



**Tasman District Council**

# ANNUAL REPORT 2014

Water will be a key element to the future prosperity of the Tasman District

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# Membership of the Council

For the year ended 30 June 2014

## Tasman Mayor



Mayor Richard Kempthorne

## Moutere/Waimea Ward



Cr Brian Ensor



Deputy Mayor, Cr Tim King



Cr Trevor Norris

## Golden Bay Ward



Cr Martine Bouillir



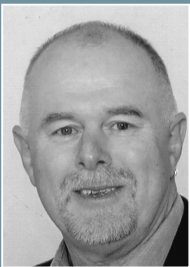
Cr Paul Sangster



Cr Stuart Bryant

## Lakes/Murchison Ward

## Motueka Ward



Cr Peter Canton



Cr Barry Dowler



Cr Jack Inglis

## Richmond Ward



Cr Judene Edgar



Cr Mark Greening



Cr Michael Higgins



Cr Zane Mirfin

# Mayor and Chief Executive Officer Overview

Dear Tasman ratepayers and residents, welcome to Tasman District Council's 2013/2014 Annual Report. In this document we look back on the last financial year and report Council's performance. The report uses a number of financial, service and environmental performance measures to assess what has been achieved, and how well we have performed.

Overall, it is pleasing to see that we stayed within budget, and met many of our targets for service delivery and environmental management. Our performance is also reflected in an annual survey of resident's satisfaction, which showed that for most activities we are rated the same or better than other Councils in New Zealand.

We have continued to focus on providing greater value to our communities across all Council activities. For example, bringing engineering services back in-house has delivered significant savings and improved coordination and planning of projects throughout Council. Re-organisation of our Community Development and Corporate Services departments has also been completed, with anticipated outcomes of greater efficiency and improved services. Shared service arrangements continue to be pursued with our regional partners on projects such as solid waste.

Another key focus of the 2013/2014 financial year was on reducing Council's reliance on loan funding projects. This meant spending less and managing competing demands for a limited amount of money. Spending on new core infrastructure, replacements and upgrades of assets, additional environmental monitoring, and more recreational facilities was reduced to keep loans manageable.

Through the Annual Plan, Council made decisions to prioritise investment in new infrastructure. This included funding the urgent projects, such as the Takaka wastewater treatment plant upgrade. In some cases, Council decided to reduce spending by delaying projects. This included such things as extending the timeframe for some roading projects and delaying re-surfacing of car parks in Wakefield, Motueka and Richmond.

While the focus has been on reducing debt, Council is still strongly committed to maintaining Tasman as a great place to live. The support for our communities

through sports facilities, parks, events, libraries and our commitment to maintaining environmental standards helps make Tasman a special place to live.

There have been some notable successes over the past year, including the official openings of both Tasman's Great Taste Trail (Stage one) and Emergency Operations Centre. Other positive activities include initiating the Richmond Water Treatment Plant project, upgrades to the Pohara/Tata Beach stormwater system, and progressing road safety improvements around our district, such as the Pukekoiko or Turner's Bluff realignment (Kaiteriteri Road).

We continue to look to the future and are planning for changes to our communities as our population grows and changes. Along with planning for development, work on the impacts of climate change is continuing into the coming financial year – including looking at how sea level rise may affect our coastal communities; and how changes to the amount of groundwater allowed to be extracted from the Waimea aquifers may affect our rural and urban communities.

The Waimea Community Dam (formerly known as the Lee Valley Dam) project reached several milestones through the past year, including the addition of policies into the Tasman Resource Management Plan, and preparation of the resource consent application by the Waimea Community Dam Company. The Waimea Community Dam is the most significant project proposed by Council.

As Council heads into the next Long Term Plan phase in 2015, we will be looking closely at our performance results contained in this Annual Report and will use them to help shape our future goals. We encourage all residents and ratepayers to participate in the Long Term Plan's development when opportunities for public feedback open in March 2015.

Finally, we would like to thank the community, councillors, community board members, staff, and contractors alike for the contributions everyone has made to improve the Tasman District over the past financial year.



**Richard Kempthorne**  
Mayor



**Lindsay McKenzie**  
Chief Executive Officer



# A Year in Review – the 2013/2014 year

Welcome to our Annual Report for 2013/2014. In this we look at what the Council achieved between July 2013 and June 2014, and we report on Council's progress towards achieving our goal – 'thriving communities enjoying the Tasman lifestyle'.

## Looking after our Communities' Health

Some of Council's most important functions are providing infrastructure and services that support healthy communities. We achieve this by providing clean water to drink; safe roads, cycleways, and footpaths; managing wastewater and stormwater; and by providing solid waste services.

Significant achievements for the past year include:

- Water: initiating the Richmond Water Treatment Plant; processing the Waimea Water Management and Augmentation Plan changes (Plan Change numbers 45 & 48)
- Roading activities: Safety improvements at Pukekoiko, and Wainui Hill
- Stormwater activities: Champion Road stormwater improvements
- Wastewater: Pohara Valley/Tata beach treatment plant upgrade; initiated the Takaka wastewater treatment plant upgrade
- Solid Waste: preparing design and consent applications for Eves Valley landfill; and remediation of the closed Mariri landfill.
- Official opening of Stage 1 of Tasman's Great Taste Trail, and extensive work on Stage 2.

To maintain public health and safety Council provides advice and carries out statutory functions in the areas of public health, building control, environmental health (including liquor licensing and food safety), hazardous substances, animal control, civil defence and emergency management, rural fire, parking control and maritime safety.

Two major areas of activity through 2013/2014 involved a review of the Navigation Safety Bylaw; and the transition of building consents to electronic consent services.

While Council has maintained its Building Control Authority accreditation, the transition to electronic

building consents did cause delays in processing. The average building consent processing time rose from 9 to 14 days (2012/2013 and 2013/2014 financial years respectively). Over the same time period, the number of consents processed within statutory timeframes dropped from 97% to 84%. Staff worked to resolve many of the technological issues associated with the electronic building consent process and improve processing timeframes. An improved performance is expected in 2014/2015.

## Addressing the Risks from Natural Hazards

Council manages risk through a variety of mechanisms, including maintaining a General Disaster Fund. Council has a policy of gradually rebuilding this Fund to \$6.5 million (inflation adjusted each year) over a period of ten years. The fund was \$1.333m in the 2013/2014 financial year. A contribution of \$550,000 was made in the 2013/2014 financial year. \$1.11m was used to help fund repairs to Council's roads from the December 2011 event. Council also maintains a Rivers Protection Fund and as at 30 June 2014 the fund balance was \$745,000.

In the 2013/2014 financial year Council received \$317,000 from the Government to help pay for the damage recovery costs that came from the devastating December 2011 floods. Between this, payment from insurers and the New Zealand Transport Agency contributions, Council has recouped \$6.7 million from the \$10m cost of the event. Work is still ongoing from the 2011 floods that severely damaged homes and roads.

A significant milestone was achieved when the Civil Defence and Emergency Management Centre was opened on 19 June 2014. Council staff are being trained in emergency management at the new centre. The regional facility greatly improves the capacity and preparedness of our district and communities to respond to, and recover from, disaster events.

The most significant weather event in the 2013/2014 financial year was Cyclone Ita, which resulted in coastal erosion and wide-spread tree damage.

Council expects to face a greater number of severe weather events into the future. As a consequence, we have been working on improving our understanding of the nature and scale of hazards in our district. Some

of the projects underway are looking at the effects of sea level rise, storm events and tsunamis on our coastal communities; flood modelling in Brightwater and Wakefield; and financial planning for disaster recovery.



*New Emergency Operations Building – Richmond*

Changes to legislation have required Council to assess the ability of many public and corporate buildings to withstand earthquake shaking and meet building code requirements. An assessment of the Golden Bay Service Centre revealed that the historic building did not meet the requirements. The building was closed and Council services relocated to a temporary office. Options for a permanent site for the service centre are being considered through the 2014/2015 financial year with decisions likely to be made in the Long Term Plan 2015-2025.

Decisions to repair, rebuild or demolish other Council owned buildings affected by poor seismic safety ratings will also be made through the Long Term Plan 2015-2025.

## Providing Facilities and Services to Tasman Communities

Community satisfaction with recreation facilities such as parks continues to be high. The graph below shows 93% of residents surveyed were satisfied with the District's parks.

The official opening of Stage One of Tasman's Great Taste cycle trail was a notable achievement of the past year. The stage was completed through funding from Council, central government and generous donations of money and time from people in our communities. Cyclist counts on the Richmond-Waimea Inlet section of the trail have regularly exceeded 4000 passes per month. The trail so far has been completed from Richmond to Wakefield and from Richmond to Motueka, with an extension to Kaiteriteri. The interim connecting trail that links Wakefield via Pigeon Valley Road through to Woodstock and then down Westbank Road to Brooklyn has also

been completed. The Annual Plan 2014/2015 contains an allocation of \$300,000 to continue development of the trail between Wakefield and Spooners Tunnel.

Other activities for the 2013/2014 financial year include:

- the creation of four new reserves, being Harts Reserve, Dominion Flats, Hoddy Estuary Park and LEH Baigent Reserve at Kina. Many of these reserves have been obtained through generous land and financial donations from local community members. The addition of these reserves to the district-wide reserve network improves the range of recreational opportunities available to residents and visitors. They also help preserve access to favourite places, and protect the district's biodiversity.
- development of the Richmond mountain bike trails, in collaboration with many dedicated volunteers. These trails have received considerable community support and Council continues to work with the community to maintain and improve access into the Richmond Hills.
- ongoing development of the regional recreation facilities at Saxton Field.

Every year the Council funds or facilitates a wide range of community, environmental and safety events. The events are intended to raise awareness and skills, provide access to information, improve health and safety or are just an opportunity to relax and enjoy what Tasman District has to offer. On top of the usual events such as Age 2 Be Positive Aging Expo, Eco-fest, In your Neighbourhood, and Children and Family days, one new event was added to the calendar – the Winterruption festival.

Population growth and community expectations are driving Council to provide more and better quality community facilities such as parks, playgrounds, walkways, cycleways, cemeteries and the like. Council also owns a large number of community buildings that must be maintained.

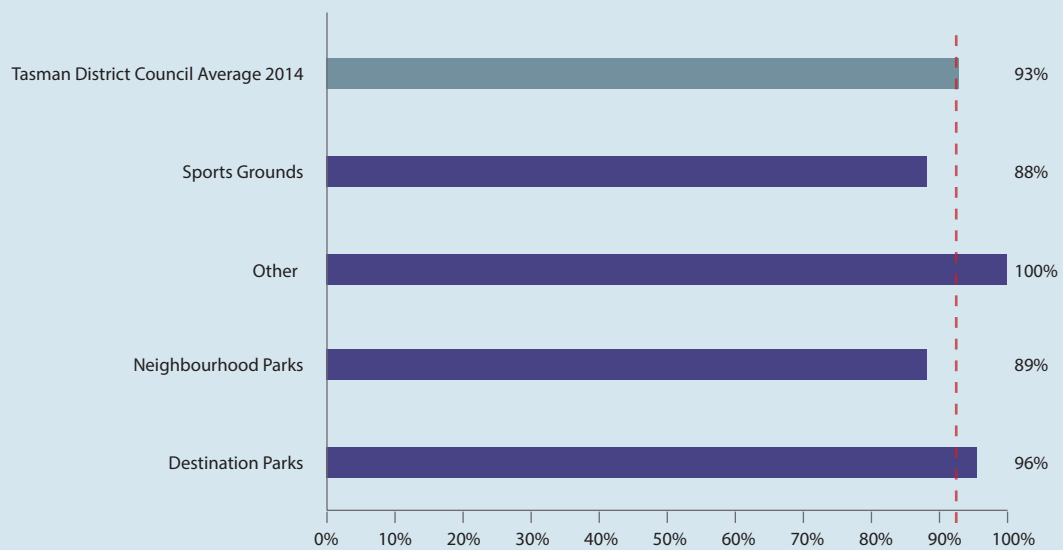
2013/2014 saw the release of the Draft Open Space Strategy for public feedback. Designed to 'forward plan' for public open space, the Strategy has been developed to help maximise the benefit the environment, residents and visitors gain from Council's investment in the District's open spaces. The Strategy responds to changes in demand resulting from population growth and age profiles, as well as seeking to better link existing areas of open space for improved ecological values and recreation access. Initial public opinions on the District's open space were collected via a survey of residents, which attracted feedback from 224 people.





Opening of Hoddy Park 2014

### Overall Satisfaction of Residents with Parks in Tasman District (Yardstick survey, 2014)



Satisfaction Scale: 1 – totally dissatisfied, 2 – somewhat dissatisfied, 3 – neither satisfied nor dissatisfied, 4 – somewhat satisfied, 5 – very satisfied





*Coastal planting day at Rototai, 2014.*

Once again, the District's public libraries showed strong levels of support from our communities, with over 24,000 active members. Despite a slight decline in the number of people entering the libraries, record numbers of users are accessing the electronic resources - the number of loans of downloadable e-books and e-audio increased by 102% while use of our online resources increased by 36% compared to 2013/2014. Pleasingly, 82% of residents are satisfied with the District's public libraries.

Investigations into options to expand the Motueka Public Library continued through 2013/2014. A decision on the construction of a new facility at Motueka was deferred until the Long Term Plan 2015-2025.

Council provided \$45,000 for a number of improvements to the Moutere Community Centre following the fires at the Centre in early 2013. Most repairs have been completed using this funding and insurance proceeds, and the Centre is once again fully operational. The Centre supports a broad range of community and private events, as well as sport and fitness activities.

The shared recreation facility in Golden Bay was deferred from the 2013/2014 Annual Plan, with funding approved in 2014/2015 Annual Plan subject to the community raising funds of \$800,000 towards the project.

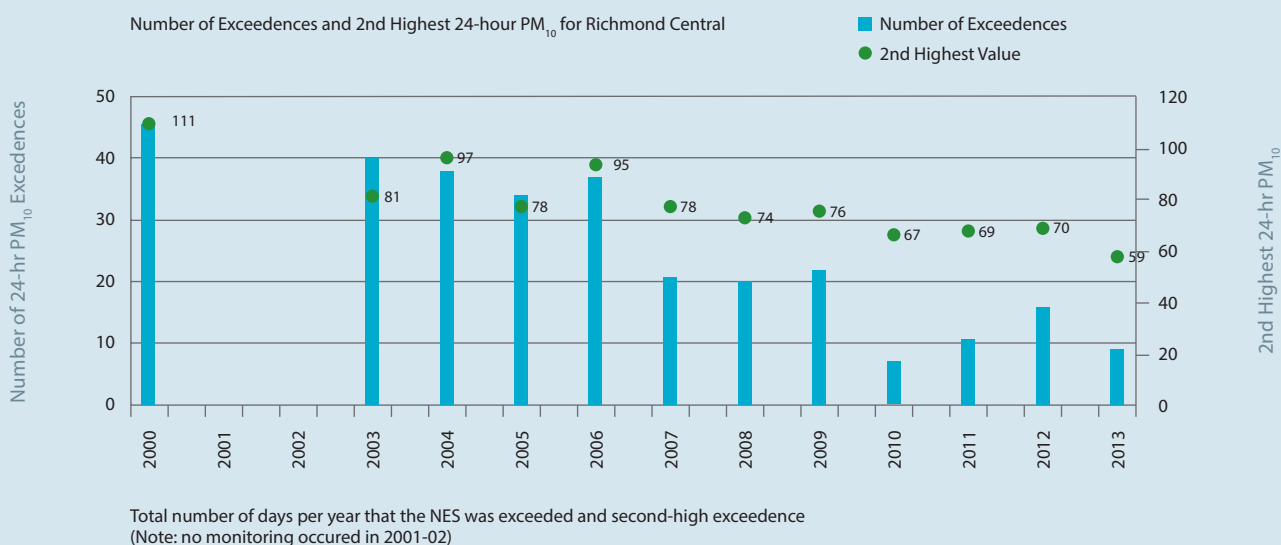
A generous donation from the Canterbury Community Trust of \$50,000 was received to contribute towards stage two of the Motueka Recreation Centre upgrade costs.

Council's Pensioner Housing portfolio continues to provide a quality service to our elderly and disabled residents, and returned a surplus of \$45,630, which contributed to the Parks and Reserves budget.

Through the allocation of many small grants, Council supports a wide range of community groups and non profit organisations. These groups contribute to the rich fabric of the Tasman community through their work, including planting along streams and coastlines, creation of public art or beautification projects, facilitation of cultural events and protection of our district's heritage. Over the past year \$174,000 was allocated to 109 groups.



Figure 1: Air Quality Monitoring Results – Richmond



## Looking after the Tasman Environment

Council has a significant role in managing and monitoring the health of the environment. This includes responsibilities for our rivers and streams, coasts, air, groundwater, soils, wetlands, flora and fauna.

Council staff gather data and monitor environmental results to ensure we understand what is happening to our environment and can intervene if its health deteriorates. Alongside routine monitoring of bathing water and drinking water quality, air quality, and contaminated land – to name a few, Council also conducted four detailed assessments over the past year on: contact recreation water quality; the health of the Moutere Inlet; shorebirds of Tasman District and the Takaka Water management area water resources.

Figure 1 shows that there has been an improvement in air quality in Richmond, as the number of times air quality standards are breached has been declining since 2000.

The population of Tasman continues to increase. Accommodating growth and development is an important role of Council and decisions are made via the Resource Management Act and Tasman Resource Management Plan. This year work has been undertaken to update the Tasman

Resource Management Plan to respond to local issues, such as accommodating the growth of Motueka and Richmond, among others. Changes are also underway to respond to national policy directives such as the National Policy Statement (NPS) for Freshwater Management, National Coastal Policy Statement 2010, and NPS on Electricity Transmission. Plan changes have also been made to cater for the proposed Waimea Community Dam - or manage water if the Dam proposal does not proceed.

Council undertakes many functions and duties required of it through national legislation, and through local plans and bylaws. Activities relate to such things as public health (drinking water, food safety standards, hazardous substances, bathing water quality etc) and public safety (building safety, stock and dog control etc). Responding to complaints and seeking compliance with rules and environmental standards remains a core component of Council activities. A total of 963 consents received a monitoring action in the 2013/2014 financial year. Where significant non-compliance was recorded, 79% were resolved within 12 months.

Council was pleased to confirm its status as an accredited Building Consent Authority in February 2014.

## Partnering with Tasman's Communities and Neighbours

Council would like to acknowledge the effort and persistence that led to the Te Tau Ihu Claims Settlement Act 2014. The settlement provides some redress for the eight iwi of Ngāti Apa, Ngāti Kuia, Rangitāne o Wairau, Ngāti Kōata, Ngāti Rārua, Ngāti Tama, Te tiawa, and Ngāti Toa Rangatira. It is worth noting that the value of the settlement has been acknowledged by the Crown as less than the value of the loss to the eight iwi, so in coming to a settlement iwi have effectively given a generous 'gift to the nation'. Council looks forward to strengthening its relationship with iwi over the coming years.

During 2013/2014 Council has engaged with iwi on several new activities, including through the Freshwater and Land Advisory Groups (FLAG) for Waimea and Takaka; continued negotiation on a memorandum of understanding; and on-going assistance with the development of an iwi environmental management plan.

Nelson City and Tasman District Councils hold many interests in common. Council wide collaboration on projects and regional development activities continues to occur between the two councils. Early in the year we identified a number of additional services that had the potential to be shared with both Nelson and Marlborough District Councils, including joint regional landfills, river management services, building control services and regional roading. Council is expecting to continue to assess the merit of these projects over the coming year.

In the 2013/2014 Annual Plan, Council reviewed the relationship with Tourism Nelson Tasman Ltd. (TNTL) with a particular focus on what services should be funded by ratepayers and the appropriate level of funding for this activity. Council worked with Tourism Nelson Tasman and the Golden Bay and Murchison communities over the TNTL's proposal to cease running visitor services in these communities. During the Annual Planning process Council indicated a decreasing level of funding for TNTL going forward. Since 30 June 2014, Council has transferred its shares in TNTL to Nelson City Council (noting this occurred outside the 2013/2014 reporting period). Further decisions around funding of TNTL activities shall be made in the Long Term Plan 2015-2025.

The Council's relationship with the Tasman Bays Heritage Trust, which manages the Provincial Museum in Nelson, was continued in line with the agreements we have had in place for a number of years. The Trust performs a valuable cultural

role in the region and we support its ongoing endeavours but their aspirations must recognise District-wide affordability issues. Council provided funding to the Trust of \$814,486, plus provided storage totalling \$95,698 for the Trust in the 2013/2014 financial year, and loan servicing costs.

Port Nelson and Nelson Regional Airport both returned dividends to Council, helping to contribute to the positive financial position for 2013/2014.

## Providing Governance and Advocating for Tasman Communities

The triennial local government election was held in October 2013. Council welcomed three new councillors: Mark Greening (Richmond Ward), Peter Canton (Motueka Ward) and the return of Michael Higgins (Richmond Ward). The substantial contributions of out-going Councillors Kit Maling, Eileen Wilkins and Glenys Glover are acknowledged. The long hours, hard work and passion these councillors put into advocating on behalf of Tasman District communities will be recognised by many in Council and the wider community.

The Motueka and Golden Bay Community Board membership also underwent changes in the election, with new members David Gowland and Alan Blackie elected for Golden Bay, and Richard Horrell for Motueka. Outgoing members Mik Simmons, Karen Brookes and Mark Chapman are acknowledged for their service and commitment to providing local representation for their communities.

Local government, and in turn local communities are strongly directed by legislation and policies set by central government. Therefore it is important that the interests of local communities and local government are heard when government proposes changes that may affect them. To this end, the Mayor is active on the Local Government National Council, and represents Council at the Regional Sector Group, along with the Chief Executive Officer. A list of representation is included in Appendix Two.

Council has made a number of submissions on proposed changes to national legislation including: Local Government Act 2002, National Environmental Reporting Bill, and Economic Exclusion Zone Bill, among others.

Staff in their professional and technical roles have represented the District on national working parties on such things as the NPS on Freshwater Management, Plantation Forestry NES, local government and resource management reform, and natural hazard planning.



Several valued, long-serving staff that have retired from Council over the past year: John Karitiana – Development Officer, Lindsay Skinner – Technical Officer, Gordon Curnow - Environmental Monitoring Officer, Jack Andrews – Coordinator for Land Use Consents, Ross Shirley – Consent Planner, Cathy Vaughan – Information Services

Librarian, and Danny Beattie - Building Inspector in Golden Bay. These staff made a substantial contribution to

the community through their respective roles and Council thanks them for this.

Susan Edward's was appointment to Community Development Department Manager in 2013, following the reorganisation of the Community Services and Strategic Planning Departments. This change brought these groups under one department and reduced the total number of senior managers at Council.

Council awards: Tasman District Council was pleased to win the IPWEA\* NZ Excellence Award, in conjunction with Ching Contracting and MWH, for the Mapua Wharf Wastewater Pump Station.

*\*Institute of Public Works and Engineering Australasia*

## Ratepayers' views of Council performance

Since 1996 Council has commissioned an annual survey of residents' views on a range of services delivered by the Council. The survey is undertaken by the National Research Bureau to ensure independence and impartiality. A total of 402 residents over 18 years of age were surveyed, during May 2014.

Pleasingly, the results indicate the majority (70%) of residents are satisfied how rates are spent by Council. Around 39% of residents consider Tasman is a better place to live than it was three years ago, with 51% considering it was the same, 6% saying it is worse and 4% unable to comment.

Overall, there has been little change in satisfaction levels from last year. When compared with national satisfaction figures, Tasman performs above the national average.

Despite the generally positive results there are some areas of Council activity that show a notable trend of decline in levels of satisfaction. These areas include roads, stormwater, footpaths, public transportation and Environmental Planning and Policy services. Clearly these are matters that Council must consider as it looks to set levels of service expectations in the Long Term Plan 2015-2025.

## Planning for the future

Under the Local Government Act 2002 the Council is required to adopt a Long-Term Plan covering the next 10 year period. A Long Term Plan is required to be produced every three years. The next one is due for adoption by 30 June 2015. The 2015-2025 plan will set out all Council's work plans, projects and budgets for the next three years, and provide general direction throughout the 10 year period.

Drafting the Long Term Plan is one of the most important and complex processes Council will undertake during its three year term.

Between now and the adoption of the Long Term Plan 2015-2025 the community will be given the chance to have their say on the direction Council should take. Questions that will need answering are:

- What should Council stop doing, do less of, or do more of?
- Which projects should be a priority for the District?
- Who should pay for what?
- Are there any new areas Council should be involved in?

A consultation document on the Long Term Plan will be released in March 2015. It will contain questions like those above, and provide details around what Council is anticipating for the next 10 years. The consultation will involve community meetings, formal submissions and hearings. This will be an opportunity for communities to provide input on the appropriate direction and spending on projects and activities of Council.

## The Finances

Council was within budget for the 2013/2014 year. An accounting surplus of \$14.512m was recorded.

Operating income was ahead of budget mainly due to the following:

- Subsidies and Grants are up on budget mainly due to NZTA subsidies which are \$2,090,000 higher than expected. This was due to emergency works expenditure, on which Council received 61% subsidy for the roading expenditure. [Note: This includes \$1,488,000 received from NZTA towards the December 2011 flood event damage, and \$1,631,000 subsidy for other emergency events].
- Other gains are up on budget mainly due to the unrealised gain on the interest rate swaps of \$3,029,000 being \$2,029,000 higher than budgeted. This was due to the inherent difficulties in forecasting market conditions,
- Forestry revaluation where the budgeted gain was \$534,000 and the actual result was a loss of \$257,000 and a gain on sale on the arbitrage of carbon credits of \$344,000 which was not budgeted for.
- Other increases in revenue are up on budget due to the share of associate's income results being \$2,887,000 better than expected, and the share of our joint ventures income results being \$1,340,000 worse than expected.
- Development contributions being \$980,000 higher than expected. This is a timing issue dependent on when new subdivisions and building developments are liable for development contributions.
- Reserve Financial Contributions being \$380,000 higher than expected due to an increase in building consents issued over budgeted. We also received a community subsidy of \$414,000 towards the purchase of the LEH Baigent Reserve at Kina Peninsula which was not budgeted for in the current financial year.

Operating expenditure was ahead of budget mainly due to the following:

- Engineering expenditure increased due to subsidised roading emergency works undertaken being \$1.815m more than budgeted. These have been partially offset by an increase in New Zealand Transport Agency subsidies.
- Expenditure in the wastewater and water activities was down on budget.
- Other losses are up on budget mainly due to the loss on forestry revaluation (a gain was budgeted), and a loss on the revaluation of Councils investment property (a gain was budgeted).

Total assets under Council control now total \$1.364 billion.

Total loans at the end of the financial year total \$149m (including share of joint venture loans) which is \$24m lower than budgeted. This is due to some capital projects being delayed. Council also resolved to fund the balance sheet as a whole, and some reserves held as cash were used to repay debt during the year.

The Annual Plan for 2013/2014 contained the lowest overall rates increase required by the Council for many years. The General Rate increase, after allowing for growth, was 1.38% and the total rates increase, including targeted rates, for most properties was between 1.6% and 2.6%.



## Our Performance at a Glance

Council measures its performance each year using a core set of indicators that are determined through the Long Term Plan and Annual Plan. The results present a high level view of performance. More results from other performance, environmental and regulatory monitoring can be found in the public reports held on Council's website or by contacting Council.

We have 96 measures that we report on for our performance. We met 65 of these fully, 11 were significantly achieved, 13 were not achieved, and there were seven that we did not have the full information available to report on. We have set ourselves high targets and some we missed achieving by only a small margin.

Figure 2: Summary of Achievement:  
Number of performance measures for all Activities within Council for 2013/2014

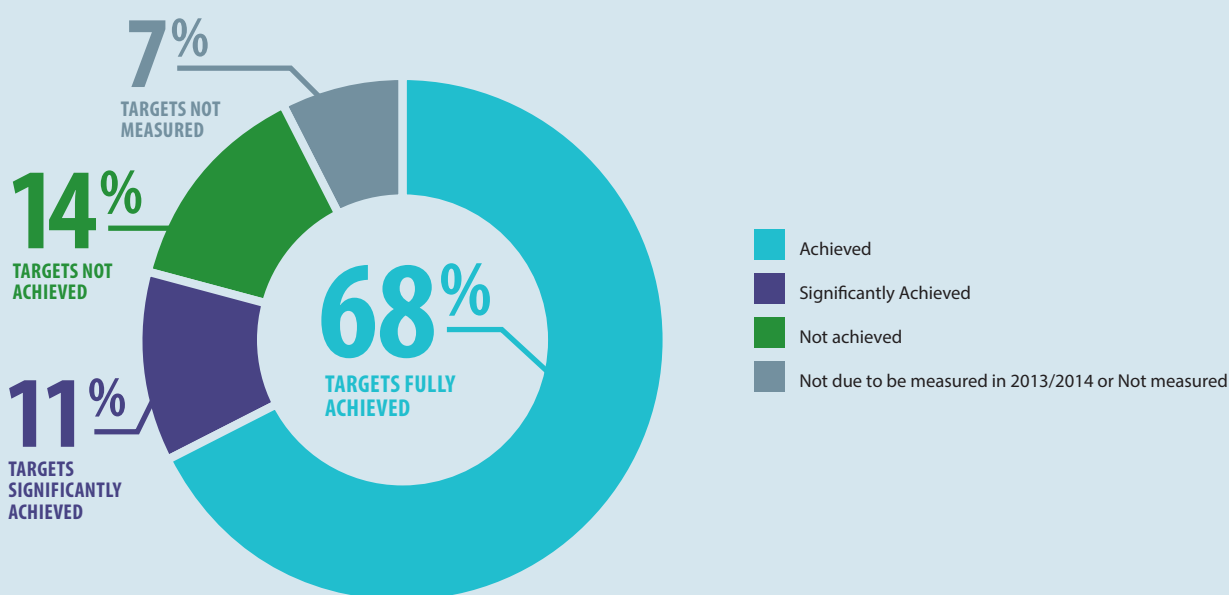


Table 1: Comparison of performance:  
2013/2014 and 2012/2013 achievement levels under each activity.

	Target Fully Achieved		Target Significantly		Not Achieved		Not due to be/ or not measured in 2013/2014	
	2012/13	2013/14	2012/13	2013/14	2012/13	2013/14	2012/13	2013/14
Environmental Management	10	11	4	1	2	4		
Public Health and Safety	8	6	3	3	1	3		
Transport	9	5		1				3
Coastal	2	2						
Water	4	4	1	2	2	1		
Wastewater	5	6			1			
Stormwater	2	3		1	2	1	1	
Solid Waste	4	4	2	2	1	1		
Flood Protection	5	5	1			1	1	1
Community Facilities	9	10	2	1	1			1
Recreational and Cultural Services	3	2			2	1		2
Governance	2	3			0	1	2	
Council Enterprise	2	4	1				1	
TOTALS	65	65	14	11	12	13	5	7

Details on all the performance indicators are included in full Annual Report. The following are a few of the indicators to provide you with an overview of some of the activities that we measure and how well we performed. Table 1 compares our performance results with the last financial year. Overall we see the results are very similar to last year.

While most activity areas gained a higher number of 'achieved' performance measures than last year, three areas are notable for their decline in number. These areas are Public Health, Transport and Recreational and Cultural Services.

Public Health represents a range of activities, including buildings consents, food and liquor licensing, dog control, public health, hazardous substances, maritime safety and so on. The decline in performance relates primarily to the areas of building consents and liquor licensing. While the vast majority of building consents (84.4%) and code of compliance certificates (92.1%) are being processed within the statutory timeframes, these rates do not meet Council's target of 100% for building consents and 98% for code of compliance certificates.

Some of the changes in performance achievement rates are in the areas of Transport and Recreational and Cultural Services are due to several of the performance measures not being due to be measured in 2013/2014. A number of surveys are conducted only every three years.

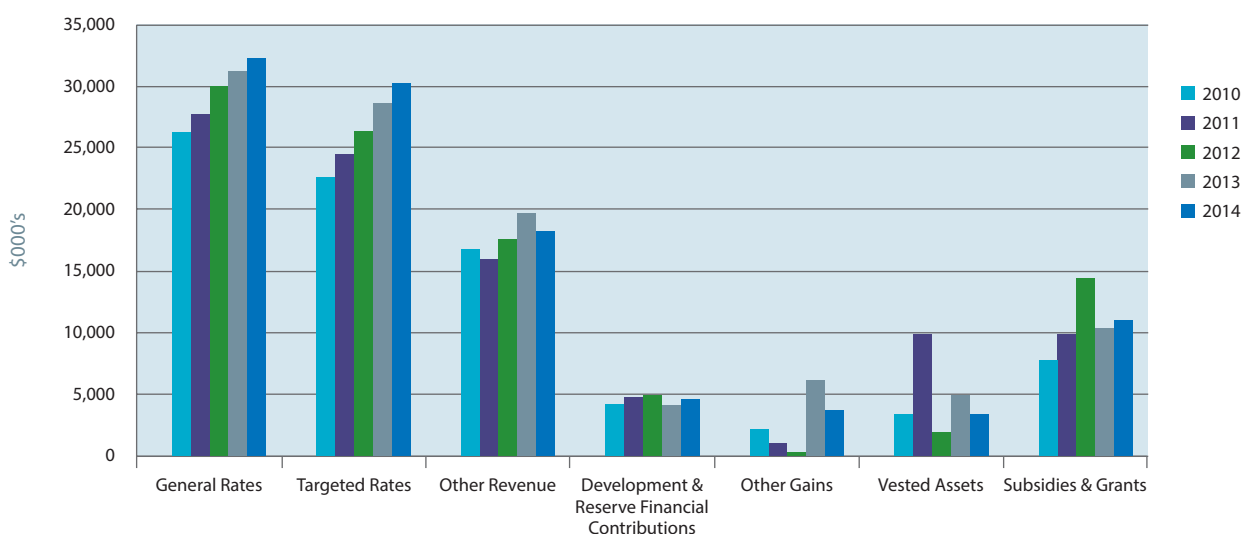


# Financial Highlights

## Council's Five Year Financial Performance Summary

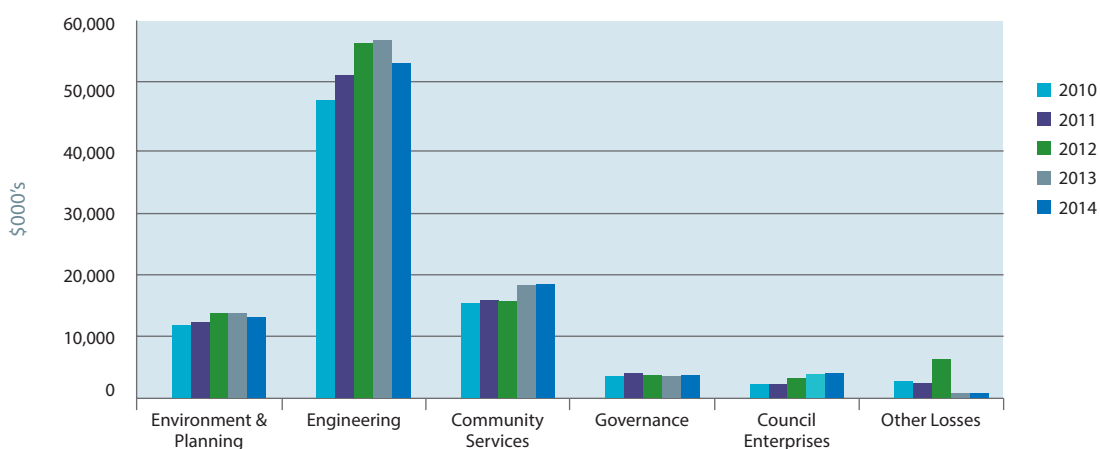
	2014 \$(000's)	2013 \$(000's)	2012 \$(000's)	2011 \$(000's)	2010 \$(000's)
District General Rates	32,368	31,398	29,985	27,835	26,421
Net Accounting Surplus	14,512	12,752	1,570	9,368	1,622
Public Debt	149,036	158,015	155,612	139,587	115,953
Current Ratio	0.88	1.10	1.14	0.37	0.20

## Main Sources of Revenue



The large increase in other gains in 2013 and 2014 is related to unrealised gains on revaluation of interest rate swaps. Subsidies & grants for 2012 include subsidy from Ministry of Civil Defence & Emergency Management towards December 2010 Aorere river flood event.

## Council Expenditure by Activity



Engineering expenditure has decreased in 2014 as a result of the benefit of bringing consultants inhouse as well as a decrease in project pre-feasibility costs. The increase in other losses in 2012 relates to an unrealised loss on revaluation of interest rate swaps.

# Tasman District Council Vision Statement:

Thriving communities enjoying the Tasman lifestyle

# Tasman District Council Mission Statement:

To enhance community wellbeing and quality of life

## Community Outcomes

### Background

Community outcomes are the vision or goals of the community. They reflect what the community sees as important for its well being and they help to build up a picture of the collective vision for the District's future – how members of the community would like Tasman District to look and feel in 10 years and beyond. They are a guide to inform decision making and to provide a common understanding of what the community is seeking.

Changes made to the Local Government Act 2002 (the Act) at the end of 2010 changed the definition of Community Outcomes from being those that are developed and implemented in conjunction with the community to those that Council itself aims to achieve. Notwithstanding this change Council believes that the Community Outcomes can only be achieved through working in partnership with the whole community, including individuals, businesses, government agencies and community organisations. Everyone's views on describing how our District would look if we achieved these Outcomes will be slightly different, but we have put a description below each Outcome to help you understand what we are working towards.



<p><b>Outcome 1:</b> Our unique natural environment is healthy and protected.</p>	<p>Tasman’s environment is important. Council’s main objective for this Outcome is to ensure that our District’s environment is maintained for the future and protected through mitigating the impacts of human activity on the environment.</p> <p>Almost all our activities impact on this Outcome. Our progress towards this Outcome includes protecting the District’s biodiversity, and managing air quality, freshwater and coastal waters, pests and waste. To determine whether we are progressing towards this Outcome we undertake an extensive monitoring programme of the environment, including air, water and soil health. Council also has a role in providing and monitoring resource consents and if necessary prosecuting any breaches. Council also recognises the important role that Tangata Whenua has in guardianship (kaitiakitanga) of the environment and of Tasman District.</p>
<p><b>Outcome 2:</b> Our urban and rural environments are pleasant, safe and sustainably managed.</p>	<p>This Outcome is important to ensure that our current and future urban and rural living environments provide the important features that we need to enjoy Tasman District. Our progress towards this Outcome includes having a built environment that is well planned, and includes: affordable roading services that meet the needs of our communities and providing parks and reserves for urban residents to use. We also achieve this Outcome through good urban planning processes.</p>
<p><b>Outcome 3:</b> Our infrastructure is safe, efficient and sustainably managed.</p>	<p>Tasman District is widespread and covers 9654 km<sup>2</sup> of land, therefore it is important that our infrastructure of roads, cycleways, footpaths, water, wastewater and stormwater services are well managed and as efficient as practicable. Our objectives include providing these services in ways that do not significantly impact on the environment and that meet public health needs. Providing infrastructure services are expensive and this means that we cannot provide all services that residents would like (e.g. cycleways) to everyone.</p> <p>One important priority for Council in this Plan is the upgrading of water supply services to new Government drinking water standards.</p>
<p><b>Outcome 4:</b> Our communities are healthy, resilient and enjoy their quality of life.</p>	<p>This Outcome reflects the importance of the 17 settlements and that Council’s objective is to support the opportunities for residents to enjoy a good quality of life. Council contributes to this Outcome through the provision of a wide range of services, including environmental, infrastructure and community facilities. By the end of the 10 year term of this Plan Council aims to provide additional recreation facilities, upgraded drinking water services in many of our settlements and will continue to provide a Civil Defence service that supports residents and businesses being resilient in the event of an emergency.</p>
<p><b>Outcome 5:</b> Our communities respect regional history, heritage and culture.</p>	<p>The Tasman District has a unique history, heritage and culture. This Outcome is one where some residents would like Council to spend additional funds, but in the medium term this is not affordable. Our objective for this Outcome is that important heritage items, sites and stories of our District are protected for future generations. Achieving this objective includes providing residents and visitors with the opportunities to celebrate our heritage, support cultural diversity and create a strong cultural identity in our District.</p>
<p><b>Outcome 6:</b> Our communities have access to a range of cultural, social, educational and recreational services.</p>	<p>Council provides facilities such as halls, parks, sport grounds and libraries throughout the District. Our objective is to provide residents and visitors access to a range of opportunities to be active and also to learn. Examples of how this Outcome might be different in the future is that there is likely to be more online information available from our libraries to enable everyone access to up-to-date information. Council also encourages the many festivals and events that are held throughout the year in Tasman. The two marae in Tasman are an important part of our District’s cultural services and these are essential to our community identity.</p>
<p><b>Outcome 7:</b> Our communities engage with Council’s decision-making processes.</p>	<p>Community engagement in decisions is crucial to ensuring that Council provides the services that meet residents and businesses needs. Our objective is to provide opportunities to the public for input into decision making processes. Online tools for the public to contribute to the decision-making process are changing all the time and Council will continue to implement new systems so that there are new and easy ways for you to have your say. Face to face discussions will, however, remain very important and even at the end of the term of the 2015-2025 LTP.</p>
<p><b>Outcome 8:</b> Our developing and sustainable economy provides opportunities for us all.</p>	<p>The population of Tasman District is continuing to increase, but is also changing in other ways, for example overall the population is ageing and is becoming more diverse. Our objective for this Outcome is to enable businesses to be established that complement the clean, green character of our District.</p> <p>By the end of the 10 year period (2012-2022) we expect that the Waimea Community Dam will be completed and that the water from this dam will support businesses located on the Waimea Plains; provide security of water supply for urban expansion, and help improve the ecological health of our rivers.</p> <p>The Richmond West area would have continued to develop and this should provide more jobs to people living and working in the District</p>

# The Role of the Annual Report and Financial Statements

The Tasman District Council is required to produce an Annual Report each year to account for the money provided to it by ratepayers, financial institutions and other government agencies.

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

The contents of this Annual Report will make reference to the District strategies and plans, including the 2012-22 Long Term Plan, which was adopted by Council on 27 June 2012, after considerable consultation with ratepayers

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

The reports from the Mayor and Chief Executive Officer provide commentary on some of the year's key strategies, objectives, highlights and challenges. The Financial Statements and Statements of Service Performance look at the District affairs in greater detail.

The Tasman District Council thanks you for your interest in its activities and its leadership role in developing Tasman District.

## Statement of Compliance and Responsibility

### Compliance

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


### Responsibility

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


- 3. The Council and management of Tasman District Council accepts responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial and non-financial reporting.
- 4. In the opinion of the Council and management of Tasman District Council, the annual financial statements for the year ended 30 June 2014 fairly reflect the financial position, operations and service performance of Tasman District Council.



**R G Kempthorne**  
Mayor



**L McKenzie**  
Chief Executive Officer



**M Drummond, CA**  
Corporate Services Manager

**25 September 2014**

# How the Annual Report fits into Council's overall planning framework





## **Independent Auditor's Report**

### **To the readers of Tasman District Council's annual report for the year ended 30 June 2014**

The Auditor-General is the auditor of Tasman District Council (the District Council). The Auditor-General has appointed me, Bede Kearney, using the staff and resources of Audit New Zealand to audit:

- the financial statements of the District Council that comprise:
  - the statement of financial position as at 30 June 2014 on page 120;
  - the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ending 30 June 2014 on pages 118, 121 and 122;
  - the funding impact statement of the District Council on page 123;
  - the statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on pages 39 to 104;
  - the notes to the financial statements that include accounting policies and other explanatory information about the financial statements on pages 106 to 117 and 124 to 176;
- the statement of service provision (referred to as Statements of Objectives and Service Performance) of the District Council on pages 26 to 104 and the funding impact statements in relation to each group of activities of the District Council on pages 39 to 104; and
- the disclosures of the District Council that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 176 to 182.

In addition, the Auditor-General has appointed me to report on whether the District Council's annual report complies with the Other Requirements of schedule 10 of the Local Government Act 2002, where applicable, by including:

- information about:
  - internal borrowing on page 155;
  - reserve funds on pages 157 to 159;

- each group of activities carried out by the District Council on pages 26 to 104;
- remuneration paid to the elected members and certain employees of the District Council on page 162 and 174;
- employee staffing levels and remuneration on page 162;
- severance payments on page 162;
- a report on the activities undertaken by the District Council to establish and maintain processes to provide opportunities for Maori to contribute to the Council's decision-making processes on page 192; and
- a statement of compliance signed by the Mayor of the Council, and by the District Council's chief executive on page 20.

## **Opinion**

### **Audited information**

In our opinion:

- The financial statements of the District Council on pages 106 to 118 and pages 120 to 122 and 124 to 176:
  - comply with generally accepted accounting practice in New Zealand; and
  - fairly reflect:
    - the District Council's financial position as at 30 June 2014; and
    - the results of its operations and cash flows for the year ended on that date.
- The funding impact statement of the District Council on page 123, fairly reflects the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan.
- The statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on pages 39 to 104, fairly reflect by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the District Council's long-term plan or annual plan.
- The Statements of Objectives and Service Performance of the District Council on pages 26 to 104:
  - comply with generally accepted accounting practice in New Zealand;
  - fairly reflect the District Council's levels of service for the year ended 30 June 2014, including:

- the levels of service as measured against the intended levels of service adopted in the long-term plan; and
  - the reasons for any significant variances between the actual service and the expected service.
- The funding impact statements in relation to each group of activities of the District Council on pages 39 to 104, fairly reflect by each group of activities, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long-term plan.
  - The disclosures on pages 176 to 182 represent a complete list of required disclosures and accurately reflect the information drawn from the District Council's audited information.

### **Compliance with the other requirements of schedule 10**

In our opinion, which is not an audit opinion, the District Council's annual report complies with the Other Requirements of schedule 10 that are applicable to the annual report.

Our audit was completed on 25 September 2014. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Council and our responsibilities, and we explain our independence.

### **Basis of opinion**

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the information we audited is free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and Statements of Objectives and Service Performance. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the information we audited. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the information we audited, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the District Council's preparation of the information we audited that fairly reflect the matters to which they relate. We consider internal control in order to design procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the District Council's internal control.



An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Council;
- the adequacy of all disclosures in the information we audited;
- determining the appropriateness of the reported Statements of Objectives and Service Performance within the Council's framework for reporting performance; and
- the overall presentation of the information we audited.

We did not examine every transaction, nor do we guarantee complete accuracy of the information we audited.

When reporting on whether the annual report complies with the Other Requirements of schedule 10 of the Local Government Act 2002, our procedures were limited to making sure the information required by schedule 10 was included in the annual report, where relevant, and identifying material inconsistencies, if any, with the information we audited. This work was carried out in accordance with International Standard on Auditing (New Zealand) 720; The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements. As a result we do not express an audit opinion on the District Council's compliance with the requirements of schedule 10.

We did not evaluate the security and controls over the electronic publication of the information we are required to audit and report on. We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate evidence to provide a basis for our opinion.

## **Responsibilities of the Council**

The Council is responsible for preparing:

- financial statements and Statements of Objectives and Service Performance that:
  - comply with generally accepted accounting practice in New Zealand;
  - fairly reflect the District Council's financial position, financial performance and cash flows;
  - fairly reflect its service performance, including achievements compared to forecast;
- a funding impact statement that fairly reflects the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan;
- funding impact statements in relation to each group of activities that fairly reflects by each group of activities the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long-term plan;

- statements about budgeted and actual capital expenditure in relation to each group of activities that fairly reflects by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the District Council's long-term plan or annual plan;
- disclosures in accordance with the requirements of the Local Government (Financial Reporting and Prudence) Regulations 2014; and
- the other information in accordance with the requirements of schedule 10 of the Local Government Act 2002.

The Council is responsible for such internal control as it determines is necessary to ensure that the annual report is free from material misstatement, whether due to fraud or error. The Council is also responsible for the publication of the annual report, whether in printed or electronic form.

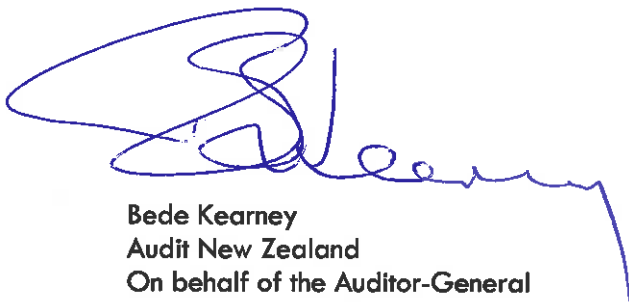
The Council's responsibilities arise under the Local Government Act 2002.

### **Responsibilities of the Auditor**

We are responsible for expressing an independent opinion on, the information we are required to audit, and whether the Council has complied with the Other Requirements of schedule 10, and reporting that opinion to you. Our responsibility arises under section 15 of the Public Audit Act 2001 and section 99 of the Local Government Act 2002.

### **Independence**

When carrying out this audit, which includes our report on the Other Requirements, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board. Other than this audit, which includes our report on the Other Requirements, we have no relationship with, or interests, in the District Council.



**Bede Kearney**  
Audit New Zealand  
On behalf of the Auditor-General  
Christchurch, New Zealand



## **Statements of Objectives and Service Performance**

The service goals and objectives form the basis of Council's operations in the provision of works and services for the District. Council departments reporting to the Chief Executive for servicing the Tasman District may be broadly categorised as follows:

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

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

Each significant activity area as a whole incorporates elements of quality, quantity, timeliness, cost and location (where applicable). Unless otherwise noted, all tasks are to be completed by 30 June 2014. Quality processes (which affect the quality of the output) are also a standard feature of the internal management control systems. In particular:

### **Preparation of Internal Report**

Internal reports are prepared by suitably qualified and experienced staff. Significant reports are subject to a peer review process/consultation review.

### **Capital Works**

Capital works are constructed to design specifications. Inspections of works are undertaken by suitably qualified and experienced engineers.

### **Resource Management**

These functions are performed by appropriately qualified staff and/or accredited hearing commissioners. This is one mechanism by which Council assures the quality of service given to the public. In relation to policy investigations and the development of regional and district plans, the Council follows processes outlined in legislation and established public consultation procedures.

### **Maintenance Works**

Maintenance works are undertaken by employees or by contract under the supervision of suitably qualified and experienced engineers or other appropriate staff and monitored in accordance with the relevant maintenance programme.

### **Legislative and Financial Compliance**

In all instances, Council strives to act within the relevant statutory requirements and within approved budget levels.

### **Asset Management Planning**

A common process we undertake for all outputs is the development of asset/activity management plans for Council's activities and infrastructural assets, including asset identification, valuation, condition rating, service levels, performance measures and future maintenance and development plans, as appropriate. Sufficient maintenance has been programmed and performed on all infrastructural assets during this financial year to ensure that the service potential of assets has not deteriorated.

### **Performance Measures**

In many cases in preparing its 2012-2022 LTP Council included survey measures as a measure of progress toward the achievement of Council objectives and checking residents levels of satisfaction with the services Council provides. Council reports on these measures using data from the annual Communitrak survey.



### **Funding Impact Statements (FIS)**

The following tables relate to Funding Impact Statements prepared for each activity. The Funding Impact Statements have 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 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 Comprehensive Income Statement.

## ENVIRONMENT AND PLANNING

### Policy and Objective

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

### Nature and Scope

These output classes involve the development of resource policy and plans under the Resource Management Act and related legislation, the associated processing and monitoring of resource consents, improving the understanding of the District's environment through investigations and promoting improved environmental performance by resource users, and undertaking Council's regulatory responsibilities.

