
3. Development and Financial Contributions Policy (79 submissions)
4. Drinking Water Supply and Quality (166 submissions)
5. Funding Motueka's Water Supply (72 submissions)

Other popular topics included:

- Transportation (123 submissions, particularly regarding cycleways)
- Waimea Community Dam (122 submissions)
- Kohatu Motorsport Park (77 submissions)
- Freedom Camping (53 submissions)
- Natural Hazards (49 submissions)

In addition there were a smaller number of submissions on a range of other subjects.

# AUDIT REPORT

DRAFT FOR ADOPTION



## PART 2 - COUNCIL VISION AND COMMUNITY OUTCOMES

DRAFT FOR ADOPTION

# COUNCIL VISION AND COMMUNITY OUTCOMES

The purpose of this section is to provide a context for our District, and outline the Vision and Community Outcomes that Tasman District Council aims to achieve in order to promote the social, economic and cultural interests of Tasman’s current and future communities; together with maintaining and enhancing the quality of our environment.

## COUNCIL VISION

Council’s vision is:

Thriving communities enjoying the Tasman lifestyle

## COUNCIL MISSION

Tasman District Council’s Mission Statement is:

To enhance community well-being and quality of life

Council has retained the same Vision and Mission that was included in the Long Term Plan (LTP) 2015-2025. The vision recognises that there are many different communities within our District, not just geographic communities, but non-profit organisations, environmental communities, art communities, church communities, sporting communities, to name just a few. We would like all these communities to succeed and to benefit from the many opportunities that our District provides. It fits well with the purpose of Local Government, which is:

*“(a) to enable democratic local decision-making and action by, and on behalf of, communities; and*

*(b) to meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.”*

The activities and proposed expenditure in the Long Term Plan (LTP) 2018-2028 support Council’s Vision, Mission and Community Outcomes.

## COMMUNITY OUTCOMES

### BACKGROUND

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

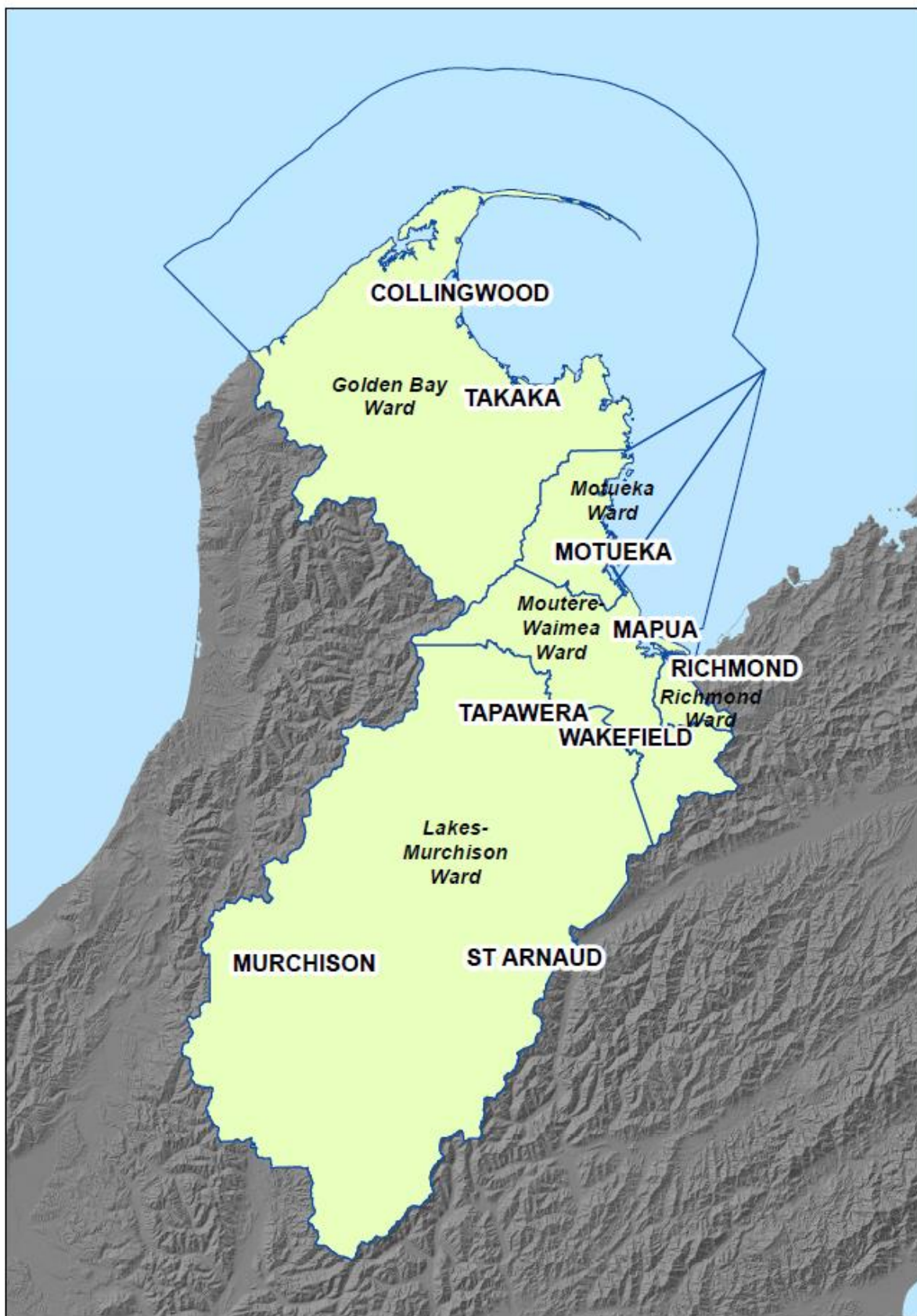
The Community Outcomes are very similar to those presented in the LTP 2015-2025. They retain the overall direction of the previous Outcomes, however the Community Outcome Descriptors have been amended slightly.

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

### COMMUNITY OUTCOME STATEMENTS

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

## MAP OF TASMAN DISTRICT



## COMMUNITY OUTCOME DESCRIPTORS

### OUTCOME 1: OUR UNIQUE NATURAL ENVIRONMENT IS HEALTHY, PROTECTED AND SUSTAINABLY MANAGED

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

### OUTCOME 2: OUR URBAN AND RURAL ENVIRONMENTS ARE PEOPLE-FRIENDLY, WELL PLANNED, ACCESSIBLE AND SUSTAINABLY MANAGED

- Our current and future urban and rural living environments provide the important features that we need to enjoy Tasman.
- Urban and rural areas are designed to be people-friendly, particularly for children, families and our increasing, ageing population.
- We think and plan regionally and act locally within that context.
- We work together with Nelson City Council to provide adequate land for housing and businesses across Richmond and Nelson and to ensure that our infrastructure is delivered efficiently and effectively.
- Our built environments are well planned and based on sound urban design principles.
- Urban areas are attractive, safe, accessible and have parks and reserves available for residents to use.
- Tasman has affordable roading services that meet the needs of our communities.
- There is a range of community housing and community facilities, with more intensification in towns/settlements and clear urban/rural boundaries.

### OUTCOME 3: OUR INFRASTRUCTURE IS EFFICIENT, COST EFFECTIVE AND MEETS CURRENT AND FUTURE NEEDS

- We have good quality, sustainable, integrated, affordable, safe, secure, efficient and effective transportation networks (including roads, cycleways and footpaths), water, wastewater, stormwater and solid waste services.
- We provide infrastructure services that meet the needs of our changing population and growth is well managed.
- We prudently manage our existing assets and environment.
- Waste and pollution is minimised, so we have clean water, clean seas, clean air, healthy flora, fauna and soils, and public health needs are met.
- Our public transport services are well-utilised and our developing cycleway network is popular with residents and visitors alike.

### OUTCOME 4: OUR COMMUNITIES ARE HEALTHY, SAFE, INCLUSIVE AND RESILIENT

- We support the opportunities for Tasman residents to enjoy a good quality of life.
- We are a supportive and diverse community.
- Everyone is included and involved, can participate in decision-making and is able to enjoy a good quality of life, wherever they come from and whatever their age, abilities or income.
- We are a resilient community with a Civil Defence service that assists residents and businesses to cope with disasters or emergencies.

- Our communities health and wellbeing are safeguarded by ensuring standards of construction, food safety and registered premises operation are met, and that alcohol sale and consumption, risk from fire and nuisances do not adversely affect quality of life.

#### **OUTCOME 5: OUR COMMUNITIES HAVE OPPORTUNITIES TO CELEBRATE AND EXPLORE THEIR HERITAGE, IDENTITY AND CREATIVITY**

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

#### **OUTCOME 6: OUR COMMUNITIES HAVE ACCESS TO A RANGE OF SOCIAL, CULTURAL, EDUCATIONAL AND RECREATIONAL FACILITIES AND ACTIVITIES**

- We have a good range of sports and recreation facilities for all ages, including youth and older residents.
- There is a wide range of recreation, educational and leisure opportunities for everyone to take part in.
- Access to the coastal waters of Tasman and safe boating practice is supported.
- We support and encourage all culturally diverse groups to demonstrate their unique recreational activities to the wider community.
- There are many festivals and events held throughout the year in the Tasman region.

#### **OUTCOME 7: OUR COUNCIL PROVIDES LEADERSHIP AND FOSTERS PARTNERSHIPS, A REGIONAL PERSPECTIVE, AND COMMUNITY ENGAGEMENT**

- We continue to develop effective working relationships with our Treaty Partners.
- We foster Māori participation in Council decision-making (see Statement in Volume II of the LTP 2018-2028)
- We work together effectively as a region, think of the generations that will follow and listen to the full range of views.
- Everyone has the opportunity to participate in the community's major decisions and information is easy to obtain.
- Leaders consult with and understand their communities and work for the good of all, including the wider region.
- Our leaders take responsibility for their decisions and act to improve the big issues facing our community.
- We continue to collaborate with community organisations and build effective Council-community partnerships.
- We support and mentor our youth to become the leaders of the future.

#### **OUTCOME 8: OUR REGION IS SUPPORTED BY AN INNOVATIVE AND SUSTAINABLE ECONOMY**

- We all participate in the regional economy and it meets people's needs.
- We are a business-friendly region, and economic activity is sensitive to the environment, heritage and people of Tasman.
- We are skilled and adaptable and we see the benefits of a wide range of high-value industries and businesses.
- Small, locally-owned businesses are an essential part of the community.
- We encourage appropriate new investment into our community.
- Our youth can live, learn and work in Tasman.
- We recognise, support and celebrate innovation and achievement.

## PART 3 - COUNCIL ACTIVITIES

DRAFT FOR ADOPTION

# COUNCIL ACTIVITIES SUMMARIES

The following pages outline the core areas of work that Council undertakes. There are five sections:

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

Each of these areas of work is broken down into groups of related activities.

We have provided the overall budget for each section and for each group of activities we have identified:

- What we plan to do.
- Why we do it.
- How the group of activities contribute to the community outcomes.
- The goal and any key issues for the activity.
- The service levels (what we are planning to provide), how we are going to measure whether we are achieving the service levels and the targets we are planning to achieve in years 1–3, and the target to be reached by year 10.
- The major activities we plan to undertake and any proposed major capital works projects.
- The key assumptions we have used and any significant effects from the activities.
- The cost of providing the service and how we intend funding the service.

The grouping of activities reflects changes to the Local Government Act in 2010. These changes require councils to report on a number of mandatory activities. The intention is to enable comparisons between councils performance for these mandatory activities.

The mandatory activities are:

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

Council also reports on the following Groups of Activities:

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

Within each group of activities there may be a number of smaller activities, for example Public Health and Safety includes Building Assurance, Environmental Health, Animal Control, Civil Defence Emergency Management, Maritime Safety and Parking Control. Support services are described in the final section, but Council does not report on these as a separate group of activities.

The objective is to provide sufficient detail so that you can obtain an understanding of the services that Council provides, balanced against providing too much detail and making the document even larger and less readable.

Detailed information on each group of activities is contained in their respective Activity Management Plans which are available to download from our website [www.tasman.govt.nz](http://www.tasman.govt.nz)

# ENVIRONMENT AND PLANNING

The Environment and Planning section is broken down into two groups of related activities:

- Environmental Management
- Public Health and Safety

The 10 year budgets for the Environment and Planning activities are outlined in the following table along with the 2017/2018 budgets for comparison.

ENVIRONMENT AND PLANNING	2017/2018 BUDGET \$000	2018/2019 BUDGET \$000	2019/2020 BUDGET \$000	2020/2021 BUDGET \$000	2021/2022 BUDGET \$000	2022/2023 BUDGET \$000
Environmental Management	10,039	11,301	11,605	12,030	12,146	12,593
Public Health and Safety	6,179	6,203	6,474	6,607	6,905	7,124
<b>TOTAL COSTS</b>	<b>16,218</b>	<b>17,504</b>	<b>18,079</b>	<b>18,637</b>	<b>19,051</b>	<b>19,717</b>

ENVIRONMENT AND PLANNING	2023/2024 BUDGET \$000	2024/2025 BUDGET \$000	2025/2026 BUDGET \$000	2026/2027 BUDGET \$000	2027/2028 BUDGET \$000
Environmental Management	12,858	13,358	13,723	14,237	14,545
Public Health and Safety	7,304	7,567	7,825	8,073	8,257
<b>TOTAL COSTS</b>	<b>20,162</b>	<b>20,925</b>	<b>21,548</b>	<b>22,310</b>	<b>22,802</b>

Details of each of these groups of activities are outlined in the following pages. These pages cover what Council does in relation to each activity group, why we do it, the contribution of the activities to the Community Outcomes, the activity goal, any key issues, how we will measure our performance, the key things we plan to do and any major projects and funding arrangements.



## ENVIRONMENTAL MANAGEMENT

### WHAT WE DO

Council's environmental management functions and responsibilities include:

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

### WHY WE DO IT

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

Council's state of the environment monitoring and information work is undertaken to monitor progress to achieve environmental outcomes, to help target planning controls, consent conditions and education programmes, to identify new issues, and to provide information of use to farmers, businesses and the public. Council processes resource consent applications and undertakes compliance activities to reduce the impact of human activity on other people and the environment. Council's biosecurity activities help protect the environment from unwanted plant and animal pests.

### CONTRIBUTION TO COMMUNITY OUTCOMES

COMMUNITY OUTCOMES	HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
Our unique natural environment is healthy, protected and sustainably managed.	<p>We develop and review policies, plans and design guides that promote the sustainable management of natural and physical resources and, where necessary, regulate activities that could over time degrade the environment or place resources under pressure.</p> <p>We engage with iwi and the community via advocacy and interventions in local, catchment and regional scale initiatives to maintain and enhance the natural and productive landscape.</p> <p>We monitor activities that could have a negative effect on our environment and take action to prevent such effects through education and enforcement.</p>
Our urban and rural environments are people-friendly, well-planned, accessible and sustainably managed.	<p>By managing animal and plant pests, working with landowners and the broader community to protect biodiversity, soil and water sustainability including the use of targeted spending to ensure effective riparian and waterway management on farms, and educating to encourage responsible environmental behaviours, we seek to ensure Tasman remains special.</p>
Our urban and rural environments are people-friendly, well-planned, accessible and sustainably managed.	<p>Ensuring consent approvals for the development and use of the environment promotes sustainable management of natural and physical resources. Where necessary, conditions can be imposed (and monitored) that regulate activities which might otherwise degrade the environment or place resources under pressure.</p> <p>We take a strategic approach to planning for and managing growth. By ensuring that our communities living environments are appropriate in location and scale, are pleasant, safe, and that the activities of others do not adversely impact on them.</p> <p>Through monitoring and investigating the state of the environment and identifying trends, risks, and pressures it faces, particularly in relation to land, soils, water, air and the coast. The information we hold about natural hazards and contamination risk is used to make better decisions, and have in place planning for the future needs of the District.</p> <p>By educating people and providing them with information to enable them to live more sustainably and to be more resilient.</p>

COMMUNITY OUTCOMES	HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
<p>Our infrastructure is efficient, cost effective and meets current and future needs.</p>	<p>We support other areas of Council to meet this outcome by having in place effective resource planning processes which ensure infrastructure provision is appropriate, efficient, and available to meet the demands of the community. We provide hazard information and promote best practice design, development, and use of important utility services.</p> <p>We provide a highly valued district wide telemetry linked network that allows us to measure and understand what is happening in relation to the quality of our environment. This same network allows us to properly manage the quality of the water resources available for allocation.</p>
<p>Our communities are healthy, safe, inclusive and resilient.</p>	<p>By having in place processes that safeguard the community's health and wellbeing and which ensure resource use and human activities affecting resources do not adversely affect quality of life. Including monitoring recreational bathing water quality or toxic algae presence, surveying groundwater resources for drinking water suitability. By maintaining an effective flood warning system, monitoring air quality, and working to identify contamination risks we promote safety of people and community well-being now and for future residents.</p>
<p>Our communities have opportunities to celebrate and explore their heritage, identity and creativity.</p>	<p>Our planning framework identifies heritage buildings, iconic landscapes, sites important to iwi, and sites of significance to the district. Having in place a framework for protecting and enhancing these values. Ensuring that sites important to iwi are considered when planning decisions are made.</p> <p>By working with landowners to enhance biodiversity helps to protect the natural heritage values.</p>
<p>Our communities have access to a range of social, cultural, educational and recreational facilities and activities.</p>	<p>Our plans and consenting processes ensure recreational opportunities are provided when land is subdivided. We maintain a recreational bathing water quality network and cyanobacteria monitoring programme to ensure waterbodies are suitable for use. Put limitation on inappropriate development of valued spaces. Take an advocacy role to promote environmental awareness.</p>
<p>Our Council provides leadership and fosters partnerships, a regional perspective, and community engagement</p>	<p>Public participation is provided for in the processes of developing and administering policies and plans under the Resource Management and Biosecurity Acts and we actively seek to work with stakeholder communities.</p> <p>We work with iwi when developing policies and plans. For example, the Kotahitanga mo te Taiao partnership with top of the south iwi, DOC and Councils demonstrates leadership across boundaries. We work to encourage the development of 'best management practices' in our productive landscape and have established community networks and water user groups to help us fulfil our responsibilities.</p> <p>We make information and resource data available and work with applicants, landowners and community groups to help them make sound decisions and provide advice to customers and applicants through on-duty staff.</p> <p>We advocate to central government and other public agencies where their actions will impact on the interests of Tasman District.</p>
<p>Our region is supported by an innovative and sustainable economy.</p>	<p>Policies, plans, models, and information help identify opportunities for economic development and potential hazards and constraints affecting such opportunities. Our biosecurity activities on land and sea are often designed to protect primary production activities from economically damaging pest incursions.</p> <p>Resource information identifies opportunities for economic development in the use and development of resources of benefit to current and future generations, and potential hazards and constraints affecting such opportunities.</p> <p>Development approvals can facilitate economic development opportunities and compliance monitoring can ensure fair and equal opportunities for all.</p> <p>We actively encourage people to adopt best practice in relation to their use of resources such as land, water, air, and the coast.</p>

## OUR GOAL

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

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

## KEY ISSUES

Council recognises that future demands for Environmental Management will be influenced by:

- Population and economic growth and demographic change – Population and economic growth places demands on the services provided in the Environmental Management group of activities. Over time Council may need to change how it responds to these issues. Council has further developed its growth model to forecast residential and business demands and to identify opportunities to supply the level of demand expected.
- Changes in community expectations – Increasing environmental awareness could create extra demands on the Environmental Management activities. Some members of the community want Council to undertake more work in this area, however, others want less regulation and control.
- Industrial demands for resources and technological change – Industrial demands for use of resources and technological change have the ability to impact on the scope of services and the manner of delivery of this activity. Council is not expecting any changes to have a significant effect on the activity in the medium term.
- Environmental changes such as climate change – Changing patterns of weather, long term changes in the climate or the occurrence of climate-driven natural hazards will affect this group of activities. For example, Council's policies relating to managing land use, hazards and the impacts of climate change will need to prepare for potentially increasing risks associated with pest incursions, sudden and severe weather events, drought risk and seawater inundation of low-lying coastal land.
- By building a new dam, that augments the Waimea River and groundwater aquifers, Council will be able to harness the surplus water available in winter months and during intense rain events. This will enable Council to ensure a minimum water flow in the river of at least 1,100 litres per second. River augmentation will also help to ensure that the aquifers are not depleted, thus reducing the risk of salt water intrusion near the coastal margins.
- Changes in legislation and planning documents – These can be driven by Government legislation or policy (National Objective framework), or by changes in Council policy (review of the Regional Policy Statement).
- Changes in the environmental risk profile and responsiveness – Council undertakes environmental monitoring activities to increase its awareness of potential changes in environmental risks. There are increasing requirements to tackle water quality (e.g. swimability) and the expectation by the community of real time monitoring and reporting to the web.
- The need to focus on the catchment scale to address difficult problems in a coordinated way (land, riparian, water) - Much of the focus has been on measuring and managing water without the wider catchment linking work occurring. New initiatives are needed to get a coordinated approach to catchment management where the outcomes may be initially measured in improved water quality, but the actions will lead to improved land management and community ownership.

The impact of these influencing factors on the demand for Environmental Management and the effect on the current scale and mode of delivery is discussed in detail in the Environmental Management Activity Management Plan.

**OUR LEVEL OF SERVICE – WHAT COUNCIL WILL DO AND HOW IT WILL MEASURE PERFORMANCE OVER THE 10 YEARS FROM 2018-2028**

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF.	CURRENT PERFORMANCE	FORECAST PERFORMANCE (TARGET)			
			YEAR 1	YEAR 2	YEAR 3	BY YEAR 10
<p>We provide an appropriate policy framework that effectively promotes the sustainable management of the District’s natural and physical resources by:</p> <ul style="list-style-type: none"> <li>• identifying and responding to resource management policy issues; and</li> <li>• providing a sound and appropriate policy planning framework that is responsive to our changing environment, will protect and enhance our unique environment and promote healthy and safe communities.</li> </ul>	<p>For those residents that are aware of the Council’s role in resource management policy and planning work. At least 65% of respondents are fairly or very satisfied with Council’s resource management policy and planning work, as measured via the annual resident’s survey.</p>	<p>In 2017 59% of residents were satisfied or very satisfied with our resource management policy and planning work. 23% of residents were not very satisfied.</p> <p>(cf 58% satisfied or very satisfied and 27% not very satisfied in 2016)</p>	65%	68%	70%	75%

DRAFT FOR ADOPTION

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF.	CURRENT PERFORMANCE	FORECAST PERFORMANCE (TARGET)			
			YEAR 1	YEAR 2	YEAR 3	BY YEAR 10
<p>We provide an appropriate policy framework that effectively promotes the sustainable management of the District's natural and physical resources by:</p> <ul style="list-style-type: none"> <li>identifying and responding to resource management policy issues; and</li> <li>providing a sound and appropriate policy planning framework that is responsive to our changing environment, will protect and enhance our unique environment and promote healthy and safe communities.</li> </ul>	<p>Council meets the Air Quality National Environmental Standard (NES) by 2020 (i.e. no more than one day per year when air quality is &gt; 50 µg/m<sup>3</sup> PM10).</p> <p>Air quality at the Richmond Central monitoring site will be reported on Council's website, including any air quality breaches.</p>	<p>The Air Quality Annual Report (REP17-11-03) was delivered to the Environment and Planning Committee on 9 November 2017.</p> <p>The target was not achieved as we experienced four exceedances during the winter of 2017 when the target was 'no more than three'.</p>	<p>Number of exceedances of the Air Quality National Environmental Standard is no more than three.</p>	<p>Number of exceedances of the Air Quality National Environmental Standard is no more than three.</p>	<p>Number of exceedances of the Air Quality National Environmental Standard is no more than one by 2020.</p>	<p>Number of exceedances of the Air Quality National Environmental Standard is no more than one.</p>
	<p>One issue based State of the Environment report to be released each year.</p>	<p>Four reports in 2016/2017</p>	<p>One report released by 30 June</p>	<p>One report released by 30 June</p>	<p>One report released by 30 June</p>	<p>One report released by 30 June</p>
	<p>An annual Recreational Bathing Water summary report is drafted and reported to Council or a Committee by 31 July each year.</p>	<p>Report presented to and adopted at the 3 August 2017 Environment &amp; Planning Committee meeting (REP17-08-06)</p>	<p>Report prepared and reported to Council or a Committee by 31 July.</p>	<p>Report prepared and reported to Council or a Committee by 31 July.</p>	<p>Report prepared and reported to Council or a Committee by 31 July.</p>	<p>Report prepared and reported to Council or a Committee by 31 July.</p>

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF.	CURRENT PERFORMANCE	FORECAST PERFORMANCE (TARGET)			
			YEAR 1	YEAR 2	YEAR 3	BY YEAR 10
<p>We provide an appropriate policy framework that effectively promotes the sustainable management of the District’s natural and physical resources by:</p> <ul style="list-style-type: none"> <li>• identifying and responding to resource management policy issues; and</li> <li>• providing a sound and appropriate policy planning framework that is responsive to our changing environment, will protect and enhance our unique environment and promote healthy and safe communities.</li> </ul>	Swimming beaches and rivers are suitable for contact recreation, all or most of the time.	98.6% of swimming beaches and rivers for fine weather samples and 94.4% for all weather samples are suitable for contact recreation	98% of swimming beaches and rivers are suitable for contact recreation using fine weather samples and 92% of swimming beaches and rivers are suitable for contact recreation using all weather samples.	98% of swimming beaches and rivers are suitable for contact recreation using fine weather samples and 92% of swimming beaches and rivers are suitable for contact recreation using all weather samples.	98% of swimming beaches and rivers are suitable for contact recreation using fine weather samples and 92% of swimming beaches and rivers are suitable for contact recreation using all weather samples.	98% of swimming beaches and rivers are suitable for contact recreation using fine weather samples and 92% of swimming beaches and rivers are suitable for contact recreation using all weather samples.

DRAFT FOR ADULTS

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF.	CURRENT PERFORMANCE	FORECAST PERFORMANCE (TARGET)			
			YEAR 1	YEAR 2	YEAR 3	BY YEAR 10
We provide a responsive and efficient process for assessing resource consent applications and ensuring compliance obligations are fairly and appropriately enforced.	At least 80% of survey respondents rate their satisfaction with Council's resource consent processing work as fairly satisfied or better.	In 2017 68% of residents were satisfied or very satisfied with our resource consent processing work. Close to a third (32%) of residents were not satisfied for reasons including the time taken and processing costs.	80%	80%	85%	85%
	Consent applications are processed within statutory timeframes (where they exist).	Notified consents 100%	100%	100%	100%	100%
		Non-notified consents 95%	100%	100%	100%	100%
		Limited notified consents 100%	100%	100%	100%	100%
	(cf 100%, 99% and 100% respectively in 2015/2016).					

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF.	CURRENT PERFORMANCE	FORECAST PERFORMANCE (TARGET)			
			YEAR 1	YEAR 2	YEAR 3	BY YEAR 10
We undertake monitoring of environmental trends and conditions and maintain reporting systems that protect and inform the community about environmental conditions, changes, and risks.	<p>An annual report is prepared and presented to Council or a Council committee each year.</p> <p>This report details the level of compliance with consent conditions or plan rules for those undertaking activities under resource consents or permitted activities, as described under tailored monitoring programmes.</p>	<p>Annual compliance report presented to Council on 31 August 2017 (REP17-08-10), showing that all resource consents monitored were assigned an appropriate compliance performance grade.</p> <p>Over the 2016/2017 year, we achieved our target through active monitoring and reporting on 2,340 resource consents and targeted permitted activities occurring in our district*.</p>	<p>Annual report tabled to Council or a Council committee by 31 September, showing that all resource consents that are monitored are assigned appropriate compliance performance grades.</p>	<p>Annual report tabled to Council or a Council committee by 31 September, showing that all resource consents that are monitored are assigned appropriate compliance performance grades.</p>	<p>Annual report tabled to Council or a Council committee by 31 September, showing that all resource consents that are monitored are assigned appropriate compliance performance grades.</p>	<p>Annual report tabled to Council or a Council committee by 31 September, showing that all resource consents that are monitored are assigned appropriate compliance performance grades.</p>
	<p>Where significant non-compliance is recorded, that resolution is achieved within appropriate timeframes.</p>	<p>Where non-compliance was detected: 100% were resolved within nine months.</p>	<p>80% are resolved within 9 months and 95% are resolved within twelve months.</p>	<p>80% are resolved within 9 months and 95% are resolved within twelve months.</p>	<p>80% are resolved within 9 months and 95% are resolved within twelve months.</p>	<p>80% are resolved within 9 months and 95% are resolved within twelve months.</p>



LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF.	CURRENT PERFORMANCE	FORECAST PERFORMANCE (TARGET)			
			YEAR 1	YEAR 2	YEAR 3	BY YEAR 10
We undertake monitoring of environmental trends and conditions and maintain reporting systems that protect and inform the community about environmental conditions, changes, and risks.	An annual report is prepared and presented to a Council committee or a Council meeting on Water Metering Compliance detailing the performance of consented and permitted activity ground and surface water abstractions requiring monitoring as defined in the Tasman Resource Management Plan.	<p>The 2016/2017 water metering report (REP17-08-01) was presented at the 3 August 2017 Environment &amp; Planning Committee meeting.</p> <p>The Dry Weather Taskforce was only required to convene on one occasion to impose restrictions under Section 329 of the Resource Management Act 1991.</p> <p>Consents administered under the water metering project in the 2016/2017 season decreased from 1,486 to 1,461. This was as a result of people surrendering consents or undertaking consent amalgamations. A total of 988 meters were physically audited during the summer season using student assistance to undertake this key task.</p>	Annual report tabled to Council or a Council committee by 31 October.	Annual report tabled to Council or a Council committee by 31 October.	Annual report tabled to Council or a Council committee by 31 October.	Annual report tabled to Council or a Council committee by 31 October.

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF.	CURRENT PERFORMANCE	FORECAST PERFORMANCE (TARGET)			
			YEAR 1	YEAR 2	YEAR 3	BY YEAR 10
We undertake monitoring of environmental trends and conditions and maintain reporting systems that protect and inform the community about environmental conditions, changes, and risks.	An annual Dairy Monitoring report is prepared detailing the performance of the District's dairy farms against the Council's dairy effluent discharge rules and relevant national legislation.	<p>2016/2017 Annual Dairy Effluent Discharge report (REP17-08-02) presented to the 3 August 2017 Environment and Planning Committee.</p> <p>139 dairy sheds had active discharges in the Tasman District. Of those 134 operated as permitted activities, with the remaining five holding resource consents to discharge treated effluent to water.</p> <p>The final compliance results for all 139 farms was reported as:</p> <p>93% - Fully compliant</p> <p>4% - Non-compliant</p> <p>3% -Significantly non-compliant</p>	98% fully compliant	98% fully compliant	100% fully compliant	100% fully compliant

DRAFT FOR ADOPTION

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF.	CURRENT PERFORMANCE	FORECAST PERFORMANCE (TARGET)			
			YEAR 1	YEAR 2	YEAR 3	BY YEAR 10
We undertake monitoring of environmental trends and conditions and maintain reporting systems that protect and inform the community about environmental conditions, changes, and risks.	The Operational Plan outlines the objectives and activities to be undertaken in implementing the Tasman-Nelson Regional Pest Management Plan for the present financial year.	Biosecurity Annual Report 2016-17 and Operational Plan 2017-18 delivered to the Environment and Planning Committee 9 November 2017 (REP17-11-02).	Annual Operational Plan tabled to Council or a Council committee by 30 November.	Annual Operational Plan tabled to Council or a Council committee by 30 November.	Annual Operational Plan tabled to Council or a Council committee by 30 November.	Annual Operational Plan tabled to Council or a Council committee by 30 November.
	Timely reporting of pest management operations for the previous financial year, in accordance with requirements of the Biosecurity Act.	Biosecurity Annual Report 2016-17 and Operational Plan 2017-18 delivered to the Environment and Planning Committee 9 November 2017 (REP17-11-02).	Annual reports tabled to Council or a Council committee by 30 November	Annual reports tabled to Council or a Council committee by 30 November	Annual reports tabled to Council or a Council committee by 30 November	Annual reports tabled to Council or a Council committee by 30 November

### Satisfaction with the Council's Environmental Policy and Planning Work

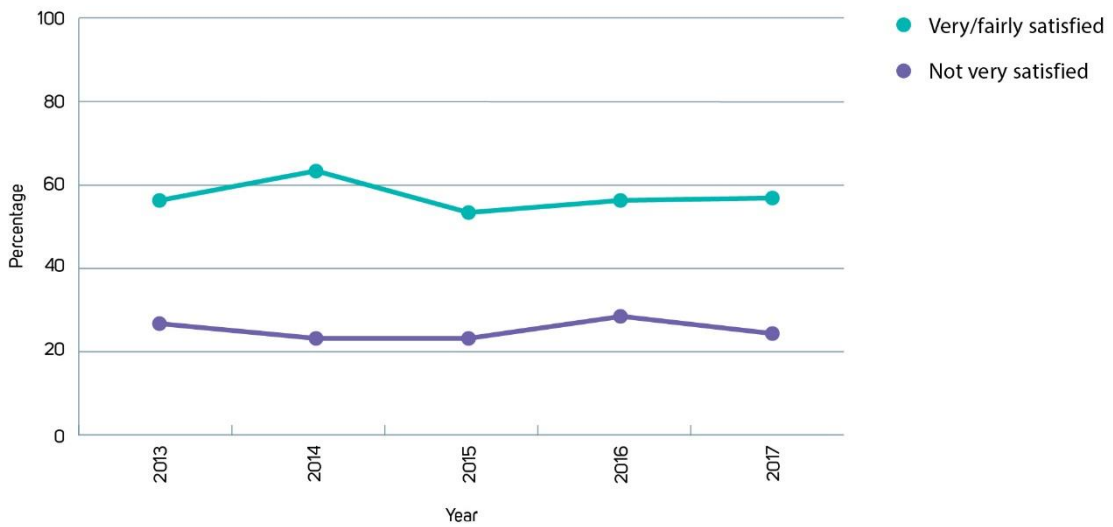


Figure 1: Satisfaction with the Council's Environmental Policy and Planning Work

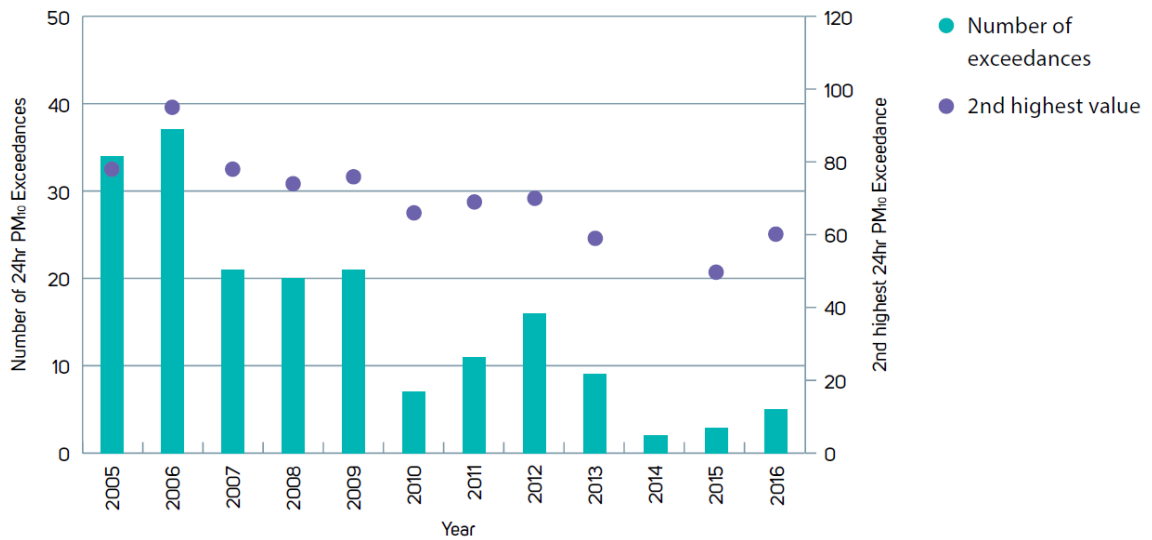


Figure 2: Number of Exceedances and 2<sup>nd</sup> Highest 24hr PM<sub>10</sub> for Richmond Central

The graph shows the total number of days per year that the NES levels were exceeded and second-highest exceedance (Note: no monitoring occurred in 2001/2002).

### Resource Consent Processing Satisfaction Rate

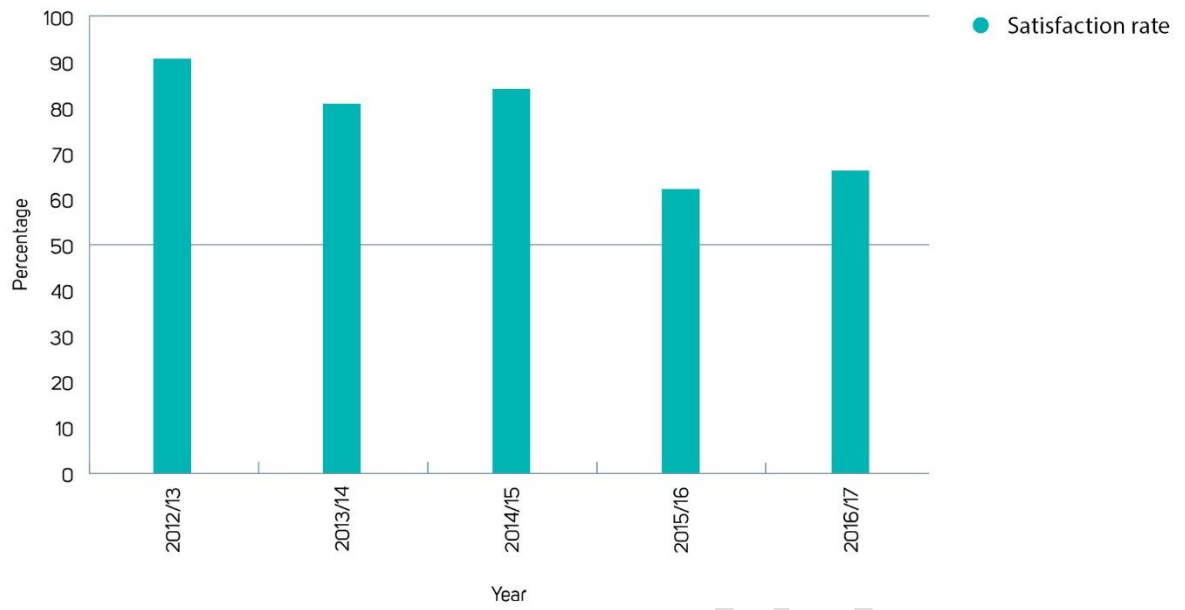


Figure 3: Resource Consent Processing Satisfaction Rate

### Resource Consent Compliance Rating

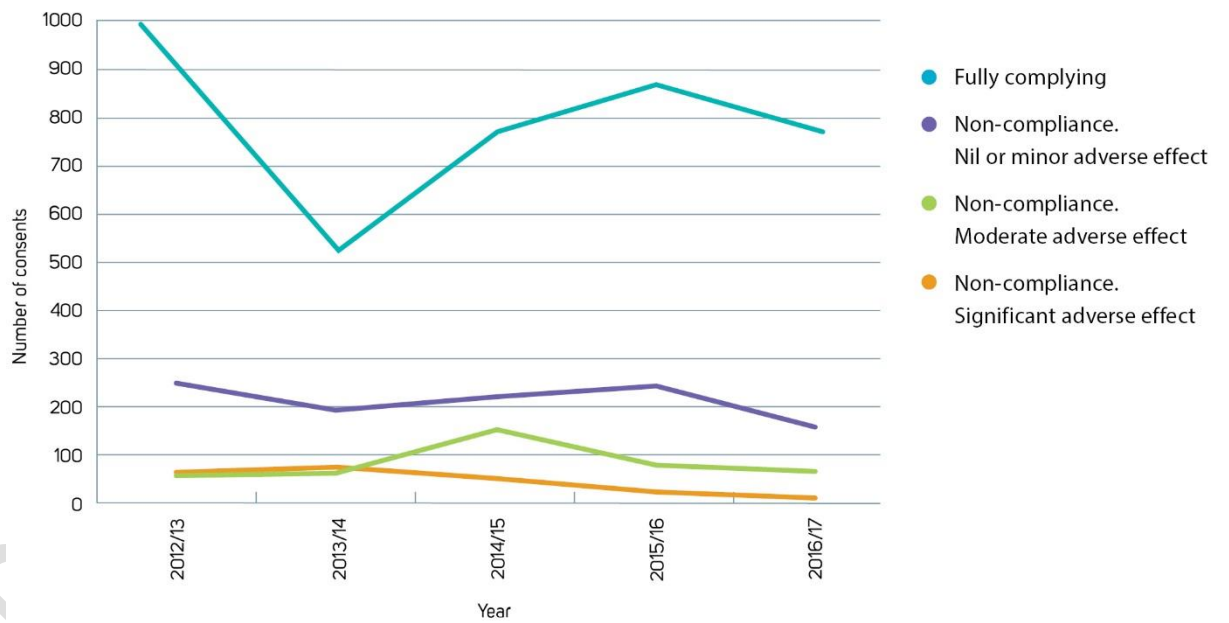


Figure 4: Resource Consent Compliance Rating

## Dairy Farm Compliance

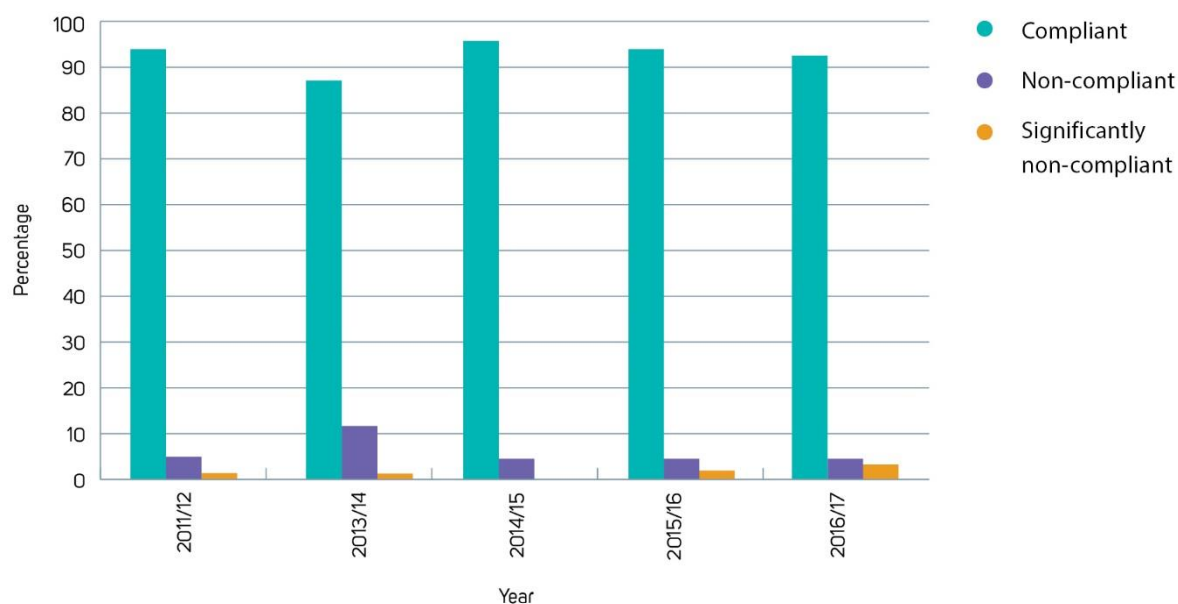


Figure 5: Dairy Farm Compliance

## MAJOR ACTIVITIES

- Implementing the Resource Policy work programme, including:
  - reviews of, and changes to, the Tasman Resource Management Plan
  - review of the Tasman Regional Policy Statement and consideration of combining it with the TRMP
  - planning for and responding to urban growth pressures
  - development plans for various settlements within the District
- Implementation of the National Policy Statement for Urban Development Capacity
- implementation of the National Policy Statement for Freshwater Management
- natural hazards strategic policy review
- provision of policy advice
- review of the combined Nelson/Tasman Land Development guidelines
- rural policy reviews (including landscape protection)
- land disturbance review
- Undertaking environmental monitoring of the District's resources, state of the environment reporting, hydrology and flood warning monitoring, and provision of environmental information.
- Providing advice to potential applicants for resource consents and processing resource consent applications and development contribution notices.
- Undertaking compliance activities to enforce planning rules, bylaws and resource consent conditions, and undertaking enforcement action when needed.
- Undertaking plant and animal pest management planning and operations, including in Nelson City through a contractual arrangement with Nelson City Council.

## KEY CHANGES TO ACTIVITY OR SERVICE

The table below summarises the key changes for the management of the Environmental Management activity since the 2015 Long Term Plan (LTP).

KEY CHANGE	REASON FOR CHANGE
Funding of Tb Vector Control Programme	As a result of a funding review by OSPRI Council decided to withdraw from funding as at 01 July 2016.
Introduced a new initiative to provide focus on key catchments to effect improvement in water quality and land management.	To really make a difference in water quality we need to focus on the smaller waterways (in addition to the larger ones). Much of this improvement will come about by better integrated catchment management principally land use improvements and targeted intervention in the runoff management.
Transforming the Tasman Resource Management Plan from a paper-based plan to an interactive digital plan.	This will provide a significant improvement in service to resource management advisors and the wider community.
Development of a Biodiversity Strategy and commencing its implementation.	A coordination of effort rather than increased spend to see a more effective prioritisation of effort in the Biodiversity space.
Increased funding for monitoring of wetlands and Tasman Native Habitats	A small but important lift in the effort being made to get surveys completed for both wetlands and terrestrial vegetation on private and public land.
Increased pest and weed control	A small but significant improvement in funding to support groups engaged in pest and weed control.
Increased monitoring of water takes	An additional Compliance officer will allow water takes to be monitored more effectively. This is critical given the dam/no dam scenarios and pressure on existing resources.
Increased focus on forestry practices	In order to respond to the increased workload arising from the National Environmental Standard for Production Forestry

## KEY ASSUMPTIONS AND UNCERTAINTIES

The most significant assumptions and uncertainties that underlie the approach taken for this group of activities are:

- A reasonable degree of reliability can be placed on the population and other growth projections that have been used as forecast assumptions for the priorities in the Environmental Management activity. However, these remain projections, and need to be carefully tracked and regularly reviewed to ensure that they remain a reliable indicator of likely future trends.
- Government regulation and other regulatory changes are capable of changing the scope, nature and processes associated with this activity. However, no allowance has been made for changes in legislation other than those already being implemented. There are anticipated to be further changes made to both the RMA and the Local Government Acts in the medium term that may impact on our service delivery until new or adapted systems are implemented. As these proposed changes are not yet formed into a quantifiable package no explicit allowance has been made for any increase arising from them and cost, if any, will be absorbed where possible.
- Future budgets are based on a similar level of effort being required to respond per issue to the demands of this activity, but with growth and increasing contests over resource use and population growth, the outlook is for a slow to medium level of increase in aggregate effort over the 10 year period.
- The Waimea Community Dam is expected to progress as planned, ensuring that there is water supply for our consumptive users and well as augmented river flows to cater for a 1:60 year drought event. In the event the Dam does not go ahead or if there are any delays or changes, then there is likely to be a consequential impact on Council's management of the water resource on the Waimea Plains. We will be required to ensure that the minimum river flow of 800 litres per second is maintained as currently required by the Tasman Resource Management Plan (TRMP).

## **NEW CAPITAL EXPENDITURE**

The main capital expenditure items associated with this group of activities is maintaining environmental and hydrology monitoring systems and ongoing renewal of those systems. This expenditure is provided for in the budget.

## **SIGNIFICANT NEGATIVE EFFECTS**

There are no significant negative effects from the group of activities other than the costs of providing the services. However, particular actions and decisions may result in adverse media coverage that may be regarded as being a negative effect. In such cases, Council will manage this risk by properly assessing options and the implications of its decisions and clearly justifying decisions. In balancing the needs and wants of many people, there may be some decisions which will impact negatively on some individuals or groups. Compliance and enforcement activities can generate both positive and negative responses within the community. Some landowners may perceive the cost of pest control or the mapping of wetlands as significant and the need to obtain resource consents as unnecessary.

## **SIGNIFICANT POSITIVE EFFECTS**

There are many positive effects from this group of activities, which help reduce the impacts of human activity on the environment and on other people and through encouraging behaviour change to reduce impacts on the environment. For example, an effective policy and plan framework to manage our natural resources enables current and future generations to enjoy Tasman's unique environment. Biosecurity functions that are efficient and effective can enable a timely response to biosecurity incursions that can threaten the environment and those parts of the Tasman economy that rely on it.



## FUNDING IMPACT STATEMENT AND FUNDING SOURCES FOR THE ENVIRONMENTAL MANAGEMENT GROUP OF ACTIVITIES

	2017/18 AP \$000	2018/19 Budget \$000	2019/20 Budget \$000	2020/21 Budget \$000	2021/22 Budget \$000	2022/23 Budget \$000	2023/24 Budget \$000	2024/25 Budget \$000	2025/26 Budget \$000	2026/27 Budget \$000	2027/28 Budget \$000
<b>SOURCES OF OPERATING FUNDING</b>											
General rates, uniform annual general charges, rates penalties	7,220	8,438	8,909	9,304	9,387	9,710	9,981	10,420	10,763	11,009	11,345
Targeted rates	185	177	171	162	148	132	122	116	108	105	72
Subsidies and grants for operating purposes	21	20	21	21	22	23	23	24	24	25	26
Fees and charges	2,606	2,708	2,590	2,611	2,644	2,712	2,783	2,870	2,999	3,159	3,198
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	422	418	418	416	419	418	415	427	435	446	430
<b>TOTAL OPERATING FUNDING</b>	<b>10,454</b>	<b>11,761</b>	<b>12,109</b>	<b>12,514</b>	<b>12,620</b>	<b>12,995</b>	<b>13,324</b>	<b>13,857</b>	<b>14,329</b>	<b>14,744</b>	<b>15,071</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>											
Payments to staff and suppliers	5,812	6,985	7,124	7,350	7,393	7,638	7,786	8,075	8,277	8,530	8,718
Finance costs	39	34	28	26	23	21	17	13	9	5	1
Internal charges and overheads applied	4,188	4,282	4,453	4,654	4,730	4,934	5,055	5,270	5,437	5,702	5,826
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	<b>10,039</b>	<b>11,301</b>	<b>11,605</b>	<b>12,030</b>	<b>12,146</b>	<b>12,593</b>	<b>12,858</b>	<b>13,358</b>	<b>13,723</b>	<b>14,237</b>	<b>14,545</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING</b>	<b>415</b>	<b>460</b>	<b>504</b>	<b>484</b>	<b>474</b>	<b>402</b>	<b>466</b>	<b>499</b>	<b>606</b>	<b>507</b>	<b>526</b>
<b>SOURCES OF CAPITAL FUNDING</b>											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	(84)	(84)	(84)	(84)	(84)	(84)	(84)	(84)	(84)	(84)	(55)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0

<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	<b>(84)</b>	<b>(84)</b>	<b>(84)</b>	<b>(84)</b>	<b>(84)</b>	<b>(84)</b>	<b>(84)</b>	<b>(84)</b>	<b>(84)</b>	<b>(84)</b>	<b>(55)</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>											
Capital expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	56	200	237	246	142	237	301	147	312	329	316
- to replace existing assets	371	137	143	121	225	70	77	266	211	95	156
Increase (decrease) in reserves	(96)	39	40	33	23	11	4	2	(1)	(1)	(1)
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	<b>331</b>	<b>376</b>	<b>420</b>	<b>400</b>	<b>390</b>	<b>318</b>	<b>382</b>	<b>415</b>	<b>522</b>	<b>423</b>	<b>471</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING</b>	<b>(415)</b>	<b>(460)</b>	<b>(504)</b>	<b>(484)</b>	<b>(474)</b>	<b>(402)</b>	<b>(466)</b>	<b>(499)</b>	<b>(606)</b>	<b>(507)</b>	<b>(526)</b>
<b>FUNDING BALANCE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

The Annual Plan 2017/2018 information is as per the published document and has not been reclassified to reflect legislation changes which became effective from 1st July 2018.

The FIS statements also reflect changes resulting from internal restructures and revenue reclassification. The Annual Plan 2017/2018 has not been restated to reflect these changes.

## PUBLIC HEALTH AND SAFETY

### WHAT WE DO

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

### WHY WE DO IT

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

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

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

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

### CONTRIBUTION TO COMMUNITY OUTCOMES

COMMUNITY OUTCOMES	HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
Our unique natural environment is healthy, protected and sustainably managed.	Ensuring recreational boating is safe keeps Tasman special. Effective education and dog control limits negative effects on native fauna. Abandoned vehicles are removed thus preventing damage to our environment.
Our urban and rural environments are people-friendly, well-planned, accessible and sustainably managed.	The activity ensures that living environments are safe, and that the activities of others do not negatively impact on citizen's lives. Through ensuring buildings are well constructed, safe and weather-tight, the activity contributes to the development of the district, and protection of assets in the community.
Our infrastructure is efficient, cost effective and meets current and future needs.	Parking control ensures parking facilities are available to ensure public access to urban retailers and services.
Our communities are healthy, safe, inclusive and resilient.	This activity safeguards the community's health and wellbeing by ensuring standards of construction, food safety, and registered premises operation are met and that alcohol sale and consumption and nuisances from dogs and stock do not adversely affect quality of life. Our civil defence and emergency management system is designed to promote safety of people and a resilient community.
Our communities have opportunities to celebrate and explore their heritage, identity and creativity.	Safety support to events such as waka racing and classic boats assists the community in conducting heritage events.
Our Council provides leadership and fosters partnerships, a regional perspective, and community engagement.	We encourage people to be involved in making preparations for a civil emergency and have in place arrangements to cope in the face of climatic or natural hazard events. We work with Maritime NZ to provide a maritime oil response service.

COMMUNITY OUTCOMES	HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
Our region is supported by an innovative and sustainable economy.	Good regulatory practices contribute to economic well-being in the community.

## OUR GOAL

The Public Health and Safety activity goal is to:

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

## KEY ISSUES

Council recognises that future demands for the Public Health and Safety group of activities will be influenced by:

- Population and economic growth, and demographic change – Population growth places demands on the services provided in the Public Health and Safety group of activities. Over time Council may require extra resources to cope with additional activity and demand for services. Council has developed a robust growth model to forecast residential and business demands and opportunities to supply the level of demand expected.
- Changes in community expectations – Some members of the community want Council to undertake more work in this area, however, others want less regulation and control. Changing expectations may lead to a need to increase or decrease levels of service. Movement of urban populations into rural areas may have a significant effect on service expectations e.g. reduced tolerance and reverse sensitivities.
- Changes in legislation and policies – These can be driven by Government legislation or policy, or by changes in Council policy.
- Changes in the environmental risk profile – Changing weather patterns or occurrence of natural hazards will affect the work of Council, particularly in the civil defence and building assurance activities.
- Industrial practices and technological change – Both industrial practices and technological change have the ability to impact on the scope of services and the manner of delivery of this activity. Council is not expecting any changes to have a significant effect on the activity in the medium term, although new construction methods may have some impact on building assurance activities.

