



Welcome to Tasman District Council's Summary of our Annual Report for 2018/2019. The Annual Report presents a picture of Council's performance for the year, and details our progress against the issues and targets identified for the first year of the Long Term Plan (LTP) 2018 - 2028.

### **A Word From Our Mayor And Chief Executive:**

Despite the significant challenges of the Pigeon Valley Fire and the region wide drought, we've kept a focus on the planned work programme, including progress on the Waimea Community Dam and other key growth-related infrastructure projects across the District. We have also been busy developing key strategic planning projects to guide Council's future response to anticipated demographic, economic and environmental changes.

The projects outlined in the Annual Report are a reflection of the diverse range of activities that we undertake to help our thriving communities enjoy the Tasman lifestyle and to ensure our environment and natural assets are protected and enhanced. Many of our projects take a collaborative approach with other organisations, particularly local iwi, neighbouring councils, government agencies, and community groups.

Developing enduring partnerships with the eight Te Tau Ihu iwi and Ngāi Tahu is especially important for us. Throughout the year Council and local iwi have been working closely on several projects. In May 2019, Council approved the appointment of a Kaihautū to help Council build our capacity for improved partnership.

Looking forward to 2019/2020, we need to continue progress on key projects, particularly the Waimea Community Dam, the Motueka Library, and Port Tarakohe redevelopment. We will also continue work on key strategic plans, including the Climate Action Plan, and the review of the Tasman Resource Policy Statement and Tasman Resource Management Plan. We also have many projects in our LTP to improve the services we provide, address anticipated growth in demand, and ensure that our public infrastructure is well maintained.

**Richard Kempthorne**  
Mayor

**Janine Dowding**  
Chief Executive Officer

## How We're Tracking On The Key Issues

We identified the following key issues in our LTP 2018 - 2028: rates affordability and managing Council's debt; growth and infrastructure; and drinking water supply and quality. Council has continued to make progress on these issues over the last year. As outlined in the LTP 2018-2028, we have also implemented changes to the development and financial contributions policy and to the method for funding Motueka's water supply.

### 1. RATES AFFORDABILITY AND MANAGING COUNCIL'S DEBT

**RATES AFFORDABILITY:** Our approved rates income rose by 2.3%, after an allowance for growth, in 2018/2019. This is below our Financial Strategy cap of 3% (after an allowance for growth) in the LTP 2018 - 2028. We also expect to remain below the 3% cap in 2019/2020, forecasting a 2.74% rates income rise.

**MANAGING COUNCIL'S DEBT:** Our net external debt cap in our current Financial Strategy is \$200 million and at the end of 2018/2019, it was somewhat below that cap at \$149.4 million (after adjusting for liquid financial assets in joint ventures). This level of debt at the end of the year is \$39.8 million below the \$189.2 million level forecast in the LTP.

### 2. GROWTH AND INFRASTRUCTURE

Tasman's population growth in recent years has been significantly higher than during the previous decade. Our challenge is to manage this growth in a sustainable and timely manner, including its environmental impacts. Our planning will be guided by the Future Development Strategy, (developed in conjunction with Nelson City Council) which shows where growth is to be accommodated and in what form. With an ageing population the demand for different types of housing is also changing.

Key growth-related projects commenced or completed this year include:

- **Waimea Community Dam:** This will provide a secure supply of water for the urban and rural communities in the Waimea Plains, including our primary sectors. The dam will also allow us to maintain a healthy flow of water in the Waimea River.
- **Richmond south and west water main:** These upgrades will ensure a consistent water supply to existing residents and to new subdivisions in Richmond west and south.
- **Borck Creek and Poutama Stream Widening:** These multi-year projects will provide better stormwater systems for growth and housing development in the Berryfields area.
- **Bateup Road:** To cater for growth and improve safety, we've widened the road from Three Brothers Corner to Wensley Road and created a shared pathway for cyclists and pedestrians. We also upgraded other services such as water, stormwater, power and fibre.
- **Pōhara wastewater pump station upgrade:** This project is part of an upgrade of the wastewater network from Tata Beach to Takaka to serve the growing coastal population. This project was completed in June 2019.
- **Māpua water and wastewater upgrades:** This project will provide more capacity for growth in Māpua, as well as improving the efficiency and resilience for the Māpua wastewater network. Work started in June 2019 and is expected to be completed by the end of 2020.

