



TASMAN DISTRICT COUNCIL

# ANNUAL REPORT 2019

 **tasman** | Te Kaunihera o  
district council **te tai o Aorere**



TASMAN DISTRICT COUNCIL

**ANNUAL  
REPORT**

2019

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# A MESSAGE FROM OUR MAYOR AND CHIEF EXECUTIVE OFFICER

Welcome to Tasman District Council's Annual Report for 2018/2019 which details our performance for the first year of the Long Term Plan (LTP) 2018 – 2028.

Despite the significant challenges of the Pigeon Valley Fire and the region wide drought, we've kept a focus on the planned work programme outlined in the LTP 2018 – 2028. This included progress on the Waimea Community Dam and other projects to improve services now and provide for growth, while at the same time protecting and enhancing our natural environment.

The severe drought over the summer of 2018/2019 resulted in water restrictions for many residents in our community from mid-January. Community and business efforts to conserve water over that time were phenomenal and allowed us to delay further restrictions at each stage. By mid-March, the District finally received some of the rain we desperately needed and we were able to lift or relax water restrictions across the District. However, the drought had a significant impact on businesses and households across the District.

Due to the exceptionally dry conditions, the Pigeon Valley Fire, which started on 5 February 2019, rapidly spread through thousands of hectares of land and forced thousands of residents to evacuate. Fortunately no lives were lost but one dwelling and one outbuilding were destroyed. The fire caused significant financial loss for residential property owners and the forestry and agricultural sectors and considerable distress to those affected. We will be recovering from the environmental and economic impacts for some time.

We are so grateful to all of those who came together in response to the fire and evacuations, including hundreds of volunteers, firefighters, Council staff from Tasman, Nelson and around the country, iwi, civil defence staff, Police, NZ Defence Force, Ministry of Primary Industries (MPI), Red Cross, and many others from throughout New Zealand. Again, our community came to the fore and were outstanding. Iwi played an integral role in both the response and recovery phases, providing advice and mobilising their resources in a model that is being recognised nationally as highly collaborative and effective.

In November 2018, Council made its final decision to proceed with the Waimea Community Dam project,

and site works began in March 2019. Once complete the dam will bring significant environmental benefits. For most of our urban and rural water users in the Waimea Plains, the project will address the ongoing summer water shortages, and provide for sustainability and growth of our productive sectors on which our regional economy is very reliant.

As well as the Waimea Community Dam, we've commenced or completed several other key growth-related infrastructure projects across the District. We have also been busy developing key strategic planning projects to guide Council's future response to anticipated demographic, economic and environmental changes, such as the Nelson-Tasman Future Development Strategy.

The impacts of climate change are already being felt in our environment and communities and pose an increasing threat to future generations. Council is committed to taking action and has recently finalised the Climate Action Plan with a focus on mitigation, adaptation and leadership.

Developing enduring partnerships with the eight Te Tau Ihu iwi and Ngāi Tahu is especially important for us and in May 2019, Council approved the appointment of a Kaihautū. The role of Kaihautū will be to help Council build our capacity for improved partnership. In the meantime, we are grateful to our interim Kaihautū Archdeacon Harvey Ruru for his advice on governance, policy and operational matters. Throughout the year Council and local iwi have been working closely on several projects. Many of our staff have also taken the opportunity to improve their knowledge of Te Reo and Te Ao Māori.

Over the last eight years we have had the honour of receiving support from Archdeacon Emeritus Andy Joseph in the role of Kaumātua for Council, providing support around tikanga Māori at civic events, such as blessing and citizenship ceremonies. At his recent retirement, we acknowledged Archdeacon Emeritus Andy Joseph QSM as an honorary Manukura – a trusted, esteemed and respected friend – of Tasman District Council who will always be held in high esteem.

Looking forward to 2019/2020, we need to continue progress on key projects, particularly the Waimea Community Dam, the Motueka Library, and Port Tarakohe redevelopment. We will also continue work on key strategic plans, including the Climate Action



## A MESSAGE FROM OUR MAYOR AND CHIEF EXECUTIVE OFFICER

Plan, the Te Taihū Intergenerational Strategy, and the review of the Tasman Resource Policy Statement and Tasman Resource Management Plan. We also have many projects in our LTP to improve the services we provide, address anticipated growth in demand, and ensure that our public infrastructure is well maintained.

The projects outlined here are a reflection of the diverse range of activities that we undertake to help our thriving communities enjoy the Tasman lifestyle and to ensure our environment and natural assets are protected and enhanced. Many of our projects take a collaborative approach with other organisations, particularly local iwi, neighbouring councils, government agencies, and community groups. The strength of these relationships is a taonga of our District. In line with recent changes to the purpose of local government, many of these projects also aim to balance social, economic, environmental, and cultural outcomes.

Finally, we would like to thank the community, Councillors, Community Board members, staff, iwi, volunteers, and contractors for their contributions throughout the year to support the vibrant place we live in. Your support ensures that we continue to enjoy the Tasman District from the mountains to the sea (ki uta ki tai), as a beautiful place to live.



**Richard Kempthorne**  
Mayor



**Janine Dowding**  
Chief Executive Officer

### A SPECIAL MESSAGE FROM THE MAYOR:

After nearly 12 years in the job, this is my last Annual Report as Mayor of Tasman District Council and it again demonstrates the range of issues, challenges and opportunities we face as a Council. It has been an honour and privilege to serve our community as Mayor and I am proud of the progress we have made in keeping Tasman a beautiful place to live in. I wish all the best to those who are elected in October to represent the people who live here and the environment in which we live.

**Richard Kempthorne**  
Mayor



# OUR COUNCIL MEMBERS

## Tasman Mayor



## Motueka Ward



## Lakes/Murchison Ward



## Golden Bay Ward



## Moutere/Waimea Ward



## Richmond Ward



# HOW WE'RE TRACKING ON THE KEY ISSUES

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

In the LTP 2018 – 2028 we have maintained a financial strategy of self-imposed limits on our net external debt and our rates increases. This has meant we made conscious decisions to defer some projects to future years and undertake those of most priority for our community.

Council's strategy to keep the District's finances looking healthy was recognised in 2018 by an upgrade of our credit rating by independent ratings agency Standard and Poor's. The announcement identified Council's very strong financial position and endorsed its financial performance, good liquidity and budget flexibility. Council attained an AA rating with a stable outlook from the international credit rating agency, a step up from the previous AA- rating with a positive outlook.

### RATES AFFORDABILITY

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

### MANAGING COUNCIL'S DEBT

Our net external debt cap in our current Financial Strategy is \$200 million and at the end of 2018/2019, it was somewhat below that cap at \$149.4 million (after adjusting for liquid financial assets in joint ventures). This level of debt at the end of the year is \$39.8 million below the \$189.2 million level forecast in the LTP 2018 – 2028.

We have reduced debt by direct savings from operational budgets which have been used to repay debt. Also favourable interest and borrowing conditions, a lower opening debt position, delays to some large capital works, higher than anticipated income due to higher population growth than forecast, and greater forestry income have all contributed. We've also received increased dividends which have been used to pay down debt. As part of meeting our financial goals, we are progressively funding depreciation on assets from cash flow.

## 2. GROWTH AND INFRASTRUCTURE

Tasman's population is growing and our challenge is to manage this growth in a sustainable and timely manner, including its environmental impacts. The most recent estimate by Statistics NZ is that Tasman District had a usually resident population of 52,100, as at 30 June 2018. Tasman's population growth in recent years has been significantly higher than during the previous decade. Similarly, we have seen an increase in recent years in the numbers of new dwellings, with 395 consented in 2018/2019.

### PLANNING FOR GROWTH

We last updated our growth model in 2017, based on a medium/high growth scenario, and projected demand for 3,000 new dwellings between 2018 and 2028. This assumption informed the LTP 2018 – 2028 to enable the provision of an adequate supply of suitably zoned land connected to infrastructure. Growth has been occurring at a higher rate than expected, and we anticipate the next review of the growth model (for the LTP 2021 – 2031) may project even higher demand. This next review will also be informed by the Future Development Strategy, (developed in conjunction with Nelson City Council) which shows where growth is to be accommodated and in what form. With an ageing population the demand for different types of housing is also changing.

We have completed or progressed several other projects to enable and manage growth in our District, including:

- rezoning of areas to allow development and provision of the necessary infrastructure,
- lifting deferred zoning once services are in place; and rezoning of land approved for development under the Special Housing Area legislation, and
- development and implementation of our Age Friendly Policy.

### PROVIDING INFRASTRUCTURE

Many of our significant infrastructure projects are needed to provide for growth, as well as often improving the services for existing residents.



## HOW WE'RE TRACKING ON THE KEY ISSUES

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

- **Waimea Community Dam:** The three-year construction project began in early March 2019 and will provide a secure supply of water for the urban and rural communities in the Waimea Plains, including one of our most regionally-important productive sectors. The dam will also allow us to maintain a healthy flow of water in the Waimea River. We expect the Dam to be operational by early 2022.
- **Richmond south and west water main:** There are extensive plans for new subdivisions in Richmond west and south in the coming years. We are installing a new water main from the Richmond water treatment plant to a new reservoir planned for Richmond south. This upgrade will ensure we can deliver consistent water supply to all existing and new customers. The work is being undertaken in stages in co-operation with private land developers.
- **Borck Creek and Poutama Stream Widening:** Rapid growth and housing development in the Berryfields area means we need better stormwater systems, so we can channel stormwater out to sea quickly and avoid flooding. These multi-year projects are underway.
- **Bateup Road:** Housing growth and a new supermarket planned for Richmond West will make Bateup Road an increasingly busy route. To cater for this growth, and make sure the road is safe for all users, we've widened the road from Three Brothers Corner to Wensley Road and created a shared pathway for cyclists and pedestrians. Other services such as water, stormwater, power and fibre were upgraded at the same time. The road re-opened both lanes in August 2019.
- **Pōhara wastewater pump station upgrade:** This project is part of Council's ongoing strategy to upgrade the wastewater network from Tata Beach to Takaka to serve the growing coastal population. This project was completed in June 2019.

- **Māpua water and wastewater upgrades:** This project will provide more capacity for growth in Māpua, as well as improving the efficiency and resilience for the Māpua wastewater network. Work started in June 2019 and is expected to be completed by the end of 2020.

### 3. DRINKING WATER SUPPLY AND QUALITY

Water and its management are major challenges for our District. This includes ensuring that we have a safe and secure water supply for our households and businesses.

#### ENHANCING WATER SUPPLY CAPACITY AND SECURITY

Several of the growth-related projects outlined above will enhance water supply capacity. The Waimea Community Dam will provide a secure supply of drinking water to the Richmond, Brightwater, Māpua and Redwood Valley communities, now and in the future. We are constructing the Richmond south water trunk main as development occurs. We have commenced the first stage of a new Māpua water trunk main, starting at the Māpua Wharf continuing along Aranui Road and Stafford Drive.

In Richmond, we have installed a new water main along Headingly Lane to connect the Richmond water treatment plant on Lower Queen Street to the Champion Road trunk water main, which runs along the coast to the Champion Road reservoir. This is an important trunk main that provides water to the Nelson Pine Industries (NPI) factory and as far as Nayland Road. The new water main replaces the section running underneath the NPI factory. This will make repairs and maintenance easier and faster.

#### IMPROVING DRINKING WATER QUALITY

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

## HOW WE'RE TRACKING ON THE KEY ISSUES

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### 4. DEVELOPMENT AND FINANCIAL CONTRIBUTIONS POLICY

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

During 2018/2019, we received \$7.0 million from development contributions and \$5.9 million in reserve financial contributions.

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### 5. FUNDING MOTUEKA'S WATER SUPPLY

We plan to upgrade the water treatment plants in Motueka in order to comply with the New Zealand Drinking Water Standards. To address the significant costs involved in upgrading the scheme, a new fixed water service charge was introduced across all connected properties. The fixed water charge will progressively increase to reach a maximum contribution in Year 3 of the LTP (2020/2021). The remainder of the costs will be recovered through volumetric charging. This is consistent with our current Urban Water Club charging regime. The Motueka water supply continues to be funded as a standalone scheme and is not part of the Urban Water Club.



# PART ONE

OVERVIEW



# 2018/2019: A YEAR IN REVIEW

Over the last year, we have progressed and completed many of the plans and projects which Council and community agreed were our priorities for Year One of the LTP 2018 – 2028. However, the Pigeon Valley fire and region-wide drought were significant challenges this year, and we have also been constrained by an extremely tight construction market.

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

### DROUGHT

Over the summer of 2018/2019, the Tasman District experienced an extended period of hot dry weather, record low rainfall levels, and grave water shortages. The water supply to both rural and urban communities was at significant risk, particularly for the Waimea Plains, Motupiko and Golden Bay areas. This meant Council was forced to impose water restrictions, which began in mid-January. As the drought worsened throughout February and March, the water restrictions were frequently reviewed and gradually escalated. Council also built a bund in the Lower Waimea River to prevent saltwater contaminating our freshwater supplies during the large king tides.

The drought had a significant impact on our economy and on communities across the District. Growers were forced to abandon some crops, farmers had to destock, and other businesses had to scale back their operations due to the lack of water. Council parks, sportsfields and many plants and trees across the District were also significantly affected.

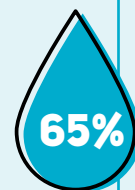
By mid-March, the District finally received some of the rain we desperately needed to begin replenishing our water sources. This allowed Council to begin lifting or relaxing water restrictions across the District. The community efforts to conserve water were phenomenal.

### Drought in numbers

The water savings made by people connected to the Council water supply in the Waimea area during the peak week of the drought (compared with average summer use):



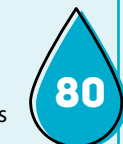
The cut in allocations made by water permit holders in the Waimea Plains (that includes primary producers and other industry) at the peak of the drought:



Golden Bay experienced a greater than one in 50-year drought



The Aorere River at Devils' Boot recorded greater than one in 80-year drought flows







## PIGEON VALLEY FIRE

Due to the exceptionally dry conditions, a fire, which started on 5 February 2019, rapidly spread through thousands of hectares of land in Pigeon Valley. The fire forced thousands of residents to evacuate from Pigeon, Eves, Teapot and Redwood valleys, Golden Hills Road, and Wakefield. A state of local emergency was declared on 6 February 2019. A decision was made by the Nelson and Tasman Mayors to extend the declaration a further two times. Transition from response to recovery was completed on 27 February. The transition period expired on 27 March 2019.

Fortunately no lives were lost, but one dwelling and one outbuilding were destroyed. The fire caused significant financial loss, including the destruction of up to 2,300 hectares of production forestry, and the destruction of pasture and associated fencing either through fire or the need to undertake earthworks to defend from the fire. Other social, environmental and economic effects occurred as a result of the fire, including loss of income, impacts on waterways, and welfare impacts arising from stress and anxiety. As well as significant efforts by Fire and Emergency New Zealand to extinguish the fire, the response to the fire and evacuations involved a number of agencies, including Council. Hundreds of volunteers, civil defence officers, firefighters, Council staff, iwi, New Zealand Police, New Zealand Defence Force, Ministry of Primary Industries, Red Cross, and many others from throughout New Zealand came together to provide support.

The multi-agency co-ordinated response to the Nelson Tasman fires was recognised in September 2019 with a

Spirit of Service Award for Service Excellence/Te Tohu mō te Ratonga Whakahirahira, awarded by the State Services Commission. The Award recognised Tasman District Council, Nelson City Council, Nelson Tasman Civil Defence and Emergency Management, Fire and Emergency New Zealand, Department of Conservation, New Zealand Police, Ministry of Civil Defence and Emergency Management, Te Puni Kōkiri, Te Ātiawa o Te Waka-a-Māui Trust, Ngāti Tama ki Te Waipounamu Trust, Ngāti Koata Trust, Te Rūnanga o Ngāti Rārua, Te Rūnanga o Ngāti Kuia, Ngāti Apa ki te Rā Tō Trust, Te Rūnanga a Rangitāne o Wairau Trust, Te Rūnanga O Toa Rangatira Inc. The response to the Pigeon Valley Fires transformed relationships between eight Te Tau Ihu (Top of the South) iwi, councils, and government agencies in the region and provided a model of how iwi can be included in emergency centre operations and decision making across New Zealand.

The eight Te Tau Ihu iwi chairs supported the response by providing iwi liaison officers, Māori wardens and the use of marae. They were actively involved in ensuring Māori kawa and tikanga were followed. Iwi also agreed to nominate a single Kaihautū, Archdeacon Harvey Ruru, to stay on and help with the Recovery phase. Matua Harvey played an integral role across each of the five work streams/pou: social, economic, built environment, natural environment and cultural aspects. Iwi involvement was crucial to our response and recovery effort.

Council's Customer Service team took 3,538 calls between 6 February and 11 February 2019, averaging 589 calls a day. An average day without emergencies sees the team answer about 320 – 350 calls.

## 2018/2019: A YEAR IN REVIEW

The highest call day was 8 February, on which the team took 1186 calls. In addition, 115 Council staff worked 713 shifts or part-shifts in the Civil Defence Emergency Operations Centre during the Pigeon Valley fire. A similar number of Nelson City Council staff worked at the Emergency Operations Centre.

To assist in land remediation the Recovery Team, made up of staff from Council and other agencies, visited all private properties affected by the Pigeon Valley fire. We also provided other support, including telephoning affected landowners to check in and see how they were and provide an opportunity to talk.

A Mayoral Disaster Relief Fund was established and received almost \$480,000 in donations, from Government (\$170,000) as well as from local iwi, individuals and organisations both within our District and throughout New Zealand. The Fund received more than 100 applications from those affected by the Pigeon Valley fire. In addition, the Ministry for Primary Industries contributed \$50,000 to partially reimburse the costs of freighting additional feed to drought-affected farmers. The Lotteries Grants Board provided \$971,000 to assist with remediating land damaged during firefighting efforts, \$754,000 to help address soil stability issues, and \$62,000 for not-for-profit organisations. Each year Council saves towards an emergency fund to cover the costs associated with significant damage to Council assets from natural and other disaster events.

### WAIMEA COMMUNITY DAM PROJECT BEGINS

On 30 November 2018, Council made its final decision on the Waimea Community Dam project to confirm its commitment to build the dam. The Waimea Community Dam will create a lake that will contain approximately 13 million cubic metres of water for urban, rural and environmental use. The project will address the ongoing summer water shortages that have affected our largest urban community and one of our most regionally-important productive sectors. In addition to a secure supply of water, once complete, the dam will allow us to maintain a healthy flow of water in the Waimea River at all times, with benefits for ecosystem health, cultural values and recreation.

The total estimated project funding is \$102.85 million, which is funded by Tasman District Council, Waimea Irrigators Limited, Nelson City Council, a concessionary loan from Crown Irrigation Investments Limited, and a Freshwater Improvement Fund grant. The total project cost of the Dam is \$104.5m with the additional \$1.6m being met from Waimea Water Limited's investment income during the construction period.

Waimea Water Ltd is a Council-controlled organisation which has been established to manage and oversee the dam construction and ongoing operation once it is built. Waimea Water Ltd is a joint venture between Tasman District Council and Waimea Irrigators Ltd (WIL). Council holds 51% ownership of the company, and WIL owns 49%. Ngāti Koata are actively involved with the project and have also appointed a director to Waimea Water Ltd.

The three-year construction project began in early March 2019 with site works to create access to the Lee Valley site. This was followed by the burying of a mauri stone, a mark of respect to Papatūānuku, the earth mother, and a blessing bestowed on the site and the structure that will be located there.

## WORKING WITH IWI

### APPOINTING A NEW KAIHAUTŪ

There is a growing necessity for Council to engage and work with the eight iwi of Te Tau Ihu (Top of the South) and Ngāi Tahu in a more meaningful and collaborative manner. Council has obligations under the Te Tau Ihu and Ngāi Tahu Settlement Acts and the Treaty of Waitangi in addition to the Resource Management Act and the Local Government Act. In May 2019, Council approved the appointment of a Kaihautū officer. In the meantime, following his involvement with the Pigeon Valley Fire Recovery Team, Archdeacon Harvey Ruru continued to provide guidance and assistance on iwi governance, policy and operational matters. The role of the permanent Kaihautū officer will be to provide strategic leadership and to help Council become more culturally responsive. They will also support the development of enduring partnerships with the eight Te Tau Ihu iwi and Ngāi Tahu; and be responsible for fostering positive engagement and outcomes for iwi, Māori and the wider community.

## 2018/2019: A YEAR IN REVIEW

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

### SHARING THE MAHI

Throughout the year Council and local iwi have been working closely on several projects, including:

- Te Tau Ihu Regional Intersectoral Forum (RIF): our CEO is the co-chair of the forum group, and staff contribute to both the Cultural and Environmental Pou. Under the Environmental Pou, Council staff also support the Project Moturoa iwi cadetship programme.
- Tasman Environmental Policy Iwi Working Group: a group of staff and iwi representatives who meet regularly to work on and discuss environmental policy matters.
- The Freshwater and Land Advisory Groups (FLAGs) for Takaka and Waimea: working groups set up to address freshwater issues. Manawhenua ki Mohua (MKM) also formally provided a mātauranga report to Council on 24 June 2019. This report outlines the freshwater management principles and values held by MKM, their aspirations for the future, and a specific review of the FLAG work.
- Appointment of Mātauranga Māori experts on Council hearing panels for the Classification of existing reserves in Motueka Ward and for the Motueka Ward Reserve Management Plan.
- Waimea Community Dam: Ngāti Koata are a key local land owner, with the Dam partly covering their land. Their involvement in the project and their role as kaitiaki will continue to build strong links between us.
- Pigeon Valley Fire event: iwi liaison officers joined the Response team to ensure Māori kawa and tikanga were followed and Archdeacon Harvey Ruru was appointed as a Kaihautū for the Recovery Team.
- Replanting Mārahau with native forest: a partnership between Ngāti Tama ki Te Waipounamu Trust, Ngāti Rārua Settlement Trust and Council will drive the replacement of 114 hectares of pine forest at Mārahau with permanent native forest cover in an effort to manage sediment and land disturbance.
- Kotahitanga Mō Te Taiao Alliance Strategy: a partnership between councils, iwi and the Department of Conservation to drive large-scale conservation projects with wider social, cultural and economic outcomes across the Buller, Tasman, Nelson, Marlborough and Kaikōura regions.
- Waimea Inlet Management Strategy: a coordination group involving councils, iwi, Department of Conservation and other stakeholders have collaboratively developed an action plan to implement the Waimea Inlet Management Strategy.
- Te Taihu Intergenerational Strategy: a collaboration between Wakatū Incorporation, Tasman, Nelson and Marlborough Councils, Iwi, Chambers of Commerce, Nelson Regional Development Agency, Nelson Marlborough Institute of Technology (NMIT) and businesses, to develop an intergenerational growth strategy for Te Tau Ihu.
- Responsible Camping Strategy: iwi representatives worked closely with Council staff and external consultants to help identify the issues from freedom camping and to embed iwi values into the Draft Responsible Camping Strategy. The Draft Strategy will be subject to broad public consultation in the 2019/2020 year.
- Mārahau Feasibility Study: The Study considered parking, access to the beach and access to the boat ramp in Mārahau. Iwi were engaged in helping to shape the options identified in the Study, some of which will be considered by Council in future plans.
- Urban Stormwater Strategy and Richmond Catchment Management Plan: Staff have worked with our iwi partners on the development of the Strategy's key components and the Richmond Catchment Management Plan. The process helped to develop closer partnerships between Council and iwi for the management of stormwater.



## 2018/2019: A YEAR IN REVIEW

- Motueka Library redevelopment: Three iwi representatives have attended working group meetings, and the site at Decks Reserve is being discussed with Wakatū Incorporation. Tiakina Te Taiao completed a cultural impact assessment.
- Golden Bay Community Board: Since July 2019, a Manawhenua ki Mohua advisor is able to attend Golden Bay Community Board meetings, with speaking rights and not voting rights.
- Iwi advisors on Committees: Both the Nelson Regional Sewerage Business Unit and the Nelson-Tasman Regional Landfill Business Unit have iwi advisors with full voting rights. The Tasman Regional Transport Committee has an iwi advisor with non-voting rights.

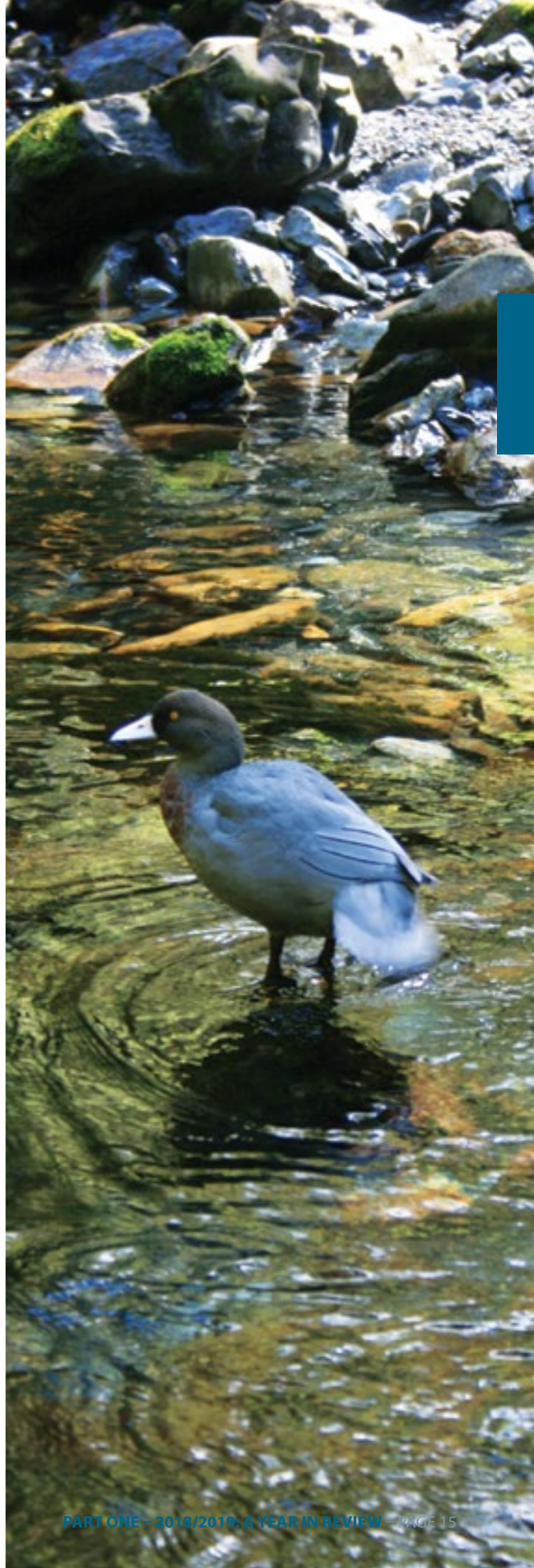
### IMPROVING STAFF KNOWLEDGE OF TE AO MĀORI AND TE REO MĀORI

Over the past year, 108 staff have attended or are attending beginner, intermediate and advanced Te Reo Māori language classes. A Te Ao Māori Working Group of staff meet regularly to discuss iwi engagement, current projects affecting iwi, and ways of improving awareness and understanding of Te Ao Māori.

## MANAGING AND ENHANCING OUR NATURAL ENVIRONMENT

### NEW COLLABORATIVE CONSERVATION STRATEGY

Tasman District Council has signed up to the Kotahitanga mō te Taiao Alliance Strategy, adopting the Strategy on 18 April 2019. The Strategy aims to boost the effectiveness of biodiversity programmes and achieve long-term improvements in ecological health in the top of the South Island. The Strategy is a partnership between councils, iwi and the Department of Conservation to drive large-scale conservation projects with wider social, cultural and economic outcomes across the Buller, Tasman, Nelson, Marlborough and Kaikoura regions.







The Strategy's long-term goals include:

- native species, including those found nowhere else, are thriving,
- naturally functioning ecosystems are protected and restored,
- wilderness is sustained,
- people flourish in harmony with nature, and
- ecological connections and resilience are protected and restored.

### REGIONAL PEST MANAGEMENT PLAN FINALISED

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

### IWI ENVIRONMENTAL MANAGEMENT PLAN

On 20 November 2018, Ngāti Tama ki Te Waipounamu Trust presented Council with its Environmental Management Plan, a document that will help inform future Council policy and planning reviews and decisions. Councillors and staff welcomed Ngāti Tama whānau to Council with a mihi whakatau, before officially receiving the Plan. The Plan outlines issues of significance for Ngāti Tama ki Te Waipounamu Trust, and will help Council better serve the needs and aspirations of iwi in its planning and decision-making.

### WAIMEA INLET ACTION PLAN

On 28 March 2019, Council adopted the Waimea Inlet Action Plan to maintain and improve the health of the inlet. The Action Plan is designed to implement the Waimea Inlet Management Strategy 2010, which Council is a signatory to. The Waimea Inlet is the largest semi-enclosed coastal inlet in the South Island and has international and national importance as a site for migratory birds.

## PLANNING FOR OUR FUTURE

### TAKING ACTION ON CLIMATE CHANGE

Climate change is happening now and the impacts on the environment and people are predicted to worsen over time and continue for many generations. We've been working with youth leaders and Zero Carbon Nelson Tasman to develop an initial plan for responding to climate change. The draft Tasman Climate Action Plan includes themes on mitigation, adaptation, and leadership:

- how we can reduce greenhouse gas emissions from our activities,
- ways we can respond to our changing environment, including positive opportunities, and
- how we can lead by example, advocate, and encourage others to take action.

The Tasman Climate Action Plan was adopted at the Full Council meeting on 12 September 2019.

## 2018/2019: A YEAR IN REVIEW

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

### MOTUEKA WARD RESERVE MANAGEMENT PLAN

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

### AGE-FRIENDLY POLICY

Tasman's population is ageing, and the number of people aged over 65 in our District is projected to almost double over the next 20 years. Throughout 2018/2019, we developed an Age-Friendly Policy to guide our planning to explicitly consider the needs of the growing number of older residents. Looking ahead, we want Tasman District to be a vibrant age-friendly community where older people are valued, visible and socially connected. The services, activities and housing Council offers should be accessible and affordable.

### UPDATED GUIDANCE FOR LAND DEVELOPMENT

The Nelson-Tasman Land Development Manual (NTLDM) was adopted by Council on 9 May 2019 and replaced Council's Engineering Standards 2013. Developed in conjunction with Nelson City Council, the NTLDM is an important document for delivering the shared goals for affordable and resilient asset management while balancing community expectations for our environment. It guides how infrastructure such as roads, wastewater, stormwater, water, and reserves are designed and constructed. In association with the NTLDM, an Inundation Practice Note was developed

to provide developers and planning practitioners with a process to determine minimum ground and floor levels for development on land potentially subject to flooding hazard.

### FUTURE DEVELOPMENT STRATEGY

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

### CHANGES TO THE TASMAN RESOURCE MANAGEMENT PLAN

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

In the meantime, Council has continued to ensure the Tasman Resource Management Plan addresses current issues. In April 2019, several changes to planning rules were made operative, including the rules governing rural subdivision and land use. The changes are designed to offer greater protection for productive land, allow flexibility of use and maintain rural character – as well as offer greater housing choices. Other changes included technical amendments to water management rules for the Waimea Plains, and a range of changes to clarify and correct wording, and to correct anomalies in some areas.

### A STRATEGIC REVIEW OF PORT TARAKOHE

We've been working with iwi, the community, the mussel farming industry, and key stakeholders to develop a draft business case to guide the future development and upgrade of Port Tarohe in Golden Bay.

## 2018/2019: A YEAR IN REVIEW

The business case is partially funded by the Government's Provincial Growth Fund. Driving the need for development is a projected increase in mussel production in Golden Bay. Port Tarakohe is widely used and valued by the local community. The area is also of high cultural significance for iwi, and is an important habitat for little blue penguins.

In 2018/2019 we talked to recreational users, community representatives and key local advocacy groups to help guide the initial development of a draft business case. We carried out full community consultation on the draft in July 2019, with a final decision made by Council at its meeting on 29 August 2019. An application has been made to the Provincial Growth Fund to help fund the capital works required.

### REMEMBERING OUR PAST

#### COMMEMORATING SIGNIFICANT EVENTS

19 September 2018 marked 125 years since women first won the right to vote. Our libraries and museums supported events and displays to mark this achievement. Council also supported the development of 'Women Decision-Makers Nelson and Tasman', compiling stories of all the women elected to local government in Nelson Tasman, starting with Laura Ingram in 1944.

11 November 2018 marked 100 years since the end of World War One and there were several events and services across the District to commemorate this occasion. Tapawera Armistice Weekend took place over Labour Weekend in October 2018, with a range of events and activities on and around the site of the historic Tapawera Military Training Camp grounds. In Richmond, we installed special street signs acknowledging the service of fallen World War I veterans from Richmond. In conjunction with the Motueka RSA, we also refurbished the Motueka War Memorial in time for the Armistice centenary.

Labour Weekend 2018 also saw several events to celebrate 175 years since German settlers arrived in the Moutere area.

Murchison Museum organised a service and display to commemorate the 90th anniversary of the 7.8-magnitude Murchison earthquake, remembering the 17 lives lost in the event on 17 June 1929.

### OPENING THE WHALERY AT GOLDEN BAY MUSEUM

In December 2018, the Whalery was opened at Golden Bay Museum, displaying information on Golden Bay Mohua's marine environment, aquaculture, iwi perspectives and whale strandings. A complete pilot whale skeleton is also now on display at the Museum. Council managed this project and contributed the majority of the funding.

### LIBRARIES AT THE HEART OF OUR COMMUNITIES

#### NEW LARGER LIBRARY FOR MOTUEKA

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

#### COMMUNITY HUBS FOR INFORMATION AND ENTERTAINMENT

Tasman District Libraries continue to be well supported by their local communities. During the past year, there was a total of 548,662 visits to the Richmond, Motueka and Takaka libraries and 596,050 items were borrowed – that's the equivalent of 10.5 visits and 11.5 items per Tasman resident.

From January 2019, the Richmond Library extended its opening hours to include Sundays from 1pm – 4pm.

Our libraries delivered a total of 916 events and programmes, providing opportunities for new experiences, learning and social connection, with attendances totalling almost 18,800. Events included class visits, holiday programmes, book groups, art and craft workshops, author visits and digital training sessions.

Highlights included:

- Blast from the Past talks at Takaka Library,
- 1,000 Books Before School programme at Motueka Library,



## 2018/2019: A YEAR IN REVIEW

- Suffrage 125 activities, and stories added to Kete Tasman, and
- Richmond Robotics at Richmond Library

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### GETTING AROUND TASMAN

#### QUEEN STREET NAMED AS BEST STREET IN NEW ZEALAND

In October 2018, the upgraded Queen Street won the title of Best Street at the annual Keep New Zealand Beautiful Awards. This award recognises and celebrates a street in New Zealand that clearly stands out for its beauty, cleanliness, plantings and sense of community pride. Queen Street was recognised for its dramatic transformation over the past 18 months. Previously the main street of Richmond was prone to flooding, and featured a design favouring cars and commuter traffic. Queen Street is now a safe, accessible, pedestrian-focussed and modern street.

#### A NEW PARKING STRATEGY FOR RICHMOND AND MOTUEKA

In August 2018, Council adopted a new parking strategy for Richmond and Motueka, which aims to manage demand through investment in alternative transport options such as public transport and extra facilities for cycling. The Strategy aims to make the most efficient use of existing carparking rather than requiring large investment in extra carparks. It also prioritises a holistic view of the entire transport system, rather than considering parking in isolation.

#### SAFER SPEED LIMITS

We conducted joint public consultation with the New Zealand Transport Agency (NZTA) on the speed limits for the stretch of State Highway 60 between Three Brothers Corner and Maisey Road. In line with NZTA's decision to lower the speed to 80km/hr, Council agreed to speed limit reductions for a number of local roads which connect with State Highway 60 to improve the safety of this high-risk route.

#### TASMAN'S GREAT TASTE TRAIL

During the year, we completed construction of Tasman's Great Taste Trail from Norris Gully to Kohatu. Construction of the cycle trail between Wakefield and Hault Valley West is progressing well despite the delays experienced while the Pigeon Valley fire restrictions were in place.







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## PROVIDING SPACES FOR RECREATION AND PLAY

### SAXTON FIELD IMPROVEMENTS

During the year we made further improvements to facilities at Saxton Field, in conjunction with Nelson City Council. We completed the access road and carparking for the Saxton Velodrome, with entry from Champion Road linking to a new parking area beside the velodrome. We also replaced the hockey turf, improved accessibility at the Oval, built a small informal BMX track, and partially completed a mountain bike trail.

### NEW PLAYGROUND FOR MĀRAHAU

A new playground was opened at Newhaven Reserve in Mārahau – the first public playground for the coastal community. The playground project was initiated by the Mārahau Sandy Bay Ratepayers and Residents' Association. Over the year, we worked with the Association and with Mārahau's youngest residents to design, fund, and build the new boat-themed play area.

### NEW BASKETBALL AREA AT MOTUEKA

With help from the Motueka Community Board's discretionary fund and Council, a new basketball area is now available alongside the skate park and BMX track at Motueka. The basketball area is part of a range of projects completed to address the need for more youth spaces.

### NEW FITNESS EQUIPMENT FOR ALL AGES

With help from Motueka Community Board, we installed new fitness equipment at Memorial Park, Motueka. We also installed new fitness equipment at Tapawera, which was partly funded by local community fundraising efforts.

### RETILING AT THE AQUATIC CENTRE

The tiles on the 25 metre lane pool at the Richmond Aquatic Centre were replaced, meaning we had to temporarily close the pool between 25 March and 30 June 2019. Several of the existing tiles on the lane pool were cracked or chipped and were replaced for safety reasons. All the other pools at the Centre remained open.

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## DELIVERING OUR BUSINESS AS USUAL

The services we provide underpin almost every aspect of people's daily lives. These services and facilities are funded by rates, user charges and subsidised by income from our commercial activities. They help to keep people safe, protect and improve the environment, provide essential infrastructure, and bring our community together to do the things they want, in the places they want. Every day our staff and contractors are working hard to:

- maintain roads, bridges, footpaths, cycleways and walkways, car parks, streetlights, traffic signs and culvert pipes,

## 2018/2019: A YEAR IN REVIEW

- look after parks, reserves, playgrounds, libraries, public toilets and some of our District's historic sites,
- provide regulatory services like animal and noise control, food safety, resource consents and alcohol licensing,
- maintain the water, wastewater and stormwater networks across our District,
- engage with communities and create partnerships to undertake local projects,
- monitor and manage the quality of our land, air, water, coasts and biodiversity,
- collect and manage waste and recyclables,
- maintain flood protection along 285km of our major rivers,
- ensure new buildings are safe and healthy,
- ensure our coastal waters are accessible and safe for boaties and swimmers,
- make sure our popular places can continue to be enjoyed, such as Richmond Aquatic Centre, Moturoa/Rabbit Island Reserve, and Tasman's Great Taste Trail,
- provide Land Information Memorandums (LIMs) on request and respond to the multitude of enquiries from the public received by mail, email, telephone or in person,
- register more than 11,000 dogs, and
- ensure that rates are collected to fund Council's activities and respond to rates queries from the public.



# OUR NON-FINANCIAL PERFORMANCE AT A GLANCE

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

We have 121 targets that we report on through this Annual Report. We aim to report on most, but not all of these targets each year. Full details on all the performance indicators are included in Part 4 of this Annual Report.

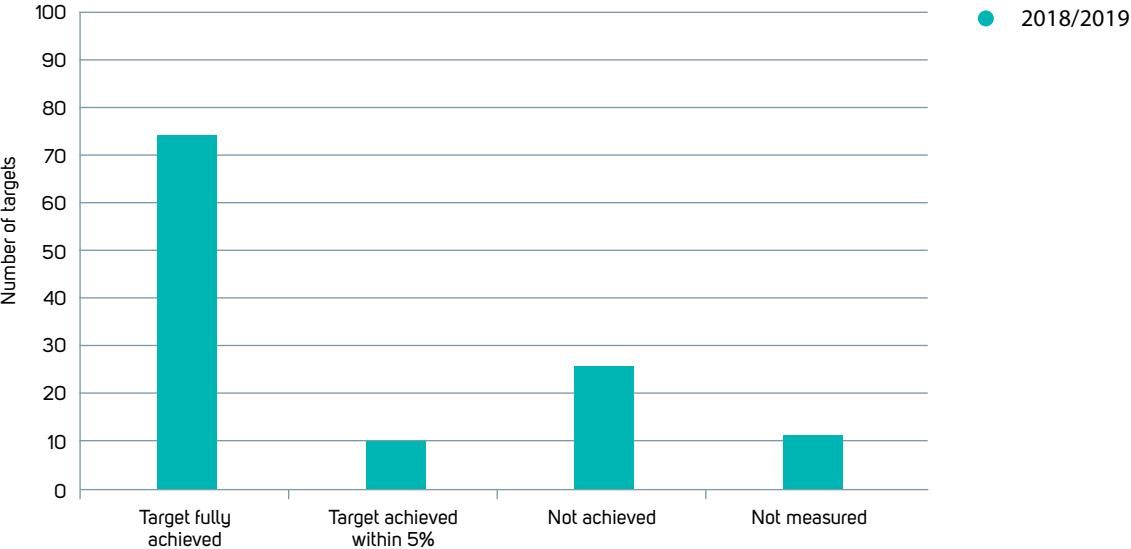
We achieved 74 of our targets fully, 10 were achieved within 5% of the target, 26 were not achieved, and there were 11 that we either did not have the full information available to report on or they were not due to be measured this year (see Figure 1).

As this is the first year of the LTP 2018–2028 we can't compare all of this year's results with those for previous years.

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

Details of our performance against all our targets is provided in Part 4: Financial and Non-Financial Performance of this report.

FIGURE 1. Non-Financial Performance 2018/2019



# KEY FINANCIAL INFORMATION

We have continued our positive financial trend from the previous year and recorded another surplus. The surplus for the 2018/2019 year was significantly higher than budgeted. The underlying accounting surplus was \$33.2 million. The net debt position of \$149.4 million was well below the planned debt level of \$189.2 million, with rates also remaining within the agreed cap of 3%.

The positive financial position reflects ongoing operational savings achieved by Council and delayed capital expenditure for some large projects. The result was also assisted by a number of external factors which moved in our favour. These external factors include:

- Increased revenue from forestry activities
- Lower borrowing costs
- Low inflation
- Higher than anticipated population growth
- Increased dividends.

Offsetting these were:

- Costs associated with ex-Cyclones Fehi and Gita.

A fuller description of the financial variances from the Annual Plan 2018/2019 is contained in Note 36 to the Accounts in this Report.

## REPORTING AGAINST OUR FINANCIAL STRATEGY

The Financial Strategy in the LTP 2018–2028 provides an outline of our policy on financing capital works and managing debt. The LTP 2018-2028 provides for capital expenditure of between \$43 million and \$64 million per annum, and operating expenditure of between \$115 million and \$124 million per annum for the 2018/2019 to 2020/2021 years.

The majority of proposed capital expenditure and associated loans are for engineering works such as water, stormwater, wastewater and transportation networks, with a small percentage for community facilities.

The Financial Strategy outlines how we will manage our revenue, expenses and assets, liabilities and investments.

The objective is to provide for the current and future interests of the community while also:

- providing for growth and changes in land use
- ensuring that the level of rates and borrowing is financially sustainable and is kept within our set limits
- being accountable for maintaining the assets that Council owns on behalf of the community
- funding network infrastructure and maintaining levels of service
- obtaining reasonable returns on investments; and
- meeting new central government standards for services such as drinking water.

## NET EXTERNAL DEBT

Our net external debt at 30 June 2019 was \$149.4 million (after adjusting for liquid financial assets in joint ventures) which is below our net external debt cap of \$200 million in our current Financial Strategy. This is also lower than the \$189.2 million forecast in the LTP 2018/2019. Net external debt for 30 June 2020 is now also expected to be lower than previously forecast (see Figure 2 on page 25).

Debt has been reduced due to:

- direct savings from operational budgets which have been used to repay debt;
- favourable interest and borrowing conditions;
- a lower opening debt position than budgeted;
- delays to some large capital works;
- higher than anticipated income due to things like higher population growth than forecast; and
- greater forestry income than planned.

We've also received increased dividends which have been used to pay down debt.





## RATES AFFORDABILITY

To help manage rates affordability, we include a limit on rates revenue in our Financial Strategy. For the LTP 2018–2028 this limit was set at \$65 million for General Rates and \$60 million for Targeted Rates per annum over the life of the LTP, reflecting the work done to address rates affordability issues. This Annual Report shows our actual levels were below the limit, at \$38.5 million for General Rates and \$34.9 million for Targeted Rates.

We also include a limit in our Financial Strategy on rates income increases. Increases are currently limited to a maximum 3% per annum, plus an allowance for annual growth in rateable properties. This was a new limit set as part of the LTP 2015 – 2025, which is why the graph starts at 2015/2016. The same cap has been retained in the LTP 2018–2028.

The blue bars in **Figure 3 (see page 25)** show how we have performed against the 3% limit. The 2018/2019 year saw rates income increase by 2.3%.

## DEBT AFFORDABILITY

The debt/affordability limits were developed based on external advice as to what levels would be appropriate for a Council of our size. Limits set enable us to retain our current credit rating of AA. We remain well within the limits set out in our Financial Strategy. The limits are also in line with the local government sector as a whole (**See Table 1 on page 25**).

## FINANCIAL PERFORMANCE SUMMARY

Our credit rating is 'AA with a stable outlook' (Standard and Poor's). This rating reflects our strong financial management, budgetary flexibility, liquidity and low contingent liabilities; and enables us to borrow funds at more favourable interest rates.

Total Council net assets now total \$1.49 billion, which is an increase of \$33.0 million since 2018.

## REVENUE AND SAVINGS

Total rates revenue for the year was \$73.4 million, and revenue from all other sources totalled \$86.5 million.

General rate revenue increased partially as a result of growth in the District being higher than expected for the year (**see Figure 4 on page 26**).

## KEY FINANCIAL INFORMATION

FIGURE 2. How Are We Tracking Against Planned Net Debt?

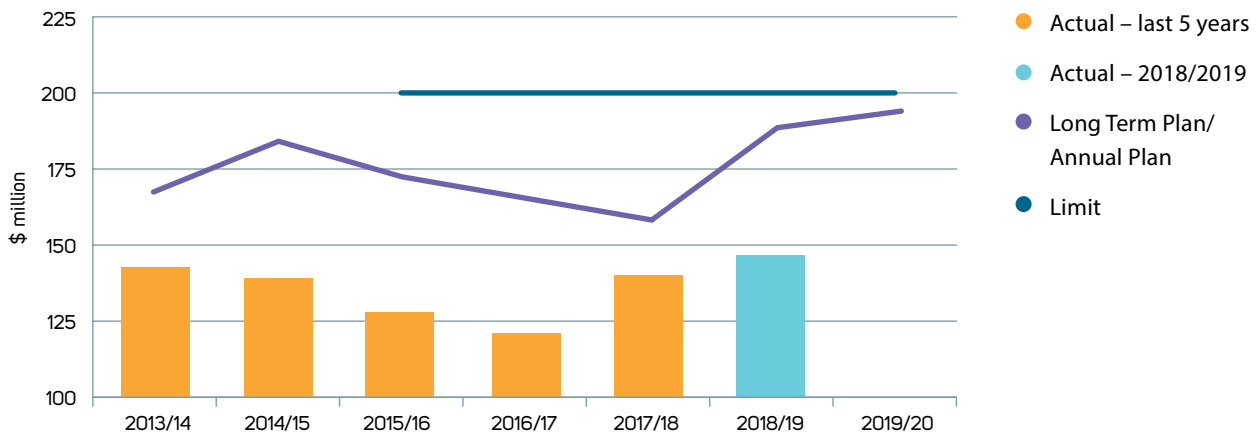


FIGURE 3. Rates Income Increases

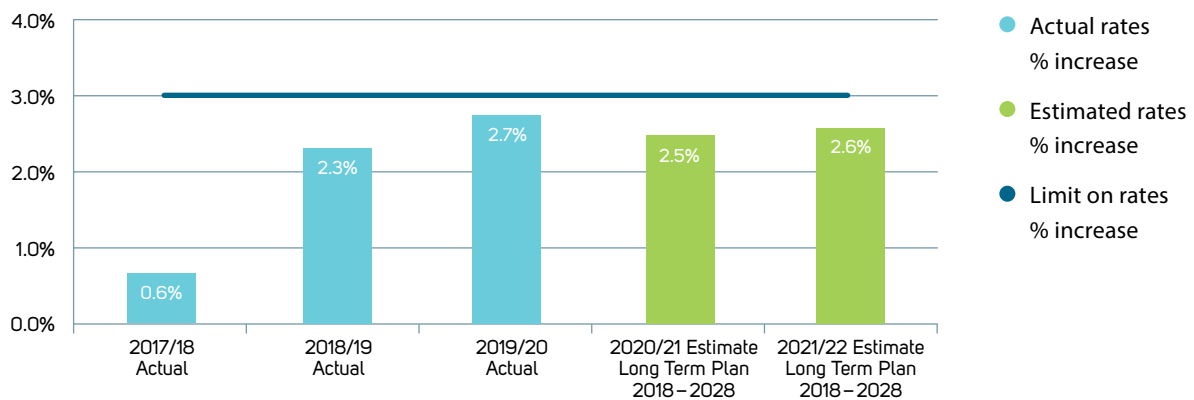


TABLE 1. Debt/Affordability Limits

MEASURE	LIMIT	2015/2016 ACTUAL	2016/2017 ACTUAL	2017/18 ACTUAL	2018/19 ACTUAL	ANNUAL PLAN 2019/20 (ESTIMATE)
Net external debt <sup>1</sup> / Total operating income <sup>2</sup>	<225%	122%	108%	109%	115%	148%
Net external debt / Equity	<20%	10%	9%	9%	10%	13%
Net interest on external debt / Total operating income	<15%	7%	6%	6%	5%	6%
Net interest on external debt / Annual rates income	<25%	10%	10%	10%	9%	10%

<sup>1</sup> Net External Debt = total external debt less liquid financial assets and investments.

<sup>2</sup> Total Operating Income = cash earnings from rates, government grants and subsidies, user charges, interest, dividends, financial and other revenue and excludes non-government capital contributions (e.g. developer contributions and vested assets).

The definitions contained in our Financial Strategy differ from those applied to the Financial Regulations Benchmarks reported in our Annual Reports. The Benchmark reporting is prepared in line with the Local Government (Financial Reporting and Prudence) Regulations 2014.

# KEY FINANCIAL INFORMATION

FIGURE 4. Main Sources of Revenue (excluding revenue from associates and joint ventures)

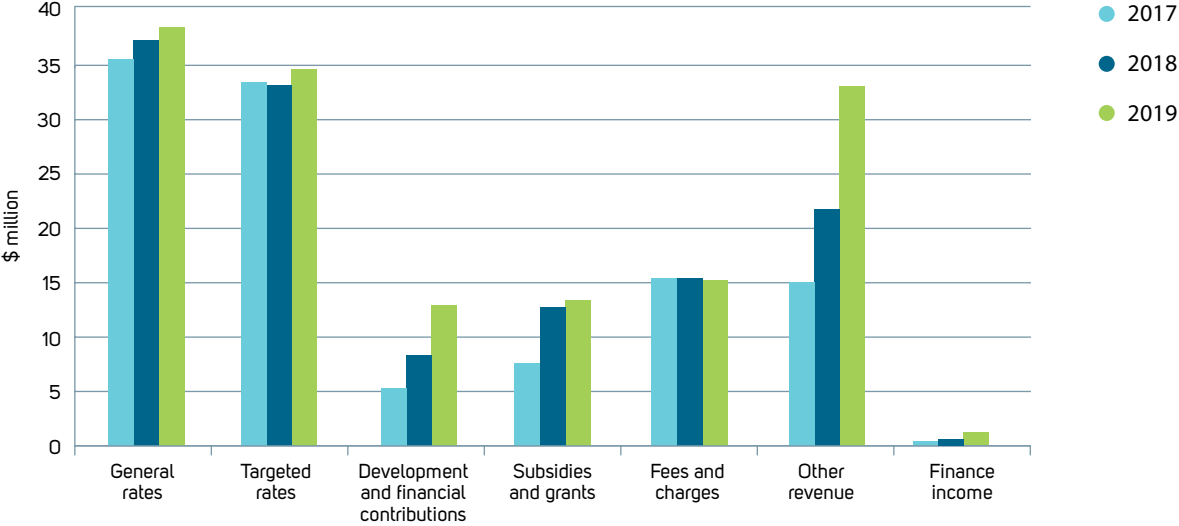
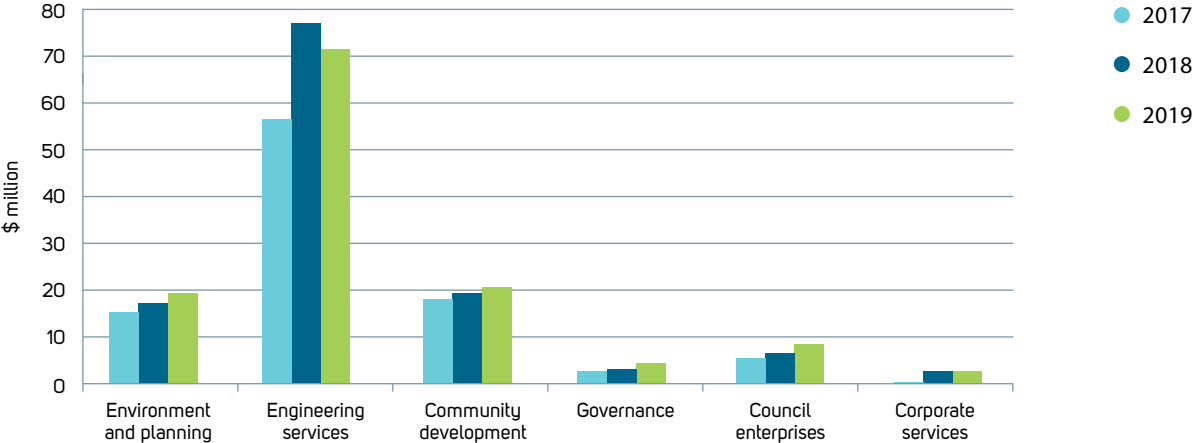


FIGURE 5. Total Council Expenditure by Department



# KEY FINANCIAL INFORMATION

FIGURE 6. Operating Expenditure by Activity

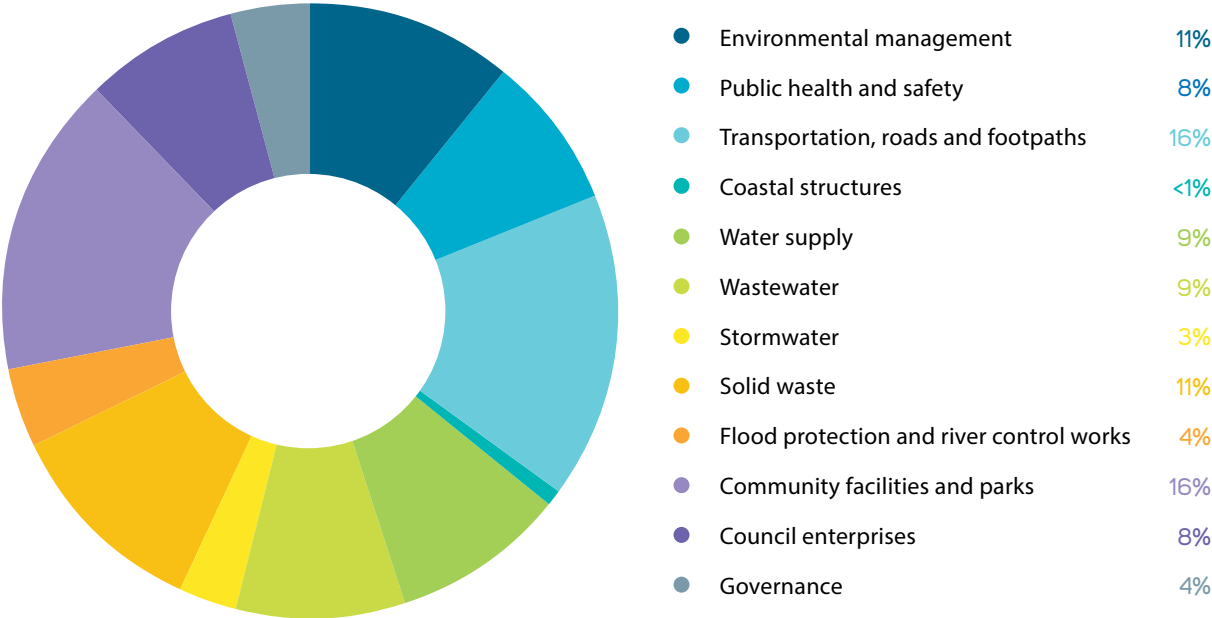
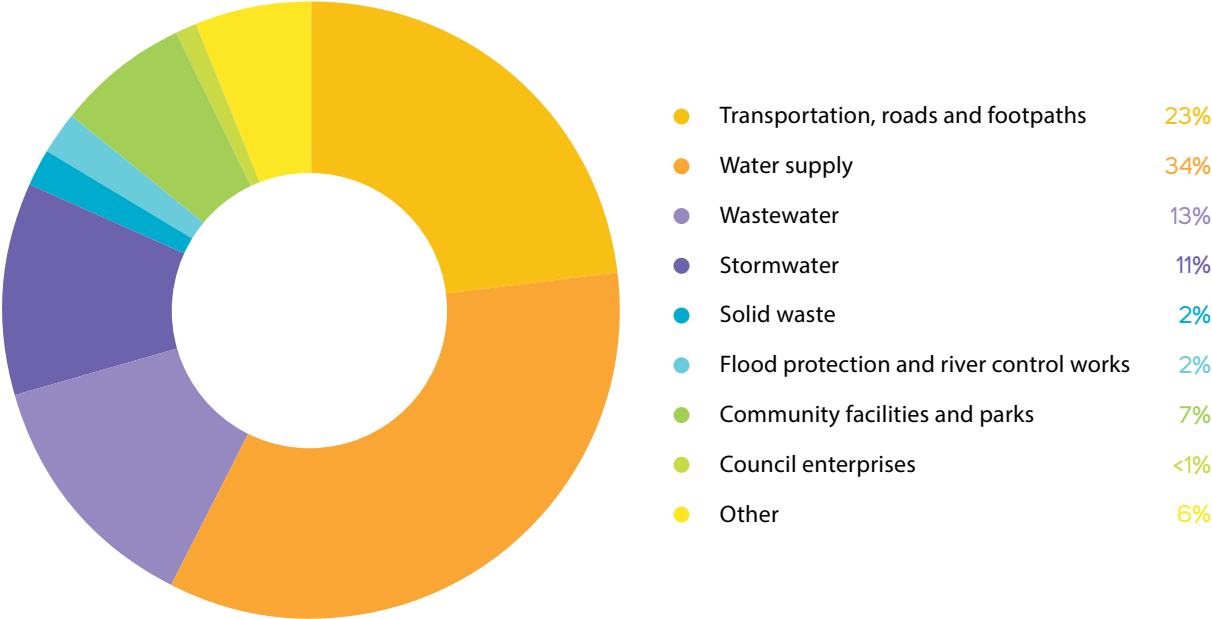


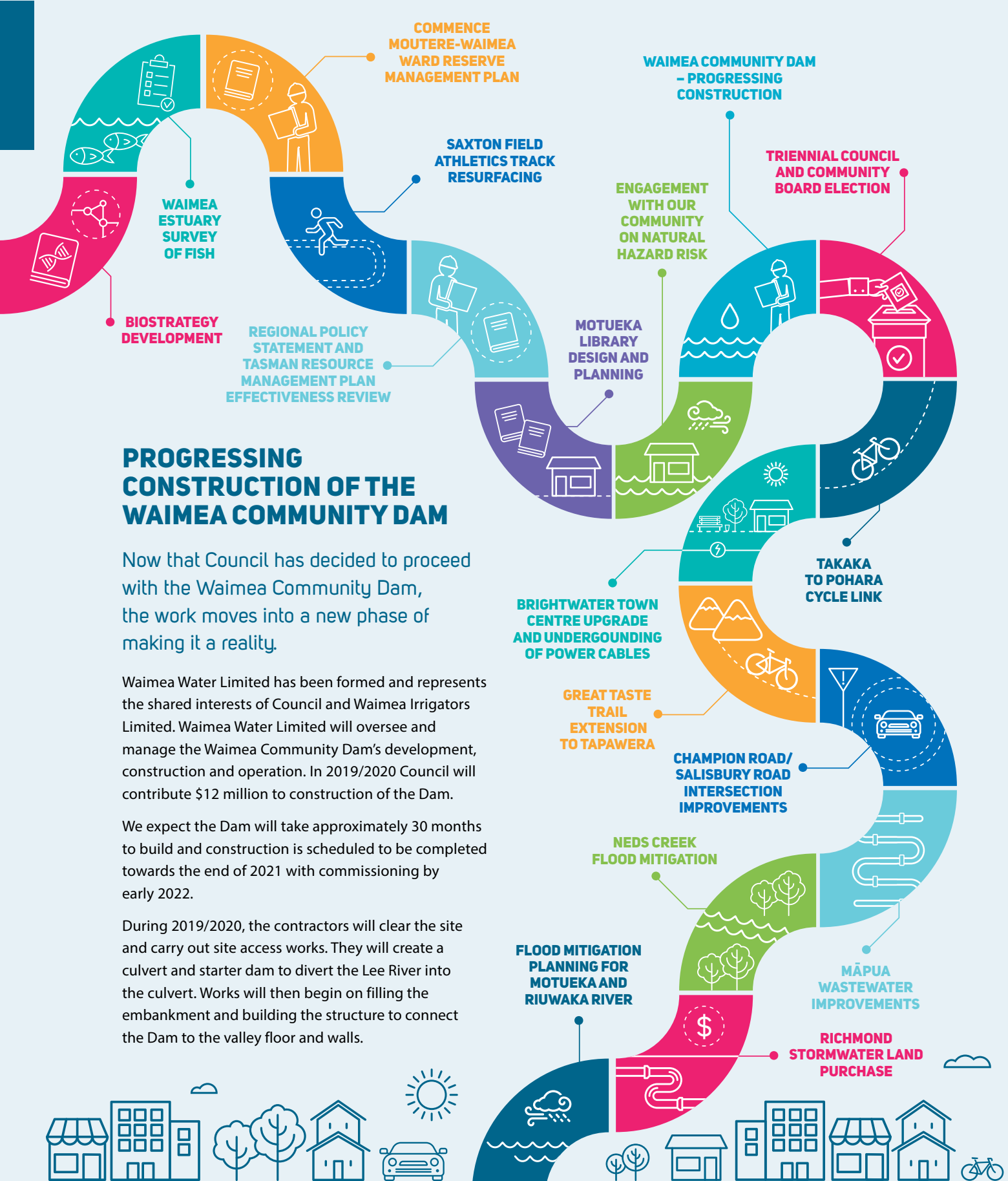
FIGURE 7. Capital Expenditure by Activity





# KEY PROJECTS AND INITIATIVES FOR 2019/2020

Here's just a few of the projects we're planning for 2019/2020.