OUR LEVEL OF SERVICE – WHAT COUNCIL WILL DO AND HOW IT WILL MEASURE PERFORMANCE OVER THE 10 YEARS FROM 2018-2028

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF..	CURRENT PERFORMANCE	FORECAST PERFORMANCE (TARGET)			
			YEAR 1	YEAR 2	YEAR 3	BY YEAR 10
We provide building control services in a professional and timely manner, to ensure building work is safe and in accordance with the New Zealand Building Code.	100% of applications for building consent (BC) are processed within statutory timeframes.	Fully achieved. 100% of Building Consents were issued within the statutory timeframe of 20 working days, meeting the level of service. Note the target was 98% in 2015/2016 and the result 98.6%.	100%	100%	100%	100%
	98% of applications for code compliance certificates (CCC) are processed within statutory timeframes <sup>1</sup> .	Not achieved. Code Compliance Certificates did not meet level of service requirements, however 92% were completed within the statutory timeframe. We are putting a close lens over this process during the latter part of 2017 to identify opportunities for improvement. Note the target was 95% in 2015/2016 and the result 88.77%	98%	98%	100%	100%
	The average time taken to process a Building Consent is 10 working days.	Fully achieved. The average processing time for processing Building Consents was achieved at the level of service target at 10 days on average (c.f. 14 days in 2015/2016).	10 working days	10 working days	10 working days	10 working days

<sup>1</sup> Note – We have a number of legacy CCCs, which predate the amendments to the Building Act, and when processed will affect our compliance time. We do expect to achieve 100% compliance for processing all CCC applications made post-2014.

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF..	CURRENT PERFORMANCE	FORECAST PERFORMANCE (TARGET)			
			YEAR 1	YEAR 2	YEAR 3	BY YEAR 10
We provide building control services in a professional and timely manner, to ensure building work is safe and in accordance with the New Zealand Building Code.	We maintain Building Consent authority Accreditation	Fully achieved. All Building Consenting Authorities are audited on a regular basis against a rigorous set of requirements. This is a critical part of our on-going commitment to quality improvement. Reaccreditation as a Building Consenting Authority was achieved in October 2016. The next reaccreditation is due in October 2017.	Accreditation maintained	Accreditation maintained	Accreditation maintained	Accreditation maintained
	At least 80% of survey respondents rate their satisfaction with Council's building control work as fairly satisfied or better.	Not achieved. In 2017, 78% of survey respondents were satisfied with our building control work. This is an increase from the 61.8% of respondents satisfied in 2016. Note the target in 2015/2016 was 80%.	80%	85%	85%	85%

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF..	CURRENT PERFORMANCE	FORECAST PERFORMANCE (TARGET)			
			YEAR 1	YEAR 2	YEAR 3	BY YEAR 10
We will provide an environmental health service that in association with other agencies, fosters the responsible sale and consumption of liquor.	In conjunction with the New Zealand Police, we detect no sale of liquor to minors through random controlled purchase operations (CPOs) run annually.  (Target: At least two annual operations with no offences detected.)	Fully achieved. We conducted four rounds of CPO visits in the period – 29 July 2016; 28 October 2016; 20 January 2017 and 24 June 2017. A total of 38 premises were tested and no offences were disclosed. (cf three CPOs on four occasions in 2015/2016).	At least two annual controlled purchase operations with no offences detected	At least 75% of controlled purchase operations with no offences detected	At least 75% of controlled purchase operations with no offences detected	At least 75% of controlled purchase operations with no offences detected

DRAFT FOR ADOPTION

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF..	CURRENT PERFORMANCE	FORECAST PERFORMANCE (TARGET)			
			YEAR 1	YEAR 2	YEAR 3	BY YEAR 10
We will provide an environmental health service that ensures that food provided for sale is safe, free from contamination and prepared in suitable premises.	All food premises are inspected at least once annually for compliance and appropriately licensed.  (Target: 100%)	Fully achieved. 1 March 2017 marked the end of the first year of transition to the new regime of food safety, with the Council and the Ministry of Primary Industries (MPI) acting as co-regulators. The year saw 100% of the premises required to be transitioned in the first year into the new regime successfully transitioned. Additionally under the new regime, Council registers some food businesses but does not provide an audit service for them. The bulk of premises remaining under the old food hygiene registration regime will transition in the next year, and the dwindling number that remain will be removed from that control to the new regime by 1 March 2019. (cf 69% of food premises inspected in 2015/2016).	All food premises are inspected at least once annually for compliance and appropriately licensed.  (Target: 100%)	In 2019, the inspection/audit regimes for food premises will be redefined by the Ministry of Primary Industries (MPI). Council may or may not be involved in the process. If we are the target will remain at 100%.	See previous column	See previous column

DRAFT FOR CONSULTATION



LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF..	CURRENT PERFORMANCE	FORECAST PERFORMANCE (TARGET)			
			YEAR 1	YEAR 2	YEAR 3	BY YEAR 10
We will provide animal control services to minimise the danger, distress, and nuisance caused by dogs and wandering stock and to ensure all known dogs are recorded and registered.	All known dogs are registered or otherwise accounted for annually by 30 June.  (Target: 100%)	Fully achieved. We met our target with 100% of the 10,502 known dogs registered as at 30 June 2017. The status of the three known dogs which were not accounted for will be ascertained as a priority. (cf 99.9% known dogs registered in 2015/2016).	All known dogs are registered or otherwise accounted for annually by 30 June.  (Target: 100%)	All known dogs are registered or otherwise accounted for annually by 30 June.  (Target: 100%)	All known dogs are registered or otherwise accounted for annually by 30 June.  (Target: 100%)	All known dogs are registered or otherwise accounted for annually by 30 June.  (Target: 100%)
	We respond to high priority dog complaints within 60 minutes, 24 hours a day, seven days a week.  (Target: 100%)	Our target was fully achieved (100%) with responses via phone calls or onsite presence. (cf 100% in 2015/2016).	We respond to high priority dog complaints within 60 minutes, 24 hours a day, seven days a week.  (Target: 100%)	We respond to high priority dog complaints within 60 minutes, 24 hours a day, seven days a week.  (Target: 100%)	We respond to high priority dog complaints within 60 minutes, 24 hours a day, seven days a week.  (Target: 100%)	We respond to high priority dog complaints within 60 minutes, 24 hours a day, seven days a week.  (Target: 100%)

DRAFT FOR ADOPTION

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF..	CURRENT PERFORMANCE	FORECAST PERFORMANCE (TARGET)			
			YEAR 1	YEAR 2	YEAR 3	BY YEAR 10
A civil defence and emergency management system that is designed to promote the safety of people and a resilient community in the event that emergencies occur.	The level of community support for Council's civil defence emergency management (CDEM) activity is rated as fairly satisfied or better through community survey.  (Target: 70%)	Not achieved. In 2017 57% of residents were satisfied or very satisfied with our emergency management. 12% were not satisfied. This is slightly down from 58% satisfied or very satisfied and 12% not satisfied in 2016. A relatively high proportion, 31% did not know enough to comment and this compared to 30% in 2016. Of those who were able to comment 82% were satisfied or better with our civil defence emergency management activities.	The level of community support for Council's civil defence emergency management (CDEM) activity is rated as fairly satisfied or better through community survey.  (Target: 70%)	The level of community support for Council's civil defence emergency management (CDEM) activity is rated as fairly satisfied or better through community survey.  (Target: 70%)	The level of community support for Council's civil defence emergency management (CDEM) activity is rated as fairly satisfied or better through community survey.  (Target: 70%)	The level of community support for Council's civil defence emergency management (CDEM) activity is rated as fairly satisfied or better through community survey.  (Target: 75%)
A civil defence and emergency management system that is designed to promote the safety of people and a resilient community in the event that emergencies occur.	The Nelson Tasman CDEM Group Plan is reviewed and kept up to date.	Fully achieved. The Group Plan has been reviewed and approval expected imminently. Our aim is to maintain our position as being MCDiEMs most highly rated team in New Zealand.	The Nelson Tasman CDEM Group Plan is reviewed and kept up to date.	The Nelson Tasman CDEM Group Plan is reviewed and kept up to date.	The Nelson Tasman CDEM Group Plan is reviewed and kept up to date.	The Nelson Tasman CDEM Group Plan is reviewed and kept up to date.

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF..	CURRENT PERFORMANCE	FORECAST PERFORMANCE (TARGET)			
			YEAR 1	YEAR 2	YEAR 3	BY YEAR 10
We will provide Maritime Administration services to ensure Tasman's harbour waters are safe and accessible and that all known commercial vehicle operators are licensed.	All known commercial vessel operators are licensed.  (Target: 100%)	All known commercial operators are registered i.e. either licensed (31) or registered as exempt (5). River rafting, commercial non-passenger and commercial fishing vessels are not presently required to hold a license. (cf all known operators registered in 2015/2016).	100% of all known commercial vessel operators are licensed.	100% of all known commercial vessel operators are licensed.	100% of all known commercial vessel operators are licensed.	100% of all known commercial vessel operators are licensed.
We will provide parking control services to facilitate the public's access to urban retailers and services, respond to any misuse of disabled parking, and remove reported abandoned vehicles.	Compliance by not less than 85 out of every 100 vehicles parking in time controlled areas within the Traffic Bylaw, based on an annual snap survey.  (Target: 85%)	<p>From our survey undertaken in November 2016 – 53% of the vehicles complied. This is lower than target level largely due to:</p> <ul style="list-style-type: none"> <li>the District Health Board relocating 300+ staff to the Richmond CBD,</li> <li>the private car park which services the Richmond Mall having frequent daily enforcement on their three hour parking limit.</li> </ul> <p>The surveys indicate that there is a lack of free parking available in Richmond, especially for those working in the town all day.</p> <p>In our survey in November 2017 the compliance rose to 73%. We attribute this to increased enforcement.</p> <p>Note the target was 80% in 2015/2016 and the result was 87%.</p>	Compliance by not less than 85 out of every 100 vehicles parking in time controlled areas within the Traffic Bylaw, based on an annual snap survey.  (Target: 85%)	Compliance by not less than 85 out of every 100 vehicles parking in time controlled areas within the Traffic Bylaw, based on an annual snap survey.  (Target: 85%)	Compliance by not less than 85 out of every 100 vehicles parking in time controlled areas within the Traffic Bylaw, based on an annual snap survey.  (Target: 85%)	Compliance by not less than 85 out of every 100 vehicles parking in time controlled areas within the Traffic Bylaw, based on an annual snap survey.  (Target: 85%)

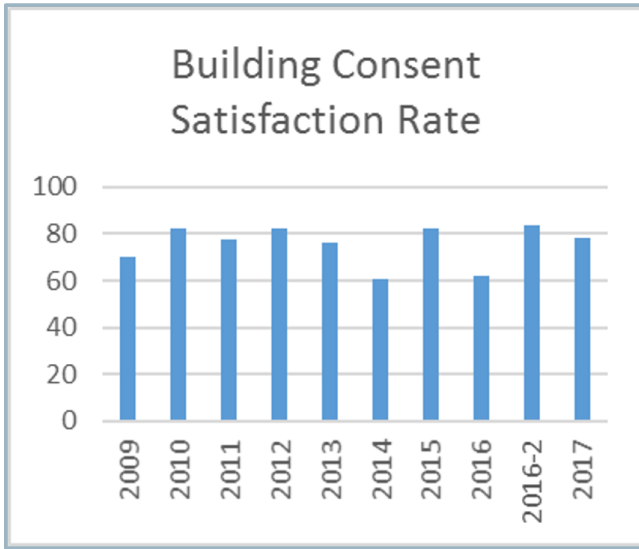


Figure 6 – Building Control Satisfaction Rate

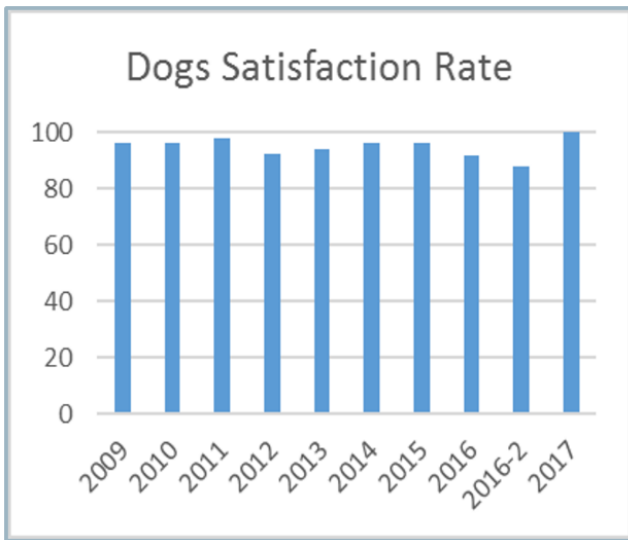


Figure 7 – Dog Control Satisfaction Rate

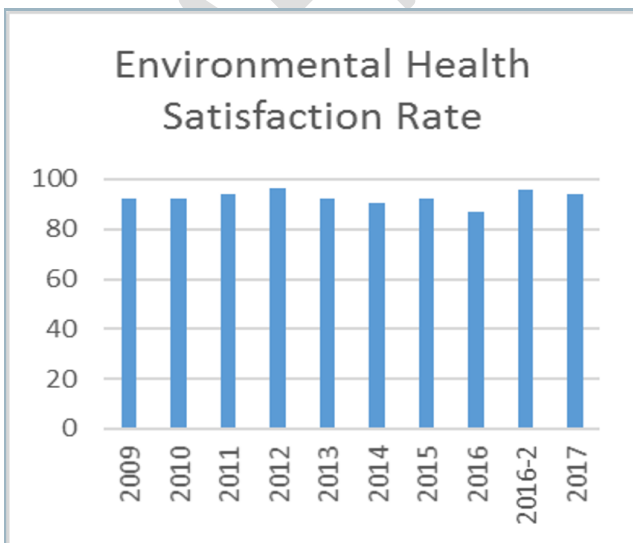


Figure 8 – Environmental Health Satisfaction Rate

## Emergency Management

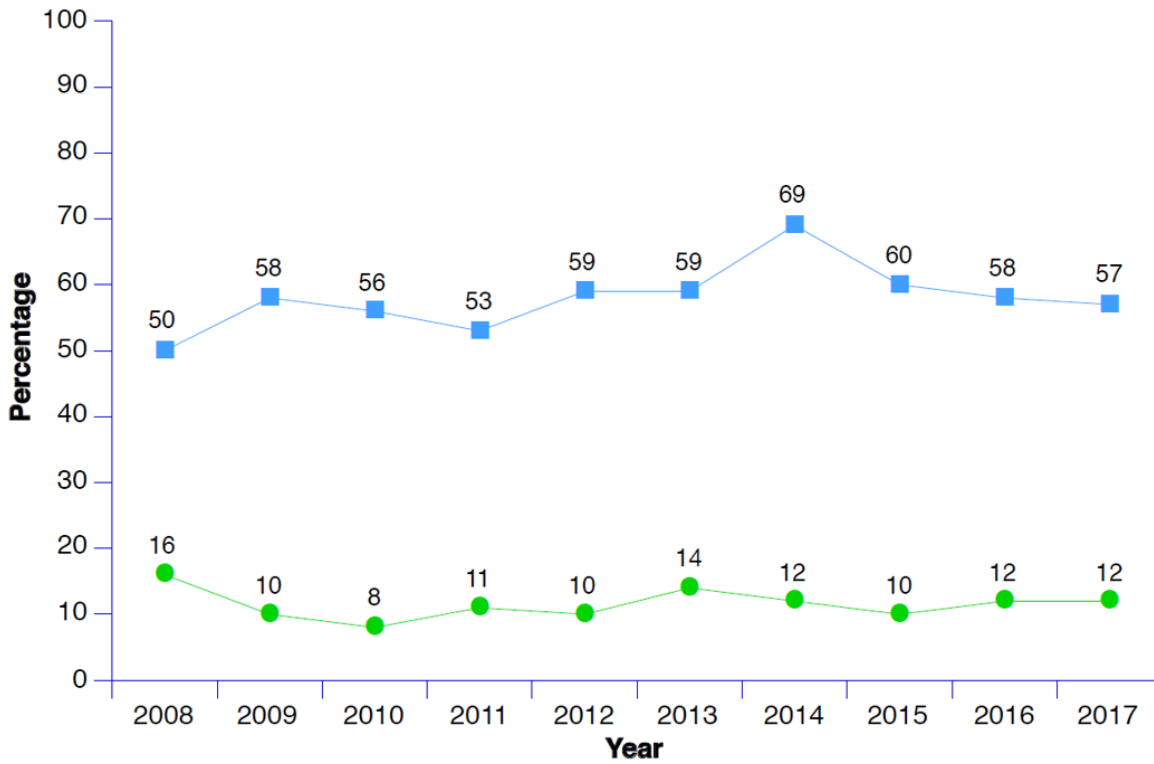


Figure 9 – Emergency Management Satisfaction Rate

## Compliance with Parking Time Limits

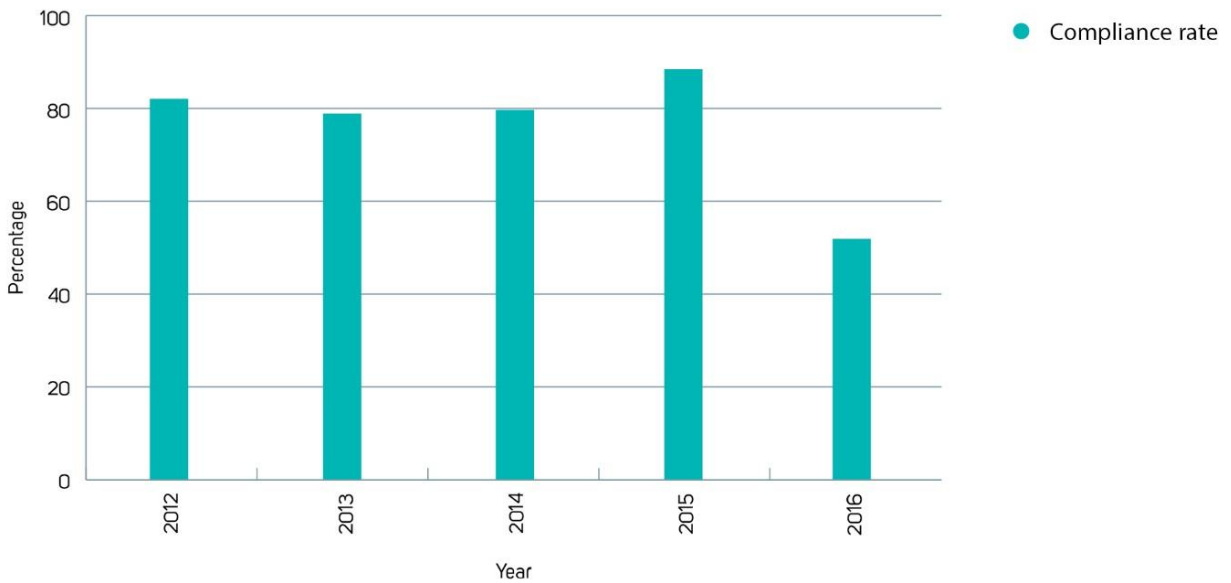


Figure 10 – Compliance with Parking Time Limits

## MAJOR ACTIVITIES

- Respond to enquiries, process permits and consents, and undertake inspectorial responsibilities under the Health Act, Building Act, Sale and Supply of Alcohol Act, Food Act, Gambling Act, Dog Control Act, Land Transport Act, Maritime Transport Act, the Hazardous Substances and New Organisms Act, and associated regulations and Council bylaws.
- Carry out navigation and safety functions including implementation of the Joint Oil Spill Contingency Plan (with Nelson City Council).
- Carry out animal control responsibilities.
- Carry out civil defence and emergency management responsibilities.
- Carry out parking control responsibilities under Council's Parking Bylaw.

## KEY ASSUMPTIONS AND UNCERTAINTIES

The most significant assumptions and uncertainties that underlie the approach taken for this group of activities are:

- a) As we are currently in a period of high growth in the District, monitoring of subdivisions and building consents show that actual development has significantly outstripped growth prediction. The infrastructure and financial implications of this growth and providing for future growth are discussed through the Growth Model and are part of the AMP development process.
- b) We will also now be doing real time monitoring of growth in the Region and monitoring our ability to service growth demand (plus a number of other measures such property values etc. as required by the NPS-UDC). This monitoring will help us to ensure we plan for and provide the necessary
- b) It is possible that the income from fees and charges may not be as great (or may be greater) than what has been projected. Any variation from the forecast in that area may indicate that development is occurring faster (or slower) than what was expected, and this may force a re-think of the timing of any changes in the delivery of the service.
- c) Regulatory activities, because of the associated compliance costs, are always likely to be a target for Government review. No allowance has been made for changes in legislation.
- d) There will be a growing challenge to maintain the volunteer and community involvement in Council civil defence activities as volunteerism is in decline.

## NEW CAPITAL EXPENDITURE

The only assets owned by this activity are a building, used as a dog pound, which was upgraded in 2010 and is managed through Council's property portfolio, the harbour master's vessel was replaced in 2017 and should be fit for use for about 10 years.

## SIGNIFICANT NEGATIVE EFFECTS

There are no significant negative effects from the group of activities other than the costs of providing the public benefit component of the services. However, particular actions and decisions may result in adverse media coverage that may be regarded as being a negative effect. In such cases, Council will manage this risk by properly assessing options and the implications of its decisions and clearly justifying decisions. Compliance and enforcement activities can generate both positive and negative responses within the community.

## SIGNIFICANT POSITIVE EFFECTS

There are many positive effects from this group of activities, which help enhance public safety and reduce the impacts of human activity on other people.

FUNDING IMPACT STATEMENT AND FUNDING SOURCES FOR THE PUBLIC HEALTH AND SAFETY GROUP OF ACTIVITIES

	2017/18 AP \$000	2018/19 Budget \$000	2019/20 Budget \$000	2020/21 Budget \$000	2021/22 Budget \$000	2022/23 Budget \$000	2023/24 Budget \$000	2024/25 Budget \$000	2025/26 Budget \$000	2026/27 Budget \$000	2027/28 Budget \$000
<b>SOURCES OF OPERATING FUNDING</b>											
General rates, uniform annual general charges, rates penalties	2,204	1,926	1,837	1,575	1,772	1,857	1,879	1,997	2,077	2,164	2,223
Targeted rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	20	0	0	0	0	0	0	0	0	0	0
Fees and charges	3,697	4,129	4,341	4,721	4,830	4,960	5,079	5,205	5,355	5,494	5,641
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	327	347	348	356	361	365	369	381	385	399	394
<b>TOTAL OPERATING FUNDING</b>	<b>6,248</b>	<b>6,402</b>	<b>6,526</b>	<b>6,652</b>	<b>6,963</b>	<b>7,182</b>	<b>7,327</b>	<b>7,583</b>	<b>7,817</b>	<b>8,057</b>	<b>8,258</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>											
Payments to staff and suppliers	3,866	3,823	3,969	4,045	4,303	4,418	4,539	4,662	4,834	4,950	5,060
Finance costs	19	15	13	12	11	11	10	8	7	6	4
Internal charges and overheads applied	2,294	2,365	2,492	2,550	2,591	2,695	2,755	2,897	2,984	3,117	3,193
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	<b>6,179</b>	<b>6,203</b>	<b>6,474</b>	<b>6,607</b>	<b>6,905</b>	<b>7,124</b>	<b>7,304</b>	<b>7,567</b>	<b>7,825</b>	<b>8,073</b>	<b>8,257</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING</b>	<b>69</b>	<b>199</b>	<b>52</b>	<b>45</b>	<b>58</b>	<b>58</b>	<b>23</b>	<b>16</b>	<b>(8)</b>	<b>(16)</b>	<b>1</b>
<b>SOURCES OF CAPITAL FUNDING</b>											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	(29)	(27)	(28)	(29)	(30)	(30)	(26)	(27)	(27)	(27)	(27)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0

<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	<b>(29)</b>	<b>(27)</b>	<b>(28)</b>	<b>(29)</b>	<b>(30)</b>	<b>(30)</b>	<b>(26)</b>	<b>(27)</b>	<b>(27)</b>	<b>(27)</b>	<b>(27)</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>											
Capital expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0	0	0	0	0	0	0	0	0	0	0
- to replace existing assets	22	0	3	0	24	28	0	0	4	0	28
Increase (decrease) in reserves	18	172	21	16	4	0	(3)	(11)	(39)	(43)	(54)
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	<b>40</b>	<b>172</b>	<b>24</b>	<b>16</b>	<b>28</b>	<b>28</b>	<b>(3)</b>	<b>(11)</b>	<b>(35)</b>	<b>(43)</b>	<b>(26)</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING</b>	<b>(69)</b>	<b>(199)</b>	<b>(52)</b>	<b>(45)</b>	<b>(58)</b>	<b>(58)</b>	<b>(23)</b>	<b>(16)</b>	<b>8</b>	<b>16</b>	<b>(1)</b>
<b>FUNDING BALANCE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

The Annual Plan 2017/2018 information is as per the published document and has not been reclassified to reflect legislation changes which became effective from 1st July 2018.

The FIS statements also reflect changes resulting from internal restructures and revenue reclassification. The Annual Plan 2017/2018 has not been restated to reflect these changes.



# ENGINEERING

The Engineering section is broken down into seven groups of related activities:

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

The 10 year budgets for the Engineering activities are outlined in the following table along with the 2017/2018 budgets for comparison.

ENGINEERING	2017/2018 BUDGET \$000	2018/2019 BUDGET \$000	2019/2020 BUDGET \$000	2020/2021 BUDGET \$000	2021/2022 BUDGET \$000	2022/2023 BUDGET \$000
Transportation, Roads and Footpaths	10,595	11,248	11,593	11,748	12,071	12,326
Coastal Structures	497	449	503	516	407	434
Flood Protection and River Control Works	1,710	2,247	2,428	2,174	2,323	2,382
Water Supply	7,739	9,092	9,491	10,341	11,099	11,748
Wastewater	11,856	9,594	9,980	10,022	10,977	11,593
Stormwater	2,995	3,223	3,063	3,021	3,008	3,030
Solid Waste	9,784	11,332	11,670	11,935	12,330	12,820
<b>TOTAL COSTS</b>	<b>45,176</b>	<b>47,185</b>	<b>48,728</b>	<b>49,757</b>	<b>52,215</b>	<b>54,333</b>

ENGINEERING	2023/2024 BUDGET \$000	2024/2025 BUDGET \$000	2025/2026 BUDGET \$000	2026/2027 BUDGET \$000	2027/2028 BUDGET \$000
Transportation, Roads and Footpaths	12,388	12,604	12,930	12,886	13,186
Coastal Structures	564	478	454	561	427
Flood Protection and River Control Works	2,360	2,389	2,463	2,663	2,724
Water Supply	11,926	12,146	12,504	12,756	12,994
Wastewater	11,874	12,182	12,524	12,708	12,797
Stormwater	3,008	3,175	3,419	3,327	3,355
Solid Waste	13,343	13,599	13,958	14,446	14,714
<b>TOTAL COSTS</b>	<b>55,463</b>	<b>56,573</b>	<b>58,252</b>	<b>59,347</b>	<b>60,197</b>

Details of each of these groups of activities are outlined in the following pages. These pages cover what Council does in relation to each activity group, why we do it, the contribution of the activities to the Community Outcomes, the activity goal, any key issues, how we will measure our performance, the key things we plan to do and any major projects and funding arrangements.

## TRANSPORTATION, ROADS AND FOOTPATHS

### WHAT WE DO

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

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

### WHY WE DO IT

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

### CONTRIBUTION TO COMMUNITY OUTCOMES

Council operates-, maintains and improves the transportation services and assets on behalf of its ratepayers. The transportation services and assets enhance community and economic well-being. They enable goods to get to markets and people to get to work, and improve the District’s recreational assets (e.g. cycleways). The transportation group of activities contribute to the Community Outcomes as detailed below.

COMMUNITY OUTCOMES	HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
Our unique natural environment is healthy, protected and sustainably managed.	We minimise the effect on our natural environment by undertaking routine road sweeping, sump cleaning, and litter removal.
Our urban and rural environments are people friendly, well-planned, accessible and sustainably managed.	We aim to provide a transportation network that is safe to use and accessible to all. Our road network is the backbone of the district and connects our communities.
Our infrastructure is efficient, cost effective and meets current and future needs.	We undertake robust long and short term planning to enable infrastructure and activity management decisions to be optimised to meet both the current and future demand.
Our communities are healthy, safe, inclusive and resilient.	We provide a safe and resilient transport network.
Our communities have access to a range of social, cultural, educational and recreational facilities and activities.	Our transport network enables the community to travel to their social, educational and recreational activities.
Our Council provides leadership and fosters partnerships, a regional perspective and community engagement.	We provide an integrated transport network with our partner NZTA as well as our neighbours, Nelson City Council and Marlborough District Council. Along with these parties, we prepare Regional Land Transport Plans that are aligned across the Top of the South.
Our region is supported by an innovative and sustainable economy.	Our transport system is operated in an effective and efficient way to meet the needs of residents and businesses, as well as enabling our economy to thrive and grow.

### OUR GOAL

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

## KEY ISSUES

### Population Growth

Population growth in Richmond, Motueka, Mapua and Stoke has raised traffic at peak and inter-peak periods which gets focused into Richmond as it travels there or through to Nelson. The Queen Street/Gladstone Road confluence focuses traffic on a short stretch of State Highway around three sets of signalled intersections. As a consequence, users are finding alternate routes to avoid 'congestion' which generally involves residential streets and minor intersections. In Motueka, the High Street (SH60) serves as a through road, an arterial road for the town, the main shopping precinct and primary parking. This mix of uses is at its highest in the summer when Free Independent Travellers (FIT), seasonal workers and higher industrial and commercial activities are superimposed on the high base level activity. Like Richmond, alternative routes are being utilised to avoid the areas of 'congestion' raising the vehicle numbers on lower class roads which reduces amenity and increases safety risk.

### Ageing Population

Tasman is leading New Zealand in progression to an older population. This is in part due to the high proportion of baby boomers now entering retirement age and in part due the Tasman region being attractive to retire to. There have been requests and community discussion for greater public transport options and criticism of the footpath condition and design.

### Heavy Commercial Vehicle Growth

Bigger trucks, more tourists and a thriving economy rely heavily on the road network. There are two parts to this issue:

The growth in primary industry across the District is contributing to increased freight traffic, accelerating asset consumption/damage and increasing conflicts between other road users

Growth in tourism and the location of many tourist destinations at the end of the road network (where roads are not designed to cater for peak traffic in terms of width, safety and road condition) is leading to reduced service to the tourist sector and safety concerns

Industry and commercial growth is seen across all of the Tasman network which results in a great number of HCV vehicles. Additionally the introduction of HPMV vehicles is contributing to faster deterioration on lower classification roads.

### Natural Hazard Events

Climate change, sea level rise and local geology are leading to more frequent and more significant service disruptions across the network that take longer and cost more to fix. With rivers, coasts and fault lines all posing significant risks, resilience needs to be addressed.

**OUR LEVEL OF SERVICE – WHAT COUNCIL WILL DO AND HOW WE WILL MEASURE PERFORMANCE OVER THE 10 YEARS FROM 2018-2028**

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF..	CURRENT PERFORMANCE	FORECAST PERFORMANCE (TARGET)			
			YEAR 1	YEAR 2	YEAR 3	BY YEAR 10
Safety Our transportation network is becoming safer for its users.	There is a downward trend in the number of serious and fatal injury crashes occurring on our road network.  Measured using the NZ Transport Agency's crash database.	2013/14 6	Decreasing	Decreasing	Decreasing	Decreasing
		2014/15 11				
		2015/16 12				
		2016/17: 12				
The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number.  Mandatory measure 1.		2013/14 -5	≤ 0	≤ 0	≤ 0	-1
		2014/15 +5				
		2015/16 +1				
		2016/17: 0				
Accessibility Our transportation network enables the community to choose from various modes of travel.	The Council constructs a minimum length of new footpath each financial year to meet population growth plus an additional proportion to reduce the gaps in the existing footpath network over 30 years.  Measured using RAMM inventory data and GIS mapping.	2014/15: 505 m	≥500m	≥500m	≥500m	≥500m per year
		2015/16: 1,010 m				
		2016/17: 0 m				
The annual growth in use of cycle routes exceeds specified levels.		2014/15: -1.4%	≥ 1%	≥ 1%	≥ 1%	≥ 1% per year
		2015/16: -11.6%				
		2016/17: data incomplete (not reported).				

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF..	CURRENT PERFORMANCE	FORECAST PERFORMANCE (TARGET)			
			YEAR 1	YEAR 2	YEAR 3	BY YEAR 10
<p>Accessibility</p> <p>Our transportation network enables the community to choose from various modes of travel.</p>	<p>The annual growth in use of passenger transport exceeds specified levels.</p> <p>Measured using yet to be implemented integrated ticketing service data for people travelling to, from or within Richmond.</p>	New measure	≥ 1%	≥ 1%	≥ 1%	≥ 1% per year
<p>Value for money</p> <p>Our transportation network is maintained cost effectively and whole of life costs are optimised.</p>	<p>The percentage of sealed local road that is resurfaced each financial year.</p> <p>Mandatory measure 3.</p>	<p>2014/15: N/A</p> <p>2015/16: 4.50%</p> <p>2016/17: 5.04%</p>	5% - 7%	5% - 7%	5% - 7%	5% - 7%
<p>Amenity</p> <p>The travel quality and aesthetics of our transportation network is managed at a level appropriate to the importance of the road and satisfies the community's expectations.</p>	<p>The percentage of footpaths with the Tasman district that are maintained to a condition of average or better.</p> <p>As measured through the triennial footpath condition rating survey.</p> <p>Mandatory measure 4.</p>	<p>2010/11: 94.5%</p> <p>2013/14: 94.2%</p> <p>2016/17: 90.9%</p>	No survey planned	≥95%	No survey planned	≥95%

DRAFT FOR ADOPTION

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF..	CURRENT PERFORMANCE	FORECAST PERFORMANCE (TARGET)			
			YEAR 1	YEAR 2	YEAR 3	BY YEAR 10
Amenity The travel quality and aesthetics of our transportation network is managed at a level appropriate to the importance of the road and satisfies the community's expectations.	The proportion of travel undertaken on the sealed road network meets the specified comfort levels. Known as Smooth Travel Exposure (STE). Smooth travel exposure is defined as the proportion of vehicle kilometres travelled on roads with roughness below the following thresholds:  As reported through RAMM, based on traffic count and roughness survey data.  Mandatory measure 2.	Arterial	Arterial ≥ 95%	Arterial ≥ 95%	Arterial ≥ 95%	Arterial ≥ 95%
		2014/15: 99.89%	Primary Collector ≥ 95%	Primary Collector ≥ 95%	Primary Collector ≥ 95%	Primary Collector ≥ 95%
		2015/16: 95.35%	Secondary Collector ≥ 95%	Secondary Collector ≥ 95%	Secondary Collector ≥ 95%	Secondary Collector ≥ 95%
		2016/17: 92.4%	Access ≥ 90%	Access (LV) ≥ 90%	Access ≥ 90%	Access ≥ 90%
		Primary Collector	Access (LV) ≥ 90%	Access (LV) ≥ 90%	Access (LV) ≥ 90%	Access (LV) ≥ 90%
		2014/15: 98.95%				
		2015/16: 96.41%				
		2016/17: 96.4%				
		Secondary Collector				
		2014/15: 98.76%				
		2015/16: 97.2%				
		2016/17: 97.2%				
		Access				
		2014/15: 92.94%				
2015/16: 92.39%						
2016/17: 95.9%						
Low Volume						
2014/15: 97.38%						
2015/16: 95.57%						
2016/17: 94.7%						

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF..	CURRENT PERFORMANCE	FORECAST PERFORMANCE (TARGET)			
			YEAR 1	YEAR 2	YEAR 3	BY YEAR 10
<p>Amenity</p> <p>The travel quality and aesthetics of our transportation network is managed at a level appropriate to the importance of the road and satisfies the community's expectations.</p>	<p>Residents are satisfied with the Council's roads and footpaths in the District.</p>	<p><u>2014/15</u></p> <p>Roads: 75%</p> <p>Footpaths: 73%</p>	<p>Footpaths ≥ 70%</p> <p>Roads ≥ 70%</p>	<p>Footpaths ≥ 70%</p> <p>Roads ≥ 70%</p>	<p>Footpaths ≥ 70%</p> <p>Roads ≥ 70%</p>	<p>Footpaths ≥ 70%</p> <p>Roads ≥ 70%</p>
		<p><u>2015/16</u></p> <p>Roads: 75%</p> <p>Footpaths: 71%</p>				
		<p><u>2016/17</u></p> <p>Roads: 76%</p> <p>Footpaths: 74%</p>				
<p>Amenity</p> <p>The travel quality and aesthetics of our transportation network is managed at a level appropriate to the importance of the road and satisfies the community's expectations.</p>	<p>Customer Service Requests relating to the transportation network and activities are completed on time.</p> <p>As measured by the maintenance contractor's compliance with fault response time requirements (using RAMM Contractor), and the percentage of requests assigned to Council staff which are attended to within 5 days (using NCS).</p> <p>ONRC Safety – PM7.</p> <p>Mandatory Measure 5</p>	<p><u>2016/17</u></p> <p>Council Staff: 77%</p> <p>Contractors: 88%</p>	<p>≥ 90%</p>	<p>≥ 90%</p>	<p>≥ 90%</p>	<p>≥ 90%</p>

## MAJOR ACTIVITIES

Ongoing management, maintenance and renewal of Council's transportation network comprising roads, bridges (including footbridges), footpaths, carparks, streetlights, traffic signs and culvert pipes.

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

## KEY CHANGES TO ACTIVITY OR SERVICE

The table below summarises the key changes for the management of the Transportation activity since the 2015 LTP.

KEY CHANGE	REASON FOR CHANGE
Increase capital projects relating to cycling and walking facilities	Walking and cycling address the premiere key issue of increases in the ageing population. To assist those that can no longer drive, capital development of infrastructure providing alternative modes of transport have been increased.
Increase unsealed roads maintenance budgets	Customer feedback indicates a high level of dissatisfaction with unsealed roads in the region.
Increase pest control budget	Council is increasing funding for pest control for the next three years to address historic under resourcing.
Increase in public transport budget	Improved Richmond Bus Route Trial

## KEY ASSUMPTIONS, UNCERTAINTIES AND RISKS

Significant uncertainties and assumptions that are specific to the transportation activity and its programme are listed below. Significant assumptions common to all of Council's activities are listed in Part 4 of Volume 1.

### Assumptions and uncertainties

- Council cannot predict when and where flood events will occur, or the damage that may be sustained during such a flood. During large events there is a risk that roads can be washed out or blocked by slips and debris. Council has assigned annual budgets to cover clean-up and repair costs which should be sufficient for most events. Council has an emergency fund to cover the costs associated with more significant damage. Council has assumed that if this occurs, that it will have enough funds available to undertake repairs whether it is through accessing budgeted funds or reprioritisation of other maintenance activities.
- The Richmond Network Operating Framework is yet to be completed. The scope and cost estimates of the network improvement projects included in the capital programme have been developed based on the work undertaken to date. Council assumes that once the Framework is complete, that the scope and cost of the individual projects will not materially change and that the planned budgets will be sufficient.
- As at January 2018, Council had not received confirmation that it would receive the full amount of funding applied for from the NZ Transport Agency. Council assumes it will receive the full funding request. If full funding is not granted, Council may need to fully fund a small portion of the programme, or reduce the scope of the programme so that it aligns with the level of funding given.
- The draft Government Policy Statement on Land Transport (GPS) was released in March 2017. The GPS summarised the issues that the Ministry of Transport had prioritised for the next three years. Following election of a new Government, the Minister of Transport has signalled new priorities which will likely change the GPS. The Council's programme of planned transportation works has been assessed against the issues recently signalled and there is a high level of conformity with Council's plans and the likely scope of the final GPS. Council has assumed that the finalised GPS will not have a material impact on Council's ability to receive funding from the NZ Transport Agency.
- Until now, self-drive vehicles have been the predominant form of transport throughout the District. In recent years, significant investment has been made in new technologies that have potential to change how vehicles operate and the demands that they may place on the road network. In the future, it is likely that driverless automated vehicles



become commonplace. Council assumes that these changes in technology will not significantly impact the way the transportation network functions.

## CAPITAL EXPENDITURE

The following table details the major capital and renewal work programmed for the years 2018-2028.

PROJECT NAME & DESCRIPTION	YEARS	\$
Road Renewals – Replacement or renewal of road surface and structure	Y1-10	48,000,000
Bridge Renewals – Renewal or replacements of bridges and structural components	Y1-10	5,600,000
Traffic Services Renewals – Replacement of road signs and street lights	Y1-10	4,600,000
Drainage Renewals – Renewal or replacement of culverts and surface water channels	Y1-10	10,100,000
Richmond Network Optimisation and Improvements – road widening, intersection improvements and improved network connectivity	Y5-9	5,100,000
Town Centre Upgrades – upgrading of town centre areas to provide improved shared spaces	Y2-10	3,750,000
New Cycle Facilities – construction of new cycle paths and crossing facilities including extension of Tasman's Great Taste Trail	Y1-8	4,300,000
New and Renewed Footpaths – Construction of new footpaths and replacement of existing footpaths in poor condition	Y1-10	3,600,000
Richmond West Intersection Upgrades	Y6	1,100,000
McShane Road Upgrade	Y8-11	6,900,000
Champion Road Roundabout and Underpass	Y2	3,300,000

A full list of projects and programmes for when the work is planned to be completed is included in Appendix B of the Transportation Activity Management Plan ([www.tasman.govt.nz](http://www.tasman.govt.nz)).

## SIGNIFICANT NEGATIVE EFFECTS

There are a number of potential negative effects from the group of activities. These include:

- Noise Generation: Vehicle use within the network produces noise.
  - Social – The level of noise generated generally depends on the speed of vehicles, and the type of road surface and/or vehicle tyre types.
- Light Spill – Council installs lighting in public areas and along roads to improve the safety and amenity of the area.
  - Social – this can have an adverse effect on neighbouring properties due to light spill.
  - Environmental – upward light spill can adversely affect user groups by 'polluting' the night skies.
- Vehicle Emissions – Vehicles using the road network produce emissions.
  - Environmental – Discharges from motor vehicles have the potential to diminish water quality in adjacent streams from surface water run-off from roads.
  - Air quality can be affected by dust generation from vehicles travelling on unsealed roads.
- Traffic Congestion – Increasing traffic volumes may result in congestion of urban arterial links.
  - Economic – Traffic congestion causes delays to the road users and has the potential to affect the cost of freight.

- Road Crashes
  - Social – Road users face potential crashes and associated injury or death.
- Community Cost
  - Economic – The costs of providing transportation services.
- Damage to Historic Sites
  - Cultural – The provision of roads and transportation services has the potential to affect historic and wahi tapu sites.

## SIGNIFICANT POSITIVE EFFECTS

There are many positive effects from this group of activities including:

- Economic Development – Provision of efficient road network allows for the movement of freight between key hubs and markets, therefore allowing economic growth and prosperity.
- Safety and Personal Security – Council aims to improve the safety of the transportation network for all modes of travel, for example this includes the implementation of the Minor Improvements programme and provision of lighting for pedestrians.
- Access and Mobility – Council aims to provide a transport system that is integrated with land use planning, optimising access and mobility for all. Providing access also allows emergency services to access the majority of the community with ease.
- Public Health – Council’s management of the transport network encourages active modes of travel, e.g. walkways and cycleways which can enhance people’s health and well-being.
- Environmental Sustainability – Council aims to achieve environmental sustainability whilst managing the transportation activity. This is generally managed by the resource consent process and the TRMP.
- Economic Efficiency – Council’s management of the transportation activity uses best practice and competitive tendering to provide value for money for the ratepayers and provides jobs for contractors.

## FUNDING IMPACT STATEMENTS AND FUNDING SOURCES FOR THE TRANSPORTATION, ROADS AND FOOTPATHS GROUP OF ACTIVITIES

	2017/18 AP \$000	2018/19 Budget \$000	2019/20 Budget \$000	2020/21 Budget \$000	2021/22 Budget \$000	2022/23 Budget \$000	2023/24 Budget \$000	2024/25 Budget \$000	2025/26 Budget \$000	2026/27 Budget \$000	2027/28 Budget \$000
<b>SOURCES OF OPERATING FUNDING</b>											
General rates, uniform annual general charges, rates penalties	11,826	12,029	12,556	13,342	14,025	14,804	16,126	16,285	16,576	17,306	17,567
Targeted rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	3,486	3,579	3,649	3,675	3,854	3,920	4,104	4,178	4,310	4,349	4,535
Fees and charges	91	158	161	165	170	174	178	183	188	194	199
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	959	991	1,012	1,032	1,041	1,061	1,060	1,084	1,098	1,107	1,103
<b>TOTAL OPERATING FUNDING</b>	<b>16,362</b>	<b>16,757</b>	<b>17,378</b>	<b>18,214</b>	<b>19,090</b>	<b>19,959</b>	<b>21,468</b>	<b>21,730</b>	<b>22,172</b>	<b>22,956</b>	<b>23,404</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>											
Payments to staff and suppliers	7,048	7,363	7,668	7,644	7,973	8,129	8,255	8,503	8,819	8,843	9,240
Finance costs	1,739	1,709	1,640	1,787	1,789	1,861	1,775	1,653	1,515	1,359	1,197
Internal charges and overheads applied	1,808	2,176	2,285	2,317	2,309	2,336	2,358	2,448	2,596	2,684	2,749
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	<b>10,595</b>	<b>11,248</b>	<b>11,593</b>	<b>11,748</b>	<b>12,071</b>	<b>12,326</b>	<b>12,388</b>	<b>12,604</b>	<b>12,930</b>	<b>12,886</b>	<b>13,186</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING</b>	<b>5,767</b>	<b>5,509</b>	<b>5,785</b>	<b>6,466</b>	<b>7,019</b>	<b>7,633</b>	<b>9,080</b>	<b>9,126</b>	<b>9,242</b>	<b>10,070</b>	<b>10,218</b>
<b>SOURCES OF CAPITAL FUNDING</b>											
Subsidies and grants for capital expenditure	3,764	3,050	6,641	3,852	3,941	4,256	4,762	4,621	4,720	4,860	4,481
Development and financial contributions	142	433	433	433	400	400	400	461	461	461	884
Increase (decrease) in debt	4,373	(661)	3,049	(1,167)	(1,361)	(1,328)	(4,033)	(1,714)	(3,041)	(3,814)	(3,058)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0

<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	<b>8,279</b>	<b>2,822</b>	<b>10,123</b>	<b>3,118</b>	<b>2,980</b>	<b>3,328</b>	<b>1,129</b>	<b>3,368</b>	<b>2,140</b>	<b>1,507</b>	<b>2,307</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>											
Capital expenditure											
- to meet additional demand	0	0	0	0	0	0	94	690	0	0	0
- to improve the level of service	3,098	393	4,484	2,170	1,638	1,534	939	4,440	1,744	1,075	4,049
- to replace existing assets	11,101	6,250	10,319	6,073	7,278	8,498	9,274	8,033	9,495	10,313	8,813
Increase (decrease) in reserves	(153)	1,688	1,105	1,341	1,083	929	(98)	(669)	143	189	(337)
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	<b>14,046</b>	<b>8,331</b>	<b>15,908</b>	<b>9,584</b>	<b>9,999</b>	<b>10,961</b>	<b>10,209</b>	<b>12,494</b>	<b>11,382</b>	<b>11,577</b>	<b>12,525</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING</b>	<b>(5,767)</b>	<b>(5,509)</b>	<b>(5,785)</b>	<b>(6,466)</b>	<b>(7,019)</b>	<b>(7,633)</b>	<b>(9,080)</b>	<b>(9,126)</b>	<b>(9,242)</b>	<b>(10,070)</b>	<b>(10,218)</b>
<b>FUNDING BALANCE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

The Annual Plan 2017/2018 information is as per the published document and has not been reclassified to reflect legislation changes which became effective from 1st July 2018. The FIS statements also reflect changes resulting from internal restructures and revenue reclassification. The Annual Plan 2017/2018 has not been restated to reflect these changes.

## COASTAL STRUCTURES

### WHAT WE DO

This group of activities comprises:

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

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

- Ownership and management of wharf at Riwaka.
- Jetties, boat ramps, navigational aids and moorings.
- Coastal protection works at Ruby Bay and Marahau.
- Navigation aids associated with harbour management.

### WHY WE DO IT

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

### CONTRIBUTION TO COMMUNITY OUTCOMES

Council maintains and improves the infrastructure assets relating to coastal structures on behalf of the ratepayers to enhance community well-being and improve the District's coastal commercial and recreational assets.

The coastal structures group of activities contributes to the community outcomes as detailed below.

COMMUNITY OUTCOMES	HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
Our unique natural environment is healthy, protected and sustainably managed.	Coastal structures can be managed so their impact does not affect the health and cleanliness of the receiving environment.
Our urban and rural environments are people-friendly, well-planned, accessible and sustainably managed.	The coastal structures activity ensures our built environments are functional, pleasant and safe by ensuring the coastal structures are operated without causing public health hazards and by providing attractive recreational and commercial facilities.
Our infrastructure is efficient, cost effective and meets current and future needs.	The coastal structures activity provides commercial and recreational facilities to meet the community needs at an affordable level. The facilities are also managed sustainably.
Our communities are healthy, safe, inclusive and resilient.	Coastal assets provide recreational opportunities to improve health and wellbeing. Coastal protection assets and services provide community resilience from storm events and climate change.
Our communities have opportunities to celebrate and explore their heritage, identity and creativity.	Seafaring and marine transportation are a large part of the history of the district. Many of the remaining coastal assets have a connection with our history of moving people and goods between the sea and land. This activity preserves many of these historical structures.
Our communities have access to a range of social, cultural, educational and recreational facilities and activities.	Coastal protection seeks to preserve reserves and other recreational activities from erosion of the ocean for the benefit of the whole community.

COMMUNITY OUTCOMES	HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
Our Council provides leadership and fosters partnerships, a regional perspective, and community engagement	The Council provides expertise and guidance to the community to assist with problems along the coastal environment.
Our region is supported by an innovative and sustainable economy.	Tourism is and will continue to play a large part in the district. Access to the water and to recreational/commercial activities will be key to its continued growth.

## OUR GOAL

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

## KEY ISSUES

### Disaggregated Management

Coastal Assets are spread amongst different departments and teams within Council. Additionally, there is a number of coastal assets that ownership is unclear with many believing that Council has ultimate responsibility. This has meant that management of these assets has varied. The departments that have coastal assets are:

- Transportation (Engineering Services) – Looks after council and community coastal protection structures, jetties, boat ramps markers and signs;
- Commercial (Corporate Services) – Manages Port Tarakohe and a number of smaller coastal assets that are on the property of commercial facilities;
- Reserves and Facilities (Community Development) – Manages parks and reserves with the associated facilities which includes, seawall and beach access points.

In addition, there are a number of coastal assets to which ownership is ambiguous. In some cases, this is due to a third party building it and now they no longer exist or an assumption of Council management by the community.

### Boat Ramps

The connection to the sea is one of the features that defines Tasman District. Beaches, estuaries and islands are enjoyed by almost everyone. Access to the water has been difficult, in part due to the high tidal range (3.5 – 4.0 metres) and in part due to the relatively shallow bays that define the majority of the coast. There are over 67 boat access locations along the coast. Of these 50% are unformed, 50% are beach access only, 75% are suitable for dinghy and small boats only. No ramps have additional supporting facilities such as wash down facilities or toilets.

In recent years recreational boating has changed in the Tasman District. There has been an increase in the size of new boats making the unformed ramps difficult to use for a growth portion of boats. Good launching facilities at Nelson, Motueka and Kaiteriteri are busy and have car parking issues. This is predominately due to fine weather and availability for recreational activities coinciding for many users of the facilities. Queuing time for boat ramp use in Nelson can be up to an hour long and people can have to walk up to 1km after finding a car park. Likewise, parking is an issue in Kaiteriteri, but to a lesser extent.

### Asset Knowledge

Not enough is known about the coastal assets in the District. There are a number of assets that are not recognised in Council records. This has led to lack of maintenance and in some cases premature failure. Many of the assets that are recognised by Council have incomplete records and a lack of accurate condition rating. This means that the only way of scheduling maintenance is reactive, to Customer Service Requests and Council staff observed problems.

There are a number of derelict structures around the region that have been abandoned, most have not been identified. Legal advice is that Department of Conservation should have responsibility for the structures. The structures are still highly valued by the public, either as a vessel mooring or due to aesthetic or photographic opportunities. Over the years, the timber structures have deteriorated to a point that they pose a navigational or safety hazard to the public.

## Coastal Protection

Urban development along coastal margins, coastal erosion and potential sea level inundation associated with climate change all increase the demand for coastal protection works. Council is planning to maintain existing Council-owned coastal protection works and recreational assets, but will not provide any increased levels of protection to properties or new recreational assets. Council is also developing resource management policies to manage growth in coastal hazard areas to reduce the likelihood of further areas being developed that could be at risk from inundation from the sea and the need for coastal protection work for these areas. Modelling of the Tasman coastline is occurring and a full review of coastal policies is expected in the next three years. In the meantime, an interim coastal policy has been developed explaining Council's priorities for maintenance of existing coastal structures.

## MAJOR ACTIVITIES

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

## KEY CHANGES TO ACTIVITY OR SERVICE

The table below summarises the key changes for the management of the Coastal Assets activity since the 2015 LTP.

KEY CHANGE	REASON FOR CHANGES
Develop a coastal policy based on long term view for climate change	This is to give the community certainty around Council's response to various coastal hazards that affect people and property. This policy will take into account the long term effects of sea level rise and climate change.
Undertake a study and a new facility in the Tasman Bay region	The coast line and the sea is one of the major features of the district which attract permanent residents and tourists alike. Having a safe and secure way of accessing the water is key to lifestyle and commercial opportunities alike.
Improve the level of coastal asset inspections	Better information is needed on the condition of our coastal assets to be able to make informed decisions on managing their lifecycle. This is particularly important given the harsh coastal environment and the risk to public safety of those using the assets.

## KEY ASSUMPTIONS, UNCERTAINTIES AND RISKS

Significant uncertainties and assumptions that are specific to the coastal assets activity and its programme are listed below. Significant assumptions common to all of Council's activities are listed in Part 4 of Volume 1.

### Assumptions, uncertainties, and risks

- Sea level rise or climate change have a significant impact on this activity. The AMP assumes there will not be a significant step change in natural hazard events or sea level over the next three years.
- Improvements in the coastal assets knowledge will not require significant investment in renewal and maintenance outside of the normal historic budgets.