## How We're Tracking On The Key Issues (contd)

### **3. DRINKING WATER SUPPLY AND QUALITY**

Water and its management are major challenges for our District. This includes ensuring that we have a safe and secure water supply for our households and businesses. Several of the growth-related projects outlined above will enhance water supply capacity.

We have continued with a programme of work to upgrade our water treatment to achieve the New Zealand Drinking Water Standards. This includes the design and investigation stage for a new Motueka Water Treatment Plant. In August 2018 we completed the new water treatment plant in Kaiteriteri.

### **4. DEVELOPMENT AND FINANCIAL CONTRIBUTIONS POLICY**

Development and Financial Contributions are mechanisms by which those developing properties and who directly benefit, pay for the growth related costs of the new infrastructure Council provides to support that growth. In the LTP 2018 - 2028 we moved to a new three catchment system for charging development contributions for wastewater, stormwater and water service, but retained a single, District-wide catchment for transport development contributions. We also introduced lower development contributions charges for small homes, to better reflect the lower demands smaller houses place on our infrastructure.

### **5. 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. To address the significant costs involved in upgrading the scheme, a new fixed water service charge was 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 continues to be funded as a standalone scheme and is not be part of the Urban Water Club.

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## What Have We Achieved For The Year?

Here are some of the major events and achievements for the year to June 2019:

### **REGION-WIDE DROUGHT AND PIGEON VALLEY FIRE HIT THE DISTRICT**

Over the summer of 2018/2019, the Tasman District experienced an extended period of hot dry weather, record low rainfall levels, and grave water shortages. The water supply to both rural and urban communities was at significant risk, particularly for the Waimea Plains, Motupiko and Golden Bay areas, and Council was forced to impose water restrictions. The drought had a significant impact on our economy and on communities across the District. However, the community efforts to conserve water were phenomenal.

Due to the exceptionally dry conditions, a fire, which started on 5 February 2019, rapidly spread through thousands of hectares of land in Pigeon Valley and forced thousands of residents to evacuate. Fortunately no lives were lost, but one dwelling and one outbuilding were destroyed. The fire caused significant financial loss and other social, environmental and economic impacts.

As well as significant efforts by Fire and Emergency New Zealand to extinguish the fire, the response to the fire and evacuations involved hundreds of volunteers, civil defence officers, Council staff, iwi, Police, NZ Defence Force, Ministry of Primary Industries, Red Cross, and many others from throughout New Zealand came together to provide support.

The multi-agency co-ordinated response to the Nelson Tasman fires was recognised in September 2019 with a Spirit of Service Award for Service Excellence/Te Tohu mō te Ratonga Whakahirahira, awarded by the State Services Commission. The response to the Pigeon Valley Fires transformed relationships between eight Te Tau Ihu (Top of the South) iwi, councils, and government agencies in the region and provided a model of how iwi can be included in emergency centre operations and decision making across New Zealand.

### **WAIMEA COMMUNITY DAM PROJECT BEGINS**

In November 2018, Council made its final decision to proceed with the Waimea Community Dam project, and site works began in March 2019. The project will address the ongoing summer water shortages that have affected our largest urban community and one of our most regionally-important productive sectors. In addition to a secure supply of water, once complete, the dam will allow us to maintain a healthy flow of water in the Waimea River at all times, with benefits for ecosystem health, cultural values and recreation.

