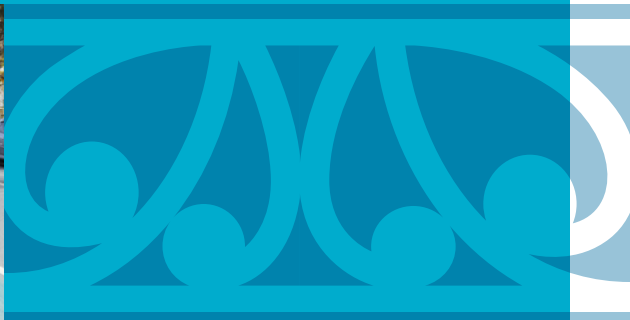


# ANNUAL REPORT PŪRONGO Ā-TAU 2022



Te Kaunihera o  
**te tai o Aorere**



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# A WORD FROM OUR MAYOR AND CHIEF EXECUTIVE OFFICER

Tasman District Council | Te Kaunihera o Te Tai o Aorere has successfully continued to deliver services and projects to the community in what has been a very challenging year.

At the forefront of the challenges was the COVID19 pandemic. Everyone in our communities was impacted, whether it was due to lockdowns, the challenges of managing a workforce working from home, disrupted supply chains and dealing with the general restrictions and impacts caused by the virus.

The pandemic forced businesses and service organisations to re-evaluate how to deliver. It was through this lens we looked for opportunities to be innovative and test how we can deliver differently and better. The efforts of our team and contractors meant that there was little disruption to essential services, such as water, wastewater, rubbish collection as well as the services that you love.

Despite all the above challenges, we delivered the largest capital programme Tasman District Council has ever delivered. Investment in improving our project management practices, through improved procurement strategies and specialist staff, has meant we have been able to provide significant improvements to our infrastructure.

As well as large infrastructure projects to provide greater resilience and to meet the demands of growth, we opened the new Te Noninga Kumu – Motueka Community Library. This exciting development, utilising sustainable building practices, provides a valued community space, a showcase for local art and celebrates our unique Māori stories.

Nelson Airport and Port Nelson are regional assets that provide many benefits to Nelson and Tasman. The dividends received exceeded the target returns. Over the last year we have been working jointly with Nelson City Council to create a holding company to hold the shares that both Councils own in Port Nelson Limited and Nelson Airport Limited. This is to enable financing costs for these companies to be reduced and so leverage greater benefit for the Councils and thus the communities they serve. It is hoped this will be finalised over the next year.

2023 will see the commissioning of the Waimea Community Dam. The Waimea Community Dam is the largest dam constructed in New Zealand since the 1970's. The project will add another key element to the district's resilience capability in augmenting the Waimea River's ability to provide for our largest urban area and economic contributor. It has not been without its challenges both geologically and financially as the project moved from concept to completion. However, with a 100-year lifespan in this fast-growing area, the consequences of climate change and the need to support the river over this time we firmly believe this investment will be looked on favourably in the future.

Local Government has been faced with a raft of reforms and legislative changes affecting nearly all of our functions as a Unitary Council. The full scale of the pending reforms was made apparent with the proposed changes to the Resource Management Act (RMA) going from one Act to three. The Three Waters reforms, which affect us as a supplier and regulator, and the overall reform of local government add another degree of complexity to the day-to-day roles being delivered. These three are all-encompassing, and we have contributed to their development as they have progressed through their decision-making cycles. We will not see the full impact of all three until well into next year, but it will be considerable; how considerable is yet to be defined.

It is against this backdrop of uncertainty that staff have continued to show commitment over the past year to achieve a strong result for our communities. It is no easy task. We extend our thanks to the staff, elected members and volunteers who have worked through a very challenging year yet delivered on an extensive programme of work.



**Tim King**  
Mayor



**Leonie Rae**  
Chief Executive Officer



# OUR COUNCIL MEMBERS

## Tasman Mayor



Mayor, Tim King

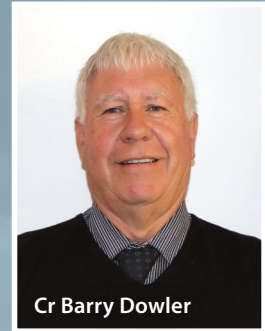
## Motueka Ward



Cr David Ogilvie



Cr Trindi Walker



Cr Barry Dowler

## Richmond Ward



Cr Mark Greening



Cr Kit Maling



Cr Trevor Tuffnell



Cr Dana Wensley

## Moutere/Waimea Ward



Cr Christeen Mackenzie



Cr Dean McNamara



Cr Anne Turley

## Golden Bay Ward

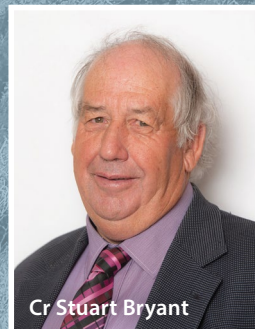


Cr Celia Butler



Cr Chris Hill

## Lakes/Murchison Ward



Cr Stuart Bryant





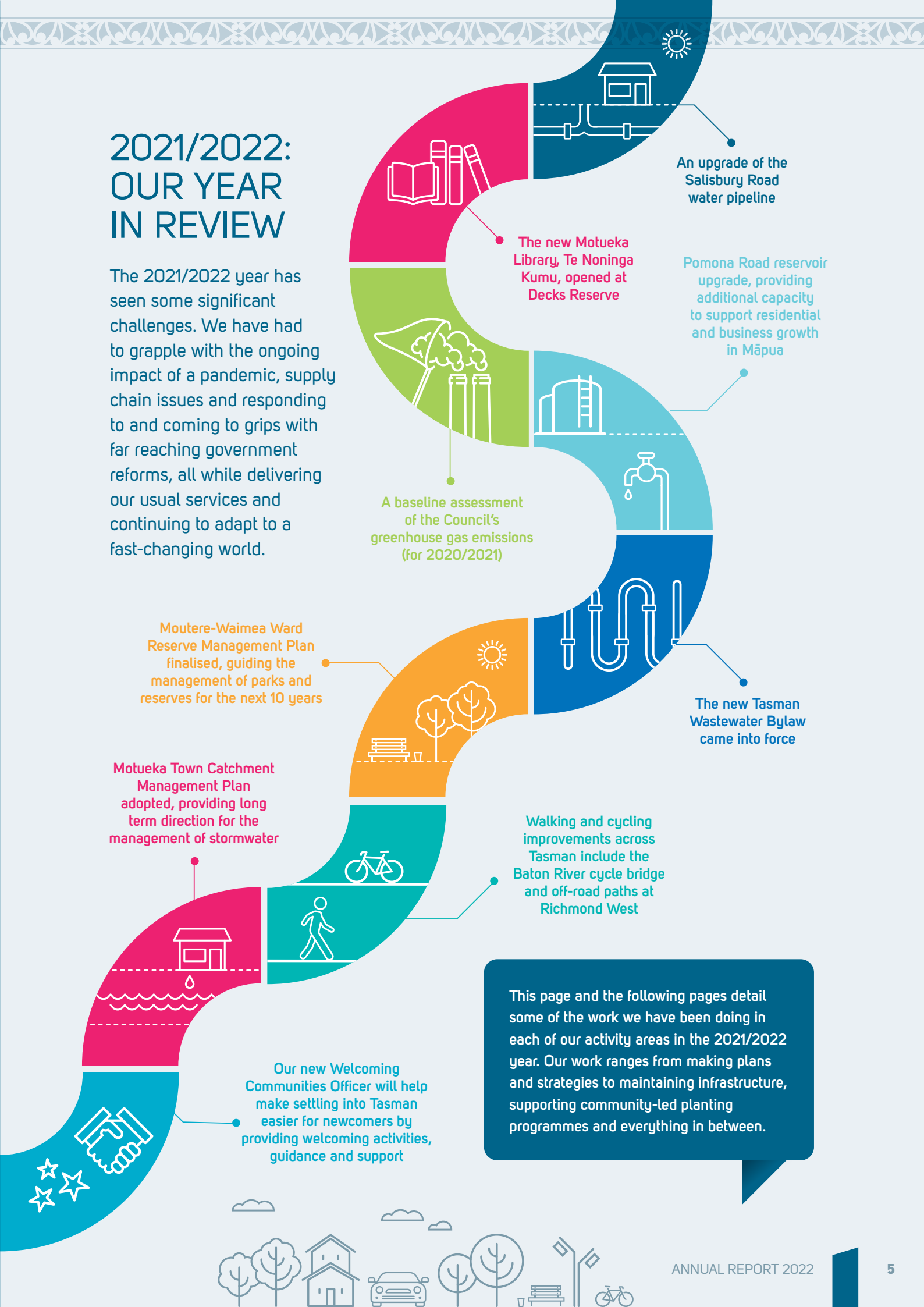
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**PART ONE:  
OVERVIEW**

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# 2021/2022: OUR YEAR IN REVIEW

The 2021/2022 year has seen some significant challenges. We have had to grapple with the ongoing impact of a pandemic, supply chain issues and responding to and coming to grips with far reaching government reforms, all while delivering our usual services and continuing to adapt to a fast-changing world.



An upgrade of the Salisbury Road water pipeline

The new Motueka Library, Te Noninga Kumu, opened at Decks Reserve

Pomona Road reservoir upgrade, providing additional capacity to support residential and business growth in Māpua

A baseline assessment of the Council's greenhouse gas emissions (for 2020/2021)

Moutere-Waimea Ward Reserve Management Plan finalised, guiding the management of parks and reserves for the next 10 years

The new Tasman Wastewater Bylaw came into force

Motueka Town Catchment Management Plan adopted, providing long term direction for the management of stormwater

Walking and cycling improvements across Tasman include the Baton River cycle bridge and off-road paths at Richmond West

Our new Welcoming Communities Officer will help make settling into Tasman easier for newcomers by providing welcoming activities, guidance and support

This page and the following pages detail some of the work we have been doing in each of our activity areas in the 2021/2022 year. Our work ranges from making plans and strategies to maintaining infrastructure, supporting community-led planting programmes and everything in between.



# ENVIRONMENTAL MANAGEMENT



CAPEX  
**\$64K**

OPEX  
**\$18.4M**

Our goal is to promote the sustainable management of our District's natural and physical resources.

## WHAT WE DO

We are responsible for maintaining and enhancing biodiversity by monitoring our District's resources, minimising inappropriate practices, and managing pests. Our work involves creating plans and policies to ensure sustainable management and administer development and compliance processes. We also support and provide resources to volunteer groups to undertake planting and monitoring work.

## WHY WE DO IT

Our responsibility is to understand and promote the sustainable management of natural resources and manage the consequences of human activity. Our work monitors progress on environmental outcomes, helps target plans, consent conditions and education programmes, identifies new issues and provides information to our communities.

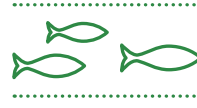
## WHAT WE DELIVERED



We progressed a new **FUTURE DEVELOPMENT STRATEGY** outlining where housing and business growth will occur, how it will look, and what infrastructure is required for the next 30 years



We began **RESTORING MARSHBIRD HABITAT** at the Waimea River delta



We started a \$2 million project to **REMEDiate FISH PASSAGES** to increase the number and diversity of fish in our rivers



We developed **TWO NEW WETLANDS** at Eves Valley and Motupipi, working with mana whenua

## LEVELS OF SERVICE



**91%** of swimming beaches and rivers we sampled were safe for contact recreation, slightly below our 92% target



**70%** of consent applications were processed during the statutory timeframes, below our 100% target



**ALL** recorded non-compliance was resolved within 9 months, above our 80% target

# PUBLIC HEALTH AND SAFETY



We aim to keep our communities and their properties safe and healthy by assessing and monitoring our district's services.

## WHAT WE DO

We are responsible for ensuring that various services are safe and fair for our residents. We monitor public health, buildings, environmental health, liquor licensing and food safety, hazardous substances, animal control, civil defence and emergency management, parking control and maritime safety. This work involves assessing and processing permit and registration applications, administering bylaws, and enforcing any breaches of regulation.

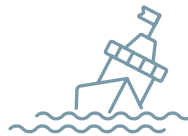
## WHY WE DO IT

We contribute to the sustainable development of our District and the safety and wellbeing of our community. We ensure that actions, or inaction, taken by residents in our District are lawful and sustainable and enable residents to carry out activities without affecting the safety of themselves or others.

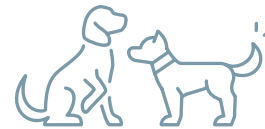
## WHAT WE DELIVERED



Our building team **INSPECTED 7539 PROPERTIES**, issuing 1320 building consents and 1060 Code Compliance Certificates



Our harbourmasters removed **SIX WRECKS** and responded to **TWO OIL SPILLS**



Customer service staff registered over **400 ADDITIONAL DOGS** during the period

## LEVELS OF SERVICE



The average time taken to process a building consent dropped to **10 WORKING DAYS**, below our target of 12 working days



**100%** of high-priority dog complaints were responded to within 60 minutes, meeting our target



**ALL** food premises that we are responsible for were inspected, meeting our target



**76%** of residents were satisfied with our building control work, below our target of 80%

# TRANSPORTATION



**CAPEX**  
**\$11.5M**

**OPEX**  
**\$18.5M**

Our work ensures that people and goods can safely and efficiently move across our district.

## WHAT WE DO

We manage a transportation network with approximately 1,751km of roads (967km sealed and 784km unsealed), 494 bridges, 423km of footpaths, walkways and cycleways, 22 off-street car park areas, and Tasman's Great Taste Trail. We also manage supporting assets like car parking, street lights, traffic signs, and culverts. We co-manage public transport with Nelson City Council.

## WHY WE DO IT

We provide a quality transportation network to enable the safe and reliable movement of people and goods. Our work helps our communities get to where they want to go safely and efficiently by vehicle, public transport, cycling and on foot.

## WHAT WE DELIVERED



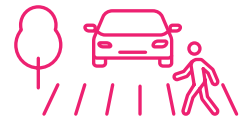
We adopted a new **WALKING AND CYCLING STRATEGY** to provide residents with safer choices to travel



We trialed a **NEW BUS SERVICE** connecting Motueka and Richmond

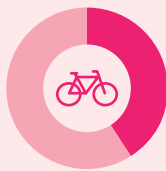


We renewed **11,501 SQUARE METRES OF ROAD PAVEMENT** and applied 24,676 cubic metres of metal to unsealed roads



Tākaka's **INNOVATING STREETS PROJECT** was nationally recognised for improving safety at Golden Bay High School

## LEVELS OF SERVICE



**ONLY 41%** of residents thought that our road network was safe for cycling, compared with our target of 70%



We continue to see a **DOWNWARD TREND** in the number of serious and fatal injury crashes on our road network



**ONLY 53%** of residents were satisfied with our roads, below our 70% target



Our target is for increasing use of public transport, however it **DROPPED** for the second consecutive year with Covid-19 considered to be affecting patronage



# RIVERS AND COASTAL ASSETS



We aim to protect properties from river flooding and ensure that our river environments remain healthy. We aim to ensure access to the sea can be enjoyed by all whilst managing the effects of the sea on property.

## WHAT WE DO

We are responsible for 285 kilometres of rivers throughout our District. We promote soil conservation, mitigate damage caused by floods and riverbank erosion, and maintain and improve river assets such as stopbanks and erosion protection. We also own, provide, maintain, and improve wharves, jetties, boat ramps, associated buildings, foreshore protection walls, and navigational aids to support the safe use of our coastal waters.

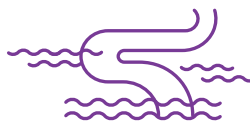
## WHY WE DO IT

By implementing and maintaining river control and flood protection schemes, we enhance community wellbeing, protect neighbouring properties, and mitigate damage caused by flood events. We also ensure that our rivers are healthy and continue to support biodiversity. Our coastal assets provide access to coastal areas for commercial, cultural, and recreational purposes. Council ownership and management of coastal assets ensure they are retained for our community.

## WHAT WE DELIVERED



We continued a programme to improve the structural integrity of the **MOTUEKA RIVER STOPBANK**



We provided \$2.2 million additional funding to **REPAIR FLOOD DAMAGE** in our river systems



We concluded a business case to determine a programme of work to address **BOAT ACCESS IN TASMAN BAY**

## LEVELS OF SERVICE



**ALL** our flood protection and control works are maintained, meeting our target



We planted **13,500** plants (target 13,000) along our river margins



We actioned **97.7%** of complaints about illegal dumping in managed rivers within five working days, above our target of 95%



**ALL** of our coastal erosion structures have been inspected and maintained to their original standard, meeting our target

# WATER SUPPLY



CAPEX  
**\$41.7M**

OPEX  
**\$12.2M**

We aim to provide secure water supply systems that deliver safe water to our communities.

## WHAT WE DO

We provide water to about 13,600 properties throughout Tasman District. About 55% of our population is serviced by one of our managed water supplies. We own and operate 20 water supplies and manage associated infrastructure. In addition to water supply schemes, we manage the Wai-iti storage dam to provide extra water into the Lower Wai-iti River and are a majority shareholder in the Waimea Community Dam, which is currently under construction and is anticipated to be completed in 2023.

## WHY WE DO IT

We provide ready access to high-quality drinking water in our urban schemes and fit-for-purpose water supply in our rural schemes to enhance the health and wellbeing of our residents. A safe, secure and reliable water supply also facilitates economic growth and protects property by providing water at a pressure adequate for firefighting needs.

## WHAT WE DELIVERED



We constructed a **NEW WATER TREATMENT PLANT** at Motueka



We upgraded **FOUR WATER TREATMENTS PLANTS** at Brightwater, Wakefield, Dovedale and Pōhara



We upgraded the **SALISBURY ROAD WATER PIPELINE** in Richmond and the **POMONA ROAD RESERVOIR** in Māpua



Waimea Water reported that the Waimea Community Dam is more than **70% COMPLETE**

## LEVELS OF SERVICE



**85%** of customers who receive water are satisfied, above our 80% target

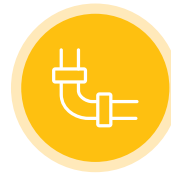


The average water consumption of residents per day is **32L BELOW** our target of 250L daily



Our water system achieved **FULL COMPLIANCE** with its resource consents, meeting our target

# WASTEWATER



CAPEX  
**\$8.4M**

OPEX  
**\$11.5M**

Our work provides cost-effective and sustainable wastewater systems to protect public health and prevent adverse environmental effects.

## WHAT WE DO

We provide and manage wastewater collection, treatment, and disposal facilities for our residents. We maintain eight wastewater networks with approximately 14,000 connections to our wastewater networks. These networks convey wastewater to eight treatment plants, seven of which we own and manage.

## WHY WE DO IT

The provision of wastewater services is a core public health function of local government. We promote and protect public health, community wellbeing, and our environment within our District by planning, implementing, and maintaining our wastewater services. This is one of our key duties required by the Health Act 1956.

## WHAT WE DELIVERED



We developed a new **TASMAN WASTEWATER BYLAW** to manage waste discharges



We undertook an **UPGRADE OF THE MĀPUA WASTEWATER NETWORK** and pump stations

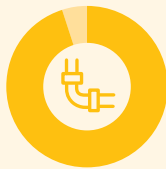


We renewed **WASTEWATER RETICULATION** in Tapawera



We completed detailed design of **GOLDEN BAY NETWORK UPGRADES**

## LEVELS OF SERVICE



**95%** of users who receive a wastewater service are satisfied, well above our 80% target



We took a median of **120 MINUTES** to attend to blockages, exceeding our 75-minute target



There were **1.3** dry weather overflows per 1000 connections to the wastewater system, well below our target of five



We received **2.1** complaints related to wastewater odour, blockages, and noise for every 1000 connections, well below our target of 35

# STORMWATER



CAPEX  
**\$7.4M**

OPEX  
**\$3.0M**

Our work provides cost-effective and sustainable stormwater systems that reduce flooding and meet environmental standards.