**OUR LEVEL OF SERVICE – WHAT COUNCIL WILL DO AND HOW WE WILL MEASURE PERFORMANCE OVER THE 10 YEARS FROM 2018-2028**

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF..	CURRENT PERFORMANCE	FORECAST PERFORMANCE (TARGET)			
			YEAR 1	YEAR 2	YEAR 3	YEAR 10
Protection Our communities are protected from natural hazard events	Council owned coastal protection is maintained to its original constructed standard.  Council has a detailed inventory of coastal assets and condition  As measured by routine inspections after storm events.	New measure	100%	100%	100%	100%
Safety Our structures are safe for the public to use	Council structures are maintained to a safe level to allow general public to use.  Measure percentage of structures deemed 'safe' through annual safety audit.	New measure	100%	100%	100%	100%

DRAFT FOR ADOPTION



## CAPITAL EXPENDITURE

The following table details the major capital and renewal work programmed for the years 2018-2028:

PROJECT NAME & DESCRIPTION	YEARS	\$
New Boat Access Facility – Design and construction of a new regional boat launching facility	Y5-6	1,200,000

A full list of projects and programmes for when the work is planned to be completed is included in Appendix B of the Coastal Assets and Port Taranaki Activity Management Plans.

## SIGNIFICANT NEGATIVE EFFECTS

There are a number of potential negative effects from the group of activities. These include:

- Visual pollution of coastal structures – the construction of structures that appear out of character with the coastal environment.
- Noise pollution from recreational users – increased traffic and noise from both commercial and recreational users of coastal facilities.
- Cost of coastal structures – the cost of providing the services.
- Environmental impact of coastal structures – potential changes to the natural coastal process due to placement of structures. This may include loss of natural sand dunes.
- Cultural impact of coastal structures – potential to affect wahi tapu sites relating to the local iwi.

## SIGNIFICANT POSITIVE EFFECTS

There are many positive effects from this group of activities including:

- Economic development - Provision and maintenance of coastal structures allows for the development of commercial businesses, therefore, contributing to economic growth and prosperity in the district.
- Safety and personal security - Provision and maintenance of coastal protection schemes improves protection for some residents and the built environment.
- Community value - Coastal structures contribute to community well-being by providing assets for recreational use of residents and visitors to the area.

FUNDING IMPACT STATEMENTS AND FUNDING SOURCES FOR THE COASTAL STRUCTURES GROUP OF ACTIVITIES

	2017/18 AP \$000	2018/19 Budget \$000	2019/20 Budget \$000	2020/21 Budget \$000	2021/22 Budget \$000	2022/23 Budget \$000	2023/24 Budget \$000	2024/25 Budget \$000	2025/26 Budget \$000	2026/27 Budget \$000	2027/28 Budget \$000
<b>SOURCES OF OPERATING FUNDING</b>											
General rates, uniform annual general charges, rates penalties	429	470	538	460	466	507	565	616	606	632	620
Targeted rates	93	90	87	86	85	75	73	71	69	67	65
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	18	16	15	15	15	14	14	14	14	14	13
<b>TOTAL OPERATING FUNDING</b>	<b>540</b>	<b>576</b>	<b>640</b>	<b>561</b>	<b>566</b>	<b>596</b>	<b>652</b>	<b>701</b>	<b>689</b>	<b>713</b>	<b>698</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>											
Payments to staff and suppliers	377	350	409	423	319	349	453	344	326	439	318
Finance costs	41	34	28	25	21	20	43	63	58	48	33
Internal charges and overheads applied	79	65	66	68	67	65	68	71	70	74	76
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	<b>497</b>	<b>449</b>	<b>503</b>	<b>516</b>	<b>407</b>	<b>434</b>	<b>564</b>	<b>478</b>	<b>454</b>	<b>561</b>	<b>427</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING</b>	<b>43</b>	<b>127</b>	<b>137</b>	<b>45</b>	<b>159</b>	<b>162</b>	<b>88</b>	<b>223</b>	<b>235</b>	<b>152</b>	<b>271</b>
<b>SOURCES OF CAPITAL FUNDING</b>											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	10	(86)	(94)	(107)	(115)	(5)	940	(180)	2	(228)	(227)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	<b>10</b>	<b>(86)</b>	<b>(94)</b>	<b>(107)</b>	<b>(115)</b>	<b>(5)</b>	<b>940</b>	<b>(180)</b>	<b>2</b>	<b>(228)</b>	<b>(227)</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>											
Capital expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0

- to improve the level of service	83	0	0	0	0	120	1,098	0	180	0	0
- to replace existing assets	41	0	0	0	0	0	0	0	12	0	0
Increase (decrease) in reserves	(71)	41	43	(62)	44	37	(70)	43	45	(76)	44
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	<b>53</b>	<b>41</b>	<b>43</b>	<b>(62)</b>	<b>44</b>	<b>157</b>	<b>1,028</b>	<b>43</b>	<b>237</b>	<b>(76)</b>	<b>44</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING</b>	<b>(43)</b>	<b>(127)</b>	<b>(137)</b>	<b>(45)</b>	<b>(159)</b>	<b>(162)</b>	<b>(88)</b>	<b>(223)</b>	<b>(235)</b>	<b>(152)</b>	<b>(271)</b>
<b>FUNDING BALANCE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

The Annual Plan 2017/2018 information is as per the published document and has not been reclassified to reflect legislation changes which became effective from 1st July 2018. The FIS statements also reflect changes resulting from internal restructures and revenue reclassification. The Annual Plan 2017/2018 has not been restated to reflect these changes.

## WATER SUPPLY

### WHAT WE DO

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

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

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

### WHY WE DO IT

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

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

### CONTRIBUTION TO COMMUNITY OUTCOMES

Council operates, maintains and improves the infrastructure assets relating to water supply on behalf of its ratepayers. It enhances community well-being through improving public health, enabling economic development and providing fire-fighting water supplies.

COMMUNITY OUTCOMES	HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
Our unique natural environment is healthy, protected and sustainably managed.	All of our water schemes take water from the environment (via surface or groundwater) and require a resource consent. We aim to manage water takes so the impact does not prove detrimental to the surrounding environment.
Our urban and rural environments are people-friendly, well-planned, accessible and sustainably managed.	We consider water supply to be an essential service to the community and our schemes are designed to be efficiently managed to meet current and future needs. Our networks also provide a means for firefighting consistent with the national firefighting standards.
Our infrastructure is efficient, cost effective and meets current and future needs.	We aim to efficiently provide water to meet the demands of existing of future customers in a cost effective way.
Our communities are healthy, safe, inclusive and resilient.	We aim to provide water supplies that are safe to drink and used for firefighting purposes that are delivered and supported by resilient infrastructure.
Our communities have opportunities to celebrate and explore their heritage, identity and creativity.	By providing water we don't primarily contribute to this outcome. However, where possible we incorporate community and school groups into the design and provision of infrastructure.

COMMUNITY OUTCOMES	HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
Our communities have access to a range of social, cultural, educational and recreational facilities and activities.	Water is an essential service that underpins other facilities and activities.
Our Council provides leadership and fosters partnerships, a regional perspective, and community engagement.	We take opportunities to partner with Nelson City Council where possible, including agreements to supply some of the customers with water.
Our region is supported by an innovative and sustainable economy.	Water underpins the economy by providing water for our communities enabling them to function. We aim to provide sustainable supplies that are built for the future.

## OUR GOAL

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

## KEY ISSUES

### Water Supply capacity and security

For Council to provide a consistent and reliable water supply to households and businesses it is important that the community has access to secure water sources that provide adequate quantity and quality of water throughout the year. Council has already discussed with the community the lack of a secure water source for the Waimea basin and the risk this presents to those users during dry summer periods. To improve security and long term capacity, Council has identified the Waimea Community Dam as the most suitable and preferred option.

The residential and business water users in Richmond, Hope, Mapua/Ruby Bay and parts of Nelson South rely primarily on water extracted from the aquifers on the Waimea Plains.

Generally, there is sufficient water available during the winter months; however, dry spring and summer conditions can raise serious water shortage concerns and parts of the District have experienced water restrictions in seven of last 10 years. Furthermore, with the predicted changing climates and weather patterns predicted, dry weather has the potential to significantly impact or disrupt these supplies.

By building a new dam, that augments the Waimea River and groundwater aquifers, Council will be able to harness the surplus water available in winter months and during intense rain events. This will enable Council to provide customers with consistent and reliable water supply, cater for increasing growth demands and leave the river with a more healthy flow.

As well as the Waimea basin, Council has concerns about the security of the Dovedale water scheme source. Factors such as changes in private land use and changing weather patterns present a risk to the availability of this water source.

The Dovedale scheme currently takes water from a stream prior to dosing it with chlorine. As well as having a vulnerable source, the quality of the water is very poor, and the scheme has a permanent boil water notice as well as chlorine dosing. External factors such as forestry harvesting, and dry weather have potential to significantly impact or disrupt this supply. By building a new treatment plant incorporating a new groundwater source, Council will be able to provide customers with increased water quality and security.

### Improving the safety of the water supply and meeting Drinking Water Standards New Zealand

Council is required by the Health Act to provide safe water supplies that comply with the NZ Drinking Water Standards (Standards). Of the 18 supplies that Council operates, only one fully meets the requirements of the Standards. The main reason for non-compliance is a lack of protozoa treatment. Complying with the Standards is not a new issue for Council but one that has increased in priority following recent water contamination issues at Havelock North and the subsequent inquiry.

In order to comply with the DWSNZ, Council need to upgrade its existing WTPs and build new WTPs. New and upgraded WTPs means that the cost of providing water will increase in the future.

### **Meeting growth needs**

Council expects that over the next 10 years Tasman's population will grow by approximately 4,400 residents. To accommodate this growth new houses will need to be built, most of which will need to be supplied with water. Council can supply some of this new demand through existing infrastructure where capacity is available. New areas of development such as Richmond West, Richmond South and Motueka West will require completely new infrastructure in order to deliver water to the area, or in the case of Mapua, the existing infrastructure will require upgrading to provide additional capacity.

### **Inadequate asset information**

Council's asset data is incomplete and inaccurate. Council relies on staff and operators to fill gaps in knowledge about where assets are located, understand how they operate and identify maintenance requirements. With staff turnover, some of this knowledge has been lost. Poor data limits Council's ability to make sound decisions about the timing of the renewals programme. Accurate age, condition and performance data should underpin the renewals programme and provide certainty and confidence for budgets and planning purposes. Long term financial planning also depends on accurate asset valuation that uses reliable asset data. It can also result in increased operations costs and higher incidence of reactive rather than planned maintenance.

### **Water loss from the network**

Water loss is a critical factor in managing water network. The percentage of water loss from the Council's water supply networks is too high, with urban five water schemes not achieving the performance targets.

At any given time, there will inevitably be losses occurring in some part of the network. How much leakage occurs on any scheme can vary significantly depending on a number of factors including operating pressures, pipe age, pipe material and installation conditions.

## **MAJOR ACTIVITIES**

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

OUR LEVEL OF SERVICE – WHAT COUNCIL WILL DO AND HOW WE WILL MEASURE PERFORMANCE OVER THE 10 YEARS FROM 2018-2028

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF..	CURRENT PERFORMANCE	FORECAST PERFORMANCE (TARGET)			
			YEAR 1	YEAR 2	YEAR 3	BY YEAR 10
Our water takes are sustainable.	Compliance with resource consent is achieved, as measured by the number of: <ul style="list-style-type: none"> <li>• abatement notices</li> <li>• infringement notices</li> <li>• enforcement orders</li> <li>• convictions</li> <li>• received in relation to those resource consents.</li> </ul> All resource consents are held in NCS/ BraveGen.	Achieved	0	0	0	0
		We have achieved	0	0	0	0
		compliance with all our resource consent conditions	0	0	0	0
		and there have been no notices or orders issued during the past 12 months.	0	0	0	0
		(Target: 0)				
Our water takes are sustainable.	The volume and percentage of real water loss from the network is less than the target.  Total real loss= total water provided - water metered - non revenue water. % = L real loss divided by average L usage per connection as yearly average.  Mandatory measure 2	Achieved	≤25%	≤25%	≤25%	≤25%
		We have achieved a weighted district average of 21% total network water loss.				
		Kaiteriteri, Tapawera, Wakefield & Upper Takaka did not achieve the target.  (Target: 29%)				

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF..	CURRENT PERFORMANCE	FORECAST PERFORMANCE (TARGET)			
			YEAR 1	YEAR 2	YEAR 3	BY YEAR 10
Our water takes are sustainable.	The average urban consumption of drinking water per day per resident is less than the target.  Mandatory measure 5	Achieved  We achieved a total urban average of 183L per person per day in 2017	<250L per person/day	<250L per person/day	<250L per person/day	<250L per person/day
Our water is safe to drink.	Minimise the number of temporary advisory notices issued to customers to boil water.	Not Achieved  There was 1 temporary advisory issued in 2017.  (Target 0)	0	0	0	0
Our water is safe to drink.	We comply with Part 5 (protozoal compliance criteria) of the Drinking Water Standards.  As measured by a number of schemes with compliant protozoa treatment determined by the Drinking Water Assessor.  Mandatory measure 1	Not Achieved  For the last compliance year (ending June 30, 2017), one (Upper Takaka) of 15 WTPs fully complies.  Richmond, Tapawera & Murchison have UV treatment but do not fully comply yet.  The capital programme outlines a series of WTP upgrades.  (see Table A 'Bacterial and Protozoal Compliance in 2017 – Water Supplies')	3/15	5/15	7/15	15/15



LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF..	CURRENT PERFORMANCE	FORECAST PERFORMANCE (TARGET)			
			YEAR 1	YEAR 2	YEAR 3	BY YEAR 10
Our water is safe to drink.	<p>We comply with Part 4 (bacterial compliance criteria) of the Drinking Water Standards.</p> <p>As measured by the number of schemes with</p> <ul style="list-style-type: none"> <li>• plant compliance, and</li> <li>• zone compliance,</li> </ul> <p>as determined by the Drinking Water Assessor.</p> <p>Mandatory measure 1</p>	<p>Not Achieved</p> <p>For the last compliance year (ending June 30, 2017), four treatment plants (Collingwood, Dovedale, Eight-Eight Valley, Hope/Brightwater) did not comply and one distribution zone (Dovedale) did not comply.</p> <p>The reason for plant non-compliance:  <b>Collingwood:</b> High turbidity  <b>Dovedale:</b> High turbidity and chlorine levels &lt;0.2mg/l  <b>Eight-Eight Valley:</b> High turbidity  <b>Hope/Brightwater:</b> High turbidity</p> <p>The reason for zone non-compliance:  <b>Dovedale:</b> E.coli detected. There is a permanent boil water notice on the Dovedale supply.</p> <p>(see Table A 'Bacterial and Protozoal Compliance in 2017 – Water Supplies')</p>	Plant compliance 16/17	Plant compliance 16/17	Plant compliance 16/17	Plant compliance 17/17
		Zone compliance 16/17	Zone compliance 16/17	Zone compliance 16/17	Zone compliance 17/17	

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF..	CURRENT PERFORMANCE	FORECAST PERFORMANCE (TARGET)			
			YEAR 1	YEAR 2	YEAR 3	BY YEAR 10
Our water supply systems provide fire protection to a level that is consistent with the national standard.	95% compliance with FW2 standards, for not less than five randomly selected fire hydrants tested annually in urban supplies.  *15 hydrants for Richmond.	New measure	95%	95%	95%	95%
Our water supply systems are built, operated and maintained so that failures can be managed and responded to quickly.	Planned service interruptions do not exceed eight hours as required under section 69S (3) of the Health Act 1956.  As measured through the maintenance contract reporting.	New measure (Target <8 hours)	<8 hours	<8 hours	<8 hours	<8 hours
Our water supply activities are managed at a level that the community is satisfied with.	Percentage of customers (who receive a service) are satisfied with the water supply.  Measured through the annual residents' survey.	Not Achieved  80% of customers (who receive a service) were satisfied or very satisfied  (Target: 80%)	≥80%	≥80%	≥80%	≥80%
Our water supply activities are managed at a level that the community is satisfied with.	Complaints per 1000 connections are less than the target - relates to clarity, taste, odour, pressure or flow, continuity of supply and Council response to these issues.  Justified complaint defined as a notification of a drop in LOS.  Measured Confirm database and NSC system.  Mandatory measure 4	Not Achieved  43 complaints per 1000 connections  (Target: <20)	<20	<20	<20	<20

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF..	CURRENT PERFORMANCE	FORECAST PERFORMANCE (TARGET)			
			YEAR 1	YEAR 2	YEAR 3	BY YEAR 10
Our water supply activities are managed at a level that the community is satisfied with.	Median response times are within targets for urgent call-outs (<2 hours).	Not Achieved	<2 hours	<2 hours	<2 hours	<2 hours
	Median response times are within targets for non-urgent call-outs (<48 hours).	The system required to record response times was implemented in 2016/17 and we will be able to report on a full set of data for 2017/18.	<48 hours	<48 hours	<48 hours	< 48 hours
	Mandatory measure 3	We expect data for response times for calls received within office hours to be reliable.  We expect data for response times for calls received outside of office hours to be less reliable and we plan to refine the data collection process to improve data reliability.				

DRAFT FOR APPROVAL

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF..	CURRENT PERFORMANCE	FORECAST PERFORMANCE (TARGET)			
			YEAR 1	YEAR 2	YEAR 3	BY YEAR 10
Our water supply activities are managed at a level that the community is satisfied with.	Median resolution times are within targets for urgent call-outs (<24 hours).	Not Achieved	<24 hours	<24 hours	<24 hours	<24 hours
	Median resolution times are within targets for non-urgent call-outs (<8 working days).	The system required to record response times was implemented in 2016/17 and we will be able to report on a full set of data for 2017/18.	<8 working days	<8 working days	<8 working days	<8 working days
	Mandatory measure 3.	We expect data for resolution times for calls received within office hours to be reliable.  We expect data for resolution times for calls received outside of office hours to be less reliable and we plan to refine the data collection process to improve data reliability.				

DRAFT FOR CONSULTATION

**Table A: Bacterial and Protozoal Compliance in 2017 – Water Supplies**

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

**Key**

NT – No protozoa treatment in place yet

NA – Not applicable

TF – Treatment Failure

Tech – Technical noncompliance (e.g. data collection failure due to server outage)

**KEY CHANGES TO ACTIVITY OR SERVICE**

The table below summarises the key changes for the management of the Water activity since the 2015 LTP.

KEY CHANGE	REASON FOR CHANGE
Growth projects brought forward in the capital programme.	Growth is happening faster than Council expected. Generally, water supply infrastructure needs to be in place before residential and commercial development can occur. Mapua and Richmond have several projects that have been brought forward to meet projected demand. Council has also added a new project to construct a water main to Motueka West that was not identified in the previous AMP.
Council has given priority to water treatment plant upgrades. These projects are also estimated to cost more due to increased treatment requirements.	Council considers water quality to be a priority and have planned \$21 million for 13 treatment projects between 2018 and 2025. The previous programme budgeted \$10 million for treatment projects over a longer timeframe. The scope of treatment plant projects are more complex and expensive than Council previously estimated.
Reticulation and storage projects brought forward to address growth and resilience.	New and upgraded reticulation projects have been prioritised depending on their urgency. New township reticulation programme for Motueka and Marahau have been deferred

KEY CHANGE	REASON FOR CHANGE
Delays with the Waimea Community Dam (WCD) project.	The 2015 AMP planned to contribute \$21 million over five years to the WCD, with \$13.5 million to be spent by the end of the 2017/2018 financial year. This did not occur as planned. The 2018 AMP has budgeted \$24 million in Year 1 for Council's share of the WCD capital costs. Council plans for the WCD to be fully operational by 2021/2022. The proposed budgets reflect more accurate operational estimate and the new timing.
Increase budget for demand, flow and leak management.	Council plans to take a proactive approach to network water loss and have increased the budget for Demand, Flow & Leak Management to \$150k per annum. This budget will be used for leak detection surveys, day/night flow monitoring and other network modelling.
Increased budget for backflow prevention.	Council has included an annual budget for backflow prevention testing. This will be used to test key sites to prevent potential water supply contamination.
New budgets for strategic studies.	Council has included new budgets for strategic studies for the district wide initiatives to improve infrastructure risk, resilience and recovery for water supply assets.

## KEY ASSUMPTIONS, UNCERTAINTIES AND RISKS

Significant uncertainties and assumptions that are specific to the water activity and its programme are listed below. Significant assumptions common to all of Council's activities are listed in Part 4 of Volume 1.

### Assumptions and Uncertainties

The key assumptions and uncertainties for water infrastructure are:

- Council cannot be certain what the actual climatic conditions of the future will be, nor the demand for community water supplies, but has assumed both will increase. Council has instigated a process to secure an augmented water source in the Waimea Basin to address the risks associated with drought, increasing demand, and existing over subscription of the aquifers. Council's preferred solution is the construction of the Waimea Community Dam. Council has assumed that the dam will be built as planned. If this is not the case, Council will need to implement an alternative urban water augmentation solution or demand management measures to addresses the risk and demand. Costs of alternatives may be more than those budgeted for Council's contribution to the dam. Without the dam, there will be greenfield growth areas in Brightwater, Richmond and Mapua that Council will not be able supply water to. In a 'no dam' scenario, there will be associated infrastructure planned for these areas that will no longer be necessary, or the timing may be delayed until an alternative water supply source is found.
- Central Government is currently considering a Bill, which if passed would give power to District Health Boards to make decisions and give directions about the fluoridation of local government drinking water supplies in their areas. It is unclear whether the Bill will be successful and what the actual implications for Council will be. For this AMP, Council has assumed that its drinking water supplies will not be fluoridated. If the bill is passed and the Nelson Marlborough District Health Board instructs Council to fluoridate its supplies, it will create additional capital and operating costs.
- An inquiry into the Havelock North drinking water contamination incident has been undertaken by the Government. Recommendations have been released but uncertainty remains about which of these recommendations will be made mandatory. Some recommendations relates to water from previously 'secure' sources' and network disinfection (permanent chlorination). Council is planning to incorporate emergency chlorination in its water treatment plant upgrades. Council has not planned for permanent chlorination. If the Government requires continuous chlorination of all drinking water supplies, it is estimated this would require additional capital expenditure of approximately \$1 million to apply this to all of Council's urban water schemes and an increase in annual operating expenditure of approximately \$50,000 per annum.
- Council cannot be certain about the quantity of water that industrial users will require. Council has assumed that future consumption by existing industries will be in line with historic use. Council has planned for one additional wet industry in a medium growth scenario and two wet industries in a high growth scenario. If consumption is significantly different

than assumed, it may have an impact on Council's funding requirements. If growth is significantly different to the medium or high projections, the number of wet industries may be different.

- Council cannot be certain how long each individual asset will last. To address this uncertainty, Council assigns an average expected life for types of assets to assist with renewal planning. Some assets will fail before reaching the end of their expected life useful life, and some will last longer. Council has assumed that it will be able to manage this variance within its budgets it set by prioritising renewals annually.

## CAPITAL EXPENDITURE

The following table details the major capital and renewal work programmed for the years 2018-2028. A full list of projects and programmes for when the work is planned to be completed is included in Appendix B of the Water Supply Activity Management Plan.

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

PROJECT NAME & DESCRIPTION	YEARS	\$
Water treatment plant upgrades – Upgrade of existing water treatment plants to meet Drinking Water Standards NZ and increase water supply capacity	Y1-7	9,950,000
New water treatment plants – Construction of new water treatment plants to improve water security, water quality and water supply capacity	Y1-7	14,000,000
Waimea Community Dam – Community water supply's contribution to the Waimea Dam	Y1	9,580,000
Richmond South Trunk Main and Storage – Construction of a new trunk main between Richmond Water Treatment Plant and Richmond South, and construction of new water reservoirs.	Y1-4	6,600,000
Mapua Pipe Renewal and Storage – Upgrade and replacement of water mains and storage reservoirs	Y1-4	8,200,000
Water main renewals – replacement of existing water mains	Y1-10	24,000,000
New Richmond West bores – Construction of new bores in Richmond West to improve water security	Y4-8	2,200,000
Motueka West Water Main – Construction of a new water main to supply water to Motueka West	Y2-3	1,000,000
New and Upgraded Pipes – Install new pipes to improve network connectivity and capacity	Y1-10	8,000,000

## SIGNIFICANT NEGATIVE EFFECTS

There are a number of potential negative effects from the group of activities. These include:

### Construction of Future Schemes

- Social – Installation of water schemes do cause a disruption to the local community. The works can impact on traffic flow, and cause noise, dust and visual impacts. Shutdowns may result in residents not receiving water during the day.
- Economic – This may result in customers avoiding the works and therefore nearby business may suffer. Shutdowns may result in businesses not receiving water during the day.
- Environmental – Construction of water contracts typically creates noise, dust and mud. The TRMP and specific resource consent conditions must be followed. Projects can involve acts such as de-watering, which requires the water to be discharged. Potential risk to the environment.

#### **Water Restrictions**

- Social – Typically affects people who use the water for washing cars or watering the garden. This can frustrate the local community.
- Economic – This can have a larger impact on businesses that rely on using water for irrigation or production. This can cause a negative effect on these businesses

#### **Spillage of Chemicals Stored at Water Treatment Plants**

- Social – The ratepayer expects Council to handle all chemicals in the correct manner.
- Economic – Businesses which rely on nearby watercourses may not be able to operate until the chemical spill is resolved.
- Environmental – Tasman region is an environmentally sensitive area, any chemical spill may have a notable effect on the environment.

#### **Water Abstraction**

- Water is abstracted from surface water and groundwater sources.
- Social – The removal of water from the natural environment results in the water being unavailable for other uses such as irrigation or recreational.
- Economic – The removal of water from the natural environment results in the water being unavailable for other uses such as irrigation or recreational.
- Environmental – The removal of flow from a river system which is already very low can significantly impact the river ecology.

#### **Historic and Wāhi Tapu Sites**

- Cultural – Construction of water supply assets can potentially affect historic and wāhi tapu sites

### **SIGNIFICANT POSITIVE EFFECTS**

There are many positive effects from this group of activities including:

#### **Economic Development**

- Provision and maintenance of water supplies allows for the development of commercial businesses, industry and residential use, therefore, contributing to economic growth and prosperity in the District.
- Council's management of the Water Supply activities uses best practice and competitive tendering to provide value for money for ratepayers and provides jobs for contractors.

#### **Public Health**

- Safe drinking water supplies provide critical public health benefits related to sustenance and sanitation.

#### **Safety and Personal Security**

- The majority of Council's urban water supply network is built to accommodate firefighting requirements and supports protection of life and property.



## FUNDING IMPACT STATEMENTS AND FUNDING SOURCES FOR THE WATER SUPPLY GROUP OF ACTIVITIES

	2017/18 AP \$000	2018/19 Budget \$000	2019/20 Budget \$000	2020/21 Budget \$000	2021/22 Budget \$000	2022/23 Budget \$000	2023/24 Budget \$000	2024/25 Budget \$000	2025/26 Budget \$000	2026/27 Budget \$000	2027/28 Budget \$000
<b>SOURCES OF OPERATING FUNDING</b>											
General rates, uniform annual general charges, rates penalties	212	56	56	56	56	56	56	54	11	5	0
Targeted rates	8,760	9,691	10,386	11,539	12,585	13,217	13,689	14,058	14,781	15,274	15,595
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	1,344	1,503	1,670	1,986	2,121	2,202	2,241	2,246	2,325	2,394	2,454
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	393	336	332	334	334	332	335	344	342	330	327
<b>TOTAL OPERATING FUNDING</b>	<b>10,709</b>	<b>11,586</b>	<b>12,444</b>	<b>13,915</b>	<b>15,096</b>	<b>15,807</b>	<b>16,321</b>	<b>16,702</b>	<b>17,459</b>	<b>18,003</b>	<b>18,376</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>											
Payments to staff and suppliers	4,850	5,223	5,406	5,777	6,137	6,300	6,408	6,583	6,864	6,990	7,175
Finance costs	1,629	2,306	2,333	2,712	3,007	3,287	3,316	3,342	3,417	3,549	3,564
Internal charges and overheads applied	1,260	1,563	1,752	1,852	1,955	2,161	2,202	2,221	2,223	2,217	2,255
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	<b>7,739</b>	<b>9,092</b>	<b>9,491</b>	<b>10,341</b>	<b>11,099</b>	<b>11,748</b>	<b>11,926</b>	<b>12,146</b>	<b>12,504</b>	<b>12,756</b>	<b>12,994</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING</b>	<b>2,970</b>	<b>2,494</b>	<b>2,953</b>	<b>3,574</b>	<b>3,997</b>	<b>4,059</b>	<b>4,395</b>	<b>4,556</b>	<b>4,955</b>	<b>5,247</b>	<b>5,382</b>
<b>SOURCES OF CAPITAL FUNDING</b>											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	609	1,697	1,697	1,697	1,516	1,516	1,516	1,627	1,627	1,627	1,306
Increase (decrease) in debt	3,591	24,079	5,637	6,547	3,375	328	(7,045)	1,544	2,661	1,229	(1,797)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0

<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	<b>4,200</b>	<b>25,776</b>	<b>7,334</b>	<b>8,244</b>	<b>4,891</b>	<b>1,844</b>	<b>(5,529)</b>	<b>3,171</b>	<b>4,288</b>	<b>2,856</b>	<b>(491)</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>											
Capital expenditure											
- to meet additional demand	970	1,229	737	1,432	4,606	0	0	0	0	0	0
- to improve the level of service	600	6,205	7,857	4,862	3,142	2,648	1,320	3,582	3,198	1,444	1,747
- to replace existing assets	4,420	3,650	2,580	6,596	3,752	2,380	1,468	2,937	4,981	5,989	2,259
Increase (decrease) in reserves	(420)	(6,059)	(887)	(1,072)	(2,612)	875	(3,922)	1,208	1,064	670	885
Increase (decrease) in investments	1,600	23,245	0	0	0	0	0	0	0	0	0
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	<b>7,170</b>	<b>28,270</b>	<b>10,287</b>	<b>11,818</b>	<b>8,888</b>	<b>5,903</b>	<b>(1,134)</b>	<b>7,727</b>	<b>9,243</b>	<b>8,103</b>	<b>4,891</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING</b>	<b>(2,970)</b>	<b>(2,494)</b>	<b>(2,953)</b>	<b>(3,574)</b>	<b>(3,997)</b>	<b>(4,059)</b>	<b>(4,395)</b>	<b>(4,556)</b>	<b>(4,955)</b>	<b>(5,247)</b>	<b>(5,382)</b>
<b>FUNDING BALANCE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

The Annual Plan 2017/2018 information is as per the published document and has not been reclassified to reflect legislation changes which became effective from 1st July 2018. The FIS statements also reflect changes resulting from internal restructures and revenue reclassification. The Annual Plan 2017/2018 has not been restated to reflect these changes.

## WASTEWATER

### WHAT WE DO

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

### WHY WE DO IT

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

For Council a key duty required by the Health Act 1956 is to improve, promote, and protect public health within the District. Providing wastewater services helps achieve this.

### CONTRIBUTION TO COMMUNITY OUTCOMES

Council operates, maintains and improves the wastewater infrastructure assets and services on behalf of the ratepayers. It enhances public health, community well-being and improves the environment by delivering wastewater services. The wastewater and sewage disposal group of activities contribute to the community outcomes as detailed below.

COMMUNITY OUTCOMES	HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
Our unique natural environment is healthy, protected and sustainably managed.	All wastewater in Council-owned schemes is treated and discharged into the environment. We sustainably manage this so the impact of the discharges does not adversely affect the health and cleanliness of the receiving environment.
Our urban and rural environments are people-friendly, well-planned, accessible and sustainably managed.	We ensure wastewater is collected and treated without causing a hazard to public health, unpleasant odours and unattractive visual impacts.
Our infrastructure is efficient, cost effective and meets current and future needs.	We consider the wastewater activity to be an essential service that should be provided to properties within the urban areas in sufficient size and capacity.
Our communities are healthy, safe, inclusive and resilient.	We aim to provide a service that is safe for the community by providing quality treatment, minimising overflows, and ensuring our infrastructure is resilient.
Our communities have opportunities to celebrate and explore their heritage, identity and creativity	By providing wastewater we don't primarily contribute to this outcome. However, where possible we incorporate community and school groups into the design and provision of infrastructure.
Our communities have access to a range of social, cultural, educational and recreational facilities and activities.	Wastewater is an essential service that underpins other facilities and activities.
Our Council provides leadership and fosters partnerships, a regional perspective, and community engagement	We have a regional partnership with Nelson City Council for the management of the Nelson Regional Sewerage Business Unit. We collaborate with iwi and site neighbours to identify issues and concerns; and when the opportunity arises, we engage with community for facility open days and plantings days.
Our region is supported by an innovative and sustainable economy.	Wastewater underpins the regional economy by providing and managing wastewater collection, treatment and disposal. Sustainability is a key driver of our future planning.

## OUR GOAL

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

## KEY ISSUES

### **Reducing inflow and Infiltration**

Infiltration is the unintentional entry of ground water into the wastewater network and inflow occurs when rainwater enters the network. Council has planned an ongoing inflow and infiltration programme in addition to the existing CCTV investigation. This will enable Council to collect more condition data and enable better decisions on balancing maintenance and renewal spending. Over time, the renewals programme will address inflow and infiltration as ageing and broken pipes will be replaced.

Council will identify illegal private and failed connections and take actions to have these rectified. The cost of identifying the work will be funded by Councils budget and the private party involved will fund the repairs.

Council is considering the use of low-pressure pump systems for new subdivision in flat areas where the ground water table is high. This will likely reduce the impact of inflow and infiltration.

Council is planning to improve coordination with the Building Compliance Team to ensure new connections to the network do not contribute to the existing issues.

### **Supplying our growing communities**

Growth is a Council priority and many projects are driven by the need to cater for future growth. Council has planned new pump station and rising main projects in Brightwater North, Mapua, and Motueka West.

Council has planned upgrades to existing infrastructure in Motueka, Richmond West, Brightwater and Wakefield.

### **Improving Network Resilience**

Council has planned to increase storage capacity at pump stations at high-risk sites and as part of the pump station renewals programme. Council has planned to invest in on site dedicated and mobile generators. This will enable key pump stations to operate during power outages, making the network more resilient. Council is considering the use of low-pressure pump systems for new subdivision in flat areas where the ground water table is high. This will allow increased capacity during wet weather.

### **Managing Overflows**

Overflows adversely affect the environment and pose a risk to public health. Council is planning to mitigate overflows by addressing inflow and infiltration in Richmond and Motueka.

Council is planning pump station and rising main upgrades in Pohara and Mapua. The investment will provide assets of adequate capacity for current and future population. The risk of overflows should reduce and the community should experience a higher level of service.

Council has planned to have telemetry installed across all wastewater networks by the end of 2018. This will enable Council to manage short-term capacity issues by utilising existing emergency storage as buffering capacity during peak flow and significant rainfall events.

### **Asset and operational information**

Improving asset information is a long-term strategic process. Council has planned to conduct regular condition assessments; improve data requirement specification in the proposed Land Development Manual; develop asset data standards and consider the Metadata Standards. Councils planned inflow and infiltration programme and CCTV and data capture programme will assist in improving asset data.

OUR LEVEL OF SERVICE – WHAT COUNCIL WILL DO AND HOW WE WILL MEASURE PERFORMANCE OVER THE 10 YEARS FROM 2018-2028

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF..	CURRENT PERFORMANCE	FORECAST PERFORMANCE (TARGET)			
			YEAR 1	YEAR 2	YEAR 3	BY YEAR 10
Our wastewater systems do not adversely affect the receiving environment	<p>Compliance with resource consents for discharges from wastewater systems is achieved. As measured by the number of:</p> <ul style="list-style-type: none"> <li>• abatement notices</li> <li>• infringement notices</li> <li>• enforcement orders</li> <li>• convictions</li> </ul> <p>received in relation to those resource consents.</p> <p>Mandatory measure 2</p>	<p><b>Achieved</b></p> <p>We have achieved compliance with all our resource consent conditions and there have been no notices or orders issued during the past 12 months.</p> <p>(Target: 0)</p>	0	0	0	0
Our wastewater systems do not adversely affect the receiving environment	<p>The number of times temporary wastewater overflow signs are erected at waterways is minimised.</p> <p>Measured by the number of contract job request.</p>	<p><b>Not Achieved</b></p> <p>(2017: 6)</p> <p>(Target: &lt;5)</p>	<5	<5	<5	<5

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF..	CURRENT PERFORMANCE	FORECAST PERFORMANCE (TARGET)			
			YEAR 1	YEAR 2	YEAR 3	BY YEAR 10
Our wastewater systems reliably take out wastewater with a minimum of odours, overflows or disturbance to the public.	<p>The total number of complaints received about:</p> <ul style="list-style-type: none"> <li>• odour</li> <li>• system faults</li> <li>• system blockages</li> <li>• Council's response to issues within its systems</li> </ul> <p>is less than the target. (Expressed per 1000 connections.)</p> <p>Measured by the number of contract job request.</p> <p>Mandatory measure 4</p>	<p><b>Achieved</b> (2017: 2)</p> <p>(Target: &lt;35)</p>	<35	<35	<35	<35
Our wastewater systems are built, operated and maintained so that failures can be managed and responded to quickly	<p>The number of dry weather overflows from the Council wastewater system (expressed per 1000 connections to wastewater system) is less than the target.</p> <p>Dry weather is defined as a continuous 96 hours with less than 1mm of rain within each 24-hour period.</p> <p>Measured by the number of contract job request.</p> <p>Mandatory measure 1</p>	<p><b>Achieved</b> (2017: 2)</p> <p>(Target: &lt;5)</p>	<5	<5	<5	<5

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF..	CURRENT PERFORMANCE	FORECAST PERFORMANCE (TARGET)			
			YEAR 1	YEAR 2	YEAR 3	BY YEAR 10
Our wastewater activities are managed at a level that satisfies the community.	Percentage of customers (who receive a service) are satisfied with the wastewater service.  Measured through the annual residents' survey.	<b>Achieved</b>  2017: 94%  (Target: >80%)	>80%	>80%	>80%	>80%
Our wastewater systems are built, operated and maintained so that failures can be managed and responded to quickly	Overflows resulting from a blockage or other fault in the wastewater system are attended and resolved within the target timeframes.  <b>Attendance time</b> - from the time Council receives notification to the time that service personnel reach the site.  <b>Resolution time</b> - from the time Council receives notification to the time that the service personnel confirm resolution of the blockage or other fault.  Measured by attendance and resolution times recorded in Confirm.  Mandatory measure 3	<b>Not Achieved</b>  The system required to record attendance and resolution times was implemented in 2016/17 and we will be able to report on a full set of data for 2017/18.  We expect data for attendance and resolution times for calls received within office hours to be reliable.  We expect data for attendance and resolution times for calls received outside of office hours to be less reliable and we plan to refine the data collection process to improve data reliability.	Attendance Median ≤60 mins  Resolution Median ≤9 hrs	Attendance Median ≤60 mins  Resolution: Median ≤9hrs	Attendance Median ≤60 mins  Resolution: Median ≤9 hrs	Attendance Median ≤60 mins  Resolution: Median ≤9 hrs

## MAJOR ACTIVITIES

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

### KEY CHANGES TO ACTIVITY OR SERVICE

The table below summarises the key changes for the management of the Wastewater activity since the 2015 LTP.

KEY CHANGE	REASON FOR CHANGE
New projects to enable residential and business growth	Growth is happening faster than expected in some settlements and wastewater infrastructure needs to be in place before development can occur. Key projects include: <ul style="list-style-type: none"> <li>• New pump station and rising main is required in Brightwater</li> <li>• New rising main from Motueka West to the Wastewater Treatment Plants (WWTP) to accommodate growth</li> <li>• Upgrade of the Headingly Lane pump and rising main to accommodate growth in the Richmond West area</li> </ul>
Reticulation and storage upgrades projects in Mapua and Pohara prioritised	The Mapua/Ruby Bay network suffers from wet weather infiltration. The existing infrastructure needs to be upgraded to provide storage capacity to allow for growth and address overflows from the network.  The Pohara network also suffers from wet weather infiltration. The existing infrastructure needs to be upgraded to provide adequate storage capacity and the pipelines needs to be replaced.
Transferred sludge removal from operational to capital programme	Council considers that sludge removal increases the capacity of wastewater treatment plants and enables a longer asset life therefore, Council has classified the work as renewal and a capital cost.
Long-term strategic planning for a new inland WWTP in Motueka	Councils is taking a strategic approach to major assets like WWTPs and long-term planning has started for a new inland WWTPS.
Increased wastewater modelling budget	Growth has occurred much faster than anticipated and significant network modelling is required to help define and plan growth in key areas.
New long-term strategic studies budget for Waimea and Motueka	Council has planned new budget to undertake a long term strategic study for the Waimea wastewater networks, and the Motueka wastewater network.
Increased budget for inflow and infiltration	Inflow and infiltration is proving more widespread than anticipated and a challenge to manage. Council has planned an ongoing budget of \$165k pa to maintain a consistent proactive approach to this work.

### KEY ASSUMPTIONS, UNCERTAINTIES AND RISKS

Significant uncertainties and assumptions that are specific to the wastewater activity and its programme are listed below. Significant assumptions common to all of Council’s activities are listed in Part 4 of Volume 1.

#### Assumptions and uncertainties

- Currently, there are high levels of inflow and infiltration within the Motueka wastewater network taking up capacity that could otherwise be used by new connections. Council has assumed that this inflow and infiltration will be addressed by on-going pipe renewals and targeted inflow and infiltration repairs. Council expects that this work will reduce demand enough to be able to provide capacity to support the level of growth predicted for Motueka (excluding Motueka West). It is possible for the works to achieve insufficient capacity, or for the rate of growth to exceed the rate of inflow and infiltration reductions. If this is the case, Council will need to programme additional pipe upgrades to enable growth, or potentially limit the rate and location of new connections.



- Council has prepared the wastewater programme of works based on the information that was available at the time. Over the next few years, Council has planned to undertake long term strategic studies for Motueka and the Waimea networks. This will provide new and up-to-date information that is likely to identify alternative options for the way the schemes could operate, and the associated operating and capital requirements.
- Council is uncertain about NRSBU costs because operational costs are based on the use of individual subscribers and this can be variable. Council has planned budgets based on historic usage. If usage is different to what was assumed, costs may increase or decrease.
- Council is planning to increase trade waste charges commencing July 2018 and is uncertain about the associated income in the future. Council assumes trade waste volumes and income will be in line with historic usage and budgets.
- Council is responsible for maintaining new low-pressure household pumping units (where a complete catchment is set up with pressure pumps) and cannot be certain about the number of assets that will be vested. It largely depends on where and how fast growth occurs. Council has assumed maintenance budgets based on growth occurring as per the growth model. If the rate and location of growth changes, Council may need to amend maintenance budgets.

## CAPITAL EXPENDITURE

The following table details the major capital and renewal work programmed for the years 2018-2028.

PROJECT NAME & DESCRIPTION	YEARS	\$
Motueka West Pumping and Reticulation – Construction of new wastewater main and pump station to serve Motueka West area	Y2-5	5,300,000
Pohara/Ligar Bay Capacity Improvements – wastewater main and pump station capacity upgrades	Y1-8	7,000,000
Mapua Reticulation & Pump Station Improvements – construction of a new wastewater main and pump station, and adjoining pump station capacity upgrades	Y1-6	4,500,000
Brightwater & Wakefield Trunk Main Upgrade – secure easement for the trunk main and increase capacity	Y1-6	9,300,000
Brightwater New Pumping & Reticulation – construct new wastewater main and pump station to serve growth in northern Brightwater	Y6-8	1,900,000
Network Resilience Improvements – purchase new mobile generators and install emergency storage tanks at pump stations	Y1-9	1,600,000
Pipe and Component Renewals – replacement of existing pipes, and mechanical and electrical components	Y1-10	24,600,000
Headingly Lane Pump Station and Rising Main Upgrade – wastewater main and pump station upgrade to provide increased capacity	Y1-3	2,000,000

A full list of projects and programmes for when the work is planned to be completed is included in Appendix B of the Wastewater Activity Management Plan.

## SIGNIFICANT NEGATIVE EFFECTS

There are a number of potential negative effects from the group of activities. These include:

### Noise

- Social – Noise can originate from many sources but is usually temporary. If there are power outages, generators may be used to operate plant. Construction machinery used during repairs or installation of new wastewater assets can be a nuisance to the local community.

### Disruption to service

- Economic – Disruption to the wastewater service for a prolonged period may result in businesses having to close.

### **Blockages and overflows**

Overflows are usually the result of a blockage, pump fault or power outage.

- Social - Overflows can cause distress and a public health risk, especially when they occur on private property. Overflows on private property usually occur from gully traps as they should be the lowest point in the private reticulation system. Blockages, power outages, or pump faults may mean ablution facilities cannot be used without causing overflows, often affecting other downstream users.
- Economic - Businesses, schools and hospitals may need to close if they are unable to provide sanitary facilities or use the wastewater system because of blockages, faults or overflows.
- Environmental - Wastewater overflowing to the surrounding environment could result health risks, contamination of waterways and/or beach closures and could threaten natural habitats.

### **Odour**

- Social - Odour can cause distress to local residents, as it can impact on how they live their lives, having to keep windows closed, and restricting outdoor activities.
- Economic - Odour can cause distress to local businesses as localised odour may put off customers.

### **Non-compliant treated wastewater discharge**

- Social - May result in the degradation of water quality, preventing the use of groundwater, nearby rivers and beaches for 'all year round bathing', preventing the collection of shellfish.
- Economic - May result in the degradation of water quality, preventing the use of groundwater or surface water for irrigation and preventing the harvest of shellfish from marine farms.
- Environmental - May result in the degrading of water quality, preventing the use of groundwater, nearby rivers and beaches for 'all year round bathing', preventing the collection of shellfish and detrimentally affecting marine farms.

### **Increase in rates**

- Economic - Improving the level of service delivered can result in increases in rates

### **Disturbance or destruction of historic or culturally sensitive sites.**

- Operation, maintenance and construction of wastewater assets can potentially affect historic and culturally sensitive sites

## **SIGNIFICANT POSITIVE EFFECTS**

There are positive effects from this group of activities including:

### **Public health benefits**

Spread of disease is limited and public health improved by having a public wastewater collection and treatment system.

### **Minimising environmental effects**

Treated wastewater is frequently discharged into, or nearby to, coastal and river environments. By providing efficient and effective treatment the environmental impact from WWTP discharges is minimised. These natural amenities are still safe for use by the public and the environmental values of the receiving environment are protected.

### **Supporting economic development**

The Council's management of the wastewater activity uses best practice and competitive tendering to provide value for money for ratepayers and provides jobs for contractors.

Providing a safe and efficient wastewater system allows for economic growth by providing for new developments where capacity exists.

FUNDING IMPACT STATEMENTS AND FUNDING SOURCES FOR THE WASTEWATER GROUP OF ACTIVITIES

	2017/18 AP \$000	2018/19 Budget \$000	2019/20 Budget \$000	2020/21 Budget \$000	2021/22 Budget \$000	2022/23 Budget \$000	2023/24 Budget \$000	2024/25 Budget \$000	2025/26 Budget \$000	2026/27 Budget \$000	2027/28 Budget \$000
<b>SOURCES OF OPERATING FUNDING</b>											
General rates, uniform annual general charges, rates penalties	0	0	0	0	0	0	0	0	0	0	0
Targeted rates	10,380	10,231	10,720	10,913	11,009	11,040	11,930	12,313	12,599	12,953	12,957
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	99	174	230	236	242	248	255	262	269	277	285
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	4,866	3,327	3,522	3,738	4,265	4,744	4,802	4,857	4,976	5,077	5,253
<b>TOTAL OPERATING FUNDING</b>	<b>15,345</b>	<b>13,732</b>	<b>14,472</b>	<b>14,887</b>	<b>15,516</b>	<b>16,032</b>	<b>16,987</b>	<b>17,432</b>	<b>17,844</b>	<b>18,307</b>	<b>18,495</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>											
Payments to staff and suppliers	9,206	6,731	7,002	6,876	7,487	7,868	8,069	8,339	8,806	9,065	9,297
Finance costs	1,338	1,501	1,580	1,789	1,966	2,064	1,927	1,803	1,689	1,564	1,434
Internal charges and overheads applied	1,312	1,362	1,398	1,357	1,524	1,661	1,878	2,040	2,029	2,079	2,066
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	<b>11,856</b>	<b>9,594</b>	<b>9,980</b>	<b>10,022</b>	<b>10,977</b>	<b>11,593</b>	<b>11,874</b>	<b>12,182</b>	<b>12,524</b>	<b>12,708</b>	<b>12,797</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING</b>	<b>3,489</b>	<b>4,138</b>	<b>4,492</b>	<b>4,865</b>	<b>4,539</b>	<b>4,439</b>	<b>5,113</b>	<b>5,250</b>	<b>5,320</b>	<b>5,599</b>	<b>5,698</b>
<b>SOURCES OF CAPITAL FUNDING</b>											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	1,506	2,322	2,322	2,322	1,835	1,835	1,835	1,930	1,930	1,930	1,496
Increase (decrease) in debt	2,237	3,515	845	634	(181)	(2,847)	(2,624)	(2,155)	(1,741)	(2,278)	(4,044)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0

<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	<b>3,743</b>	<b>5,837</b>	<b>3,167</b>	<b>2,956</b>	<b>1,654</b>	<b>(1,012)</b>	<b>(789)</b>	<b>(225)</b>	<b>189</b>	<b>(348)</b>	<b>(2,548)</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>											
Capital expenditure											
- to meet additional demand	106	294	792	4,370	1,851	4,761	3,416	359	1,346	0	0
- to improve the level of service	708	7,903	4,306	5,278	4,842	1,656	1,726	1,961	2,324	2,286	1,287
- to replace existing assets	5,683	1,105	1,568	1,077	1,342	911	1,253	1,846	1,733	1,679	1,072
Increase (decrease) in reserves	735	673	993	(2,904)	(1,842)	(3,901)	(2,071)	859	106	1,286	791
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	<b>7,232</b>	<b>9,975</b>	<b>7,659</b>	<b>7,821</b>	<b>6,193</b>	<b>3,427</b>	<b>4,324</b>	<b>5,025</b>	<b>5,509</b>	<b>5,251</b>	<b>3,150</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING</b>	<b>(3,489)</b>	<b>(4,138)</b>	<b>(4,492)</b>	<b>(4,865)</b>	<b>(4,539)</b>	<b>(4,439)</b>	<b>(5,113)</b>	<b>(5,250)</b>	<b>(5,320)</b>	<b>(5,599)</b>	<b>(5,698)</b>
<b>FUNDING BALANCE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

The Annual Plan 2017/2018 information is as per the published document and has not been reclassified to reflect legislation changes which became effective from 1st July 2018. The FIS statements also reflect changes resulting from internal restructures and revenue reclassification. The Annual Plan 2017/2018 has not been restated to reflect these changes.

## STORMWATER

### WHAT WE DO

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

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

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

### WHY WE DO IT

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

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

### CONTRIBUTION TO COMMUNITY OUTCOMES

The Council operates, maintains and improves the stormwater infrastructure assets on behalf of its ratepayers. We undertake the activity to meet the level of service that is required to enhance community well-being by reducing the risk of flooding of buildings and property from surface runoff. The stormwater activity contributes to the community outcomes as detailed below.

COMMUNITY OUTCOMES	HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
Our unique natural environment is healthy, protected and sustainably managed	We manage stormwater so that the impact of the discharges does not adversely affect the health and quality of the receiving environment.
Our urban and rural environments are people-friendly, well-planned, accessible and sustainably managed.	We aim to convey stormwater without putting the public at risk or damaging property, businesses or essential infrastructure. New developments take a water sensitive design approach to integrate multiple values such as ecology, amenity and cultural aspects.
Our infrastructure is efficient, cost effective and meets current and future needs.	Stormwater is an essential service that is provided to properties within urban drainage areas in appropriate size and capacity. We aim to efficiently manage the provision of stormwater infrastructure so that it provides best value for ratepayer's money.
Our communities are healthy, safe, inclusive and resilient.	We aim to safely transfer stormwater runoff through urban areas to minimise harm and property damage.
Our communities have opportunities to celebrate and explore their heritage, identity and creativity.	We protect natural waterways that have high cultural, recreational, and biodiversity interests.

COMMUNITY OUTCOMES	HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
Our communities have access to a range of social, cultural, educational and recreational facilities and activities.	We take opportunities to provide multi-purpose facilities where possible. Often our stormwater corridors will incorporate cycle paths, footpaths and spaces for recreation.
Our Council provides leadership and fosters partnerships, a regional perspective, and community engagement	We engage with tangata whenua iwi and other community groups with regards to enhancing our natural waterways and educational programmes.
Our region is supported by an innovative and sustainable economy.	Stormwater supports the economy by enabling homes and businesses to exist with a low exposure to flood risk and damage. We also allow for climate change in our designs to provide adequately for the future.