Waimea Water Ltd, a Council-controlled organisation has been established to manage and oversee the dam construction and ongoing operation once it is built. Waimea Water is a joint venture between Tasman District Council and Waimea Irrigators Ltd (WIL). Ngāti Koata are actively involved with the project and have also appointed a director to Waimea Water Ltd.

## What Have We Achieved For The Year? (contd)

### **WORKING WITH IWI**

Council is keen to engage and work with the eight iwi of Te Tau Ihu (Top of the South) and Ngāi Tahu in a more meaningful and collaborative manner. In May 2019, Council approved the appointment of a Kaihautū officer to provide strategic leadership and to help Council become more culturally responsive. In the meantime, Archdeacon Harvey Ruru provided guidance and assistance on iwi governance, policy and operational matters.

In addition, we have a Kaumātua role to provide the Mayor and elected members with support around tikanga Māori at civic events, such as blessing and citizenship ceremonies. Over the last eight years we have had the honour of receiving support from Archdeacon Emeritus Andy Joseph in this role. At his recent retirement, we acknowledged Archdeacon Emeritus Andy Joseph QSM as an honorary Manukura - a trusted, esteemed and respected friend - of Tasman District Council who will always be held in high esteem. We are identifying future Kaumātua support.

Throughout the year, Council and local iwi have been working closely on several projects. Wakatū Incorporation, Tasman, Nelson and Marlborough Councils, Iwi, Chambers of Commerce, Nelson Regional Development Agency, NMIT and businesses, are collaborating to develop an intergenerational growth strategy for Te Tau Ihu.

A partnership between Ngāti Tama ki Te Waipounamu Trust, Ngāti Rārua Settlement Trust and Council will drive the planting of 114 hectares with permanent native forest cover at Mārahau.

Iwi representatives have attended various working groups to inform the development of environmental policy and planning, such as the Freshwater and Land Advisory Groups and the Waimea Inlet Management Strategy. Iwi representatives have also attended Motueka Library working group meetings, and the site at Decks Reserve is being discussed with Wakatū Incorporation. Tiakina Te Taiao completed a cultural impact assessment.

Since July 2019, a Manawhenua ki Mohua advisor is able to attend Golden Bay Community Board meetings, and there are also iwi advisors on the Nelson Regional Sewerage Business Unit, the Nelson-Tasman Regional Landfill Business Unit, and the Tasman Regional Transport Committee. Council has appointed Mātauranga Māori experts on Council hearing panels for the Classification of existing reserves in Motueka Ward and for the Motueka Ward Reserve Management Plan.

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## What Have We Achieved For The Year? (contd)

### **MANAGING AND ENHANCING OUR NATURAL ENVIRONMENT**

Along with Tasman residents, Council has an important role looking after our environment. We collect and analyse a wide range of information to understand what is happening, and this informs our work managing and enhancing the District's natural taonga in a sustainable way. This year we have also completed several strategies and plan to guide this work.

#### NEW COLLABORATIVE CONSERVATION STRATEGY

Council has signed up to the Kotahitanga mō te Taiao Alliance Strategy, which aims to boost the effectiveness of biodiversity programmes and achieve long-term improvements in ecological health in the top of the South Island. The Strategy is a partnership between councils, iwi and the Department of Conservation to drive large-scale conservation projects with wider social, cultural and economic outcomes across the Buller, Tasman, Nelson, Marlborough and Kaikoura regions.

#### REGIONAL PEST MANAGEMENT PLAN FINALISED

After discussions with our community in 2017 and 2018, the Nelson City and Tasman District Councils released their decision on the Regional Pest Management Plan (RPMP). The plan details how we will eradicate or manage unwanted pests in our region, with the aim of protecting the environment and the economy.

#### WAIMEA INLET ACTION PLAN

Council adopted the Waimea Inlet Action Plan to maintain and improve the health of the inlet. The Action Plan is designed to implement the Waimea Inlet Management Strategy 2010, which Council is a signatory to. The Waimea Inlet is the largest semi-enclosed coastal inlets in the South Island and has international and national importance as a site for migratory birds.