## PROGRESSING CONSTRUCTION OF THE WAIMEA COMMUNITY DAM

Now that Council has decided to proceed with the Waimea Community Dam, the work moves into a new phase of making it a reality.

Waimea Water Limited has been formed and represents the shared interests of Council and Waimea Irrigators Limited. Waimea Water Limited will oversee and manage the Waimea Community Dam's development, construction and operation. In 2019/2020 Council will contribute \$12 million to construction of the Dam.

We expect the Dam will take approximately 30 months to build and construction is scheduled to be completed towards the end of 2021 with commissioning by early 2022.

During 2019/2020, the contractors will clear the site and carry out site access works. They will create a culvert and starter dam to divert the Lee River into the culvert. Works will then begin on filling the embankment and building the structure to connect the Dam to the valley floor and walls.

# LOOKING FORWARD TO 2019/2020

2019/2020 will be a busy year, including the triennial Council and Community Board elections. We have multiple projects planned to help the District thrive and enable our community to enjoy the Tasman lifestyle. In addition to our normal business, here are just some of the things we will be doing over the next twelve months.

## HELPING OUR COMMUNITIES TO ACCESS FACILITIES AND ACTIVITIES

- We will continue the design work for a new Motueka Library to enable construction to begin in 2020/2021.
- We will commence work to classify existing reserves and review the Moutere-Waimea Ward Reserve Management Plan, guiding the future use and development of these important open spaces.
- Our work to develop digital services in a customer driven way, taking advantage of smart technology, will move up a gear.
- The best way for Council to provide housing for older people in the future will be carefully considered by a working party.
- We are planning further development at Saxton Field, including the design of the second stage of the road link from Champion Road to Saxton Drive and resurfacing the athletic track, and design of the irrigation and drainage for the Alliance Green.
- We will install new playground and fitness equipment at various reserves around the District, as well as a new BMX track at Māpua.
- We will complete an upgrade of the Collingwood Holiday Park to make it safer.

## SUPPORTING AN INNOVATIVE AND SUSTAINABLE ECONOMY

- Working closely with iwi, Wakatū Incorporation, Nelson City Council, Marlborough District Council and the Nelson Regional Development Agency, we will develop an intergenerational growth strategy for Te Tau Ihu (Top of the South). The strategy will identify priorities for business cases to be undertaken across agreed focus areas.

- We are developing an ambitious plan to further develop the facilities at Port Tarkohe to upgrade and reconfigure both the commercial and recreational areas. Development of the facilities will enable the Port to handle increased quantities of mussels and support the development of this industry in Golden Bay. Protection for little blue penguin nesting areas and potential new shorebird roosting areas are also part of the development proposal.

## PROTECTING OUR NATURAL ENVIRONMENT

- We will be implementing a Climate Action Plan with a focus on mitigation, adaptation and leadership, to further consider the likely impacts on the District and plan Council's roles in helping our communities adapt.
- We're working with community groups to develop a new Tasman Biostrategy that will drive work to harness strong community conservation efforts, attract external funding and better prioritise work to reverse biodiversity decline.
- We will continue to implement the Waimea Inlet Action Plan which aims to improve the environment and ecology of, and education on, the Waimea Inlet.
- We are initiating a review of the water supply in Motueka with an intensive sampling programme to test the water quality.
- With the recent introduction of the National Environmental Standards for Plantation Forestry, we will also be working closely with the forestry industry about these new regulations and will be increasing our resources for monitoring and compliance.
- Our work to improve the quality of freshwater and improve land management will continue with a change to a catchment-based approach for targeted interventions.

## LOOKING FORWARD TO 2019/2020

### SUSTAINABLY MANAGING OUR URBAN AND RURAL ENVIRONMENTS

- Managing our freshwater is a high priority. This year we will continue work to change the Tasman Resource Management Plan to implement the National Policy Statement for Freshwater Management in the Takaka Valley and continue work to manage water quality in the Waimea Catchment.
- We will continue our review of the Tasman Regional Policy Statement and the Tasman Resource Management Plan to create a new Tasman Environment Plan.
- To improve access to and understanding of the Tasman Resource Management Plan, we will be transitioning to an electronic plan (rather than the paper-based version) over the next few years.
- We will continue to review our natural hazards policy with a focus on coastal inundation and land disturbance, including engagement with our community to discuss the potential impacts of sea-level rise and storm surges.
- Following the adoption of the Nelson-Tasman Future Development Strategy in July 2019, we will develop an intensification action plan to facilitate and incentivise urban intensification.

### PROVIDING EFFICIENT, COST EFFECTIVE INFRASTRUCTURE TO MEET CURRENT AND FUTURE NEEDS

- We will continue:
  - » the construction phase of the Waimea Community Dam to increase water supply and security in the Waimea area.
  - » a programme of work to upgrade our water treatment plants to achieve the New Zealand Drinking Water Standards. We will also anticipate a review of this programme in light of forthcoming regulatory and legislative changes.
  - » with the significant water and stormwater work in Richmond South and West to supply these developing areas with the infrastructure required to support population growth.

- » to extend Tasman's Great Taste Trail by connecting missing links and extending the trail between Wakefield and Tapawera.
- » flood mitigation planning for the Motueka and Riuwaka rivers which is expected to continue, with the works needed to act on it being considered in the next LTP.
- » work to upgrade the Takaka Resource Recovery Centre – moving the waste disposal to the lower level, making it quicker, easier and safer when dropping off your recycling.
- » developing our active transport (walking and cycling) strategy to meet the needs of our communities and to make improvements to encourage active modes as realistic forms of transport.
- We will commence:
  - » construction of a new water treatment plant at Parker Street in Motueka.
  - » the Brightwater Town Centre upgrade to make it a safer, more attractive public space.
  - » work to improve safety at the intersection of Champion Road/Salisbury Road.
  - » Catchment Management Planning in Motueka to help us better plan for the management of stormwater in these towns.
- We will complete the Pōhara to Takaka shared walking and cycling pathway.
- We have significant work underway to improve the water and wastewater reticulation and pumping capacity in Māpua, and extend the stormwater pipe at Stafford Drive to alleviate localised flooding.
- We will be increasing our efforts to reduce inflow and infiltration of the wastewater pipe networks.

These are a sample of the projects we have planned and is not an exhaustive list. If you want to know what is planned for your area visit the settlement area reports and maps or the Activity Management Plans on our website [www.tasman.govt.nz](http://www.tasman.govt.nz)



# PART TWO

COUNCIL VISION  
AND COMMUNITY  
OUTCOMES





## OUR VISION

Thriving communities enjoying the Tasman lifestyle

## OUR MISSION STATEMENT

To enhance community wellbeing and quality of life

# VISION AND MISSION STATEMENT

In the Long Term Plan 2018–2028 Council has retained the same Vision and Mission that was included in the Long Term Plan 2015–2025.

The vision recognises that there are many different communities within our District, not just geographic communities, but non-profit organisations, environmental communities, art communities, church

communities, sporting communities, to name just a few. We would like all these communities to succeed and to benefit from the many opportunities that our District provides.

# COMMUNITY OUTCOMES

## BACKGROUND

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

Council believes that achievement of Community Outcomes relies on working in partnership with the whole community, including individuals, businesses, government agencies and community organisations. Everyone's views on describing how our District would look if we achieved these Outcomes will be slightly different, but we have put a description below each Outcome to help you understand what we are working towards. These full descriptions are available in the LTP 2018–2028.

## COMMUNITY OUTCOME STATEMENTS

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

In Part Four, we have listed the ways each activity contributes to our community outcomes and the social, economic, environmental, or cultural well-being of our community.

# PART THREE

ROLES, COMPLIANCE  
AND AUDIT  
STATEMENT



# THE ROLE OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS

We are required to produce an Annual Report each year to account for the money provided by ratepayers, financial institutions and Government agencies.

The Annual Report is also an important tool for showing how our community outcomes 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's strategies and plans, including the LTP 2018–2028. The LTP 2018–2028 was adopted by Council on 28 June 2018, after considerable consultation with ratepayers and interested others. This is the first Annual Report prepared under the LTP 2018–2028.

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

The message from the Mayor and Chief Executive Officer provides 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.

We thank you for your interest in our activities and our leadership role in developing Tasman District.

## STATEMENT OF COMPLIANCE AND RESPONSIBILITY

### COMPLIANCE

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

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

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.

In the opinion of Council and management of Tasman District Council, the annual financial statements for the year ended 30 June 2019 fairly reflect the financial position, operations and service performance of Tasman District Council.



**R G Kempthorne**  
Mayor



**J W Dowding**  
Chief Executive Officer

# 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 2019

The Auditor-General is the auditor of Tasman District Council (the District Council). The Auditor-General has appointed me, John Mackey, using the staff and resources of Audit New Zealand, to report on the information in the District Council's annual report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the District Council has complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the District Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

We refer to this information as "the disclosure requirements" in our report.

We completed our work on 10 October 2019. This is the date on which we give our report.

## OPINION ON THE AUDITED INFORMATION

In our opinion:

- the financial statements on pages 176 to 183, 186 to 233 and 243 (Note 40 only) to 251:
  - » present fairly, in all material respects:
    - › the District Council's financial position as at 30 June 2019;
    - › the results of its operations and cash flows for the year ended on that date; and
  - » comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;
- the funding impact statement on page 184, presents fairly, in all material respects, 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 statement of service provision "Financial and non-financial performance" on pages 40 to 174:
  - » presents fairly, in all material respects, the District Council's levels of service for each group of activities for the year ended 30 June 2019, including:
    - › the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
    - › the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
  - » complies with generally accepted accounting practice in New Zealand; and
- the statement about capital expenditure for each group of activities on pages 65 to 169, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council's Long term plan; and
- the funding impact statement for each group of activities on pages 65 to 169, presents fairly, in all material respects, 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.

## REPORT ON THE DISCLOSURE REQUIREMENTS

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 234 to 243 (Note 39 only), which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council's audited information and, where applicable, the District Council's long term plan and annual plans.

## INDEPENDENT AUDITOR'S REPORT

### BASIS FOR OUR OPINION ON THE AUDITED INFORMATION

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. We describe our responsibilities under those standards further in the "Responsibilities of the auditor for the audited information" section of this report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information.

### RESPONSIBILITIES OF THE COUNCIL FOR THE AUDITED INFORMATION

The Council is responsible for meeting all legal requirements that apply to its annual report.

The Council's responsibilities arise under the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the information we audit that is free from material misstatement, whether due to fraud or error.

In preparing the information we audit the Council is responsible for assessing its ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the District Council or there is no realistic alternative but to do so.

### RESPONSIBILITIES OF THE AUDITOR FOR THE AUDITED INFORMATION

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the District Council's Long term plan.

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

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit 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.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the statement of service provision "Financial and non-financial performance", as a reasonable basis for assessing the levels of service achieved and reported by the District Council.

## INDEPENDENT AUDITOR'S REPORT

- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the District Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the District Council to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### OTHER INFORMATION

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 4 to 35 and 253 to 264, but does not include the audited information and the disclosure requirements, and our auditor's report thereon.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### INDEPENDENCE

We are independent of the District Council in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit and our report on the disclosure requirements, we have performed a limited assurance engagement related to the District Council's debenture trust deed, which is compatible with those independence requirements. Other than this engagement, we have no relationship with or interests in the District Council or its controlled entities.



**John Mackey**

**Audit New Zealand**

On behalf of the Auditor-General  
Christchurch, New Zealand



# PART FOUR

FINANCIAL AND  
NON-FINANCIAL  
PERFORMANCE



# STATEMENTS OF OBJECTIVES AND SERVICE PERFORMANCE

The service goals and objectives form the basis of our operations in the provision of works and services for the District. Council's groups of activities may be broadly categorised as follows:

- **ENVIRONMENT AND PLANNING**
- **ENGINEERING**
- **COMMUNITY DEVELOPMENT**
- **GOVERNANCE**
- **COUNCIL ENTERPRISES**

Each of these areas of work is broken down into groups of related activities. The grouping of activities reflects changes to the Local Government Act in 2010. These changes require councils to report on a number of mandatory activities. The intention is to enable comparisons between councils' performance for these mandatory activities.

The mandatory activities are all in the Engineering area:

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

Council also reports on the following Groups of Activities:

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

Within each group of activities there may be a number of smaller activities, for example Public Health and Safety includes Building Assurance, Environmental Health, Animal Control, Civil Defence Emergency Management (CDEM), Maritime Safety and Parking Control.

We have also reported on the performance of Support Services, but this is not a separate group of activities.

We have listed the service goals, objectives and performance indicators for each of Council's significant activities (where applicable). These are followed by a statement on the level of achievement for the year ended June 2019.

Each significant activity area, as a whole, incorporates elements of quality, quantity, timeliness, cost and location (where applicable). Unless otherwise noted, all tasks were completed by 30 June 2019. 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, we follow 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, we strive to act within the relevant statutory requirements and within approved budget levels.

## ACTIVITY 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 our LTP 2018 – 2028, we included survey measures as a measure of progress toward the achievement of our objectives, as well as checking residents' levels of satisfaction with the

services we provide. We report on these measures using data from the annual 'Communitrak™ Survey' – a survey of residents undertaken independently by the National Research Bureau.

## FUNDING IMPACT STATEMENTS (FIS)

A FIS has been prepared for each activity in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014. This is a reporting requirement unique to local government and the disclosures contained within and the presentation of 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 Revenue and Expense 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. Revenue such as subsidies for capital projects, for example NZTA 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 revenue in the Comprehensive Revenue and Expense Statement.

# ENVIRONMENT AND PLANNING

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

- Environmental Management
- Public Health and Safety

These output classes involve

- developing resource policy and plans under the Resource Management Act and related legislation,
- the associated processing and monitoring of resource consents, and
- improving the understanding of the District's environment through investigations and promoting improved environmental performance by resource users.

Undertaking Council's regulatory responsibilities such as building assurance, environmental health, animal control and civil defence are also included in these activities.

## ENVIRONMENTAL MANAGEMENT

### WHAT WE DO

Council's environmental management functions and responsibilities include:

- the provision of policy advice, including responses to national environmental initiatives,
- the development, review and implementation of resource management policies and plans,
- investigating significant environmental issues affecting or likely to affect the District, and maintaining an efficient resource information base to respond to environmental hazards, providing advice on environmental conditions and issues affecting the District,

- assessing and processing resource consent applications and related compliance monitoring and enforcement and processing development contributions assessments, and
- undertaking biosecurity (pest management) responsibilities and control work in the District and maintaining indigenous biological diversity.

### WHY WE DO IT

Council undertakes its environmental management responsibilities 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,
- help target planning controls,
- apply consent conditions and provide education programmes,
- identify new issues, and
- provide information of use to farmers, businesses and the public.

Council processes resource consent applications and undertakes compliance activities to reduce the impact of human activity on other people and the environment. Council's biosecurity activities help protect the environment from unwanted plant and animal pests.



## ENVIRONMENT AND PLANNING – ENVIRONMENTAL MANAGEMENT

### CONTRIBUTION TO COMMUNITY OUTCOMES

COMMUNITY OUTCOMES	HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
<p>Our unique natural environment is healthy, protected and sustainably managed.</p>	<p>We develop and review policies, plans, and design guides that promote the sustainable management of our natural and physical resources. Where necessary, we regulate activities that could over time, degrade the environment, or place resources under pressure.</p> <p>We engage with iwi and the community via advocacy and interventions in local, catchment and regional scale initiatives to maintain and enhance the natural and productive landscape.</p> <p>We monitor activities that could have a negative effect on our environment and take action to prevent such effects through education and enforcement.</p>
<p>Our urban and rural environments are people-friendly, well-planned, accessible and sustainably managed.</p>	<p>Together with landowners and the broader community, we protect biodiversity, soil and water sustainability, by managing animal and plant pests. By using targeted spending, we work to ensure Tasman remains special with effective riparian and waterway management on farms. We also educate and encourage environmentally responsible behaviours.</p>
<p>Our urban and rural environments are people-friendly, well-planned, accessible and sustainably managed.</p>	<p>We approve consents where development and use of the environment promotes sustainable management of natural and physical resources. Where necessary, we impose (and monitor) conditions that regulate activities which might otherwise degrade the environment or place resources under pressure.</p> <p>We take a strategic approach to planning for and managing growth. We look to ensure that our communities' living environments are appropriate in location and scale, they are pleasant and safe, and the activities of others do not adversely impact on them.</p> <p>We monitor and investigate the state of the environment, identify trends, risks and pressures it faces (particularly in relation to land, soils, water, air and the coast). We use this information about natural hazards and contamination risk to make better decisions; it also helps us plan for the future needs of the District.</p> <p>We educate people and provide them with information to enable them to live more sustainably and to be more resilient.</p>
<p>Our infrastructure is efficient, cost effective and meets current and future needs.</p>	<p>We support other areas of Council to meet this outcome by having in place effective resource planning processes. This ensures infrastructure provision is appropriate, efficient, and available to meet the demands of the community.</p> <p>We provide hazard information and promote best practice design, development, and use of important utility services.</p> <p>We provide a highly valued district wide telemetry linked network that allows us to measure and understand what is happening in relation to the quality of our environment. This same network allows us to properly manage the quality of the water resources available for allocation.</p>

## ENVIRONMENT AND PLANNING – ENVIRONMENTAL MANAGEMENT

### CONTRIBUTION TO COMMUNITY OUTCOMES (CONT.)

COMMUNITY OUTCOMES	HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
<p>Our communities are healthy, safe, inclusive and resilient.</p>	<p>Our processes safeguard the community's health and well-being, ensure resource use and human activities that affect resources do not adversely affect quality of life. This includes monitoring recreational bathing water quality or toxic algae presence and surveying groundwater resources for drinking water suitability. By maintaining an effective flood warning system, monitoring air quality, and working to identify contamination risks, we promote safety of people and community well-being now and for future residents.</p>
<p>Our communities have opportunities to celebrate and explore their heritage, identity and creativity.</p>	<p>Our planning framework identifies heritage buildings, iconic landscapes, sites important to iwi, and sites of significance to the District. Our framework protects and enhances these values; this ensures we consider the sites important to iwi when we make planning decisions.</p> <p>When we work with landowners to enhance biodiversity, we help to protect our natural heritage values.</p>
<p>Our communities have access to a range of social, cultural, educational and recreational facilities and activities.</p>	<p>When land is subdivided, we check that recreational opportunities are provided for with our plans and consenting processes. We maintain a recreational bathing water quality network and cyanobacteria monitoring programme to ensure waterbodies are suitable for use, put limitations on inappropriate development of valued spaces, and take an advocacy role to promote environmental awareness.</p>
<p>Our Council provides leadership and fosters partnerships, a regional perspective, and community engagement.</p>	<p>Public participation is provided for in the processes of developing and administering policies and plans under the Resource Management and Biosecurity Acts. We actively seek to work with stakeholder communities.</p> <p>We work with iwi when developing policies and plans. For example, the Kotahitanga mō te Taiao partnership with Top of the South iwi, DOC and Councils demonstrates leadership across boundaries. We work to encourage the development of 'best management practices' in our productive landscape and have established community networks and water user groups to help us fulfil our responsibilities.</p> <p>We make information and resource data available, work with applicants, landowners and community groups, and provide advice to help customers and applicants make sound decisions.</p> <p>We advocate to central government and other public agencies where their actions will impact on the interests of Tasman District.</p>

## ENVIRONMENT AND PLANNING – ENVIRONMENTAL MANAGEMENT

### CONTRIBUTION TO COMMUNITY OUTCOMES (CONT.)

COMMUNITY OUTCOMES	HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
<p>Our region is supported by an innovative and sustainable economy.</p>	<p>Policies, plans, models, and information help identify opportunities (and their potential hazards and constraints) for economic development. Our biosecurity activities on land and sea are designed to protect primary production activities from economically damaging pest incursions.</p> <p>Resource information identifies opportunities for economic development in the use and development of resources of benefit to current and future generations, and potential hazards and constraints affecting such opportunities.</p> <p>Development approvals facilitate economic development opportunities and compliance monitoring ensures fair and equal opportunities for all.</p> <p>We actively encourage people to adopt best practice in relation to their use of resources such as land, water, air and the coast.</p>


### OUR GOAL

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

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

# ENVIRONMENT AND PLANNING – ENVIRONMENTAL MANAGEMENT

## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	CURRENT PERFORMANCE
<p>We provide an appropriate policy framework that effectively promotes the sustainable management of the District’s natural and physical resources by:</p> <ul style="list-style-type: none"> <li>identifying and responding to resource management policy issues; and</li> <li>providing a sound and appropriate policy planning framework that is responsive to our changing environment, will protect and enhance our unique environment and promote healthy and safe communities.</li> </ul>	<p>For those residents that are aware of Council’s role in resource management policy and planning work. At least 65% of respondents are fairly or very satisfied with Council’s resource management policy and planning work, as measured via the annual residents’ survey.</p> <p>Target: 65%</p>	 <p>In the 2019 annual residents’ survey, a question asked residents if they are aware of Council’s role in resource management policy and planning work, which was explained as managing Tasman District’s natural resources like water, air quality, zoning land for various uses, but not resource consents. Of those surveyed, 72% were aware of Council’s role in resource management.</p> <p>Of those residents who are aware of our role in resource management, 69% are satisfied, while 25% are not very satisfied and 6% are unable to comment.</p> <p>Council has recently commenced a review of the Tasman Regional Policy Statement (RPS) and the Tasman Resource Management Plan (TRMP). The objectives of the review include:</p> <ul style="list-style-type: none"> <li>a single plan that is easier to use for all,</li> <li>better integrated management of Tasman’s resources,</li> <li>greater community understanding of the key issues in our District and the role of the RPS and TRMP, and</li> <li>to meet all legal requirements.</li> </ul>





# ENVIRONMENT AND PLANNING – ENVIRONMENTAL MANAGEMENT

## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	CURRENT PERFORMANCE
<p>We provide an appropriate policy framework that effectively promotes the sustainable management of the District’s natural and physical resources by:</p> <ul style="list-style-type: none"> <li>identifying and responding to resource management policy issues; and</li> <li>providing a sound and appropriate policy planning framework that is responsive to our changing environment, will protect and enhance our unique environment and promote healthy and safe communities.</li> </ul>	<p>Council meets the Air Quality National Environmental Standard (NES) by 2020 (i.e. no more than one day per year when air quality is &gt; 50 µg/m<sup>3</sup> PM<sub>10</sub>).</p> <p>Air quality at the Richmond Central monitoring site will be reported on Council’s website, including any air quality breaches.</p> <p>Target: Number of exceedances of the Air Quality National Environmental Standard is no more than three.</p>	<div data-bbox="975 524 1289 685" data-label="Figure"> </div> <p>In Richmond, there were 12 days with exceedances of the daily threshold concentration of 50 µg/m<sup>3</sup> (24-hour average) over the year 1 July 2018 to 30 June 2019 period. There were 12 exceedance days over the 2018 winter season, as reported in the air quality report to Council at the 29 November meeting, with a maximum daily PM<sub>10</sub> concentration of 76 µg/m<sup>3</sup>. Note that at the time of this reporting, we have had four exceedances in 2019.</p> <p>This compares with two exceedances of the trigger level in the winter of 2017. The distinct up-swing in exceedances for the 2018 winter was the result of continued calm weather conditions at the time.</p> <p>Continuous air quality monitoring data is reported on Council’s website and air quality breaches are notified in Newsline articles.</p> <p>Note: Following a data audit, some of the previous yearly exceedance numbers have changed and will be different to the numbers reported in previous Annual Reports.</p> <p><b>See Figure 8</b> Number of Air Quality Exceedances and 2nd Highest 24hr PM<sub>10</sub> for Richmond Central on page 58.</p>

# ENVIRONMENT AND PLANNING – ENVIRONMENTAL MANAGEMENT

## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	CURRENT PERFORMANCE
<p>We provide an appropriate policy framework that effectively promotes the sustainable management of the District’s natural and physical resources by:</p> <ul style="list-style-type: none"> <li>identifying and responding to resource management policy issues; and</li> <li>providing a sound and appropriate policy planning framework that is responsive to our changing environment, will protect and enhance our unique environment and promote healthy and safe communities.</li> </ul>	<p>One issue based State of the Environment report to be released each year.</p> <p>Target: One report released by 30 June.</p>	 <p>A number of state of the environment reports were released including:</p> <ul style="list-style-type: none"> <li>Moutere Catchment stream health survey reported to Council 29 November 2018.</li> <li>Freshwater Fish Communities of Tasman District 2018 – reported to Council 18 October 2018.</li> <li>Lamprey Survey of Tasman and Nelson, June 2019.</li> <li>Coastal Birds of Tasman/Nelson, February 2019.</li> </ul> <p>All reports are available on Council’s website.</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>Target: Report prepared and reported to Council or Committee by 31 July.</p>	 <p>We presented the 2018/2019 report to the Environment and Planning Committee on 5 September 2019.</p> <p>We published the Contact Recreation Water Quality Annual Report 2017/2018 in November 2018.</p>



# ENVIRONMENT AND PLANNING – ENVIRONMENTAL MANAGEMENT

## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	CURRENT PERFORMANCE
<p>We provide an appropriate policy framework that effectively promotes the sustainable management of the District’s natural and physical resources by:</p> <ul style="list-style-type: none"> <li>identifying and responding to resource management policy issues; and</li> <li>providing a sound and appropriate policy planning framework that is responsive to our changing environment, will protect and enhance our unique environment and promote healthy and safe communities.</li> </ul>	<p>Swimming beaches and rivers are suitable for contact recreation, all or most of the time.</p> <p>Target: 98% of swimming beaches and rivers are suitable for contact recreation using fine weather samples.</p> <hr/> <p>Swimming beaches and rivers are suitable for contact recreation, all or most of the time.</p> <p>Target: 92% of swimming beaches and rivers are suitable for contact recreation using all weather samples.</p>	<div data-bbox="975 526 1289 685"> </div> <p>This target was not achieved in 2018/2019, with 94.4% of the samples from swimming beaches and rivers suitable for contact recreation. The new site at Rototai Beach was responsible for over half the exceedances recorded in the 2018/2019 season (without which almost 96% of samples would have been compliant).</p> <p>This target was not achieved in 2017/2018, with 88.6% of swimming beaches and rivers suitable for contact recreation.</p> <hr/> <div data-bbox="975 1104 1289 1263"> </div> <p>In 2018/2019, 92.7% of swimming beaches and rivers were suitable for contact recreation using all weather samples. Drier weather than last year explains some of these results.</p> <p>This target was not achieved in 2017/2018, with 83.3% of swimming beaches and rivers suitable for contact recreation.</p>

# ENVIRONMENT AND PLANNING – ENVIRONMENTAL MANAGEMENT



## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	CURRENT PERFORMANCE
<p>We provide a responsive and efficient process for assessing resource consent applications and ensuring compliance obligations are fairly and appropriately enforced.</p>	<p>At least 80% of survey respondents rate their satisfaction with Council’s resource consent processing work as fairly satisfied or better.</p> <p>Target: 80%</p>	 <p>There was lower satisfaction in 2018/2019, with a rating of 76.5% from respondents. Processing costs were given as a reason for dissatisfaction. However, actual median costs did not change markedly overall.</p> <p>In 2017/2018, 82% of survey respondents stated they were satisfied or very satisfied with Council’s service.</p> <p><b>See Figure 9</b> Satisfaction with Resource Consent Processing on page 58.</p>
	<p>Consent applications are processed within statutory timeframes (where they exist).</p> <p>Target: Notified consents 100%</p>	 <p>In 2018/2019, we processed 100% of five publicly notified applications within statutory timeframes.</p> <p>In 2017/2018, we processed 97% of publicly notified applications within statutory timeframes.</p>



# ENVIRONMENT AND PLANNING – ENVIRONMENTAL MANAGEMENT

## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	CURRENT PERFORMANCE
<p>We provide a responsive and efficient process for assessing resource consent applications and ensuring compliance obligations are fairly and appropriately enforced.</p>	<p>Target: Non-notified consents 100%</p>	 <p>We received an improved result of 92% for 2018/2019. Delays were caused mainly by staff shortages during a period of high growth in the District.</p> <p>In 2017/2018, we processed 89% of non-notified applications within non-statutory timeframes.</p>
	<p>Target: Limited notified consents 100%</p>	 <p>We processed 46% of limited notified consents in 2018/2019 within time. However, 54% (13 of 24) of limited notified applications that went over time were bundled consents for two subdivision developments.</p> <p>In 2017/2018, we processed 81% of limited notified applications within statutory timeframes.</p>



# ENVIRONMENT AND PLANNING – ENVIRONMENTAL MANAGEMENT

## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	CURRENT PERFORMANCE
<p>We undertake monitoring of environmental trends and conditions and maintain reporting systems that protect and inform the community about environmental conditions, changes, and risks.</p>	<p>An annual report is prepared and presented to Council or a Council committee each year. This report details the level of compliance with consent conditions or plan rules for those undertaking activities under resource consents or permitted activities, as described under tailored monitoring programmes.</p> <p>Target: Annual report tabled to Council or a Council committee by 30 September, showing that all resource consents that are monitored are assigned appropriate compliance performance grades.</p>	<div data-bbox="976 524 1289 685" data-label="Figure"> </div> <p>We released the Annual Compliance and Enforcement summary report on 5 September 2019.</p> <p>Over the 2018/2019 year, we achieved our target through active monitoring and reporting on 1,870 resource and targeted permitted activities occurring in our District*</p> <p>Of note was the drought that had a significant influence on day-to-day work over the summer. This affected many monitoring programmes as staff were diverted to the drought response. This also had an effect on our overall compliance results as water users grappled with the water restrictions imposed on their consented water takes.</p> <p>Where we detected non-compliance, we took action in accordance with our Enforcement Policy, which ranged from education and advice through to enforcement action. While we dealt with many minor matters through warnings and infringements, the year saw some significant and successful enforcement actions concluded in the Environment Court.</p> <p>This target was fully achieved in 2017/2018.</p> <p><b>See Figure 10</b> Resource Consent Compliance Rating on page 59.</p> <p><small>*We do not monitor all resource consents that are granted in a calendar year. Instead, we undertake a targeted monitoring programme that reflects Council's monitoring strategy for resource consents and permitted activities. This allows for structured and consistent effects-based monitoring of resource consents. Our monitoring is prioritised according to a set of key factors including risk to the environment, level of public interest, and regional and national policy objectives. Monitoring may also be targeted where Council requires a comprehensive understanding of the performance of a sector to assess and report on risk. Operating a targeted monitoring programme allows for efficient use of Council's limited staff resources.</small></p>

# ENVIRONMENT AND PLANNING – ENVIRONMENTAL MANAGEMENT

## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	CURRENT PERFORMANCE
<p>We undertake monitoring of environmental trends and conditions and maintain reporting systems that protect and inform the community about environmental conditions, changes, and risks.</p>	<p>Where significant non-compliance is recorded, that resolution is achieved within appropriate timeframes.</p> <p>Target: 80% resolved within nine months.</p>	 <p>For the resource consents and targeted permitted activities that we monitored during this 12-month period, 44 received a grade of significant non-compliance that required direct enforcement action.</p> <p>All (100%) of these were resolved quickly and within the nine-month period using a range of enforcement options. This compares with the 100% rate of resolution within nine months in 2017/2018.</p>
	<p>Target: 95% resolved within 12 months.</p>	 <p>As all these matters were resolved within the nine-month period, this meant that all (100%) were also resolved within 12 months.</p> <p>This compares with 100% within 12 months in 2017/2018.</p>

# ENVIRONMENT AND PLANNING – ENVIRONMENTAL MANAGEMENT

## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	CURRENT PERFORMANCE
<p>We undertake monitoring of environmental trends and conditions and maintain reporting systems that protect and inform the community about environmental conditions, changes, and risks.</p>	<p>An annual report is prepared and presented to a Council committee or a Council meeting on Water Metering Compliance detailing the performance of consented and permitted activity ground and surface water abstractions requiring monitoring as defined in the Tasman Resource Management Plan.</p> <p>Target: Annual Report tabled to Council or a Council committee by 31 October.</p>	<div data-bbox="976 524 1289 680" data-label="Figure"> </div> <p>We presented the 2018/2019 Water Metering Compliance Monitoring report to the 25 July 2019 Environment and Planning Committee.</p> <p>The Tasman District witnessed a record breaking drought which evolved in the January and February months to a critical level which required a multi-agency response to its effects. For the Compliance Section, monitoring and regulating the use of ground and surface water required a significant amount of additional resourcing and new strategies to respond to issues as they arose. This came in the form of increased on-site audits and enforcement responses through to adapting Council’s water monitoring database to cope with the water management strategies that were implemented.</p> <p>The Dry Weather Taskforce convened on 10 occasions to impose or continue restrictions under Section 329 of the Resource Management Act 1991. In some affected zones this reached stage 4 restrictions. Cease takes were also implemented for certain catchments over this period. On 28 March 2019, all rationing was removed due to wet weather, except for Dovedale where rationing was removed 02 April 2019.</p> <p>To aid water users significantly affected by the drought, Council adopted strategies such as temporary water allocation sharing arrangements where these could be applied. The Compliance Section took on the responsibility for administering these agreements once processed and approved. During the drought Council granted 21 informal water allocation-sharing arrangements across 75 resource consents.</p> <p><i>Continued on page 55.</i></p>



## ENVIRONMENT AND PLANNING – ENVIRONMENTAL MANAGEMENT

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	CURRENT PERFORMANCE
<p>We undertake monitoring of environmental trends and conditions and maintain reporting systems that protect and inform the community about environmental conditions, changes, and risks.</p>	<p>An annual report is prepared and presented to a Council committee or a Council meeting on Water Metering Compliance detailing the performance of consented and permitted activity ground and surface water abstractions requiring monitoring as defined in the Tasman Resource Management Plan.</p> <p>Target: Annual Report tabled to Council or a Council committee by 31 October.</p>	<p>Resource Consents and Permitted Activity takes administered under the water metering project in the 2018/2019 season increased to 1,530 from the previous 1,464. Of these, 1,397 were resource consent authorisations and 133 domestic use in the Moutere Surface Water zone. There were 979 active users providing weekly water usage returns this season.</p> <p>Overall, compliance behaviour was good. However, this season did have the highest instance of non-compliance on record due to the drought. There were 301 instances where water abstraction exceeded allocation limits. This resulted in the issue of warnings, Infringement fines and Abatement Notices in accordance with Council's enforcement policies. Council issued 40 Infringement fines and 17 Abatement Notices for various offences associated with taking of water.</p> <p>End of water year summaries have been sent to all consent holders.</p> <p>This target was fully achieved in 2017/2018.</p>
	<p>An annual Dairy Monitoring report is prepared detailing the performance of the District's dairy farms against Council's dairy effluent discharge rules and relevant national legislation.</p> <p>Target: 98% fully compliant.</p>	<div data-bbox="975 1323 1289 1480" data-label="Figure"> </div> <p>We presented the 2018/2019 Annual Dairy Effluent Discharge report to the 25 July 2019 Environment and Planning Committee.</p> <p>The report disclosed that in 2018/2019, a total of 130 farm dairies had active discharges in the Tasman District. Of those, 125 farm dairies operated as Permitted Activities and the remaining five held Resource Consents to discharge treated effluent to water, although four of these routinely apply effluent to land as well.</p> <p>Each year Council aims to complete a full assessment of every farm in regards to dairy effluent disposal. We inspected all 130 active farms in Tasman at least once during the 2018/2019 season.</p> <p><i>Continued on page 56.</i></p>



# ENVIRONMENT AND PLANNING – ENVIRONMENTAL MANAGEMENT

## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	CURRENT PERFORMANCE
<p>We undertake monitoring of environmental trends and conditions and maintain reporting systems that protect and inform the community about environmental conditions, changes, and risks.</p>	<p>An annual Dairy Monitoring report is prepared detailing the performance of the District’s dairy farms against Council’s dairy effluent discharge rules and relevant national legislation.</p> <p>Target: 98% fully compliant.</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 final compliance results were:</p> <ul style="list-style-type: none"> <li>• 95% – Fully Compliant</li> <li>• 5% – Non- Compliant</li> <li>• 0% – Significantly Non-Compliant</li> </ul> <p>All farms that hold Resource Consents fully complied with all conditions of their respective consents.</p> <p>No significant enforcement action was required during the season with all non-compliance resolved through lower level enforcement responses.</p> <p>Each year, a national audit of all regional councils’ farm dairy effluent compliance monitoring is undertaken by an appointed peer review panel. Tasman District Council participates in this process and our farm dairy effluent compliance assessments have achieved a 100% pass rate at each audit. No other regional authority matched this standard.</p> <p>This target was fully achieved in 2017/2018.</p> <p><b>See Figure 11 Dairy Farm Compliance on page 59.</b></p>

# ENVIRONMENT AND PLANNING – ENVIRONMENTAL MANAGEMENT

## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	CURRENT PERFORMANCE
<p>We undertake monitoring of environmental trends and conditions and maintain reporting systems that protect and inform the community about environmental conditions, changes, and risks.</p>	<p>The Operational Plan outlines the objectives and activities to be undertaken in implementing the Tasman-Nelson Regional Pest Management Plan for the present financial year.</p> <p>Target: Annual Operational Plan tabled to Council or a Council committee by 30 November</p>	 <p>We reported the Review of the 2017/2018 Operational Plan to Council 29 November 2018.</p> <p>We had a busy year with business as usual activity as well as response activity in both the terrestrial and marine environments (Myrtle rust and Sabella), and a significant work stream to prepare a new Regional Pest Management Plan under the National Policy Direction for Pest Management 2015.</p>
	<p>Timely reporting of pest management operations for the previous financial year, in accordance with requirements of the Biosecurity Act.</p> <p>Target: Annual reports tabled to Council or a Council committee by 30 November.</p>	 <p>The 2018/2019 Operational Plan for the Tasman-Nelson Region was reported to Council 29 November 2018.</p>

# ENVIRONMENT AND PLANNING – ENVIRONMENTAL MANAGEMENT

FIGURE 8. Number of Air Quality Exceedances and 2nd Highest 24hr PM<sub>10</sub> for Richmond Central

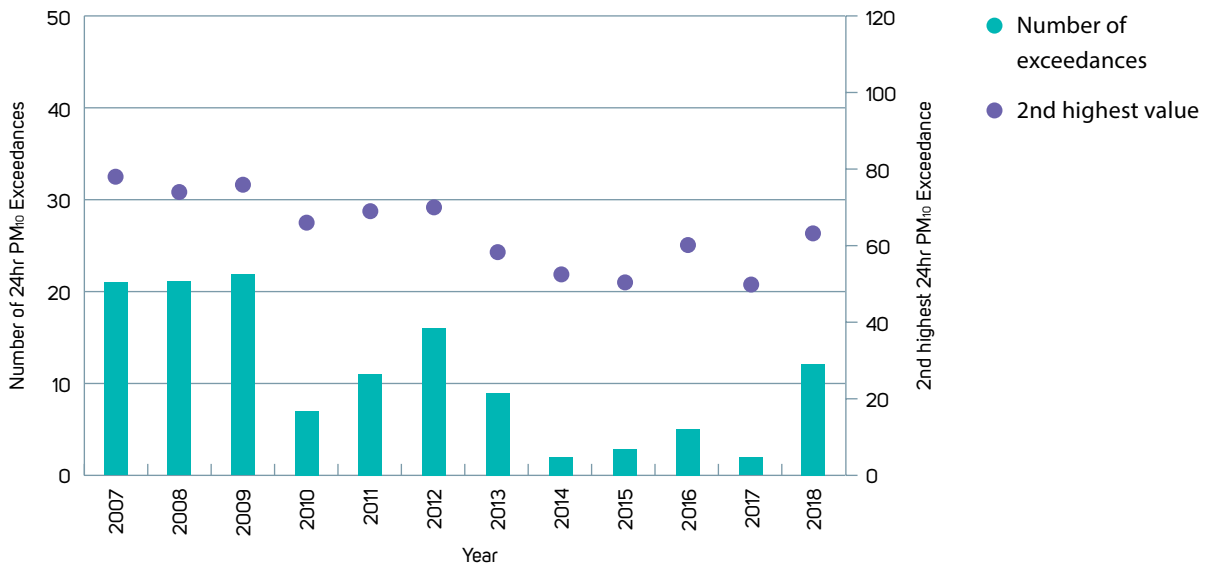
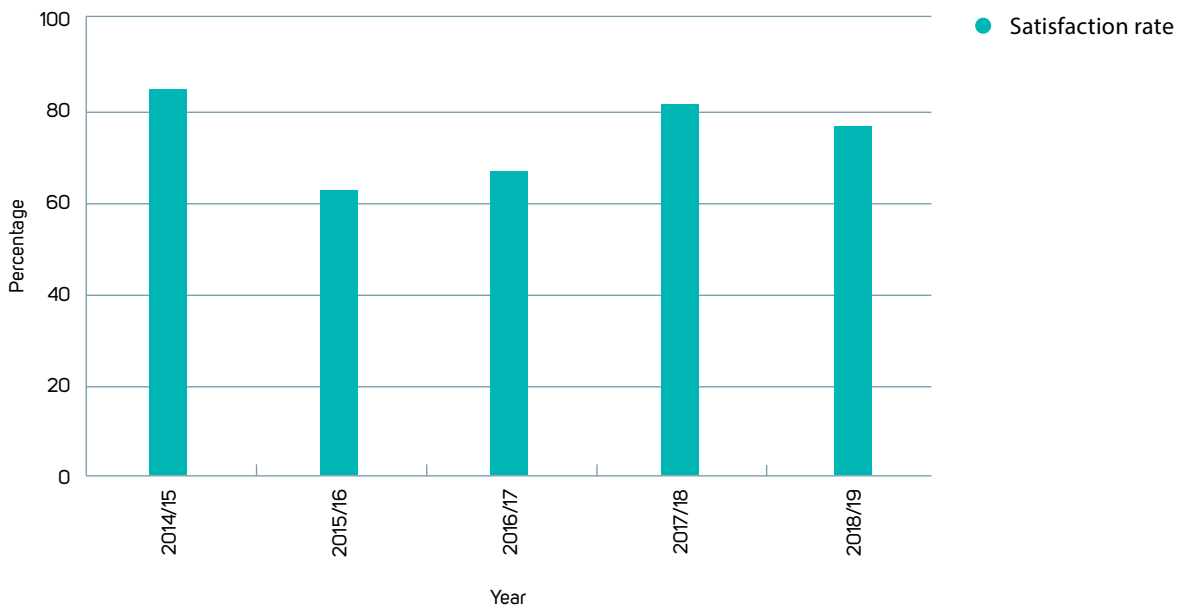


FIGURE 9. Satisfaction with Resource Consent Processing





## ENVIRONMENT AND PLANNING – ENVIRONMENTAL MANAGEMENT

FIGURE 10. Resource Consent Compliance Rating

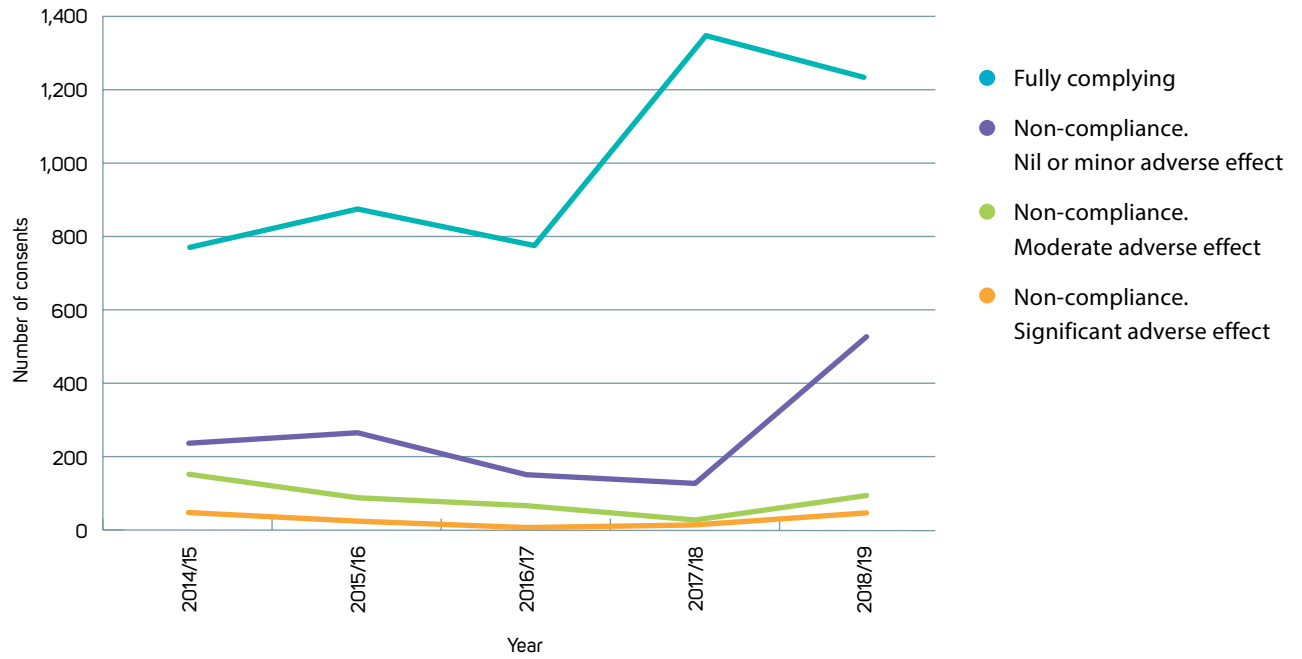
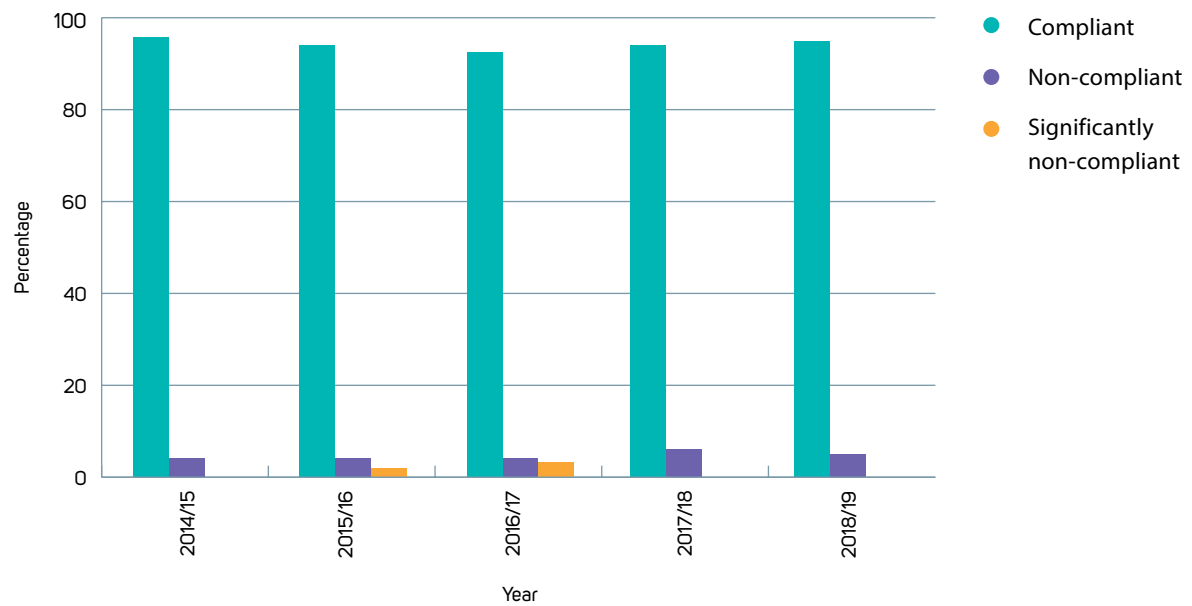


FIGURE 11. Dairy Farm Compliance



## ENVIRONMENT AND PLANNING – ENVIRONMENTAL MANAGEMENT

### MAJOR ACTIVITIES

PROJECT	ACTUAL 2018/2019
<p>Implementing the Resource Policy work programme, including:</p> <ul style="list-style-type: none"> <li>• Reviews of, and changes to, the Tasman Resource Management Plan.</li> <li>• Review of the Tasman Regional Policy Statement and consideration of combining it with the TRMP.</li> <li>• Planning for and responding to urban growth pressures.</li> <li>• Development plans for various settlements within the District.</li> </ul>	<p>Six plan changes were completed and made operative.</p> <p>In November 2018, Council resolved to prioritise the review of Tasman’s planning documents and a number of other key projects. The review has commenced and represents the first step in what will be a significant project over the next six to ten years. This will include development plans for various settlements in Tasman.</p> <p>Growth and demand for new housing continues to put pressure on Council resources. This is being addressed through the plan review, a new growth strategy, and a specific role to coordinate Council’s response to growth pressures (see below).</p>
<p>Implementation of the National Policy Statement for Urban Development Capacity.</p>	<p>The National Policy Statement for Urban Development Capacity (NPS-UDC) has brought with it a number of monitoring and reporting requirements. There is an obligation to work collaboratively with Nelson City to implement the NPS-UDC. The current project to develop a combined Future Development Strategy with Nelson City commenced in November 2018 and was essentially completed by 30 June 2019. There is a requirement to publish three-yearly housing and business capacity assessments, with the first assessment published December 2018.</p>
<p>Implementation of the National Policy Statement for Freshwater Management.</p>	<p>The Takaka Freshwater and Land Advisory Group (FLAG) completed their work reviewing the management of freshwater in the Takaka catchments. The culmination of nearly five years’ work, the FLAG formally provided their recommendations report to Council on 24 June 2019.</p> <p>Manawhenua ki Mohua (MKM) also formally provided a mātauranga report to Council on 24 June 2019. This report outlines the freshwater management principles and values held by MKM, their aspirations for the future, and specific review of the FLAG work.</p>
<p>Natural hazards strategic policy review.</p>	<p>Coastal inundation and land disturbance are the current focus of the hazards work programme. Staff have developed a model to illustrate the impact of various increments of sea-level rise and the impact of storm surges on the Tasman coastline. Community engagement to discuss the modelling commenced in July 2019.</p>

## ENVIRONMENT AND PLANNING – ENVIRONMENTAL MANAGEMENT

### MAJOR ACTIVITIES (CONT.)

PROJECT	ACTUAL 2018/2019
Provision of policy advice.	<p>Staff have been actively involved in a number of central government policy workstreams including the draft Biodiversity National Policy Statement (NPS), Productive Soils NPS, National Planning Standards, Air Quality NES amendments, and urban development.</p> <p>Working closely with central government officials helps to ensure new legislation and regulation is fit for purpose and can be better implemented.</p>
Review of the combined Nelson/Tasman Land Development guidelines.	<p>The Nelson-Tasman Land Development Manual (NTLDM) was adopted by Council on 9 May 2019 and replaced Council's Engineering Standards 2013. The NTLDM is Council's primary document for setting network infrastructure standards. It guides how infrastructure such as roads, wastewater, stormwater, water, and reserves are designed and constructed. In association with the NTLDM, an Inundation Practice Note was developed to provide developers and planning practitioners with a process to determine minimum ground and floor levels for development on land potentially subject to flooding hazard.</p>
Rural policy reviews (including landscape protection).	<p>The purpose of Plan Change 60: Rural Land Use and Subdivision Policy Review was to review and update the policy and rules for rural land use and subdivision. The amendments ensure greater protection of productive capacity, allow for flexibility of use and maintain rural character – offering greater choices for landowners. The Plan Change was approved on 18 April 2019 to commence as Operative Changes from 15 June 2019.</p>
Land disturbance review.	<p>The Land Disturbance portfolio includes a number of related projects and also has key links to Freshwater and the Nelson-Tasman Land Development Manual (NTLDM). The portfolio includes four key streams, namely: a review of the land disturbance rules; creation of a good practice Tasman Erosion and Sediment Control guideline; review of the Slope Instability Risk Area; and review of the NES for Plantation Forestry and any need for rules in Tasman that are more stringent than the controls imposed through the NES. The portfolio has experienced a number of delays due to geotechnical advice sought on thresholds for land instability and erosion and sediment transport risk. Upon completion of this work, the key streams will be progressed. The Erosion and Sediment Control guideline was released with the NTLDM in May 2019.</p>

# ENVIRONMENT AND PLANNING – ENVIRONMENTAL MANAGEMENT

## MAJOR ACTIVITIES (CONT.)

PROJECT	ACTUAL 2018/2019																										
Undertake compliance activities to enforce planning rules, bylaws and resource consent conditions, and undertaking enforcement action when needed.	<p>The Compliance Department continues to carry out consent monitoring in accordance with the monitoring strategy, which targets activities in accordance with their risk to the environment. We continue to undertake annual surveys of the District’s dairy farms and report on this. We also monitor the abstraction of ground and surface water and ensure consent holders comply with their allocation limits. Council also spends a lot of time working with other users of our natural resources and monitoring compliance with their consents. A lot of effort is put into ensuring activities don’t create adverse effects on our waterways, air quality and amenity. When activities are found to be non-complying, Council uses a range of tools to gain compliance, from education right through to prosecution before the Court for serious cases. A summary of Council’s activities in compliance and enforcement are published each year.</p> <p>Staff also provide a 24-hour seven day a week service responding to public complaints. All complaints are recorded and actioned accordingly. The following breakdown records the type of complaints received over the year.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">TYPE OF COMPLAINT</th> <th style="text-align: right;">NUMBER OF COMPLAINTS</th> </tr> </thead> <tbody> <tr><td>Noise</td><td style="text-align: right;">882</td></tr> <tr><td>Land-use</td><td style="text-align: right;">201</td></tr> <tr><td>Discharges – Air</td><td style="text-align: right;">403</td></tr> <tr><td>Discharges – Water</td><td style="text-align: right;">61</td></tr> <tr><td>Discharges – Land</td><td style="text-align: right;">73</td></tr> <tr><td>Water takes</td><td style="text-align: right;">83</td></tr> <tr><td>Rivers</td><td style="text-align: right;">55</td></tr> <tr><td>Coastal</td><td style="text-align: right;">34</td></tr> <tr><td>Rubbish Enforcement</td><td style="text-align: right;">28</td></tr> <tr><td>Abandoned Vehicles</td><td style="text-align: right;">307</td></tr> <tr><td>Other</td><td style="text-align: right;">494</td></tr> <tr><td><b>Total</b></td><td style="text-align: right;"><b>2,631</b></td></tr> </tbody> </table> <p>(Compared with 2,562 in 2017/2018).</p> <p><i>Continued on page 63.</i></p>	TYPE OF COMPLAINT	NUMBER OF COMPLAINTS	Noise	882	Land-use	201	Discharges – Air	403	Discharges – Water	61	Discharges – Land	73	Water takes	83	Rivers	55	Coastal	34	Rubbish Enforcement	28	Abandoned Vehicles	307	Other	494	<b>Total</b>	<b>2,631</b>
TYPE OF COMPLAINT	NUMBER OF COMPLAINTS																										
Noise	882																										
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## ENVIRONMENT AND PLANNING – ENVIRONMENTAL MANAGEMENT

### MAJOR ACTIVITIES (CONT.)

PROJECT	ACTUAL 2018/2019
<p>Undertake compliance activities to enforce planning rules, bylaws and resource consent conditions, and undertaking enforcement action when needed.</p>	<p>The results show an increase of 273 complaints from the previous year. While most categories were up, if only slightly in some cases we received the following complaints:</p> <ul style="list-style-type: none"> <li>• 99 noise complaints,</li> <li>• 65 complaints about air quality,</li> <li>• 51 for abandoned vehicles, and</li> <li>• 40 complaints for discharges to land.</li> </ul> <p>Smoke from outdoor burning and odour accounted for the majority of the air complaints. The discharge to land was mostly sediment run-off and stormwater complaints.</p>
<p>Undertaking environmental monitoring of the District's resources, state of the environment reporting, hydrology and flood warning monitoring, and provision of environmental information.</p>	<p>In the 2018/2019 financial year, the River and Stream Management Fund achieved 28.8km of waterway fencing in Tasman. The average length of fencing per project was 1.06km, and the average contribution per project was \$3.36 per metre. The Fund is capped at \$5.38 per metre. The Fund has been tremendously successful as a way of incentivising the protection of waterways, and is key in establishing a definitive riparian zone where plants can be established (often a subsequent step taken by conscientious landowners).</p> <p>In the 2018/2019 financial year, a partnership between Tasman District Council, Ngāti Tama ki Te Waipounamu Trust and Ngāti Rārua Settlement Trust was awarded \$144,000 from the Ministry for Primary Industries' (MPI) Hill Country Erosion Fund (HCEF) to revert 114ha of pine forestry on highly erodible land above Mārahau and Otuwhero to permanent native cover. The HCEF bid also attracted an additional \$600,000 from the HCEF for a new employee (fully funded for four years, and Council funded thereafter), who will guide a unified and consistent approach to forestry management across the Top of the South Councils. Their role focuses on issues that arise during the post-harvest erosion window, in particular around highly erodible land, and areas that are poorly suited for commercial forestry.</p> <p>In the 2018/2019 financial year, the Catchment Enhancement Fund was initiated. The intent of the Fund is to provide local catchment groups and larger land holdings with funding to make water quality and habitat improvements at a large scale. This Fund provides \$100,000 per year and is currently split five ways. Four large projects (around \$20,000 each), and multiple smaller projects with the remainder. Potential projects are prioritised using a matrix that awards points according to the potential ecological, human health or cultural improvements that could be gained.</p> <p><i>Continued on page 64.</i></p>

## ENVIRONMENT AND PLANNING – ENVIRONMENTAL MANAGEMENT

### MAJOR ACTIVITIES (CONT.)

PROJECT	ACTUAL 2018/2019
<p>Undertaking environmental monitoring of the District's resources, state of the environment reporting, hydrology and flood warning monitoring, and provision of environmental information.</p>	<p>Tasman participated in the national pesticide survey that was coordinated by the Institute of Environmental Science and Research (ESR) which is carried out about every four years. In Tasman, 22 sites were sampled between November and December 2018. This round of pesticide sampling also included testing of a subset of sites for Glyphosate and Emerging Organic Contaminants. We are still awaiting the results from ESR. For the first time, this survey included samples from Golden Bay/Murchison and Upper Motueka.</p> <p>Council has been doing small updates and upgrades to the Motueka/Riwaka Plains groundwater and Surface Water model over the last few years (2015 – 2018). A summary report is to be presented to Council before December 2019 which will outline this work and document information derived from the model.</p> <p>The drought and Pigeon Valley fire had a significant impact on environmental monitoring work streams this year, with a number of planned projects unable to be finished. On the plus side, considerable drought flow measurements were completed across the District in support of new water management plans and general resource information. Many of these were in new locations, particularly in Golden Bay and the West Coast. Monitoring of 78 irrigation water meters by telemetry was successfully completed over the irrigation season.</p> <p>New monitoring stations were constructed in the Upper Lee River to support the Waimea Community Dam, and in the lower catchment to allow better on-going monitoring of river flows. New equipment was also installed at a number of sites to measure flood flows, and support was given to the Nelson City Council hydrology team.</p> <p>There was only moderate flood warning activity for the year. There were 29 occasions when MetService notified Council of heavy rain, and 39 distinct early alarms were generated from remote monitoring stations, none of which resulted in high flows in the large rivers. The Takaka flood warning model was updated to incorporate information from ex-Cyclone Gita.</p>
<p>Providing advice to potential applicants for resource consents and processing resource consent applications and development contribution notices.</p>	<p>Advice was provided by way of Duty Planner appointments at Council's Richmond, Motueka and Takaka offices; and by way of customer service requests (CSRs) responded to by email or phone calls.</p> <p>During 2018/2019, Council received 1,400 applications for resource consents and related permissions, and completed 1,023 decisions.</p> <p>To assist developers, Council created a new role of Development Contributions Administrator in 2018. This person has been available to assist all developers in assessing their DC contributions on any qualifying development proposed.</p>
<p>Undertaking plant and animal pest management planning and operations, including in Nelson City through a contractual arrangement with Nelson City Council.</p>	<p>The contract with Nelson was delivered and substantially reviewed as part of the Regional Pest Management Plan review.</p>

## ENVIRONMENT AND PLANNING – ENVIRONMENTAL MANAGEMENT

### FUNDING IMPACT STATEMENT For the year ended June 2019

BUDGET 2018 \$000	ACTUAL 2018 \$000	ENVIRONMENTAL MANAGEMENT	ACTUAL 2019 \$000	BUDGET 2019 \$000	% OF BUDGET
<b>SOURCES OF OPERATING FUNDING</b>					
7,220	7,219	General rates, uniform annual general charges, rates penalties	8,438	8,438	100%
185	192	Targeted rates	184	177	104%
21	49	Subsidies and grants for operating purposes	10	20	50%
2,606	2,558	Fees and charges	2,787	2,708	103%
–	–	Internal charges and overheads recovered	–	–	–
422	402	Local authorities fuel tax, fines, infringement fees, and other receipts	533	418	128%
<b>10,454</b>	<b>10,420</b>	<b>Total operating funding</b>	<b>11,952</b>	<b>11,761</b>	<b>102%</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>					
5,812	6,292	Payments to staff and suppliers	6,258	6,985	90%
39	40	Finance costs	34	34	100%
4,188	4,200	Internal charges and overheads applied	4,821	4,282	113%
–	–	Other operating funding applications	–	–	–
<b>10,039</b>	<b>10,532</b>	<b>Total applications of operating funding</b>	<b>11,113</b>	<b>11,301</b>	<b>98%</b>
<b>415</b>	<b>(112)</b>	<b>Surplus/(deficit) of operating funding</b>	<b>839</b>	<b>460</b>	<b>182%</b>
<b>SOURCES OF CAPITAL FUNDING</b>					
–	–	Subsidies and grants for capital expenditure	–	–	–
–	–	Development and financial contributions	–	–	–
(84)	(84)	Increase/(decrease) in debt	(84)	(84)	100%
–	–	Gross proceeds from sale of assets	–	–	–
–	–	Lump sum contributions	–	–	–
–	–	Other dedicated capital funding	–	–	–
<b>(84)</b>	<b>(84)</b>	<b>Total sources of capital funding</b>	<b>(84)</b>	<b>(84)</b>	<b>100%</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>					
<b>Capital expenditure</b>					
–	–	• to meet additional demand	–	–	–
56	16	• to improve the level of service	41	200	21%
371	351	• to replace existing assets	148	137	108%
(96)	(563)	Increase/(decrease) in reserves	566	39	1451%
–	–	Increase/(decrease) in investments	–	–	–
<b>331</b>	<b>(196)</b>	<b>Total applications of capital funding</b>	<b>755</b>	<b>376</b>	<b>201%</b>
<b>(415)</b>	<b>112</b>	<b>Surplus/(deficit) of capital funding</b>	<b>(839)</b>	<b>(460)</b>	<b>182%</b>

Reserve Movement Increase or Decrease – The movement in reserve is a reflection of the underspend in this activity which has increased the surplus.