## OUR GOAL

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

## KEY ISSUES

KEY ISSUE	DISCUSSION
<p>Growth</p> <p>Meeting residential and commercial growth demand is a challenge in some key areas</p>	<p>Growth is occurring faster than anticipated in the District and our existing networks have insufficient capacity to deal with increased stormwater runoff, restricting future residential and commercial development.</p> <p>A number of projects are planned that are driven fully or partially by the need to cater for future growth, primarily in Richmond West and South as well as the Motueka West development area. In order to enable growth and undertake some of the stormwater capital works that are required to increase runoff capacity, Council will need to purchase large amounts of land.</p> <p>Council applies development contributions to growth projects so that developers meet the cost of the growth component of projects, rather than ratepayers.</p>
<p>Network capacity</p> <p>Our existing primary and secondary networks have insufficient capacity</p>	<p>Some of Tasman's stormwater pipes and drains are too small to cope with the intense rainfall events experienced over the past few years and do not meet current design standards. In response, Council has planned a significant programme of works to improve stormwater management in Tasman.</p> <p>For the coming years some further investments in the primary network are planned to gradually upgrade pipe capacity over time. It is not affordable to improve all the existing pipes and drains to current design standards, at least not in the short to medium term. The main focus of the capital works is on protecting and improving secondary flow paths. The secondary network, also known as overland flowpaths, enables stormwater to flow overland, when capacity of the primary network has been exceeded, without causing hazards or damage to properties.</p> <p>It is important for the community to realise that overland flowpaths are an essential part of the stormwater network and that any structures within flowpaths may obstruct flows and lead to increased flooding and damage to property. Council will invest in establishing, protecting and enforcement of secondary flowpaths.</p>

KEY ISSUE	DISCUSSION
<p>Climate change</p> <p>Increased rainfall and rising sea levels results in increased risk of flooding</p>	<p>NIWA has predicted the effects of climate change in the Tasman District for the years 2040 and 2090 (Climate Change and Variability Tasman District, NIWA, August 2015). The anticipated effects from climate change in Tasman District that affect the stormwater activity include:</p> <ul style="list-style-type: none"> <li>• A significant increase in rainfall, mainly in winter for the entire District.</li> <li>• Rising sea levels, increased wave height and storm surges.</li> <li>• Floods, landslides, droughts and storm surges are likely to become more frequent and intense</li> </ul> <p>The effects from climate change will put further strain on the already limited capacity of our networks. Discharging stormwater in our coastal communities will become increasingly difficult during high tide and may result in flooding more frequently. In other areas the increase in rainfall will lead to stormwater networks reaching their capacity sooner and the need to better manage overland flowpaths to avoid flooding of properties.</p> <p>The expected impact of climate change effects on flooding will be further investigated with the help of innovative flood modelling techniques. Providing solutions to appropriately address the effects of climate change will require significant investments that may not be affordable or cost effective. Due to the long-term nature of climate change predictions and different scenarios that are based on potential future greenhouse gas emissions the magnitude of the effects remain uncertain. The focus in our flood strategies will be on avoiding damage to properties and hazard to life as well as acceptance and adapting to nuisance flooding. In some areas, especially low lying areas close to the coast, we may have to accept that affordable and sustainable solutions may not be available.</p>
<p>Effects on the environment</p> <p>The discharge of stormwater has an adverse effect on water quality and stream health</p>	<p>It has long been recognised that stormwater runoff is a predominant contributor to water quality and stream and coastal ecosystem health. The potential adverse effects associated with stormwater discharges can be divided into 'quality' and 'quantity' effects.</p> <p>The 'quality' effects stem from the fact that urban land uses such as roading, parking, industrial zones and certain building materials generate contaminants that are picked up by stormwater runoff and accumulate in fresh water and marine water receiving environments where they have an adverse effect on ecosystems. The main contaminants of concern are sediments, heavy metals and hydrocarbons. Urban runoff may also lead to increased water temperature which has an effect on stream life.</p> <p>Similarly, construction sites and associated earthworks have the potential to generate high sediment loads which can be discharged into waterways and physically disturb the beds of the waterways and effect aquatic habitat.</p> <p>The 'quantity' effects stem from the fact that urbanisation leads to increased areas of impervious surface which in turn leads to a decrease in groundwater recharge and increased stormwater runoff. The effect of reduced groundwater recharge leads to reduced base flows in streams especially during dry periods. On the other hand the increased runoff, leads to higher flow velocities that can cause scour and streambank erosion. In more extreme storm events the increased runoff will contribute to flooding issues.</p>

KEY ISSUE	DISCUSSION
<p>Effects on the environment cont.</p> <p>The discharge of stormwater has an adverse effect on water quality and stream health</p>	<p>To address the effects of stormwater discharges on our receiving environment Council will adopt a water sensitive design approach that is based on the following principles:</p> <ul style="list-style-type: none"> <li>• Protection and enhancing the values of our natural ecosystems</li> <li>• Addressing the effects from stormwater as close to source as possible</li> <li>• Mimicking natural systems and hydrological processes for stormwater management</li> </ul> <p>Developers will be required to follow this approach in accordance with the proposed Land Development Manual. The approach includes requirement of stormwater treatment and protecting stream health through infiltration and detention requirements.</p> <p>Council will obtain resource consent through which the effects from stormwater discharges on the environment will be managed and controlled. A number of projects are planned to specifically address water quality issues.</p>

DRAFT FOR ADOPTION



**OUR LEVEL OF SERVICE – WHAT COUNCIL WILL DO AND HOW IT WILL MEASURE PERFORMANCE OVER THE 10 YEARS FROM 2018-2028**

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF..	CURRENT PERFORMANCE	FORECAST PERFORMANCE (TARGET)			
			YEAR 1	YEAR 2	YEAR 3	BY YEAR 10
<p><b>Stormwater flooding</b> We have measures in place to respond to and reduce flood damage from stormwater to property and risk to the community</p>	<p>a) The number of flooding events that occur in the district and;</p> <p>b) For each flooding event, the number of habitable floors affected. (Expressed per 1000 properties connected to the territorial authority's stormwater system.)</p> <p><b>Habitable floor</b> refers to a floor of a building (including a basement) but does not include ancillary structures such as stand-alone garden sheds or garages.</p> <p><b>A flooding event</b> means an overflow of stormwater from Councils stormwater system that enters a habitable floor.</p> <p>Target: &lt;1 habitable floor flooded per event (expressed per 1000 properties connected)</p> <p>(Mandatory measure 1)</p>	<p><b>Achieved</b> 2014/2015 – n/a 2015/2016</p> <ul style="list-style-type: none"> <li>Event 1: 0.1 floors</li> <li>Event 2: 0.3 floors</li> </ul> <p>2016/2017 – No flood events</p> <p>As measured through justified complaints recorded in the Confirm and NCS databases. Based on 14,139 connections.</p>	<1 habitable floor flooded per event (expressed per 1000 properties connected)	<1 habitable floor flooded per event (expressed per 1000 properties connected)	<1 habitable floor flooded per event (expressed per 1000 properties connected)	<1 habitable floor flooded per event (expressed per 1000 properties connected)

DRAFT

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF..	CURRENT PERFORMANCE	FORECAST PERFORMANCE (TARGET)			
			YEAR 1	YEAR 2	YEAR 3	BY YEAR 10
	<p>The median response time to attend a flooding event, measured from the time that Council receives notification to the time that service personnel reach the site.</p> <p>Target: &lt;2 hours</p> <p>(Mandatory measure 3)</p>	<p><b>Not Measured</b></p> <p>The system required to record response times was implemented in 2016/17 and we will be able to report on a full set of data for 2017/18.</p> <p>We expect data for response times for calls received within office hours to be reliable.</p> <p>We expect data for response times for calls received outside of office hours to be less reliable and we plan to refine the data collection process to improve data reliability.</p>	<2 hours	<2 hours	<2 hours	<2 hours
<p><b>Stormwater flooding</b></p> <p>We have measures in place to respond to and reduce flood damage from stormwater to property and risk to the community</p>	<p>The number of complaints received by Council about the performance of its stormwater system, expressed per 1000 properties connected to the stormwater system.</p> <p>Target &lt; 20</p> <p>(Mandatory measure 4)</p>	<p><b>Achieved</b></p> <p>2014/15 – 9.3</p> <p>2015/16 – 2.5</p> <p>2016/17 – 6.9</p> <ul style="list-style-type: none"> <li>As measured through Confirm and NCS database</li> <li>Justified complaints about the performance of councils stormwater system</li> </ul> <p>Based on 14,139 connections</p>	<20	<20	<20	<20
<p><b>Customer satisfaction</b></p> <p>Our stormwater activities are managed at a level which satisfies the community</p>	<p>Percentage of customers satisfied with the stormwater service.</p> <p>As measured through the annual residents' survey.</p> <p>Target: 80%</p>	<p><b>Achieved</b></p> <p>2014/15 – 83%</p> <p>2015/16 – 81%</p> <p>2016/17 – 79%</p>	80%	80%	80%	80%

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF..	CURRENT PERFORMANCE	FORECAST PERFORMANCE (TARGET)			
			YEAR 1	YEAR 2	YEAR 3	BY YEAR 10
<b>The environment</b> Our stormwater systems do not adversely affect or degrade the receiving environment	Compliance with Council's resource consents for discharge from its stormwater system, measured by the number of: a) abatement notices (target ≤1) b) infringement notices (target 0) c) enforcement orders (target 0) d) Successful prosecutions (target 0)  (Mandatory Measure 2)	<b>N/A</b> Council is in the process of obtaining a comprehensive discharge consent	a) ≤1 b) 0 c) 0 d) 0	a) ≤1 b) 0 c) 0 d) 0	a) ≤1 b) 0 c) 0 d) 0	a) ≤1 b) 0 c) 0 d) 0

DRAFT FOR APPROVAL

## MAJOR ACTIVITIES

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

## KEY CHANGES TO ACTIVITY OR SERVICE

The table below summarises the key changes for the management of the Stormwater activity since the 2015 LTP.

KEY CHANGE	REASON FOR CHANGE
Focus on catchment management planning to better prioritise projects and identify opportunities for integrated solutions that address multiple issues.	Better information is required to support major investments in our stormwater network. Stormwater modelling, monitoring and catchment management planning will help us understand better how our networks work as a whole. This will enable us to prioritise projects and create better value for money through integration of solutions that address multiple issues.
Projects that are known not to address flooding of habitable floors or create a hazard to people have been removed from the programme. In some cases projects have been removed, because there is insufficient evidence or background information to support the investment.	Council's inability to control all stormwater was acknowledged in the previous AMP. Major rain events that exceed pipe capacity will result in flooding of roads and properties. Upgrading pipe capacity to address nuisance flooding is in most cases not considered to be a cost effective stormwater management approach. Council will focus its efforts and capital expenditure on managing secondary flow paths so that they do not create a hazard for people or damage to property. Further investigation through stormwater modelling and catchment management planning is required to support large investments in our networks.
Projects that are known to have a major effect on flooding of habitable floors or hazards have been brought forward.	A number of projects have been prioritised and brought forward in the programme because they provide good value for money in terms of addressing a relatively large area and multiple habitable floors that are flooded. Another reason for prioritising a project is where the flooding creates a hazard to people.

## KEY ASSUMPTIONS, UNCERTAINTIES AND RISKS

Significant uncertainties and assumptions that are specific to the stormwater activity and its programme are listed below. Significant assumptions common to all of Council's activities are listed in Part 4 of Volume 1.

The Council has made a number of assumptions in preparing the Activity Management Plan. The most significant assumptions and uncertainties for stormwater infrastructure are:

- Extreme rainfall events and associated flood impacts can happen at any time and their occurrence may differ from what can be expected based on the statistics. Council develops stormwater management strategies, plans and designs for events that have a 1% and 10% probability of occurring in any one year. When large events happen more frequently, this may trigger higher expectations from the community to provide a higher level of service. Providing a higher level of service will come at a higher cost and require more funding than has been budgeted for in this Strategy.
- Council has planned to undertake stormwater modelling to gain a better understanding of the flood risks in the District. Stormwater models represent a simplification of the reality and are based on a large amount of assumptions and input parameters that may vary, meaning Council cannot be certain of the outputs. Council considers all modelling results together with local knowledge and monitoring data where available. If the conclusions drawn from the model are incorrect, Council may need to reconsider the scope of projects included in its stormwater programme.
- Council has prepared the stormwater programme of works based on the information that was available at the time. Over the next few years, Council has planned to undertake more modelling and prepare catchment management plans. This will provide new and up-to-date information. It is likely that this information will highlight the need for additional intervention by Council, and Council may need to programme further improvements requiring additional funding.
- Timing of growth related projects is based on current assumptions within the growth model. However, the actual rate of development in the District will determine when projects and upgrades are required to meet demand. The

uncertainty around timing of growth related project is a risk especially for development in Richmond West and South, Motueka West and Mapua.

## CAPITAL EXPENDITURE

The following table details the significant capital and renewal work programmed for the years 2018-2028.

PROJECT NAME & DESCRIPTION	YEARS	\$
Richmond Central Secondary Flow Improvements – capacity improvements within Central Richmond to improve mitigation of secondary stormwater flows	Y1-10	11,500,000
Motueka West Discharge System – construction of a new discharge system to enable growth and address existing flood issues in Motueka West	Y4 – 7	7,000,000
Borck Creek land acquisition and widening - projects related to development in Richmond South and West	Y1 -10	15,800,000
Poutama Drain Widening – widening of Poutama Drain to cater for increase flows from Central Richmond area and to enable growth in Richmond West	Y5-9	1,700,000
Richmond South Stormwater Improvements – culvert capacity upgrades and stream improvements to enable growth and address existing flood issues in Richmond South	Y3-10	2,300,000
Reactive Stormwater Improvements – funding to mitigate emerging stormwater issues	Y1-10	1,100,000

A full list of projects and programmes for when the work is planned to be completed is included in Appendix B of the Stormwater Activity Management Plan.

## SIGNIFICANT NEGATIVE EFFECTS

ISSUE	POTENTIAL EFFECTS	MITIGATION
Flooding	<p><b>Social/ cultural:</b> Localised flooding may occur in residential areas due to under capacity of the stormwater system and affect the well-being of the community.</p> <p><b>Economic:</b> Localised flooding can have significant immediate and ongoing economic consequences on local business.</p> <p><b>Environmental:</b> Sediments, oils, greases, metals and organic material can be washed into natural water courses.</p>	<p>Catchment management planning</p> <p>Stormwater modelling</p> <p>Secondary flowpath mapping</p> <p>Capital works to increase network capacity and detention</p>
Untreated stormwater discharges	<p><b>Environmental:</b> The discharge of untreated stormwater has an adverse effect on the quality of the receiving environment, e.g., stormwater runoff from contaminant generating surfaces such as road and carparks contains contaminants such as metals, oils and sediment. Some building materials such as unpainted zinc or copper roofs can also be a source of contaminants. In rural areas, runoff may be contaminated with sediment, herbicides, pesticides, fertilisers and animal waste.</p> <p><b>Social / Cultural:</b> Discharges have adverse effect on the quality of receiving environments and how these can be used by the community.</p>	<p>Catchment management planning.</p> <p>Resource consenting and compliance monitoring</p> <p>Capital works.</p> <p>Tasman Erosion and Sediment Control Guidelines (2014)</p>

ISSUE	POTENTIAL EFFECTS	MITIGATION
Erosion of streambanks and loss of aquatic habitat	<p><b>Environmental:</b> Increased stormwater flows can cause erosion of streambanks and loss of aquatic habitat.</p> <p><b>Social/ Cultural:</b> Discharges have adverse effect on the quality of receiving environments and how these can be used by the community.</p>	The Council has an active programme to reduce inflow, see Wastewater AMP.
Impact to historic and wahi tapu sites.	<p><b>Cultural:</b> Physical works may have an adverse effect on sites. Uncontrolled stormwater may erode sites.</p>	Consultation prior to works. Record of known heritage sites.

## POSITIVE EFFECTS

ISSUE	DESCRIPTION
Access and Mobility	The stormwater system maximises access during and after storm events. Stream corridors are widened and integrated with walk and cycle paths.
Amenity	Council's policies promote the enhancement of recreational and environmental amenity value when developing new assets through water sensitive design.
Economic Development	The Council maintains stormwater collection to minimise damage to private and public assets.
Environmental Protection	Council enhances the quality of the receiving environment through the development of natural stream channels such as Borck Creek. Fish passage and aquatic life is considered when implementing capital projects and often improved.
Safety and Personal Security	The Council maintains stormwater collection to minimise disruption to normal community activities and risk to life.

**FUNDING IMPACT STATEMENT AND FUNDING SOURCES FOR THE STORMWATER GROUP OF ACTIVITIES**

	2017/18 AP \$000	2018/19 Budget \$000	2019/20 Budget \$000	2020/21 Budget \$000	2021/22 Budget \$000	2022/23 Budget \$000	2023/24 Budget \$000	2024/25 Budget \$000	2025/26 Budget \$000	2026/27 Budget \$000	2027/28 Budget \$000
<b>SOURCES OF OPERATING FUNDING</b>											
General rates, uniform annual general charges, rates penalties	0	0	0	0	0	0	0	0	0	0	0
Targeted rates	4,426	4,661	4,700	4,725	4,909	5,213	5,420	5,573	5,723	5,753	5,847
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	15	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	129	168	178	184	153	156	156	153	155	142	138
<b>TOTAL OPERATING FUNDING</b>	<b>4,570</b>	<b>4,829</b>	<b>4,878</b>	<b>4,909</b>	<b>5,062</b>	<b>5,369</b>	<b>5,576</b>	<b>5,726</b>	<b>5,878</b>	<b>5,895</b>	<b>5,985</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>											
Payments to staff and suppliers	1,429	1,432	1,379	1,352	1,357	1,313	1,318	1,407	1,519	1,484	1,482
Finance costs	902	1,052	943	938	945	1,038	1,001	901	825	781	827
Internal charges and overheads applied	664	739	741	731	706	679	689	867	1,075	1,062	1,046
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	<b>2,995</b>	<b>3,223</b>	<b>3,063</b>	<b>3,021</b>	<b>3,008</b>	<b>3,030</b>	<b>3,008</b>	<b>3,175</b>	<b>3,419</b>	<b>3,327</b>	<b>3,355</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING</b>	<b>1,575</b>	<b>1,606</b>	<b>1,815</b>	<b>1,888</b>	<b>2,054</b>	<b>2,339</b>	<b>2,568</b>	<b>2,551</b>	<b>2,459</b>	<b>2,568</b>	<b>2,630</b>
<b>SOURCES OF CAPITAL FUNDING</b>											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	1,392	1,525	1,525	1,525	1,222	1,222	1,222	1,314	1,314	1,314	1,178
Increase (decrease) in debt	4,890	600	33	(656)	1,721	3,133	1,516	(617)	(1,076)	(1,795)	2,797
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0

<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	<b>6,282</b>	<b>2,125</b>	<b>1,558</b>	<b>869</b>	<b>2,943</b>	<b>4,355</b>	<b>2,738</b>	<b>697</b>	<b>238</b>	<b>(481)</b>	<b>3,975</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>											
Capital expenditure											
- to meet additional demand	0	26	26	163	214	246	4,888	5,953	983	80	124
- to improve the level of service	2,201	2,524	2,298	1,531	3,683	5,997	3,664	704	1,187	376	6,958
- to replace existing assets	8,383	38	27	28	28	29	30	30	79	818	32
Increase (decrease) in reserves	(2,727)	1,143	1,022	1,035	1,072	422	(3,276)	(3,439)	448	813	(509)
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	<b>7,857</b>	<b>3,731</b>	<b>3,373</b>	<b>2,757</b>	<b>4,997</b>	<b>6,694</b>	<b>5,306</b>	<b>3,248</b>	<b>2,697</b>	<b>2,087</b>	<b>6,605</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING</b>	<b>(1,575)</b>	<b>(1,606)</b>	<b>(1,815)</b>	<b>(1,888)</b>	<b>(2,054)</b>	<b>(2,339)</b>	<b>(2,568)</b>	<b>(2,551)</b>	<b>(2,459)</b>	<b>(2,568)</b>	<b>(2,630)</b>
<b>FUNDING BALANCE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

The Annual Plan 2017/2018 information is as per the published document and has not been reclassified to reflect legislation changes which became effective from 1st July 2018. The FIS statements also reflect changes resulting from internal restructures and revenue reclassification. The Annual Plan 2017/2018 has not been restated to reflect these changes.



## SOLID WASTE

### WHAT WE DO

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

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

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

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

The Council also maintains 22 closed landfills around the district.

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

### WHY WE DO IT

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

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

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

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

### CONTRIBUTION TO COMMUNITY OUTCOMES

Council operates, maintains and improves solid waste infrastructure assets on behalf of the ratepayers to enhance community well-being by minimising risks to public health and to the environment from waste generated by people. The waste management and minimisation activities in the Solid Waste activity contribute to the community outcomes as detailed below.

COMMUNITY OUTCOMES	HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
Our unique natural environment is healthy, protected and sustainably managed.	We protect our natural environmental by providing comprehensive waste disposal services for our community. We reduce the impact of landfill disposal by providing a wide range of other services to divert waste from landfill and reduce waste production.
Our urban and rural environments are people-friendly, well-planned, accessible and sustainably managed.	By providing recycling and rubbish collection services we ensure our built urban and rural environments are functional, pleasant and safe. We provide facilities that are convenient, clean and safe and we promote the sustainable use of resources.
Our infrastructure is efficient, cost effective and meets current and future needs.	We operate our facilities and services in a safe and efficient manner. We plan for future growth and to provide waste and recycling services that the community is satisfied with.

## OUR GOAL

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

1. Avoid the creation of waste.
2. Improve the efficiency of resource use.
3. Reduce the harmful effects of waste.

## KEY ISSUES

There are several key issues relating to the Solid Waste group of activities.

### Population and waste growth

Our region is currently growing strongly. This is leading to higher waste volumes and demand for kerbside services.

### Growing demand for waste diversion

There is a growing demand for us to divert an increasing range of products and materials from landfill. We will need to consider which products are highest priority and how to fund these services.

### Increasing need for risk reduction measures

We will need to continue improving our risk reduction measures in the activity. The waste industry is reasonably high risk and manages difficult and sometimes hazardous materials.

### Cost of landfill disposal

Our largest single cost for this activity is the cost of disposal to landfill. It determines the cost of most of our activities and the fees that we charge for many of our services.

The cost of disposal is a key factor in the demand for and viability of waste minimisation services and influences the total waste to landfill. The cost of waste disposal influences our customer satisfaction levels. Increased disposal costs could also increase levels of illegal dumping.

The cost of landfill disposal is set by the Nelson-Tasman Regional Landfill Business Unit, with input from the Nelson City and Tasman District Councils.

### Regional waste management

Waste activities and services operate in a commercial environment, with free movement across the Nelson–Tasman boundary and beyond.

We need to coordinate our waste management across the Nelson–Tasman region.

OUR LEVEL OF SERVICE – WHAT COUNCIL WILL DO AND HOW IT WILL MEASURE PERFORMANCE OVER THE 10 YEARS FROM 2018-2028

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF..	CURRENT PERFORMANCE	FORECAST PERFORMANCE (TARGET)			
			YEAR 1	YEAR 2	YEAR 3	BY YEAR 10
We provide effective waste minimisation activities and services.	There is an increase in resources diverted from landfill by Council services.  As measured monthly and reported annually on a per capita basis.	167 kg per person	>174 kg	>177 kg	>181 kg	>208 kg
	There is a reduction in waste per capita going to landfill.  As measured by Nelson – Tasman tonnage recorded at landfill.	696 kg per person	<689 kg	<686 kg	<682 kg	<655 kg
	There are high levels of participation in our kerbside recycling service.  As measured through annual resident survey of those provided with Council’s kerbside recycling collection services who use it three times or more per annum.	96%	>95%	>95%	>95%	>95%
	Contamination levels in our kerbside recycling are low.  As measured by our contractor at the Materials Recovery Facility	5.5%	<5%	<5%	<5%	<5%

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF..	CURRENT PERFORMANCE	FORECAST PERFORMANCE (TARGET)			
			YEAR 1	YEAR 2	YEAR 3	BY YEAR 10
Our kerbside recycling and bag collection services are reliable, easy to use.	% customer satisfaction with kerbside recycling services.  As measured through annual resident survey of those provided with Council's kerbside recycling collection services.	92%	90%	90%	90%	90%
	% customer satisfaction with kerbside bag collection services.  As measured through annual resident survey of those provided with Council's kerbside bag collection services.	73%	70%	70%	70%	70%
	Customer Service Requests relating to waste management activities are completed on time.  Percentage of enquiries to our contractor resolved within contracted timeframes.  As measured through Confirm.	93%	95%	95%	95%	95%
Our resource recovery centres are easy to use and operated in a reliable manner.	Percentage of customer satisfaction.  As measured by annual customer on-site surveys at RRCs who are very satisfied or fairly satisfied.	99%	95%	95%	95%	95%

## MAJOR ACTIVITIES

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

The Council is currently reviewing the joint Waste Management and Minimisation Plan with Nelson City Council.

## KEY CHANGES TO ACTIVITY OR SERVICE

The table below summarises the key changes for the management of the Waste Management and Minimisation activity since the 2015 LTP.

KEY CHANGE	REASON FOR CHANGE
Establishment of the Nelson Tasman Regional Landfill Business Unit	<p>The Nelson Tasman Regional Landfill Business Unit commenced operations on 1 July 2017. It now manages the Eves Valley Landfill and York Valley Landfill on behalf of the Nelson City and Tasman District Councils. The Eves Valley Landfill has now been closed and the York Valley Landfill operates as a regional facility.</p> <p>This change provides the opportunity for increased efficiency, better use of capital and improved opportunity for waste minimisation in the Nelson-Tasman region. It also removes the commercial incentive to compete for landfill volumes.</p> <p>In 2017 we amended the LTP 2015-2025 because the establishment of the business unit changed control the Eves Valley Landfill (which was a strategic asset).</p>
Regional recycling capacity	<p>We now operate a Materials Recovery Facility (MRF) at the Richmond RRC. This MRF provides capacity for the Nelson City Council through a commercial agreement with our contractor and the Nelson City Council contractor.</p>
Household hazardous and agrichemical collection	<p>From 1 July 2018 collection and acceptance of redundant farm agrichemicals will fall within this activity. This will include supporting annual or bi-annual on-farm collections and receipt of selected household chemicals. Council is also monitoring other pilot recycling schemes for rural properties.</p>

## KEY ASSUMPTIONS, UNCERTAINTIES AND RISKS

Significant uncertainties and assumptions that are specific to the Waste Management and Minimisation activity and its programme are listed below. Significant assumptions common to all of Council's activities are listed in Part 4 of Volume 1.

### Assumptions and uncertainties

- That the landfill disposal prices will be as included in the Nelson Tasman Regional Landfill Business Unit 10 year budget (dated 15 September 2017).
- That there will be no material change in waste to landfill (other than the gradual reduction per capita forecast in this plan).
- That there will be revenue distribution of \$2.2 million per annum from the Nelson Tasman Regional Landfill Business Unit.
- That there will be no significant change to operating costs over time.

## Risks

The key risks associated with this activity are:

- That there could be significant changes in government legislation or policy – particularly around the Emissions Trading Scheme and the Waste Disposal Levy – this would increase our cost of disposal, which we would likely pass on in the disposal charges that we charge.
- That markets for recycled material may reduce our ability to recycle the materials that we collect – some materials may reduce in value and some low value or contaminated materials may not be accepted for recycling in the future.
- That the cost of services may increase over and above our estimated budgets, due to changes in industry practice.

## CAPITAL EXPENDITURE

The following table details the major capital and renewal work programmed for the years 2018-2028.

PROJECT NAME & DESCRIPTION	YEARS	\$
Richmond Resource Recovery Centre - Hazardous goods store and upgrade to the waste tipping pit	Y2	176,000
Richmond Resource Recovery Centre - new waste bin storage area	Y7	513,000
Richmond Resource Recovery Centre - second weighbridge	Y9	334,000
Mariri Resource Recovery Centre - roof over the waste tipping pit	Y4	208,000
Mariri Resource Recovery Centre - relocation of the weighbridge and access to pit	Y6	708,000
Mariri Resource Recovery Centre - improvements to the access road	Y10	213,000
Takaka Resource Recovery Centre - Replacement of the waste compactor and tipping pit, installation of a weighbridge and improvements to the recycling area	Y1-2	1,200,000
Murchison Resource Recovery Centre - Replacement of the waste tipping pit	Y8	596,000
Minor improvements at resource recovery centres and closed landfills	Y1-10	550,000
Public place recycling and other waste minimisation infrastructure (funded by the waste levy)	Y1-10	594,000
Resource Recovery Centre Renewals – Routine asset renewal programme	Y1-10	2,600,000

A full list of projects and programmes for when the work is planned to be completed is included in Appendix B of the Waste Management and Minimisation Activity Management Plan and in the Nelson Tasman Regional Landfill Business Unit Activity Management Plan (for regional landfill activities).

## SIGNIFICANT NEGATIVE EFFECTS

There are a number of potential significant negative effects from the Waste Management and Minimisation group of activities. These include:

### Dust, odour and windblown litter

- Kerbside collections: Loose kerbside recycling materials and broken solid waste bags may become windblown litter and odorous if not collected promptly
- Recyclables Processing: Excessive recyclable materials may become windblown litter
- Resource Recovery Centres (RRCs): These can become odorous, dusty and give rise to windblown litter if incorrect operating procedures are not applied

- Operational Landfills: These can become odorous, dusty and give rise to windblown litter if incorrect operating procedures are not applied
- **Discharges of pollutants to water and land**
- Resource Recovery Centres: There is the possibility of stormwater contamination on site if materials are not managed well
- Operational Landfills: Landfills produce leachate – this may cause contamination of groundwater or surface water if not collected and treated appropriately. There is also the possibility of stormwater contamination on site
- Closed Landfills: If closed landfills are not capped off and vegetated correctly, they may release additional solid waste or leachate to the environment
- **Disruptions to service**
- Kerbside collections: Disruption to kerbside solid waste services can cause a public health effect if wastes are not collected in a timely manner
- Resource Recovery Centres: Failure to open these centres can prevent businesses operating and create public health risks with the storage of waste on properties
- Operational Landfills: Failure to operate the landfill can prevent restrict the operation of RRCs and create public health risks with the storage of waste on properties
- **Discharge of methane and carbon dioxide**
- Operational Landfills: Landfills produce gas, including methane. Methane contributes 15 times the effect that carbon dioxide does to the “greenhouse effect”
- **Unaffordable or uneconomic cost of services**
- The loss of viable markets for recovered materials can have a negative effect on the economic viability of recycling
- The costs of providing the services

#### **SIGNIFICANT POSITIVE EFFECTS**

There are positive effects from this group of activities including:

- Public health benefits
- Economic benefits
- Environmental benefits

FUNDING IMPACT STATEMENTS AND FUNDING SOURCES FOR THE SOLID WASTE GROUP OF ACTIVITIES

	2017/18 AP \$000	2018/19 Budget \$000	2019/20 Budget \$000	2020/21 Budget \$000	2021/22 Budget \$000	2022/23 Budget \$000	2023/24 Budget \$000	2024/25 Budget \$000	2025/26 Budget \$000	2026/27 Budget \$000	2027/28 Budget \$000
<b>SOURCES OF OPERATING FUNDING</b>											
General rates, uniform annual general charges, rates penalties	902	1,392	1,349	1,342	1,292	1,313	1,354	1,458	1,292	1,321	1,255
Targeted rates	2,392	2,015	2,065	2,137	2,270	2,331	2,539	2,394	2,495	2,602	2,652
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	3,715	4,457	4,644	4,808	4,978	5,158	5,343	5,537	5,743	5,956	6,183
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	4,186	4,698	4,888	4,958	5,036	5,107	5,215	5,315	5,425	5,533	5,632
<b>TOTAL OPERATING FUNDING</b>	<b>11,195</b>	<b>12,562</b>	<b>12,946</b>	<b>13,245</b>	<b>13,576</b>	<b>13,909</b>	<b>14,451</b>	<b>14,704</b>	<b>14,955</b>	<b>15,412</b>	<b>15,722</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>											
Payments to staff and suppliers	8,605	10,120	10,447	10,691	11,081	11,539	12,011	12,230	12,564	13,008	13,274
Finance costs	389	412	380	378	358	357	367	385	366	359	351
Internal charges and overheads applied	790	800	843	866	891	924	965	984	1,028	1,079	1,089
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	<b>9,784</b>	<b>11,332</b>	<b>11,670</b>	<b>11,935</b>	<b>12,330</b>	<b>12,820</b>	<b>13,343</b>	<b>13,599</b>	<b>13,958</b>	<b>14,446</b>	<b>14,714</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING</b>	<b>1,411</b>	<b>1,230</b>	<b>1,276</b>	<b>1,310</b>	<b>1,246</b>	<b>1,089</b>	<b>1,108</b>	<b>1,105</b>	<b>997</b>	<b>966</b>	<b>1,008</b>
<b>SOURCES OF CAPITAL FUNDING</b>											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	3,349	406	(381)	(1,048)	(550)	(835)	834	(324)	(161)	(297)	(111)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0



<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	<b>3,349</b>	<b>406</b>	<b>(381)</b>	<b>(1,048)</b>	<b>(550)</b>	<b>(835)</b>	<b>834</b>	<b>(324)</b>	<b>(161)</b>	<b>(297)</b>	<b>(111)</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>											
Capital expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0	1,191	414	74	323	77	787	542	626	389	244
- to replace existing assets	755	445	451	129	272	173	1,055	222	192	260	631
Increase (decrease) in reserves	(231)	(17)	6	37	62	(34)	63	(19)	(19)	(18)	(17)
Increase (decrease) in investments	4,236	17	24	22	39	38	37	36	37	38	39
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	<b>4,760</b>	<b>1,636</b>	<b>895</b>	<b>262</b>	<b>696</b>	<b>254</b>	<b>1,942</b>	<b>781</b>	<b>836</b>	<b>669</b>	<b>897</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING</b>	<b>(1,411)</b>	<b>(1,230)</b>	<b>(1,276)</b>	<b>(1,310)</b>	<b>(1,246)</b>	<b>(1,089)</b>	<b>(1,108)</b>	<b>(1,105)</b>	<b>(997)</b>	<b>(966)</b>	<b>(1,008)</b>
<b>FUNDING BALANCE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

The Annual Plan 2017/2018 information is as per the published document and has not been reclassified to reflect legislation changes which became effective from 1st July 2018. The FIS statements also reflect changes resulting from internal restructures and revenue reclassification. The Annual Plan 2017/2018 has not been restated to reflect these changes.

## FLOOD PROTECTION AND RIVER CONTROL WORKS

### WHAT WE DO

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

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

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

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

### WHY WE DO IT

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

### CONTRIBUTION TO COMMUNITY OUTCOMES

Council operates, maintains and improves flood protection and rivers control assets on behalf of Tasman residents and ratepayers to enhance community well-being, in particular to protect life, property and livelihoods. The rivers and flood control group of activities contributes to the Community Outcomes as detailed below.

COMMUNITY OUTCOMES	HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
Our unique natural environment is healthy, protected and sustainably managed.	Our flood protection and mitigation activities are carried out so that the impacts on the natural river environments are minimised to a practical but sustainable level, and use best practices in the use of the District’s natural resources.
Our urban and rural environments are people-friendly, well-planned, accessible and sustainably managed.	Council staff participate in the River Care group to ensure that community mood is taken into account with the management of the river catchments. The Council participates in national Rivers Managers Group to develop the Flood Protection Asset Performance Tool.
Our infrastructure is efficient, cost effective and meets current and future needs.	Our flood protection and mitigation structures are maintained in an environmentally sustainable manner to a level supported by the community.
Our communities are healthy, safe, inclusive and resilient.	Our flood protection works and river control structures protect our most “at risk” communities and rural areas from flooding and are maintained in a safe and cost-effective manner.
Our communities have opportunities to celebrate and explore their heritage, identity and creativity.	The rivers area is a key feature for all that live in the area, many of the community identify who they are by their river. The community becomes involved in the rivers through planting and regular public opportunities to learn about water quality.
Our communities have access to a range of social, cultural, educational and recreational facilities and activities.	The Council maintains the river environment to ensure a pleasant place for recreational activities. This is achieved by clearing of rubbish, pest and weed control and inclusion of plantings for improvements in waterway health.
Our Council provides leadership and fosters partnerships, a regional perspective, and community engagement	The Council provides expertise and guidance to the community to assist with problems along the river environment.

Our region is supported by an innovative and sustainable economy.

The flood protection scheme provides a level of assurance that regular high rainfall events don't disrupt normal business activities.

## OUR GOAL

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

## KEY ISSUES

The key issues for this group of activities are:

### **Flooding Risk**

Many settlements in the District have established near rivers and are exposed to risk in high rainfall events. This risk is not new, but changing weather patterns is also changing the risk profile which includes a higher likelihood of flooding. Council cannot remove flood risk entirely, but can work with communities to make them aware and reduce the flood risk that they may face.

#### ***Motueka***

A study and engineering report concluding in 2011 detailed that the current Motueka stop banks were vulnerable to several modes of failure the most likely is stop bank collapse. What is not well understood is the consequences of these failure modes and what is the best options to address it.

#### ***Riwaka***

The October 2013 event overtopped the left bank a few hundred metres upstream of the state highway bridge, contributing to flooding of properties near Cook's Corner and further along the road towards Kaiteriteri. These events have increased demand for improved protection.

Improvements to the Riwaka stopbank would have to be significant to make any appreciable difference to the properties. The cost to undertake Riwaka river stop bank improvements that would make a difference in flood events outweigh the benefits that would be achieved. Instead, Council will work with individuals who are most affected to assist them in improving resilience to their properties.

#### ***Takaka***

Takaka Township is prone to flooding from the Takaka River which poses a flood risk to a number of commercial and residential buildings in Takaka, and to public infrastructure.

Some years ago, and over a number of years, a private bank was built with the intention of preventing flooding in Takaka Township. This bank is referred to as the McKenzie bank and has a nominal rating for a Q15 event. Given the private nature of the bank, it is not maintained by Council.

Council investigated the flooding issues and land zoning for Takaka over 2010-2012. As part of the investigation, modelling was undertaken to ascertain the benefit of the bank, and the implications from raising and extending. The modelling showed that the bank provided some benefits to the southern end of town, but also showed worse outcomes for some properties at the northern end of Takaka. As part of this work, Council consulted the Takaka community on the flooding issues. The response from the community was muted but a direction to not undertake work that will incur cost to the local community.

Work is still to be undertaken on reviewing flow paths, consideration of taking over management of the McKenzie bank, and investigating options to minimise breakout of flood waters at key pressure points.

### **Increased Demand for Erosion Assistance**

Tasman has experienced several major storms since 2010. Council infrastructure and private property has suffered damage from the associated flooding, slips, erosion and debris flows. Council has a 'Classified Rivers Protection Fund' for repair works required within maintained river systems. Council has historically funded up to 50% of the costs of works undertaken within 'River Z areas', with the landowner paying for the remaining 50%. Rainfall events over the last few years have tended to affect smaller catchments and waterways with short high intensity events becoming more prevalent. This has increased demand for assistance in River Z areas.

### **Proactive Gravel Management**

Until recently Council has allowed gravel extraction based on survey or visual inspection. Without extensive survey data it was unclear how the whole river system was responding to this extraction and whether there was scope for increased removal. By improving river bed surveying it enables Council to maximise gravel extraction without compromising the natural environment.

DRAFT FOR ADOPTION

**OUR LEVEL OF SERVICE – WHAT COUNCIL WILL DO AND HOW IT WILL MEASURE PERFORMANCE OVER THE 10 YEARS FROM 2018-2028**

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF..	CURRENT PERFORMANCE	FORECAST PERFORMANCE (TARGET)			
			YEAR 1	YEAR 2	YEAR 3	BY YEAR 10
Protection Our communities are protected from natural hazard events	The major flood protection and control works that are maintained, repaired and renewed their original constructed standard.  (Riwaka River = 1 in 10 yr flood return in 1950). (Lower Motueka River = 1 in 50 yr flood return in 1950). (Waimea River = 1 in 50 yr flood returning 1950).	2015/16 = 100%	100%	100%	100%	100%
		2016/17 = 100%				
Amenity Our river environments are attractive and enjoyed by our communities.	We maintain existing native riparian planting sites and develop new sites.  Complaints about illegal dumping in the X and Y classified rivers and on adjacent beaches on public land are actioned within five working days.	2015/16 = 15,461	> 13,000	> 13,000	> 13,000	> 13,000
		2016/17 = 15,259				
		2015/16 = 100%	100%	100%	100%	100%
		2016/17 = 100%				

## MAJOR ACTIVITIES

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

## KEY CHANGES TO ACTIVITY OR SERVICE

The table below summarises the key changes for the management of the Rivers and Flood Control activity since the 2015-2025 LTP.

KEY CHANGE	REASON FOR CHANGE
Additional assistance for river Z erosion protection	Previously 50% of the rivers account income is from district wide River Z rate, but expenditure is only 10%. Rainfall events over the last few years have tended to affect smaller catchments and waterways with short high intensity events becoming more prevalent. There is an increasing demand from the community or assistance in undertaking protection works.
Reduction in river X spending on maintenance	The total length of rivers X is a small proportion of the entire maintained river network. The previous budget to maintain was largely underspent. The reduction in spending reflects the average actual spend on these rivers.
Undertake flood mitigation studies	A number of high rainfall events in recent years and the current level of tolerance for risk has had several communities questioning their current levels of protection. Previous studies have focused on the risk of flood events, but have not provided enough clarity on the consequences of overtopping or breach events.

## KEY ASSUMPTIONS, UNCERTAINTIES AND RISKS

Significant uncertainties and assumptions that are specific to the rivers activity and its programme are listed below. Significant assumptions common to all of Council's activities are listed in Part 4 of Volume 1.

### Assumptions and uncertainties

- Natural hazard events continue at the current rate and there is no catastrophic event.
- The Flood Performance Protection Tool does not highlight areas of poor performance that will require significant investment to bring up to the level of service target.
- There are no changes in legislative requirements following recent flood events.
- Council expects that the central government will remove the 60% flood recovery subsidy

## CAPITAL EXPENDITURE

The following table details the major capital and renewal work programmed for the years 2018-2028.

PROJECT NAME & DESCRIPTION	YEARS	\$
Riwaka Flood Mitigation Works – assist affected properties to improve individual flood resilience	Y3-6	725,000
Takaka Flood Mitigation Works – construct new stopbanks to provide a higher level of flood risk mitigation	Y9-10	1,600,000
Rivers Y capital works – routine rock placement works	Y1-10	7,800,000
Rivers X capital works – routine rock placement works	Y1-10	1,400,000

A full list of projects and programmes for when the work is planned to be completed is included in Appendix B of the Rivers Activity Management Plan.

## SIGNIFICANT NEGATIVE EFFECTS

There are a number of potential negative effects from the group of activities. These include:

- Gravel extraction – over extraction of gravel in some areas has the potential to destabilise banks and change groundwater levels.
- Burning of crack willow - The burning of crack willow following removal can create an air pollution issue if suitable weather conditions are not present
- Waste dumping – inappropriate use of river berms can cause nuisance to the public, for example dumping of refuse and car bodies.
- Cost – the cost of providing the services.
- Stopbank condition – poor condition of stopbank sections.
- Cultural impacts – potential to affect historic and Wahi tapu sites.

## SIGNIFICANT POSITIVE EFFECTS

There are many positive effects from this group of activities including:

- Economic development – provision and maintenance of flood control schemes allow for the development of land for high value uses (e.g. residential or horticultural purposes) thereby allowing economic growth and prosperity in the Tasman District.
- Safety and personal security – flood protection and river control works contribute to community well-being by improving protection of communities, life, property and livelihoods.
- Environmental sustainability – Council aims to achieve environmental sustainability while managing the rivers activity. This is generally managed by the resource consent process, the TRMP, and compliance with the Soil Conservation and Rivers Control Act. Examples of this approach include the native riparian planting programme, the use of less invasive willow species and preventative erosion plantings plus the consideration of less eco-toxic herbicide sprays.
- Economic efficiency – Council's management of the rivers activity using best practice and competitive tendering to provide the best value for money for the ratepayers and provides jobs for contractors.
- Gravel extraction – there is no additional lowering of ground water levels through decreased gravel extraction where river beds are already degraded.

FUNDING IMPACT STATEMENT AND FUNDING SOURCES FOR THE FLOOD PROTECTION AND RIVER CONTROL WORKS GROUP OF ACTIVITIES

	2017/18 AP \$000	2018/19 Budget \$000	2019/20 Budget \$000	2020/21 Budget \$000	2021/22 Budget \$000	2022/23 Budget \$000	2023/24 Budget \$000	2024/25 Budget \$000	2025/26 Budget \$000	2026/27 Budget \$000	2027/28 Budget \$000
<b>SOURCES OF OPERATING FUNDING</b>											
General rates, uniform annual general charges, rates penalties	31	29	27	0	0	0	0	0	0	0	0
Targeted rates	2,281	2,611	2,803	2,561	2,921	3,027	2,836	2,878	2,968	3,334	4,746
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	20	21	21	22	22	23	24	24	25	26	26
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	415	521	530	542	555	453	462	475	486	501	509
<b>TOTAL OPERATING FUNDING</b>	<b>2,747</b>	<b>3,182</b>	<b>3,381</b>	<b>3,125</b>	<b>3,498</b>	<b>3,503</b>	<b>3,322</b>	<b>3,377</b>	<b>3,479</b>	<b>3,861</b>	<b>5,281</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>											
Payments to staff and suppliers	1,331	1,775	1,938	1,674	1,815	1,864	1,816	1,833	1,886	2,054	2,103
Finance costs	11	6	2	0	0	0	0	0	0	0	0
Internal charges and overheads applied	368	466	488	500	508	518	544	556	577	609	621
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	<b>1,710</b>	<b>2,247</b>	<b>2,428</b>	<b>2,174</b>	<b>2,323</b>	<b>2,382</b>	<b>2,360</b>	<b>2,389</b>	<b>2,463</b>	<b>2,663</b>	<b>2,724</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING</b>	<b>1,037</b>	<b>935</b>	<b>953</b>	<b>951</b>	<b>1,175</b>	<b>1,121</b>	<b>962</b>	<b>988</b>	<b>1,016</b>	<b>1,198</b>	<b>2,557</b>
<b>SOURCES OF CAPITAL FUNDING</b>											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	(93)	(93)	(89)	0	0	0	0	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0



<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	<b>(93)</b>	<b>(93)</b>	<b>(89)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>											
Capital expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	920	821	839	922	1,290	1,231	918	940	964	1,142	2,498
- to replace existing assets	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in reserves	24	21	25	29	(115)	(110)	44	48	52	56	59
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	<b>944</b>	<b>842</b>	<b>864</b>	<b>951</b>	<b>1,175</b>	<b>1,121</b>	<b>962</b>	<b>988</b>	<b>1,016</b>	<b>1,198</b>	<b>2,557</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING</b>	<b>(1,037)</b>	<b>(935)</b>	<b>(953)</b>	<b>(951)</b>	<b>(1,175)</b>	<b>(1,121)</b>	<b>(962)</b>	<b>(988)</b>	<b>(1,016)</b>	<b>(1,198)</b>	<b>(2,557)</b>
<b>FUNDING BALANCE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

The Annual Plan 2017/2018 information is as per the published document and has not been reclassified to reflect legislation changes which became effective from 1st July 2018. The FIS statements also reflect changes resulting from internal restructures and revenue reclassification. The Annual Plan 2017/2018 has not been restated to reflect these changes.

# COMMUNITY DEVELOPMENT

The Community Development section comprises one group of related activities:

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

The 10 year budgets for the Community Development activity are outlined in the following table along with the 2017/2018 budgets for comparison.

COMMUNITY DEVELOPMENT	2017/2018 BUDGET \$000	2018/2019 BUDGET \$000	2019/2020 BUDGET \$000	2020/2021 BUDGET \$000	2021/2022 BUDGET \$000	2022/2023 BUDGET \$000
<b>TOTAL COSTS</b>	<b>16,274</b>	<b>16,123</b>	<b>16,945</b>	<b>17,062</b>	<b>17,612</b>	<b>18,161</b>

COMMUNITY DEVELOPMENT	2023/2024 BUDGET \$000	2024/2025 BUDGET \$000	2025/2026 BUDGET \$000	2026/2027 BUDGET \$000	2027/2028 BUDGET \$000
<b>TOTAL COSTS</b>	<b>18,461</b>	<b>18,676</b>	<b>19,466</b>	<b>19,763</b>	<b>20,317</b>

Details of this group of activities are outlined in the following pages. These pages cover what Council does in relation to the activity group, why we do it, the contribution of the activities to the Community Outcomes, the activity goal, any key issues, how we will measure our performance, the key things we plan to do and any major projects and funding arrangements.

## COMMUNITY DEVELOPMENT

### WHAT WE DO

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

- 807 hectares of parks and reserves (including 239 hectares at Moturoa/Rabbit Island, 13 formal gardens, 14 special interest sites, 20 sports grounds, 98 urban open space/amenity reserves, 41 walkways, 214 rural recreation and esplanade reserves, seven sports facilities and three non-commercial camping grounds)
- 111 hectares of land vested as esplanade strip
- 12 operating and two closed cemeteries
- 53 playgrounds
- 98 public toilet facilities
- four libraries
- funding for District and Shared Facilities such as the Saxton Field complex
- 18 community halls
- five multi-use community recreation centres
- two community centres
- three museums
- miscellaneous community buildings (e.g. Plunket rooms, former church)
- eight community housing complexes (101 separate units in total)
- the Richmond Aquatic Centre and three outdoor community swimming pools.

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

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

### WHY WE DO IT

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

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

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

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

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

We also provide public toilets throughout the District to meet community, traveller and tourist needs.

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

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

The Community Relations activities help promote the wellbeing of our community so that our communities:

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

## CONTRIBUTION TO COMMUNITY OUTCOMES

COMMUNITY OUTCOME	HOW ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
<p>Our unique natural environment is healthy, protected and sustainably managed.</p>	<p>We provide:</p> <ul style="list-style-type: none"> <li>• Protection of the natural environment and ecologically significant areas in Council’s parks and reserves.</li> <li>• Protection and enhancement of open space, coastal and riparian areas.</li> <li>• Vegetation enhancement and awareness.</li> <li>• Enhanced community involvement in conservation and restoration work.</li> </ul> <p>The Richmond Aquatic Centre and our reserves and facilities activities are operated in a way that ensures there is no detrimental impact to the surrounding environment.</p> <p>Through the Enviroschools programme, partially funded through the Ministry for the Environment, schools receive assistance to initiate activities aimed at supporting and teaching sustainability and how we can all reduce our impact on the environment. These Council and community-led initiatives deliver environmental benefits across the broader community.</p>
<p>Our urban and rural environments are people-friendly, well-planned, accessible and sustainably managed.</p>	<p>Provision and enhancement of open space and an interconnected open space network.</p> <p>Provision of neighbourhood and community parks within walking distance of homes.</p> <p>The Richmond Aquatic Centre is designed and managed to meet current and future needs of our community.</p>

COMMUNITY OUTCOME	HOW ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
	<p>In partnership with the Council’s Engineering and Environment and Planning departments, we deliver environmental, air quality and waste minimisation education to support sustainable management and lifestyles.</p> <p>We assist communities to create a unique sense of place through community group funding and advice.</p>
<p>Our infrastructure is efficient, cost effective and meets current and future needs.</p>	<p>We provide efficiently and effectively managed community infrastructure (reserves and facilities) which meets the ongoing needs of Tasman’s communities.</p> <p>The Richmond Aquatic Centre is managed, operated and maintained to meet the demands of customers in a cost effective way.</p>
<p>Our communities are healthy, safe, inclusive and resilient.</p>	<p>We provide:</p> <ul style="list-style-type: none"> <li>• Community facilities designed and managed to ensure users safety and to cater for the needs of the whole community.</li> <li>• Community facilities that support specific social needs.</li> <li>• Good quality affordable community housing for people who meet the criteria of Council’s Policy on Housing for Older Adults.</li> <li>• Open space and recreation facilities that cater for and promote active lifestyles. This includes casual activities such as walking and cycling, and organised sports and recreation activities.</li> <li>• Reserves and facilities designed and managed to ensure users safety and cater for the needs of the whole community.</li> </ul> <p>Libraries provide safe spaces for our community to socialise and interact. Libraries provide equitable access to information for all in the community; as such libraries are an integral part of a strong democracy at local and national levels.</p> <p>The Richmond Aquatic Centre is designed and managed to ensure users safety and to cater for the needs of the whole community. The Aquatic Centre also supports specific social needs.</p> <p>We provide and support quality recreational services and facilities, which enable participation in community-based activities that are inclusive, healthy and enjoyable.</p> <p>We provide support for residents, to enable them to enjoy a good quality of life within a supportive and diverse community.</p> <p>We assist residents and businesses to cope with disasters and emergencies.</p>
<p>Our communities have opportunities to celebrate and explore their heritage, identity and creativity.</p>	<p>We provide recreation facilities that cater for and promote healthy communities and active lifestyles through social and recreational activity.</p> <p>Cemeteries provide a location for interments and remembrance.</p> <p>Libraries contribute to the enhancement of community identity through the collection and preservation of local heritage materials. Libraries are involved in regional history/heritage projects which increase access to local historical/cultural information and materials. Library resources and facilities encourage creative, cultural and recreational activities.</p> <p>We help to promote and celebrate our history and diverse cultures, by providing funding and in-kind support to organisations that preserve and display our region’s heritage and culture.</p>
<p>Our communities have access to a range of social, cultural, educational and recreational facilities and activities.</p>	<p>We provide high quality community, opens space, recreation and cultural facilities that provide a range of leisure and cultural opportunities and targeted social support.</p> <p>We provide attractive well maintained and functional toilet facilities.</p> <p>Libraries provide access to a wide range of materials in a variety of formats to support the recreational, educational, cultural, social, and business needs of the community. Libraries provide a range of resources which enrich quality of life for all.</p>

COMMUNITY OUTCOME	HOW ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
	<p>The Richmond Aquatic Centre is a high quality community and recreation facility that provides for a range of leisure opportunities.</p> <p>We promote, support and deliver recreational, educational and social services and activities that reflect the diversity of our District. We provide assistance with community-led facilities, projects and initiatives, to deliver benefits across the broader community.</p>
Our Council provides leadership and fosters partnerships, a regional perspective, and community engagement	<p>We provide reserves and facilities which enable community partnerships through management of our community facilities and halls by volunteers and through working with schools, businesses, community groups and others who help with planting and other activities on our reserves.</p> <p>We provide regional facilities in association with Nelson City Council (e.g. Saxton Field, Suter Art Gallery, Nelson Provincial Museum).</p> <p>Through the provision of freely accessible community spaces, libraries encourage social interaction and community engagement. The libraries have collaborative relationships and partnerships with education providers, community groups and other libraries in the region.</p> <p>Council takes opportunities to partner with a range of user groups, clubs and funders for the Richmond Aquatic Centre.</p> <p>We provide opportunities for engagement between Council and local communities through our communications activities. By collaborating with community associations and other groups we look to build effective partnerships. By supporting District-wide youth clusters, we provide avenues for youth participation in Council decision-making.</p>
Our region is supported by an innovative and sustainable economy	<p>Libraries provide educational resources and support learning for all age groups. Libraries also help people seeking employment through digital skills training programmes and assistance with making job applications and writing CVs.</p> <p>Through the recognition, support and enablement of innovation and new technology, we provide opportunities for youth and people of all ages to live and work in the District.</p>

## OUR GOALS

OUR GOALS	WE AIM TO PROVIDE ...
Parks and reserves	Parks, reserves and recreational facilities that promote the physical, psychological, environmental and social wellbeing of communities in Tasman District and to also provide amenities that meet the needs of residents and visitors.
Cemeteries	An attractive and peaceful environment for the burial, memorial and remembrance of the deceased.
Public toilets	Clean public toilet facilities to meet community and visitor needs, in appropriate locations.
Community facilities	Community facilities that assist in meeting the community demand for indoor activities and recreation spaces.
Community housing	Community housing for older adults on low incomes that is affordable, accessible and fit for purpose.
Libraries	Quality services which enrich the life of the community by promoting lifelong learning and the creative use of leisure.
Richmond Aquatic Centre and outdoor swimming pools	An Aquatic Centre facility and outdoor swimming pools that assist in meeting the community demand for aquatic activities and provide the level of service that the customers want and are prepared to pay for.

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

## KEY ISSUES

Summary of the key issues relating to Community Development activities, and Council's proposed response:

KEY ISSUE	RESPONSE
Inability (due to legislative change that took effect in 2017) to collect Reserve Financial Contributions from 2022.	Revise Council's Development Contributions Policy in 2021, to include requirement for contributions toward reserve development.
The need to respond to our increasing, ageing population and ensure that facilities and recreational opportunities are fit for purpose.	<p>The number of retired people is forecast to increase significantly in the next 15 years and this will result in changing use and demand for parks, reserves and community facilities. For example, more demand for urban reserve land, sports parks, walkways, cycleways, community housing, Aquatic Centre, libraries and other fit-for-purpose, higher quality indoor spaces. By contrast, the proportion of young people as a percentage of the total population is predicted to decline significantly over time.</p> <p>Council aims to manage increased demand for facilities in a cost-effective manner and will look to retrofit some existing buildings to make them fit-for purpose in the longer term.</p>
Planning for new community facilities.	<p>No new large facilities planned until at the earliest 2029 (a new facility servicing Brightwater and Wakefield communities is tentatively planned for then).</p> <p>Council will seek a contribution of one third of the total cost of the project directly from the community before it will contribute money from the Shared and District Facilities rates for new, large, community, recreational, sporting or cultural projects, and their renewal.</p> <p>Where the community is prepared to fund two thirds or more of the cost of a new project that is not in Council's LTP, Council will consider the affordability of contributing the remaining costs.</p>
Increasing demand for community housing.	Continue to provide existing 101 units. A working party of Councillors and staff is to investigate future options for community housing.
Provision and maintenance of public toilets throughout the District, to meet demand and maintain levels of service.	Review provision and maintenance schedules and increase number of toilets provided and/or their standard.
Ongoing development and maintenance of Saxton Field.	Continue to work with Nelson City Council and sports codes to complete development of Saxton Field and to maintain and renew existing facilities at the complex.