## WHAT WE DO

We provide stormwater collection, reticulation, and discharge systems in our 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.

## WHY WE DO IT

Our stormwater activity allows for the safe and efficient movement of stormwater. This protects people and property from surface flooding and minimises the risk of flooding buildings and property so that people can continue moving throughout our communities during wet weather.

## WHAT WE DELIVERED



We adopted a **CATCHMENT MANAGEMENT PLAN** for Motueka and began developing a catchment plan for Māpua, Ruby Bay, and Tasman Village



We undertook **STORMWATER IMPROVEMENT WORKS** in Pōhara and Tākaka



We carried out **MODELLING FOR MĀPUA, RUBY BAY, AND TASMAN** to identify improvements



We began the **RICHMOND SOUTH STORMWATER IMPROVEMENT** programme, due for completion in 2023/2024

## LEVELS OF SERVICE



Our stormwater system was **FULLY COMPLIANT** with its resource consents, meeting our target



**89%** of residents with a stormwater connection are satisfied with our service, above our 80% target



There were **FIVE** complaints for every 1000 residents about our stormwater system, well below our target of 20



**FOUR** habitable floors (target 0) were flooded from two separate flood events

# WASTE MANAGEMENT AND MINIMISATION



CAPEX  
**\$2.3M**

OPEX  
**\$13.9M**

We aim to avoid and reduce the harmful effects of waste and improve resource use efficiency.

## WHAT WE DO

We provide curbside recycling and waste collection services, a materials recovery facility to process recycling, five Resource Recovery Centres and transport services to move these materials around our District. We also run a range of waste minimisation initiatives with schools, businesses, and the wider community, to reduce the production of waste and minimise harm.

## WHY WE DO IT

Our work protects our health and natural environment from waste generated by people. These activities promote the efficient use of resources, reduce waste for businesses and households and extend the life of our region's landfills.

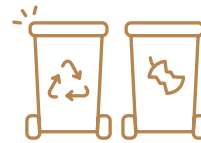
## WHAT WE DELIVERED



We began designing **IMPROVEMENTS AT THE RESOURCE RECOVERY CENTRES** in Māiri and Richmond



**WE INSTALLED A FLARE** at the Eves Valley Landfill, reducing greenhouse gas emissions by the equivalent of 81 million kilometres of car travel

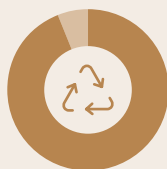


We continued to **ENCOURAGE WASTE MINIMISATION** through supporting electronic waste recycling, event recycling and home composting



We continued supporting the **ENVIRO SCHOOLS PROGRAMME**

## LEVELS OF SERVICE



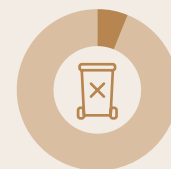
**93%** of recycling users are satisfied with our service, above our 90% target



**88%** of residents who receive our recycling service use it more than three times per annum, below our target of 93%



**694KG** per person went to our landfills, below our target of 715kg



Contamination levels in our recycling were **6.3%**, below our target of 7.5%

# COMMUNITY DEVELOPMENT



CAPEX  
**\$9.1M**

OPEX  
**\$19.2M**

We promote the wellbeing of our District by providing parks, reserves, facilities, libraries, community events, environmental education and community grants.

## WHAT WE DO

We operate and maintain 815 hectares of parks and reserves, 12 operating cemeteries, 55 playgrounds, 102 public toilets, four libraries, 18 community halls, an Aquatic Centre, five community centres, three museums, three outdoor swimming pools, and eight community housing complexes. We also engage with community groups by providing community events, grant funding, and facilitating partnerships between Council and its communities.

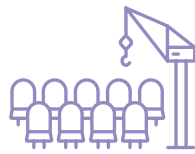
## WHY WE DO IT

Community facilities are meeting points for community gatherings, events, and recreational, educational and social activities. Our facilities offer Tasman residents the opportunity to engage socially in the places they live and work and provide opportunities to play and have fun. Our work with community groups ensures that we support the vital work that organisations and volunteers do to promote the wellbeing of Tasman communities.

## WHAT WE DELIVERED



We opened a new **1100M<sup>2</sup> MOTUEKA LIBRARY**, Te Noninga Kumu, at Decks Reserve



We progressed the **GOLDEN BAY GRANDSTAND UPGRADE** and allocated an extra \$195,000 to complete the work, and up to \$300,000 to upgrade the Golden Bay Recreation Park car park



Our new **WELCOMING COMMUNITIES OFFICER** will help make settling into Tasman easier for newcomers by providing welcoming activities, guidance and support



We adopted a new **MOUTERE-WAIMEA WARD RESERVE MANAGEMENT PLAN** to guide the management of parks and reserves for the next ten years

## LEVELS OF SERVICE



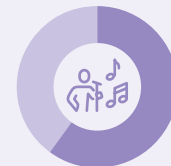
**96%** of library users are satisfied with our libraries, well above our target of 85%



**83%** of our tenants were satisfied with our community housing, above our target of 80%



**88%** of users are satisfied with the Richmond Aquatic Centre, above our target of 80%



**60%** of residents are satisfied with our community events, below our target of 75%



# COUNCIL ENTERPRISES



CAPEX  
**\$2.5M**

OPEX  
**\$15.3M**

Council Enterprises own and manage our commercial assets to provide additional income to the Council and provide community access to a range of facilities and activities.

## WHAT WE DO

Council Enterprises manage a wide range of assets, including 2,700 hectares of commercial plantation forest, aerodromes in Motueka and Tākaka, a mixture of leased and managed holiday parks, Port Tarohe, Māpua wharf, and various other commercial property assets.

## WHY WE DO IT

Council Enterprises provide additional income for the Council to reduce our reliance on rates to fund our activities. By managing our assets well, we can ensure that we continue to grow our economy and provide access to our residents.

## WHAT WE DELIVERED



We **EXTENDED THE RUNWAYS** at Tākaka aerodrome to improve safety during strong winds



We **DEMOLISHED THE OLD WHARF** as a precursor to upcoming redevelopment work at Port Tarohe, replaced lighting and upgraded services



We **UPGRADED THE ABLUTION BLOCK** at Pōhara Holiday Park and **INSTALLED NEW KITCHENS** in cabins at the Motueka Holiday Park

## LEVELS OF SERVICE



EBITDA and the overall surplus from forestry activities was **\$4.38M** or nearly three times our target



The financial result for Tākaka aerodrome was significantly **BELOW TARGET** following maintenance repairs after the February 2022 weather event



We **EXCEEDED TARGET** by a small amount for our commercial properties despite Covid rent relief being provided to some lessees

# SUPPORT SERVICES



Support Services are the internal functions that do not have direct output to our communities but help ensure we operate efficiently and effectively, meet our statutory obligations, and work towards the achievement of our community outcomes.

## WHAT WE DO

The Support Services activity includes customer services, communications, strategic policy, property, finance, human resources, information services, records management and health and safety.

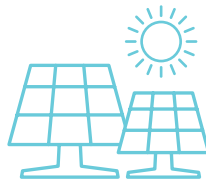
## WHY WE DO IT

Support Services supports other areas of the Council to more effectively and efficiently operate. We also engage the community in plans, policies, and strategies, provide communication to the community, answer customer queries and process certain applications.

## WHAT WE DELIVERED



We measured the Council's **GREENHOUSE GAS EMISSIONS** for the first time and made progress with our climate action plan



**SOLAR PANELS** were installed on the Motueka Library



We have progressed our **DIGITAL INNOVATION PROGRAMME** by improving home working technology and selecting new systems for Human Resources and Payroll, as well as improved cybersecurity

## LEVELS OF SERVICE



**77%** of residents consider the information we supply to be sufficient, above our 75% target



**52%** of residents are satisfied with opportunities to give feedback on Council plans and decisions, above our 50% target



**75%** of customers are satisfied with the service they receive when contacting the Council, below our 85% target

# WORKING WITH IWI

The Council and Ngā Iwi o Te Tau Ihu continue to engage in a more meaningful and collaborative manner supported by our Kaihautū, Kaitohutohu and Kaumātua.

Regular hui have been held with the chairs and general managers of the Iwi Trusts to discuss their input into the Council's decision-making and explore ways that we can work more collaboratively at an operational level. Te Tau Ihu Iwi Trusts and the Nelson, Tasman, and Marlborough councils also hold regular forums to discuss matters and opportunities of mutual interest.

Our Kaumātua, Archdeacon Emeritus Harvey Ruru QSM and Jane du Feu MNZM, continue to provide the Mayor and elected members with tikanga Māori leadership at civic events and help us understand iwi and Māori priorities. Jane and Harvey are amorangi (esteemed leaders) who are held in high regard by the Council.

Throughout the year, our Kaihautū, Jenna Neame, supported the Council in strengthening our relationships with local iwi and providing cultural leadership within our organisation. In May 2022, Edna Brownlee was appointed as the Kaitohutohu, and Renee Thomas took up a 7-month contract to assist with iwi engagement and support the Kaihautū's mahi. These secondments and contracts have improved the relationships between Iwi and Council. The Council are working to streamline engagement with iwi moving forward in light of capacity constraints.

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

- **Tasman Environmental Policy Iwi Working Group:** a group of our staff and iwi representatives meet regularly to discuss the new Aorere ki uta – Aorere ki tai (Tasman Environment Plan). This group also discusses plan changes. A Mātauranga Māori expert was appointed to the Hearing Panel for Plan Change 71 Coastal Occupancy Charges and Plan Change 72 Moorings and Coastal Structures and the Mooring Areas Bylaw. A new role has been created to assist with this work and will be filled by the end of 2022.
- **Review of the Moutere-Waimea Reserve Management Plan:** Two Mātauranga Māori experts were appointed to the hearing panel that considered Council's proposals to classify existing reserves in Moutere-Waimea Ward. Staff worked closely with iwi representatives to develop content for the draft Moutere-Waimea Ward Reserve Management Plan.

- **Kotahitanga Mō Te Taiao Alliance Strategy:** Several Councils, Iwi, and the Department of Conservation co-designed an inter-generational strategy to deliver landscape-scale conservation outcomes for the region. The Alliance aims to drive large-scale conservation projects with broader social, cultural and economic outcomes across the Buller, Tasman, Nelson, Marlborough and Kaikōura regions.
- **Wastewater Strategy for Motueka:** Staff have continued to work with iwi representatives to develop a long-term wastewater strategy for Motueka, including upgrading the Motueka Wastewater Treatment Plant. The working group's role is to gather community input, convey community needs/concerns, identify opportunities, and provide project guidance.
- **BioStrategy:** The BioStrategy aims to restore and sustain our natural biodiversity and ensure biosecurity in Tasman. The BioStrategy was adopted in 2022. Iwi representatives were part of the working and governance groups to develop the strategy.
- **Freshwater Improvement Fund (as part of the Jobs for Nature programme):** In May 2021 Council confirmed \$4.8 million from Ministry for the Environment for fish passage restoration and wetland enhancement projects. The wetlands project team includes a Māori liaison role within Council that aims to develop a Mātauranga Māori programme with iwi partners. This funding also provides increased capacity for Te Tau Ihu Iwi to contribute to this work.
- **Waimea Inlet Management Strategy and Action Plan:** The Waimea Inlet Strategy and underlying Action Plan aim to improve the health of the Inlet. A coordination group involving Nelson and Tasman Councils, iwi, the Department of Conservation and other stakeholders meets regularly to progress the action plan.

Our staff continue to grow their knowledge and use of tikanga and Te Reo Māori. We are also working on Te Pae Tawhiti, our cultural competency development plan. A highlight is our waiata group which performs at many Council functions and some community events.

The Council is committed to deepening our knowledge and practice of Te Ao Māori and ensuring we uphold our end of the Treaty partnership.



# BIG THANK YOU TO OUR VOLUNTEERS!

We would like to say a big thank you to all the volunteers that have worked alongside us to help improve the well-being of our community.

We have benefitted from awesome voluntary assistance in tree planting, pest management, wilding conifer control, safer boating initiatives, dog walking at the pound, participating in reference groups to help us develop plans, on community hall management and reserve committees, maintaining reserves, footpaths and mountain bike trails, and many other ways too numerous to list individually.

We also received lots of goodwill from many property owners who welcomed our staff and contractors and enabled us to carry out our duties. In some cases, this meant owners simply providing access to their land for our staff and contractors. In other situations, it meant allowing us to make environmental, waterways and fish passage improvements on their land. So an enormous thank you to these landowners too.





# OUR ACTION ON CLIMATE CHANGE

## EMISSIONS MEASUREMENT

Over the last year, we measured our greenhouse emissions for the first time. Due to the need to use past data to calculate our emissions, this is a record for the 2020/2021 year. We followed Ministry for the Environment guidance and measured our emissions under ISO 14064-1: 2018 Greenhouse gases – Part 1: *Specification with guidance at the organisational level for quantification and reporting of greenhouse gas emissions and removals*. Our report was independently verified by McHugh & Shaw Limited and achieved mixed assurance (Reasonable Assurance ISO Cat 1/2 and Limited Assurance ISO Cat 3-6).

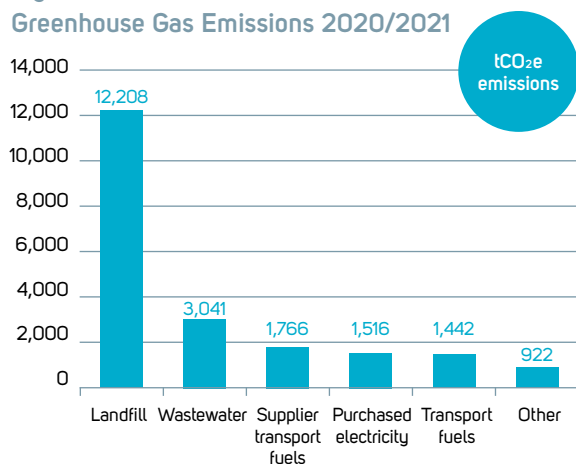
We included the following categories of greenhouse gas emissions in our measurement:

- **Category 1:** Direct emissions
- **Category 2:** Indirect emissions from imported energy
- **Category 3:** Indirect emissions from transportation
- **Category 4:** Indirect emissions from products used by the organisation

We excluded four sources where the greenhouse gas emissions are minimal and one source (working from home) because it was not feasible to gather data from this source.

The Council's net emissions for the July 2020–June 2021 period were 20,895 tCO<sub>2</sub>e (tonnes of carbon dioxide equivalents). This figure does not include emissions associated with the construction of the Waimea Community Dam, which is presented separately in the report as it is a one-off project.

Figure 1: Tasman District Council Greenhouse Gas Emissions 2020/2021



Emissions from the Waimea Dam construction were 7,273 tCO<sub>2</sub>e and made up 26% of our gross carbon emissions for 2020/2021.

Excluding emissions associated with the Dam's construction, the Council's primary emissions source this period was from landfill – by a significant margin.

In addition to landfill, the Council's other significant emission sources were wastewater, supplier transport fuels, purchased electricity, and transport fuels. Together these sources make up 95.6% of our gross carbon emissions for the 2020/2021 year.

Full details of the Council's greenhouse gas emissions, including which emissions were included/excluded and the independent auditor's report, can be viewed on the Council's website at [www.tasman.govt.nz/my-region/climate-change/what-is-council-doing](http://www.tasman.govt.nz/my-region/climate-change/what-is-council-doing).

## TASMAN CLIMATE ACTION PLAN

The Council adopted the Climate Action Plan in September 2019. The Action Plan is primarily an internally focused, living document used to guide actions on three focus areas: mitigation, adaptation and leadership. The Action Plan lists four overarching goals relating to these focus areas:

- **Goal 1:** Council contributes to New Zealand's efforts to reduce greenhouse gas emissions (including net carbon emissions).
- **Goal 2:** Tasman District becomes more resilient to the impacts of climate change.
- **Goal 3:** The Tasman Community is informed of climate change actions and options for response.
- **Goal 4:** Council shows clear leadership on climate change issues.

Each goal has targets and short, medium, and long-term actions. One of the key targets is to reduce greenhouse gas emissions (except biogenic methane) from Council activities to net zero by 2050, in alignment with the Climate Change Response Act 2002.

Since the Council adopted the Action Plan, we have been making steps forward in implementing the actions and we regularly report progress to the Strategy and Policy Committee.

The main actions taken during the 2021/2022 year are summarised in the infographic on the following page.

PROGRESS ON THE TASMAN CLIMATE ACTION PLAN 2021/2022



**OUR BUILDINGS AND ASSETS**

Mobile power meter acquired and being applied to improve energy efficiency of pumping stations

Solar panels installed and operating at the new Motueka Library

Solar panels have been purchased for the Richmond Library and will be installed early in the 2022/2023 year

Gas flare installed at Eves Valley landfill to reduce methane emissions

Seven hybrid vehicles in Council's fleet

**PLANNING FOR OUR SPACE**

Climate change considerations incorporated into the Nelson Tasman Future Development Strategy

Work has continued on the Aorere ki uta, Aorere ki tai – Tasman Environment Plan

Intensification plan actions

Completed the Walking and Cycling Strategy

Designing for the inclusion of Motueka / Māpua and Wakefield / Brightwater in our public transport network

Made submissions on the Draft National Adaptation Plan, National Emissions Reduction Plan and the Emissions Trading Scheme – Use of exotic species for permanent forest consultations

**OUR ENVIRONMENT**

Undertook planning for the replanting of Kingsland Forest Park to commence in July 2022

Planted more than 34,000 trees

Monitoring and management of pests in accordance with the Regional Pest Management Plan to help our ecosystems thrive

**ADAPTATION**

Coastal Management Project sought community feedback on options and published summary report of feedback

Engaged with our community on options (accommodate, protect, avoid and retreat) around coastal management

Began planning to undertake a local climate risk assessment with Nelson City Council

**OUR COMMUNITY**

New waste minimisation project grants for community projects and schools, early childhood centre and community groups

Funding helped insulate 116 Tasman homes

Collaborated with the Nelson Tasman Climate Forum





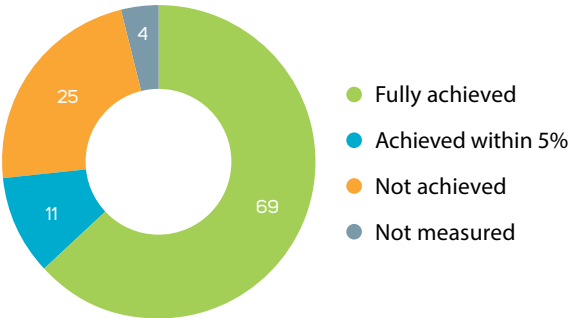
# OUR NON-FINANCIAL PERFORMANCE AT A GLANCE

We measure our performance in delivering services to our community using targets set in our Long-Term Plan 2021–2031. 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 109 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 69 of our targets fully, and a further 11 were within 5% of the target. We did not achieve 25, and there were four that we either did not have the complete information available to report on or were not due to be measured this year.

### Levels of Service Target Achievement



It is difficult to directly compare our performance in 2021/2022 with the previous year because several performance measures and targets were changed in the Long Term Plan 2021 – 2031. However, in 2021/2022, we achieved 63% of our targets compared with 62% in 2020/2021.