# ENVIRONMENT AND PLANNING (CONT.)

## PUBLIC HEALTH AND SAFETY

### WHAT WE DO

This activity involves the provision of advice and discharging statutory functions in the areas of public health, building, environmental health (including liquor licensing, food safety), hazardous substances, animal control, CDEM, 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 Council (and so Council continues to provide the service)
2. Council already provides the service, and changing the mode of delivery would be more costly and less effective
3. the community expects Council to provide the service
4. Council considers that it can contribute to and/or enhance community well-being by providing the service.

## CONTRIBUTION TO COMMUNITY OUTCOMES

COMMUNITY OUTCOMES	HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
Our unique natural environment is healthy, protected and sustainably managed.	Ensuring recreational boating is safe keeps Tasman special. Effective education and dog control limits negative effects on native fauna. Abandoned vehicles are removed thus preventing damage to our environment.
Our urban and rural environments are people-friendly, well-planned, accessible and sustainably managed.	The activity ensures that living environments are safe, and that the activities of others do not negatively impact on citizen's lives. Through ensuring buildings are well constructed, safe and weather-tight, the activity contributes to the development of the district, and protection of assets in the community.
Our infrastructure is efficient, cost effective and meets current and future needs.	Parking control ensures parking facilities are available to ensure public access to urban retailers and services.



## ENVIRONMENT AND PLANNING – PUBLIC HEALTH AND SAFETY

### CONTRIBUTION TO COMMUNITY OUTCOMES (CONT.)

COMMUNITY OUTCOMES	HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
Our communities are healthy, safe, inclusive and resilient.	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 alcohol sale and consumption and nuisances from dogs and stock do not adversely affect quality of life. Our CDEM system is designed to promote safety of people and a resilient community.
Our communities have opportunities to celebrate and explore their heritage, identity and creativity.	Safety support to events such as waka racing and classic boats assists the community in conducting heritage events.
Our Council provides leadership and fosters partnerships, a regional perspective, and community engagement.	We encourage people to be involved in making preparations for a civil emergency and have in place arrangements to cope in the face of climatic or natural hazard events. We work with Maritime NZ to provide a maritime oil response service.
Our region is supported by an innovative and sustainable economy.	Good regulatory practices contribute to economic well-being in the community.




### OUR GOAL

The Public Health and Safety activity goal is to:

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




# ENVIRONMENT AND PLANNING – PUBLIC HEALTH AND SAFETY

## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	CURRENT PERFORMANCE
<p>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>	<p>100% of applications for building consents are processed within statutory timeframes.</p> <p>Target: 100%</p>	 <p>95% of building consents have been processed within statutory timeframes in 2018/2019.</p> <p>This compares with 99% of building consents issued within statutory timeframes in 2017/2018.</p>
	<p>98% of applications for code compliance certificates (CCC) are processed within statutory timeframes.</p> <p>Target: 98%</p>	 <p>98% of CCC have been processed within statutory timeframes in 2018/2019.</p> <p>This compares with 94% issued within statutory timeframes in 2017/2018.</p>
	<p>The average time taken to process a Building Consent is 10 working days.</p> <p>Target: 10 working days.</p>	 <p>The average time taken to process a building consent was 12 working days in 2018/2019. The increase in average processing days, which is still well below the statutory 20 working day allowance, was the result of capacity and workload issues.</p> <p>This compares with an average of 11 days' processing in 2017/2018.</p>

# ENVIRONMENT AND PLANNING – PUBLIC HEALTH AND SAFETY

## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	CURRENT PERFORMANCE
<p>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>	<p>We maintain Building Consent Authority Accreditation.</p> <p>Target: Accreditation maintained.</p>	 <p>Achieved, with the next assessment planned for October 2019.</p> <p>This target was fully achieved in 2017/2018.</p>
	<p>At least 80% of survey respondents rate their satisfaction with Council's building control work as fairly satisfied or better.</p> <p>Target: 80%</p>	 <p>In 2018/2019, 64% of survey respondents were satisfied with our building assurance work. While overall satisfaction increased slightly, many respondents expressed concerns over the costs and complexity of the consenting process.</p> <p>This compares with 62% of survey respondents who were satisfied with our building assurance work in 2017/2018.</p> <p>See Figure 12 Satisfaction with Building Control on page 74.</p>
<p>We will provide an environmental health service that in association with other agencies, fosters the responsible sale and consumption of liquor.</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.</p> <p>Target: At least two annual operations with no offences detected.</p>	 <p>Two CPOs were carried out with NZ Police and the District Health Board. In total, 30 premises were visited, and one premise in Golden Bay sold to an underage person.</p> <p>This target was fully achieved in 2017/2018.</p>

# ENVIRONMENT AND PLANNING – PUBLIC HEALTH AND SAFETY

## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	CURRENT PERFORMANCE
<p>We will provide an environmental health service that ensures that food provided for sale is safe, free from contamination and prepared in suitable premises.</p>	<p>All food premises are inspected at least once annually for compliance and appropriately licensed.</p> <p>Target: 100%</p>	 <p>The Food Safety regime has changed due to new legislation coming into full effect in March 2019. Council is no longer required to visit all food premises and those that it does visit are not all required to be visited annually. In short, Council has met the requirements set by the Ministry of Primary Industries regarding auditing and transition of businesses to the new regime.</p> <p>Due to these changes in legislation, in 2017/2018, this target was not measured, but Council fulfilled auditing requirements in the transition to the new Food Safety regime.</p>
<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>	<p>All known dogs are registered or otherwise accounted for annually by 30 June.</p> <p>Target: 100%</p>	 <p>All known dogs were accounted for. This year our new contractor was directed to be more active in chasing up unregistered dogs and seizing them where necessary. This resulted in all known dogs (100%) being registered or otherwise accounted for.</p> <p>This compares with 99.88% of known dogs registered in 2017/2018.</p>





## ENVIRONMENT AND PLANNING – PUBLIC HEALTH AND SAFETY

### OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	CURRENT PERFORMANCE
<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>	<p>We respond to high priority dog complaints within 60 minutes, 24 hours a day, seven days a week.</p> <p>Target: 100%</p>	 <p>In 2018/2019, all high priority complaints were responded to within 60 minutes.</p> <p>Sometimes initial response will be by telephone to assess the necessary response. Although the contractor has changed, the service is maintained at a very high level.</p> <p>In 2017/2018, all high priority complaints were also responded to within 60 minutes.</p>
<p>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 (CDEM) activity is rated as fairly satisfied or better through the annual residents' survey.</p> <p>Target: 70%</p>	 <p>In the annual residents' survey this year, 78% stated they were very or fairly satisfied with our CDEM services, whilst 9% were not very satisfied.</p> <p>This compares with 59% of residents fairly or very satisfied, and 15% were not satisfied in the 2018 survey.</p> <p>The increase in satisfaction from residents may be attributed to the coverage of Council's involvement in CDEM during the fires earlier this year.</p> <p><b>See Figure 13</b> Satisfaction with Emergency Management on page 74.</p>


# ENVIRONMENT AND PLANNING – PUBLIC HEALTH AND SAFETY

## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	CURRENT PERFORMANCE
<p>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>Target: The Nelson Tasman CDEM Group Plan is reviewed and kept up to date.</p>	 <p>This target was fully achieved in 2018/2019 as well as the previous financial year.</p> <p>A review of the associated Recovery Plan is close to completion. We hoped to complete it by 31 March 2019 but the Pigeon Valley Fire has caused delays.</p>
<p>We will provide Maritime Administration services to ensure Tasman's regional waters are safe and accessible and that all known commercial vessel operators are licensed.</p>	<p>All known commercial vessel operators are licensed.</p> <p>Target: 100%</p>	 <p>All 26 commercial vessel operators are registered, three other operators have been granted exemptions.</p> <p>In 2017/2018, 100% of all known commercial operators were licensed.</p>

# ENVIRONMENT AND PLANNING – PUBLIC HEALTH AND SAFETY

## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	CURRENT PERFORMANCE
<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 85 out of every 100 vehicles parking in time controlled areas within the Traffic Bylaw, based on an annual snap survey.</p> <p>Target: 85%</p>	 <p>The parking survey this year showed 79% of customers complied with the parking rules. Although this is better than last year by 6%, not meeting the standard is disappointing. This is despite an increase in parking enforcement effort and an increase in the number of tickets issued. Some factors leading to this are likely to be:</p> <ul style="list-style-type: none"> <li>• a reduction in numbers of all-day parking spaces in Richmond,</li> <li>• the inclusion of nearby areas in the time restricted regime, and</li> <li>• strict enforcement of the parking rules by a private supplier in the Richmond Mall, which issues a \$65 fine.</li> </ul> <p>This compares with 73% of people complying with parking time limits in 2017/2018.</p> <p><b>See Figure 14 Compliance with Parking Time Limits on page 75.</b></p>

## ENVIRONMENT AND PLANNING – PUBLIC HEALTH AND SAFETY

FIGURE 12. Satisfaction with Building Control

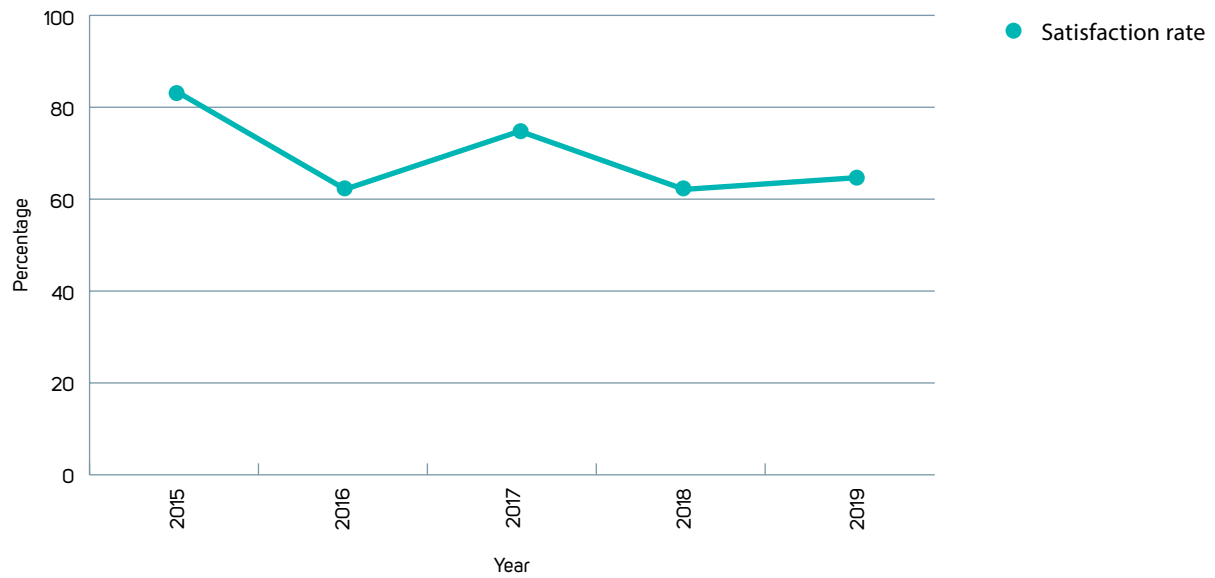
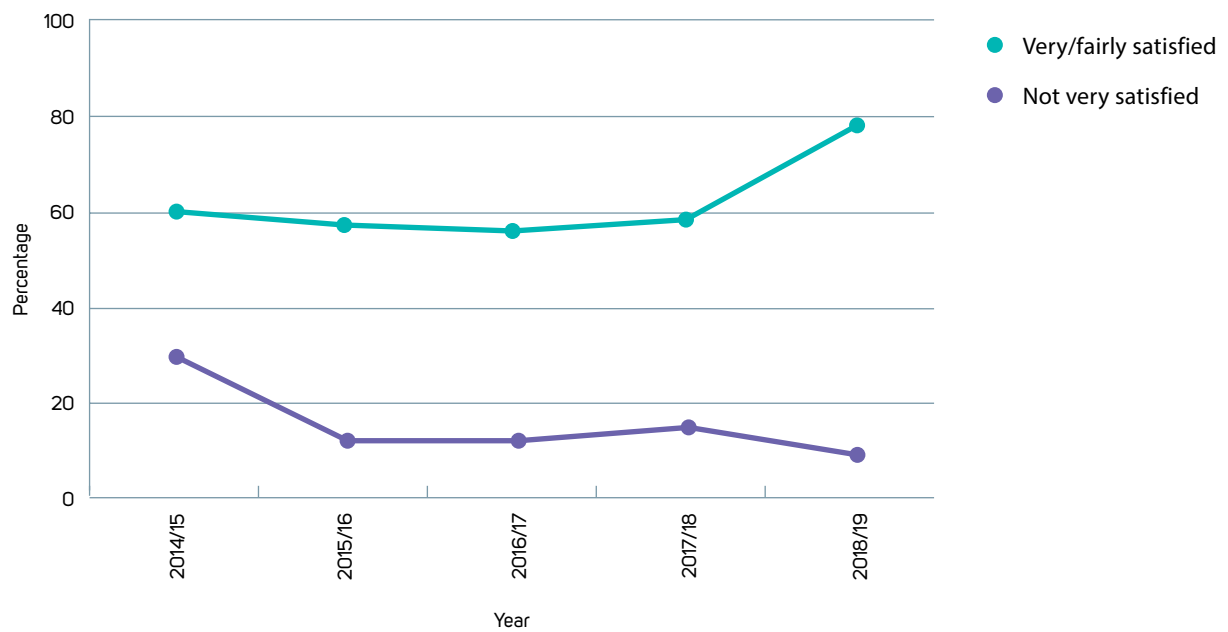


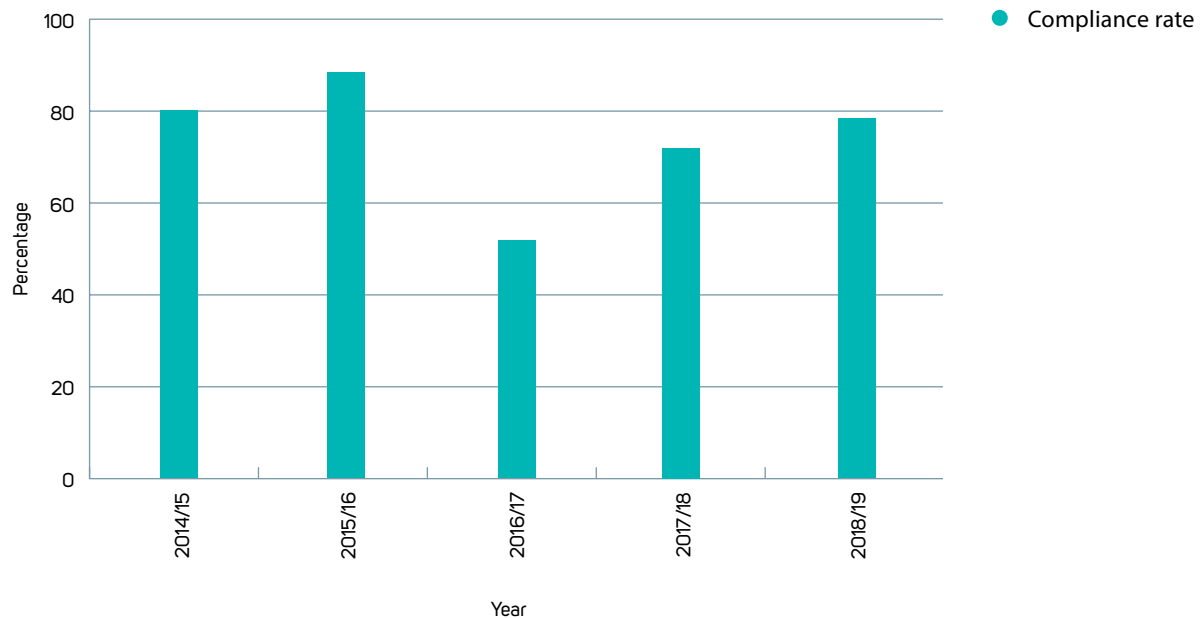
FIGURE 13. Satisfaction with Emergency Management





## ENVIRONMENT AND PLANNING – PUBLIC HEALTH AND SAFETY

FIGURE 14. Compliance with Parking Time Limits



### MAJOR ACTIVITIES

PROJECT	ACTUAL 2018/2019
<p>Respond to enquiries, process permits and consents, and undertake inspectorial responsibilities under</p> <ul style="list-style-type: none"> <li>• Health Act,</li> <li>• Building Act,</li> <li>• Sale and Supply of Alcohol Act,</li> <li>• Food Act,</li> <li>• Gambling Act,</li> <li>• Dog Control Act,</li> <li>• Land Transport Act,</li> <li>• Maritime Transport Act,</li> <li>• the Hazardous Substances,</li> <li>• New Organisms Act,</li> </ul> <p>and associated regulations and Council bylaws.</p>	<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>We processed 95% of 1,298 building consents within the statutory processing time limit (compare this to 1,520, at 99%, in 2017/2018). Our average processing time was 12 days (11 days in 2017/2018). We issued 368 consents for new dwellings. In addition, 127 out of 158 applications for Schedule 1(2) exemptions from requiring a building consent were approved (compare this with 90/165 applications in 2017/2018).</p> <p>All technical building staff are engaged in training to meet the legal requirements of the Building Act Accreditation regulations.</p> <p>Health licensing has been steady as per the previous year, with no significant issues. The Environmental Health team ensured that all food businesses that had to transition to the new Food Act regime managed this within the time frame.</p> <p>Council have directed staff to conduct a review of the Gambling Venues Policy and the preparation relating to this has been done. Consultation for this policy opened in August 2019.</p> <p><i>Continued on page 76.</i></p>

## ENVIRONMENT AND PLANNING – PUBLIC HEALTH AND SAFETY

### MAJOR ACTIVITIES (CONT.)

PLANNED	ACTUAL 2018/2019
<p>Respond to enquiries, process permits and consents, and undertake inspectorial responsibilities under</p> <ul style="list-style-type: none"> <li>• Health Act,</li> <li>• Building Act,</li> <li>• Sale and Supply of Alcohol Act,</li> <li>• Food Act,</li> <li>• Gambling Act,</li> <li>• Dog Control Act,</li> <li>• Land Transport Act,</li> <li>• Maritime Transport Act,</li> <li>• the Hazardous Substances,</li> <li>• New Organisms Act,</li> </ul> <p>and associated regulations and Council bylaws.</p>	<p>Council continues to work closely with partner agencies to prevent alcohol harm. All managers and premises have been reviewed at least once under the Sale and Supply of Alcohol Act. Despite one premise providing alcohol to an underage patron on a CPO, there has been no increase in alcohol related harm in the last 12 months.</p> <p>Dog numbers in the District have risen to a new high with approximately 11,600 dogs registered last year. All known dogs were accounted for before 30 June and the customer satisfaction survey indicates that the public are very supportive of our services in this area.</p> <p>The Harbourmaster team continue to operate at a very high level. Effective liaison with Maritime New Zealand (MNZ) and other agencies such as Police, Coastguard and Nelson City Council continues to bear fruit. The use of cameras and the involvement of commercial vessel managers has also greatly reduced incidents of speeding in the Abel Tasman National Park.</p> <p>Issues with freedom camping during the summer were still evident, however, complaints dropped and there appears to be more acceptance amongst the public that this activity will continue. Some public facilities were improved over the year i.e. pay showers, additional toilets and waste bins were installed in problem areas.</p>
<p>Carry out navigation and safety functions including implementation of the Joint Oil Spill Contingency Plan (with Nelson City Council).</p>	<p>Council staff responded to a maritime oil spill in Port Motueka, cleaned up the spilt oil and prevented it escaping further. We also exercised the response team twice in the period and were assessed by the Maritime Pollution Response Service as being capable and competent in our roles. We maintain numbers of responders at over 100% capacity and have kept the associated equipment correctly maintained. Four members of Council staff are also part of the National Response Team for oil spill.</p>
<p>Carry out animal control responsibilities.</p>	<p>We changed our contractor in September 2018. The effectiveness of the service has been maintained at previous level or improved (100% of known dogs accounted for).</p>
<p>Carry out civil defence and emergency management responsibilities.</p>	<p>The Pigeon Valley Fire tested our Civil Defence capabilities to the extreme. The feedback from national agencies and others indicate that we performed at a very high level.</p>
<p>Carry out parking control responsibilities under Council's Parking Bylaw.</p>	<p>Parking enforcement responsibilities are carried out under contract. We issued 5,810 infringement notices this year (In 2017/2018, we issued 3,401 notices).</p> <p>Parking in Kaiteriteri during the summer is still problematic despite very good signage and additional enforcement.</p>

## ENVIRONMENT AND PLANNING – PUBLIC HEALTH AND SAFETY

### FUNDING IMPACT STATEMENT For the year ended June 2019

BUDGET 2018 \$000	ACTUAL 2018 \$000	PUBLIC HEALTH AND SAFETY	ACTUAL 2019 \$000	BUDGET 2019 \$000	% OF BUDGET
<b>SOURCES OF OPERATING FUNDING</b>					
2,204	1,800	General rates, uniform annual general charges, rates penalties	1,926	1,926	100%
–	–	Targeted rates	–	–	–
20	35	Subsidies and grants for operating purposes	57	–	100%
3,697	4,375	Fees and charges	4,155	4,129	101%
–	–	Internal charges and overheads recovered	–	–	–
327	394	Local authorities fuel tax, fines, infringement fees, and other receipts	871	347	251%
<b>6,248</b>	<b>6,604</b>	<b>Total operating funding</b>	<b>7,009</b>	<b>6,402</b>	<b>109%</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>					
3,866	4,623	Payments to staff and suppliers	5,096	3,823	133%
19	17	Finance costs	15	15	100%
2,294	2,265	Internal charges and overheads applied	2,693	2,365	114%
–	–	Other operating funding applications	–	–	–
<b>6,179</b>	<b>6,905</b>	<b>Total applications of operating funding</b>	<b>7,804</b>	<b>6,203</b>	<b>126%</b>
<b>69</b>	<b>(301)</b>	<b>Surplus/(deficit) of operating funding</b>	<b>(795)</b>	<b>199</b>	<b>(399%)</b>
<b>SOURCES OF CAPITAL FUNDING</b>					
–	–	Subsidies and grants for capital expenditure	–	–	–
–	–	Development and financial contributions	–	–	–
(29)	(26)	Increase/(decrease) in debt	(27)	(27)	100%
–	–	Gross proceeds from sale of assets	–	–	–
–	–	Lump sum contributions	–	–	–
–	–	Other dedicated capital funding	–	–	–
<b>(29)</b>	<b>(26)</b>	<b>Total sources of capital funding</b>	<b>(27)</b>	<b>(27)</b>	<b>100%</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>					
<b>Capital expenditure</b>					
–	–	• to meet additional demand	–	–	–
–	2	• to improve the level of service	–	–	–
22	19	• to replace existing assets	37	–	100%
18	(348)	Increase/(decrease) in reserves	(859)	172	(499%)
–	–	Increase/(decrease) in investments	–	–	–
<b>40</b>	<b>(327)</b>	<b>Total applications of capital funding</b>	<b>(822)</b>	<b>172</b>	<b>(478%)</b>
<b>(69)</b>	<b>301</b>	<b>Surplus/(deficit) of capital funding</b>	<b>795</b>	<b>(199)</b>	<b>(399%)</b>

Reserve Movement Increase or Decrease – The movement in reserve is a reflection of the overspend in this activity which has decreased the surplus.

# ENGINEERING

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

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

## TRANSPORTATION, ROADS AND FOOTPATHS

### WHAT WE DO

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

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

### WHY WE DO IT

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

### CONTRIBUTION TO COMMUNITY OUTCOMES

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

## ENGINEERING – TRANSPORTATION, ROADS AND FOOTPATHS

### CONTRIBUTION TO COMMUNITY OUTCOMES (CONT.)

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




### OUR GOAL

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






# ENGINEERING – TRANSPORTATION, ROADS AND FOOTPATHS

## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	CURRENT PERFORMANCE
<p><b>Safety</b></p> <p>Our transportation network is becoming safer for its users.</p>	<p>There is a downward trend in the number of serious and fatal injury crashes occurring on our road network.</p> <p>Measured using the NZ Transport Agency's crash database.</p> <p>Target: Decreasing</p>	 <p>In 2018/2019, there was one fatal crash and 14 serious injury crashes. This is a significant improvement over the 2017/2018 year. However, it is a slight increase on 2014/2015 to 2016/2017 numbers and an increasing trend for the five year period.</p> <p>See <b>Figure 15</b> All Crash Types, Tasman District Council roads only, fatal and serious crashes on page 85.</p>
	<p>The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number.</p> <p>Mandatory measure 1.</p> <p>Target: ≤ 0</p>	 <p>In 2018/2019, there were 15 fatal and serious injury crashes, a reduction of 15 from the previous financial year.</p>
<p><b>Accessibility</b></p> <p>Our transportation network enables the community to choose from various modes of travel.</p>	<p>Council constructs a minimum length of new footpath each financial year to meet population growth plus an additional proportion to reduce the gaps in the existing footpath network over 30 years.</p> <p>Measured using RAMM inventory data and GIS mapping.</p> <p>Target: ≥500m</p>	 <p>This target was fully achieved in 2018/2019.</p> <p>Council constructed 2,780m of new paths on:</p> <ul style="list-style-type: none"> <li>• Seaton Valley Road (from near Les Wakefield Road to Dawson Road, gravel path): 2,000m</li> <li>• Bateup Road (full length, southern side, concrete path): 780m</li> </ul>







# ENGINEERING – TRANSPORTATION, ROADS AND FOOTPATHS

## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	CURRENT PERFORMANCE
<b>Accessibility</b>  Our transportation network enables the community to choose from various modes of travel.	The annual growth in use of cycle routes exceeds specified levels.  Target: ≥ 1%	 <p>This is the first year we have measured average daily cycle counts around the District. The performance measure requires at least two years to determine the growth rate.</p>
	The annual growth in use of passenger transport exceeds specified levels.  Measured using yet to be implemented integrated ticketing service data for people travelling to, from or within Richmond.  Target: ≥ 1%	 <p>This is the first year we are measuring this target and the integrated ticketing system has not been implemented yet.</p> <p>However, growth in passenger numbers on the Richmond-Nelson bus route was 1.4% higher in the year ended February 2019, compared with the year ended February 2018. This is based on available data from Nelson City Council who administer the bus service contract.</p>
<b>Value for money</b>  Our transportation network is maintained cost effectively and whole-of-life costs are optimised.	The percentage of sealed local road that is resurfaced each financial year.  Mandatory measure 3.  Target: 5%-7%	 <p>We fully achieved this target in 2018/2019, with 6.4% of our sealed network resurfaced.</p> <p>(Source: Total kilometres sealed 2018/2019 – 62.9km. Total sealed road length 975.5km)</p>



# ENGINEERING – TRANSPORTATION, ROADS AND FOOTPATHS

## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	CURRENT PERFORMANCE
<p><b>Amenity</b></p> <p>The travel quality and aesthetics of our transportation network is managed at a level appropriate to the importance of the road and satisfies the community's expectations.</p>	<p>The percentage of footpaths within the Tasman District that are maintained to a condition of average or better.</p> <p>As measured through the triennial footpath condition rating survey.</p> <p>Mandatory measure 4.</p> <p>Target: No survey planned for 2018/2019.</p>	 <p>We did not measure this target in 2018/2019 or 2017/2018. The last time this was measured was in 2016/2017, with a score of 90.9%. The next survey will be in 2019/2020 and the target will be <math>\geq 95\%</math>.</p>
	<p>The proportion of travel undertaken on the sealed road network meets the specified comfort levels. Known as Smooth Travel Exposure (STE). Smooth travel exposure is defined as the proportion of vehicle kilometres travelled on roads with roughness below the following thresholds.</p>	 <p>Arterial <math>\geq 98\%</math></p>
	<p>As reported through RAMM, based on traffic count and roughness survey data.</p>	 <p>Primary Collector <math>\geq 95\%</math></p>
	<p>Mandatory measure 2.</p>	 <p>Secondary Collector <math>\geq 91\%</math> (below target of 95%)</p>
	<p>Target: Arterial <math>\geq 95\%</math></p>	 <p>Access <math>\geq 95\%</math></p>
	<p>Target: Primary Collector <math>\geq 95\%</math></p>	 <p>Access (LV) <math>\geq 96\%</math></p>
<p>Target: Secondary Collector <math>\geq 95\%</math></p>	<p>Note: includes Urban and Rural figures</p>	
<p>Target: Access <math>\geq 90\%</math></p>	<p>See <b>Figure 16</b> Smooth Travel Exposure (STE) on Sealed Road Network on page 85.</p>	
<p>Target: Access (LV) <math>\geq 90\%</math></p>		

# ENGINEERING – TRANSPORTATION, ROADS AND FOOTPATHS

## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	CURRENT PERFORMANCE
<p><b>Amenity</b></p> <p>The travel quality and aesthetics of our transportation network is managed at a level appropriate to the importance of the road and satisfies the community's expectations.</p>	<p>Residents are satisfied with Council's roads and footpaths in the District.</p> <p>Target: Footpaths ≥ 70%</p>	 <p>This year, 68% of residents were very or fairly satisfied with the state of our footpaths, and 17% were not very satisfied.</p> <p>In 2018, the annual residents' survey showed 68% of residents were very or fairly satisfied with footpaths, whilst 23% were not very satisfied.</p>
	<p>Residents are satisfied with Council's roads and footpaths in the District.</p> <p>Target: Roads ≥ 70%</p>	 <p>Road satisfaction this year showed 69% of residents were very or fairly satisfied. A total of 32% of residents were not very satisfied.</p> <p>The 2018 annual residents' survey results showed us that 67% of residents were very or fairly satisfied, and 32% of residents were not very satisfied with the roads in Tasman.</p> <p><b>See Figure 17</b> Satisfaction with Roads and Footpaths on page 86.</p>

# ENGINEERING – TRANSPORTATION, ROADS AND FOOTPATHS

## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	CURRENT PERFORMANCE
<p><b>Amenity</b></p> <p>The travel quality and aesthetics of our transportation network is managed at a level appropriate to the importance of the road and satisfies the community's expectations.</p>	<p>Customer Service Requests (CSRs) relating to the transportation network and activities are completed on time. As measured by the maintenance contractor's compliance with fault response time requirements (using RAMM Contractor), and the percentage of requests assigned to Council staff which are attended to within 5 days (using NCS).</p> <p>ONRC Safety – PM7.</p> <p>Mandatory Measure 5.</p> <p>Target: ≥ 90%</p>	<div data-bbox="970 524 1283 680" data-label="Figure"> </div> <p>Customer Service Requests completed on time by the Road Maintenance Contractors (as measured in RAMM) averaged 74% for the 2018/2019 period.</p> <p>It is likely poor administration processes (possibly due to contractor staff changes and a lack of training) may have meant CSR's that were actually responded to and completed on time, weren't being closed off in the database correctly, skewing the results.</p> <p>Customer Service Requests completed on time by Council staff (as measured in NCS) averaged 82% for the 2018/2019 period. Key reasons why we haven't achieved the ≥ 90% target threshold are the large number of CSR's received (1,134) over the year, and major distractions such as the Pigeon Valley Fire.</p> <p>This compares with 73% of maintenance contractor CSR's and 79% of Council staff NCS requests completed on time in 2017/2018.</p>



## ENGINEERING – TRANSPORTATION, ROADS AND FOOTPATHS

FIGURE 15. All Crash Types, Tasman District Council roads only, fatal and serious crashes

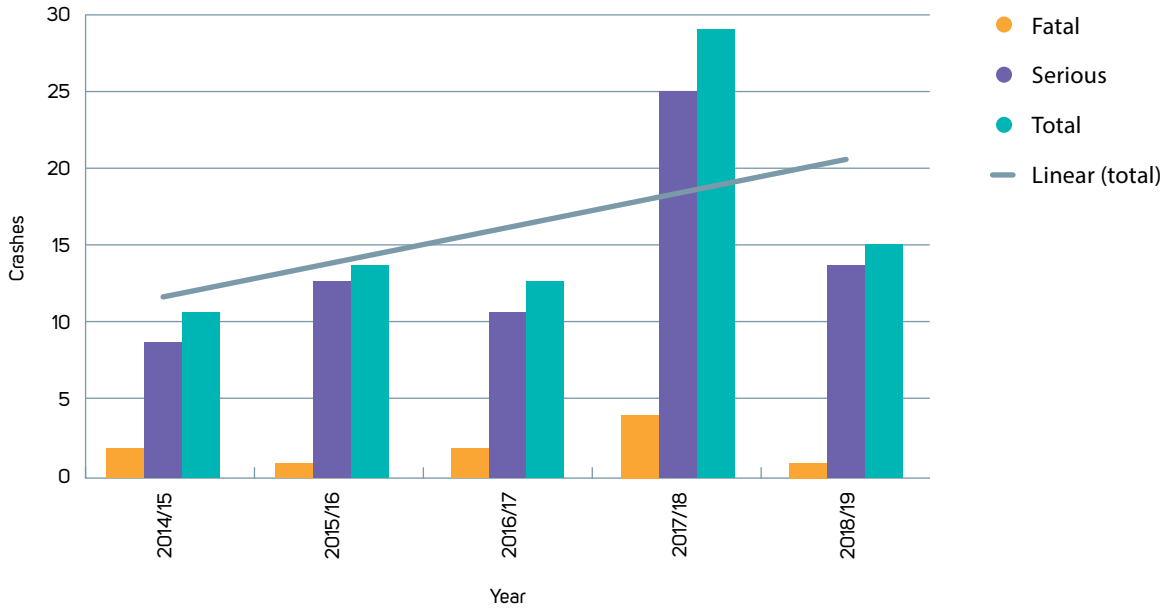
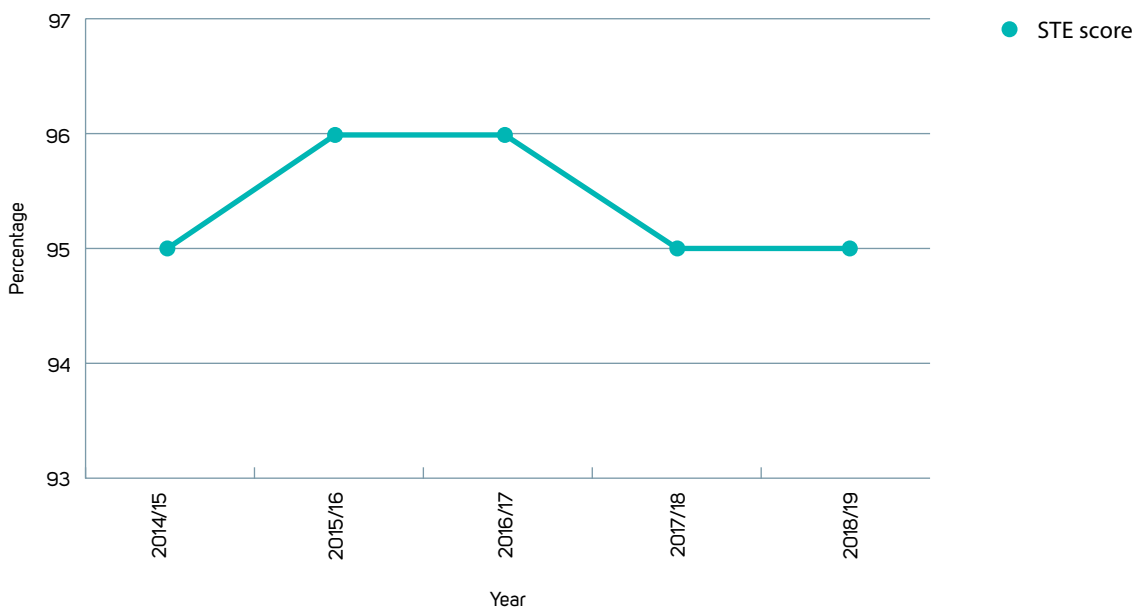
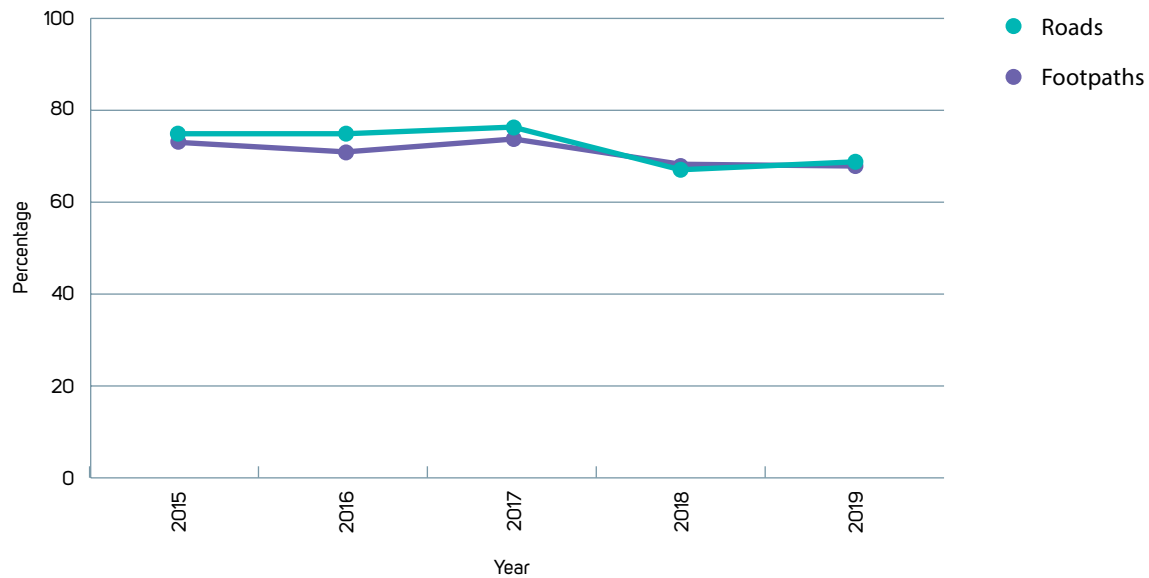


FIGURE 16. Smooth Travel Exposure (STE) on Sealed Road Network



## ENGINEERING – TRANSPORTATION, ROADS AND FOOTPATHS

FIGURE 17. Satisfaction with Roads and Footpaths



### MAJOR ACTIVITIES

We undertake ongoing management, maintenance and renewal of Council’s transportation network. The network is comprised of roads, bridges (including footbridges), footpaths, carparks, streetlights, traffic signs, culvert pipes, and other associated assets.

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

### NEW CAPITAL EXPENDITURE

The following table details the major capital and renewal work for the year 2018/2019. A full list of projects and programmes for work that was planned to be completed is included in Appendix F of the Transportation Activity Management Plan.

PROJECT	LTP BUDGET (YEARS EXPENDITURE PLANNED)	2018/2019 BUDGET	ACTUAL 2018/2019
Road Renewals – Replacement or renewal of road surface and structure.	\$48,000,000 (Y1 – 10)	\$3,907,620	Council spent \$3,378,711 in the 2018/2019 year.  The work we completed this year was primarily the resealing of components and associated pavement replacements (i.e. digouts). We completed more maintenance (rather than renewal) work based on network need.

## ENGINEERING – TRANSPORTATION, ROADS AND FOOTPATHS

### NEW CAPITAL EXPENDITURE (CONT.)

PROJECT NAME	LTP BUDGET (YEARS EXPENDITURE PLANNED)	2018/2019 BUDGET	ACTUAL 2018/2019
Bridge Renewals – Renewal or replacements of bridges and structural components.	\$5,600,000 (Y1 – 10)	\$386,580	Council spent \$83,197 in the 2018/2019 year.  This budget was underspent (primarily for Professional Services) this year as we look to combine and maximise budgets for an increased physical works contract in years 2019/2020 and 2020/2021. We expect that this will achieve significant cost efficiencies.
Traffic Services Renewals – Replacement of road signs and streetlights.	\$4,600,000 (Y1 – 10)	\$292,740	Council spent \$284,485 in the 2018/2019 year.  This budget was well managed this year. However, it will probably need to be reviewed in the next financial period as renewals in this category will likely increase, based on streetlight column condition data and a need for upgrading signs to improve safety.
Drainage Renewals – Renewal or replacement of culverts and surface water channels.	\$10,100,000 (Y1 – 10)	\$816,000	Council spent \$688,720 in the 2018/2019 year.  Spending against this budget was impacted by ex-Cyclone Gita works. A significant amount of high priority work has been identified meaning future expenditure is likely to be higher.
Town Centre Upgrades – Upgrading of town centre areas to provide improved shared spaces.	\$3,750,000 (Y2 – 10)	\$0	Council spent \$248,130 in the 2018/2019 year.  The addition of \$6,763 to the budget by way of Council resolution in 2018/2019 brought the total budget to \$6,763.  Budget was brought forward from the 2019/2020 year to advance design and tendering of the Brightwater Town Centre upgrade to ensure construction can be progressed significantly within the 2019/2020 year.

## ENGINEERING – TRANSPORTATION, ROADS AND FOOTPATHS

### NEW CAPITAL EXPENDITURE (CONT.)

PROJECT NAME	LTP BUDGET (YEARS EXPENDITURE PLANNED)	2018/2019 BUDGET	ACTUAL 2018/2019
New Cycle Facilities – Construction of new cycle paths and crossing facilities including extension of Tasman’s Great Taste Trail.	\$4,300,000 (Y1 – 8)	\$147,900	<p>Council spent \$1,345,943 in the 2018/2019 year. The addition of \$1,358,493 to the budget by way of Council resolution in 2018/2019 brought the total budget to \$1,506,393.</p> <p>We have made good progress on completing the Trail between Wakefield and Wai-iti, and Norriss Gully to Kohatu, despite the impact of time delays to gain landowner agreements.</p>
New and Renewed Footpaths – Construction of new footpaths and replacement of existing footpaths in poor condition.	\$3,600,000 (Y1 – 10)	\$58,140	<p>Council spent \$147,631 in the 2018/2019 year. The addition of \$72,519 to the budget by way of Council resolution in 2018/2019 brought the total budget to \$130,659.</p> <p>Renewal of existing footpaths were completed in Florence and Elizabeth Streets, Richmond and Saxon and Vosper Streets, Motueka. The western side path along High Street between Poole and Parker Streets, was renewed as part of the High Street Over-Head Under Grounding (OHUG) project. The total length of path renewed was approximately 1,000m.</p> <p>The renewal of an existing path between Parker Street and the end of the kerb near the 50/80 speed limit threshold signs, was completed at Network Tasman Limited’s cost as part of the OHUG project.</p>
Champion Road Roundabout and Underpass.	\$3,300,000 (Y2)	\$0	<p>Council spent \$29,961 in the 2018/2019 year. The budget for the preliminary design and business case works were brought forward into 2018/2019 to meet tight timeframes on this project.</p>

## ENGINEERING – TRANSPORTATION, ROADS AND FOOTPATHS

### FUNDING IMPACT STATEMENT For the year ended June 2019

BUDGET 2018 \$000	ACTUAL 2018 \$000	TRANSPORTATION, ROADS AND FOOTPATHS	ACTUAL 2019 \$000	BUDGET 2019 \$000	% OF BUDGET
<b>SOURCES OF OPERATING FUNDING</b>					
11,826	11,829	General rates, uniform annual general charges, rates penalties	12,029	12,029	100%
–	–	Targeted rates	–	–	–
3,486	9,546	Subsidies and grants for operating purposes	6,349	3,579	177%
91	268	Fees and charges	276	158	175%
–	–	Internal charges and overheads recovered	–	–	–
959	987	Local authorities fuel tax, fines, infringement fees, and other receipts	1,005	991	101%
<b>16,362</b>	<b>22,630</b>	<b>Total operating funding</b>	<b>19,659</b>	<b>16,757</b>	<b>117%</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>					
7,048	17,015	Payments to staff and suppliers	11,969	7,363	163%
1,739	1,629	Finance costs	1,626	1,709	95%
1,808	1,968	Internal charges and overheads applied	2,331	2,176	107%
–	–	Other operating funding applications	–	–	–
<b>10,595</b>	<b>20,612</b>	<b>Total applications of operating funding</b>	<b>15,926</b>	<b>11,248</b>	<b>142%</b>
<b>5,767</b>	<b>2,018</b>	<b>Surplus/(deficit) of operating funding</b>	<b>3,733</b>	<b>5,509</b>	<b>68%</b>
<b>SOURCES OF CAPITAL FUNDING</b>					
3,764	4,071	Subsidies and grants for capital expenditure	4,028	3,050	132%
142	323	Development and financial contributions	406	433	94%
4,373	3,115	Increase/(decrease) in debt	2,032	(661)	(307%)
–	–	Gross proceeds from sale of assets	–	–	–
–	–	Lump sum contributions	–	–	–
–	–	Other dedicated capital funding	–	–	–
<b>8,279</b>	<b>7,509</b>	<b>Total sources of capital funding</b>	<b>6,466</b>	<b>2,822</b>	<b>229%</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>					
<b>Capital expenditure</b>					
–	–	• to meet additional demand	–	–	–
3,098	1,481	• to improve the level of service	2,018	393	513%
11,101	9,839	• to replace existing assets	9,393	6,250	150%
(153)	(1,793)	Increase/(decrease) in reserves	(1,212)	1,688	(72%)
–	–	Increase/(decrease) in investments	–	–	–
<b>14,046</b>	<b>9,527</b>	<b>Total applications of capital funding</b>	<b>10,199</b>	<b>8,331</b>	<b>122%</b>
<b>(5,767)</b>	<b>(2,018)</b>	<b>Surplus/(deficit) of capital funding</b>	<b>(3,733)</b>	<b>(5,509)</b>	<b>68%</b>

Debt – The result of a higher capital spend means more debt was raised than planned.

Reserve Movement Increase or Decrease – The movement in reserve is a reflection of the overspend in this activity as a result of ex-cyclone Fehi/Gita.



# ENGINEERING (CONT.)

## COASTAL STRUCTURES

### WHAT WE DO

This group of activities comprises:

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

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

- ownership and management of the wharf at Riwaka.
- jetties, boat ramps, navigational aids and moorings.
- coastal protection works at Ruby Bay and Mārahau.
- navigation aids associated with harbour management.

### WHY WE DO IT

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

### CONTRIBUTION TO COMMUNITY OUTCOMES

Council maintains and improves the infrastructure assets relating to coastal structures on behalf of the ratepayers to enhance community well-being and improve the District's coastal commercial and recreational assets. The coastal structures group of activities contributes to the community outcomes as detailed on the following page.