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

- (a) Environmental Management
- (b) Public Health and Safety

2012/2013 Budget \$	2012/2013 Actual \$	Environment and Planning	2013/2014 Actual \$	2013/2014 Annual Plan Budget \$	2013/2014 LTP Budget \$	% of AP Budget
8,882,607	9,275,191	Environmental Management	8,404,744	8,814,468	9,909,546	95%
4,560,035	4,401,952	Public Health and Safety	4,461,740	4,507,896	4,750,424	99%
13,442,642	13,677,143	TOTAL COSTS	12,866,484	13,322,364	14,659,970	97%

# ENVIRONMENT AND PLANNING

## ENVIRONMENTAL MANAGEMENT

### What We Do

Council's environmental management functions and responsibilities include:

- The provision of policy advice, including responses to Government environmental requirements.
- The development and implementation of resource management policies and plans.
- Investigating significant environmental issues affecting or likely to affect the District.
- Maintaining an efficient resource information base to provide advice on environmental conditions and issues affecting the District.
- Assessing and processing resource consent applications and related compliance monitoring and enforcement.
- Undertaking biosecurity (plant and animal pest management) responsibilities including contributing to the Animal Health Board Bovine Tb vector control work in the District.
- Promoting environmental education and advocacy programmes and running environmental events to positively influence community behaviours.

### 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. Environmental education and advocacy activities provide non-regulatory means of encouraging good environmental practices and outcomes. Council's biosecurity activities help protect the environment from unwanted plant and animal pests.

### Our Goal

The Environmental Management activity goal is to:

Effectively promote sustainable management of the District's natural and physical resources by:

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

## ENVIRONMENT AND PLANNING

### How this activity contributes to the Community Outcomes

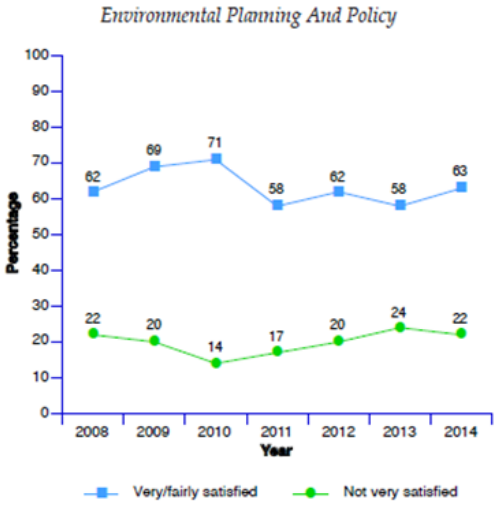
- Council has policies and plans that promote sustainable management of natural and physical resources and, where necessary, regulating activities which would over time degrade the environment or place resources under pressure.
- By monitoring and investigating the state of the environment and the trends, risks, and pressures it faces, we can make better decisions and have in place policies, plans and consent conditions that promote sustainable management of natural and physical resources while enabling development. Where necessary, conditions can be imposed (and monitored) that regulate activities which overtime would degrade the environment or place resources under pressure.
- By managing animal and plant pests, working with landowners and others to protect biodiversity, soil and water sustainability, and educating and encouraging responsible environmental behaviours.
- By ensuring that living and productive environments are pleasant and safe, and that the activities of others do not adversely impact on citizens' lives and are appropriate in location and scale.
- By monitoring and investigating the state of the environment and the trends, risks, and pressures it faces, we can make better decisions and have in place policies and plans that contribute to this outcome.
- By educating people and providing them with information to enable them to live more sustainably and to be more resilient.
- By having in place effective resource planning processes which ensure infrastructure provision is appropriate, efficient, and available to meet the demands of the community.
- By promoting best practice and efficiency measures in the design and use of important utility services.
- By having in place processes which safeguard the community's health and wellbeing and which ensure resource use and human activities affecting resources do not adversely affect quality of life or community wellbeing.
- By maintaining an effective flood warning system and working to identify contamination risks which are designed to promote safety of people and community wellbeing.
- By identifying heritage values of significance to the District and having in place a framework for protecting and enhancing these values, including sites which are important to Iwi.
- By promoting an appreciation of culture and heritage through running an Environment Awards programme and targeted funding to heritage and related projects.
- By promoting involvement in activities like Sea Week, Enviroschools, and Ecofest, which allow different sections of the community to participate, learn and teach each other about matters relating to community well-being.
- By encouraging participation in the processes of developing and administering policies and plans.
- By encouraging participation in the Enviroschools programme and events, like Ecofest, and making environmental information available and working with community groups to help them make environmentally sound decisions.
- By encouraging people to adopt best practice in relation to their use of resources such as land, water, air, and the coast.
- By helping to provide resource information that enables development of opportunities for economic development and helps to identify potential hazards and constraints affecting such opportunities.
- By processing resource consents that can facilitate economic development opportunities and compliance monitoring that can ensure fair and equal opportunities for all.

### Our levels of service and how we measure progress against them

Levels of Service (We provide)	We will know we are meeting the Level of Service if	Current Performance
We will develop and maintain an appropriate policy framework which	The level of community support for Council's resource	63% of residents surveyed were satisfied or very satisfied with Council's resource management policy and planning work. 15% of respondents did not know enough to comment, which means 74% of those with knowledge were satisfied or very satisfied (58%, 18% and 71% being the equivalent 2012/2013



# ENVIRONMENT AND PLANNING

Levels of Service (We provide)	We will know we are meeting the Level of Service if:	Current Performance																								
<p>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 will protect and enhance our unique environment and promote healthy and safe communities.</li> </ul>	<p>management policy and planning work is rated as fairly satisfied or better through community surveys. [Target: 70%]</p>	<p>figures). Target not met.</p>  <table border="1"> <caption>Environmental Planning And Policy</caption> <thead> <tr> <th>Year</th> <th>Very/fairly satisfied (%)</th> <th>Not very satisfied (%)</th> </tr> </thead> <tbody> <tr><td>2008</td><td>62</td><td>22</td></tr> <tr><td>2009</td><td>69</td><td>20</td></tr> <tr><td>2010</td><td>71</td><td>14</td></tr> <tr><td>2011</td><td>58</td><td>17</td></tr> <tr><td>2012</td><td>62</td><td>20</td></tr> <tr><td>2013</td><td>58</td><td>24</td></tr> <tr><td>2014</td><td>63</td><td>22</td></tr> </tbody> </table>	Year	Very/fairly satisfied (%)	Not very satisfied (%)	2008	62	22	2009	69	20	2010	71	14	2011	58	17	2012	62	20	2013	58	24	2014	63	22
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<p>We will monitor environmental trends and conditions and have in place reporting systems which protect and inform the community about environmental conditions, changes and risks.</p>	<p>Council's telemetry system (Hydrotel) is available to provide real time rainfall, river and sea level information for regional hazard management. [Target: 99% fully operational]</p>	<p>The network functioned very well throughout the year with the system being operational for 99.98% of the time. This equates to two hours downtime over the whole year. There were only four occasions in the last 12 months that the system was down for more than 5 minutes. Target met.</p> <p>Upgrades to rainfall recorders are 95% complete. We have started groundwater monitoring site improvement and expect to complete this by 2017-2018.</p>																								
	<p>Council aims to meet the Air Quality National Environmental Standard by 2020 (no more than 1 day &gt; 50 µg/m<sup>3</sup> PM<sub>10</sub> per year) and will report on the website air quality breaches at the Richmond Central monitoring site of the limit of 50 µg/m<sup>3</sup> PM<sub>10</sub>. [Target: PM 10 concentration at</p>	<p>The winter of 2014 began as very mild and wet. During July 2014 rain eased and temperatures dropped but the weather remained windy and this helped to dissipate air pollution.</p> <p>At the Richmond air quality monitoring site there were two recorded exceedences of the Air Quality National Environmental Standard by 23 July 2014. The total number of exceedences for preceding winter of 2013 was 9 and in 2012 there were 16. Overall the trend is reducing so target met.</p> <p>The maximum concentration recorded so far this winter (2014) was 58 µg/m<sup>3</sup> which is the lowest annual maximum since records began in 2000. The second highest value followed the same pattern and was also the lowest on record.</p> <p>For meaningful results the number of exceedences are reported for the winter period (June/July/early August) rather to the financial year. The calendar year is used for Environment and Planning Committee reporting purposes. The full 2014 air quality monitoring results will be reported to the Environment and Planning Committee in November.</p>																								

# ENVIRONMENT AND PLANNING

Levels of Service (We provide)	We will know we are meeting the Level of Service if	Current Performance																																													
	<p>Richmond Central monitoring site (BAM) continue to reduce (as corrected for meteorology)]</p>	<p>The Council website is continuously updated and but requires manual update of the number of exceedences, which was no more than 2 days out of date at any given time.</p> <p>The “Good Wood” programme was run through Council’s environmental education activity to promote the use of dryer and cleaner burning wood.</p> <table border="1"> <caption>Number of Exceedences and 2nd Highest 24-hour PM<sub>10</sub> for Richmond Central</caption> <thead> <tr> <th>Year</th> <th>Number of 24-hr PM<sub>10</sub> Exceedences</th> <th>2nd Highest 24-hr PM<sub>10</sub></th> </tr> </thead> <tbody> <tr><td>2000</td><td>111</td><td>111</td></tr> <tr><td>2001</td><td>0</td><td>0</td></tr> <tr><td>2002</td><td>0</td><td>0</td></tr> <tr><td>2003</td><td>81</td><td>81</td></tr> <tr><td>2004</td><td>97</td><td>97</td></tr> <tr><td>2005</td><td>78</td><td>78</td></tr> <tr><td>2006</td><td>95</td><td>95</td></tr> <tr><td>2007</td><td>78</td><td>78</td></tr> <tr><td>2008</td><td>74</td><td>74</td></tr> <tr><td>2009</td><td>76</td><td>76</td></tr> <tr><td>2010</td><td>67</td><td>67</td></tr> <tr><td>2011</td><td>69</td><td>69</td></tr> <tr><td>2012</td><td>70</td><td>70</td></tr> <tr><td>2013</td><td>56</td><td>56</td></tr> </tbody> </table> <p>Graph shows the total number of days per year that the <i>NES</i> levels were exceeded and second-highest exceedence (Note: no monitoring occurred in 2001/2002).</p>	Year	Number of 24-hr PM <sub>10</sub> Exceedences	2nd Highest 24-hr PM <sub>10</sub>	2000	111	111	2001	0	0	2002	0	0	2003	81	81	2004	97	97	2005	78	78	2006	95	95	2007	78	78	2008	74	74	2009	76	76	2010	67	67	2011	69	69	2012	70	70	2013	56	56
Year	Number of 24-hr PM <sub>10</sub> Exceedences	2nd Highest 24-hr PM <sub>10</sub>																																													
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	<p>One issue based State of the Environment (SOE) report to be released each year.</p>	<p>Moutere Inlet SOE report completed by June 2013, placed on the website and presented to the community in Motueka in December 2013.</p> <p>Report on Shorebirds of Farewell Spit, Golden Bay and Tasman Bay, their significance and management issues and options completed in November 2013. The report was placed on the website and presented to the communities in Motueka and Takaka in December 2013, and January 2014, respectively.</p> <p>Target met.</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>The Report was presented to and adopted at the 22 May 2014 Environment and Planning Committee meeting. Target met.</p> <p>Overall compliance with the microbial water quality (contact recreation) guideline at base flows was similar to previous years (97%). Tukuruia Stream at Camp Playground was the least compliant and Rabbit Island Main Beach was fully compliant. Rainfall events were attributed to about half of the total non-compliances (~3%).</p> <p>The sampling programme is on-track for re-running a predictive model for water quality at beaches in the Kaiteriteri area influenced by the Motueka River plume.</p>																																													
<p>We will provide a responsive and efficient process for assessing resource consent applications and ensuring compliance obligations are fairly and</p>	<p>The level of community support for Council’s resource management consent and compliance work is rated as fairly satisfied or better through</p>	<p>Reported satisfaction level of 82.4% (cf 92.5% 2012/2013). 17.6% of respondents were not very satisfied for reasons which include time delays, expense, and too much red-tape (cf 7.5% in 2012/2013). Target met.</p>																																													

## ENVIRONMENT AND PLANNING

Levels of Service (We provide)	We will know we are meeting the Level of Service if:	Current Performance									
appropriately enforced.	community survey. [Target: 75%]										
	Consent applications are processed within statutory timeframes (where they exist) [Target: 100%]	99.3% of non-notified applications processed within timeframe, 100% for publicly notified and limited notified applications (cf 99.4% and 94% respectively in 2012/2013). Target partially met.									
	<p>An annual report is prepared and presented to Council or a Council committee each year which details:</p> <ul style="list-style-type: none"> <li>- 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.</li> </ul> <p>[Target: Annual report table to Council or a Council committee by 31 October, showing that all resource consents that are monitored are assigned appropriate compliance performance grades]</p>	<p>Over the 2013/2014 year resource consents and targeted permitted activities (water metered consents excluded) were monitored and reported on. The Annual Compliance and Enforcement report was released 21 August 2014. Compliance levels are shown in the following table</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-bottom: 10px;"> <thead> <tr> <th style="text-align: left;">Compliance rating</th> <th style="text-align: center;">2013/2014</th> </tr> </thead> <tbody> <tr> <td>1. Fully complying</td> <td style="text-align: center;">524</td> </tr> <tr> <td>2. Non - compliance. Nil or minor adverse effect</td> <td style="text-align: center;">199</td> </tr> <tr> <td>3. Non - compliance. Moderate adverse effect</td> <td style="text-align: center;">66</td> </tr> <tr> <td>4. Non - compliance. Significant adverse effect</td> <td style="text-align: center;">78</td> </tr> </tbody> </table> <p>A total of 963 consents received a monitoring action in the 2013/2014 financial year (note that 95 consents (1%) did not receive a compliance grade due to factors such as: not being given effect to; or not operational at the time of the compliance visit). Where non-compliance was detected proportionate action was taken in accordance with Council's Enforcement Protocol ranging from advice to consent holder through to enforcement action. Target met.</p>	Compliance rating	2013/2014	1. Fully complying	524	2. Non - compliance. Nil or minor adverse effect	199	3. Non - compliance. Moderate adverse effect	66	4. Non - compliance. Significant adverse effect
Compliance rating	2013/2014										
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- Where significant non-compliance is recorded, that resolution is achieved within appropriate	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 10%;">Number</th> <th style="width: 15%;">Resolved (9 months)</th> <th style="width: 15%;">Resolved (12 months)</th> </tr> </thead> <tbody> <tr> <td>Formal actions such as warning, directions,</td> <td style="text-align: center;">33</td> <td style="text-align: center;">25</td> <td style="text-align: center;">0</td> </tr> </tbody> </table>		Number	Resolved (9 months)	Resolved (12 months)	Formal actions such as warning, directions,	33	25	0		
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## ENVIRONMENT AND PLANNING

Levels of Service (We provide)	We will know we are meeting the Level of Service if	Current Performance												
	<p>timeframes. [Target: 80% are resolved within 9 months and 95% with twelve months]</p>	<table border="1" style="width: 100%; border-collapse: collapse; margin-bottom: 10px;"> <tr> <td style="width: 60%;">Formal action such as abatement notices and fines</td> <td style="width: 10%; text-align: center;">2</td> <td style="width: 10%; text-align: center;">2</td> <td style="width: 20%; text-align: center;">N/A</td> </tr> <tr> <td>Prosecution</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> <td style="text-align: center;">N/A</td> </tr> <tr> <td style="text-align: right;"><b>Total</b></td> <td style="text-align: center;"><b>35*</b></td> <td style="text-align: center;"><b>77%</b></td> <td style="text-align: center;"><b>77%</b></td> </tr> </table> <p>* <b>NOTE</b> This total represents the number of cases subject to resolution within the 12 month period ending 30 June 2014. An additional 44 significant non compliance actions have been recorded in the later part of the reporting period and are now working towards resolution. Target not met largely because of consent holder delays.</p>	Formal action such as abatement notices and fines	2	2	N/A	Prosecution	0	0	N/A	<b>Total</b>	<b>35*</b>	<b>77%</b>	<b>77%</b>
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<b>Total</b>	<b>35*</b>	<b>77%</b>	<b>77%</b>											
	<p>An annual report is prepared and presented to 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. [Target: Annual report tabled to Council or a Council committee by 31 October]</p>	<p>The 2013/2014 water metering report was released at the 21 August Environment and Planning Committee meeting. Target met.</p> <p>Prevailing dry weather patterns occurring in the summer prompted the Dry Weather Taskforce to convene on four occasions to impose restrictions under Section 329 of the Resource Management Act 1991.</p> <p>The number of consents administered under the water metering project in the 2013-2014 season increased from 1018 to 1125. There are now 83% of water meter readings being received electronically. Of those filing electronically, 66% are now filing via the web page service provided by Council, 14% are filing via email and 0.3% are filing via telemetry.</p> <p>A total of 768 or 83% of meters received an audit during the season using summer student assistance to undertake this critical task.</p> <p>Overall compliance this water year was very good however a small number of enforcement actions were required. There were 7 Infringement Notices issued for overtakes deemed less than minor, down from 14 last year. There were also 6 missing reading invoices issued and 3 infringements for missing readings issued, down from 14 last year.</p> <p>Implementation of the Reporting of Water Takes Regulation 2010 continues. There are 368 consented takes 10 l/s or greater that were required to install a complying water meter and have that meter verified by November 2014. When implementation commenced for this group, 402 water takes in this district were subject to the Regulation, however a number have surrendered or varied their allocation limits.</p>												
	<p>An annual Dairy Monitoring report is prepared detailing the performance of the District's dairy farms against the Council's dairy effluent discharge rules and Clean Streams Accord targets. [Target: 95% fully</p>	<p>The 2013/2014 Annual Dairy Effluent Discharge Report was submitted on 10 July 2014 to the Environment and Planning Committee.</p> <p>The report disclosed that in the 2013/2014 season a total of 146 dairy sheds had active discharges in the Tasman District. Of those 140 farm dairies operated as Permitted Activities and the remaining six held Resource Consents to discharge treated effluent to water.</p> <p>At these inspections each farm was assessed against Resource Consent conditions for the discharge of treated dairy effluent to water, or against the Permitted Activity Rule 36.1.2.3 (the discharge of animal effluent to land). The final compliance results for all 146 farms were reported as:</p> <ul style="list-style-type: none"> <li>• 87% - Fully Compliant</li> <li>• 12% - Non- Compliant</li> <li>• 1% - Significantly Non-Compliant</li> </ul>												



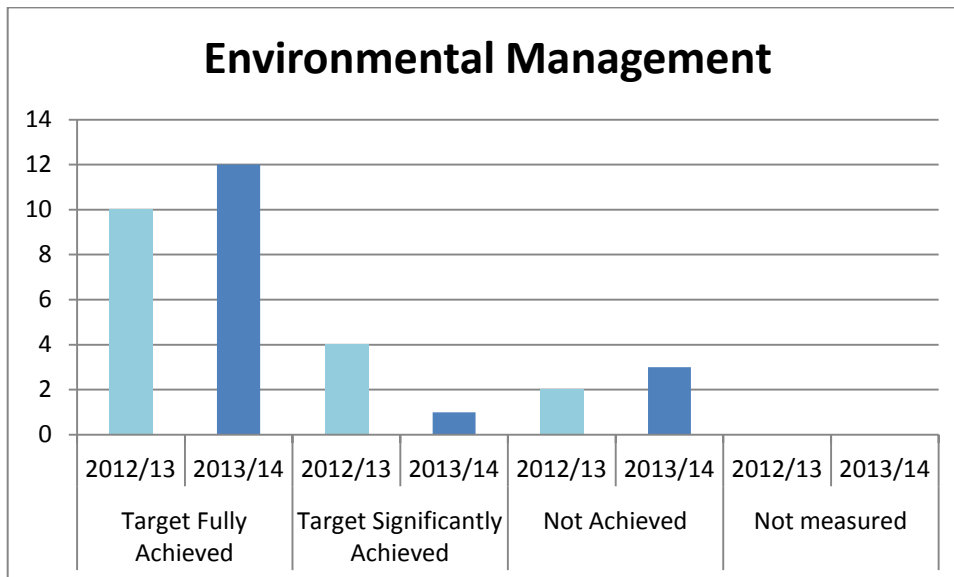
# ENVIRONMENT AND PLANNING

<p>Levels of Service (We provide)</p>	<p>We will know we are meeting the Level of Service if:</p>	<p>Current Performance</p>
	<p>compliant]</p>	<p>Target not met. The increase in non-compliant reflects minor omissions in paperwork through to minor on-site ponding. All have been resolved.</p> <p>The following table provided in the report showed a comparison of the compliance rates from the 2005/2006, 2006/2007, 2007/2008-2008/2009, 2010-2011 surveys with this survey. Due to the interrupted surveys of 2009/2010 survey (just 37 farms surveyed) and more recent 2012/2013 (34 farms) those statistics are not included in the figure below.</p>
<p>We will work with resource users, stakeholder groups and the public to promote environmentally responsible behaviour, to encourage soil conservation and riparian planting, to maintain and enhance biodiversity</p>	<p>The level of community support for Council's environmental education projects and events is rated as fairly satisfied or better through community survey. [Target: 65%]</p>	<p>The community survey found 65% of people were satisfied or better; with 28% not knowing enough to comment (62% and 33% being the equivalent 2012/2013 figures). 7% were not satisfied. The results mean that 90% of those who were able to comment were satisfied, or better, with Council's environmental education activities (6% and 93% respectively in 2012/2013). Target met.</p>
<p>We will implement the provisions of the Regional Pest Management Strategy in</p>	<p>Timely reporting of pest management operations in accordance with requirements of the Biosecurity</p>	<p>The Annual report on Pest Management Operations was reported to the 26 September 2013 Environment and Planning Meeting. The current year's Pest Management Annual Report is to be released in September 2014. Target met.</p>

## ENVIRONMENT AND PLANNING

Levels of Service (We provide)	We will know we are meeting the Level of Service if:	Current Performance
Tasman and in Nelson to ensure that pests included in the Strategy are managed to minimise their impact on our productive sector and our natural areas.	Act. [Target: Annual report tabled to Council or a Council committee by 30 November]	

### Comparison of Performance Results 2012/2013 - 2014/2015



### Major Activities

Planned	Actual
Undertake environmental monitoring of the District's resources, state of the environment reporting, hydrology and flood warning monitoring, and provision of environmental information.	<p>Council continues to implement the State of the Environment Monitoring and Reporting Strategy. The monitoring, collection and maintenance of resource data/records is ongoing. The data is reported in real-time and, in some cases, is available on-line.</p> <p>Hydrology + Flood Warnings:</p> <ul style="list-style-type: none"> <li>- 25 Flood events were monitored with six requiring warnings to be issued.</li> <li>- During all flood events telemetry systems were 100% operational.</li> <li>- Contract hydrology services are provided to Nelson City Council.</li> <li>- Water resource information on the TDC 'Flowphone' and web page continue to be widely used by anglers, canoeists and others.</li> <li>- 180 data requests received.</li> <li>- National Environmental Monitoring Standards have been implemented for water level and rainfall recording.</li> </ul>

## ENVIRONMENT AND PLANNING

	<p>Resource investigation and environmental monitoring programmes continue including bathing water quality and toxic algae, river water quality, freshwater fish, freshwater wetlands, estuary health, groundwater quality, contaminated land, gravel availability, air quality. Specific issue-investigations included: faecal source tracking at Tukuru Stream, faecal risk prediction for the Kaiteriteri coast, aerial compliance surveillance (July 2013 region wide, and March 2014 Buller – Motueka only).</p> <p>Council released the following State of the Environment Reports during the year:</p> <ul style="list-style-type: none"> <li>• Contact Recreation Water Quality in July 2013,</li> <li>• The Health of the Moutere Inlet in August 2013</li> <li>• Shorebirds of Tasman District in November 2013</li> <li>• Brightwater and Wakefield Flood Model in December 2013.</li> </ul> <p>The Takaka Water Management Area Water Resources Report was released in August 2013.</p>																								
<p>Provide advice to potential applicants for resource consents and processing resource consent applications.</p>	<p>Council continues to respond to enquiries and all other aspects of resource consent applications on an ongoing basis. As at 30 June 2014 we had completed the processing of 847 non-notified applications with 99.3% complying with statutory timeframes (in 2013 the figure was 848 at 99.4%); and 21 notified or limited applications with 100% complying with statutory timeframes (in 2011 the figure was 51 at 94%). As at 30 June 2014, one appeal to the Environment Court awaits resolution (cf 9 in 2013).</p>																								
<p>Undertake compliance activities to enforce planning rules, bylaws and resource consent conditions, and undertaking enforcement action when needed.</p>	<p>The compliance monitoring team continues to carry out consent compliance monitoring in accordance with the Compliance Monitoring Strategy. The Annual Water Metering Report and Annual Compliance and Enforcement report was submitted to Council in August 2013 and the Annual Farm Dairy Effluent Discharge Report in November 2013</p> <p>Staff also responded to written and verbal complaints and maintained a file of complaints with record of actions taken which ranges from informal intervention through to enforcement actions. The following breakdown records the type of complaints received over the year:</p> <table style="margin-left: auto; margin-right: auto;"> <tr><td>Noise</td><td style="text-align: right;">752</td></tr> <tr><td>Land Use</td><td style="text-align: right;">209</td></tr> <tr><td>Discharges – Air</td><td style="text-align: right;">253</td></tr> <tr><td>Discharges – Water</td><td style="text-align: right;">57</td></tr> <tr><td>Discharges - Land</td><td style="text-align: right;">109</td></tr> <tr><td>Water takes</td><td style="text-align: right;">28</td></tr> <tr><td>Rivers</td><td style="text-align: right;">19</td></tr> <tr><td>Coastal</td><td style="text-align: right;">10</td></tr> <tr><td>Rubbish Enforcement</td><td style="text-align: right;">17</td></tr> <tr><td>Abandoned vehicles</td><td style="text-align: right;">111</td></tr> <tr><td>Other</td><td style="text-align: right;"><u>332</u></td></tr> <tr><td></td><td style="text-align: right;">1,897</td></tr> </table> <p>(cf 1,820 in 2012/2013)</p>	Noise	752	Land Use	209	Discharges – Air	253	Discharges – Water	57	Discharges - Land	109	Water takes	28	Rivers	19	Coastal	10	Rubbish Enforcement	17	Abandoned vehicles	111	Other	<u>332</u>		1,897
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<p>Undertake plant and animal pest management planning and operations, including in Nelson City through a contractual arrangement with Nelson City Council, and funding the Animal Health Board to undertake its Tb Vector control programme in the District.</p>	<p>Pest management operations were carried out on an ongoing basis in accordance with the Operational Plan prepared under the Nelson Tasman Regional Pest Management Strategy. A separate and more detailed annual report was released August 2013.</p> <p>Council continues to provide funds as a contribution to OSPRI's</p>																								

## ENVIRONMENT AND PLANNING

	(successor to the Animal Health Board) bovine Tb Vector Management programme.
Undertake environmental education and advocacy activities, including working with land owners to achieve sustainable land management objectives, school and business education programmes, and running educational events.	<p>A very successful Environmental Festival “Ecofest” was held in August 2013. A successful community beach clean-up was held in November 2013. Council works with a range of schools throughout the District on environmental education and currently has 23 schools involved in the EnviroSchools programme. Staff also undertake work to help improve air quality (e.g. Good Wood Programme), water quality (e.g. Tamariki Wai programme, stream planting) and waste reduction and recycling.</p> <p>A campaign called “Go-on, Show Us Your Culvert” raised awareness amongst landowners who have culverts in streams about the importance of fish passage (only 16 people responded to the offer by Council to restore fish passage).</p>
<p>Implement the Resource Policy work programme, including:</p> <ul style="list-style-type: none"> <li>- reviews of, and changes to, the Tasman Resource Management Plan (TRMP)</li> <li>- development plans for various settlements within the District</li> <li>- rural policy reviews (including subdivision and rural land use, landscape protection)</li> <li>- land disturbance review</li> <li>- network services rules and design guidance development</li> <li>- water allocation reviews</li> <li>- riparian land management strategy</li> <li>- natural hazards strategic policy review</li> <li>- review of the Tasman Regional Policy Statement and consideration of combining it with the TRMP</li> <li>- provision of policy advice.</li> </ul>	<p>Released a discussion paper on Rural Land Use and Subdivision in September 2013 attracting 393 submissions. Advanced work on Golden Bay Landscapes, Urban Density investigation in Richmond, Coastal Hazards Project, and Brightwater and Wakefield Development Reviews.</p> <p>Released decisions on Motueka West and Waimea Water Management Plan Changes and processed through to completion two privately initiated plan changes.</p> <p>Released a Moorings Discussion paper in December 2013.</p> <p>Responded to Government’s National Policy Statement for Freshwater Management proposals in February 2014.</p> <p>The review of the Tasman Regional Policy Statement was put on hold pending clearer outcomes arising from changes to the Resource Management Act 1991.</p>

# ENVIRONMENT AND PLANNING

2012/2013 Budget \$	2012/2013 Actual \$	Environmental Management	2013/2014 Actual \$	2013/14 Budget \$	2013/2014 LTP Budget \$	% of AP Budget
		<b>SOURCES OF OPERATING FUNDING</b>				
6,110,050	6,140,658	General rates, uniform annual general charges, rates penalties	6,013,865	5,962,178	6,370,925	101%
332,897	333,711	Targeted rates (other than a targeted rate for water supply)	350,091	335,877	335,877	104%
107,915	170,326	Subsidies and grants for operating purposes	158,463	-	52,633	-
-	-	Fees, charges and targeted rates for water supply	-	-	-	-
-	-	Internal charges and overheads recovered	-	-	-	-
2,556,401	2,518,396	Local authorities fuel tax, fines, infringement fees, and other receipts	2,592,250	2,696,892	2,643,248	96%
3,107,263	3,163,091	<b>TOTAL OPERATING FUNDING</b>	9,114,669	8,994,947	9,402,683	101%
		<b>APPLICATIONS OF OPERATING FUNDING</b>				
5,566,106	5,640,837	Payments to staff and suppliers	5,569,102	5,624,500	6,512,929	99%
94,680	90,507	Finance costs	113,525	97,410	91,343	117%
3,221,821	3,543,847	Internal charges and overheads applied	2,722,117	3,092,558	3,305,274	88%
-	-	Other operating funding applications	-	-	-	-
8,882,607	9,275,191	<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	8,404,744	8,814,468	9,909,546	95%
224,656	(112,100)	<b>SURPLUS (DEFICIT) OF OPERATING FUNDING</b>	709,925	180,479	(506,863)	393%
		<b>SOURCES OF CAPITAL FUNDING</b>				
-	-	Subsidies and grants for capital expenditure	-	-	-	-
-	-	Development and financial contributions	-	-	-	-
(37,992)	418,068	Increase (decrease) in debt	(145,845)	(778,177)	(123,108)	19%
-	-	Gross proceeds from sale of assets	-	750,000	750,000	0%
-	-	Lump sum contributions	-	-	-	-
(37,992)	418,068	<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	(145,845)	(28,177)	626,892	518%
		<b>APPLICATIONS OF CAPITAL FUNDING</b>				
		Capital expenditure				
10,380	-	- to meet additional demand	-	53,821	53,821	0%
98,091	49,160	- to improve the level of service	650	-	12,917	-
48,267	64,236	- to replace existing assets	103,096	71,581	58,664	144%
29,926	192,572	Increase (decrease) in reserves	460,334	26,900	(5,373)	1711%
-	-	Increase (decrease) in investments	-	-	-	-
186,664	305,968	<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	564,080	152,302	120,029	370%
(224,656)	112,100	<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING</b>	(709,925)	(180,479)	506,863	393%
-	-	<b>FUNDING BALANCE</b>	-	-	-	-

**Comments:**

Council had budgeted to sell some rehabilitated land at Mapua during the current year. This has not occurred with negotiations currently being undertaken.

Some projects in the Resource Information area did not occur due to staff being required on other project



# ENVIRONMENT AND PLANNING

## PUBLIC HEALTH AND SAFETY

### What We Do

This activity involves the provision of advice and the discharge of statutory functions in the areas of public health, building, environmental health (including liquor licensing, food safety), hazardous substances, animal control, civil defence and emergency management, rural fire, parking control and maritime safety. It involves assessing and processing 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 the Council continues to provide the service).
2. The Council already provides the service and to change the mode of delivery would be more costly and less effective.
3. The community expects the Council to provide the service.
4. The Council considers that it can contribute to and/or enhance community well-being by providing the service.

### Our Goal

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

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

### How this activity contributes to the Community Outcomes

- Managing risk from rural fire and ensuring recreational boating is safe keeps Tasman special.
- The activity ensures that living environments are safe, and that the activities of others do not negatively impact on citizen's lives. Through ensuring buildings are well constructed, safe and weather tight, the activity contributes to the development of the District, and also ensures that the resale value of the community's assets are protected.
- Parking control ensures parking facilities are available to ensure public access to urban retailers and services.
- This activity safeguards the community's health and well-being by ensuring standards of construction, food safety, and registered premises operation are met and that liquor consumption and nuisances from dogs and stock, and risk from fire do not adversely affect quality of life.
- Our civil defence and emergency management system is designed to promote the safety of people and a resilient community.
- Safe boating and providing such things as ski lanes ensures public access to the coastal waters of Tasman.
- We encourage people to make preparations for civil emergencies.

## ENVIRONMENT AND PLANNING

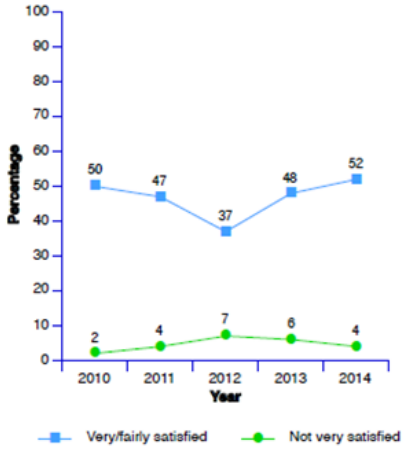
### Our levels of service and how we measure progress against them

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance
We will provide building control services in a professional and timely manner to ensure building work is safe and in accordance with the New Zealand Building Code.	<p>Applications for building consent and code compliance certificates (CCC) are processed within statutory timeframes. [Target: Building Consents 100%, CCC's 98%]</p> <p>We maintain Building Consent Authority Accreditation. [Target: Accreditation maintained]</p>	<p>84.8% of building consent applications were processed within statutory time frames (cf 97.7% in 2012/2013).</p> <p>92.1% of CCC applications were processed within the statutory timeframe (cf 92.4% in 2012/2013).</p> <p>Targets not met. Due to available resources progress is slow but we continue to carry out consent compliance checks on historical building consents.</p> <p>Reaccreditation as a Building Consent Authority was achieved in February 2014 – Target met.</p>
<p>We will provide an environmental health service that:</p> <p>a. In association with other agencies, fosters the responsible sale and consumption of liquor.</p> <p>b. Ensures that food provided for sale is safe, free from contamination and prepared in suitable premises.</p>	<p>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]</p> <p>All food premises are inspected at least once annually for compliance and appropriately licensed. [Target: 100%]</p>	<p>Six CPOs were conducted in the period – 6 July 2013, 15 August 2013, 11 October 2013, 14 December 2013, 22 January 2014 and 28 June 2014. A total of 81 premises were tested with offences detected in 8 (cf 7 in 2012/13) different premises. Only the CPO conducted on 16 July 2013 did not detect any breaches therefore the target was not met.</p> <p>322 food premises out of a total of 324 were inspected over the period to 30 June 2014 - 99.4% of which all complied and retained their license to operate. Target not met, but significant achievement recorded.</p>
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.	<p>All known dogs are registered annually by 30 September. [Target: 100%]</p> <p>We respond to high priority dog complaints within 60 minutes, 24 hours a day, seven days a week. [Target: 100%]</p>	<p>98.2% (10,031) of the 10,214 known dogs were registered as at 30 September 2013. Target not met, but significant achievement recorded.</p> <p>Response times were achieved although in some cases this was via a telephone call rather than on-site presence. Target Met</p>

# ENVIRONMENT AND PLANNING

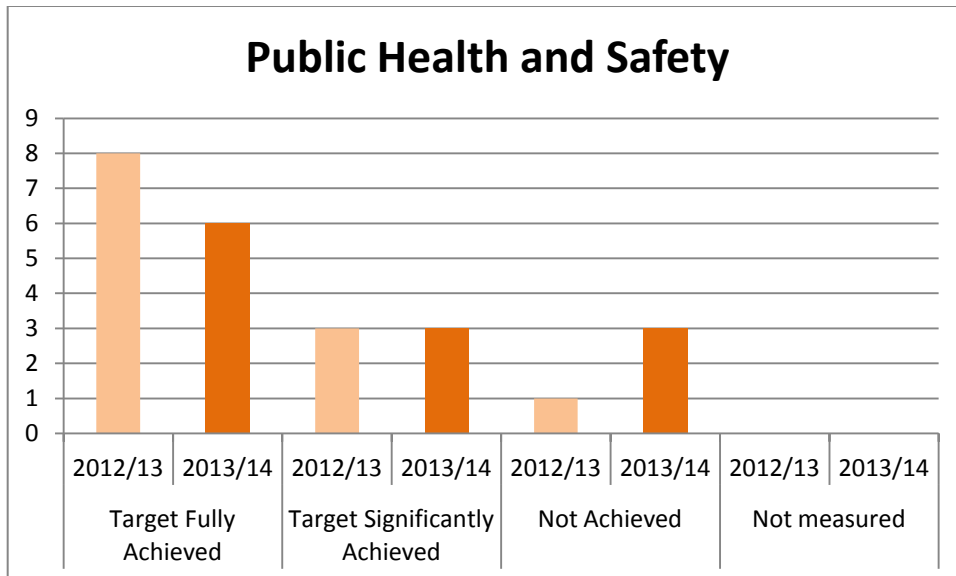
Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance																								
		<p style="text-align: center;"><i>Dog Control</i></p> <table border="1"> <caption>Dog Control Satisfaction Data</caption> <thead> <tr> <th>Year</th> <th>Very/fairly satisfied (%)</th> <th>Not very satisfied (%)</th> </tr> </thead> <tbody> <tr><td>2005</td><td>73</td><td>12</td></tr> <tr><td>2008</td><td>75</td><td>12</td></tr> <tr><td>2009</td><td>80</td><td>12</td></tr> <tr><td>2010</td><td>77</td><td>9</td></tr> <tr><td>2012*</td><td>78</td><td>14</td></tr> <tr><td>2013</td><td>81</td><td>10</td></tr> <tr><td>2014</td><td>78</td><td>11</td></tr> </tbody> </table>	Year	Very/fairly satisfied (%)	Not very satisfied (%)	2005	73	12	2008	75	12	2009	80	12	2010	77	9	2012*	78	14	2013	81	10	2014	78	11
Year	Very/fairly satisfied (%)	Not very satisfied (%)																								
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2014	78	11																								
<p>We will have in place a civil defence and emergency management system that is designed to promote the safety of people and a resilient community in the event that emergencies occur.</p>	<p>The level of community support for Council's civil defence emergency management activity is rated as fairly satisfied or better through community survey. [Target: 50%]</p>	<p>69% of residents are fairly satisfied or better with 19% not knowing enough to comment (59% and 27% being the equivalent 2012/2013 figures). 12% were not satisfied, which means that 85% of those who were able to comment were satisfied or better with Council's civil defence emergency management activities. 12% were not satisfied as they felt that civil defence was insufficiently prepared and organised with delays in response and follow up, and lack of information/publicity. Target met.</p> <p style="text-align: center;"><i>Emergency Management</i></p> <table border="1"> <caption>Emergency Management Satisfaction Data</caption> <thead> <tr> <th>Year</th> <th>Very/fairly satisfied (%)</th> <th>Not very satisfied (%)</th> </tr> </thead> <tbody> <tr><td>2008</td><td>50</td><td>16</td></tr> <tr><td>2009</td><td>58</td><td>10</td></tr> <tr><td>2010</td><td>56</td><td>8</td></tr> <tr><td>2011</td><td>53</td><td>11</td></tr> <tr><td>2012</td><td>59</td><td>10</td></tr> <tr><td>2013</td><td>59</td><td>14</td></tr> <tr><td>2014</td><td>69</td><td>12</td></tr> </tbody> </table>	Year	Very/fairly satisfied (%)	Not very satisfied (%)	2008	50	16	2009	58	10	2010	56	8	2011	53	11	2012	59	10	2013	59	14	2014	69	12
Year	Very/fairly satisfied (%)	Not very satisfied (%)																								
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2012	59	10																								
2013	59	14																								
2014	69	12																								
<p>To safeguard life and property by the prevention, detection, restriction and control of fire in forest and rural areas.</p>	<p>The area of forest lost through fire annually does not exceed 20 hectares. [Target: No more than 20 ha lost through fire annually]</p>	<p>8.2ha hectares of damage to production forest from rural fires (cf 6.3ha in 2012/2013). Target met.</p>																								
<p>We will provide Maritime Administration</p>	<p>Residents with an understanding of Maritime</p>	<p>52% of residents surveyed are satisfied with Council's harbour management work, with 43% of</p>																								

## ENVIRONMENT AND PLANNING

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance																		
<p>services to ensure Tasman's harbour waters are safe and accessible and that all known commercial vehicle operators are licensed.</p>	<p>Administration rate their satisfaction with this activity as "fairly satisfied" or better in annual surveys. [Target: 90%]</p> <p>All known commercial vessel operators are licensed. [Target: 100%]</p>	<p>respondents not knowing enough to comment, which means 91% of those with knowledge were satisfied or very satisfied. (48%, 47% and 91% being the equivalent 2012/2013 figures). Target met.</p> <div style="text-align: center;"> <p><i>Harbourmaster And Maritime Safety Services</i></p>  <table border="1" style="margin: 10px auto;"> <caption>Harbourmaster And Maritime Safety Services - Satisfaction Data</caption> <thead> <tr> <th>Year</th> <th>Very/fairly satisfied (%)</th> <th>Not very satisfied (%)</th> </tr> </thead> <tbody> <tr> <td>2010</td> <td>50</td> <td>2</td> </tr> <tr> <td>2011</td> <td>47</td> <td>4</td> </tr> <tr> <td>2012</td> <td>37</td> <td>7</td> </tr> <tr> <td>2013</td> <td>48</td> <td>6</td> </tr> <tr> <td>2014</td> <td>52</td> <td>4</td> </tr> </tbody> </table> </div> <p>All 42 known commercial operators are either licensed (34) or registered as exempt (8). River rafting, commercial non-passenger and commercial fishing vessels are not presently required to hold a licence. Target Met</p>	Year	Very/fairly satisfied (%)	Not very satisfied (%)	2010	50	2	2011	47	4	2012	37	7	2013	48	6	2014	52	4
Year	Very/fairly satisfied (%)	Not very satisfied (%)																		
2010	50	2																		
2011	47	4																		
2012	37	7																		
2013	48	6																		
2014	52	4																		
<p>We will provide parking control services to facilitate the public's access to urban retailers and services, respond to any misuse of disabled parking, and remove reported abandoned vehicles.</p>	<p>Compliance by not less than 80 out of every 100 vehicles parking in time controlled areas within the Traffic Bylaw, based on an annual snap survey. [Target: 85%]</p>	<p>Survey undertaken in November 2013 – 80 out of 100 vehicles complied - (79% in 2012/2013). Target not met, but significant achievement recorded.</p>																		

## ENVIRONMENT AND PLANNING

### Comparison of Performance Results 2012/2013 - 2013/2014



### Major Activities

Planned	Actual
Respond to enquiries, process permits and consents, and undertake inspectorial responsibilities under the Health Act, Building Act, Sale of Liquor Act, Food Act, Dog Control Act, Forests and Rural Fires Act, Transport Act, Maritime Transport Act, the Hazardous Substances and New Organisms Act, and associated regulations and Council bylaws.	<p>Inspectorial responsibilities under the Health, Building, and Sale and Supply of Alcohol Acts and Council bylaws continue to be carried out by professionally-trained and qualified staff and contractors.</p> <p>84.8% of 1511 building consents were processed within the statutory processing time limit (cf 1,500 at 97.7% in 2012/2013). This reduced performance was caused by a combination of factors – flood events causing unpredicted/unpredictable high levels of activity, lack of available contractors to cover shortfalls in processing resources, introduction of a new electronic building consenting system and technology performance issues. The average processing time was 14 days (cf 9 in 2012/2013). Electronic processing building consents has been very popular with customers. It is believed that once the issues with the IT software are resolved the improved efficiency of electronic processing will bear fruit.</p> <p>All technical building staff are engaged in training to meet legal requirements of the Building Act Accreditation Regulations.</p> <p>The new liquor legislation has been introduced successfully. TDC had the distinction being the first Territorial Authority to have a Local Alcohol Policy in place but we were also the first to attract challenges over opening times. The training requirements of staff and committee members have been met and the new processes are working well. The potential need for additional resourcing in the administrative support role still exists and will be assessed once the transfer to the new legislation is completed.</p> <p>New bylaws on Maritime Safety have been produced to meet the requirements of the amendments to the Maritime Transport Act. Hearings in September and the subsequent decisions by Council will complete the process.</p> <p>A reviewed Dog Control Bylaw and Policy were released for submission. Hearings to be held July 2014 and the subsequent decisions by Council will complete the process.</p> <p>A Psychoactive Substances Policy was introduced to the District in November 2013.</p>



## ENVIRONMENT AND PLANNING

<p>Carry out Harbour Board functions including implementation of the Joint Oil Spill Contingency Plan (with Nelson City Council).</p>	<p>The Harbourmasters Annual report for 2013 was submitted in August 2014. The Draft Navigation Safety Bylaws were released for submissions in December 2013.</p> <p>One marine oil spill reported and investigated.</p> <p>Two new Oil Spill Responders and one new Regional On Scene Commander (ROSC) were trained.</p>
<p>Carry out animal control responsibilities.</p>	<p>The Council continues to administer the Dog Control Bylaw with service delivery being undertaken by Control Services (Nelson) Ltd. There were 5,723 rural and 4,655 urban dogs registered in Tasman District. Council's contractors responded to complaints regarding wandering stock and dogs and impounded animals as required. 176 Dog Control Infringement Notices were issued, 133 of which were for unregistered dogs. (cf 162 in 2012/2013). A separate annual report to the Secretary of Local Government is available for further details.</p> <p>96.1% of residents were satisfied with the Council's efforts in controlling dogs (cf 94.2% in 2012/2013)</p>
<p>Carry out civil defence and emergency management responsibilities.</p>	<p>Opened new Civil Defence office and Emergency Operations Centre (EOC) in Richmond, on time and to budget.</p> <p>Activated new EOC on three occasions and held multi-agency exercise.</p> <p>Continued training and preparedness.</p>
<p>Carry out parking control responsibilities under Council's Parking Bylaw.</p>	<p>Parking enforcement responsibilities are carried out under contract by Control Services (Nelson) Ltd. 1,569 infringement notices were issued (cf 1,248 in 2012/2013) during the year along with other advisory warnings concerning parking. Public assistance continues to be offered while wardens are on duty</p>
<p>Ensure fire risk in the District is effectively managed through supporting rural fire parties and the Waimea Rural Fire Committee.</p>	<p>Fire risk in the District is being effectively managed by the Waimea Rural Fire Authority through a contract with Rural Fire Network and the ongoing support of rural fire parties. There were 366 callouts within Tasman District, 283 of which were attended by Volunteer Rural Fire Forces.</p>

## ENVIRONMENT AND PLANNING

2012/2013 Budget \$	2012/2013 Actual \$	Public Health and Safety	2013/2014 Actual \$	2013/2014 Budget \$	2013/2014 LTP Budget \$	% of AP Budget
		<b>SOURCES OF OPERATING FUNDING</b>				
1,574,825	1,582,714	General rates, uniform annual general charges, rates penalties	1,440,476	1,428,096	1,665,245	101%
-	-	Targeted rates (other than a targeted rate for water supply)	-	-	-	-
-	293,743	Subsidies and grants for operating purposes	58,937	-	-	-
-	-	Fees, charges and targeted rates for water supply	-	-	-	-
-	-	Internal charges and overheads recovered	-	-	-	-
3,051,713	3,462,663	Local authorities fuel tax, fines, infringement fees, and other receipts	3,217,083	3,165,396	3,165,791	102%
4,626,538	5,339,120	<b>TOTAL OPERATING FUNDING</b>	4,716,496	4,533,432	4,831,036	103%
		<b>APPLICATIONS OF OPERATING FUNDING</b>				
2,830,942	2,806,454	Payments to staff and suppliers	2,981,826	2,926,285	2,976,707	102%
16,392	16,352	Finance costs	15,541	15,652	15,467	99%
1,712,701	1,579,146	Internal charges and overheads applied	1,464,373	1,565,953	1,758,250	94%
-	-	Other operating funding applications	-	-	-	-
4,560,035	4,401,952	<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	4,461,740	4,507,896	4,750,424	99%
66,503	937,168	<b>SURPLUS (DEFICIT) OF OPERATING FUNDING</b>	254,756	85,536	80,612	298%
		<b>SOURCES OF CAPITAL FUNDING</b>				
-	-	Subsidies and grants for capital expenditure	-	-	-	-
-	-	Development and financial contributions	-	-	-	-
(19,645)	(19,961)	Increase (decrease) in debt	(49,645)	(19,645)	(19,645)	253%
-	-	Gross proceeds from sale of assets	-	-	-	-
-	-	Lump sum contributions	-	-	-	-
(19,645)	(19,961)	<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	(49,645)	(19,645)	(19,645)	253%
		<b>APPLICATIONS OF CAPITAL FUNDING</b>				
		Capital expenditure				
-	-	- to meet additional demand	-	-	-	-
-	10,704	- to improve the level of service	7,239	9,688	9,688	75%
36,330	15,881	- to replace existing assets	35,790	37,674	37,674	95%
10,528	890,622	Increase (decrease) in reserves	162,022	18,589	13,605	872%
-	-	Increase (decrease) in investments	-	-	-	-
46,858	917,207	<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	205,111	65,951	60,967	311%
(66,503)	(937,168)	<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING</b>	(254,756)	(85,536)	(80,612)	298%
-	-	<b>FUNDING BALANCE</b>	-	-	-	-

### Comment:

Subsidies and grants for operating purposes are monies received from the Ministry of Civil Defence and Emergency Management towards the December 2011 flood event.

# ENGINEERING

## Policy and Objective

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

## Nature and Scope

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

- a) Transportation, Roads and Footpaths
- b) Coastal Structures
- c) Water Supply
- d) Wastewater and Sewage Disposal
- e) Stormwater
- f) Solid Waste
- g) Flood Protection and River Control Works

2012/2013 Budget \$	2012/2013 Actual \$	Engineering	2013/2014 Actual \$	2013/2014 Budget \$	2013/2014 LTP Budget \$	% of AP Budget
11,377,977	13,504,658	Transportation, Roads and Footpaths	13,013,617	11,642,004	12,086,814	112%
1,574,046	1,766,163	Coastal Structures	1,536,153	949,998	926,664	162%
6,111,726	7,894,287	Water Supply	5,918,417	6,287,269	6,581,463	94%
8,570,831	8,116,260	Wastewater and Sewage Disposal	7,397,836	8,796,832	8,912,894	84%
1,873,515	2,314,291	Stormwater	2,704,346	1,931,296	2,050,188	140%
6,996,203	5,859,071	Solid Waste	7,319,114	6,894,087	7,738,125	106%
1,969,055	3,605,755	Flood Protection and River Control Works	2,438,199	1,892,085	2,025,069	129%
38,473,353	43,060,485	TOTAL COSTS	40,327,682	38,393,571	40,321,217	105%

# ENGINEERING

## TRANSPORTATION, ROADS AND FOOTPATHS

### What We Do

Tasman District Council is responsible for the management of a transportation network that comprises approximately 1,700km of roads, (944km sealed and 757km unsealed), 475 bridges (including footbridges), 234km of footpaths, cycleways and walkways, 23 carparks, 2,723 streetlights, 9,241 traffic signs and 8,771 culvert pipes. Each road in the transportation network has been categorised into a transportation hierarchy based on the road's purpose and level of use.