The Annual Report includes a set of Local Government Mandatory Performance Measures. Of these, we fully achieved 13, and a further one was within 5% of the target. We did not achieve four and did not measure one.

Covid 19 continued to impact the Council's achievement of its performance targets in 2021/2022. The satisfaction of residents attending a range of Council-organised community events fell to 60% (from 66% in 2021). We consider this to be at least partially the effect of Covid 19 restrictions resulting in several events being cancelled and the traffic light system meaning that parts of the community could not participate.

Covid-related staff shortages impacted satisfaction with service when contacting the Council, and public transport patronage was also low due to the Covid 19 pandemic.

High bitumen and traffic management costs, affected by Covid 19, contributed to a lower proportion of sealed roads being resurfaced than our target.

In addition to carrying out our work programmes, we have put substantial time and energy into participating in Government-led processes that will review and reform significant areas of the Council's activity. These processes included the Three Waters reform, significant changes to the Resource Management Act and the Future of Local Government review.

We need to carry out further investigation and investment to achieve compliance with New Zealand Drinking Water Standards. We have planned a multi-year programme to help us achieve compliance. In 2021/2022, we completed a new water treatment plant at Motueka and upgraded treatment plants at Brightwater, Wakefield and Waimea. We also made progress on upgrading the water treatment plant at Pōhara.

**Residents Survey Data Analysis Scale:** In 2021, the Council's residents survey changed from using a three-point scale (very satisfied, fairly satisfied, not very satisfied) with a don't know option to a four-point scale (very satisfied, satisfied, dissatisfied, very dissatisfied) with a don't know option. We changed this scale because the previous scale was positively skewed.

A direct comparison of residents' or users' satisfaction results is possible between 2020/2021 and 2021/2022. However, a comparison with satisfaction levels from earlier years should be taken with caution because of the change in methodology.

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

# KEY FINANCIAL INFORMATION

The Funding Impact Statement Surplus from Operating Funding was \$23.5 million, compared to a budget of \$19.5 million. The net external debt position of \$212.5 million was well below the planned forecast debt of \$217 million, with rates revenue also remaining within the agreed cap of 4.5%.

The accounting surplus (on the “Statement of Comprehensive Revenue and Expense”) for the 2021/2022 year was \$92.6 million, which was \$68.5 million higher than the \$24.1 million accounting budget, and \$69.1 million higher than the Surplus from Operating Funding mostly due to:

- Vested assets \$40 million higher than budget. Vested assets are assets created by others and passed into Council ownership (for example roads built by a developer as part of a subdivision). When this occurs both an asset and revenue is recognised in Council’s financial statements. \$22 million of this relates to land under the roads within subdivisions transferred to the Council;
- Development and reserve contributions \$7.2 million higher than budget (fees paid by developers to fund the purchase of assets); and
- Accounting adjustments of \$19.6 million above budget – fair valuation movement of interest rate swaps, and an accounting adjustment for an interest free loan.

A description of the financial variances from the Annual Plan 2021/2022 are contained in Note 36 to the Financial Statements in this report.

In addition, ‘other comprehensive income’ (mostly gains from revaluations) of \$282.0 million, bringing the total surplus plus gains to \$374.6 million. This was mostly due to significant inflationary increase in replacement costs of transport and three waters assets.

## REPORTING AGAINST OUR FINANCIAL STRATEGY

The Financial Strategy in the LTP 2021–2031 provides an outline of our policy on financing capital works and managing debt. The LTP 2021 – 2031 provides for capital expenditure of between \$57 million and \$78 million per annum, and operating expenditure of between \$113 million and \$132 million per annum for the 2021/2022 to 2023/2024 years.

The majority of the 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.

## KEY FINANCIAL INFORMATION

### NET EXTERNAL DEBT

Our net external debt at 30 June 2022 was \$212.54 million (after adjusting for liquid financial assets in joint ventures), which is below our net external debt cap of \$250 million in our current Financial Strategy. This is also lower than the \$217 million forecast in the Annual Plan 2021/2022.

Debt is lower than forecast due to:

- Direct savings from operational budgets.
- 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 than forecast population growth, and greater forestry income than planned.

**See Figure 2 on page 24.**

### RATES AFFORDABILITY

In our Financial Strategy we include a cap on rates income increases. Increases are currently limited to a maximum 4.5% per annum, plus an allowance for annual growth in rateable properties. This was a new limit set as part of the LTP 2021 – 2031.

The green bars in Figure 3 show how we have performed against the 3% and 4.5% limits over the past three years. The 2020/2021 Annual Plan had a 0% rate revenue rise (excluding growth) in response to Covid-19. For 2021/2022 the actual rates revenue increase was 4.4%, which was within the estimated limit of 4.5% per the Long Term Plan 2021 – 2031. The blue bars show the estimated rates revenue increases (excluding growth) for the next two years.

For 2022/2023 the forecast rates revenue increase in the Long Term Plan 2021 – 2031 was 4.2%. This was revised to 5.05% in the Annual Plan 2022/2023.

With inflationary pressures currently affecting the Council's business, the rates increase for 2023/2024 is likely to be higher than the planned 4.04% in the Long Term Plan 2021 – 2031. The rates revenue increase for 2023/2024 will be determined through the Annual Plan for that year.

**See Figure 3 on page 24.**

### DEBT AFFORDABILITY

For 2021/2022 the debt affordability benchmarks were within the limits stated in our Financial Strategy.

**See Table 1 on page 24.**

### 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 favorable interest rates.

Total Council net assets now total \$2.14 billion, which is an increase of \$375.8 million since 2021.

### REVENUE AND SAVINGS

Total rates revenue for the year was \$82.31 million, and revenue from all other sources totalled \$170.40 million.

Growth activity in the District created demand for more subdivisions, and therefore an increase in land under roads, roading and three waters assets vesting to the Council. This has resulted in a significant increase in other revenue. General rates revenue has also increased partially as a result of growth in the District being higher than expected for the year.

**See Figure 4 on page 25.**



## KEY FINANCIAL INFORMATION

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

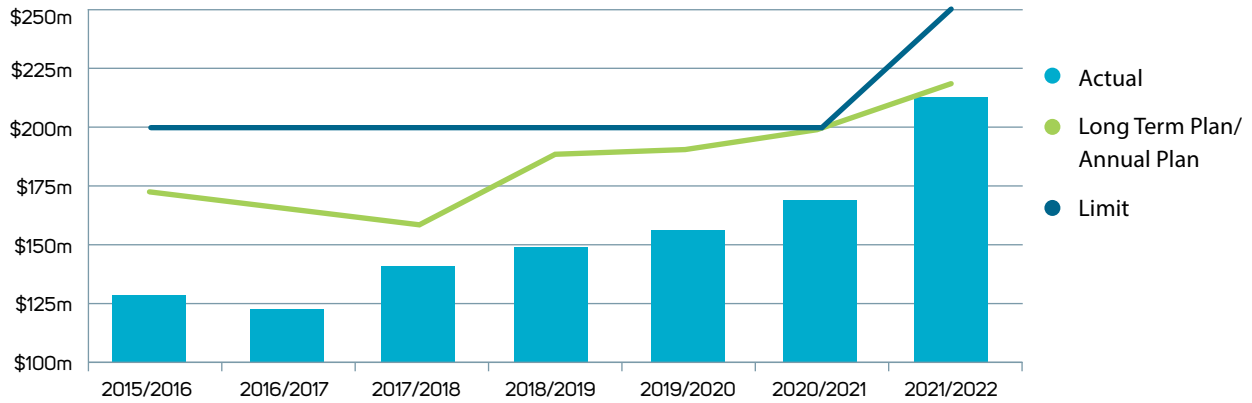


Figure 3. Rates Revenue Increases (excluding growth)

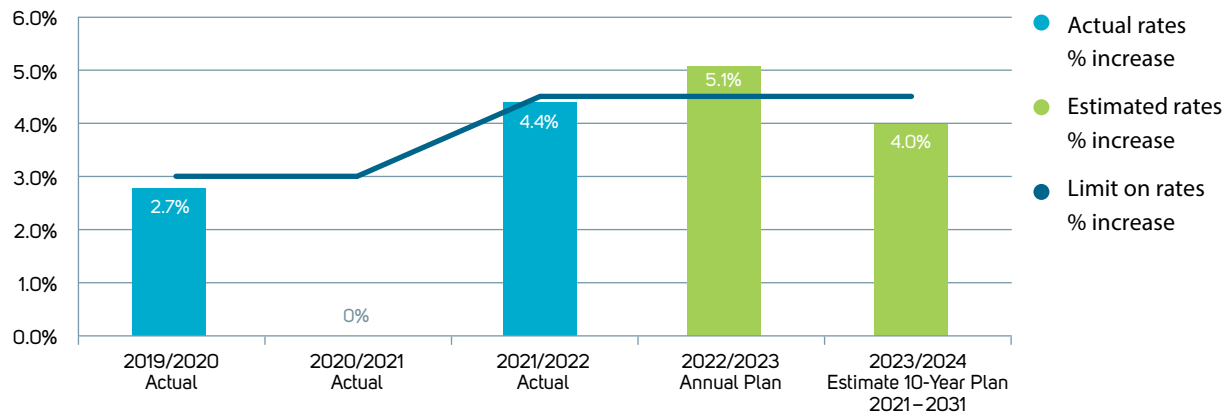


Table 1. Debt Affordability Limits

MEASURE	LIMIT	ANNUAL PLAN				
		2018/2019 ACTUAL	2019/2020 ACTUAL	2020/2021 ACTUAL	2021/2022 ACTUAL	2022/2023 (ESTIMATE)
Net external debt <sup>1</sup> / Total operating income <sup>2</sup>	<225%	115%	109%	102%	111%	143%
Net external debt / Equity	<20%	10%	10%	10%	10%	13%
Net interest on external debt / Total operating income	<15%	5%	3%	5%	0.2%	6%
Net interest on external debt / Annual rates income	<25%	9%	5%	10%	0.4%	10%

1. Net external debt = total external debt less liquid financial assets and investments.

2. 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 Joint Arrangements and Fair Value Gains)

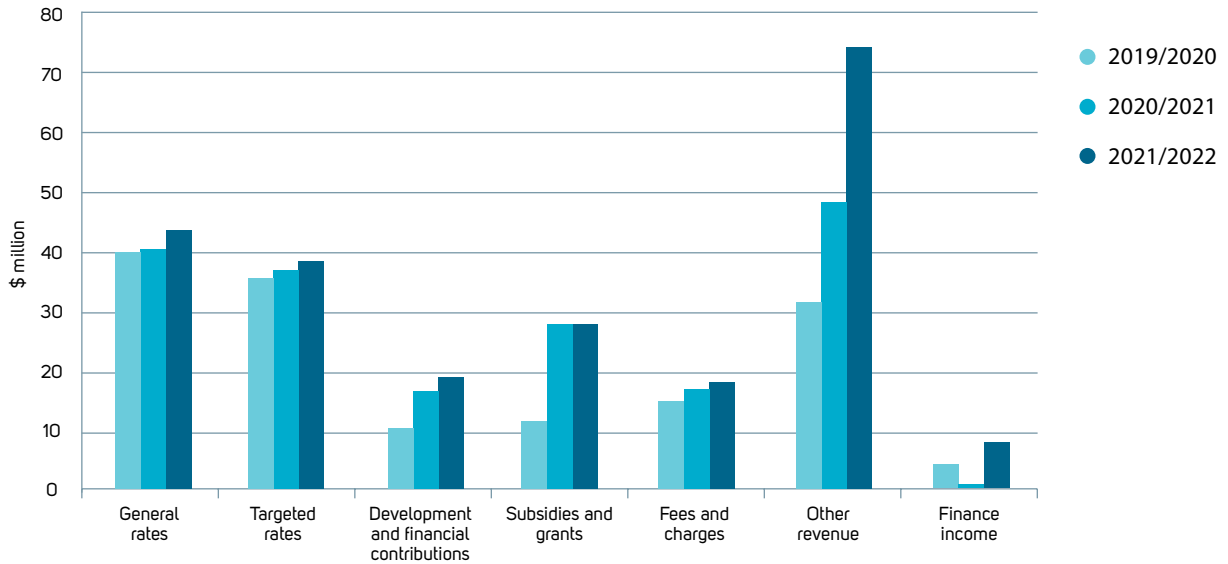
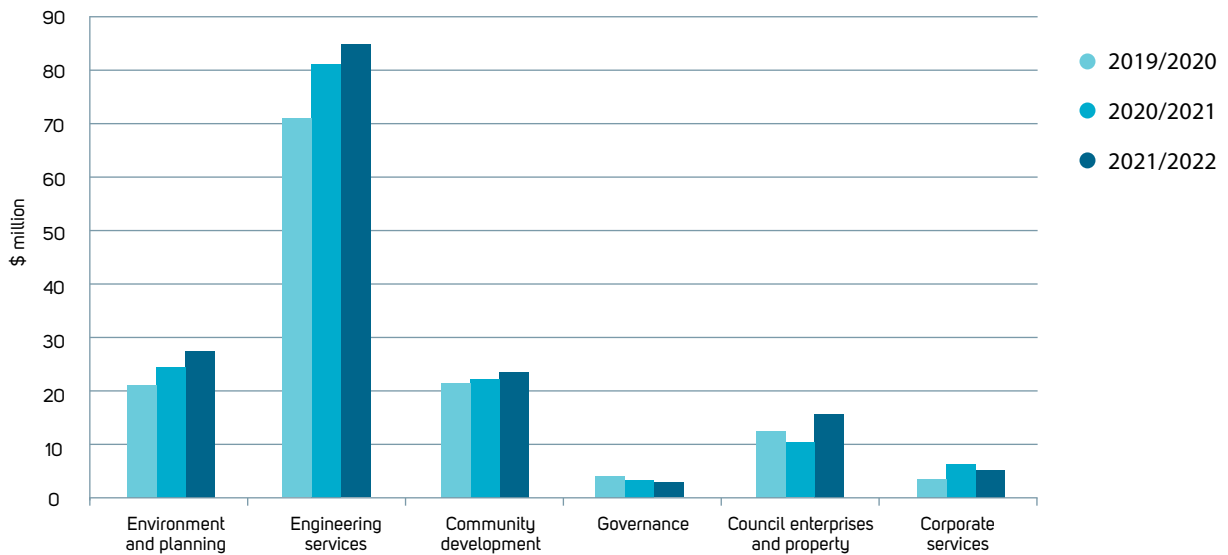


Figure 5. Total Council Expenditure by Department



## KEY FINANCIAL INFORMATION

Figure 6. Operating Expenditure by Activity

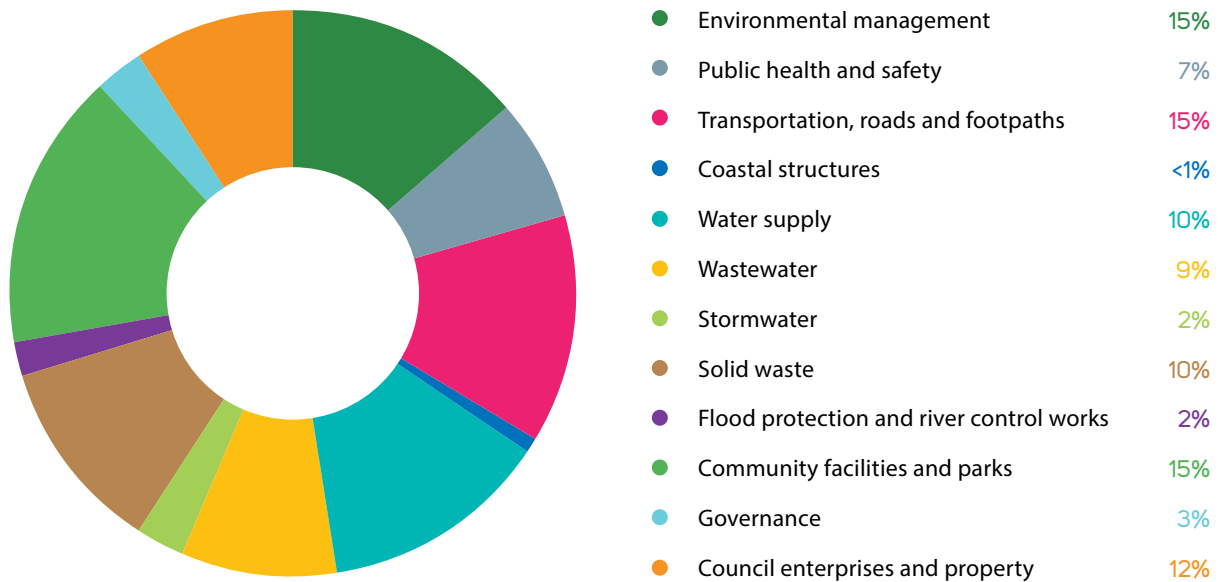
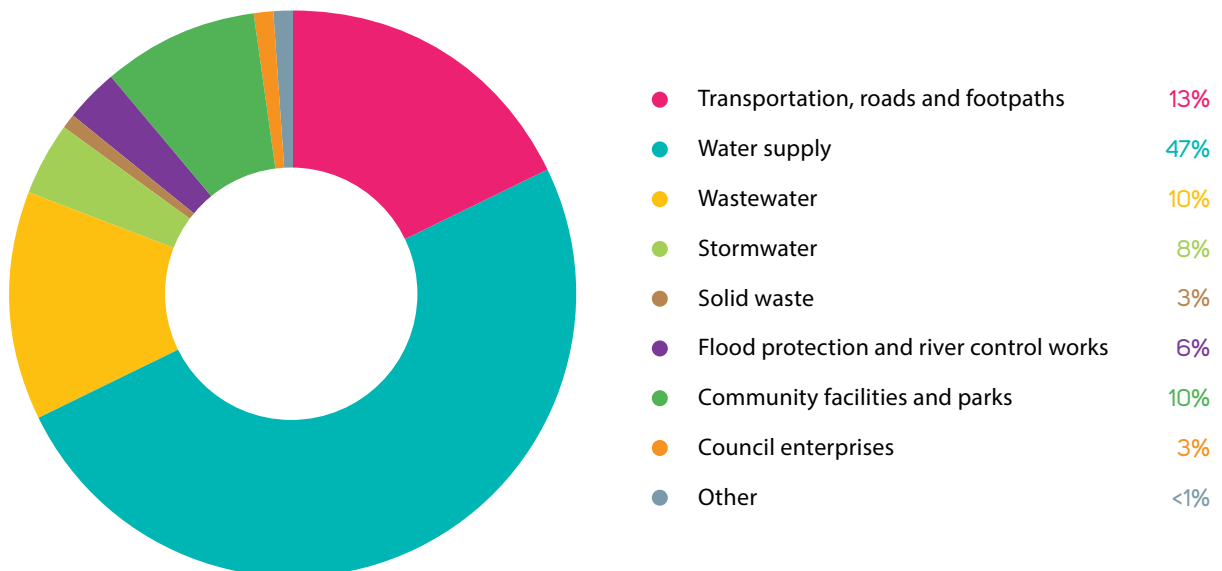


Figure 7. Capital Expenditure by Activity





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## **PART TWO: COUNCIL VISION AND COMMUNITY OUTCOMES**

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# OUR VISION

Thriving communities enjoying the Tasman lifestyle

# OUR MISSION STATEMENT

To enhance community wellbeing and quality of life

# COMMUNITY OUTCOMES

## BACKGROUND

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

The Council believes that achieving Community Outcomes relies on partnering with the whole community, including individuals, businesses, government agencies and community organisations. Everyone's views on 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 2021 – 2031.