#### TAKING ACTION ON CLIMATE CHANGE

Climate change is happening now and the impacts on the environment and people are predicted to worsen over time and continue for many generations. We've been working with youth leaders and Zero Carbon Nelson Tasman to develop an initial plan for responding to climate change. The Tasman Climate Action Plan was adopted in September 2019 and includes themes on mitigation, adaptation, and leadership. It identifies how we can reduce greenhouse gas emissions from our activities, ways we can respond to our changing environment, including positive opportunities, and how we can lead by example, advocate, and encourage others to take action.

This work complements the current focus on coastal inundation and land disturbance as part of our review of natural hazards strategic policy. Staff have developed a model to illustrate the impact of various increments of sea-level rise and the impact of storm surges on the Tasman coastline. Community engagement to discuss the modelling commenced in July 2019, using maps to raise awareness within our community of the effects of sea level rise and coastal hazards.

#### MOTUEKA WARD RESERVE MANAGEMENT PLAN

In May 2019, Council adopted the Motueka Ward Reserve Management Plan, providing for the management of Motueka reserves for the next 10 years. This new plan for managing Motueka's parks and reserves will provide an increased focus on ecological health, greater acknowledgement of cultural values, and ongoing improvements to maximise the public's enjoyment of these important community spaces. The public reserve land in Motueka ranges from small neighbourhood green pocket parks, to large community parks such as Decks Reserve, sportsfields and corridors of land next to beaches and rivers.

## What Have We Achieved For The Year? (contd)

### **PLANNING FOR OUR FUTURE**

#### FUTURE DEVELOPMENT STRATEGY

In July 2019, Council adopted the Future Development Strategy, developed in partnership with Nelson City Council. The strategy is a joint Nelson-Tasman overview of how and where development of future homes and businesses should take place. The strategy will determine whether we keep growing our towns in the same way we have in the past, or if we take a different approach. This initial round of public feedback gave us a broad idea of the community's preferences and priorities for future development and informed several options, which we sought further feedback on in April and May 2019.

#### CHANGES TO THE TASMAN RESOURCE MANAGEMENT PLAN

In November 2018, Council agreed to a review of the Tasman Resource Policy Statement and Tasman Resource Management Plan. The plans must be reviewed every 10 years, and some of the current policy and rules don't reflect national policies, standards and case law. This is a major project that will take several years and require significant public input.

#### A STRATEGIC REVIEW OF PORT TARAKOHE

We've been working with iwi, the community, the mussel farming industry, and key stakeholders to develop a business case to guide the future development and upgrade of Port Tarakohe in Golden Bay. The business case is partially funded by the Government's Provincial Growth Fund. Driving the need for development is a projected increase in mussel production in Golden Bay. Port Tarakohe is widely used and valued by the local community. The area is also of high cultural significance for iwi, and is an important habitat for little blue penguins. An application has been made to the Provincial Growth Fund to help fund the capital works required.

### **REMEMBERING OUR PAST**

Over the last year we commemorated several significant events in our history. Our libraries and museums marked 125 years since women first won the right to vote, with events and displays to mark this achievement. 11 November 2018 marked 100 years since the end of World War One and there were several events and services across the District to commemorate this occasion. Labour Weekend 2018 also saw several events to celebrate 175 years since German settlers arrived in the Moutere area. Murchison Museum organised a service and display to commemorate the 90th anniversary of the 7.8-magnitude Murchison earthquake, remembering the 17 lives lost in the event on 17 June 1929.

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## What Have We Achieved For The Year? (contd)

### **NEW LARGER LIBRARY FOR MOTUEKA**

A new, estimated \$5.0 million modern library for Motueka is proposed to be built in Decks Reserve. The new library will offer the community better access to library collections, activities and services. The current library is too small for a community the size of Motueka, and as the population grows the demand for modern library services is expected to increase. Funding for the new library was approved by Council on 21 February 2019.