## ENGINEERING – COASTAL STRUCTURES

### CONTRIBUTION TO COMMUNITY OUTCOMES (CONT.)



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

### OUR GOAL

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

# ENGINEERING – COASTAL STRUCTURES

## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	CURRENT PERFORMANCE
<p><b>Protection</b></p> <p>Our communities are protected from natural hazard events.</p>	<p>Council owned coastal protection is maintained to its original constructed standard.</p> <p>Council has a detailed inventory of coastal assets and condition.</p> <p>As measured by routine inspections after storm events.</p> <p>Target: 100%</p>	 <p>Coastal assets have been inspected after storm events and repaired to their original standard as required.</p> <p>This is the first year we are measuring this target.</p>
<p><b>Safety</b></p> <p>Our structures are safe for the public to use.</p>	<p>Council structures are maintained to a safe level to allow general public use.</p> <p>Measure percentage of structures deemed 'safe' through annual safety audit.</p> <p>Target: 100%</p>	 <p>The annual safety audit has not yet been formally undertaken. We have completed informal reactive inspections throughout the year as required.</p>

## ENGINEERING – COASTAL STRUCTURES

### FUNDING IMPACT STATEMENT For the year ended June 2019

BUDGET 2018 \$000	ACTUAL 2018 \$000	COASTAL STRUCTURES	ACTUAL 2019 \$000	BUDGET 2019 \$000	% OF BUDGET
<b>SOURCES OF OPERATING FUNDING</b>					
429	429	General rates, uniform annual general charges, rates penalties	470	470	100%
93	96	Targeted rates	90	90	100%
–	–	Subsidies and grants for operating purposes	10	–	100%
–	–	Fees and charges	–	–	–
–	–	Internal charges and overheads recovered	–	–	–
18	18	Local authorities fuel tax, fines, infringement fees, and other receipts	16	16	100%
<b>540</b>	<b>543</b>	<b>Total operating funding</b>	<b>586</b>	<b>576</b>	<b>102%</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>					
377	318	Payments to staff and suppliers	231	350	66%
41	36	Finance costs	30	34	88%
79	69	Internal charges and overheads applied	56	65	86%
–	–	Other operating funding applications	–	–	–
<b>497</b>	<b>423</b>	<b>Total applications of operating funding</b>	<b>317</b>	<b>449</b>	<b>71%</b>
<b>43</b>	<b>120</b>	<b>Surplus/(deficit) of operating funding</b>	<b>269</b>	<b>127</b>	<b>212%</b>
<b>SOURCES OF CAPITAL FUNDING</b>					
–	–	Subsidies and grants for capital expenditure	–	–	–
–	–	Development and financial contributions	–	–	–
10	(69)	Increase/(decrease) in debt	(82)	(86)	95%
–	–	Gross proceeds from sale of assets	–	–	–
–	–	Lump sum contributions	–	–	–
–	–	Other dedicated capital funding	–	–	–
<b>10</b>	<b>(69)</b>	<b>Total sources of capital funding</b>	<b>(82)</b>	<b>(86)</b>	<b>95%</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>					
<b>Capital expenditure</b>					
–	–	• to meet additional demand	–	–	–
83	–	• to improve the level of service	–	–	–
41	1	• to replace existing assets	89	–	100%
(71)	50	Increase/(decrease) in reserves	98	41	239%
–	–	Increase/(decrease) in investments	–	–	–
<b>53</b>	<b>51</b>	<b>Total applications of capital funding</b>	<b>187</b>	<b>41</b>	<b>456%</b>
<b>(43)</b>	<b>(120)</b>	<b>Surplus/(deficit) of capital funding</b>	<b>(269)</b>	<b>(127)</b>	<b>212%</b>

# ENGINEERING (CONT.)

## WATER SUPPLY

### WHAT WE DO

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

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

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

### WHY WE DO IT

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

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

### CONTRIBUTION TO COMMUNITY OUTCOMES

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

## ENGINEERING – WATER SUPPLY

### CONTRIBUTION TO COMMUNITY OUTCOMES (CONT.)

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

### OUR GOAL

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



# ENGINEERING – WATER SUPPLY

## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	CURRENT PERFORMANCE
<p>Our water takes are sustainable.</p>	<p>Compliance with resource consent is achieved, as measured by the number of:</p> <ul style="list-style-type: none"> <li>• abatement notices Target: 0</li> <li>• infringement notices Target: 0</li> <li>• enforcement orders Target: 0</li> <li>• convictions Target: 0</li> </ul> <p>received in relation to those resource consents.</p> <p>All resource consents are held in the NCS/ BraveGen systems.</p>	<div data-bbox="970 533 1283 689"> </div> <p data-bbox="876 703 1370 732">There were no abatement notices in 2018/2019.</p> <div data-bbox="970 748 1283 904"> </div> <p data-bbox="876 918 1374 1048">During the drought in January-March 2019, the Eighty-Eight Valley supply exceeded the allowable take on two occasions and was issued with two infringement notices.</p> <div data-bbox="970 1064 1283 1220"> </div> <p data-bbox="876 1234 1382 1263">There were no enforcement orders in 2018/2019.</p> <div data-bbox="970 1279 1283 1435"> </div> <p data-bbox="876 1449 1353 1509">There were no convictions in relation to water resource consents.</p> <p data-bbox="876 1532 1359 1592">This compares with 100% compliance with our resource consents in 2017/2018.</p>

## ENGINEERING – WATER SUPPLY

### OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	CURRENT PERFORMANCE																																																				
Our water takes are sustainable.	<p>The volume and percentage of real water loss from the network is less than the target.</p> <p>Total real loss = total water provided – water metered – non revenue water. % = Litres of real loss divided by average Litres of usage per connection as yearly average.</p> <p>Mandatory measure 2.</p> <p>Target: ≤25%</p>	<div data-bbox="970 528 1286 689" data-label="Figure"> </div> <p>A number of the smaller schemes had high losses but the overall percentage loss of 19% is better than the targeted 25%.</p> <p>It is very difficult to use these methods of measurement for small water schemes. A single large leak or a long-term small leak can have a substantial effect on the overall measurement. As the total water demand is quite small, most Council schemes are considered to be small.</p> <p>This target was fully achieved in 2017/2018, at 21% real water loss.</p> <table border="1"> <thead> <tr> <th>URBAN SCHEME</th> <th>REAL LOSS (M<sup>3</sup>)</th> <th>REAL LOSS AS % OF INPUT VOLUME</th> <th>INFRASTRUCTURE LEAKAGE INDEX</th> </tr> </thead> <tbody> <tr> <td>Brightwater</td> <td>78,209</td> <td>15%</td> <td>2.1</td> </tr> <tr> <td>Collingwood</td> <td>17,320</td> <td>37%</td> <td>2.2</td> </tr> <tr> <td>Kaiteriteri</td> <td>26,864</td> <td>17%</td> <td>0.9</td> </tr> <tr> <td>Māpua</td> <td>178,827</td> <td>37%</td> <td>5.2</td> </tr> <tr> <td>Motueka</td> <td>8,335</td> <td>3%</td> <td>0.2</td> </tr> <tr> <td>Murchison</td> <td>22,424</td> <td>23%</td> <td>2.7</td> </tr> <tr> <td>Pōhara</td> <td>9,093</td> <td>42%</td> <td>9.8</td> </tr> <tr> <td>Richmond</td> <td>358,804</td> <td>13%</td> <td>2.1</td> </tr> <tr> <td>Tapawera</td> <td>40,890</td> <td>51%</td> <td>9.5</td> </tr> <tr> <td>Upper Takaka</td> <td>1,012</td> <td>38%</td> <td>1.8</td> </tr> <tr> <td>Wakefield</td> <td>113,831</td> <td>36%</td> <td>4.9</td> </tr> <tr> <td><b>Overall</b></td> <td><b>915,637</b></td> <td><b>19%</b></td> <td><b>2.6</b></td> </tr> </tbody> </table>	URBAN SCHEME	REAL LOSS (M <sup>3</sup> )	REAL LOSS AS % OF INPUT VOLUME	INFRASTRUCTURE LEAKAGE INDEX	Brightwater	78,209	15%	2.1	Collingwood	17,320	37%	2.2	Kaiteriteri	26,864	17%	0.9	Māpua	178,827	37%	5.2	Motueka	8,335	3%	0.2	Murchison	22,424	23%	2.7	Pōhara	9,093	42%	9.8	Richmond	358,804	13%	2.1	Tapawera	40,890	51%	9.5	Upper Takaka	1,012	38%	1.8	Wakefield	113,831	36%	4.9	<b>Overall</b>	<b>915,637</b>	<b>19%</b>	<b>2.6</b>
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## ENGINEERING – WATER SUPPLY

### OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	CURRENT PERFORMANCE																										
<p>Our water takes are sustainable.</p>	<p>The average urban consumption of drinking water per day per resident is less than the target.</p> <p>Mandatory measure 5.</p> <p>Target: &lt;250L per person/day</p>	<div data-bbox="970 533 1283 689" data-label="Figure"> </div> <p>As the table below shows, we have achieved this level of service with the majority below the target. The overall urban consumption was 224 litres per day per resident, which is similar to the 225 litres per day per resident in 2017/2018.</p> <p>The overall result is affected by the performance of the schemes where there is a high seasonal population change or where there are other water sources.</p> <p>In the schemes where supply is continuous the average usage is closer to the target, with the result skewed by the results of the largest population base in Richmond.</p> <table border="1" data-bbox="874 1193 1426 1742"> <thead> <tr> <th>URBAN SCHEME</th> <th>AVERAGE LITRES PER DAY PER CONNECTION</th> </tr> </thead> <tbody> <tr><td>Brightwater</td><td>247</td></tr> <tr><td>Collingwood*</td><td>148</td></tr> <tr><td>Kaiteriteri*</td><td>203</td></tr> <tr><td>Māpua</td><td>209</td></tr> <tr><td>Motueka**</td><td>220</td></tr> <tr><td>Murchison</td><td>276</td></tr> <tr><td>Pōhara *</td><td>117</td></tr> <tr><td>Richmond</td><td>223</td></tr> <tr><td>Tapawera</td><td>260</td></tr> <tr><td>Upper Takaka</td><td>101</td></tr> <tr><td>Wakefield</td><td>211</td></tr> <tr><td><b>Overall</b></td><td><b>224</b></td></tr> </tbody> </table> <p>*Low occupancy rate, with a high number of holiday locations or alternate water supplies.</p> <p>**A number of properties use private bores as well as the urban supply</p>	URBAN SCHEME	AVERAGE LITRES PER DAY PER CONNECTION	Brightwater	247	Collingwood*	148	Kaiteriteri*	203	Māpua	209	Motueka**	220	Murchison	276	Pōhara *	117	Richmond	223	Tapawera	260	Upper Takaka	101	Wakefield	211	<b>Overall</b>	<b>224</b>
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## ENGINEERING – WATER SUPPLY

### OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	CURRENT PERFORMANCE
<p>Our water is safe to drink.</p>	<p>Minimise the number of temporary advisory notices issued to customers to boil water.</p> <p>Target: 0</p>	 <p>No 'temporary boil water' notices were issued in 2018/2019.</p> <p>There were no 'temporary boil water' notices issued in 2017/2018.</p> <p>There is a permanent boil water notice in place in Dovedale.</p>
	<p>We comply with Part 4 (bacterial compliance criteria) of the Drinking Water Standards.</p> <p>As measured by the number of schemes with</p> <ul style="list-style-type: none"> <li>• plant compliance Target: 16/17, and</li> <li>• zone compliance Target: 16/17,</li> </ul> <p>as determined by the Drinking Water Assessor.</p> <p>Mandatory measure 1.</p>	 <p>Plant – 9/14</p>  <p>Zone – 13/15</p> <p>In 2018/2019 there were 14 plants and 15 zones which required compliance with Part 4 of the Drinking Water Standards. There are two other schemes (Upper Takaka and Tapawera) identified in the target under the LTP 2018-2028 which are small water supplies (under 500 people) and require compliance with Section 10 of the Drinking Water Standards, instead of Parts 4 and 5.</p> <p><i>Continued on page 100.</i></p>

# ENGINEERING – WATER SUPPLY

## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	CURRENT PERFORMANCE
<p>Our water is safe to drink.</p>	<p>We comply with Part 4 (bacterial compliance criteria) of the Drinking Water Standards.</p> <p>As measured by the number of schemes with</p> <ul style="list-style-type: none"> <li>• plant compliance Target: 16/17, and</li> <li>• zone compliance Target: 16/17,</li> </ul> <p>as determined by the Drinking Water Assessor.</p> <p>Mandatory measure 1.</p>	<p>Of the water schemes which must comply with Part 4 of the Drinking Water Standard, six schemes, consisting of five plants and two zones, did not comply:</p> <ul style="list-style-type: none"> <li>• Dovedale Plant and Zone: this scheme has a permanent boil water notice in place. The source water is generally too dirty to effectively treat with chlorination.</li> <li>• Waimea Industrial Zone: bacteria was picked up in the zone. This zone had no permanent chlorination.</li> <li>• Eighty Eight Valley Plant: there was a chlorination outage due to equipment failure.</li> <li>• Pōhara Plant: bacteria was picked up at the plant, despite good levels of chlorine. Source unknown.</li> <li>• Collingwood Plant: the installation of a new bore caused a turbidity spike which did not meet the standards.</li> <li>• Brightwater Plant did not comply as the turbidity was too high on at least one occasion.</li> </ul> <p>The Māpua Rise plant is not currently in use.</p> <p>In 2017/2018, we did not achieve this target, with three schemes failing to comply.</p>

## ENGINEERING – WATER SUPPLY

### OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS (CONT.)

#### 2018/19 RESULTS: BACTERIAL COMPLIANCE IN PLANT AND ZONE (PART 4 NZDWS)

SCHEME	PLANT COMPLIANCE			ZONE COMPLIANCE	
	BACTERIAL SAMPLING COMPLIED?	WATER QUALITY COMPLIANCE <sup>1</sup>	REASON FOR NON-COMPLIANCE	BACTERIAL COMPLIANCE IN ZONE?	REASON FOR NON-COMPLIANCE
Collingwood	Yes	No	NTU	Yes	Complied
Dovedale <sup>2</sup>	No	No	NTU, T, Chlor	No	T
Eighty Eight Valley Rural	Yes	No	Chlor	Yes	Complied
Hope / Brightwater	Yes	No	NTU	Yes	Complied
Kaiteriteri	Yes	NAC	Complied	Yes	Complied
Motueka	Yes	NAC	Complied	Yes	Complied
Murchison	Yes	Yes	Complied	Yes	Complied
Pōhara	No	NAC	T	Yes	Complied
Redwood Valley 1	Yes	Yes	Complied	Yes	Complied
Redwood Valley 2	Yes	Yes	Complied	Yes	Complied
Richmond	Yes	Yes	Complied	Yes	Complied
Waimea Industrial <sup>3</sup>	N/A	N/A	N/A	No	T
Māpua / Ruby Bay	Yes	Yes	Complied	Yes	Complied
Wakefield	Yes	Yes	Complied	Yes	Complied
Māpua Rise	N/A- Not in Operation				

<sup>1</sup> Physical water quality parameters: pH, turbidity and free available chlorine (FAC).

<sup>2</sup> Dovedale has a permanent Boil water Notice

<sup>3</sup> Waimea Industrial is a zone only and has no separate plant. It is supplied from the Richmond treatment plant.

#### KEY

**T** – Transgression: *E.coli* detected

**IS** – Insufficient sampling (technical non-compliance)

**Tech** – Technical non-compliance (e.g. data collection failure due to server outage)

**NTU** – High turbidity

**Chlor** – chlorine level (<0.2mg/l)

**NAC** – non applicable criteria (Compliance criteria 1 from Part 4 of the NZDWS applies. All other plants use compliance criteria 2)

**WSP** – Compliance requires a current Water Safety Plan



## ENGINEERING – WATER SUPPLY

### OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	CURRENT PERFORMANCE
<p>Our water is safe to drink.</p>	<p>We comply with Part 5 (protozoal compliance criteria) of the Drinking Water Standards.</p> <p>As measured by a number of schemes with compliant protozoa treatment determined by the Drinking Water Assessor.</p> <p>Mandatory measure 1.</p> <p>Target: 3/15</p>	<div data-bbox="970 524 1283 680" data-label="Figure"> </div> <p>Schemes/plants: 1/14</p> <p>One scheme (Richmond) complied in 2018/2019.</p> <p>Three treatment plants have protozoa treatment installed (Richmond, Tapawera and Murchison). The Murchison and Tapawera plants did not comply for the whole year due to system outages and no standby treatment unit being available. Further units are planned.</p> <p>However, although the Tapawera scheme was identified in this target under the LTP 2018-2028, the Tapawera and Upper Takaka schemes are small water supplies (under 500 people) and require compliance with Section 10 of the Drinking Water Standards, instead of Parts 4 and 5.</p> <p>The Māpua Rise plant is not currently in use.</p> <p>This target was fully achieved in 2017/2018, with three complying water plants (Māpua rise, Richmond, Tapawera).</p>

## ENGINEERING – WATER SUPPLY

### OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS (CONT.)

#### 2018/2019 RESULTS PART 5 NZDWS

SCHEME	PLANT PROTOZOAL COMPLIANCE	REASONS FOR NON-COMPLIANCE
Collingwood	No	NT
Dovedale	No	NT
Eighty Eight Valley Rural	No	NT
Hope / Brightwater	No	NT
Kaiteriteri	No	Tech*
Motueka	No	NT
Murchison	No	TF
Pōhara	No	NT
Redwood Valley 1	No	NT
Redwood Valley 2	No	NT
Richmond	Yes	Complied
Māpua / Ruby Bay	No	NT
Wakefield	No	NT
Māpua Rise	Not in operation	Not in operation

\* New plant constructed part way through year

#### KEY



**NT** – No protozoa treatment in place yet  
**NA** – Not applicable

**TF** – Treatment failure

**Tech** – Technical non-compliance (e.g. data collection failure due to server outage)

## ENGINEERING – WATER SUPPLY

### OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	CURRENT PERFORMANCE
<p>Our water supply systems provide fire protection to a level that is consistent with the national standard.</p>	<p>95% compliance with FW2 standards, for not less than five* randomly selected fire hydrants tested annually in urban supplies.</p> <p>*15 hydrants for Richmond.</p> <p>Target: 95%</p>	 <p>Of the 60 hydrants we tested, seven failed to achieve the minimum flow of 12.5l/s with a residual pressure of 100 Kpa. These were in Richmond (1), Māpua (2), Kaiteriteri (1) and Pōhara (3).</p> <p>In 2017/2018, we fully achieved our target with 95% compliance.</p> <p>The hydrants that have failed the tests are due to their level in relation to the reservoirs. There are only nine hydrants in Pōhara and only four are far enough below the reservoir to meet the FW2 standard.</p>
<p>Our water supply systems are built, operated and maintained so that failures can be managed and responded to quickly.</p>	<p>Planned service interruptions do not exceed eight hours as required under section 69S (3) of the Health Act 1956.</p> <p>As measured through the maintenance contract reporting.</p> <p>Target: &lt;8 hours</p>	 <p>Lower Queen Street (5 July 2018) was planned for 10 hours and took 10 hours. Bateup Road (29 August 2018) was planned for 6 hours, but took 8.5 hours due to services in the way. Of the 28 planned water shutdowns in 2018/2019, 26 were completed within the targeted 8 hours.</p> <p>This is the first year we are measuring this target.</p>




# ENGINEERING – WATER SUPPLY

## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	CURRENT PERFORMANCE
<p>Our water supply activities are managed at a level that the community is satisfied with.</p>	<p>Percentage of customers (who receive a service) are satisfied with the water supply.</p> <p>Measured through the annual residents’ survey.</p> <p>Target: ≥80%</p>	 <p>This year, 80% of customers reported they were very or fairly satisfied and 18% were not very satisfied.</p> <p>This compares with 86% of customers feeling very or fairly satisfied with Council’s water supply in 2018, and 12% of customers who were not very satisfied.</p> <p>This result may reflect the period of drought in early 2019 with extended periods of water restrictions.</p> <p><b>See Figure 18</b> Satisfaction with Water Supply Services on page 107.</p>
	<p>Complaints per 1,000 connections are less than the target – relates to clarity, taste, odour, pressure or flow, continuity of supply and Council response to these issues.</p> <p>A justified complaint is defined as a notification of a drop in LOS.</p> <p>Measured through the Confirm database and NCS system.</p> <p>Mandatory measure 4.</p> <p>Target: &lt;20</p>	 <p>The target was achieved with complaints recorded at 19 per 1,000 connections. This is a good improvement on 2017/2018 where the target was not met with a result of 33 complaints per 1,000 connections. The main reason for this change is a reduction in the number of “No Water” complaints. A few issues in the 2017/2018 year affected a number of customers, resulting in multiple calls for the same event.</p>

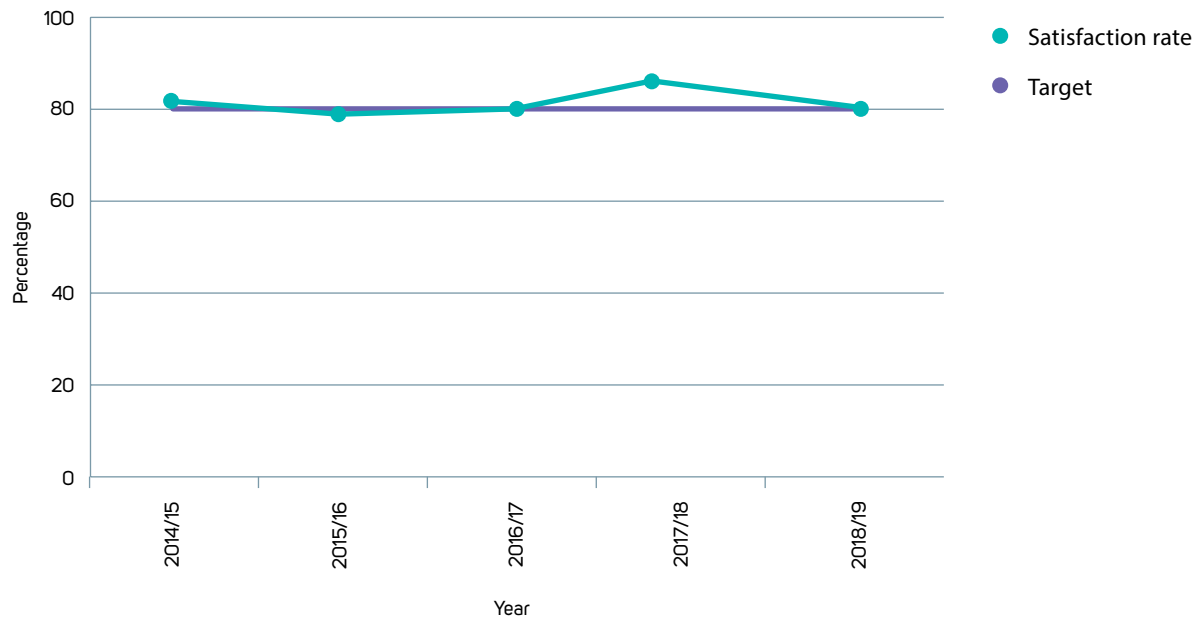
# ENGINEERING – WATER SUPPLY

## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	CURRENT PERFORMANCE
<p>Our water supply activities are managed at a level that the community is satisfied with.</p>	<p>Median response times are within targets for urgent call-outs. Target: &lt;2 hours</p>	 <p>The median response time was 1.7 hours. This compares with a median response time of 2.1 hours for urgent call-outs in 2017/2018. The new three waters operations contract has placed a greater emphasis on response times and this is a pleasing result.</p>
	<p>Median response times are within targets for non-urgent call-outs. Target: &lt;48 hours Mandatory measure 3.</p>	 <p>The median response time was 17.9 hours. In 2017/2018, our median response time for non-urgent call-outs was 19.4 hours.</p>
	<p>Median resolution times are within targets for urgent call-outs. Target: &lt;24 hours</p>	 <p>The median resolution time was 16.0 hours. Our median resolution time for urgent call-outs was 18.2 hours in 2017/2018.</p>
	<p>Median resolution times are within targets for non-urgent call-outs. Target: &lt;8 working days Mandatory measure 3.</p>	 <p>The median resolution time was 23.2 hours. This compares with a median resolution time of 25 hours in 2017/2018.</p>

## ENGINEERING – WATER SUPPLY

FIGURE 18. Satisfaction with Water Supply Services



### MAJOR ACTIVITIES

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

### NEW CAPITAL EXPENDITURE

The following table details the major capital and renewal work for 2018/2019.

PROJECT	LTP BUDGET (YEARS EXPENDITURE PLANNED)	2018/2019 BUDGET	ACTUAL 2018/2019
Water treatment plant upgrades – Upgrade of existing water treatment plants to meet Drinking Water Standards NZ and increase water supply capacity.	\$9,950,000 (Y1 – 7)	\$392,700	<p>Council spent \$346,263 in the 2018/2019 year. The addition of \$99,940 to the budget by way of Council resolution in 2018/2019 brought the total budget to \$492,640.</p> <p>The 2018/2019 budgets were for the initial design phase for the treatment plants upgrades which have progressed to the next phase. These upgrades include Brightwater, Collingwood, Māpua and Motueka.</p>



## ENGINEERING – WATER SUPPLY

### NEW CAPITAL EXPENDITURE (CONT.)

PROJECT NAME	LTP BUDGET (YEARS EXPENDITURE PLANNED)	2018/2019 BUDGET	ACTUAL 2018/2019
New water treatment plants – Construction of new water treatment plants to improve water security, water quality and water supply capacity.	\$14,000,000 (Y1 – 7)	\$4,360,500	<p>Council spent \$303,053 in the 2018/2019 year. The addition of \$393,210 to the budget by way of Council resolution in 2018/2019 brought the total budget to \$4,753,710.</p> <p>The new Motueka water treatment plant on Parker Street has been tendered with construction to start in the next few months. The design was delayed while water quality testing was finalised.</p> <p>The Wakefield water treatment plant upgrade is currently on hold while a wide review of water supply in the Waimea basin is carried out.</p>
Waimea Community Dam – Water Supply’s contribution.	\$23,245,000*	\$23,245,000	Council spent \$22,479,000 in the 2018/2019 year.
Richmond South Trunk Main and Storage – Construction of a new trunk main between Richmond Water Treatment Plant and Richmond South, and construction of new water reservoirs.	\$6,600,000 (Y1 – 4)	\$1,224,000	<p>Council spent \$679,368 in the 2018/2019 year.</p> <p>The trunk main is progressing in line with development work in Richmond West and Richmond South. To date, sections of the main have been completed on Paton Rise down Bateup Road to State Highway 6 and from the Richmond water treatment plant to Berryfield Drive. Further sections will be completed as development continues.</p>

\* This is the full LTP budget for the Waimea Community Dam. This differs from the \$9,580,000 recorded in the Water Supply section of the LTP 2018 – 2028 which was referring to the share of the budget funded by the Urban Water Account. The budget was also funded by targeted rates, the CIIL loan, and reserves and dividends.

## ENGINEERING – WATER SUPPLY

### NEW CAPITAL EXPENDITURE (CONT.)

PROJECT NAME	LTP BUDGET (YEARS EXPENDITURE PLANNED)	2018/2019 BUDGET	ACTUAL 2018/2019
Māpua Pipe Renewal and Storage – Upgrade and replacement of water mains and storage reservoirs.	\$8,200,000 (Y1 – 4)	\$2,486,556	<p>Council spent \$674,292 in the 2018/2019 year. The addition of \$178,630 to the budget by way of Council resolution in 2018/2019 brought the total budget to \$2,665,186.</p> <p>Work has commenced on the new main in Māpua, the project start was delayed due to insufficient funding. This project includes both a wastewater and water trunk main along substantial lengths of the route.</p>
Water main renewals – Replacement of existing water mains.	\$24,000,000 (Y1 – 10)	\$588,540	<p>Council spent \$567,935 in the 2018/2019 year. The addition of \$240,285 to the budget by way of Council resolution in 2018/2019 brought the total budget to \$828,825.</p> <p>This budget includes emergency replacement as well as planned works. One of the projects was unable to proceed due to high estimated cost.</p>
New and Upgraded Pipes – Install new pipes to improve network connectivity and capacity.	\$8,000,000 (Y1 – 10)	\$1,182,792	<p>Council spent \$1,237,073 in the 2018/2019 year. The addition of \$400,000 to the budget by way of Council resolution in 2018/2019 brought the total budget to \$1,582,792.</p> <p>A 1km section of new trunk main was completed to replace the existing main that passed under Nelson Pine Industries and was completed at less than the final contract price due to the ability to realign the pipeline during construction.</p>

## ENGINEERING – WATER SUPPLY

### FUNDING IMPACT STATEMENT For the year ended June 2019

BUDGET 2018 \$000	ACTUAL 2018 \$000	WATER SUPPLY	ACTUAL 2019 \$000	BUDGET 2019 \$000	% OF BUDGET
<b>SOURCES OF OPERATING FUNDING</b>					
212	212	General rates, uniform annual general charges, rates penalties	56	56	100%
8,760	8,973	Targeted rates	10,099	9,691	104%
–	–	Subsidies and grants for operating purposes	–	–	–
1,344	1,600	Fees and charges	1,425	1,503	95%
–	–	Internal charges and overheads recovered	–	–	–
393	319	Local authorities fuel tax, fines, infringement fees, and other receipts	3,468	336	1032%
<b>10,709</b>	<b>11,104</b>	<b>Total operating funding</b>	<b>15,048</b>	<b>11,586</b>	<b>130%</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>					
4,850	6,622	Payments to staff and suppliers	6,098	5,223	117%
1,629	1,542	Finance costs	1,883	2,306	82%
1,260	1,403	Internal charges and overheads applied	1,637	1,563	105%
–	–	Other operating funding applications	–	–	–
<b>7,739</b>	<b>9,567</b>	<b>Total applications of operating funding</b>	<b>9,618</b>	<b>9,092</b>	<b>106%</b>
<b>2,970</b>	<b>1,537</b>	<b>Surplus/(deficit) of operating funding</b>	<b>5,430</b>	<b>2,494</b>	<b>218%</b>
<b>SOURCES OF CAPITAL FUNDING</b>					
–	–	Subsidies and grants for capital expenditure	–	–	–
609	1,235	Development and financial contributions	1,512	1,697	89%
3,591	8,065	Increase/(decrease) in debt	24,561	24,079	102%
–	–	Gross proceeds from sale of assets	–	–	–
–	–	Lump sum contributions	–	–	–
–	–	Other dedicated capital funding	–	–	–
<b>4,200</b>	<b>9,300</b>	<b>Total sources of capital funding</b>	<b>26,073</b>	<b>25,776</b>	<b>101%</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>					
<b>Capital expenditure</b>					
970	526	• to meet additional demand	88	1,229	7%
600	451	• to improve the level of service	11,265	6,733	167%
4,420	8,835	• to replace existing assets	4,594	3,122	147%
(420)	1,025	Increase/(decrease) in reserves	(3,832)	(6,059)	63%
1,600	–	Increase/(decrease) in investments	19,388	23,245	83%
<b>7,170</b>	<b>10,837</b>	<b>Total applications of capital funding</b>	<b>31,503</b>	<b>28,270</b>	<b>111%</b>
<b>(2,970)</b>	<b>(1,537)</b>	<b>Surplus/(deficit) of capital funding</b>	<b>(5,430)</b>	<b>(2,494)</b>	<b>218%</b>

Debt – The result of a higher capital spend means more debt was raised than planned.

# ENGINEERING (CONT.)

## WASTEWATER

### WHAT WE DO

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

### WHY WE DO IT

The provision of wastewater services is a core public health function of local government and is something that Council has always provided. By undertaking

the planning, implementation and maintenance of wastewater services Council promotes and protects public health within the District.

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

### CONTRIBUTION TO COMMUNITY OUTCOMES

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

COMMUNITY OUTCOMES	HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
Our unique natural environment is healthy, protected and sustainably managed.	All wastewater in Council-owned schemes is treated and discharged into the environment. We sustainably manage this so the impact of the discharges does not adversely affect the health and cleanliness of the receiving environment.
Our urban and rural environments are people-friendly, well-planned, accessible and sustainably managed.	We ensure wastewater is collected and treated without causing a hazard to public health, unpleasant odours and unattractive visual impacts.
Our infrastructure is efficient, cost effective and meets current and future needs.	We consider the wastewater activity to be an essential service that should be provided to properties within the urban areas in sufficient size and capacity.
Our communities are healthy, safe, inclusive and resilient.	We aim to provide a service that is safe for the community by providing quality treatment, minimising overflows, and ensuring our infrastructure is resilient.
Our communities have opportunities to celebrate and explore their heritage, identity and creativity.	By providing wastewater services, we don't primarily contribute to this outcome. However, where possible we incorporate community and school groups into the design and provision of infrastructure.

## ENGINEERING – WASTEWATER


### CONTRIBUTION TO COMMUNITY OUTCOMES (CONT.)

COMMUNITY OUTCOMES	HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
Our communities have access to a range of social, cultural, educational and recreational facilities and activities.	Wastewater is an essential service that underpins other facilities and activities.
Our Council provides leadership and fosters partnerships, a regional perspective, and community engagement.	We have a regional partnership with Nelson City Council for the management of the Nelson Regional Sewerage Business Unit. We collaborate with iwi and site neighbours to identify issues and concerns; when the opportunity arises, we engage with the community for facility open days and plantings days.
Our region is supported by an innovative and sustainable economy.	Wastewater underpins the regional economy by providing and managing wastewater collection, treatment and disposal. Sustainability is a key driver of our future planning.

### OUR GOAL

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

### OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	CURRENT PERFORMANCE
Our wastewater systems do not adversely affect the receiving environment.	<p>Compliance with resource consents for discharges from wastewater systems is achieved.</p> <p>As measured by the number of:</p> <ul style="list-style-type: none"> <li>• abatement notices</li> <li>• infringement notices</li> <li>• enforcement orders</li> <li>• convictions</li> </ul> <p>received in relation to those resource consents.</p> <p>Mandatory measure 2.</p> <p>Target: 0</p>	 <p>In 2018/2019, there were no notices or enforcement orders issued or convictions received.</p> <p>In 2017/2018, there were no notices or enforcement orders issued or convictions received.</p>

# ENGINEERING – WASTEWATER

## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	CURRENT PERFORMANCE
<p>Our wastewater systems do not adversely affect the receiving environment.</p>	<p>The number of times temporary wastewater overflow signs are erected at waterways is minimised.</p> <p>Measured by the number of contract job requests.</p> <p>Target: &lt;5</p>	 <p>In 2018/2019, there were overflow signs erected at two locations. Unlike 2017/2018, there were few significant rain events.</p> <p>In 2017/2018, there were overflow signs erected at 11 different locations.</p> <p><b>See Figure 19</b> Number of Temporary Wastewater Overflow Signs Erected at Waterways on page 116.</p>
<p>Our wastewater systems reliably take out wastewater with a minimum of odours, overflows or disturbance to the public.</p>	<p>The total number of complaints received about:</p> <ul style="list-style-type: none"> <li>• odour</li> <li>• system faults</li> <li>• system blockages</li> <li>• Council's response to issues within its systems</li> </ul> <p>is less than the target. (Expressed per 1,000 connections.)</p> <p>Measured by the number of contract job requests.</p> <p>Mandatory measure 4.</p> <p>Target: &lt;35</p>	 <p>In 2018/2019, we received 21 complaints (1.5 per 1,000 connections). All but one were associated with odour. Due to the long, warm, and dry summer, we had an increase in complaints. Most issues were resolved quickly.</p> <p>In 2017/2018, we received 12 complaints.</p> <p><b>See Figure 20</b> Total Number of Wastewater Complaints per 1,000 properties connected on page 116.</p>





## ENGINEERING – WASTEWATER

### OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	CURRENT PERFORMANCE
<p>Our wastewater systems are built, operated and maintained so that failures can be managed and responded to quickly.</p>	<p>The number of dry weather overflows from Council’s wastewater system (expressed per 1,000 connections to wastewater system) is less than the target.</p> <p>Dry weather is defined as a continuous 96 hours with less than 1mm of rain within each 24-hour period.</p> <p>Measured by the number of contract job requests.</p> <p>Mandatory measure 1.</p> <p>Target: &lt;5</p>	 <p>In 2018/2019, there were 1.2 dry weather overflows per 1,000 connections. A “dry weather overflow” is measured as any wastewater overflow that did not occur because of a rain event, and data is collected on wet and dry days.</p> <p>In 2017/2018, there were 1.3 dry weather overflows per 1,000 connections.</p>
<p>Our wastewater activities are managed at a level that satisfies the community.</p>	<p>Percentage of customers (who receive a service) are satisfied with the wastewater service.</p> <p>Measured through the annual residents’ survey.</p> <p>Target: &gt;80%</p>	 <p>This year, for residents who received wastewater services, 94% were very or fairly satisfied. A total of 3% of customers were not very satisfied with our wastewater services.</p> <p>In 2018, 94% of customers were satisfied or very satisfied, and 3% were not very satisfied.</p> <p><b>See Figure 21</b> Satisfaction with Wastewater Services on page 117.</p>

# ENGINEERING – WASTEWATER

## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	CURRENT PERFORMANCE
<p>Our wastewater systems are built, operated and maintained so that failures can be managed and responded to quickly.</p>	<p>Overflows resulting from a blockage or other fault in the wastewater system are attended and resolved within the target timeframes.</p> <p>Measured by attendance and resolution times recorded in Confirm.</p> <p>Mandatory measure 3.</p> <p><b>Attendance time</b> – from the time Council receives notification to the time that service personnel reach the site.</p> <p>Target: Attendance median ≤60 mins.</p>	 <p>This target was not measured in 2018/2019 due to issues with accurate recordings of response times. The system to measure response times has now been fixed.</p>
	<p><b>Resolution time</b> – from the time Council receives notification to the time that the service personnel confirm resolution of the blockage or other fault.</p> <p>Target: Resolution median ≤9 hrs.</p>	 <p>This target was not measured in 2018/2019 due to issues with accurate recordings of resolution times. The system to measure resolution times has now been fixed.</p>

## ENGINEERING – WASTEWATER

FIGURE 19. Number of Temporary Wastewater Overflow Signs Erected at Waterways

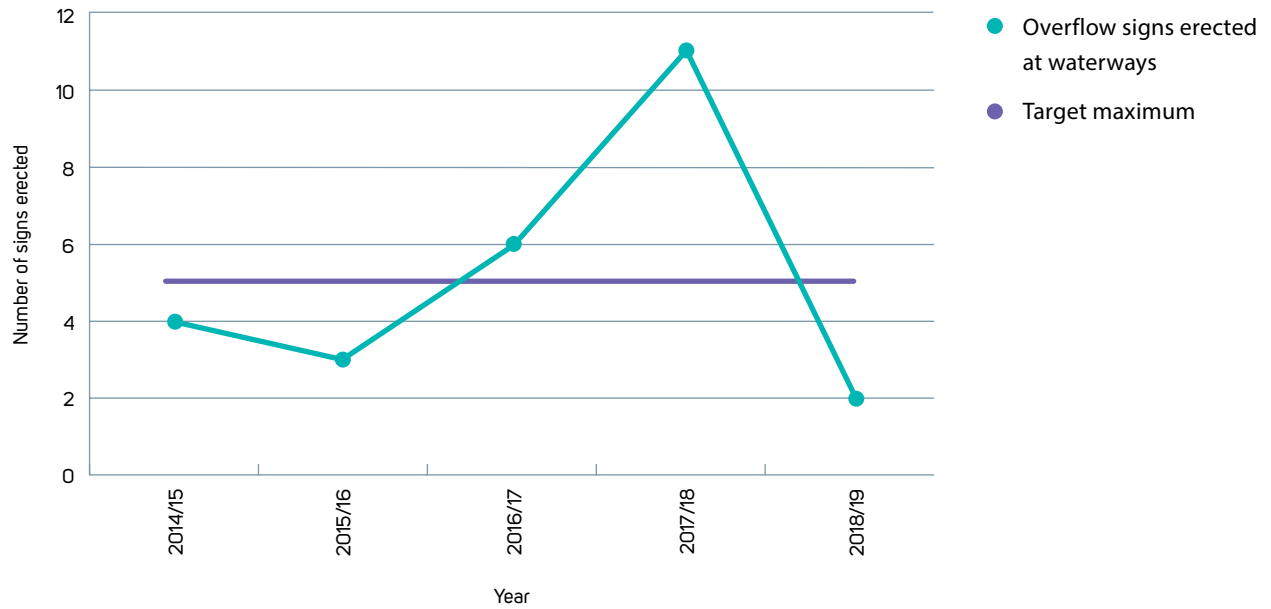
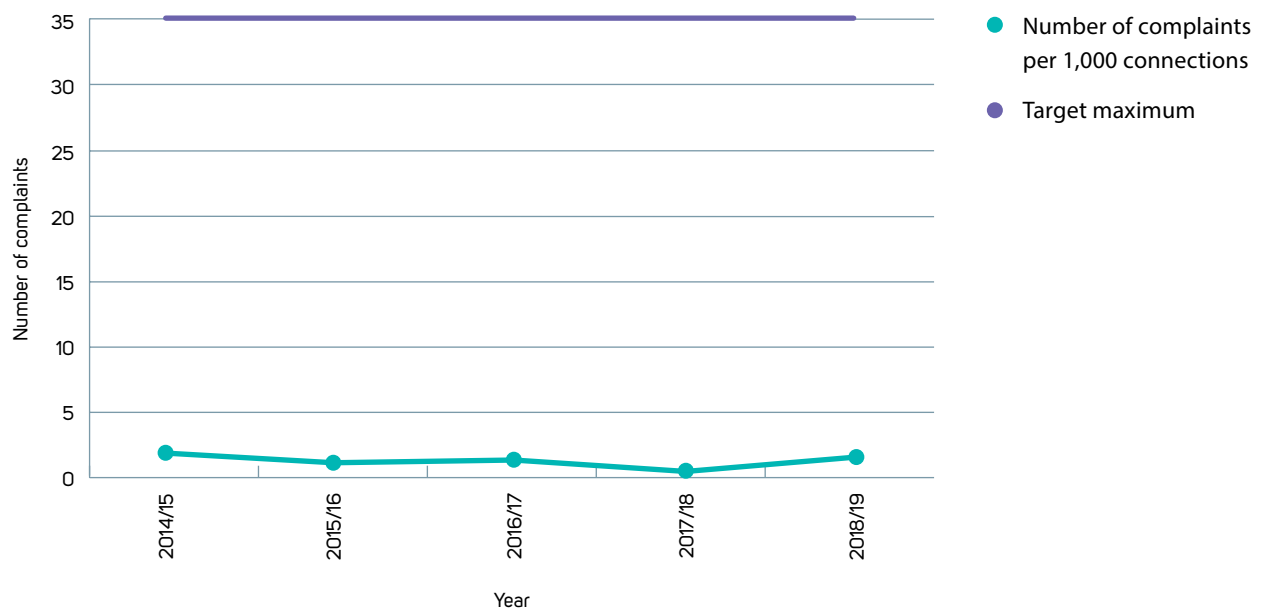
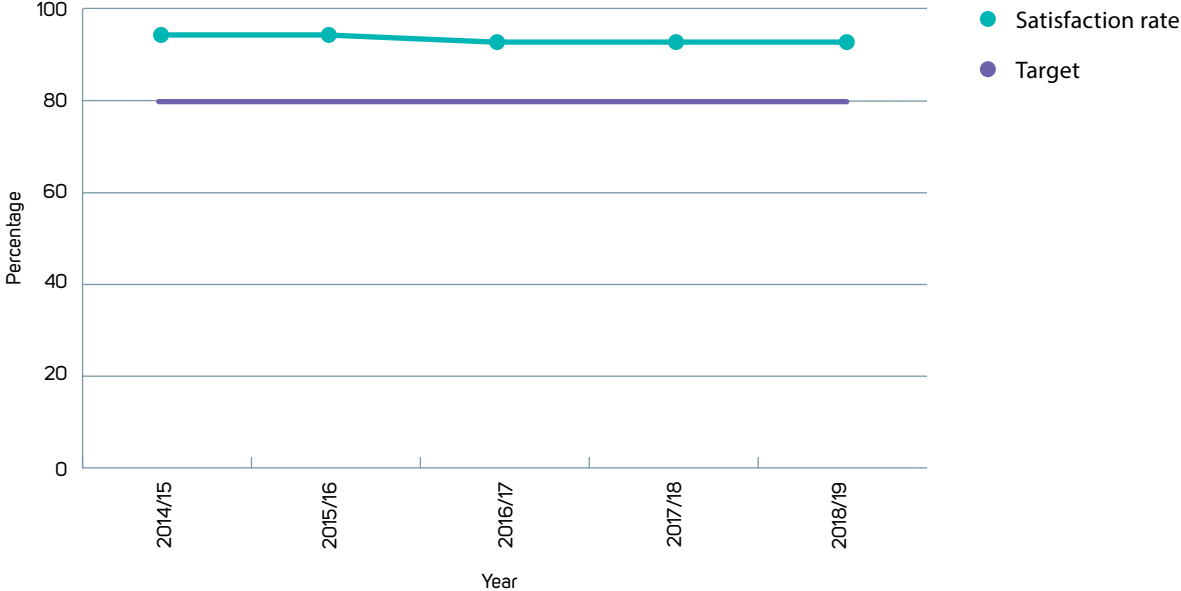


FIGURE 20. Total Number of Wastewater Complaints per 1,000 properties connected



# ENGINEERING – WASTEWATER

FIGURE 21. Satisfaction with Wastewater Services



## ENGINEERING – WASTEWATER

### MAJOR ACTIVITIES

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

### NEW CAPITAL EXPENDITURE

The following table details the major capital and renewal work for 2018/2019.

PROJECT NAME	LTP BUDGET (YEARS EXPENDITURE PLANNED)	2018/2019 BUDGET	ACTUAL 2018/2019
Pōhara /Ligar Bay Capacity Improvements – wastewater main and pump station capacity upgrades	\$7,000,000 (Y1 – 8)	\$2,142,510	Council spent \$2,048,317 in the 2018/2019 year. The addition of \$8,765 to the budget by way of Council resolution in 2018/2019 brought the total budget to \$2,151,275.  Practical completion achieved on 7 June 2019.
Māpua Reticulation & Pump Station Improvements – construction of a new wastewater main and pump station, and adjoining pump station capacity upgrades	\$4,500,000 (Y1 – 6)	\$2,745,738	Council spent \$836,189 in the 2018/2019 year. The addition of \$455,393 to the budget by way of Council resolution in 2018/2019 brought the total budget to \$3,201,131.  The scope of the upgrade was reduced to fit with the budget. As a result, emergency storage has been removed from the upgrade. Physical work began in June 2019 and is scheduled for completion by the end of 2020.
Brightwater & Wakefield Trunk Main Upgrade – secure easement for the trunk main and increase capacity	\$9,300,000 (Y1 – 6)	\$248,321	Council spent \$179,692 in the 2018/2019 year.  A preferred route has been selected for the upgrade and will require extensive engagement with multiple property owners.

## ENGINEERING – WASTEWATER

### NEW CAPITAL EXPENDITURE (CONT.)

PROJECT NAME	LTP BUDGET (YEARS EXPENDITURE PLANNED)	2018/2019 BUDGET	ACTUAL 2018/2019
Network Resilience Improvements – purchase new mobile generators and install emergency storage tanks at pump stations	\$1,600,000 (Y1 – 9)	\$38,556	Council spent \$0 in the 2018/2019 year.  This budget will be carried into 2019/2020, so the wastewater pump station storage chamber at 45 Trewavas Street can be progressed.
Pipe and Component Renewals – replacement of existing pipes, and mechanical and electrical components	\$24,600,000 (Y1 – 10)	\$2,215,820	Council spent \$885,829 in the 2018/2019 year. The addition of \$14,710 to the budget by way of Council resolution in 2018/2019 brought the total budget to \$2,230,530.  Nelson Regional Sewerage Business Unit (NRSBU) renewal costs are expected to be \$516,090 less than budgeted.  While the remainder of the renewal budget was allocated, the contractor did not have sufficient resources to complete all the work.
Headingly Lane Pump Station and Rising Main Upgrade – wastewater main and pump station upgrade to provide increased capacity	\$2,000,000 (Y1 – 3)	\$45,900	Council spent \$8,158 in the 2018/2019 year.  Combining this project with a future NRSBU regional pipeline was investigated and discounted.  Work is underway to confirm a route for the larger pipeline and to design the capacity upgrade of the existing pump station.



## ENGINEERING – WASTEWATER

### FUNDING IMPACT STATEMENT For the year ended June 2019

BUDGET 2018 \$000	ACTUAL 2018 \$000	WASTEWATER	ACTUAL 2019 \$000	BUDGET 2019 \$000	% OF BUDGET
<b>SOURCES OF OPERATING FUNDING</b>					
–	–	General rates, uniform annual general charges, rates penalties	–	–	–
10,380	10,354	Targeted rates	10,139	10,231	99%
–	–	Subsidies and grants for operating purposes	20	–	100%
99	398	Fees and charges	242	174	139%
–	–	Internal charges and overheads recovered	–	–	–
4,866	3,041	Local authorities fuel tax, fines, infringement fees, and other receipts	3,334	3,327	100%
<b>15,345</b>	<b>13,793</b>	<b>Total operating funding</b>	<b>13,735</b>	<b>13,732</b>	<b>100%</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>					
9,206	7,745	Payments to staff and suppliers	7,016	6,731	104%
1,338	1,238	Finance costs	1,236	1,501	82%
1,312	1,424	Internal charges and overheads applied	1,377	1,362	101%
–	–	Other operating funding applications	–	–	–
<b>11,856</b>	<b>10,407</b>	<b>Total applications of operating funding</b>	<b>9,629</b>	<b>9,594</b>	<b>100%</b>
<b>3,489</b>	<b>3,386</b>	<b>Surplus/(deficit) of operating funding</b>	<b>4,106</b>	<b>4,138</b>	<b>99%</b>
<b>SOURCES OF CAPITAL FUNDING</b>					
–	–	Subsidies and grants for capital expenditure	–	–	–
1,506	2,100	Development and financial contributions	3,195	2,322	138%
2,237	2,626	Increase/(decrease) in debt	2,635	3,515	75%
–	–	Gross proceeds from sale of assets	–	–	–
–	–	Lump sum contributions	–	–	–
–	–	Other dedicated capital funding	–	–	–
<b>3,743</b>	<b>4,726</b>	<b>Total sources of capital funding</b>	<b>5,830</b>	<b>5,837</b>	<b>100%</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>					
<b>Capital expenditure</b>					
106	1	• to meet additional demand	151	294	51%
708	653	• to improve the level of service	4,131	7,903	52%
5,683	4,835	• to replace existing assets	2,230	1,105	202%
735	2,623	Increase/(decrease) in reserves	3,424	673	509%
–	–	Increase/(decrease) in investments	–	–	–
<b>7,232</b>	<b>8,112</b>	<b>Total applications of capital funding</b>	<b>9,936</b>	<b>9,975</b>	<b>100%</b>
<b>(3,489)</b>	<b>(3,386)</b>	<b>Surplus/(deficit) of capital funding</b>	<b>(4,106)</b>	<b>(4,138)</b>	<b>99%</b>

Development and Financial Contributions – The growth in the District is reflected in the increased collection of Development Contributions.

Reserve Movement Increase or Decrease – The movement in reserve is a reflection of the collection of more Development Contributions than planned.

# ENGINEERING (CONT.)

## STORMWATER

### WHAT WE DO

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

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

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

### WHY WE DO IT

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

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

### CONTRIBUTION TO COMMUNITY OUTCOMES

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

COMMUNITY OUTCOMES	HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
Our unique natural environment is healthy, protected and sustainably managed.	We manage stormwater so that the impact of the discharges does not adversely affect the health and quality of the receiving environment.
Our urban and rural environments are people-friendly, well-planned, accessible and sustainably managed.	We aim to convey stormwater without putting the public at risk or damaging property, businesses or essential infrastructure. New developments take a water sensitive design approach to integrate multiple values such as ecology, amenity and cultural aspects.

## ENGINEERING – STORMWATER

### CONTRIBUTION TO COMMUNITY OUTCOMES (CONT.)



COMMUNITY OUTCOMES	HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
Our infrastructure is efficient, cost effective and meets current and future needs.	Stormwater is an essential service that is provided to properties within urban drainage areas in appropriate size and capacity. We aim to efficiently manage the provision of stormwater infrastructure so that it provides best value for ratepayers' money.
Our communities are healthy, safe, inclusive and resilient.	We aim to safely transfer stormwater runoff through urban areas to minimise harm and property damage.
Our communities have opportunities to celebrate and explore their heritage, identity and creativity.	We protect natural waterways that have high cultural, recreational, and biodiversity interests.
Our communities have access to a range of social, cultural, educational and recreational facilities and activities.	We take opportunities to provide multi-purpose facilities where possible. Often our stormwater corridors will incorporate cycle paths, footpaths and spaces for recreation.
Our Council provides leadership and fosters partnerships, a regional perspective, and community engagement	We engage with tangata whenua iwi and other community groups with regards to enhancing our natural waterways and educational programmes.
Our region is supported by an innovative and sustainable economy.	Stormwater supports the economy by enabling homes and businesses to exist with a low exposure to flood risk and damage. We also allow for climate change in our designs to provide adequately for the future.

### OUR GOAL

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



# ENGINEERING – STORMWATER

## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	CURRENT PERFORMANCE
<p><b>Stormwater flooding</b></p> <p>We have measures in place to respond to and reduce flood damage from stormwater to property and risk to the community.</p>	<p>a. The number of flooding events that occur in the District and;</p> <p>b. For each flooding event, the number of habitable floors affected. (Expressed per 1,000 properties connected to the territorial authority's stormwater system.)</p> <p><b>Habitable floor</b> refers to a floor of a building (including a basement) but does not include ancillary structures such as stand-alone garden sheds or garages.</p> <p>A <b>flooding event</b> means an overflow of stormwater from Councils stormwater system that enters a habitable floor.</p> <p>Mandatory measure 1.</p> <p>Target: &lt;1 habitable floor flooded per event (expressed per 1,000 properties connected).</p>	 <p>There were no flooding events in 2018/2019 that caused flooding to habitable floor levels.</p> <p>This compares with 0.07 habitable floors flooded per 1000 properties connected in 2017/2018.</p> <p>There were some intensive rainfall events over 2018/2019 but they tended to be of reasonably short duration and the urban stormwater systems coped well with these. We received some surface water complaints but none were related to flooding of habitable floor levels.</p>
	<p>The median response time to attend a flooding event, measured from the time that Council receives notification to the time that service personnel reach the site.</p> <p>Mandatory measure 3.</p> <p>Target: &lt;2 hours</p>	 <p>We did not measure this target in 2018/2019 due to faults in the system recording response times. We have now fixed the system.</p>

## ENGINEERING – STORMWATER

### OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	CURRENT PERFORMANCE
<p><b>Stormwater flooding</b></p> <p>We have measures in place to respond to and reduce flood damage from stormwater to property and risk to the community.</p>	<p>The number of complaints received by Council about the performance of its stormwater system, expressed per 1,000 properties connected to the stormwater system.</p> <p>Mandatory measure 4.</p> <p>Target: &lt;20</p>	 <p>There were 5.2 complaints per 1,000 properties in 2018/2019. This compares with 12.5 complaints per 1,000 properties in 2017/2018.</p> <p>There were fewer storm events in 2018/2019 and often they were of short duration when compared to 2017/2018, which also included ex-Cyclones Fehi and Gita.</p>
<p><b>Customer satisfaction</b></p> <p>Our stormwater activities are managed at a level which satisfies the community.</p>	<p>Percentage of customers satisfied with the stormwater service.</p> <p>As measured through the annual residents' survey.</p> <p>Target: 80%</p>	 <p>Customers that were very or fairly satisfied came to 80% in this year's residents' survey, and 19% were not very satisfied.</p> <p>This compares with 78% of customers fairly or very satisfied with stormwater services, and 19% not very satisfied in 2018.</p> <p>The survey did not identify any particular concerns for specific areas of the District compared to others. The main concerns again were blockages, surface flooding and drainage system capacity.</p> <p><b>See Figure 22</b> Satisfaction with Stormwater Services on page 126.</p>

# ENGINEERING – STORMWATER

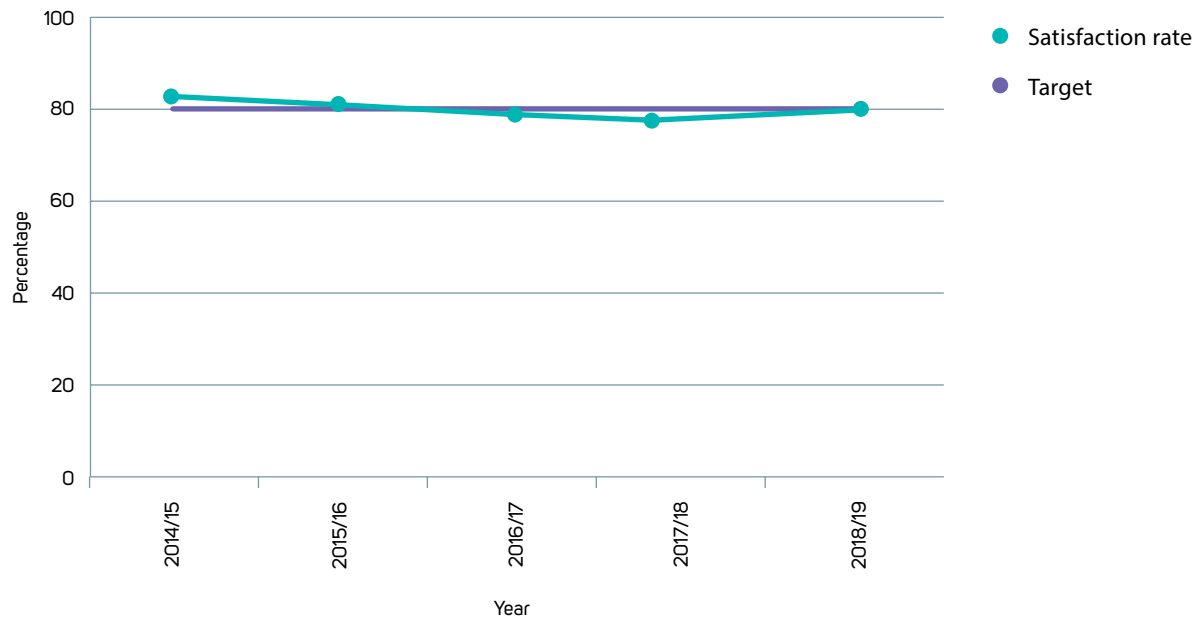
## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	CURRENT PERFORMANCE
<p><b>The environment</b></p> <p>Our stormwater systems do not adversely affect or degrade the receiving environment.</p>	<p>Compliance with Councils resource consents for discharge from its stormwater system, measured by the number of:</p> <ul style="list-style-type: none"> <li>a. Abatement notices Target: ≤1</li> <li>b. Infringement notices Target: 0</li> <li>c. Enforcement orders Target: 0</li> <li>d. Successful prosecutions Target: 0.</li> </ul> <p>Mandatory measure 2.</p>	<p>While Council does not have resource consents in place for entire Urban Discharge Areas (UDAs), it does hold a number of individual stormwater consents.</p> <div style="text-align: center;">  </div> <p>There have been no abatement notices received in 2018/2019.</p> <div style="text-align: center;">  </div> <p>There have been no infringement notices received in 2018/2019.</p> <div style="text-align: center;">  </div> <p>There have been no enforcement orders received in 2018/2019.</p> <div style="text-align: center;">  </div> <p>There have been no prosecutions in 2018/2019.</p> <p>This compares with no notices or orders received in 2017/2018.</p> <p>A District Wide Urban Discharge Consent application is being prepared and is expected to be lodged by October 2019.</p>



## ENGINEERING – STORMWATER

FIGURE 22. Satisfaction with Stormwater Services



### MAJOR ACTIVITIES

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

### NEW CAPITAL EXPENDITURE

The following table details the major capital and renewal work for 2018/2019.

PROJECT NAME	LTP BUDGET (YEARS EXPENDITURE PLANNED)	2018/2019 BUDGET	ACTUAL 2018/2019
Richmond Central Secondary Flow Improvements – capacity improvements within central Richmond to improve mitigation of secondary stormwater flows.	\$11,500,000 (Y1 – 10)	\$645,660	<p>This is a combination of a number of separate projects.</p> <p>\$8,192 was spent on these projects in 2018/2019.</p> <p>Some investigation was instigated for the Washbourn to Poutama Drain pressure pipe, but this project has been placed on hold and other works have also been pushed back due to overall budget constraints within Council.</p> <p>The majority of the \$11,500,000 budget for this area does not commence until 2022.</p>

## ENGINEERING – STORMWATER

### NEW CAPITAL EXPENDITURE (CONT.)

PROJECT NAME	LTP BUDGET (YEARS EXPENDITURE PLANNED)	2018/2019 BUDGET	ACTUAL 2018/2019
Borck Creek land acquisition and widening – projects related to development in Richmond South and West	\$15,800,000 (Y1 – 10)	\$963,002	<p><b>Richmond Stormwater Land Purchase</b></p> <p>A total of \$1,681 was spent from the 2018/2019 year budget, due to focus on projects carried forward from previous years, as detailed below.</p> <p>Of the carried forward funds, progress was made on the acquisition of ten parcels of land over the 2018/2019 financial year. Of these, Council settled on the purchase of four (\$1.6 million), and finalised two more, with settlement to occur in the 2019/2020 financial year (\$1.8 million).</p> <p><b>Borck Creek</b></p> <p>Work carried forward into the 2018/2019 year in the Borck Creek widening project included the completion of a final channel profile design, preparing a resource consent application for the final widening works and facilitating the bulk extraction from the channel of around 12,000m<sup>3</sup> of material. Expenditure totalled \$96,526.</p> <p><b>Poutama Stream</b></p> <p>Around 6,000m<sup>3</sup> of bulk fill was removed from the Poutama Stream channel below Berryfield Drive and around a bridge further downstream. This work was accelerated to take advantage of a need for fill for another project, however, this section of the stream will still require further deepening over the 2019/2020 summer. Design work around the confluence with Borck Creek was also progressed significantly. The Poutama Stream budget also contributed to the construction of the bridge at Berryfield Drive. Expenditure totalled \$325,718.</p>

# ENGINEERING – STORMWATER

## NEW CAPITAL EXPENDITURE (CONT.)

PROJECT NAME	LTP BUDGET (YEARS EXPENDITURE PLANNED)	2018/2019 BUDGET	ACTUAL 2018/2019
Reactive Stormwater Improvements – funding to mitigate emerging stormwater issues	\$1,100,000 (Y1 – 10)	\$102,000	<p>Council spent \$20,655 in the 2018/2019 year.</p> <p>Work in Gibbs Road, Collingwood, involved the installation of a non-return valve and sump to prevent backflow from the main stormwater pipe in the lower section, and a new grill to prevent blockage on the upper section.</p> <p>Work to extend the pipe system in Beach Road, Collingwood, and in Saxon Street and Fearon Street, Motueka, was committed in 2018/2019. This work is valued at \$65,000 and will be completed in the 2019/2020 year.</p>



## ENGINEERING – STORMWATER

### FUNDING IMPACT STATEMENT For the year ended June 2019

BUDGET 2018 \$000	ACTUAL 2018 \$000	STORMWATER	ACTUAL 2019 \$000	BUDGET 2019 \$000	% OF BUDGET
<b>SOURCES OF OPERATING FUNDING</b>					
–	–	General rates, uniform annual general charges, rates penalties	–	–	–
4,426	4,466	Targeted rates	4,785	4,661	103%
–	–	Subsidies and grants for operating purposes	–	–	–
15	–	Fees and charges	–	–	–
–	–	Internal charges and overheads recovered	–	–	–
129	195	Local authorities fuel tax, fines, infringement fees, and other receipts	338	168	201%
<b>4,570</b>	<b>4,661</b>	<b>Total operating funding</b>	<b>5,123</b>	<b>4,829</b>	<b>106%</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>					
1,429	1,305	Payments to staff and suppliers	1,060	1,432	74%
902	785	Finance costs	1,012	1,052	96%
664	666	Internal charges and overheads applied	612	739	83%
–	–	Other operating funding applications	–	–	–
<b>2,995</b>	<b>2,756</b>	<b>Total applications of operating funding</b>	<b>2,684</b>	<b>3,223</b>	<b>83%</b>
<b>1,575</b>	<b>1,905</b>	<b>Surplus/(deficit) of operating funding</b>	<b>2,439</b>	<b>1,606</b>	<b>152%</b>
<b>SOURCES OF CAPITAL FUNDING</b>					
–	–	Subsidies and grants for capital expenditure	–	–	–
1,392	2,435	Development and financial contributions	1,875	1,525	123%
4,890	6,070	Increase/(decrease) in debt	2,708	600	451%
–	–	Gross proceeds from sale of assets	–	–	–
–	–	Lump sum contributions	–	–	–
–	–	Other dedicated capital funding	–	–	–
<b>6,282</b>	<b>8,505</b>	<b>Total sources of capital funding</b>	<b>4,583</b>	<b>2,125</b>	<b>216%</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>					
<b>Capital expenditure</b>					
–	–	• to meet additional demand	73	26	281%
2,201	806	• to improve the level of service	1,301	2,524	52%
8,383	7,732	• to replace existing assets	3,989	38	10497%
(2,727)	1,872	Increase/(decrease) in reserves	1,659	1,143	145%
–	–	Increase/(decrease) in investments	–	–	–
<b>7,857</b>	<b>10,410</b>	<b>Total applications of capital funding</b>	<b>7,022</b>	<b>3,731</b>	<b>188%</b>
<b>(1,575)</b>	<b>(1,905)</b>	<b>Surplus/(deficit) of capital funding</b>	<b>(2,439)</b>	<b>(1,606)</b>	<b>152%</b>

Debt – The result of a higher capital spend means more debt was raised than planned.

Reserve Movement Increase or Decrease – The movement in reserve is a reflection of the underspend in this activity which has increased the surplus.

# ENGINEERING (CONT.)

## SOLID WASTE

### WHAT WE DO

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

- Kerbside recycling and waste collection services,
- Five Resource Recovery Centres – at Richmond, Māiri, Takaka, Collingwood and Murchison,
- Processing facilities for recycling,
- Contracting a greenwaste processor,
- Transport services to move these materials around the District, and
- A range of waste minimisation initiatives to reduce the production of waste and minimise harm.

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

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

Council also maintains 22 closed landfills around the District. Landfills in the region are now provided regionally through the Nelson-Tasman Regional Landfill Business Unit, which is a joint committee of the Nelson City Council and Tasman District Council. This business unit commenced operations on 1 July 2017. From this date the Eves Valley Landfill (which we previously

managed) stopped receiving waste and all waste is now directed to the York Valley Landfill (located in Nelson City).