## 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 which community outcomes each activity primarily contributes to.

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## **PART THREE: ROLES, COMPLIANCE AND AUDIT STATEMENT**

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# 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 Long-Term Plan (LTP) 2021 – 2031. The LTP 2021 – 2031 was adopted by Council on 30 June 2021, after considerable consultation with ratepayers and interested others. This is the first Annual Report prepared under the LTP 2021 – 2031.

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 we have taken steps 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 challenges, highlights and achievements. The Financial Statements and Statements of Service Performance look at the Council's performance 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 2022 fairly reflect the financial position, operations and service performance of Tasman District Council.



**T B King**  
Mayor



**L M Rae**  
Chief Executive Officer



# HOW THE ANNUAL REPORT FITS INTO COUNCIL'S OVERALL PLANNING FRAMEWORK





# INDEPENDENT AUDITOR'S REPORT

AUDIT NEW ZEALAND  
Mana Arotake Aotearoa

## To the readers of Tasman District Council's annual report for the year ended 30 June 2022

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 22 December 2022. This is the date on which we give our report.

## OPINION ON THE AUDITED INFORMATION

In our opinion:

- the financial statements on pages 120 to 127 and pages 129 to 190 and pages 201 to 209:
  - » present fairly, in all material respects:
    - › the District Council's financial position as at 30 June 2022;
    - › 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; and
- the funding impact statement on page 128, 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 and annual plan;
- the statements of objectives and service performance on pages 37 to 119:
  - » present fairly, in all material respects, the District Council's levels of service for each group of activities for the year ended 30 June 2022, 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
  - » comply with generally accepted accounting practice in New Zealand; and
- the statement about capital expenditure for each group of activities on pages 47 to 113, 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 47 to 113, 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 191 to 200, 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.

The basis for our opinion is explained below and we draw attention to other matters. In addition, we outline the responsibilities of the Council and our responsibilities relating to the audited information, we comment on other information, and we explain our independence.

## EMPHASIS OF MATTER – THE GOVERNMENT'S THREE WATERS REFORM PROGRAMME

Without modifying our opinion, we draw attention to Note 37 on page 189, which outlines that, in June 2022, the Government introduced legislation to establish four publicly owned water services entities to take over responsibilities for service delivery and infrastructure from local authorities with effect from 1 July 2024. The legislation received royal assent from the Governor-General on 14 December 2022. The impact of these reforms will mean that the District Council will no longer deliver three waters services or own the assets required to deliver these services. In December 2022, the Government introduced the Water Services Legislation Bill, which will transfer assets and liabilities to the water services entities.

## EMPHASIS OF MATTER – THREE WATERS INFRASTRUCTURE ASSETS VALUATION UNCERTAINTY

Without modifying our opinion, we draw attention to Note 15 on page 148, which outlines the 'significant valuation uncertainty' statement included in the valuer's report due to Covid-19, with estimating the fair values of the roading, three waters and refuse infrastructure assets.

## 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.

## INDEPENDENT AUDITOR'S REPORT

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 [annual plan / 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 statements of objectives and service performance, as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
- 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 auditor's 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.

Our responsibilities arise from the Public Audit Act 2001.

## OTHER INFORMATION

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 2 to 31 and 211 to 226, 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, and we do not express any form of audit opinion or assurance conclusion thereon.

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: International Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit and the report on the disclosure requirements, we have carried out a limited assurance engagement related to the District Council's debenture trust deed. Other than these engagements, we have no relationship with, or interests in, the District Council.



**John Mackey**

**Audit New Zealand**

On behalf of the Auditor-General  
Christchurch, New Zealand



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**PART FOUR:  
FINANCIAL AND  
NON-FINANCIAL  
PERFORMANCE**

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# STATEMENTS OF OBJECTIVES AND SERVICE PERFORMANCE

Service goals and objectives form the basis of our work and services for the District. The 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 and includes the requirement to report on several 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
- Support Services

A group of activities may contain several 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 listed the service goals, objectives and performance indicators for each of the Council's significant activities. These are followed by a statement on the level of achievement for the year ending June 2022.

Each significant activity area incorporates elements of quality, quantity, timeliness, cost and location (where applicable). Unless otherwise noted, all tasks were completed by 30 June 2022.

## QUALITY PROCESSES

Quality processes (which affect output quality) are a standard feature of internal management control systems.

## PREPARATION OF INTERNAL REPORTS

Suitably qualified and experienced staff prepare internal reports. Significant reports are subject to peer review.

## CAPITAL WORKS

Capital works are constructed to design specifications. Suitably qualified and experienced engineers undertake inspections of works.

## RESOURCE MANAGEMENT

These functions are performed by appropriately qualified staff, consultants and/or accredited hearing commissioners. These mechanisms assure the quality of service given to the public. With 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 standard process we undertake is the development of asset/activity management plans for the Council's activities and infrastructural assets. This includes asset identification, valuation, condition rating, service levels, performance measures, and future maintenance and development plans. 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

We often included survey measures to assess progress toward achieving our objectives and check residents' satisfaction with our services. We report on these measures using data from an independent research company's annual survey of residents.

## FUNDING IMPACT STATEMENT (FIS)

We have prepared a FIS 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 are not prepared following 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 Waka Kotahi NZ Transport Agency (Waka Kotahi) subsidies projected to be received for road renewal works, development and reserve financial contributions and gains on the sale of assets are recorded as capital funding sources. Under GAAP these are treated as revenue in the Comprehensive Revenue and Expense Statement.



# 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.
- Processing development contributions assessments.
- Undertaking biosecurity (pest management) responsibilities and control work in the District and maintaining indigenous biological diversity.

## WHY WE DO IT

The 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 the Council's policies and plans are statutory documents required under legislation.

The 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.
- Provide information of use to farmers, businesses and the public.

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

## CONTRIBUTION TO COMMUNITY OUTCOMES

The Environmental Management activity contributes to the following community outcomes:

- 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 communities are healthy, safe, inclusive and resilient.

## 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 that 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.

## ENVIRONMENTAL MANAGEMENT



● Fully achieved    
 ● Achieved within 5%    
 ● Not achieved    
 ● Not measured

OUTCOME	2022 TARGET	2022 RESULT	2021 RESULT	HOW DID WE PERFORM
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We provide an appropriate policy framework that effectively promotes the sustainable management of the District’s natural and physical resources by:

- Identifying and responding to resource management policy issues; and
- Providing a sound and appropriate policy planning framework that is responsive to our changing environment and will protect and enhance our unique environment and promote healthy and safe communities

Swimming beaches and rivers are suitable for contact recreation, all or most of the time





Fine weather samples		98%	96.3%	99%	Compared with previous years, we included some additional sites that were more likely to be impacted, as we are looking to broaden our knowledge of likely risks. Including additional sites increased the proportion of sites this season with a high risk of faecal discharges.
All weather samples		92%	91.3%	95%	<p>Using the Ministry for the Environment “Suitability for Recreation Grade” criteria including rainfall-affected samples, Rabbit Island Main Beach continues to be graded “Very Good”. Māpua Leisure Park Beach was graded “Good”. Kaiteriteri fell a grade into “Fair”, and Pōhara Beach improved a grade to “Fair”.</p> <p>Using the National Policy Statement-Freshwater Management standards, including rainfall-affected samples, over the season, the following sites were all in the ‘Blue/Excellent’ category: Tākaka at Paynes Ford, Tākaka at Waitapu Bridge, Wairoa at WEIS Weir (Max’s Bush) and Lee Reserve. Roding at Twin Bridges, Motueka at Alexander Bridge and Motueka at SH60 were in the ‘Green/Good’ category.</p>

## ENVIRONMENTAL MANAGEMENT

	OUTCOME	2022 TARGET	2022 RESULT	2021 RESULT	HOW DID WE PERFORM
Residents' satisfaction for those residents who are aware of the Council's role in resource management policy and planning work		65%	55%	55%	<p>The 2022 result reflects sentiment from new and proposed Central Government environmental regulations, including the requirement for councils to map Significant Natural Areas (SNAs).</p> <p>The Council undertook community engagement on several controversial topics related to developing the Tasman Environment Plan that the council is required through legislation to implement.</p> <p>This work includes identifying and mapping Outstanding Natural Landscapes and the Coastal Environment with associated limitations placed on properties through new rules. The lower-than-target result will likely be similar in future years due to the requirement to implement existing and further new environmental legislation and regulation through the Tasman Environment Plan.</p>
Council meets the Air Quality National Environmental Standard (NES)		Meet the NES. 1 exceedance day in a 12-month period	2 days	4 days	<p>In Richmond, there were two exceedance days of the daily threshold concentration of 50 µg/m<sup>3</sup> (24-hour average) from 1 July 2021 to 30 June 2022. A work programme to include a review of the 'Discharges to Air' section of the Tasman Environment Plan is underway while we await the outcome of the national review of the air quality regulations.</p>



## ENVIRONMENTAL MANAGEMENT

OUTCOME	2022 TARGET	2022 RESULT	2021 RESULT	HOW DID WE PERFORM
<b>We provide a responsive and efficient process for assessing resource consent applications and ensuring compliance obligations are fairly and appropriately enforced</b>				
Customer satisfaction with Council's resource consent processing work	 80%	54%	56%	This result is similar to 2021 due to a shortage of consenting staff which has impacted the overall satisfaction. Satisfaction with the time taken for consent processing has remained the same as in 2021 (45% as compared with 44%). Satisfaction with the reasonableness of costs has decreased from 65% (2021) to 42%, similar to 2020 (46%). However, satisfaction with the helpfulness and courtesy of staff has increased from 2021 (80%) and was high at 88%.
Consent applications are processed within statutory timeframes (where they exist):				
Notified consents	 100%	100%	70%	In 2021/2022, we processed 100% of the three publicly notified applications within statutory timeframes.
Non-notified consents	 100%	70%	83.5%	We processed 70% of the 1014 consent applications in the 2021/2022 year within the statutory timeframes. The severe shortage of consent planning staff has impacted our ability to meet timeframes.
Limited notified consents	 100%	47%	43%	We processed 47% of the 47 limited notified consents in 2021/2022 within statutory timeframes. 33 of these consents processed were bundled (i.e. there were multiple resource consents for the same development).


## ENVIRONMENTAL MANAGEMENT

OUTCOME	2022 TARGET	2022 RESULT	2021 RESULT	HOW DID WE PERFORM
<p><b>We undertake monitoring of environmental trends and conditions and maintain reporting systems that protect and inform the community about progress toward community outcomes, environmental conditions, changes and risks</b></p>				
<p>An annual report is prepared and presented to Council or a Council committee each year showing that all resource consents that are monitored are assigned appropriate performance grades</p>	<p>●</p> <p>By 30 September</p>	<p>8 September 2022</p>	<p>9 September 2021</p>	<p>The Annual Compliance and Enforcement summary report was presented to the Regulatory Committee on 8 September 2022.</p> <p>Over the 2021/2022 year, we achieved our objectives through active monitoring and reporting on 3,323 resource consents and targeted permitted activities occurring in our District.</p> <p>At 66%, full compliance is down on the 2021 year for the wide range of activities we monitored. Of the remainder, 19% were minor breaches that required no action. Another 4% required some form of corrective action, ranging from education and advice right through to direct enforcement action. 11% were assigned a grade of 5, denoting that the activity was not operating and unable to be monitored against consent conditions at that time.</p>
<p>Where significant non-compliance is recorded, that resolution is achieved within appropriate timeframes:</p>				
<p>Percentage resolved within nine months</p>	<p>●</p> <p>80%</p>	<p>100%</p>	<p>100%</p>	<p>For the resource consents and targeted permitted activities monitored during the year, 6 received a grade of significant non-compliance that required direct enforcement action. This was down from 16 in 2020/2021.</p>
<p>Percentage resolved within 12 months</p>	<p>●</p> <p>95%</p>	<p>100%</p>	<p>100%</p>	<p>Two of these were associated with consented water takes, and the others were land use breaches. All (100%) were resolved within nine months using various enforcement options.</p>

## ENVIRONMENTAL MANAGEMENT

OUTCOME	2022 TARGET	2022 RESULT	2021 RESULT	HOW DID WE PERFORM
<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>By 31 October</p>	<p>28 July 2022</p>	<p>29 July 2021</p>	<p>We presented the 2021/2022 Water Metering Compliance Monitoring report to the 28 July 2022 Regulatory Committee.</p> <p>The Council did not encounter significant non-compliance regarding water use over the year. There were instances of overtakes, and numbers were up on the previous season. The majority were identified as technical (administrative) breaches. Actual overtakes were minor in nature and dealt with through formal warnings. The most significant non-compliance continued to be the number of weekly water usage readings missed even after reminders. These consent holders were subject to a range of actions, including meter audits and fees, warnings, infringement fines and abatement notices.</p>
<p>An operational plan and annual report are prepared and presented to Council or a Committee meeting each year, in accordance with the Regional Pest Management Plan and the requirements of the Biosecurity Act</p>	<p>By 30 November</p>	<p>2 December 2022</p>	<p>26 November 2020</p>	<p>The Regional Pest Management Plan 2019-2029 took effect on 1 July 2019, so this is the third year of delivery. The operational plan was revised, and recommendations for a Tasman Resource Management Plan change were assessed. This plan change will proceed in 2022/2023.</p> <p>The team has not been at full capacity with changes in staffing this year. Despite this it has delivered well on the Pest Plan with all eradication programmes, progressive containment work, and service requests completed.</p>

ENVIRONMENTAL MANAGEMENT

OUTCOME	2022 TARGET	2022 RESULT	2021 RESULT	HOW DID WE PERFORM
<p>An annual Dairy Monitoring report is prepared detailing the performance of the district's dairy farms against the Council's dairy effluent discharge rules and relevant national legislation (98% percentage of farms fully compliant)</p> 	98%	93%	98%	<p>We presented the 2021/2022 Dairy Farm Compliance report to the 28 July 2022 Regulatory Committee.</p> <p>All 121 active dairy farms received inspections and were assessed for their discharge of treated dairy effluent. Of these, 118 relied on the Permitted Activities rules of the Tasman Resource Management Plan. While three retain Resource Consents to discharge treated effluent to water, all preferred to apply effluent to land. They were therefore assessed against both the rules and resource consent conditions.</p> <p>The final compliance results were:</p> <ul style="list-style-type: none"> <li>• 93% fully compliant – (113 farms)</li> <li>• 5% non-compliant – low risk (6 farms)</li> <li>• 2% non-compliant – moderate risk (2 farms)</li> </ul> <p>No farms were classed as significantly non-compliant.</p> <p>All instances of non-compliance found this season were associated with ponding of effluent at varying levels. Most were minor but still outside the permitted activity rule relating to ponding. None were at a level that presented a risk of contaminant runoff to surface water. All were dealt with by warnings and education of staff.</p>

## ENVIRONMENTAL MANAGEMENT

NAME	DESCRIPTION	2021/2022
Develop the new 'Aorere ki uta, Aorere ki tai – Tasman Environment Plan'	This new plan replaces the Tasman Resource Management Plan, which is due for statutory review.	This year has seen the development of issues and options reports on the 23 plan portfolios that make up the content of the new plan. We have completed approximately 60% of the reports with a view to public consultation in mid-2022/2023. Resource management reform and impending new legislation, including a possible requirement to have a single plan combining Tasman, Nelson and Marlborough, is creating uncertainty.
Responding to the Regional Pest Management Plan and Tasman Biodiversity Strategy	Implementing the Regional Pest Management Plan (RPMP) and the Tasman BioStrategy to enhance biodiversity and reduce impacts from pests.	The Regional Pest Management Plan is now well embedded, and the operational plan was revised to reflect the new team and Nelson City Council now delivering within its district. The team is now at full capacity and can deliver on the plan.  A working group of interested community members, iwi, Department of Conservation, and Council staff have developed the Tasman Biodiversity Strategy. The strategy will be recommended to the Council for adoption in August 2022.
Assisting with improved land management	Managing the use and development of land resources to enhance water quality.	Significant effort has been put into getting Tasman's soils information online. Staff are working with industry and landowners to refine the method and information sources to develop individual farm plans ready for completion when required.
Monitoring quality and quantity of our region's water resources	Monitoring the quality and quantity of our water resources, in the ground and in our rivers and streams. This is for both productive use and environmental protection, including flood management.	We completed a report on the groundwater quality for the Aorere valley, which is available on our website. We have almost finished drafting a report covering the nitrate issue in the groundwater under the Waimea plains. Staff have completed an analysis of the last five years of surface water quality sampling and will deliver a report towards the end of 2022.



## ENVIRONMENTAL MANAGEMENT

### FUNDING IMPACT STATEMENT For the year ended 30 June 2022

BUDGET 2020/2021 \$000	ACTUAL 2020/2021 \$000	NOTES	ACTUAL 2021/2022 \$000	BUDGET 2021/2022 \$000	% OF BUDGET
<b>SOURCES OF OPERATING FUNDING</b>					
10,501	10,185	General rates, uniform annual general charges, rates penalties	11,454	11,454	100%
149	154	Targeted rates	134	136	99%
311	2,277	Subsidies and grants for operating purposes	2,448	1,256	195%
2,560	3,292	Fees and charges	3,217	2,467	130%
-	-	Internal charges and overheads recovered	-	-	-
461	611	Local authorities fuel tax, fines, infringement fees, and other receipts	624	740	84%
<b>13,982</b>	<b>16,519</b>	<b>Total operating funding</b>	<b>17,877</b>	<b>16,053</b>	<b>111%</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>					
8,343	10,323	Payments to staff and suppliers	12,519	10,520	119%
19	19	Finance costs	28	58	48%
5,351	5,771	Internal charges and overheads applied	5,810	6,149	94%
-	-	Other operating funding applications	-	-	-
<b>13,713</b>	<b>16,113</b>	<b>Total applications of operating funding</b>	<b>18,357</b>	<b>16,727</b>	<b>110%</b>
<b>269</b>	<b>406</b>	<b>Surplus/(deficit) of operating funding</b>	<b>(480)</b>	<b>(674)</b>	<b>71%</b>
<b>SOURCES OF CAPITAL FUNDING</b>					
-	-	Subsidies and grants for capital expenditure	-	-	-
-	-	Development and financial contributions	-	-	-
(84)	(84)	Increase/(decrease) in debt	735	923	80%
-	-	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>735</b>	<b>923</b>	<b>80%</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>					
<b>Capital expenditure</b>					
-	-	• to meet additional demand	-	-	-
174	162	• to improve the level of service	31	123	25%
64	462	• to replace existing assets	33	127	26%
(53)	(302)	Increase/(decrease) in reserves	191	(1)	-191%
-	-	Increase/(decrease) in investments	-	-	-
<b>185</b>	<b>322</b>	<b>Total applications of capital funding</b>	<b>255</b>	<b>249</b>	<b>102%</b>
<b>(269)</b>	<b>(406)</b>	<b>Surplus/(deficit) of capital funding</b>	<b>480</b>	<b>674</b>	<b>71%</b>
-	-	<b>Funding balance</b>	-	-	-

# 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:

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

## CONTRIBUTION TO COMMUNITY OUTCOMES

The Public Health and Safety activity primarily contributes to the following community outcomes:

- 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 communities are healthy, safe, inclusive and resilient.

## OUR GOAL

The Public Health and Safety goal is to:





- See that development of the District achieves high standards of safety, design, and operation with minimum impact and public nuisance.
- Offer excellent customer service in providing information on development and other opportunities.
- 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.