### **PROVIDING SPACES FOR RECREATION AND PLAY**

During the year we made further improvements to recreation spaces and facilities across the District, including:

- new hockey turf, improved accessibility at the Oval, a small informal BMX track, and a mountain bike trail at Saxton Field, in conjunction with Nelson City Council
- an access road and carparking for the Saxton Velodrome
- a new boat-themed playground at Newhaven Reserve in Mārahau – the first public playground for the coastal community
- a new basketball area alongside the skate park and BMX track at Motueka, with help from the Motueka Community Board's discretionary fund
- new fitness equipment at Memorial Park, also with help from Motueka Community Board
- new fitness equipment at Tapawera, which was partly funded by local community fundraising efforts
- new tiles on the 25 metre lane pool at the Richmond Aquatic Centre.

**READ MORE ABOUT THE PROJECTS AND WORK WE'VE DOING IN 2018/2019 BY READING THE FULL ANNUAL REPORT AT [WWW.TASMAN.GOVT.NZ/.....](http://WWW.TASMAN.GOVT.NZ/)**

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## Our Non-Financial Performance At A Glance

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

We have 121 targets that we report on through this Annual Report. We aim to report on most, but not all of these targets each year. We achieved 74 of our targets fully, 10 were achieved within 5% of the target, 26 were not achieved, and there were 11 that we either did not have the full information available to report on or they were not due to be measured this year.

As this is the first year of the LTP 2018-2028 we can't compare all of this year's results with those for previous years. However, we achieved or nearly achieved 69% of the targets which is similar proportion to the last two years.

There is a range of reasons for the number of performance targets that have not been achieved this year. In some cases, factors outside of Council's control affected performance, e.g. air quality, road crashes, and parking compliance. In other cases, the timing of significant work or events had an effect, for instance, website numbers, forestry harvest, and riparian planting. Staff capacity and workload issues, including the diversion of resources to respond to the Pigeon Valley Fire Event, affected our performance in areas such as customer response times and resource and building consent processing times.

**DETAILS OF OUR PERFORMANCE AGAINST ALL OUR TARGETS IS PROVIDED IN  
PART 4: FINANCIAL AND NON-FINANCIAL PERFORMANCE  
OF THE FULL ANNUAL REPORT 2019 AT [WWW.TASMAN.GOVT.NZ](http://WWW.TASMAN.GOVT.NZ)**

## Legal Statement

This Summary Annual Report has been extracted from the full Annual Report, which was adopted by Council on 10 October 2019 and covers the year from 1 July 2018 to 30 June 2019.

The Council's full Annual Report has been audited by Audit New Zealand on behalf of the Office of the Auditor General and an unmodified opinion was issued. This Summary report cannot be expected to provide as complete an understanding (of the financial and service performance, financial position and cashflows of the Council) as provided by the full Annual Report. The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$'000).

The full and summary financial statements have been prepared in accordance with Tier 1 PBE accounting standards. The Summary Annual Report has been prepared with PBE FRS-43 Summary Financial Statements.

There have been no changes in accounting policies during the year.

**THE FULL ANNUAL REPORT CAN BE OBTAINED FROM THE COUNCIL'S WEBSITE,  
[WWW.TASMAN.GOVT.NZ](http://WWW.TASMAN.GOVT.NZ)**

## Financial Position and Statements

### SUMMARY STATEMENT OF FINANCIAL POSITION

Actual 2018 \$000		Actual 2019 \$000	Budget 2019 \$000
35,327	Current assets	33,078	28,072
(72,093)	Current liabilities	(61,276)	(36,804)
<b>(36,766)</b>	<b>Working capital</b>	<b>(28,198)</b>	<b>(8,732)</b>
1,611,873	Non-current assets	<b>1,673,138</b>	<b>1,632,922</b>
(119,480)	Noncurrent liabilities	(156,128)	(196,297)
<b>1,455,627</b>	<b>Total net assets</b>	<b>1,488,812</b>	<b>1,427,893</b>
<b>1,455,627</b>	<b>Total equity</b>	<b>1,488,812</b>	<b>1,427,893</b>