### WHY WE DO IT

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

The Waste Minimisation Act 2008 requires councils to promote effective and efficient waste management and minimisation within their district. 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 prepare a Waste Management and Minimisation Plan (WMMP). This Plan sets the strategic direction of Council for solid waste management. Council has elected to do this jointly with Nelson City Council. The goals of the Councils' Joint Waste Management and Minimisation Plan are to:

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

### CONTRIBUTION TO COMMUNITY OUTCOMES

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

# ENGINEERING – SOLID WASTE

## CONTRIBUTION TO COMMUNITY OUTCOMES (CONT.)

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

### OUR GOAL



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

1. avoid the creation of waste;
2. improve the efficiency of resource use; and
3. reduce the harmful effects of waste



## ENGINEERING – SOLID WASTE

### OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	CURRENT PERFORMANCE
<p>We provide effective waste minimisation activities and services.</p>	<p>There is an increase in resources diverted from landfill by Council services.</p> <p>As measured monthly and reported annually on a per capita basis.</p> <p>Target: &gt;174 kg</p>	 <p>This year 134kg per capita was diverted from landfill by Council services (7,058 tonnes with an estimated population of 52,100 in June 2018).</p> <p>This target was not achieved in 2017/2018, with 6,311 tonnes diverted from landfill (123kg per capita).</p> <p>The total diverted from landfill increased moderately this year, driven by growth in glass and steel, but moderated by reductions in non-glass kerbside recycling.</p> <p>The target originally included diversion of greenwaste through a commercial site that was previously a Council service, and the removal of this site significantly reduced reported diversion.</p> <p><b>See Figure 23</b> Total Resources Diverted from Landfill per capita on page 135.</p>
	<p>There is a reduction in waste per capita going to landfill.</p> <p>As measured by Nelson – Tasman tonnage recorded at landfill.</p> <p>Target: &lt;689 kg</p>	 <p>760kg per capita was disposed to landfill in 2018/2019 in the Nelson-Tasman region (79,042 tonnes, with an estimated population of 104,000 in June 2018).</p> <p>This target was not achieved in 2017/2018, with waste per capita growing to 717kg.</p> <p>Of this waste, 642kg per head was municipal waste, and 118kg was special waste (hazardous waste, contaminated soil and waste such as biosolids and sawdust which is difficult to manage). Special waste volumes are difficult to predict. They are driven by subdivision growth and one-off activities.</p> <p><b>See Figure 24</b> Waste to Landfill per capita on page 135.</p>

# ENGINEERING – SOLID WASTE

## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	CURRENT PERFORMANCE
<p>We provide effective waste minimisation activities and services.</p>	<p>There are high levels of participation in our kerbside recycling service.</p> <p>As measured through annual residents' survey of those provided with Council's kerbside recycling collection services who use it three times or more per annum.</p> <p>Target: &gt;95%</p>	 <p>84% of residents reported that they received the recycling service and 82% reported using the service three times or more in the last year – a participation rate of 98%.</p> <p>This is the first year we are measuring this target.</p>
<p>Our kerbside recycling and bag collection services are reliable, easy to use.</p>	<p>Contamination levels in our kerbside recycling are low.</p> <p>As measured by our contractor at the Materials Recovery Facility.</p> <p>Target: &lt;5%</p>	 <p>The total contamination for the recycling service was 8.8%. Until September 2018, contamination was tracking under 5%. We are investigating the measurement and the potential sources of contamination with a view to reducing it.</p> <p>This is the first year we are measuring this target.</p>
<p>Our kerbside recycling and bag collection services are reliable, easy to use.</p>	<p>Percentage of customer satisfaction with kerbside recycling services.</p> <p>As measured through annual residents' survey of those provided with Council's kerbside recycling collection services.</p> <p>Target: 90%</p>	 <p>In the annual residents' survey, 90% of customers were very or fairly satisfied, and 8% of customers stated they were not very satisfied.</p> <p>This compares with 89% of customers who were fairly or very satisfied with kerbside recycling, and 9% who were not very satisfied in 2018.</p>

## ENGINEERING – SOLID WASTE

### OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	CURRENT PERFORMANCE
<p>Our kerbside recycling and bag collection services are reliable, easy to use.</p>	<p>Percentage of customer satisfaction with kerbside bag collection services.</p> <p>As measured through annual residents' survey of those provided with Council's kerbside bag collection services.</p> <p>Target: 70%</p>	 <p>Council's kerbside rubbish collection had 71% of customers stating they were very or fairly satisfied, and 6% stated they were not very satisfied.</p> <p>This compares to 67% of customers who were fairly or very satisfied with kerbside bag collection, and 8% who were not very satisfied in 2018.</p>
	<p>Customer Service Requests relating to waste management activities are completed on time.</p> <p>Percentage of enquiries to our contractor resolved within contracted timeframes. As measured through Confirm.</p> <p>Target: 95%</p>	 <p>This year 93% of service requests were completed within contracted timeframes by our contractor. In all months except December, January and April over 95% of requests were completed on time.</p>
<p>Our resource recovery centres are easy to use and operated in a reliable manner.</p>	<p>Percentage of customer satisfaction.</p> <p>As measured by annual customer on-site surveys at RRCs who are very satisfied or fairly satisfied.</p> <p>Target: 95%</p>	 <p>97% of customers surveyed on site reported that they were fairly or very satisfied with the site.</p> <p>This compares to 97% overall of customers fairly or very satisfied in 2017/2018.</p>

## ENGINEERING – SOLID WASTE

FIGURE 23. Total Resources Diverted from Landfill per capita (kilograms per annum)

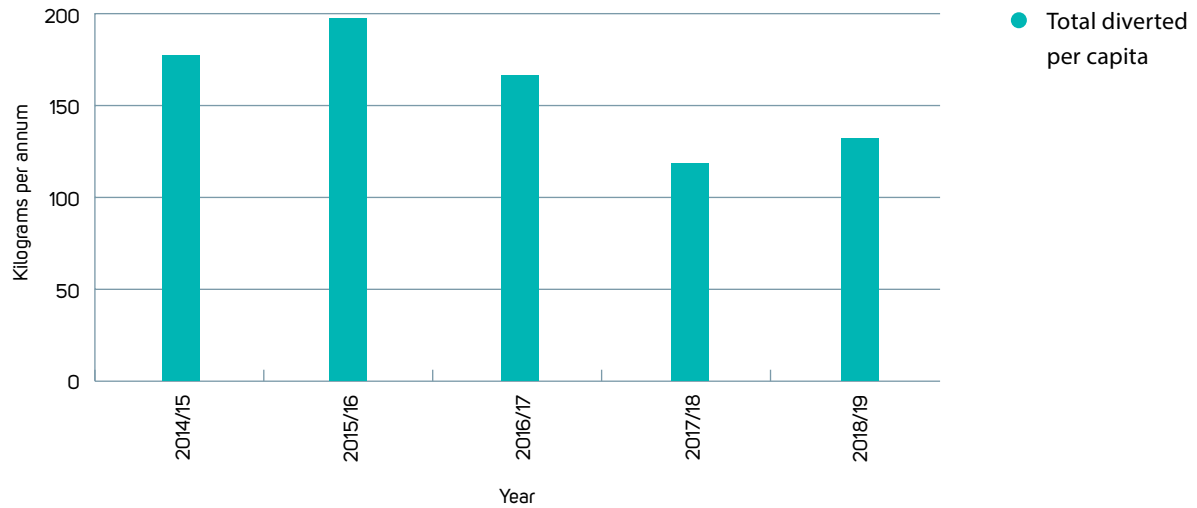
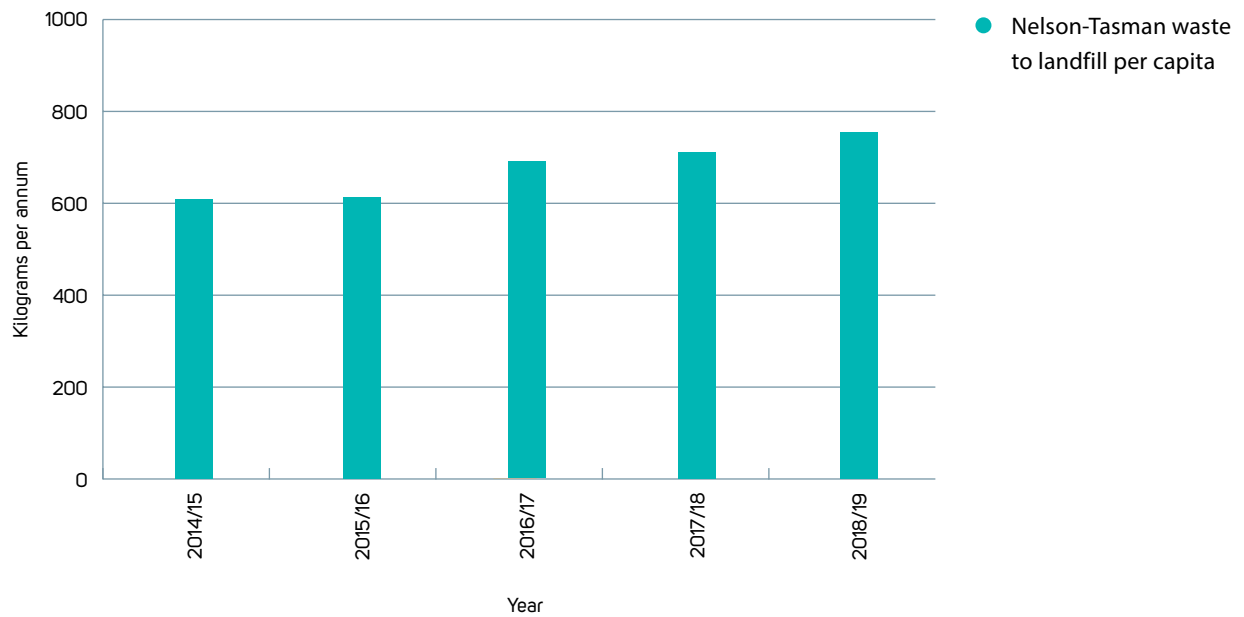


FIGURE 24. Waste to Landfill per capita (kilograms per annum)



## ENGINEERING – SOLID WASTE

### MAJOR ACTIVITIES

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

In August 2019, Council approved the joint Waste Management and Minimisation Plan, developed in conjunction with Nelson City Council.

### NEW CAPITAL EXPENDITURE

The following table details the major capital and renewal work for 2018/2019.

PROJECT NAME	LTP BUDGET (YEARS EXPENDITURE PLANNED)	2018/2019 BUDGET	ACTUAL 2018/2019
Takaka Resource Recovery Centre – Replacement of the waste compactor and tipping pit, installation of a weighbridge and improvements to the recycling area	\$1,200,000 (Y1 – 2)	\$1,075,556	Council spent \$374,855 in the 2018/2019 year.  In May 2019, Council agreed to reduce the scope of work to remove the weighbridge and some of the improvements to the recycling area due to insufficient funding. Detailed design for the remaining work was completed in June 2019. The work will be completed in the 2019/2020 year.
Minor improvements at resource recovery centres and closed landfills	\$550,000 (Y1 – 10)	\$40,800	Council spent \$34,188 in the 2018/2019 year.  CCTV cameras and dust suppression were installed at Richmond Resource Recovery Centre this year.
Public place recycling and other waste minimisation infrastructure (funded by the waste levy)	\$594,000 (Y1 – 10)	\$89,760	Council spent \$92,762 in the 2018/2019 year.  Two public place recycling bins were purchased in this financial year and concrete paving and steps were installed at one site.
Resource Recovery Centre Renewals – Routine asset renewal programme	\$2,600,000 (Y1 – 10)	\$351,126	Council spent \$190,259 in the 2018/2019 year. The addition of \$180,622 to the budget by way of Council resolution in 2018/2019 brought the total budget to \$531,747.  The pavement design for the Richmond Resource Recovery Centre was completed and the work was tendered and awarded. The work will be completed in the 2019/2020 year.

## ENGINEERING – SOLID WASTE

### FUNDING IMPACT STATEMENT For the year ended June 2019

BUDGET 2018 \$000	ACTUAL 2018 \$000	SOLID WASTE	ACTUAL 2019 \$000	BUDGET 2019 \$000	% OF BUDGET
<b>SOURCES OF OPERATING FUNDING</b>					
902	902	General rates, uniform annual general charges, rates penalties	1,392	1,392	100%
2,392	2,391	Targeted rates	2,029	2,015	101%
–	–	Subsidies and grants for operating purposes	10	–	100%
3,715	4,187	Fees and charges	4,200	4,457	94%
–	–	Internal charges and overheads recovered	–	–	–
4,186	4,319	Local authorities fuel tax, fines, infringement fees, and other receipts	4,989	4,698	106%
<b>11,195</b>	<b>11,799</b>	<b>Total operating funding</b>	<b>12,620</b>	<b>12,562</b>	<b>100%</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>					
8,605	11,578	Payments to staff and suppliers	10,472	10,120	103%
389	467	Finance costs	466	412	113%
790	784	Internal charges and overheads applied	809	800	101%
–	–	Other operating funding applications	–	–	–
<b>9,784</b>	<b>12,829</b>	<b>Total applications of operating funding</b>	<b>11,747</b>	<b>11,332</b>	<b>104%</b>
<b>1,411</b>	<b>(1,030)</b>	<b>Surplus/(deficit) of operating funding</b>	<b>873</b>	<b>1,230</b>	<b>71%</b>
<b>SOURCES OF CAPITAL FUNDING</b>					
–	–	Subsidies and grants for capital expenditure	41	–	100%
–	–	Development and financial contributions	–	–	–
3,349	3,757	Increase/(decrease) in debt	(15)	406	(4%)
–	–	Gross proceeds from sale of assets	–	–	–
–	–	Lump sum contributions	–	–	–
–	–	Other dedicated capital funding	–	–	–
<b>3,349</b>	<b>3,757</b>	<b>Total sources of capital funding</b>	<b>26</b>	<b>406</b>	<b>6%</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>					
<b>Capital expenditure</b>					
–	–	• to meet additional demand	–	–	–
–	2,158	• to improve the level of service	502	1,191	42%
755	1,076	• to replace existing assets	665	445	149%
(231)	(507)	Increase/(decrease) in reserves	(268)	(17)	1576%
4,236	–	Increase/(decrease) in investments	–	17	–
<b>4,760</b>	<b>2,727</b>	<b>Total applications of capital funding</b>	<b>899</b>	<b>1,636</b>	<b>55%</b>
<b>(1,411)</b>	<b>1,030</b>	<b>Surplus/(deficit) of capital funding</b>	<b>(873)</b>	<b>(1,230)</b>	<b>71%</b>

Reserve Movement Increase or Decrease – The movement in reserve is a reflection of the overspend in this activity which has decreased the surplus.



# ENGINEERING (CONT.)

## 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 river works in the classified rivers, such as stopbanks, are predominantly owned, maintained and improved by Council.

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

The approach to river management places emphasis on channel management through gravel relocation/

repositioning, and vegetation and land buffers on the river's edge. The aim is to manage the river channel and catchment so that there is less need to use hard engineering methods to prevent erosion.

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

### 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 flood events. In 1992 river control functions under the Soil Conservation and Rivers Control Act 1941 for the Tasman District were transferred to Tasman District Council.

### CONTRIBUTION TO COMMUNITY OUTCOMES

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

COMMUNITY OUTCOMES	HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
Our unique natural environment is healthy, protected and sustainably managed.	Our flood protection and mitigation activities are carried out so that the impacts on the natural river environments are minimised to a practical but sustainable level, and use best practices in the use of the District's natural resources.
Our urban and rural environments are people-friendly, well-planned, accessible and sustainably managed.	Council staff participate in the River Care group to ensure that community mood is taken into account with the management of the river catchments. Council participates in the national Rivers Managers Group to develop the Flood Protection Asset Performance Tool.
Our infrastructure is efficient, cost effective and meets current and future needs.	Our flood protection and mitigation structures are maintained in an environmentally sustainable manner to a level supported by the community.

# ENGINEERING – FLOOD PROTECTION AND RIVER CONTROL WORKS

## CONTRIBUTION TO COMMUNITY OUTCOMES (CONT.)




COMMUNITY OUTCOMES	HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
Our communities are healthy, safe, inclusive and resilient.	Our flood protection works and river control structures protect our most “at risk” communities and rural areas from flooding and are maintained in a safe and cost-effective manner.
Our communities have opportunities to celebrate and explore their heritage, identity and creativity.	The rivers area is a key feature for all that live in the area, many of the community identify who they are by their river. The community becomes involved in the rivers through planting and regular public opportunities to learn about water quality.
Our communities have access to a range of social, cultural, educational and recreational facilities and activities.	Council maintains the river environment to ensure a pleasant place for recreational activities. This is achieved by clearing of rubbish, pest and weed control and inclusion of plantings for improvements in waterway health.
Our Council provides leadership and fosters partnerships, a regional perspective, and community engagement.	Council provides expertise and guidance to the community to assist with problems in the river environment.
Our region is supported by an innovative and sustainable economy.	The flood protection scheme provides a level of assurance that regular high rainfall events don’t disrupt normal business activities.

### OUR GOAL

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

# ENGINEERING – FLOOD PROTECTION AND RIVER CONTROL WORKS

## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	CURRENT PERFORMANCE
<p><b>Protection</b></p> <p>Our communities are protected from natural hazard events.</p>	<p>The major flood protection and control works that are maintained, repaired and renewed to their original constructed standard.</p> <p>(Riuwaka River = 1 in 10 yr flood return in 1950).</p> <p>(Lower Motueka River = 1 in 50 yr flood return in 1950).</p> <p>(Waimea River = 1 in 50 yr flood returning 1950).</p> <p>Target: 100%</p>	 <p>In 2018/2019, this target was fully achieved.</p> <p>There were no significant flood events over the period affecting the three flood protection schemes. Stopbank mowing and flap gate inspections were carried out as planned. Inspections of the banks and active channel were undertaken, and landowner queries responded to.</p>
<p><b>Amenity</b></p> <p>Our river environments are attractive and enjoyed by our communities.</p>	<p>We maintain existing native riparian planting sites and develop new sites.</p> <p>Target: &gt;13,000 plants</p>	 <p>In 2018/2019, 94% of the target was achieved.</p> <p>We planted 12,249 native plants for the 2018/2019 financial year (including 1,200 long-lived species).</p> <p>This is the first year we are measuring this target.</p> <p>Note that the 2018 planting season finished early with 6,029 planted in June (so is not included in the figure above), and the 2019 season started late.</p>
	<p>Complaints about illegal dumping in the X and Y classified rivers and on adjacent beaches on public land are actioned within five working days.</p> <p>Target: 100%</p>	 <p>In 2018/2019, 26/27, or 96%, of illegally dumped rubbish was removed within five working days.</p> <p>This included retrieval of abandoned cars dumped in, or beside, rivers.</p>

# ENGINEERING – FLOOD PROTECTION AND RIVER CONTROL WORKS

## 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.

## NEW CAPITAL EXPENDITURE

The following table details the major capital and renewal work for 2018/2019.

PLANNED	LTP BUDGET (YEARS EXPENDITURE PLANNED)	2018/2019 BUDGET	ACTUAL 2018/2019
Rivers Y capital works – routine rock placement works	\$7,800,000 (Y1 – 10)	\$698,700	Council spent \$735,865 in the 2018/2019 year. We have little control over how much of this work we do as this is a reactive response to floods. The amount of work completed is high considering that it does not include any ex-Cyclone Gita costs, which were significant.
Rivers X capital works – routine rock placement works	\$1,400,000 (Y1 – 10)	\$122,400	Council spent \$86,934 in the 2018/2019 year. A quieter than usual year for the Waimea, Lower Motueka and Riuwaka flood protection schemes. Some work was deferred until ex-Cyclone Gita repairs were completed which was our main focus for the period.



## ENGINEERING – FLOOD PROTECTION AND RIVER CONTROL WORKS

### FUNDING IMPACT STATEMENT For the year ended June 2019

BUDGET 2018 \$000	ACTUAL 2018 \$000	FLOOD PROTECTION AND RIVER CONTROL WORKS	ACTUAL 2019 \$000	BUDGET 2019 \$000	% OF BUDGET
<b>SOURCES OF OPERATING FUNDING</b>					
31	31	General rates, uniform annual general charges, rates penalties	29	29	100%
2,281	2,276	Targeted rates	2,661	2,611	102%
–	–	Subsidies and grants for operating purposes	(87)	–	100%
20	51	Fees and charges	310	21	1476%
–	–	Internal charges and overheads recovered	–	–	–
415	514	Local authorities fuel tax, fines, infringement fees, and other receipts	636	521	122%
<b>2,747</b>	<b>2,872</b>	<b>Total operating funding</b>	<b>3,549</b>	<b>3,182</b>	<b>112%</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>					
1,331	1,934	Payments to staff and suppliers	3,268	1,775	184%
11	11	Finance costs	6	6	100%
368	414	Internal charges and overheads applied	549	466	118%
–	–	Other operating funding applications	–	–	–
<b>1,710</b>	<b>2,359</b>	<b>Total applications of operating funding</b>	<b>3,823</b>	<b>2,247</b>	<b>170%</b>
<b>1,037</b>	<b>513</b>	<b>Surplus/(deficit) of operating funding</b>	<b>(274)</b>	<b>935</b>	<b>(29%)</b>
<b>SOURCES OF CAPITAL FUNDING</b>					
–	–	Subsidies and grants for capital expenditure	–	–	–
–	–	Development and financial contributions	–	–	–
(93)	(93)	Increase/(decrease) in debt	(93)	(93)	100%
–	–	Gross proceeds from sale of assets	–	–	–
–	–	Lump sum contributions	–	–	–
–	–	Other dedicated capital funding	–	–	–
<b>(93)</b>	<b>(93)</b>	<b>Total sources of capital funding</b>	<b>(93)</b>	<b>(93)</b>	<b>100%</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>					
<b>Capital expenditure</b>					
–	–	• to meet additional demand	–	–	–
257	1,282	• to improve the level of service	1,014	821	124%
663	83	• to replace existing assets	–	–	–
24	(945)	Increase/(decrease) in reserves	(1,381)	21	(6576%)
–	–	Increase/(decrease) in investments	–	–	–
<b>944</b>	<b>420</b>	<b>Total applications of capital funding</b>	<b>(367)</b>	<b>842</b>	<b>(44%)</b>
<b>(1,037)</b>	<b>(513)</b>	<b>Surplus/(deficit) of capital funding</b>	<b>274</b>	<b>(935)</b>	<b>(29%)</b>

Reserve Movement Increase or Decrease – The movement in reserve is a reflection of the overspend in this activity which has decreased the surplus as a result of the residual costs associated with Cyclone Fehi/Gita.

# COMMUNITY DEVELOPMENT

## WHAT WE DO

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

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

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

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

## WHY WE DO IT

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

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

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



## COMMUNITY DEVELOPMENT

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

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

We also provide public toilets throughout the District to meet community and visitor needs.

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

Council provides cemeteries that create an attractive, peaceful and respectful environment for the memorial and remembrance of the deceased. Council is legally required to provide cemeteries to ensure the burial and

cremation needs of our District are met now, and in the future. Cemeteries are also provided for public health reasons and to provide a location for bereavement within close proximity to communities.

The Community Relations activities help promote the well-being of our community so that our communities:

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

# COMMUNITY DEVELOPMENT

## CONTRIBUTION TO COMMUNITY OUTCOMES

COMMUNITY OUTCOMES	HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
<p>Our unique natural environment is healthy, protected and sustainably managed.</p>	<p>We provide:</p> <ul style="list-style-type: none"> <li>• protection of the natural environment and ecologically significant areas in Council's parks and reserves,</li> <li>• protection and enhancement of open space, coastal and riparian areas,</li> <li>• vegetation enhancement and awareness, and</li> <li>• enhanced community involvement in conservation and restoration work.</li> </ul> <p>The Richmond Aquatic Centre and our reserves and facilities activities are operated in a way that ensures there is no detrimental impact to the surrounding environment.</p> <p>Through the Enviroschools programme, partially funded through the Ministry for the Environment, schools receive assistance to initiate activities aimed at supporting and teaching sustainability and how we can all reduce our impact on the environment. These Council and community-led initiatives deliver environmental benefits across the broader community.</p>
<p>Our urban and rural environments are people-friendly, well-planned, accessible and sustainably managed.</p>	<p>Provision and enhancement of open space and an interconnected open space network.</p> <p>Provision of neighbourhood and community parks within walking distance of homes.</p> <p>The Richmond Aquatic Centre is designed and managed to meet current and future needs of our community.</p> <p>In partnership with Council's Engineering and Environment and Planning departments, we deliver environmental, air quality and waste minimisation education to support sustainable management and lifestyles.</p> <p>We assist communities to create a unique sense of place through community group funding and advice.</p>
<p>Our infrastructure is efficient, cost effective and meets current and future needs.</p>	<p>We provide efficiently and effectively managed community infrastructure (reserves and facilities) which meets the ongoing needs of Tasman's communities.</p> <p>The Richmond Aquatic Centre is managed, operated and maintained to meet the demands of customers in a cost effective way.</p>

# COMMUNITY DEVELOPMENT

## CONTRIBUTION TO COMMUNITY OUTCOMES (CONT.)

COMMUNITY OUTCOMES	HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
<p>Our communities are healthy, safe, inclusive and resilient.</p>	<p>We provide:</p> <ul style="list-style-type: none"> <li>• community facilities designed and managed to ensure users safety and to cater for the needs of the whole community,</li> <li>• community facilities that support specific social needs,</li> <li>• good quality affordable community housing for people who meet the criteria of Council's Policy on Housing for Older Adults,</li> <li>• open space and recreation facilities that cater for and promote active lifestyles. This includes casual activities such as walking and cycling, and organised sports and recreation activities, and</li> <li>• reserves and facilities designed and managed to ensure users safety and cater for the needs of the whole community.</li> </ul> <p>Libraries provide safe spaces for our community to socialise and interact. Libraries provide equitable access to information for all in the community; as such libraries are an integral part of a strong democracy at local and national levels.</p> <p>The Richmond Aquatic Centre is designed and managed to ensure users safety and to cater for the needs of the whole community. The Aquatic Centre also supports specific social needs.</p> <p>We provide and support quality recreational services and facilities, which enable participation in community-based activities that are inclusive, healthy and enjoyable.</p> <p>We provide support for residents, to enable them to enjoy a good quality of life within a supportive and diverse community.</p> <p>We assist residents and businesses to cope with disasters and emergencies.</p>
<p>Our communities have opportunities to celebrate and explore their heritage, identity and creativity.</p>	<p>We provide recreation facilities that cater for and promote healthy communities and active lifestyles through social and recreational activity.</p> <p>Cemeteries provide a location for interments and remembrance.</p> <p>Libraries contribute to the enhancement of community identity through the collection and preservation of local heritage materials. Libraries are involved in regional history/heritage projects which increase access to local historical/cultural information and materials. Library resources and facilities encourage creative, cultural and recreational activities.</p> <p>We help to promote and celebrate our history and diverse cultures, by providing funding and in-kind support to organisations that preserve and display our region's heritage and culture.</p>

# COMMUNITY DEVELOPMENT

## CONTRIBUTION TO COMMUNITY OUTCOMES (CONT.)

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




## COMMUNITY DEVELOPMENT

### OUR GOALS

OUR GOALS	WE AIM TO PROVIDE...
Parks and reserves	Parks, reserves and recreational facilities that promote the physical, psychological, environmental and social well-being of communities in Tasman District and to also provide amenities that meet the needs of residents and visitors.
Cemeteries	An attractive and peaceful environment for the burial, memorial and remembrance of the deceased.
Public toilets	Clean public toilet facilities to meet community and visitor needs, in appropriate locations.
Community facilities	Community facilities that assist in meeting the community demand for indoor activities and recreation spaces.
Community housing	Community housing for older adults on low incomes that is affordable, accessible and fit for purpose.
Libraries	Quality services which enrich the life of the community by promoting lifelong learning and the creative use of leisure.
Richmond Aquatic Centre and outdoor swimming pools	An Aquatic Centre facility and outdoor swimming pools that assist in meeting the community demand for aquatic activities and provide the level of service that the customers want and are prepared to pay for.
Community Relations	To lead, manage and facilitate the effective management, planning and delivery of Council's community engagement, communications, recreation, events, community grants and partnerships and environmental education responsibilities to build a sense of place and community well-being in support of the community outcomes and enhancement of Council's reputation and role within the community it serves.

# COMMUNITY DEVELOPMENT

## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	CURRENT PERFORMANCE
<p>An interconnected open space network and recreation facilities that provide a range of leisure opportunities and meet the needs of users and the community.</p>	<p>At least 85% of respondents rate their satisfaction with recreational facilities (which include playing fields and neighbourhood reserves) as “fairly satisfied” or better in the annual residents’ surveys.</p> <p>Target: 85% of Tasman residents are fairly or very satisfied with the District’s recreational facilities.</p>	 <p>This year’s annual residents’ survey found 90% of residents were very or fairly satisfied with our recreational facilities, while 7% were not very satisfied. Of the users of our recreational facilities, 91% stated they were very or fairly satisfied, and 7% were not very satisfied.</p> <p>In 2018, 84% of residents and 89% of users were satisfied with our recreational facilities, whilst 9% of residents and 5% of users were not very satisfied.</p> <p><b>See Figure 25</b> Satisfaction with Recreational Facilities on page 155.</p>
	<p>At least 85% of properties zoned ‘Residential’ are located within 500 metres of open space.</p> <p>Target: 85%</p>	 <p>This is the first year we are measuring this target.</p> <p>The current performance District-wide is 91%. All but one residential area (Upper Moutere) have at least 85% of residential zone properties within 500 metres of open space.</p>
<p>Public toilets at appropriate locations that meet the needs of users, are pleasant to use, and maintained to a high standard of cleanliness.</p>	<p>At least 70% of respondents who have used the District’s public toilets within the past year rate their satisfaction with public toilets as “fairly satisfied” or better in the annual residents’ surveys.</p> <p>Target: 70% of users are fairly or very satisfied with the District’s public toilets.</p>	 <p>Of the users of public toilets, 79% were very or fairly satisfied and 15% were not very satisfied.</p> <p>We added toilets in key locations and increased levels of service for cleaning in areas of high use to address the poorer level of satisfaction in last year’s survey.</p> <p>In 2018, 69% of users were satisfied or very satisfied with public toilets.</p> <p><b>See Figure 26</b> User Satisfaction with Public Toilets on page 156.</p>



## COMMUNITY DEVELOPMENT

### OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	CURRENT PERFORMANCE
<p>A network of public halls and community buildings (including multi-purpose community and recreation facilities in major centres and local halls) that provide reasonable access to indoor activities, and recreation space.</p>	<p>A community building is available within a 15 minute drive for 95% of the population (i.e. 20km radius catchment).</p> <p>Target: A community building is available within a 15 minute drive for 95% of the population.</p>	 <p>In 2018/2019, a community building was available within a 15 minute drive for 99% of our District's population.</p> <p>In 2017/2018, a community building was also available within a 15 minute drive for 99% of our District's population.</p>
<p>Accessible and affordable housing to eligible people within the community.</p>	<p>Tenants' overall satisfaction with community housing is at least 80%, as measured through a biennial survey of tenants.</p> <p>Target: Not measured this year</p>	 <p>This service is not due to be measured this year.</p> <p>Council last measured community housing tenants' satisfaction in the 2017/2018 year, where 85% of tenants were satisfied with our community housing. There have been no major changes to our community housing in 2018/2019 and we expect tenants overall satisfaction is at a similar level as for previous years.</p>
<p>The provision of access to a wide range of information relevant to the community's recreation and learning needs.</p>	<p>The number of lending/reference items available at Tasman libraries is 3.0 items per resident.</p> <p>Stock numbers will be measured quarterly using information available from e-resource vendors and the Library Management System software.</p> <p>Target: The number of reference/lending items available is maintained at 3.0 per resident.</p>	 <p>Items available at 30 June 2019 totaled 152,904, comprising 141,190 physical items and 11,714 electronic items; this equates to 2.9 items per resident. The number of electronic items includes items available through e-book consortia shared purchasing arrangements.</p> <p>In 2017/2018, there were 3.1 items per resident.</p>



# COMMUNITY DEVELOPMENT

## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	CURRENT PERFORMANCE
<p>The provision of access to a wide range of information relevant to the community's recreation and learning needs.</p>	<p>At least 83% of library users are fairly or very satisfied with the public libraries, as measured through the annual residents' survey.</p> <p>Target: 83% of library users are fairly or very satisfied with the public libraries.</p>	 <p>The 2019 annual residents' survey showed us that 91% of library users were very or fairly satisfied, and 5% were not very satisfied. Of residents, 74% were very or fairly satisfied with our public libraries, and 5% were not very satisfied.</p> <p>This compares with 88% of users and 76% of residents being fairly or very satisfied in the 2018 survey, and 7% of users and 6% of residents who were not very satisfied.</p> <p>The main reasons for not being satisfied were Motueka Library being too small and in need of an upgrade, issues with free Wi-Fi access for visitors and dissatisfaction with library user charges.</p> <p><b>See Figure 27</b> User Satisfaction with Public Libraries on page 156.</p>
<p>The provision of safe, welcoming, attractive and accessible library facilities for customers to access library services.</p>	<p>Council library buildings provide adequate spaces to enable the delivery of quality library services as measured against the Library and Information Association of New Zealand Aotearoa (LIANZA) standard.</p> <p>Target 1: The Richmond, Takaka and Murchison libraries floor areas are maintained at the current size.</p>	 <p>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> recommendation in the LIANZA standard.</p> <p>No building work was undertaken in 2018/2019. The Richmond, Takaka and Murchison buildings were maintained at their current size.</p>


# COMMUNITY DEVELOPMENT

## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	CURRENT PERFORMANCE
<p>The provision of safe, welcoming, attractive and accessible library facilities for customers to access library services.</p>	<p>Tasman District Council library buildings provide adequate spaces to enable the delivery of quality library services as measured against the Library and Information Association of New Zealand Aotearoa (LIANZA) standard.</p> <p>Target 2: Motueka Library floor area does not meet the LIANZA standard.</p>	 <p>The Motueka Library floor area achieves only 48% of the LIANZA standard. Funding for the redevelopment of the library is included in the LTP 2018 – 2028.</p> <p>We completed a feasibility study to investigate redevelopment options in July 2018. We completed a design brief and site investigations in June 2019.</p> <p>Funding for planning and design of a new library building is included in the 2019/2020 budget.</p>
	<p>The number of visits to our libraries is equivalent to at least 9 visits per resident per year.</p> <p>Visitor numbers will be recorded daily using data from door counters at the Richmond, Motueka and Takaka libraries.</p> <p>Target: An average of 9 visits per resident per year.</p>	 <p>This is the first year we are measuring this target.</p> <p>There was a total of 548,662 visits to the Richmond, Motueka and Takaka libraries in 2018/2019. This equates to 10.5 visits per resident.</p>

# COMMUNITY DEVELOPMENT

## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	CURRENT PERFORMANCE
<p>There is a high level of satisfaction reported from users of the Richmond Aquatic Centre facility.</p>	<p>At least 80% of users rate their satisfaction with Aquatic Centre facilities as fairly satisfied or better, in the annual residents' survey.</p> <p>Target: 80%</p>	 <p>According to specific customer surveys throughout 2018/2019, 90% of customers were satisfied. As the annual residents' survey did not specify whether residents had actually used the Aquatic Centre, we don't have results for users only. However, 74% of Richmond and Moutere-Waimea residents were fairly satisfied or better.</p> <p>The 2018 residents' survey did not measure satisfaction with the Aquatic Centre for residents or users. According to customer surveys throughout 2017/2018, users said they felt fairly satisfied or better for customer service (92%), wet and dry class timetable satisfaction (90%), overall cleanliness (88%) and services and programmes provided met the needs of customers (98%).</p>
<p>The Richmond Aquatic Centre facility is well used.</p>	<p>Admissions to the Aquatic Centre pool facility increases over time.</p> <p>Target: 230,000+ admissions.</p>	 <p>In 2018/2019, there were 303,072 paying visits. In 2017/2018, there were 311,524 paying visits. The closure of the lane pool for retiling is likely to have contributed to the slightly lower number of visits this year compared to last year.</p>
<p>Promotion and delivery of community events and recreational services.</p>	<p>Residents attending a range of Council-organised community events rate their satisfaction as 'fairly satisfied' or better, as measured through the annual residents' survey.</p> <p>Target: 75% of the community is very or fairly satisfied with Council activities or events.</p>	 <p>The annual residents' survey found that 81% of Tasman residents were very or fairly satisfied with Council-organised community events, the same as the results in 2018. This year, 6% of residents were not very satisfied and last year, 7% were not very satisfied.</p>

# COMMUNITY DEVELOPMENT

## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	CURRENT PERFORMANCE
<p>We provide a range of communication channels that enhance Council’s ability to engage and connect with the communities it serves.</p>	<p>Residents are informed and engage with Council:</p> <p>Target: At least 80% of residents consider the information supplied by Council to be sufficient (i.e. enough or more than enough) as measured by the annual residents’ survey.</p>	 <p>70% of Tasman residents considered information provided by Council was sufficient, and 22% felt it was not enough.</p> <p>This compares to 75% of residents in 2018 believing that Council provided enough information.</p> <p>While remaining ahead of the national average for sufficiency of information satisfaction (60%), we are always looking to improve our engagement processes to ensure as many people as possible have input into Council’s decision-making processes.</p> <p><b>See Figure 28</b> Sufficiency of Information Supplied by Council on page 157.</p>
	<p>Residents are informed and engage with Council:</p> <p>Target: Usage of Council’s online information sources (i.e. website and social media channels) increases at a rate of 5% or more annually.</p>	 <p>There was a decline in the number of users of our main website, from 341,614 in 2017/2018, to 288,899 in 2018/2019.</p> <p>Due to a website upgrade in November 2018 and changes in Google’s methodology, we cannot confidently compare user numbers with 2016/2017.</p> <p>Council’s Facebook followers have increased from 2354 to 4073 between 2017/2018 and 2018/2019. The biggest increase was around the time of the Pigeon Valley Fires in February 2019.</p>

# COMMUNITY DEVELOPMENT

## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS (CONT.)


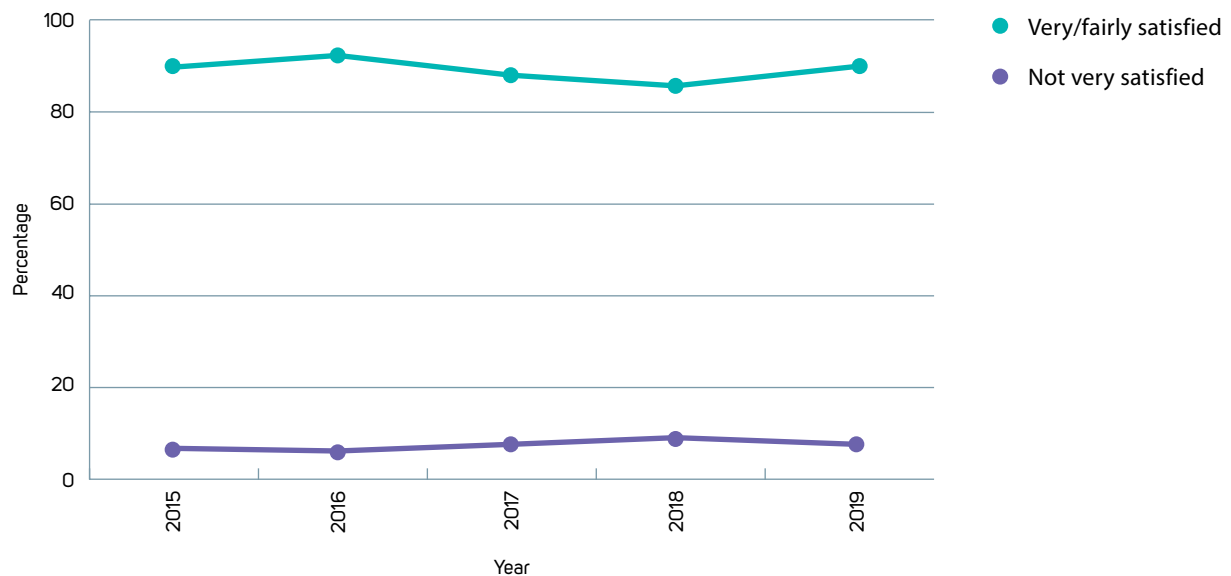
LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	CURRENT PERFORMANCE
<p>Leadership and coordination to schools and early childhood centres, to protect and enhance our local environment through education.</p>	<p>The number of schools and early childhood centres developing and maintaining environmental care practices is sustained.</p> <p>The achievement level of each enviroschool improves over time, as measured by the Enviroschools stages of Bronze, Silver to Green-Gold.</p> <p>Target: The number of schools and early childhood centres developing and maintaining environmental care practices is sustained.</p>	 <p>In 2018/2019, there were 19 schools and eight early childhood centres involved in the Enviroschools programme. One early childhood centre and one school moved to the bronze stage and one school moved to the silver stage.</p> <p>In 2017/2018, there were 24 schools and early childhood centres in the Enviroschools programme.</p>

FIGURE 25. Satisfaction with Recreational Facilities



# COMMUNITY DEVELOPMENT

FIGURE 26. User Satisfaction with Public Toilets

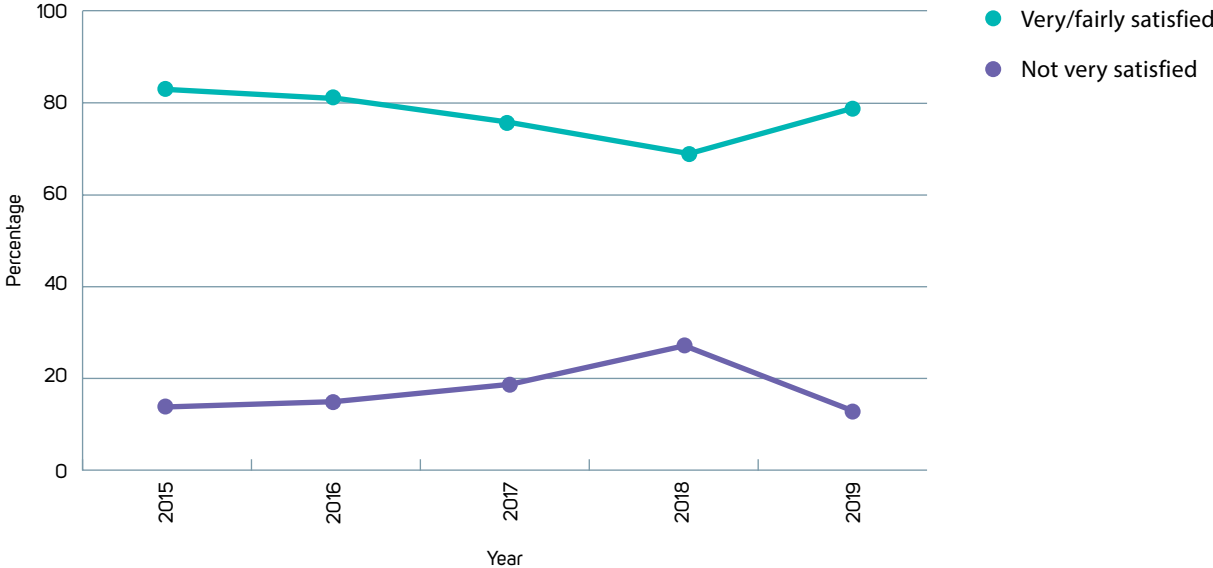
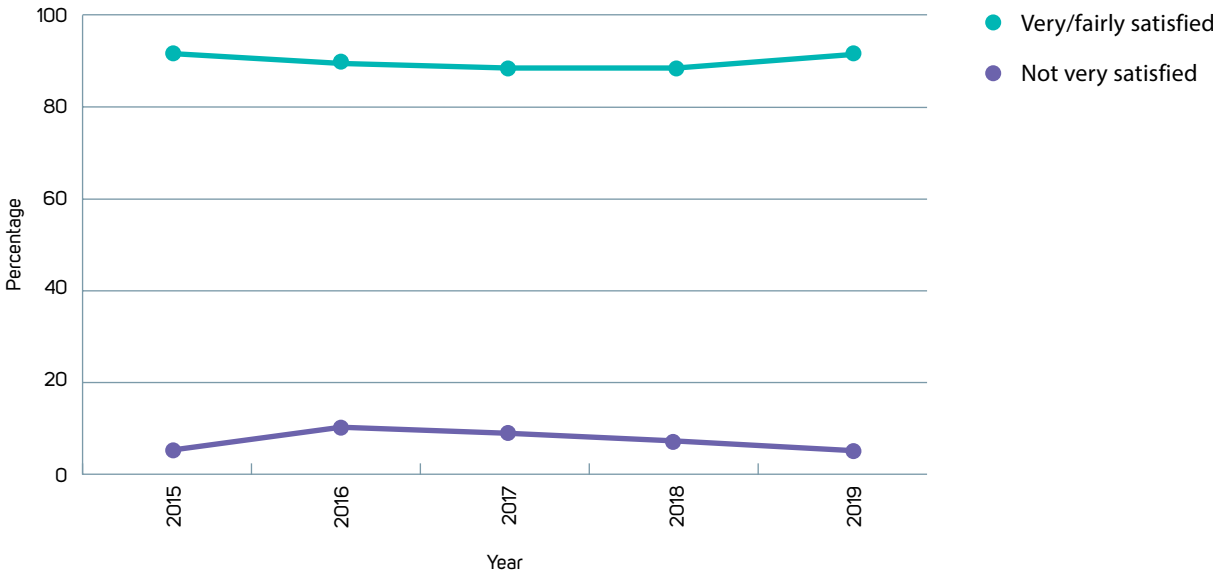


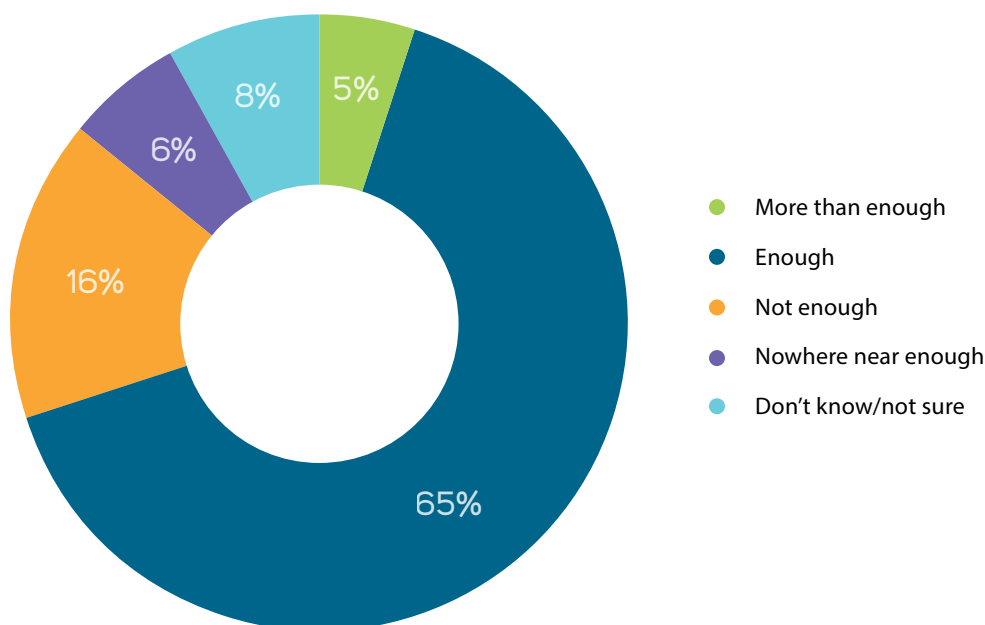
FIGURE 27. User Satisfaction with Public Libraries





## COMMUNITY DEVELOPMENT

FIGURE 28. Sufficiency of Information Supplied by Council



### MAJOR ACTIVITIES

The Community Development group of activities involves the ongoing management, maintenance and renewal of Council's parks and reserves, cemeteries, playgrounds, libraries, museums, halls, recreation centres, other district and shared facilities, public toilets, community housing, non-commercial campgrounds, Richmond Aquatic Centre and swimming pools. For the Community Relations component of this activity, the major activities include the provision of funding and advice for community initiatives and community organisations, community engagement – where we provide information to our community, enable debate and conversation and seek their views on Council's proposals, the support of organisations that preserve and display our region's heritage, the delivery of community and recreation activities and events, and the provision of environmental and sustainability opportunities through environmental education programmes.

The major projects for Community Development for 2018/2019 have included:

PROJECT	LTP BUDGET (YEARS EXPENDITURE PLANNED)	2018/2019 BUDGET	ACTUAL 2018/2019
Purchase of new reserves	\$18,213,000 (Y1 – 10)	\$1,766,200	Council spent \$608,793 in the 2018/2019 year on the purchase of new reserves throughout the District (usually as a result of subdivision). Unspent funds have been carried forward to 2019/2020.  New reserves acquired in 2018/2019 were an Esplanade Reserve in Richmond, an extension to Wakefield Recreation Reserve in Moutere/Waimea and an extension to Lake Killarney Reserve in Golden Bay.

## COMMUNITY DEVELOPMENT

### MAJOR ACTIVITIES (CONT.)

PROJECT	LTP BUDGET (YEARS EXPENDITURE PLANNED)	2018/2019 BUDGET	ACTUAL 2018/2019
Playgrounds and public toilets	\$4,418,000 (Y1 – 10)	\$459,000	<p>Council spent \$257,207 in the 2018/2019 year. Unspent funds have been carried forward to 2019/2020.</p> <p>New playground equipment was installed at Upper Moutere, Mārahau, Motueka and fitness equipment at Motueka and Tapawera.</p> <p>Additional public toilets were incorporated into a sports club facility in Richmond. Council also provided new toilets in various areas within the District to cater for freedom camping and other visitor use. This funding came from the Government's Tourism Infrastructure Fund and Responsible Camping Fund.</p>
Saxton Field development*	\$3,600,000 (Y1 – 10)	\$891,600	<p>Council spent \$645,784 in the 2018/2019 year. The addition of \$810,000 to the budget by way of Council resolution in 2018/2019, brought the total budget to \$891,600.</p> <p>The projects completed include; the first stage of the road linkage to Champion Drive and associated carparking, resurfacing of the No. 1 hockey turf, accessibility improvements to the oval, investigation on the resurfacing of the athletics track and partial completion of a mountain bike trail. Unspent funds have been carried forward to 2019/2020.</p>

\* Nelson City Council, sports codes and other funders also contribute funding to the development of Saxton Field.

## COMMUNITY DEVELOPMENT

### MAJOR ACTIVITIES (CONT.)

PROJECT	LTP BUDGET (YEARS EXPENDITURE PLANNED)	2018/2019 BUDGET	ACTUAL 2018/2019
Development of new and existing community facilities, parks and reserves.	\$4,921,000 (Y1 – 10)	\$726,785	<p>Council spent \$160,045 in the 2018/2019 year. Unspent funds have been carried forward to 2019/2020.</p> <p>Development projects included sports field lighting in Golden Bay, walkway development in Golden Bay and Motueka and fitness equipment for Richmond.</p>
Library collection renewal	\$3,074,000 (Y1 – 10)	\$295,800	<p>Council spent \$283,138 in the 2018/2019 year.</p> <p>We purchased 15,174 new items for our lending/reference collections in 2018/2019. The number of items in these collections now totals 141,190.</p>
Richmond Aquatic Centre renewals	\$1,451,455 (Y1 – 10)	\$526,932	<p>Council spent \$483,592 in the 2018/2019 year.</p> <p>This funding was largely spent on the retiling of the lane pool and on renewal of various pieces of plant and equipment.</p>
Digital Strategy	\$1,343,000 (Y1 – 10)	\$102,000	<p>Council spent \$37,586 in the 2018/2019 year.</p> <p>We have completed a Digital Readiness Assessment and improved some tools on our website. However, we have delayed some of the work until a Chief Information Officer is appointed and we can complete a review of our core digital services.</p>

## COMMUNITY DEVELOPMENT

### FUNDING IMPACT STATEMENT For the year ended June 2019

BUDGET 2018 \$000	ACTUAL 2018 \$000	COMMUNITY DEVELOPMENT	ACTUAL 2019 \$000	BUDGET 2019 \$000	% OF BUDGET
<b>SOURCES OF OPERATING FUNDING</b>					
10,309	10,307	General rates, uniform annual general charges, rates penalties	10,326	10,351	100%
4,457	4,445	Targeted rates	4,764	4,754	100%
81	127	Subsidies and grants for operating purposes	795	41	1939%
582	605	Fees and charges	607	538	113%
618	618	Internal charges and overheads recovered	512	512	100%
1,516	1,869	Local authorities fuel tax, fines, infringement fees, and other receipts	1,815	1,532	118%
<b>17,563</b>	<b>17,971</b>	<b>Total operating funding</b>	<b>18,819</b>	<b>17,728</b>	<b>106%</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>					
11,267	10,958	Payments to staff and suppliers	11,665	11,042	106%
1,276	1,229	Finance costs	1,126	1,195	94%
3,744	3,692	Internal charges and overheads applied	3,935	3,886	101%
-	-	Other operating funding applications	-	-	-
<b>16,287</b>	<b>15,879</b>	<b>Total applications of operating funding</b>	<b>16,726</b>	<b>16,123</b>	<b>104%</b>
<b>1,276</b>	<b>2,092</b>	<b>Surplus/(deficit) of operating funding</b>	<b>2,093</b>	<b>1,605</b>	<b>130%</b>
<b>SOURCES OF CAPITAL FUNDING</b>					
-	175	Subsidies and grants for capital expenditure	128	-	100%
1,778	2,252	Development and financial contributions	5,937	4,056	146%
(1,160)	(1,555)	Increase/(decrease) in debt	(120)	(375)	32%
-	-	Gross proceeds from sale of assets	-	-	-
-	-	Lump sum contributions	-	-	-
-	-	Other dedicated capital funding	-	-	-
<b>618</b>	<b>872</b>	<b>Total sources of capital funding</b>	<b>5,945</b>	<b>3,681</b>	<b>162%</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>					
<b>Capital expenditure</b>					
-	-	• to meet additional demand	-	-	-
342	273	• to improve the level of service	534	362	148%
1,773	1,664	• to replace existing assets	3,166	3,912	81%
(217)	1,131	Increase/(decrease) in reserves	4,442	1,067	416%
(4)	(104)	Increase/(decrease) in investments	(104)	(55)	189%
<b>1,894</b>	<b>2,964</b>	<b>Total applications of capital funding</b>	<b>8,038</b>	<b>5,286</b>	<b>152%</b>
<b>(1,276)</b>	<b>(2,092)</b>	<b>Surplus/(deficit) of capital funding</b>	<b>(2,093)</b>	<b>(1,605)</b>	<b>130%</b>

Reserve Movement Increase or Decrease – The movement in reserve is a reflection of the increased revenue associated with the Reserve Financial Contributions which has increased the activity surplus.

# GOVERNANCE

## WHAT WE DO

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

- organising and preparation for Council meetings;
- organising civic ceremonies, such as citizenship ceremonies and Anzac Day services;
- support for Councillors, Council and Community Boards and any other assistance required by the Mayor;
- running elections and democratic processes, including community consultation; and
- making appointments to Council Controlled Trading Organisations (CCTOs) and Council Controlled Organisations (CCOs).

Council has a shareholding in a number of CCOs, including:

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

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

## 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.



# GOVERNANCE

## CONTRIBUTION TO COMMUNITY OUTCOMES

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

## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	CURRENT PERFORMANCE
<p>We effectively run election processes.</p>	<p>Electoral processes are carried out within statutory timeframes and there are no successful challenges.</p> <p>Target: There are no successful challenges to any electoral processes that may occur during the year.</p>	<div data-bbox="975 1532 1289 1688" data-label="Figure"> </div> <p>There was no election in 2018/2019. Therefore, we received no challenges.</p> <p>The triennial local government election will be held on 12 October 2019.</p> <p>In 2017/2018, there were no challenges to the by-election for a Golden Bay Community Board member.</p>

## GOVERNANCE

### FUNDING IMPACT STATEMENT For the year ended June 2019

BUDGET 2018 \$000	ACTUAL 2018 \$000	GOVERNANCE	ACTUAL 2019 \$000	BUDGET 2019 \$000	% OF BUDGET
<b>SOURCES OF OPERATING FUNDING</b>					
3,047	3,047	General rates, uniform annual general charges, rates penalties	3,607	3,607	100%
300	301	Targeted rates	310	312	99%
–	–	Subsidies and grants for operating purposes	1,150	–	100%
11	4	Fees and charges	(2)	7	(29%)
–	–	Internal charges and overheads recovered	–	–	–
128	266	Local authorities fuel tax, fines, infringement fees, and other receipts	602	117	515%
<b>3,486</b>	<b>3,618</b>	<b>Total operating funding</b>	<b>5,667</b>	<b>4,043</b>	<b>140%</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>					
1,940	2,021	Payments to staff and suppliers	3,502	2,054	170%
–	–	Finance costs	–	–	–
1,033	1,006	Internal charges and overheads applied	1,013	1,045	97%
–	–	Other operating funding applications	–	–	–
<b>2,973</b>	<b>3,027</b>	<b>Total applications of operating funding</b>	<b>4,515</b>	<b>3,099</b>	<b>146%</b>
<b>513</b>	<b>591</b>	<b>Surplus/(deficit) of operating funding</b>	<b>1,152</b>	<b>944</b>	<b>122%</b>
<b>SOURCES OF CAPITAL FUNDING</b>					
–	–	Subsidies and grants for capital expenditure	50	–	100%
–	–	Development and financial contributions	–	–	–
–	–	Increase/(decrease) in debt	–	50	–
–	–	Gross proceeds from sale of assets	–	–	–
–	–	Lump sum contributions	–	–	–
–	–	Other dedicated capital funding	–	–	–
<b>–</b>	<b>–</b>	<b>Total sources of capital funding</b>	<b>50</b>	<b>50</b>	<b>100%</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>					
<b>Capital expenditure</b>					
–	–	• to meet additional demand	–	–	–
–	–	• to improve the level of service	–	–	–
2	35	• to replace existing assets	22	56	39%
511	556	Increase/(decrease) in reserves	1,180	938	126%
–	–	Increase/(decrease) in investments	–	–	–
<b>513</b>	<b>591</b>	<b>Total applications of capital funding</b>	<b>1,202</b>	<b>994</b>	<b>121%</b>
<b>(513)</b>	<b>(591)</b>	<b>Surplus/(deficit) of capital funding</b>	<b>(1,152)</b>	<b>(944)</b>	<b>122%</b>

**Reserve Movement Increase or Decrease** – The movement in reserve is a reflection of the underspend in this activity which has increased the surplus. Some of the movement reflect funding received from donations and lotteries grants around the Pigeon Valley fire.