## PUBLIC HEALTH AND SAFETY

● Fully achieved    
 ◐ Achieved within 5%    
 ◐ Not achieved    
 ● Not measured

OUTCOME	2022 TARGET	2022 RESULT	2021 RESULT	HOW DID WE PERFORM	
<b>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</b>					
98% of applications for building consents (BC) are processed within statutory timeframes	●	98%	98%	99.1%	We fully achieved our target.
Percentage of applications for code compliance certificates (CCC) which are processed within statutory timeframes	●	98%	99%	99%	We achieved 1% higher than our target.
The average time taken to process a Building Consent	●	12 working days	10 working days	10.61 working days	We fully achieved our target.
We maintain Building Consent Authority Accreditation	●	Accreditation maintained	Accreditation maintained	Accreditation maintained	Accreditation maintained. The next audit is due October 2023
Survey respondents' satisfaction with Council's building control work	◐	80%	76%	73%	<p>76% is the 'overall level of satisfaction with Council service result' (building), slightly higher than in 2021. The score was driven down mainly due to dissatisfaction with the costs of the process.</p> <p>90% of respondents agreed that staff are courteous and helpful. 72% of respondents agreed that the time taken was reasonable.</p> <p>50% of respondents agreed that the costs were reasonable.</p>

## PUBLIC HEALTH AND SAFETY

OUTCOME	2022 TARGET	2022 RESULT	2021 RESULT	HOW DID WE PERFORM
<b>We will provide an environmental health service that in association with other agencies, fosters the responsible sale and consumption of liquor</b>				
In conjunction with the New Zealand Police, we detect no sale of liquor to minors through random controlled purchase operations (CPOs) run annually	 At least 75% of CPOs with no offences detected	Not measured	50%	Due to COVID restrictions and limited agency availability, no CPOs were carried out over the period. Staff remain available to support CPOs once other agencies have the capability.
<b>We will provide an environmental health service that ensures that food provided for sale is safe, free from contamination and prepared in suitable premises</b>				
All food premises that are the responsibility of Council to audit will be visited at the frequency required by the Ministry of Primary Industries (MPI)	 100%	100%	100%	The backlogs caused by the pandemic were fully overcome, and all targets were met.
<b>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</b>				
All known dogs are registered or otherwise accounted for annually by 30 June	 100%	100%	100%	Over 12,137 dogs were registered over the last year, an increase of 400 dogs since 2020/2021.
We respond to high-priority dog complaints within 60 minutes, 24 hours a day, seven days a week	 100%	100%	100%	This service was maintained at the level indicated. Some responses are in the form of telephone conversations if no attendance is required.

## PUBLIC HEALTH AND SAFETY

OUTCOME	2022 TARGET	2022 RESULT	2021 RESULT	HOW DID WE PERFORM
<b>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</b>				
The level of community support for Council's civil defence emergency management (CDEM) activity (residents' satisfaction)	70%	79%	77%	CDEM operated in support of the Covid-19 response. An Incident Management Team (IMT) was also available to respond to other CDEM events.
<b>We will provide Maritime Administration services to ensure Tasman's regional waters are safe and accessible and that all known commercial vehicle operators are licensed</b>				
All known commercial vessel operators are licensed	100%	100%	100%	All commercial vessels were registered, though vessel numbers were reduced because of Covid.
<b>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</b>				
Compliance by vehicles parking in time-controlled areas within the Traffic Bylaw, based on an annual snap survey	85%	85.56%	79%	We undertook a survey on 2 December 2021. This survey was carried out during peak season, whereas in previous years, it was in the preceding November. Despite achieving the target, there is a lack of all-day parking in the CBD. Some people habitually park over time as they do not wish to walk from surrounding areas where all-day parking is available.



## PUBLIC HEALTH AND SAFETY

### Resident Satisfaction with Emergency Management



NAME	DESCRIPTION	2021/2022
Regulatory Services	We provide a public health service, which monitors food safety, alcohol controls, type IV gambling venues and other issues impacting on health and wellbeing. We also enforce parking rules, remove abandoned vehicles and enforce freedom camping bylaws.	<p>Our environmental health team has achieved set targets this year relating to food control. No controlled purchase operations were carried out for alcohol control. This was because of Covid restrictions and lack of availability of police and other agency staff prevented such operations from being carried out.</p> <p>Parking control has operated smoothly this year, even though changing government rules caused some disruption (i.e. registration and warrant of fitness requirements). The number of abandoned vehicles removed reduced slightly over the period, and this service was effective. Two people complained that their vehicles had been removed. An investigation found that all reasonable attempts had been made to contact the registered owners and that statutory timeframes were adhered to.</p> <p>Compliance with the freedom camping rules has been better this year. Only 57 infringements were issued over the period, compared with 159 the previous year.</p>

## PUBLIC HEALTH AND SAFETY

NAME	DESCRIPTION	2021/2022
Building Control	We provide assurance that buildings are correctly constructed as per legal requirements.	Building assurance has met set targets with 1,320 building consents, 1,060 code compliance certificates issued, and 7,539 inspections undertaken. The satisfaction survey result was 4% below the target of 80%. This was an improvement on the 2021 result. The costs of the service drove down the satisfaction level.
Emergency Management and Civil Defence Activities	We assist CDEM, alongside other agencies, in responding to emergency events and recovery.	Council staff have supported CDEM by providing expertise in roles across the range of civil defence functions. Availability for the incident management team and response to actual events is maintained at an appropriate standard.
Maritime Safety	We carry out navigation safety functions as dictated by the Maritime Transport Act. With NCC, we maintain a fully trained response team to deal with any maritime oil spill events.	Maintenance of maritime safety continues to be the driver for this element of the function. Aides to navigation maintenance and support to stricken vessels are available at an appropriate level. Six wrecks have been removed over the period.  Two oil spill responses have been carried out which resulted in a reduction in the amount of oil released into the marine environment.
Animal Control	We carry out dog and stock control functions as dictated by the Dog Control Act and the Stock Control Act.	Over 400 additional dogs have been registered over the period. The number of infringements issued for non-registration has decreased. This indicates that the education of dog owners and close engagement at registration time is effective.  Stock control issues were responded to appropriately and at a similar level to previous years.

PUBLIC HEALTH AND SAFETY

**FUNDING IMPACT STATEMENT** For the year ended 30 June 2022

BUDGET 2020/2021 \$000	ACTUAL 2020/2021 \$000	NOTES	ACTUAL 2021/2022 \$000	BUDGET 2021/2022 \$000	% OF BUDGET
<b>SOURCES OF OPERATING FUNDING</b>					
2,091	1,793	General rates, uniform annual general charges, rates penalties	1,818	1,818	100%
-	-	Targeted rates	-	-	-
-	105	Subsidies and grants for operating purposes	90	-	100%
4,731	6,037	Fees and charges	5,913	5,000	118%
-	-	Internal charges and overheads recovered	-	-	-
613	724	Local authorities fuel tax, fines, infringement fees, and other receipts	823	686	120%
<b>7,435</b>	<b>8,659</b>	<b>Total operating funding</b>	<b>8,644</b>	<b>7,504</b>	<b>115%</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>					
4,586	5,309	Payments to staff and suppliers	5,964	4,582	130%
9	26	Finance costs	23	23	100%
2,823	2,839	Internal charges and overheads applied	3,029	2,865	106%
-	-	Other operating funding applications	-	-	-
<b>7,418</b>	<b>8,174</b>	<b>Total applications of operating funding</b>	<b>9,016</b>	<b>7,470</b>	<b>121%</b>
<b>17</b>	<b>485</b>	<b>Surplus/(deficit) of operating funding</b>	<b>(372)</b>	<b>34</b>	<b>-1094%</b>
<b>SOURCES OF CAPITAL FUNDING</b>					
-	-	Subsidies and grants for capital expenditure	-	-	-
-	-	Development and financial contributions	-	-	-
(24)	(46)	Increase/(decrease) in debt	(44)	(47)	94%
-	-	Gross proceeds from sale of assets	-	-	-
-	-	Lump sum contributions	-	-	-
-	-	Other dedicated capital funding	-	-	-
<b>(24)</b>	<b>(46)</b>	<b>Total sources of capital funding</b>	<b>(44)</b>	<b>(47)</b>	<b>94%</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>					
<b>Capital expenditure</b>					
-	-	• to meet additional demand	-	-	-
-	-	• to improve the level of service	-	-	-
-	36	• to replace existing assets	-	-	-
(7)	403	Increase/(decrease) in reserves	(416)	(13)	3200%
-	-	Increase/(decrease) in investments	-	-	-
<b>(7)</b>	<b>439</b>	<b>Total applications of capital funding</b>	<b>(416)</b>	<b>(13)</b>	<b>3200%</b>
<b>(17)</b>	<b>(485)</b>	<b>Surplus/(deficit) of capital funding</b>	<b>372</b>	<b>(34)</b>	<b>-1094%</b>
-	-	<b>Funding balance</b>	-	-	-

# 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

The Transportation, Roads and Footpaths activity primarily contributes to the following community outcomes:


- 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 region is supported by an innovative and sustainable economy.


## OUR GOAL


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

 Fully achieved






 Achieved within 5%

 Not achieved

 Not measured




OUTCOME	2022 TARGET	2022 RESULT	2021 RESULT	HOW DID WE PERFORM
<b>Safety: Our transportation network is becoming safer for its users</b>				
There is a downward trend in the number of serious and fatal crashes occurring on our road network	 Decreasing	Decreasing	Decreasing	The last five years of crash data show a downward trend.

## TRANSPORTATION, ROADS AND FOOTPATHS










	OUTCOME	2022 TARGET	2022 RESULT	2021 RESULT	HOW DID WE PERFORM
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		≤ 0	0	Increase of 6	The same number of fatal and serious crashes occurred in 2022/2022 (16) as the previous year (16).
<b>Mandatory measure 1</b>					
The proportion of residents who perceive the road environment to be safe for each mode as per the annual residents' survey		Walking 70%	69%	New measure	
		Vehicles 70%	83%	New measure	The majority of respondents perceive our road environments to be safe for driving.
		Cycling 70%	41%	New measure	The majority of respondents perceive our road environments to be unsafe for cycling.
<b>Accessibility: Our transportation network enables the community to choose from various modes of travel</b>					
The annual growth in the use of cycle routes exceeds specified levels. Measured using daily cycle count on selected routes per capita		Per capita measure increasing	+30%	-37%	The on-street cycle count in 2021 was undertaken in April, whereas in previous years and this year the counts were conducted in February when there are more cyclists due to warmer weather. The use of cycle routes were affected by fewer Covid 19 restrictions in 2022 compared with the previous year.  Most of this increase has been from the Great Taste Trail. There has been very little growth in the use of the urban cycle routes.



## TRANSPORTATION, ROADS AND FOOTPATHS

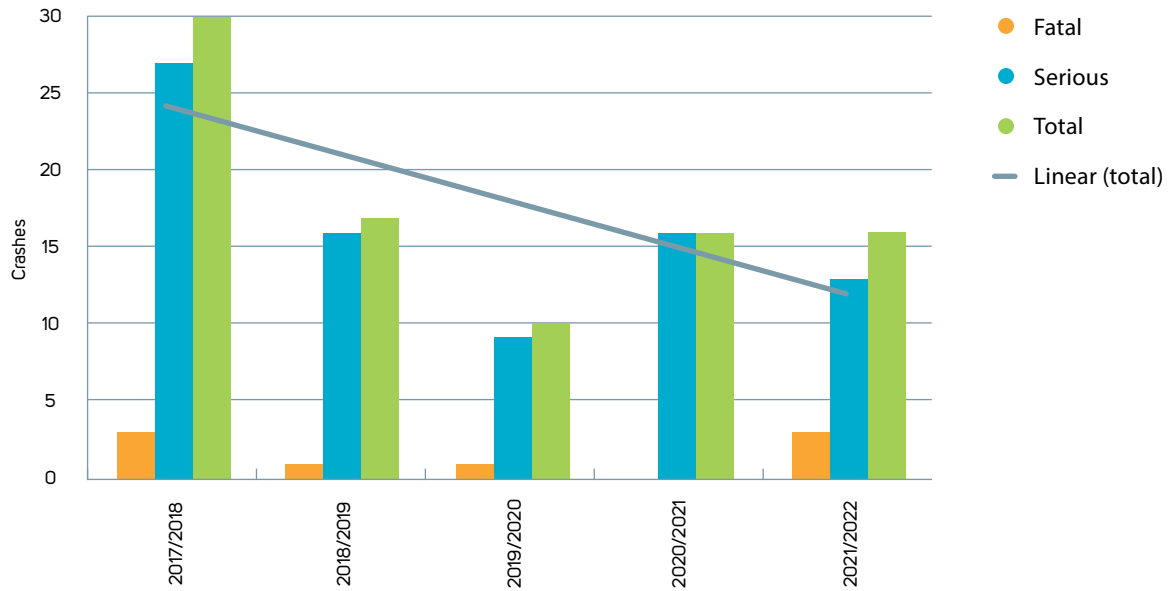
	OUTCOME	2022 TARGET	2022 RESULT	2021 RESULT	HOW DID WE PERFORM
					
The annual growth in the use of passenger transport exceeds specified levels. Measured using annual boarding per capita (Nelson and Tasman)	Per capita measure increasing		-11.6%	-11.4%	Public transport continues to show some reduced patronage compared to the previous financial year due to Covid effects. This reduction in passenger numbers follows a similar trend around New Zealand. Still, this result is better than most other New Zealand bus services, which have experienced more significant decreases in patronage.
<b>Value for money: Our transportation network is maintained cost effectively and whole of life costs are optimised</b>					
					
The percentage of sealed local roads resurfaced each fiscal year	Mandatory measure 3	6%-8%	4.4%	3.7%	We completed resurfacing on 43.25km (centre line) of roads which equates to 4.4% of the network (based on 982.1km of maintained sealed network). The amount completed is less than the target due to the escalating costs of resurfacing, such as bitumen and traffic management.
<b>Amenity: The travel quality and aesthetics of our transportation network is managed at a level appropriate to the importance of the road and satisfies the community's expectations</b>					
					
The percentage of footpaths within the Tasman district that are maintained to a condition of fair or better, as measured through the triennial footpath condition rating survey	Mandatory measure 4	No survey planned	No survey planned	No survey planned	The next survey is due in April 2023.

## TRANSPORTATION, ROADS AND FOOTPATHS

OUTCOME	2022 TARGET	2022 RESULT	2021 RESULT	HOW DID WE PERFORM
<p><b>The proportion of travel undertaken on the sealed road network meets the specified comfort levels. Known as Smooth Travel Exposure (STE). Smooth travel exposure is defined as the proportion of vehicle kilometres travelled on roads with roughness below the following thresholds. As reported through RAMM, based on traffic count and roughness survey data. Mandatory measure 2</b></p>				
Arterial roads	 ≥95%	79.7%	87.1%	<p>All roads are deteriorating and becoming rougher. Arterials have been particularly affected by trenching associated with utility infrastructure upgrades. The costs of smoothing the rough roads will be extremely high and most likely unaffordable.</p> <p><i>Note: includes urban and rural figures.</i></p>
Primary collector roads	 ≥95%	92.1%	97.1%	
Secondary collector roads	 ≥95%	93.9%	97.5%	
Access roads	 ≥90%	92.8%	95.2%	
Access (low volume) roads	 ≥90%	94.5%	96.8%	
<p><b>Residents are satisfied with Council's roads and footpaths in the District</b></p>				
Footpaths	 ≥70%	63%	63%	Lower satisfaction largely relates to unfunded demand for additional and improved footpaths.
Roads	 ≥70%	53%	44%	Lower satisfaction largely relates to the desire for higher quality roads and the effects of high urban growth with increasing traffic.
Cycle paths	 ≥70%	70%	New	
Customer Service Requests relating to the transportation network and activities are completed on time	 ≥90%	90.7%	87.5%	
ONRC (One Road Network Classification) Safety – PM7				
<b>Mandatory Measure 5</b>				

## TRANSPORTATION, ROADS AND FOOTPATHS

All Crash Types, Tasman District Council Roads Only, Fatal and Serious Crashes

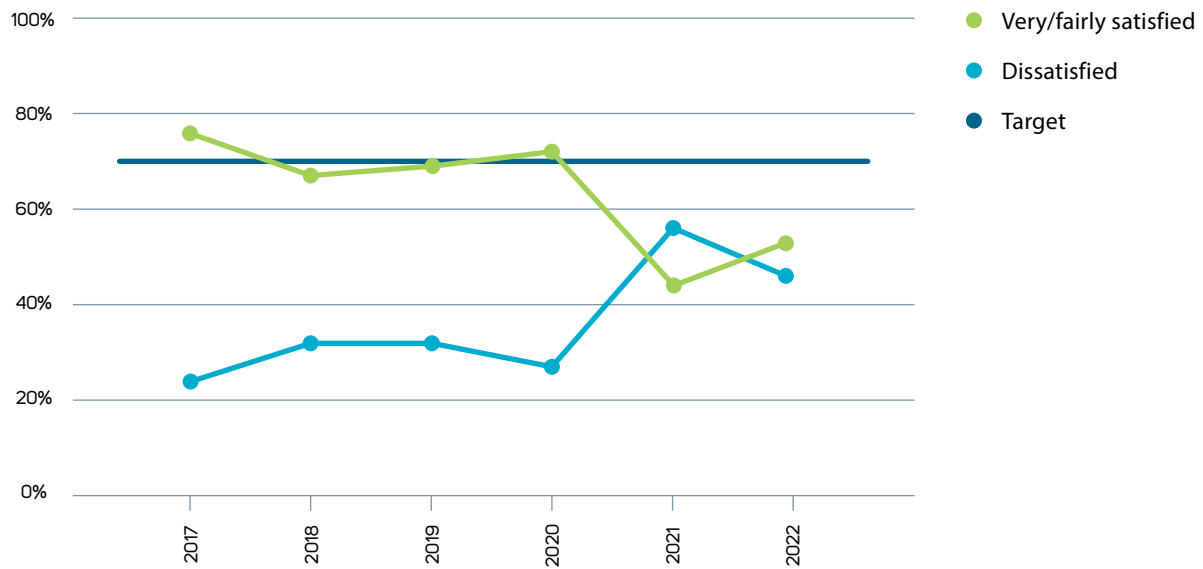


Resident Satisfaction with Footpaths



## TRANSPORTATION, ROADS AND FOOTPATHS

### Resident Satisfaction with Roads



NAME	DESCRIPTION	2021/2022
Unsealed road metaling	Routine metalling of unsealed roads to mitigate gravel loss.	We applied 24,676m <sup>3</sup> of metal to the district's roads in the 2021/2022 financial year (source: Waka Kohati transport investment online – annual achievement returns 2021/2022). This was a 21% increase from the forecast 21,400m <sup>3</sup> estimate.
Sealed road renewal	Pavement renewals and the renewal of sealed surfaces.	<p>We renewed 11,501m<sup>2</sup> of sealed pavement during the period, with emulsified stabilisation treatments making up a bulk of the work (9,800m<sup>2</sup>). This is slightly below the forecast figure of 11,700m<sup>2</sup> (-1.7%).</p> <p>We resurfaced a total of 300,427m<sup>2</sup> of seal during the period. This was down on the forecast figure of 332,700m<sup>2</sup> (-9.7%), primarily due to the greater than anticipated material costs, particularly bitumen.</p> <p>(Source: Waka Kohati transport investment online – annual achievement returns 2021/2022).</p>

## TRANSPORTATION, ROADS AND FOOTPATHS

NAME	DESCRIPTION	2021/2022
Slow urban streets and greenways	Improving residential streets slow traffic speeds and improve safety and encourage walking and cycling.	We completed consultation and initial design work for the Crescent/Surrey neighbourhood. We are constructing the Elizabeth Street raised platform. We completed the Walking and Cycling Strategy and progressed with the Speed Management Plan.
Drainage renewals	Replacement of drainage assets including culverts, kerb and channel, surface water channels and sumps.	<p>We replaced a total of 846m of culverts during the period. This was down from the forecast number of 1,130m (-25.1%) due to greater than expected cost increases and a refocus on renewing other drainage assets.</p> <p>We replaced 776m of kerb and channel in the 2021/2022 period. This is significantly higher than the forecast amount of 252m (206.7%).</p> <p>We replaced 413m of lined (primarily concrete) surface water channels in the period.</p> <p>(Source: Waka Kohati transport investment online – annual achievement returns 2021/2022).</p>
Richmond West intersection upgrades	Upgrading key intersections to cater for residential and commercial growth.	We undertook interim improvements along Lower Queen Street before further planned upgrades in future years.
Richmond and Motueka cycleway primary route	Creation of safe cycle routes through Richmond and Motueka.	The council approved the Walking and Cycling Strategy in May 2022. Design of new facilities is in progress.
Richmond bus terminal	Creation of a new bus terminal in Richmond to cater for new bus routes.	We are progressing the design of the new bus terminal.
New and renewed footpaths	Providing new and upgraded footpaths across the District.	We completed the Eighty-Eight Valley footpath and the Brooklyn footpath and bridge. We have almost completed the land purchase for the Upper Moutere footpath.
Tasman's Great Taste Trail	Complete the trail between Tapawera and Motueka.	We have completed the trail from Tapawera to Woodstock, including a new bridge over the Baton River.