This group of activities includes:

- Ownership or authority to use the land under roads.
- Road carriageways for the safe movement of people and goods.
- Culverts, water tables and a stormwater system to provide drainage for roads.
- Signs, barriers and pavement markings to provide road user information and safe transport.
- Bridges to carry road users over waterways.
- Footpaths, walkways and cycleways to provide for the needs of pedestrians and cyclists.
- Street lighting to provide safe movement for road users at night.
- Carparking facilities.

This group of activities also includes other transportation related services, for example transport planning, road safety, cycleways and footpaths, and passenger transport services. These activities are included because they are part of managing the roading and footpath network or they utilise the roading assets (such as cycleways and public transport).

These activities are also of a small scale and do not materially impact on the overall budgets of the roading and footpaths activities and it is not efficient to deal with them as a separate group of activities.

### Why We Do It

By providing a high 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 considered a core function of local government and is something that the Council has done historically. The service provides many public benefits. It is considered necessary and beneficial to the community that the Council undertakes the planning, implementation and maintenance of the transportation network.

### Our Goal

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

### How this activity contributes to the Community Outcomes

- Our network of roads, footpaths, cycleways and carparks are safe, uncongested and maintained cost-effectively.
- Our urban communities have a means of travel for pedestrians, cyclists and commuters that is safe and efficient.
- Our rural communities have safe and effective access to our transportation network.

### Subsidised and non-subsidised transport activities

The Government provides funding assistance for many of Council's roading activities, referred to as a 'subsidy', through the New Zealand Transport Agency (NZTA).

Qualifying activities include: road safety education, road maintenance, reseals, pavement rehabilitation, minor improvements (such as corner improvements), installation of right turn bays and pedestrian refuges. Major

## ENGINEERING

projects, such as seal extensions, significant intersection upgrades or cycleways may also qualify for a subsidy if certain criteria are met. The provision and maintenance of footpaths are not included.

The financial assistance subsidy rate for Tasman is 49% for most activities with an increase to 59% for approved major works. The subsidy rate depends on the size of the overall programme of work and the assessed ability to pay, which is related to the capital value of the District.

### Reduced levels of Government funding

The New Zealand Transport Agency (NZTA) has not provided Council with an inflation adjustment for its share of the funding for local roads over the last three years. This has effectively reduced NZTA's contribution towards funding Tasman's local roads. NZTA has continued with this approach to road funding and will not provide inflation adjustments for the next three years (2012-2015). This will have the effect of reducing the funds available to manage roads and other transportation activities. Council has decided to inflation adjust its share of funding local roads, even though NZTA has not done so. Council has and will continue to develop innovative ways to manage the challenges in the reduced funding environment.

### Our levels of service and how we measure progress against them

Levels of Service (We provide)	We will know we are meeting the Level of	Current Performance
1. Our network of roads, bridges, footpaths, cycleways and car parks are safe, uncongested and maintained cost effectively.	Number of customer service request complaints relating to the maintenance of footpaths - as measured through records held in Council's databases. [Target: <80]	Actual = 39 (2013: 64) Council undertook a full defect survey of footpaths and followed up with a targeted programme of footpath repairs in 2013/2014.
	There is a downward trend in the number of serious and fatal crashes (excludes state highways) - as analysed by interrogating the New Zealand Transport Agency crash database. [Target: Downward trend in serious and fatal crashes]	Actual = 1 fatal and 10 serious injury, slight decreasing trend over 5 years although not statistically significant. (2013: 0 fatal and 10 serious injury)
	The average quality of the ride on sealed roads experienced by motorists is maintained at current levels - as measured by the Smooth Travel Exposure Index (STE). [Target: 94%]	Actual = 97% (2013: 96%) This information is taken from the New Zealand Transport Agency's RAMM report and covers all sealed roads urban/rural. Council has undertaken maintenance and repairs on many rough pavements in 2013/2014, particularly on high traffic volume roads such as Salisbury Road and Lower Queen Street.  (Note: STE is a key national indicator of the effectiveness of road maintenance expenditure. It represents the proportion of travel

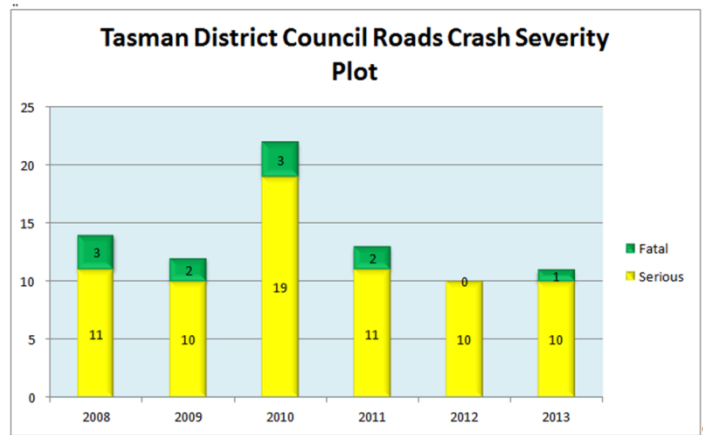
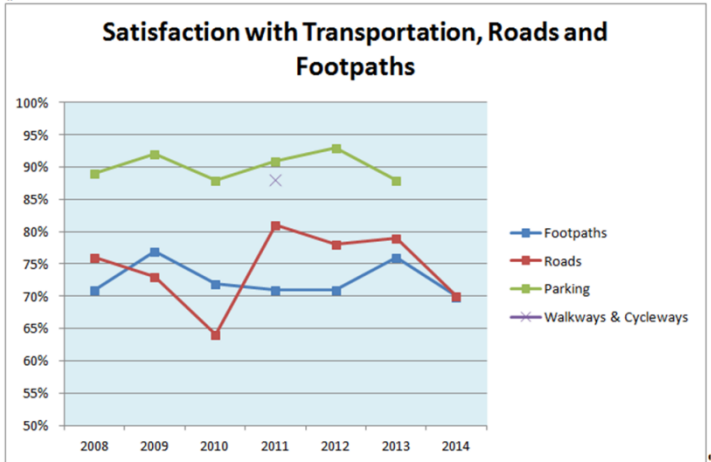
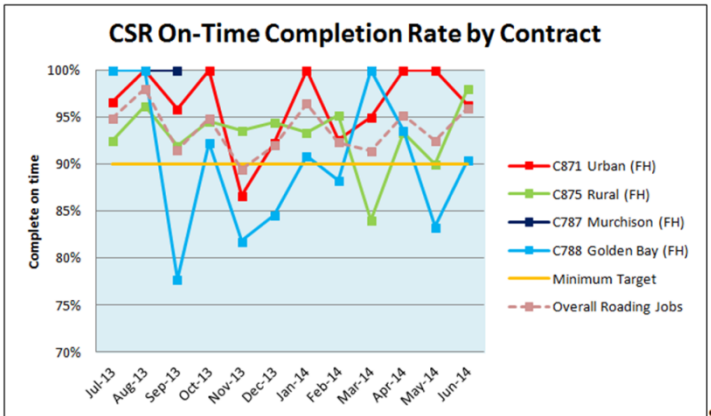


Figure 3

# ENGINEERING

		<p>undertaken each year on all sealed roads with acceptable surface roughness that provides comfortable travel conditions for passenger car users.)</p>								
<p>2. Our roads and footpaths are managed at a level that satisfies the community.</p>	<p>Residents are satisfied with Council's roads and footpaths in the District - as is measured through the annual residents' survey. [Targets: Footpaths = 65% Roads = 70% Parking = 80% Walkways and cycleways = 80%]</p>	<p>Actual from the Communitrak™ residents' survey undertaken in May 2014: Footpath = 70% (2013: 76%) Roads = 70% (2013: 79%. Note these readings exclude State Highways) Parking = Not measured in survey. Walk/cycleways = Not measured in survey.</p>  <p><b>Figure 1</b></p>								
<p>3. Faults in the transportation network are responded to and fixed promptly.</p>	<p>Customer service request complaints relating to the maintenance of roads, footpaths and related activities are completed on time and in accordance with the requirements in Council's road maintenance contracts - as measured through contract audits. [Target: &gt;90%]</p>	<p>Actual = 94% of customer service requests were completed within the specified time frames. When broken down into urban and rural service requests we see slightly higher percent in urban areas. Urban = 96%; Rural = 94%. By area: Golden Bay = 89% Murchison = 100% (2013: 95%) <i>refer figure 2.</i></p>  <p><b>Figure 2</b></p> <p>Actual numbers – On Time Completion Rates:</p> <table border="1" data-bbox="774 2004 1396 2049"> <thead> <tr> <th></th> <th>On Time</th> <th>Late</th> <th>%</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>		On Time	Late	%				
	On Time	Late	%							





## ENGINEERING

Activity	2013/2014 Budget \$	Actual
Sealed roads pavement rehabilitation	686,750	Actual spend \$246,258 at Abel Tasman Drive, Korere-Tophouse Rd, and Weka Rd. McShane Rd (\$150k) deferred to 2014/2015 due to water project. Note individual sites must meet NZTA economic criteria for funding.
Sealed roads resurfacing	2,833,326	\$2,593,943 actual spend. Actual sealed area at some sites less than estimated from database. Existing seal life able to be extended at some sites.
Unsealed road metalling	861,128	\$893,936 actual spend
Drainage renewals	1,564,903	\$1,402,217 actual spend. Champion Rd culvert (\$100k) delayed by consent issues.
Minor safety improvements	1,165,458	\$873,250 actual spend. Some projects held up in investigation & design phase by land or consent issues.
Tasman's Great Taste Trail	637,235	Construction and maintenance activities continued through 2013/2014. \$1,221,706 spent in the period 2013 to 2014, that included budget amount carried over from 2012/2013.
Bridge renewals	538,205	\$0 actual spend. Narrow Bridge Replacement (\$680k) approved for 2014/2015.
High Street Motueka, undergrounding of powerlines	358,660	No expenditure 2013/2014. Network Tasman project, timeframe controlled by them.

Note: Some projects are undertaken over several years and therefore the amount noted in the table above might not be the full cost of the project. Refer to the relevant Activity Management Plan on Council's website for financial information on projects across the full ten years of the Long Term Plan 2012-2022.

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2012/2013 Budget \$	2012/2013 Actual \$	Transportation, Roads and Footpaths	2013/2014 Actual \$	2013/2014 Budget \$	2013/2014 LTP Budget \$	% of AP Budget
		<b>SOURCES OF OPERATING FUNDING</b>				
8,893,954	8,933,446	General rates, uniform annual general charges, rates penalties	9,612,778	9,530,160	9,793,236	101%
5,733	5,733	Targeted rates (other than a targeted rate for water supply)	5,733	5,733	5,733	100%
3,320,720	4,581,058	Subsidies and grants for operating purposes	3,951,526	3,459,386	3,478,018	114%
-	-	Fees, charges and targeted rates for water supply	-	-	-	-
-	-	Internal charges and overheads recovered	-	-	-	-
1,149,675	1,451,514	Local authorities fuel tax, fines, infringement fees, and other receipts	1,466,329	1,112,253	1,175,895	132%
13,370,082	14,971,751	<b>TOTAL OPERATING FUNDING</b>	15,036,366	14,107,532	14,452,882	107%
		<b>APPLICATIONS OF OPERATING FUNDING</b>				
7,899,654	9,918,593	Payments to staff and suppliers	9,310,087	7,689,003	8,362,880	121%
1,610,259	1,524,684	Finance costs	1,671,911	1,874,003	1,861,020	89%
1,868,064	2,061,381	Internal charges and overheads applied	2,031,619	2,078,998	1,862,914	98%
-	-	Other operating funding applications	-	-	-	-
11,377,977	13,504,658	<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	13,013,617	11,642,004	12,086,814	112%
1,992,105	1,467,093	<b>SURPLUS (DEFICIT) OF OPERATING FUNDING</b>	2,022,749	2,465,528	2,366,068	82%
		<b>SOURCES OF CAPITAL FUNDING</b>				
4,367,802	4,668,520	Subsidies and grants for capital expenditure	6,049,924	4,233,748	4,295,735	143%
128,597	165,722	Development and financial contributions	235,285	135,265	135,265	174%
3,501,074	2,786,211	Increase (decrease) in debt	2,818,187	3,745,914	3,840,856	75%
-	-	Gross proceeds from sale of assets	-	-	-	-
-	-	Lump sum contributions	-	-	-	-
7,997,473	7,620,453	<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	9,103,396	8,114,927	8,271,856	112%
		<b>APPLICATIONS OF CAPITAL FUNDING</b>				
-	64,146	Capital expenditure				
-	-	- to meet additional demand	459	-	-	-
2,971,337	3,403,787	- to improve the level of service	2,771,049	3,039,453	3,407,874	91%
7,158,448	6,211,358	- to replace existing assets	9,066,255	7,374,120	7,374,120	123%
(140,207)	(591,745)	Increase (decrease) in reserves	(711,618)	166,882	(144,070)	-426%
-	-	Increase (decrease) in investments	-	-	-	-
9,989,578	9,087,546	<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	11,126,145	10,580,455	10,637,924	105%
(1,992,105)	(1,467,093)	<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING</b>	(2,022,749)	(2,465,528)	(2,366,068)	82%
-	-	<b>FUNDING BALANCE</b>	-	-	-	-

## Comment:

Capital expenditure to replace existing assets and payments to staff and suppliers and up on budget due to increased emergency works expenditure resulting from the repairs and restatement of roading assets from the December 2011 flood event, and events in 2012/2013 and 2013/2104 years. The emergency works expenditure has been funded 61% through assistance from NZTA subsidies.

# ENGINEERING

## 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.

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

- Ownership and management of wharves at Mapua and Riwaka.
- Responsibility for Port Motueka.
- Jetties, boat ramps, navigational aids and moorings.
- Coastal protection works at Ruby Bay and Marahau.
- Navigational aids associated with harbour management.
- Port Tarakohe at Golden Bay is reported on separately through the Corporate Services Committee of the Council, but is included in this group of activities for ease of reporting. The aim over time is for Port Tarakohe to operate on a commercial basis, but it will also provide social and recreational benefits.

### Why We Do It

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

### Our Goal

Coastal infrastructure is developed to achieve the visions of both Council and the community.

### How this activity contributes to the Community Outcomes

- Coastal structures can be managed so their impact does not affect the health and cleanliness of the receiving environment.
- 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.
- The coastal structures activity provides commercial and recreational facilities to meet the community needs at an affordable level. The facilities are also managed sustainably.

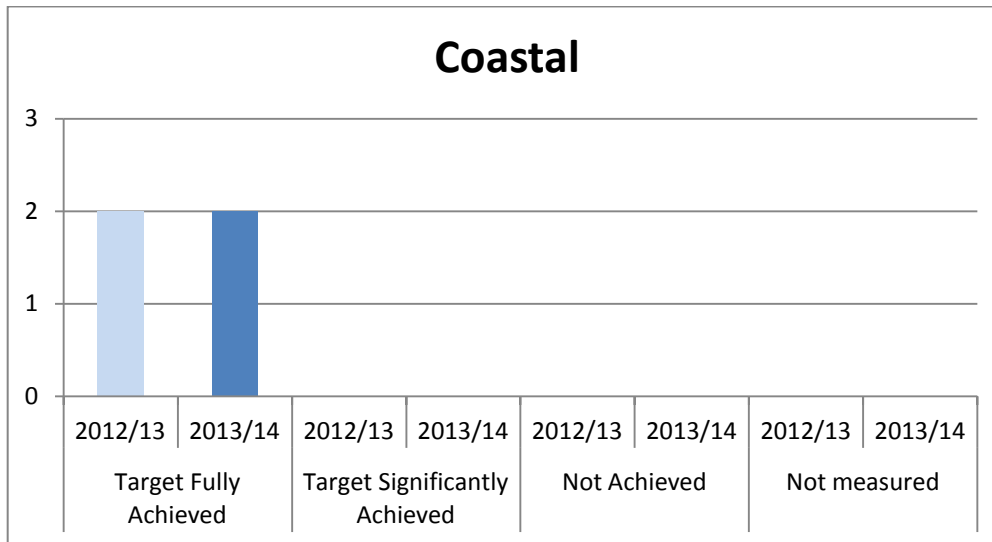
### Our levels of service and how we measure progress against them

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance
1. Our works are carried out so that the impacts on the natural coastal environment are minimised to a practical but sustainable level.	Resource consents are held and complied with for works undertaken by Council or its contractors on Council owned coastal protection - as measured by the number of abatement notices issued to Council. [Target: No abatement notices issued]	There have been no abatement notices issued for breach of resource consent conditions. (2013:No breaches)
2. Faults in the coastal assets are	We are able to respond to customer service requests relating	100% (2013: 100%)

## ENGINEERING

responded to and fixed promptly.	to our coastal assets within the timeframes we have agreed with our suppliers and operators, and within the available funding. [Target: 90%]	
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### Comparison of Performance Results 2012/2013 - 2014/2015



### Major Activities

This group of activities involves ongoing management, maintenance and renewal of Council's coastal structures. The following table includes major activities completed in the 2013/2014 year.

Activity	2013/2014 Budget \$	Actual
Jackett Island Remediation work	\$1.3m (carried over from 2012-2013)	This project did not happen as the Environment Court ruled that there was no affordable, practicable and sustainable long term solution.
New: Repairs to Mapua Wharf following fire in October 2013. No budget for this work allocated in Annual Plan 2013/2014.	\$0	\$26,000 spent repairing wharf and rotten piles.

# ENGINEERING

2012/2013 Budget \$	2012/2013 Actual \$	Coastal Structures	2013/2014 Actual \$	2013/2014 Budget \$	2013/2014 LTP Budget \$	% of AP Budget
		<b>SOURCES OF OPERATING FUNDING</b>				
547,814	550,007	General rates, uniform annual general charges, rates penalties	444,428	440,608	444,340	101%
134,129	135,047	Targeted rates (other than a targeted rate for water supply)	135,237	136,042	136,042	99%
-	-	Subsidies and grants for operating purposes	-	-	-	-
-	-	Fees, charges and targeted rates for water supply	-	-	-	-
-	-	Internal charges and overheads recovered	-	-	-	-
784,100	610,579	Local authorities fuel tax, fines, infringement fees, and other receipts	717,319	836,913	870,566	86%
1,466,043	1,295,633	<b>TOTAL OPERATING FUNDING</b>	1,296,984	1,413,563	1,450,948	92%
		<b>APPLICATIONS OF OPERATING FUNDING</b>				
1,086,358	1,235,381	Payments to staff and suppliers	1,032,902	402,144	401,105	257%
330,027	316,622	Finance costs	305,578	348,684	365,339	88%
157,661	214,160	Internal charges and overheads applied	197,673	199,170	160,220	99%
-	-	Other operating funding applications	-	-	-	-
1,574,046	1,766,163	<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	1,536,153	949,998	926,664	162%
(108,003)	(470,530)	<b>SURPLUS (DEFICIT) OF OPERATING FUNDING</b>	(239,169)	463,565	524,284	-52%
		<b>SOURCES OF CAPITAL FUNDING</b>				
-	-	Subsidies and grants for capital expenditure	-	-	-	-
-	-	Development and financial contributions	-	-	-	-
(45,467)	(253,750)	Increase (decrease) in debt	(592,039)	1,026,696	1,022,838	-58%
-	-	Gross proceeds from sale of assets	-	-	-	-
-	-	Lump sum contributions	-	-	-	-
(45,467)	(253,750)	<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	(592,039)	1,026,696	1,022,838	-58%
		<b>APPLICATIONS OF CAPITAL FUNDING</b>				
-	-	Capital expenditure	-	-	-	-
-	-	- to meet additional demand	-	-	-	-
378,870	154,059	- to improve the level of service	263,407	1,426,243	1,426,243	18%
41,520	70,969	- to replace existing assets	9,197	5,382	5,382	171%
(573,860)	(949,308)	Increase (decrease) in reserves	(1,103,812)	58,636	115,497	-1882%
-	-	Increase (decrease) in investments	-	-	-	-
(153,470)	(724,280)	<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	(831,208)	1,490,261	1,547,122	-56%
108,003	470,530	<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING</b>	239,169	(463,565)	(524,284)	-52%
-	-	<b>FUNDING BALANCE</b>	-	-	-	-

## Comment:

Capital expenditure to improve the level of service is down on budget due to the Jackett Island remediation work not being required per the Environment Court decision. This has resulted in the corresponding decrease in debt funding required.

Payments to staff and suppliers is up on budget due to increased interim wall maintenance work and contributions to legal fees resulting from the Environment Court decision.

# ENGINEERING

## WATER SUPPLY

### What We Do

This group of activities comprises the provision of potable water (i.e. water suitable for use and consumption by people) to properties within 16 existing water supply areas (known as the urban water club) in the Tasman District. The 16 water supply areas, which Council owns operates and maintains, consists of 11 urban water supply schemes, three rural supply schemes and two community schemes.

The Council's network is extensive and growing rapidly. At present the network comprises approximately 660km of pipeline, 34 pumping stations, 11,400 domestic connections and 44 reservoirs and break pressure tanks with a capacity of approximately 18,330 cubic metres of water. 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.

### Why We Do It

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

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

### Our Goal

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

### How this activity contributes to the Community Outcomes

- All water in the Council-owned schemes is taken from the environment. This activity can be managed so the impact of the water take does not prove detrimental to the surrounding environment.
- The water supply activity is a service to the community providing water that is safe to drink and is efficiently delivered to meet customer needs. It also provides a means for fire fighting consistent with the national fire fighting standards.

### Our levels of service and how we measure progress against them

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance
1. Our water takes are sustainable.	All water takes have resource consents. All resource consents are held in Confirm. [Target: 100%]	Actual = 100% A current resource consent is in place for each water take. (2013: 100%)
2. Our use of the water resource is efficient.	Water demand management plans are in place for each water scheme - as measured by having a Demand Management Plan. [Target: Eight out of 16]	Actual = six out of 16 Demand Management Plans are in place for Richmond, Brightwater/Hope, Wakefield/Mapua/Ruby Bay, Waimea and Kaiteriteri. (2013: 5/16) Currently the six plans are in place for locations with high water volume schemes. The remaining schemes have lower demand. Basic checks are undertaken on the



## ENGINEERING

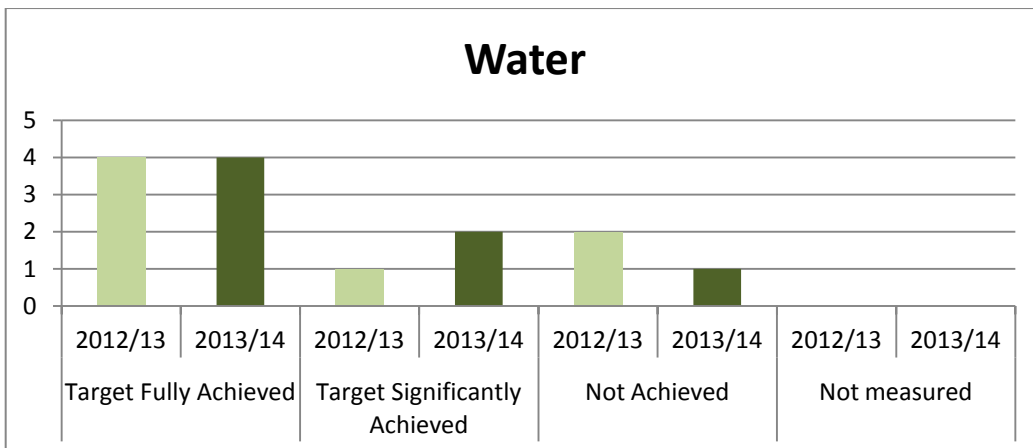
Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance
		remaining schemes, comparing water sold through water meters with what was pumped. This helps determine the quantity of water leakage.
3. Our water is safe to drink.	Number of temporary advisory notices issued to boil water - as issued in consultation with the Medical Officer of Health. [Target: Nil]	Actual = None There is a Boil Water notice in place at Dovedale, which is not covered in the targets as it is permanently in place. (2013: 3)
	There are no bacterial non-compliances for water supplies - as measured by water sampling and analysis to meet DWSNZ, recorded in Water Information New Zealand. [Target: Nil]	Actual = One One event was recorded at Richmond, due to contamination of a reservoir. The source of the contaminant is uncertain, but may have come from the roof of the reservoir. The roof is to be sealed so no contamination can enter this way in the future. Council carries out water compliance testing on all of its supplies in accordance with DWSNZ 2005 (revised 2008). (2013: 9)
4. Our water supply systems provide fire protection to a level that is consistent with the national standard.	Our water supply systems provide fire protection to a level that is consistent with the national standard. Urban water supply systems are able to meet FW2 standard Code of Practice for Fire Fighting Water Supplies - as measured through hydraulic modelling, revised biennially. [Target: 90%]	Actual = 90%. Nine out of 10 urban systems fully comply with fire fighting capability. The vast majority of Richmond complies, with the exception of Cropp Place. Rural water supplies and community supplies do not provide fire fighting capacity, so are not covered by this measure. (2013: 90%)

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance
5. Our water supply activities are managed at a level that the community is satisfied with.	% of customers are satisfied with the water supply service - as measured through the annual residents' survey. [Target: 80%]	<b>Actual = 77%</b> The Communitrak™ survey was undertaken in May 2014. 77% of receivers of the service were found to be satisfied with the service they receive.

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		<p style="text-align: center;"><i>Water Supply</i></p> <table border="1"> <caption>Water Supply Satisfaction Data (1996-2014)</caption> <thead> <tr> <th>Year</th> <th>Very fairly satisfied (%)</th> <th>Not very satisfied (%)</th> </tr> </thead> <tbody> <tr><td>1996</td><td>52</td><td>14</td></tr> <tr><td>1999</td><td>54</td><td>15</td></tr> <tr><td>2002</td><td>55</td><td>9</td></tr> <tr><td>2005</td><td>63</td><td>15</td></tr> <tr><td>2008</td><td>56</td><td>15</td></tr> <tr><td>2009</td><td>65</td><td>9</td></tr> <tr><td>2010</td><td>67</td><td>8</td></tr> <tr><td>2011</td><td>57</td><td>11</td></tr> <tr><td>2012</td><td>62</td><td>10</td></tr> <tr><td>2013</td><td>58</td><td>11</td></tr> <tr><td>2014</td><td>54</td><td>15</td></tr> </tbody> </table> <p style="text-align: center;">Recommended Satisfaction Measure For Reporting Purposes:          Total District = 54%          Receivers of Service = 77%</p> <p>(2013: 81%)</p>	Year	Very fairly satisfied (%)	Not very satisfied (%)	1996	52	14	1999	54	15	2002	55	9	2005	63	15	2008	56	15	2009	65	9	2010	67	8	2011	57	11	2012	62	10	2013	58	11	2014	54	15
Year	Very fairly satisfied (%)	Not very satisfied (%)																																				
1996	52	14																																				
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2012	62	10																																				
2013	58	11																																				
2014	54	15																																				
<p>6. Our water supply systems are built, operated and maintained so that failures can be managed and responded to quickly.</p>	<p>% of faults remedied to within contract timeframes (e.g. Emergency = service restoration in four hours. Urgent = service restoration in one working day) - as recorded through Council's Confirm database. [Target: &gt;90%]</p>	<p>Actual = 2095 faults recorded. 2079 (99%) completed on time.</p> <p>The operations and maintenance contractor is required to meet a target of 90% of faults to be responded to and fixed within specified timeframes. The figure reported here relates to completion within the final completion timeframe. More detailed response timeframes are monitored through Council's contract with service providers (contract number 688). (2013: 98.2%)</p>																																				

## Comparison of Performance Results 2012/2013 - 2014/2015



## ENGINEERING

### Major Activities

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

<i>Capital Works</i>		
<b>Activity</b>	<b>2013/2014 Budget \$</b>	<b>Actual</b>
Richmond Water treatment plant upgrade to meet DWSNZ (2012-2015).	4,189,926 [plus \$1,019,958 carry over funding]	Planning and design in 2013/2014. Budget carried over to 2014/2015 following awarding of contract in February 2014. Under construction 2014/2015. There has been \$1,828,020 spent on this project for the year ended 30 June 2014.
Richmond Water Meter renewals	641,196	Contract completed. There has been \$362,347 spent on this project for the year ended 30 June 2014.
Installation of backflow prevention at key sites	198,033	Ongoing programme, with 13 sites upgraded in 2013/2014 at a cost of \$181,000.
Re-zoning		Delayed until 2014/2015. Budget withheld until Richmond water treatment plant tender was awarded. Programmed to be completed 2014/2015. There has been \$23,388 spent on this project for the year ended 30 June 2014.
<ul style="list-style-type: none"> <li>• High level at Valhalla Drive</li> </ul>	157,048	
<ul style="list-style-type: none"> <li>• Talbot Street</li> </ul>	243,269	Delayed until 2014/2015. Budget withheld until Richmond water treatment plant tender was awarded. Programmed to be completed 2014/2015. There has been \$17,371 spent on this project for the year ended 30 June 2014.
Pumpstations		Project is 70% complete as at 30 June 2014. There has been \$114,747 spent on this project for the year ended 30 June 2014.
<ul style="list-style-type: none"> <li>• Dovedale</li> </ul>	187,920	
<ul style="list-style-type: none"> <li>• Redwood Valley</li> </ul>	15,269	Project completed.
<ul style="list-style-type: none"> <li>• Motueka (Recreation Centre pumpstation)</li> </ul>	22,353	Contract awarded in June. Under construction 2013/2014

# ENGINEERING

2012/2013 Budget \$	2012/2013 Actual \$	Water Supply	2013/2014 Actual \$	2013/2014 Budget \$	2013/2014 LTP Budget \$	% of AP Budget
		<b>SOURCES OF OPERATING FUNDING</b>				
101,650	102,159	General rates, uniform annual general charges, rates penalties	102,531	101,650	101,650	101%
1,681,603	1,604,656	Targeted rates (other than a targeted rate for water supply)	1,609,987	1,688,520	1,724,148	95%
-	-	Subsidies and grants for operating purposes	-	-	-	-
5,811,294	7,186,134	Fees, charges and targeted rates for water supply	6,756,297	6,190,837	6,949,738	109%
-	-	Internal charges and overheads recovered	-	-	-	-
334,094	337,943	Local authorities fuel tax, fines, infringement fees, and other receipts	220,680	337,542	338,531	65%
7,928,641	9,230,892	<b>TOTAL OPERATING FUNDING</b>	8,689,495	8,318,549	9,114,067	104%
		<b>APPLICATIONS OF OPERATING FUNDING</b>				
3,844,880	5,522,773	Payments to staff and suppliers	3,422,654	3,614,602	4,089,710	95%
1,288,184	1,184,664	Finance costs	1,247,101	1,415,992	1,508,295	88%
978,662	1,186,850	Internal charges and overheads applied	1,248,662	1,256,675	983,458	99%
-	-	Other operating funding applications	-	-	-	-
6,111,726	7,894,287	<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	5,918,417	6,287,269	6,581,463	94%
1,816,915	1,336,605	<b>SURPLUS (DEFICIT) OF OPERATING FUNDING</b>	2,771,078	2,031,280	2,532,604	136%
		<b>SOURCES OF CAPITAL FUNDING</b>				
-	-	Subsidies and grants for capital expenditure	-	-	-	-
474,387	696,372	Development and financial contributions	839,633	505,191	505,191	166%
1,550,368	813,614	Increase (decrease) in debt	973,203	3,823,621	4,965,410	25%
-	-	Gross proceeds from sale of assets	-	-	-	-
-	-	Lump sum contributions	-	-	-	-
2,024,755	1,509,986	<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	1,812,836	4,328,812	5,467,601	42%
		<b>APPLICATIONS OF CAPITAL FUNDING</b>				
1,245,600	1,304,957	Capital expenditure				
		- to meet additional demand	1,055,534	-	168,997	#DIV/0!
2,063,020	1,108,550	- to improve the level of service	1,969,618	4,944,896	5,854,326	40%
526,947	363,378	- to replace existing assets	610,381	1,156,337	1,285,729	53%
6,103	69,706	Increase (decrease) in reserves	948,321	258,853	691,153	366%
-	-	Increase (decrease) in investments	-	-	-	-
3,841,670	2,846,591	<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	4,583,914	6,360,092	8,000,205	72%
(1,816,915)	(1,336,605)	<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING</b>	(2,771,078)	(2,031,280)	(2,532,604)	136%
-	-	<b>FUNDING BALANCE</b>	-	-	-	-

**Comment:**

Capital expenditure is down on budget mainly due to the project delay of the Richmond Water Treatment Plant.

## ENGINEERING

### WASTEWATER

#### What We Do

Tasman District Council is responsible for the provision and management of wastewater treatment facilities and sewage collection and disposal to the residents of 14 Wastewater Urban Drainage Areas (UDA's). The assets used to provide this service include approximately 380km of pipelines, 3,470 manholes, 74 sewage pump stations, seven wastewater treatment plants and the relevant resource consents to operate these assets (plus Council's 50 percent ownership of the Bell's Island plant, with Nelson City Council).

Tasman District Council owns, operates and maintains 12 sewerage systems conveying wastewater to eight wastewater treatment and disposal plants (WWTPs).

Tasman District Council is a 50 percent owner of the Nelson Regional Sewerage Business Unit (NRSBU). Nelson City Council owns the remaining 50 percent. The NRSBU operates the Bells Island treatment plant which treats wastewater from most of Nelson City, Richmond, Mapua, Brightwater, Hope and Wakefield.

#### Why We Do It

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

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

#### Our Goal

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

#### How this activity contributes to the Community Outcomes

- All wastewater in the Council-owned schemes is treated and discharged into the environment. This activity can be managed so the impact of the discharges does not adversely affect the health and cleanliness of the receiving environment.
- The wastewater activity ensures our built urban environments are functional, pleasant and safe by ensuring wastewater is collected and treated without causing a hazard to public health, unpleasant odours and unattractive visual impacts.
- The wastewater activity is considered an essential service that should be provided to all properties within the urban drainage areas in sufficient size and capacity. This service should also be efficient and sustainably managed.

# ENGINEERING

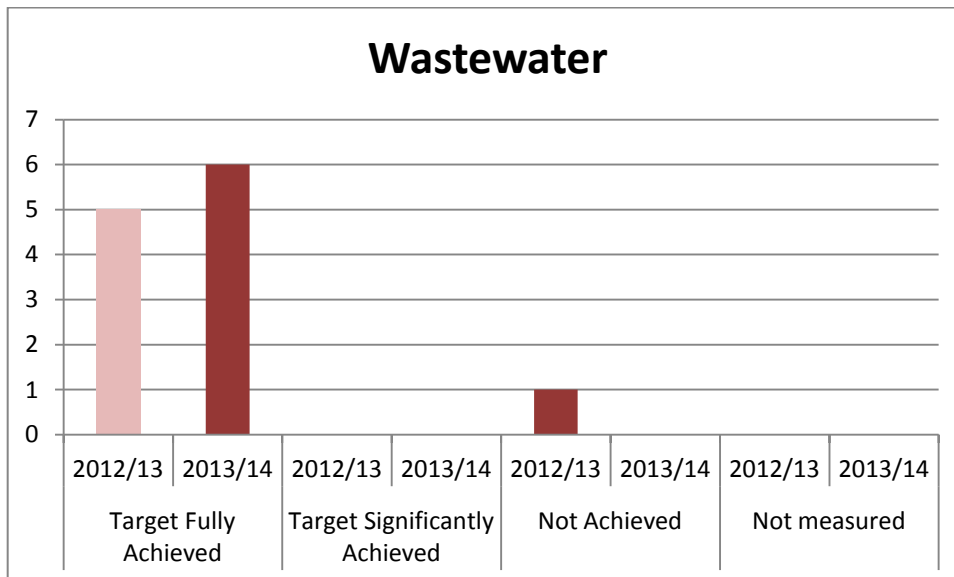
## Our levels of service and how we measure progress against them

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance																														
1. Our wastewater systems do not adversely affect the receiving environment.	All necessary resource consents are held. Resource consent information is held in Council's Confirm database. [Target: In place]	Actual = 100% As far as Council is aware, all necessary consents are held. Compliance with consent conditions is monitored by Council's compliance department. Engineering services have received no notices requiring additional consents, abatement notices, or enforcement orders relating to its activities during the 2013/2014 period. (2013:100%)																														
	Number of beach closures or shellfish gathering bans caused by sewer overflows - as recorded in Council's Confirm database. [Target: <5]	Actual = 2 Beaches are not closed but signs warning of an overflow and not to collect shellfish are erected. (2013: 3)																														
2. Our wastewater systems reliably take our wastewater with a minimum of odours, overflows or disturbance to the public.	Number of complaints relating to our wastewater systems - as recorded in Council's Confirm database. [Target: <30]	Actual = 21 29 complaints received, but only 21 could be linked to the Council wastewater system. (2013: 52) The decline in complaints from the previous year is likely to be due to the telemetry renewals and associated improvements in service for Richmond; and the lack of a major rain event as seen in April 2013.																														
	Number of overflows resulting from faults in Council's wastewater systems. [Target: <1 per km]	Actual – 42 overflows (0.11 per km) With a total of 390km, this equates to 0.11 overflows per km of sewer. (2013: 40 overflows 0.103/km)																														
3. Our wastewater activities are managed at a level that satisfies the community.	% of customers satisfied with the wastewater service - as measured through the annual residents' survey. [Target: 80%]	<p><b>Actual = 89%</b></p> <p>The Communitrak™ residents survey was undertaken in May 2014. 89% of receivers of the service were found to be satisfied with the service they received.</p> <table border="1"> <caption>Sewerage System - Customer Satisfaction Data</caption> <thead> <tr> <th>Year</th> <th>Very/fairly satisfied (%)</th> <th>Not very satisfied (%)</th> </tr> </thead> <tbody> <tr><td>2002</td><td>61</td><td>7</td></tr> <tr><td>2005</td><td>66</td><td>9</td></tr> <tr><td>2008</td><td>66</td><td>6</td></tr> <tr><td>2009</td><td>73</td><td>5</td></tr> <tr><td>2010</td><td>70</td><td>5</td></tr> <tr><td>2011</td><td>64</td><td>5</td></tr> <tr><td>2012</td><td>74</td><td>3</td></tr> <tr><td>2013</td><td>66</td><td>6</td></tr> <tr><td>2014</td><td>67</td><td>7</td></tr> </tbody> </table> <p>Recommended Satisfaction Measure For Reporting Purposes:            Total District = 67%            Receivers of Service = 89%</p> <p>(2013: 92%)</p>	Year	Very/fairly satisfied (%)	Not very satisfied (%)	2002	61	7	2005	66	9	2008	66	6	2009	73	5	2010	70	5	2011	64	5	2012	74	3	2013	66	6	2014	67	7
Year	Very/fairly satisfied (%)	Not very satisfied (%)																														
2002	61	7																														
2005	66	9																														
2008	66	6																														
2009	73	5																														
2010	70	5																														
2011	64	5																														
2012	74	3																														
2013	66	6																														
2014	67	7																														
4. Our	% of faults responded to within	Actual = 99%																														

## ENGINEERING

wastewater systems are built, operated and maintained so that failures can be managed and responded to quickly.	contract timeframes e.g. Emergency = service restoration in four hours. Urgent = service restoration in one working day – as recorded through Council's Confirm database. [Target: ≥ 90%]	The operations and maintenance contractor is required to meet a target of 90% of faults to be responded to and fixed within specified timeframes. The figure reported here relates to completion within the final completion timeframe. More detailed response times are monitored through contract number 688. (2013:98%)
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### Comparison of Performance Results 2012/2013 - 2014/2015



### Major Activities

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

<i>Capital Works</i>		
Activity/project	Budget \$	Actual
Treatment Plant Upgrades:		
<ul style="list-style-type: none"> <li>Motueka (2012-2016)</li> </ul>	\$2,740,512 [plus \$678,848 carry over funding]	Consultation delayed design work. Pond deluge contract awarded August 2014. Final design and construction will be completed 2014-2015. There has been \$369,496 spent on this project for the year ended 30 June 2014.
<ul style="list-style-type: none"> <li>Takaka (2012-2015)</li> </ul>	\$3,369,955 [plus \$151,766 carry over funding]	Planning and design completed in 2013/2014. Budget carried over to 2014/2015. Construction in 2014/2015. There has been \$591,273 spent on this project for the year ended 30 June 2014.
<ul style="list-style-type: none"> <li>Pohara Valley/Tata Beach</li> </ul>	\$1,215,164	Clifton sewer main upgrade contract was awarded for \$684,979 and construction completed July 2014. There has been \$500,044 spent on this project for the year ended 30 June 2014.



## ENGINEERING

Richmond telemetry renewals and improvements to services (throughout 10 years)	\$242,839 [plus \$233,124 carry over funding]	Project completed. There has been \$199,353 spent on this project for the year ended 30 June 2014.
Motueka pipeline and manhole renewals	\$300,000	Project delayed pending pipe condition assessment review. Pipe condition assessment to be conducted in 2014/2015. There has been \$47,623 spent on this project for the year ended 30 June 2014.
Wakefield pipeline renewals	\$185,735	Project delayed pending pipe condition assessment review, as above. There has been \$Nil spent on this project for the year ended 30 June 2014.

# ENGINEERING

2012/2013 Budget \$	2012/2013 Actual \$	Wastewater and Sewage Disposal	2013/2014 Actual \$	2013/2014 Budget \$	2013/2014 LTP Budget \$	% of AP Budget
		<b>SOURCES OF OPERATING FUNDING</b>				
-	-	General rates, uniform annual general charges, rates penalties	-	-	-	-
9,328,103	9,236,147	Targeted rates (other than a targeted rate for water supply)	9,443,577	9,693,502	9,789,801	97%
-	-	Subsidies and grants for operating purposes	-	-	-	-
-	-	Fees, charges and targeted rates for water supply	-	-	-	-
-	-	Internal charges and overheads recovered	-	-	-	-
673,954	1,418,831	Local authorities fuel tax, fines, infringement fees, and other receipts	1,682,376	720,434	721,670	234%
10,002,057	10,654,978	<b>TOTAL OPERATING FUNDING</b>	11,125,953	10,413,936	10,511,471	107%
		<b>APPLICATIONS OF OPERATING FUNDING</b>				
5,846,404	5,254,255	Payments to staff and suppliers	4,493,718	5,699,041	6,009,249	79%
1,578,161	1,603,590	Finance costs	1,612,662	1,796,128	1,749,300	90%
1,146,266	1,258,415	Internal charges and overheads applied	1,291,456	1,301,663	1,154,345	99%
-	-	Other operating funding applications	-	-	-	-
8,570,831	8,116,260	<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	7,397,836	8,796,832	8,912,894	84%
1,431,226	2,538,718	<b>SURPLUS (DEFICIT) OF OPERATING FUNDING</b>	3,728,117	1,617,104	1,598,577	231%
		<b>SOURCES OF CAPITAL FUNDING</b>				
-	237,185	Subsidies and grants for capital expenditure	686	-	-	-
613,282	982,428	Development and financial contributions	819,891	654,168	654,168	125%
(95,921)	(2,011,668)	Increase (decrease) in debt	(1,808,158)	6,086,923	6,868,206	-30%
-	-	Gross proceeds from sale of assets	-	-	-	-
-	-	Lump sum contributions	-	-	-	-
517,361	(792,055)	<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	(987,581)	6,741,091	7,522,374	-15%
		<b>APPLICATIONS OF CAPITAL FUNDING</b>				
	677,486	Capital expenditure				
-	677,486	- to meet additional demand	18,821	-	107,641	-
1,753,463	788,682	- to improve the level of service	1,235,057	6,353,306	6,353,306	19%
195,124	253,529	- to replace existing assets	695,213	1,877,897	2,660,004	37%
-	26,966	Increase (decrease) in reserves	791,445	126,992	-	623%
-	-	Increase (decrease) in investments	-	-	-	-
1,948,587	1,746,663	<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	2,740,536	8,358,195	9,120,951	33%
(1,431,226)	(2,538,718)	<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING</b>	(3,728,117)	(1,617,104)	(1,598,577)	231%
-	-	<b>FUNDING BALANCE</b>	-	-	-	-

## Comment:

Capital expenditure is down on budget due to the delays in the Takaka and Motueka Wastewater Treatment Plant projects. This has resulted in the corresponding decrease in loan funding required.

Other receipts are up on budget due to the owner's distribution from the Nelson Regional Sewerage Business Unit.

Payments to staff and suppliers are down on budget mainly due the treatment costs from the Nelson Regional Sewerage Business Unit being down on budget, and the timing of some maintenance and investigation works not being fully undertaken for the year.

# ENGINEERING

## STORMWATER

### What We Do

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

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

Council manages its stormwater activities in 16 Urban Drainage Areas (UDA) and one General District Area. The General District Area covers the entire District outside the UDA. Typically these systems include small communities with stormwater systems that primarily collect and convey road 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, as opposed to flooding from rivers and streams which is dealt with under the Flood Protection and River Control Works activity. By providing a high-quality stormwater network, Council enables the safe and efficient conveyance and disposal of stormwater from the urban drainage areas, which improves the economic and social well-being of the District by protecting people and property from surface flooding.

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

### Our Goal

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

### How this activity contributes to the Community Outcomes

- Stormwater arising within urban development areas is controlled, collected, conveyed and discharged safely to the receiving environment. This activity can be managed so the impact of the discharges does not adversely affect the health and cleanliness of the receiving environment.
- Our stormwater activity ensures our built urban and rural environments are functional, pleasant and safe by ensuring stormwater is conveyed without putting the public at risk or damaging property, businesses or essential infrastructure.
- The stormwater activity is considered an essential service that should be provided to all properties within urban drainage areas in sufficient size and capacity. This service should also be efficient and sustainably managed.

### Our levels of service and how we measure progress against them

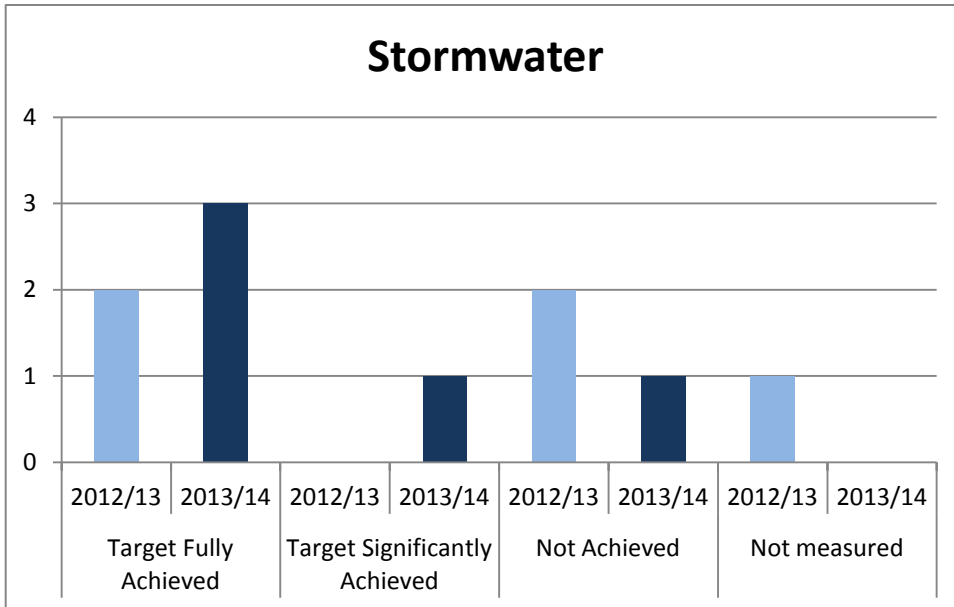
Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance
1. Our stormwater	Council has resource consents	Catchment Management Plan in process of being drafted

# ENGINEERING

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance										
systems do not adversely effect or degrade the receiving environment.	in place for each of the 16 stormwater UDAs. Resource consents are held in Council's Confirm database. [Target: One out of 16 (Richmond)]	for Richmond.										
2. Our stormwater systems collect and convey stormwater safely through urban environments, reducing the adverse effects of flooding on people and residential and commercial buildings.	There are no public complaints to Council of residential or commercial buildings being flooded as a result of failure of Council stormwater systems to cope with the current design capacity (this excludes capacity from rivers and private drainage failure) - as measured through complaints received through Council's customer services and recorded in the Confirm database. [Target: Nil]	<p>Despite a small number of complaints about stormwater entering people's land, there were no complaints to Council relating to flooding of residential or commercial buildings in 2013/2014 as a result of Council stormwater infrastructure failure.</p> <p>The performance measure is specific to flooding of buildings arising from failure of Council stormwater systems. Council's complaints records show no evidence of failure of the stormwater system causing flooding of buildings. It is noted there was no major rain event in the 2013/2014 financial year.</p> <p>(2013: 96 recorded calls; 53 calls received over 21-22 April 2013 relating to very large storm event).</p>										
3. Our stormwater activities are managed at a level which satisfies the community.	% of customers satisfied with the stormwater service - as measured through the annual residents' survey. [Target: 80%]	<p><b>Actual = 76%</b></p> <p>The Communitrak™ residents' survey was undertaken in May 2014. 76% of receivers of the service were found to be satisfied with the service they received, with 23% of receivers unsatisfied. (2013: 55%)</p> <div style="text-align: center;"> <p><i>Service Provided</i></p> <table border="1"> <caption>Service Satisfaction Data</caption> <thead> <tr> <th>Satisfaction Level</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Very satisfied</td> <td>33%</td> </tr> <tr> <td>Fairly satisfied</td> <td>43%</td> </tr> <tr> <td>Not very satisfied</td> <td>23%</td> </tr> <tr> <td>Don't know</td> <td>1%</td> </tr> </tbody> </table> <p>Base = 235</p> </div>	Satisfaction Level	Percentage	Very satisfied	33%	Fairly satisfied	43%	Not very satisfied	23%	Don't know	1%
	Satisfaction Level	Percentage										
Very satisfied	33%											
Fairly satisfied	43%											
Not very satisfied	23%											
Don't know	1%											
Number of complaints relating to health nuisance (odour, mosquitoes, noise, etc) - as measured through complaints received through Council's customer services and recorded in the Confirm database. [Target: < 10 complaints]	There were two complaints relating to health nuisance from our stormwater network. (2013: 2)											
4. We have measures in place to respond to and reduce flood damage to property and risk to the community within stormwater UDAs.	% of faults responded to within contract timeframes (e.g. priority = clear obstructions in stormwater system in one working day) - as recorded through Council's Confirm database. [Target: >90%]	Of the 194 faults recorded, 98% were completed on time. 2% not completed on time. (2013: 91%)										

## ENGINEERING

### Comparison of Performance Results 2012/2013 - 2014/2015



### 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 and discharge structures.

<i>Capital Works</i>		
Activity	Budget \$	Actual
Borck Creek land purchase	N/A	Land agreement negotiations are underway to secure land from Jubilee Park to Borck Creek to realign and widen Poutama Drain. Owing to changes in project scope to extend the length of the drain, more work is required to design and consent the work. The works at Borck Creek are dependent on the outcome of the Richmond Water Treatment Plant contract and changes there may result in amendments to consents. While these issues create delays, we are optimistic that construction will start mid 2014/2015.
Champion Road stormwater	500,000	Construction is now due to start in February 2015. Project delayed due to obtaining the resource consent and coordinating the construction works with the new Richmond High Level Reservoir. There has been \$75,079 spent on this project for the year ended 30 June 2014.