# COUNCIL ENTERPRISES

## WHAT WE DO

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

## WHY WE DO IT

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

## CONTRIBUTION TO COMMUNITY OUTCOMES

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

## COUNCIL ENTERPRISES

### CONTRIBUTION TO COMMUNITY OUTCOMES (CONT.)

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

# COUNCIL ENTERPRISES


## CONTRIBUTION TO COMMUNITY OUTCOMES (CONT.)

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

### OUR GOAL

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

### OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	CURRENT PERFORMANCE
Commercial assets are managed prudently to provide a financial return for the benefit of the District's ratepayers.	<p>Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA) for Port Tarakohe will provide adequate funding cover for debt servicing or depreciation, whichever is the larger.</p> <p>Target: Funding cover = 0.5</p>	 <p>Funding cover in 2018/2019 was 0.5 times. This compares to 0.6 times funding cover in 2017/2018.</p> <p>Increases in mussel volumes and marina income has reduced the impact of a significant drop in rock volumes across the wharf.</p>

# COUNCIL ENTERPRISES

## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	CURRENT PERFORMANCE
<p>Commercial assets are managed prudently to provide a financial return for the benefit of the District’s ratepayers.</p>	<p>EBITDA for holiday parks and campgrounds will provide for increasing funding cover for debt servicing or depreciation.</p> <p>Target: Funding cover = 1.2</p>	 <p>Funding cover in 2018/2019 was 1.2 times.</p> <p>This compares to a funding cover of 2.1 times in 2017/2018.</p> <p>Increased income from Motueka Top 10 Holiday Park has offset the impact of delays for the upgrade of Collingwood Holiday Park and Pōhara Top 10 Holiday Park buyback.</p>
	<p>EBITDA for commercial properties will provide adequate funding cover for debt servicing or depreciation, whichever is the larger.</p> <p>Target: Funding cover = 0.8</p>	 <p>Funding cover in 2018/2019 was 1.2 times.</p> <p>This compares to 1.6 times funding cover in 2017/2018.</p> <p>Funding cover is slightly above target due to some minor cost savings. Funding cover in the previous year was higher due to one-off income from land sales.</p>
	<p>Net return on forestry assets will provide a commercial outcome.</p> <p>Target: 9%</p>	 <p>Net return in 2018/2019 was 6.3%.</p> <p>This compares with a net return of 9.6% in 2017/2018.</p> <p>EBITDA for forestry was still \$0.6 million above budget. However, the net return was lower than our target due to timing issues. We have harvested significantly less than planned in May and June 2019.</p>

## COUNCIL ENTERPRISES

### MAJOR ACTIVITIES

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

The major projects for Council Enterprises for 2018/2019 have included:

PROJECT	LTP BUDGET (YEARS EXPENDITURE PLANNED)	2018/2019 BUDGET	ACTUAL 2018/2019
Port Taranaki – New Wharf Construction	\$2,220,000 (Y1 – 8)	\$1,020,000	Council spent \$0 in the 2018/2019 year.  Major capital spend for the Port has been delayed pending the business case submission to the Provincial Growth Fund, which is seeking funding for a more significant upgrade.
Māpua Shed 5 Toilets	\$255,000 (Y1)	\$255,000	Council spent \$0 in the 2018/2019 year.  This work commenced at the end of June 2019, and is due to be completed by October 2019.
Collingwood Campground Upgrade	\$541,000	\$541,000	Council spent \$5,950 in the 2018/2019 year.  The upgrade was approved by Council on 28 March 2019, with an estimated cost of \$400,000. Initial works have commenced, however the majority of the work is subject to Heritage NZ approval, which was still in progress as at the end of the 2018/2019 financial year.
Collingwood Campground Renewals	\$566,000 (Y1 – 10)	\$51,000	Council spent \$20,526 in the 2018/2019 year.  The cost relates to the partial recladding of four existing cabins that had some rotten timber.
Pōhara Campground Capital Buyback	\$541,000 (Y1)	\$541,000	Council spent \$0 in the 2018/2019 year.  This was still under negotiation as at the end of the 2018/2019 financial year.
Pōhara Campground Renewals	\$680,000 (Y1 – 10)	\$61,200	Council spent \$46,243 in the 2018/2019 year.  The cost relates to some replacement cabin joinery and new stormwater drainage work.
Murchison Riverside Campground Renewals	\$556,000 (Y1 – 10)	\$51,000	Council spent \$0 in the 2018/2019 year.  No costs were incurred in 2018/2019.
Motueka Top 10 Holiday Park – Campground Upgrade	\$1,133,000 (Y1 – 10)	\$102,000	Council spent \$0 in the 2018/2019 year.  Approval was given for bathroom renewals of \$74,000 and kitchenette renewals of \$18,000 in June 2019. This work commenced in July 2019.

## COUNCIL ENTERPRISES

### FUNDING IMPACT STATEMENT For the year ended June 2019

BUDGET 2018 \$000	ACTUAL 2018 \$000	COUNCIL ENTERPRISES	ACTUAL 2019 \$000	BUDGET 2019 \$000	% OF BUDGET
<b>SOURCES OF OPERATING FUNDING</b>					
108	91	General rates, uniform annual general charges, rates penalties	(217)	(217)	100%
-	-	Targeted rates	-	-	-
-	-	Subsidies and grants for operating purposes	210	-	100%
1,082	1,055	Fees and charges	1,051	1,337	79%
-	-	Internal charges and overheads recovered	-	-	-
5,836	8,609	Local authorities fuel tax, fines, infringement fees, and other receipts	9,690	8,351	116%
<b>7,026</b>	<b>9,755</b>	<b>Total operating funding</b>	<b>10,734</b>	<b>9,471</b>	<b>113%</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>					
4,484	5,016	Payments to staff and suppliers	7,125	5,960	120%
389	323	Finance costs	309	441	70%
837	752	Internal charges and overheads applied	834	900	93%
-	-	Other operating funding applications	-	-	-
<b>5,710</b>	<b>6,091</b>	<b>Total applications of operating funding</b>	<b>8,268</b>	<b>7,301</b>	<b>113%</b>
<b>1,316</b>	<b>3,664</b>	<b>Surplus/(deficit) of operating funding</b>	<b>2,466</b>	<b>2,170</b>	<b>114%</b>
<b>SOURCES OF CAPITAL FUNDING</b>					
-	-	Subsidies and grants for capital expenditure	-	-	-
-	-	Development and financial contributions	-	-	-
1,621	902	Increase/(decrease) in debt	(445)	1,874	(24%)
-	270	Gross proceeds from sale of assets	-	-	-
-	-	Lump sum contributions	-	-	-
-	-	Other dedicated capital funding	-	-	-
<b>1,621</b>	<b>1,172</b>	<b>Total sources of capital funding</b>	<b>(445)</b>	<b>1,874</b>	<b>(24%)</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>					
<b>Capital expenditure</b>					
-	-	• to meet additional demand	-	-	-
1,252	1,041	• to improve the level of service	50	2,387	2%
1,193	627	• to replace existing assets	131	291	45%
492	3,168	Increase/(decrease) in reserves	1,840	1,366	135%
-	-	Increase/(decrease) in investments	-	-	-
<b>2,937</b>	<b>4,836</b>	<b>Total applications of capital funding</b>	<b>2,021</b>	<b>4,044</b>	<b>50%</b>
<b>(1,316)</b>	<b>(3,664)</b>	<b>Surplus/(deficit) of capital funding</b>	<b>(2,466)</b>	<b>(2,170)</b>	<b>114%</b>

Debt – The result of a lower capital spend means less debt was raised than planned. Reserve Movement Increase or Decrease – The movement in reserve is a reflection of the underspend in this activity which has increased the surplus. The positive result was due to increased forestry revenue.

# SUPPORT SERVICES

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

Support Services are the internal teams that help Council operate efficiently. Support Services are an essential part of ensuring we operate in an effective and efficient manner, meeting our statutory obligations, and working towards the achievement of community outcomes. These activities are internally focused and do not generally have a direct output to the community, rather they are internal support systems for those activities that do. The Support Service activities have their own business plans which outline the strategic focus for the activity and the major projects proposed.

This group is not classed as a 'group of activities' for LTP purposes and no funding impact statement is produced for these activities. However, we set and report against levels of service.

## STRATEGIC PLANNING

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

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

## CUSTOMER SERVICES

The customer services team provide a 'one stop shop', offering various contact options to customers through phone, email or face to face contact. Service centres are based in Richmond, Motueka, Takaka and Murchison.

Internal departments also rely on customer services to answer customer enquiries and process certain applications on their behalf.

## FINANCE

The finance team is responsible for offering financial advice and services to all of our other activities. All of our operations have some financial aspect to them and require support in areas such as revenue gathering, capital funding, meeting financial and tax obligations, monitoring of expenditure, and corporate reporting.

This activity provides a cost effective financial and accounting service that enhances the achievement of our goals and meets the needs of the organisation. It also provides a payroll service.

## HUMAN RESOURCES

The human resource activity works in partnership with managers to ensure that we recruit, train, and support our staff to perform in their roles competently. This activity provides training and development, performance management, remuneration, and related policy development and planning.

## INFORMATION SERVICES AND RECORDS MANAGEMENT

The primary roles of the information services and records management teams are to support and assist other activities to meet their goals and objectives through the provision of practical technological solutions and effective management of data and records. Services provided include information technology, records management, land administration, data integrity and geographical information systems.



## HEALTH AND SAFETY

This service is in place to support all of our activities and to provide a system to ensure that all health and safety objectives can be addressed and achieved as well as meeting our legislative requirements. This activity underpins good management as well as developing and enhancing corporate culture.




# SUPPORT SERVICES

## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	CURRENT PERFORMANCE
<p>We respond to customer requests in a timely and professional manner.</p>	<p>At least 85% of respondents are either fairly satisfied or very satisfied with the service they receive when they contact Council, as measured by the annual residents' survey.</p> <p>Target: 87% customer satisfaction rate.</p>	 <p>The 2019 annual residents' survey showed us that when residents contacted our offices by phone, in person, in writing, by email and/or online contact form, 86% of them were very or fairly satisfied. A total of 12% were not very satisfied.</p> <p>In the 2018 residents' survey, 80% of residents were fairly or very satisfied with the service they received when making contact with Council, and 20% were not very satisfied.</p> <p><b>See Figure 29</b> Satisfaction with Service Received with Contacting Council on page 174.</p>
	<p>Percentage of general enquiries that are responded to by Council staff within three working days of receipt of enquiry.</p> <p>As measured using Service Request data in NCS.</p> <p>Target: 95%</p>	 <p>86.5% of enquires were responded to within three working days.</p> <p>This is the first year we are measuring this target. An impact on this target was due to the number of staff placing business as usual to one side while involved with the Civil Defence response to the Pigeon Valley Fires.</p>




# SUPPORT SERVICES

## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	CURRENT PERFORMANCE
<p>We produce high quality, fit for purpose and accessible Long Term Plan (LTP), Annual Plans (AP) and Annual Reports (AR).</p>	<p>The Long Term Plan, Annual Plans and Annual Reports are prepared within statutory timeframes and there are no successful challenges to these processes.</p> <p>Target: All Long Term Plan, Annual Plan and Annual Report statutory timeframes are met. Long Term Plan amendments are managed to meet statutory requirements.</p>	 <p>We met the statutory timeframe for the Annual Report 2017/2018. Council adopted the Annual Report 2017/2018 on 18 October 2018 and published it within one month.</p> <p>We met the statutory timeframe for the Annual Plan 2019/2020. Council adopted the Annual Plan 2019/2020 on 31 May 2019 and published it within one month.</p> <p>There have been no challenges to the processes used by Council.</p> <p>This target was fully achieved in 2017/2018, with the adoption of the Long Term Plan 2018 – 2028 and Annual Report 2016/2017.</p>
<p>We consult effectively with the public in our decision-making processes.</p>	<p>50% of residents are either very satisfied or satisfied with the way Council consults the public in the decisions it makes, as measured by the annual residents' survey.</p> <p>Target: ≥ 50% residents' satisfaction rate.</p>	 <p>The results from this year's residents' survey show that 44% of residents feel very satisfied/satisfied with the way Council consults the public on upcoming decisions, while 21% state they are dissatisfied/very dissatisfied.</p> <p>Although we have measured the level of satisfaction with our consultation on previous occasions, this is the first year we are reporting against this target in the Annual Report.</p> <p>The level of satisfaction with Council's consultation processes is the same as the national average. Comments in the survey suggest that dissatisfaction with Council's decision on the Waimea Community Dam may have significantly influenced this result.</p>

# SUPPORT SERVICES

## OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	CURRENT PERFORMANCE
<p>We provide resolution of most customer phone enquiries during the initial conversation with a Customer Services Officer.</p>	<p>80% of customer phone calls are resolved at first point of contact (i.e. without the need to transfer the call to another staff member).</p> <p>Target: ≥80% of customer phone calls resolved at first point of contact.</p>	 <p>This year, 85% of customer calls were resolved at first point of contact.</p> <p>In 2017/2018, 82% of customer calls were resolved at first point of contact.</p>
<p>We provide Land Information Memorandums (LIMs) to customers within 10 working days.</p>	<p>100% of LIM applications are processed within the statutory timeframes (i.e. 10 working days).</p> <p>Target: 100% of LIMs are processed within statutory timeframes.</p>	 <p>Council processed 100% of LIMs within 10 working days.</p> <p>We processed 646 applications in an average of six working days.</p> <p>We had a 100% success rate in 2017/2018 for processing LIM applications.</p>
<p>All Council-owned buildings are safe.</p>	<p>All operational buildings (offices and libraries) comply with resource and building consents and any other legislative requirements.</p> <p>Target: 100% compliance.</p>	 <p>In 2018/2019, all buildings and property services were compliant, the same as last year.</p>

## SUPPORT SERVICES

### OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS (CONT.)



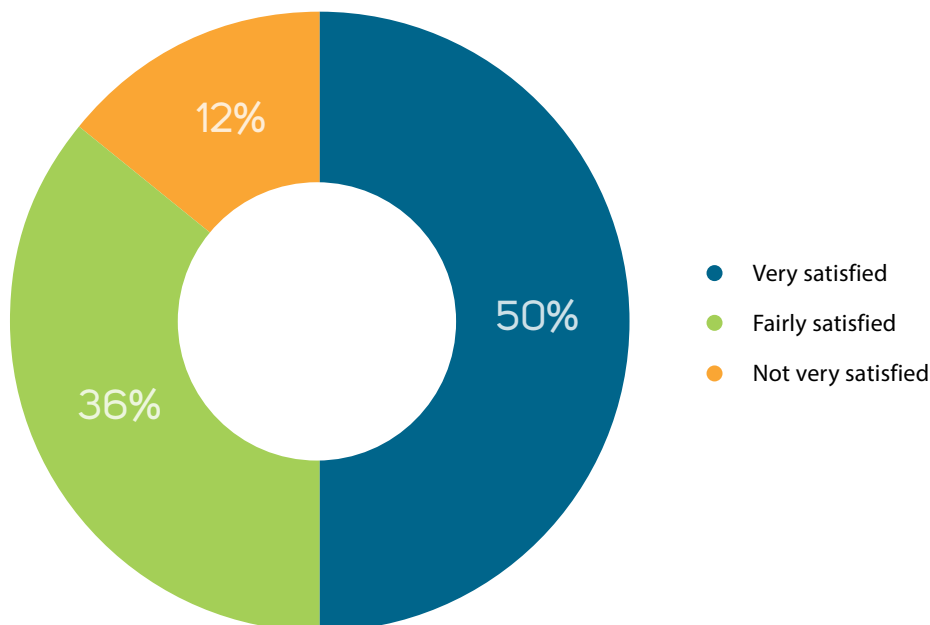
LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	CURRENT PERFORMANCE
Property and building assets that are functionality appropriate and meet the needs of users and customers.	<p>Customers and users are satisfied with the buildings that they occupy and the level of service provided.</p> <p>As measured by a three-yearly survey of selected customers.</p> <p>Target: 75% of customers surveyed are satisfied or very satisfied.</p>	 <p>Based on the 2019 annual residents' survey, at least 87% of users were satisfied or very satisfied with the physical access, layout, ambience and maintenance for various buildings.</p> <p>This was not measured in 2017/2018.</p>
Leases and licenses for Council properties are current and reviewed on time.	<p>The percentage of leases and licenses for Council properties that are not current is reducing on an annual basis.</p> <p>Target: 50% of leases and licenses are current.</p>	 <p>80% of leases and licenses for Council properties are now current.</p> <p>This is the first year we are measuring this target.</p>

FIGURE 29. Satisfaction with Service Received When Contacting Council



# PART FIVE

FINANCIAL  
STATEMENTS



# INTRODUCTION

## STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

The Statement of Comprehensive Revenue and Expense summarises all revenue received including that from rates, Council's significant activities and Council's associates and joint ventures.

From the total of this revenue is deducted the gross cost of services brought forward from the individual activities, together with expenditure not related to any of the significant activities.

Comprehensive revenue and expense also summarises the change in equity of Council from transactions and other events and circumstances from non-owner sources. It includes all changes in equity during a period. Therefore, it also includes such items as revaluations of property, plant and equipment.

## STATEMENT OF FINANCIAL POSITION

The Statement of Financial Position shows the assets and liabilities of the Tasman District Council.

## STATEMENT OF CASHFLOWS

The Statement of Cashflows summarises the cashflows for the year ended 30 June 2019.

## STATEMENT OF CHANGES IN EQUITY

The Statement of Changes in Equity provides a breakdown of the movements in total equity.

## COUNCIL FUNDING IMPACT STATEMENT

The Council Funding Impact Statement provides a breakdown of the net cost of services for significant groups of activities of Council.

## INDIVIDUAL FUNDING IMPACT STATEMENTS

The individual Funding Impact Statements of Council's significant activities record Council's objectives and achievements for the year ended 30 June 2019, together with the costs associated with the provision of each service.

## RELATIONSHIP TO THE LONG TERM PLAN 2018 – 2028 (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.

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The Financial Statements should be read in conjunction with the "Notes to the Financial Statements".

# STATEMENT OF ACCOUNTING POLICIES

## REPORTING ENTITY

Tasman District Council (Council) is a unitary local authority governed by the Local Government Act 2002 (LGA) and the Local Government (Rating) Act 2002. It is domiciled and operates in New Zealand.

Council provides local infrastructure, local public services, and performs regulatory functions to the community. Council does not operate to make a financial return.

Council has designated as a public benefit entity (PBE) for financial reporting purposes.

The financial statements of Council are for the year ended 30 June 2019. The financial statements were authorised for issue by Council on 10 October 2019

The financial statements have been prepared on the going concern basis, and the accounting policies have been applied consistently throughout the period.

The financial statements of Council have been prepared in accordance with the requirements of the LGA which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

These financial statements have been prepared in accordance with Tier 1 PBE accounting standards. These financial statements comply with PBE Standards.

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

## 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.

## OVERHEADS

Indirect overheads have been apportioned on an activity basis, using the 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 Council in its Long Term Plan 2018-2028 for the 2018/2019 year unless shown otherwise. The budget figures are consistent with the accounting policies adopted by Council for the preparation of the financial statements at the time the budget was prepared.

## FUNDING IMPACT STATEMENTS

The Funding Impact Statements ("FIS") have been prepared in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014. This is a reporting requirement unique to Local Government and the disclosures contained within and the presentation of these statements is not prepared in accordance with generally accepted accounting practices ("GAAP").

The purpose of these statements is to report the net cost of services for significant groups of activities ("GOA") of Council, and are represented by the revenue that can be allocated to these activities less the costs of providing the service. They contain all funding sources for these activities and all applications of this funding by these activities. The GOA FIS include internal transactions between activities such as internal overheads and charges applied, and or recovered. 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 Revenue and Expense Statement as required under GAAP. These items include, but are not limited to the Council's depreciation, gain and/or losses on revaluation and vested assets.



## STATEMENT OF ACCOUNTING POLICIES

They also depart from GAAP as funding sources are disclosed within the FIS as being either for operational or capital purposes. Revenue 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 revenue in the Comprehensive Revenue and Expense 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 PBE IPSAS 19 Provisions, Contingent Liabilities and Contingent Assets. This provision is calculated on the basis of discounting closure and post-closure costs into present-day value.

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

#### INFRASTRUCTURAL ASSETS

Infrastructural asset valuations are carried out on a three-yearly cycle, on a depreciated replacement cost basis. The carrying values of revalued items are reviewed at each balance date to ensure that these values are not materially different to fair value. The most recent revaluation was performed as at 31 March 2017. Where materially different, Council will revalue at an earlier point.

There are a number of assumptions and estimates used when performing depreciated replacement cost basis valuations over Infrastructural assets. These include:

- the physical deterioration and condition of an asset, for example Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets which are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets;
- estimating any obsolescence or surplus capacity of an asset; 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 Council's asset management planning activities, which gives Council further assurance over its useful life estimates.

Valuations are carried out by Council management and are reviewed by independent qualified valuers.

#### OPERATIONAL ASSETS

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

## STATEMENT OF ACCOUNTING POLICIES

- 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 2019.

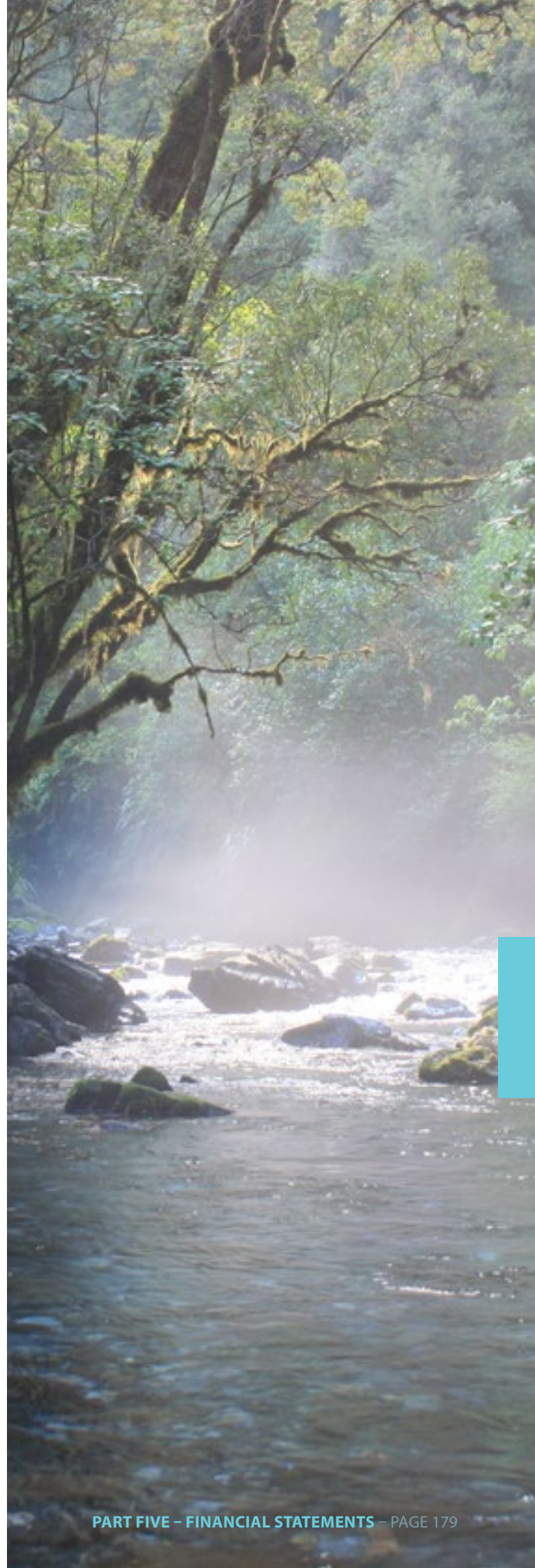
Land is valued at fair value using market-based evidence based on its highest and best use with reference to comparable land values. Adjustments have been made to the “unencumbered” land value where there is a designation against the land or the use of the land is restricted because of reserve or endowment 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 2019.

### CRITICAL JUDGEMENT IN APPLYING COUNCIL'S ACCOUNTING POLICIES

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

#### CLASSIFICATION OF PROPERTY

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



# STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the year ended 30 June 2019

ACTUAL 2018 \$000		NOTES	ACTUAL 2019 \$000	BUDGET 2019 \$000
<b>REVENUE</b>				
37,397	General rates	2	38,535	38,374
29,069	Targeted rates (other than for water supply)	2	30,267	30,062
4,262	Targeted rates for a water supply	2	4,632	4,260
8,347	Development and financial contributions		12,926	10,033
9,947	Operating subsidies and grants	4	7,784	3,620
4,138	Capital subsidies and grants	4	5,509	3,050
15,270	Fees and charges	5	15,199	15,071
21,853	Other revenue	3	33,214	18,669
4,480	Fair value gain/(loss) on revaluation	3	(3,495)	466
385	Other gains	3	76	62
540	Finance income	8	1,194	293
5,533	Revenue of joint ventures	21	6,554	6,891
8,687	Share of associates surplus/deficit	20	8,419	-
<b>149,908</b>	<b>Total revenue</b>	<b>1</b>	<b>160,814</b>	<b>130,851</b>
<b>EXPENSES</b>				
7,502	Finance expense	8	7,934	9,696
21,325	Employee related expense	6	23,083	23,976
37,909	Other expenses	7	38,037	34,854
29,343	Maintenance	7	25,704	19,636
23,691	Depreciation and amortisation	17	24,498	26,392
6,448	Expenditure of joint ventures	21	8,099	3,587
<b>126,218</b>	<b>Total expense</b>	<b>1</b>	<b>127,355</b>	<b>118,141</b>
<b>23,690</b>	<b>Surplus/(deficit) before taxation</b>		<b>33,459</b>	<b>12,710</b>
-	Income tax expense	9	-	-
<b>23,690</b>	<b>Surplus/(deficit) after tax</b>		<b>33,459</b>	<b>12,710</b>
<b>OTHER COMPREHENSIVE REVENUE</b>				
31,002	Gain on asset revaluations	26	381	-
-	Deferred tax on asset revaluations	9	-	-
863	Movement in NZLG shares value	26	819	-
(1,090)	Asset impairment/disposal Loss	15,26	(514)	-
5,157	Share of associate or other comprehensive income	20,26	(960)	-
<b>35,932</b>	<b>Total other comprehensive revenue and expense</b>		<b>(274)</b>	<b>-</b>
<b>59,622</b>	<b>Total comprehensive revenue and expense</b>		<b>33,185</b>	<b>12,710</b>

The table above shows surplus before other comprehensive income of \$33.5 million (2018: \$23.7 million) compared with a budgeted accounting surplus of \$12.7 million (2018: \$9.2 million). This equates to a surplus or favourable variance of \$19.6 million, and includes such items as; development contributions, vested assets, interest rate swap valuations, share of associates' income and movement in the forestry revaluation. Variances are explained in note 36.

Reclassification resulted in a movement within 2017/18 expenditure detailed in note 42, which shows \$4.1 million was reclassified to other expenses from maintenance, \$718,000 was reclassified from employee benefit expenses to other expenses.

# STATEMENT OF FINANCIAL POSITION

As at 30 June 2019

ACTUAL 2018 \$'000		NOTES	ACTUAL 2019 \$'000	BUDGET 2019 \$'000
<b>CURRENT ASSETS</b>				
1,293	Cash and cash equivalents	10	15,273	6,047
22,334	Trade and other receivables	11	16,434	19,632
11,700	Other financial assets	13	1,371	1,833
–	Non-current assets held for resale	14	–	560
<b>35,327</b>	<b>Total current assets</b>		<b>33,078</b>	<b>28,072</b>
<b>CURRENT LIABILITIES</b>				
21,013	Trade and other payables	22	20,429	17,578
1,987	Employee benefit liabilities	24	2,219	2,180
49,003	Current portion of borrowings	25	35,003	16,228
90	Current portion of derivative financial instruments	12	3,625	818
<b>72,093</b>	<b>Total current liabilities</b>		<b>61,276</b>	<b>36,804</b>
<b>(36,766)</b>	<b>Working capital</b>		<b>(28,198)</b>	<b>(8,732)</b>
<b>NON-CURRENT ASSETS</b>				
134,405	Investments in associates	20	137,599	123,311
7,593	Other financial assets	13	27,684	38,553
2,232	Intangible assets	16	2,376	1,386
2,055	Trade and other receivables	11	–	–
41,220	Forestry assets	18	44,101	36,724
5,130	Investment property	19	5,250	4,700
1,419,238	Property, plant and equipment	15	1,456,128	1,428,248
<b>1,611,873</b>	<b>Total non-current assets</b>		<b>1,673,138</b>	<b>1,632,922</b>
<b>NON-CURRENT LIABILITIES</b>				
104,500	Term borrowings	25	137,862	180,872
12,611	Derivative financial instruments	12	15,511	11,582
480	Employee benefit liabilities	24	406	557
1,889	Provisions	23	2,349	3,286
<b>119,480</b>	<b>Total non-current liabilities</b>		<b>156,128</b>	<b>196,297</b>
<b>1,455,627</b>	<b>Total net assets</b>		<b>1,488,812</b>	<b>1,427,893</b>
<b>EQUITY</b>				
608,210	Accumulated equity	27	634,288	626,909
20,366	Restricted reserves	28	27,747	9,825
827,051	Revaluation reserves	26	826,777	791,159
<b>1,455,627</b>	<b>Total equity</b>		<b>1,488,812</b>	<b>1,427,893</b>

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.

# STATEMENT OF CASHFLOWS

As at 30 June 2019

ACTUAL 2018 \$000		NOTES	ACTUAL 2019 \$000	BUDGET 2019 \$000
<b>CASHFLOW FROM OPERATING ACTIVITIES</b>				
<b>Cash was provided from:</b>				
46,401	• Fees and charges and other revenue		72,737	45,777
70,831	• Rates revenue		73,566	72,695
3,353	• Dividends received		3,971	2,955
481	• Interest received		1,066	293
<b>121,066</b>			<b>151,340</b>	<b>121,720</b>
<b>Cash was disbursed to:</b>				
(91,609)	• Payments to suppliers and employees		(90,926)	(81,273)
(7,277)	• Interest paid		(7,396)	(9,696)
(133)	• Net GST (paid)/received		1,098	-
<b>(99,019)</b>			<b>(97,224)</b>	<b>(90,969)</b>
<b>22,047</b>	<b>Net cash flow from operating</b>	<b>29</b>	<b>54,116</b>	<b>30,751</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>				
<b>Cash was provided from:</b>				
560	• Proceeds from sale of assets		773	62
-	• Proceeds from sale of investments		11,700	55
<b>560</b>			<b>12,473</b>	<b>117</b>
<b>Cash was disbursed to:</b>				
(40,687)	• Purchase of assets		(51,328)	(42,479)
(10,144)	• Purchase of investments		(20,643)	(23,262)
<b>(50,831)</b>			<b>(71,971)</b>	<b>(65,741)</b>
<b>(50,271)</b>	<b>Net cash flow from investing</b>		<b>(59,498)</b>	<b>(65,624)</b>
<b>CASHFLOW FROM FINANCING ACTIVITIES</b>				
<b>Cash was provided from:</b>				
43,272	• Loans raised		68,365	44,101
<b>Cash was disbursed to:</b>				
(16,000)	• Loan principal repayments		(49,003)	(15,421)
<b>27,272</b>	<b>Net cash flow from financing</b>		<b>19,362</b>	<b>28,680</b>
(950)	Total net cash flows		13,980	(6,193)
2,243	Opening cash held		1,293	12,240
<b>1,293</b>	<b>Closing cash and cash equivalents balance</b>	<b>10</b>	<b>15,273</b>	<b>6,047</b>

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.



# STATEMENT OF CHANGES IN EQUITY

As at 30 June 2019

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

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.



# COUNCIL FUNDING IMPACT STATEMENT

As at 30 June 2019

BUDGET 2018 \$'000	ACTUAL 2018 \$'000	FUNDING IMPACT STATEMENT	ACTUAL 2019 \$'000	BUDGET 2019 \$'000
<b>SOURCES OF OPERATING FUNDING</b>				
37,701	37,902	General rates, uniform annual general charges, rates penalties	39,048	38,886
33,276	33,494	Targeted rates	35,084	34,542
3,686	9,758	Subsidies and grants for operating purposes	8,534	3,640
18,908	15,304	Fees and charges	15,226	15,051
3,414	3,393	Interest and dividends from investments	5,555	3,248
10,408	14,962	Local authorities fuel tax, fines, infringement fees, and other receipts	23,986	19,002
<b>107,393</b>	<b>114,813</b>	<b>Total operating funding</b>	<b>127,433</b>	<b>114,369</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>				
78,579	91,098	Payments to staff and suppliers	94,433	81,259
8,301	7,502	Finance costs	7,935	9,697
-	-	Other operating funding applications	-	-
<b>86,880</b>	<b>98,600</b>	<b>Total applications of operating funding</b>	<b>102,368</b>	<b>90,956</b>
<b>20,513</b>	<b>16,213</b>	<b>Surplus/(deficit) of operating funding</b>	<b>25,065</b>	<b>23,413</b>
<b>SOURCES OF CAPITAL FUNDING</b>				
3,764	4,291	Subsidies and grants for capital expenditure	4,247	3,050
5,427	8,347	Development and financial contributions	12,926	10,033
21,026	27,500	Increase/(decrease) in debt	19,534	28,680
75	385	Gross proceeds from sale of assets	76	62
-	-	Lump sum contributions	-	-
-	-	Other dedicated capital funding	-	-
<b>30,292</b>	<b>40,523</b>	<b>Total sources of capital funding</b>	<b>36,783</b>	<b>41,825</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>				
<b>Capital expenditure</b>				
6,229	528	• to meet additional demand	312	1,549
23,038	8,164	• to improve the level of service	22,750	21,711
16,255	36,337	• to replace existing assets	25,371	17,715
(553)	1,258	Increase/(decrease) in reserves	(813)	1,107
5,836	10,449	Increase/(decrease) in investments	14,228	23,156
<b>50,805</b>	<b>56,736</b>	<b>Total applications of capital funding</b>	<b>61,848</b>	<b>65,238</b>
<b>(20,513)</b>	<b>(16,213)</b>	<b>Surplus/(deficit) of capital funding</b>	<b>(25,065)</b>	<b>(23,413)</b>

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.



# PART SIX

NOTES TO  
FINANCIAL  
STATEMENTS



## NOTES TO FINANCIAL STATEMENTS

### NOTE 1: SUMMARY OF REVENUE AND EXPENDITURE FOR GROUPS OF ACTIVITIES

2017/2018 \$'000		2018/2019 \$'000
<b>INCOME</b>		
10,025	Environmental Management	11,951
6,371	Public Health and Safety	7,009
26,514	Transportation, Roads and Footpaths	24,093
525	Coastal Structures	586
11,952	Water	16,464
15,432	Wastewater	16,840
6,967	Stormwater	6,997
11,476	Solid Waste	12,661
2,797	Flood Protection and River Control Works	3,549
19,394	Community Relations	24,757
15,590	Council Enterprises	13,291
3,506	Governance	5,715
19,359	Overhead activities including Treasury, Joint Ventures and Associates	16,901
<b>149,908</b>	<b>Total revenue</b>	<b>160,814</b>
<b>EXPENSE</b>		
10,608	Environmental Management	11,297
6,689	Public Health and Safety	7,913
30,676	Transportation, Roads and Footpaths	25,739
460	Coastal Structures	356
12,789	Water	12,804
12,078	Wastewater	12,319
4,192	Stormwater	4,181
13,090	Solid Waste	12,153
3,834	Flood Protection and River Control Works	3,863
19,363	Community Development	20,795
6,570	Council Enterprises	8,486
3,027	Governance	4,515
2,842	Overhead activities including Treasury, joint ventures and associates	2,934
<b>126,218</b>	<b>Total expenses</b>	<b>127,355</b>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 2: RATES

#### RATES RECOGNITION

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

The following particular policies apply:

- General rates, targeted rates (excluding water-by-meter), and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. Council considers that the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.
- Rates arising from late payment penalties are recognised as revenue when rates become overdue.
- Rates remissions are recognised as a reduction of rates revenue when Council has received an application that satisfies its rates remission policy.
- Water billing revenue is recognised on an accrual basis with unread meters at year end accrued on an average usage basis.

2017/2018 \$000	RATES	2018/2019 \$000
<b>37,397</b>	<b>Total general rates</b>	<b>38,535</b>
<b>TARGETED RATES ATTRIBUTABLE TO ACTIVITIES</b>		
192	Environmental Management	184
–	Transportation, Roads and Footpaths	–
96	Coastal Structures	90
8,905	Water Supply	10,004
10,259	Wastewater	10,072
4,466	Stormwater	4,785
2,391	Solid Waste	2,029
2,276	Flood Protection and River Control Works	2,661
4,445	Community Development	4,764
301	Governance	310
<b>33,331</b>	<b>Total targeted rates attributable to activities</b>	<b>34,899</b>
<b>70,728</b>	<b>Total rates</b>	<b>73,434</b>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 2: RATES (CONT.)

Included in targeted rates attributable to water supply is income received or to be received from targeted rates for metered water supply of \$7,623,000 (2018: \$7,043,000).

Council is required by the LGFA Guarantee and Indemnity Deed to disclose in its financial statements (or notes) its annual rates revenue. That Deed defines annual rates revenue 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 Council from other local authorities for services provided by that Council for which those other Local Authorities rate.

The annual rates revenue of Council for the year ended 30 June 2019 and 30 June 2018 for the purposes of the LGFA Guarantee and Indemnity Deed disclosure is shown below:

2017/2018 \$000	RATES (CONT.)	2018/2019 \$000
70,728	Rates	73,434
<b>70,728</b>		<b>73,434</b>

Rates revenue is shown net of rates remissions. The rates remission policy allows Council to remit rates when certain conditions and criteria are met. Some examples of situations where rates may be remitted include when land has been detrimentally affected by natural disaster, on properties with a rating valuation up to \$7,000 and on land used for sporting, recreation or community services purposes.

In accordance with the 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.

2017/2018 \$000	RATES (CONT.)	2018/2019 \$000
71,018	Total rates revenue	73,756
(290)	Rates remissions	(322)
<b>70,728</b>	<b>Rates revenue net of remissions</b>	<b>73,434</b>

A rating revaluation occurs every three years. They are prepared on behalf of the Tasman District Council by Quotable Value (QV). The entire process is independently audited by the Office of the Valuer General. The effective date for the current revaluation is 1 September 2017. These valuations, along with other factors will be used by Council as the basis for distributing individual rates obligations for the three financial years, starting from 1 July 2018.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 3: OTHER REVENUE

Revenue is recognised on an accrual basis and is measured at the fair value of consideration received or receivable. The following particular policies apply:

- Development contributions and reserve financial contributions are recognised as revenue when Council has rights to the contribution and has provided, 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 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. The fair value of vested or donated assets is usually determined by reference to the cost of constructing the asset. For assets received from property developments, the fair value is based on construction price information provided from the most recent revaluation.
- Infringements are recognised when the fine is issued.

2017/2018 \$000	OTHER REVENUE	2018/2019 \$000
7,187	Forestry harvesting revenue	8,186
104	Dividend revenue	96
193	Infringements & fines	470
394	Petrol tax	409
245	Rental revenue from investment properties	271
8,659	Vested assets	15,861
5,071	Other	7,921
<b>21,853</b>		<b>33,214</b>

2017/2018 \$000	FAIR VALUE MOVEMENT ON REVALUATION	2018/2019 \$000
(1,235)	Unrealised gain/(loss) on interest rate derivatives	(6,436)
5,759	Gain on changes in fair value of forestry assets	2,895
(44)	Investment property revaluation movement	46
<b>4,480</b>		<b>(3,495)</b>

2017/2018 \$000	OTHER GAINS	2018/2019 \$000
385	Gain on disposal of property plant and equipment	76
<b>385</b>		<b>76</b>

Development contributions in the year ended 30 June 2019 were reduced by the reversal of previously recognised contributions \$707,000, which are not yet due.



## NOTES TO FINANCIAL STATEMENTS

### NOTE 4: SUBSIDIES AND GRANTS

Revenue is recognised on an accrual basis and is measured at the fair value of consideration received or receivable. The following policies apply:

- 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.
- Other grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

2017/2018 \$000	OPERATING SUBSIDIES AND GRANTS	2018/2019 \$000
9,699	NZ Transport Agency roading subsidies	6,071
248	Other subsidies, grants and donations	1,713
<b>9,947</b>		<b>7,784</b>

2017/2018 \$000	CAPITAL SUBSIDIES AND GRANTS	2018/2019 \$000
3,763	NZ Transport Agency roading subsidies	3,258
375	Other subsidies and grants	2,251
<b>4,138</b>		<b>5,509</b>

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

Other subsidies, grants and donations in the year ended 30 June 2019 includes \$1,679,000 from central government and public donations related to the February 2019 Tasman fires.

### NOTE 5: FEES AND CHARGES

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

The following particular policies apply:

- Fees and charges for building and resource consent services are recognised on a percentage completion basis with reference to the recoverable costs incurred at balance date.

2017/2018 \$000	FEES AND CHARGES	2018/2019 \$000
4,870	Building, resource consent, public health and liquor licensing charges	5,229
4,187	Landfill/resource recovery centre charges	4,200
3,483	Sales	3,218
509	Sundry fees and recoveries	502
2,221	Other fees and charges	2,050
<b>15,270</b>		<b>15,199</b>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6: EMPLOYEE BENEFIT EXPENSES

2017/2018 \$000	EMPLOYEE BENEFIT EXPENSES	2018/2019 \$000
20,409	Salary and wages	22,015
864	Kiwisaver/superannuation schemes employer contributions	887
52	Increase/(decrease) in employee benefit liabilities	181
<b>21,325</b>		<b>23,083</b>

### NOTE 7: OTHER EXPENSES

#### 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.

#### 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.

2017/2018 \$000	OTHER EXPENSES	2018/2019 \$000
3,290	Forestry harvesting expenses	4,757
2,066	Projects	2,036
1,493	Grants Paid	3,003
1,567	Rates & Water	1,498
1,085	Levies Paid	1,060
1,110	Electricity	1,109
718	Elected representatives salary (including community board)	737
6,429	Consultants	5,170
1,492	Impairment and bad debt write offs	11
1,279	Legal Fees	878
198	Movement in bad debts provision	11
139	Minimum lease payments under operating leases	20
124	Audit fees – annual reporting	126
86	Audit fees – long term plan	–
15	Donations	14
16,818	Other Operating Expenses	17,607
<b>37,909</b>		<b>38,037</b>



## NOTES TO FINANCIAL STATEMENTS

### NOTE 7: OTHER EXPENSES (CONT.)

2017/2018 \$000	MAINTENANCE	2018/2019 \$000
28,058	Operational Maintenance	24,214
1,285	Other Maintenance	1,490
<b>29,343</b>		<b>25,704</b>

Maintenance comprises Council expenditure to maintain its infrastructural and operational assets. This includes the transportation and road network, facilities and parks and Council enterprises, property maintenance. Other Operating Expenses includes general operating expenses, insurance, rating valuation fees, information technology costs, refuse and waste water costs.

### NOTE 8: FINANCE EXPENSE AND FINANCE INCOME

Interest revenue is recognised using the effective interest method

2017/2018 \$000	FINANCE EXPENSE	2018/2019 \$000
<b>INTEREST EXPENSE</b>		
7,511	Interest on borrowings	7,928
2	Interest on finance leases	-
(11)	Provisions: discount unwinding	6
<b>7,502</b>	<b>Total finance costs</b>	<b>7,934</b>

2017/2018 \$000	FINANCE INCOME	2018/2019 \$000
<b>INTEREST REVENUE</b>		
481	Interest on bank deposits	1,047
41	Interest on related party loans	140
18	Interest on community loans	7
<b>540</b>	<b>Total finance revenue</b>	<b>1,194</b>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 9: TAX

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 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 transactions recognised in other comprehensive revenue and expense or directly in equity.

2017/2018 \$000		2018/2019 \$000
<b>RELATIONSHIP BETWEEN TAX EXPENSE AND ACCOUNTING PROFIT</b>		
23,690	Net surplus	33,459
6,663	Tax at 28%	9,369
(6,663)	Less non-taxable income	(9,369)
–	Deferred tax adjustment	–
–	<b>Tax expense</b>	–

	PROPERTY, PLANT AND EQUIPMENT \$000	TAX LOSSES \$000	TOTAL \$000
<b>DEFERRED TAX ASSETS/(LIABILITIES)</b>			
<b>Balance at 1 July 2017</b>	<b>(484)</b>	<b>484</b>	–
Charged to surplus or deficit	3	(3)	–
Charged to other comprehensive revenue and expense	(480)	480	–
<b>Balance at 1 July 2018</b>			
Charged to surplus or deficit	(1)	1	–
Charged to other comprehensive revenue and expense	–	–	–
<b>Tax expense</b>	<b>(481)</b>	<b>481</b>	–

A deferred tax asset has not been recognised in relation to tax losses of \$11,848,000 (2018: \$11,360,000).

## NOTES TO FINANCIAL STATEMENTS

### NOTE 10: 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.

2017/2018 \$000	CASH AND CASH EQUIVALENTS	2018/2019 \$000
1,293	Cash at bank and in hand	10,273
–	Short term deposits maturing three months or less from date of acquisition	5,000
<b>1,293</b>	<b>Total cash and cash equivalents</b>	<b>15,273</b>

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

### NOTE 11: TRADE AND OTHER RECEIVABLES

Receivables are recorded at their face value, less any provision for impairment.

2017/2018 \$000	TRADE AND OTHER RECEIVABLES	2018/2019 \$000
1,172	Rates receivables	1,150
23,469	Other receivables	15,316
257	Prepayments	467
<b>24,898</b>		<b>16,933</b>
(509)	Less provision for doubtful debts	(499)
<b>24,389</b>		<b>16,434</b>
<b>Comprising</b>		
22,334	Current portion	16,434
2,055	Non-current	–
<b>24,389</b>	<b>Total trade and other receivables</b>	<b>16,434</b>

The carrying amount of trade and other receivables approximates their fair value. There is no concentration of credit risk with respect to receivables.

Council 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 four months after the due date for payment. If payment has not been made within three months of the Court's judgement, then Council can apply to the Registrar of the High Court to have the judgement enforced by sale or lease of the rating unit.

The impairment provision has been calculated based on a review of specific overdue receivables. There has been no collective impairment based on an analysis of past collection history and debt write-offs. Council holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 11: TRADE AND OTHER RECEIVABLES (CONT.)

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

2017/2018 \$000		2018/2019 \$000
(311)	At 1 July	(509)
(329)	Additional provisions made during the year	(196)
56	Written off during period	10
75	Provisions reversed in year	196
<b>(509)</b>	<b>At 30 June</b>	<b>(499)</b>

The status of other receivables as at 30 June 2019 and 2018 are detailed as below:

2019 CURRENT AND NON-CURRENT	GROSS \$000	IMPAIRMENT \$000	NET \$000
< 30 days	13,933	–	13,933
30 – 60 days	359	–	359
61 – 90 days	63	–	63
90+ days	961	(499)	462
<b>Total other receivables</b>	<b>15,316</b>	<b>(499)</b>	<b>14,817</b>

2018 CURRENT AND NON-CURRENT	GROSS \$000	IMPAIRMENT \$000	NET \$000
Current	18,146	–	18,146
30 – 60 days	1,134	–	1,134
61 – 90 days	335	–	335
90+ days	3,854	(509)	3,345
<b>Total other receivables</b>	<b>23,469</b>	<b>(509)</b>	<b>22,960</b>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 12: DERIVATIVE FINANCIAL INSTRUMENTS

#### ACCOUNTING FOR DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

Council uses derivative financial instruments 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.

2017/2018 \$000	DERIVATIVE FINANCIAL INSTRUMENTS	2018/2019 \$000
12,701	Interest Rate Swaps	19,136
<b>12,701</b>	<b>Total derivative financial instruments</b>	<b>19,136</b>
	<b>Comprising:</b>	
90	Current portion	3,625
12,611	Non-current	15,511
<b>12,701</b>	<b>Total derivative financial instruments liability</b>	<b>19,136</b>

#### Fair Value

The fair values of interest rate swaps have been determined using a discounted cash flow valuation technique based on quoted market prices. The inputs into the valuation model are from independently sourced market parameters such as interest rate yield curves.

#### Interest Rate Swaps

The notional principal amounts of the outstanding interest rate swap contracts for Council at 30 June 2019 were \$188.05 million of which \$122.05 million is 'live' at balance date (2018: \$209.05 million of which \$112.05 million is 'live' at balance date). At 30 June 2019, the fixed interest rates of cash flow hedge interest rate swaps vary from 2.76% to 5.53% (2018: 2.76% to 5.53%).

#### Sensitivity Analysis

Council's interest rate swaps are sensitive to market movements. With all other variables held constant, based on Council's financial instrument exposures at balance date, a movement in interest rates of plus or minus 1% has an effect on the swap value of plus \$6.9 million or minus \$7.5 million.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 13: 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 revenue and expense. The classification depends on the purpose for which the investments were acquired.

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 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 include financial assets held for trading**

A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of short-term profit-taking. Derivatives are also categorised as held for trading unless they are designated into a hedge accounting relationship for which hedge accounting is applied.

After initial recognition, financial assets in this category are measured at their fair values with gains or losses on re-measurement 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. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.

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.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 13: FINANCIAL ASSETS (CONT.)

- **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 fund and short term deposits in this category.

- **Financial assets at fair value through comprehensive revenue and expense**

Financial assets at fair value through comprehensive revenue and expense are those that are designated as fair value through comprehensive revenue and expense 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 revenue and expense 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 revenue and expense will be removed from reserves and recognised in surplus or deficit even though the asset has not been de-recognised.

On de-recognition the cumulative gain or loss previously recognised in equity is recognised in the surplus or deficit.

### IMPAIRMENT OF FINANCIAL ASSETS

At each balance 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. 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).

#### Financial assets at fair value through other comprehensive revenue and expense

For equity investments classified as fair value through comprehensive revenue and expense, 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 revenue and expense, 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 revenue and expense 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.



## NOTES TO FINANCIAL STATEMENTS

### NOTE 13: FINANCIAL ASSETS (CONT.)

2017/2018 \$000	OTHER FINANCIAL ASSETS	2018/2019 \$000
<b>CURRENT PORTION</b>		
<b>Loans and receivables</b>		
56	Current portion of community loans	36
25	Current portion of related party loans	100
<b>Fair value through comprehensive revenue and expense</b>		
384	Borrower Notes – NZ LG Funding Agency	–
<b>Held to maturity</b>		
1,200	Disaster funds	1,200
10,000	Other short term deposits with maturities of 4 – 12 months	–
35	Monies administered for organisations	35
<b>11,700</b>	<b>Total Current Portion</b>	<b>1,371</b>
<b>NON-CURRENT PORTION</b>		
<b>Loans and receivables</b>		
159	Community Loans	116
499	Loans to Related Parties	464
<b>Fair value through comprehensive revenue and expense</b>		
101	Unlisted shares – Civic Financial Services Ltd	107
5,335	Unlisted shares – NZ LG Funding Agency	6,149
1,499	Borrower Notes – NZ LG Funding Agency	2,191
<b>Held to maturity</b>		
–	Other long term deposits with maturities greater than 12 months	18,657
<b>7,593</b>		<b>27,684</b>

Council holds a cash bond of \$35,000 (2018: \$35,000) that is subject to restrictions.

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. The fair value of the borrower notes have been determined based on cost.

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 \$1,200,000 (2018: \$1,200,000).

The loan to related parties is at a nil interest rate (2018: Nil). The fair value of the loan has been determined using cashflows discounted at 6.50% (2018:5.00%).

Interest rates receivable on community loans range from 4.46% to 9%, with an average rate of 7% (2018: 5.25% to 9%, with an average rate of 7.15%).

# NOTES TO FINANCIAL STATEMENTS

## NOTE 14: NON-CURRENT ASSETS (PROPERTY) 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.

As at 30 June 2019 Council did not hold any of its property for sale (2018: Nil).

## NOTE 15: PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of:

- **Operational assets** – These include land, buildings, computers and office equipment, building improvements, library books, plant, 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 Council. Each asset type includes all items that are required for the network to function, e.g. 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. Work in progress is recognised at cost less impairment and is not depreciated. In most instances, an item of property, plant, and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

**Disposals:** Gains and losses on disposals are determined by comparing the 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 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.
- **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

## NOTES TO FINANCIAL STATEMENTS

### NOTE 15: PROPERTY, PLANT AND EQUIPMENT (CONT.)

- Motor vehicles 5 – 10 years
- Library books 2 – 10 years

#### Infrastructure assets

- Bridges 100 years
- Roads 4 – 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 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 revenue and expenses and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expenses but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expenses.

#### INFRASTRUCTURAL ASSET CLASSES: ROADS AND BRIDGES, WASTEWATER, SOLID WASTE, WATER SUPPLY, STORMWATER, COASTAL STRUCTURES, PORTS AND RIVER PROTECTION ASSETS

Roads and bridges, wastewater, solid waste, water supply, stormwater, coastal structures, ports 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.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 15: PROPERTY, PLANT AND EQUIPMENT (CONT.)

- 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 Council could be over-or underestimating the annual depreciation charge recognised as an expense in the statement of comprehensive revenue and expense. 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 Opus International Consultants Limited as at 31 March 2017.

**Wastewater, solid waste, water supply, stormwater, coastal assets, and river protection assets** have been valued at optimised depreciated replacement cost by in-house specialists as at 31 March 2017. River protection assets consist of stop banks, rock protection and riparian protection. These assets were valued for inclusion in Council's financial statements at optimised depreciated replacement cost by in-house specialists as at 31 March 2017. These in-house valuations have been peer reviewed by Opus International Consultants Limited.

**Ports** – A new asset category for Port assets has been created in the 2014/2015 year. Council considered that it was appropriate to distinguish the commercial Port assets from other coastal structures. These have been valued at optimised depreciated replacement cost by Jones Lang Lasalle IP, Inc. of Auckland as at 30 June 2016. The Port assets were not revalued during the previous three yearly cycle in order for the specialist valuation to be undertaken.

**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, the 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 & Cooke Ltd, registered valuers, as at 30 June 1999. During the 2002 income year Council ceased further revaluations and adopted deemed cost.

**Airfields** – Airfield assets were valued for inclusion in Council's financial statements at optimised depreciated replacement cost by in-house specialists as at 31 March 2017. The in-house valuations have been peer reviewed by Opus International Consultants Limited.

**Library books** – This asset is recorded at the latest valuation conducted by Duke & 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 & 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 (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 2018 with the exception of infrastructural land which was revalued at 31 March 2017.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 15: PROPERTY, PLANT AND EQUIPMENT (CONT.)

**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 2018.

**Heritage assets** – Heritage assets comprise Council assets that are subject to a 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.

#### 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.

Property, plant and equipment that have a finite useful life are reviewed for impairment at each balance date and whenever events or changes in circumstances indicate that the carrying amount may not be

recoverable. 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 its value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as 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 other comprehensive revenue and expense and increases the asset revaluation reserve for that class of asset. 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, the reversal of an impairment loss is recognised in the surplus or deficit.

#### Value in use for non-cash-generating assets

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non-cash-generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, a restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

#### Value in use for cash-generating assets

Cash-generating assets are those assets that are held with the primary objective of generating a commercial return.

The value in use for cash-generating assets and cash-generating units is the present value of expected future cash flows.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 15: PROPERTY, PLANT AND EQUIPMENT (CONT.)

2018 / 2019 \$000	COST/REVALUATION					
	COST / REVAL <sup>1</sup> 1 JULY 2018 \$000	CURRENT YEAR ADDITIONS \$000	CURRENT YEAR VESTED ASSETS \$000	CURRENT YEAR DISPOSAL \$000	CURRENT YEAR IMPAIRMENT \$000	REVAL <sup>1</sup> SURPLUS \$000
<b>FIXED ASSETS</b>						
Land	139,926	2,898	932	(576)	-	231
Buildings	83,240	1,971	-	-	-	2
Furniture and fittings	3,999	133	-	-	-	-
Motor vehicles	4,494	407	-	(169)	-	-
Plant	4,010	349	-	-	-	4
Office equipment	8,391	339	-	-	-	-
Library books	7,276	283	-	-	-	-
Heritage assets	1,843	-	-	-	-	-
Finance lease	71	-	-	(71)	-	-
	<b>253,250</b>	<b>6,380</b>	<b>932</b>	<b>(816)</b>	<b>-</b>	<b>237</b>
<b>INFRASTRUCTURAL ASSETS</b>						
Roading	559,697	11,206	3,072	-	-	-
Bridges	82,679	741	-	-	-	-
Land under roads	70,033	288	62	-	-	-
Stormwater	133,107	3,757	4,624	-	-	-
Wastewater	152,195	6,494	2,327	(1,239)	-	198
Refuse	11,847	1,161	-	-	-	(197)
Water	116,938	17,038	4,845	(332)	-	-
Rivers	73,886	1,013	-	-	-	-
Coastal structures	5,382	-	-	-	-	-
Ports	5,235	92	-	-	-	-
Aerodromes	1,197	-	-	-	-	-
	<b>1,212,196</b>	<b>41,790</b>	<b>14,930</b>	<b>(1,571)</b>	<b>-</b>	<b>1</b>
<b>Total</b>	<b>1,465,446</b>	<b>48,170</b>	<b>15,861</b>	<b>(2,388)</b>	<b>-</b>	<b>238</b>

<sup>1</sup> Revaluation

<sup>2</sup> Depreciation

<sup>3</sup> Net book value

## NOTES TO FINANCIAL STATEMENTS

### NOTE 15: PROPERTY, PLANT AND EQUIPMENT (CONT.)

	DEPRECIATION					NET BOOK VALUE		
	REVAL <sup>1</sup> \$000	COST/ REVAL <sup>1</sup> 30 JUNE 2019 \$000	ACC DEPN <sup>2</sup> & IMPAIRMENT 01 JULY 2018 \$000	CURRENT YEAR DEPN <sup>2</sup> \$000	WRITE BACK DEPN <sup>2</sup> \$000	ACC DEPN <sup>2</sup> & IMPAIRMENT 30 JUNE 2019 \$000	NBV <sup>3</sup> 01 JULY 2018 \$000	NBV <sup>3</sup> 30 JUNE 2019 \$000
	-	143,411	-	-	-	-	139,926	143,411
	-	85,213	(11)	(4,855)	-	(4,866)	83,229	80,347
	-	4,132	(3,544)	(164)	-	(3,708)	455	424
	-	4,732	(3,769)	(291)	169	(3,891)	725	841
	-	4,363	(2,411)	(237)	-	(2,648)	1,599	1,715
	-	8,730	(7,299)	(350)	-	(7,649)	1,092	1,081
	-	7,559	(6,100)	(318)	-	(6,418)	1,176	1,141
	-	1,843	(557)	(31)	-	(588)	1,286	1,255
	-	-	(69)	(3)	72	-	2	-
	-	<b>259,983</b>	<b>(23,760)</b>	<b>(6,249)</b>	<b>241</b>	<b>(29,768)</b>	<b>229,490</b>	<b>230,215</b>
	-	573,975	(10,595)	(8,191)	-	(18,786)	549,102	555,189
	-	83,420	(1,912)	(1,552)	-	(3,464)	80,767	79,956
	-	70,383	-	-	-	-	70,033	70,383
	-	141,488	(1,755)	(1,526)	-	(3,281)	131,352	138,207
	-	159,975	(3,389)	(3,730)	-	(7,119)	148,806	152,856
	-	12,811	(448)	(409)	-	(857)	11,399	11,954
	-	138,490	(3,897)	(3,282)	-	(7,179)	113,041	131,310
	-	74,900	(47)	(38)	-	(85)	73,839	74,814
	-	5,382	(282)	(36)	-	(318)	5,335	5,064
	-	5,327	(47)	(160)	-	(207)	4,953	5,120
	-	1,197	(76)	(61)	-	(137)	1,121	1,060
	-	<b>1,267,346</b>	<b>(22,448)</b>	<b>(18,985)</b>	<b>-</b>	<b>(41,433)</b>	<b>1,189,748</b>	<b>1,225,913</b>
	-	<b>1,527,329</b>	<b>(46,208)</b>	<b>(25,234)</b>	<b>241</b>	<b>(71,201)</b>	<b>1,419,238</b>	<b>1,456,128</b>



## NOTES TO FINANCIAL STATEMENTS

### NOTE 15: PROPERTY, PLANT AND EQUIPMENT (CONT.)

2017 / 2018 \$000	COST/REVALUATION					
	COST / REVAL <sup>1</sup> 1 JULY 2017 \$000	CURRENT YEAR ADDITIONS \$000	CURRENT YEAR VESTED ASSETS \$000	CURRENT YEAR DISPOSAL \$000	CURRENT YEAR IMPAIRMENT \$000	REVAL <sup>1</sup> SURPLUS \$000
<b>FIXED ASSETS</b>						
Land	121,626	2,601	751	(432)	–	15,380
Buildings	75,327	1,707	15	(250)	–	14,643
Furniture and fittings	3,823	176	–	–	–	–
Motor vehicles	4,738	311	–	(555)	–	–
Plant	3,754	401	–	(134)	–	6
Office equipment	7,716	675	–	–	–	–
Library books	6,983	293	–	–	–	–
Heritage assets	1,843	–	–	–	–	–
Finance lease	71	–	–	–	–	–
	<b>225,881</b>	<b>6,164</b>	<b>766</b>	<b>(1,371)</b>	<b>0</b>	<b>30,029</b>
<b>INFRASTRUCTURAL ASSETS</b>						
Roading	546,580	10,511	2,606	–	–	–
Bridges	82,175	504	–	–	–	–
Land under roads	69,038	330	665	–	–	–
Stormwater	122,759	8,262	2,086	–	–	–
Wastewater	144,730	6,133	1,347	–	–	944
Refuse	10,009	3,848	–	(850)	(1,090)	29
Water	107,526	8,223	1,189	–	–	–
Rivers	72,520	1,366	–	–	–	–
Coastal structures	5,382	–	–	–	–	–
Ports	4,231	1,004	–	–	–	–
Aerodromes	1,193	4	–	–	–	–
	<b>1,166,143</b>	<b>40,185</b>	<b>7,893</b>	<b>(850)</b>	<b>(1,090)</b>	<b>973</b>
<b>Total</b>	<b>1,392,024</b>	<b>46,349</b>	<b>8,659</b>	<b>(2,221)</b>	<b>(1,090)</b>	<b>31,002</b>

<sup>1</sup> Revaluation

<sup>2</sup> Depreciation

<sup>3</sup> Net book value

## NOTES TO FINANCIAL STATEMENTS

### NOTE 15: PROPERTY, PLANT AND EQUIPMENT (CONT.)

		DEPRECIATION				NET BOOK VALUE	
REVAL <sup>1</sup> DEPN <sup>2</sup> WRITE BACK \$000	COST/ REVAL <sup>1</sup> 30 JUNE 2018 \$000	ACC DEPN <sup>2</sup> & IMPAIRMENT 01 JULY 2017 \$000	CURRENT YEAR DEPN <sup>2</sup> \$000	CURRENT YEAR DISPOSAL DEPN <sup>2</sup> /REVAL <sup>1</sup> WRITE BACK \$000	ACC DEPN <sup>2</sup> & IMPAIRMENT 30 JUNE 2018 \$000	NBV <sup>3</sup> 01 JULY 2017 \$000	NBV <sup>3</sup> 30 JUNE 2018 \$000
	139,926	–	–	–	–	121,626	139,926
(8,202)	83,240	(4,047)	(4,178)	8,214	(11)	71,280	83,229
	3,999	(3,358)	(186)	–	(3,544)	465	455
	4,494	(3,976)	(296)	503	(3,769)	762	725
(17)	4,010	(2,241)	(221)	51	(2,411)	1,513	1,599
	8,391	(6,679)	(620)	–	(7,299)	1,037	1,092
	7,276	(5,814)	(286)	–	(6,100)	1,169	1,176
	1,843	(526)	(31)	–	(557)	1,317	1,286
	71	(66)	(3)	–	(69)	5	2
<b>(8,219)</b>	<b>253,250</b>	<b>(26,707)</b>	<b>(5,821)</b>	<b>8,768</b>	<b>(23,760)</b>	<b>199,174</b>	<b>229,490</b>
–	559,697	(2,111)	(8,484)	–	(10,595)	544,469	549,102
–	82,679	(379)	(1,533)	–	(1,912)	81,796	80,767
–	70,033	–	–	–	–	69,038	70,033
–	133,107	(346)	(1,409)	–	(1,755)	122,413	131,352
(959)	152,195	(669)	(3,678)	959	(3,389)	144,061	148,806
(99)	11,847	(85)	(462)	99	(448)	9,924	11,399
–	116,938	(759)	(3,138)	–	(3,897)	106,767	113,041
–	73,886	(9)	(38)	–	(47)	72,511	73,839
–	5,382	(47)	–	–	(47)	5,335	5,335
–	5,235	(87)	(195)	–	(282)	4,144	4,953
–	1,197	(15)	(61)	–	(76)	1,178	1,121
<b>(1,058)</b>	<b>1,212,196</b>	<b>(4,507)</b>	<b>(18,998)</b>	<b>1,058</b>	<b>(22,448)</b>	<b>1,161,636</b>	<b>1,189,748</b>
<b>(9,277)</b>	<b>1,465,446</b>	<b>(31,214)</b>	<b>(24,819)</b>	<b>9,826</b>	<b>(46,208)</b>	<b>1,360,810</b>	<b>1,419,238</b>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 15: PROPERTY, PLANT AND EQUIPMENT (CONT.)