## TRANSPORTATION, ROADS AND FOOTPATHS

NAME	DESCRIPTION	2021/2022
Lower Queen Street widening	Improvements to Lower Queen Street to cater for traffic associated with commercial and residential developments.	We have completed interim improvements along Lower Queen Street before further upgrades that are planned in future years.
McShane Road upgrade	Improvements to McShane Road to cater for traffic associated with commercial and residential developments.	This budget contributed towards a developer-constructed intersection, which has been completed.
Public transport	Improvements to public transport services providing improved coverage and frequency.	We are underway with bus stop upgrades in advance of expanded services from 1 July 2023.
Transport network maintenance	Maintaining the existing transport network and assets.	<p>We have undertaken an extensive programme of network maintenance. Some notable statistics include:</p> <ul style="list-style-type: none"> <li>• Routine maintenance across 1,750 km of roads, 450 road bridges, and 300 km of footpaths.</li> <li>• \$2.4 million spent on sealed road pavement maintenance.</li> <li>• \$154,000 spent on power for our 3,500 led streetlights.</li> <li>• \$230,000 spent on street sweeping in our townships.</li> <li>• 1,639 km of grading completed.</li> </ul>
Town centre cycling improvements	Providing facilities to support walking and cycling access and safety in town centres.	We are in the process of providing raised crossing platforms on Salisbury Road and Talbot Street, Richmond.
Seaton Valley Road improvements	Upgrading Seaton Valley Road to enable adjacent residential development.	This work is planned for 2031 in the Long-Term Plan 2021 – 2031.

## TRANSPORTATION, ROADS AND FOOTPATHS

### FUNDING IMPACT STATEMENT For the year ended 30 June 2022

BUDGET 2020/2021 \$000	ACTUAL 2020/2021 \$000	NOTES	ACTUAL 2021/2022 \$000	BUDGET 2021/2022 \$000	% OF BUDGET
<b>SOURCES OF OPERATING FUNDING</b>					
12,100	12,941	General rates, uniform annual general charges, rates penalties	12,997	12,997	100%
-	-	Targeted rates	-	-	-
3,803	5,918	Subsidies and grants for operating purposes	7,961	4,649	171%
165	112	Fees and charges	272	138	197%
-	-	Internal charges and overheads recovered	-	-	-
1,044	959	Local authorities fuel tax, fines, infringement fees, and other receipts	961	942	102%
<b>17,112</b>	<b>19,930</b>	<b>Total operating funding</b>	<b>22,191</b>	<b>18,726</b>	<b>119%</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>					
6,899	10,363	Payments to staff and suppliers	14,454	9,229	157%
1,387	1,410	Finance costs	1,361	1,400	97%
2,517	2,669	Internal charges and overheads applied	2,659	2,468	108%
-	-	Other operating funding applications	-	-	-
<b>10,803</b>	<b>14,442</b>	<b>Total applications of operating funding</b>	<b>18,474</b>	<b>13,097</b>	<b>141%</b>
<b>6,309</b>	<b>5,488</b>	<b>Surplus/(deficit) of operating funding</b>	<b>3,717</b>	<b>5,629</b>	<b>66%</b>
<b>SOURCES OF CAPITAL FUNDING</b>					
4,287	5,891	Subsidies and grants for capital expenditure	4,908	4,326	113%
477	476	Development and financial contributions	977	1,079	91%
58	(367)	Increase/(decrease) in debt	(224)	360	-62%
-	-	Gross proceeds from sale of assets	-	-	-
-	-	Lump sum contributions	-	-	-
-	-	Other dedicated capital funding	-	-	-
<b>4,822</b>	<b>6,000</b>	<b>Total sources of capital funding</b>	<b>5,661</b>	<b>5,765</b>	<b>98%</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>					
<b>Capital expenditure</b>					
-	-	• to meet additional demand	-	-	-
3,346	2,821	• to improve the level of service	1,099	2,173	51%
6,777	9,498	• to replace existing assets	10,383	8,558	121%
1,008	(832)	Increase/(decrease) in reserves	(2,104)	663	-317%
-	-	Increase/(decrease) in investments	-	-	-
<b>11,131</b>	<b>11,488</b>	<b>Total applications of capital funding</b>	<b>9,378</b>	<b>11,394</b>	<b>82%</b>
<b>(6,309)</b>	<b>(5,488)</b>	<b>Surplus/(deficit) of capital funding</b>	<b>(3,717)</b>	<b>(5,629)</b>	<b>66%</b>
-	-	<b>Funding balance</b>	-	-	-

Operating grants and payments to staff and suppliers were greater than budget due to July 2021 adverse weather event partially funded by NZTA subsidies. The unfunded amount caused the decrease in the reserve balance.

# COASTAL ASSETS

## 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 the 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 Te Mamaku/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

The Coastal Structures activity primarily contributes to the following community outcomes:

- Our infrastructure is efficient, cost-effective and meets current and future needs.
- Our communities have access to a range of social, cultural, educational and recreational facilities and activities.
- Our communities are healthy, safe, inclusive and resilient.

## OUR GOAL

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

● Fully achieved    
 ● Achieved within 5%    
 ● Not achieved    
 ● Not measured

OUTCOME	2022 TARGET	2022 RESULT	2021 RESULT	HOW DID WE PERFORM
<b>Protection: Our communities are protected from natural hazard events</b>				
Council owned coastal erosion protection assets are maintained to their original constructed standard. Council has a detailed inventory of coastal assets and condition, as measured by routine inspection	100%	100%	100%	All Council-owned erosion protection assets were inspected. No significant maintenance was required this year.

## COASTAL ASSETS

OUTCOME	2022 TARGET	2022 RESULT	2021 RESULT	HOW DID WE PERFORM
<b>Safety: Our structures are safe for the public to use</b>				
Council structures are maintained to a safe level to allow general public use. Measure percentage of structures deemed 'safe' through annual inspection	● 100%	Not measured	100%	<p>All significant maintained assets in public areas were inspected this year and found to be safe, but not every asset was inspected.</p> <p>Further work is required to identify an inspection regime and determine the ownership and maintenance required for some assets.</p>

NAME	DESCRIPTION	2021/2022
Mārahau sea walls	Extension of the revetment at Mārahau to limit erosion of the footpath.	None. Budgeted for the 2024/2025 financial year.
Torrent Bay sand replenishment and planting	Maintaining sand as a barrier to limit erosion in Torrent Bay.	None. Not scheduled for 2021/2022.
Maintenance of sea walls, wharves, and jetties	Maintaining existing coastal assets.	This year we relocated sand in the vicinity of the Mārahau sea walls as part of our regular maintenance. There was no other significant maintenance this year.
Boat access improvements	Improvements of one or more boat launching facilities to support access to Tasman Bay.	This year we concluded a business case to determine a preferred programme of work to address boat access issues in Tasman Bay.
Maintenance of navigational aids	Maintaining existing navigation aids.	Over the past year, the harbourmaster has maintained all fixed and mobile navigational aids. Most aids are checked at least three times per annum.

## COASTAL ASSETS

### FUNDING IMPACT STATEMENT For the year ended 30 June 2022

BUDGET 2020/2021 \$000	ACTUAL 2020/2021 \$000	NOTES	ACTUAL 2021/2022 \$000	BUDGET 2021/2022 \$000	% OF BUDGET
<b>SOURCES OF OPERATING FUNDING</b>					
339	299	General rates, uniform annual general charges, rates penalties	99	99	100%
82	82	Targeted rates	82	81	101%
-	-	Subsidies and grants for operating purposes	-	-	-
-	10	Fees and charges	-	-	-
-	-	Internal charges and overheads recovered	-	-	-
15	12	Local authorities fuel tax, fines, infringement fees, and other receipts	8	8	100%
<b>436</b>	<b>403</b>	<b>Total operating funding</b>	<b>189</b>	<b>188</b>	<b>101%</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>					
314	180	Payments to staff and suppliers	71	128	55%
19	19	Finance costs	17	17	100%
83	79	Internal charges and overheads applied	46	53	87%
-	-	Other operating funding applications	-	-	-
<b>416</b>	<b>278</b>	<b>Total applications of operating funding</b>	<b>134</b>	<b>198</b>	<b>68%</b>
<b>20</b>	<b>125</b>	<b>Surplus/(deficit) of operating funding</b>	<b>55</b>	<b>(10)</b>	<b>-550%</b>
<b>SOURCES OF CAPITAL FUNDING</b>					
-	-	Subsidies and grants for capital expenditure	-	-	-
-	-	Development and financial contributions	-	-	-
(85)	(66)	Increase/(decrease) in debt	(73)	(76)	96%
-	-	Gross proceeds from sale of assets	-	-	-
-	-	Lump sum contributions	-	-	-
-	-	Other dedicated capital funding	-	-	-
<b>(85)</b>	<b>(66)</b>	<b>Total sources of capital funding</b>	<b>(73)</b>	<b>(76)</b>	<b>96%</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>					
<b>Capital expenditure</b>					
-	-	• to meet additional demand	-	-	-
-	-	• to improve the level of service	-	-	-
-	-	• to replace existing assets	12	55	(0)
(65)	59	Increase/(decrease) in reserves	(30)	(141)	21%
-	-	Increase/(decrease) in investments	-	-	-
<b>(65)</b>	<b>59</b>	<b>Total applications of capital funding</b>	<b>(18)</b>	<b>(86)</b>	<b>21%</b>
<b>(20)</b>	<b>(125)</b>	<b>Surplus/(deficit) of capital funding</b>	<b>(55)</b>	<b>10</b>	<b>-550%</b>
-	-	<b>Funding balance</b>	-	-	-



# 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 Tākaka Firefighting Scheme supplies the central Tākaka area with a non-potable firefighting supply.

Council's existing network is extensive and continues to grow. At present, the network comprises of 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

The Water Supply activity primarily contributes to the following community outcomes:

- 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 region is supported by an innovative and sustainable economy.

## OUR GOAL

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



## WATER SUPPLY

● Fully achieved    
 ◐ Achieved within 5%    
 ◐ Not achieved    
 ● Not measured


OUTCOME	2022 TARGET	2022 RESULT	2021 RESULT	HOW DID WE PERFORM
<b>Our water takes are sustainable</b>				
Compliance with resource consent is achieved, measured by the number of:				
Abatement notices	0	0	0	Compliance was achieved with all consents.
Infringement notices	0	0	0	
Enforcement orders	0	0	0	
Convictions	0	0	0	
The volume and percentage of real water loss from the network is less than the target <b>Mandatory measure 2</b>	≤25%	28% <sup>1</sup>	26%	The calculated losses are higher than in 2021.
The average urban consumption of drinking water per day per resident is less than the target <b>Mandatory measure 5</b>	<250 Litres	218 Litres	223 Litres	The target was achieved with a similar consumption to 2021.

1. Result at 28% is considered to be 3% from achieving the target so marked as within 5% of achieving the target.


## WATER SUPPLY

	OUTCOME	2022 TARGET	2022 RESULT	2021 RESULT	HOW DID WE PERFORM
<b>Our water is safe to drink</b>					
Minimise the number of temporary advisory notices issued to customers to boil water		0	8	1	<p>We issued boil water notices for the following schemes:</p> <ul style="list-style-type: none"> <li>• July – Eighty-Eight Valley, Brightwater, Pōhara, Tapawera</li> <li>• September – Eighty-Eight Valley</li> <li>• February – Eighty-Eight Valley, Pōhara</li> <li>• June – Eighty-Eight Valley</li> </ul> <p>In all cases, heavy rainfall events created elevated turbidity in source waters for extended periods, meaning that the treatment processes in place could not be guaranteed to provide effective disinfection.</p> <p>There is a permanent boil water notice in place in Dovedale.</p>
<b>We comply with Part 4 (bacterial compliance criteria) of the Drinking Water Standards, as determined by the Drinking Water Assessor. Mandatory measure 1. Measured by the number of schemes with:</b>					
Plant compliance		100	8/13 62%	11/14 78.57%	<p>The treatment plants that <b>did not</b> fully comply with the Part 4. Plant measures for the year were:</p> <ul style="list-style-type: none"> <li>• Collingwood – a single turbidity result of 1.13 Nephelometric Turbidity Units (NTU) out of the 52 samples taken resulted in non-compliance for the entire year.</li> <li>• Dovedale – turbidity is always high at this supply and a permanent boil water notice is in place.</li> <li>• Hope/Brightwater – two turbidity monitoring samples out of the 157 taken were greater than 1NTU (1.23 &amp; 1.33) which resulted in non-compliance for the entire year.</li> </ul> <p><i>Continued on next page.</i></p>


## WATER SUPPLY

OUTCOME	2022 TARGET	2022 RESULT	2021 RESULT	HOW DID WE PERFORM
Plant compliance (continued)				<ul style="list-style-type: none"> <li>Wakefield – one turbidity monitoring sample out of the 159 taken was greater than 1 NTU (1.21) resulting in non-compliance for the entire year.</li> <li>Eighty-Eight Valley – a number of rain-related turbidity events occurred meaning that compliance could not be achieved.</li> </ul> <p>A total of 581 samples for <i>E.coli</i> testing were taken from the treatment plants across all supplies. Only two of these contained <i>E.coli</i> bacteria, both from Dovedale supply.</p> <p>Two supplies, Tapawera and Upper Tākaka, have been assessed under Section (Part) 10 of the Drinking Water Standards (not sections 4 and 5) which has different compliance criteria not specific to treatment plant and distribution zone. Both supplies complied with three of the four applicable criteria.</p>
Zone compliance	 100%	13/14 93%	14/15 92.9%	<p>The supply distribution zone that <b>did not</b> comply with the Part 4 Zone measures for the year was:</p> <ul style="list-style-type: none"> <li>Dovedale – one of the 12 samples collected contained <i>E.coli</i> bacteria. The supply is on a permanent boil water notice.</li> </ul> <p>A total of 823 samples for <i>E.coli</i> testing were taken in the distribution zones across all supplies. One of these contained <i>E.coli</i> bacteria, from Dovedale supply.</p> <p>As stated above, Tapawera and Upper Tākaka were assessed under the section 10 criteria.</p>

## WATER SUPPLY






	OUTCOME	2022 TARGET	2022 RESULT	2021 RESULT	HOW DID WE PERFORM
<p>We comply with Part 5 (protozoal compliance criteria) of the Drinking Water Standards, as measured by the number of schemes with compliant protozoa treatment determined by the Drinking Water Assessor</p> <p><b>Mandatory measure 1</b></p>		100%	1/13 7.69%	2/14 14.29%	<p>Richmond was fully compliant with section 5 (Part 5) of the Drinking Water Standards.</p> <p>Kaiteriteri, Murchison, Upper Tākaka and Tapawera have ultraviolet treatment capable of removing protozoa but experienced sporadic minor excursions outside the required quality parameters and therefore could not achieve protozoa compliance for the entire 12-month period.</p> <p>Collingwood and Māpua Ruby Bay have had UV treatment installed but not for the entire 12-month compliance period therefore could not demonstrate full protozoa compliance.</p> <p>Wakefield, Hope/Brightwater, Motueka (all UV and filtration) and Pōhara (membranes) have recently had protozoa treatment installed and are likely to be compliant with the new Assurance Rules and Standards from 1 January 2023.</p> <p>As stated above, Tapawera and Upper Tākaka were assessed under the section 10 criteria. Both supplies complied with three of the four applicable criteria.</p>

### Our water supply systems provide fire protection to a level that is consistent with the national standard

<p>Annually test, and achieve at least 95% compliance with FW2 standards, for 15 randomly selected fire hydrants in Richmond, and not less than five randomly selected fire hydrants in each of the other urban supplies in the District</p>		95%	90% <sup>2</sup>	90%	<p>Of the 60 hydrants randomly selected, six were found to be below the requirements. Three of those cannot be remedied due to low pressure in the area. We will investigate the remaining three to repair and retest them to ensure they meet the requirements.</p>
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2. The result at 90% is considered to be within 5% of achieving the 95% target so has been marked as achieved within 5%.

## WATER SUPPLY

	OUTCOME	2022 TARGET	2022 RESULT	2021 RESULT	HOW DID WE PERFORM
<b>Our water supply systems are built, operated and maintained so that failures can be managed and responded to quickly</b>					
Planned service interruptions do not exceed eight hours as required under section 695(3) of the Health Act 1956		<8 hours	Longest interruption 10 hours and 40 minutes	Longest interruption 9 hours and 25 minutes	Of the 53 planned water shutdowns, 3 exceeded the targeted timeframe, with the longest taking 10 hours and 40 minutes. The exceedances were due to technical difficulties with the work.
<b>Our water supply activities are managed at a level that the community is satisfied with</b>					
Percentage of customers (who receive a service) are satisfied with the water supply		≥80%	85%	86%	
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 <b>Mandatory measure 4</b>		<20	18.5	18.4	This was achieved with a similar rate to the 2021 year.
Median response times are within targets for urgent call-outs		<2 hours	1.9 hours	1.5 hours	The median response time of 1.97 hours is just within the target.
Median response times are within targets for non-urgent call-outs		<48 hours	3.2 hours	3.0 hours	The median response time of 3.2 hours for non-urgent call-outs is well within target.



## WATER SUPPLY

	OUTCOME	2022 TARGET	2022 RESULT	2021 RESULT	HOW DID WE PERFORM
Median resolution times are within targets for urgent call-outs	●	<24 hours	21.0 hours	7.0 hours	The resolution time is longer than the 2021 year but still within target. In 2021/2022 there was a higher proportion of callouts that took longer to resolve than in 2020/2021.
Median resolution times are within targets for non-urgent call-outs	●	<3 working days	23.1 hours	22.1 hours	This pleasing result is similar to the 2021 year.