KEY ISSUE	RESPONSE
The existing library facility at Motueka is under-sized for the current population and projected population growth.	A feasibility study of the primary redevelopment options is being undertaken in 2017/18.  Funding of \$300,000 in 2019/20 and \$3,405,00 in 2020/21 has been provided for redevelopment of the library. This includes \$400,000 funded from Reserve Financial Contributions. These figures have been inflation adjusted in the LTP 2018-2028 budgets.
Demand for increased library opening hours.	Council intends to commence Sunday opening hours at the Richmond Library.
Review of public internet services provided through Aotearoa People's Network APNK.	Council intends to renew the APNK partnership agreement for a further three-year term. Funding for Council's contribution to annual costs is contained within the Information Services activity budgets.
Growth in use of electronic resources.	Council will continue to reallocate funds from the book budgets to electronic resources until 2025. We will continue to monitor the demand for and use of the collections and the relative balance of the physical and electronic collections.
Changing use of and demand for library services due to an ageing population.	Increase housebound and outreach services as well as programmes designed for older people with specific social or health needs.  Ongoing assessment of relevance of the type of collections and programming provided by the library.
Pressure on Aquatic Centre facilities including; toilets, showers change rooms and car parking from growing user numbers.	Manage peak demand; work with pool management to shift users from peak to quiet times.  Investigate options to reconfigure the customer services area to create space for additional change rooms, toilets and showers.
Accessible Council	In promoting engagement and interaction with the Council, especially with regard to public submission processes, there is a need to ensure the processes, language and means are easy to understand and accessible by as many people as possible.



KEY ISSUE	RESPONSE
Empowering communities and citizens	<p>We recognise the benefits and convenience that digital services can bring to residents, so we're planning to modernise our approach to service delivery over the next three years.</p> <p>Our goal is to provide faster and easier access to council services and processes by using digital channels.</p> <p>Over the next three years we will</p> <ul style="list-style-type: none"> <li>• review the way we currently deliver services;</li> <li>• identify, prioritise and deliver services that are suitable for digital delivery; and</li> <li>• simplify processes to make it easier for ratepayers to get things done.</li> </ul> <p>Alongside this shift to digital delivery is a cultural change to make language and processes simpler to understand by default.</p> <p>Easier processes and simple language will encourage a higher level of engagement with our community – both in transactions and in the decision-making process.</p>
Enriching our environment and communities	<p>Sustainable management of our environment is the responsibility of all, not just the Council. Through education, engagement and support of community groups we look to build a common responsibility and ownership to provide solutions and beneficial practices.</p> <p>In managing our environment the Council is getting closer to community groups with interests in the environment and delivering campaigns that provide clear information to residents and other groups on how they can play a role in protecting and enhancing our environment through simple changes to the way they do things.</p>
Growing expectations of interaction	<p>There is a growing demand for the Council to communicate, interact and engage in ways that best meet the needs of the residents. To meet this demand the group has adopted the philosophy of 'On their terms, On their turf and In their time' to drive decision-making about the best method/s of engagement.</p>

#### TASMAN BAYS HERITAGE TRUST PERFORMANCE TARGETS

The Tasman Bays Heritage Trust (TBHT) is a Council Controlled Organisation, which manages the Nelson Provincial Museum and associated activities. It has separate performance targets which are set as part of the development of an annual Statement of Intent approved by both the Tasman District and Nelson City Councils. The Tasman Bays Heritage Trust (TBHT) provides for high-quality exhibition, preservation, educational, and research facilities, emphasising the history of our region. The Nelson Provincial Museum is located in Trafalgar Street, Nelson.

#### Our investment in the CCO

Tasman Bay Heritage Trust is proposing to redevelop the Nelson Provincial Museum to extend the facility and provide a new regional collection facility. Council supports the redevelopment of the Museum and recognises the important value the facility provides to our community. Council has contributed to this facility in the past and continues to through this LTP. In Year 1 (2018/2019) we have committed operational funding of approximately \$865,000 for the Trust, and \$63,000 (GST exclusive) for the museum storage facility at Elm Street. Council also provides the Trust with an interest free loan of \$1 million which costs Council approximately \$43,000 per annum in interest on behalf of the Trust. Council intends to revisit the request for capital funding in the next LTP 2021-2022.

The principal objectives of the Trust as detailed in the 2017/2018 Statement of Intent include:

- foster, promote and celebrate a sense of history and awareness of the importance of the Nelson and Tasman region's heritage and identity and the relationship of the Tangata Whenua as kaitiaki of taonga Māori within the rohe of Te Tau Ihu; and
- be a good employer; and
- exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage these when able to do so; and conduct all trading affairs in accordance with sound business practice.

The Performance Measures, as detailed in the 2017/2018 Statement of Intent, are:

- To develop and scope a capital works plan to optimise all Museum operations.
- To diversify funding sources and increase earned revenue.
- To provide increased outreach and support for regional museums and cultural heritage organisations.
- To review the Collection, Acquisitions and Deaccession Policy across all Collection areas.
- Implement a strong and varied Visitor Experience programme.
- To be a good employer.

OUR LEVEL OF SERVICE – WHAT COUNCIL WILL DO AND HOW IT WILL MEASURE PERFORMANCE OVER THE 10 YEARS FROM 2018-2028

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF..	CURRENT PERFORMANCE	FORECAST PERFORMANCE (TARGET)			
			YEAR 1	YEAR 2	YEAR 3	BY YEAR 10
An interconnected open space network and recreation facilities that provide a range of leisure opportunities and meet the needs of users and the community.	At least 85% of respondents rate their satisfaction with recreational facilities (which include playing fields and neighbourhood reserves) as “fairly satisfied” or better in the annual residents’ surveys.	<p><b>Achieved</b></p> <p>87% of residents and 89% of users were fairly satisfied or very satisfied with our recreational facilities in 2017. 7% of residents and 7% of users were not very satisfied in 2017. These results compare to 92% of residents and 94% of users were fairly satisfied or very satisfied in 2016. 5% of residents and 4% of users were not very satisfied in 2016.</p> <p>The results tend to indicate that we are providing the recreational amenities that our residents require.</p> <p>See Figure A ‘Satisfaction with Recreational Facilities’.</p>	85% of Tasman residents are fairly or very satisfied with the District’s recreational facilities	85% of Tasman residents are fairly or very satisfied with the District’s recreational facilities	85% of Tasman residents are fairly or very satisfied with the District’s recreational facilities	85% of Tasman residents are fairly or very satisfied with the District’s recreational facilities

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF..	CURRENT PERFORMANCE	FORECAST PERFORMANCE (TARGET)			
			YEAR 1	YEAR 2	YEAR 3	BY YEAR 10
	At least 85% of properties zoned Residential are located within 500 metres of open space.	85%	85%	85%	85%	85%
Public toilets at appropriate locations that meet the needs of users and are pleasant to use and maintained to a high standard of cleanliness.	At least 70% of respondents who have used the District's public toilets within the past year rate their satisfaction with public toilets as "fairly satisfied" or better in the annual residents' surveys.	<p><b>Not achieved</b></p> <p>In 2017 76% of users were fairly satisfied or very satisfied with our public toilets. 19% of users were not very satisfied with our public toilets. These results compare with 81% of users were fairly satisfied or very satisfied in 2016. 15% of users were not very satisfied in 2016.</p> <p>We upgraded a number of public toilets during the year and have planned further upgrades for 2018.</p> <p>See Figure B 'Satisfaction with Public Toilets'.</p>	70% of users are fairly or very satisfied with the District's public toilets	70% of users are fairly or very satisfied with the District's public toilets	70% of users are fairly or very satisfied with the District's public toilets	70% of users are fairly or very satisfied with the District's public toilets

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF..	CURRENT PERFORMANCE	FORECAST PERFORMANCE (TARGET)			
			YEAR 1	YEAR 2	YEAR 3	BY YEAR 10
A network of public halls and community buildings (including multi-purpose community and recreation facilities in major centres and local halls) that provide reasonable access to indoor activities, and recreation space.	A community building is available within a 15-minute drive for 95% of the population (i.e. 20km radius catchment).	<b>Achieved</b> This remains unchanged from last year, where a community building* is available within a 15 minute drive for 99% of our District's population.	A community building is available within a 15 minute drive for 95% of the population	A community building is available within a 15 minute drive for 95% of the population	A community building is available within a 15 minute drive for 95% of the population	A community building is available within a 15 minute drive for 95% of the population
Accessible and affordable housing to eligible people within the community.	Tenants' overall satisfaction with community housing is at least 80%, as measured through a biennial survey of tenants.	<b>Not measured</b> We undertook a tenant survey in November 2017 and November 2015 which reported that there was a 85% and 90% satisfaction rate with our community housing. Satisfaction rates reflected their tenancy management, the condition of the cottages, and how their enquiries were dealt with.	Not measured this year	80% of tenants are satisfied with community housing	Not measured this year	80% of tenants are satisfied with community housing as measured biennially in 2021/22, 2023/24, 2025/26 and 2027/28.

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF..	CURRENT PERFORMANCE	FORECAST PERFORMANCE (TARGET)			
			YEAR 1	YEAR 2	YEAR 3	BY YEAR 10
The provision of access to a wide range of information relevant to the community's recreation and learning needs.	<p>The number of lending/reference items available at Tasman libraries is 3.0 items per resident.</p> <p>Stock numbers will be measured quarterly using information available from e-resource vendors and the Library Management System software.</p> <p>Target: 3.0 items per resident</p>	<p><b>Fully achieved</b></p> <p>From July 2016 to June 2017, we purchased 16,929 new physical items and 1,494 new electronic items for our libraries.</p> <p>Items available at 30 June 2017 totalled 156,350, comprising 145,697 physical items and 10,653 electronic items; this equates to 3.1 items per resident (cf 3 items per resident in 2015/2016).</p> <p>The number of electronic items includes items available through e-book consortia shared purchasing arrangements.</p>	The number of reference/lending items available is maintained at 3.0 per resident.	The number of reference/lending items available is maintained at 3.0 per resident.	The number of reference/lending items available is maintained at 3.0 per resident.	The resources budgets are funded at a level which ensures that the number of reference/lending items available is maintained at 3.0 per resident.

DRAFT FOR ADOPTION

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF..	CURRENT PERFORMANCE	FORECAST PERFORMANCE (TARGET)			
			YEAR 1	YEAR 2	YEAR 3	BY YEAR 10
The provision of access to a wide range of information relevant to the community's recreation and learning needs.	At least 83% of library users are fairly or very satisfied with the public libraries, as measured through the annual residents' survey.  Target: 83%	<b>Fully achieved</b>  In May 2017, 78% of residents and 88% of users were satisfied or very satisfied with our public libraries. 7% of respondents and 8% of users were not very satisfied. See Figure C 'Satisfaction with Public Libraries'.  These results compare to 79% of residents and 89% users satisfied or very satisfied in 2016. 7% of residents and 10% of users were not very satisfied in 2016. The main dissatisfaction was with the Motueka Library where users thought the facility was too small and in need of upgrading. The percentage not very satisfied is on par with the peer group and national averages and is similar to the 2016 result.	83% of library users are fairly or very satisfied with the public libraries.	83% of library users are fairly or very satisfied with the public libraries.	83% of library users are fairly or very satisfied with the public libraries.	83% of library users are fairly or very satisfied with the public libraries.

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF..	CURRENT PERFORMANCE	FORECAST PERFORMANCE (TARGET)			
			YEAR 1	YEAR 2	YEAR 3	BY YEAR 10
The provision of safe, welcoming, attractive and accessible library facilities for customers to access library services.	<p>Tasman District Council library buildings provide adequate spaces to enable the delivery of quality library services as measured against the Library and Information Association of New Zealand Aotearoa (LIANZA) standard.</p> <p>Target 1: The Richmond, Takaka and Murchison libraries floor areas are maintained at the current size.</p>	<p>Target 1: <b>Fully achieved</b></p> <p>The Richmond, Takaka, and Murchison Library floor areas have all been maintained at their current size.</p> <p>The floor space of the Richmond and Takaka Libraries meet the LIANZA standard. The Murchison Library building at 160m<sup>2</sup> is less than the 210m<sup>2</sup> recommended in the LIANZA standard.</p>	The Richmond, Takaka and Murchison floor areas are maintained at the current size.	The Richmond, Takaka and Murchison floor areas are maintained at the current size.	The Richmond, Takaka and Murchison floor areas are maintained at the current size.	The Richmond, Takaka and Murchison floor areas are maintained at the current size.

DRAFT FOR ADOPTION



LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF..	CURRENT PERFORMANCE	FORECAST PERFORMANCE (TARGET)			
			YEAR 1	YEAR 2	YEAR 3	BY YEAR 10
The provision of safe, welcoming, attractive and accessible library facilities for customers to access library services.	<p>Tasman District Council library buildings provide adequate spaces to enable the delivery of quality library services as measured against the Library and Information Association of New Zealand Aotearoa (LIANZA) standard.</p> <p>Target 2: Motueka Library floor area does not meet the LIANZA standard</p>	<p>Target 2: <b>Not Achieved</b></p> <p>As reflected in the residents' survey, space issues in our Motueka Library are continuing to cause difficulties with service delivery. The floor area of the building at 472m<sup>2</sup> achieves only 48% of the LIANZA standard. A feasibility study will be undertaken during 2017/2018. The study will investigate the proposed redevelopment</p> <p>Options. Funding for the preferred redevelopment option is proposed to be included in the LTP 2018-2028.</p>	Motueka Library floor area does not meet the LIANZA standard.	Funding for design and planning for redevelopment of the Motueka Library. Following the redevelopment the floor area will meet the LIANZA standard.	Funding for construction for redevelopment of the Motueka Library. Following the redevelopment the floor area will meet the LIANZA standard.	Motueka Library floor area meets the LIANZA standard and is maintained at this size.

DRAFT FOR ADOPTION

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF..	CURRENT PERFORMANCE	FORECAST PERFORMANCE (TARGET)			
			YEAR 1	YEAR 2	YEAR 3	BY YEAR 10
The provision of safe, welcoming, attractive and accessible library facilities for customers to access library services.	<p>The number of visits to our libraries is equivalent to at least 9 visits per resident per year.</p> <p>Visitor numbers will be recorded daily using data from door counters at the Richmond, Motueka and Takaka libraries.</p> <p>Target: An average of 9 visits per resident per year.</p>	From July 2016-2017, visitor numbers totalled 476,268. This equates to an average of 9.5 visits per resident per year.	The number of visits to our libraries is equivalent to at least 9 visits per resident per year.	The number of visits to our libraries is equivalent to at least 9 visits per resident per year.	The number of visits to our libraries is equivalent to at least 9 visits per resident per year.	The number of visits to our libraries is equivalent to at least 9 visits per resident per year.
There is a high level of satisfaction reported from users of the Richmond Aquatic Centre facility	At least 80% of users rate their satisfaction with Aquatic Centre facilities as fairly satisfied or better, in the annual residents' survey.	In 2017, 69% of respondents to the Council's residents' survey (and 78% of users) were satisfied or very satisfied with the Aquatic Centre and 14% not satisfied and 18% didn't know. See Figure D 'Satisfaction with Aquatic Centre'.	At least 80% of users rate their satisfaction with Aquatic Centre facilities as fairly satisfied or better, in residents' surveys.	At least 80% of users rate their satisfaction with Aquatic Centre facilities as fairly satisfied or better, in residents' surveys.	At least 80% of users rate their satisfaction with Aquatic Centre facilities as fairly satisfied or better, in residents' surveys.	At least 80% of users rate their satisfaction with Aquatic Centre facilities as fairly satisfied or better, in residents' surveys.
The Richmond Aquatic Centre facility is well used.	Admissions to the Aquatic Centre pool facility increases over time.	231,301 admissions to the pool facility at Richmond Aquatic Centre in 2017.	230,000+ admissions	232,000+ admissions	234,000+ admissions	250,000+ admissions

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF..	CURRENT PERFORMANCE	FORECAST PERFORMANCE (TARGET)			
			YEAR 1	YEAR 2	YEAR 3	BY YEAR 10
Promotion and delivery of community events and recreational services	Residents attending a range of Council-organised community events rate their satisfaction as 'fairly satisfied' or better, as measured through the annual residents' survey.	<b>Not measured</b> Performance was not due to be measured in 2016/2017. It is due to be reported again in 2018. In the 2015 survey we attained 75% satisfaction.	75% of the community is very or fairly satisfied with Council activities or events	75% of the community is very or fairly satisfied with Council activities or events	75% of the community is very or fairly satisfied with Council activities or events	75% of the community is very or fairly satisfied with Council activities or events
We provide a range of communication channels that enhance the Council's ability to engage and connect with the communities it serves	Residents are informed and engage with Council:  At least 80% of residents consider the information supplied by the Council to be sufficient (i.e. enough or more than enough) as measured by the annual residents' survey.	In 2017, 80% of respondents consider the information supplied by the Council to be sufficient.  See Figure E 'Satisfaction with information supplied by Council'.	At least 80% of residents consider the information supplied by the Council to be sufficient	At least 80% of residents consider the information supplied by the Council to be sufficient	At least 80% of residents consider the information supplied by the Council to be sufficient	At least 80% of residents consider the information supplied by the Council to be sufficient

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF..	CURRENT PERFORMANCE	FORECAST PERFORMANCE (TARGET)			
			YEAR 1	YEAR 2	YEAR 3	BY YEAR 10
We provide a range of communication channels that enhance the Council's ability to engage and connect with the communities it serves	Residents are informed and engage with Council:  Usage of the Council's online information sources (i.e. website and social media channels) increases at a rate of 5% or more annually.	New Measure	New measure	5% increase in usage of Council's online information sources, compared with previous year.	5% increase in usage of Council's online information sources, compared with previous year.	45% increase in usage of Council's online information sources, compared with usage as at mid-2019.
Leadership and coordination to schools and early childhood centres, to protect and enhance our local environment through education	The number of schools and early childhood centres developing and maintaining environmental care practices is sustained.  The achievement level of each enviroschool improves over time, as measured by the EnviroSchools stages of Bronze, Silver to Green-Gold.	Currently 28 EnviroSchools engage in a number of environmental practices and projects.	The number of schools and early childhood centres developing and maintaining environmental care practices is sustained.	The number of schools and early childhood centres developing and maintaining environmental care practices is sustained.	The number of schools and early childhood centres developing and maintaining environmental care practices is sustained.	The number of schools and early childhood centres developing and maintaining environmental care practices is sustained.

RESULTS FROM 2017 ANNUAL RESIDENTS' SURVEY

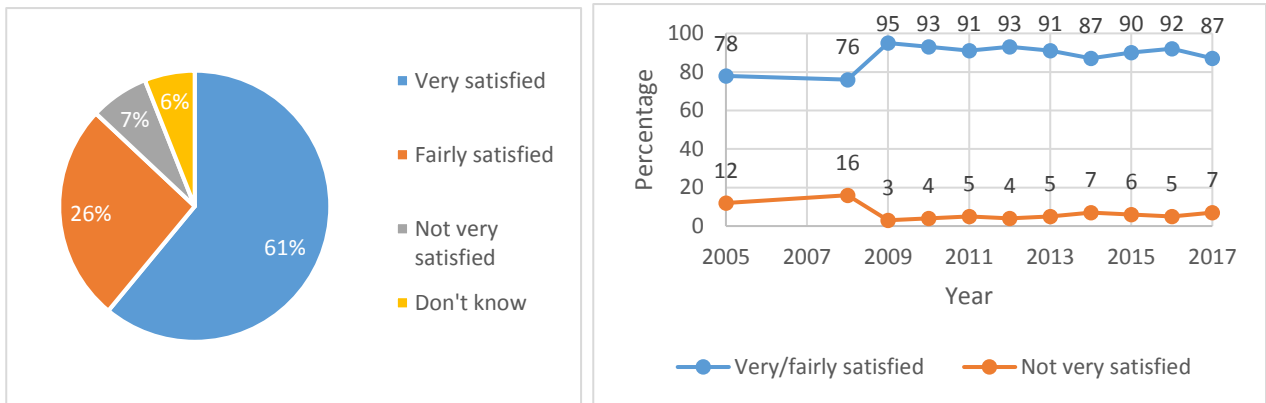


Figure A: Satisfaction with the District's recreational facilities 2017\*

\*Note that readings prior to 2009 refer to recreational facilities, such as parks, playing fields, community halls and sports complexes. The 2009 reading refers to other recreational facilities. (In 2009 residents were also asked satisfaction with swimming pools).

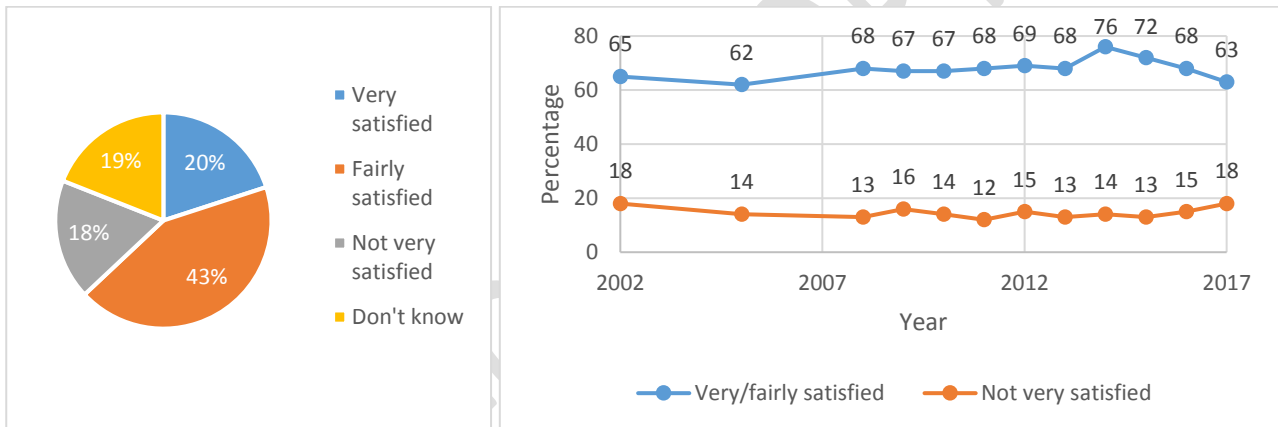


Figure B: Satisfaction with public toilets 2017

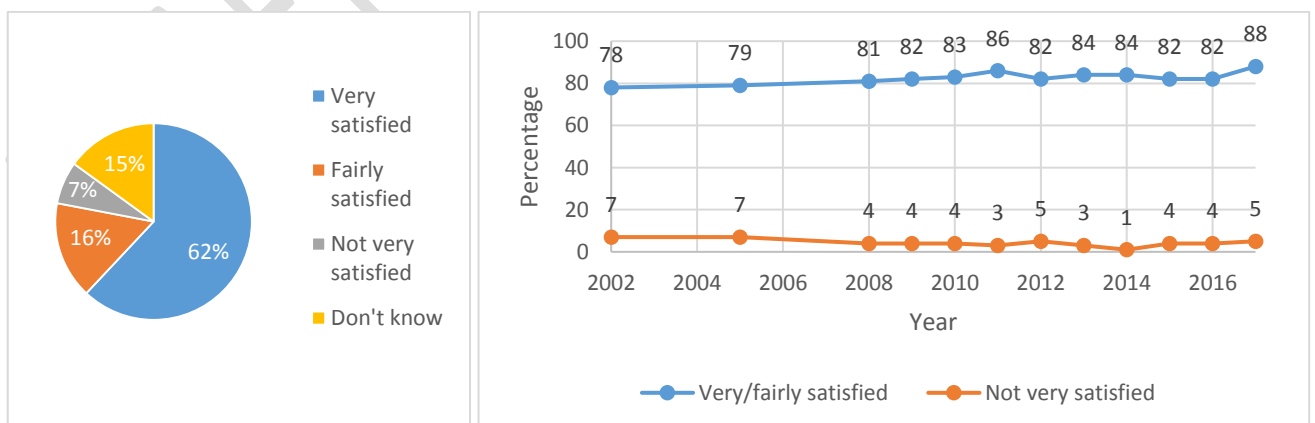


Figure C: Satisfaction with Public Libraries 2017

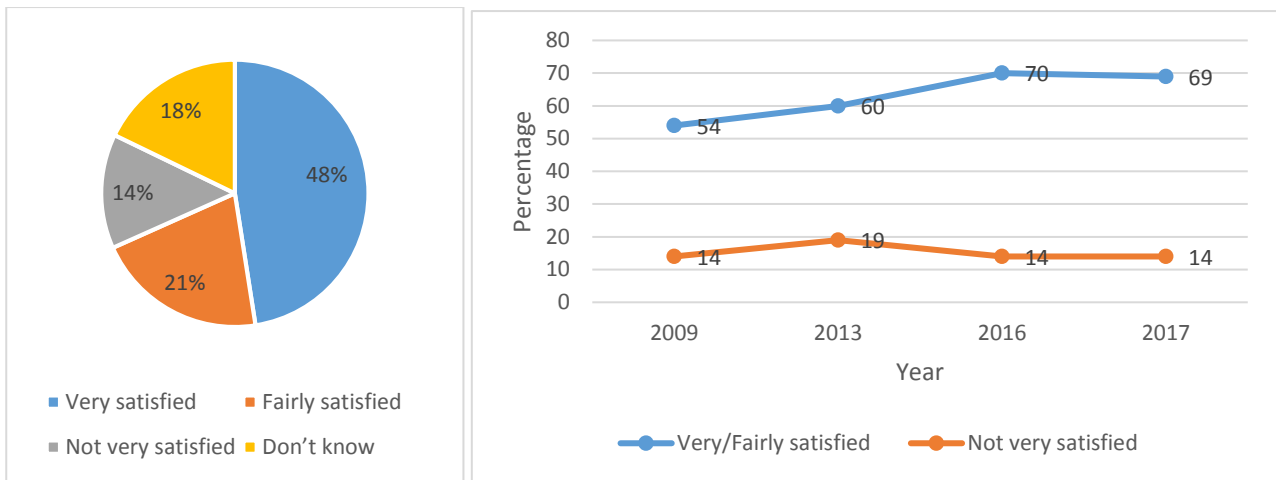


Figure D: Satisfaction with Richmond Aquatic Centre 2017

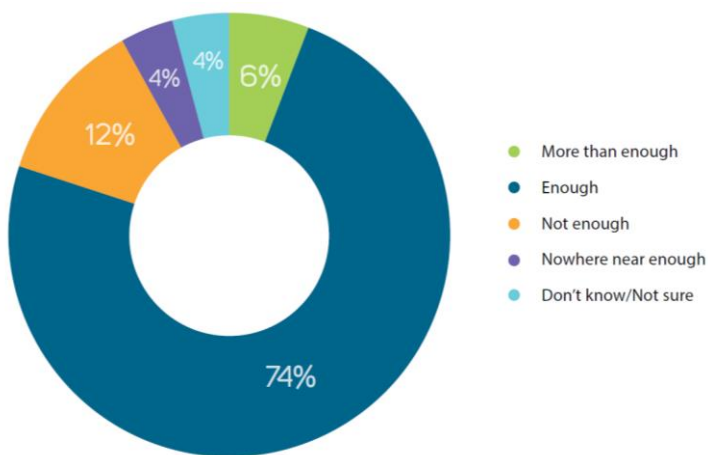


Figure E: Satisfaction with information supplied by Council 2017

## MAJOR ACTIVITIES

Ongoing management, maintenance and renewal of Council's parks and reserves, cemeteries, playgrounds, libraries, museums, halls, recreation centres, other district and shared facilities, public toilets, community housing, non-commercial campgrounds, Richmond Aquatic Centre and swimming pools. For the Community Relations component of this activity, the major activities include:

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

## KEY CHANGES TO ACTIVITY OR SERVICE

The table below summarises the key changes for the management of Community Development activities since the 2015-2025 LTP.

KEY CHANGE	REASON FOR CHANGE
From April 2022, Council will no longer be able to collect Reserve Financial Contributions (RFCs). RFCs are collected when land is subdivided to provide for the purchase and development of reserves. Council intends to review the Development Contributions Policy in 2021 to enable the growth component of reserve development to be funded via collection of Development Contributions (DCs) in future. The Tasman Resource Management Plan (TRMP) will then be amended to delete all reference to Financial Contributions.	Central government created new legislation (the Resource Legislation Amendment Act 2017), which requires that all Financial Contributions collected by councils be phased out by April 2022.
No planned Council contribution towards the development of new multi-use community recreation facilities within the next 20 years, other than for ongoing developments at Saxton Field, and a new indoor facility servicing Brightwater, Wakefield and surrounds (at the earliest in 2029 & 2030).	Council has reduced its overall capital expenditure programme in order to reduce Council debt and keep rates affordable over the long term.
The funding split for Saxton Field capital and operating costs is now 50/50 between Tasman District Council (Council) and Nelson City Council (NCC), whereas in the past we funded slightly less than NCC.  The capital works programme for Saxton Field has been changed from the 2015 programme, in order to align with NCC's programme.	Tasman's population has now increased to be a similar size to Nelson's and we have identified that people from across our District use Saxton Field, more than in the past
Planned introduction of a new Concessions Policy for commercial uses of parks, reserves and community facilities.	We're receiving an increasing number of requests from groups wanting a concession to carry out activities and events on Council land.
Increase in budget for Motueka Library redevelopment	A budget of \$3,940,000 has been provided for the redevelopment of the Motueka Library, with design and planning in 2019/2020 and construction in 2020/2021.  This represents an increase in budget from \$1.8 million for the project in the LTP 2015-2025. The budget allocation was revised as it is considered that the previous budget was insufficient to achieve the desired increase in library space.
Radio frequency identification technology (RFID) renewal costs	RFID was installed in the libraries in 2016. A budget of \$227,000 has been provided for in 2025/2026 for renewal of the equipment.
Update to online engagement via the Council's website and social media. The Community Relations group is updating the Council's website with a greater focus on end user needs. The group is already and will increasingly focus on social media as channels to communicate and engage with residents.	The growing demand for engagement and interaction with the Council by residents on their terms and at a time that suits them.
A greater focus on governance education and support for the Tasman Youth Council.	Council has supported and mandated youth council participation in decision-making at standing committees and community boards.

## KEY ASSUMPTIONS AND UNCERTAINTIES

The most significant assumptions and uncertainties that underlie the approach taken for this group of activities are:

- Growth in the District is high for the Richmond, Wakefield, Brightwater, Mapua and Motueka and medium for the rest of the District over the next 10 years and then medium for all the District the following 10 years.
- Council's growth assumptions underpin this activity's capital works programme. If projected growth does not occur there could be implications for our income and this will impact on our ability to deliver the capital expenditure programme. If projected growth is higher, there might be greater demand for additional facilities.
- Council has adequate knowledge of the assets and their condition so that the planned renewal works will allow Council to meet the proposed levels of service.
- Ongoing capital development programme is based on funding from reserve financial contributions as anticipated.
- All current community facilities continue to be operated with no significant changes.
- Community housing will continue to be self-funding.
- There will be no major changes in legislation or policy.
- The recreational needs of our community are likely to change over time.
- Council continues to run modern Library Management software.
- There will be increased delivery of digital services via the library website.
- The APNK network will continue to be funded by the National Library.
- The Richmond Aquatic Centre will continue to be subsidised from rates.
- That Council-subsidised school pools will remain available for public use.
- Security of funding – Council will continue to deliver current activities and programmes and to receive contestable funding for some of these activities from external organisations.
- The demand for interaction with Council decision-makers will increase.
- Technological advances will enable greater opportunity for community engagement.

### Community Facilities Rate

Council introduced the concept of a Community Facilities Rate in the 2003/2004 financial year to provide a unique funding source for a wide range of community, recreational, sporting and cultural projects that were being proposed throughout the District for the benefit of residents. Completed projects that have been funded to date by the Community Facilities Rate, and the replacement District and Shared Facilities Rates, include:

- The Rotoiti Community Hall.
- The Moutere Hills Community Centre.
- The Richmond Aquatic Centre.
- The Grandstand at Sports Park Motueka.
- Motueka Recreation Centre upgrade.
- The Murchison Sport, Recreation and Cultural Centre.
- The Tasman Tennis Centre upgrades and new courts.
- A contribution to the Maruia Hall.
- Contributions under an agreed funding formula for ongoing developments at Saxton Field.
- Contributions to the upgrade of the Theatre Royal and to the upgrade of the Trafalgar Centre.
- Contributions to the upgrade of the Mapua Hall.
- Rec Park Centre Golden Bay.

In 2005 Council split the Community Facilities Rate into a District Facilities Rate to cover facilities located in and primarily benefiting Tasman residents and visitors and a Regional Facilities Rate to cover the wide range of projects which wider regional benefits which may be located both within the Tasman District and also in Nelson City. In 2011 the Regional Facilities Rate was renamed as the Shared Facilities Rate to recognise that most of the regional facilities are actually shared facilities that are used by many residents of both districts. Council proposes to continue with the District and Shared Facilities Rates over the coming years. Each of these rates is charged on all properties within Tasman District. For this LTP, the key projects being funded by the Shared Facilities Rate



are those at Saxton Field (see table below). No major projects are proposed to be funded from the District Facilities Rate for this LTP (note that completion of the Golden Bay community recreation facility was funded from this rate for the previous LTP).

Council also has a Community Facilities Operating Rate, which provides funding to assist with the operating costs of the following community facilities:

- Rec Park Centre Golden Bay.
- Moutere Hills Community Centre.
- Motueka Recreation Centre.
- Richmond Aquatic Centre.
- Murchison Sport, Recreation and Cultural Centre.
- Lake Rotoiti Community Hall.
- Saxton Field Stadium.

## CAPITAL EXPENDITURE

The following table details the major capital, renewal work and grants for Community Development programmed for the years 2018-2028. A full list of projects and programmes for when the work is planned to be completed is included in Appendix B of the Reserves and Facilities, Libraries and Richmond Aquatic Centre Activity Management Plans.

PROJECT NAME	DESCRIPTION	YEARS 1-3 (\$)	YEARS 4-10 (\$)
Purchase of new reserves	Purchase of new reserves throughout the District (usually as a result of subdivision)	6,797,000	11,416,000
Playgrounds and public toilets	Provision of new playground equipment and public toilet facilities	1,494,000	2,924,000
Saxton Field development <sup>2</sup>	Several projects are planned for Saxton Field over the next 10 years, including: Champion Road access, Champion Road carpark, walkway links, renewing athletics track and hockey field surfaces, installing lights for the new velodrome and drainage of football training fields.	\$3.6M total spend (between Years 1-10)	
Development of new and existing community facilities, parks and reserves.	The reserves and facilities development programme also includes a range of projects across the District for the development of new and existing community facilities, parks and reserves (e.g. walkways, sportsfields, coast care etc).	1,571,000	3,350,000
Motueka Library	Redevelopment/new library	3,940,000	
RFID equipment replacement	Radio frequency identification technology (RFID) was installed in the libraries in 2016. We plan to replace this RFID equipment in 2025/26.		227,000
Library collection renewal	We plan to spend approximately \$271,560 per annum on renewal of our library collection	892,000	2,182,000
Richmond Aquatic Centre renewals	Plant renewals	508,642	108,970
	Building renewals	341,956	491,887

<sup>2</sup> Tasman District Council has budgeted to spend a total of \$3.2M + inflation on the ongoing development of Saxton Field for the 10 year period 2018-2028. Nelson City Council, sports codes and other funders also contribute funding to the development of Saxton Field.

PROJECT NAME	DESCRIPTION	YEARS 1-3 (\$)	YEARS 4-10 (\$)
Digital Strategy	The development and management of digital service delivery culture and services	524,000	819,000

Projects funded using Reserve Financial Contributions are listed in a schedule to Council's Draft Development and Financial Contributions Policy 2018.

### SIGNIFICANT NEGATIVE EFFECTS

The main negative effect from these activities is the cost on ratepayers associated with delivering the activities. There could be increasing operation and maintenance costs of Council's reserves, community facilities, Richmond Aquatic Centre, and other facilities, due to:

- ongoing population growth and resulting asset growth; and/or
- the age of plant and equipment.

Parks may become restricted in their use or unattractive if they are not adequately managed during extreme weather events (such as drought or ongoing rain). There is the potential for safety risks from use of Council's facilities and services which could result in injuries to users (e.g. sports injuries).

Location and design of parks, recreation facilities, playgrounds and public toilets may result in anti-social behaviour (such as vandalism, graffiti and bullying).

Injuries arising from the use of recreational assets (e.g. sports injuries).

The costs associated with delivering the activities and a corresponding reduction in activities being offered, along with the risk that the community does not support Council decision-making are other potential negative effects associated with this group of activities.

### SIGNIFICANT POSITIVE EFFECTS

The most significant positive effects from this group of activities is that the new parks, reserves and community facilities provide residents with opportunities to enjoy the facilities provided. For example:

- Parks, reserves and community facilities provide community value and health benefits, by providing spaces for people to play sports and participate in active recreation. They also provide areas for community events and social interaction, and help protect natural areas and resources.
- Cemeteries provide benefits to the community through enabling burials to occur in a safe environment which protects public health and through providing spaces for remembrance of loved ones.
- Public toilets are provided for the convenience of residents and visitors to the District.
- Libraries provide quality services which enrich the life of the community by promoting lifelong learning and the creative use of leisure. They assist community members to improve their learning and literacy outcomes, provide access to the online world, provide community spaces and support employment.
- Council's aquatic facilities provide health benefits, by providing spaces for people to improve fitness, engage in active recreation, learn to swim, recovery from injury and social participation in group activity.

Community Relations supports:

- Environmental awareness – through environmental education and support of plans and programmes managed by environmental scientists, our communities are increasingly aware of the benefits of individual and community driven sustainable actions.
- Greater physical activity and wellbeing – activities either managed by the group or contracted through community recreation facilities provide Tasman communities with recreation opportunities.
- Greater youth governance experience – youth councillors are supported to participate in Council and Community Board decision-making.
- Individual and community support – community grants are provided to assist individual, groups and communities to support the realisation of their community-based endeavours.

- Greater access to and engagement with Council decision-making – taking account of the opportunities provided by emerging technology and the focus of making sure we enable avenues that are ‘on their turf, in their time and on their terms’ the Council is looking to provide as many options as practicable to promote and enable engagement with the Council.

## RISK MITIGATION

The greatest risks associated with this group of activities are health and safety issues, particularly for event participants and users of the parks, reserves, community facilities and aquatic facilities. These risks are mitigated through compliance with standards and regular inspections and assessment.

Another major potential risk is significant damage to community buildings/structures/facilities (including those located on park and reserve lands) from earthquakes. Council mitigates this risk by meeting appropriate design standards for its buildings and facilities. Older buildings have recently been assessed for their earthquake risk and, where needed and appropriate, have been upgraded. We also have building evacuation plans in place.

Similarly, impacts from climate change pose a potential risk to reserves and community facilities. Examples may include coastal erosion, storm damage to trees and facilities, or flooding events leading to multiple community housing units being uninhabitable. Council mitigates this risk by via insurance an Emergency Event Fund.

National and community funding agencies may change their application criteria, thereby inhibiting funding support for community initiatives. Council maintains good working relationships with funding agencies and an awareness of their funding criteria.

DRAFT FOR ADOPTION

FUNDING IMPACT STATEMENT AND FUNDING SOURCES FOR THE COMMUNITY DEVELOPMENT GROUP OF ACTIVITIES

	2017/18 AP \$000	2018/19 Budget \$000	2019/20 Budget \$000	2020/21 Budget \$000	2021/22 Budget \$000	2022/23 Budget \$000	2023/24 Budget \$000	2024/25 Budget \$000	2025/26 Budget \$000	2026/27 Budget \$000	2027/28 Budget \$000
<b>SOURCES OF OPERATING FUNDING</b>											
General rates, uniform annual general charges, rates penalties	10,309	10,351	10,849	11,366	11,481	12,086	12,709	13,390	13,831	14,409	14,852
Targeted rates	4,459	4,754	4,742	4,848	4,928	5,078	5,136	4,986	5,206	5,270	5,335
Subsidies and grants for operating purposes	82	41	42	43	44	44	46	46	49	50	50
Fees and charges	583	538	547	555	562	573	582	591	602	611	624
Internal charges and overheads recovered	618	512	515	518	521	525	529	532	537	541	545
Local authorities fuel tax, fines, infringement fees, and other receipts	1,516	1,532	1,554	1,582	1,605	1,634	1,657	1,698	1,739	1,779	1,794
<b>TOTAL OPERATING FUNDING</b>	<b>17,567</b>	<b>17,728</b>	<b>18,249</b>	<b>18,912</b>	<b>19,141</b>	<b>19,940</b>	<b>20,659</b>	<b>21,243</b>	<b>21,964</b>	<b>22,660</b>	<b>23,200</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>											
Payments to staff and suppliers	11,254	11,042	11,807	11,651	12,028	12,406	12,513	12,684	13,336	13,513	13,943
Finance costs	1,277	1,195	1,106	1,238	1,317	1,370	1,354	1,313	1,245	1,200	1,154
Internal charges and overheads applied	3,743	3,886	4,032	4,173	4,267	4,385	4,594	4,679	4,885	5,050	5,220
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	<b>16,274</b>	<b>16,123</b>	<b>16,945</b>	<b>17,062</b>	<b>17,612</b>	<b>18,161</b>	<b>18,461</b>	<b>18,676</b>	<b>19,466</b>	<b>19,763</b>	<b>20,317</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING</b>	<b>1,293</b>	<b>1,605</b>	<b>1,304</b>	<b>1,850</b>	<b>1,529</b>	<b>1,779</b>	<b>2,198</b>	<b>2,567</b>	<b>2,498</b>	<b>2,897</b>	<b>2,883</b>
<b>SOURCES OF CAPITAL FUNDING</b>											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	18	0
Development and financial contributions	1,778	4,056	4,154	4,258	3,263	3,348	3,435	3,528	3,627	3,729	3,836
Increase (decrease) in debt	(1,162)	(375)	179	2,959	(1,042)	(765)	(1,271)	(1,086)	(823)	(1,358)	(860)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0

<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	<b>616</b>	<b>3,681</b>	<b>4,333</b>	<b>7,217</b>	<b>2,221</b>	<b>2,583</b>	<b>2,164</b>	<b>2,442</b>	<b>2,804</b>	<b>2,389</b>	<b>2,976</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>											
Capital expenditure											
- to meet additional demand	0	0	1	0	0	0	0	1	0	0	0
- to improve the level of service	342	362	407	1,180	345	486	275	323	406	327	783
- to replace existing assets	1,788	3,912	4,344	6,994	2,494	3,046	2,496	2,887	3,287	2,893	3,607
Increase (decrease) in reserves	(217)	1,067	994	926	940	858	1,619	1,826	1,637	2,095	1,498
Increase (decrease) in investments	(4)	(55)	(109)	(33)	(29)	(28)	(28)	(28)	(28)	(29)	(29)
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	<b>1,909</b>	<b>5,286</b>	<b>5,637</b>	<b>9,067</b>	<b>3,750</b>	<b>4,362</b>	<b>4,362</b>	<b>5,009</b>	<b>5,302</b>	<b>5,286</b>	<b>5,859</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING</b>	<b>(1,293)</b>	<b>(1,605)</b>	<b>(1,304)</b>	<b>(1,850)</b>	<b>(1,529)</b>	<b>(1,779)</b>	<b>(2,198)</b>	<b>(2,567)</b>	<b>(2,498)</b>	<b>(2,897)</b>	<b>(2,883)</b>
<b>FUNDING BALANCE</b>	<b>0</b>	<b>0</b>	<b>(0)</b>	<b>(0)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(0)</b>	<b>(0)</b>	<b>0</b>	<b>0</b>

The Annual Plan 2017/2018 information is as per the published document and has not been reclassified to reflect legislation changes which became effective from 1st July 2018.

The FIS statements also reflect changes resulting from internal restructures and revenue reclassification. The Annual Plan 2017/2018 has not been restated to reflect these changes.

# GOVERNANCE

This section contains the Governance group of activities.

The 10 year budgets for the Governance activities are outlined in the following table along with the 2017/2018 budget for comparison.

GOVERNANCE	2017/2018 BUDGET \$000	2018/2019 BUDGET \$000	2019/2020 BUDGET \$000	2020/2021 BUDGET \$000	2021/2022 BUDGET \$000	2022/2023 BUDGET \$000
<b>TOTAL COSTS</b>	<b>2,973</b>	<b>3,099</b>	<b>3,386</b>	<b>3,242</b>	<b>3,233</b>	<b>3,531</b>

GOVERNANCE	2023/2024 BUDGET \$000	2024/2025 BUDGET \$000	2025/2026 BUDGET \$000	2026/2027 BUDGET \$000	2027/2028 BUDGET \$000
<b>TOTAL COSTS</b>	<b>3,405</b>	<b>3,391</b>	<b>3,748</b>	<b>3,620</b>	<b>3,634</b>

Details of each of this group of activities are outlined in the following pages. These pages cover what Council does in relation to the activity group, why we do it, the contribution of the activities to the Community Outcomes, the activity goal, key issues, how we will measure our performance, the key things we will be doing in relation to the activities and funding of the activities.

## WHAT WE DO

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

- Organising and preparation for Council meetings.
- Organising civic ceremonies, such as citizenship ceremonies and Anzac Day services.
- Support for councillors, Council and Community Boards and any other assistance required by the Mayor.
- Running elections and democratic processes, including community consultation.
- Making appointments to Council Controlled Trading Organisations (CCTOs)<sup>3</sup> and Council Controlled Organisations (CCOs).

Council has a shareholding in a number of council controlled organisations, including:

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

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

Note - if the proposed Waimea Community Dam proceeds, then a CCO named 'Waimea Water Ltd' will be established and Council will hold a minimum of 51% of the voting shares in this CCO at all times and appoint four of the seven directors on the Board.

<sup>3</sup> CCTOs are operated for the principle purpose of making a profit.

## WHY WE DO IT

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

## CONTRIBUTION TO COMMUNITY OUTCOMES

COMMUNITY OUTCOMES	HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
Our communities are healthy, safe, inclusive and resilient.	<p>The Golden Bay and Motueka Community Boards represent, and act as an advocate for, the interests of their communities. They also maintain an overview of services provided by Council within their communities and communicate with community organisations and special interest groups. They are separately elected advisory bodies and are not Council Committees.</p> <p>Community Associations support and advocate for residents in their local communities and make submissions to Council. Ward Councillors maintain close relationships with their local community associations.</p> <p>Advisory Groups are established and coordinated by Council for specific user groups. The advisory groups help to guide Council decisions, normally on the use and function of a Council asset.</p>
Our Council provides leadership and fosters partnerships, a regional perspective, and community engagement.	<p>The Governance activity ensures that democratic processes are undertaken and supports the work of elected members.</p>
Our region is supported by an innovative and sustainable economy.	<p>The CCTOs provide an economic return to Council and ratepayers and also provide employment opportunities.</p>

## ELECTORAL PROCESS

Tasman District is divided into five electoral wards – Golden Bay, Lakes/Murchison, Motueka, Moutere/Waimea and Richmond. Councillors are elected by ward. The Mayor is elected from across the District. We have Community Boards in Golden Bay and Motueka. Elections are held every three years under the Local Electoral Act 2001, with the next one being in 2019.

Council comprises a Mayor and 13 Councillors elected as follows:

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

## FRIENDLY TOWNS/COMMUNITY RELATIONSHIPS

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

## KEY ISSUES

### Iwi and Māori matters

Council acknowledges nine iwi as tangata whenua, meaning specifically those people claiming customary and ancestral ties to this land in Tasman District:

- Ngāti Kuia
- Ngāti Rārua
- Ngāti Tama ki Te Tau Ihu
- Te Ātiawa o Te Waka-a-Māui
- Ngāti Kōata
- Ngāti Toa Rangatira
- Ngāti Apa ki te Rā Tō
- Rangitāne o Wairau
- Ngāi Tahu

Council also works with Wakatū Incorporation and Ngāti Rārua Ātiawa Iwi Trust (NRAIT) on issues relating to lands managed by those organisations.

Local iwi and Council both support community wellbeing and contribute to the economic development of the Tasman District, but in different ways. For example, iwi have a kaitiakitanga (guardianship) role for the environment and Council has a range of enhancement, monitoring and regulatory functions that it undertakes to protect and improve the environment. Iwi have a long term commitment to the Region and, through various businesses, provide economic development and significant employment to residents of the District. Council focuses more on providing infrastructure to support businesses.

The Tasman District Council appreciates and acknowledges the important contribution iwi and Māori organisations make towards these common goals.

It is important to Council that it has a good working relationship with iwi. A number of steps have been taken over the last few years to enable greater contribution by Māori in the decision making processes. These are set out in Council's Statement of Māori Participation in Decision-making. Some of the actions are including iwi representatives on hearing panels and working groups and the appointment of a Kaumatua to assist the Mayor and Chief Executive with Māori protocol. Meetings of Mayors and iwi Chairs are held to discuss governance issues. Council staff attend regular liaison meetings with Māori groups in the community. This enables service delivery issues and other matters of concern to be identified and fed back into Council to be considered and addressed at the appropriate level. Council actively works with iwi on planning issues, including resource consent applications. Iwi are engaged in freshwater planning through appointments on the Freshwater and Land Advisory Groups (FLAG) for Takaka and Waimea.

As the Te Tiriti o Waitangi/Treaty of Waitangi claims are now settled, the role of iwi in the District and their relationship with Council - and how their views are included in decision making processes - will continue to be defined.

### Funding for Regional Development and Tourism – Targeted Rate

Council has budgeted for a total of \$300,000 per annum for purchasing services from the Nelson Regional Development Agency (NRDA). From 2018 onwards, Tasman District Council is proposing to directly contract these services from NRDA, rather than via Nelson City Council. The funding source is General Rates. Council has also budgeted \$40,000 per annum to part fund the Motueka Information Centre, \$30,000 per annum for the Takaka Information Centre, \$15,000 per annum for the Murchison Information Centre and \$15,000 per annum for the Nelson Tasman Business Trust.



### Community Board Targeted Rate

Council is proposing to retain both the Golden Bay Community Board targeted rate and the Motueka Community Board targeted rate in the LTP. These targeted rates offset the governance cost component of maintaining the community boards and include:

- an allowance for special projects to be spent in the Motueka Ward, the funding for which will be allocated by the Motueka Community Board; and
- an allowance for special projects to be spent in the Golden Bay Ward, the funding for which will be allocated by the Golden Bay Community Board (note that the funding for special projects in Golden Bay is new and will take effect from 1 July 2018).

### MAJOR ACTIVITIES

- Three yearly elections, with the next scheduled for October 2019, and any required by-elections.
- Working with iwi.
- Friendly towns/communities relationships.
- Overseeing Council Controlled Trading Organisations (CCTOs) and Council Controlled Organisations (CCOs).
- Purchase services from Nelson Regional Development Agency (NRDA).
- Providing funding contributions towards Information Centres in Murchison, Motueka and Takaka.

### KEY CHANGES TO ACTIVITY OR SERVICE

The table below summarises the key changes for the management of the Governance activity since the 2015 LTP.

KEY CHANGE	REASON FOR CHANGE
Budget now contains funding (\$10,000 per annum) for special projects to be spent in the Golden Bay Ward, the funding for which will be allocated by the Golden Bay Community Board.	To align with the Motueka Ward (the Motueka Community Board have had the ability to allocate projects for special projects in Motueka Ward for several years).
Annual funding to NRDA is proposed to decrease by \$100,000 per annum (i.e. reduce from \$400,000 to \$300,000 per annum). Council intend to contract services directly from NRDA, rather than via Nelson City Council. The \$100,000 per annum will instead be distributed to: <ul style="list-style-type: none"><li>• Motueka Information Centre (\$40,000)</li><li>• Takaka Information Centre (\$30,000)</li><li>• Murchison Information Centre (\$15,000)</li><li>• Nelson Tasman Business Trust (\$15,000).</li></ul>	It is more efficient and accountability is more direct, if Council moves to contract the NRDA directly. Council acknowledges the importance of Information Centres to local communities. Allocating funding for each of the District's Information Centres will deliver better value for local communities.

OUR LEVEL OF SERVICE – WHAT COUNCIL WILL DO AND HOW IT WILL MEASURE PERFORMANCE OVER THE 10 YEARS FROM 2018-2028

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF..	CURRENT PERFORMANCE	FORECAST PERFORMANCE (TARGET)			
			YEAR 1	YEAR 2	YEAR 3	BY YEAR 10
We effectively run election processes.	Electoral processes are carried out within statutory timeframes and there are no successful challenges.	There were no successful challenges to the 2016 local election process or the 2017 by-election for vacancy on Motueka Community Board.	There are no successful challenges to any electoral processes that may occur during the year.	There are no successful challenges to the 2019 election process.	There are no successful challenges to any electoral processes that may occur during the year.	There are no successful challenges to the 2022 and 2025 election processes or any other electoral processes.

DRAFT FOR ADOP

## COUNCIL CONTROLLED ORGANISATIONS (CCO) – PERFORMANCE TARGETS

Note: the information provided below is from the 2017/2018 Statements of Intent for each organisation.