# ENGINEERING

2012/2013 Budget \$	2012/2013 Actual \$	Stormwater	2013/2014 Actual \$	2013/2014 Budget \$	2013/2014 LTP Budget \$	% of AP Budget
-	-	SOURCES OF OPERATING FUNDING	-	-	-	-
2,709,817	2,678,329	General rates, uniform annual general charges, rates penalties	-	-	-	-
-	-	Targeted rates (other than a targeted rate for water supply)	2,891,124	2,894,296	2,935,692	100%
-	-	Subsidies and grants for operating purposes	-	-	-	-
-	-	Fees, charges and targeted rates for water supply	-	-	-	-
-	-	Internal charges and overheads recovered	-	-	-	-
82,247	89,200	Local authorities fuel tax, fines, infringement fees, and other receipts	132,170	83,324	83,541	159%
2,792,064	2,767,529	TOTAL OPERATING FUNDING	3,023,294	2,977,620	3,019,233	102%
		APPLICATIONS OF OPERATING FUNDING				
798,001	1,174,221	Payments to staff and suppliers	1,555,372	758,030	964,714	205%
681,327	720,707	Finance costs	727,538	764,872	694,321	95%
394,187	419,363	Internal charges and overheads applied	421,436	408,394	391,153	103%
-	-	Other operating funding applications	-	-	-	-
1,873,515	2,314,291	TOTAL APPLICATIONS OF OPERATING FUNDING	2,704,346	1,931,296	2,050,188	140%
918,549	453,238	SURPLUS (DEFICIT) OF OPERATING FUNDING	318,948	1,046,324	969,045	30%
		SOURCES OF CAPITAL FUNDING				
-	-	Subsidies and grants for capital expenditure	-	-	-	-
410,568	459,376	Development and financial contributions	818,052	437,940	437,940	187%
427,357	(10,261)	Increase (decrease) in debt	1,256,143	71,329	(373,581)	1761%
-	-	Gross proceeds from sale of assets	-	-	-	-
-	-	Lump sum contributions	-	-	-	-
837,925	449,115	TOTAL SOURCES OF CAPITAL FUNDING	2,074,195	509,269	64,359	407%
		APPLICATIONS OF CAPITAL FUNDING				
		Capital expenditure				
50,312	101,692	- to meet additional demand	1,499,982	900,000	41,739	167%
741,958	1,261,601	- to improve the level of service	283,171	531,313	550,135	53%
785,061	107,387	- to replace existing assets	549,364	57,464	57,464	956%
179,143	(568,327)	Increase (decrease) in reserves	60,626	66,816	384,066	91%
-	-	Increase (decrease) in investments	-	-	-	-
1,756,474	902,353	TOTAL APPLICATIONS OF CAPITAL FUNDING	2,393,143	1,555,593	1,033,404	154%
(918,549)	(453,238)	SURPLUS (DEFICIT) OF CAPITAL FUNDING	(318,948)	(1,046,324)	(969,045)	30%
-	-	FUNDING BALANCE	-	-	-	-

## Comment:

Payments to staff and suppliers are up on budget due to increased maintenance being required following the April 2013 flood event. Also, there were costs arising from the outcome of a defended hearing trial in October 2013.

Capital expenditure to meet additional land is up on budget due to a purchase of land required being higher than budgeted.

Capital expenditure to replace existing assets is up on budget due to work undertaken on the Reservoir Creek Dam project (which had a carry forward budget of \$678,000 which is not reflected above).

### SOLID WASTE

#### What We Do

Council provides comprehensive waste management and minimisation services. It achieves this through the provision of kerbside recycling and waste collection services, and operating five resource recovery centres - at Richmond, Mariri, Takaka, Collingwood and Murchison. Waste disposal from these sites is transferred to a Council owned landfill at Eves Valley and recyclable material is processed and on sold by Council contractors. All public and commercial waste disposal is through the resource recovery centres with special waste disposed of directly to Eves Valley.

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

Council manages 22 closed landfills located throughout the District.

#### Why We Do It

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

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

Under this legislation Council is required to carry out a waste assessment and to prepare a Waste Management and Minimisation Plan (WMMP) by 2012. A Draft WMMP, prepared jointly with Nelson City Council, was circulated for public consultation during December 2011 and January 2012. This WMMP was adopted by both Councils in April 2012. This solid waste activity section is based on the WMMP.

#### 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.

#### How this activity contributes to the Community Outcomes

- All material that is collected by the Council's operators or delivered to Council-owned facilities is processed or disposed of in an appropriate and sustainable manner. These activities will be managed to minimise the impact on the receiving environment.
- Our kerbside collections ensure our built urban and rural environments are functional, pleasant and safe by receiving materials from the community and recycling, reusing or disposing of them with a minimum of nuisance and public complaint.
- Solid waste activities are operated in a safe and efficient manner to provide waste and recycling services that the community is satisfied with and which promote the sustainable use of resources.



# ENGINEERING

## Our levels of service and how we measure progress against them

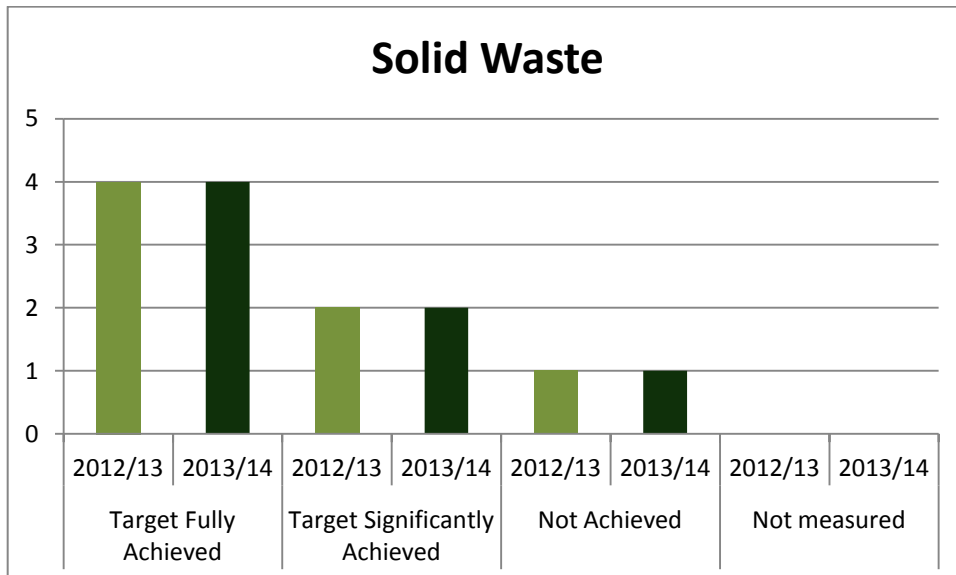
Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance																		
1. We provide effective waste minimisation activities and services.	% of waste diverted from landfills is maintained or increased - as measured monthly and reported annually. [Target: 25%]	<p>This year 24.4% of waste was diverted from landfill by Council services. The increase from last year was driven by increases in glass recycling and greenwaste processing. (2013: 20.9%)</p> <table border="1"> <caption>Percentage of total arisings recovered</caption> <thead> <tr> <th>Year</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>2006/07</td> <td>~18%</td> </tr> <tr> <td>2007/08</td> <td>~15%</td> </tr> <tr> <td>2008/09</td> <td>~16%</td> </tr> <tr> <td>2009/10</td> <td>~16%</td> </tr> <tr> <td>2010/11</td> <td>~20%</td> </tr> <tr> <td>2011/12</td> <td>~23%</td> </tr> <tr> <td>2012/13</td> <td>~21%</td> </tr> <tr> <td>2013/14</td> <td>24.4%</td> </tr> </tbody> </table>	Year	Percentage	2006/07	~18%	2007/08	~15%	2008/09	~16%	2009/10	~16%	2010/11	~20%	2011/12	~23%	2012/13	~21%	2013/14	24.4%
	Year	Percentage																		
	2006/07	~18%																		
2007/08	~15%																			
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2010/11	~20%																			
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2012/13	~21%																			
2013/14	24.4%																			
There is a reduction in waste per capita going to landfill - as measured by tonnage recorded at landfill. [Target: 395kg/capita]	<p>This year waste to landfill increased to 640kg/capita (including special waste) and 595kg/capita (excluding special waste). This is an increase on last year and is likely to be due in part to cleanup following the April 2013 flooding, temporary closure of Pascoe Street RTS (Nelson City) and commercial construction in late 2013. (2013: 532kg/capita (inc. special waste) 531kg/capita (excl. special waste))</p> <p>Special wastes are wastes that cause particular management or disposal problems and need special care. Examples at the Eves Valley landfill include contaminated soils, certain industrial and chemical wastes, biosolids (e.g. sewage sludge), odorous food waste, asbestos and treated timber wastes. These waste streams are less predictable and at times distort other waste to landfill figures.</p>																			
Participation in Council's waste minimisation services increases - as measured on a three yearly basis through residents' survey of those people provided with the opportunity to use kerbside recycling services. [Target: 80%]	<p>Actual = 96%</p> <p>The Communitrak™ survey was undertaken in May/June 2014. This survey showed that 84% of these residents were provided with Council's kerbside recycling services; and that 81% had used the service in the last 12 months. This means that 96% of people used the service, where it was available to them. (2013: 95%)</p>																			
2. Our kerbside recycling and bag collection services are reliable and easy to use.	% of enquiries resolved within 24 hours - as measured through Confirm. [Target: 95%]	95% of all enquiries were resolved on time. (2013: 95%)																		

# ENGINEERING

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance										
	<p>% of customers satisfied with kerbside recycling and bag collection services - as measured through the annual residents' survey of those provided with Council's kerbside waste collection services. [Targets: Rubbish bag collection 70%, Kerbside recycling 85%]</p>	<p style="text-align: center;"><i>Receivers Of Service</i></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Satisfaction Level</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Very satisfied</td> <td>55%</td> </tr> <tr> <td>Fairly satisfied</td> <td>34%</td> </tr> <tr> <td>Not very satisfied</td> <td>6%</td> </tr> <tr> <td>Don't know</td> <td>4%</td> </tr> </tbody> </table> <p>Rubbish bag collection 69% (2013: 69%) Kerbside recycling = 89%(2013: 91%)</p> <p>The Communitrak™ Survey was undertaken in May/June 2014. 69% of receivers of Council's kerbside rubbish bag service were found to be satisfied or very satisfied with the service they receive. 89% of receivers of Council's kerbside recycling service were found to be satisfied or very satisfied with the service they receive.</p>	Satisfaction Level	Percentage	Very satisfied	55%	Fairly satisfied	34%	Not very satisfied	6%	Don't know	4%
Satisfaction Level	Percentage											
Very satisfied	55%											
Fairly satisfied	34%											
Not very satisfied	6%											
Don't know	4%											
<p>3. Our resource recovery centres are easy to use and operated in a reliable manner.</p>	<p>% customer satisfaction based on-site surveys - as measured by annual customer surveys at the resource recovery centres. [Target: 75%]</p>	<p>Surveys have been undertaken at the Resource Recovery Centres annually since 2008. The surveys question users on their satisfaction of "ease of use" and "tidiness and pleasantness".</p> <p>The results from the 2013/2014 survey showed a small overall increase in the level of satisfaction of users ("fairly satisfied" and "very satisfied") from 95% in 2012/13 to 96% in 2013/2014.</p>										

## ENGINEERING

### Comparison of Performance Results 2012/2013 - 2014/2015



### Major Activities

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

Work is continuing with Nelson City Council on implementing the joint Waste Management and Minimisation Plan.

<i>Capital Works</i>		
Activity	Budget \$	Actual
Resource Recovery Centres		
• Richmond	\$277,543	We are in preliminary design phase for both the Richmond and Mariri projects. The majority of the 2013/2014 budget has been deferred to 2014/2015 due to potential changes at the Eves Valley Landfill and work with Nelson City Council on a joint landfill agreement. Project costs are on track and expected to be within budget. There has been \$4,122 spent on this project for the year ended 30 June 2014.
• Mariri	\$659,409 [plus \$138,972 carry over funding]	Closed landfill work from the 2012/2013 year is now complete. The scope for the 2013/2014 work is being reviewed due to proposed changes at Eves Valley Landfill in 2014/2015. There has been \$97,638 spent on this project for the year ended 30 June 2014.
Eves Valley Landfill	\$152,387 [plus \$621,160 carry over funding]	We are in preliminary design, anticipating lodgement of the new consent in March, 2015. Capital expenditure will be affected by regional joint landfill considerations and decisions. There has been \$101,053 spent on this project for the year ended 30 June 2014.

# ENGINEERING

2012/2013 Budget \$	2012/2013 Actual \$	Solid Waste	2013/2014 Actual \$	2013/2014 Budget \$	2013/2014 LTP Budget \$	% of AP Budget
		SOURCES OF OPERATING FUNDING				
509,874	512,428	General rates, uniform annual general charges, rates penalties	582,815	577,806	611,220	101%
2,048,814	2,043,514	Targeted rates (other than a targeted rate for water supply)	1,999,738	2,004,325	2,091,568	100%
-	-	Subsidies and grants for operating purposes	-	-	-	-
-	-	Fees, charges and targeted rates for water supply	-	-	-	-
-	-	Internal charges and overheads recovered	-	-	-	-
5,232,109	4,193,672	Local authorities fuel tax, fines, infringement fees, and other receipts	4,337,194	5,174,060	5,824,507	84%
7,790,797	6,749,614	TOTAL OPERATING FUNDING	6,919,747	7,756,191	8,527,295	89%
		APPLICATIONS OF OPERATING FUNDING				
5,990,787	4,702,472	Payments to staff and suppliers	4,580,213	5,770,267	6,696,177	79%
364,148	434,414	Finance costs	462,353	410,651	392,497	113%
641,268	722,185	Internal charges and overheads applied	811,197	713,169	649,451	114%
-	-	Other operating funding applications	-	-	-	-
6,996,203	5,859,071	TOTAL APPLICATIONS OF OPERATING FUNDING	5,853,763	6,894,087	7,738,125	85%
794,594	890,543	SURPLUS (DEFICIT) OF OPERATING FUNDING	1,065,984	862,104	789,170	124%
		SOURCES OF CAPITAL FUNDING				
-	-	Subsidies and grants for capital expenditure	-	-	-	-
-	-	Development and financial contributions	-	-	-	-
318,572	(316,179)	Increase (decrease) in debt	(393,980)	432,904	429,770	-91%
-	-	Gross proceeds from sale of assets	-	-	-	-
-	-	Lump sum contributions	-	-	-	-
318,572	(316,179)	TOTAL SOURCES OF CAPITAL FUNDING	(393,980)	432,904	429,770	-91%
		APPLICATIONS OF CAPITAL FUNDING				
-	-	Capital expenditure				
-	-	- to meet additional demand	-	-	-	-
110,713	62,696	- to improve the level of service	68,398	936,952	936,952	7%
902,453	298,944	- to replace existing assets	177,329	181,988	181,988	97%
100,000	212,724	Increase (decrease) in reserves	426,277	176,068	100,000	242%
-	-	Increase (decrease) in investments	-	-	-	-
1,113,166	574,364	TOTAL APPLICATIONS OF CAPITAL FUNDING	672,004	1,295,008	1,218,940	52%
(794,594)	(890,543)	SURPLUS (DEFICIT) OF CAPITAL FUNDING	(1,065,984)	(862,104)	(789,170)	124%
-	-	FUNDING BALANCE	-	-	-	-

**Comment:**

Capital expenditure is down on budget due to the deferral of capital works.

# ENGINEERING

## FLOOD PROTECTION AND RIVER CONTROL WORKS

### What We Do

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

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

This group of activities does not include stormwater or coastal structures, which are covered in other groups of activities.

### Why We Do It

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

### Our Goal

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

### How this activity contributes to the Community Outcomes

- 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 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 flood protection and mitigation structures are maintained in an environmentally sustainable manner to a level supported by the community.

## ENGINEERING

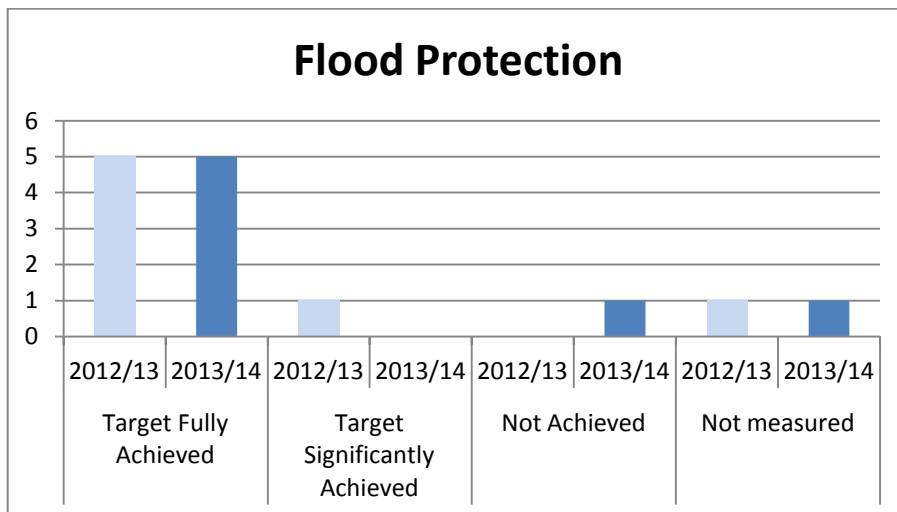
### Our levels of service and how we measure progress against them

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance
1. Our works are carried out so that the impacts on the natural river environments are minimised to a practical but sustainable level.	Resource consents are held and complied with for works undertaken by Council or its contractors in the rivers within the District - as measured by the number of abatement notices issued to Council's flood protection and rivers control activity. [Target: No abatement notices issued.]	Actual = No abatement notices issued. The Council, or its contractor, have not received any non-compliance with respect to the resource consents or any abatement notices.
	Over time Council manages crack willow from banks and berm areas – as measured by kilometres of riverbank cleared of crack willow per year. [Target: 15km/yr]	<p><b>Actual = 2009/10 – 18.5 km</b>  <b>Actual = 2010/11 – 14.9 km</b>  <b>Actual = 2011/12 – 15.4 km</b>  <b>Actual = 2012/13 - &lt; 1 km</b></p> <p>Large scale removal of crack willow was stopped in mid 2012 in response to community concerns over increased erosion that was occurring in some areas where willows had been removed.</p> <p>The Activity Management Plan (AMP) future performance targets will be adjusted to reflect this at the next review.</p> <p>Crack willow is controlled from spreading in the classified river system through the annual fairway spraying programme.</p> <p>Isolated crack willow trees or stands are now only removed where they are causing or contributing to erosion or flooding, rather than a total eradication policy for biosecurity reasons.</p> <p>The Rivers AMP (2015-2025) will reflect this.</p>
2. We manage waste/rubbish in the river system.	Complaints about illegal dumping in the X and Y classified rivers and on adjacent beaches on public land are responded to within 10 days - as measured through customer service requests in Council's database. [Target: 90%]	Actual = 100% (2013: 95%)
3. We maintain Council's stop bank assets in River X classified areas to deliver flood protection to the level that the stopbanks were originally constructed.	Our stop banks are maintained to the original constructed standard. (Riwaka River = 1 in 10 yr flood return, Lower Motueka = 1 in 50 yr flood return, Waimea River = 1 In 50 yr flood return) - as measured by their performance in flood events and/or flood modelling (where this has been undertaken). [Targets: Riwaka River = 88% Motueka River = 100% Waimea River - 100%]	<p>Actual: Riwaka River = 100% (2013: 88%) Motueka River = 100% (2013: 100%) Waimea River = 100% (2013: 100%)</p> <p>The change in performance for the Riwaka River from 2012/2013 to 2013/2014 arose because water overtopped a portion of natural bank in June 2013 during a close to Q20 event, thus lowering that year's performance. The Riwaka River had a 1 in 12 year event at Easter 2014, which did not overtop so stopbanks are at 100%. There have been no significant flood events on any of the three rivers in the past financial year. The other stopbanks are maintained to a 1 in 50 year event. There have been no events of this magnitude to test whether the</p>

## ENGINEERING

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance
		standard has been met. This performance measure will be re-assessed during the 2015 LTP.
4. In River Y classified areas Council manages the rivers to minimise bank erosion up to an annual event.	Maintenance work in River Y classified areas is undertaken to rectify or minimise bank erosion as identified through annual river care group meetings and incorporated in the Annual Operating Maintenance Programme (AOMP) - as measured through completion of scheduled works detailed in the AOMP. [Target: 100%]	Actual = 92% of scheduled works. This includes expenditure in X rated areas. (2013: 92%)

### Comparison of Performance Results 2012/2013 - 2014/2015



### 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.

The following table details the major capital and renewal work undertaken for the year 2013/2014.

Activity	Budget \$	Actual
Borlase Catchment Project	\$200,000	Construction delayed until 2014/2015, due to delays in design and planning arising from difficult technical features of the site.

Note: some projects are undertaken over several years and therefore the amount noted in the table above might not be the full cost of the project. Refer to the relevant Activity Management Plan on Council's website for financial information on projects across the full ten years of the Long Term Plan 2012-2022.



# ENGINEERING

2012/2013 Budget \$	2012/2013 Actual \$	Flood Protection and River Control Works	2013/2014 Actual \$	2013/2014 Budget \$	2013/2014 LTP Budget \$	% of AP Budget
		<b>SOURCES OF OPERATING FUNDING</b>				
21,967	22,077	General rates, uniform annual general charges, rates penalties	32,653	32,372	35,424	101%
2,917,523	2,921,670	Targeted rates (other than a targeted rate for water supply)	2,971,153	2,951,961	3,016,295	101%
-	-	Subsidies and grants for operating purposes	-	-	-	-
-	-	Fees, charges and targeted rates for water supply	-	-	-	-
-	-	Internal charges and overheads recovered	-	-	-	-
381,460	1,262,460	Local authorities fuel tax, fines, infringement fees, and other receipts	649,540	392,563	392,826	165%
3,320,950	4,206,207	<b>TOTAL OPERATING FUNDING</b>	3,653,346	3,376,896	3,444,545	108%
		<b>APPLICATIONS OF OPERATING FUNDING</b>				
1,529,639	2,968,297	Payments to staff and suppliers	1,915,041	1,425,305	1,581,458	134%
59,656	34,618	Finance costs	34,448	74,685	117,714	46%
379,760	602,840	Internal charges and overheads applied	488,710	392,095	325,897	125%
-	-	Other operating funding applications	-	-	-	-
1,969,055	3,605,755	<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	2,438,199	1,892,085	2,025,069	129%
1,351,895	600,452	<b>SURPLUS (DEFICIT) OF OPERATING FUNDING</b>	1,215,147	1,484,811	1,419,476	82%
		<b>SOURCES OF CAPITAL FUNDING</b>				
-	-	Subsidies and grants for capital expenditure	-	-	-	-
-	-	Development and financial contributions	-	-	-	-
586,909	(12,542)	Increase (decrease) in debt	(17,039)	130,029	1,284,047	-13%
-	-	Gross proceeds from sale of assets	-	-	-	-
-	-	Lump sum contributions	-	-	-	-
586,909	(12,542)	<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	(17,039)	130,029	1,284,047	-13%
		<b>APPLICATIONS OF CAPITAL FUNDING</b>				
-	-	Capital expenditure	-	-	-	-
-	-	- to meet additional demand	-	-	-	-
1,883,555	1,053,618	- to improve the level of service	1,052,359	1,449,283	2,645,925	73%
-	-	- to replace existing assets	9,958	-	-	-
55,249	(465,708)	Increase (decrease) in reserves	135,791	165,557	57,598	82%
-	-	Increase (decrease) in investments	-	-	-	-
1,938,804	587,910	<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	1,198,108	1,614,840	2,703,523	74%
(1,351,895)	(600,452)	<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING</b>	(1,215,147)	(1,484,811)	(1,419,476)	82%
-	-	<b>FUNDING BALANCE</b>	-	-	-	-

## Comment:

Payments to staff and suppliers are up on budget due to increased work being undertaken on River Z classified rivers. These works are funded 50% by landowners, and 50% from Council.

# COMMUNITY SERVICES

## Policy and Objective

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

## Nature and Scope

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

- (a) Community Facilities and Parks
- (b) Recreational and Cultural Services

2012/2013 Budget \$	2012/2013 Actual \$	Community	2013/2014 Actual \$	2013/2014 Budget \$	2013/2014 LTP Budget \$	% of AP Budget
13,259,815	12,759,051	Community Facilities and Parks	11,161,250	12,415,802	12,694,239	90%
2,659,942	2,414,472	Recreation and Cultural Services	2,985,105	2,515,936	2,594,396	119%
15,919,757	15,173,523	TOTAL COSTS	14,146,355	14,931,738	15,288,635	95%

# COMMUNITY SERVICES

## COMMUNITY FACILITIES AND PARKS

### What We Do

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

- 595 hectares of Parks and Reserves
- 12 Cemeteries
- 41 Playgrounds
- 4 Libraries
- Funding for District and Shared Facilities such as the Saxton Field complex
- 24 Public Halls and Community Buildings
- 61 Public Toilets
- 101 Council Cottages
- The ASB Aquatic Centre

### Why We Do It

Council provides community and recreational facilities to promote community wellbeing and to meet community expectations.

Council recognises it plays a key role in creating the environment in which communities can prosper and enjoy improved health and wellbeing. The provision of open spaces and recreational facilities influences the way in which people can take part in the life of the community. Such facilities also enable people to be more active in a convenient, easy, safe and enjoyable manner.

Cemeteries are provided for public health purposes and to comply with the requirements of the Burial and Cremation Act 1964.

### Our Goal

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

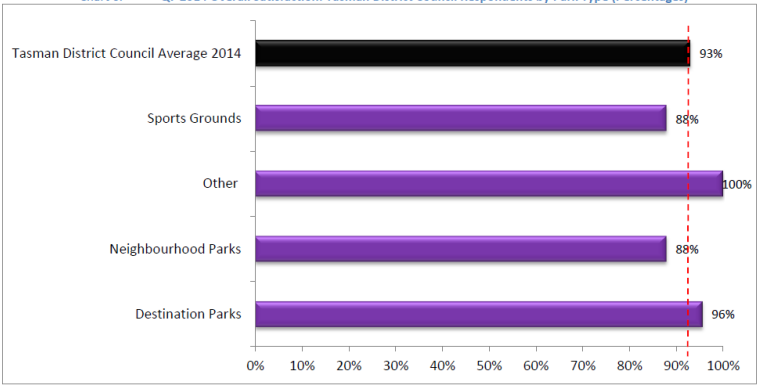
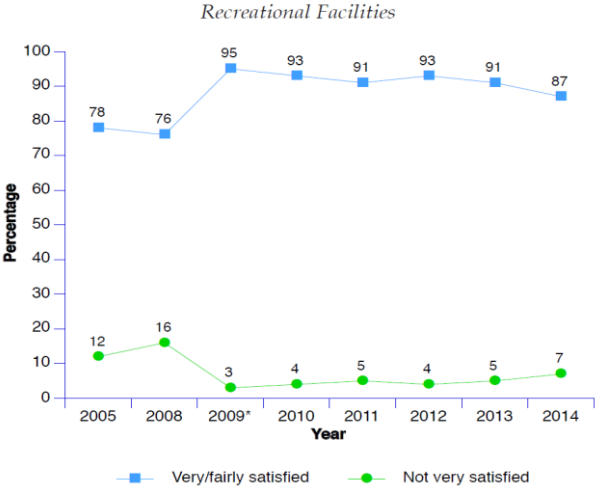
### How this activity contributes to the Community Outcomes

- Protection of the natural environment and ecologically significant areas.
- Provision and enhancement of open space.
- Vegetation enhancement and awareness.
- Enhanced community involvement in conservation and restoration work.
- Protection and enhancement of coastal and riparian areas.
- Provision and enhancement of open space and an interconnected open space network.
- Provision of neighbourhood and community parks within walking distance of homes.
- Provision of open space and recreation facilities that cater for and promote active lifestyles. This includes casual activities such as walking and cycling, and organised sports and recreation activities.
- Reserves and facilities are designed and managed to ensure users safety and cater for the needs of the whole community.
- Provision of high quality open space, recreation and cultural facilities such as Libraries and Community

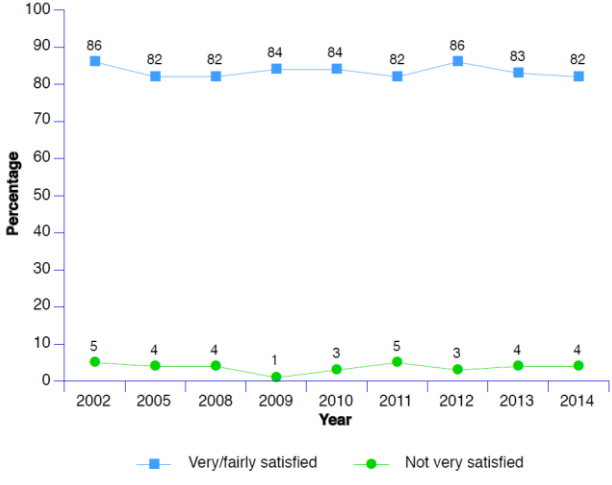
# COMMUNITY SERVICES

Halls that provide a range of leisure, cultural and amenity services to the public.

## Our levels of service and how we measure progress against them

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance																											
<p>1. A network of multi-purpose community and recreation facilities in major centres supported by local halls, that provide reasonable access to indoor activities, libraries and recreation space</p>	<p>Customer satisfaction with parks and reserves score above 80% - as measured by ParkCheck Visitor Measures. [Target: Satisfaction target above 85%]</p>	<p>The Yardstick ParkCheck 2014 Parks and Reserves Survey shows an overall satisfaction level of 93% (2013: 91%) for Council against an average satisfaction level of 92% (9 local authorities participated in this survey).</p> <p>The Yardstick ParkCheck Parks and Reserves Survey is usually undertaken every three years, however this period was extended in an endeavour to align and feed into the Long Term Plan 2015-2025.</p> <p>Chart 6. Q7 2014 Overall Satisfaction: Tasman District Council Respondents by Park Type (Percentages)</p>  <table border="1"> <caption>Chart 6. Q7 2014 Overall Satisfaction: Tasman District Council Respondents by Park Type (Percentages)</caption> <thead> <tr> <th>Park Type</th> <th>Satisfaction Percentage</th> </tr> </thead> <tbody> <tr> <td>Tasman District Council Average 2014</td> <td>93%</td> </tr> <tr> <td>Sports Grounds</td> <td>88%</td> </tr> <tr> <td>Other</td> <td>100%</td> </tr> <tr> <td>Neighbourhood Parks</td> <td>88%</td> </tr> <tr> <td>Destination Parks</td> <td>96%</td> </tr> </tbody> </table> <p>Satisfaction Scale: 1= totally dissatisfied, 2= somewhat dissatisfied, 3= neither satisfied nor dissatisfied, 4= somewhat satisfied, 5= very satisfied</p>	Park Type	Satisfaction Percentage	Tasman District Council Average 2014	93%	Sports Grounds	88%	Other	100%	Neighbourhood Parks	88%	Destination Parks	96%															
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	<p>Residents rate their satisfaction with the parks and reserves activity as "fairly satisfied" or better in annual surveys. [Targets: Satisfaction target above 85% for parks and reserves</p>	<p>The Communitrak survey shows that 87% of residents overall are satisfied with the District's recreational facilities – which includes playing fields and neighbourhood reserves. (2013: 91% satisfied).</p> <p>Recreational Facilities</p>  <table border="1"> <caption>Recreational Facilities Satisfaction Data</caption> <thead> <tr> <th>Year</th> <th>Very/fairly satisfied (%)</th> <th>Not very satisfied (%)</th> </tr> </thead> <tbody> <tr> <td>2005</td> <td>78</td> <td>12</td> </tr> <tr> <td>2008</td> <td>76</td> <td>16</td> </tr> <tr> <td>2009*</td> <td>95</td> <td>3</td> </tr> <tr> <td>2010</td> <td>93</td> <td>4</td> </tr> <tr> <td>2011</td> <td>91</td> <td>5</td> </tr> <tr> <td>2012</td> <td>93</td> <td>4</td> </tr> <tr> <td>2013</td> <td>91</td> <td>5</td> </tr> <tr> <td>2014</td> <td>87</td> <td>7</td> </tr> </tbody> </table> <p>Legend: —■— Very/fairly satisfied —●— Not very satisfied</p> <p>83% of Tasman residents are fairly or very satisfied with the public libraries</p> <p>The Communitrak survey shows that 82% of residents are satisfied with the District's public libraries (2013: 83%), and that 91% of library users are satisfied with the libraries (2013: 93%).</p>	Year	Very/fairly satisfied (%)	Not very satisfied (%)	2005	78	12	2008	76	16	2009*	95	3	2010	93	4	2011	91	5	2012	93	4	2013	91	5	2014	87	7
Year	Very/fairly satisfied (%)	Not very satisfied (%)																											
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# COMMUNITY SERVICES

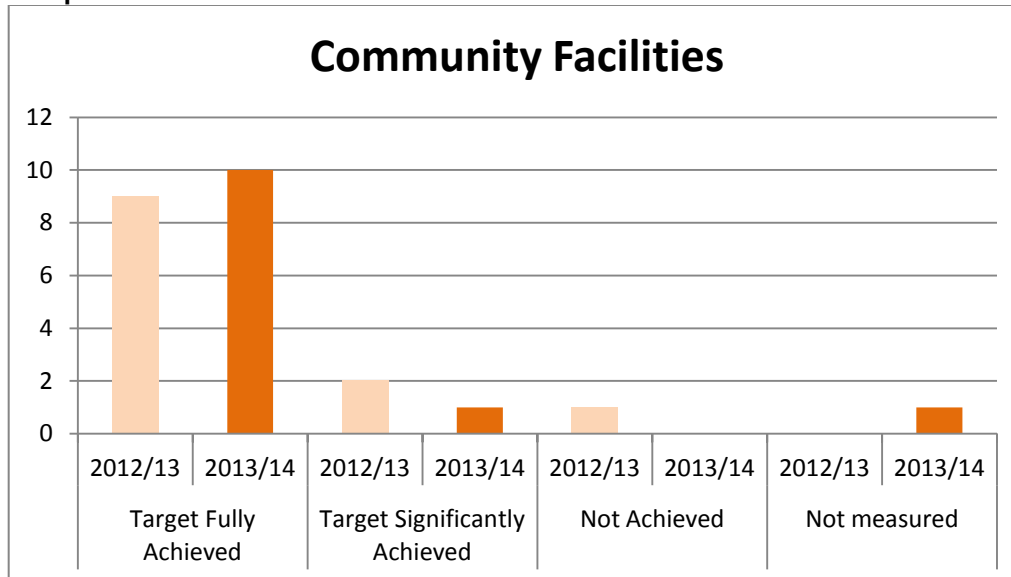
Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance																														
		<p style="text-align: center;"><i>Public Libraries</i></p>  <table border="1" data-bbox="659 443 1273 925"> <caption>Public Libraries Performance Data</caption> <thead> <tr> <th>Year</th> <th>Very/fairly satisfied (%)</th> <th>Not very satisfied (%)</th> </tr> </thead> <tbody> <tr><td>2002</td><td>86</td><td>5</td></tr> <tr><td>2005</td><td>82</td><td>4</td></tr> <tr><td>2008</td><td>82</td><td>4</td></tr> <tr><td>2009</td><td>84</td><td>1</td></tr> <tr><td>2010</td><td>84</td><td>3</td></tr> <tr><td>2011</td><td>82</td><td>5</td></tr> <tr><td>2012</td><td>86</td><td>3</td></tr> <tr><td>2013</td><td>83</td><td>4</td></tr> <tr><td>2014</td><td>82</td><td>4</td></tr> </tbody> </table>	Year	Very/fairly satisfied (%)	Not very satisfied (%)	2002	86	5	2005	82	4	2008	82	4	2009	84	1	2010	84	3	2011	82	5	2012	86	3	2013	83	4	2014	82	4
Year	Very/fairly satisfied (%)	Not very satisfied (%)																														
2002	86	5																														
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2013	83	4																														
2014	82	4																														
	Percentage of parks and reserves contract service standards met (based on exception reporting). [Target: 85%]	<p>The value is obtained through an independent auditor carrying out a routine maintenance inspection on a percentage of assets every two months.</p> <p>The measure of combined wards is 90.2%. (2013: 84%)</p>																														
	A community building* is available within a 15-minute drive for 80% of the population. (20km radius catchment) [Target: 90%]	<p>A community building* is available within a 15 minute drive for 99.3% of the population. (2013: 99.8%).</p> <p>*community building is a recreation centre, public hall or community house.</p>																														
2. Cemeteries that offer a range of burial options and adequate space for future burial demand.	Percentage of cemeteries contract service standards met (based on exception reporting) [Target: 90%]	This measure is reliant upon the contractor updating the status of jobs in Council's Confirm Asset Management system. New contracts emphasise the requirement that Confirm is updated at the time of completion. 95% of cemeteries contract service standards were met. (2013: 93%)																														
3. Swimming pools that meet the needs of users and provide opportunity for aquatic based recreation activities and learn to swim programmes.	For the ASB Aquatic Centre, admissions per m2 of pool swimming per annum within 10% of average of peer group as measured by Yardstick. [Target: Admissions per m2 per annum above average of peer group as measured by Yardstick]	204 swims per m2 of swimming pool, as surveyed in 2013. (2012/2013: 174 swims per m2 of swimming pool). The next Yardstick survey will be undertaken during September 2014.																														
4. Public Conveniences at appropriate locations that meet the needs of users and are pleasant to use and	Our toilets are cleaned and maintained to 90% compliance with the appropriate contract specification as measured in the bi-	Our toilets are cleaned and maintained to 92% compliance with the appropriate contract specification as measured in the bi-monthly sample contract audit. All issues are rectified. (2013: 84%).																														

## COMMUNITY SERVICES

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance
maintained to a high standard of cleanliness.	monthly sample contract audit. [Target: 90%]	
5. Council cottages that help meet the needs of the elderly and people with disabilities.	Tenant satisfaction with standard, quality and management of cottages is 80% as measured through a biennial survey. [Target: 85%]	In November 2013 there were 104 surveys sent out, with 85 completed and returned. Of the completed surveys returned, 100% were satisfied with how their tenancy is managed. There was also an overall 91% satisfaction with the condition of the cottages, and 98% satisfaction with how their enquiries are dealt with when they contact Council. (2011: 104 surveys sent, 84 completed and returned, 100% satisfied).
6. Access to information and leisure sources that satisfy the needs of the community, delivered within the libraries and through outreach programming.	Tasman District Council collections compare favourably when measured against the Library and Information Association New Zealand Aotearoa (LIANZA) standard for library book stocks. Stock numbers will be measured quarterly using information available for the Library Management System software. [Target: Book stocks achieve 84% of the LIANZA standard.]	Tasman District Libraries purchased 20,275 new items for the libraries during 2013/2014. At the end of June 2014 the libraries held 149,495 items. This achieves 90% of the LIANZA standard for library book stocks (based on 2013 census figures). (2013: 85%)
7. Access to a variety of information, leisure, social resources and services to support those with special needs through the libraries in Richmond, Motueka, Takaka and Murchison.	Tasman District Council library buildings provide adequate spaces to enable the delivery of quality library services as measured against the LIANZA standard. [Targets: The Richmond, Takaka and Murchison libraries floor areas are maintained at the current size. Council will redevelop the Motueka Library to achieve 100% of the LIANZA standard. Work will commence in 2013.	Richmond, Takaka and Murchison Libraries floor areas have been maintained. 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. Space issues in Motueka are causing difficulties with service delivery. The Motueka Library building at 453m <sup>2</sup> achieves 46% of the LIANZA standard. Funding for redevelopment of the Motueka library was deferred for discussion through the Long Term Plan 2015-2025.

## COMMUNITY SERVICES

### Comparison of Performance Results 2012/2013 - 2014/2015



### Major Activities

Ongoing management, maintenance and renewal of Council's parks and reserves, cemeteries, playgrounds, libraries, district and shared facilities, public toilets, Council cottages, and swimming pools.

Specifically, upgrades of:

- Memorial Park Playground
- Motueka cemetery car park
- Walkway surface between St James Ave and Gladstone Road
- Walkway surface at Brightwater Railway Reserve
- Mapua Tennis Court surface

Also re-development at Takaka Memorial Reserve, and Motueka High Street Roundabout; and development of uphill mountain bike track at Dellside Reserve (stage 1.2).

Activity	Budget \$	Actual
Saxton Field developments (land purchases, walkways, roads)	423,439	Commencement of planning for velodrome at Saxton Field; \$295,000 spent on relocating of powerlines within facility; Operational expenditure of \$110,000 on maintenance and operation of buildings within Saxton Field complex.
Golden Bay multi-use facility	300,000	Design work initiated. \$33,500 was spent on this activity during the year ended 30 <sup>th</sup> June 2014.
Brook Sanctuary	157,899	\$157,899 paid to Brook Sanctuary.
Library Renewals	327,852	From July 2013 - June 2014 20,275 new items were purchased for the libraries. Items held at 30 June 2014 totalled 149,495. This achieves 90% of the current recommended standard for New Zealand Libraries.  \$308,525 was spent on this activity in the year ended 30 June 2014.

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

### New Reserves

During the year new reserves have been brought into this activity, including; Harts Reserve, Dominion Flats, LEH Baigents Reserve (Kina), and Hody Estuary Park.

## COMMUNITY SERVICES

### Reserve Financial Contributions

#### How funds are received

All new subdivisions, from one new lot up to hundreds of new lots, are required to pay Reserve Financial Contributions for reserves and other Council facilities. Reserve Financial Contributions are based on 5.62 percent of the value of all new allotments, less the value of any land taken for reserves or walkways. Credits are also given in some cases for work that is carried out on these areas of land, over and above levelling and grassing. Examples of such credits would be children's play equipment and the formation of paths.

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

All Reserve Financial Contributions received must be separately accounted for and the Council keeps Reserve Financial Contributions in four separate accounts as follows:

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

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

#### What the Reserve Financial Contributions can be used for

Strict criteria apply to the use of Reserve Financial Contributions with use being in the main restricted to:

- Land purchase for reserves
- Capital improvements to reserves
- Other capital works for recreation activities

#### Allocation of Funds

Each year as part of the Council's Long Term Plan review or Annual Plan process, a list of works in each of the four Reserve Financial Contributions accounts is produced and these include requests received from Council's Reserve and Hall Management Committees and other organisations that are recreation related.

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

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



## COMMUNITY SERVICES

District Wide Reserve	Jun-14 Actual \$	Annual Plan 2013/2014 Budget \$
<b>PROJECTS</b>		
Staff costs	69,382	57,554
Valuation costs	35,255	5,263
Management Plans	-	5,790
Consultant Fees	37,510	15,790
Library Books	58,690	63,160
Council Overhead costs	123,736	107,130
Rainbow skifield funding	12,857	
Loan Repayments	34,217	34,217
<b>GOLDEN BAY WARD</b>		
Halls and Reserves	15,164	26,626
Revegetation Work	461	-
<b>MOTUEKA WARD</b>		
Halls and Reserves	-	15,975
Revegetation Work	591	-
<b>WAIMEA/LAKES WARD</b>		
Halls and Reserves	10,920	58,576
<b>RICHMOND WARD</b>		
Halls and Reserves	-	10,650
Revegetation Work	4,614	-
<b>TOTAL EXPENDITURE</b>	<b>403,397</b>	<b>400,731</b>
Opening Balance	(81,505)	(104,650)
General Rate Allocation	360,574	357,475
Transfer from Ward Accounts	120,650	120,650
Sundry Income	35,878	29,749
	435,597	403,224
Expenditure	403,397	400,731
<b>CLOSING BALANCE</b>	<b>32,200</b>	<b>2,493</b>

## COMMUNITY SERVICES

Golden Bay Ward Reserve	Jun-14 Actual \$	Annual Plan 2013/2014 Budget \$
<b>PROJECTS</b>		
Walkways/Cycleways		
General	375	37,276
East Takaka Walkway/Cycleway	-	-
Sportsfields		
Golden Bay Recreation Reserve	-	48,438
Gardens		
Art Works	-	21,300
General	16,182	-
Cemeteries		
General	-	5,325
Rototai Cemetery Upgrade	-	-
Toilets		
General	-	-
Rototai New Toilet	-	-
Playgrounds		
General	17,300	-
Coastcare		
General	9,260	18,421
Miscellaneous		
Interpretation Panels	-	10,650
Golden Bay Tennis Courts	-	43,056
Ligar Bay Beach Development	-	-
Pakawau Reserve Rockwork	-	-
Loan Principal Repayments	-	-
Transfer to District Wide Contributions	1,473	1,473
<b>TOTAL EXPENDITURE</b>	<b>44,590</b>	<b>185,939</b>
Opening Balance	609,590	155,465
Income	39,771	69,565
	649,361	225,030
Expenditure	44,590	185,939
<b>CLOSING BALANCE</b>	<b>604,771</b>	<b>39,091</b>

## COMMUNITY SERVICES

Waimea/Moutere & Lakes Ward Reserve	Jun-14 Actual \$	Annual Plan 2013/2014 Budget \$
<b>PROJECTS</b>		
<b>Walkways/Cycleways</b>		
General	53,364	69,967
Rural 3	8,301	26,910
Waimea Inlet	971	10,764
<b>Picnic Areas</b>		
General	1,499	10,650
Waimea River Park	3,692	10,764
<b>Gardens</b>		
General	7,577	10,650
<b>Playgrounds</b>		
General - new reserves etc	-	10,000
<b>Toilets</b>		
General	-	43,056
<b>Cemeteries</b>		
General	-	10,650
<b>Coastcare</b>		
General	4,569	10,650
<b>Tennis Courts</b>		
General	84,252	64,585
<b>Miscellaneous</b>		
Equestrian Park	-	21,300
New reserves land	31,457	53,821
New Reserves - LEH Baigent	373,016	-
Hall trusts	-	5,382
Mapua Water Front Park	23,775	-
Rabbit Island Tree Work	4,325	-
Tapawera Gateway Project	1,180	-
Higg Road Damages NZTA	5,374	-
Dominion Road Wetlands	10,186	-
Pony Club shed	8,000	
Transfer to District Wide Contributions	6,076	6,076
Loan Principal Repayments	151,558	158,218
<b>TOTAL EXPENDITURE</b>	<b>779,172</b>	<b>523,443</b>
Opening Balance	445,342	56,855
Income	1,073,199	475,000
	1,518,541	531,855
Expenditure	779,172	523,443
<b>CLOSING BALANCE</b>	<b>739,369</b>	<b>8,412</b>

Note: Income received includes \$206,766 received from the community towards the purchase of the LEH Baigent Reserve. This new reserve was funded 50% by the Motueka Ward, and 50% by the Waimea/Moutere and Lakes Ward.

## COMMUNITY SERVICES

Motueka Ward Reserve	Jun-14 Actual \$	Annual Plan 2013/2014 Budget \$
<b>PROJECTS</b>		
Walkways/Cycleways		
General	27,530	53,821
Sportsfields		
General	60,232	21,528
Sports Park - new field development	-	53,821
Picnic Areas		
General	-	21,300
Playgrounds		
Old Wharf Road Youth Park	51,653	10,764
Memorial Park playground	10,622	-
Decks Reserve	39,999	
Cemeteries		
General	4,946	21,300
Coastcare		
General	7,309	8,520
Miscellaneous		
Future Planning	-	11,579
Security Cameras	9,000	
Keep Motueka Beautiful	5,669	12,632
Motueka Clock Tower Trust - loan	7,000	8,421
Motueka Bowling Club	3,449	-
Motueka roundabout landscape work	10,000	-
New Reserves - LEH Baigent	373,016	-
Motueka Library Investigations & Concept Plan	-	25,000
Imagine Theatre	5,527	-
Transfer to District Wide Contributions	107,025	107,026
<b>TOTAL EXPENDITURE</b>	<b>722,977</b>	<b>355,712</b>
Opening Balance	1,416,069	330,004
Income	544,467	469,000
	1,960,536	799,004
Expenditure	722,977	355,712
<b>CLOSING BALANCE</b>	<b>1,237,559</b>	<b>443,292</b>

Note: Income received includes \$206,766 received from the community towards the purchase of the LEH Baigent Reserve. This new reserve was funded 50% by the Motueka Ward, and 50% by the Waimea/Moutere and Lakes Ward

## COMMUNITY SERVICES

Richmond Ward Reserve	Jun-14 Actual \$	Annual Plan 2013/2014 Budget \$
PROJECTS		
Walkways/Cycleways		
General	20,396	37,674
Dellside Reserve	16,798	53,251
Estuary	1,050	26,910
Sportsfields		
Training Lights - Jubilee Park	-	86,113
Avery Pavillion	2,286	
Picnic Areas		
Waimea River Park	4,259	21,528
Fittal Street car park land	-	10,764
Playgrounds		
Easby Park	-	59,203
Miscellaneous		
Future Planning	-	5,790
Reservoir Creek Native Bush	24,906	-
Rough Island Equestrian Park	17,391	-
Loan Principal	144,380	144,380
Transfer to District Wide Contributions	6,076	6,076
<b>TOTAL EXPENDITURE</b>	<b>237,542</b>	<b>451,689</b>
Opening Balance	801,829	388,808
Income	607,953	405,494
	1,409,782	794,302
Expenditure	237,542	451,689
<b>CLOSING BALANCE</b>	<b>1,172,240</b>	<b>342,613</b>

# COMMUNITY SERVICES

2012/2013 Budget \$	2012/2013 Actual \$	Community Facilities and Parks	2013/2014 Actual \$	2013/2014 Budget \$	2013/2014 LTP Budget \$	% of AP Budget
		<b>SOURCES OF OPERATING FUNDING</b>				
7,686,403	7,724,908	General rates, uniform annual general charges, rates penalties	8,045,381	7,976,234	8,169,261	101%
2,522,191	2,539,637	Targeted rates (other than a targeted rate for water supply)	2,736,278	2,713,009	2,865,277	101%
105,235	105,235	Subsidies and grants for operating purposes	117,764	108,706	108,706	108%
-	-	Fees, charges and targeted rates for water supply	-	-	-	-
-	-	Internal charges and overheads recovered	-	-	-	-
1,684,413	1,846,739	Local authorities fuel tax, fines, infringement fees, and other receipts	1,880,320	1,735,949	1,736,068	108%
11,998,242	12,216,579	<b>TOTAL OPERATING FUNDING</b>	12,779,743	12,533,898	12,679,312	102%
		<b>APPLICATIONS OF OPERATING FUNDING</b>				
9,264,854	8,897,691	Payments to staff and suppliers	7,344,453	8,402,382	8,473,935	87%
1,408,850	1,273,409	Finance costs	1,304,883	1,444,710	1,556,014	90%
2,586,111	2,587,951	Internal charges and overheads applied	2,511,914	2,568,710	2,664,290	98%
-	-	Other operating funding applications	-	-	-	-
13,259,815	12,759,051	<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	11,161,250	12,415,802	12,694,239	90%
(1,261,573)	(542,472)	<b>SURPLUS (DEFICIT) OF OPERATING FUNDING</b>	1,618,493	118,096	185,073	1370%
		<b>SOURCES OF CAPITAL FUNDING</b>				
-	20,000	Subsidies and grants for capital expenditure	463,531	-	-	-
1,461,695	1,746,999	Development and financial contributions	1,799,503	1,419,059	1,259,167	127%
699,965	556,372	Increase (decrease) in debt	(859,502)	(284,560)	2,740,733	302%
-	-	Gross proceeds from sale of assets	-	-	-	-
-	-	Lump sum contributions	-	-	-	-
2,161,660	2,323,371	<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	1,403,532	1,134,499	3,999,900	124%
		<b>APPLICATIONS OF CAPITAL FUNDING</b>				
		Capital expenditure				
705,840	420,783	- to meet additional demand	956,992	645,846	645,846	148%
122,484	905,869	- to improve the level of service	551,558	495,697	3,487,568	111%
552,222	504,692	- to replace existing assets	211,139	477,706	468,782	44%
(480,459)	(45,445)	Increase (decrease) in reserves	1,307,336	(366,654)	(417,223)	-357%
-	(5,000)	Increase (decrease) in investments	(5,000)	-	-	-
900,087	1,780,899	<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	3,022,025	1,252,595	4,184,973	241%
1,261,573	542,472	<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING</b>	(1,618,493)	(118,096)	(185,073)	1370%
-	-	<b>FUNDING BALANCE</b>	-	-	-	-

# COMMUNITY SERVICES

## RECREATION AND CULTURAL SERVICES

### What We Do

These activities include provision and support of recreational and cultural needs of the communities of the Tasman District. This is done through provision of projects that support and develop the community engagement with recreation, sports, arts and heritage and publication of Council magazines, e.g. Mudcakes and Roses, and Boredom Busters.