CORE ASSETS \$'000	CLOSING BOOK VALUE AT 30 JUNE 2019	ASSETS CONSTRUCTED FOR THE YEAR ENDING 30 JUNE 2019	ASSETS TRANSFERRED FOR THE YEAR ENDING 30 JUNE 2019	REPLACEMENT COSTS AT 30 JUNE 2019
Water supply treatment plants	6,501	1,246	–	4,501
Water supply reticulation	124,809	15,792	4,845	200,836
<b>Total water supply</b>	<b>131,310</b>	<b>17,038</b>	<b>4,845</b>	<b>205,337</b>
Wastewater treatment plants	5,949	1,485	–	8,589
Wastewater reticulation	146,907	5,009	2,326	174,941
<b>Total wastewater</b>	<b>152,856</b>	<b>6,494</b>	<b>2,326</b>	<b>183,530</b>
<b>Stormwater</b>	<b>138,207</b>	<b>3,757</b>	<b>4,624</b>	<b>175,437</b>
<b>Flood protection and control works</b>	<b>74,814</b>	<b>1,013</b>	<b>–</b>	<b>76,009</b>
<b>Transportation, roads and footpaths</b>	<b>705,528</b>	<b>12,235</b>	<b>3,134</b>	<b>849,063</b>

CORE ASSETS \$'000	CLOSING BOOK VALUE AT 30 JUNE 2018	ASSETS CONSTRUCTED FOR THE YEAR ENDING 30 JUNE 2018	ASSETS TRANSFERRED FOR THE YEAR ENDING 30 JUNE 2018	REPLACEMENT COSTS AT 30 JUNE 2018
Water supply treatment plants	3,026	–	–	3,255
Water supply reticulation	110,015	8,223	1,189	180,199
<b>Total water supply</b>	<b>113,041</b>	<b>8,223</b>	<b>1,189</b>	<b>183,454</b>
Wastewater treatment plants	4,816	–	–	7,104
Wastewater reticulation	143,990	6,133	1,347	167,605
<b>Total wastewater</b>	<b>148,806</b>	<b>6,133</b>	<b>1,347</b>	<b>174,709</b>
<b>Stormwater</b>	<b>131,352</b>	<b>8,262</b>	<b>2,086</b>	<b>167,056</b>
<b>Flood protection and control works</b>	<b>73,839</b>	<b>1,366</b>	<b>–</b>	<b>74,996</b>
<b>Transportation, roads and footpaths</b>	<b>699,902</b>	<b>11,345</b>	<b>3,271</b>	<b>833,694</b>

### WORK IN PROGRESS

Included in net book value is work in progress. These assets have not been depreciated.

Work in progress includes Councils share of Joint Venture assets.

2017/2018 \$'000	WORK IN PROGRESS	2018/2019 \$'000
–	Refuse	227
–	Bridges	365
807	Roading	791
2,765	Water	15,386
800	Stormwater	2,258
3,057	Wastewater	2,651
1,494	Land	–
<b>8,923</b>	<b>Total work in progress</b>	<b>21,678</b>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 16: 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.

**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%

There are no restrictions over the title of intangible assets. No intangible assets are pledged as security for liabilities.

#### IMPAIRMENT

**Carbon credits** – Council considers there is no impairment of carbon credits held as they are expected to be fully utilised in satisfying carbon obligations from its landfill and forestry operations. Carbon units have been assessed as having an indefinite useful life because they have no expiry date and will continue to have economic benefit as long as the Emissions Trading Scheme is in place.

2018/2019	COMPUTER SOFTWARE \$000	CARBON CREDITS \$000	TOTAL \$000
<b>COST</b>			
Cost at 1 July 2018	4,545	1,350	5,895
Additions	188	252	440
Disposals	–	–	–
<b>Cost at 30 June 2019</b>	<b>4,733</b>	<b>1,602</b>	<b>6,335</b>
<b>ACCUMULATED AMORTISATION AND IMPAIRMENT</b>			
Accumulated amortisation at 1 July 2018	(3,663)	–	(3,663)
Amortisation expense	(296)	–	(296)
Disposals	–	–	–
<b>Accumulated amortisation at 30 June 2019</b>	<b>(3,959)</b>	<b>–</b>	<b>(3,959)</b>
<b>Net book value at 30 June 2019</b>	<b>774</b>	<b>1,602</b>	<b>2,376</b>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 16: INTANGIBLE ASSETS (CONT.)

2017/2018	COMPUTER SOFTWARE \$000	CARBON CREDITS \$000	TOTAL \$000
<b>COST</b>			
Cost at 1 July 2017	4,109	656	4,765
Additions	436	694	1,130
Disposals	–	–	–
<b>Cost at 30 June 2018</b>	<b>4,545</b>	<b>1,350</b>	<b>5,985</b>
<b>ACCUMULATED AMORTISATION AND IMPAIRMENT</b>			
Accumulated amortisation at 1 July 2017	(3,367)	–	(3,367)
Amortisation expense	(296)	–	(296)
Disposals	–	–	–
<b>Accumulated amortisation at 30 June 2018</b>	<b>(3,663)</b>	<b>–</b>	<b>(3,663)</b>
<b>Net book value at 30 June 2018</b>	<b>882</b>	<b>1,350</b>	<b>2,232</b>

### NOTE 17: DEPRECIATION BY GROUP OF ACTIVITY

2017/2018 \$000	DEPRECIATION EXPENSE BY GROUP OF ACTIVITY	2018/2019 \$000
227	Environment and Planning	226
17,775	Engineering	17,900
3,597	Community Development	4,191
602	Council Enterprises	643
–	Governance	–
<b>22,201</b>	<b>Total directly attributable depreciation by group of activity</b>	<b>22,960</b>
1,490	Depreciation expense not directly related to group of activities	1,150
<b>23,691</b>	<b>Total depreciation expense</b>	<b>24,110</b>
1,129	Plus depreciation from joint ventures	1,124
<b>24,820</b>	<b>Total depreciation per property, plant and equipment note</b>	<b>25,234</b>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 18: FORESTRY

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, 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.

2017/2018 \$000	FORESTRY ASSETS	2018/2019 \$000
35,461	Balance at 1 July	41,220
4,413	Gains/(losses) arising from changes attributable to assumed price and cost changes	4,181
(254)	Gains/(losses) arising from changes in fair value attributable to physical changes	(1,300)
1,600	Gains/(losses) arising from changes attributable to applied discount rate	-
<b>41,220</b>	<b>Balance at 30 June</b>	<b>44,101</b>

The carrying value of the volumes harvested was \$5 million (2018: \$3.1 million) and is included as a reduction against gains/(losses) arising from changes in fair value attributable to physical changes.

The gains/(losses) arising from changes in fair value are unrealised.

Council owns 2,362 hectares of planted pinus radiata forest, which are at varying stages of maturity ranging from one to 39 years. Council also owns 210 hectares of planted Douglas fir and 33 hectares of planted Cupressus Species trees.

Total harvested volume during the year ended 30 June 2019 was 68,408 tonnes (2018: 59,426 tonnes harvested).

Independent registered valuers PF Olsen and Company Ltd have valued forestry assets as at 30 June 2019.

The following valuation assumptions have been adopted in determining the fair value of forestry assets:

- A post-tax discount rate of 6.0% has been used in discounting the present value of expected post-tax cash flows (2018: post-tax discount rate of 6.0% was used);
- Notional land rental costs have been included for freehold land;
- The forests have been valued on a going concern basis and this only includes the value of the existing crops on a single; and rotation basis
- All costs and revenues are expressed in current dollar terms.

Log prices represent the projection of future prices, partially based on the actual prices for past three years.

Council 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.

Council is exposed to financial risks arising from changes in timber prices. Council 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. Council reviews its outlook for timber prices regularly in considering the need for active financial risk management.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 19: 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.

2017/2018 \$000	INVESTMENT PROPERTY	2018/2019 \$000
4,700	Balance at 1 July	5,130
474	Addition (transfer from property, plant and equipment)	74
(44)	Gain/(loss) on changes in fair value of investment property	46
<b>5,130</b>	<b>Balance at 30 June</b>	<b>5,250</b>

Council's investment properties are valued annually at fair value effective 30 June based on open market evidence. The valuations were performed by Duke & Cooke Ltd and Telfer Young, registered valuers. Both are experienced valuers 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 revenue and discounted cash flow methods. These methods are based upon assumptions including future rental revenue, anticipated maintenance costs, and appropriate discount rates.

### NOTE 20: INVESTMENT IN ASSOCIATES

Council accounts for an investment in an associate in the financial statements using the equity method. An associate is an entity over which Council has significant influence and that is neither a subsidiary nor an interest in a joint venture. The investment in an associate is initially recognised at cost and the carrying amount is increased or decreased to recognise Council's share of the surplus or deficit of the associate after the date of acquisition. Distributions received from an associate reduce the carrying amount of the investment.

Where Council transacts with an associate, surpluses or deficits are eliminated to the extent of Council's interest in the associate.

#### PORT NELSON LTD

Council was vested a 50% shareholding in this entity. To arrive at a fair value the most recent audited statement of financial position (30 June 2019) has been equity accounted.

#### NELSON AIRPORT LTD

Council has a 50% shareholding in this Company. To arrive at a fair value, the most recent audited statement of financial position (30 June 2019) has been equity accounted.

#### TASMAN BAYS HERITAGE TRUST

Council has significant influence over the trust as it has the ability to appoint trustees. Council has equity accounted for 50% of this entity. To arrive at a fair value the most recent unaudited statement of financial position (June 2019) has been equity accounted.



## NOTES TO FINANCIAL STATEMENTS

### NOTE 20: INVESTMENT IN ASSOCIATES (CONT.)

INVESTMENT IN ASSOCIATES	2018/19 OPENING BOOK VALUE \$000	2018/19 SHARE OF SURPLUS \$000	2018/19 DIVIDEND RECEIVED \$000	2018/19 MOVEMENT IN OTHER COMPREHENSIVE REVENUE \$000	2018/19 IMPAIRMENT OF INVESTMENT \$000	2018/19 CLOSING BOOK VALUE \$000
Port Nelson Ltd	91,914	7,693	(3,500)	(960)	–	95,147
Nelson Airport Ltd	32,644	891	(764)	–	–	32,770
Tasman Bays Heritage Trust Inc.	9,847	(165)	–	–	–	9,682
	<b>134,405</b>	<b>8,419</b>	<b>(4,264)</b>	<b>(960)</b>	<b>–</b>	<b>137,599</b>

INVESTMENT IN ASSOCIATES	2017/18 OPENING BOOK VALUE \$000	2017/18 SHARE OF SURPLUS \$000	2017/18 DIVIDEND RECEIVED \$000	2017/18 MOVEMENT IN OTHER COMPREHENSIVE REVENUE \$000	2017/18 IMPAIRMENT OF INVESTMENT \$000	2017/18 CLOSING BOOK VALUE \$000
Port Nelson Ltd	87,559	7,025	(2,750)	80	–	91,914
Nelson Airport Ltd	26,164	1,655	–	4,825	–	32,644
Tasman Bays Heritage Trust Inc.	9,587	7	–	253	–	9,847
	<b>123,310</b>	<b>8,687</b>	<b>(2,750)</b>	<b>5,158</b>	<b>–</b>	<b>134,405</b>

	2017/2018 \$000	2018/2019 \$000
12,745 Capital commitments		13,673
8,687 Operating surpluses		8,419
5,157 Other comprehensive revenue and expense		(960)
2,645 Tax expense attributed to the operating surplus		2,966
595 Tax expense attributed to the other comprehensive revenue and expense		321

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 basis, 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.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 20: INVESTMENT IN ASSOCIATES (CONT.)

#### PERFORMANCE MEASURES

##### Actual and Target Returns on Associates

A list of the investments in associates with targets for returns is set out below.

	TARGET RETURN	2016/2017	2017/2018	2018/2019
Port Nelson Ltd	Annual dividend of not less than \$5.5m.	Achieved total dividend \$6.5m [net profit after tax \$10.84m].	Achieved a total dividend \$5.5m [net profit after tax \$14.05m].  Council's dividend share was \$2.75m.	Achieved a total dividend \$7m [net profit after tax \$15.3m].  Council's dividend share was \$3.5m.
Nelson Airport Ltd	To deliver dividend growth in excess of CPI movement.	A new dividend policy was adopted and included in the Statement of Intent for the 2017/18 year.  A \$360,000 dividend was received.	Achieved annual CPI 1.5%, dividend growth 4.2%.  A total dividend of \$750,000 was declared and paid subsequent to 30 June 2018 related to the 2017/18 year.  Council's dividend share was \$375,000.	Achieved. Dividend growth 4%.  A total dividend of \$780,000 was declared related to the 2018/19 year.  Council's dividend share was \$390,000.

Council maintained its 50% investment in Port Nelson Limited and Nelson Airport Limited during the year as per its objective of retaining effective local body control of this strategic asset as set out in the Long Term Plan. Council also received a commercial return to reduce Council's reliance on rates income. These organisations carried out the nature and scope of activities as intended to be provided by the organisation for the year.

### NOTE 21: INTEREST IN JOINT VENTURES

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. Council recognises its interest in jointly controlled entities using proportionate consolidation which means that the statement of financial position of Council includes its share of the assets that it controls jointly and its share of the liabilities for which it is jointly responsible. The statement of comprehensive revenue and expense of Council includes its share of the revenue and expenses of the jointly controlled entities.

The entities disclosed below are treated as joint ventures.

#### NELSON REGIONAL SEWERAGE BUSINESS UNIT (NRSBU)

Council has a 50% interest in this entity. The most recent unaudited financial statements (30 June 2019) have been used to determine Council's interest.

#### NELSON TASMAN CIVIL DEFENCE AND EMERGENCY MANAGEMENT (NTCDM)

Council has a 50% interest in this entity. The most recent unaudited financial statements (30 June 2019) have been used to determine Council's interest.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 21: INTEREST IN JOINT VENTURES (CONT.)

#### NELSON TASMAN REGIONAL LANDFILL BUSINESS UNIT (NTRLBU)

Tasman District Council operates its Solid Waste activities as a closed, self-funding group of accounts. Distributions of surpluses from the Joint Landfill business unit to Council, are received into this group of accounts and used solely to fund the activities within the group: recycling, green waste, transfer station operations and waste minimisation activities. Any surplus within the group is held in a reserve for the future specific benefit of the Solid Waste account group. Council has a 50% interest in this entity established on 1 July 2017. The most recent unaudited financial statements (30 June 2019) have been used to determine Council's interest.

#### WAIMEA WATER LIMITED (WWL)

Waimea Water Ltd (WWL), a Council-Controlled Organisation, was established in November 2018 to manage the construction, operation and maintenance of the Waimea Community Dam. WWL is a joint venture project between the Tasman District Council and Waimea Irrigators Ltd (WIL). The dam is a significant infrastructure project for the region and is set to secure the water supply for Nelson Tasman for the next 100+ years. Approval to proceed with the dam was reached by the Tasman District Council on 30 November 2018 and finance was secured for the project on 21 December 2018.

Council's share of assets and liabilities has been calculated according to the proportion of voting shares held. Council holds 51% of the total WWL shares, and 63% of the shares with voting rights. The proportion of Council voting rights shares will likely reduce in future years to 51%.

As at 30 June 2019, Council guarantees a loan between WWL and Crown Irrigation Investments limited. As the loan is repaid and Council's credit support is reduced, WIL's voting shares will increase. This will result in Council voting shares reducing of 51%, as it will no longer be guarantor for the loan.

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

YEAR ENDED 30 JUNE 2019	NRSBU \$000	NTCDM \$000	NTRLBU \$000	WWL \$000	TOTAL \$000
<b>FINANCIAL RESULTS AFTER INTER-ENTITY ELIMINATIONS</b>					
Net revenue	2,843	163	3,343	205	6,554
Net expenditure	(2,951)	(485)	(4,258)	(405)	(8,099)
<b>Net surplus/(deficit)</b>	<b>(108)</b>	<b>(322)</b>	<b>(915)</b>	<b>(200)</b>	<b>(1,545)</b>
Includes depreciation of	(966)	(37)	(117)	(4)	(1,124)
<b>Other comprehensive income/(expense)</b>	<b>322</b>	<b>-</b>	<b>59</b>	<b>-</b>	<b>381</b>
<b>Total comprehensive income/(expense)</b>	<b>214</b>	<b>(322)</b>	<b>(856)</b>	<b>(200)</b>	<b>(1,164)</b>
Current assets	399	453	468	3,119	4,439
Current liabilities	(441)	-	(949)	(1,310)	(2,700)
Non-current assets	32,105	136	4,192	21,537	57,970
Non-current liabilities	-	-	(566)	(1,366)	(1,932)
<b>Net assets</b>	<b>32,063</b>	<b>589</b>	<b>3,145</b>	<b>21,980</b>	<b>57,777</b>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 21: INTEREST IN JOINT VENTURES (CONT.)

YEAR ENDED 30 JUNE 2018	NRSBU \$000	NTCDEM \$000	NTRLBU \$000	TOTAL \$000
<b>FINANCIAL RESULTS AFTER INTER-ENTITY ELIMINATIONS</b>				
Net revenue	2,541	206	2,786	5,533
Net expenditure	(2,759)	(338)	(3,351)	(6,448)
<b>Net surplus/(deficit)</b>	<b>(218)</b>	<b>(132)</b>	<b>(565)</b>	<b>(915)</b>
Includes depreciation of	983	38	108	1,129
<b>Other comprehensive income/(expense)</b>	<b>950</b>	<b>-</b>	<b>29</b>	<b>979</b>
<b>Total comprehensive income/(expense)</b>	<b>732</b>	<b>(132)</b>	<b>(536)</b>	<b>64</b>
Current assets	368	592	1,898	2,858
Current liabilities	(642)	(4)	(1,404)	(2,050)
Non-current assets	32,124	137	3,019	35,280
Non-current liabilities	(7,000)	-	-	(7,000)
<b>Net assets</b>	<b>24,850</b>	<b>725</b>	<b>3,513</b>	<b>29,088</b>

### NOTE 22: TRADE AND OTHER PAYABLES

Creditors and other payables are recorded at their face value.

2017/2018 \$000	TRADE AND OTHER PAYABLES	2018/2019 \$000
11,498	Trade creditors	7,736
7,459	Sundry accruals	9,690
1,072	Sundry deposits	1,260
984	Other	1,743
<b>21,013</b>	<b>Total trade and other payables</b>	<b>20,429</b>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 23: 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".

#### PROVISION FOR LANDFILL AFTERCARE COSTS

On 1 July the NTLBBU (a joint committee of Nelson City Council and Tasman District Council) took over as the operator of the York Valley from Nelson City Council and the Eves Valley landfill from Tasman District Council. The business unit has a legal obligation to provide ongoing maintenance and monitoring services after closure. The provision is calculated on the basis of discounting closure and post closure costs into present day value. This calculation assumes no change in the resource consent conditions for closure and post closure treatment.

2017/2018 \$000	PROVISIONS	2018/2019 \$000
	<b>Term</b>	<b>Term</b>
1,783	Opening Balance	1,889
(56)	Change in provision	300
162	Unwinding of discount	160
<b>1,889</b>		<b>2,349</b>

### NOTE 24. EMPLOYEE BENEFIT LIABILITIES

#### 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.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 24: EMPLOYEE BENEFIT LIABILITIES (CONT.)

#### 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. [Note: Retirement leave has not been discounted to present value.]

##### 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.

2017/2018 \$000	EMPLOYEE BENEFIT LIABILITIES	2018/2019 \$000
413	Accrued pay	460
1,324	Annual leave	1,504
281	Retirement gratuities	273
399	Long service leave	388
50	Sick leave	-
<b>2,467</b>	<b>Total employee benefit liabilities</b>	<b>2,625</b>
	<b>Comprising:</b>	
1,987	Current	2,219
480	Non-current	406
<b>2,467</b>	<b>Total employee benefit liabilities</b>	<b>2,625</b>

#### Key assumptions in measuring retirement and long service leave obligations

The present value of long service leave obligations depend on a number of factors that are determined on an actuarial basis. Two key assumptions used in calculating this liability include the discount rate and the salary inflation factor. Any changes in these assumptions will affect the carrying amount of the liability.

The expected future payments are discounted using forward discount rates derived from the yield curve of New Zealand government bonds. The discount rates used have maturities that match, as closely as possible, the estimated future cash outflows. The salary inflation factor is based on the Treasury inflation rate. A weighted average discount rate of 4.3% (2018: 4.75%) and an inflation factor of 2.30% (2018: 2.00%) were used.

The retirement obligations have not been discounted to present value.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 25: BORROWINGS

Borrowing costs are recognised as an expense in the period in which they are incurred.

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 Council or group has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

#### A. SECURITY

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

2017/2018 \$000	2017/2018 \$000	BORROWINGS	2018/2019 \$000	2018/2019 \$000
Term	Current		Term	Current
104,500	49,000	Tasman District Council	137,862	35,003
-	3	Finance Lease	-	-
<b>104,500</b>	<b>49,003</b>		<b>137,862</b>	<b>35,003</b>

#### B. REFINANCING

Council manages its borrowings in accordance with its funding and financial policies, which includes a Liability Management policy.

#### C. INTEREST RATES

Interest rates payable on individual loans range from 2.18% to 4.53% with a weighted average cost of borrowings, including swap rates and bank commitment fees of 4.53% (2018: 2.04% to 4.53% with a weighted average of 4.46%).

Council's secured loans are issued at floating rates of interest. For floating rate debt, the interest rate is reset quarterly based on the 90 day bank bill rate plus a margin for credit risk. Due to interest rates on debt resetting to the market rate every three months, the carrying amounts of secured loans approximates their fair value.



## NOTES TO FINANCIAL STATEMENTS

### NOTE 25: BORROWINGS (CONT.)

#### D. REPAYABLE PERIOD OF LOANS

2017/2018 \$'000	REPAYABLE PERIOD OF LOANS	2018/2019 \$'000
<b>Repayable:</b>		
49,000	Within 1 year	35,003
<b>49,000</b>	<b>Current portion</b>	<b>35,003</b>
10,000	Within 1 – 2 years	35,000
60,000	Within 2 – 5 years	42,500
26,500	5+ years	51,000
8,000	Beyond 10 years	9,362
<b>104,500</b>	<b>Non-current portion</b>	<b>137,862</b>
<b>153,500</b>	<b>Total loans</b>	<b>172,865</b>

Under PBE standards, 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 has three loans maturing during the 2019 financial year totalling \$35 million and, as such the full \$35 million drawn is classified as a current liability. This is despite an expectation that these loans will be refinanced and extended within the 12 month period.

#### E. FINANCE LEASES

Council has no significant finance leases.

#### INTERNAL BORROWINGS

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

GROUP OF ACTIVITY 2019	30 JUNE 2018 \$'000	LOANS RAISED \$'000	LOANS REPAID \$'000	30 JUNE 2019 \$'000
Environmental Management	813	–	(84)	729
Public Health and Safety	351	(1)	(26)	324
Transportation, Roads and Footpaths	37,344	5,430	(3,597)	39,177
Coastal Structures	738	(17)	(65)	656
Water Supply	38,072	18,424	(3,509)	52,987
Wastewater	28,498	4,243	(2,687)	30,054
Stormwater	21,352	4,298	(1,838)	23,812
Solid Waste	10,432	1,006	(1,021)	10,417
Flood Protection and River Control Works	182	–	(93)	89
Community Development	25,906	1,361	(1,481)	25,786
Council Enterprises	7,287	117	(562)	6,842
<b>Total Internal Loans</b>	<b>170,975</b>	<b>34,861</b>	<b>(14,963)</b>	<b>190,873</b>

Interest on internal loans for each activity is disclosed as finance costs in the individual Funding Impact Statements.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 26: REVALUATION RESERVE

#### ASSET REVALUATION RESERVE

This reserve relates to the revaluation of property, plant and equipment and financial assets to fair value.

30 JUNE 2018 \$000	REVALUATION RESERVE	INCREASE/ (DECREASE) \$000	IMPAIRMENT ADJUSTMENT \$000	30 JUNE 2019 \$000
59,670	Port Nelson Limited	(960)	–	58,710
16,484	Nelson Regional Sewerage Business Unit	322	–	16,806
29	Nelson Tasman Regional Landfill Business Unit	59	–	88
23,846	Nelson Airport Limited	–	–	23,846
3,506	NZ Local Government Shares	819	–	4,325
2,473	Tasman Bay Heritage Trust	–	–	2,473
91,513	Land	–	–	91,513
48,412	Buildings	–	–	48,412
390,588	Roads	–	–	390,588
602	Aerodromes	–	–	602
35,270	Rivers	–	–	35,270
1,778	Coastal Structures and Ports	–	–	1,778
53	Refuse	–	–	53
43,687	Wastewater	–	(514)	43,173
69,990	Stormwater	–	–	69,990
39,150	Water	–	–	39,150
<b>827,051</b>		<b>240</b>	<b>(514)</b>	<b>826,777</b>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 26: REVALUATION RESERVE (CONT.)

30 JUNE 2017 \$000	REVALUATION RESERVE	INCREASE/ (DECREASE) \$000	IMPAIRMENT ADJUSTMENT \$000	30 JUNE 2018 \$000
59,590	Port Nelson Limited	80	–	59,670
15,574	Nelson Regional Sewerage Business Unit	910	–	16,484
–	Nelson Tasman Regional Landfill Business Unit	29	–	29
19,022	Nelson Airport Limited	4,824	–	23,846
2,643	NZ Local Government Shares	863	–	3,506
2,220	Tasman Bay Heritage Trust	253	–	2,473
76,133	Land	15,380	–	91,513
33,769	Buildings	14,643	–	48,412
390,588	Roads	–	–	390,588
602	Aerodromes	–	–	602
35,270	Rivers	–	–	35,270
1,778	Coastal Structures and Ports	–	–	1,778
1,143	Refuse	–	(1,090)	53
43,687	Wastewater	–	–	43,687
69,990	Stormwater	–	–	69,990
39,150	Water	–	–	39,150
<b>791,159</b>		<b>36,982</b>	<b>(1,090)</b>	<b>827,051</b>

### NOTE 27: ACCUMULATED 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.

2017/2018 \$000	ACCUMULATED EQUITY	2018/2019 \$000
586,746	Opening balance	608,210
23,690	Surplus	33,459
(2,266)	Net Transfers (to)/from Restricted Reserves	(7,381)
40	Net Transfers (to)/from Revaluation reserve	–
–	Equity Restatement	–
<b>608,210</b>		<b>634,288</b>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 28: RESTRICTED AND COUNCIL CREATED RESERVES

Restricted reserves are those reserves subject to specific conditions accepted as binding by 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 Council.

2017/2018 \$000		2018/2019 \$000
18,100	At 1 July	20,366
<b>Transfers to:</b>		
2,266	Net Transfers to reserves	7,381
<b>20,366</b>	<b>At 30 June</b>	<b>27,747</b>
<b>Restricted Funds consist of:</b>		
20,366	Other Funds (detailed below)	27,747
<b>20,366</b>		<b>27,747</b>

### RESTRICTED RESERVE REPORTING – OTHER FUNDS

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.

2018/19	ACTIVITY TO WHICH THE FUND RELATES	OPENING BALANCE 1 JULY 2018 \$000	TRANSFER INTO FUND \$000	TRANSFERS OUT OF FUND \$000	CLOSING BALANCE 30 JUNE 2019 \$000
Reserve Financial Contributions Reserve	Community Facilities & Parks	6,934	6,055	(1,352)	11,637
Rivers Disaster Fund	Rivers & Flood Protection	(3)	–	–	(3)
Rivers Reserve	Rivers & Flood Protection	(169)	5,093	(4,917)	7
Water Reserve	Water	853	15,700	(16,208)	345
Waimea Water Financing	Water	–	(4,906)	5,819	913
Wastewater Reserve	Wastewater	1,636	14,104	(14,108)	1,632
Self Insurance Fund	Overall Council	1,024	72	(4)	1,092
Stormwater Reserve	Stormwater	642	8,417	(8,120)	939
Solid Waste Reserve	Solid Waste	295	11,204	(10,827)	672
Dog Control Reserve	Public Health & Safety	5	462	(388)	79
Community Facilities Rate Reserve	Community Facilities & Parks	224	4,708	(4,069)	863
Camping Ground Reserve	Council Enterprises & Property	223	976	(912)	287
Community Housing Reserve	Community Facilities & Parks	155	951	(758)	348
Development Contribution Reserve	Roading & Footpaths, Water, Wastewater, Stormwater	4,661	6,975	(6,506)	5,130
General Disaster Fund	Governance	3,886	618	(698)	3,806
<b>TOTAL</b>		<b>20,366</b>	<b>70,429</b>	<b>(63,048)</b>	<b>27,747</b>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 28: RESTRICTED AND COUNCIL CREATED RESERVES (CONT.)

2017/18	ACTIVITY TO WHICH THE FUND RELATES	OPENING BALANCE 1 JULY 2017 \$000	TRANSFER INTO FUND \$000	TRANSFERS OUT OF FUND \$000	CLOSING BALANCE 30 JUNE 2018 \$000
Reserve Financial Contributions Reserve	Community Facilities & Parks	5,728	2,330	(1,122)	6,934
Rivers Disaster Fund	Rivers & Flood Protection	1,109	21	(1,133)	(3)
Rivers Reserve	Rivers & Flood Protection	1,101	1,445	(2,715)	(169)
Water Reserve	Water	599	22,105	(21,851)	853
Wastewater Reserve	Wastewater	1,183	14,438	(13,985)	1,636
Self Insurance Fund	Overall Council	1,024	–	–	1,024
Stormwater Reserve	Stormwater	600	11,310	(11,268)	642
Solid Waste Reserve	Solid Waste	1,003	7,670	(8,378)	295
Dog Control Reserve	Public Health & Safety	33	404	(432)	5
Community Facilities Rate Reserve	Community Facilities & Parks	456	2,906	(3,138)	224
Camping Ground Reserve	Council Enterprises & Property	60	1,034	(871)	223
Community Housing Reserve	Community Facilities & Parks	181	651	(677)	155
Development Contribution Reserve	Roading & Footpaths, Water, Wastewater, Stormwater	1,644	5,959	(2,942)	4,661
General Disaster Fund	Governance	3,379	65	442	3,886
<b>TOTAL</b>		<b>18,100</b>	<b>70,338</b>	<b>(68,070)</b>	<b>20,366</b>

#### 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 Council keeps development contributions received in four separate accounts; roading, wastewater, stormwater and water. Strict criteria apply to the use of these funds.

#### Water Reserve

The water reserve is used to separate all funding and expenditure for the water activity, excluding development contributions revenue and projects. Each year Council sets the proposed revenue, 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.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 28: RESTRICTED AND COUNCIL CREATED RESERVES (CONT.)

#### Wastewater Reserve

The wastewater reserve is used to separate all funding and expenditure for the wastewater activity, excluding development contributions revenue and projects. Each year Council sets the proposed revenue, 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 revenue and projects. Each year Council sets the revenue, 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 revenue, expenditure and funding budgets 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 funding and expenditure for the rivers activity. Each year Council sets the revenue, 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 Council keeps reserve financial contributions received in four separate accounts (Golden Bay Ward, Motueka Ward, Moutere/Waimea/Lakes/Murchison Wards, and 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 revenue, 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.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 28: RESTRICTED AND COUNCIL CREATED RESERVES (CONT.)

#### 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 revenue, 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 revenue, 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.

### NOTE 29: CASHFLOW RECONCILIATION

2017/2018 \$'000		2018/2019 \$'000
23,690	<b>Opening surplus/(deficit)</b>	<b>33,459</b>
	<b>ADD NON CASH ITEMS:</b>	
24,820	Depreciation and amortisation	25,799
(5,938)	Share of associate's (surplus)/deficit net of dividend	(4,154)
(385)	Asset write down and disposal	194
(8,659)	Vested assets	(15,861)
42	Unrealised loss on investment property	(46)
(5,759)	Fair value loss of forestry assets	(2,895)
1,235	Unrealised loss on interest rate derivatives	6,436
-	Unwinding of discount	-
	<b>MOVEMENTS IN WORKING CAPITAL ITEMS:</b>	
(8,957)	(Increase)/decrease in receivables	5,900
8,006	Increase/(decrease) in payables and employee benefit liabilities	(352)
	<b>OTHER</b>	
106	Increase/(decrease) in provisions	460
-	Gain/(loss) on sale included in investing activities	774
(4,910)	Movement in fixed asset related payables	2,421
10	Increase/(decrease) in non-current employee benefit liabilities	(74)
(1,254)	(Increase)/decrease in non-current receivables	2,055
<b>22,047</b>	<b>Net cash flow from operating</b>	<b>54,116</b>



## NOTES TO FINANCIAL STATEMENTS

### NOTE 30: RELATED PARTY TRANSACTIONS

2017/2018 \$000	RELATED PARTY TRANSACTIONS	2018/2019 \$000
<b>A. PORT NELSON LIMITED</b>		
2,750	Share of dividends	3,500
2,000	Accounts receivable	2,000
<b>B. TASMAN BAYS HERITAGE TRUST</b>		
846	Operational funding paid	861
587	Loan outstanding	563
100	Loan payments received	100
<b>C. NELSON AIRPORT LIMITED</b>		
<b>Received from:</b>		
-	Share of dividends	765
-	Accounts receivable	390

The loan from Council to Tasman Bays Heritage Trust is at a nil interest rate (2018: Nil). The fair value balance on the loan at year end is \$563,000 (2018: \$583,000). The loan has a face value of \$725,000 (2018: \$825,000).

As all other transactions are deemed to have occurred within a normal supplier/client relationship on terms and conditions considered to be at arm's length, they are not required to be disclosed.

No provision has been required, nor any expense recognised for impairment of receivables, for any loans or receivables to related parties (2018: \$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.).

Key management personnel include the Mayor, Councillors, Chief Executive, and Leadership Team.

2017/2018 \$000	KEY MANAGEMENT PERSONNEL REMUNERATION	2018/2019 \$000
<b>SENIOR MANAGEMENT TEAM, INCLUDING THE CHIEF EXECUTIVE</b>		
1,290	Remuneration \$(000)	1,163
5	Number of full-time equivalent (FTE) Leadership Team	5
<b>COUNCILLORS</b>		
694	Remuneration \$(000)	696
14	Number of councillors	14
<b>1,984</b>	<b>Total remuneration \$(000) of key management personnel</b>	<b>1,859</b>
<b>19</b>	<b>Total Leadership Team and Councillors</b>	<b>19</b>

Due to the difficulty in determining the full-time equivalent for Councillors, the full-time equivalent figure is taken as the number of Councillors.

An analysis of leadership remuneration is provided in note 32 and Councillor remuneration is provided in note 38.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 31: SEVERANCE

In accordance with Schedule 10, Part 3, Clause 19, Local Government Act 2002, Council declares that there have been two individual severance payments made to employees during this financial year of \$3,000 each (2018: one severance payment of \$5,962).

### NOTE 32: REMUNERATION

#### CHIEF EXECUTIVE

2017/2018 \$000	CHIEF EXECUTIVE REMUNERATION	2018/2019 \$000
22	Dowding Janine (appointed 28 May 2018)	289
374	McKenzie Lindsay Ronald (resigned 25 May 2018)	-
<b>396</b>	<b>Total Chief Executive remuneration</b>	<b>289</b>

#### COUNCIL EMPLOYEES – HEAD COUNT

TOTAL ANNUAL REMUNERATION BY BAND FOR EMPLOYEES AS AT 30 JUNE	30 JUNE HEADCOUNT
<b>30 JUNE 2019</b>	
<60,000	114
\$60,000 – \$79,999	74
\$80,000 – \$99,999	70
\$100,000 – \$119,999	42
\$120,000 – \$139,999	8
\$140,000 – \$159,999	8
\$160,000 – \$319,999	5
<b>Total employees at 30 June 2019</b>	<b>321</b>
<b>30 JUNE 2018</b>	
<60,000	105
\$60,000 – \$79,999	75
\$80,000 – \$99,999	63
\$100,000 – \$119,999	31
\$120,000 – \$139,999	11
\$140,000 – \$159,999	6
\$160,000 – \$319,999	5
<b>Total employees at 30 June 2018</b>	<b>296</b>

Total remuneration includes non-financial benefits provided to employees including the Chief Executive and Senior Leadership Team. This does not include elective representatives (note 38).

## NOTES TO FINANCIAL STATEMENTS

### NOTE 32: REMUNERATION (CONT.)

#### COUNCIL EMPLOYEES – FULL TIME EQUIVALENT

30 JUNE 2018 FTE	FULL-TIME EQUIVALENT STAFF NUMBERS	30 JUNE 2019 FTE
221	Full-time staff	235
48	Part-time staff, on full-time equivalent staff basis	54
<b>269</b>	<b>Total full time equivalent staff numbers</b>	<b>289</b>

A full-time employee is determined on the basis of a 40-hour working week. This includes the Chief Executive and Senior Leadership Team. This does not include elective representatives (note 38).

### NOTE 33: FINANCIAL INSTRUMENTS

#### FINANCIAL INSTRUMENTS RISKS

Council is party to financial instrument arrangements as part of its every day operations. Council is risk averse and seeks to minimise exposure arising from its treasury activities. 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.

#### 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, 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.

#### 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:

2017/2018 \$000	COUNTERPARTIES WITH CREDIT RATINGS	2018/2019 \$000
<b>CASH AND CASH EQUIVALENTS</b>		
1,293	AA-	15,273
<b>1,293</b>	<b>Total cash and cash equivalents</b>	<b>15,273</b>
<b>OTHER FINANCIAL ASSETS HELD TO MATURITY</b>		
11,235	AA-	19,892
<b>11,235</b>	<b>Total financial assets held to maturity</b>	<b>19,892</b>
<b>DERIVATIVE FINANCIAL LIABILITIES</b>		
(12,701)	AA-	19,136
<b>(12,701)</b>	<b>Total derivative financial liabilities</b>	<b>19,136</b>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 33: FINANCIAL INSTRUMENTS (CONT.)

2017/2018 \$000	COUNTERPARTIES WITHOUT CREDIT RATINGS	2018/2019 \$000
<b>COMMUNITY LOANS</b>		
214	Existing counterparty with no defaults in the past	152
<b>214</b>	<b>Total Community loans</b>	<b>152</b>
<b>LOANS TO RELATED PARTIES</b>		
524	Existing counterparty with no defaults in the past	564
<b>524</b>	<b>Total Loans to related parties</b>	<b>564</b>
<b>UNLISTED SHARES</b>		
5,436	Existing counterparty with no defaults in the past	6,256
<b>5,436</b>	<b>Total unlisted shares</b>	<b>6,256</b>
<b>BORROWER NOTES</b>		
1,884	Existing counterparty with no defaults in the past	2,191
<b>1,884</b>	<b>Total borrower notes</b>	<b>2,191</b>

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 receivables, 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.

#### 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.

#### Financial Guarantees

Council has guarantees in place in relation to Waimea Water Limited, these are disclosed in note 41, Commitments and Contingencies.

Council has guarantees to various other organisations which may subject it to credit risk. Maximum exposure to credit risk at balance date was \$nil as detailed in the Statement of Contingent Liabilities (2018: \$nil).

It is not practical to estimate the fair value of the financial guarantees with an acceptable level of reliability.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 33: FINANCIAL INSTRUMENTS (CONT.)

#### 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 revenue and expense.

#### 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 \$100,000 (2018: \$100,000). There are no restrictions on the use of this facility.

Council has an undrawn loan facility of \$12 million with Westpac, and \$30 million with ASB.

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. Further information is included in the contingencies note.

### NOTE 34: CAPITAL EQUIPMENT

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 requires 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 Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising 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 Council to make adequate and effective provision in its Long Term Plan and in its Annual Plan (where applicable) to meet the expenditure needs identified in those plans. The Act sets out the factors that 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 Long Term Plan.

Council has the following Council created reserves:

- Reserves for different areas of benefit;
- Self-insurance reserves; and
- Trust and bequest reserves.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 34: CAPITAL EQUIPMENT (CONT.)

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.

### NOTE 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. The NZ 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, NZ 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.

### NOTE 36: SIGNIFICANT VARIANCES COMPARED TO THE ANNUAL PLAN

Council made a net surplus of \$33.5 million (budgeted surplus of \$12.7 million). Explanations for major variations from the budget are as follows:

- ↑ Development Contribution and Reserve Financial Contributions ahead of budget due to growth in the District (\$2.9m)
- ↑ Vested Assets over budget due to growth activity in the District (\$11.6m)
- ↓ Fair value loss on derivatives offset by forestry gain mainly due to increased log prices (\$3.5m)
- ↑ Finance costs are down on budget due to market conditions, more active treasury management and a decrease in loans raised due to the capital works programme being behind budget (\$1.7m)
- ↑ Depreciation expense is down on budget due to capital work on major projects being delayed (\$1.9m)
- ↑ Share of associates surplus not included in budget (\$8.4m).

### NOTE 37: EVENTS OCCURRING AFTER BALANCE DATE

Council is unaware of any significant events between the preparation and authorisation of these financial statements.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 38: ELECTED REPRESENTATIVES

In accordance with Schedule 10, Part 3, section 32 of the Local Government Act 2002, the total remuneration and value of other non-financial benefits received by, or payable to the Mayor and Councillors for the year were as follows:

2017/2018 TOTAL \$		SALARY \$	CONSENT HEARINGS \$	2018/2019 TOTAL COST \$	DIRECTOR FEES \$	TOTAL \$
<b>COUNCILLORS</b>						
134,628	Kempthorne R G, Mayor and Standing Committee Chair	138,720	–	138,720	–	138,720
84,096	King T B, Deputy Mayor	49,739	–	49,739	34,030	83,769
45,464	Bryant S G, Standing Committee Chair	45,913	–	45,913	–	45,913
45,684	Canton P, Standing Committee Chair	45,913	–	45,913	–	45,913
37,137	Brown S	38,262	–	38,262	–	38,262
48,202	Greening M	38,262	–	38,262	23,019	61,281
37,137	Hawkes P H W	38,262	–	38,262	–	38,262
37,137	Maling K	38,262	–	38,262	–	38,262
38,037	McNamara D	38,262	–	38,262	–	38,262
37,137	Ogilvie D	38,262	–	38,262	–	38,262
37,137	Sangster P	38,262	–	38,262	–	38,262
37,137	Tuffnell T	38,262	–	38,262	–	38,262
37,137	Turley A	38,262	–	38,262	–	38,262
38,337	Wensley D	38,262	–	38,262	–	38,262
<b>694,407</b>	<b>Total councillors</b>	<b>662,905</b>	<b>–</b>	<b>662,905</b>	<b>57,049</b>	<b>719,954</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 (2018: \$3,181).

Deputy Mayor T B King is a Director of Port Nelson Limited and received director fees from Port Nelson of \$34,030 during the year (2018: \$33,494).

Councillor M Greening is a Director of Nelson Airport Limited and received director fees from Nelson Airport of \$23,019 during the year (2018: \$11,065).



## NOTES TO FINANCIAL STATEMENTS

### NOTE 39: FINANCIAL PERFORMANCE IN RELATION TO REGULATIONS BENCHMARKS

#### ANNUAL REPORT DISCLOSURE STATEMENT FOR YEAR ENDING 30 JUNE 2019

##### What is the purpose of this statement?

The purpose of this statement is to disclose Council's financial performance in relation to various benchmarks to enable the assessment of whether Council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

Council is required to include this statement in its 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.

##### RATES AFFORDABILITY BENCHMARK

Council meets the rates affordability benchmark if:

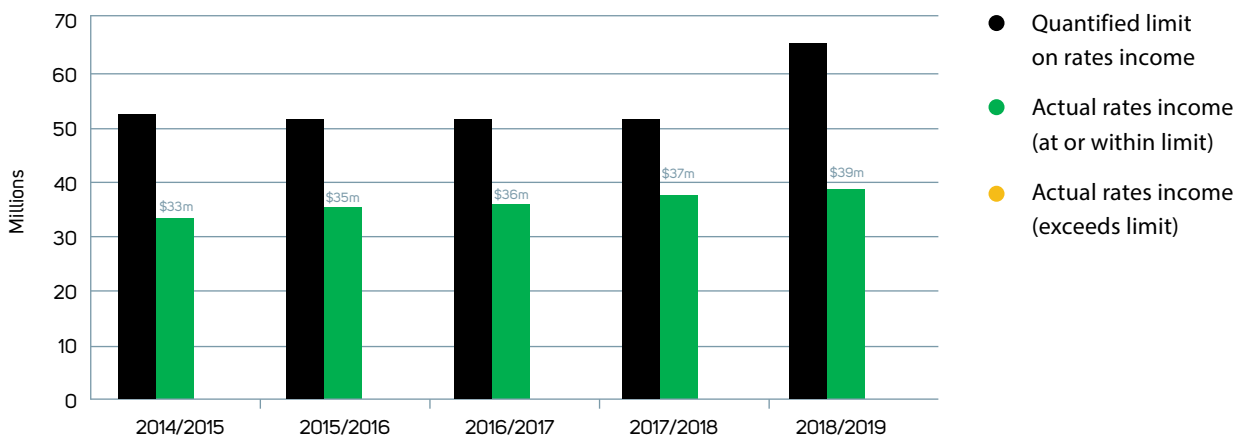
- its actual rates revenue equals or is less than each quantified limit on rates; and
- its actual rates increases equal or are less than each quantified limit on rates increases.

##### Rates (revenue) affordability

**Figure 30** compares Council's actual general rates revenue with a quantified limit on general rates contained in the financial strategy included in Council's Long Term Plan.

The quantified limit for general rates is \$52 million per annum for each year covered by the Long Term Plan 2012 – 2022 and \$51 million per annum for each year covered by the Long Term Plan 2015 – 2025 and \$65 million per annum for each year covered by the Long Term Plan 2018 – 2028.

**FIGURE 30. Rates (Income) Affordability – General Rates**



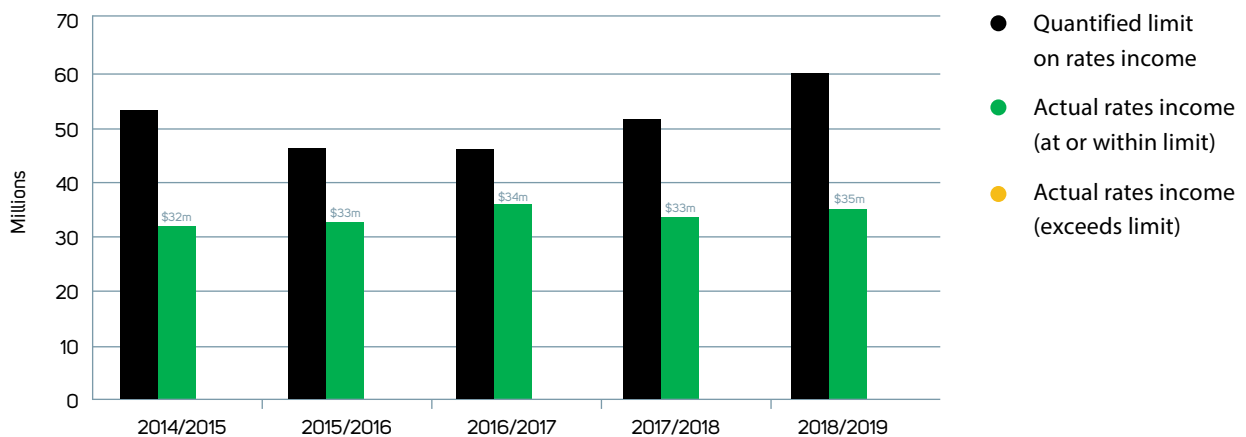
## NOTES TO FINANCIAL STATEMENTS

### NOTE 39: FINANCIAL PERFORMANCE IN RELATION TO REGULATIONS BENCHMARKS (CONT.)

**Figure 31** compares Council's actual targeted rates revenue with a quantified limit on targeted rates contained in the financial strategy in Council's Long Term Plan.

The quantified limit for targeted rates is \$53 million per annum for each year covered by the Long Term Plan 2012 – 2022 and \$46 million per annum for each year covered by the Long Term Plan 2015 – 2025 and \$60 million per annum for each year covered by the Long Term Plan 2018 – 2028.

**FIGURE 31. Rates (Income) Affordability – Targeted Rates**

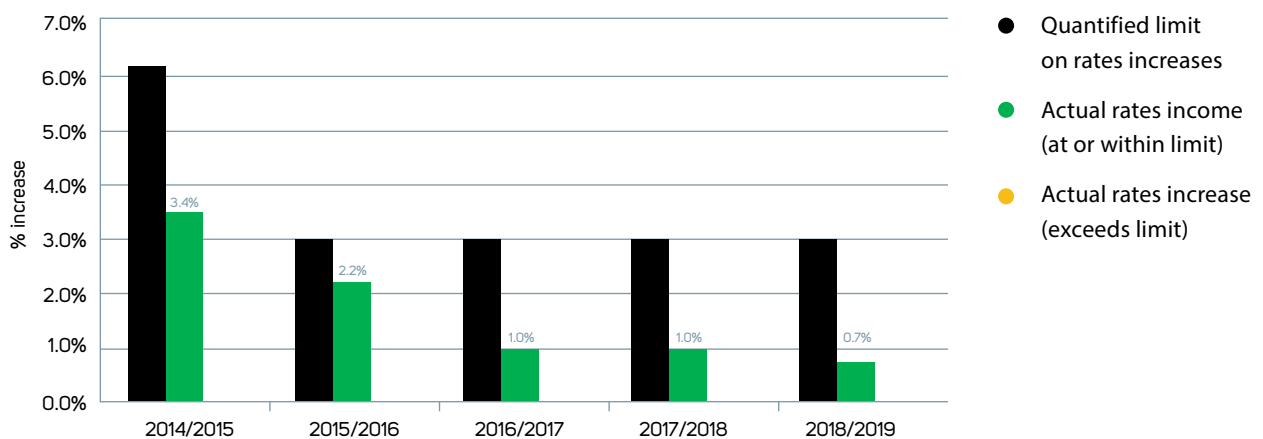


### Rates (increases) affordability

**Figure 32** compares Council's actual rate increases with a quantified limit on rates increases contained in the financial strategy in Council's Long Term Plan.

The quantified limit is 6.10% per annum for all rates for each year covered by the Long Term Plan 2012 – 2022 and 3% excluding growth per annum for each year covered by the Long Term Plan 2015 – 2025 and Long Term Plan 2018 – 2028.

**FIGURE 32. Rates (Increases) Affordability**



## NOTES TO FINANCIAL STATEMENTS

### NOTE 39: FINANCIAL PERFORMANCE IN RELATION TO REGULATIONS BENCHMARKS (CONT.)

#### DEBT AFFORDABILITY BENCHMARK

Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing.

The definitions contained in the regulations differ from those used in Council’s financial strategy contained in the Long Term Plan. The main departure between these two documents relates to the definition of net debt in the regulations compared to net external debt in the financial strategy. The quantified limits on borrowings contained in the benchmark graphs were taken from the financial strategy, and as such were formulated in relation to the definition of net external debt. Actual results are reported using both the prescribed definitions contained in the regulations, and the definition intended by the financial strategy, explained below.

Net external debt is defined in the financial strategy of the Long Term Plan 2015 – 2025 as total external debt less liquid financial assets and investments.

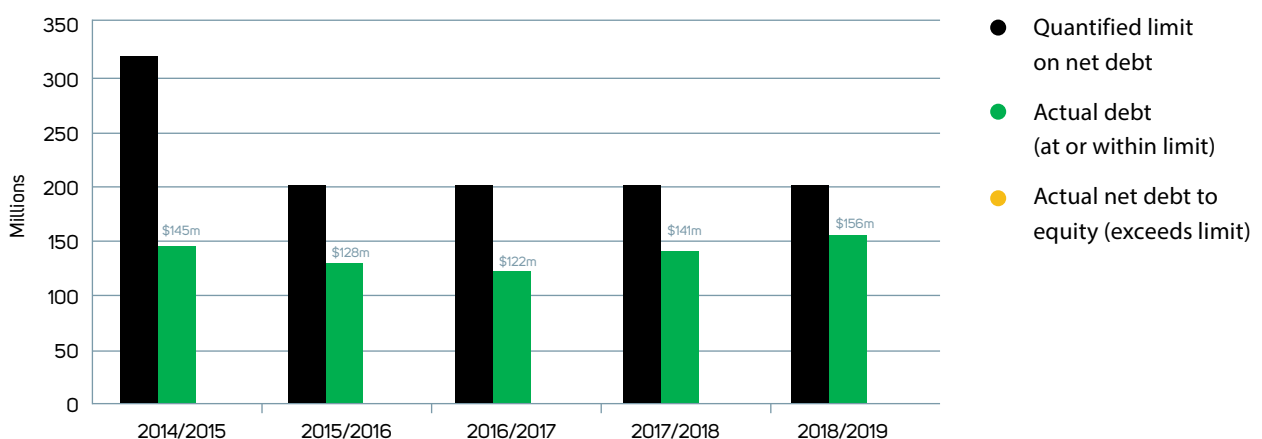
Net debt is defined in the regulations as financial liabilities less financial assets (excluding trade and other receivables). Financial liabilities as defined by GAAP include, gross external debt (aggregate and financial guarantees provided to third parties) plus trade payables and derivative financial instruments (interest rate swaps). Financial assets as defined by GAAP include cash or near cash treasury investments held from time to time, and equity instruments of other entities e.g. investments in CCOs.

#### External Debt Limit

**Figure 33** compares Council’s actual borrowing with a quantified limit on borrowing stated in the financial strategy contained in Council’s Long Term Plan.

The quantified limit is gross external debt not to exceed \$320 million per annum for each year covered by the Long Term Plan 2012 – 2022 and net external debt not to exceed \$200 million per annum for each year covered by the Long Term Plan 2015 – 2025 and Long Term Plan 2018 – 2028.

**FIGURE 33. Debt Affordability – External Debt Limit**



## NOTES TO FINANCIAL STATEMENTS

### NOTE 39: FINANCIAL PERFORMANCE IN RELATION TO REGULATIONS BENCHMARKS (CONT.)

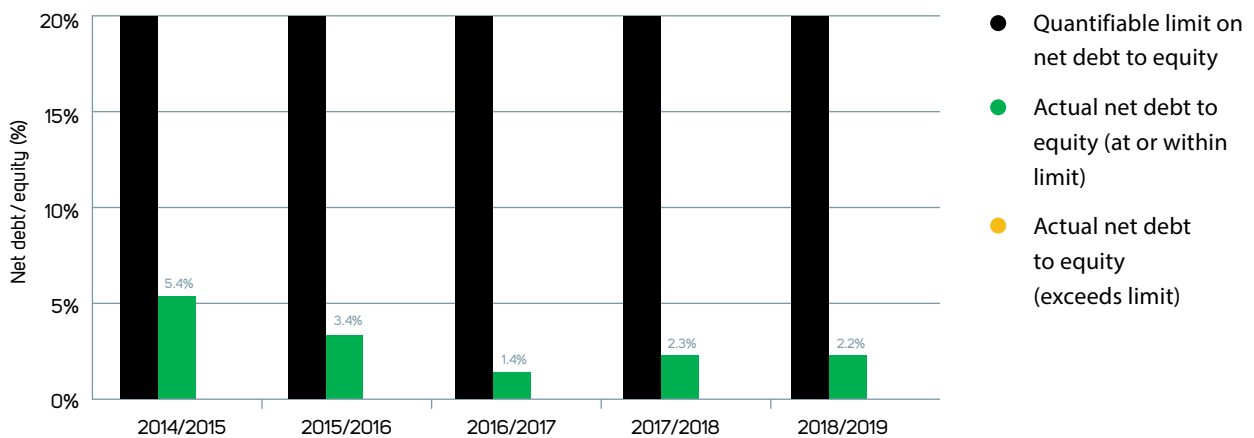
#### Net Debt to Equity

**Figure 34** compares Council's actual net debt with a quantified limit on borrowing stated in the financial strategy contained in Council's Long Term Plan.