EQUITY INVESTMENT	OBJECTIVES	TARGET RETURNS
<p><b>Port Nelson Ltd</b></p> <p>Port Nelson is a commercial trading port.</p> <p>Council is a 50% shareholder with Nelson City Council</p> <p>Council holds 12,707,702 shares</p> <p>2016/2017 book value of the investment: \$87.559 million.</p> <p>2016/2017 net assets of the company \$175.118 million</p>	<p>Council aims to maintain its 50% investment in Port Nelson Ltd to retain effective local body control of this strategic asset.</p> <p>Receive a commercial return to reduce Council's reliance on rates income.</p>	<p>Annual dividend of not less than 50% of net profit after tax (approximately \$5.5 million per annum, shared between the two Councils).</p>
<p><b>Nelson Airport Ltd</b></p> <p>Nelson Airport Ltd is an operational airport servicing Nelson Bays.</p> <p>Council is a 50% owner with Nelson City Council.</p> <p>Council holds 1,200,000 shares.</p> <p>2016/2017 book value of the investment is \$26.164 million. The 2016/2017 net assets of the company were \$52.329 million.</p>	<p>Maintain 50% investment in Nelson Airport Ltd to retain effective local body control of this strategic investment.</p> <p>Receive a commercial return to Council, to reduce Council's reliance on rates income.</p>	<p>Deliver dividend growth in excess of CPI movement, and higher than that declared in previous financial year (2016/2017: \$360,000 dividend received).</p>
<p><b>New Zealand Local Government Funding Agency Limited (LGFA)</b></p> <p>The LGFA was established to provide funding facilities for local government.</p> <p>Council holds 3,731,958 shares (including uncalled capital). The LGFA is owned by the Crown and 30 local authorities. Council is a minority shareholder.</p> <p>2016/2017 book value: \$4.47 million. 2016/2017 net assets: \$53.91 million.</p>	<p>(a) Obtain a return on the investment.</p> <p>(b) Ensure that the Local Government Funding Agency has sufficient capital to remain viable, meaning that it continues as a source of debt funding for Council.</p> <p>(c) Access loan funding at lower rates.</p> <p>Because of these multiple objectives, where it is to the overall benefit of Council, it may invest in shares in circumstances in which the return on that investment is potentially lower than the return it could achieve with alternative investments.</p>	<p>The company's policy is to pay a dividend that provides an annual return to shareholders equal to the Local Government Funding Agency cost of funds plus 2 percent. This equated to approximately \$104,000 for 2016/2017.</p>

EQUITY INVESTMENT	OBJECTIVES	TARGET RETURNS
<p><b>Civic Financial Services Ltd</b></p> <p>Civic Financial Services was initially established as an insurance vehicle for local authorities. The company now provides financial services for the New Zealand Local Authority Protection Programme Disaster Fund (LAPP), and the Super Easy and Super Easy Kiwi Saver superannuation schemes.</p> <p>Council holds 65,584 shares. Council is a minority shareholder.</p> <p>2016/2017 book value: \$100,298. 2016/2017 net assets: \$17.204 million.</p>	<p>Council initially invested in Civic Financial Services Ltd through Riskpool and LAPP schemes to provide disaster recovery, and public and professional indemnity insurance. Council now sources these insurances through commercial brokers.</p> <p>These shares are not tradable and Council is unlikely to purchase further shares.</p>	<p>Civic Financial Services Ltd has now withdrawn from the insurance market.</p>
<p><b>Proposed Waimea Community Dam CCO 'Waimea Water Ltd'</b></p> <p>The Company will own and operate the proposed Waimea Community Dam, on a cost recovery basis.</p> <p>The proposed Equity Investment is \$33.78m (including \$7.00 million from the Freshwater Improvement Fund).</p> <p>Council will hold a minimum of 51% of the voting shares at all times.</p> <p>Council will appoint four of the seven directors on the Board.</p>	<p>Council's objective in investing in the dam joint venture is to provide the most cost effective solution to the need to augment the Waimea water supply.</p>	<p>There is no targeted return on this investment. The Company will be operated on a breakeven basis only.</p> <p>There will be no dividends paid to shareholders.</p>

**FUNDING IMPACT STATEMENT AND FUNDING SOURCES FOR THE GOVERNANCE GROUP OF ACTIVITIES**

	2017/18 AP \$000	2018/19 Budget \$000	2019/20 Budget \$000	2020/21 Budget \$000	2021/22 Budget \$000	2022/23 Budget \$000	2023/24 Budget \$000	2024/25 Budget \$000	2025/26 Budget \$000	2026/27 Budget \$000	2027/28 Budget \$000
<b>SOURCES OF OPERATING FUNDING</b>											
General rates, uniform annual general charges, rates penalties	3,047	3,607	3,455	3,402	3,441	3,720	3,197	3,197	3,491	3,441	3,475
Targeted rates	300	312	319	325	333	340	348	357	366	375	386
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	11	7	8	8	8	8	8	9	9	9	9
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	128	117	181	124	116	185	122	117	192	126	114
<b>TOTAL OPERATING FUNDING</b>	<b>3,486</b>	<b>4,043</b>	<b>3,963</b>	<b>3,859</b>	<b>3,898</b>	<b>4,253</b>	<b>3,675</b>	<b>3,680</b>	<b>4,058</b>	<b>3,951</b>	<b>3,984</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>											
Payments to staff and suppliers	1,940	2,054	2,330	2,193	2,209	2,510	2,380	2,383	2,718	2,566	2,589
Finance costs	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied	1,033	1,045	1,056	1,049	1,024	1,021	1,025	1,008	1,030	1,054	1,045
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	<b>2,973</b>	<b>3,099</b>	<b>3,386</b>	<b>3,242</b>	<b>3,233</b>	<b>3,531</b>	<b>3,405</b>	<b>3,391</b>	<b>3,748</b>	<b>3,620</b>	<b>3,634</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING</b>	<b>513</b>	<b>944</b>	<b>577</b>	<b>617</b>	<b>665</b>	<b>722</b>	<b>270</b>	<b>289</b>	<b>310</b>	<b>331</b>	<b>350</b>
<b>SOURCES OF CAPITAL FUNDING</b>											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	0	50	(11)	(11)	(11)	44	(18)	(12)	(12)	(12)	56
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0

<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	<b>0</b>	<b>50</b>	<b>(11)</b>	<b>(11)</b>	<b>(11)</b>	<b>44</b>	<b>(18)</b>	<b>(12)</b>	<b>(12)</b>	<b>(12)</b>	<b>56</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>											
Capital expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0	0	0	0	0	0	0	0	0	0	0
- to replace existing assets	2	56	0	0	0	61	0	0	0	0	69
Increase (decrease) in reserves	511	938	566	606	654	705	252	277	298	319	337
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	<b>513</b>	<b>994</b>	<b>566</b>	<b>606</b>	<b>654</b>	<b>766</b>	<b>252</b>	<b>277</b>	<b>298</b>	<b>319</b>	<b>406</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING</b>	<b>(513)</b>	<b>(944)</b>	<b>(577)</b>	<b>(617)</b>	<b>(665)</b>	<b>(722)</b>	<b>(270)</b>	<b>(289)</b>	<b>(310)</b>	<b>(331)</b>	<b>(350)</b>
<b>FUNDING BALANCE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

The Annual Plan 2017/2018 information is as per the published document and has not been reclassified to reflect legislation changes which became effective from 1st July 2018. The FIS statements also reflect changes resulting from internal restructures and revenue reclassification. The Annual Plan 2017/2018 has not been restated to reflect these changes. The operating surplus is because rates are being used to fund Emergency funds.

## COUNCIL ENTERPRISES

This section includes the Council Enterprises group of activities (i.e. forestry, aerodromes, ports, commercial holiday parks and campgrounds and commercial property).

The 10 year budgets for the Council Enterprises activities are outlined in the following table along with the 2017/2018 budgets for comparison.

COUNCIL ENTERPRISES	2017/2018 BUDGET \$000	2018/2019 BUDGET \$000	2019/2020 BUDGET \$000	2020/2021 BUDGET \$000	2021/2022 BUDGET \$000	2022/2023 BUDGET \$000
TOTAL COSTS	5,710	7,301	8,964	9,175	8,441	10,315

COUNCIL ENTERPRISES	2023/2024 BUDGET \$000	2024/2025 BUDGET \$000	2025/2026 BUDGET \$000	2026/2027 BUDGET \$000	2027/2028 BUDGET \$000
TOTAL COSTS	9,479	10,644	9,555	8,040	5,160

Details of each of these groups of activities are outlined in the following pages. These pages cover what Council does in relation to each activity group, why we do it, the contribution of the activities to the Community Outcomes, the activity goal, any key issues, how we will measure our performance, the key things we plan to do and any major projects and funding arrangements.

## COUNCIL ENTERPRISES

### WHAT WE DO

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

### WHY WE DO IT

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

### CONTRIBUTION TO COMMUNITY OUTCOMES

COMMUNITY OUTCOMES	HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
<p>Our unique natural environment is healthy, protected and sustainably managed.</p>	<p>All property assets can be managed so the impacts of any effects do not affect the health and cleanliness of the receiving environment.</p> <p>All forests are managed according to the various policies and plans so the impacts of any effects do not affect the health and cleanliness of the receiving environment. Our forests store carbon to reduce the impact of climate change and meet obligations under climate change agreements.</p> <p>Port Taroakohe facility activities are within a recognised landscape area and attempts to minimise any impact on the wider Golden Bay environment.</p>
<p>Our urban and rural environments are people-friendly, well-planned, accessible and sustainably managed.</p>	<p>The aerodromes activity ensures our built urban environments are functional, pleasant and safe by ensuring the aerodromes are operated without causing public health hazards and by providing attractive recreational and commercial facilities.</p> <p>The commercial activity can be managed so that the impact of any property development upon the environment is minimised and any future developments have environmental sustainability as an expectation.</p> <p>The holiday parks and campgrounds activity contributes to our built urban environments which are functional and provide a pleasant experience. This is achieved by ensuring they are operated without causing public health hazards and are therefore sustainably managed.</p> <p>Where practical and safe, public access and use of forests for recreation (e.g. biking and walking) will be actively encouraged. To maintain control over usage, permits may be required for public entry into the forest areas.</p> <p>The port activities are well planned and sustainably managed, ensuring any impacts on urban, coastal and rural environments are minimised.</p>



COMMUNITY OUTCOMES	HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
<p>Our infrastructure is efficient, cost effective and meets current and future needs.</p>	<p>The aerodromes provide commercial and recreational facilities to meet the community needs at an affordable level and are available to the whole community. The facilities are also sustainably managed.</p> <p>The holiday parks and campground provide the users with a variety of facilities to choose from at an affordable level while also looking towards future needs of a changing market.</p> <p>The Port Tarakohe activity provides commercial and recreational users with facilities to meet stakeholder needs, at an affordable cost and is positioned for future growth.</p> <p>Council forests have gained Forestry Stewardship Council (FSC) certification ensuring they are sustainably managed within internationally recognised guidelines.</p> <p>Commercial properties shall be reviewed to ensure that they meet the strategic needs of the Council.</p>
<p>Our communities are healthy, safe, inclusive and resilient.</p>	<p>Our buildings provide a healthy and safe environment for users. The holiday park industry is heavily regulated by public health authorities. This is achieved through operating in compliance with health and safety standards.</p>
<p>Our communities have opportunities to celebrate and explore their heritage, identity and creativity.</p>	<p>A number of the property asset sites have historical significance and are available for historical reference and exploration.</p> <p>Historic places and iwi interests are respected and protected through planned Council development.</p>
<p>Our communities have access to a range of social, cultural, educational and recreational facilities and activities.</p>	<p>Commercial activities shall provide spaces for social and community interaction.</p> <p>All holiday parks and campgrounds have facilities that provide for a range of social, and recreational activities for school and educational groups.</p> <p>The Port Tarakohe facilities offer access for communities to a safe boating facility for a range of recreational activities to meet social, educational and recreational needs.</p>
<p>Our Council provides leadership and fosters partnerships, a regional perspective, and community engagement</p>	<p>Open dialogue with operators of the Council's facilities fosters strong relationships. The Council receives constant feedback and recommendations from our community and users.</p> <p>The Council has established various advisory/interest groups such as the Mapua Advisory Group, Motueka and Takaka Aerodrome Advisory Groups and Port Tarakohe Advisory Group as a means of engaging with the community on Council commercial activities.</p> <p>Neighbours of the forest estate boundaries and community action groups get involved in boundary issues such as weed and pest control, access and boundary alignment issues. These groups act independently but coordinated at an overview level by the Council Reserves staff.</p>

COMMUNITY OUTCOMES	HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
<p>Our region is supported by an innovative and sustainable economy</p>	<p>Running a viable and economically sustainable Holiday Park model ensures development and growth opportunities are paid for by users, and do not place an undue burden on district ratepayers. Facilities are able to be maintained and levels of service gradually improved through a consistent reinvestment strategy based on community use.</p> <p>Our commercial property holdings provide an income stream to the Council to reduce its reliance on rates.</p> <p>The forestry long term plan has been developed to produce an even flow of timber from the Council's forestry estate with the ultimate objective of achieving a non-declining annual volume cut from the forests with an average stand rotation length of approximately 28 years.</p> <p>Running a viable and economically sustainable port ensures development and growth opportunities are paid for by users and do not place an undue burden on district ratepayers.</p>

### OUR GOAL

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

### KEY ISSUES

The Motueka and Takaka aerodromes are relatively small operations and, therefore, do not benefit from economies of scale. It is difficult to manage the income and costs so that these activities do not require rating support.

Council has considered options for reducing the general rate requirement for the Motueka and Takaka aerodromes, and has reviewed the work programme and levels of service for the aerodromes. The objective is for these facilities to be operated without support from general rates over the medium term.

Council will improve its knowledge of the asset condition focused on the key assets of both aerodromes and undertake a financial review of the operations of both aerodromes in the first three years of the AMP.

Council is returning to a single ownership model for the holiday parks based on the best commercial return across its entire portfolio. This model provides for ownership of all land and improvements by Council. The model also looks to lease all the holiday parks within this activity. This move to eventual leasing, not management, is to ensure operators have the appropriate level of ownership/ commitment to the business.

A number of the assets within the commercial portfolio are legacy assets. Council will be applying commercial disciplines to improve the management of these assets and their financial returns. This will not in all cases result in full commercial returns being achieved. It will however reduce the current level of cross-subsidy from rates.

Council seeks to maintain an occupancy level within the range of 85% - 90% across all commercial sites to ensure appropriate financial returns are achieved and is looking to ensure it has a tenancy lease maturity profile that is spread evenly to manage tenancy risk.

Council will continue to mitigate the health and safety concerns arising from increased recreational use of plantation forestry and commercial areas by the public. This will require greater security, signage and management deterrents with regular liaison between Council and contractors.

Council will contribute to the improvement of Health and Safety within high risk industry sites (forestry and port) to reduce the potential for serious injuries and fatalities. External auditors will be used to assess risks associated with external and internal influences.

Port Tarakohe charges will be constantly reviewed to ensure the ports planned return to financial viability occurs. A trading profit that delivers a breakeven result after depreciation funding and loan repayments is essential. A constant review of 'fit for purpose' infrastructure and facilities will occur.

Council will identify, plan and implement changes required to ensure all reasonable Port users' needs are addressed as far as practicable within the fiscal envelope that must be maintained to deliver financial sustainability. The completion of a Port Tarakohe Strategic Plan is planned during 2018/2019.

The Strategic Plan will clearly outline a definitive action list around wharf development, land use, infrastructure, access, water, roading and financial sustainability to cover the expected growth. It will also develop trigger points for investments in each development.

The timing of investment by Council will be dictated by the actual growth of industries and the demand for port facilities that delivers financial sustainability.

Council wishes to enhance its involvement with the management and operation of the Port with a view to improving the facilities available to promote both commercial and recreational opportunities of Golden Bay. All remain subject to a commercially viable business case.

## MAJOR ACTIVITIES

The Council Enterprises Group of Activities involves the management, maintenance and renewals of Council's investments in forestry, Port Tarakohe and Mapua, Motueka and Takaka aerodromes, four holiday parks and various commercial property.

ASSET INVESTMENT	OBJECTIVES	TARGET RETURNS
<p><b>Forestry</b></p> <p>Current Council forestry policy to operate and maintain up to 3,000 planted hectares.</p> <p>2016/2017 book value: \$35.4 million.</p> <p>Note: this is an asset investment, rather than an equity investment.</p>	<p>Forestry is a flexible investment that can be manipulated to suit cash flow requirements and market conditions by managing the harvesting programme.</p> <p>Economies of scale with 2,700 hectares provides a marketing advantage and cost savings in operations.</p>	<p>Internal dividends contribute to reducing Council's general rate requirement and/or assist with the repayment of Council's debt.</p> <p>A minimum of 10% of net forestry revenues derived from Moturoa/Rabbit Island must be used for maintenance of Recreation Reserve areas of Moturoa/Rabbit Island each year.</p>

## KEY CHANGES TO ACTIVITY OR SERVICE

The table below summarises the key changes for the management of the Council Enterprises activity since the 2015 LTP.

KEY CHANGE	REASON FOR CHANGE
Purchase of improvements at Motueka Holiday Park	Part of ownership strategy to transfer to standard commercial lease relationship
Recruitment of Port Manager and Assistant Port Manager at Port Tarakohe	To provide for good oversight and monitoring of wharf operations

**OUR LEVEL OF SERVICE – WHAT COUNCIL WILL DO AND HOW IT WILL MEASURE PERFORMANCE OVER THE 10 YEARS FROM 2018-2028**

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF..	CURRENT PERFORMANCE	FORECAST PERFORMANCE (TARGET)			
			YEAR 1	YEAR 2	YEAR 3	BY YEAR 10
Commercial assets are managed prudently to provide a financial return for the benefit of the districts ratepayers	Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA) for Port Tarakohe will provide adequate funding cover for debt servicing or depreciation, whichever is the larger.	Funding cover = 0.4	Funding cover = 0.5	Funding cover = 0.7	Funding cover = 0.8	Funding cover = 0.8
Commercial assets are managed prudently to provide a financial return for the benefit of the districts ratepayers	EBITDA for holiday parks and campgrounds will provide for increasing funding cover for debt servicing or depreciation.	Funding cover = 2.1	Funding cover = 1.2	Funding cover = 1.5	Funding cover = 1.5	Funding cover = 1.8
Commercial assets are managed prudently to provide a financial return for the benefit of the districts ratepayers	EBITDA for Commercial properties will provide adequate funding cover for debt servicing or depreciation, whichever is the larger.	Funding cover = 0.8	Funding cover = 0.8	Funding cover = 0.9	Funding cover = 1.0	Funding cover = 1.2
Commercial assets are managed prudently to provide a financial return for the benefit of the districts ratepayers	Net return on Forestry assets will provide a commercial outcome.	8% over the last two financial years (2015-2017)	9%	9%	9%	9%

## KEY ASSUMPTIONS AND UNCERTAINTIES

The most significant assumptions and uncertainties that underly the approach taken for this group of activities are:

- a) Financial – that all expenditure has been stated in 1 July 2017 dollar values and no allowance has been made for inflation and all financial projections exclude GST unless specifically stated.
- b) Asset Data Knowledge – that the Council has adequate knowledge of the assets and their condition, so that planned renewal works will allow the Council to meet the proposed levels of service.  
Growth Forecasts - That the district will grow or decline as forecast in its Growth Model.
- c) Project Timing – that projects will be undertaken when planned.
- d) Project Funding – that projects will receive subsidy or third party contributions at the anticipated levels.
- e) Accuracy of Cost Estimates – that the project cost estimates are sufficiently accurate enough to determine the required funding level.  
Land Access and Acquisition - That the Council will be able to secure land and/or access to enable completion of projects.
- f) Legislation Changes – that there will be no major changes in legislation or policy.
- g) Emergency Reserves - that the level of funding reserves combined with insurance cover will be adequate to cover reinstatement following emergency events.

## CAPITAL EXPENDITURE

The following table details the major capital and renewal work programmed for the years 2018-2028.

ACTIVITY	DESCRIPTION	YEARS 1-3 (\$)	YEARS 4-10 (\$)
Tarakohe – New Wharf Construction	New wharf to increase capacity	1,020,000	1,200,000
Tarakohe - Marina	Recreational Marina upgrade		3,900,000
Weighbridge and Security Surveillance	Replacement of scales and condition assessment of weighbridge		109,000
Mapua Shed 5 Toilets	Toilets/structural works	255,000	
Collingwood Campground Upgrade	Works are required to bring the campground to a modern standard	541,000	
Collingwood Campground Renewals	Capital maintenance programme	156,000	410,000
Pohara Campground – Capital Buyback	Council will become the owner of improvements in the holiday park to run on a traditional commercial lease basis.	541,000	
Pohara Campground Renewals	Capital maintenance programme	188,000	492,000
Murchison – Riverview Campground Upgrade	New managers office and accommodation	167,000	
Murchison – Riverview Campground Renewals	Capital maintenance programme	156,000	410,000
Motueka Top 10 Holiday Park – Campground Upgrade	General upgrades (this campground is located on Fearons Bush Reserve in Motueka).	313,000	820,000

ACTIVITY	DESCRIPTION	YEARS 1-3 (\$)	YEARS 4-10 (\$)
Motueka Runway Seal	Resealing of runway		178,000
Takaka Aerodrome	House upgrade	80,000	

A full list of projects and programmes for when the work is planned to be completed is included in Appendix B of the Commercial Activities AMP.

### SIGNIFICANT NEGATIVE EFFECTS

- Cost of providing additional facilities to cater for growth.
- Increased number of visitors to Mapua wharf precinct increases the risk of clashes with modes of transport, e.g. vessels, walking, cycling, vehicular traffic.
- Structural requirements under new building code regarding earthquake risk and age and condition assessment of buildings require regular assessment.
- Significant increase in the number of serious port and forestry injuries and fatalities over last five years nationally.
- Restricted recreational use in some forest estates and closure during times of harvesting.
- Public criticism of forestry slash and offcuts blocking drainage channels, structures and roadway during times of storm event.
- An industrial environment at Tarakohe may have a negative visual impact.
- Noise from aircraft within the aerodromes and flying over residential areas. This has social effects with associated frustration caused by excessive noise.
- Noise from drag car racing (Motueka only).
- Building height restrictions to protect flight paths.
- Increased traffic movements from both the commercial businesses and drag racing events (Motueka only).
- Aerodrome buildings are out of character with the nearby residential area (Motueka only).
- Damage to Council holiday park facilities caused by guests.
- Periodic seawall damage at Collingwood and Pohara Holiday Parks.
- Significant value of Motueka Holiday Park improvements is owned by lessee therefore Council is missing out on income.
- Some Holiday Parks assets are run down due to lack of reinvestment.

### SIGNIFICANT POSITIVE EFFECTS

- Economic development – provision and maintenance of these activities allows for the development of commercial businesses, therefore contributing to economic growth and prosperity. Harvesting forests at the optimum time for stand condition and export market value also contributes to economic growth and prosperity.
- Community value – the provision and maintenance of these activities are of community value as it contributes to tourism, recreation, education and business within the communities.
- Environmental sustainability – Council aims to achieve environmental sustainability whilst managing these activities.
- Economic efficiency – Council's management of these activities uses industry best practice, market comparison and efficiency measures to determine economic efficiency, i.e. best value for money for the ratepayers.

## FUNDING IMPACT STATEMENTS AND FUNDING SOURCES FOR THE COUNCIL ENTERPRISES GROUP OF ACTIVITIES

	2017/18 AP \$000	2018/19 Budget \$000	2019/20 Budget \$000	2020/21 Budget \$000	2021/22 Budget \$000	2022/23 Budget \$000	2023/24 Budget \$000	2024/25 Budget \$000	2025/26 Budget \$000	2026/27 Budget \$000	2027/28 Budget \$000
<b>SOURCES OF OPERATING FUNDING</b>											
General rates, uniform annual general charges, rates penalties	108	(217)	(247)	(143)	(137)	(211)	(225)	(232)	(326)	(375)	(396)
Targeted rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	1,082	1,337	1,599	1,473	1,368	1,494	1,569	1,651	1,724	1,788	1,857
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	5,836	8,351	10,594	11,303	9,931	11,811	11,149	11,753	11,443	8,833	3,177
<b>TOTAL OPERATING FUNDING</b>	<b>7,026</b>	<b>9,471</b>	<b>11,946</b>	<b>12,633</b>	<b>11,162</b>	<b>13,094</b>	<b>12,493</b>	<b>13,172</b>	<b>12,841</b>	<b>10,246</b>	<b>4,638</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>											
Payments to staff and suppliers	4,484	5,960	7,642	7,829	7,180	8,985	8,025	9,330	8,273	6,750	3,638
Finance costs	389	441	431	457	447	526	602	568	552	548	514
Internal charges and overheads applied	837	900	891	889	814	804	852	746	730	742	1,008
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	<b>5,710</b>	<b>7,301</b>	<b>8,964</b>	<b>9,175</b>	<b>8,441</b>	<b>10,315</b>	<b>9,479</b>	<b>10,644</b>	<b>9,555</b>	<b>8,040</b>	<b>5,160</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING</b>	<b>1,316</b>	<b>2,170</b>	<b>2,982</b>	<b>3,458</b>	<b>2,721</b>	<b>2,779</b>	<b>3,014</b>	<b>2,528</b>	<b>3,286</b>	<b>2,206</b>	<b>(522)</b>
<b>SOURCES OF CAPITAL FUNDING</b>											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	1,621	1,874	(459)	361	(590)	3,270	(896)	(870)	339	(850)	(835)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0

<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	<b>1,621</b>	<b>1,874</b>	<b>(459)</b>	<b>361</b>	<b>(590)</b>	<b>3,270</b>	<b>(896)</b>	<b>(870)</b>	<b>339</b>	<b>(850)</b>	<b>(835)</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>											
Capital expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	1,252	2,387	167	0	0	3,898	0	0	1,197	0	0
- to replace existing assets	1,193	291	271	1,316	414	468	297	327	311	319	353
Increase (decrease) in reserves	492	1,366	2,085	2,503	1,717	1,683	1,821	1,331	2,117	1,037	(1,710)
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	<b>2,937</b>	<b>4,044</b>	<b>2,523</b>	<b>3,819</b>	<b>2,131</b>	<b>6,049</b>	<b>2,118</b>	<b>1,658</b>	<b>3,625</b>	<b>1,356</b>	<b>(1,357)</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING</b>	<b>(1,316)</b>	<b>(2,170)</b>	<b>(2,982)</b>	<b>(3,458)</b>	<b>(2,721)</b>	<b>(2,779)</b>	<b>(3,014)</b>	<b>(2,528)</b>	<b>(3,286)</b>	<b>(2,206)</b>	<b>522</b>
<b>FUNDING BALANCE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

The Annual Plan 2017/2018 information is as per the published document and has not been reclassified to reflect legislation changes which became effective from 1st July 2018. The FIS statements also reflect changes resulting from internal restructures and revenue reclassification. The Annual Plan 2017/2018 has not been restated to reflect these changes. The operating surplus is because rates are being used to fund Emergency funds.



# SUPPORT SERVICES

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

Support Services are the internal functions that help Council operate efficiently. Support Services are an essential part of ensuring we operate in an effective and efficient manner, meeting our statutory obligations, and working towards the achievement of community outcomes.

These activities are internally focused and do not generally have a direct output to the community, rather they are internal support systems for those activities that do. The Support Service activities have their own business plans which outline the strategic focus for the activity and the major projects proposed.

This group is not classed as a 'group of activities' for LTP purposes and no funding impact statement has been produced for these activities. Levels of service are outlined at the end of this section.

## STRATEGIC PLANNING

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

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

## CUSTOMER SERVICES

The customer services team provide a 'one stop shop', offering various contact options to customers through phone, email or face to face contact. Service centres are based in Richmond, Motueka, Takaka and Murchison. Internal departments also rely on customer services to answer customer enquiries and process certain applications on their behalf.

## PROPERTY

The property team manages non-commercial property assets and provides property-related services to Council. We aim to ensure that Council-owned buildings are safe and compliant, are dealt with in an efficient, economic and effective manner, and that Council's operational properties continue to satisfy the requirements of the community and tenants.

## FINANCE

The finance team is responsible for providing financial advice and services to all of our other activities. All operations have some financial aspect to them and require support in areas such as revenue gathering, capital funding, financial and tax obligations, monitoring of expenditure, monthly corporate reporting, annual reporting, and planning. This activity provides a cost effective financial and accounting service that enhances the achievement of our goals and meets the needs of the organisation. It also provides a payroll function.

## INFORMATION SERVICES AND RECORDS MANAGEMENT

The primary roles of the information services and records management teams are to support and assist other activities to meet their goals and objectives through the provision of practical technological solutions and effective management of

data and records. Services provided include information technology, records management, land administration, data integrity and geographical information systems.

## **HUMAN RESOURCES**

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

## **HEALTH AND SAFETY**

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

DRAFT FOR ADOPTION

**OUR LEVEL OF SERVICE – WHAT COUNCIL WILL DO AND HOW IT WILL MEASURE PERFORMANCE OVER THE 10 YEARS FROM 2018-2028**

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF..	CURRENT PERFORMANCE	FORECAST PERFORMANCE (TARGET)			
			YEAR 1	YEAR 2	YEAR 3	BY YEAR 10
We respond to customer requests in a timely and professional manner.	At least 85% of respondents are either fairly satisfied or very satisfied with the service they receive when they contact Council, as measured by the annual residents' survey.	In 2017, 90% of residents that contact us (either by phone, in person, in writing, or online) were very satisfied or fairly satisfied. See Figure A 'Satisfaction with service received when respondents contacted Council'	87% customer satisfaction rate	87.5% customer satisfaction rate	88% customer satisfaction rate	90% customer satisfaction rate
We respond to customer requests in a timely and professional manner.	Percentage of general enquiries that are responded to by Council staff within three working days of receipt of enquiry. As measured using Service Request data in NCS.	New measure	95%	95%	95%	95%

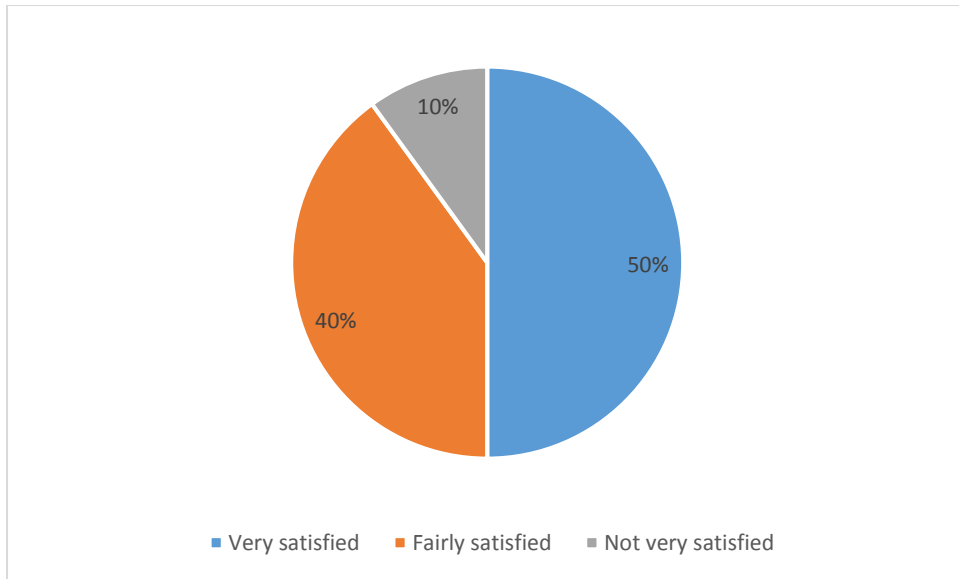
LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF..	CURRENT PERFORMANCE	FORECAST PERFORMANCE (TARGET)			
			YEAR 1	YEAR 2	YEAR 3	BY YEAR 10
We produce high quality, fit for purpose and accessible LTPs (LTP), Annual Plans (AP) and Annual Reports (AR)	The Long Term Plan, Annual Plans and Annual Reports are prepared within statutory timeframes and there are no successful challenges to these processes.	<p>Council adopted the Annual Plan for 2017/2018 on 25 May 2017 in compliance with statutory requirements. There were no challenges to the process.</p> <p>The Annual Report 2016/2017 was adopted by Council on 28 September 2017 in compliance with statutory requirements.</p>	All LTP, AP and AR statutory timeframes are met. LTP amendments are managed to meet statutory requirements.	All LTP, AP and AR statutory timeframes are met. LTP amendments are managed to meet statutory requirements.	All LTP, AP and AR statutory timeframes are met. LTP amendments are managed to meet statutory requirements.	All LTP, AP and AR statutory timeframes are met. LTP amendments are managed to meet statutory requirements.

DRAFT FOR ADOPTION

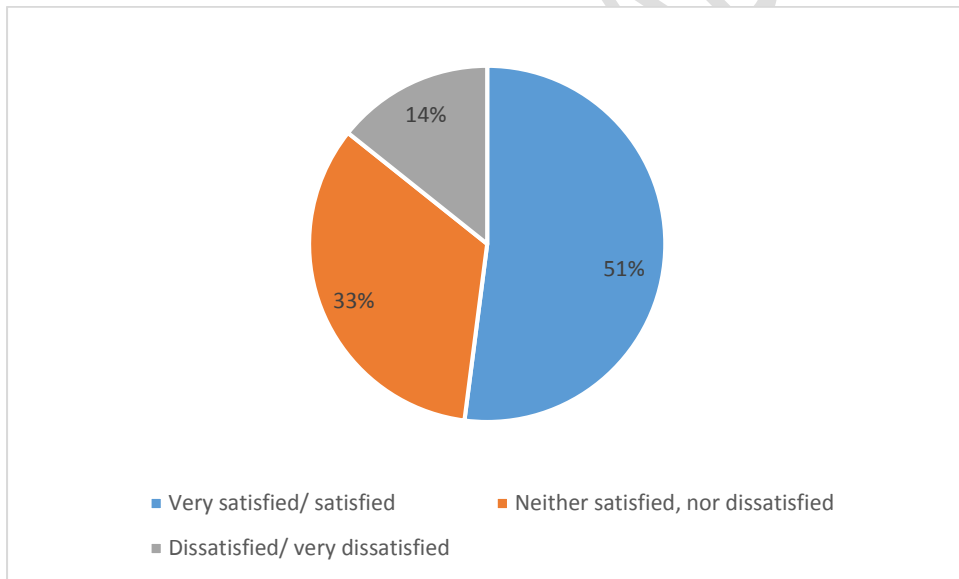
LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF..	CURRENT PERFORMANCE	FORECAST PERFORMANCE (TARGET)			
			YEAR 1	YEAR 2	YEAR 3	BY YEAR 10
We consult effectively with the public in our decision making processes.	50% of residents are either very satisfied or satisfied with the way Council consults the public in the decisions it makes, as measured by the annual residents' survey.	In 2017, 51% of residents surveyed were either very satisfied or satisfied with the way Council consults the public in the decisions it makes. See Figure B 'Level of satisfaction with the way Council consults the public in the decisions it makes'  Note: a score of 51% is slightly above the peer group and national average.	≥ 50% residents' satisfaction rate.	≥ 50% residents' satisfaction rate.	≥ 50% residents' satisfaction rate.	≥ 50% residents' satisfaction rate.
We provide resolution of most customer phone enquiries during the initial conversation with a Customer Services Officer	80% of customer phone calls are resolved at first point of contact (i.e. without the need to transfer the call to another staff member).	In 2017, 82% of all customer phone calls were resolved at first point of contact. This level is the same as for 2016.	≥80% of customer phone calls resolved at first point of contact.	≥80% of customer phone calls resolved at first point of contact.	≥80% of customer phone calls resolved at first point of contact.	≥80% of customer phone calls resolved at first point of contact.

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF..	CURRENT PERFORMANCE	FORECAST PERFORMANCE (TARGET)			
			YEAR 1	YEAR 2	YEAR 3	BY YEAR 10
We provide Land Information Memorandums (LIMs) to customers within 10 working days.	100% of LIM applications are processed within the statutory timeframes (i.e. 10 working days).	For the 2016/2017 year we achieved a 100% success rate with all 759 LIM applications processed on time (cf 100% in 2015/2016). There was a 9% decrease in the number of LIM applications processed from the previous year.	100% of LIMs are processed within statutory timeframes.	100% of LIMs are processed within statutory timeframes.	100% of LIMs are processed within statutory timeframes.	100% of LIMs are processed within statutory timeframes.
All Council-owned buildings are safe	All operational buildings (offices and libraries) comply with resource and building	All buildings have a current Warrant of Fitness	100% compliance	100% compliance	100% compliance	100% compliance
Property and building assets that are functionality appropriate and meet the needs of users and customers.	Customers and users are satisfied with the buildings that they occupy and the level of service provided.  As measured by a three-yearly survey of selected customers.	Being measured 2017/18	75% of customers surveyed are satisfied or very satisfied	75% of customers surveyed are satisfied or very satisfied	75% of customers surveyed are satisfied or very satisfied	85% of customers surveyed are satisfied or very satisfied
Leases and licenses for Council properties are current and reviewed on time.	The percentage of leases and licenses for Council properties that are current (i.e. have not expired) is reducing on an annual basis	50% of leases and licenses are current.	50% of leases and licenses are current.	70% of leases and licenses are current.	90% of leases and licenses are current.	100% of leases and licenses are current.

**RESULTS FROM 2017 ANNUAL RESIDENTS' SURVEY**



*Figure A: Satisfaction with service received when respondents contacted Council (2017)*



*Figure B: Level of satisfaction with the way Council consults the public in the decisions it makes (2017)*

## PART 4 – ACCOUNTING INFORMATION

DRAFT FOR ADOPTION



## REPORTING ENTITY

The financial forecasts reflect the operations of the Tasman District Council.

Tasman District Council was formed in 1989 as a result of the Local Government Commission's Final Re-organisational Scheme. The resultant Tasman District Council is an amalgamation of the former Waimea County Council, Richmond Borough Council, Motueka Borough Council and Golden Bay County Council.

In 1992 Council assumed the responsibilities of the former Nelson Marlborough and West Coast Regional Councils within its boundaries to become a Unitary Authority.

## DISCLOSURE STATEMENT

The prospective financial statements contained in this LTP were authorised for issue on 28 June 2018 by the Tasman District Council. The Council and management of the Tasman District Council accept responsibility for the prospective financial statements including the appropriateness of the assumptions underlying them.

In the opinion of the Council and management of the Tasman District Council the LTP prospective financial statements for the period 1 July 2018 to 30 June 2028 fairly represent a formal and public statement of Council's intentions in relation to the matters covered by the plan. It is acknowledged that adoption of this LTP does not constitute a decision to act on any specific matter included in the plan.

This LTP incorporates the Annual Plan for 2018/2019. The prospective financial statements will be updated as necessary in each subsequent year through Council's Annual Plan and through a further LTP no later than 2021.

**R G Kempthorne**  
Mayor

**J W Dowding**  
Chief Executive Officer

**M Drummond**  
Corporate Services Manager

## STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The forecast information has been prepared and complies with Section 111 of the Local Government Act 2002, the Financial Reporting Act 1993, Generally Accepted Accounting Practice in New Zealand (GAAP) and the pronouncements of the Chartered Accountants Australia New Zealand (CAANZ).

The Tasman District Council is a Public Benefit Entity (PBE) whose primary objective is to provide goods and services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for a financial return. All available reporting exemptions allowed under the framework for Public Benefit Entities have been adopted.

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

The financial statements are presented in New Zealand Dollars (NZD) and all values are rounded to the nearest thousand dollars (\$000). The functional currency of the Council is New Zealand dollars.

## MEASUREMENT BASE

The measurement base adopted is that of historical cost, except for land, buildings, forest assets and infrastructural assets which have been valued separately as noted below.

## STATEMENT OF PROSPECTIVE FINANCIAL INFORMATION

The financial information contained within this document is prospective financial information in terms of Public Benefit Entity Financial Reporting Standard 42. The purpose for which it has been prepared is to enable the public to participate in the decision-making processes as to the services to be provided by the Tasman District Council to the Tasman communities over the financial years 2018-2028.

The assumptions underlying the preparation of this prospective financial information are adjusted to incorporate significant known variances as at March 2018. No actual results have been incorporated in this prospective financial information.

## BASIS OF FINANCIAL STATEMENT PREPARATION

The financial statements are prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through surplus or deficit, certain classes of property, plant and equipment and investment property.

The preparation of financial statements, in conformity with Public Benefit Entity standards, is issued by the External Reporting Board. (PBE IPSAS) requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

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

The main purpose of prospective financial statements in the Long Term Plan (LTP) is to provide users with information about the core services that Council intends to provide to ratepayers, the expected cost of those services and, as a consequence, how much Council requires by way of rates to fund the intended levels of service. The level of rates funding required is not affected by subsidiaries except to the extent that Council obtains distributions from, or further invests in, those subsidiaries. Such effects are included in the prospective financial statements of Council.

## A CAUTIONARY NOTE

The actual results achieved for any given financial year are likely to vary from the information presented and may vary materially depending upon the circumstances that arise during the period. The prospective financial information is prepared in accordance with Section 93 of the Local Government Act 2002. The information may not be suitable for use in any other capacity.

## JOINT VENTURES

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. For jointly controlled operations Council recognises in its financial statements the assets it controls, the liabilities and expenses it incurs, and the share of income that it earns from the joint venture in accordance with PBE IPSAS 8 Interests in Joint Ventures.

The entities disclosed below are treated as joint ventures.

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

## ASSOCIATED ORGANISATIONS

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

If Council's share of deficits of an associate equals or exceeds its interest in the associate, Council discontinues recognising its share of further deficits. After Council's interest is reduced to zero, additional deficits are provided for, and a liability is recognised, only to the extent that Council has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports surpluses, Council will resume recognising its share of those surpluses only after its share of the surpluses equals the share of deficits not recognised.

Council's share in the associates surplus of deficits resulting from unrealised gains on transactions between Council and its associates are eliminated.

Dilution gains or losses arising from investments in associates are recognised in the surplus or deficit.

The entities disclosed below are treated as associates.

- Port Nelson Ltd. Council was vested a 50% shareholding in this entity
- Nelson Airport Ltd. Council has a 50% shareholding in this Company.
- Tasman Bays Heritage Trust. Council has significant influence over the trust.

Council has equity accounted for 50% of these entities.

## REVENUE RECOGNITION

Revenue is recognised on an accrual basis. The following particular policies apply:

- Rates are recognised on instalment notice.
- Water billing revenue is recognised on an accrual basis with unread meters at year end accrued on an average usage basis.
- New Zealand Transport Agency revenue is recognised on entitlement when conditions pertaining to eligible expenditure are fulfilled.
- Rental income from investment property is recognised in the surplus or deficit on a straight line basis over the terms of the lease. Lease incentives granted are recognised as an integral part of the total rental income.
- Grants from the Government are recognised at their fair value where there is reasonable assurance that the grant will be received.
- Development and financial contributions are recognised as revenue when Council provides, or is able to provide, the service that gave rise to the charging of the contribution. Otherwise, development and financial contributions are recognised as liabilities until such time as Council provides, or is able to provide, the service.
- Interest is recognised using the effective interest method.
- Other grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.
- Dividends are recognised when the right to receive payment has been established.
- Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as revenue. Assets vested in Council are recognised as revenue when control over the asset is obtained.
- Infringements are recognised when the fine is issued.

The Tasman District Council collects monies for many organisations. Where collections are processed through the Tasman District Council's books, any monies held are shown as liabilities in the Statement of Financial Position. Amounts collected on behalf of third parties are not recognised as revenue, but commissions earned from acting as agent are recognised in revenue.

## DISCLOSING TRANSACTIONS AS EXCHANGE OR NON-EXCHANGE

The new PBE accounting standards require entities to disclose on the face of the statement of financial position separate amounts for receivables from exchange transactions, receivables from non-exchange transactions, payables from exchange transactions, and payables from non-exchange transactions. Revenue from transfers and taxes, including major classes, is also required to be separately disclosed either on the face of the statement of comprehensive revenue and expense or the notes.

## CASH AND CASH EQUIVALENTS

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

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

## TRADE AND OTHER RECEIVABLES

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

Debtors have been valued at estimated net realisable value, after providing for doubtful and uncollectable debts.

## WORKS IN PROGRESS

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

## EXPENDITURE

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

## PAYABLES

Short-term payables are recorded at their face value.

## LEASES

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

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

## BORROWING COSTS

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

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

## GRANT EXPENDITURE

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

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

## TAXATION

Council's income tax expense comprises the total amount included in the determination of surplus or deficit for the period in respect of current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year (using tax rates enacted or substantially enacted at balance sheet date) together with any adjustment of tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method and applied on temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and the tax base of the assets and liabilities.

The enactment of tax rates and legislation at balance sheet date determine the application of deferred tax and applies when the related deferred tax asset is realised or when deferred tax liability is settled.

Deferred tax is not accounted for if an asset or liability of a non-business transaction does not affect either accounting profit or taxable profit. Similarly, deferred tax is not accounted for on temporary differences associated with investments in subsidiaries, branches, associates and joint ventures where the reversal of the temporary difference is controlled by Council, and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable future taxable profit will be available against which deductible temporary differences can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

## FINANCIAL ASSETS

### FINANCIAL ASSETS AT FAIR VALUE THROUGH SURPLUS OR DEFICIT

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

### LOANS AND RECEIVABLES

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

### HELD-TO-MATURITY INVESTMENTS

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

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

### FINANCIAL ASSETS AT FAIR VALUE THROUGH COMPREHENSIVE INCOME

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

### IMPAIRMENT OF FINANCIAL ASSETS

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

## ACCOUNTING FOR DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

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

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

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

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

## INTANGIBLE ASSETS

### COMPUTER SOFTWARE

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

Costs associated with maintaining computer software (including the annualised licence) programmes are recognised as an expense as incurred.

Costs that are directly associated with the production of identifiable and unique software products controlled by the Tasman District Council, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Computer software development costs recognised as assets are amortised on a straight-line basis over their estimated useful lives. The useful lives and associated amortisation rates of computer software have been estimated at five years (20 percent).

### CARBON CREDITS

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

### EASEMENTS

Easements are recognised at cost, being the costs directly attributable in bringing the asset to its intended use. Easements have an indefinite useful life and are not amortised, but are instead tested for impairment annually.

### SUBSEQUENT EXPENDITURE

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates, and it meets the definition of, and recognition criteria for, an intangible asset. All other expenditure is expensed as incurred.

An intangible asset with an indefinite useful life is not amortised, but is tested for impairment annually, and is carried at cost less accumulated impairment losses.

## PROPERTY, PLANT AND EQUIPMENT

### PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment consist of:

**Operational Assets** – these include land, buildings, computers and office equipment, building improvements, library books, plant and equipment, forestry and motor vehicles.

**Restricted Assets** – assets owned or vested in Council which cannot be disposed of because of legal or other restrictions and provide a benefit or service to the community.

### REVALUATION

It is Council's intention to revalue all property plant and equipment with the exception of vehicles, computers, plant, library books and office equipment, no more than every three years.

Revaluation increases and decreases relating to individual assets within a class are offset. Revaluation increases and decreases in respect of different classes are not offset.

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

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

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

The anticipated results of the revaluations have been included in the LTP.

### INFRASTRUCTURAL ASSETS

Infrastructural assets are the fixed utility systems owned by Council. Each asset type includes all items that are required for the network to function, e.g. sewerage reticulation includes reticulation piping and sewerage pump stations.

Costs incurred in obtaining any resource consents are capitalised as part of the asset to which they relate. If a resource consent application is declined, then all capitalised costs are written off in the current period.

## DEPRECIATION

Depreciation is provided on a straight line basis on all assets at rates which will write off the cost (or valuation) of the assets to their estimated residual values, over their useful lives. These assets have component lives that have been estimated as follows:

Land	Not Depreciated
Buildings (including fit out)	10-100 years
Plant and Equipment	5-10 years
Motor Vehicles	5-10 years
Library Books	2-10 years

## INFRASTRUCTURE ASSETS

TRANSPORTATION	
Bridges	50-100 years
Roads	2-80 years
Formation	Not Depreciated
Sub-base (sealed)	Not Depreciated
Basecourse (sealed)	65-75 years
Surfaces	2-50 years
Carparks – components	8-45 years
Footpaths	5-50 years
Pavement base (unsealed)	Not Depreciated
Drainage	15-80 years
WASTEWATER	
Oxidation Ponds	Not Depreciated
Treatment	9-100 years
Pipe	50-80 years
Pump Stations	20-80 years
WATER	
Wells and Pumps	10-80 years
Pipes/Valves/Meters	15-80 years



## STORMWATER

Channel/Detention Dams	Not Depreciated
Pipe/Manhole/Sumps	80-120 years
Ports and Wharves	7-100 years
Aerodromes	10-80 years
Solid waste	15-100 years

## RIVERS

Stop Banks	Not Depreciated
Rock Protection	Not Depreciated
Willow Plantings	Not Depreciated
Gabion Baskets/Outfalls	30-60 years
Railway Irons	50 years

## LIBRARY BOOKS

### LIBRARIES

Adult and Technical Books	10 years
Children's Books	5 years
CDs and talking books	2 years

## IMPAIRMENT

The carrying amounts of Council's assets, other than investment property, inventories and deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement. Impairment losses on re-valued assets offset any balance in the asset revaluation reserve, with any remaining impairment loss being posted to the surplus or deficit.

An impairment loss in respect of a held-to-maturity security or receivable carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.

## VESTED ASSETS

Vested assets are assets vested in Council as a result of subdivision activity. Council has made an estimate of the likely value of assets that will be vested in any one year. This estimate is based upon an assessment of typical vested assets underpinned by Council's future growth study.

## ADDITIONS

The cost of an item of property, plant, and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to Council and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant, and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

## DISPOSALS

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

## SUBSEQUENT COSTS

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to Council and the cost of the item can be measured reliably. The costs of day-to-day servicing of property, plant, and equipment are recognised in the surplus or deficit as they are incurred.

## FOREST ASSETS

Forest assets are predominantly standing trees which are managed on a sustainable yield basis. These are shown in the Statement of Financial Position at fair value less estimated point of sale costs at harvest. The costs to establish and maintain the forest assets are included in the surplus or deficit together with the change in fair value for each accounting period.

The valuation of the Tasman District Council's forests is based on the present value of expected discounted cash flow models where the fair value is calculated using cash flows from continued operations, based on sustainable forest management plans taking into account growth potential. Forest assets are valued separately from the underlying freehold land.

## GST

All figures are GST exclusive except receivables and payables which are stated with GST included.

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

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

Commitments and contingencies are disclosed exclusive of GST.

## CONTRACT RETENTIONS

Certain contracts entitle Council to retain amounts to ensure the performance of contract obligations. These retentions are recognised as a liability and are then used to remedy contract performance or paid to the contractor at the end of the retention period.

## OVERHEADS

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

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

## INVESTMENT PROPERTIES

Properties that fall within the accounting definition of investment properties are revalued annually at fair value by an independent registered valuer. The result of the revaluation is credited or debited to the surplus or deficit. There is no depreciation on investment properties.

## PROPERTIES INTENDED FOR RESALE

In circumstances where the use of the property changes to being property held for resale the property would be reclassified as held for sale and stated at the lower of their carrying amount and fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

Non-current assets would not be depreciated or amortised while they are classified as held for sale.

## PROVISIONS

A provision is recognised in the Statement of Financial Position when Council has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits, the amount of which can be reliably estimated, will be required to settle the obligation.

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

## EMPLOYEE ENTITLEMENTS

Provision is made in respect of Tasman District Council's liability for retiring gratuity allowances, annual and long service leave and sick leave.

The retiring gratuity liability is assessed on an actuarial basis using current rates of pay taking into account years of service, years to entitlement and the likelihood staff will reach the point of entitlement. These estimated amounts are discounted to their present value using an interpolated 10 year government bond rate.

Liabilities for accumulating short-term compensated absences (e.g. annual and sick leave) are measured as the amount of unused entitlement accumulated at the balance sheet date that the entity anticipates employees will use in future periods in excess of the days that they will be entitled to in each of those periods.

## LANDFILL AFTER-CARE COSTS

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

As the landfills in the District are now a 50% Joint Venture, Tasman District Council recognise 50% of the post care provisions for both Eves Valley and York Valley landfills and has a legal obligation to provide ongoing maintenance and monitoring services at the landfill sites after closure. The landfill post closure provision is recognised in accordance with PBE IPSAS Reporting Standard 19 Provisions, Contingent Liabilities and Contingent Assets. This provision is calculated on the basis of discounting closure and post closure costs into present day value.

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

## EQUITY

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

- Accumulated Funds
- Restricted Reserves and Council Created Reserves
- Asset Revaluation Reserve

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

Restricted reserves are those reserves subject to specific conditions accepted as binding by Council and which may not be revised by Council without reference to the Courts or third party.

Council created reserves are reserves established by Council decision. Council may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at the discretion of Council.

## STATEMENT OF CASH FLOWS

Cash and cash equivalents mean cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments in which council invests, as part of its day to day cash management.

Operating activities include cash received from all income sources and record the cash payments made for the supply of goods and services.

Investing activities are those activities relating to the acquisition and disposal of non-current assets.

Financing activities comprise the change in equity and debt capital structure of Council.

## FUNDING IMPACT STATEMENTS

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

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

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

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

## FUNDING IN ACCORDANCE WITH THE LOCAL GOVERNMENT ACT 2002

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

## CHANGES IN ACCOUNTING POLICIES

There are no changes to accounting policies.

## CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

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

## INFRASTRUCTURAL ASSETS

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

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

Council staff perform the Council's infrastructural asset revaluations with a review undertaken by experienced independent valuers.

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

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

### **CLASSIFICATION OF PROPERTY**

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

## INFLATION ADJUSTED ACCOUNTS

The PBE Financial Reporting Standard 42 – ‘Prospective Financial Information’, requires councils to incorporate the effects of inflation into their 10-year financial forecasts.

This means that all financial figures shown in this document for Year 1 onwards incorporate inflation adjustments compounding annually. For example, this means that what costs \$1.00 for maintenance in Year 1 is expected to cost almost \$1.26 by Year 10.

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

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

In deriving our inflation-adjusted financial projections we have used the data from BERL plus some other data for Year 1 operating costs.

Variable annual rates have been applied to four cost groups across the model, best summarised in the following table:

	Jun-19	Jun-20	Jun-21	Jun-22	Jun-23	Jun-24	Jun-25	Jun-26	Jun-27	Jun-28	Ten Year Average
Income	2.30%	2.40%	2.50%	2.50%	2.60%	2.60%	2.70%	2.80%	2.80%	2.90%	2.6%
Salaries	2.60%	2.60%	2.70%	2.80%	2.80%	2.90%	2.90%	3.00%	3.00%	3.10%	2.8%
Maintenance	2.00%	2.20%	2.20%	2.20%	2.30%	2.30%	2.40%	2.50%	2.50%	2.60%	2.3%
Capital	2.00%	2.20%	2.20%	2.20%	2.30%	2.40%	2.40%	2.50%	2.60%	2.70%	2.4%

The BERL figures were prepared in October 2017.

## PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

	2017/18 Budget \$000	2018/19 Budget \$000	2019/20 Budget \$000	2020/21 Budget \$000	2021/22 Budget \$000	2022/23 Budget \$000	2023/24 Budget \$000	2024/25 Budget \$000	2025/26 Budget \$000	2026/27 Budget \$000	2027/28 Budget \$000
<b>INCOME</b>											
Revenue from Rates											
General rates	37,210	38,374	39,771	41,437	42,704	44,729	46,562	48,072	49,207	50,953	51,990
Targeted rates (other than for water supply)	29,017	30,062	31,224	32,142	33,599	34,618	36,106	36,680	37,918	39,036	40,693
Targeted rates for a water supply	4,070	4,260	4,544	4,924	5,355	5,595	5,742	5,814	6,139	6,433	6,691
Operating Activities											
Development and financial contributions	5,427	10,033	10,131	10,235	8,236	8,321	8,408	8,860	8,959	9,061	8,700
Operating subsidies and grants	3,686	3,620	3,691	3,718	3,898	3,964	4,150	4,225	4,358	4,398	4,585
Capital subsidies	3,764	3,050	6,641	3,852	3,941	4,256	4,762	4,621	4,720	4,878	4,481
Fees and charges	13,536	15,071	15,849	16,624	16,985	17,593	18,104	18,621	19,284	19,954	20,524
Other revenue	14,223	18,669	21,160	21,983	20,757	22,778	22,226	23,076	23,069	20,617	15,096
<b>Total Revenue</b>	<b>110,933</b>	<b>123,139</b>	<b>133,011</b>	<b>134,915</b>	<b>135,475</b>	<b>141,854</b>	<b>146,060</b>	<b>149,969</b>	<b>153,654</b>	<b>155,330</b>	<b>152,760</b>
Fair value movement on revaluation	797	466	621	164	167	1,347	565	232	697	(1,266)	(740)
Other gains	75	62	62	62	62	62	62	62	62	62	62
Finance income	484	293	354	432	560	717	694	657	630	615	653
<b>TOTAL INCOME</b>	<b>112,289</b>	<b>123,960</b>	<b>134,048</b>	<b>135,573</b>	<b>136,264</b>	<b>143,980</b>	<b>147,381</b>	<b>150,920</b>	<b>155,043</b>	<b>154,741</b>	<b>152,735</b>
<b>EXPENSE</b>											
Finance expense	8,301	9,696	9,551	9,476	9,382	9,579	9,663	9,581	9,139	8,569	7,847
Employee related expense	22,989	24,711	25,894	26,834	27,700	28,738	29,752	30,742	31,887	33,105	34,338
Expenditure on operating activities	29,029	29,575	31,103	29,966	31,261	32,680	32,998	33,879	35,519	35,964	36,760
Maintenance	21,547	24,180	26,354	27,636	27,521	29,821	29,490	30,989	30,804	29,950	27,371
Depreciation and amortisation	24,349	26,392	27,707	30,287	30,149	29,160	31,290	31,259	31,811	34,394	34,953
<b>TOTAL EXPENSE</b>	<b>106,215</b>	<b>114,554</b>	<b>120,609</b>	<b>124,199</b>	<b>126,013</b>	<b>129,978</b>	<b>133,193</b>	<b>136,450</b>	<b>139,160</b>	<b>141,982</b>	<b>141,269</b>
<b>TOTAL ACCOUNTING SURPLUS</b>	<b>6,074</b>	<b>9,406</b>	<b>13,439</b>	<b>11,374</b>	<b>10,251</b>	<b>14,002</b>	<b>14,188</b>	<b>14,470</b>	<b>15,883</b>	<b>12,759</b>	<b>11,466</b>
Share of joint ventures	3,094	3,304	3,305	3,473	3,763	4,072	4,123	4,163	4,222	4,278	4,386
Share of associates surplus/deficit	0	0	0	0	0	0	0	0	0	0	0
<b>NET SURPLUS BEFORE TAXATION</b>	<b>9,168</b>	<b>12,710</b>	<b>16,744</b>	<b>14,847</b>	<b>14,014</b>	<b>18,074</b>	<b>18,311</b>	<b>18,633</b>	<b>20,105</b>	<b>17,037</b>	<b>15,852</b>

	2017/18 Budget \$000	2018/19 Budget \$000	2019/20 Budget \$000	2020/21 Budget \$000	2021/22 Budget \$000	2022/23 Budget \$000	2023/24 Budget \$000	2024/25 Budget \$000	2025/26 Budget \$000	2026/27 Budget \$000	2027/28 Budget \$000
Income tax expense	0	0	0	0	0	0	0	0	0	0	0
<b>NET SURPLUS for the year</b>	<b>9,168</b>	<b>12,710</b>	<b>16,744</b>	<b>14,847</b>	<b>14,014</b>	<b>18,074</b>	<b>18,311</b>	<b>18,633</b>	<b>20,105</b>	<b>17,037</b>	<b>15,852</b>
<b>OTHER COMPREHENSIVE INCOME</b>											
Gain on asset revaluations	0	(0)	89,694	(0)	0	112,119	0	0	142,495	0	0
Deferred tax on asset revaluations	0	0	0	0	0	0	0	0	0	0	0
Movement in NZLG shares value	0	0	0	0	0	0	0	0	0	0	0
Asset impairment Loss	0	0	0	0	0	0	0	0	0	0	0
Share of associate other comprehensive income	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>	<b>0</b>	<b>(0)</b>	<b>89,694</b>	<b>(0)</b>	<b>0</b>	<b>112,119</b>	<b>0</b>	<b>0</b>	<b>142,495</b>	<b>0</b>	<b>0</b>
<b>TOTAL COMPREHENSIVE SURPLUS/DEFICIT</b>	<b>9,168</b>	<b>12,710</b>	<b>106,438</b>	<b>14,847</b>	<b>14,014</b>	<b>130,193</b>	<b>18,311</b>	<b>18,633</b>	<b>162,600</b>	<b>17,037</b>	<b>15,852</b>
<b>TOTAL OPERATING SURPLUS (as above)</b>	<b>6,074</b>	<b>9,406</b>	<b>13,439</b>	<b>11,374</b>	<b>10,251</b>	<b>14,002</b>	<b>14,188</b>	<b>14,470</b>	<b>15,883</b>	<b>12,759</b>	<b>11,466</b>
Less Non-Controllable Activities											
Capital subsidies	3,764	3,050	6,641	3,852	3,941	4,256	4,762	4,621	4,720	4,878	4,481
Vested assets	3,051	4,259	4,352	4,448	4,546	4,650	4,762	4,876	4,998	5,128	5,267
Fair value movement on revaluation	797	466	621	164	167	1,347	565	232	697	(1,266)	(740)
<b>Total Non-Controllable Activities</b>	<b>7,612</b>	<b>7,775</b>	<b>11,614</b>	<b>8,464</b>	<b>8,654</b>	<b>10,253</b>	<b>10,089</b>	<b>9,729</b>	<b>10,415</b>	<b>8,740</b>	<b>9,008</b>
<b>TOTAL CONTROLLABLE SURPLUS/DEFICIT</b>	<b>(1,538)</b>	<b>1,631</b>	<b>1,825</b>	<b>2,910</b>	<b>1,597</b>	<b>3,749</b>	<b>4,099</b>	<b>4,741</b>	<b>5,468</b>	<b>4,019</b>	<b>2,458</b>



## PROSPECTIVE STATEMENT OF FINANCIAL POSITION

	2017/18 AP \$000	2018/19 Budget \$000	2019/20 Budget \$000	2020/21 Budget \$000	2021/22 Budget \$000	2022/23 Budget \$000	2023/24 Budget \$000	2024/25 Budget \$000	2025/26 Budget \$000	2026/27 Budget \$000	2027/28 Budget \$000
<b>CURRENT ASSETS</b>											
Cash and cash equivalents	7,987	6,047	3,627	3,257	3,871	4,572	4,530	4,562	4,617	5,077	7,706
Trade and other receivables	14,030	19,632	21,305	21,798	21,205	21,361	21,193	21,695	21,864	20,924	18,835
Other financial assets	1,521	1,833	1,833	1,833	1,833	1,833	1,833	1,833	1,833	1,833	1,833
Non current assets held for resale	770	560	560	560	560	560	560	560	560	560	560
<b>TOTAL CURRENT ASSETS</b>	<b>24,308</b>	<b>28,072</b>	<b>27,325</b>	<b>27,448</b>	<b>27,469</b>	<b>28,326</b>	<b>28,116</b>	<b>28,650</b>	<b>28,874</b>	<b>28,394</b>	<b>28,934</b>
<b>CURRENT LIABILITIES</b>											
Trade and other payables	16,143	17,578	17,998	18,625	18,559	18,965	18,513	19,102	19,362	18,807	19,134
Employee benefit liabilities	2,028	2,180	2,253	2,305	2,369	2,442	2,511	2,577	2,650	2,725	2,797
Current portion of borrowings	12,978	16,228	16,228	16,228	16,228	16,228	16,228	16,228	16,228	16,228	16,228
Current portion of derivative financial instruments	0	818	818	818	818	818	818	818	818	818	818
<b>TOTAL CURRENT LIABILITIES</b>	<b>31,149</b>	<b>36,804</b>	<b>37,297</b>	<b>37,976</b>	<b>37,974</b>	<b>38,453</b>	<b>38,070</b>	<b>38,725</b>	<b>39,058</b>	<b>38,578</b>	<b>38,977</b>
<b>WORKING CAPITAL</b>	<b>(6,841)</b>	<b>(8,732)</b>	<b>(9,972)</b>	<b>(10,528)</b>	<b>(10,505)</b>	<b>(10,127)</b>	<b>(9,954)</b>	<b>(10,075)</b>	<b>(10,184)</b>	<b>(10,184)</b>	<b>(10,043)</b>
<b>NON CURRENT ASSETS</b>											
Investments in associates	109,933	123,311	123,311	123,311	123,311	123,311	123,311	123,311	123,311	123,311	123,311
Other financial assets	10,851	38,553	38,428	38,400	38,389	38,376	38,372	38,366	38,360	38,361	38,371
Intangible assets	953	1,386	1,449	1,622	1,785	1,911	2,007	2,100	2,192	2,299	2,418
Trade & other receivables	0	0	0	0	0	0	0	0	0	0	0
Forestry assets	34,298	36,724	37,345	37,508	37,676	39,022	39,588	39,820	40,517	39,251	38,511
Investment property	4,620	4,700	4,700	4,700	4,700	4,700	4,700	4,700	4,700	4,700	4,700
Property, plant and equipment	1,391,605	1,428,248	1,538,133	1,557,932	1,571,386	1,698,723	1,708,811	1,719,944	1,871,830	1,873,684	1,880,901
<b>TOTAL NON CURRENT ASSETS</b>	<b>1,552,260</b>	<b>1,632,922</b>	<b>1,743,366</b>	<b>1,763,473</b>	<b>1,777,247</b>	<b>1,906,043</b>	<b>1,916,789</b>	<b>1,928,241</b>	<b>2,080,910</b>	<b>2,081,606</b>	<b>2,088,212</b>
<b>NON CURRENT LIABILITIES</b>											
Term borrowings	155,244	180,872	183,670	188,413	188,216	187,215	179,842	172,563	162,544	146,223	137,138
Derivative financial instruments	20,071	11,582	11,582	11,582	11,582	11,582	11,582	11,582	11,582	11,582	11,582
Employee benefit liabilities	592	557	578	594	613	635	656	675	697	720	742
Provisions	3,093	3,286	3,233	3,178	3,139	3,100	3,059	3,017	2,975	2,932	2,890

	2017/18 AP \$000	2018/19 Budget \$000	2019/20 Budget \$000	2020/21 Budget \$000	2021/22 Budget \$000	2022/23 Budget \$000	2023/24 Budget \$000	2024/25 Budget \$000	2025/26 Budget \$000	2026/27 Budget \$000	2027/28 Budget \$000
<b>TOTAL NON CURRENT LIABILITIES</b>	<b>179,000</b>	<b>196,297</b>	<b>199,063</b>	<b>203,767</b>	<b>203,550</b>	<b>202,532</b>	<b>195,139</b>	<b>187,837</b>	<b>177,798</b>	<b>161,457</b>	<b>152,352</b>
<b>TOTAL NET ASSETS</b>	<b>1,366,419</b>	<b>1,427,893</b>	<b>1,534,331</b>	<b>1,549,178</b>	<b>1,563,192</b>	<b>1,693,384</b>	<b>1,711,696</b>	<b>1,730,329</b>	<b>1,892,928</b>	<b>1,909,965</b>	<b>1,925,817</b>
<b>EQUITY</b>											
Accumulated equity	580,862	626,909	640,806	656,356	671,296	689,557	710,377	728,997	745,442	757,129	770,337
Restricted reserves	10,251	9,825	12,672	11,969	11,043	10,856	8,347	8,360	12,020	17,370	20,014
Revaluation reserves	775,306	791,159	880,853	880,853	880,853	992,972	992,972	992,972	1,135,466	1,135,466	1,135,466
<b>TOTAL EQUITY</b>	<b>1,366,419</b>	<b>1,427,893</b>	<b>1,534,331</b>	<b>1,549,178</b>	<b>1,563,192</b>	<b>1,693,384</b>	<b>1,711,696</b>	<b>1,730,329</b>	<b>1,892,928</b>	<b>1,909,965</b>	<b>1,925,817</b>

DRAFT FOR ADOPTION

## PROSPECTIVE STATEMENT OF CASHFLOWS

	2017/18 AP \$000	2018/19 Budget \$000	2019/20 Budget \$000	2020/21 Budget \$000	2021/22 Budget \$000	2022/23 Budget \$000	2023/24 Budget \$000	2024/25 Budget \$000	2025/26 Budget \$000	2026/27 Budget \$000	2027/28 Budget \$000
<b>CASHFLOW FROM OPERATING ACTIVITIES</b>											
CASH WAS PROVIDED FROM:											
Fees and charges	41,224	45,777	55,197	55,447	54,294	56,920	58,047	59,181	60,624	60,336	56,056
Rates	70,276	72,695	75,512	78,476	81,630	84,914	88,382	90,549	93,243	96,399	99,353
Dividends received	2,930	2,955	2,955	2,955	2,955	2,955	2,955	2,955	2,955	2,955	2,955
Interest received	484	293	354	432	560	717	694	657	630	615	653
Net GST received	0	0	0	0	0	0	0	0	0	0	0
	<b>114,914</b>	<b>121,720</b>	<b>134,018</b>	<b>137,310</b>	<b>139,439</b>	<b>145,506</b>	<b>150,078</b>	<b>153,342</b>	<b>157,452</b>	<b>160,305</b>	<b>159,017</b>
CASH WAS DISBURSED TO:											
Payments to staff and suppliers	(76,144)	(81,273)	(86,038)	(87,810)	(89,849)	(94,280)	(95,996)	(99,159)	(102,073)	(103,297)	(103,066)
Interest paid	(8,301)	(9,696)	(9,551)	(9,476)	(9,382)	(9,579)	(9,663)	(9,581)	(9,139)	(8,569)	(7,847)
	<b>(84,445)</b>	<b>(90,969)</b>	<b>(95,589)</b>	<b>(97,286)</b>	<b>(99,231)</b>	<b>(103,859)</b>	<b>(105,659)</b>	<b>(108,740)</b>	<b>(111,212)</b>	<b>(111,866)</b>	<b>(110,913)</b>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>30,469</b>	<b>30,751</b>	<b>38,429</b>	<b>40,024</b>	<b>40,208</b>	<b>41,647</b>	<b>44,419</b>	<b>44,602</b>	<b>46,240</b>	<b>48,439</b>	<b>48,104</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>											
CASH WAS PROVIDED FROM:											
Proceeds from sale of assets	75	62	62	62	62	62	62	62	62	62	62
Proceeds from sale of investments	0	55	45	22	21	23	13	14	15	8	0
	<b>75</b>	<b>117</b>	<b>107</b>	<b>84</b>	<b>83</b>	<b>85</b>	<b>75</b>	<b>76</b>	<b>77</b>	<b>70</b>	<b>62</b>
CASH WAS DISBURSED TO:											
Purchase of investments	(7,407)	(23,262)	(24)	(22)	(39)	(38)	(37)	(36)	(37)	(38)	(39)
Purchase of property, plant and equipment	(45,286)	(42,479)	(43,730)	(45,199)	(39,441)	(39,992)	(37,126)	(37,331)	(36,206)	(31,690)	(36,413)
	<b>(52,693)</b>	<b>(65,741)</b>	<b>(43,754)</b>	<b>(45,221)</b>	<b>(39,480)</b>	<b>(40,030)</b>	<b>(37,163)</b>	<b>(37,367)</b>	<b>(36,243)</b>	<b>(31,728)</b>	<b>(36,452)</b>
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>(52,618)</b>	<b>(65,624)</b>	<b>(43,647)</b>	<b>(45,137)</b>	<b>(39,397)</b>	<b>(39,945)</b>	<b>(37,088)</b>	<b>(37,291)</b>	<b>(36,166)</b>	<b>(31,658)</b>	<b>(36,390)</b>
<b>CASHFLOW FROM FINANCING ACTIVITIES</b>											
CASH WAS PROVIDED FROM:											
Proceeds from loans	34,001	44,101	19,743	22,997	19,109	19,140	18,632	14,183	11,779	4,644	13,059
CASH WAS DISBURSED TO:											
Repayment of borrowings	(12,975)	(15,421)	(16,945)	(18,254)	(19,306)	(20,141)	(26,005)	(21,462)	(21,798)	(20,965)	(22,144)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>21,026</b>	<b>28,680</b>	<b>2,798</b>	<b>4,743</b>	<b>(197)</b>	<b>(1,001)</b>	<b>(7,373)</b>	<b>(7,279)</b>	<b>(10,019)</b>	<b>(16,321)</b>	<b>(9,085)</b>

	2017/18 AP \$000	2018/19 Budget \$000	2019/20 Budget \$000	2020/21 Budget \$000	2021/22 Budget \$000	2022/23 Budget \$000	2023/24 Budget \$000	2024/25 Budget \$000	2025/26 Budget \$000	2026/27 Budget \$000	2027/28 Budget \$000
TOTAL NET CASHFLOWS	(1,123)	(6,193)	(2,420)	(370)	614	701	(42)	32	55	460	2,629
Opening cash held	9,110	12,240	6,047	3,627	3,257	3,871	4,572	4,530	4,562	4,617	5,077
<b>Closing cash balance</b>	<b>7,987</b>	<b>6,047</b>	<b>3,627</b>	<b>3,257</b>	<b>3,871</b>	<b>4,572</b>	<b>4,530</b>	<b>4,562</b>	<b>4,617</b>	<b>5,077</b>	<b>7,706</b>
Represented by:											
Cash and cash equivalents	7,987	6,047	3,627	3,257	3,871	4,572	4,530	4,562	4,617	5,077	7,706
<b>Cash and cash equivalents</b>	<b>7,987</b>	<b>6,047</b>	<b>3,627</b>	<b>3,257</b>	<b>3,871</b>	<b>4,572</b>	<b>4,530</b>	<b>4,562</b>	<b>4,617</b>	<b>5,077</b>	<b>7,706</b>

DRAFT FOR ADOPT

## PROSPECTIVE STATEMENT OF CHANGES IN NET ASSETS/EQUITY

	2017/18 AP \$000	2018/19 Budget \$000	2019/20 Budget \$000	2020/21 Budget \$000	2021/22 Budget \$000	2022/23 Budget \$000	2023/24 Budget \$000	2024/25 Budget \$000	2025/26 Budget \$000	2026/27 Budget \$000	2027/28 Budget \$000
<b>EQUITY AT THE START OF THE YEAR</b>	<b>1,195,396</b>	<b>1,415,183</b>	<b>1,427,893</b>	<b>1,534,331</b>	<b>1,549,178</b>	<b>1,563,192</b>	<b>1,693,385</b>	<b>1,711,696</b>	<b>1,730,329</b>	<b>1,892,928</b>	<b>1,909,965</b>
Total Comprehensive Revenue and Expenses	42,526	12,710	106,438	14,847	14,014	130,193	18,311	18,633	162,599	17,037	15,852
<b>EQUITY AT THE END OF THE YEAR</b>	<b>1,237,922</b>	<b>1,427,893</b>	<b>1,534,331</b>	<b>1,549,178</b>	<b>1,563,192</b>	<b>1,693,385</b>	<b>1,711,696</b>	<b>1,730,329</b>	<b>1,892,928</b>	<b>1,909,965</b>	<b>1,925,817</b>
<b>COMPONENTS OF EQUITY</b>											
Accumulated general equity at beginning of year	511,235	615,319	626,909	640,806	656,356	671,296	689,556	710,377	728,997	745,442	757,129
Net surplus/(deficit) for the year	9,063	12,710	16,744	14,847	14,014	18,074	18,311	18,633	20,105	17,037	15,852
Net transfers (to)/from reserves	(2,394)	(1,120)	(2,847)	703	926	186	2,510	(13)	(3,660)	(5,350)	(2,644)
<b>ACCUMULATED GENERAL EQUITY AT END OF YEAR</b>	<b>517,904</b>	<b>626,909</b>	<b>640,806</b>	<b>656,356</b>	<b>671,296</b>	<b>689,556</b>	<b>710,377</b>	<b>728,997</b>	<b>745,442</b>	<b>757,129</b>	<b>770,337</b>
Accumulated reserve funds at beginning of year	14,710	8,705	9,825	12,672	11,969	11,043	10,857	8,347	8,360	12,020	17,370
Net transfers to/(from) reserves	2,394	1,120	2,847	(703)	(926)	(186)	(2,510)	13	3,660	5,350	2,644
<b>ACCUMULATED RESERVE FUNDS AT END OF YEAR</b>	<b>17,104</b>	<b>9,825</b>	<b>12,672</b>	<b>11,969</b>	<b>11,043</b>	<b>10,857</b>	<b>8,347</b>	<b>8,360</b>	<b>12,020</b>	<b>17,370</b>	<b>20,014</b>
Accumulated revaluation reserves at beginning of year	669,451	791,159	791,159	880,853	880,853	880,853	992,972	992,972	992,972	1,135,466	1,135,466
Revaluation surplus/(deficit)	33,463	0	89,694	0	0	112,119	0	0	142,494	0	0
<b>ACCUMULATED REVALUATION RESERVES AT END OF YEAR</b>	<b>702,914</b>	<b>791,159</b>	<b>880,853</b>	<b>880,853</b>	<b>880,853</b>	<b>992,972</b>	<b>992,972</b>	<b>992,972</b>	<b>1,135,466</b>	<b>1,135,466</b>	<b>1,135,466</b>
<b>EQUITY AT THE END OF THE YEAR</b>	<b>1,237,922</b>	<b>1,427,893</b>	<b>1,534,331</b>	<b>1,549,178</b>	<b>1,563,192</b>	<b>1,693,385</b>	<b>1,711,696</b>	<b>1,730,329</b>	<b>1,892,928</b>	<b>1,909,965</b>	<b>1,925,817</b>

## PROSPECTIVE CASHFLOW RECONCILIATION

	2017/18 AP \$000	2018/19 Budget \$000	2019/20 Budget \$000	2020/21 Budget \$000	2021/22 Budget \$000	2022/23 Budget \$000	2023/24 Budget \$000	2024/25 Budget \$000	2025/26 Budget \$000	2026/27 Budget \$000	2027/28 Budget \$000
<b>SURPLUS(DEFICIT) FROM PROSPECTIVE INCOME STATEMENT</b>	<b>6,825</b>	<b>12,710</b>	<b>16,744</b>	<b>14,847</b>	<b>14,014</b>	<b>18,074</b>	<b>18,311</b>	<b>18,633</b>	<b>20,105</b>	<b>17,037</b>	<b>15,852</b>
<b>ADD NON CASH ITEMS</b>											
Depreciation	25,235	26,392	27,707	30,287	30,149	29,160	31,290	31,259	31,811	34,394	34,953
Fair value movement on revaluation	(653)	(466)	(621)	(164)	(167)	(1,347)	(565)	(232)	(697)	1,266	740
Share of associates surplus/deficit	0	0	0	0	0	0	0	0	0	0	0
Vested assets	(3,007)	(4,259)	(4,352)	(4,448)	(4,546)	(4,650)	(4,762)	(4,876)	(4,998)	(5,128)	(5,267)
	<b>21,575</b>	<b>21,667</b>	<b>22,734</b>	<b>25,675</b>	<b>25,436</b>	<b>23,163</b>	<b>25,963</b>	<b>26,151</b>	<b>26,116</b>	<b>30,532</b>	<b>30,426</b>
<b>MOVEMENTS IN WORKING CAPITAL</b>											
Decrease (increase) in accounts receivable	(836)	(3,832)	(1,674)	(490)	595	(155)	167	(503)	(169)	940	2,089
Increase (decrease) in accounts payable	(1,046)	(1,420)	880	220	(376)	641	(311)	443	68	(603)	479
Increase (decrease) in employee entitlements	88	189	87	66	59	68	64	60	68	69	68
	<b>(1,794)</b>	<b>(5,063)</b>	<b>(707)</b>	<b>(204)</b>	<b>278</b>	<b>554</b>	<b>(80)</b>	<b>0</b>	<b>(33)</b>	<b>406</b>	<b>2,636</b>
<b>OTHER</b>											
Decrease (increase) in term receivables	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in term provisions	(151)	(61)	(54)	(55)	(38)	(39)	(41)	(42)	(42)	(42)	(42)
Increase (decrease) in term employee entitlements	23	57	26	20	18	20	19	18	20	21	20
	<b>(128)</b>	<b>(4)</b>	<b>(28)</b>	<b>(35)</b>	<b>(20)</b>	<b>(19)</b>	<b>(22)</b>	<b>(24)</b>	<b>(22)</b>	<b>(21)</b>	<b>(22)</b>
<b>ADD(DEDUCT) ITEMS CLASSIFIED AS INVESTING OR FINANCING ACTIVITIES</b>											
Gain on sale of assets	(93)	(62)	(62)	(62)	(62)	(62)	(62)	(62)	(62)	(62)	(62)
Capital creditors	1,424	1,503	(252)	(197)	562	(63)	309	(96)	136	547	(726)
	<b>1,331</b>	<b>1,441</b>	<b>(314)</b>	<b>(259)</b>	<b>500</b>	<b>(125)</b>	<b>247</b>	<b>(158)</b>	<b>74</b>	<b>485</b>	<b>(788)</b>
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>27,809</b>	<b>30,751</b>	<b>38,429</b>	<b>40,024</b>	<b>40,208</b>	<b>41,647</b>	<b>44,419</b>	<b>44,602</b>	<b>46,240</b>	<b>48,439</b>	<b>48,104</b>

## PROSPECTIVE FUNDING IMPACT STATEMENT

	2017/18 AP \$000	2018/19 Budget \$000	2019/20 Budget \$000	2020/21 Budget \$000	2021/22 Budget \$000	2022/23 Budget \$000	2023/24 Budget \$000	2024/25 Budget \$000	2025/26 Budget \$000	2026/27 Budget \$000	2027/28 Budget \$000
<b>SOURCES OF OPERATING FUNDING</b>											
General rates, uniform annual general charges, rates penalties	37,701	38,886	40,295	41,973	43,254	45,293	47,140	48,665	49,816	51,578	52,633
Targeted rates	33,276	34,542	35,993	37,296	39,188	40,453	42,093	42,746	44,315	45,733	47,655
Subsidies and grants for operating purposes	3,609	3,640	3,712	3,739	3,920	3,987	4,173	4,248	4,383	4,424	4,611
Fees and charges	13,545	15,051	15,828	16,603	16,963	17,571	18,081	18,598	19,259	19,929	20,498
Interest and dividends from investments	3,414	3,248	3,309	3,387	3,515	3,672	3,649	3,612	3,585	3,570	3,608
Local authorities fuel tax, fines, infringement fees, and other receipts	15,848	19,002	21,757	22,734	21,922	24,374	23,919	24,847	24,985	22,644	17,250
<b>TOTAL OPERATING FUNDING</b>	<b>107,393</b>	<b>114,369</b>	<b>120,894</b>	<b>125,732</b>	<b>128,762</b>	<b>135,350</b>	<b>139,055</b>	<b>142,716</b>	<b>146,343</b>	<b>147,878</b>	<b>146,255</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>											
Payments to staff and suppliers	78,579	81,259	86,342	87,404	89,587	94,424	95,542	99,028	101,786	102,726	102,286
Finance costs	8,301	9,697	9,552	9,477	9,383	9,580	9,664	9,582	9,140	8,570	7,848
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	<b>86,880</b>	<b>90,956</b>	<b>95,894</b>	<b>96,881</b>	<b>98,970</b>	<b>104,004</b>	<b>105,206</b>	<b>108,610</b>	<b>110,926</b>	<b>111,296</b>	<b>110,134</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING</b>	<b>20,513</b>	<b>23,413</b>	<b>25,000</b>	<b>28,851</b>	<b>29,792</b>	<b>31,346</b>	<b>33,849</b>	<b>34,106</b>	<b>35,417</b>	<b>36,582</b>	<b>36,121</b>
<b>SOURCES OF CAPITAL FUNDING</b>											
Subsidies and grants for capital expenditure	3,764	3,050	6,641	3,852	3,941	4,256	4,762	4,621	4,720	4,878	4,481
Development and financial contributions	5,427	10,033	10,131	10,235	8,236	8,321	8,408	8,860	8,959	9,061	8,700
Increase (decrease) in debt	21,026	28,680	2,798	4,743	(197)	(1,001)	(7,373)	(7,279)	)	)	(9,085)
Gross proceeds from sale of assets	75	62	62	62	62	62	62	62	62	62	62
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	<b>30,292</b>	<b>41,825</b>	<b>19,632</b>	<b>18,892</b>	<b>12,042</b>	<b>11,638</b>	<b>5,859</b>	<b>6,264</b>	<b>3,722</b>	<b>(2,320)</b>	<b>4,158</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>											
Capital expenditure											

	2017/18 AP \$000	2018/19 Budget \$000	2019/20 Budget \$000	2020/21 Budget \$000	2021/22 Budget \$000	2022/23 Budget \$000	2023/24 Budget \$000	2024/25 Budget \$000	2025/26 Budget \$000	2026/27 Budget \$000	2027/28 Budget \$000
- to meet additional demand	6,229	1,549	1,556	5,965	6,671	5,007	8,398	7,003	2,329	80	124
- to improve the level of service	23,038	21,711	20,369	16,217	15,216	18,844	11,950	13,515	12,870	7,941	18,577
- to replace existing assets	16,255	17,715	21,686	23,626	17,335	16,003	16,362	17,091	21,099	23,205	18,320
Increase (decrease) in reserves	(553)	1,107	1,145	1,963	2,623	3,143	3,002	2,767	2,847	3,035	3,248
Increase (decrease) in investments	5,836	23,156	(125)	(28)	(11)	(13)	(4)	(6)	(6)	1	10
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	<b>50,805</b>	<b>65,238</b>	<b>44,631</b>	<b>47,743</b>	<b>41,834</b>	<b>42,984</b>	<b>39,708</b>	<b>40,370</b>	<b>39,139</b>	<b>34,262</b>	<b>40,279</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING</b>	<b>(20,513)</b>	<b>(23,413)</b>	<b>(24,999)</b>	<b>(28,851)</b>	<b>(29,792)</b>	<b>(31,346)</b>	<b>(33,849)</b>	<b>(34,106)</b>	<b>(35,417)</b>	<b>(36,582)</b>	<b>(36,121)</b>
<b>FUNDING BALANCE</b>	<b>0</b>	<b>(0)</b>	<b>0</b>	<b>0</b>	<b>(0)</b>	<b>(0)</b>	<b>0</b>	<b>0</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>

DRAFT FOR APPROVAL



Pursuant to PBE FRS-42 paragraph 40 following is an explanation of the relationship between this Funding Impact Statement and the Prospective Comprehensive Income Statement.

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

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

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

Where appropriate the budgets for the LTP 2018-2028 have been developed from the forecast closing position of the 2017/18 financial year rather than the published annual plan.

## DEPRECIATION AND AMORTISATION OF EXPENSES BY GROUP OF ACTIVITIES

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

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

This information was previously included within Council's Cost of Service Statements, however, under the new financial reporting regulations the funding impact statements exclude non-cash/accounting transactions such as depreciation.

	2017/18 Budget \$000	2018/19 Budget \$000	2019/20 Budget \$000	2020/21 Budget \$000	2021/22 Budget \$000	2022/23 Budget \$000	2023/24 Budget \$000	2024/25 Budget \$000	2025/26 Budget \$000	2026/27 Budget \$000	2027/28 Budget \$000
Environmental Management	188	198	247	302	344	365	358	370	398	419	415
Public Health and Safety	146	108	96	88	75	63	61	50	50	49	48
Transportation, Roads and Footpaths	10,420	11,196	11,777	12,897	12,100	10,946	12,277	12,519	12,897	14,517	14,887
Coastal Structures	130	87	87	101	99	99	127	137	138	168	167
Solid Waste	584	441	498	538	485	504	557	595	620	669	697
Wastewater	2,517	3,888	4,083	4,438	4,631	4,639	4,849	4,940	4,994	5,306	5,378
Stormwater	1,469	1,641	1,661	1,859	1,888	1,938	2,233	2,301	2,354	2,710	2,732
Flood Protection and River Control Works	62	63	62	62	61	57	57	53	50	50	50
Water Supply	2,859	3,354	3,535	3,930	4,133	4,196	4,410	4,189	4,287	4,616	4,677
Community Development	3,568	3,324	3,382	3,489	3,512	3,566	3,558	3,295	3,171	2,842	2,827
Council Enterprises	602	661	710	741	773	812	859	874	891	924	910
Governance	1	6	12	12	12	18	18	12	12	12	13

## ASSUMPTIONS

Council's LTP 2018-2028 is required to contain information on the significant forecasting assumptions underlying the information contained in the document. These assumptions include assessments of a number of factors that might impact on Council and the community, including consideration of how the population will probably change over the next 30 years, funding of Council services, the financial environment, how Council will provide services over the next 30 years and external factors such as climate change and Government legislation.

The assumptions are based on current information, but actual results might differ and these differences might be large. Council has, therefore, included an assessment of how likely the actual may vary from the assumptions and what impact the variances would have on Council and the community.

These are the overarching assumptions relating to Council's activities. In addition to these assumptions, activity specific assumptions are found in each of the activity sections and Activity Management Plans which are available as separate documents.

ASSUMPTION	BRIEF DESCRIPTION OF RISK	LEVEL OF UNCERTAINTY	REASONS AND IMPACT
<b>POPULATION CHANGE AND GROWTH ASSUMPTIONS</b>			
<p>Population growth:</p> <p>Council has undertaken a detailed assessment of the likely population increase for all of the District’s main settlements as well as rural areas outside of these settlements. The overall population of Tasman is expected to increase by 4,420 residents between 2018 and 2028, to reach 55,690. The District will experience ongoing population growth over the next 30 years but the rate of growth will slow over time. After considering recent estimated population and dwelling growth rates, Council has used Statistics New Zealand’s high growth projections for Richmond, Brightwater, Wakefield, Motueka, and Mapua/Te Mamaku/Ruby Bay and medium growth projections for the rest of the District for the period 2018-2028. Medium growth projections have been used for the whole District for 2028-2048. Council planning also considers non-resident demand for holiday home properties and assumes that we will maintain the current proportion of dwellings which are used as holiday homes. Based on these assumptions, Council is planning a further 3,000 dwellings and 243 new business lots will be required. Rates income and Development Contributions revenue are generally based on this level of demand. Infrastructure planning and zoning requirements allow for a higher level of growth, based on factors such as consented subdivisions, approved Special Housing Areas, developer intentions, and to ensure an additional margin of feasible development capacity in Richmond, as required by the National Policy Statement – Urban Development Capacity.</p>	<p>Population growth is higher than assumed resulting in there being insufficient serviced land (including infrastructure) for development and housing affordability being reduced.</p> <p>Population growth is lower than assumed resulting in there being a surplus of serviced land for development.</p>	<p>Medium</p>	<p>If population growth is higher than assumed, debt incurred by Council to fund the growth related portion of infrastructure will be repaid more quickly than assumed. Council may be required to undertake further changes to the TRMP and/or increase its investment in infrastructure to make more land for development available.</p> <p>If population growth is lower than assumed it may take longer for debt incurred to invest in growth related infrastructure to be repaid through Development Contributions. Council may need to revise its capital programme to reduce the amount of infrastructure projects it provides and there may be less need to carry out TRMP changes. Rates income increases and Reserve Financial Contributions income may also be less than assumed.</p>

ASSUMPTION	BRIEF DESCRIPTION OF RISK	LEVEL OF UNCERTAINTY	REASONS AND IMPACT
<p>Ageing population:</p> <p>The median age in the Tasman District in 2013 was 44. This is expected to increase to 53 (high projection) /54.1(medium projection) by 2043. The proportion of the population aged 65 years and over is expected to increase from 18% in 2013 to 36% (high projection)/ 37% (medium projection) by 2043.</p> <p>The increasing age of the population is likely to have an impact on some residents' ability to pay for services and also the services that they require. The reduction in average household size associated with an ageing population is likely to increase the demand for housing and a number of other Council services.</p>	<p>The population ages faster than assumed exacerbating issues of rates affordability, further increasing the demand for land for development and requiring the adaption of Council services more rapidly.</p> <p>The population ages more slowly than assumed reducing issues of rates affordability, easing the demand for land for development and slowing the need to adapt Council services.</p>	<p>Low</p>	<p>If the population ages faster than assumed, Council may reduce levels of service and/or future investment in infrastructure and facilities in order to reduce future rates increases. Due to an associated reduction in the average household size, Council may also need to consider servicing additional land for development to meet the increased demand for housing. Council may also need to reconsider the mix of services, facilities and infrastructure it provides to meet the needs of the older population structure.</p> <p>If the population ages more slowly than assumed, Council may consider selective increases in levels of service and/or future investment in infrastructure and facilities with the likely consequence of increased future rates rises. Due to an associated lower demand for housing, Council may also reduce its investment in infrastructure to support the growth in land for development and may need to reconsider the mix of services, facilities and infrastructure it provides to meet the needs of the younger population structure.</p> <p>Demographic projections and the ageing of the population is well defined and likely to be similar to that forecast by Statistics New Zealand. Projections are updated on a regular cycle. Council has taken projected demographic changes into consideration as part of the development of this Plan, for example increased demand for community services such as libraries.</p>

ASSUMPTION	BRIEF DESCRIPTION OF RISK	LEVEL OF UNCERTAINTY	REASONS AND IMPACT
<p><b>Business Land:</b></p> <p>Council also assumes there will be continued growth in demand for business land which has been modelled using the same population growth assumptions outlined above. Council commissioned the development of an economic model that forecasts the area of serviced business land required to meet demand over time. The model incorporates national and regional economic and demographic trends to project employment growth and land requirements by activity (industrial, office, retail and services). The assumption is that the demand forecast by the model is accurate.</p>	<p>Business growth is higher than assumed resulting in there being insufficient serviced land for business development and the costs of business land increasing.</p> <p>Business growth is lower than assumed resulting in there being excess serviced land for business development.</p>	<p>Medium</p>	<p>If business growth is higher than assumed debt incurred by Council to fund the growth related portion of infrastructure to service business land will be repaid more quickly than assumed. Council may be required to undertake further changes to the TRMP and/or increase its investment in infrastructure to make more business land for development available.</p> <p>If business growth is lower than assumed It may take longer for debt incurred to invest in growth related infrastructure to be repaid through Development Contributions. Council may need to revise its capital programme to reduce the amount of infrastructure projects it provides and there may be less need to carry out TRMP changes. Rates income increases and Reserve Financial Contributions income may also be less than forecast</p>
<p><b>Rates Affordability:</b></p> <p>As noted in the Ageing Population section the median age of residents is expected to increase over the next 20 years. Some older residents who are no longer in employment will be less able to fund increases in rates for new services/infrastructure. Council assumes that the number of rate payers for whom rates affordability is a significant issue will increase as our population ages.</p>	<p>That the ability of residents to afford rates is less than assumed requiring Council to consider lowering rate increases in the future.</p> <p>That the ability of residents to afford rates is higher presenting the opportunity for Council to consider increasing rate increases in the future.</p>	<p>Low</p>	<p>Council may reduce levels of service and/or future investment in infrastructure and facilities in order to reduce future rates increases.</p> <p>Council may selectively increase levels of service and/or future investment in infrastructure and facilities.</p>

ASSUMPTION	BRIEF DESCRIPTION OF RISK	LEVEL OF UNCERTAINTY	REASONS AND IMPACT
<p>Development contributions:</p> <p>Full assumptions on development contributions are included in the Development Contributions Policy – copies of this are available on the Council’s website. Council expects to collect \$78.4 million in development contributions over the next ten years.</p>	<p>That development contributions are received more slowly than assumed requiring Council to hold debt for longer than anticipated.</p>	<p>Medium</p>	<p>The debt and the financing costs will eventually be re-paid when development takes place. Holding the debt for longer may put pressure on Council’s debt limit in its Financial Strategy. Council may need to consider either reducing other sources of debt or revising the debt limit in its Financial Strategy.</p>
<p>Reserve Financial Contributions (RFC’s):</p> <p>That RFC’s will continue to be received until April 2022. It is assumed that after this date Council will fund the growth component of reserve development under the Local Government Act through Development Contributions.</p>	<p>The growth component of reserve development are not funded by Development Contributions after April 2022.</p>	<p>Low</p>	<p>If the Council is unable to fund the growth component of reserve development through Development Contributions it may need to increase debt with a consequential increase in fees and charges and/or rates. Council may also need to reduce the levels of service in this activity.</p>
<p>Reserve Financial Contributions (RFC’s):</p> <p>That the Council will receive \$4.057 million in 2018/2019 from RFC’s and a total of \$12.471 million by 30 June 2021, before they are discontinued in April 2022.</p>	<p>That less is received in RFCs than forecast, either across the District as a whole or in specific locations.</p>	<p>Medium</p>	<p>Council may be required increase debt to fund a portion of reserve development with a consequential increase in fees and charges and/or rates. Council may also need to reduce the levels of service in this activity.</p>
OPERATIONAL ASSUMPTIONS			
<p>Going Concern:</p> <p>The financial information that supports the LTP assumes that Council will continue through the term of the LTP. Council will continue to work with Nelson City Council to develop shared services where this provides economic and social benefits to our communities.</p>	<p>That the Nelson and Tasman Councils amalgamate to form one combined Council for the wider region or the Council does not continue in its current form.</p>	<p>Low</p>	<p>Amalgamation of the two councils or Council’s organisational form changing in another way would involve a fundamental reconsideration of the levels of service, capital programme and finances under a new amalgamated Council.</p>

ASSUMPTION	BRIEF DESCRIPTION OF RISK	LEVEL OF UNCERTAINTY	REASONS AND IMPACT
<p>Council Resource consents: It is assumed that resource consents held by Council will not be significantly altered and any that expire during the life of the Plan can be replaced with similar consents.</p>	<p>That consents held by Council are significantly altered increasing the conditions required.</p> <p>That resource consents held by Council cannot be replaced.</p>	<p>Low</p>	<p>If consent conditions are significantly altered there are likely to be increased compliance costs for Council. Council may need to consider changing the way it provides the activity covered by the consent or fees and increase charges and/or rates to cover the additional costs of compliance.</p> <p>If resource consents cannot be replaced Council may need to consider changing the way it provides the activity covered by the consent.</p>
<p>Availability of contractors and materials: Contractors and materials will be available to undertake the work required to agreed standards, deadlines and cost.</p>	<p>That contractors and/or materials are not available to undertake the planned work.</p>	<p>Low</p>	<p>If contractors or materials are not available, Council's programme of work would have to be reduced and/or slowed down. This would impact the levels of service for a number of activities, and the cost of providing them.</p>
<b>EXTERNAL ASSUMPTIONS</b>			
<p>Climate Change: It is assumed that as a consequence of climate change natural disasters will occur with increasing frequency. This has been the experience of recent years and is consistent with predictions of climate change impacts. It is assumed that for low lying land there will be an increasing risk of inundation from sea level rise and storm surge. Council relies on Ministry for Environment (MfE) guidelines in estimating sea level rise.</p> <p>The official advice is to plan for a sea level rise (SLR) of up to 0.8 by 2090 and 1.0 m for the period to 2115, based on the 1980-1999 average levels. For sensitive infrastructure, plan for 1.9 m by 2150.</p>	<p>That the effects of climate change are more severe or sea level rise takes place to a greater extent than in the MfE advice.</p>	<p>Medium</p>	<p>A wide range of Council's services and planned infrastructure provision would be affected. Council will need to monitor the effects of climate change and level of sea level rise over time and review its budgets, programme or work and levels of service accordingly.</p>



ASSUMPTION	BRIEF DESCRIPTION OF RISK	LEVEL OF UNCERTAINTY	REASONS AND IMPACT
<p>Natural Hazards:</p> <p>It is assumed, that there will be some minor natural hazard events during the term of this Plan for example flooding, but that these events will not be significant. However it is also assumed that there is a modest chance of a medium sized event.</p>	<p>That there is a modest or larger event during the period of the LTP 2018-2028.</p> <p>The Nelson Tasman Civil Defence Emergency Management Plan states that the most significant natural hazards for Tasman are: earthquakes (greatest impact) and flooding (most likely).</p> <p>There is an expected 30% chance of an Alpine Fault rupture in the next 50 years. The Wairau segment of the Alpine Fault presents a hazard to the Tasman region. The other major active fault within the Tasman area, the Waimea-Flaxmore Fault System, has a much lower rupture frequency, but being closer, still presents a high consequence natural hazard.</p>	<p>Low</p>	<p>In the event of a medium or larger event Council's emergency reserves may not be adequate. Council may have to review its levels of service, its investment in facilities and infrastructure and consider exceeding the limits in its Financial Strategy to support the recovery of the District.</p>
<p>Emissions Trading Scheme (ETS):</p> <p>Council assumes that ETS costs will arise mainly as a result of its participation in the regional solid waste joint venture. The potential ETS liability from the Nelson Tasman Regional Landfill Business Unit is combined with that of Nelson City Council.</p>	<p>That ETS costs are higher than assumed costing Council more than forecast.</p>	<p>Low</p>	<p>Any increase in ETS costs will be shared with Nelson City Council through the Nelson Tasman Regional Landfill Business Unit. If the increase in ETS costs are material, Council may need to increase rates or fees and charges to fund these.</p>
<p>Government legislation:</p> <p>Particularly with the election of a new Government, it is assumed that that there will be changes to Government legislation that affect Council, however the nature of these changes is not known at this time. It is assumed that the Council will have the opportunity to submit on legislation likely to affect it and that Government will work with councils to ensure that any legislative changes are managed appropriately. Nothing has been provided for in the financial forecasts for the associated cost of any future legislative changes.</p>	<p>That Government legislation increases Council costs or reduces its ability to raise income.</p>	<p>Medium</p>	<p>If the increase costs from changes in legislation are material, Council may need to increase rates or fees and charges to fund these or consider reducing levels of service.</p>

ASSUMPTION	BRIEF DESCRIPTION OF RISK	LEVEL OF UNCERTAINTY	REASONS AND IMPACT
<b>FINANCIAL ASSUMPTIONS</b>			
<p>Funding depreciation:</p> <p>Council began funding depreciation from 2015/2016. It is assumed that after a further seven years Council's share of depreciation will be fully funded (for an explanation of the term 'Council's share of depreciation', refer to Council's Financial Strategy, Revenue and Financing Policy and Infrastructure Strategy).</p>	<p>That the Council's share of depreciation is not fully funded by the end of the 2024/2025 year requiring Council to fund a portion of the renewal of assets from borrowing beyond 2024/2025.</p>	<p>Low</p>	<p>Council will have to increase its borrowing to fund the portion of depreciation not funded through rates beyond 2024/2025. This may reduce Council's capacity to borrow for other purposes within its debt cap in the Financial Strategy. Council may need to review its programme of investment in facilities and infrastructure.</p>
<p>Revaluation:</p> <p>Council revalues the following fixed assets on a three yearly cycle. It is assumed that the following types of fixed assets will increase in value by the percentages indicated over three years.</p> <p>Stormwater – Yr 2 (and every three years thereafter) 6.5%</p> <p>Solid Waste – Yr 2 (and every three years thereafter) 6.5%</p> <p>Roading – Yr 2 (and every three years thereafter) 6.5%</p> <p>Water Supply – Yr 2 (and every three years thereafter) 6.5%</p> <p>Wastewater – Yr 2 (and every three years thereafter) 6.5%</p> <p>Rivers – Yr 2 (and every three years thereafter) 6.5%</p> <p>Coastal – Yr 2 (and every three years thereafter) 6.5%</p> <p>Land – Yr 2 (and every three years thereafter) 6.5%</p> <p>Buildings – Yr 2 (and every three years thereafter) 6.5%</p> <p>These assumptions affect the depreciation charges contained within Council's proposed budgets. The detail for each asset category and Council's asset depreciation rates are in the Statement of Accounting Policies.</p>	<p>That the revaluation of Council assets is higher meaning that the costs of funding depreciation increase.</p>	<p>Low</p>	<p>Council may need to consider increasing fees and charges and/or rates to pay for the increased costs of funding depreciation.</p>

ASSUMPTION	BRIEF DESCRIPTION OF RISK	LEVEL OF UNCERTAINTY	REASONS AND IMPACT
<p>Waimea Community Dam:            In July 2017 Council confirmed that the Waimea Community Dam was the most cost-effective alternative for augmenting the water supply for the urban areas. It undertook consultation on three key aspects of this project. At its 1 and 2 February 2018 Dam deliberations meeting, Council resolved to include the proposed funding and governance options into the LTP Consultation Document and supporting information. It is assumed that the Waimea Community Dam will provide a source of community water supply for the Waimea Plains area from 31 July 2021.            \$26.8 million of capital funding is provided for the Waimea Dam in the LTP and approximately \$715,000 per annum for operational costs. It is assumed that Nelson City Council will contribute \$5 million and Waimea Irrigators Ltd will contribute \$15 million to the capital costs of the Waimea Community Dam.</p>	<p>That the Waimea Community Dam does not proceed, requiring the development of an alternative source of potable water for settlements on the Waimea Plains.</p> <p>That the Waimea Community Dam proceeds more slowly than anticipated, resulting in a delay to increased potable water supplies being available.</p>	<p>Medium</p>	<p>If the Waimea Community Dam does not proceed, it is anticipated that an alternative urban water source will have higher costs for Council. It will be necessary to borrow more with consequential impacts on increased rates. Council may have to reduce its investment in other infrastructure and facilities and consider reducing levels of service.</p> <p>If the Dam is not constructed within the timeframes proposed, there will be limited urban water supply meaning that there will be a delay in making additional land available for development in the Waimea Plains. This may reduce housing affordability and result in higher levels of growth outside of the Waimea Plains area in the short term. Water restrictions will be introduced in the Waimea Area until the Dam is completed.</p>

ASSUMPTION	BRIEF DESCRIPTION OF RISK	LEVEL OF UNCERTAINTY	REASONS AND IMPACT										
<p>Inflation/Price changes:</p> <p>In preparing the LTP we use the most up to date Business and Economic Research Limited (BERL) Inflation figures.</p> <p>Council has generally used the figures provided by Business and Economic Research Limited (BERL). Variable annual rates have been applied to six cost groups across the model. We have used BERL's overall average operating and capital local government cost indices, apart from salaries which we adjust to reflect Council's expected future costs. The non-rates income inflation factor is calculated by a cost weighted averaging exercise. In preparing this LTP we will use the inflation factors as set out in the table below;</p>	<p>Inflation is higher than assumed resulting in budgets being inadequate to deliver the programme of investment in facilities and infrastructure, and to deliver the levels of service in the LTP.</p>	<p>Medium</p>	<p>If inflation is higher than assumed Council would need to consider increasing rates and charges, reducing its programme of investment in facilities and infrastructure, increasing debt and/or reducing levels of service.</p>										
	Jun-19	Jun-20	Jun-21	Jun-22	Jun-23	Jun-24	Jun-25	Jun-26	Jun-27	Jun-28	Ten Year Average		
Income	2.30%	2.40%	2.50%	2.50%	2.60%	2.60%	2.70%	2.80%	2.80%	2.90%	2.6%		
Salaries	2.60%	2.60%	2.70%	2.80%	2.80%	2.90%	2.90%	3.00%	3.00%	3.10%	2.8%		
Operating Expenses	2.00%	2.20%	2.20%	2.20%	2.30%	2.30%	2.40%	2.50%	2.50%	2.60%	2.3%		
Capital	2.00%	2.20%	2.20%	2.20%	2.30%	2.40%	2.40%	2.50%	2.60%	2.70%	2.4%		

ASSUMPTION		BRIEF DESCRIPTION OF RISK					LEVEL OF UNCERTAINTY		REASONS AND IMPACT		
<p>Interest rates: In preparing the LTP Council has assumed interest rates as set out in the table below.</p>		<p>That interest rates are higher than assumed resulting in Council's cost of borrowing being higher than anticipated.</p>					<p>Medium/ high</p>		<p>The interest rates used are based on advice from Price Waterhouse Cooper and includes the cost of both funds already borrowed and anticipated new debt at anticipated future interest rates. If actual interest rates are higher than the assumed rate, this cost would be met by increasing rates or adjusting future borrowing requirements. A degree of protection against fluctuating interest rates has been provided through the use of interest rate swaps.</p> <p>Council is also a member of the Local Government Funding Agency which provides access to loans at a lower rate than Council could obtain directly from banks.</p>		
	Jun-19	Jun-20	Jun-21	Jun-22	Jun-23	Jun-24	Jun-25	Jun-26	Jun-27	Jun-28	Ten Year Average
Interest Rate	5.08%	4.88%	4.91%	4.82%	4.93%	5.05%	5.11%	5.05%	5.10%	5.14%	5.01%

ASSUMPTION	BRIEF DESCRIPTION OF RISK	LEVEL OF UNCERTAINTY	REASONS AND IMPACT
<p>Credit availability</p> <p>Credit can be obtained from financial markets on competitive terms and conditions.</p>	<p>That credit is not available on competitive terms and conditions resulting in Council's cost of borrowing being higher than anticipated.</p>	<p>Low</p>	<p>In recent years credit has been available from the financial markets at competitive rates and conditions. Should this change dramatically through a global financial crisis there could be significant impacts on the cost of borrowing or in extreme circumstances the ability of the Council to borrow at all.</p> <p>Council may have to increase rates to pay for the increased costs of borrowing.</p> <p>Council may have to reduce its investment in infrastructure and facilities and consider reducing levels of service.</p>
<p>Useful lives of significant assets:</p> <p>We are assuming standard useful lives for Council assets except where we have good quality information that contradicts this. In LTP's Council has made a number of assumptions about the useful life of its assets (refer Infrastructure Strategy in Part x of Volume 2). These assumptions affect the depreciation charges contained within Council's proposed budgets. Council has an ongoing programme to obtain improved information on the age and condition of its utilities assets.</p>	<p>That the lives of assets are materially shorter than assumed, necessitating renewal or replacement at an earlier date.</p>	<p>Low</p>	<p>If the life of assets are materially shorter than those contained within the Plan, Council may need to increase borrowing with a consequential impact on increasing rates.</p>
<p>NZTA funding:</p> <p>An underlying assumption of the budget figures contained in the Transportation, Roads and Footpaths Activity is that the government financial assistance through the NZ Transport Agency's Co-investment Rate will remain unchanged during the LTP. Funding rates used for the preparation of the LTP are based on information from the NZ Transport Agency and are set at 51%.</p>	<p>That NZTA financial assistance rates are lower than assumed increasing Council's costs for transportation related activities.</p>	<p>Medium</p>	<p>Council may need to consider increasing rates and/or reducing its programme of transport infrastructure investment. This may result in levels of service being reduced.</p>

ASSUMPTION	BRIEF DESCRIPTION OF RISK	LEVEL OF UNCERTAINTY	REASONS AND IMPACT
<p>How is capital funded?</p> <ul style="list-style-type: none"> <li>● Loans</li> <li>● Subsidy</li> <li>● Development Contribution</li> <li>● Reserve Financial Contributions</li> <li>● Reserves</li> <li>● Rates</li> </ul>	<p>There is a risk that sources of funds for some capital projects may not eventuate. It is assumed that if external funds are not available the project will not proceed.</p>	<p>Medium</p>	<p>If external funding is not received, the capital programme may have to be revised or Council may have to draw down more debt assuming no financial limits are breached.</p>
<p>Insurance costs:</p> <p>It has been assumed that insurance cover for Council assets will be available throughout the life of the LTP and at premiums that are within a tolerable range around level of premiums paid for cover in 2017/2018 plus inflation.</p> <p>These costs are subsequent to the Kaikoura/Hurunui earthquakes.</p>	<p>That insurance cover will not be available for some or all Council assets for at least a period during the life of the LTP.</p> <p>That insurance premiums will increase beyond tolerable limits such that Council moves to self-insurance for some or all assets.</p>	<p>Medium</p>	<p>If insurance cover is either not available or premiums are above tolerable limits Council may have to self-insure. This requires having sufficient borrowing capacity to be able to replace damaged Council assets following a disaster event or something similar. Maintaining this increased level of available borrowing capacity may mean Council has to reduce other borrowing by reviewing its investment in facilities and infrastructure and/or revise its debt limit in the Financial Strategy.</p>
<p>Return on investments:</p> <p>It is assumed that the return on investments, including dividends from Council Controlled Trading Organisations and retained earnings on subsidiaries will continue at current levels plus inflation or in line with the relevant organisation's Statement of Intent.</p>	<p>That returns are lower than assumed reducing the revenue from this source.</p>	<p>Low</p>	<p>Council may need to consider increasing rates and/or reducing levels of service.</p>

ASSUMPTION	BRIEF DESCRIPTION OF RISK	LEVEL OF UNCERTAINTY	REASONS AND IMPACT
<p>Major Industrial Water Users (IWU) and provision of water to some Nelson South properties:</p> <p>The figures in the LTP assume that the IWUs and properties in Nelson South will continue to require the same amount of water that is currently being provided until 2021 when the current agreement with NCC finishes.</p> <p>Beyond 2021 Council has assumed that the same volume of water will be provided to IWU and Nelson South, whether the renewed contract be directly between the Council and the IWU or the Council and NCC.</p>	<p>That Council's income from providing water to major IWUs and Nelson South is lower than assumed.</p>	<p>Low</p>	<p>Council may need to consider increasing rates and/or reducing levels of service.</p> <p>If the amount of water required increases or decreases significantly Council will need to reassess the water storage and conveyance needs for the urban water supply system. A large change in the volume provided might also affect the cost of water provided to other urban water supply users, including Tasman residential properties. The reason for this is that most of the costs of supplying water are fixed, and a change in the volume provided would also change the average cost per cubic metre.</p>
<p>Limits on Rates and Rate increases:</p> <p>The level of Council limits on rates and rate increases, as required by the Local Government Act 2002, are set out in the Financial Strategy. This Plan assumes that Council will remain within these limits.</p>	<p>That rates levels and/or rate increases are above the limits set in the Financial Strategy.</p>	<p>Low</p>	<p>There is no legislative requirement for Council to remain within the rates limit and the forecasts in this Plan provide a margin for unexpected events.</p> <p>The Council may need to reconsider the limits in its Financial Strategy or alternatively decide to breach them for a short period and provide a good rationale for doing so. A breach of this sort would be noted in the Annual Report and (on an election year) in the pre-election report.</p> <p>If the breaches were extensive or continued over an extended period of time they could affect Council's credit rating with a likely increase in borrowing costs. This in turn may require Council to consider reducing its borrowing, raising rates and/or reducing levels of service.</p>



ASSUMPTION	BRIEF DESCRIPTION OF RISK	LEVEL OF UNCERTAINTY	REASONS AND IMPACT
<p>Activity/Transaction Increases</p> <p>Generally we do not inflation adjust non-rate income. Given past trends however, we use a 1% increase in activity levels in consents and license workloads as a basis for adjustments.</p>	<p>That expected levels of transactions do not eventuate or that activity levels exceed expectations</p>	<p>Medium – a lot of the transactions are client driven in terms of timing and number</p>	<p>Depending on activity levels, non-rate income will be affected in the form of user charges. If income is less we will have to make costs savings elsewhere. If activity levels are higher, we will have to out-source or increase resources to respond, especially where compliance with statutory processing times are concerned.</p>

DRAFT FOR ADOPTION

# RESERVE FUNDS

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

## BACKGROUND

These changes placed more focus on the accounting for, and disclosure of reserves. The Act defines reserve funds as “money set aside by a local authority for a specific purpose”. Reserves are part of equity which may or may not be physically backed by cash/investments. Reserves are often used to separate a funding surplus of an activity. The Act requires Council to specify the amount expected to be deposited in the fund, and the amount expected to be withdrawn from the fund over the 10 year period that the LTP covers. Council does not transfer money from one reserve to fund another. Council now charges/pays ‘internal’ interest on any surplus or deficit balances that each individual reserve may have. Opening balance surpluses are usually due to approved committed projects not yet being undertaken or completed.