### Customer Satisfaction with Water Supply Services



NAME	DESCRIPTION	2021/2022
Water source improvements	Programme to improve water source capacity and security for networks including Richmond, Wai-iti Dam, and Redwood Valley.	No work was scheduled for the 2021/2022 year. Work has not yet started on improving source capacity.
Maintenance of water supply schemes	Water supply network maintenance including reactive and routine activities.	Our contractors have continued to deliver reactive and routine maintenance activities on our water supply networks.

## WATER SUPPLY

NAME	DESCRIPTION	2021/2022
Water safety improvements	Upgrade existing treatment plants and develop new Motueka treatment plant to meet the DWSNZ.	<p>The new Motueka water treatment plant was completed and is going through its commissioning phase at the end of the 2021/2022 year. This plant includes full treatment that will comply with the drinking water standards and ultimately provide safe drinking water to those Motueka residents connected to the scheme.</p> <p>Brightwater, Wakefield and Waimea water treatment plants have been upgraded to include filtration and/or ultraviolet disinfection in addition to the existing chlorination. These upgrades enable full compliance with the drinking water standards and rules and ultimately greatly improve the safety of drinking water supplied to the Wakefield/Brightwater/ Hope/Māpua/Ruby Bay communities.</p> <p>The Pōhara water treatment plant upgrade to include membrane filtration is nearing completion at the end of the 2021/2022 year. This will greatly improve the quality of drinking water provided to residents and visitors, as previously there was no treatment step to remove turbidity from the low-quality source water. Standards and rules compliance will also be achievable upon completion.</p> <p>A lamella clarifier, upgraded chlorine dosing and treated water storage was installed at the Dovedale water treatment plant. These improvements were carried out using central government funding as an interim water quality improvement measure until the rules applicable to rural schemes are finalised.</p>
Eighty-Eight Valley network improvements	Extend urban water supply to Eighty-Eight Valley including new water mains and pump station upgrades.	No physical works have been undertaken yet. Future work is being reviewed within the wider Waimea water supply strategy.
Richmond South Reservoir and water main	New water trunk main and storage reservoir to service residential development and improve resilience.	The low-level trunk main has been constructed as far as Hart Rise in several sections over future years. Commissioning of this will happen in the 2022/2023 year. The remainder of the trunk main and the low-level reservoir are being designed and are due for construction in coming years.

## WATER SUPPLY

NAME	DESCRIPTION	2021/2022
Water pipe capacity upgrades	Projects to increase water supply capacity in Richmond and Brightwater.	The water main along Waverley Street, Richmond, was upgraded to improve service levels and address future growth. Frequent leaks on this pipe elevated it in priority. Work is almost complete on the renewal of an old cast iron water pipe along Salisbury Road, Richmond.
Water pipe replacements	Replacement of aged pipes in poor condition.	In addition to the pipeline renewals and upsizing along Waverley Street and Salisbury Road, several smaller water pipeline renewal projects have been carried out throughout the district to replace aging or failing infrastructure.
Waimea water network capacity upgrades	Programme of work to upgrade capacity of bores, treatment plant, trunk mains, reticulation, pump stations and reservoirs to support growth and improve resilience.	The Waimea water network spans from the Waimea bores, to the Māpua water treatment plant and through to Māpua. Upgrades have occurred at the bores, the raw water line, the Māpua water treatment plant, the trunk mains from the water treatment plant to Pomona reservoir (Ruby Bay) and the new, larger Pomona reservoir. All these works are now complete.
Māpua reservoir upgrade	New concrete reservoir at Pomona Road with additional capacity to support residential and business growth in Māpua.	Pomona Road reservoir was completed, commissioned and brought into operation. The new concrete 2,500m <sup>3</sup> reservoir replaces the previous 700m <sup>3</sup> timber reservoir and adds capacity and resilience to the Māpua water supply.
Motueka network improvements	New pump station, reservoir and water mains to increase network capacity.	The water main along Thorpe Street has been renewed. The Everett Street pipeline is being upgraded. A new water treatment plant has been constructed at Parker Street.
Motueka West water reticulation	New water mains to enable development of Motueka West.	This work is in the design phase.
Demand, flow and leakage investigations	Leak detection, flow monitoring and network modelling.	Leak detection was carried out in Tapawera, Murchison and Brightwater.

## WATER SUPPLY

### FUNDING IMPACT STATEMENT For the year ended 30 June 2022

BUDGET 2020/2021 \$000	ACTUAL 2020/2021 \$000	NOTES	ACTUAL 2021/2022 \$000	BUDGET 2021/2022 \$000	% OF BUDGET
<b>SOURCES OF OPERATING FUNDING</b>					
56	56	General rates, uniform annual general charges, rates penalties	157	157	100%
11,463	11,361	Targeted rates	12,575	12,710	99%
-	-	Subsidies and grants for operating purposes	-	-	-
1,134	842	Fees and charges	960	1,137	84%
-	-	Internal charges and overheads recovered	-	-	-
673	890	Local authorities fuel tax, fines, infringement fees, and other receipts	744	614	121%
<b>13,326</b>	<b>13,149</b>	<b>Total operating funding</b>	<b>14,436</b>	<b>14,618</b>	<b>99%</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>					
5,640	9,925	Payments to staff and suppliers	6,941	6,181	112%
2,592	2,541	Finance costs	2,838	2,582	110%
1,696	1,918	Internal charges and overheads applied	2,391	2,003	119%
-	-	Other operating funding applications	-	-	-
<b>9,928</b>	<b>14,384</b>	<b>Total applications of operating funding</b>	<b>12,170</b>	<b>10,766</b>	<b>113%</b>
<b>3,398</b>	<b>(1,235)</b>	<b>Surplus/(deficit) of operating funding</b>	<b>2,266</b>	<b>3,852</b>	<b>59%</b>
<b>SOURCES OF CAPITAL FUNDING</b>					
-	10,436	Subsidies and grants for capital expenditure	9,256	7,890	117%
1,866	2,855	Development and financial contributions	3,076	2,440	126%
8,935	19,000	Increase/(decrease) in debt	41,144	18,053	228%
-	-	Gross proceeds from sale of assets	-	-	-
-	-	Lump sum contributions	-	-	-
-	-	Other dedicated capital funding	-	-	-
<b>10,801</b>	<b>32,291</b>	<b>Total sources of capital funding</b>	<b>53,476</b>	<b>28,383</b>	<b>188%</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>					
<b>Capital expenditure</b>					
1,459	128	• to meet additional demand	328	2,818	12%
7,352	25,000	• to improve the level of service	27,698	30,701	90%
7,927	9,294	• to replace existing assets	13,665	4,480	305%
(4,481)	(3,530)	Increase/(decrease) in reserves	(8,626)	(5,764)	150%
1,942	165	Increase/(decrease) in investments	22,677	-	100%
<b>14,199</b>	<b>31,056</b>	<b>Total applications of capital funding</b>	<b>55,742</b>	<b>32,235</b>	<b>173%</b>
<b>(3,398)</b>	<b>1,235</b>	<b>Surplus/(deficit) of capital funding</b>	<b>(2,266)</b>	<b>(3,852)</b>	<b>59%</b>
-	-	<b>Funding balance</b>	-	-	-

The increase in debt compared to budget is due to loan funding being included on a net basis in the budget, whereas actuals show the debt and investment on a gross basis. The increase in capital expenditure and decrease in reserves is due to the timing of projects.

# 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 the 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 to achieve this.

## CONTRIBUTION TO COMMUNITY OUTCOMES

The Wastewater activity primarily contributes to the following community outcomes:

- Our infrastructure is efficient, cost-effective and meets current and future needs.
- Our urban and rural environments are people-friendly, well-planned, accessible and sustainably managed.
- Our unique natural environment is healthy, protected and sustainably managed.
- Our communities are healthy, safe, inclusive and resilient.
- Our Council provides leadership and fosters partnerships, a regional perspective, and community engagement.
- Our region is supported by an innovative and sustainable economy.




## OUR GOAL

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

● Fully achieved    
 ● Achieved within 5%    
 ● Not achieved    
 ● Not measured

OUTCOME	2022 TARGET	2022 RESULT	2021 RESULT	HOW DID WE PERFORM
<b>Our wastewater systems do not adversely affect the receiving environment</b>				
Compliance with resource consents for discharges from wastewater systems is achieved. <b>Mandatory measure 2.</b> Measured by the number of:				
Abatement notices	0	0	0	In 2021/2022, there were no notices or enforcement orders issued or convictions received.
Infringement notices	0	0	0	
Enforcement orders	0	0	0	
Convictions	0	0	0	

## WASTEWATER




	OUTCOME	2022 TARGET	2022 RESULT	2021 RESULT	HOW DID WE PERFORM
The number of times temporary wastewater overflow signs are erected at waterways is minimised		<5	21	4	We continue to use social media to advise of widespread overflows along with the use of signs. Signs are good for localised overflows only. Fifteen events were in Richmond and nine of those were for Sunview Heights pump station. This pump station is overloaded during rain due to the number of swimming pool connections.
<b>Our wastewater systems reliably take out wastewater with a minimum of odours, overflows or disturbance to the public</b>					
The total number of complaints received about: <ul style="list-style-type: none"> <li>• odour</li> <li>• system faults</li> <li>• system blockages</li> </ul> Council's response to issues within its systems is less than the target. (Expressed per 1,000 connections) <p><b>Mandatory measure 4</b></p>		<35	2.1	1.1	We received 32 complaints. 26 related to odour, five to noisy manholes and one to reinstatement. <p>There were eight odour complaints associated with the Tākaka Wastewater Treatment Plant. Work is planned to reduce the risk of odour before summer 2022/2023. Nyhane Drive (Ligar Bay) had five odour complaints before the issue was resolved.</p>
<b>Our wastewater systems are built, operated and maintained so that failures can be managed and responded to quickly</b>					
The number of dry weather <sup>3</sup> overflows from Council wastewater system (expressed per 1,000 connections to wastewater system) is less than the target <sup>4</sup> <p><b>Mandatory measure 1</b></p>		<5	1.4	1.6	Ten dry weather overflows were due to blockages, and ten were due to plant failure. <p>The total number of connections was 14,576.</p>

3. Dry weather is identified as a continuous period 96 hours with less than 1 mm of rain each 24-hour period.

4. Measured by the number of contract job request.



## WASTEWATER

	OUTCOME	2022 TARGET	2022 RESULT	2021 RESULT	HOW DID WE PERFORM
Overflows resulting from a blockage or other fault in the wastewater system are attended and resolved within the target timeframes. <b>Mandatory measure 3</b>					
Attendance time (median)		≤60 mins	120 mins	75 mins	The target was missed by an hour. The most common reason from the contractor for not achieving this timeframe was having to complete the previous job before moving on to the next one.
Resolution time (median)		≤9 hours	5.4 hours	4.1 hours	It is pleasing that the resolution of these faults is well within target.
<b>Our wastewater activities are managed at a level that satisfies the community</b>					
Percentage of customers (who receive a service) who are satisfied with the wastewater service. Measured through the annual residents' survey		>80%	95%	98%	

### Customer Satisfaction with Wastewater Services



## WASTEWATER

NAME	DESCRIPTION	2021/2022
Maintenance of wastewater schemes	Maintenance of wastewater networks including reactive and routine activities.	All routine maintenance was carried out, even with resourcing issues due to the Council's contractor's Covid vaccination mandates, which saw key maintenance staff leave that organisation. Completion of some reactive work was delayed, as seen by the longer than normal time to attend site statistics.
Māpua wastewater network capacity upgrades	New pump stations and trunk mains to increase network capacity.	All work, apart from minor defects, was completed by October 2021. All defects are to be completed within 12 months, October 2022.
Mechanical and electrical renewals	Renewal of mechanical and electrical equipment at pump stations and wastewater treatment plants.	The budget was fully committed; however, only 54% of the budget was claimed. This was due to a shortage of resources, partly due to contractors' Covid vaccination mandates. There were also extensive delays (greater than six months) in the supply of key plant and equipment. This work will carry over into 2022/2023, which has a much smaller work plan.
New Motueka wastewater treatment plant	Designation, resource consent, and land purchase for new inland wastewater treatment plant in Motueka.	The Motueka Working Party has completed an options report outlining areas suitable for a future Motueka Wastewater Treatment Plant. The next step is to complete the Motueka Wastewater Strategy before designating or purchasing land.
Motueka growth wastewater infrastructure	New pressure mains from Motueka West to wastewater treatment plant to enable development of Motueka West.	The detailed design is near completion.
Māpua pump station capacity upgrades	Upgrade of Ruby Bay and Aranui-Higgs pump stations with additional storage capacity.	The storage at the Aranui-Higgs pump station was completed in 2020/2021 as part of the wider Māpua-Ruby Bay wastewater upgrade.  The upgrade of the Ruby Bay pump station was taken out of the wider Māpua-Ruby Bay upgrade and was completed under the Operation and Maintenance Contract.
Wastewater pipe replacements	District-wide wastewater reticulation renewals.	Staff renewed wastewater reticulation in Tapawera. Relining of reticulation in Motueka was due to commence but has been held up due to supply issues.

## WASTEWATER

NAME	DESCRIPTION	2021/2022
Sludge removal and reuse	District-wide wastewater treatment plant sludge removal and disposal.	Following last year's reuse of dried sludge, a second bag was spread on-site at the Motueka Wastewater Treatment Plant instead of going to landfill. The remaining 2020/2021 budget was not carried over into 2021/2022, so, there was insufficient budget to dispose of a bag to landfill as planned. This bag exceeds land acceptance criteria and cannot be spread on site. It will now remain on-site for another four years until the next round of desludged material is ready for disposal/reuse.
Richmond South wastewater infrastructure	New pump station and pressure main to enable development in Richmond South.	On hold pending the outcome of the Future Development Strategy.
Emergency storage and generators	New mobile generators and emergency storage tanks for pump stations to improve network resilience.	Completed in the 2020/2021 financial year.
Waimea wastewater network improvements	New bypass pump station in Brightwater to enable growth and improve network resilience.	On hold pending the outcome of the Future Development Strategy.
Golden Bay network upgrades	Upgraded pump stations and pressures mains at Pōhara and Tarohe.	The detailed design is complete. The next stage of the Tarohe pump station and rising main project is on hold pending Council gaining ownership of a section of Abel Tasman Drive.
NRSBU	NRSBU investment in new and upgraded of infrastructure to support growth and renewal of existing assets.	Several stages of the duplicate pipeline to significantly increase pumping capacity between Richmond and Bell Island are complete. Completion of all stages is due by December 2023.

## WASTEWATER

### FUNDING IMPACT STATEMENT For the year ended 30 June 2022

BUDGET 2020/2021 \$'000	ACTUAL 2020/2021 \$'000	NOTES	ACTUAL 2021/2022 \$'000	BUDGET 2021/2022 \$'000	% OF BUDGET
<b>SOURCES OF OPERATING FUNDING</b>					
-	(24)	General rates, uniform annual general charges, rates penalties	(27)	-	100%
10,103	9,987	Targeted rates	10,877	10,916	100%
-	-	Subsidies and grants for operating purposes	-	-	-
236	341	Fees and charges	331	242	137%
-	-	Internal charges and overheads recovered	-	-	-
3,316	3,265	Local authorities fuel tax, fines, infringement fees, and other receipts	3,570	3,560	100%
<b>13,655</b>	<b>13,569</b>	<b>Total operating funding</b>	<b>14,751</b>	<b>14,718</b>	<b>100%</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>					
6,278	7,978	Payments to staff and suppliers	9,020	7,896	114%
1,419	1,039	Finance costs	1,061	1,011	105%
1,241	1,422	Internal charges and overheads applied	1,397	1,271	110%
-	-	Other operating funding applications	-	-	-
<b>8,938</b>	<b>10,439</b>	<b>Total applications of operating funding</b>	<b>11,478</b>	<b>10,178</b>	<b>113%</b>
<b>4,717</b>	<b>3,130</b>	<b>Surplus/(deficit) of operating funding</b>	<b>3,273</b>	<b>4,540</b>	<b>72%</b>
<b>SOURCES OF CAPITAL FUNDING</b>					
-	1,281	Subsidies and grants for capital expenditure	-	2,090	-
2,554	3,978	Development and financial contributions	4,428	2,645	167%
831	1,680	Increase/(decrease) in debt	(604)	(538)	112%
-	-	Gross proceeds from sale of assets	-	-	-
-	-	Lump sum contributions	-	-	-
-	-	Other dedicated capital funding	-	-	-
<b>3,385</b>	<b>6,939</b>	<b>Total sources of capital funding</b>	<b>3,824</b>	<b>4,197</b>	<b>91%</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>					
<b>Capital expenditure</b>					
3,010	1,111	• to meet additional demand	1,137	1,325	-
4,228	7,215	• to improve the level of service	6,113	3,415	179%
2,106	1,820	• to replace existing assets	1,164	3,948	29%
(1,242)	(77)	Increase/(decrease) in reserves	(1,317)	49	-2688%
-	-	Increase/(decrease) in investments	-	-	-
<b>8,102</b>	<b>10,069</b>	<b>Total applications of capital funding</b>	<b>7,097</b>	<b>8,737</b>	<b>81%</b>
<b>(4,717)</b>	<b>(3,130)</b>	<b>Surplus/(deficit) of capital funding</b>	<b>(3,273)</b>	<b>(4,540)</b>	<b>72%</b>
-	-	<b>Funding balance</b>	-	-	-

# 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 Waka Kotahi, 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 run-off from its own properties is remedied or mitigated. Because most of its property is mainly in the form of impermeable roads in developed areas, this generally means that some level of reticulation system is constructed. The presence of this system means it also becomes the logical network for dealing with private stormwater disposal.

## CONTRIBUTION TO COMMUNITY OUTCOMES

The Stormwater activity primarily contributes to the following community outcomes:

- Our unique natural environment is healthy, protected and sustainably managed.
- Our infrastructure is efficient, cost effective and meets current and future needs.
- Our urban and rural environments are people-friendly, well-planned, accessible and sustainably managed.
- Our communities are healthy, safe, inclusive and resilient.

## OUR GOAL

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

## STORMWATER

● Fully achieved    
 ● Achieved within 5%    
 ● Not achieved    
 ● Not measured


OUTCOME	2022 TARGET	2022 RESULT	2021 RESULT	HOW DID WE PERFORM
<b>Stormwater flooding: We have measures in place to respond to and reduce flood damage from stormwater to property and risk to the community</b>				
For each flooding event, the number of habitable floors flooded per event (expressed per 1,000 properties connected)  <b>Mandatory measure 1</b>	<span style="color: green;">●</span> <1	0.13	0.00	Four habitable floors flooded from two separate flooding events in 2021/2022.  Three habitable floors were flooded in one event in Pōhara in early February 2022. One habitable floor was flooded in Richmond in a separate event.  The total number of connected properties was 15,481.
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  <b>Mandatory measure 3</b>	<span style="color: green;">●</span> <2 hours	0 minutes	60 minutes	There were only three flooding enquiries in the year. Two of them related to the same event, and the contractor was already on-site at the time of the enquiries, hence a zero-hour response time.
The number of complaints received by Council about the performance of its stormwater system, expressed per 1,000 properties connected to the stormwater system  <b>Mandatory measure 4</b>	<span style="color: green;">●</span> <20	5.0	5.2	Fully achieved with a similar level to the previous year.