Council's services include the provision of resources for community initiatives and community organisations to enable them to achieve their objectives by way of grants. Grants are predominantly for 'not-for-profit' community and voluntary groups working for the benefit of Tasman District communities.

Funding from this group of activities also provides grants to the Suter Art Gallery and the Tasman Bays Heritage Trust, as well as support for District museums.

### Why We Do It

By providing Recreation and Cultural Services Council meets community expectations to promote the wellbeing of the communities in its District. This requires providing and informing communities of opportunities to participate in recreation and leisure activities and supporting cultural and heritage organisations.

The Recreation and Cultural Services group of activities is an important component of Council's business in terms of:

- How it relates to the communities.
- How it strengthens its communities.
- How it supports its communities.
- How it maintains an accurate picture of community opportunities and challenges.
- How it supports access to and protects the District's recreation, culture and heritage values.

### Our Goal

Council's aim is to enhance the quality of life of the community by providing and supporting recreational, cultural and heritage services which enable participation in suitable, relevant and enjoyable activities and environments lifelong and to enable communities to lead initiatives to help themselves.

### How this activity contributes to the Community Outcomes

- Providing and supporting quality recreational services which enable participation in suitable relevant and enjoyable activities lifelong.
- Promotion and celebration of our history and diverse cultures. Support of organisations that preserve and display our regions heritage and culture.
- Promotion and delivery of recreational services that reflect the diversity of the Tasman District. Assists community-led facilities, projects and initiatives to deliver benefits across the broader community.

## COMMUNITY SERVICES

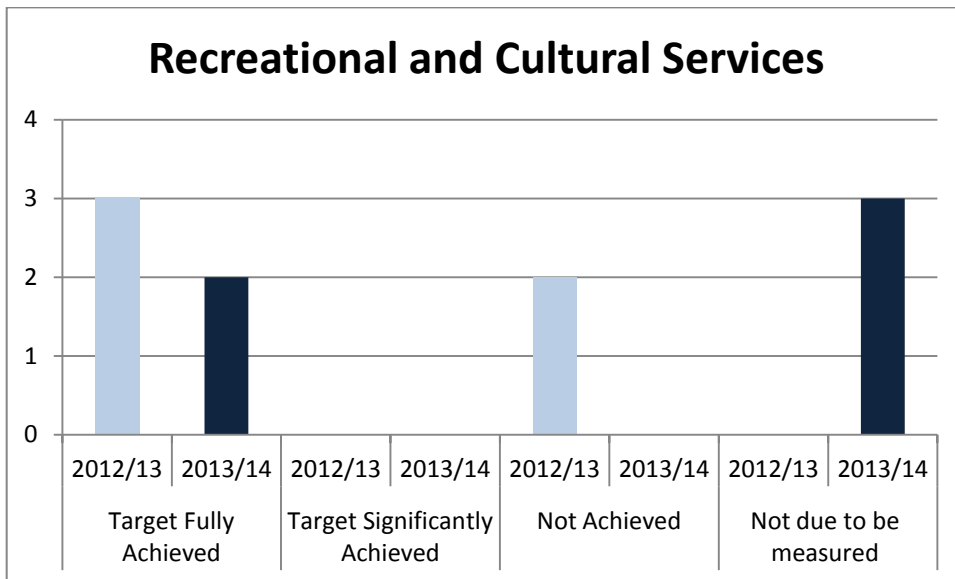
### Our levels of service and how we measure progress against them

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance
<p>1. Promotion and celebration of our history and cultures.</p> <p>Support of facilities and services that house our regions stories, artefacts and arts.</p>	<p>Residents are satisfied with the information available in publications, as measured through the residents' survey undertaken at least three yearly. [Target: 90% of residents who have seen at least one of the recreation publications are fairly or very satisfied with them.]</p>	<p>Not surveyed again until 2014/2015 (2012: 95%)</p>
<p>2. Promotion and delivery of events and recreational services that reflect the diversity of the District.</p>	<p>Residents attending a range of Council organised and supported activities and events are satisfied, as measured through user surveys. [Target: 90% of the community is very or fairly satisfied with Council activities or events.]</p>	<p>Not surveyed again until 2014/2015 (2012: 80%)</p>
<p>3. Community development is supported with staff advice and funding support.</p>	<p>Information to support communities is accessible and relevant, as measured through the residents' survey undertaken at least every three years.</p> <p>Information about grants assistance is accessible and appropriate. The administration of funding is clear and transparent, as measured through the residents' survey undertaken at least every three years.</p> <p>[Target: 70% of the community is very or fairly satisfied with the community assistance.]</p>	<p>Not surveyed again until 2014/2015 (2012: 70%)</p>
<p>4. Provide grants to community groups to deliver services and facilities that enhance community well-being.</p>	<p>Grants are fully allocated to groups and individuals who meet our funding criteria.</p> <p>[Target: 100% of grant funding is allocated.]</p> <p>Groups are delivering the services outlined in their applications and that they receive grant money to provide services to the community.</p> <p>[Target: 90% of accountability forms are returned completed.]</p>	<p>Achieved. During the course of the year the original budget for grant funding was reduced to cover an over-spend in another Council activity. 100% of the remaining budget was spent (94% of the original budget was allocated). (2013: 100%).</p> <p>As this was 5% less than the target, the target was "not achieved".</p> <p>100% of accountability forms for 2012/2013 year were returned completed. 93% of accountability forms for 2013/2014 year have been returned.</p>



## COMMUNITY SERVICES

### Comparison of Performance Results 2012/2013 - 2014/2015



### Major Activities

Planned	Actual
Support of community development through advice, partnership arrangements, grants and awards.	Staff provided advice to the community on Council's grants as well as other funding options, event management, governance, project planning and implementation. There are multiple project partnerships, for example Get Moving walking cycling project, Positive Aging Forum and Expo, and "Connections" Mayors Taskforce for jobs - youth training and employment project.
Allocation of contestable grants.	The Tasman District Council Community Grants of \$174,000 were 94% allocated in 2013/2014. The other funding schemes were fully allocated. There are no outstanding accountabilities from 2012/2013; and 7% of accountabilities for 2013/2014 are outstanding.
Ongoing allocation of funding to cultural services, eg Museums and The Suter art gallery.	Annual agreement contracts have been signed with cultural facilities and funding allocations made. \$1,104,376 allocated.
Annual review of grants funding criteria and process.	The online application process for Community Grants has been completed. A review of the grants criteria and process was undertaken to ensure consistency with the changes to the local government purpose.
Support of regional recreation programmes.	Council supports recreation programmes with an allocation of \$75,751 in 2013/2014. The programmes are held in Council facilities via service delivery agreements with Golden Bay Community Workers, Motueka Recreation Centre, Moutere Hills Community Centre, Richmond Town Hall, and Murchison Sport, Recreation and Cultural Centre.

## COMMUNITY SERVICES

<p>Provision of community events and activities.</p>	<p>A range of community events are run by the Community Recreation team. The focus is on encouraging community participation utilising Council's infrastructure - this includes Council's parks, halls, community centres and walk and bike paths.</p>
<p>Promotion of community events and activities through website, Mudcakes and Roses, Boredom Busters, JAM website, Newslines, Found Directory, Bike/Walk Maps, Hummin in Tasman and other media.</p>	<p>The primary promotion of events is via support for the "ItsOn" events database. All the publications cover events for their relevant target groups.</p>
<p>Facilitate the Youth Council with regional recreation coordinators.</p>	<p>The Youth Council operates in Golden Bay, Motueka, Murchison and Richmond. Highlights include the Skate park tour, Tasman Band Tour, and Tasman's Got Talent.</p>
<p>Facilitate the Positive Ageing Forum.</p>	<p>The Positive Ageing Forum meets four times per year and is attended by representatives of over 30 organisations plus individual older adults.</p>

# COMMUNITY SERVICES

2012/2013 Budget \$	2012/2013 Actual \$	Recreation and Cultural Services	2013/2014 Actual \$	2013/2014 Budget \$	2013/2014 LTP Budget \$	% of AP Budget
		<b>SOURCES OF OPERATING FUNDING</b>				
1,152,067	1,157,838	General rates, uniform annual general charges, rates penalties	1,107,960	1,098,438	1,178,270	101%
1,095,666	1,103,164	Targeted rates (other than a targeted rate for water supply)	1,118,841	1,109,810	1,151,771	101%
330,477	253,913	Subsidies and grants for operating purposes	150,368	203,979	203,979	74%
-	-	Fees, charges and targeted rates for water supply	-	-	-	-
-	-	Internal charges and overheads recovered	-	-	-	-
142,510	109,235	Local authorities fuel tax, fines, infringement fees, and other receipts	112,098	146,040	146,154	77%
2,720,720	2,624,150	<b>TOTAL OPERATING FUNDING</b>	2,489,267	2,558,267	2,680,174	97%
		<b>APPLICATIONS OF OPERATING FUNDING</b>				
2,247,837	2,002,135	Payments to staff and suppliers	2,550,221	2,111,140	2,168,852	121%
119,086	112,503	Finance costs	108,446	114,699	120,413	95%
293,019	299,834	Internal charges and overheads applied	326,438	290,097	305,131	113%
-	-	Other operating funding applications	-	-	-	-
2,659,942	2,414,472	<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	2,985,105	2,515,936	2,594,396	119%
60,778	209,678	<b>SURPLUS (DEFICIT) OF OPERATING FUNDING</b>	(495,838)	42,331	85,778	-1171%
		<b>SOURCES OF CAPITAL FUNDING</b>				
-	-	Subsidies and grants for capital expenditure	-	-	-	-
-	-	Development and financial contributions	-	-	-	-
(10,778)	(10,778)	Increase (decrease) in debt	(10,778)	(10,778)	(10,778)	100%
-	-	Gross proceeds from sale of assets	-	-	-	-
-	-	Lump sum contributions	-	-	-	-
(10,778)	(10,778)	<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	(10,778)	(10,778)	(10,778)	100%
		<b>APPLICATIONS OF CAPITAL FUNDING</b>				
		Capital expenditure				
-	-	- to meet additional demand	-	-	-	-
-	-	- to improve the level of service	-	-	-	-
-	-	- to replace existing assets	24,150	-	-	-
50,000	203,701	Increase (decrease) in reserves	(526,276)	31,553	75,000	-1668%
-	(4,801)	Increase (decrease) in investments	(4,490)	-	-	-
50,000	198,900	<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	(506,616)	31,553	75,000	-1606%
(60,778)	(209,678)	<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING</b>	495,838	(42,331)	(85,778)	-1171%
-	-	<b>FUNDING BALANCE</b>	-	-	-	-

**Comment:**

Payments to staff and suppliers include a \$614,669 donation to the Golden Bay Health Trust towards the new health facility being built in Golden Bay.

# GOVERNANCE

## GOVERNANCE

### What We Do

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

- Support for councillors, Council and Community Boards.
- Organising and preparation of material for Council meetings.
- Preparing Council's strategic plans and annual financial reports.
- Managing elections and democratic processes, including community consultation.
- Managing Council's investments in Council Controlled Trading Organisations (CCTO's).

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

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

### Why We Do It

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

### Electoral process

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.

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

## GOVERNANCE

### Friendly Towns

Tasman District Council enjoys Friendly Town/Community 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.

### How this activity contributes to the Community Outcomes

- The governance activity contributes to the community outcomes by ensuring democratic processes and strategic planning are undertaken, and by supporting the work of elected members.
- The governance activity contributes to the community outcomes by the CCTOs providing an economic return to Council and ratepayers and by providing employment opportunities.

2012/2013 Budget \$	2012/2013 Actual \$	Governance	2013/2014 Actual \$	2013/2014 Budget \$	2013/2014 LTP Budget \$	% of AP Budget
3,697,561	3,410,569	Governance	3,762,370	3,991,086	3,982,268	94%
3,697,561	3,410,569	TOTAL COSTS	3,762,370	3,991,086	3,982,268	94%

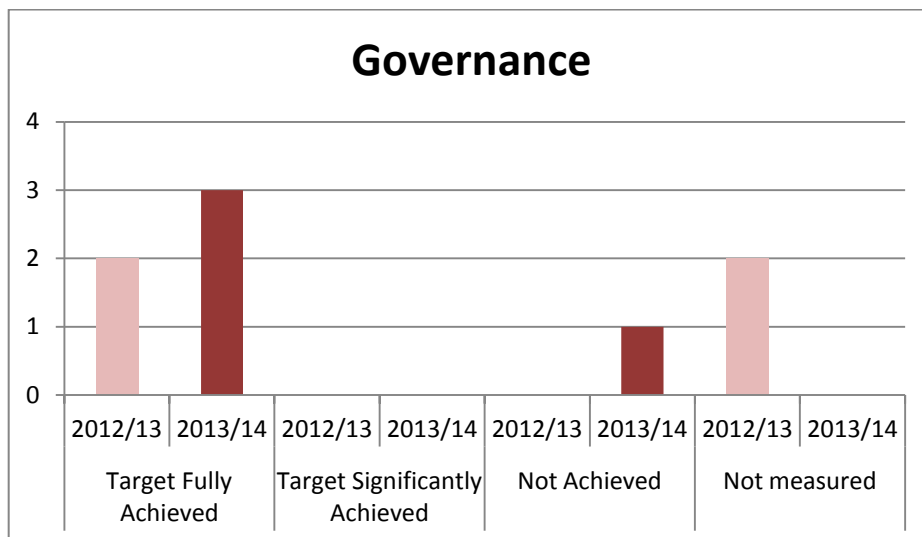
### Our levels of service and how we measure progress against them

Levels Of Service (We provide)	We will know we are meeting the Level Of Service if...	Current Performance
1. Support for Iwi to enable them to be consulted on Council statutory issues.	Funding is provided to enable Iwi consultation with Council on a wide range of statutory issues. [Target: 90% of funding budgeted is allocated during any given year.]	Council continues to provide funding and engage with Iwi on a wide range of issues, including working with Tiakina te Taio and the Manawhenua Ki Mohua Trust. Support for Council cultural events was provided by the Council Kaumatua.  42% of the budget was allocated during the year. (2013: 75%)
2. Support for economic development in the Tasman District.	Funding is provided for economic development opportunities in Tasman District. [Target: 90% of funding budgeted is allocated during any given year.]	Council continues to provide funding for economic development, including financial support for the Economic Development Agency. 100% of this funding was allocated during the year. (2013: 100%)
3. Good strategic and annual planning for the Council.	The Long Term Plan, Annual Plans and Annual Reports are prepared within statutory timeframes. [Target: All Long Term Plan, Annual Plan and Annual Report statutory timeframes are met. Variations are managed to meet statutory requirements.]	Council prepared the Annual Plan 2014/2015. All statutory requirements and timeframes were met. The Annual Report has been prepared with statutory requirements, with an unmodified opinion.

## GOVERNANCE

Levels Of Service (We provide)	We will know we are meeting the Level Of Service if...	Current Performance
4. Effectively run election processes.	The election process is carried out effectively and there are no successful challenges. [Target: There are no successful challenges to the 2013 election processes.]	The election process was undertaken effectively and there were no challenges to the process.

### Comparison of Performance Results 2012/2013 - 2014/2015



### Major Activities

Planned	Actual
Three yearly elections, with the next scheduled for October 2016	The Council elections were held on 13 October 2013. The elections process ran smoothly and all legal requirements were met. One change to this election process from earlier elections is that this was the first election that a Pre-election report was required to be produced by Council.
Preparation of the Annual Plan and Annual Report	The Annual Plan 2014/2015 and the last year's Annual Report were produced in accordance with legislative requirements. 559 submissions were received on the Annual Plan 2014/2015.
Friendly towns/communities relationships	Council continued to support the special relationship it has with: <ul style="list-style-type: none"> <li>Grootevast, Netherlands</li> <li>Motueka &amp; Kiyosato, Japan</li> <li>Richmond &amp; Fujimi Machi, Japan</li> </ul>
Overseeing CCTO's	Statements of Intent and reporting on the Council's CCTOs, listed below, were produced during the year. For more information refer to pages 141 to 146. <ul style="list-style-type: none"> <li>Nelson Airport Limited.</li> <li>Tourism Nelson Tasman Limited.</li> <li>Port Nelson Limited (note: although Port Nelson is a company half-owned by Council, it is not classed as a CCTO in legislation. However, performance monitoring requirements are similar to those of a CCTO).</li> </ul>

# GOVERNANCE

2012/2013 Budget \$	2012/2013 Actual \$	Governance	2013/2014 Actual \$	2013/2014 Budget \$	2013/2014 LTP Budget \$	% of AP Budget
		<b>SOURCES OF OPERATING FUNDING</b>				
3,563,886	3,581,739	General rates, uniform annual general charges, rates penalties	3,492,805	3,462,786	3,411,987	101%
682,264	684,853	Targeted rates (other than a targeted rate for water supply)	718,663	710,753	728,907	101%
-	-	Subsidies and grants for operating purposes	-	-	-	-
-	-	Fees, charges and targeted rates for water supply	-	-	-	-
-	-	Internal charges and overheads recovered	-	-	-	-
348,474	298,066	Local authorities fuel tax, fines, infringement fees, and other receipts	519,542	366,691	448,154	142%
4,594,624	4,564,658	<b>TOTAL OPERATING FUNDING</b>	4,731,010	4,540,230	4,589,048	104%
		<b>APPLICATIONS OF OPERATING FUNDING</b>				
2,989,865	2,581,682	Payments to staff and suppliers	2,905,905	3,293,688	3,258,295	88%
180,100	139,406	Finance costs	109,237	176,000	182,100	62%
527,596	689,481	Internal charges and overheads applied	747,228	521,398	541,873	143%
-	-	Other operating funding applications	-	-	-	-
3,697,561	3,410,569	<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	3,762,370	3,991,086	3,982,268	94%
897,063	1,154,089	<b>SURPLUS (DEFICIT) OF OPERATING FUNDING</b>	968,640	549,144	606,780	176%
		<b>SOURCES OF CAPITAL FUNDING</b>				
-	-	Subsidies and grants for capital expenditure	-	-	-	-
-	-	Development and financial contributions	-	-	-	-
-	-	Increase (decrease) in debt	(247,099)	-	-	-
-	-	Gross proceeds from sale of assets	6,957	-	-	-
-	-	Lump sum contributions	-	-	-	-
-	-	<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	(240,142)	-	-	-
		<b>APPLICATIONS OF CAPITAL FUNDING</b>				
		Capital expenditure				
-	-	- to meet additional demand	-	-	-	-
-	6,813	- to improve the level of service	13,127	-	-	-
2,076	29,156	- to replace existing assets	51,594	47,000	2,153	110%
894,987	1,118,120	Increase (decrease) in reserves	663,777	502,144	604,627	132%
-	-	Increase (decrease) in investments	-	-	-	-
897,063	1,154,089	<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	728,498	549,144	606,780	133%
(897,063)	(1,154,089)	<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING</b>	(968,640)	(549,144)	(606,780)	176%
-	-	<b>FUNDING BALANCE</b>	-	-	-	-

## Comment:

The decrease in debt is due to the dividends received from the NZ Local Government Funding Agency, and the share sale proceeds from last year being used to repay debt in the current year.

## COUNCIL ENTERPRISES AND PROPERTY

### Nature and Scope

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

- a) Forestry
- b) Aerodromes
- c) Camping Grounds
- d) Property Services

2012/2013 Budget \$	2012/2013 Actual \$	Council Enterprises and Property	2013/2014 Actual \$	2013/2014 Budget \$	2013/2014 LTP Budget \$	% of AP Budget
3,559,223	3,261,476	Council Enterprises and Property	3,568,371	3,528,595	3,666,289	101%
3,559,223	3,261,476	TOTAL COSTS	3,568,371	3,528,595	3,666,289	101%

### What We Do

This group of activities involves the management of approximately 2,800 stocked hectares of commercial plantation forest, aerodromes in Motueka and Takaka, the leasing of camping grounds in Motueka, Pohara and Murchison and provision of property related services to the Council.

### Why We Do It

Council is the owner or custodian of substantial forestry and property portfolios and has identified the need for professional expertise within Council to meet its on-going management of these assets.

### Our Goal

To provide property and business management of Council assets that contributes towards the enhancement of Council's recreational assets and maximise net returns on a sustainable basis to provide a contribution to off-set the need for additional rates income.

### How this activity contributes to the Community Outcomes

- Our plantation forests assist in reducing the carbon footprint for Tasman District.
- We provide business opportunities for planting and tending of forests, plantation management and the logging and sale of logs.
- The aerodromes and camping grounds provide business and tourism opportunities.
- Efficient management of Council's property assets reduces the amount of money required from rates.
- We own four camping grounds throughout the District which provide recreation and leisure opportunities for residents and visitors to the region.

### Our levels of service and how we measure progress against them

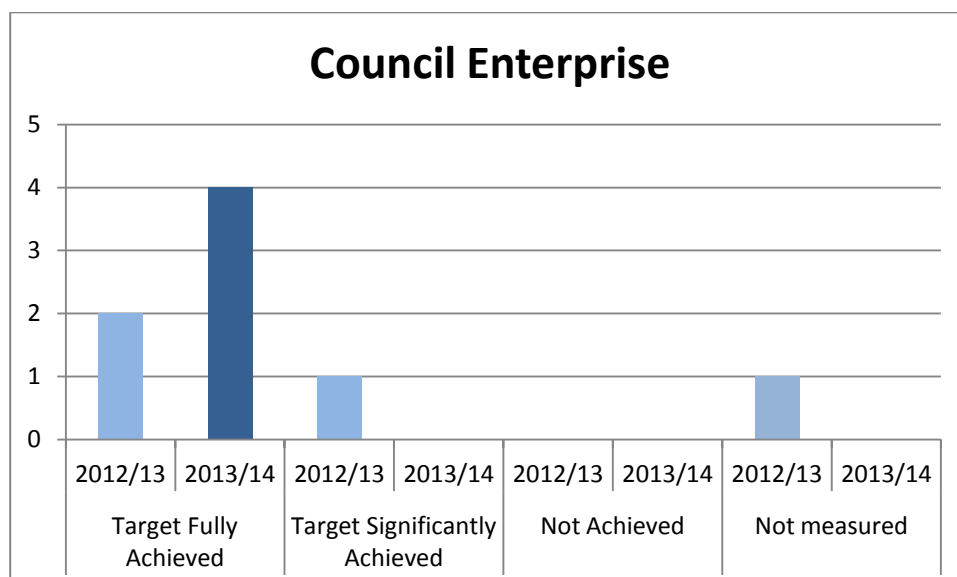
Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance
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## COUNCIL ENTERPRISES AND PROPERTY

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance
1. We will responsibly manage liabilities for any carbon credits.	We meet the requirements laid down by Government. [Target: Compliance with any emissions trading scheme.]	Council complies with the Emissions Trading Scheme and has engaged PF Olsen Ltd. to manage the scheme.
2. Our forestry operations will be managed on a commercial basis recognising any component of public good.	A business plan for forestry has been approved and implemented by Council. [Target: The plan will be reviewed as required.]	The current forestry management plan was approved in 2009 and a new plan was written in 2014 which is due to be presented to Council this year.
3. Effective management of Council property services to enable other Council activities to carry out their functions.	Other departments reasonable expectations of the property services are delivered. As measured by a three yearly survey of selected customers. [Target: 70% of customers surveyed are fairly or very satisfied.]	75% of respondents were happy with their working environment. 73% of respondents were happy with property services provided. 79% of respondents were happy with facilities management. 82% of respondents were satisfied with management of vehicle fleet.
4. Buildings and property services that comply with legislative and resource and building consent requirements.	All operational buildings (offices and libraries) meet all legislative, resource consent and building consent requirements. [Target: All requirements are met	100% compliance. All buildings have current Building WOF's and satisfy consent conditions. Closure of Golden Bay Service centre because the building received a poor rating for seismic strength.

### Comparison of Performance Results 2012/2013 - 2014/2015



# COUNCIL ENTERPRISES AND PROPERTY

## Major Activities

The Council Enterprises and Property Group of Activities involves the management, maintenance and renewals of Council's investments in Forestry, Motueka and Takaka aerodromes, three camping grounds and provision of property management services.

Activity	Budget \$	Actual
Golden Bay Service Centre earthquake strengthening	\$320,000	This work has been put on hold and will now be considered in year one of the Long Term Plan 2015-2025.
Manage Council enterprises, including forestry and ports.		Significant expenditure within the Enterprises activity occurred with forestry, \$1,375,000 (which resulted in a net increase of reserves of \$620,000); Port Motueka expenditure of \$730,000 which included removal of the geotextile groin and Jackett Island remediation; Port Tarakohe costs of \$250,000.
Provide property management services		Property management expenses of \$886,000 (which includes \$188,000 loss on sale of assets) and \$623,000 being the costs of managing council Operational Properties (Council offices and Libraries.)

2012/2013 Budget \$	2012/2013 Actual \$	Council Enterprises and Property	2013/2014 Actual \$	2013/2014 Budget \$	2013/2014 LTP Budget \$	% of AP Budget
		<b>SOURCES OF OPERATING FUNDING</b>				
422,229	425,654	General rates, uniform annual general charges, rates penalties	351,123	348,105	502,886	101%
-	-	Targeted rates (other than a targeted rate for water supply)	-	-	-	-
-	-	Subsidies and grants for operating purposes	-	-	-	-
-	-	Fees, charges and targeted rates for water supply	-	-	-	-
791,769	794,269	Internal charges and overheads recovered	788,462	785,962	810,891	100%
2,861,236	3,046,217	Local authorities fuel tax, fines, infringement fees, and other receipts	3,219,094	3,060,639	3,117,696	105%
4,075,234	4,266,140	<b>TOTAL OPERATING FUNDING</b>	4,358,679	4,194,706	4,431,473	104%
		<b>APPLICATIONS OF OPERATING FUNDING</b>				
2,716,152	2,431,949	Payments to staff and suppliers	2,637,958	2,723,787	2,813,023	97%
341,650	292,425	Finance costs	313,100	331,528	331,884	94%
501,421	537,102	Internal charges and overheads applied	617,313	473,280	521,382	130%
-	-	Other operating funding applications	-	-	-	-
3,559,223	3,261,476	<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	3,568,371	3,528,595	3,666,289	101%
516,011	1,004,664	<b>SURPLUS (DEFICIT) OF OPERATING FUNDING</b>	790,308	666,111	765,184	119%
		<b>SOURCES OF CAPITAL FUNDING</b>				
-	-	Subsidies and grants for capital expenditure	4,700	-	-	-
-	-	Development and financial contributions	-	-	-	-
(178,841)	987,052	Increase (decrease) in debt	(369,213)	(16,297)	(327,948)	2266%
500,000	-	Gross proceeds from sale of assets	343,915	500,000	500,000	69%
-	-	Lump sum contributions	-	-	-	-
321,149	987,052	<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	(20,598)	483,703	172,052	-4%
		<b>APPLICATIONS OF CAPITAL FUNDING</b>				
25,950	984,131	Capital expenditure	1,560	-	26,910	#DIV/0!
51,900	365,984	- to meet additional demand	40,721	320,000	2,691	13%
162,966	55,037	- to improve the level of service	70,711	55,973	55,973	126%
596,344	586,564	- to replace existing assets	656,718	773,841	851,662	85%
-	-	Increase (decrease) in reserves	-	-	-	-
-	-	Increase (decrease) in investments	-	-	-	-
837,160	1,931,716	<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	769,710	1,149,814	937,236	67%
(516,011)	(1,004,664)	<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING</b>	(790,308)	(666,111)	(765,184)	119%
-	-	<b>FUNDING BALANCE</b>	-	-	-	-

## Financial Statements Introduction

- 1 The **Statement of Comprehensive Income** (page 118) summarises all income received including that from rates, the significant activities and Council's associates and joint ventures.  
From the total of this income is deducted the gross cost of services brought forward from the statements of cost of service, together with expenditure not related to any of the significant activities.  
Comprehensive income also summarises the change in equity of the Council from transactions and other events and circumstances from non-owner sources. It includes all changes in equity during a period except those resulting from investments by owners and distributions to owners. Therefore, it also includes such items as revaluations of property, plant and equipment.
- 2 The **Balanced Budget Statement of Financial Performance** (page 119). Council is required under the provisions of the LGA 2002 (s.101) to manage its revenues, expenses, assets, liabilities, investments and general dealings prudently and in a manner that promotes the current and future interests of its community. The LGA 2002 (s.100) requires that local authorities "balance the books". This means Council must ensure that each year's projected operating revenues are set at a level sufficient to meet that year's projected operating expenses (break even).
- 3 The **Statement of Financial Position** (page 120) shows the assets and liabilities of the Tasman District Council.
- 4 The **Statement of Cashflows** (page 121) summarises the cashflows for the year ended 30 June 2014.
- 5 The **Statement of Changes in Equity** (page 122) provides a breakdown of the movements in total equity.
- 6 The **Council Funding Impact Statement** (page 123) provides a breakdown of the net cost of services for significant groups of activities of the Council.
- 7 The individual **Funding Impact Statements** of Council's significant activities (pages 28-104) record Council's objectives, and achievements for the year ended 30 June 2014, together with the costs associated with the provision of each service.
- 8 The **Financial Statements** should be read in conjunction with the "Notes to the Financial Statements".

### Relationship to the 2012 – 2022 Long Term Plan (LTP)

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

## Statement of Accounting Policies

### REPORTING ENTITY

Tasman District Council was formed in 1989 as a result of the Local Government Commission's Re-organisation.

In 1992 Council assumed the responsibilities of the former Nelson Marlborough and West Coast Regional Councils within its boundaries to become a Unitary Authority.

Council's land area of jurisdiction covers 9,786 square kilometres with a normally resident population base of approximately 44,616 (2006 Census). Under our coastal jurisdiction, Council's area extends out to the 20 kilometre territorial waters boundary, covering 4,886 square kilometres.

Tasman District Council (TDC) is a unitary local authority governed by the Local Government Act 2002.

The primary objective of Tasman District Council is to provide goods or services for the community rather than making a financial return. Accordingly, Council has designated itself as a public benefit entity for the New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements of Council are for the year ended 30 June 2014. The financial statements were authorised for issue by Council on 25 September 2014.

The financial statements of Council have been prepared in accordance with the requirements of the Local Government Act 2002: Part 6, Section 98 and Part 3 of Schedule 10, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

These financial statements have been prepared in accordance with NZ GAAP. They comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

The financial statements have been prepared on a historical cost basis, modified by the revaluation of land and buildings, certain infrastructural assets, investment property, forestry assets and certain financial instruments (including derivative instruments).

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$'000). The functional currency of Council is New Zealand dollars.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the surplus or deficit.

### *Changes in accounting policies*

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

### *Standards and interpretation issued and not yet adopted*

Standards, amendments, and interpretations issued but not yet effective that have not been early adopted, and which are relevant to the Council, are:

NZ IFRS 9 *Financial Instruments* will eventually replace NZ IAS 39 *Financial Instruments: Recognition and Measurement*. NZ IAS 39 is being replaced through the following 3 main phases: Phase 1 Classification and Measurement, Phase 2 Impairment Methodology, and Phase 3 Hedge Accounting. Phase 1 on the classification and measurement of financial assets has been completed and has been published in the new financial instrument standard NZ IFRS 9. NZ IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in NZ IAS 39. The approach in NZ IFRS 9 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. The financial liability requirements are the same as those of NZ IAS 39, except for when an entity elects to designate a financial liability at fair value through the surplus/deficit. The new standard is required to be adopted for the year ended 30 June 2016. However, as a new Accounting Standards Framework will apply before this date, there is no certainty when an equivalent standard to NZ IFRS 9 will be applied by public benefit entities.

The Minister of Commerce has approved a new Accounting Standards Framework (incorporating a Tier Strategy) developed by the External Reporting Board (XRB). Under this Accounting Standards Framework, the Council is classified as a Tier 1 reporting entity and it will be required to apply full Public Benefit Entity Accounting Standards (PAS). These standards are being developed by the XRB based on current International Public Sector Accounting Standards. The effective date for the new standards for public sector entities is expected to be for reporting periods beginning on or after 1 July 2014. This means the Council expects to transition to the new standards in preparing its 30 June 2015 financial statements. As the PAS are still under development, the Council is unable to assess the implications of the new Accounting Standards Framework at this time.

Due to the change in the Accounting Standards Framework for public benefit entities, it is expected that all new NZ IFRS and amendments to existing NZ IFRS will not be applicable to public benefit entities. Therefore, the XRB has effectively frozen the financial reporting requirements for public benefit entities up until the new Accounting Standard Framework is effective. Accordingly, no disclosure has been made about new or amended NZ IFRS that exclude public benefit entities from their scope.

## 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 NZ IAS 31 – Interests in Joint Ventures.

The entities disclosed below are treated as joint ventures.

### **Nelson Regional Sewerage Business Unit.**

Based on the terms of an agreement between Tasman District Council and Nelson City Council that was signed during the 1993/1994 financial year, Council has a 50% interest in this entity. The most recent unaudited financial statements (June 2014) have been used to determine Council's interest.

### **Nelson Tasman Combined Civil Defence Organisation.**

Council has a 50% interest in this entity. The most recent unaudited financial statements (June 2014) have been used to determine Council's interest.

## 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 the Council has significant influence and that is neither a subsidiary nor an interest in a joint venture. The investment in an associate is initially recognised at cost and the carrying amount is increased or decreased to recognise Council's share of the surplus or deficit of the associate after the date of acquisition. Distributions received from an associate reduce the carrying amount of the investment.

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.

### i) **Port Nelson Ltd**

Council was vested a 50% shareholding in this entity at the date of its inception (1 October 1988).

To arrive at a fair value the most recent audited statement of financial position (June 2014) has been equity accounted.

### ii) **Nelson Airport Ltd**

Council has a 50% shareholding in this Company which commenced trading on 1 April 1999.

To arrive at a fair value, the most recent audited statement of financial position (June 2014) has been equity accounted.

### iii) **Tourism Nelson Tasman Ltd**

Council has a 50% shareholding in this Company.

To arrive at a fair value, the most recent unaudited statement of financial position (June 2014) has been equity accounted. The investment in Tourism Nelson Tasman Ltd was impaired to nil value at year end. Subsequent to balance date, the shares were transferred to Nelson City Council for nil consideration.

### iv) **Tasman Bays Heritage Trust**

The Tasman Bays Heritage Trust commenced on 1 July 2000. Council has significant influence over the trust.

To arrive at a fair value the most recent unaudited statement of financial position (June 2014) has been equity accounted. Council has equity accounted for 50% of this entity.

## Revenue Recognition

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

The following particular policies apply:

- Rates are recognised on instalment notice and are set annually by a resolution from Council and relate to a financial year.
- Water billing revenue is recognised on an accrual basis with unread meters at year end accrued on an average usage basis.
- Council receives government grants from the New Zealand Transport Agency, which subsidises part of Council's costs in maintaining the local roading infrastructure. New Zealand Transport Agency revenue is recognised on entitlement when conditions pertaining to eligible expenditure are fulfilled.
- Development contributions and reserve financial contributions are recognised as revenue when the Council provides, or is able to provide, the service that gave rise to the charging of the contribution. Otherwise development contributions and financial contributions are recognised as liabilities until such time as the Council provides, or is able to provide, the service.
- Interest is recognised using the effective interest method.

- Dividends are recognised when the right to receive payment has been established.
- Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as revenue. Assets vested in Council are recognised as revenue when control over the asset is obtained.
- Government grants are recognised as revenue to the extent of eligibility for grants established by the grantor agency, or when the appropriate claims have been lodged.
- Infringements are recognised when the fine is issued.

### **Borrowing costs**

The Council and group has elected to defer the adoption of NZ IAS 23 Borrowing Costs (Revised 2007) in accordance with its transitional provisions that are applicable to public benefit entities. Consequently, all borrowing costs are recognised as an expense in the period in which they are incurred.

### **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 is exempt from income tax except in relation to distributions from its CCO's, and its port operations.

Income tax expense in relation to the surplus or deficit for the period comprises current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using rates that have been enacted or substantively enacted by balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination and at the time of the transaction affects neither accounting profit nor taxable profit.

Deferred tax is recognised on taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the entity can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, using tax rates that have been enacted or substantively enacted by balance date.

Current and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive income or directly in equity.

### **Leases**

#### **Finance leases**

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred. At the commencement of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments. The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability. The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether the Council will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

#### **Operating lease**

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight line basis over the lease term.

#### **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 and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

A provision for impairment of receivables is established when there is objective evidence that Council will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the effective interest method.

## Inventories

Inventories are stated at the lower of cost, determined on a first-in first-out basis, and net realisable value.

## Works in Progress

Valuation is on the basis of cost of work completed at 30 June. It includes the cost of direct materials, direct labour and overheads.

## Financial Assets

Council classifies its financial assets into the following four categories: financial assets at fair value through surplus or deficit, held-to-maturity investments, loans and receivables and financial assets at fair value through comprehensive income. 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 reporting date.

Financial assets and liabilities are initially measured at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in the surplus or deficit.

Purchases and sales of investments are recognised on trade-date, the date on which Council commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Council has transferred substantially all the risks and rewards of ownership.

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

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

are used to determine fair value for the remaining financial instruments.

The four categories of financial assets are:

- Financial assets at fair value through surplus or deficit.  
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. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the Statement of Financial Position date.

After initial recognition they are measured at their fair values. Gains or losses on remeasurement are recognised in the surplus or deficit.

Currently, Council holds interest rate swaps in this category.

- Loans and receivables  
These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

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

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

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

- Held to maturity investments  
Held to maturity investments are assets with fixed or determinable payments and fixed maturities that Council has the positive intention and ability to hold to maturity.  
After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.  
Council currently has disaster funds, self insurance fund, and short term deposits in this category.
- Financial assets at fair value through comprehensive income

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

This category encompasses:

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

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

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

On derecognition the cumulative gain or loss previously recognised in equity is recognised in the surplus or deficit.

### **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.

#### **Loans and other Receivables**

Impairment of a loan or a receivable is established when there is objective evidence that Council will not be able to collect amounts due according to the original terms. Significant financial difficulties of the debtor/issuer, probability that the debtor/issuer will enter into bankruptcy, and default in payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible, it is written off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (i.e. not past due). For term deposits, local authority stock, government stock and community loans, impairment losses are recognised directly against the instruments carrying amount.

Impairment of term deposits, local authority, government stock, and related party and community loans is established when there is objective evidence that Council will not be able to collect amounts due to the original terms of the instrument. Significant financial difficulties of the issuer, probability the issuer will enter into bankruptcy, and default in payments are considered indicators that the instrument is impaired.

#### **Quoted and unquoted equity investments**

For equity investments classified as fair value through comprehensive income, a significant or prolonged decline in the fair value of the investment below its cost is considered an indicator of impairment. If such evidence exists for investments at fair value through comprehensive income, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the surplus or deficit) recognised in other comprehensive income is reclassified from equity to the surplus or deficit. Impairment losses recognised in the surplus or deficit on equity investments are not reversed through the surplus or deficit.

#### **Accounting for derivative financial instruments and hedging activities**

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

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

The associated gains or losses of derivatives that are not hedge accounted are recognised in the surplus or deficit.

Council has elected not to hedge account for its interest rate swaps

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

Certain derivatives designated as hedged derivatives can either be:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or
- hedges of highly probable forecast transactions (cash flow hedge).

The full fair value of a hedge accounted derivative is classified as non-current if the remaining maturity of the hedged item is more than 12 months, and as current if the remaining maturity of the hedged item is less than 12 months.

The full fair value of a non-hedge accounted foreign exchange derivative is classified as current if the contract is due for settlement within 12 months of balance date; otherwise, foreign exchange derivatives are classified as non-current. The portion of the fair value of a non-hedge accounted interest rate derivative that is expected to be realised within 12 months of the balance date is classified as current, with the remaining portion of the derivative classified as non-current.



### **Fair value hedge**

The gain or loss from remeasuring the hedging instrument at fair value, along with the changes in the fair value on the hedged item attributable to the hedged risk, is recognised in the surplus or deficit. Fair value hedge accounting is only applied for hedging fixed interest risk on borrowings. If the hedge relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to the surplus or deficit over the period to maturity.

### **Cash flow hedge**

The portion of the gain or loss on a hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income, and the ineffective portion of the gain or loss on the hedging instrument is recognised in the surplus or deficit as part of finance costs. If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains or losses that were recognised in other comprehensive income are reclassified into the surplus or deficit in the same period or periods during which the asset acquired or liability assumed affects the surplus or deficit. However, if it is expected that all or a portion of a loss recognised in other comprehensive income will not be recovered in one or more future periods, the amount that is not expected to be recovered is reclassified to the surplus or deficit.

When a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a nonfinancial liability, or a forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the associated gains and losses that were recognised in other comprehensive income will be included in the initial cost or carrying amount of the asset or liability.

If a hedging instrument expires or is sold, terminated, exercised, or revoked, or it no longer meets the criteria for hedge accounting, the cumulative gain or loss on the hedging instrument that has been recognised in other comprehensive income from the period when the hedge was effective will remain separately recognised in equity until the forecast transaction occurs. When a forecast transaction is no longer expected to occur, any related cumulative gain or loss on the hedging instrument that has been recognised in other comprehensive income from the period when the hedge was effective is reclassified from equity to the surplus or deficit.

### **Non-current assets held for sale**

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

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

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

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

### **Property, plant and equipment**

It is Council's intention to revalue all assets with the exception of vehicles, computers, plant, library books and office equipment, no more than every three years.

Property, plant and equipment consist of:

**Operational Assets** - These include land, buildings, computers and office equipment, building improvements, library books, plant, equipment, wharves and motor vehicles.

**Restricted Assets** - Assets owned or vested in Council which cannot easily be disposed of because of legal or other restrictions and provide a benefit or service to the community.

**Infrastructural Assets** - Infrastructural assets are the fixed utility systems owned by the Council. Each asset type includes all items that are required for the network to function, eg sewer reticulation includes reticulation piping and sewer pump stations.

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

### **Additions**

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to Council and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at its date of acquisition.

### **Disposals**

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

### **Subsequent Costs**

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

Values included in respect of assets are as follows:

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

#### i) Roads and Bridges

These have been categorised as urban/rural, sealed/metalled and valued at fair value using optimised depreciated replacement cost by MWH New Zealand Ltd as at 30 June 2013.

#### ii) Land under Roads

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

#### iii) Wastewater, Solid Waste, Water Supply, Stormwater, Ports and Wharves, and Airfields

Wastewater, solid waste, water supply, stormwater and port and wharves have been valued at optimised depreciated replacement cost by MWH New Zealand Ltd as at 30 June 2012. From 1 July 2008 Council has ceased revaluing its airfield assets. These assets are now recorded at deemed cost, being the value at the point the decision was made to cease revaluing.

#### iv) River Protection Assets

River protection assets consist of stop banks, rock protection and riparian protection.

Stop bank assets were valued for inclusion in Council's financial statement at optimised depreciated replacement cost by MWH New Zealand Ltd as at 30 June 2012.

### Depreciation

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

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

- Land Not Depreciated
- Buildings (including fit out) 10 – 100 years
- Plant and Equipment 5 – 10 years

- Motor Vehicles 5 – 10 years
- Library Books 5 – 10 years
- Infrastructure Assets
  - Bridges 50 – 100 years
  - Roads 2 – 80 years
    - Formation Not Depreciated
    - Sub-base (sealed) Not Depreciated
    - Basecourse (sealed) 65 - 75 years
    - Surfaces 2 - 50 years
    - Car Parks - formation Not Depreciated
    - Car Parks –components 8 - 45 years
    - Footpaths 5 - 50 years
    - Pavement base(unsealed) Not Depreciated
    - Drainage 15 - 80 years
  - Wastewater
    - Oxidation Ponds Not Depreciated
    - Treatment 9 -100 years
    - Pipe 50 - 80 years
    - Pump Stations 20 - 80 years
  - Water
    - Wells and Pumps 10 - 80 years
    - Pipes/Valves/Meters 15 - 80 years
  - Stormwater
    - Channel/Detention Dams Not Depreciated
    - Pipe/Manhole/Sumps 80 - 120 years
  - Ports and Wharves 7 - 100 years
  - Airfields 10 - 80 years
  - Refuse 15 - 100 years
  - Rivers
    - Stop banks Not Depreciated
    - Rock Protection Not Depreciated
    - Willow Plantings Not Depreciated
    - Gabion Baskets 30 years
    - Railway irons 50 years
    - Outfalls 60 years

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

### Revaluation of Assets

With the exception of vested assets at the initial point of recognition, all valuations are carried out or reviewed by the Council's Engineering Manager or by independent qualified valuers and it is intended that valuations be carried out on a three-yearly cycle. The carrying values of revalued items are reviewed at each balance date to ensure that these values are not materially different to fair value. Where materially different, Council will revalue at an earlier point. Revaluations are carried out on an asset class basis. Forestry valuations are carried out annually.

The net revaluation results are credited or debited to other comprehensive income 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 income 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 income.

#### Library Books

This asset is recorded at the latest valuation conducted by Duke and Cooke Ltd, registered valuers, as at 30 June 1999.

During the 2002 income year Council ceased further revaluations and adopted deemed cost.

Donated books are assigned a value based on current replacement cost, less an allowance for age and condition. Additions are valued at cost less depreciation.

Library books are depreciated on a straight-line basis over the following estimated life:

Adult and technical books	10 years
Children's books	5 years
CD's and Talking books	2 years

#### Furniture and Fittings

Furniture and fittings were recorded at valuation. The latest valuation was conducted by Duke and Cooke Ltd, registered valuers as at 31 October 2000, using the assessed market value in situ. Furniture and fittings are not revalued and are now treated as deemed cost. Additions are recorded at cost.

#### Land and Buildings

At fair value as determined by market-based evidence by an independent valuer. The most recent valuation was performed by QV Valuations and the valuation is effective 30 June 2013.

#### Heritage Assets

Heritage assets comprise Council assets that are subject to an Historic Places protection order and are identified as such in the Resource Management Plan.

Heritage assets were identified and introduced at 30 June 2002 at a fair market value as determined by QV Valuations, registered valuers. The fair market values have been adopted as deemed cost. Subsequent additions are at cost or independently determined fair market value which is adopted as deemed cost.

### Intangible assets

#### Software acquisition and development

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

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

development employee costs and an appropriate portion of relevant overheads.

#### Carbon credits

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

#### 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.

#### Amortisation

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

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

Computer software 5 years 20%

### Forestry Assets

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

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

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

### Investment property

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

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

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

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

### **Impairment of property, plant, and equipment and intangible assets**

Intangible assets that have an indefinite useful life, or are not yet available for use, are not subject to amortisation and are tested annually for impairment.

Assets that have a finite useful life are reviewed for indicators of impairment at each balance date. When there is an indicator of impairment, the asset's recoverable amount is estimated. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the service potential of the asset is not primarily dependent on the asset's ability to generate net cash inflows and where the Council or group would, if deprived of the asset, replace its remaining service potential. The value in use for cash-generating assets and cash-generating units is the present value of expected future cash flows.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit.

For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit.

For assets not carried at a revalued amount (other than goodwill), the reversal of an impairment loss is recognised in the surplus or deficit.

### **Employee Entitlements**

#### ***Short-term benefits***

Employee benefits that Council expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

Council recognises a liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that Council anticipates it will be used by staff to cover those future absences.

Council recognises a liability and an expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

#### ***Long-term benefits***

##### ***Long service leave and retirement leave***

Entitlements that are payable beyond 12 months, such as long service leave and retiring leave have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information; and
- the present value of the estimated future cash flows.

##### ***Presentation of employee entitlements***

Sick leave, annual leave, vested long service leave, and non-vested long service leave and retirement gratuities expected to be settled within 12 months of balance date, are classified as a current liability. All other employee entitlements are classified as a non-current liability.

#### ***Superannuation schemes***

##### ***Defined contribution schemes***

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the surplus or deficit as incurred.

#### **Provisions**

Council recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in "finance costs".

#### ***Creditors and other payables***

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

## Financial guarantee contracts

A financial guarantee contract is a contract that requires Council to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are initially recognised at fair value. If a financial guarantee contract was issued in a stand-alone arm's length transaction to an unrelated party, its fair value at inception is equal to the consideration received. When no consideration is received a provision is recognised based on the probability Council will be required to reimburse a holder for a loss incurred, discounted to present value. The portion of the guarantee that remains unrecognised, prior to discounting to fair value, is disclosed as a contingent liability. Financial guarantees are subsequently measured at the initial recognition amount less any amortisation, however if Council assesses that it is probable that expenditure will be required to settle a guarantee, then the provision for the guarantee is measured at the present value of the future expenditure.

## Borrowings

Borrowings are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective-interest method.

Borrowings are classified as current liabilities unless the Council or group has an unconditional right to defer settlement of the liability for at least 12 months after balance date or if the borrowings are expected to be settled within 12 months of balance date.

## 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 and Council created reserves

Restricted reserves are those reserves subject to specific conditions accepted as binding by the Council and which may not be revised by the Council without reference to the Courts or third party. Council created reserves are reserves established by Council decision. The Council may alter them without reference to any

third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

## GST

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST-inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

## 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.

## Budget Figures

The budget figures are those approved by the Council in its Annual Plan 2013-2014. The budget figures are consistent with the accounting policies adopted by the Council for the preparation of the financial statements at the time the budget was prepared.

## Statement of Cash Flows

**Cash and cash equivalents** means 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 the Council.

## Funding Impact Statements

The Funding Impact Statements ("FIS") have 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 these statements is not prepared in accordance with generally accepted accounting practices ("GAAP").

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

These statements are based on cash transactions prepared on an accrual basis and as such do not include non cash/accounting transactions that are included within the Comprehensive 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 Comprehensive Income Statement.

## Critical accounting estimates and assumptions

In preparing these financial statements Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgments are continually evaluated and are based on

historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

### Landfill aftercare costs

As operator of the Eves Valley and Murchison landfills, the Council has a legal obligation to provide ongoing maintenance and monitoring services at the landfill sites after closure. The landfill post-closure provision is recognised in accordance with NZ IFRS 37 Provisions, Contingent Liabilities and Contingent Assets. This provision is calculated on the basis of discounting closure and post-closure costs into present-day value.

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

### Infrastructural assets

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

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

Experienced independent valuers perform the Council's infrastructural asset revaluations.

## **Critical judgement in applying Council's accounting policies**

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

### **Classification of property**

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

### **Rates Validation**

In April 2014 the Tasman District Council (Validation and Recovery of Certain Rates) Bill was passed. This legislation was required to validate the rates that were set by Council for the period from 2003-2004 to 2008-2009. These rates contained administrative errors, including the Tata Beach and Ligar Bay stormwater rates where a map omitted from the Long Term Council Community Plan in 2006. Council regrets the error that was made. This legislation has now validated the rates for the years noted above.