Reserve Reporting	Activity to which the fund relates	Opening Balance 1 July 2018 (000's)	Transfer into fund (000's)	Transfers out of fund (000's)	Closing Balance 30 June 2028 (000's)
Reserve Financial Contributions Reserve	Community Facilities & Parks	3,075	39,769	(28,133)	14,711
Rivers Disaster Fund	Rivers & Flood Protection	1,109	411	-	1,520
Rivers Reserve	Rivers & Flood Protection	1,127	36,294	(36,595)	826
Water Reserve	Water	620	272,541	(271,985)	1,176
Wastewater Reserve	Wastewater	677	176,115	(177,331)	(539)
Self Insurance Fund	Overall Council	1,057	-	-	1,057
Stormwater Reserve	Stormwater	659	96,900	(96,660)	899
Solid Waste Reserve	Solid Waste	360	102,464	(103,311)	(487)
Dog Control Reserve	Public Health & Safety	58	4,545	(4,808)	(205)
Community Facilities Rate Reserve	Community Facilities & Parks	456	43,392	(43,392)	456
Camping Ground Reserve	Council Enterprises & Property	32	18,852	(16,329)	2,555
Community Housing Reserve	Community Facilities & Parks	305	10,217	(7,781)	2,741
Development Contribution Reserve	Roading & Footpaths, Water, Wastewater, Stormwater	(4,732)	56,217	(65,034)	(13,549)
General Disaster Fund	Governance	3,902	4,951	-	8,853
<b>TOTAL</b>		<b>8,705</b>	<b>862,668</b>	<b>(851,359)</b>	<b>20,014</b>

## RESERVES

### RESERVE FINANCIAL CONTRIBUTIONS RESERVE

Reserve financial contributions are paid as a percentage of the land value of new allotments, and are applied to the acquisition and development of land for reserves, and to the development and upgrading of community services. All reserve financial contributions must be separately accountable and the Council keeps reserve financial contributions received in four separate accounts (Golden Bay ward, Motueka ward, Moutere/Waimea/Lakes/Murchison wards, Richmond ward). Strict criteria apply to the use of these funds.

### RIVERS DISASTER FUND

The rivers disaster fund (The Classified Rivers Protection Fund) covers the excess for river protection assets insured under the Local Authority Protection Programme (LAPP). No allowance has been made in the Long Term Plan for any withdrawals on this disaster fund as the timing of any disasters cannot be predicted.

### RIVERS RESERVE

The river reserve is used to enable separate accounting for the funding and expenditure for the rivers activity. Each year Council sets the proposed income, expenditure and funding budgets. Variations from these budgets, as a result of timing of projects or unplanned expenditure are recorded in the rivers fund to keep any surpluses/deficits separate from other activities.

## **WATER RESERVE**

The water reserve is used to separate all funding and expenditure for the water activity, excluding development contributions income and projects. Each year Council sets the proposed income, expenditure and funding budgets for this activity. Variations from these budgets, as a result of timing of projects and/or unplanned expenditure are recorded in the water reserve to keep any surpluses/deficits separate from other activities.

## **WASTEWATER RESERVE**

The wastewater reserve is used to separate all funding and expenditure for the water activity, excluding development contributions income and projects. Each year Council sets the proposed income, expenditure and funding budgets for this activity. Variations from these budgets, as a result of timing of projects and/or unplanned expenditure are recorded in the wastewater reserve to keep any surpluses/deficits separate from other activities.

## **SELF INSURANCE FUND**

The purpose of this fund is to provide cover for assets or liabilities that are medium to low risk, but are uneconomic to insure.

## **STORMWATER RESERVE**

The stormwater reserve is used to separate all funding and expenditure for the stormwater activity, excluding development contributions income and projects. Each year Council sets the proposed income, expenditure and funding budgets for this activity. Any variation from these budgets for example as a result of timing of projects or unplanned expenditure are recorded in the stormwater reserve to keep any surpluses/deficits separate from other activities.

## **SOLID WASTE RESERVE**

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

## **DOG CONTROL RESERVE**

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

## **COMMUNITY FACILITIES RATE RESERVE**

The community facilities rate reserve is used to separate all funding and expenditure for the community facilities activity. Each year Council sets the proposed income, expenditure and funding budgets for this activity. Any variations from these budgets, for example timing of projects or unplanned expenditure, are recorded in the community facilities rate reserve so that any surpluses/deficits are kept separate from other activities. The surplus in this reserve increases over the life of the LTP due to interest costs decreasing as the loans are repaid. The surplus increase is mainly from year 5 onwards in this LTP.

## **CAMPING GROUND RESERVE**

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

## **COMMUNITY HOUSING RESERVE**

The community housing reserve is used to separate all funding and expenditure for the community housing activity. Each year Council sets the proposed income, expenditure and funding budgets for this activity. Any variations from these budgets, for example due to timing of projects or unplanned expenditure, is recorded in the community housing reserve so that any surpluses/deficits can be kept separate from other activities.

## **DEVELOPMENT CONTRIBUTION RESERVE**

It is Tasman District Council's intention that developers should bear the cost of the increased demand that development places on the District's infrastructure. Population growth in the District places a strain on network and community infrastructure. That infrastructure will need to expand and be further developed in order to cope with the demands of population growth. This includes additional demand on services such as roading, water supply, wastewater and stormwater management. All development contributions must be separately accountable and the Council keeps development contributions received in four separate accounts; roading, wastewater, stormwater and water. Strict criteria apply to the use of these funds. Any budgeted surpluses/deficits for these funds in any given year are funded through borrowing or repaying development contribution loans. The opening balance of development contributions loans are \$7,995,000 and these loans are forecast to be fully repaid at the end of the LTP.

## **GENERAL DISASTER FUND**

The General Disaster Fund is to cover uninsurable assets like roads and bridges. Council usually receives a subsidy from NZ Transport Agency to cover part of the costs of any roads and bridges damaged in a disaster but Council needs to fund any remaining costs. No allowance has been made in the LTP for any withdrawals on this disaster fund as disasters are impossible to predict. This plan includes provision to increase the Disaster Fund to \$6.5 million by 2018.

# FINANCIAL REGULATIONS BENCHMARKS

Long Term Plan disclosure statement for period commencing 1 July 2018

## WHAT IS THE PURPOSE OF THIS STATEMENT?

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

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

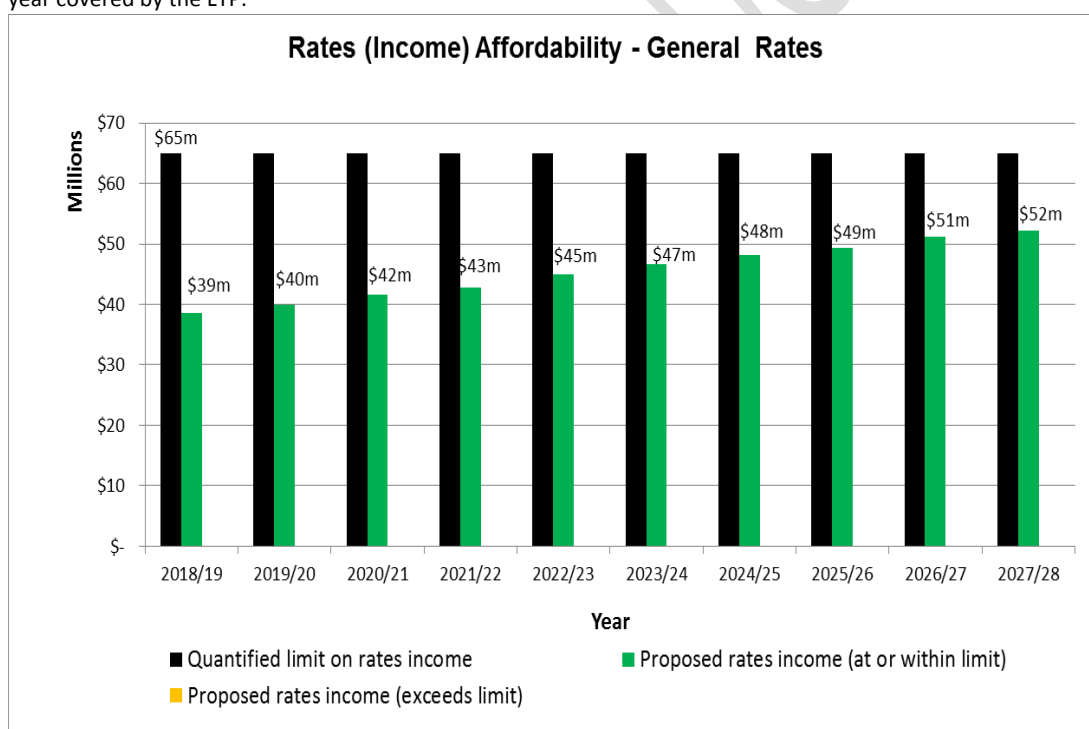
## RATES AFFORDABILITY BENCHMARK

Council meets the rates affordability benchmark if—

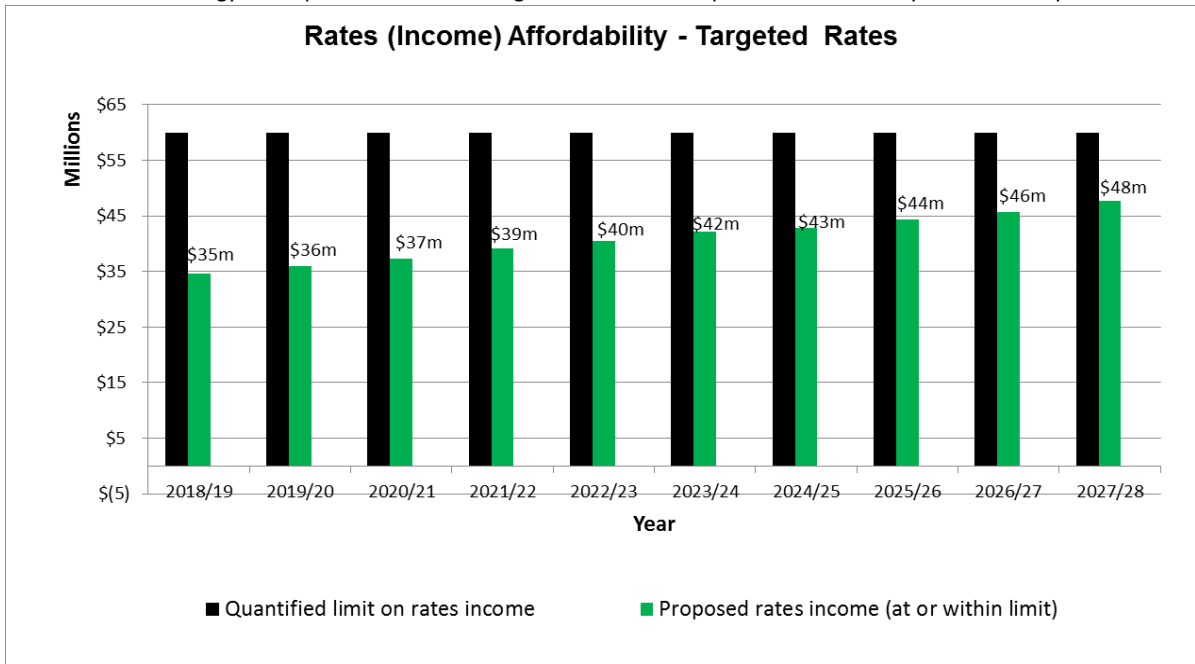
- its actual rates income equals, or is less than, each quantified limit on rates; and
- its actual rates increases equals, or is less than, each quantified limit on rates increases.

## RATES (INCOME) AFFORDABILITY

The following graph compares Council's planned general rates income with a quantified limit on general rates contained in the Financial Strategy (refer to Supporting Information). The quantified limit for general rates is \$65m per annum for each year covered by the LTP.

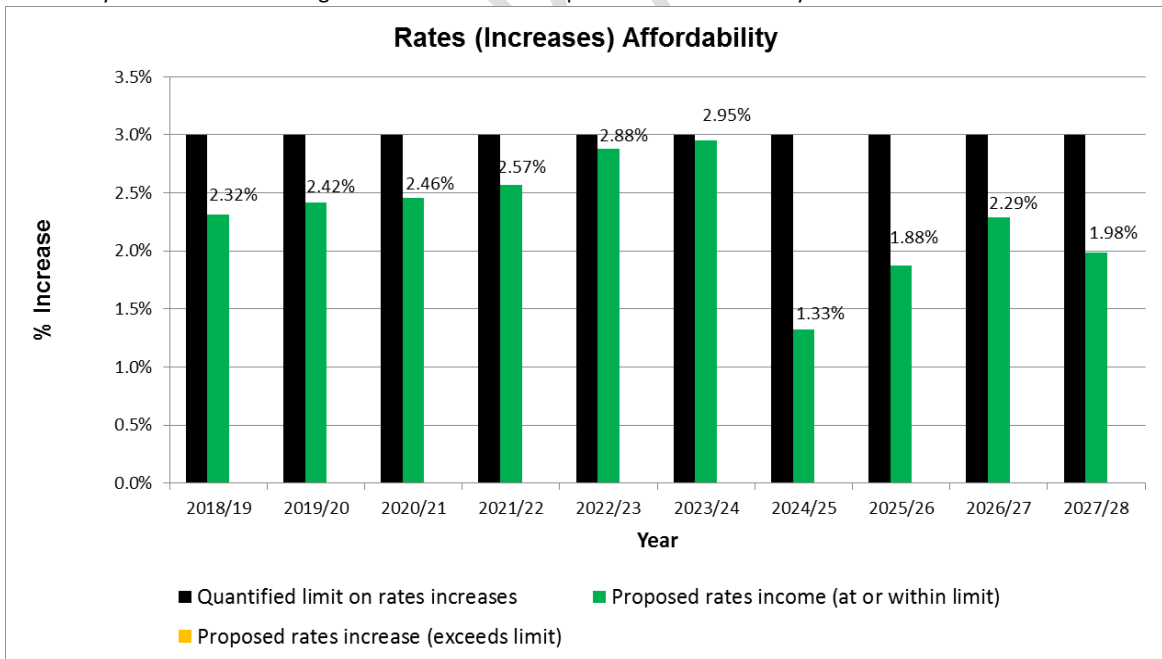


The following graph compares Council's planned targeted rates income with a quantified limit on targeted rates contained in the Financial Strategy. The quantified limit for targeted rates is \$60m per annum for each year covered by the LTP.



### RATES (INCREASES) AFFORDABILITY

The following graph compares Council's planned rate increases with a quantified limit on rates increases contained in the Financial Strategy. The quantified limit is a maximum of 3% increase in rates revenue excluding growth for each year covered by the LTP. Growth ranges from 1.08% to 1.48% per annum over the 10 years of the LTP.



## DEBT AFFORDABILITY BENCHMARK

Council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing.

The definitions contained in the regulations differ from those used in Council's Treasury Risk Management Policy and Financial Strategy. The quantified limits on borrowings contained in the Financial Strategy are taken from Council's treasury policy, and as such were formulated in relation to the definition of net external debt. Planned results are reported using both the prescribed definitions contained in the regulations, and the definition intended by the financial strategy, explained below.

Net external debt is defined in the treasury policy as total external debt less liquid financial assets and investments.

Net debt is defined in the regulations as financial liabilities less financial assets (excluding trade and other receivables).

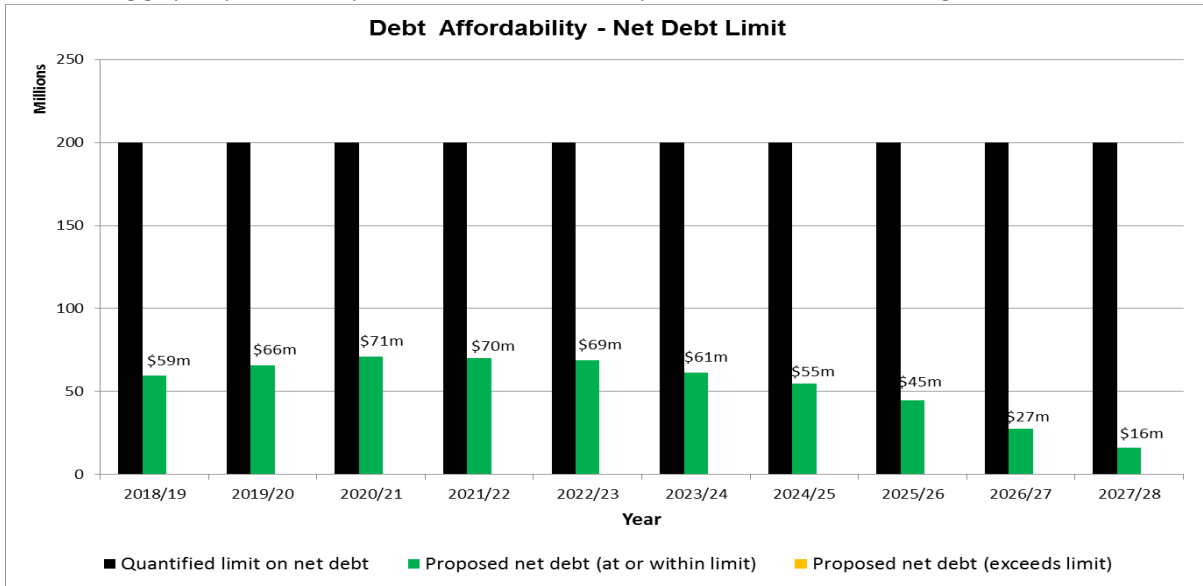
Financial liabilities as defined by GAAP include, gross external debt (aggregate borrowings of the Council, excluding debt of Council's associate organisations, including any capitalised finance leases, and financial guarantees provided to third parties) plus trade payables and derivative financial instruments (interest rate swaps).

Financial assets as defined by GAAP include cash or near cash treasury investments held from time to time, and equity instruments of other entities e.g. investments in Council Controlled Organisations (CCOs).

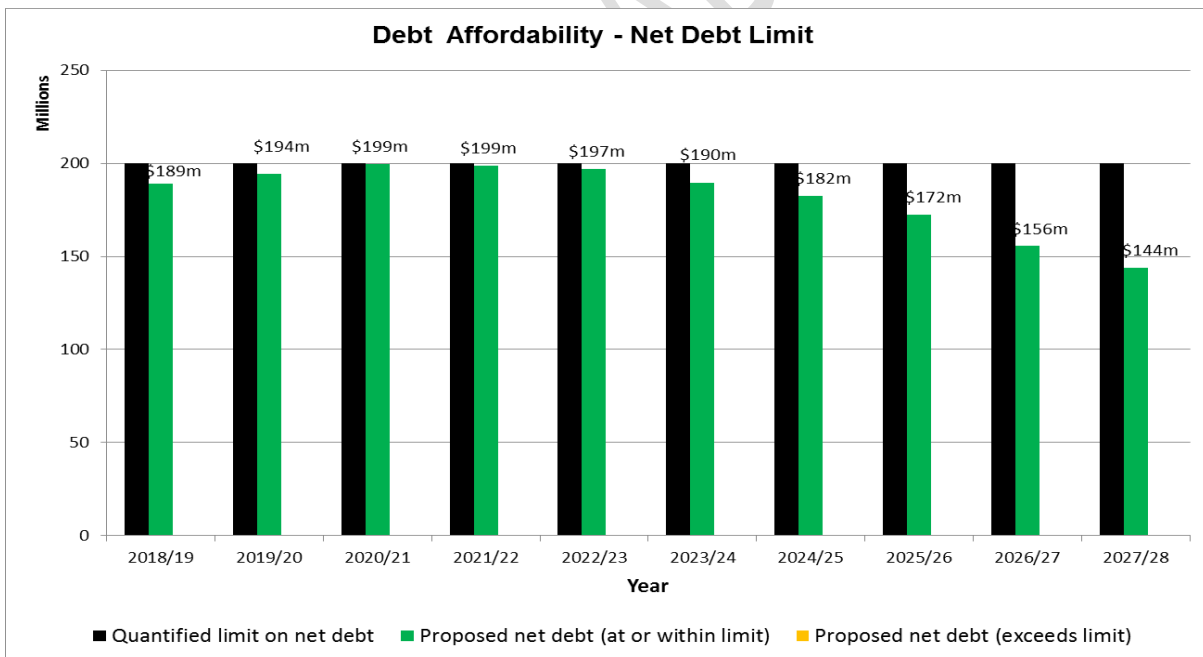
## EXTERNAL DEBT LIMIT

The following graph compares Council's planned borrowing with a quantified limit on borrowing contained in the Financial Strategy. The quantified limit is net external debt not to exceed \$200 million per annum.

The following graph represents the planned results based on the prescribed definitions in the regulations.



The following graph represents the planned results based on the intended definitions contained in the financial strategy.

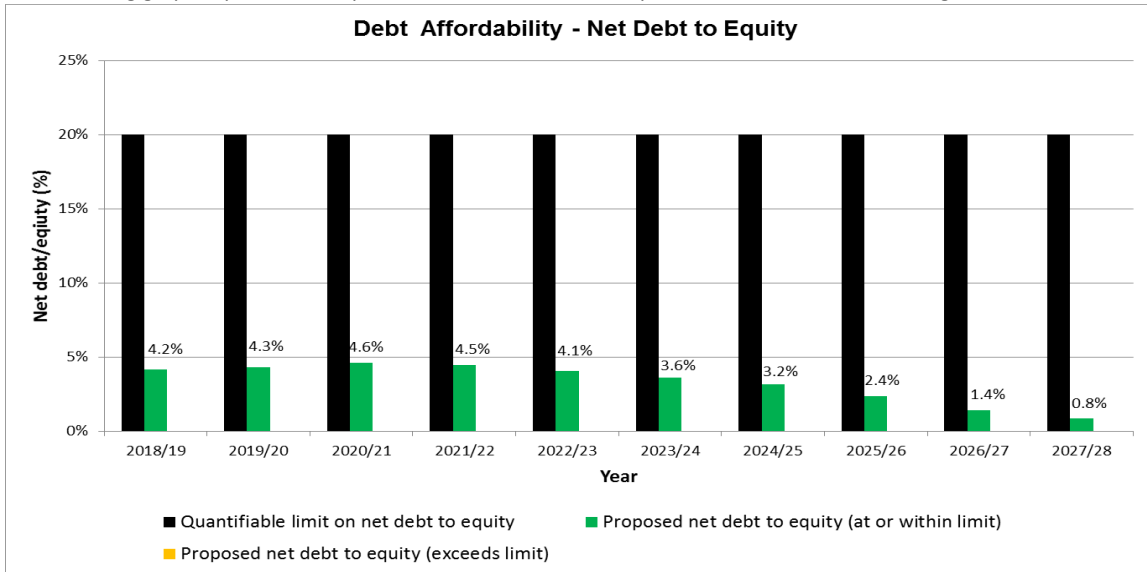




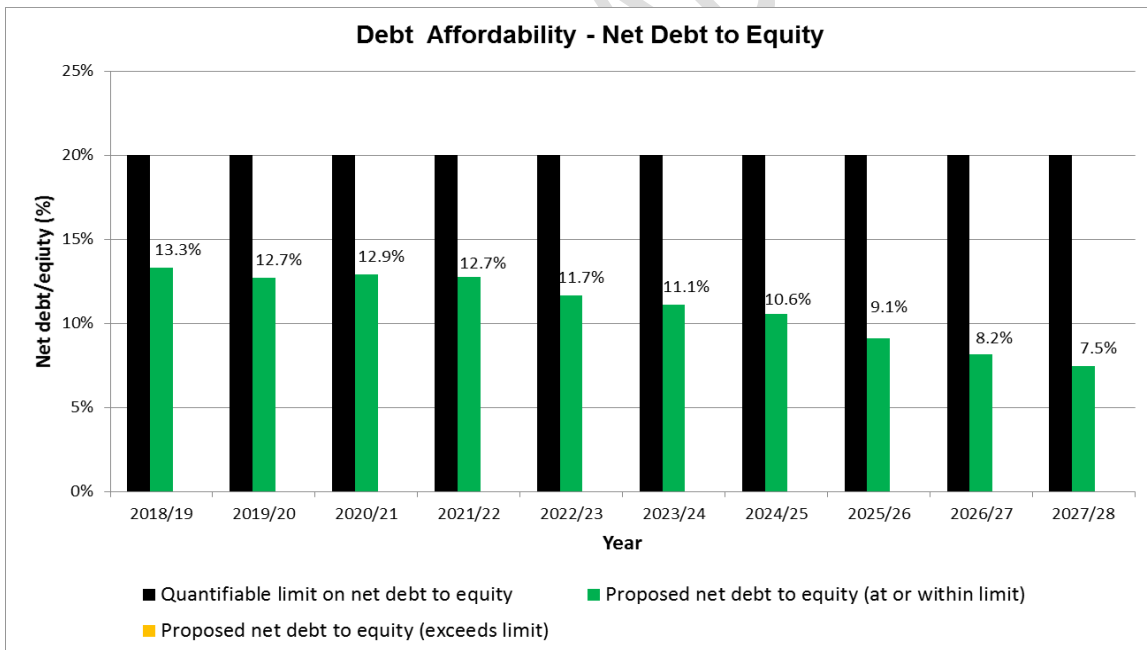
## NET DEBT TO EQUITY

The following graph compares Council's planned debt with a quantified limit on borrowing contained in the Financial Strategy. The quantified limit is net external debt to not exceed 20% of equity.

The following graph represents the planned results based on the prescribed definitions in the regulations.



The following graph represents the planned results based on the intended definitions contained in the financial strategy.

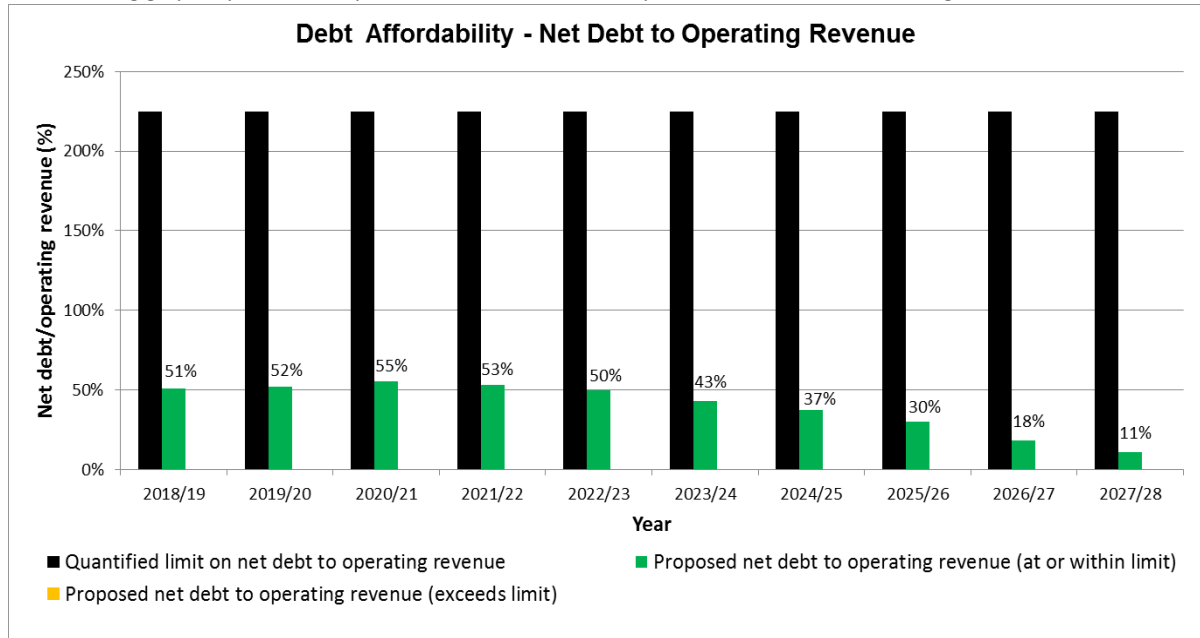


## NET DEBT TO TOTAL OPERATING REVENUE

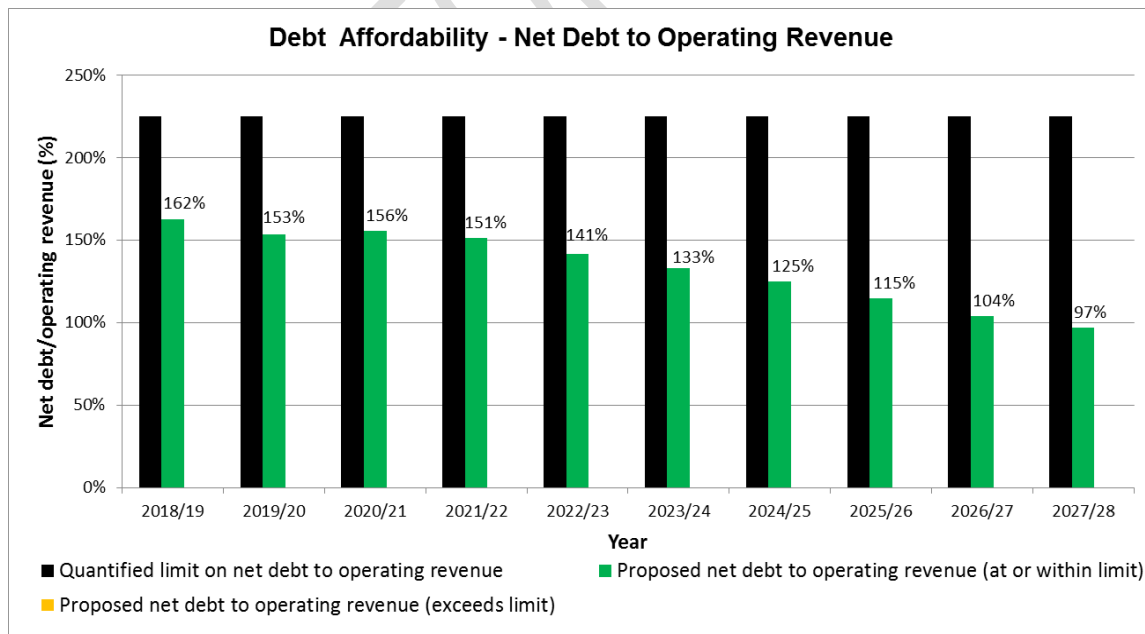
The following graph compares Council's planned debt with a quantified limit on borrowing contained in the Financial Strategy. The quantified limit is net external debt to not exceed 225% of total operating revenue.

(Total operating revenue is defined as earnings from rates, government grants and subsidies, user charges, levies, interest, dividends, financial and other revenue, but excludes non-government capital contributions, (e.g. developer contributions and vested assets), gains on derivative financial instruments, and revaluations of property, plant, or equipment.)

The following graph represents the planned results based on the prescribed definitions in the regulations.

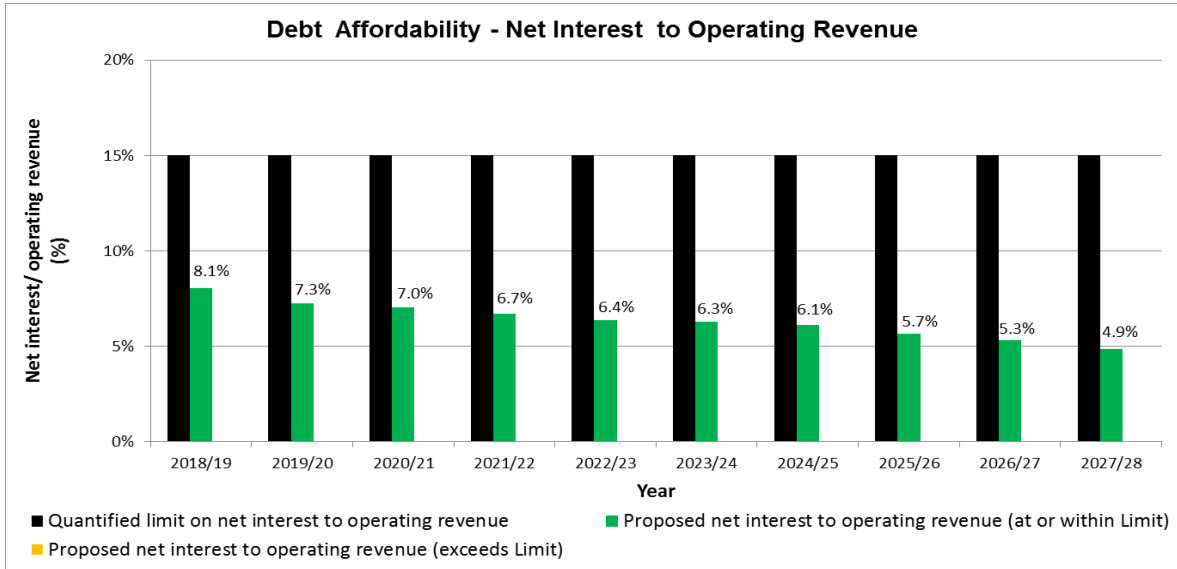


The following graph represents the planned results based on the intended definitions contained in the financial strategy.



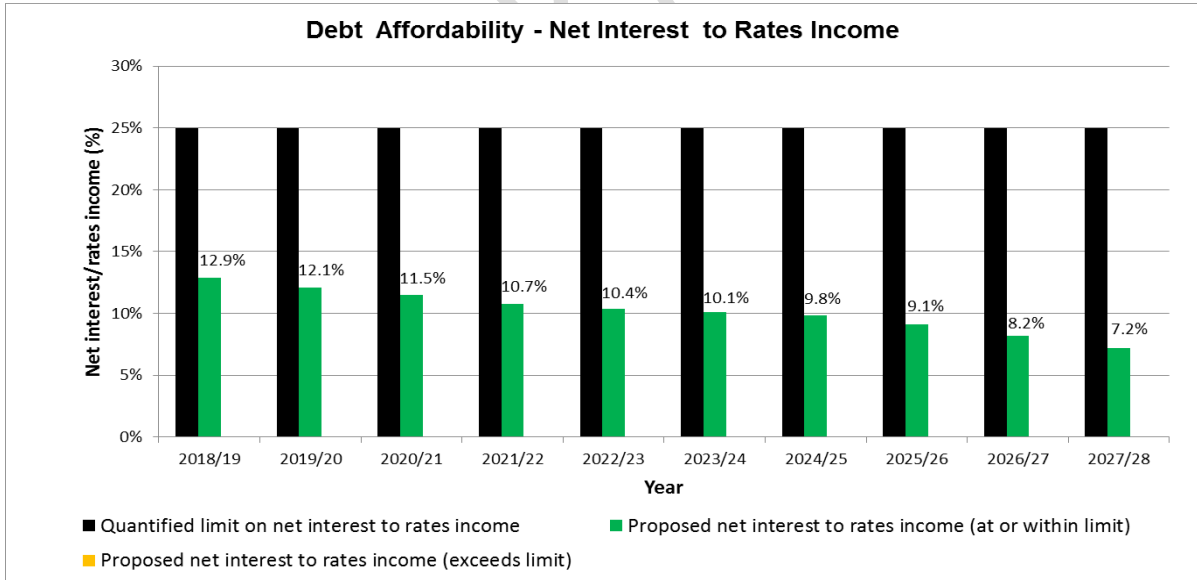
## NET INTEREST TO TOTAL OPERATING REVENUE

The following graph compares the net interest costs of Council's planned debt with a quantified limit on borrowing contained in the Financial Strategy. The quantified limit is net interest on external debt to not exceed 15% of total annual operating revenue.



## NET INTEREST TO TOTAL RATES INCOME

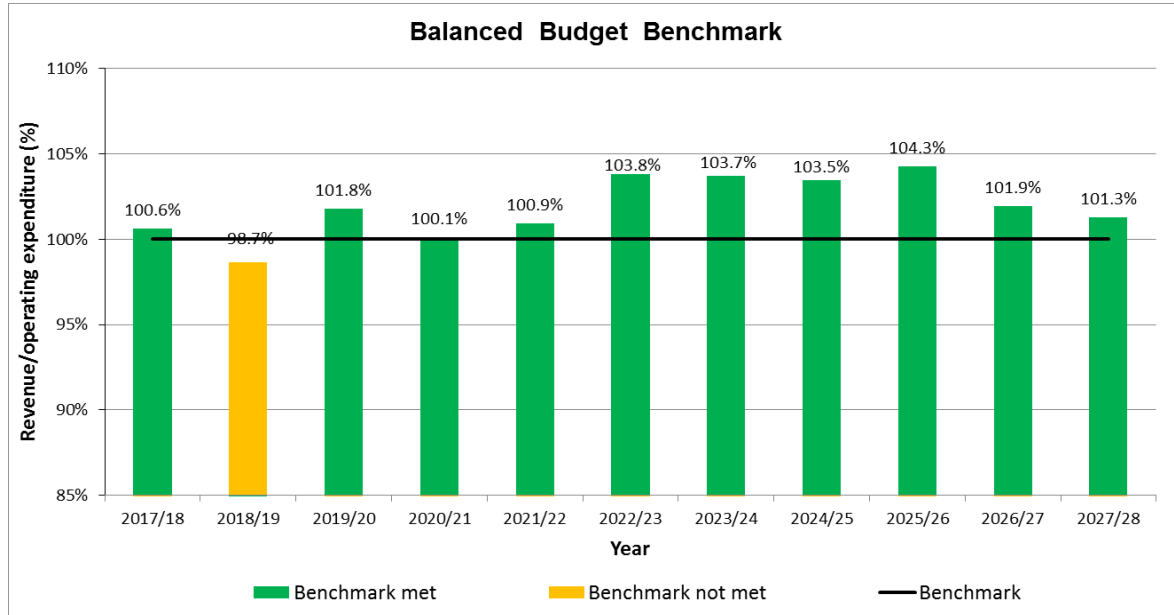
The following graph compares the net interest costs of Council's planned debt with a quantified limit on borrowing contained in the Financial Strategy. The quantified limit is net interest on external debt to not exceed 25% of total annual rates income.



## BALANCED BUDGET BENCHMARK

The following graph displays Council's planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

Council meets the balanced budget benchmark if its planned revenue equals or is greater than its planned operating expenses.



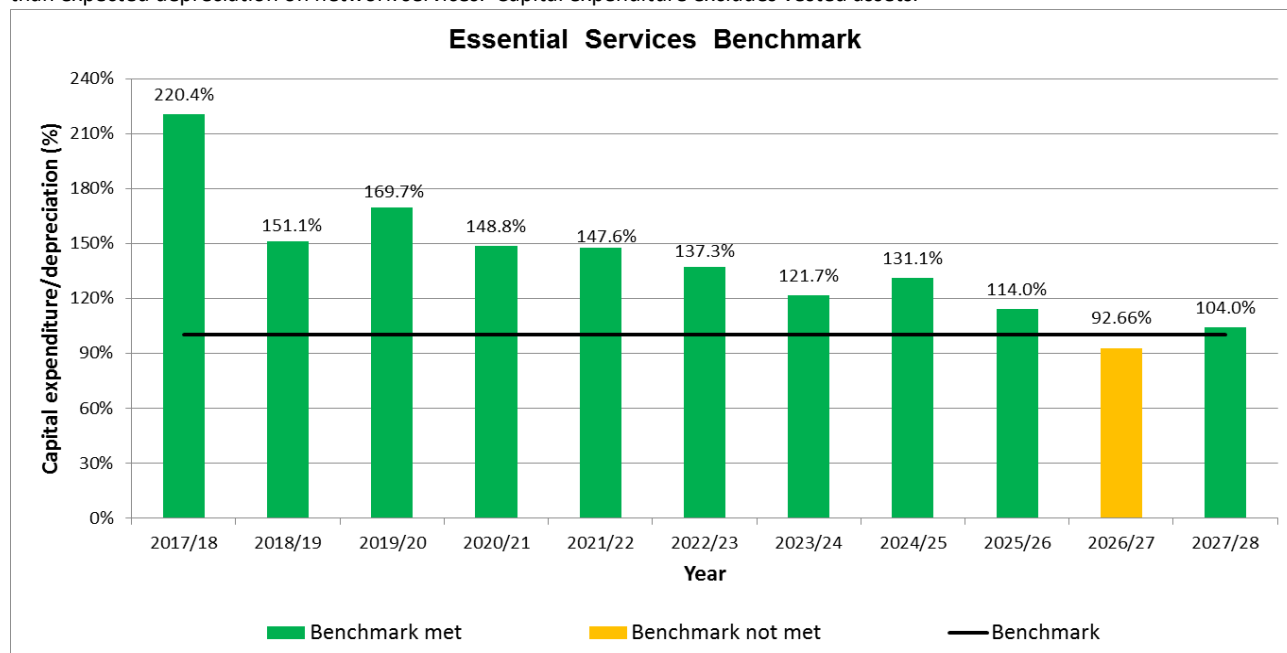
Note under the regulations, operating expenses include depreciation, however, Council only first began progressively funding depreciation from 2015/2016, with the expectation of fully funding depreciation by 2024/2025. Given the above results have been determined using the full annual depreciation charge, this produces an operating deficit in 2018/2019 as defined by the regulations that does not reflect the cash operating position of Council.

A more detailed balanced budget is contained in the inflation adjusted accounts (see page 23). This shows Council runs a cash-operating surplus over the same period; we consider this is a better measure of Council's operating performance.

## ESSENTIAL NETWORK SERVICES BENCHMARK

The following graph displays the Council's planned capital expenditure on essential network services as a proportion of expected depreciation on network services. Essential network services are defined as infrastructure relating to water, wastewater, stormwater, flood protection, roads and footpaths.

Council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services. Capital expenditure excludes vested assets.



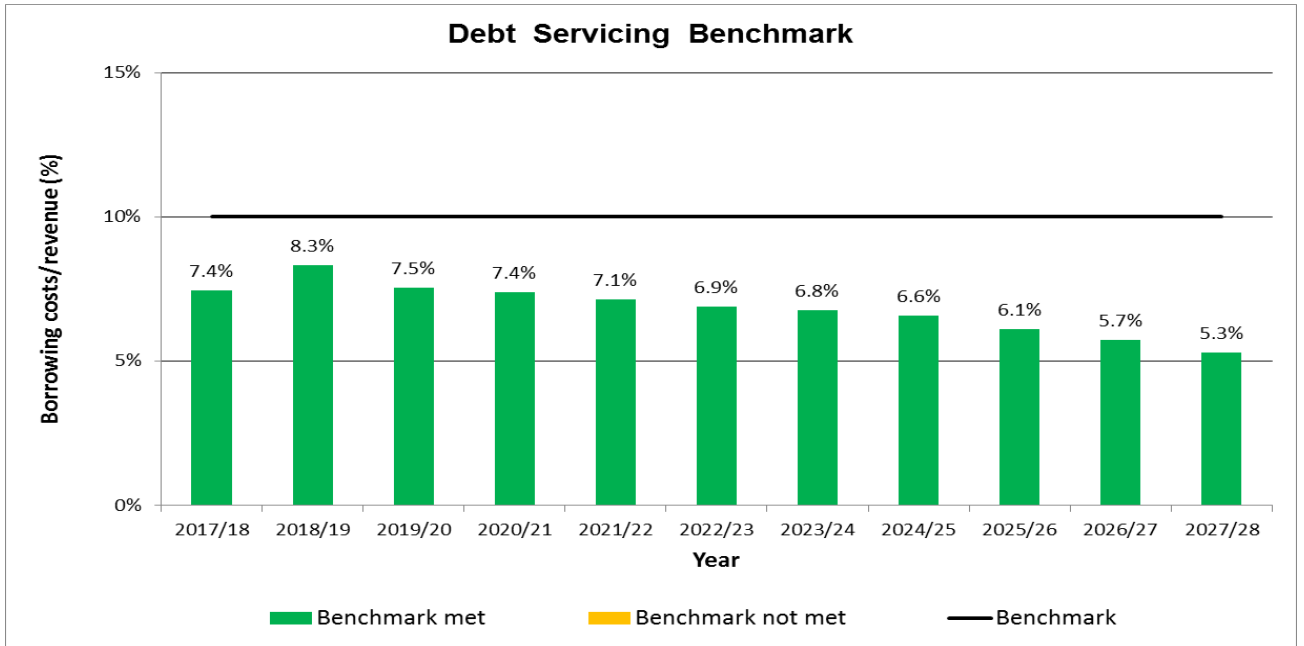
The reason that Council did not achieve the benchmark in 2026/27 is because of the timing of a revaluation and the capital programme being much lower in that year than usual. The capital programme fluctuates year on year with 2026/27 being the lowest planned spend across the ten year capital programme. The Capital programme is the product of all the AMP's in the essentials services area and is based on known requirements. The low spend coincides with a Council revaluation which increases the value which drives the depreciation charge and causes the benchmark not to be met.

It should be noted that over the ten years the capital spend far exceeds the depreciation.

## DEBT SERVICING BENCHMARK

The following graph displays Council's planned borrowing costs as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

Because Statistics New Zealand projects the population of Tasman District will grow more slowly than the national population growth rate, Council meets the debt servicing benchmark if its planned borrowing costs equal or are less than 10% of its planned revenue.



DRAFT FOR ADOPTION

## PART 5 - APPENDICES

### APPENDIX 1: GLOSSARY OF TERMS

DRAFT FOR ADOPTION

# APPENDIX 1: GLOSSARY OF TERMS

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

## ANNUAL PLAN

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

## ANNUAL REPORT

Annual Reports are published following the end of each financial year which ends on 30 June. It is an audited account of whether Council completed its planned work programme. Any work not completed as planned is explained. The Annual Report is a key method for Council to be accountable to the community for its performance.

## ACTIVITY MANAGEMENT PLANS

Activity Management Plans (AMPs) describe the infrastructural assets and the activities undertaken by Council and outline the financial, management and technical practices to ensure the assets are maintained and developed to meet the requirements of the community over the long term. Activity Management Plans focus on the service that is delivered as well as the planned maintenance and replacement of physical assets.

## ASSET INVESTMENT

Investments held in physical capital assets rather than shares (equity investment). Council's primary asset investment is forestry. In addition, Council holds investments in commercial and semi-commercial property, including community housing and camping grounds.

## ASSOCIATE

An associate is an entity over which Tasman District Council has a significant influence and that is neither a subsidiary nor an interest in a joint venture.

## ASSUMPTIONS

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

## CAPITAL COST

The cost of creating or acquiring new physical assets or to increase the capacity of existing assets beyond their most recently assessed design capacity or service potential.

## CAPITAL EXPENDITURE

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

## CAPITAL VALUE

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

## COMMUNITY

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

## COMMUNITRAK™ SURVEY

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



## COMMUNITY OUTCOMES

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

## CONSULTATION

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

## COST OF SERVICES

The cost of services relate to the activity, not the organisational departments. The Local Government Act 2002 requires the LTP to be expressed by the activity. The cost of the activity includes the direct and the indirect costs that have been allocated to the activity. Indirect costs include interest on public debt, cost of support services and depreciation allowances.

## COUNCIL-CONTROLLED ORGANISATION

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

- Shareholding of 50 percent or more.
- Voting rights of 50 percent or more; or
- Right to appoint 50 percent or more of the directors.

## DEBENTURE TRUST DEED

A debenture trust deed is a debt instrument that is accompanied by a contract for repayment from the company issuing the debt. The company receives cash to fund its capital expenditures, and the investor receives guaranteed interest and principal payments. Because the payments are guaranteed, the risk to the investor is lower.

## DEPRECIATION

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

## EQUITY INVESTMENT

An equity investment generally refers to the buying and holding of shares in anticipation of income from dividends and capital gains, as the value of the stock rises. Council can also hold equity investments for strategic purposes.

## EXACERBATOR

Someone whose actions result in a detrimental outcome e.g. to the environment.

## FINANCIAL YEAR

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

## FISCAL ENVELOPE

A set of financial limits that control for example the amount of operational expenditure, capital expenditure or rates income of council.

## FIXED INCOME

An income from a pension or investment that is set at a particular figure and does not vary like wages, dividends or other investment income. An example would be government superannuation or a WINZ benefit.

## GENERAL RATES

The general rate funds activities which are deemed to provide a general benefit across the entire District or which are not economic to fund separately. It is charged to every rateable property in the District.

## GROUPS OF ACTIVITIES

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

## INCOME

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

## **INFRASTRUCTURE**

Networks that are essential to running a district, including the roading network, water supply and wastewater and stormwater networks.

### **INFRASTRUCTURE ASSETS**

These are assets required to provide essential services like water, stormwater, wastewater and roading. They also include associated assets such as pump stations, treatment plants, street lighting and bridges.

### **LEVELS OF SERVICE**

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

### **LIQUIDITY**

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

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

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

### **MAJOR GOALS**

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

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

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

### **NET INTEREST**

Net interest is interest paid less interest income received.

### **NETWORK INFRASTRUCTURE**

See Infrastructure Assets.

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

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

### **PARK CHECK**

Park Check is based on a nationally developed questionnaire which is implemented by participating councils. The questionnaire asks park users a range of questions about the parks and their experiences. The results of the questionnaires are collated at the national level and the information is then made available to the councils.

### **PERFORMANCE TARGETS**

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

### **PRIMARY NETWORK**

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

### **RATES INCOME**

Income derived from setting and assessing general or targeted rates.

### **RENEWALS**

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

## **RETURN ON INVESTMENT APPROACH**

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

## **SECONDARY FLOW PATH**

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

## **SOLID WASTE**

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

## **STORMWATER**

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

## **SUSTAINABLE DEVELOPMENT**

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

## **TABLE LOAN**

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

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

## **TARGETED RATES**

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

## **TOTAL OPERATING INCOME**

Total operating income is defined as earnings from rates, government grants and subsidies, user charges, levies, interest, dividends, financial and other revenue, but excludes non-government capital contributions, (e.g. development contributions and vested assets).

## **TRUNK SERVICES**

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

## **UNCALLED CAPITAL**

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

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

A UAGC is a portion of the general rate collected as a fixed charge per rateable property. It is deemed that the properties receive equal benefit for services charged regardless of the rateable value of the properties, e.g. use of parks, reserves and libraries.

## **UNITARY AUTHORITY**

Tasman District Council is a unitary authority, which means we carry out the functions of both a regional council and a territorial authority.

## **URBAN WATER CLUB**

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

## **WASTEWATER**

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

## **YARDSTICK™**

Yardstick™ is an international parks benchmarking initiative. It involves council parks departments participating in an annual self-assessment survey. Information collected includes levels of service, financial information, best practice, asset management and policy and planning. The information is collated at the national level and made available to the councils. Over half of the councils in New Zealand are members, as is the Department of Conservation.

## **ZONE OF BENEFIT**

The area which receives a more direct benefit from water augmenting the Waimea River and its aquifers through the construction and operation of the Waimea Community Dam.

DRAFT FOR ADOPTION