The quantified limit is net external debt to not exceed 20% of equity.

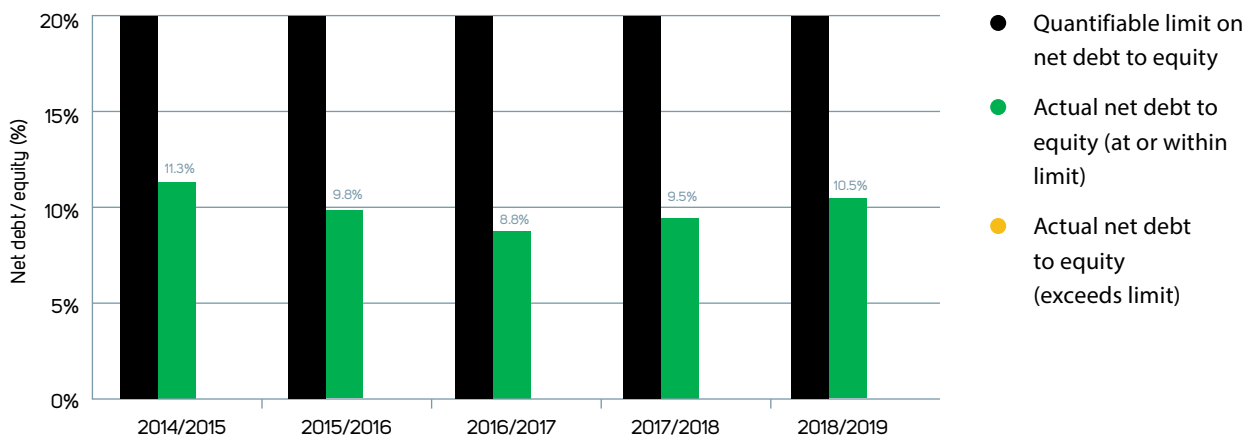
The following graph represents the actual results based on the prescribed definitions in the regulations.

**FIGURE 34. Debt Affordability – Net Debt to Equity**



**Figure 35** represents the actual results based on the intended definitions contained in the financial strategy.

**FIGURE 35. Debt Affordability – Net Debt to Equity**



## NOTES TO FINANCIAL STATEMENTS

### NOTE 39: FINANCIAL PERFORMANCE IN RELATION TO REGULATIONS BENCHMARKS (CONT.)

#### Net Debt to Total Operating Revenue

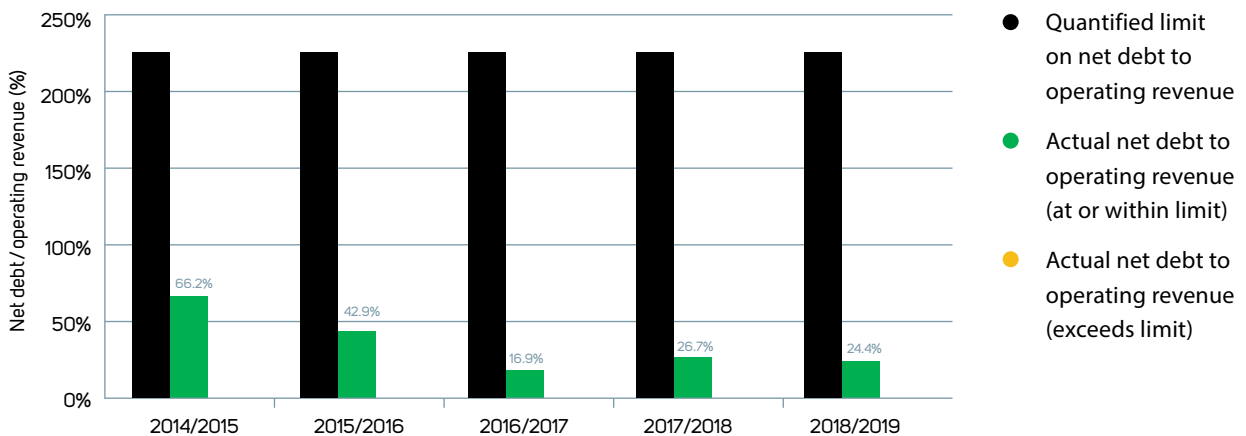
**Figure 36** compares Council's actual net debt with a quantified limit on borrowing stated in the financial strategy contained in Council's Long Term Plan.

The quantified limit is net external debt to net exceed 225% of total operating revenue.

(Total operating revenue is defined in the financial strategy 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)).

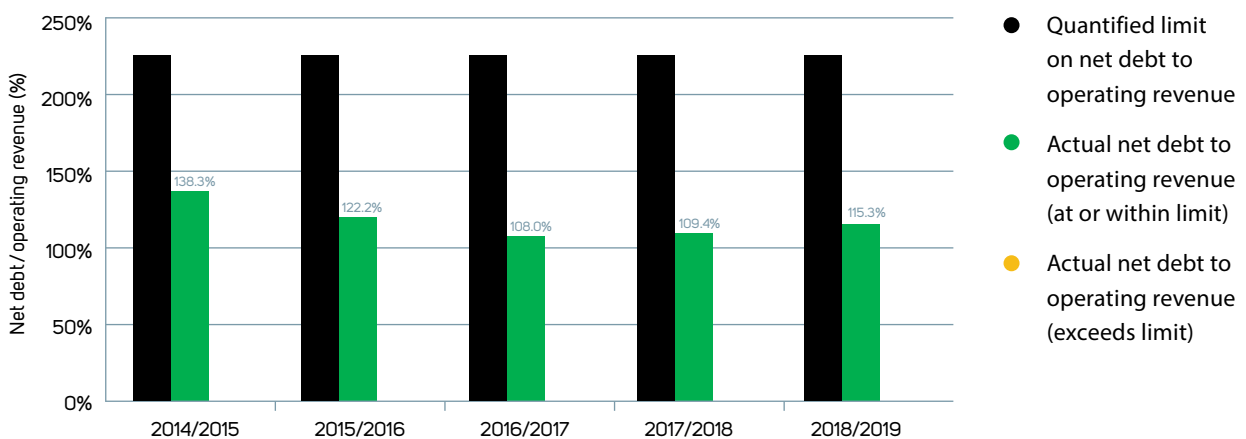
The following graph represents the actual results based on the prescribed definitions in the regulations.

**FIGURE 36. Debt Affordability – Net Debt to Operating Revenue**



**Figure 37** represents the actual results based on the intended definitions contained in the financial strategy.

**FIGURE 37. Debt Affordability – Net Debt to Operating Revenue**



## NOTES TO FINANCIAL STATEMENTS

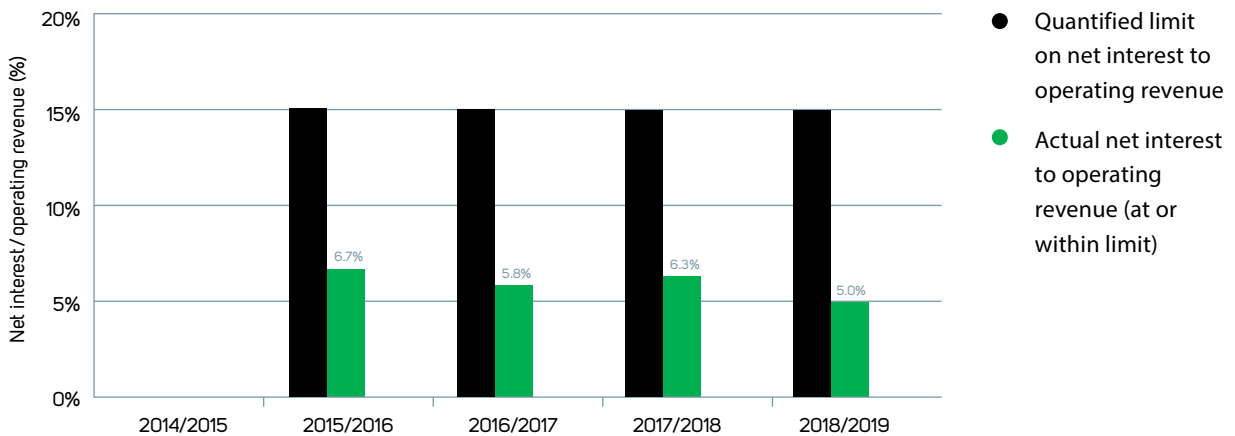
### NOTE 39: FINANCIAL PERFORMANCE IN RELATION TO REGULATIONS BENCHMARKS (CONT.)

#### Net Interest to Total Revenue

**Figure 38** compares Council’s actual net interest expense with a quantified limit on borrowing stated in the financial strategy contained in Council’s Long Term Plan.

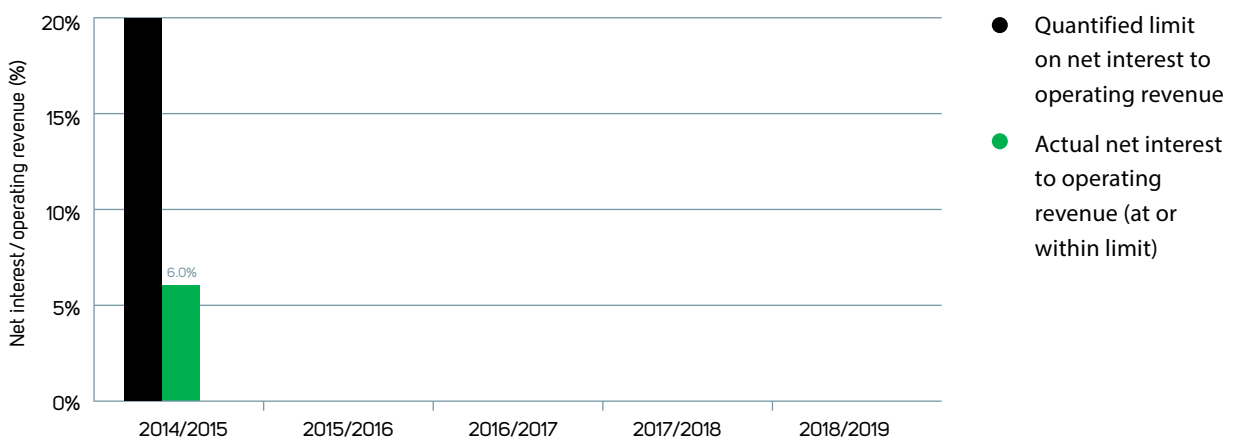
The quantified limit is net interest on external debt to not exceed 15% of total operating revenue for each year covered by the Long Term Plan 2015 – 2025 and the Long Term Plan 2018 – 2028. This measure replaces the quantified limit contained in the Long Term Plan 2012 – 2022 so has no comparatives.

**FIGURE 38. Debt Affordability – Net Interest to Operating Revenue**



The quantified limit in the Long Term Plan 2012 – 2022 was net interest on net external debt to not exceed 20% of total revenue for each year covered by the Long Term Plan 2012 – 2022.

**FIGURE 39. Debt Affordability – Net Interest to Total Revenue**



## NOTES TO FINANCIAL STATEMENTS

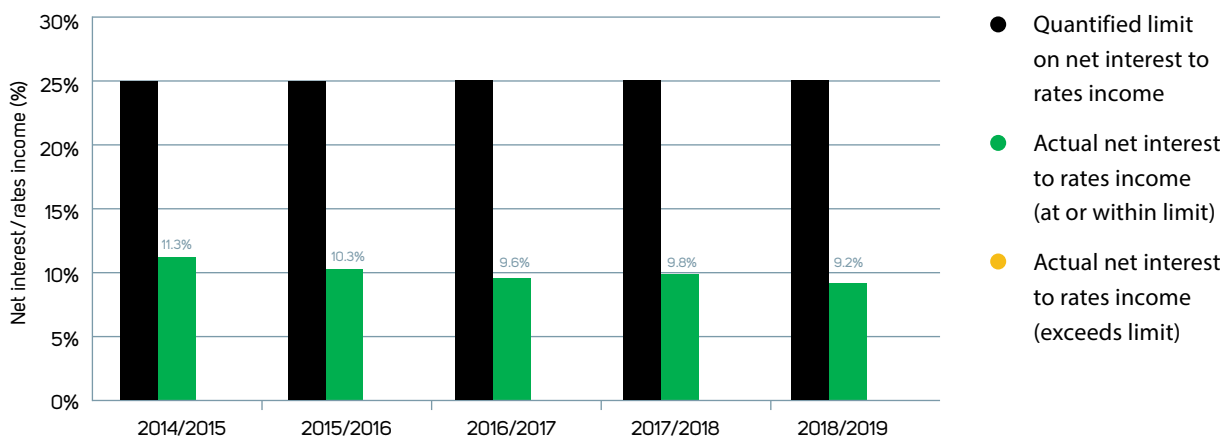
### NOTE 39: FINANCIAL PERFORMANCE IN RELATION TO REGULATIONS BENCHMARKS (CONT.)

#### Net Interest to Total Rates Revenue

**Figure 40** compares Council's actual net interest expense with a quantified limit on borrowing stated in the financial strategy contained in Council's Long Term Plan.

The quantified limit is net interest expense on net external debt to not exceed 25% of annual rates revenue.

**FIGURE 40. Debt Affordability – Net Interest to Annual Rates Income**

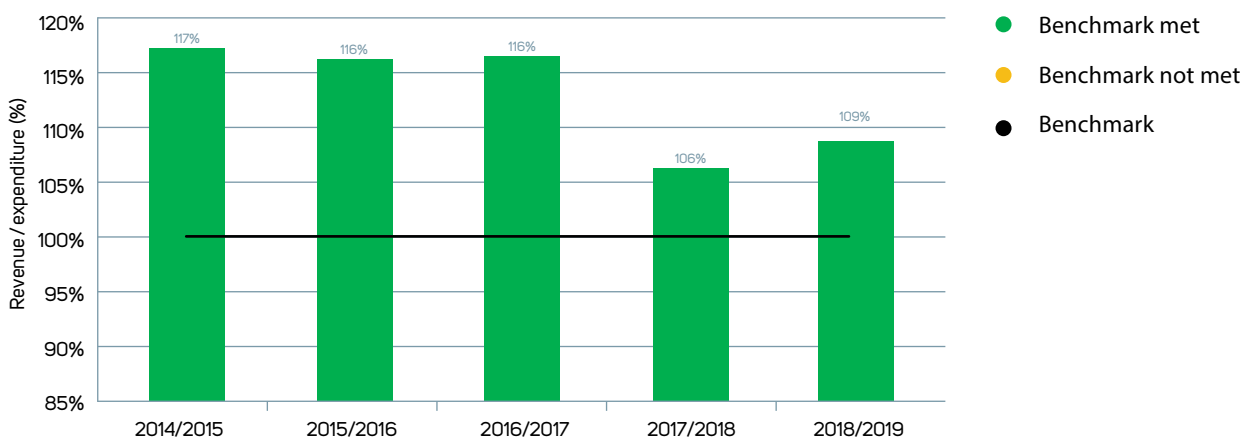


#### BALANCED BUDGET BENCHMARK

**Figure 41** displays 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).

Council meets this benchmark if its revenue equals or is greater than its operating expenses.

**FIGURE 41. Balanced Budget Benchmark**



Note: Operating expenses include depreciation. Council decided not to fund depreciation but to fund principal repayments on debt instead, with depreciation being higher than principal repayments. This issue was addressed as part of Council's Long Term Plan 2015 – 2025 with funding of depreciation being phased in over the ten years covered by the plan.



NOTES TO FINANCIAL STATEMENTS

NOTE 39: FINANCIAL PERFORMANCE IN RELATION TO REGULATIONS BENCHMARKS (CONT.)

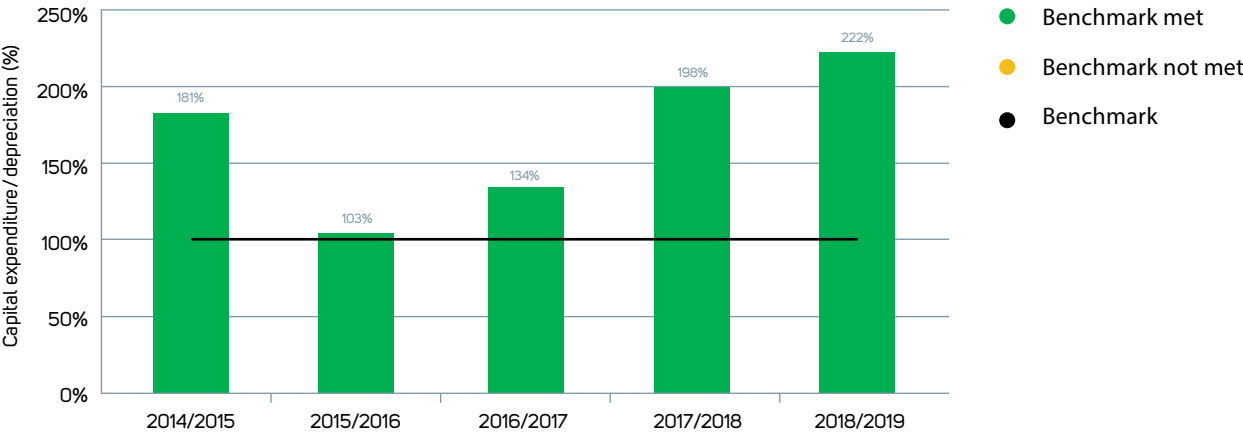
ESSENTIAL SERVICES BENCHMARK

Figure 42 displays Council’s capital expenditure on network services as a proportion of depreciation on network services.

The regulations define network services as infrastructure related to water supply, sewerage and the treatment and disposal of sewage, stormwater drainage, flood protection and control works, and the provision of roads and footpaths. Therefore infrastructure related to solid waste, coastal structures, and aerodromes and fixed assets have been excluded from this benchmark.

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.

FIGURE 42. Essential Services Benchmark



## NOTES TO FINANCIAL STATEMENTS

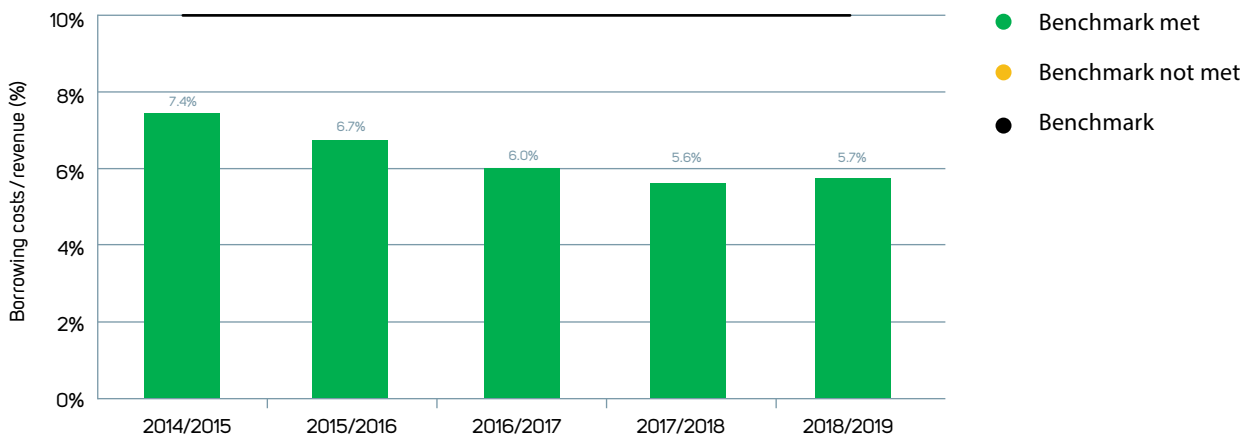
### NOTE 39: FINANCIAL PERFORMANCE IN RELATION TO REGULATIONS BENCHMARKS (CONT.)

#### DEBT SERVICING BENCHMARK

Figure 43 displays 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 Council's population will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if its' borrowing costs equal or are less than 10% of its revenue.

FIGURE 43. Debt Servicing Benchmark

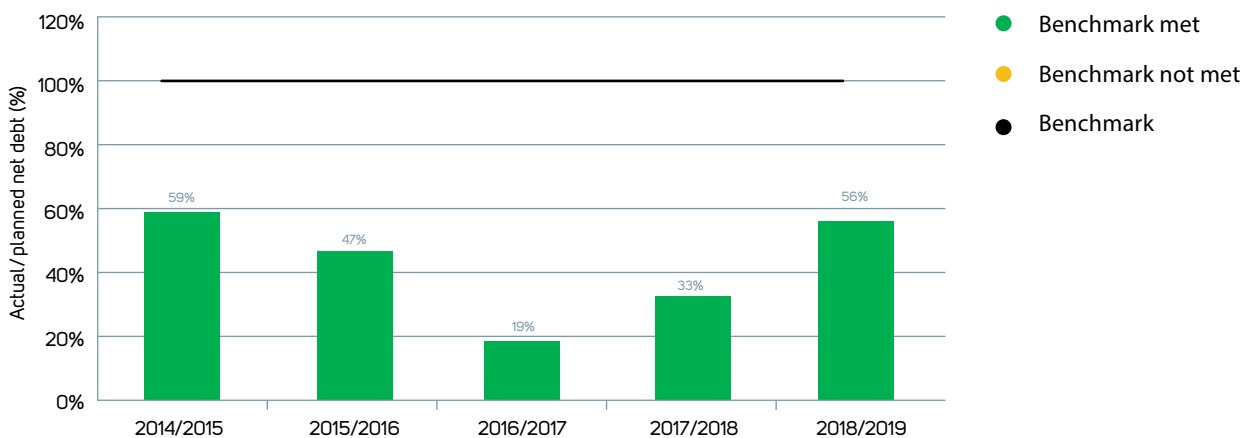


#### DEBT CONTROL BENCHMARK

Figure 44 displays Council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables).

Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.

FIGURE 44. Debt Control – Actual Net Debt / Planned Net Debt



## NOTES TO FINANCIAL STATEMENTS

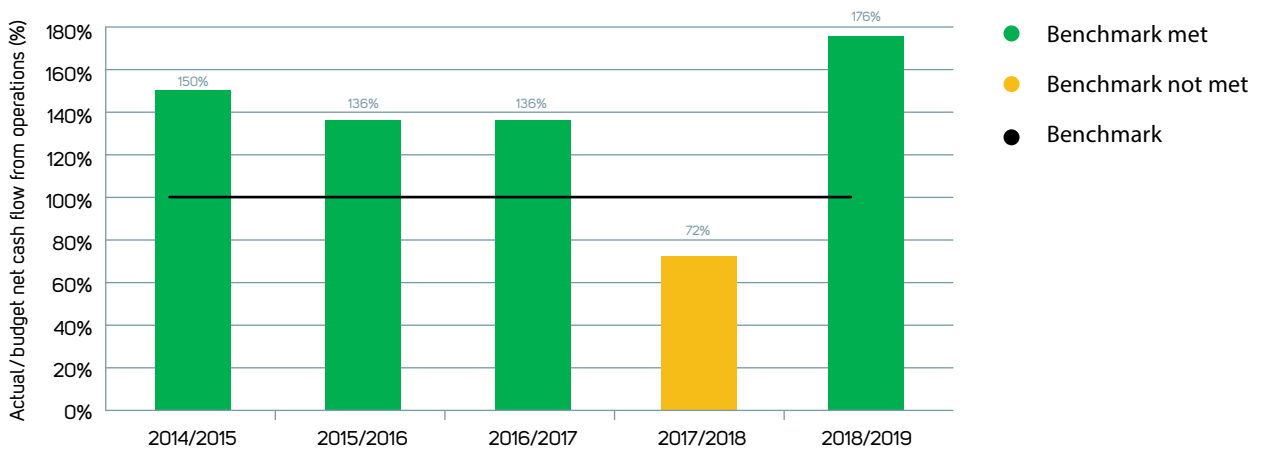
### NOTE 39: FINANCIAL PERFORMANCE IN RELATION TO REGULATIONS BENCHMARKS (CONT.)

#### OPERATIONS CONTROL BENCHMARK

Figure 45 displays Council's actual net cash flow from operations as a proportion of its planned net cash flow from operations.

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.

FIGURE 45. Operations Control – Actual / Budgeted Operating Cashflow



### NOTE 40. RATING BASE AND INSURANCE OF ASSETS

The Local Government Act 2002 was amended in early August 2014 and requires information on Council's rating base 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 2018 (the preceding year as required by the Act).

Rating Unit info as at 30 June 2018:

	COUNT	LAND VALUE	CAPITAL VALUE
Non-rateable 100%	1,067	422,120,500	457,642,000
Non-rateable- services only	242	138,621,000	367,588,500
<b>Total non-rateable</b>	<b>1,309</b>	<b>560,741,500</b>	<b>825,230,500</b>
Rateable	23,704	8,822,531,325	17,110,114,025
<b>Total rating units</b>	<b>25,013</b>	<b>9,383,272,825</b>	<b>17,935,344,525</b>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 40: RATING BASE AND INSURANCE OF ASSETS (CONT.)

#### 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 2019.

The cost of the Canterbury and Kaikoura 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, RIVERS, REFUSE, AERODROMES, PORTS AND COASTAL ASSETS

These activities have a total book value of \$520,385,000. Repairs to these assets following a significant event are covered 40% through Aon with a large deductible, with the remaining 60% being funded by central government. Council currently has insurance cover for a \$100 million catastrophic disaster event. 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 2019 is \$3,806,000 (2017/18 \$3,886,000).

#### ROADING AND FOOTPATH ASSETS

These activities have a total book value of \$705,528,000 (including land under roads). For this activity of assets, Council would however receive a minimum of 51% subsidy from the NZ Transport Agency for subsidised roading assets, with the remaining portion of the loss, and non-subsidised assets, to be funded through the general disaster fund and loan funding.

#### LAND, BUILDINGS, PLANT AND EQUIPMENT, AND OTHER ASSETS

This activity has a total asset book value of \$229,374,000.

Assets are insured for reinstatement value or indemnity value as per the most current valuation for assets listed in the Statement of Property Insured, with limits of indemnity of \$2,000,000 for subsidence.

Residential property (material damage) at most recent valuation for assets listed in the Statement of Property Insured, with limits of indemnity of \$2,000,000 for capital additions, construction/alterations of \$2,000,000, landslip \$2,000,000 and subsidence of \$2,000,000.

The harbourmaster boat is insured for \$294,467.

#### VEHICLES

This activity has a total asset book value for insurance purposes of \$841,000 (2018: \$725,000). All vehicles are insured for market value or replacement value (if vehicle is less than 12 months old).

#### 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 2019 is \$1,092,000 (2017/18 \$1,024,000) and is now used to cover deductibles, excesses, and small assets not on the material damage.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 41. COMMITMENTS AND CONTINGENCIES

#### CONTRACTUAL CAPITAL COMMITMENTS

These are capital commitments for which a formal contract has been entered at 30 June 2019.

CONTRACTUAL CAPITAL COMMITMENTS	30 JUNE 2019 \$000
Transportation	1,019
Three waters	7,391
Share of JV – Waimea Water	47,123
Land & Buildings	1,809
<b>Total capital commitments 30 June 2019</b>	<b>57,515</b>

These are capital commitments for which a formal contract has been entered at 30 June 2018.

CONTRACTUAL CAPITAL COMMITMENTS	30 JUNE 2018 \$000
Transportation	5,625
Water Supply	1,154
Wastewater	1,511
Stormwater	2,451
Land & Buildings	767
Vehicles	37
<b>Total capital commitments 30 June 2018</b>	<b>11,545</b>

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 inflation.

#### OPERATING LEASES AS LESSEE

Council has no material operating leases as lessee.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 41. COMMITMENTS AND CONTINGENCIES (CONT.)

#### GUARANTEE – NEW ZEALAND LOCAL GOVERNMENT FUNDING AGENCY LIMITED

Tasman District Council is a guarantor of the 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 15 local authority guarantors of the NZLGFA. In that regard it has uncalled capital of \$1.866 million. When aggregated with the uncalled capital of other shareholders, \$20 million 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 2019, NZLGFA had borrowings totalling \$9.531 billion (2018: 8.272 billion).

Financial reporting standards require Tasman District Council to recognise the guarantee liability at fair value.

However, Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. 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.

#### WAIMEA WATER LIMITED JOINT VENTURE

##### Project cost

Council and Waimea Irrigators Ltd entered into a Joint Venture partnership to build the Waimea Community Dam.

In December 2018 when WWL was incorporated, an approved design and baselines for cost and project schedule were agreed with shareholders and financiers. Managing these parameters is set in the company constitution, shareholders' agreements and the Project Funding Agreement. The total estimated project funding is \$102.85 million, which is funded by Tasman District Council, Waimea Irrigators Limited, Nelson City Council, a concessionary loan from Crown Irrigation Investments Limited, and a Freshwater Improvement Fund grant.

The three-year construction project began in March 2019, with works to create access to the Lee Valley site almost complete at 30 June 2019. Construction of the dam is expected to start in July 2019.

In the event of a cost overrun Council and Waimea Irrigators Limited share the costs equally for the first \$3 million. Council will be liable in full for any overruns past \$3 million. This guarantee is a potential future liability for Council. At 30 June 2019, no value can be calculated for this potential liability as the construction of the Dam itself has not commenced. At 30 June 2019, expenditure to date is in line with the budget. The geology of the site is a significant risk for the project, which upon excavation could cause the project budget to increase or decrease. Contingencies have been included in the project budget to reflect this and other uncertainties. Due to the early stage of the project, valuation of the potential liability cannot be calculated.

WWL provides regular reporting against the project schedules to deliver the project and keep both shareholders and financiers informed of progress. WWL has developed and uses a risk management system that proactively understands and mitigates risks. Council continues to monitor progress and risk. Subsequent to 30 June 2019, WWL excavation of the rock commenced and was found to be in line with expectations and projected costs were within budget.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 41. COMMITMENTS AND CONTINGENCIES (CONT.)

#### Compensation clause

Under the terms of the Project Deed (the Deed), a compensation clause is in place.

If, within 40 years, Council does not honour the specific provisions of the deed related to its statutory powers, and knowingly takes a course of action that is not consistent with the partnership entered into then it may face liability for the economic losses to the irrigators. Council's maximum exposure is limited to \$50 million in aggregate.

Council remains committed to the Joint Venture and the Deed. There is no contingent liability or guarantee to be recognised at 30 June 2019 in relation to the compensation clause.

#### Loan Guarantee

Crown Irrigation Investments Ltd issued a loan to Council's Joint Venture partner, WWL. Council has guaranteed this loan to the value of \$29 million. In return, Council currently holds a greater share of voting rights in the Joint Venture. As the loan is repaid, or if the credit support is released, Council's voting rights will decrease from 63% to 51%. No liability has been recognised in relation to this loan. We have assessed the risk of default as minimal and as such the liability as nil. While there is a possibility that the liability will accrue a series of circumstances would have to occur which are considered unlikely.

#### CONTINGENT LIABILITIES

Council has contingent liabilities of \$Nil (30 June 2018: \$Nil). Council has no contingent claims against other parties (30 June 2018: Nil).

The final claim with the Weathertight Homes Resolution Service (WHRS) was agreed during the year ended 30 June 2019, Council has accrued this claim. There were no other active claims at 30 June 2019 (June 2018: one active claim).

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

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 WHRS Act 2006, but other statutory limitation periods could also affect claims.

In April 2013, the Ministry of Education (MOE) initiated High Court proceedings against Carter Holt Harvey (CHH) and others alleging inherent defects in the cladding sheets and cladding systems manufactured and prepared by CHH. Subsequently, in December 2016, CHH commenced third party proceedings against 48 Councils, including Tasman District Council alleging a breach of duty in the processing of building consents, undertaking building inspections and issuing Code Compliance Certificates. The number of councils has since increased to 54. The councils have applied for orders setting aside and striking out CHH's claims against them. The MOE's claim against CHH is for 833 school buildings, two of which are located within Tasman District. At present there is insufficient information to conclude on potential liability and claim quantum, if any.

RiskPool provides public liability and professional indemnity insurance for its members. Council was a member of RiskPool until 1 July 2016. The Trust Deed of RiskPool provides that, if there is shortfall (whereby claims exceed contributions of members and reinsurance recoveries) in any funding year, then the Board may make a call on members for that fund year.



## NOTES TO FINANCIAL STATEMENTS

### NOTE 41. COMMITMENTS AND CONTINGENCIES (CONT.)

Tasman District Council is required to undertake seismic assessments of some of its buildings in accordance with the Building Act and its own Policy for Earthquake Prone, Dangerous and Insanitary Buildings. All required assessments have now been completed and strengthening works actioned where required. Good progress has been achieved with offices and public buildings having either been upgraded or their maximum occupancies have been reclassified to meet the standards. A further seven buildings were assessed in 2018/19. These buildings meet or exceed the current required standards.

Council has two buildings, as at 30 June 2019, that require seismic strengthening in the next 10 years, the estimated cost is \$20,000.

Asbestos Assessment reports were completed for Council's buildings in 2018. Council is progressing action on rectifying any building elements that were identified in the reports as Asbestos Containing Materials (ACMs) or with assumed ACMs and had a condition rating of "Poor". Council is also engaging a certified asbestos assessor and removal company to initially peer review the reports and provide their experience and guidance into this process.

#### OTHER CONTINGENT ASSETS

2019: \$Nil (2018: \$Nil)

#### ASSOCIATES CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no material contingent assets or liabilities to record as at the date of this Annual Report.

### NOTE 42. RECLASSIFICATIONS

	EMPLOYEE RELATED EXPENSE \$'000	OTHER EXPENSES \$'000	MAINTENANCE \$'000
<b>Audited 2017/18</b>	<b>22,043</b>	<b>33,048</b>	<b>33,486</b>
Elected representatives salary	(718)	718	-
Forestry expenses	-	3,290	(3,290)
Information Technology expenses	-	853	(853)
<b>Reclassified 2017/18</b>	<b>21,325</b>	<b>37,909</b>	<b>29,343</b>
<b>Budget 2018/19</b>	<b>24,711</b>	<b>29,575</b>	<b>24,180</b>
Elected representatives salary	(735)	735	-
Forestry expenses	-	3,758	(3,758)
Information Technology expenses	-	786	(786)
<b>Reclassified budget 2018/19</b>	<b>23,976</b>	<b>34,854</b>	<b>19,636</b>

Elected representatives salaries, previously included in employee expenses, have been reclassified to other expenses as elected members are not employees. Forestry expenses related to harvesting, and Information Technology costs mostly related to software costs have been reclassified from maintenance to other expenses.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 43. STANDARDS, AMENDMENTS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

STANDARD	EFFECTIVE DATE	BRIEF OUTLINE
PBE IPSAS 34 PBE IPSAS 35 PBE IPSAS 36 PBE IPSAS 37 PBE IPSAS 38	Mandatory for annual periods beginning on or after <b>1 January 2019</b> .	<p>PBE Standards on interests in other entities:</p> <p>PBE IPSAS 34 Separate Financial Statements</p> <p>PBE IPSAS 35 Consolidated Financial Statements</p> <p>PBE IPSAS 36 Investments in Associates and Joint Ventures</p> <p>PBE IPSAS 37 Joint Arrangements</p> <p>PBE IPSAS 38 Disclosure of Interests in Other Entities</p> <p>These standards were issued to incorporate the equivalent standards issued by the IPSASB into the PBE Standards, which reflect the reforms introduced by IFRS 10, 11 and 12 in the for-profit sector in 2011.</p> <p>These standards replace PBE IPSAS 6 (both the public sector and NFP versions), PBE IPSAS 7 and PBE IPSAS 8.</p> <p>The new standards:</p> <p>Introduce an amended definition of control and extensive guidance on control (and continues to require all controlled entities to be consolidated in the controlling entity's financial statements, except as noted below).</p> <p>Introduce the concept of "investment entity", exempts investment entities from consolidating controlled entities, and requires investment entities to recognise controlled entities at fair value through surplus or deficit instead.</p> <p>Introduce a new classification of joint arrangements, set out the accounting requirements for each type of arrangement (joint operations and joint ventures), and remove the option of using the proportionate consolidation method.</p> <p>Require PBEs to disclose information on their interests in other entities, including some additional disclosures that are not currently required under PBE IPSAS 6, 7 and 8.</p> <p>Early application of these standards is permitted, as long as all the standards are applied at the same time.</p> <p><b>Expected impact on Tasman District Council:</b> Council has not yet assessed the implications.</p>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 43. STANDARDS, AMENDMENTS, AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE (CONT.)

STANDARD	EFFECTIVE DATE	BRIEF OUTLINE
Impairment of Revalued Assets (Amendments to PBE IPSASs 21 and 26)	Applies for periods beginning on or after <b>1 January 2019</b> .	<p>This standard amends PBE IPSAS 21 Impairment of Non-Cash-Generating Assets and PBE IPSAS 26 Impairment of Cash-Generating Assets to bring assets measured at revalued amounts within the scope of the standards.</p> <p>Amendments are also made to PBE IPSAS 17 Property, Plant and Equipment and PBE IPSAS 31 Intangible Assets as a result of the amendments to PBE IPSASs 21 and 26.</p> <p>Previously there was some uncertainty about the requirements relating to the recognition of an impairment loss when an item of revalued property, plant and equipment was damaged or no longer available for use. The issue was whether the entire class of assets needed to be revalued when an impairment loss on damaged/ unusable property, plant and equipment was recognised.</p> <p>This standard removes the uncertainty by including revalued property, plant and equipment and revalued intangible assets in the scope of the impairment standards.</p> <p><b>Expected impact on Tasman District Council:</b> Not expected to have a material impact since Council takes into account potential implications of impairments for all assets, including revalued assets, annually.</p>
PBE IFRS 9 <i>Financial Instruments</i>	Mandatory for annual periods beginning on or after <b>1 January 2021</b> .	<p>PBE IPSAS 9 introduces changes introduced by NZ IFRS in the for-profit sector. The standard replaces most of the requirements of PBE IPSAS 29.</p> <p><b>Classification and measurement of financial assets</b></p> <p>These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of PBE IPSAS 29. The Standard introduces a number of changes to the accounting for financial assets, the most significant of which includes:</p> <ul style="list-style-type: none"> <li>• two categories for financial assets being amortised cost or fair value;</li> <li>• removal of the requirement to separate embedded derivatives in financial assets;</li> <li>• strict requirements to determine which financial assets can be classified as amortised cost or fair value. Financial assets can only be classified as amortised cost if (a) the contractual cash flows from the instrument represent principal and interest and (b) the entity's purpose for holding the instrument is to collect the contractual cash flows;</li> </ul>

*Continued on page 251*

## NOTES TO FINANCIAL STATEMENTS

### NOTE 43. STANDARDS, AMENDMENTS, AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE (CONT.)

STANDARD	EFFECTIVE DATE	BRIEF OUTLINE
PBE IFRS 9 <i>Financial Instruments</i>	Mandatory for annual periods beginning on or after <b>1 January 2021</b> .	<ul style="list-style-type: none"> <li>an option for investments in equity instruments which are not held for trading to recognise fair value changes through other comprehensive income with no impairment testing and no recycling through profit or loss on derecognition;</li> <li>reclassifications between amortised cost and fair value no longer permitted unless the entity's business model for holding the asset changes; and</li> <li>changes to the accounting and additional disclosures for equity instruments classified as fair value through other comprehensive income.</li> </ul> <p><b>Expected impact on Tasman District Council:</b> Council has not yet assessed the implications.</p> <p><b>Classification and measurement of financial liabilities</b></p> <p>For financial liabilities designated as fair value through profit or loss using the fair value option, the amount of change in fair value is accounted for as follows:</p> <p>The change attributable to changes in credit risk are presented in other comprehensive income (OCI)</p> <p>The remaining change is presented in profit or loss</p> <p>If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.</p> <p><b>Impairment</b></p> <p>The impairments requirements are based on expected credit loss (ECL) model that replaces the IAS 39 incurred cost model. This model applies to debt instruments accounted for at amortised cost or at fair value through other comprehensive income.</p> <p>Entities are generally required to recognise either 12 months or lifetime ECL, depending on whether there has been significant increase in credit risk since initial recognition. For some trade receivables, the simplified approach may be applied whereby the lifetime expected credit losses are always recognised.</p> <p><b>Expected impact on Tasman District Council:</b> Council has not yet assessed the implications.</p>
PBE FRS 48 <i>Service Performance Reporting</i>	Mandatory for annual periods beginning on or after <b>1 January 2021</b> .	<p>There has been no PBE Standard dealing solely with service performance reporting. This Standard establishes new requirements for public benefit entities (PBEs) to select and present service performance information.</p> <p><b>Expected impact on Tasman District Council:</b> Council has not yet assessed the implications.</p>

# APPENDICES





# APPENDIX ONE: APPLICATIONS PROCESSED

## ENVIRONMENT AND PLANNING DEPARTMENT APPLICATIONS PROCESSED 1 JULY 2018 TO 30 JUNE 2019

### Resource Management Act 1991

TYPE OF CONSENT	OUTCOMES 2017/2018	OUTCOMES 2018/2019
Land Use	610	551
Water	70	108
Discharge	157	146
Coastal	26	10
Subdivision	140	141
Title Plans	124	111
Completion Certificates	113	110
Certificates of Compliance	1	8
Deemed Permitted Boundary Notices	20	51
Marginal or Temporary Exemption Notices	41	38
Resource Consent (Permit) Transfers	201	145
Right of Way (s348 Local Govt. Act 1974)	17	16

### Building Act

TYPE OF CONSENT	NUMBER ISSUED 2017/2018	VALUE 2017/2018 \$MILLION	NUMBER ISSUED 2018/2019	VALUE 2018/ 2019 \$MILLION
Dwelling	428	136.5	368	150.9
Commercial	56	37.9	59	36
Other	1,036	32.5	871	41
<b>TOTAL</b>	<b>1,520</b>	<b>206.9</b>	<b>1298</b>	<b>227.9</b>

### Licences

TYPE	NUMBER OF CERTIFICATES ISSUED 2017/2018	NUMBER OF CERTIFICATES ISSUED 2018/2019
Food premises/Operators	221	363
Hairdressers	41	44
Campgrounds	39	36
Hawkers/Mobile Traders	52	48
Others*	8	6
Commercial vessel operators	30	28

\*As a result of law changes, food stalls are not being reported along with all food premises.

## APPENDIX ONE: APPLICATIONS PROCESSED

### ENVIRONMENT AND PLANNING DEPARTMENT APPLICATIONS PROCESSED 1 JULY 2018 TO 30 JUNE 2019 (CONT.)

#### Sale of Alcohol

TYPE OF LICENCE	NUMBER OF LICENCES ISSUED 2017/2018	NUMBER OF LICENCES ISSUED 2018/2019
Manager's certificate	265	270
On and Off licences	79	65
Club licence	10	11
Special licence	69	65
Temporary authority order	13	6

#### Other

TYPE	2017/2018	2018/2019
Land Information Memoranda	771	646
Complaints received	2562	2631
Abatement Notices issued	53	67
Infringement Notices issued	49	79
Enforcement orders	0	1
Excessive noise directions	151	189



# APPENDIX TWO: COUNCIL'S COMMITTEES, RESPONSIBILITIES AND PORTFOLIOS

## COUNCIL STANDING COMMITTEES

There are three 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 the governance, approval, implementation and monitoring of policies, plans and bylaws in relation to the roads, walkways, cycleways, bridges, water supplies, wastewater 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 S G Bryant.

### COMMUNITY DEVELOPMENT COMMITTEE

This Committee has responsibility for the planning, reviewing and implementation of functions, duties, and powers in respect of community recreation and development, parks and reserves, Reserve Financial Contributions, sports grounds, public halls, elections, libraries, walkways/cycleways, camping grounds, cemeteries, arts and culture, swimming pools, Special Purpose Committees (Halls and Reserves), community health issues, friendly towns, protected trees, community engagement and consultation, strategic policy, environmental education, community and cultural facilities, Council grants, Digital Enablement Strategy, public conveniences, community housing and customer services. This Committee is chaired by Cr P L G Canton.

### ENVIRONMENT AND PLANNING COMMITTEE

This Committee has responsibility for ensuring Council meets all legislative compliance requirements and to govern, develop, approve and ensure the implementation and monitoring of policies, plans and bylaws in relation to resource management, policy, consents, environmental health, building control, and sale and supply of alcohol, bylaws and licenses, biosecurity, maritime safety, rural fire, hazardous substances and new organisms, animal control, information and investigations, parking control, climate change and CDEM. This Committee is chaired by Cr T B King.

## COUNCIL COMMITTEES

### AUDIT & RISK

(Reporting to Council) – Mayor R G Kempthorne, Crs D J Ogilvie (Chair), S R Brown, P F Sangster, M J Greening, T B King, plus G Naylor (appointed member).

### CEO REVIEW

(Reporting to Council) – Mayor R G Kempthorne (Chair), Crs S R Brown and T B King.

### COMMERCIAL

(Reporting to Council) – Crs P F Sangster (Chair), T B King, D E McNamara, D J Ogilvie and D M A Wensley, plus three appointed members – R N Taylor, A D Dunn and K Armstrong.

## 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. Their level of autonomy varies depending on the specific delegations with some able to make decisions in their own right whilst others make recommendations to their parent committee or Full Council. The Mayor is ex officio on all subcommittees. The current subcommittees are:

### COMMUNITY AWARDS

(Reporting to Community Development Committee) – Mayor R G Kempthorne, Crs P L G Canton (Chair), A C Turley, P H W Hawkes and P F Sangster

### COMMUNITY GRANTS

(Reporting to Community Development Committee) – Mayor R G Kempthorne, Crs P L G Canton (Chair), S G Bryant, P F Sangster, A C Turley and D M A Wensley

### CREATIVE COMMUNITIES

(Reporting to Community Development) – Crs P L G Canton, D M A Wensley and A C Turley. Plus community representatives.

## APPENDIX TWO: COUNCIL'S COMMITTEES, RESPONSIBILITIES AND PORTFOLIOS

### OTHER 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 S G Bryant.

#### 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, Manager's Certificates for people working in licensed premises. The Committee is chaired by Cr D J Ogilvie.

### JOINT COMMITTEES OF NELSON AND TASMAN COUNCILS

These are committees made up of representatives of both Tasman District Council and Nelson City Council. The Tasman District Council members of the committees are listed below.

#### Joint Shareholders

Mayor R G Kempthorne, Crs S G Bryant, P L G Canton, T B King, D J Ogilvie and T A Tuffnell

#### Nelson Regional Sewerage Business Unit (NRSBU)

Cr C M (Kit) Maling, Cr D E McNamara, Independent member Michael Higgins (for continuity)

#### Civil Defence Emergency Management

Mayor R G Kempthorne and Cr T B King

#### Regional Pest Management

Crs S G Bryant, S R Brown and D E McNamara

#### Land Development Manual Steering Group

Crs S G Bryant and T B King

#### Saxton Field Committee

Crs T A Tuffnell and C M Maling

#### Nelson Tasman Joint Landfill Committee

Crs S G Bryant and C M Maling

### COUNCIL REPRESENTATIVES AND APPOINTMENTS

#### Accessibility For All

Cr D M A Wensley

#### Friendly Towns

Richmond representative – Cr T A Tuffnell for Fujimi Machi  
Motueka representative – Cr P L G Canton for Kiyosato  
Golden Bay representative – Cr P F Sangster for Grootegast

#### Iwi Liaison

Mayor R G Kempthorne and Chief Executive

#### Local Government New Zealand

##### **Regional Sector Group representatives**

Mayor R G Kempthorne and Chief Executive

##### **Rural and Provincial Sector representatives**

Mayor R G Kempthorne and Cr T B King as alternate,  
Community Development Manager

##### **Zone 5 representatives**

Mayor R G Kempthorne and Chief Executive

#### Māpua Water And Wastewater Business Case Working Group

Crs S G Bryant, T B King and D E McNamara

#### Māpua Waterfront Advisory Committee

Cr T B King

#### Motueka Airport Advisory Group

Cr P L G Canton/Cr P H W Hawkes (as alternate)

#### Native Habitats Tasman

Cr D J Ogilvie and Cr S R Brown

#### Nelson Airport Limited

Council Director Cr M J Greening

## APPENDIX TWO: COUNCIL'S COMMITTEES, RESPONSIBILITIES AND PORTFOLIOS

### Nelson Provincial Museum Working Group

Crs T A Tuffnell and D J Ogilvie

### Nelson Tasman Business Trust

Crs T A Tuffnell and C M Maling as independent members

### Nelson-Tasman Cycle Trust Working Group

Cr P L G Canton

### Port Nelson Limited

Council Director Cr T B King

### Port Tarakohe Advisory Group

Cr T B King (chair), Cr P F Sangster and CR S R Brown

### Positive Ageing Forum

Cr D M A Wensley

### Regional TB Free

Cr S R Brown

### Richmond Bridge And Croquet

Cr M J Greening

### Richmond Transportation Business Case Working Group

Crs S G Bryant, M J Greening and T A Tuffnell

### Takaka Airport Advisory Group

Cr P F Sangster.

### Tasman Bays Heritage Trust Appointments Committee

Mayor R G Kempthorne and Chief Executive

### Tasman Environmental Trust Liaison

Cr T A Tuffnell (as Council Liaison)

### Tasman Regional Sports Trust Board

Mayor R G Kempthorne

### Tasman Youth Council

Crs P L G Canton and A C Turley

### Tenders Panel

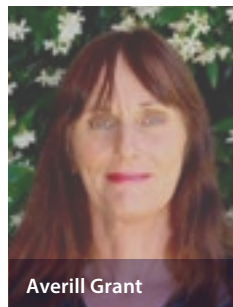
Crs S G Bryant, C M Maling and T A Tuffnell, and Chief Executive

# APPENDIX THREE: COMMUNITY BOARDS

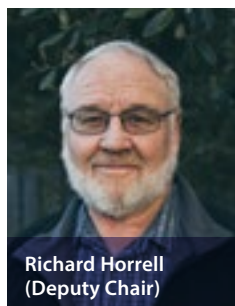
Community Boards are separately elected advisory bodies and are not Council Committees. Their main role is to represent, and act as an advocate for, the interests of their community.

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.

## GOLDEN BAY COMMUNITY BOARD MEMBERS:



## MOTUEKA COMMUNITY BOARD MEMBERS:



# APPENDIX FOUR: MANAGEMENT STAFF

## CHIEF EXECUTIVE OFFICER

Janine Dowding

## COMMUNITY DEVELOPMENT MANAGER

Susan Edwards

## CORPORATE SERVICES MANAGER

Mike Drummond

## ENGINEERING SERVICES MANAGER

Richard Kirby

## ENVIRONMENT AND PLANNING MANAGER

Dennis Bush-King

## OTHER

### BANKERS

ASB Bank Ltd  
Queen Street, Richmond

### PANEL OF SOLICITORS

Fletcher Vautier Moore  
Simpson Grierson  
DLA Piper  
Hamish Fletcher  
Tasman Law

### AUDITORS

Audit New Zealand, on behalf of the Auditor-General

# APPENDIX FIVE: 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 LTP. The main purpose of the Annual Plan is to identify any amendments and variations to the specific year of the base LTP.

## ANNUAL REPORT

Annual Reports are published following the end of each financial year which ends on 30 June. It is an audited account of whether Council completed its planned work programme. Any work not completed as planned is explained. The Annual Report is a key method for Council to be accountable to the community for its performance.

## ACTIVITY MANAGEMENT PLANS

Activity Management Plans (AMPs) describe the infrastructural assets and the activities undertaken by Council and outline the financial, management and technical practices to ensure the assets are maintained and developed to meet the requirements of the community over the long term. Activity Management Plans focus on the service that is delivered as well as the planned maintenance and replacement of physical assets.

## ASSOCIATE

An associate is an entity over which 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 being individuals, businesses, local and central government, groups and organisations, iwi, Māori, disabled, young, old, families, recent migrants and refugees, rural and urban residents.

## COMMUNITRAK™ SURVEY

The Communitrak™ Survey is the survey of residents' opinions that Council has undertaken annually by an independent research agency.

## COMMUNITY OUTCOMES

Community outcomes are the priorities and aspirations identified by Council that it aims to achieve in order to promote the present and future social, economic, environmental and cultural well-being of the community.

## CONSULTATION

Consultation is the dialogue that comes before decision-making. Consultation is an exchange of information, points of view and options for decisions between affected and interested people and the decision makers.

## APPENDIX FIVE: GLOSSARY OF TERMS

### COST OF SERVICES

The cost of services relate to the activity, not the organisational departments. The Local Government Act 2002 requires the LTP to be expressed by the activity.

The cost of the activity includes the direct and the indirect costs that have been allocated to the activity. Indirect costs include interest on public debt, cost of support services and depreciation allowances.

### COUNCIL-CONTROLLED ORGANISATION

As defined by Section 6 of the Local Government Act 2002, a company under the control of local authorities through their:

- Shareholding of 50 percent or more.
- Voting rights of 50 percent or more; or
- Right to appoint 50 percent or more of the directors.

### DEPRECIATION

Depreciation is an estimate of the wearing out, consumption or loss of value of an asset over time.

### EXCHANGE REVENUE

An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value to the other party in exchange.

### FINANCIAL YEAR

Council's financial year runs from 1 July to 30 June the following year.

### GENERAL RATE

The general rate funds activities which are deemed to provide a general benefit across the entire District or which are not economic to fund separately. It is charged to every rateable property in the District.

### GROUPS OF ACTIVITIES

Groups of activities are the services, projects or goods produced by Council. These are 13 broad groups of all of Council's services and facilities, each with common elements. For example, Community Facilities and Parks is a group of activities and includes services such as reserves, libraries and community halls.

### INCOME

Revenue received from external sources both cash and non-cash in nature.

### INFRASTRUCTURE

Networks that are essential to running a district, including the roading network, water supply and wastewater and stormwater networks.

### INFRASTRUCTURE ASSETS

These are assets required to provide essential services like water, stormwater, wastewater and roading. They also include associated assets such as pump stations, treatment plants, street lighting and bridges.

### LEVELS OF SERVICE

This term describes what Council will deliver.

Performance measures are specific indicators used to demonstrate how Council is doing regarding delivery of services. The measures are described in each Activity Management Plan. Council reports on the levels of service it delivered and on the performance measures each year through the Annual Report.

### LIQUIDITY

The ability or ease with which assets can be converted into cash.

### LONG TERM PLAN (LTP)

The Local Government Act 2002 requires Council to adopt a LTP. The LTP outlines Council's intentions over a 10 year period. The LTP requires extensive community consultation, the identification of community outcomes and priorities, and the establishment of monitoring and review mechanisms.

### MAJOR GOALS

These highlight specific significant outcomes of the activity and what is intended to be achieved. The objectives are in some cases encompassing more than just the current financial year but are considered important enough in terms of providing an overall picture to be included in the Plan.

### NET EXTERNAL DEBT (NET DEBT)

Net external debt means total external debt less liquid financial assets and investments.



## APPENDIX FIVE: GLOSSARY OF TERMS

### NET INTEREST

Net interest is interest paid less interest income received.

### NETWORK INFRASTRUCTURE

See Infrastructure Assets.

### OPERATING COSTS (OR OPERATING EXPENDITURE)

These expenses, which are included in the Prospective Income Statement, are the regular costs of providing ongoing services and include salaries, maintaining assets, depreciation and interest. The benefit of the cost is received entirely in the year of expenditure.

### PERFORMANCE TARGETS

These are the measures that will be used to assess whether the performance has been achieved.

### PRIMARY NETWORK

The network of pipes and open drains that manage stormwater for most rainfall events.

### RATES INCOME

Income derived from setting and assessing general or targeted rates.

### RENEWALS

The replacement of an asset or its component that has reached the end of its life, so as to provide a similar level of service or agreed alternative.

### RETURN ON INVESTMENT APPROACH

Investments are managed to cover costs as well as return a surplus to Council. Investments with a higher return are favoured over those with a lower return.

### REVENUE

This includes fees and licences charged for Council's services and contributions towards services by outside parties.

### 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."

### SECONDARY FLOW PATH

The locations that stormwater flows when the primary network is full or blocked.

### SOLID WASTE

Waste products of non-liquid or gaseous nature (for example, building materials, used packaging, household rubbish).

### STORMWATER

Water that is discharged during rain and run-off from hard surfaces such as roads.

### SURPLUS

A surplus is the result of revenue being greater than operating costs for the year.

### SUSTAINABLE DEVELOPMENT

"Development which meets the needs of the present without compromising the ability of future generations to meet their own needs" (from the Sustainable Development for New Zealand Programme of Action, Department of Prime Minister and Cabinet, January 2003).

### TABLE LOAN

A loan where your regular repayments are the same each week, fortnight or month, unless your interest rate changes.

Every repayment includes a combination of interest and principal. At first, your repayments comprise mostly interest but as the amount you still owe begins to decrease, your regular repayment will include less interest and repay more of the principal (the amount you borrowed).

## APPENDIX FIVE: GLOSSARY OF TERMS

### TARGETED RATES

A targeted rate is designed to fund a specific function or activity. It can be levied on specific categories of property (e.g. determined by a particular use or location) and it can be calculated in a variety of ways (e.g. based on capital value, as a fixed amount per rateable property etc.).

### TOTAL OPERATING INCOME

Total operating income is defined as earnings from rates, government grants and subsidies, user charges, levies, interest, dividends, financial and other revenue, but excludes non-government capital contributions, (e.g. development contributions and vested assets).

### TRUNK SERVICES

The network elements that service larger segments of a community beyond a single street or subdivision.

### UNCALLED CAPITAL

Capital that a company has raised by issuing shares or bonds but that the company has not collected because it has not requested payment.

### UNIFORM ANNUAL GENERAL CHARGE (UAGC)

A UAGC is a portion of the general rate collected as a fixed charge per rateable property. It is deemed that the properties receive equal benefit for services charged regardless of the rateable value of the properties, e.g. use of parks, reserves and libraries.

### UNITARY AUTHORITY

Tasman District Council is a unitary authority, which means we carry out the functions of both a regional council and a territorial authority.

### URBAN WATER CLUB

Includes Council-owned urban reticulated water supplies (except Motueka). They are grouped together for the purpose of allocating the costs of urban water supplies. The charge is consistent across all members of the urban water club.

### WASTEWATER

Wastewater is the liquid waste from businesses and homes (including toilet, bathroom and kitchen wastewater products).







# 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

<b>Street Address</b>	189 Queen Street, Richmond 7020
<b>Postal Address</b>	Private Bag 4, Richmond 7050
<b>Telephone</b>	03 543 8400
<b>Fax</b>	03 543 9524
<b>Email</b>	info@tasman.govt.nz

## MOTUEKA OFFICE

<b>Street Address</b>	7 Hickmott Place, Motueka 7120
<b>Postal Address</b>	PO Box 123, Motueka 7143
<b>Telephone</b>	03 528 2022
<b>Fax</b>	03 528 9751

## GOLDEN BAY OFFICE

<b>Street Address</b>	78 Commercial Street, Takaka 7110
<b>Postal Address</b>	PO Box 74, Takaka 7142
<b>Telephone</b>	03 525 0020
<b>Fax</b>	03 525 9972

## MURCHISON OFFICE

<b>Street Address</b>	92 Fairfax Street, Murchison 7007
<b>Postal Address</b>	92 Fairfax Street, Murchison 7007
<b>Telephone</b>	03 523 1013
<b>Fax</b>	03 523 1012