Tasman District Council

**Statement of Comprehensive Income**  
For the Year ended 30 June 2014

June 13 Actual \$(000's)		Notes	June 14 Actual \$(000's)	June 14 Budget \$(000's)	% of Budget
	<b>Income</b>				
31,398	General rates	1	32,368	32,087	101%
23,286	Targeted rates (other than for water supply)	1	23,980	24,244	99%
5,543	Targeted rates for a water supply	1	5,976	5,724	104%
4,051	Development and financial contributions		4,512	3,152	143%
10,330	Subsidies and grants	3	10,956	8,006	137%
24,642	Other revenue	2	21,417	22,457	95%
311	Finance income	8	343	237	145%
6,129	Other gains	4	3,548	1,669	213%
3,052	Income of joint ventures	21	2,860	4,200	68%
4,268	Share of associates surplus/deficit	20	5,372	2,484	216%
113,010	<b>Total Operating Income</b>		111,332	104,260	107%
	<b>Expenditure</b>				
	Operating Costs of Activities				
7,998	Finance Costs	8	8,149	9,468	86%
16,009	Employee Benefit Expenses	6	17,264	18,198	95%
19,638	Depreciation	17	21,071	19,616	107%
52,547	Other Expenses	7	46,096	44,714	103%
728	Other losses	4	856	-	-
3,338	Expenditure of joint ventures	21	3,384	3,246	104%
100,258	<b>Total Expenditure</b>	5	96,820	95,242	102%
12,752	<b>Surplus/(Deficit) before Taxation</b>		14,512	9,018	161%
-	Tax expense	9	-	-	-
12,752	<b>Net Surplus/(Deficit)</b>	36	14,512	9,018	161%
	<b>Other comprehensive Income</b>				
42,957	Gain on asset revaluations	26	-	2,192	0%
(501)	Asset Impairment Loss	26	(1,331)	-	-
	Movement in NZLG shares value	26	(4)	-	-
	Impairment Investment in Associate	20	(68)	-	-
(23)	Opening Equity Restatement - JV		(10)	-	-
(578)	Opening Assets Restatement		-	-	-
565	Other comprehensive Income - Associates & JV	26	600	-	-
42,420	<b>Total other comprehensive Income</b>		(813)	2,192	-37%
55,172	<b>Total comprehensive Income</b>		13,699	11,210	122%

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



Tasman District Council

**Balanced Budget Statement of Financial Performance**  
For the Year ended 30 June 2014

June 13 Actual \$(000's)		Notes	June 14 Actual \$(000's)	June 14 Budget \$(000's)
113,010	Operating Income		111,332	104,260
100,258	Operating Expenditure		96,820	95,242
12,752	<b>Operating Surplus/(Deficit)</b>		14,512	9,018
	<b>less</b>			
3,982	Share of JV & Associates (Net)		4,848	3,438
4,990	Vested Assets	2	3,269	4,750
4,926	Capital Grants and Subsidies		6,519	4,234
4,051	Development & Financial Contributions		4,512	3,152
5,401	Other Gains/Losses	4	2,692	1,669
11,097	Principal Repaid (excl JV) through operating income - see note below		13,782	11,191
34,447			35,622	28,434
	<b>plus</b>			
19,638	Depreciation not funded		21,071	19,616
2,350	Dividends from Associates	20	2,425	2,484
21,988			23,496	22,100
293	<b>Underlying Operating Surplus/(Deficit)</b>		2,386	2,684
(293)	Net transfers from reserves and equity to fund operations		(2,386)	(2,684)
0	Balanced Budget - Operating Income agrees to operating expenditure		0	0

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

Additional loan repayments of \$3,385,000 were made from cash reserves as a result of Council funding the balance sheet as a whole.

### Explanation of Council's Balanced Budget Requirement

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

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

Tasman District Council

Statement of Financial Position

As at 30 June 2014

June 13 Actual \$(000's)		Notes	June 14 Actual \$(000's)	June 14 Budget \$(000's)
	<b>CURRENT ASSETS</b>			
1,752	Cash and cash equivalents	10	4,026	3,228
15,612	Trade and other receivables	11	13,048	9,798
5,583	Other financial assets	13	1,391	6,517
1,866	Non current assets held for resale	14	980	1,000
24,813			19,445	20,543
	<b>CURRENT LIABILITIES</b>			
12,646	Trade and other payables	22	12,195	11,914
1,671	Employee Benefit Liabilities	24	1,728	1,853
8,203	Current portion of borrowings	25	8,103	11,134
22,520			22,026	24,901
2,293	<b>WORKING CAPITAL</b>		(2,581)	(4,358)
	<b>NON CURRENT ASSETS</b>			
88,098	Investments in associates	20	90,952	82,929
3,790	Other financial assets	13	4,287	3,651
915	Intangible Assets	16	809	952
31	Trade & other receivables	11	0	62
20,356	Forestry Assets	18	20,108	19,587
3,460	Investment property	19	1,300	3,526
1,221,139	Property, plant and equipment	15	1,227,295	1,226,616
1,337,789			1,344,751	1,337,323
	<b>NON CURRENT LIABILITIES</b>			
149,812	Term borrowings	25	140,933	162,070
3,197	Derivative Financial Instruments	12	299	4,000
545	Employee benefit liabilities	24	606	611
1,041	Provisions	23	1,146	974
154,595			142,984	167,655
1,185,487	<b>TOTAL NET ASSETS</b>		1,199,186	1,165,310
	<b>EQUITY</b>			
502,052	Accumulated equity	27	514,238	505,111
13,984	Reserve funds	28	15,943	11,811
669,451	Revaluation reserves	26	669,005	648,388
1,185,487	<b>TOTAL EQUITY</b>		1,199,186	1,165,310

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

Tasman District Council

**Statement of Cashflows**  
For the Year ended 30 June 2014

June 13 Actual \$(000's)		Notes	June 14 Actual \$(000's)	June 14 Budget \$(000's)
	<b>Cashflow From Operating Activities</b>			
	Cash was Provided From:			
35,513	Fees and charges		36,765	28,945
59,964	Rates revenue, excluding targete water supply rates		63,552	61,682
2,350	Dividends received		3,038	2,484
320	Interest received		352	237
	Net GST received			508
98,147			103,707	93,856
	Cash was Disbursed To:			
(71,255)	Payments to suppliers & employees		(66,806)	(63,618)
(8,293)	Interest paid		(8,001)	(9,450)
(26)	Net GST paid		163	
(79,574)			(74,644)	(73,068)
<b>18,573</b>	<b>Net Cashflow From Operating</b>	29	<b>29,063</b>	<b>20,788</b>
	<b>Cashflow From Investing Activities</b>			
	Cash was Provided From:			
302	Proceeds from sale of assets		1,470	1,168
309	Proceeds from sale of investments		5,139	
611			6,609	1,168
	Cash was Disbursed To:			
(23,299)	Purchase of assets		(22,955)	(33,108)
(406)	Purchase of investments		(1,464)	(608)
(23,705)			(24,419)	(33,716)
<b>(23,094)</b>	<b>Net Cashflow From Investing</b>		<b>(17,810)</b>	<b>(32,548)</b>
	<b>Cashflow From Financing Activities</b>			
	Cash was Provided From:			
13,500	Loans raised		8,277	24,447
	Cash was Disbursed To:			
(11,097)	Loan principal repayments		(17,256)	(13,032)
<b>2,403</b>	<b>Net Cashflow From Financing</b>		<b>(8,979)</b>	<b>11,415</b>
<b>(2,118)</b>	<b>Total Net Cashflows</b>		<b>2,274</b>	<b>(345)</b>
3,870	<b>Opening Cash Held</b>		1,752	3,573
<b>1,752</b>	<b>Closing Cash Balance</b>		<b>4,026</b>	<b>3,228</b>
	<b>Represented By:</b>			
1,752	Cash and cash equivalents		4,026	3,228
<b>1,752</b>			<b>4,026</b>	<b>3,228</b>

The GST (net) component of operating activities reflects the net GST paid and received with the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes. (The Statement of Accounting Policies and Notes to the Financial Statements form an integral part of, and should be read in conjunction with, these financial statements).

Tasman District Council

**Statement of Changes in Equity**

For the Year ended 30 June 2014

June 13 Actual \$(000's)		Notes	June 14 Actual \$(000's)	June 14 Budget \$(000's)
1,130,315	Equity at the start of the year		1,185,487	1,154,100
55,172	Total comprehensive income		13,699	11,210
1,185,487	Equity at the end of the year		1,199,186	1,165,310

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

Tasman District Council

**Council Funding Impact Statement**  
For the Year ended 30 June 2014

2012/2013 Budget \$	2012/2013 Actual \$	Funding Impact Statement	2013/2014 Actual \$	2013/2014 Annual Plan Budget \$	2013/2014 LTP Budget \$	% of Budget
		<b>SOURCES OF OPERATING FUNDING</b>				
31,514	31,660	General rates, uniform annual general charges, rates penalties	32,616	32,337	33,085	101%
23,459	23,286	Targeted rates (other than a targeted rate for water supply)	23,980	24,244	24,781	99%
3,864	5,404	Subsidies and grants for operating purposes	4,437	3,772	3,843	118%
5,811	7,186	Fees, charges and targeted rates for water supply	6,756	6,191	6,950	109%
2,731	2,669	Interest and dividends from investments	2,881	2,721	2,804	106%
20,549	19,734	Local authorities fuel tax, fines, infringement fees, and other receipts	18,616	21,109	22,152	88%
87,928	89,939	<b>TOTAL OPERATING FUNDING</b>	89,286	90,374	93,615	99%
		<b>APPLICATIONS OF OPERATING FUNDING</b>				
68,871	69,666	Payments to staff and suppliers	65,576	67,554	70,834	97%
8,343	9,061	Finance costs	8,278	9,074	9,237	91%
-	-	Other operating funding applications	-	-	-	-
77,214	78,727	<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	73,854	76,628	80,071	96%
10,714	11,212	<b>SURPLUS (DEFICIT) OF OPERATING FUNDING</b>	15,432	13,746	13,544	112%
		<b>SOURCES OF CAPITAL FUNDING</b>				
4,368	4,926	Subsidies and grants for capital expenditure	6,519	4,234	4,296	154%
3,089	4,051	Development and financial contributions	4,512	3,152	2,992	143%
5,666	2,404	Increase (decrease) in debt	(8,893)	12,301	19,132	-72%
500	301	Gross proceeds from sale of assets	2,890	1,250	1,250	231%
-	-	Lump sum contributions	-	-	-	-
13,623	11,682	<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	5,028	20,937	27,670	24%
		<b>APPLICATIONS OF CAPITAL FUNDING</b>				
		Capital expenditure				
2,435	4,455	- to meet additional demand	3,790	1,984	1,429	191%
10,177	9,173	- to improve the level of service	8,256	19,509	24,690	42%
10,997	8,532	- to replace existing assets	12,344	12,040	12,768	103%
728	630	Increase (decrease) in reserves	(281)	1,150	2,327	-24%
-	104	Increase (decrease) in investments	(3,649)	-	-	-
24,337	22,894	<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	20,460	34,683	41,214	59%
(10,714)	(11,212)	<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING</b>	(15,432)	(13,746)	(13,544)	112%
-	-	<b>FUNDING BALANCE</b>	-	-	-	0%

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

**Tasman District Council**

**Statement of Commitments**

**As at 30 June 2014**

**Contractual Commitments**

These are commitments for which a formal contract has been entered at 30 June 2014.

<b>2012/13</b>		<b>2013/2014</b>
<b>\$(000's)</b>		<b>\$(000's)</b>
14,418	Utilities Maintenance	4,892
431	Stormwater	-
15,848	Road Maintenance	6,584
4,073	Refuse Operations	5,416
194	Water Supply Maintenance	10,262
244	Wastewater Reticulation Maintenance	921
531	River Maintenance	1,516
429	Parks and Reserves Programmed Maintenance	489
739	ASB Bank Aquatic Centre	584
<u>10,644</u>	Parks and Reserves	<u>8,515</u>
<u>47,551</u>		<u>39,179</u>

These commitments are based on the legal commitment outstanding under contracts. They do not take into account any additional work required due to emergency events or any adjustments to costs based on inflation.

**Operating leases as lessee**

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

**Non Cancellable Operating Lease Commitments**

<b>2012/13</b>		<b>2013/2014</b>
<b>\$(000's)</b>		<b>\$(000's)</b>
37	No later than one year	8
8	Later than one year, not later than two years	8
<u>10</u>	Later than two years, not later than five years	<u>2</u>
<u>55</u>		<u>18</u>

## Statement of Contingent Assets and Liabilities

As at 30 June 2014

### a) Guarantees

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

2012/13		2013/2014
\$		\$
<u>20,000</u>	Motueka Promotions Association	<u>20,000</u>
<u>20,000</u>		<u>20,000</u>

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

### b) Guarantee – New Zealand Local Government Funding Agency Limited

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

Tasman District Council is one of 30 local authority shareholders and 18 local authority guarantors of the NZLGFA. In that regard it has uncalled capital of \$1.866m. When aggregated with the uncalled capital of other shareholders, \$20m is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, Tasman District Council is a guarantor of all of NZLGFA's borrowings. At 30 June 2014, NZLGFA had borrowings totalling \$3.695 billion (2013: \$2.5 billion).

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

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

### c) Other Contingent Liabilities

Council has contingent liabilities of \$Nil (30 June 2013 \$Nil). Council has no contingent claims against other parties (30 June 2013 Nil).

Six active claims have been lodged with the Weathertight Homes Resolution Service (WHRS) as at 30 June 2014 (June 2013: Three active claims). These claims relate to weather tightness issues of homes in the Tasman district and name Tasman District Council as well as other parties. It is not certain whether all of these claims are valid. Council is unable to assess its exposure to the claims lodged with the WHRS and has not allowed for any contingent liabilities relating to this. RiskPool from 1 July 2009 is no longer providing coverage for leaky homes. Council has provided for no contingent liability claims in 2014 (2013: Nil).

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

The Council is also exposed to potential future claims which have not yet been advised until the statutory limitation period expires. The amount of potential future claims are not able to be reliably measured and is therefore unquantifiable. Claims must be made within 10 years of construction or alteration of the dwelling in order for the claim to be eligible under the Weathertight Homes Resolution Services (WHRS) Act 2006, but other statutory limitation periods could also affect claims. RiskPool provides public liability and professional indemnity insurance for its members. The Council is a member of RiskPool. The Trust Deed of RiskPool provides that, if there is shortfall (whereby claims exceed contributions of members and reinsurance recoveries) in any Fund

year, then the Board may make a call on members for that fund year. The Council received a notice during July 2012 for a call for additional contributions in respect of the 2002/03 and 2003/04 Fund years as those funds are exhibiting deficits due to the “leaky building” issue. This notice also highlighted that it is possible that further calls could be made in the future. A liability will be recognised for the future calls when there is more certainty over the amount of the calls.

Council is aware of two claims brought against Council. One is awaiting claimants to serve a notice of pursuit of claim. It is too early to estimate the outcome and effect on Council.

The second claim relates to an Environment Court ruling against Council with orders made. Council’s maximum exposure to this second claim is approximately \$580,000, of which \$333,044 has already been paid. Further proceedings were initiated in the Nelson High Court in April 2014.

Council is required to undertake seismic assessments of its buildings under its Earthquake Prone Buildings Policy prepared under the Building Act 2004. These assessments are in two parts, firstly Initial Evaluation Procedures (IEPs) are made and if the results show that a building may be earthquake prone, then a further Detailed Engineering Assessment (DEA) is made. DEA’s have been completed on most Council buildings. The Golden Bay Service Centre has been vacated as it is considered unsafe and the value of the building has been written down to \$Nil. No decisions have been made as to whether to strengthen any buildings or whether any buildings under standard will be demolished if necessary. These decisions will be made as part of the Long Term Plan 2015-2015 process. The costs to bring buildings up to standard are not known therefore Council is unable to assess its exposure and has not allowed for any provisions or contingent liabilities relating to this.

#### **d) Other Contingent Assets**

A Council owned building in Takaka was destroyed by fire in October 2010. Council has accrued the insurance proceeds from the indemnity value of this building. Council will receive an additional \$145,300 from its insurance policy if this building is re-built. Council has recently confirmed that a rebuild will be undertaken at an alternative location.

For the flood events that occurred in December 2010 and December 2011, Council is able to recover a portion of its costs from a number of sources, including insurance, New Zealand Transport Agency subsidies and Central Government subsidies. For the December 2011 event, Council has recognised a Central Government subsidy for the welfare claim and a preliminary Ministry of Civil Defence and Emergency Management claim for the event. Council expects that it is probable that these claims will be accepted. Further Ministry of Civil Defence and Emergency Management claims will be prepared as further costs are received.

#### **e) Associates Contingent Liabilities and Contingent Assets**

Port Nelson reviews its Noise Mitigation provision each year as the mitigation work is undertaken. The year-end provision balance of \$596,000 (2013 \$596,000) is for Stages One, Two and Three. The Noise Variation within the Nelson City Resource Management Plan became operative on the 23rd February 2012. Port Nelson has quantified the costs of its obligation as at 30 June 2014.

Port Nelson recognises it has an obligation to assist with noise mitigation works for noise affected properties adjacent to the Port. Noise mitigation costs may include building work, any professional fees, building consents, preparation of drawings and project management. Noise affected properties are separated into three stages based on the level of Port Noise received. In Stage One (these are houses that are exposed to night time Ldn (day/night average sound level) from port generated noise of 65 dBa or more). Port Nelson is required to make offers to either fully fund noise mitigation work or to purchase the eleven Stage One properties and at 30 June 2014 nine of these eleven properties have had this obligation met (2013 Nine). For properties in the 60 to 64.9 dBa area (Stage Two), offers have been made by Port Nelson to owners in these areas to cover 50 percent of the noise mitigation cost. For properties in the 55 to 59.9 dBa area (Stage Three) the owners can request Port Nelson to provide technical advice and a contribution of up to 50 percent of the noise mitigation cost. There is no obligation on Port Nelson to make offers for the purchase of either Stage Two or Stage Three properties.

The Calwell Slipway basin contains contaminated seabed sediments. Port Nelson has title to this area of seabed. While the marine engineering and vessel coating industries in and around the slipway area are now controlled, the historical contamination still persists in the sediments. The ongoing sedimentation of the basin now requires dredging to allow for the ongoing operation of the slipway. Port Nelson, together with the Nelson City Council, continues to seek certainty around the quantification of any liability associated with the eventual remediation works.



During 2013 Port Nelson, together with the Nelson City Council, obtained funding from the Ministry for the Environment (MFE) to undertake Remediation Planning (Phase Three) work to establish a preferred approach for remediation of the contaminated sediments. The work required under Phase Three was not completed during the 2013 financial year.

Remediation Planning (Phase Three) of the Contaminated Sites Remediation Fund project (Ministry for the Environment) is now complete.

However given the significant cost estimates for remediation, Port Nelson are continuing to explore options.

**Tasman District Council**

**Notes to the Financial Statements**

**For the year ended 30 June 2014**

<b>2012/13 Note 1</b>	<b>2013/14</b>
<b>\$(000's) RATES, EXCLUDING TARGETED WATER SUPPLY RATES</b>	<b>\$(000's)</b>
<b>31,398 General Rates</b>	<b>32,368</b>
<b>Targeted rates attributable to activities</b>	
334 Environmental Management	350
6 Transportation, Roads & Footpaths	6
135 Coastal Structures	135
1,605 Water Supply	1,610
9,236 Wastewater & Sewerage Disposal	9,444
2,678 Stormwater	2,891
2,043 Solid Waste	2,000
2,922 Flood Protection and River Control Works	2,971
2,539 Community Facilities & Parks	2,735
1,103 Recreation and Cultural Services	1,119
685 Governance	719
23,286	23,980
54,684 Total rates, excluding targeted water supply rates	56,348

The Council is required by the LGFA Guarantee and Indemnity Deed to disclose in its financial statements (or notes) its annual rates income. That Deed defines annual rates income as an amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating Act) 2002 together with any revenue received by the Council from other local authorities for services provided by that Council for which those other Local Authorities rate. The annual rates income of the Council for the year ended 30 June 2014 for the purposes of the LGFA Guarantee and Indemnity Deed disclosure is shown below:

54,684	Rates, excluding targeted water supply rates	56,348
5,543	Targeted water supply rates	5,976
-	Lump sum contributions	-
<u>60,227</u>		<u>62,324</u>
54,936	<b>Total rates revenue</b>	56,575
(252)	<b>Rates remissions</b>	(227)
<u>54,684</u>	<b>Rates revenue net of remissions</b>	<u>56,348</u>

Rates revenue is shown net of rates remissions. TDC's rates remission policy allows TDC to remit rates on condition of a ratepayer's extreme financial hardship, land used for sport, and land protected for historical or cultural purposes.

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

Rates Validation

In April 2014 the Tasman District Council (Validation and Recovery of Certain Rates) Bill was passed. This legislation was required to validate the rates that were set by Council for the period from 2003-04 to 2008-09. These rates contained administrative errors, including the Tata Beach and Ligar Bay stormwater rates where a map omitted from the Long Term Council Community Plan in 2006. Council regrets the error that was made. This legislation has now validated the rates for the years noted above.

2012/13 Note 2 \$(000's)	OTHER REVENUE	2013/14 \$(000's)
157	Rental income from investment properties	114
106	Infringements & fines	94
340	Petrol tax	353
0	Bad Debts Recovered	0
0	Dividend income	113
1,867	Forestry Harvesting Income	2,074
6,596	Sales	6,608
4,990	Vested Assets	3,269
3,159	Application Fees	3,191
4,252	Sundry Fees & Recoveries	3,672
3,175	Other	1,929
<u>24,642</u>		<u>21,417</u>

2012/13	Note 3	2013/14
\$(000's)	SUBSIDIES & GRANTS	\$(000's)
7,846	NZ Transport Agency government grants	9,762
1,957	Government Grants	989
527	Government subsidies	205
<u>10,330</u>		<u>10,956</u>

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

2012/13	Note 4	2013/14
\$(000's)	OTHER GAINS	\$(000's)
60	Gain on disposal of property plant and equipment	519
4,050	Unrealised gain on Interest Rate Derivatives	3,029
1,819	Gain on changes in fair value of forestry assets	-
200	Gain on changes in fair value of investment property	-
<u>6,129</u>		<u>3,548</u>

2012/13	OTHER LOSSES	2013/14
\$(000's)		\$(000's)
-	Loss on changes in fair value of investment property	(410)
-	Loss on changes in fair value of forestry assets	(257)
(728)	Loss on disposal of property plant and equipment	(189)
<u>(728)</u>		<u>(856)</u>

2012/13	Note 5	2013/14
\$(000's)	EXPENDITURE	\$(000's)
13,785	Environment & planning	12,953
57,074	Engineering	53,310
18,105	Community Services	18,422
3,738	Council enterprises	4,158
3,490	Governance	3,737
728	Other Losses	856
3,338	Expenditure of joint venture	3,384
<u>100,258</u>		<u>96,820</u>

2012/13 Note 6	2013/14
\$(000's) EMPLOYEE BENEFIT EXPENSES	\$(000's)
15,584 Salary & Wages	16,666
673 Kiwisaver/Superannuation Schemes employer contributions	716
<u>(248) Increase/(Decrease) in employee benefit liabilities</u>	<u>(118)</u>
<u>16,009</u>	<u>17,264</u>

2012/13 Note 7	2013/14
\$(000's) OTHER EXPENSES	\$(000's)
0 Bad debts written off	49
81 Movement in Bad Debts Provision	64
103 Audit fees - Annual Report	105
2 Audit fees - Other	2
7 Donations	629
162 Minimum lease payments under operating leases	124
7,505 Consultants	4,520
25,266 Contractors/Maintenance	23,348
<u>19,421 Other Expenses</u>	<u>17,255</u>
<u>52,547</u>	<u>46,096</u>

2012/13 Note 8	2013/14
\$(000's) FINANCE COSTS	\$(000's)
<b>Interest expense</b>	
7,943 Interest on bank borrowings	8,056
<u>55 Provisions: discount unwinding</u>	<u>93</u>
<u>7,998 Total finance costs</u>	<u>8,149</u>

\$(000's) FINANCE INCOME	\$(000's)
<b>Interest Income</b>	
<u>311 Interest income for financial assets not at fair value through surplus or deficit</u>	<u>343</u>
<u>311 Total finance costs</u>	<u>343</u>

2012/13 Note 9	2013/14
\$(000's) TAX	\$(000's)

**Relationship between tax expense & accounting profit**

12,752 Net surplus	14,512
3,571 Prima facie tax at 28%	4,354
- Non deductible expenditure	
(3,554) Loss not previously recognised(tax effect)	(4,293)
(17) Deferred tax adjustment	(61)
- Tax expense	-

**Components of tax expense**

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

	Property, plant & equipment	Tax losses	Total
Deferred tax assets/(liabilities)			
Balance at 1 July 2012	(790)	790	-
Charged to surplus or deficit	17	17	-
Charged to comprehensive income	-	-	-
Balance at 1 July 2013	(773)	773	-
Charged to surplus or deficit	(61)	61	-
Charged to comprehensive income	-	-	-
Balance at 1 July 2014	(834)	834	-

A deferred tax asset has not been recognised in relation to unused tax losses of \$8,084,602 (2013: \$7,140,066) with a tax effect at 28% of \$2,263,689 (2013: \$1,999,218) which are available to carry forward.

<b>2012/13 Note 10</b>	<b>2013/14</b>
<b>\$(000's) CASH AND CASH EQUIVALENTS</b>	<b>\$(000's)</b>
1,752 Cash at bank and in hand	4,026
- Short term deposits maturing three months or less from date of acquisition	-
<u>1,752</u> Total cash and cash equivalents	<u>4,026</u>
Disclosed as:	
1,752 Cash and Cash Equivalents	4,026
- Bank overdrafts	-
<u>1,752</u>	<u>4,026</u>

The carrying value of short-term deposits with maturity dates of three months or less approximates their fair value.

<b>2012/13 Note 11</b>	<b>2013/14</b>
<b>\$(000's) TRADE &amp; OTHER RECEIVABLES</b>	<b>\$(000's)</b>
2,493 Rates receivables	1,265
13,305 Other receivables	12,155
237 Prepayments	115
31 Term Receivables (At fair value)	0
<u>16,066</u>	<u>13,535</u>
(423) Less provision for doubtful debts	(487)
<u>15,643</u>	<u>13,048</u>
Comprising	
15,612 Current portion	13,048
31 Non Current	0
<u>15,643</u> Total Trade & Other Receivables	<u>13,048</u>

The carrying amount of trade and other receivables approximates their fair value.

There is no concentration of credit risk with respect to receivables.

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

The status of other receivables as at 30 June 2014 and 2013 are detailed as below:

	2014		
	Gross	Impairment	Net
	\$(000's)	\$(000's)	\$(000's)
Current	8,729	-	8,729
30-60 days	623	-	623
61-90 days	127	-	127
90+days	2,676	(487)	2,189
	<u>12,155</u>	<u>(487)</u>	<u>11,668</u>

	2013		
	Gross	Impairment	Net
	\$(000's)	\$(000's)	\$(000's)
Current	10,438	-	10,438
30-60 days	394	-	394
61-90 days	395	-	395
90+days	2,078	(423)	1,655
	<u>13,305</u>	<u>(423)</u>	<u>12,882</u>

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

2012/13	2013/14
\$(000's)	\$(000's)
519 At 1 July	423
81 Additional provisions made during the year	70
(177) Recoverables written off during period	(6)
<u>423 At 30 June</u>	<u>487</u>



2012/13 Note 12	2013/14
\$(000's) DERIVATIVE FINANCIAL INSTRUMENTS	\$(000's)
(3,197) Interest Rate Swaps	(299)
<u>(3,197) Total derivative financial instruments</u>	<u>(299)</u>

**Fair Value**

The fair values of interest rate swaps have been determined using a discounted cash flows valuation technique based on quoted market prices. This valuation has been performed by Bancorp Treasury Services Limited - independent valuers.

**Interest Rate Swaps**

The notional principal amounts of the outstanding interest rate swap contracts for the Council were \$130.78m (2013: \$121.78m.) At 30 June 2014, the fixed interest rates of cash flow hedge interest rate swaps vary from 3.22% to 5.895% (2013: 2.77% to 5.895%)

Unrealised gains and losses recognised on interest rate swap contracts as at 30 June 2014 are released to the surplus or deficit as interest is paid on the underlying debt.

2012/13 Note 13	2013/14
\$(000's) OTHER FINANCIAL ASSETS	\$(000's)
<b>Current Portion</b>	
<i>Loans and receivables</i>	
189 Current portion of community loans	190
<i>Held to maturity</i>	
2,870 Disaster funds	1,201
935 Self Insurance Fund	-
1,589 Other short term deposits with maturities of 4-12 months	-
<u>5,583 Total Current Portion</u>	<u>1,391</u>
<b>Non-current portion</b>	
<i>Loans and receivables</i>	
348 Community Loans	288
560 Loans to Related Parties	511
<i>Fair value through comprehensive income</i>	
77 Unlisted shares - NZ LG Insurance Corporation Ltd	73
1,866 Unlisted shares - NZ LG Funding Agency Ltd	1,866
590 Borrower Notes - NZ LG Funding Agency Ltd	1,403
<i>Held to maturity</i>	
349 Monies administered for organisations	146
<u>3,790</u>	<u>4,287</u>

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

There were no impairment provisions for other financial assets.

The total value of other financial assets that can only be used for a specific purpose is \$1,201,000 (2013: \$4,026,000). During the year Council adopted a new Treasury Policy which decided to find the balance sheet as a whole. Management decided that an appropriate level of disaster fund monies to hold as a short term deposit was \$1.2m as additional funding if required could be accessed under Council's bank facilities. The additional funds were used to repay long term debt. Council still recognises the full balance of the disaster funds and self insurance fund as a restricted reserve.

The loan to related parties is at a nil interest rate. (2013: Nil)

Interest rates receivable on community loans range from nil to 7.5%, with an average rate of 5.71% (2013: Nil to 7.97% with an average rate of 5.56%)

**2012/13 Note 14**

**\$(000's) PROPERTY HELD FOR RESALE**

**2013/14**

**\$(000's)**

470	Buildings		-
1,396	Land		980
1,866			980

## Note 15 Property, plant and equipment

2014	Cost / Revaluation 1 July 2013 \$(000's)	Acc Depn & Impairment 1 July 2013 \$(000's)	*NBV 1 July 2013 \$(000's)	Current Year Additions \$(000's)	Current Year Vested Assets \$(000's)	Current Year Disposal \$(000's)	Current Year Impairment \$(000's)	Current Year Depreciation \$(000's)	Revaluation Surplus \$(000's)	Cost / Revaluation 30 June 2014 \$(000's)	Acc Depn & Impairment 30 June 2014 \$(000's)	*NBV 30 June 2014 \$(000's)
<b>Fixed Assets</b>												
Land	113,221	-	113,221	2,685	768	(381)	(1,271)	-	(11)	115,011	-	115,011
Buildings	60,147	-	60,147	1,568	-	(434)	(60)	(3,561)	3	61,215	(3,552)	57,663
Furniture and Fittings	3,285	(2,659)	626	142	-	-	-	(207)	-	3,427	(2,866)	561
Motor Vehicles	3,541	(2,805)	736	463	-	(15)	-	(240)	-	3,989	(3,045)	944
Plant	2,695	(1,544)	1,151	159	-	-	-	(171)	-	2,844	(1,705)	1,139
Office Equipment	5,940	(5,177)	763	372	-	-	-	(290)	-	6,312	(5,467)	845
Library Books	5,822	(4,669)	1,153	309	-	-	-	(279)	-	6,131	(4,948)	1,183
Heritage Assets	1,819	(390)	1,429	24	-	-	-	(36)	-	1,843	(426)	1,417
Finance Lease	58	(55)	3	13	-	-	-	(3)	-	71	(58)	13
	196,528	(17,299)	179,229	5,735	768	(830)	(1,331)	(4,787)	(8)	200,843	(22,067)	178,776
<b>Infrastructural Assets</b>												
Roading	499,580	-	499,580	10,215	809	(19)	869	(7,414)	-	511,454	(7,414)	504,040
Bridges	67,393	-	67,393	440	-	-	-	(1,380)	-	67,833	(1,380)	66,453
Land Under Roads	66,141	-	66,141	250	238	-	-	-	-	66,629	-	66,629
Stormwater	116,202	(1,306)	114,896	816	731	(28)	23	(1,323)	-	117,744	(2,629)	115,115
Wastewater	133,952	(3,063)	130,889	2,465	391	(170)	-	(3,087)	624	136,410	(5,298)	131,112
Refuse	7,745	(231)	7,514	246	-	-	-	(242)	-	7,991	(473)	7,518
Water	99,215	(2,414)	96,801	3,606	327	(61)	29	(2,449)	0	103,116	(4,863)	98,253
Rivers	43,840	(24)	43,816	1,062	-	-	-	(24)	-	44,902	(48)	44,854
Ports & Wharves	14,278	(309)	13,969	26	-	(2)	-	(310)	-	14,302	(619)	13,683
Aerodromes	1,323	(412)	911	6	-	-	-	(55)	-	1,329	(467)	862
	1,049,669	(7,759)	1,041,910	19,132	2,496	(280)	921	(16,284)	624	1,071,710	(23,191)	1,048,519
<b>Total</b>												
Fixed Assets	196,528	(17,299)	179,229	5,735	768	(830)	(1,331)	(4,787)	(8)	200,843	(22,067)	178,776
Infrastructure Assets	1,049,669	(7,759)	1,041,910	19,132	2,496	(280)	921	(16,284)	624	1,071,710	(23,191)	1,048,519
	1,246,197	(25,058)	1,221,139	24,867	3,264	(1,110)	(410)	(21,071)	616	1,272,553	(45,258)	1,227,295

\* NBV - Net Book value

Included in net book value is work in progress of \$7,593,992. These assets have not been depreciated.

Core Assets

	\$000's			
	Closing Book Value at 30 June 2014	Assets constructed for the year ending 30 June 2014	Assets transferred for the year ending 30 June 2014	Replacement Cost at 30 June 2014
Treatment Plants	388	4	0	388
Reticulation	97,865	3,631	327	97,865
<b>Water Supply</b>	<b>98,253</b>	<b>3,635</b>	<b>327</b>	<b>98,253</b>
Treatment Plants	4,244	961	0	4,244
Reticulation	126,868	1,504	391	126,868
<b>Sewerage</b>	<b>131,112</b>	<b>2,465</b>	<b>391</b>	<b>131,112</b>
<b>Stormwater Drainage</b>	<b>115,115</b>	<b>839</b>	<b>731</b>	<b>115,115</b>
<b>Flood Protection and Control Works</b>	<b>44,854</b>	<b>1,062</b>	<b>0</b>	<b>44,854</b>
<b>Roads and Footpaths</b>	<b>637,122</b>	<b>11,774</b>	<b>1,047</b>	<b>637,122</b>

2013	Cost / Revaluation 1 July 2012 \$(000's)	Acc Depn & Impairment 1 July 2012 \$(000's)	*NBV 1 July 2012 \$(000's)	Current Year Additions \$(000's)	Current Year Disposal \$(000's)	Current Year Impairment \$(000's)	Current Year Depreciation \$(000's)	Revaluation Surplus \$(000's)	Cost / Revaluation 30 June 2013 \$(000's)	Acc Depn & Impairment 30 June 2013 \$(000's)	*NBV 30 June 2013 \$(000's)
<b>Fixed Assets</b>											
Land	117,179	-	117,179	1,855	(2,167)	-	-	(3,646)	113,221	-	113,221
Buildings	61,073	(6,002)	55,071	2,428	(470)	(340)	(3,174)	6,632	60,147	-	60,147
Furniture and Fittings	3,076	(2,440)	636	209	-	-	(219)	-	3,285	(2,659)	626
Motor Vehicles	3,121	(2,648)	473	662	(242)	-	(157)	-	3,541	(2,805)	736
Plant	2,587	(1,376)	1,211	102	-	-	(168)	6	2,695	(1,544)	1,151
Office Equipment	5,656	(4,918)	738	284	-	-	(259)	-	5,940	(5,177)	763
Library Books	5,494	(4,409)	1,085	328	-	-	(260)	-	5,822	(4,669)	1,153
Heritage Assets	1,819	(354)	1,465	-	-	-	(36)	-	1,819	(390)	1,429
Finance Lease	58	(51)	7	-	-	-	(4)	-	58	(55)	3
	200,063	(22,198)	177,865	5,868	(2,879)	(340)	(4,277)	2,992	196,528	(17,299)	179,229
<b>Infrastructural Assets</b>											
Roading	475,420	(13,702)	461,718	8,338	-	1,356	(6,650)	34,818	499,580	-	499,580
Bridges	67,132	(2,871)	64,261	727	-	-	(1,309)	3,714	67,393	-	67,393
Land Under Roads	65,407	-	65,407	734	-	-	-	-	66,141	-	66,141
Stormwater	113,499	-	113,499	2,972	(228)	(41)	(1,306)	-	116,202	(1,306)	114,896
Wastewater	132,216	-	132,216	3,214	(202)	-	(3,063)	(1,276)	133,952	(3,063)	130,889
Refuse	7,388	-	7,388	357	-	-	(231)	-	7,745	(231)	7,514
Water	96,042	-	96,042	3,426	(253)	-	(2,414)	-	99,215	(2,414)	96,801
Rivers	42,786	-	42,786	1,054	-	-	(24)	-	43,840	(24)	43,816
Ports & Wharves	14,208	-	14,208	77	(7)	-	(309)	-	14,278	(309)	13,969
Aerodromes	1,323	(357)	966	0	-	-	(55)	-	1,323	(412)	911
	1,015,421	(16,930)	998,491	20,899	(690)	1,315	(15,361)	37,256	1,049,669	(7,759)	1,041,910
<b>Total</b>											
Fixed Assets	200,063	(22,198)	177,865	5,868	(2,879)	(340)	(4,277)	2,992	196,528	(17,299)	179,229
Infrastructure Assets	1,015,421	(16,930)	998,491	20,899	(690)	1,315	(15,361)	37,256	1,049,669	(7,759)	1,041,910
	1,215,484	(39,128)	1,176,356	26,767	(3,569)	975	(19,638)	40,248	1,246,197	(25,058)	1,221,139

\* NBV - Net Book value

Included in current year additions is work in progress of \$3,696,000. These assets have not been depreciated.

## Valuation

### Land (operational, restricted, and infrastructural)

Land is valued at fair value using market-based evidence based on its highest and best use with reference to comparable land values. Adjustments have been made to the “unencumbered” land value where there is a designation against the land or the use of the land is restricted because of reserve or endowment status. These adjustments are intended to reflect the negative effect on the value of the land where an owner is unable to use the land more intensely.

The most recent valuation was performed by GR Butterworth SPINZ, ANZIV of QV Valuations Limited, and the valuation is effective as at 30 June 2013.

### Buildings (operational and restricted)

Specialised buildings are valued at fair value using depreciated replacement cost because no reliable market data is available for such buildings.

Depreciated replacement cost is determined using a number of significant assumptions. Significant assumptions include:

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

Non-specialised buildings (for example, residential buildings) are valued at fair value using market-based evidence. Market rents and capitalisation rates were applied to reflect market value.

The most recent valuation was performed by GR Butterworth SPINZ, ANZIV of QV Valuations Limited, and the valuation is effective as at 30 June 2013.

### Infrastructural asset classes: Roads & bridges, wastewater, solid waste, water supply, stormwater, ports and wharves, and river protection assets.

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

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

Roads and bridges have been valued at fair value using optimised depreciated replacement cost by MWH New Zealand Ltd as at 30 June 2013.

Wastewater, solid waste, water supply, stormwater, ports and wharves, and river protection assets have been valued at optimised depreciated replacement cost by MWH New Zealand Ltd as at 30 June 2012.

### Land under roads

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

### Library collections

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

### Airfields

From 1 July 2008 Council has ceased revaluing its airfield assets. These assets are now recorded at deemed cost, being the value at the point the decision was made to cease revaluing. Council has reviewed its policy regarding revaluation of airfield assets, and these assets will be revalued from the 2014/2015 year onwards.

### **Impairment**

Impairment losses of \$1,331,000 have been recognised in Other Comprehensive Income in the Statement of Comprehensive Income. These relate to the impairment of a leaky home, two properties have been written down to 1992 values for sale back per a High Court decision, and two properties for sale have been written down to market value at the time mainly due to consenting and rezoning issues.

For further details on impairment of Council assets were damaged during flood events in December 2010, December 2011, April 2013 and June 2013 please refer to Note 40.

#### Note 16

#### **INTANGIBLE ASSETS**

	2012/13 \$(000's)	Additions	Amortisation charge	2013/14 \$(000's)
<b><u>Computer Software</u></b>				
Cost	3,021	265		3,286
Accumulated amortisation and impairment	(2,106)		(371)	(2,477)
Carrying amount	915	265	(371)	809

Council has received 293,109 New Zealand Units (NZU's) from MAF for their Post-1989 and Pre-1990 forests. These have been valued at cost (\$Nil). During the year Council sold their 174,895 Post-1989 NZU's and replaced them with 174,895 ERU's at a cost of \$45,970.60, resulting in an arbitrage profit of \$343,915.

Council also purchased 21,503 ERU's during the year at a total cost of \$3,655.51. These ERU's were surrendered to meet Council's solid waste emissions obligation.

### Carbon Credits Held

	2013/14 Units Held	2012/13 Units Held
Balance at 1 July	293,109	114,005
NZU's allocated during the year	0	116,814
NZU's entitlement from forestry activity	(32,868)	62,290
NZU's sold during year (post 1989)	(174,895)	-
ERU's purchased during year	196,398	-
ERU's surrendered during year	(196,398)	-
Balance at 30 June	85,346	293,109

**Note 16****INTANGIBLE ASSETS**

	<b>2011/12</b>		<b>Amortisation</b>	<b>2012/13</b>
	<b>\$(000's)</b>	<b>Additions</b>	<b>charge</b>	<b>\$(000's)</b>
<b>Computer Software</b>				
Cost	2,725	296		3,021
Accumulated amortisation and impairment	(1,773)		(333)	(2,106)
Carrying amount	952	296	(333)	915

**2012/13 Note 17****2013/14****\$(000's)****\$(000's)****DEPRECIATION AND AMORTISATION EXPENSE BY GROUP OF ACTIVITY**

261 Environment & planning	240
15,307 Engineering	15,487
2,931 Community Services	4,217
476 Council enterprises	541
59 Governance	33
<hr/>	<hr/>
Total Directly attributable depreciation and amortisation by group of activity	20,518
19,034	<hr/>
Depreciation And Amortisation Expense not directly related to group of activities	553
604	<hr/>
<b>19,638 Total depreciation and amortisation expense</b>	<b>21,071</b>
	<hr/>



**Note 18****FORESTRY ASSETS**

2012/13 \$(000's)		2013/14 \$(000's)
18,535	Balance at 1 July	20,356
1,728	Gains/(losses) arising from changes in fair value attributable to log price changes	1,886
2,606	Gains/(losses) arising from changes in fair value attributable to loss of stocked area to harvesting and replanting and forest maturity	(97)
(2,513)	Gains/(losses) arising from changes in fair value attributable to tending and harvest management costs	(2,037)
20,356		20,108

TDC owns 2,463 hectares of planted pinus radiata forest, which are at varying stages of maturity ranging from 1 to 26 years. TDC also owns 222 hectares of planted Douglas Fir, and 33 hectares of planted Cupressus Species trees.

Harvesting was centred at Rabbit Island forest. Total harvested volume during the period was 19,475 tonnes. (2013: 18,168 tonnes harvested at Rabbit Island and Borlase forests)

Independent registered valuers PF Olsen and Company Ltd have valued forestry assets as at 30 June 2014. The following valuation assumptions have been adopted in determining the fair value of forestry assets:

A post-tax discount rate of 7% has been used in discounting the present value of expected post-tax cash flows. (2013: A post-tax discount rate of 7% was used)

Notional land rental costs have been included for freehold land

The forests have been valued on a going concern basis and only includes the value of the existing crops on a single rotation basis

All costs and revenues are expressed in current dollar terms.

Log prices represent the average for the last 12 quarters to 30 June 2014

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

**Financial risk management strategies**

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

Sensitivity of Value to Changes in Log Prices and Discount Rate (\$millions)

Discount Rate	-10%	Price Base	+10%
6%	17.090	22.762	28.432
7%	15.083	<b>20.108</b>	25.130
8%	13.391	17.870	22.345

The above table shows the effect on the tree crop value of varying both the discount rate and log prices. The value of the tree crop at TDC is relatively sensitive to changes in the discount rate and is also highly sensitive to changes which impact directly on stumpage (net revenue from harvesting). Thus any adjustments to harvest costs and log prices have an amplified effect on tree crop value.

**2012/13 Note 19**

**\$(000's) INVESTMENT PROPERTY**

3,260	Balance at 1 July
0	Sale of investment property
200	Gain on changes in fair value of investment property
<u>3,460</u>	Balance at 30 June

**2013/14**

**\$(000's)**

3,460
(1,750)
(410)
<u>1,300</u>

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

**Note 20 INVESTMENT IN ASSOCIATES**

	2012/13 Opening Book Value (\$000's)	2013/14 Share of Surplus (\$000's)	2013/14 Dividend Received (\$000's)	2013/14 Movement in Other comprehensi	2013/14 Impairment of Investment	2013/14 Closing Book Value (\$000's)
Port Nelson Ltd	71,659	4,303	(2,100)	(369)	0	73,493
Nelson Airport Ltd	7,685	763	(325)	-	0	8,123
Tourism Tasman Nelson Ltd	66	2	-	-	(68)	0
Tasman Bays Heritage Trust Inc	8,688	304	-	344	0	9,336
	<u>88,098</u>	<u>5,372</u>	<u>(2,425)</u>	<u>(25)</u>	<u>(68)</u>	<u>90,952</u>

Subsequent to balance date, the shares in Tourism Nelson Tasman Limited have been transferred to Nelson City Council, for no consideration.

Note 20 INVESTMENT IN ASSOCIATES	2011/12 Opening Book Value (\$000's)	2012/13 Share of Surplus (\$000's)	2012/13 Dividend Received (\$000's)	2012/13 Other Comprehensive Income (\$000's)	2012/13 Closing Book Value (\$000's)
Port Nelson Ltd	66,939	3,542	(2,100)	3,278	71,659
Nelson Airport Ltd	7,223	712	(250)	-	7,685
Tourism Tasman Nelson Ltd	40	26	-	-	66
Tasman Bays Heritage Trust Inc	8,727	(12)	-	(27)	8,688
	82,929	4,268	(2,350)	3,251	88,098

In accordance with NZ IAS 28, Council discloses on an aggregate basis its share of the following in regard to its associates.

2012/13 \$(000's)	2013/14 \$(000's)
36 Capital Commitments	112
- Contingent Liabilities	-
- Contingent Assets	-
4,268 Operating Surpluses	5,372
3,251 Other comprehensive income	(25)
1,614 Tax expense attributed to the operating surplus	1,951

#### Differences in Accounting Policies

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

#### Assets

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

- Furniture, fittings and floor coverings	Diminishing values
- Vehicles	Diminishing values
- Parking Meters	Diminishing values
- Equipment	Diminishing values

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

Under NZ IAS 28 Investments in Associates, the investors financial statements shall be prepared using uniform accounting policies for like transactions and events in similar circumstances. In prior years, TDC revalued its airport assets, while Nelson Airport Ltd did not. In line with Council's policy to report assets at their most current revaluation, the runway, taxiways, and apron at Nelson Airport Ltd had been brought into TDC's financial statements at a valuation which had been prepared as at 30 June 2006. Nelson Airport Ltd has not reported this revaluation in their financial statements. Council's portion of this increase in value was recorded in the Asset Revaluation Reserve (Note 26) and resulted in an increase to the revaluation reserve of \$3,001,000. That was the first time the assets had been revalued under IFRS rules.

As neither Nelson Airport Ltd or Nelson City Council revalued their airport assets Council decided to change its accounting policy for the airport assets class from 1 July 2008. Council will no longer revalue airport assets, and these assets have been recognised at deemed cost from 1 July 2008. This policy has been reviewed by Council, with airport assets to be revalued from the 2014/2105 year.

**List of Associates**

<b>Name of Entity:</b>	<b>i) Port Nelson Ltd</b>	<b>iii) Tourism Nelson Tasman Ltd</b>
Principal Activity: Ownership: Owner: Control: Balance Date:	Port Operator 50% (2013 50%) Nelson City Council and Tasman District Council Self administered 30 June	Tourism Promotion 50% (2013 50%) Nelson City Council and Tasman District Council Self administered 30 June
<b>Name of Entity:</b>	<b>ii) Nelson Airport Ltd</b>	<b>iv) Tasman Bays Heritage Trust Inc</b>
Principal Activity: Ownership: Owner: Control Balance Date:	Airport Operator 50% (2013 50%) Nelson City Council and Tasman District Council Self administered 30 June	Museum Operator. 50% (2013 50%) Nelson City Council and Tasman District Council Self administered 30 June

## Performance Measures

### i) Port Nelson Ltd

	Target	2014	2013	Target Met?
Lost Time Injury Frequency Rate *	<1.5	1.64	4.95	No
Debt Equity Ratio	<45.0%	17.6%	24.2%	Yes
Dividend (includes 2005 Dividend Reserve)	\$4.2m	\$4.2m	\$4.2m	Yes
Cargo Throughput (Cargo tonnes)	2.7m	2.7m	2.6m	Yes
Shipping Tonnes (Gross tonnes)	7.8m	8.6 m	7.5 m	Yes
Ships Visits	695	786	730	Yes
Revenue	\$38.0m	\$43.3m	\$39.6m	Yes
Return on Average Shareholders' Funds	4.3%	5.5%	5.1%	Yes
Return on Funds Employed	6.3%	7.5%	6.9%	Yes
Capital Expenditure	<\$3.5m	\$1.8m	\$4.7m	Yes
Incidents Leading to Pollution of Harbour	Nil	Nil	Nil	Yes
Compliance With All Resource Consent Conditions	100%	99%	100%	No
Compliance with NZ Maritime Safety Standards	100%	100%	100%	Yes

\* Lost Time Injury Frequency Rate=  $\frac{\text{Lost Time Injuries}}{\text{Hours Worked in Period}} \times 100,000$

Return on Average Shareholder Funds is based on the Net Surplus earnings figure prior to Other Comprehensive Income

### ii) Nelson Airport Ltd

Target Measure	Actual Performance
Pass all Civil Aviation certification audits at a satisfactory standard.	Achieved. All audits passed. No outstanding matters.
To achieve Financial Performance Targets as per the Statement of Intent (Sol) Financial Performance Table.	Gross Revenue \$5.09m Not achieved (within 1%) Operating Exp \$3.00m Achieved Net Financing Inc \$0.03m Achieved Profit before Tax \$2.12m Achieved Net Profit \$1.53m Achieved Retained Earnings \$8.56m Achieved Dividend \$0.65m Achieved (27.5% above target) Ret'd Net Earnings \$7.91m Not achieved (within 1.5%) Closing SH Funds \$10.31m Not achieved
To review emergency preparedness for customer safety and infrastructural assets.	Achieved. Review completed by 31/12/13.
To complete consultation on the Terminal Access redesign by 30 June 2013 and to implement the 1 <sup>st</sup> stage of the design by 30 June 2014.	Consultation Target achieved. Regarding implementation – the opportunity to integrate the Access Project with the Terminal Redevelopment programme for significant potential benefit was identified. Accordingly implementation is pending confirmation of footprint and conceptual design of new or re-developed terminal building to ensure synergies are realised.
To ensure the required level of facilities are developed and maintained to support the growth of the aviation and related industries in the area.	Achieved. Nelson Airport has facilitated the establishment of a new state of the art fuel facility on the airfield. A new area for General Aviation and Hangar facilities has been developed and incorporated into airside.
To continue to support the expansion of the aviation service industry in Nelson, particularly through the Nelson Aviation Cluster and the Top of the South Aviation Strategy.	Achieved. A Top of the South Cluster forum was held in Nelson. A Strategy review has been undertaken. International promotion opportunities identified/used (2), media releases (3), International delegations (1)

To encourage growth of airline passengers and related services in the region.	Achieved. Support provided to Nelson Tasman Tourism. Support of various local events to further encourage visits to the region. 5.2% increase in PAX capacity through Nelson vs. previous year (to 953,000 seats). Palmerston North route established.
To ensure long term airport development requirements are identified as much as possible and advise shareholders of such plans and implementation timetables.	Achieved. Communications with on-site Cluster members provides useful information both ways. Five year forecast model, including development expenditure, established, maintained and shared with shareholders.
To hold regular meetings of the Nelson Airport Noise Environment Advisory Committee and provide this Committee with the appropriate monitoring and information.	Noise levels monitored and reviewed. All complaints processed by NAL and through the committee. The low level of complaints led to the cancellation of some meetings due to there being no complaints or issues raised since the previous meeting. Monitoring results provided to interested parties.
To ensure the Company complies with all employment related legislation and remains a good employer.	Achieved. No disputes or grievances raised, no unresolved employment issues nor any legislative breaches.
To take positive steps to continue to manage and where practicable reduce our carbon footprint and to promote environmentally friendly initiatives.	Achieved. Began an extensive programme to Replace conventional lighting heads with LED. First full year of Solar PV generation on site with system generation exceeding anticipated output. Recycling of 50% of terminal waste. Coordination of and participation in the "Big Beach Clean-up" initiative around the airport.