### SUMMARY STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

Actual 2018 \$0		Actual 2019 \$000	Budget 2019 \$000
136,201	Revenue	154,696	130,092
8,687	Share of associates surplus/deficit	8,419	0
4,480	Fair value movement on revaluation	(3,495)	466
540	Finance income	1,194	293
<b>149,908</b>	<b>Total revenue</b>	<b>160,814</b>	<b>130,851</b>
(118,716)	Expenditure	(119,421)	(108,445)
(7,502)	Finance expense	(7,934)	(9,696)
<b>126,218</b>	<b>Total expense</b>	<b>127,355</b>	<b>118,141</b>
<b>23,690</b>	<b>Surplus before taxation</b>	<b>23,690</b>	<b>9,168</b>
0	Income tax expense	0	0
<b>23,690</b>	<b>Surplus/(deficit) after tax</b>	<b>33,459</b>	<b>12,710</b>
	<b>OTHER COMPREHENSIVE REVENUE</b>		
31,002	Gain on asset revaluations	381	0
863	Movement in NZLG shares value	819	0
(1,090)	Asset impairment Loss	(514)	0
5,157	Share of associate other comprehensive income	(960)	0
<b>35,932</b>	<b>Total other comprehensive revenue and expense</b>	<b>(274)</b>	<b>0</b>
<b>59,622</b>	<b>Total comprehensive revenue and expense</b>	<b>33,185</b>	<b>12,710</b>