### iii) Tourism Nelson Tasman Ltd

The 2013/2014 Strategic Plan contained 18 Objectives/KPIs. Council has reported against five.

Target Measure	Actual Performance
Achieve growth in international and domestic guest nights to our region:  - Increase total guest nights to perform better than South Island average - International guest nights against South Island average - Domestic guest nights against South Island average	Achieved South Island growth was driven by arrivals from the China independent traveller market. This is a market not currently visiting the Nelson Tasman region in any great numbers. However, with new activity during 2013-2014 we hope to see gains from China in the new financial year.  Not achieved 3.4% (SI: 6.9%)  Not achieved 5% (SI: 9.4%) Not achieved 2.6% (SI: 4.7%)
Visitor length of stay is extended. Increase visitor length of stay from 2.16 to 2.17 nights	Achieved 2.20 (2012/2013: 2.17)
NTT provides leadership in assisting growth and new product development for region Nelson Tasman Regional Tourism Strategic Plan updated by 30 June 2014:	Not Achieved Project to commence after Tourism Review by Shareholders June-September 2014
Communities and councils value tourism and the work Nelson Tasman Tourism undertakes. 80% of ratepayers surveyed value tourism	Not Achieved
The company operates within sound financial parameters Net profit meets budget.  Income shows a profit before tax:  Improve working capital by 30 June 2014 by at least \$50,000:	Achieved Budget: \$8,771 Actual: \$25,270 Variance: \$16,499  Achieved. YE June 2013: \$(3,852) YE June 2014:\$63,941

Achieve equity level by 30 June 2014 of \$150,000:	Achieved YE June 2013: \$131,236 YE June 2014: \$134,807
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#### iv) Tasman Bays Heritage Trust

##### Performance Measures

The 2013/2014 Strategic Plan contained 27 Objectives/KPIs. Council has reported against five.

Performance Target	Result
Secure the financial future of Tasman Bays Heritage Trust by fixing and repaying the interest bearing debt of the Trust and by maintaining the debt repayment program agreed with the Councils.	Achieved. The Interest bearing debt continues to be successfully reduced and a repayment schedule is now in place with both stakeholder Councils.
Resolve the issues identified in the Detailed Engineering Evaluation of the research facility building at Iseil Park to ensure the Collections are protected and that public have access to the research material.	Achieved. The work to strengthen the building, improve the security and egress issues was undertaken this year and has been financed completely within existing resources.
To ensure that objectives are achieved within budget	Achieved. Monthly reporting and forecasting is presented at each monthly board meeting.
To ensure the Asset Register is maintained and that an appropriate asset management plan is put in place	Achieved and ongoing. The Asset Register is maintained by the Financial Services Officer. Collection assets are added at current market value as appropriate.
Use the visitor survey as a means of ascertaining levels of visitor satisfaction with services, exhibitions and programmes (target 80% or better rate their experience as 8,9,10 on a 10 point scale) and the success of campaigns to attract repeat visits from the regional population. Report six monthly and compare annually with data obtained by NCC surveys.	Achieved and ongoing. A full report based on 500 surveys completed in the last year has been presented to the Board and a review on the survey format has been completed to align with Museums Aotearoa standard.

#### Note 21

##### INTEREST IN JOINT VENTURE

Council has a 50% interest in the Nelson Regional Sewerage Business Unit (NRSBU) and Nelson Tasman Combined Civil Defence Organisation (NTCCDO)

##### Financial performance

	2013/14 \$(000's)		
	NRSBU	NTCCDO	TOTAL
Net Income	2,626	234	2,860
Net Expenditure	3,085	299	3,384
Net surplus/(deficit)	(459)	(65)	(524)
Includes:			
Depreciation	872	50	922

**Financial Position**

The Council's share of assets and liabilities proportionately consolidated is:

	2013/14 \$(000's)		TOTAL
	NRSBU	NTCCDO	
<b>Current Assets</b>			
Cash at Bank	22	210	232
Receivables	89	1	90
	<u>111</u>	<u>211</u>	<u>322</u>
<b>Non Current Assets</b>			
Derivative Financial Instruments	-	-	0
Infrastructure-Wastewater	26,361	-	26,361
Forestry	16	-	16
Freehold Land	1,171	-	1,171
Buildings	111	90	201
Motor Vehicles	-	25	25
Plant & Equipment	5	38	43
Office Furniture and Equipment	-	98	98
	<u>27,664</u>	<u>251</u>	<u>27,915</u>
<b>Current Liabilities</b>			
Trade Creditors	656	3	659
Current Portion of Term Loans	8,100	-	8,100
	<u>8,756</u>	<u>3</u>	<u>8,759</u>
<b>Non Current Liabilities</b>			
Term Loans	-	-	0
Net Assets contributed by the Joint Venture	<u>19,019</u>	<u>459</u>	<u>19,478</u>

Comparative figures for 2012/13 are as follows:

**Financial performance**

	2012/13 \$(000's)		TOTAL
	NRSBU	NTCCDO	
Net Income	2,839	213	3,052
Net Expenditure	3,072	266	3,338
Net surplus/(deficit)	<u>(233)</u>	<u>(53)</u>	<u>(286)</u>
Includes:			
Depreciation	<u>910</u>	<u>32</u>	<u>942</u>



## Financial Position

	NRSBU	2012/13 \$(000's) NTCCDO	TOTAL
The Council's share of assets and liabilities proportionately consolidated is:			
<b>Current Assets</b>			
Cash at Bank	26	222	248
Receivables	99	-	99
	<u>125</u>	<u>222</u>	<u>347</u>
<b>Non Current Assets</b>			
Derivative Financial Instruments	130	-	130
Infrastructure-Wastewater	26,074	-	26,074
Forestry	8	-	8
Freehold Land	1,182	-	1,182
Buildings	118	2	120
Motor Vehicles	-	37	37
Plant & Equipment	15	34	49
Office Furniture and Equipment	-	57	57
	<u>27,527</u>	<u>130</u>	<u>27,657</u>
<b>Current Liabilities</b>			
Trade Creditors	980	2	982
Current Portion of Term Loans	8,200	-	8,200
	<u>9,180</u>	<u>2</u>	<u>9,182</u>
<b>Non Current Liabilities</b>			
Term Loans	-	-	0
Net Assets contributed by the Joint Venture	<u>18,472</u>	<u>350</u>	<u>18,822</u>

2012/13 Note 22 \$(000's) TRADE AND OTHER PAYABLE	2013/14 \$(000's)
7,142 Trade creditors	4,320
2,134 Sundry accruals	4,986
1,427 Sundry deposits	1,612
1,943 Other	1,277
<u>12,646</u>	<u>12,195</u>
Comprising:	
12,646 Current	12,195
- Non-current	-
<u>12,646</u> Total trade and other payables	<u>12,195</u>

2012/13 Note 23		2013/14
\$(000's) PROVISIONS		\$(000's)
Term		Term
974	Opening Balance	1,041
60	Change in provision	114
7	Unwinding of discount	(9)
	<u>1,041</u>	<u>1,146</u>

**Provision for landfill aftercare costs**

TDC gained resource consents in 1989 to operate Eves Valley and Murchison Landfills. TDC has a responsibility under the resource consents to provide ongoing maintenance and monitoring of the landfills after the site is closed.

The management of the landfills will influence the timing of recognition of some liabilities - for example, the current Eves Valley landfill will operate in two stages. A liability relating to stage two will only be created when this stage is commissioned and when refuse begins to accumulate in this stage.

- The estimated remaining life is 40 years for the Eves Valley landfill. In 2012 the remaining life for Stage Two reassessed and Stage Two is now estimated to be closed in 2017. The provision has been adjusted for the latest estimated capping and monitoring costs.

- Council reassessed the estimated remaining life for the Murchison Landfill in the 2007/2008 financial year. It was decided that it was uneconomic to continue operating the Murchison Landfill and it ceased operations in that financial year. A transfer station was constructed at Murchison.

- Estimates of the life have been made by TDC's engineers based on historical volume information.

The cash outflows for landfill post-closure are expected to occur for 40 years after each site has been decommissioned. The long-term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and using a discount rate of 8% for Murchison [2013: 8%] and 8% for Eves Valley [2013: 8%].

The gross provision before discounting is \$2,868,472. (2013: \$2,823,855)

**Note 24**

**EMPLOYEE BENEFIT LIABILITIES**

2012/13 \$(000's)		2013/14 \$(000's)
448	Accrued pay	581
1,016	Annual leave	1,008
351	Retirement gratuities	310
351	Long Service Leave	385
50	Sick leave	50
<b>2,216</b>	<b>Total employee benefit liabilities</b>	<b>2,334</b>
	Comprising:	
1,671	Current	1,728
545	Non-current	606
<b>2,216</b>	<b>Total employee benefit liabilities</b>	<b>2,334</b>

2012/13 \$(000's)	2012/13 Note 25 \$(000's) BORROWINGS	2013/14 \$(000's)	2013/14 \$(000's)
	<b>a) Security</b>		

All loans are secured by a charge over rates on the rateable properties of the Tasman District Council designated area except the investment property building which is secured by rent.

Term	Current	Term	Current
149,812	0 Tasman District Council	140,923	0
0	8,200 Joint Venture	0	8,100
0	3 Finance Lease	10	3
149,812	8,203	140,933	8,103

**b) Refinancing**

TDC manages its borrowings in accordance with its funding and financial policies, which includes a Liability Management policy. These policies have been adopted as part of the TDC's Long Term Council Community Plan.

**c) Interest Rates**

Interest rates payable on individual loans range from 3.7% to 4.9675% with a weighted average cost of borrowings, including swap rates and bank commitment fees of 5.522% (2013 3.41% to 4.0175% with a weighted average of 5.349%)

TDC 2012/13 \$(000's)	JV 2012/13 \$(000's)	d) Repayable Period of Loans	TDC 2013/14 \$(000's)	JV 2013/14 \$(000's)
0	8,200	Repayable: Within 1 year	0	8,100
31,368	0	Within 1-2 years	19,368	-
118,444	-	Within 2-5 years	121,555	-
149,812	0	Non Current Portion	140,923	-
149,812	8,200	Total Loans	140,923	8,100

Under NZ IFRS if Council expects and has the discretion to refinance or roll over an obligation for at least 12 months after balance date under an existing loan facility this is classified as non-current, even if it would otherwise be due within a shorter period. If there is no such arrangement for refinancing in place then Council must disclose these obligations as current.

Council's facility agreement for the Regional Sewerage Business matured 1 July 2014, as such the full \$8 million drawn under this facility is classified as a current liability. This facility was cancelled on 1 July 2014 and the funds financed from Council's facility. Council's own facility agreements all have terms beyond 30 June 2015, as such these are classified as non current.

Council has signalled an intention to repay \$10,369,000 in its 2014/2015 Annual Plan, excluding its share of the Regional Sewerage Business Unit repayments.

2012/13 e) Finance Lease \$(000's)	2013/14 \$(000's)
Repayable:	
3 Within 1 year	3
- Within 1-2 years	3
- Within 2-5 years	7
<u>0</u>	<u>10</u>
<u>3</u> Total Finance Leases	<u>13</u>

## Internal Borrowings

Internal borrowings are charged to activities and then eliminated on consolidation in the Council's financial statements.

Group of Activity	Opening Balance	Loans Raised	Loans Repaid	Closing Balance
Environmental Management	2,139,766	-	145,845	1,993,921
Public Health and Safety	292,469	-	49,645	242,825
Roading and Footpaths	29,707,329	4,896,200	2,078,013	32,525,516
Coastal Assets	5,742,101	-	592,039	5,150,062
Solid Waste	6,623,993	220,335	614,315	6,230,013
Wastewater and Sewage Control	28,412,189	1,725,229	3,533,387	26,604,031
Stormwater	13,316,235	2,226,006	969,863	14,572,378
Flood Protection and River Control Works	637,630	-	17,039	620,591
Water	22,468,835	2,856,240	1,883,037	23,442,039
Lifestyle and Culture	1,990,150	-	10,778	1,979,373
Community Facilities and Parks	26,928,008	269,520	1,129,022	26,068,506
Council Enterprises and Property	5,860,193	19,064	388,277	5,490,981
Governance	2,000,000	-	247,099	1,752,901
<b>Total Internal Loans</b>	<b>146,118,898</b>	<b>12,212,594</b>	<b>11,658,359</b>	<b>146,673,137</b>

2012/13 \$(000's)	Note 26 REVALUATION RESERVE	Inc (Dec) \$(000's)	Transfer to Accumulated Equity \$(000's)	Impairment Adjustment	2013/14 \$(000's)
48,875	Port Nelson Limited	(369)	-	-	48,506
10,062	Nelson Regional Sewerage Business Unit	625	-	-	10,687
3,001	Nelson Airport Limited	-	-	-	3,001
16	NZ Local Government Insurance Corporation	(4)	-	-	12
1,452	Tasman Bay Heritage Trust	344	-	-	1,796
73,619	Land	-	164	(1,271)	72,512
20,650	Buildings	-	125	(60)	20,715
338,502	Roads	-	-	-	338,502
151	Aerodromes	-	-	-	151
9,705	Rivers	-	-	-	9,705
4,498	Coastal Structures	-	-	-	4,498
44,042	Wastewater	-	-	-	44,042
71,377	Stormwater	-	-	-	71,377
43,501	Water	-	-	-	43,501
<b>669,451</b>		<b>596</b>	<b>289</b>	<b>(1,331)</b>	<b>669,005</b>

<b>2012/13 Note 27</b>	<b>2013/14</b>
<b>\$(000's) ACCUMULATED EQUITY</b>	<b>\$(000's)</b>
486,496 Opening balance	502,052
12,752 Surplus	14,512
(3,623) Transfers to reserves	(3,765)
<b>Transfers from</b>	
(578) Opening Assets Restatement	-
732 Revaluation reserve on disposal of property	(289)
Impairment Investment in Associate	(68)
5,731 Reserves	1,806
565 Share of Other Comprehensive Income - Associates	
(23) Equity Restatement - JV	(10)
<u>502,052</u>	<u>514,238</u>

<b>2012/13 Note 28</b>	<b>2013/14</b>
<b>\$(000's) RESERVE FUNDS</b>	<b>\$(000's)</b>
16,092 Opening balance	13,984
Transfers to:	
(5,731) Accumulated funds	(1,806)
Transfers from:	
3,623 Accumulated funds	3,765
<u>13,984</u> Closing Balance	<u>15,943</u>
<b>Restricted Funds consist of</b>	
13,984 Other funds	15,943
<u>13,984</u>	<u>15,943</u>

Other funds consist of funds relating to donations and bequeaths provided to Council by various people for specific projects, along with funds relating to general disaster funds and funds set aside for specific purposes in the future.

Reserve Reporting	Activity to which the fund relates	Opening Balance 1	Transfer into fund	Transfers out of fund	Closing
		July 2013			Balance 30
		(000's)	(000's)	(000's)	June 2014
					(000's)
Reserve Financial Contributions Reserve	Community Facilities & Parks	3,192	2,783	(2,189)	3,786
Rivers Disaster Fund	Rivers & Flood Protection	729	16	-	745
Rivers Reserve	Rivers & Flood Protection	(13)	3,631	(3,420)	198
Water Reserve	Water	145	12,396	(11,597)	944
Wastewater Reserve	Wastewater	2,060	12,695	(13,152)	1,603
Self Insurance Fund	Overall Council	919	31	-	950
Stormwater Reserve	Stormwater	(109)	6,067	(5,790)	168
Solid Waste Reserve	Solid Waste	345	8,605	(8,073)	877
Dog Control Reserve	Public Health & Safety	73	400	(419)	54
Community Facilities Rate Reserve	Community Facilities & Parks	534	5,678	(5,605)	607
Camping Ground Reserve	Council Enterprises & Property	(21)	705	(706)	(22)
Community Housing Reserve	Community Facilities & Parks	(20)	617	(541)	56
Development Contribution Reserve	Roading & Footpaths, Water, Wastewater, Stormwater	4,256	2,714	(2,326)	4,644
General Disaster Fund	Governance	1,894	550	(1,111)	1,333
<b>TOTAL</b>		<b>13,984</b>	<b>56,888</b>	<b>(54,929)</b>	<b>15,943</b>

Reserve Reporting	Activity to which the fund relates	Opening	Transfer	Transfers	Closing
		Balance 1			into fund
		July 2012			June 2013
		(000's)	(000's)	(000's)	(000's)
Pinegrove Trust Reserve	Heritage & Culture Services	198		(198)	-
Reserve Financial Contributions	Community Facilities & Parks	2,718	3,022	(2,548)	3,192
Rivers Disaster Fund	Rivers & Flood Protection	664	65	-	729
Rivers Reserve	Rivers & Flood Protection	564	4,192	(4,769)	(13)
Water Reserve	Water	(510)	11,494	(10,839)	145
Wastewater Reserve	Wastewater	1,194	12,040	(11,174)	2,060
Self Insurance Fund	Overall Council	903	63	(47)	919
Stormwater Reserve	Stormwater	645	3,691	(4,445)	(109)
Solid Waste Reserve	Solid Waste	65	8,355	(8,075)	345
Dog Control Reserve	Public Health & Safety	30	429	(386)	73
Community Facilities Rate Reserve	Community Facilities & Parks	889	3,709	(4,064)	534
Community Board Reserves	Governance	70		(70)	-
Other	Overall Council	16		(16)	-
Camping Ground Reserve	Council Enterprises & Property	(28)	709	(702)	(21)
Community Housing Reserve	Community Facilities & Parks	(15)	681	(686)	(20)
Abel Tasman Foreshore Reserve	Public Health & Safety	238		(238)	-
Torrent Bay Committee Reserve	Overall Council	1		(1)	-
Coastal Reserve	Coastal Assets	616		(616)	-
Development Contribution Reserve	Roading & Footpaths, Water, Wastewater, Stormwater	5,152	2,226	(3,122)	4,256
Museums	Lifestyle & Culture	(1,150)	1,150		-
General Reserve	Overall Council	1,569		(1,569)	-
Warm Homes	Environmental Management	(100)	100		-
General Disaster Fund	Governance	2,363	977	(1,446)	1,894
<b>TOTAL</b>		<b>16,092</b>	<b>52,903</b>	<b>(55,011)</b>	<b>13,984</b>

Note:

During the 2013 financial year, the following reserves have been transferred out of Restricted Reserves into General Reserves (Equity) as they do not meet the definition of a Restricted Reserve. These accounts are still monitored by Council.

- Pinegrove Trust Reserve – Note: Funds returned in current year to be administered by Trust
- Community Board Reserves
- Other Reserves
- Abel Tasman Foreshore Reserve
- Torrent Bay Committee Reserve
- Coastal Reserve
- Museums
- General Reserve
- Warm Homes

#### *Dog Control Reserve*

The dog control reserve is used to separate all funding and expenditure for the dog control activity.

#### *Development Contribution Reserve*

It is Tasman District Council's intention that developers should bear the cost of the increased demand that development places on the District's infrastructure. Population growth in the District places a strain on network and community infrastructure. That infrastructure will need to expand and be further developed in order to cope with the demands of population growth. This includes additional demand on services such as roading, water supply, wastewater and stormwater management. All development contributions must be separately accountable and the Council keeps development contributions received in four separate accounts; roading, wastewater, stormwater and water. Strict criteria apply to the use of these funds. Any budgeted surpluses/deficits for these funds in any given year are funded through borrowing or repaying development contribution loans.

#### *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 wastewater 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.

#### *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 income, expenditure and funding budgets for this activity. Any variations from these budgets for example as a result of timing of projects or unplanned expenditure are recorded in the stormwater reserve to keep any surpluses/deficits separate from other activities.

#### *Solid Waste Reserve*

The solid waste reserve is used to separate all funding and expenditure for the solid waste activity. Each year Council sets the income, expenditure and funding budgets set for this activity. Any variations from these budgets for example timing of projects or unplanned expenditure are recorded in the solid waste reserve to keep any surpluses/deficits separate from other activities.

#### *Rivers Disaster Fund*

The rivers disaster fund (The Classified Rivers Protection Fund) covers the excess for river protection assets insured under the Local Authority Protection Programme (LAPP).



#### *Rivers Reserve*

The rivers reserve is used to enable separate accounting for the funding and expenditure for the rivers activity. Each year Council sets the 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.

#### *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.

#### *General Disaster Fund*

The General Disaster Fund is to cover uninsurable assets like roads and bridges. Council usually receives a subsidy from NZ Transport Agency to cover part of the costs of any roads and bridges damaged in a disaster but Council needs to fund any remaining costs.

#### *Self Insurance Fund*

The purpose of this fund is to provide cover for assets that are medium to low risk, but are uneconomic to insure.

#### *Community Facilities Rate Reserve*

The community facilities rate reserve is used to ring-fence all funding and expenditure on the community facilities activity. Each year in Council's Annual Plan income, expenditure and funding budgets are set for this activity. Any variations from these budgets (due to timing of projects, unplanned expenditure etc) are recorded in the community facilities rates reserve so that any surpluses/deficits can be ring-fenced.

#### *Camping Ground Reserve*

The camping ground reserve is used to ring-fence all funding and expenditure on the camping ground activity. Each year in Council's Annual Plan income, expenditure and funding budgets are set for this activity. Any variations from these budgets (due to timing of projects, unplanned expenditure etc) are recorded in the camping ground reserve so that any surpluses/deficits can be ring-fenced.

#### *Community Housing Reserve*

The community housing reserve is used to ring-fence all funding and expenditure on the community housing activity. Each year in Council's Annual Plan income, expenditure and funding budgets are set for this activity. Any variations from these budgets (due to timing of projects, unplanned expenditure etc) are recorded in the community housing reserve so that any surpluses/deficits can be ring-fenced.

2012/13 Note 29		2013/14
<b>\$(000's)</b>	<b>Cash Flow Reconciliation</b>	<b>\$(000's)</b>
12,752	Operating (Surplus)/Deficit	14,512
	<i>Add Non Cash Items:</i>	
19,971	Depreciation	21,071
(1,918)	Share of associate	(2,947)
690	Asset writedown and disposal	-
(4,990)	Vested assets	(3,269)
(200)	Unrealised loss on investment property	410
(1,821)	Revaluation of forestry assets	248
(4,050)	Unrealised Loss/(Gain) on Interest Rate Derivatives	(3,029)
603	Unwinding of IFRS discounts	20
-	Deferred Tax	0
	<i>Movements in Working Capital Items:</i>	
(1,197)	Accounts receivable	2,380
(1,987)	Accounts payable	(373)
	<i>Other</i>	
67	Movement in Term Provisions	105
(22)	Gain (loss) on sale included in Investing Activities	(330)
736	Movement in fixed asset related payables	-
(66)	Movement in Term Employee entitlements	61
31	Movement in Term Debtors	31
-	Movement in Prepayments classified as investing	-
(26)	Net GST	163
-	NRSBU Equity Adjustment	10
-	Revaluation loss exceed revaluation reserve	-
0	Share of associates other comprehensive income	-
18,573	Net Cash In(Out)flow From Operating Activities	29,063

## Note 30 Related Party Transactions

2012/13 \$(000's)		2013/2014 \$(000's)
	<b>a) Port Nelson Ltd</b>	
	i) Received from:	
2,100	Share of Dividends	2,100
32	Directors Fees	34
1,600	ii) Accounts Receivable	1,100
	<b>b) Nelson Regional Sewerage Business Unit</b>	
	i) Received from:	
48	Rates	48
4	Consent & Monitoring Fees	3
868	Owner Distribution	977
	ii) Paid to:	
2,585	Operational funding	2,600
613	iii) Accounts Receivable	801
-	iv) Accounts Payable	-
	<b>c) Tasman Bays Heritage Trust</b>	
	i) Paid to:	
807	Operational Funding	814
	<b>d) Nelson Airport Ltd</b>	
	i) Received from:	
250	Share of Dividends	325
14	Directors Fees	14
-	ii) Accounts Receivable	-
	<b>e) Tourism Nelson Tasman Ltd</b>	
	i) Paid to:	
421	Operational Funding	426
-	Grants	-
	<b>f) Nelson Tasman Combined Civil Defence Organisation</b>	
	i) Paid to:	
297	Operational Funding	347
-	ii) Accounts Payable	-

No provision has been required, nor any expense recognised for impairment of receivables, for any loans or receivables to related parties (2013 \$nil).

### Key management personnel

During the year Councillors and key management, as part of a normal customer relationship, were involved in minor transactions with Council (such as rates, purchase of rubbish bags etc).

Salaries and other short-term employee benefits paid to key management personnel for 2013/2014 was \$1,688,651. (2012/2013: \$1,886,621). Key management personnel include the Mayor, Councillors, Chief Executive, and Management Team.

### 31 Severance Payments

In accordance with Schedule 10, Part 3, Clause 19, Local Government Act 2002, Council declares that there has been no individual severance payments made to employees during this financial year. (2012/2013: \$28,711).

### 32 Remuneration

#### **Chief Executive**

The Chief Executive of Tasman District Council, appointed under Section 42 of the Local Government Act 2002, received total remuneration of \$296,274 during the year ending 30 June 2014. [2013: 282,435]

#### Council Employees

	2014	2013
Total annual remuneration by band for employees as at 30 June		
< \$60,000	109	112
\$60,000 - \$79,999	76	77
\$80,000 - \$99,999	49	35
\$100,000 - \$119,999	6	6
\$120,000 - \$139,999	6	7
\$140,000 - \$219,999	6	6
\$280,000 - \$299,999	1	1
Total employees	<u>253</u>	<u>244</u>

Total remuneration includes non-financial benefits provided to employees.

At balance date, the Council employed 197 (2013: 184) full time employees, with the balance of staff representing 31 full time equivalents employees (2013: 31 full time equivalents). A full-time employee is determined on the basis of a 40-hour working week.

### 33 Financial Instruments

#### 33a Financial Instrument categories

The accounting policies for financial instruments have been applied to the line items below:

2012/13 \$(000's)		2013/14 \$(000's)
<b>FINANCIAL ASSETS</b>		
<b>Loans and receivables</b>		
1,752	Cash and cash equivalents	4,026
15,643	Debtors and other receivables	13,048
Other financial assets:		
537	- community loans	478
560	- loans to related parties	511
<u>18,492</u>	<b>Total Loans and receivables</b>	<u>18,063</u>
<b>Held to maturity</b>		
Other financial assets:		
349	- monies held for other organisations	146
5,394	- Council reserve funds held	1,201
<u>5,743</u>	<b>Total Held to maturity</b>	<u>1,347</u>
<b>Fair value through surplus or deficit</b>		
<u>(3,197)</u>	Derivative financial instruments that are not hedge accounted	<u>(299)</u>
<u>(3,197)</u>	<b>Total Fair value through profit and loss</b>	<u>(299)</u>
<b>Fair value through comprehensive income</b>		
Other financial assets:		
<u>2,533</u>	- unlisted shares	<u>3,342</u>
<u>2,533</u>	<b>Total Fair value through comprehensive income</b>	<u>3,342</u>
<b>FINANCIAL LIABILITIES</b>		
<b>Financial liabilities at amortised cost</b>		
12,646	Creditors and other payables	12,195
Borrowings		
<u>158,012</u>	- secured loans	<u>149,023</u>
<u>170,658</u>	<b>Total financial liabilities at amortised cost</b>	<u>161,218</u>

#### 33b Financial Instruments risks

Council is party to financial instrument arrangements as part of its every day operations. The Council is risk averse and seeks to minimise exposure arising from its treasury activities. The Council has

established a Treasury Policy specifying what transactions can be entered into. These financial instruments include bank balances, accounts receivable, accounts payable, loans, guarantees and investments.

#### a) Credit Risk

Credit risk is the risk that a third party will default on its obligation to Council, causing Council to incur a loss. Due to the timing of its cash inflows and outflows, the Council invests surplus cash into term deposits which gives rise to credit risk.

Council's Treasury Management policy limits the amount of credit exposure to any one financial institution or organisation. Council only invests funds with registered banks that have a Standard and Poor's credit rating of at least A+ for short term and AA – for long-term investments, or building societies.

Financial instruments which are potentially subject to credit risk consist of cash, bank balances, accounts receivable and short term deposits.

Maximum exposures to credit risk at balance date are:

<b>2012/13</b>		<b>2013/201</b>
<b>\$(000's)</b>		<b>4</b>
		<b>\$(000's)</b>
1,752	Cash and cash equivalents	4,026
15,643	Trade and other receivables	13,048
9,373	Other financial assets	5,678
(3,197)	Derivative financial instruments	(299)

The above maximum exposures are net of any recognised provision for losses on these financial instruments. No collateral is held on the above accounts.

The credit quality of financial assets:

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit ratings (if available) or to historical information about counterparty default rates:

<b>2012/13</b>		<b>2013/14</b>
<b>\$(000's)</b>		<b>\$(000's)</b>
<b>COUNTERPARTIES WITH CREDIT RATINGS</b>		
<b>Cash and cash equivalents</b>		
<u>1,752</u>	AA	<u>4,026</u>
<u>1,752</u>	Total cash and cash equivalents	<u>4,026</u>
<b>Other financial assets held to maturity</b>		
<u>5,743</u>	AA	<u>1,347</u>
<u>5,743</u>	Total financial assets held to maturity	<u>1,347</u>
<b>Derivative financial assets</b>		
<u>(3,197)</u>	AA	<u>(299)</u>
<u>(3,197)</u>	Total financial assets held to maturity	<u>(299)</u>

## COUNTERPARTIES WITHOUT CREDIT RATINGS

### Community loans

537 Existing counterparty with no defaults in the past	478
- Existing counterparty with defaults in the past	-
<u>537 Total Community loans</u>	<u>478</u>

### Loans to related parties

560 Existing counterparty with no defaults in the past	511
- Existing counterparty with defaults in the past	-
<u>560 Total Loans to related parties</u>	<u>511</u>

### Unlisted shares

2,533 Existing counterparty with no defaults in the past	3,342
- Existing counterparty with defaults in the past	-
<u>2,533 Total unlisted shares</u>	<u>3,342</u>

Debtors and other receivables mainly arise from Council's statutory functions, therefore there are no procedures in place to monitor or report the credit quality of debtors and other receivables with reference to internal or external credit ratings. Council has no significant concentrations of credit risk in relation to debtors and other receivable, as it has a large number of credit customers, mainly ratepayers, and Council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

Council is exposed to credit risk as a guarantor of all of the NZ LGFA's borrowings. Information about this exposure is explained on page 125.

#### b) Currency Risk

Council has no currency risk as any financial instruments it deals with are all in New Zealand dollars. (2013: Nil).

#### c) Fair Value Interest Rate Risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowings and investments issued at fixed rates of interest expose the Council to fair value interest rate risk. Council has exposure to interest rate risk to the extent that it borrows or invests for a fixed term at fixed rates. Council currently borrows at fixed term rates.

#### d) Cash Flow Interest Rate Risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings and investments issued at variable interest rates expose Council to cash flow interest rate risk.

Council raises some borrowings at floating rates and swaps them into fixed rates using interest rate swaps in order to manage the cash flow interest rate risk. Such interest rate swaps have the economic effect of converting borrowings at floating rates into fixed rates that are generally lower than those available if Council borrowed at fixed rates directly. Under the interest rate swaps, Council agrees with other parties to exchange, at specified intervals, the difference

between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional principal amounts.

**e) Financial Guarantees**

Council has guarantees to various organisations which may subject it to credit risk. Maximum exposure to credit risk at balance date was \$20,000 as detailed in the Statement of Contingent Liabilities. (2013: \$20,000).

It is not practical to estimate the fair value of the financial guarantees with an acceptable level of reliability.

**f) Price Risk**

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. Council is exposed to equity securities price risk on its investments, which are classified as financial assets held at fair value through comprehensive income.

**g) Liquidity Risk**

Liquidity risk is the risk that Council will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Council aims to maintain flexibility in funding by keeping committed credit lines available.

Council manages its borrowings in accordance with its funding and financial policies, which include a Treasury Management policy. These policies have been adopted as part of the Council's Long Term Plan.

Council has a maximum amount that can be drawn down against its overdraft facility of \$2,000,000 (2013: \$2,000,000). There are no restrictions on the use of this facility.

Council is exposed to liquidity risk as a guarantor of all of the NZ LGFA's borrowings. This guarantee becomes callable in the event of the LGFA failing to pay its borrowings when they fall due. Information about this exposure is explained on page 125.

**Contractual maturity analysis**

*Contractual maturity analysis of financial liabilities, excluding derivatives*  
 The table below analyses the Council financial liabilities into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. Future interest payments are based on the average interest rate at balance date. The amounts disclosed are the contractual undiscounted cash flows and include interest payments

	2014	Carrying amount	Contractual cash flows	Less than 1 year	1 -2 years	2 + years
		\$(000's)	\$(000's)			
Creditors and other payables		12,195	12,195	12,195		
Secured loans		149,023	185,853	16,127	27,437	142,289
Finance Leases		13	20	4	4	12
<b>Total</b>		<b>161,231</b>	<b>198,068</b>	<b>28,326</b>	<b>27,441</b>	<b>142,301</b>

	2013	Carrying amount	Contractual cash flows	Less than 1 year	1 -2 years	2 + years
		\$(000's)	\$(000's)			
Creditors and other payables		12,646	12,646	12,646	-	-
Secured loans		158,012	187,992	16,542	38,966	132,484
Finance Leases		3	5	5	0	0
<b>Total</b>		<b>170,661</b>	<b>200,643</b>	<b>29,193</b>	<b>38,966</b>	<b>132,484</b>



*Contractual maturity analysis of financial assets, excluding derivatives*

The table below analyses the Council financial assets into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. Future interest payments are based on the average interest rate at balance date. The amounts disclosed are the contractual undiscounted cash flows and include interest receipts.

	Carrying amount	Contractual cash flows	Less than 1 year	1 -2 years	2 + years
<b>2014</b>					
Cash and cash equivalents	4,026	4,026	4,026	-	-
Debtors and other receivables	13,048	13,048	13,048	-	-
Other financial assets:					
- community loans	478	539	216	73	250
- loans to related parties	511	1,150	25	25	1,100
<b>Total</b>	<b>18,063</b>	<b>18,763</b>	<b>17,315</b>	<b>98</b>	<b>1,350</b>
	Carrying amount	Contractual cash flows	Less than 1 year	1 -2 years	2 + years
	\$(000's)	\$(000's)	\$(000's)	\$(000's)	\$(000's)
<b>2013</b>					
Cash and cash equivalents	1,752	1,752	1,752	-	-
Debtors and other receivables	15,643	15,651	15,612	39	-
Other financial assets:					
- community loans	537	693	222	81	390
- loans to related parties	560	1,200	25	25	1,150
<b>Total</b>	<b>18,492</b>	<b>19,296</b>	<b>17,611</b>	<b>145</b>	<b>1,540</b>

## h) Sensitivity Analysis

The table below illustrates the potential profit and loss and equity (excluding retained earnings) impact for reasonably possible market movements, with all other variables held constant, based on Council's financial instrument exposures at the balance date.

### Interest Rate Risk:

	2013/14			
	\$(000's)			
	-100 bps		+100 bps	
	Profit	Other Equity	Profit	Other Equity
<b>Financial Assets</b>				
Cash and cash equivalents	(40)	-	40	-
Community loans	-	-	-	-
Loans to related parties	-	-	-	-
Monies held for other organisations	-	-	-	-
Council reserve funds held	-	-	-	-
Derivative Financial Instruments	(5,555)	-	5,238	-
<b>Financial Liabilities</b>				
Secured loans	1,490	-	(1,490)	-
	2012/13			
	\$(000's)			
	-100 bps		+100 bps	
	Profit	Other Equity	Profit	Other Equity
<b>Financial Assets</b>				
Cash and cash equivalents	(18)	-	18	-
Community loans	-	-	-	-
Loans to related parties	-	-	-	-
Monies held for other organisations	-	-	-	-
Council reserve funds held	-	-	-	-
Derivative Financial Instruments	(5,169)	-	4,878	-
<b>Financial Liabilities</b>				
Secured loans	1,580	-	(1,580)	-

### Explanation of sensitivity analysis:

1. Cash and cash equivalents include deposits at call on floating rates totalling \$4,026,000 (2013: \$1,752,000). A movement in interest rates of plus or minus 1% has an effect on interest income of \$40,260 (2013: \$17,520).
2. Community loans and loans to related parties are at fixed rates for the year. A movement in market interest rates on fixed rate investments does not have an impact because the investments are accounted for at fair value.
3. Monies held for other organisations and Council reserve funds held as deposits are at fixed investment rates. A movement in market interest rates on fixed rate investments does not have an impact because the investments are accounted for at fair value.
4. Council has \$149,023,000 worth of loan at 30 June 2014 at floating rates (2013: \$158,012,000). A movement in interest rates of plus or minus 1% has an effect on interest expense of \$1,490,230 (2013: \$1,580,120).
5. Derivatives – Interest rate swaps. Derivative financial assets not hedge accounted includes interest rate swaps with a fair value totalling (\$299,000) (2013: -\$3,197,000). A movement in interest rates of plus or minus 1% has an effect on the swap value of plus \$5.238m and minus \$5.555m.

### 33c Financial Instruments Fair Value Hierarchy

For those instruments recognised at fair value in the statement of financial position, fair values are determined

according to the following hierarchy:

- Quoted market price (level 1) – Financial instruments with quoted prices for identical instruments in active markets.
- Valuation technique using observable inputs (level 2) – Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- Valuation techniques with significant non-observable inputs (level 3) – Financial instruments valued using models where one or more significant inputs are not observable.

The following table analyses the basis of the valuation of classes of financial instruments measured at fair value in the statement of financial position:

2014	TOTAL \$(000's)	Valuation Technique		
		Quoted Market Price \$(000's)	Observable Inputs \$(000's)	Significant Non Observable Inputs \$(000's)
<b>FINANCIAL ASSETS</b>				
<b>Fair value through surplus or deficit</b>				
Derivative financial instruments that are not hedge accounted	(299)		(299)	-
Total Fair value through profit and loss	(299)	-	(299)	-
<b>Fair value through comprehensive income</b>				
Other financial assets:				
- unlisted shares	3,342			3,342
Total Fair value through comprehensive income	3,342	0	0	3,342

There were no transfers between the different levels of the fair value hierarchy.

2013	TOTAL \$(000's)	Valuation Technique		
		Quoted Market Price \$(000's)	Observable Inputs \$(000's)	Significant Non Observable Inputs \$(000's)
<b>FINANCIAL ASSETS</b>				
<b>Fair value through surplus or deficit</b>				
Derivative financial instruments that are not hedge accounted	(3,197)	-	(3,197)	-
Total Fair value through profit and loss	(3,197)	-	(3,197)	-
<b>Fair value through comprehensive income</b>				
Other financial assets:				
- unlisted shares	2,533	0	0	2,533
Total Fair value through comprehensive income	2,533	0	0	2,533

Valuation techniques with significant non-observable inputs (level three)

The table below provides a reconciliation from the opening balance to the closing balance for the level three fair value measurements:

	2014	2013
Balance at 1 July	2,533	2,334
Gain and losses recognised in the surplus or deficit	29	-
Gain and losses recognised in other comprehensive income	(4)	-
Purchases	784	333
Sales	-	(134)
Transfers into level 3	-	-
Transfers out of level 3	-	-
<b>Balance at 30 June</b>	<b>3,342</b>	<b>2,533</b>

Changing a valuation assumption to a reasonable possible alternative assumption would not significantly change fair value.

### 34 Capital management

The Council's capital is its equity (or ratepayers' funds), which comprise retained earnings and reserves. Equity is represented by net assets.

The Local Government Act 2002 [the Act] requires the Council to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayers' funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets and not expecting them to meet the full cost of long term

assets that will benefit ratepayers in future generations. Additionally, the Council has in place asset/activity management plans for major classes of assets detailing renewal and maintenance programmes, to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires the Council to make adequate and effective provision in its Long Term Plan (LTP) and in its Annual Plan (where applicable) to meet the expenditure needs identified in those plans. The Act sets out the factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in the Council's LTP.

Council has the following Council created reserves:

- Reserves for different areas of benefit;
- Self-insurance reserves; and
- Trust and bequest reserves.

Reserves for different areas of benefit are used where there is a discrete set of rate or levy payers as distinct from the general rate. Any surplus or deficit relating to these separate areas of benefit is applied to the specific reserves.

Self-insurance reserves are built up annually from general rates and are made available for specific unforeseen events. The release of these funds generally can only be approved by Council.

Trust and bequest reserves are set up where Council has been donated funds that are restricted for particular purposes. Interest is added to trust and bequest reserves where applicable and deductions are made where funds have been used for the purpose they were donated.

### **35 Urban Portions of the State Highway Network**

The ownership of urban portions of the state highway network is unclear, although there is legal opinion indicating that the ownership rests with local authorities. New Zealand Transport Agency maintains these highways in their entirety without any costs accruing to local authorities.

As a consequence, even if ownership resides with local authorities, in practice, New Zealand Transport Agency controls the economic resources. Pending clarification of ownership and further consideration of the accounting issues which may arise, Tasman District Council has not recognised the urban portion of the state highway network as an asset in these financial statements. The estimated distance of highway involved is 16.7 kilometres.

### **36 Significant Variances compared to the Annual Plan**

The Council made a net surplus of \$14.512 million (budgeted surplus of \$9.018 million).

Explanations for major variations from the budget are as follows:

Revenue and expenditure	\$(000's)
<b>2013/2014 Annual Plan surplus</b>	9,018
<i>Increases/(reductions)</i>	
Development and financial contributions	1,360
Subsidies and grants	2,950
Other gains	1,879
Other increases in revenue	883
Engineering	934
Council Enterprises	(1,382)
Other Expense variances	(1,130)
	<hr/>
	5,494
	<hr/>
<b>2014 Annual Report Accounting Surplus</b>	<b>14,512</b>

The major reasons for the variance between actual and estimated net surplus were:

Development contributions being \$980,000 higher than expected. This is a timing issue dependent on when new subdivisions and building developments are liable for development contributions. Reserve Financial Contributions being \$380,000 higher than expected due to an increase in building consents issued over budgeted.

Subsidies and Grants are up on budget mainly due to NZTA subsidies which are \$2,090,000 higher than expected due to emergency works expenditure on which we received 61% subsidy for the roading expenditure. [Note: This includes \$1,488,000 received from NZTA towards the December 2011 flood event damage, and \$1,631,000 subsidy for other emergency events]. We also received a community subsidy of \$414,000 towards the purchase of the LEH Baigent Reserve at Kina Peninsula which was not budgeted for in the current financial year.

Other gains are up on budget mainly due to the unrealised gain on the interest rate swaps of \$3,029,000 being \$2,029,000 higher than budgeted due to the inherent difficulties in forecasting market conditions, the forestry revaluation (the budgeted gain was \$534,000, and the actual result was a loss of \$257,000) and a gain on sale on the arbitrage of carbon credits of \$344,000 which was not budgeted for.

Other increases in revenue are up on budget due to the share of associate's income results being \$2,887,000 better than expected, and the share of our joint ventures income results being \$1,340,000 worse than expected

Engineering expenditure increased due to subsidised roading emergency works undertaken being \$1.815m more than budgeted. (These have been partially offset by an increase in New Zealand Transport Agency subsidies). Expenditure in the wastewater and water activities were down on budget.

Explanations for major variations from the budget are as follows:

Statement of Financial Position	Actual \$(000's)	Annual Plan \$(000's)	Variance \$(000's)
The carrying values of the following items vary significantly from those forecast in the LTCCP			
Trade and other receivables	13,048	9,798	3,250
Working Capital	(2,581)	(4,358)	1,777
Investment in Associates	90,952	82,929	8,023
Term Borrowings	(140,933)	(162,070)	21,137
Accumulated equity	(514,238)	(505,111)	(9,127)
Reserve funds	(15,943)	(11,811)	(4,132)
Revaluation reserves	(669,005)	(648,388)	(20,617)

The major reasons for the variance between actual and estimated Statement of Financial Position values were:

Trade & Other Receivables have increased due to the timing of Council's invoicing of debtors as well as an increase in overdue accounts which are being actively followed up by Council. This has affected Council's working capital position.

Investment in Associates is up on budget due to the associates results being better than budgeted.

Term borrowings are down on budget due to Borrowings were down on budget due to capital work on major projects such as the Richmond Water Treatment Plant and Takaka and Motueka Wastewater Treatment Plants being delayed. Also, Council decided to fund the balance sheet as a whole so they no longer hold restricted reserves in cash which resulted in cash being released and used to repay debt.

Accumulated equity is higher than budgeted due to the surplus for the year being higher than expected.

Reserve funds have increased primarily due to opening balance for the year being higher than budgeted due to prior year transactions. The timing of engineering and community projects can also affect the balance of the reserve funds at year end.

Revaluation reserves are down due to the previous year asset revaluation being higher than expected which resulted in the opening revaluation reserve balance being understated when preparing the Annual Plan.

### 37 Events Occurring after Balance Date

No significant events have occurred since balance date that affect these financial statements. Subsequent to balance date the shares in Tourism Nelson Tasman Limited have been transferred to Nelson City Council, for no consideration.

## 38 Elected Representatives

	SALARY	CONSENT HEARINGS	TOTAL COST	DIRECTOR FEES	TOTAL
	\$	\$	\$	\$	\$
KEMPTHORNE R G	118,473		118,473	-	118,473
KING T B	40,028	4,209	44,237	33,746	77,983
BOUILLIR M	30,564	-	30,564	-	30,564
BRYANT S G	37,795	3,220	41,015	-	41,015
CANTON P	22,176	-	22,176	-	22,176
DOWLER B F	30,564	-	30,564	-	30,564
EDGAR J	37,795	-	37,795	8,263	46,058
ENSOR B	30,639	5,120	35,759	-	35,759
GLOVER G	8,389	-	8,389	-	8,389
GREENING M J	22,176	-	22,176	-	22,176
HIGGINS M J	22,176	-	22,176	6,074	28,250
INGLIS J L	30,564	-	30,564	-	30,564
MALING C	8,389	-	8,389	-	8,389
MIRFIN Z	30,564	-	30,564	-	30,564
NORRIS T E	37,815	-	37,815	-	37,815
SANGSTER P	30,564	-	30,564	-	30,564
WILKINS E J	8,389	-	8,389	-	8,389
	<b>547,060</b>	<b>12,549</b>	<b>559,609</b>	<b>48,083</b>	<b>607,692</b>

The Mayor R G Kempthorne has full private use of a vehicle to undertaken his civic duties. The Remuneration Authority values this full private use at \$3,181.

Deputy Mayor T B King is a Director of Port Nelson Limited and received director fees from Port Nelson of \$33,746 during the year. (2013: \$32,200).

Councillor M J Higgins resigned as Director of Nelson Airport Limited on 4 December 2013. He received director fees from Nelson Airport Limited of \$6,074 during the year. (2013: \$13,750).

Councillor J Edgar was appointed as Director of Nelson Airport Limited on 5 December 2013. She received director fees from Nelson Airport Limited of \$8,263 during the year. (2013: \$Nil).

## 39 Acquisitions and Replacements of Assets.

Under the Local Government Act 2002 [Schedule 10, Part 3, Clause 15(f)], Council is required to describe any significant acquisitions or replacements undertaken during the financial year. Council has not made any acquisitions or replacements during the year which would be deemed significant. The Statements of Objectives and Service Performance for each of Council's significant activities provide details of acquisitions and replacements made during the year. These statements also detail projects not undertaken during the year and the reasons.

## 40 Impact of Disaster Events on Council's Financial Statements

The purpose of this note is to disclose the:

- impact of the December 2010, December 2011, April 2013 and June 2013 flood events on the Council's 30 June 2014 financial statements
- contingent assets that exist at balance date
- significant areas of estimation and assumption.

The impact of these events on the Council's financial statements is summarised below.

### December 2011 Rain Event

The most significant event for Council during recent history was the heavy rainfall experienced in parts of Golden Bay and Richmond in December 2011. There was widespread damage and a State of Emergency was declared.



For the flood events that occurred in December 2010 and December 2011, Council is able to recover a portion of its costs from a number of sources, including insurance, New Zealand Transport Agency subsidies and Central Government subsidies. For the December 2011 event, Council has recognised a Central Government subsidy for the welfare claim and a preliminary Ministry of Civil Defence and Emergency Management claim for the event. Council expects that it is probable that these claims will be accepted. Further Ministry of Civil Defence and Emergency Management claims will be prepared as further costs are received.

The impact of the December 2011 Rain Event on the Council's June 2014 financial statements is summarised below.

<u>Impact on other comprehensive income</u>	\$000's
Impairment of property plant and equipment	802

<u>Impact on capital expenditure</u>	\$000's
Roading repairs	(2,442)
Stormwater repairs	(23)
Wastewater repairs	(29)

Wainui Road has been repaired during the year. The impairment provision for roading has been completely reversed out in the current year. There are no further roading repairs outstanding for the December 2011 event. Council has received a 61% subsidy from the NZ Transport Agency towards the repairs undertaken in the current year.

Council's utility assets were impaired for \$124,000 last year relating to the December 2011 event. A reversal of this impairment of \$52,000 has occurred in the current year, leaving a remaining provision of \$72,000 still outstanding and awaiting repair (the majority of these impaired assets have had temporary fixes). This is still a significant magnitude of work before recovery is complete but the majority of this work is improvements to the assets. This work has been prioritised and further consideration will be given in the preparation of the next Activity Management Plans and Long Term Plan.

#### April 2013 and June 2013 Rain Events

The rain events in the 2013 financial year caused major damage to commercial and residential properties in the Richmond area, but minimal damage to Council infrastructure.

The impact of the 2013 Rain Events on the Council's financial statements is summarised below.

<u>Impact on other comprehensive income</u>	\$000's
Impairment of property plant and equipment	119

<u>Impact on capital expenditure</u>	\$000's
Roading repairs	(114)

The impairment provision for roading has been completely reversed out in the current year. There are no further roading repairs outstanding for the April 2013 event. Council has received a 61% subsidy from the NZ Transport Agency towards the repairs undertaken in the current year.

Council's stormwater assets were impaired for \$41,000 last year relating to the April and June events. A contract has recently been let to fix these repairs.

In accounting for the impact of the events, the Council has made estimates and assumptions based on the best information available at the time the financial statements were prepared.

The key estimates are:

- the cost of damage where repairs have not yet been undertaken
- the value of sections /components of Council assets damaged

The key assumptions are that:

- the full extent of the damage has been identified through the inspection and assessment procedures undertaken to date and that any unidentified damage is unlikely to be significant

- there has been no impact on the useful life of assets, including underground assets that cannot be readily inspected for damage.

#### 41 Financial Performance in relation to financial regulations benchmarks

##### Annual report disclosure statement for year ending 30 June 2014

##### What is the purpose of this statement?

The purpose of this statement is to disclose the council's financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

The council is required to include this statement in its annual report in accordance with the [Local Government \(Financial Reporting and Prudence\) Regulations 2014](#) (the **regulations**). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

Note: The Financial Strategy was a requirement of the 2012-2022 Long Term Plan, and required Council to set limits on a number of benchmarks. As a Financial Strategy was not required prior to this, there were no limits set for the June 2010 to June 2012 years, and therefore, no comparatives have been included in the following graphs.