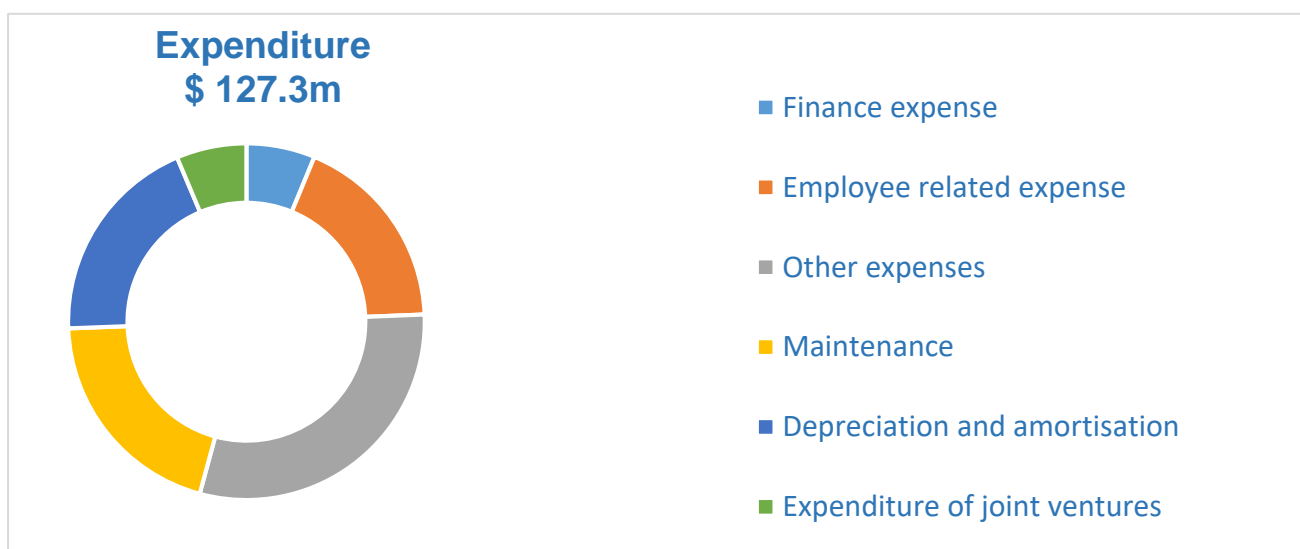
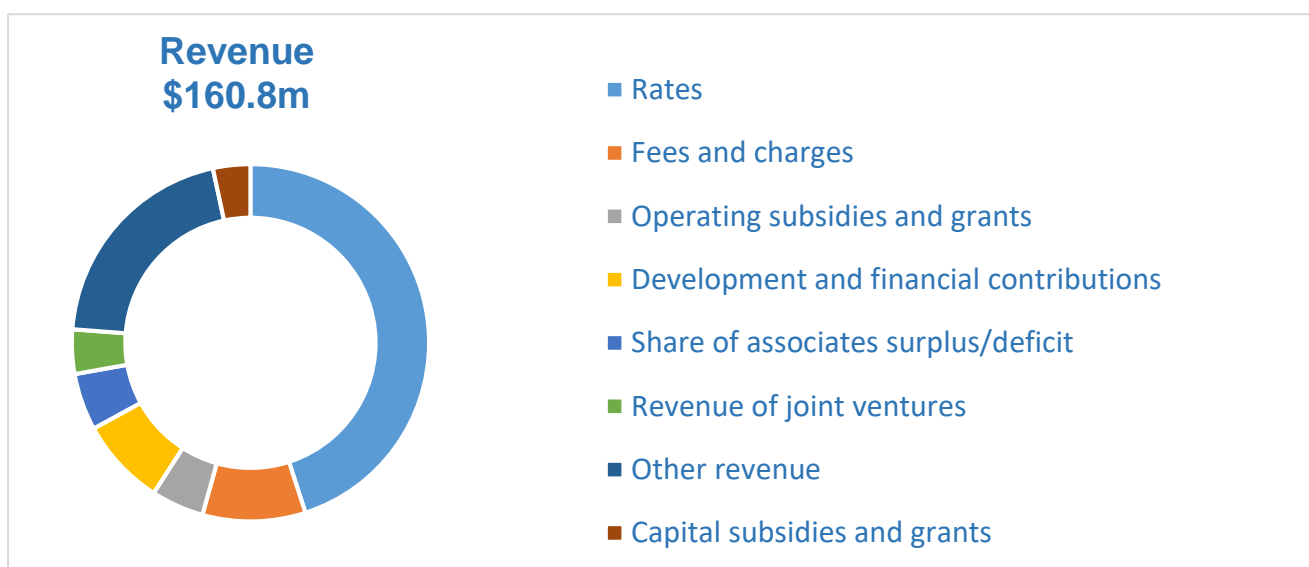
### SUMMARY STATEMENT OF CHANGES IN EQUITY

Actual 2018 \$000		Actual 2019 \$000	Budget 2019 \$000
<b>1,396,005</b>	<b>Equity at start of year</b>	<b>1,455,627</b>	<b>1,415,183</b>
59,622	Total comprehensive revenue and expense	33,185	12,710
<b>1,455,627</b>	<b>Total equity</b>	<b>1,488,812</b>	<b>1,427,893</b>

## SUMMARY STATEMENT OF CASHFLOWS

Actual 2018 \$000		Actual 2019 \$000	Budget 2019 \$000
22,047	Net cash flow from operating	54,116	30,751
(50,271)	Net cash flow from investing	(59,498)	(65,624)
27,272	Net cash flow from financing	19,362	28,680
<b>(950)</b>	<b>Total net cash flows</b>	<b>13,980</b>	<b>(6,193)</b>
2,243	Opening cash held	1,293	12,240
<b>1,293</b>	<b>Closing cash and cash equivalents balance</b>	<b>15,273</b>	<b>6,047</b>

## REVENUE AND EXPENDITURE



# Independent Auditor's Report