##### Rates affordability benchmark

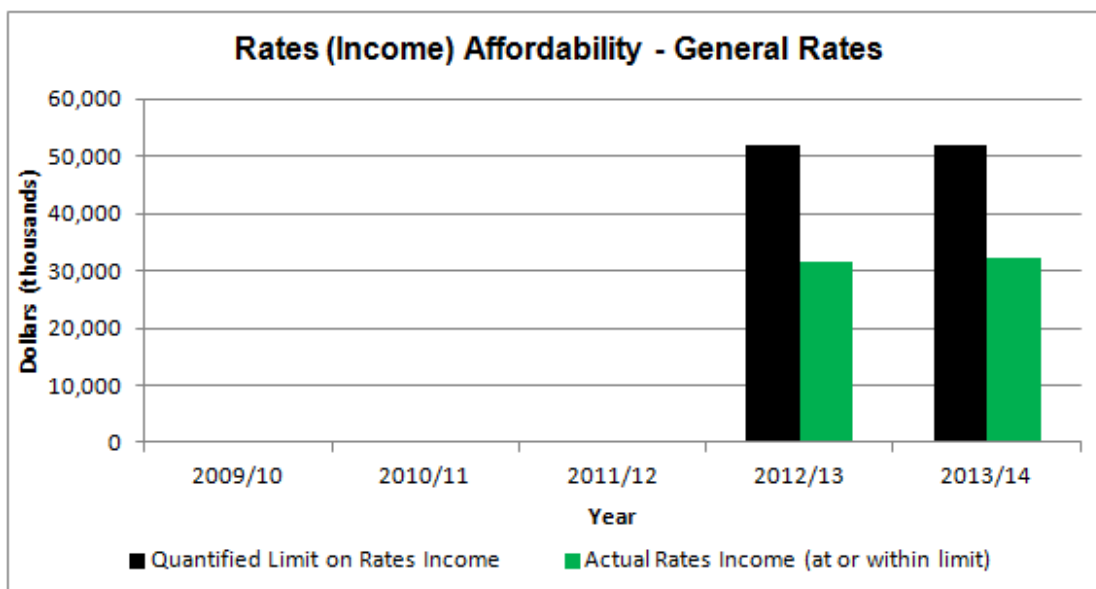
The council meets the rates affordability benchmark if—

- its actual rates income equals or is less than each quantified limit on rates; and
- its actual rates increases equal or are less than each quantified limit on rates increases.

##### *Rates (income) affordability*

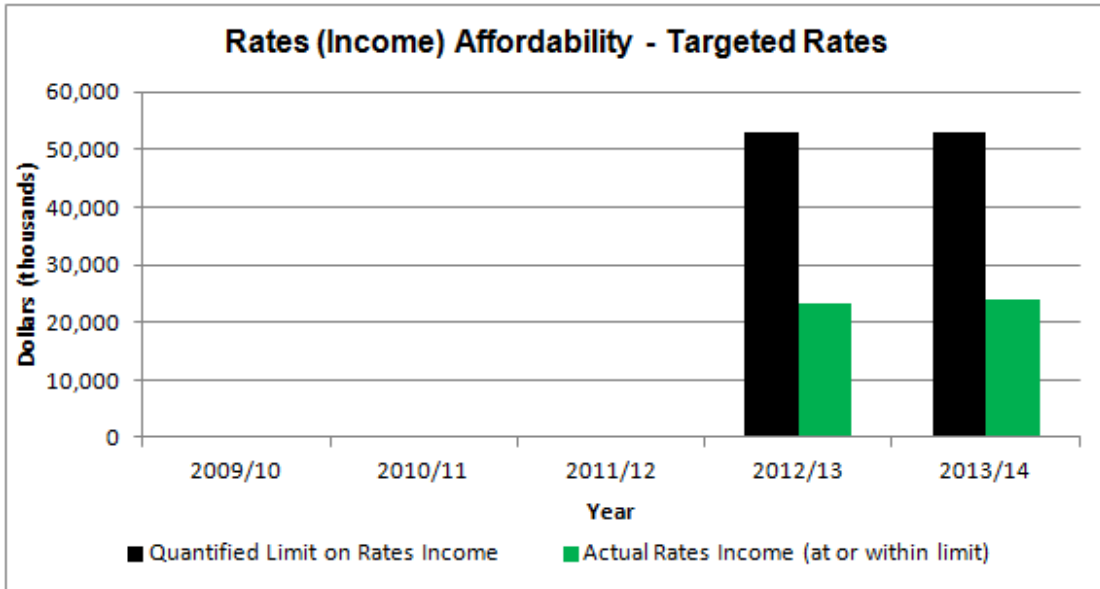
The following graph compares the Councils actual general rates income with a quantified limit on general rates contained in its financial strategy in the Councils Long Term Plan 2012 - 2022.

The quantified limit for general rates is \$52m per annum for each year covered by the Long Term Plan.



The following graph compares the Councils actual targeted rates income with a quantified limit on targeted rates contained in its financial strategy in the Councils Long Term Plan 2012 - 2022.

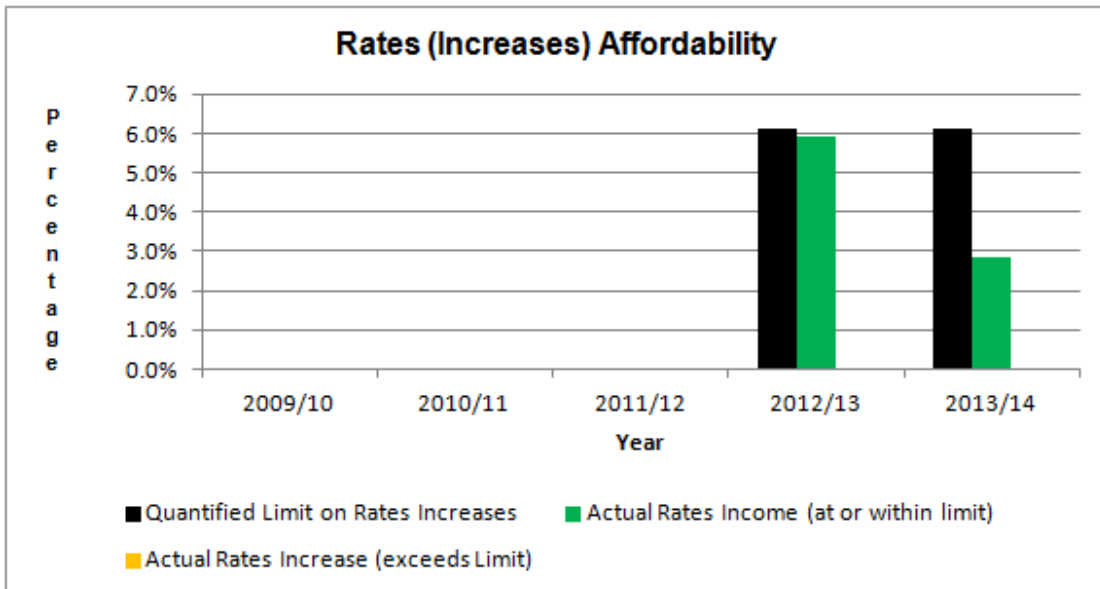
The quantified limit for targeted rates is \$53m per annum for each year covered by the Long Term Plan.



*Rates (increases) affordability*

The following Graph compares the Councils actual rate increases with a quantified limit on rates increases included in the Long Term Plan 2012 – 2022.

The quantified limit is 6.10% for all rates for each year covered by the Long Term Plan.

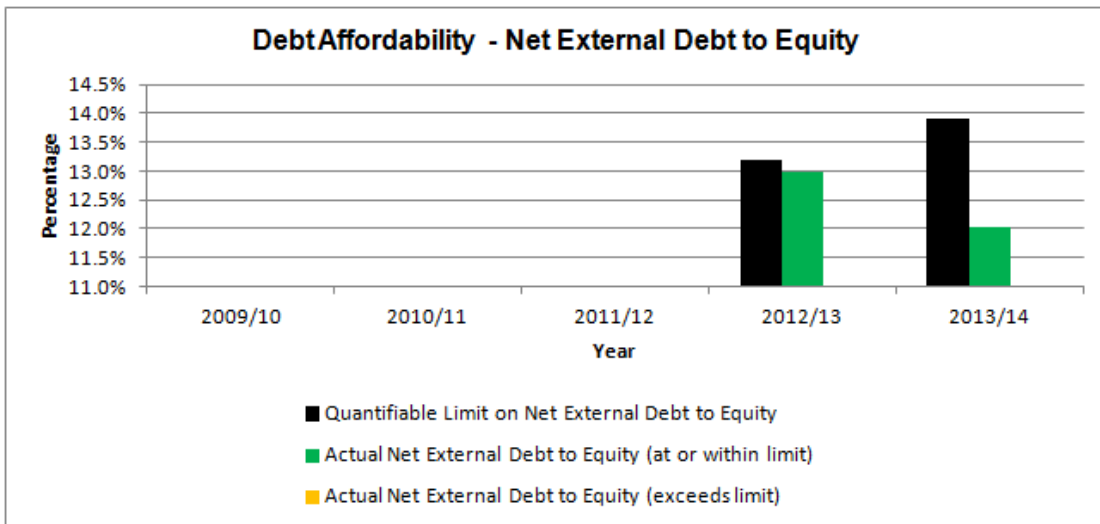


### Debt affordability benchmark

The council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing.

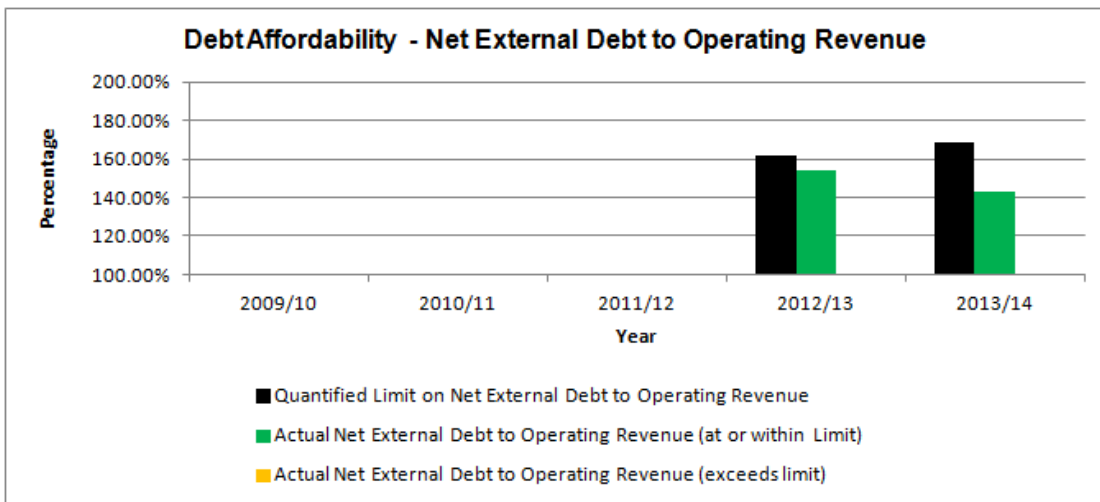
The following graph compares the council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the council's long-term plan. The limit set for 2013/2014 was 13.9%

The quantified limit is expressed as a percentage of equity. [Net External debt is defined as Gross External Debt (aggregate borrowings of the Council, including any capitalised finance leases, and financial guarantees provided to third parties) less any cash or near cash treasury investments held from time to time. Net external debt is defined as loan funds raised to meet Council activities, but does not include debt of Council's associate organisations or equity investments.]



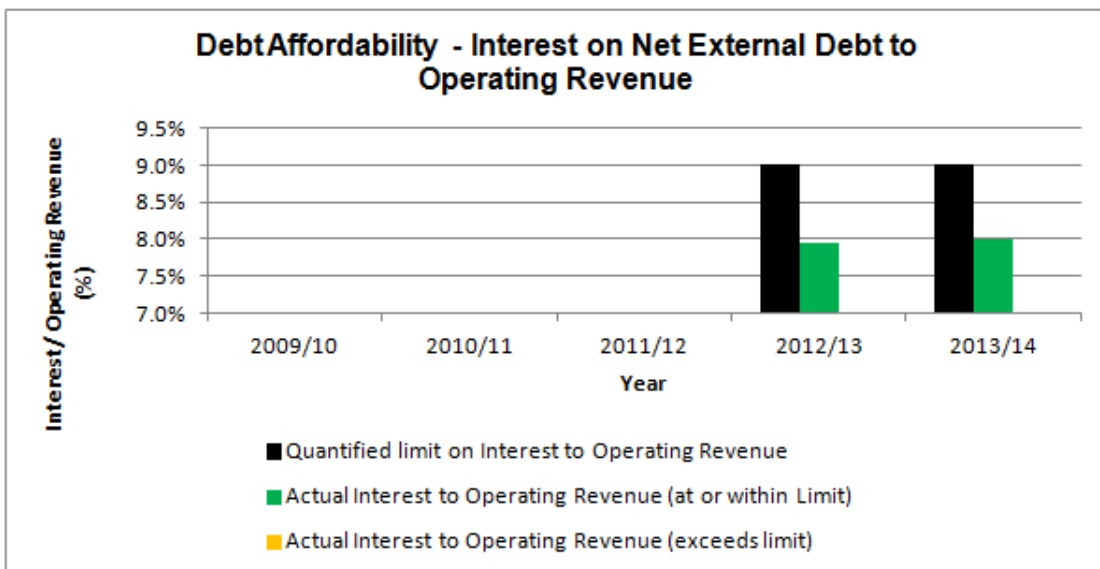
The following graph compares Councils Actual Net External Debt with a quantified limit on borrowing stated in the financial strategy included in Councils Long Term Plan 2012 – 2022.

The quantified limit is expressed as a percentage 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)]. The limit set for 2013/2014 was 168.6%



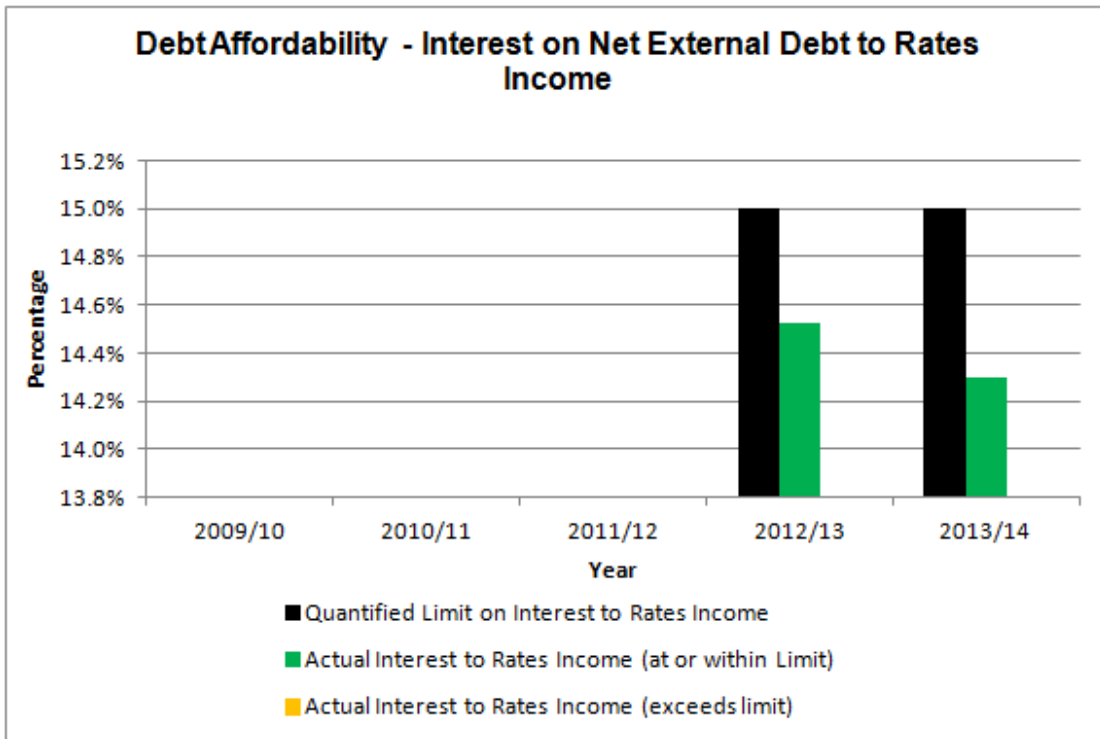
The following graph compares Councils Actual Net External Debt with a quantified limit on borrowing stated in the financial strategy included in Councils Long Term Plan 2012 – 2022.

The quantified limit is expressed as a percentage of total operating revenue. The limit set for 2013/2014 was 9%



The following graph compares Councils Actual Net External Debt with a quantified limit on borrowing stated in the financial strategy included in Councils Long Term Plan 2012 – 2022.

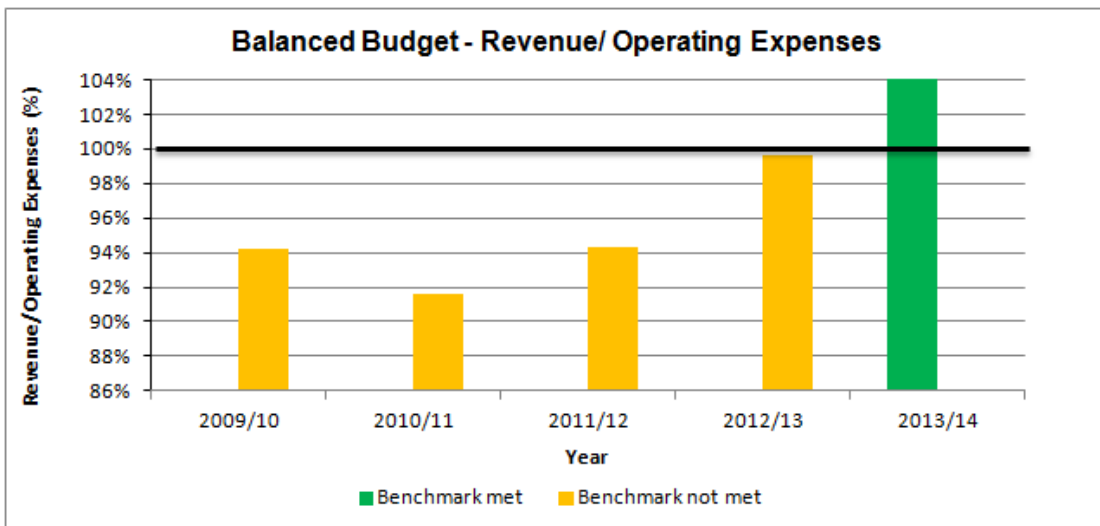
The quantified limit is expressed as a percentage of total rates income. The limit set for 2013/2014 was 15%



**Balanced budget benchmark**

The following graph displays the council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

The council meets this benchmark if its revenue equals or is greater than its operating expenses.



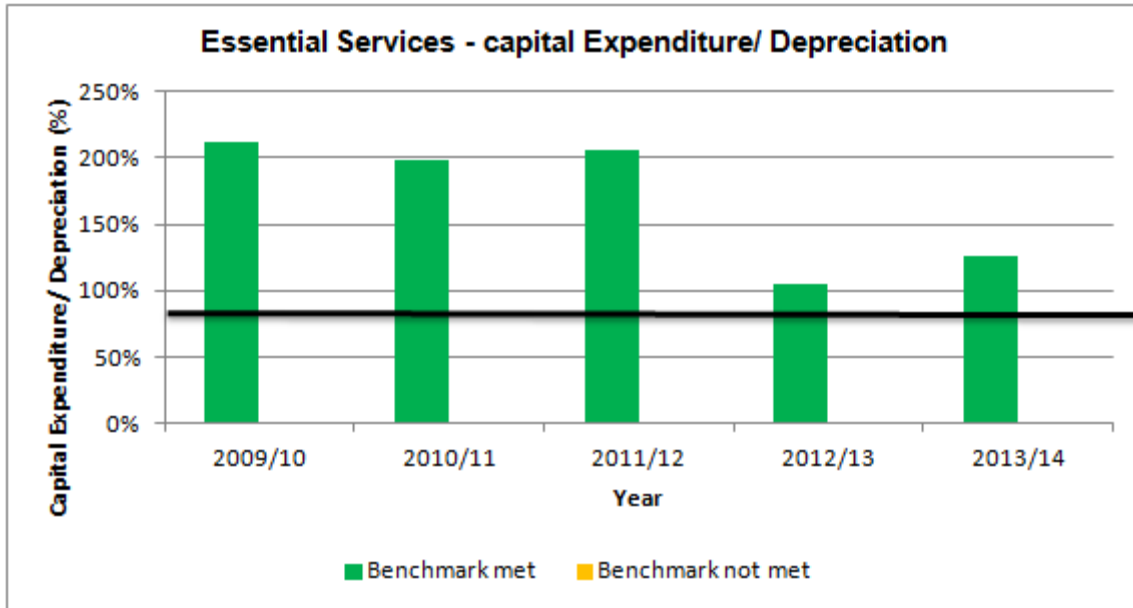
Note: Operating expenses include depreciation. Council has decided not to fund depreciation but to fund principal repayments on debt instead. Depreciation expense is higher than principal repayments. The funding of depreciation will be revisited as part of the 2015 Long Term Plan.

**Essential services benchmark**

The following graph displays the council's capital expenditure on network services as a proportion of depreciation on network services. Essential services have been defined as the core local authority infrastructure assets (water, wastewater,

stormwater, flood protection, roading) per the Local Government Act 2002 Amendment Act 2014. Therefore, refuse, ports and wharves, aerodrome and fixed assets have been excluded from this benchmark.

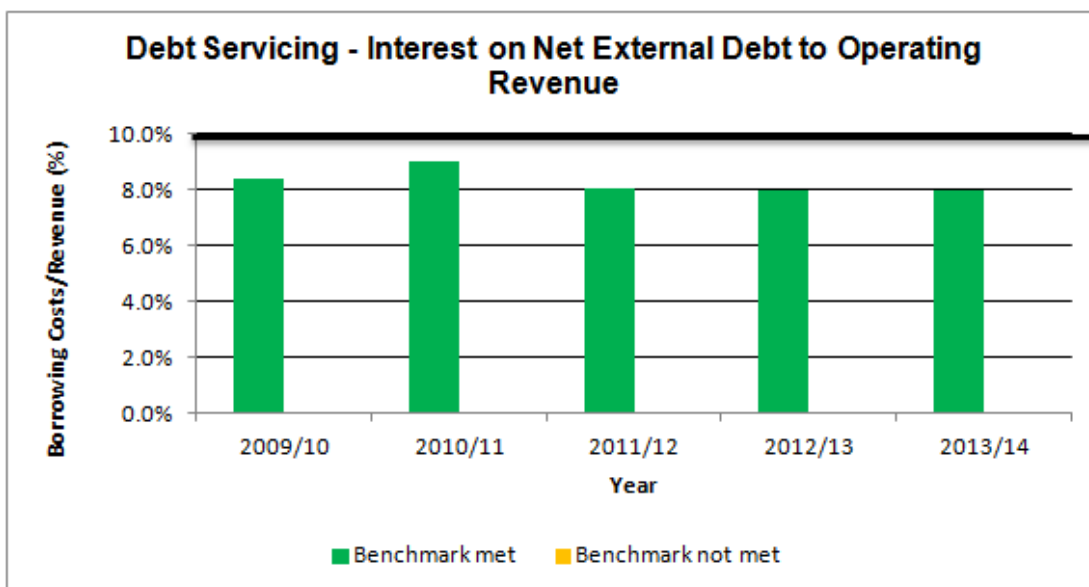
The council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services. Capital expenditure excludes vested assets.



**Debt servicing benchmark**

The following graph displays the council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

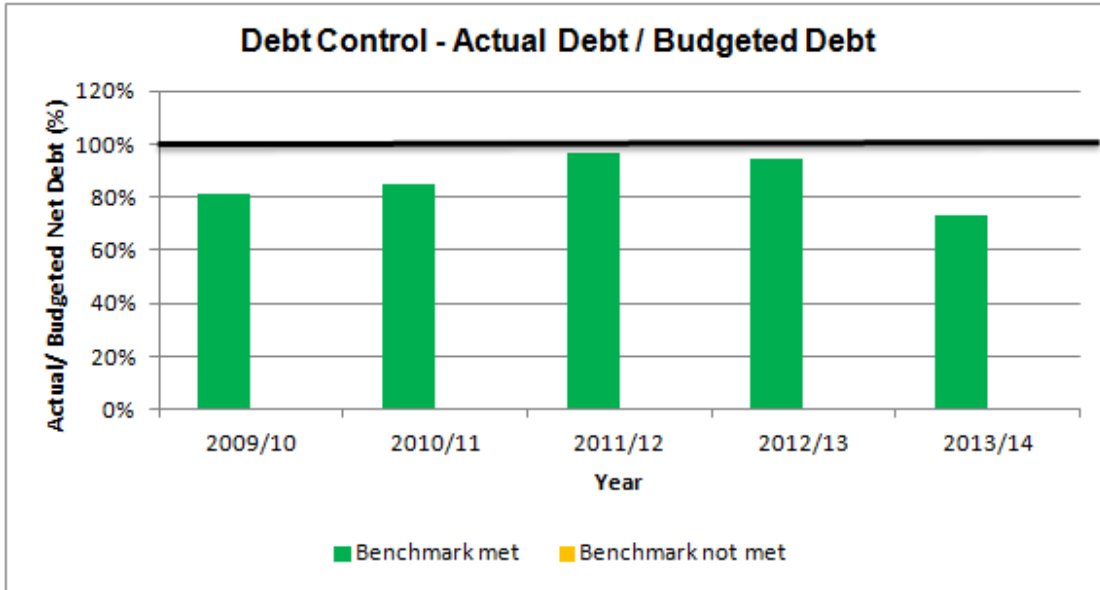
Because Statistics New Zealand projects the council's population will grow as fast as the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.



**Debt control benchmark**

The following graph displays the council's actual net debt as a proportion of planned net debt. Per the regulations, **net debt** means financial liabilities less financial assets (excluding trade and other receivables). However, Council has defined net external debt in its LTP as the amount of total debt net of cash or cash equivalents. The debt control benchmark has been calculated using Council's definition of net debt. In the 2015 LTP, Council's definition of net debt will be aligned with financial regulations.

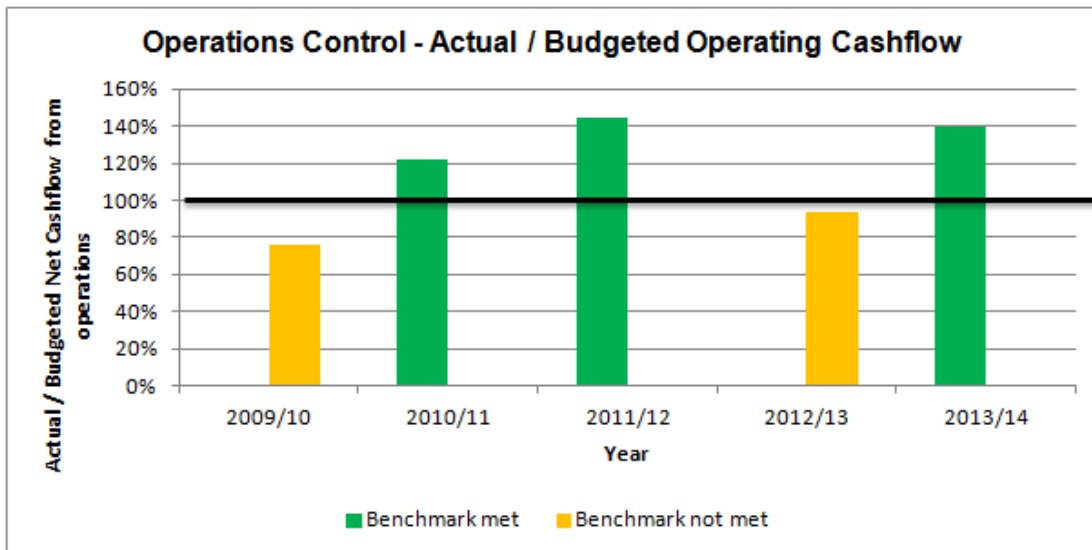
The council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



**Operations control benchmark**

This graph displays the council's actual net cash flow from operations as a proportion of its planned net cash flow from operations.

The council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.





## Amendment to the Local Government Act

The Local Government Act 2002 was amended early August 2014 and requires additional information on their rating bases and insurance of assets.

### Rating Base Information

With regards to Clause 30A of the Local Government Act 2002 we disclose the following information regarding the rating base as at 30 June 2013 (the preceding year as required by the Act).

	count	Land Value	Capital Value
non rateable 100%	1,750	580,059,730.00	833,827,480.00
non rateable services only	179	88,236,000.00	203,375,000.00
total non rateable	1,929	668,295,730.00	1,037,202,480.00
rateable	21,910	6,959,051,800.00	12,436,592,050.00
	<b>23,839</b>	<b>7,627,347,530.00</b>	<b>13,473,794,530.00</b>

Note: rateable properties are less than count due to contiguous properties rating as one per S20 of LGRA

Note: total CV rateable includes infrastructural utilities of \$372m which were zero rated for the general rate

### Insurance of Assets

With regards to Clause 31A of the Local Government Act 2002 we disclose the following information regarding the insurance of assets as at 30 June 2014.

The cost of the Canterbury earthquakes has highlighted the importance of good risk management and the part insurance and/or risk financing plays when it comes to rebuilding public assets. In many instances, councils can provide services in the future only through the continuing use of their assets. Public entities have had to think carefully about how they are managing their risks and how they are using the insurance and risk finance options available to them.

### Water, Wastewater, Stormwater and coastal assets

These activities have a total book value of \$403,017,000. Repairs to these assets following a significant event are covered 40% through the LAPP fund with a large deductible, with the remaining 60% being funded by Central Government. Council has a rivers disaster fund and a general disaster fund to cover the deductible or Council's 40% share if the event is lower than the deductible. The value of the general disaster fund as at 30 June 2014 is \$1,333,000, and the rivers disaster fund is \$745,000.

### Roading and Footpath Assets

These activities have a total book value of \$637,122,000 (including land under roads). For this activity of assets, Council would however receive a minimum of 49% subsidy from the NZTA, with the remaining portion of the loss to be funded through the general disaster fund and loan funding.

### Land, Buildings, Plant & Equipment, and other assets

This activity has a total asset book value of \$177,819,000.

The sum insured for material damage is \$132,207,452. [Note: Council is part of a Top of the South collective with total property insured of \$686,485,047, but is limited to \$250,000,000 for natural disaster damage]. Assets are insured for reinstatement value or indemnity value except for fire (\$75,000,000 limit over collective for any one loss and in the aggregate). Reinstatement doesn't apply to natural disaster damage.

Residential property (material damage) is insured to a value of \$12,777,900 with limits of indemnity of \$500,000 for capital additions, construction/alterations of \$1,000,000, landslip \$1,000,000 and subsidence of \$1,000,000.

The harbourmaster boat is insured for \$203,000.

**Vehicles**

This activity has a total asset book value for insurance purposes of \$944,000. All vehicles are insured for market value or replacement value (if vehicle is less than 12 months old). The sum insured is \$1,467,221

**Self Insurance Fund**

Council has a self insurance fund for assets that are uneconomic to insure. However, under the new Top of the South collective, the deductibles have decreased dramatically. The value of this fund as at 30 June 2014 is \$949,000 and is now used to cover deductibles, excesses, and small assets not on the material damages schedule.

**Appendix One – Applications Processed**  
**Environment and Planning Department**  
**Applications Processed 1 July 2013 to 30 June 2014**

<b>1. Resource Management Act</b>				
<b>Type of Consent</b>	<b>No. Decisions 2012/13</b>		<b>No. Decisions 2013/2014</b>	
Land Use	472		455	
Subdivision	117		116	
Title Plans	92		94	
Completion Certificates	97		104	
Certificates of Compliance	3		7	
Water	145		164	
Discharge	141		108	
Coastal	22		25	
Resource Consent Transfers	137		165	
<b>2. Building Act</b>				
<b>Type of Consent</b>	<b>2012/13</b>		<b>2013/2014</b>	
	<b>No. Issued/Granted</b>	<b>Value</b>	<b>No. Issued/Granted</b>	<b>Value</b>
Dwelling	324	92M	263	83.6M
Commercial	25	10.1M	35	15.1M
Other	1029	34.3M	974	33.6M
<b>Totals</b>	<b>1378</b>	<b>\$136.4M</b>	<b>1272</b>	<b>\$132.3M</b>
<b>3. Licences</b>				
<b>Type</b>	<b>2012/13</b>		<b>2013/2014</b>	
	<b>No. of Issued</b>	<b>Certificates</b>	<b>No. of Issued</b>	<b>Certificates</b>
Food Premises	313		311	
Hairdressers	39		43	
Camp Grounds	35		35	
Hawkers/Mobile Shops	51		44	
Others	66		65	
Commercial Vessel Operators	37		33	
<b>4. Sale of Liquor</b>				
<b>Type of Licence</b>	<b>2012/13</b>		<b>2013/2014</b>	
	<b>No. of Licences Issued</b>	<b>of</b>	<b>No. of Licences Issued</b>	<b>of</b>
Manager's Certificate	279		313	
On and Off Licence	76		69	
Club Licence	10		4	
Special Licence	111		111	
Temporary Authority Order	30		27	
<b>5. Other</b>				
<b>Type</b>	<b>2012/13</b>		<b>2013/2014</b>	
Land Information Memoranda	685		723	
Complaints Received	1,820		1,897	
Abatement Notices Issued	54		136	
Infringement Notices Issued	53		50	
Enforcement Orders	2		0	
Excessive Noise Direction	125		147	

## **Appendix Two – Council’s Committees, Responsibilities and Portfolios For the year ended 30 June 2014**

### **Council Standing Committees**

There are four standing Committees of Council, each having delegated powers to handle their affairs. All Councillors have membership on these committees.

Mayor Kempthorne is an ex officio member of all committees. Committees normally meet six-weekly.

#### **Engineering Services Committee**

This Committee has responsibility for roads, bridges, water supplies, sewerage treatment and disposal, refuse collection/disposal and waste minimisation, coastal protection, stormwater collection and disposal, some ports/wharves and boat ramps (excludes Port Tarakohe), rivers and waterways and public transport.

This Committee is chaired by Cr T E Norriss.

#### **Community Development Committee**

This Committee has responsibility for recreation and development, parks and reserves, sports grounds, public halls, elections, libraries, walkways, camping grounds, cemeteries, communications, environmental education, community and cultural facilities, Council grants, Annual and Long Term Plans, public conveniences, community housing and customer services.

This Committee is chaired by Cr J L Edgar.

#### **Environment and Planning Committee**

This Committee has responsibility for resource management, policy, consents, environmental health, building control, sale of liquor, biosecurity, maritime safety, rural fire, animal control, pest management and Council’s response to climate change, animal control and compliance.

This Committee is chaired by Cr S G Bryant.

#### **Corporate Services Committee**

This Committee is responsible for providing financial and administrative services to the Council and other departments, including rate collection and financial management and property management. It is also responsible for Council’s business enterprises (e.g. Port Tarakohe, aerodromes and forestry).

This Committee is chaired by Cr T B King.

### **Council Committees**

The following two committees operate under separate legislation, and their membership includes both Council and external members. The Mayor is not ex-officio on either committee.

#### **Tasman Regional Transport Committee**

This Committee operates under the Land Transport Act 2003 and is responsible for preparing for Tasman District a regional land transport strategy, a regional land transport programme, a regional fuel tax scheme, and any advice and assistance Council may request in relation to its transport responsibilities.

The Committee is chaired by Cr T E Norriss.

#### **District Licensing Committee**

This Committee operates under the Sale and Supply of Alcohol Act 2012 and is responsible for determining applications for licences to sell alcohol. These could be On or Off Licences, Special Licences for events, Managers Certificates for people working in licensed premises.

The Committee is chaired by Cr B Ensor.

## Council Subcommittees

In addition to the above committees, Council also has a number of special purpose subcommittees. These have delegated powers and only meet as required. Their function is to examine specific areas of Council operations and then make recommendations to their parent committee or full Council. The Mayor is ex officio on all subcommittees.

The current subcommittees are:

### Audit

(reporting to Corporate Services Committee) – Crs M J Higgins (Chair), J L Inglis, P F Sangster, M J Greening, T B King.

### CEO Review

(reporting to Council) – Mayor R G Kempthorne (Chair), Crs B W Ensor, J L Edgar.

### Commercial

(reporting to Corporate Services Committee) – Crs T B King (Chair), B W Ensor plus three appointed members.

### Community Awards

(reporting to Community Development Committee) – Crs J L Edgar, M L Bouillir.

### Creative Communities

(reporting to Community Development Committee) – Crs M L Bouillir (Chair) and Z S Mirfin, plus community representatives.

### Development Contributions

(reporting to Environment and Planning Committee) – Crs S G Bryant, T E Norriss and B W Ensor.

### Community Grants and Facilities

(reporting to Community Development Committee) – Crs M L Bouillir (Chair), S G Bryant, P L Canton, J L Edgar and T B King.

## Council Representatives and Appointments

### Accessibility for All

Cr J L Edgar.

### Friendly Towns

Richmond representative – Cr Z S Mirfin for Fujimi Machi.

Motueka representative – Cr P L Canton for Kiyosato.

### Golden Bay Aerodrome Committee

Cr P F Sangster.

### Iwi Liaison

Mayor R G Kempthorne, Chief Executive.

### Joint Shareholders

Mayor R G Kempthorne, Crs T B King, S G Bryant.

### Local Government New Zealand

Regional Sector Group representatives

Mayor R G Kempthorne, Chief Executive.

### Rural and Provincial Sector representatives

Cr T B King, Community Development Manager.

Zone 5 representatives  
Mayor R G Kempthorne, Chief Executive.

Motueka Aerodrome Committee  
Cr B F Dowler.

Native Habitats Tasman  
Cr B W Ensor.

Nelson Airport Limited  
Council Director Cr J L Edgar.

Nelson Regional Sewerage Business Unit  
Crs B F Dowler and M J Higgins.

Nelson Tasman Business Trust  
Cr M J Higgins.

Nelson-Tasman Cycle Trust Working Group  
Cr J L Edgar.

New Zealand Cycle Trail Incorporated (NZCT Inc.)  
Gillian Wratt – Council representative.

Port Nelson Limited  
Council Director Cr T B King.

Positive Ageing Forum  
Cr J L Edgar.

Regional Funding Forum  
Crs T B King, J L Edgar.

Regional TB Free  
Cr T E Norriss.

Saxton Field Working Group  
Crs J L Edgar, B W Ensor, M J Greening.

Tasman Bays Heritage Trust Appointments Committee  
Mayor R G Kempthorne, Chief Executive.

Tasman Environmental Trust  
Cr B W Ensor.

Tasman Regional Sports Trust Board  
Mayor R G Kempthorne.

Tasman Youth Council  
Crs P L Canton, M L Bouillir.

Tenders Panel  
Crs J L Edgar, T B King, T E Norriss, Chief Executive.

Waimea Rural Fire Committee  
Cr T B King.

Safe at the Top Governance Group  
Cr J L Edgar (new)

### Appendix Three – Community Boards

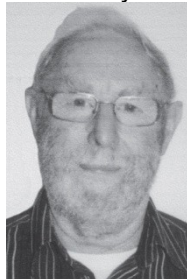
Community Boards are separately elected advisory bodies and are not Council Committees. Their main role is to represent, and act as an advocate for, the interests of its community.

There are two Community Boards in the Tasman District, namely the Golden Bay Community Board serving the Golden Bay Ward and the Motueka Community Board serving the Motueka Ward. Both Community Boards have ward councillors appointed.

#### Membership of the Golden Bay Community Board:



Carolyn McLellan (Chair)



Leigh Gamby (Deputy Chair)



Alan Blackie



David Gowland



Cr Martine Bouillir



Cr Paul Sangster

#### Membership of the Motueka Community Board:



Paul Hawkes (Chair)



Richard Horrell (Deputy Chair)



David Ogilvie



Cliff Satherley



Cr Peter Canton



Cr Jack Inglis



Cr Barry Dowler

## Appendix Four - Management Staff

### Chief Executive Officer

Lindsay McKenzie

### Community Development Manager

Susan Edwards

### Corporate Services Manager

Mike Drummond

### Engineering Services Manager

Peter Thomson

### Environment and Planning Manager

Dennis Bush-King

## Other

### Bankers

ASB Bank Ltd  
Queen Street, Richmond

Westpac Bank Ltd  
Addington, Christchurch

ANZ Bank Ltd  
Auckland

NZ Local Government Funding Agency  
Lambton Quay, Wellington

### Solicitors

Fletcher Vautier Moore  
265a Queen Street, Richmond

### Auditors

Audit New Zealand, on behalf of the Auditor-General



## Appendix Five – Report on Māori Consultation Policy

### Statement on Fostering Māori Participation in Council Decision Making

#### Purpose

This statement outlines the steps Council intends to take to foster Māori capacity to contribute to Council decision-making processes over the period of this Long Term Plan, as required by Schedule 10(5) of the Local Government Act 2002.

#### Background

Council is committed to further improving the close working relationship with the District's Māori community. The Council recognises the wealth of special values that the tangata whenua hold for the places, the resources, the history and the long term sustainability of the District. Council further recognises that its activities and services impinge daily on these values and that in order to make appropriate decisions, Council must consider the values of Māori as a special set of community values. Council consults and engages with Māori on a regular basis. In certain cases, these are ongoing processes required by legislation such as the Resource Management Act 1991. Other cases are a way of recognising the spirit of partnership inherent in the Treaty of Waitangi.

#### Steps Council is taking to foster Māori participation in Council Decision Making

As well as Council's personal commitment to providing opportunities for Māori participation in its decision-making processes the Local Government Act 2002 also places a number of obligations and responsibilities on Council in regard to Māori. These include the need to establish and maintain processes to:

- Provide opportunities for Māori to contribute to the decision-making processes of Council.
- Consider ways in which we may foster the development of Māori capacity to contribute to the decision-making processes of Council.
- Provide relevant information to Māori for the above purposes.

There are a number of methods used by Māori and local authorities around New Zealand to improve their relationships. The methods set out below are not exhaustive, but represent some of the steps that Council and iwi and Māori use to include Māori in the decision making processes:

- (a) Committing to regular hui/liason meetings with iwi and Māori to develop the relationship further and to discuss specific and general issues of relevance to both parties.
- (b) Through hui working with iwi/Māori to identify how to gain input into issues of relevance to iwi and Māori , including the opportunity to be involved in relevant working groups.
- (c) Providing assistance to iwi to prepare iwi Management Plans.
- (d) Appointing a Councillor as a Māori/iwi portfolio holder.
- (e) In conjunction with iwi continue providing some future structured training/familiarisation courses to improve Councillors and staff understanding of iwi perspectives.
- (f) Consulting with iwi on the formation of the Long Term Plan, the Annual Plan and on relevant changes to the Tasman Resources Management Plan.
- (g) Appointing a Council kaumatua to assist the Mayor and Chief Executive.

## **Maori participation in Decision-Making Processes**

As required by Schedule 10, Part 3, Clause 35 of the Local Government Act 2002 Council reports on the process undertaken to provide Maori with opportunities to contribute to decision-making in the Council. Council recognises its obligations to Maori under various enactments, and has in place mechanisms to provide for Maori input into decision-making.

Council acknowledges Manawhenua (Iwi), meaning specifically those people claiming customary and ancestral ties to this land in Tasman District.

Council continues to attend regular liaison meetings with Maori groups in the community, including attendance at the Tiakina Te Taiao and Manawhenua ki Mohua meetings. This and other meeting attendances enable service delivery issues and other matters of concern to be identified and fed back into the organisation to be considered and addressed at the appropriate level.

Council also has a formal arrangement with iwi in regard to the review of resource management consent applications and actively works with the various iwi concerned in regard to planning issues.

Iwi have been engaged in freshwater planning through appointments on the Freshwater and Land Advisory Groups (FLAG) for Waimea and Takaka.

During 2013/2014 Council staff worked with Tiakina Te Taiao to develop a draft iwi environmental management plan.

In order to support its work, Council also has within its workforce, policy and liaison expertise to enable it to respond to issues raised by the Maori community.

Council continues to liaise with iwi in regard to enhancing relationships and involvement in appropriate issues.

## Appendix Six - Glossary of Terms

To further assist readers of these financial statements, the following definitions of other terms used in the document are set out below:

### Annual Plan

A plan required by the Local Government Act 2002 to be produced by Council in the two intervening years between each three-yearly Long Term Plan (LTP). The main purpose of the Annual Plan is to identify any amendments and variations to the specific year of the base Long Term Plan.

### Annual Report

Annual Reports are published following the end of each financial year which ends on 30 June. It is an audited account of whether Council completed its planned work programme. Any work not completed as planned is explained. The Annual Report is a key method for Council to be accountable to the community for its performance.

### Activity Management Plans

Activity Management Plans (which are the 'new generation' of Asset Management Plans) describe the infrastructural assets and the activities undertaken by Council and outline the financial, management and technical practices to ensure the assets are maintained and developed to meet the requirements of the community over the long term. Activity Management Plans focus on the service that is delivered as well as the planned maintenance and replacement of physical assets.

### Associate

An associate is an entity over which Tasman District Council has a significant influence and that is neither a subsidiary nor an interest in a joint venture.

### Assumptions

Assumptions are the underlying premises made by Council that affect its financial planning for a specific activity, or for all Council activities. These are made clear so everyone can understand the basis for Council's financial planning, and form an opinion about how reasonable those assumptions are.

### Capital Expenditure

This expenditure relates to the purchase or creation of assets that are necessary to assist in the provision of services. They have useful lives in excess of one year and are therefore included in the Statement of Financial Position. Capital expenditure includes the creation of assets that did not previously exist or the improvement or enlargement of assets beyond their original size and capacity.

### Capital Value

Capital value is the value of the property including both the value of the land and any improvements (e.g. buildings) on the land.

### Community

Community means everyone in Tasman District: individuals, businesses, local and central government, groups and organisations, Iwi, Māori, disabled, young, old, families, recent migrants and refugees, rural and urban residents.

### Communitrak™ Survey

The Communitrak™ Survey is the survey of residents' opinions that the Council has undertaken annually by an independent research agency.

## Community Outcomes

Community outcomes are the priorities and aspirations identified by the Council that it aims to achieve in order to promote the present and future social, economic, environmental and cultural wellbeing of the community.

## Consultation

Consultation is the dialogue that comes before decision-making. Consultation is an exchange of information, points of view and options for decisions between affected and interested people and the decision makers.

## Cost of Services

The cost of services relate to the activity, not the organisational departments. The Local Government Act 2002 requires the Long Term Plan to be expressed by the activity. The cost of the activity includes the direct and the indirect costs that have been allocated to the activity. Indirect costs include interest on public debt, cost of support services and depreciation allowances.

## Council-Controlled Organisation

As defined by Section 6 of the Local Government Act 2002, a company under the control of local authorities through their:

- Shareholding of 50 percent or more.
- Voting rights of 50 percent or more; or
- Right to appoint 50 percent or more of the directors.

## Depreciation

Depreciation is the wearing out, consumption or loss of value of an asset over time.

## Financial Year

Council's financial year runs from 1 July to 30 June the following year.

## General rate

A general rate is a district wide rate through which all ratepayers contribute to a range of council activities and is based on the capital value of ratepayers properties.

## Groups of Activities

Groups of Activities are the services, projects or goods produced by Council. There are 13 broad groups of all of Council's services and facilities, each with common elements. For example Community Facilities and Parks is a group of activities and includes services such as Reserves, Libraries and Community Halls.

## Income

This includes fees and licences charged for Council's services and contributions towards services by outside parties.

## Infrastructure

Networks that are essential to running a district, including the roading network, water supply and wastewater and stormwater networks.

## Infrastructure Assets

These are assets required to provide essential services like water, stormwater, wastewater and roading. They also include

associated assets such as pump stations, treatment plants, street lighting and bridges.

## Levels of Services

The standard to which services are provided, such as speed of response times to information requests or the standard of the stormwater drainage system that prevent incidents of surface water flooding. It is what the Council will provide.

## LiDAR (Light Detection and Ranging)

LiDAR is optical remote sensing technology that measures properties of scattered light to find range and/or other information of a distant target. The prevalent method to determine distance to an object or surface is to use laser pulses.

## Long Term Plan (LTP)

The Local Government Act 2002 requires Council to adopt a Long Term Plan (LTP). The Long Term Plan outlines Council's intentions over a 10 year period. The Long Term Plan 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). The LTP referred to in this document is the 2012-2022 Long Term Plan.

## Major Goals

These highlight specific significant outcomes of the activity and what is intended to be achieved. The objectives are in some cases encompassing more than just the current financial year but are considered important enough in terms of providing an overall picture to be included in the Plan.

## Network Infrastructure

See Infrastructure Assets.

## Operating Costs

These expenses, which are included in the Statement of Comprehensive Income 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.

## Separately Used or Inhabited Parts of a Rating Unit

Where targeted rates are calculated on each separately used or inhabited part of a rating unit the following definition will apply:

Any portion of a rating unit used or inhabited by any person, other than the ratepayer or member of the ratepayer's household, having a right to use or inhabit that portion by virtue of a tenancy, lease, licence or other agreement.

## Solid Waste

Waste products of non-liquid or gaseous nature (for example, building materials, used packaging, household rubbish).

## Stormwater

Water that is discharged during rain and run-off from hard surfaces such as roads.

## Sustainable Development

“Development which meets the needs of the present without compromising the ability of future generations to meet their own needs” (from the Sustainable Development for New Zealand Programme of Action, Department of Prime Minister and Cabinet, January 2003).

## Targeted Rate

A targeted rate is designed to fund a specific function or activity. It can be levied on specific categories of property (e.g. determined by a particular use or location) and it can be calculated in a variety of ways. It may also cover a distinct area of beneficiaries.

## Uniform Annual General Charge (UAGC)

A UAGC is a portion of the general rate collected as a fixed charge per rateable property. It is deemed that the properties receive equal benefit for services charged regardless of the rateable value of the properties, e.g. use of parks, reserves and libraries.

## Unitary Authority

Tasman District Council is a unitary authority, which means we carry out the functions of both a regional council and a territorial authority.

## Wastewater

Wastewater is the liquid waste from homes (including toilet, bathroom and kitchen wastewater products) and businesses.

## Yardstick™

Yardstick™ is an international parks benchmarking initiative. It involves council parks departments participating in an annual self-assessment survey. Information collected includes levels of service, financial information, best practice, asset management and policy and planning. The information is collated at the national level and made available to the councils. Over half of the councils in New Zealand are members, as is the Department of Conservation.

## Directory

Tasman District Council is one of only six councils in New Zealand which have responsibility for both regional and territorial functions. Councils with this dual role are commonly known as “Unitary Authorities”.

Tasman District Council is the local government authority for this District. Its power is primarily derived from the Local Government Act 2002 and many other Acts and Statutory Regulations that are referred to throughout this document.

Council is responsible for ensuring that its various functions and activities are properly managed. It does this through a Chief Executive who is responsible for all Council staff.

### *Main Office*

Street Address: 189 Queen Street, Richmond 7020  
Postal Address: Private Bag 4, Richmond 7050  
Telephone: 03 543 8400  
Fax: 03 543 9524  
e-mail: info@tasman.govt.nz

### *Motueka Office*

Street Address: 7 Hickmott Place, Motueka 7120  
Postal Address: P O Box 123, Motueka 7143  
Telephone: 03 528 2022  
Fax: 03 528 9751

### *Golden Bay Office*

Street Address: 78 Commercial Street, Takaka 7110 (Temporary Location: 21 Junction Street, Takaka)  
Postal Address: P O Box 74, Takaka 7142  
Telephone: 03 525 0020  
Fax: 03 525 9972

### *Murchison Office*

Street Address: 92 Fairfax Street, Murchison 7007  
Postal Address: 92 Fairfax Street, Murchison 7007  
Telephone: 03 523 1013  
Fax: 03 523 1012