STORMWATER





OUTCOME	2022 TARGET	2022 RESULT	2021 RESULT	HOW DID WE PERFORM
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**Customer satisfaction: Our stormwater activities are managed at a level which satisfies the community**

Percentage of customers (who receive the service) satisfied with the stormwater service. Measured through the annual residents' survey		80%	89%	93%	The high scores reflect the limited number of significant rainfall events over that period and the resultant lack of flooding to properties and habitable floor levels.
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**The environment: Our stormwater systems do not adversely affect or degrade the receiving environment**

Compliance with Councils resource consents for discharge from its stormwater system, measured by the number of: **Mandatory measure 5**

Abatement notices		≤1	0	0	Compliance was achieved over the 2021/2022 year.
Infringement notices		0	0	0	
Enforcement orders		0	0	0	
Successful prosecutions		0	0	0	

## STORMWATER

### Customer Satisfaction with Stormwater Services



NAME	DESCRIPTION	2021/2022
Stormwater treatment improvements	Implementation of measures to improve the quality of stormwater at strategic locations across the District.	The budget for stormwater improvements commences in the 2022/2023 financial year. We progressed some initial design work for stormwater quality treatment from car park runoff.
Secondary flow path improvements	District wide improvements to overland flow paths to reduce flood risks.	We carried out internal preparation and discussion work for specific flow path improvements in Richmond, but there was limited budget expenditure in 2020/2021. We have finished modelling overland flow paths.
Richmond Central stormwater improvements	Diversion of stormwater from Washbourn Gardens to Poutama Stream to reduce flood risks in Richmond Central.	We have completed floor-level surveys for the central Richmond areas, which feeds into this work.
Motueka west stormwater improvements	New stormwater system to convey flows from the development area west of High Street towards Woodland drain.	We have the easement process, preliminary design and investigation work underway. We have completed the resource consent scoping and have confirmed that no Heritage NZ authority is needed.

## STORMWATER

NAME	DESCRIPTION	2021/2022
Māpua stormwater improvements	Combination of detention wetlands and network upgrades to convey flows from future development areas.	We have completed the Seaton Valley stormwater detention dam. We have also completed the first planting stage, with the remainder scheduled for April 2023.
Tākaka stormwater improvements	Network upgrades and water quality improvements.	Budget begins in 2027/2028 financial year.
Richmond south stormwater improvements	Stream widening and other network upgrades to convey flows from future development areas.	<p>We have begun preliminary investigations and the concept design for all sections of the Richmond South Stormwater Improvements programme. Section H (at the top of the catchment between Sabine Drive and Hill Street South) will progress into detailed design by the end of 2022/early 2023 due to the accelerated programme required for this section.</p> <p>Borck Creek SH60 bridge upgrade:</p> <ul style="list-style-type: none"> <li>• The concept design of the bridge is almost complete.</li> <li>• The bridge design options for and traffic management plan have been discussed with Waka Kotahi.</li> <li>• In 2022/2023, we will finish the detailed design, go out for tender and start construction works.</li> <li>• Completion of the project is forecast for the end of 2023 or early 2024.</li> </ul>
Richmond stormwater land acquisition	Land acquisition required for stream widening projects.	We have made several significant land purchases in 2021/2022 in Richmond West. We are underway with the land purchase programme for an alignment through Richmond South and nearing completion of some key land purchases near the top of the catchment.

## STORMWATER

NAME	DESCRIPTION	2021/2022
Richmond west stormwater improvements	Stream widening and other network upgrades to convey flows from future development areas.	We have awarded a contract for the Eastern Hills Creek excavation and cycle bridge construction, but this work has not yet started. We are close to completing design work for the upper section of Borck Creek to State Highway 60.
Stormwater modelling and catchment management planning	Development of stormwater flood models and catchment management plans for urban drainage areas.	We have completed modelling to assess options for level of service and development improvements in the Māpua, Ruby Bay and Tasman catchments.
Maintenance of stormwater assets	General maintenance on stormwater assets.	<p>We have maintained our open channel and piped network systems. Our maintenance costs continue to increase with the addition of open channels from recent subdivisions and developments.</p> <p>We have undertaken stormwater asset improvement works at:</p> <ul style="list-style-type: none"> <li>• Pohutukawa Place, Pōhara, with erosion control works.</li> <li>• Rototai Road, Tākaka, where an open channel was piped along a boundary.</li> <li>• Richmond Road, Pōhara, where a bubble up sump was installed.</li> </ul>

## STORMWATER

### FUNDING IMPACT STATEMENT For the year ended 30 June 2022

BUDGET 2020/2021 \$000	ACTUAL 2020/2021 \$000	NOTES	ACTUAL 2021/2022 \$000	BUDGET 2021/2022 \$000	% OF BUDGET
<b>SOURCES OF OPERATING FUNDING</b>					
-	-	General rates, uniform annual general charges, rates penalties	-	-	-
5,050	5,098	Targeted rates	4,950	4,882	101%
-	-	Subsidies and grants for operating purposes	-	-	-
-	15	Fees and charges	-	-	-
-	-	Internal charges and overheads recovered	-	-	-
185	219	Local authorities fuel tax, fines, infringement fees, and other receipts	251	141	178%
<b>5,235</b>	<b>5,332</b>	<b>Total operating funding</b>	<b>5,201</b>	<b>5,023</b>	<b>104%</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>					
1,504	1,322	Payments to staff and suppliers	1,658	1,580	105%
869	845	Finance costs	869	889	98%
715	802	Internal charges and overheads applied	548	404	136%
-	-	Other operating funding applications	-	-	-
<b>3,088</b>	<b>2,969</b>	<b>Total applications of operating funding</b>	<b>3,075</b>	<b>2,873</b>	<b>107%</b>
<b>2,147</b>	<b>2,363</b>	<b>Surplus/(deficit) of operating funding</b>	<b>2,126</b>	<b>2,150</b>	<b>99%</b>
<b>SOURCES OF CAPITAL FUNDING</b>					
-	-	Subsidies and grants for capital expenditure	-	-	-
1,677	2,456	Development and financial contributions	2,951	1,965	150%
123	(22)	Increase/(decrease) in debt	1,892	249	760%
-	-	Gross proceeds from sale of assets	-	-	-
-	-	Lump sum contributions	-	-	-
-	-	Other dedicated capital funding	-	-	-
<b>1,800</b>	<b>2,434</b>	<b>Total sources of capital funding</b>	<b>4,843</b>	<b>2,214</b>	<b>219%</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>					
<b>Capital expenditure</b>					
179	1	• to meet additional demand	29	31	94%
199	986	• to improve the level of service	173	153	113%
1,927	1,551	• to replace existing assets	7,230	4,875	148%
1,642	2,260	Increase/(decrease) in reserves	(463)	(695)	67%
-	-	Increase/(decrease) in investments	-	-	-
<b>3,947</b>	<b>4,797</b>	<b>Total applications of capital funding</b>	<b>6,969</b>	<b>4,364</b>	<b>160%</b>
<b>(2,147)</b>	<b>(2,363)</b>	<b>Surplus/(deficit) of capital funding</b>	<b>(2,126)</b>	<b>(2,150)</b>	<b>99%</b>
-	-	<b>Funding balance</b>	-	-	-

# 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, Māriri, Tākaka, Collingwood and Murchison.
- Processing facilities for recycling.
- Contracting a greenwaste processor.
- Transport services to move these materials around the District.
- 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. Recyclable materials, greenwaste and cleanfill are diverted 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 greenwaste, 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.
- Reduce the harmful effects of waste.

## CONTRIBUTION TO COMMUNITY OUTCOMES

The Solid Waste activity primarily contributes to the following community outcomes:

- Our infrastructure is efficient, cost effective and meets current and future needs.
- Our urban and rural environments are people-friendly, well-planned, accessible and sustainably managed.
- Our unique natural environment is healthy, protected and sustainably managed.

## OUR GOAL

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

- Avoid the creation of waste.
- Improve the efficiency of resource use.
- Reduce the harmful effects of waste.



## SOLID WASTE

● Fully achieved    
 ● Achieved within 5%    
 ● Not achieved    
 ● Not measured

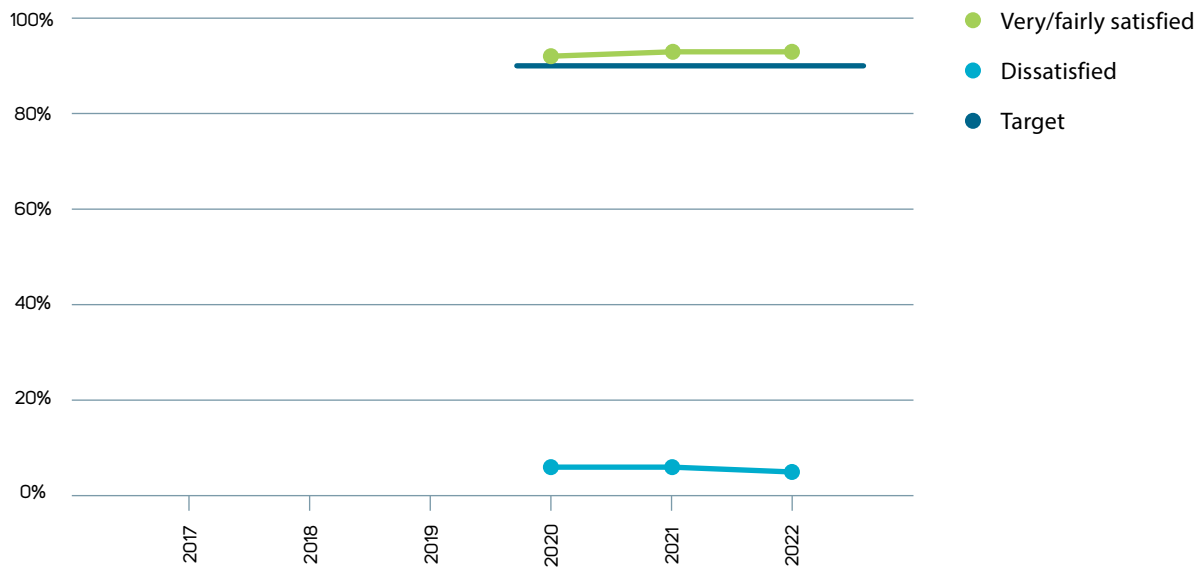
OUTCOME	2022 TARGET	2022 RESULT	2021 RESULT	HOW DID WE PERFORM
<b>We provide effective waste minimisation activities and services</b>				
There is a reduction in waste per capita going to Class One landfill	<span style="color: blue;">●</span> <715 kg	691 kg	678 kg	A total of 77,767 tonnes from the Nelson Tasman region were sent to landfill this year, with an estimated regional population of 112,600 in June 2021. This year total waste to landfill increased from the 2021/2022 total of 678kg, driven by an increase in special waste (hazardous waste, contaminated soil, and waste such as bio-solids and sawdust). Special waste was 98kg per capita in 2021/2022 and 64kg in 2020/2021.
There is a reduction in municipal waste per capita going to Class One landfill	<span style="color: green;">●</span> <615 kg	592 kg	New	
There are high levels of participation in our kerbside recycling service, 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	<span style="color: orange;">●</span> >95%	88%	77%	In the 2022 annual resident survey, 88% of those that reported they received the service said that they used it three times or more that year, and 86% reported that they used it once or twice. This is an increase on the 2020/2021 result of 77% but less than 94% participation reported in 2019/2020, where we used a different survey provider. We will investigate whether this reported change reflects a change in behaviour or a reflection of different survey methodology.

## SOLID WASTE

	OUTCOME	2022 TARGET	2022 RESULT	2021 RESULT	HOW DID WE PERFORM
Contamination levels in our kerbside recycling are low		<7.5%	6.3%	13.6% at MRF, 7.1% at kerbside	<p>Recycling contamination decreased this year. This continued a trend in the later part of last year when we increased our education and auditing of recycling bins.</p> <p>We now report contamination as the fraction of materials collected but not able to be recycled, rather than the fraction of materials processed at the materials recovery facility (MRF), which excludes glass collected. Using this measure, our contamination in 2020/2021 was 7.1%.</p>
<b>Our kerbside recycling services are reliable, easy to use</b>					
Percentage of customer satisfaction with kerbside recycling services		90%	93%	93%	This measure has been consistently high over the past five years.
Customer Service Requests relating to waste management activities are completed on time. Percentage of enquiries to our contractor resolved within contracted timeframes		≥95%	96.9%	96.3%	This measure was fully achieved this year.
<b>Our resource recovery centres are easy to use and operated in a reliable manner</b>					
Percentage of customer satisfaction, as measured by annual customer on-site surveys		≥95%	98%	98%	This measure has been consistently high over the past five years.

## SOLID WASTE

### Customer Satisfaction with Kerbside Recycling



NAME	DESCRIPTION	2021/2022
Richmond RRC site improvements	New bunker to divert dry waste, construction of a second weighbridge, and improvements to the waste pit and waste bin storage area.	<p>Partial funding for a new bunker has been secured through a joint application with Nelson City Council to the Waste Minimisation Fund. Design of a concrete pad has commenced, and outline plan approval has been gained. Wastewater and stormwater management is still at the design stage.</p> <p>Construction of a second weighbridge and improvements to the waste pit and bin storage project are programmed for subsequent years.</p>
Nelson-Tasman regional landfill business unit	Landfill improvements at York Valley and Eves Valley Landfills.	<p>The Nelson-Tasman regional landfill business unit has completed improvements to the gas collection and disposal systems at York Valley and Eves Valley, the stormwater treatment system at York Valley and commenced work on airspace, stability and leachate improvement works at York Valley. Installation of a new enclosed flare at York Valley and relocation of the York Valley candle flare to Eves Valley have significantly reduced landfill emissions.</p>

## SOLID WASTE

NAME	DESCRIPTION	2021/2022
Materials Recovery Facility improvements	Purchase of equipment for sorting recycling, investigations and construction of an expanded building for this equipment.	None. This work is scheduled for the 2022/2023 year.
Māiri Resource Recovery Centre site improvements	Construction of improved roads and access, relocation of the weighbridge and kiosk, and a new roof over the waste pit.	A new guardrail has been installed on the site access road. Concept design for other improvements has commenced. Further work is programmed for the 2022/2023 year.
Resource Recovery Centre (RRC) renewals	Renewal of sealed pavements, drainage, buildings and equipment at Resource Recovery Centres.	We have completed sealed pavement renewals at the Māiri RRC this year.
Waste minimisation activities	Activities to encourage waste reduction, waste diversion and recycling of waste.	This year we have continued to engage with the community to encourage waste minimisation. Activities have included support for electronic waste recycling, public place and event recycling, home composting and support for the reuse of household goods. We have also supported engagement with schools through the EnviroSchools programme and investigated construction waste reduction methods.

## SOLID WASTE

### FUNDING IMPACT STATEMENT For the year ended 30 June 2022

BUDGET 2020/2021 \$000	ACTUAL 2020/2021 \$000	NOTES	ACTUAL 2021/2022 \$000	BUDGET 2021/2022 \$000	% OF BUDGET
<b>SOURCES OF OPERATING FUNDING</b>					
1,041	1,162	General rates, uniform annual general charges, rates penalties	1,062	1,062	100%
2,484	2,511	Targeted rates	2,475	2,467	100%
-	-	Subsidies and grants for operating purposes	-	-	-
4,940	4,798	Fees and charges	5,271	5,438	97%
-	-	Internal charges and overheads recovered	-	-	-
5,156	5,737	Local authorities fuel tax, fines, infringement fees, and other receipts	6,936	5,204	133%
<b>13,621</b>	<b>14,208</b>	<b>Total operating funding</b>	<b>15,744</b>	<b>14,171</b>	<b>111%</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>					
10,973	11,291	Payments to staff and suppliers	12,277	11,352	108%
293	372	Finance costs	349	345	101%
1,052	1,067	Internal charges and overheads applied	1,233	1,202	103%
-	-	Other operating funding applications	-	-	-
<b>12,318</b>	<b>12,730</b>	<b>Total applications of operating funding</b>	<b>13,859</b>	<b>12,899</b>	<b>107%</b>
<b>1,303</b>	<b>1,478</b>	<b>Surplus/(deficit) of operating funding</b>	<b>1,885</b>	<b>1,272</b>	<b>148%</b>
<b>SOURCES OF CAPITAL FUNDING</b>					
-	-	Subsidies and grants for capital expenditure	21	401	5%
-	-	Development and financial contributions	-	-	-
(1,070)	(602)	Increase/(decrease) in debt	(805)	242	-333%
-	-	Gross proceeds from sale of assets	-	-	-
-	-	Lump sum contributions	-	-	-
-	-	Other dedicated capital funding	-	-	-
<b>(1,070)</b>	<b>(602)</b>	<b>Total sources of capital funding</b>	<b>(784)</b>	<b>643</b>	<b>-122%</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>					
<b>Capital expenditure</b>					
-	-	• to meet additional demand	-	-	-
74	734	• to improve the level of service	105	118	89%
101	271	• to replace existing assets	2,193	3,834	57%
34	(129)	Increase/(decrease) in reserves	(1,197)	(317)	378%
24	-	Increase/(decrease) in investments	-	(1,720)	-
<b>233</b>	<b>876</b>	<b>Total applications of capital funding</b>	<b>1,101</b>	<b>1,915</b>	<b>57%</b>
<b>(1,303)</b>	<b>(1,478)</b>	<b>Surplus/(deficit) of capital funding</b>	<b>(1,885)</b>	<b>(1,272)</b>	<b>148%</b>
-	-	<b>Funding balance</b>	-	-	-

# 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 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

The Flood Protection and River Control Works activity primarily contributes to the following community outcomes:

- Our unique natural environment is healthy, protected and sustainably managed.
- Our infrastructure is efficient, cost effective and meets current and future needs.
- Our communities are healthy, safe, inclusive and resilient.
- Our urban and rural environments are people-friendly, well-planned, accessible and sustainably managed.

## 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.

## FLOOD PROTECTION AND RIVER CONTROL WORKS

● Fully achieved    
 ◐ Achieved within 5%    
 ◐ Not achieved    
 ● Not measured

OUTCOME	2022 TARGET	2022 RESULT	2021 RESULT	HOW DID WE PERFORM	
<b>Protection: Our structures are managed to reduce the impact of flooding now and in the future</b>					
The major flood protection and control works are maintained, repaired and renewed to the following standards: <ul style="list-style-type: none"> <li>• Riuwaka River = approximately 145m<sup>3</sup>/s @ Hickmotts flow gauge for the area downstream of SH60 bridge</li> <li>• Lower Motueka River = 1,854m<sup>3</sup>/s @ Woodstock flow gauge</li> <li>• Waimea River = 1,346m<sup>3</sup>/s @ Irvine Bridge flow gauge</li> </ul> <b>Mandatory measure 1</b>	●	100%	100%	100%	No flooding event during the 2021/2022 period resulted in any failure or damage to these assets.  A significant capital works programme is being undertaken to improve the condition of sections of the Motueka stopbank flood protection system.
We complete approved annual maintenance programmes	●	90%	90%	New	Routine maintenance was completed as programmed. However, some activities were deferred while significant flood repair works were undertaken.



## FLOOD PROTECTION AND RIVER CONTROL WORKS

	OUTCOME	2022 TARGET	2022 RESULT	2021 RESULT	HOW DID WE PERFORM
<b>Amenity: Our river environments are healthy ecosystems that are attractive and enjoyed by our communities</b>					
We develop new native riparian planting sites	●	>13,000 plants	13,500	11,686 plants	We planted approximately 13,500 native plants across several new sites and extended some existing ones.
Complaints about illegal dumping in the X and Y <sup>5</sup> classified rivers and on adjacent beaches on public land are actioned within five working days	●	95%	97.7%	95%	42 out of 43 complaints were completed within a five-day timeframe.

5. River X & Y refers to major rivers such as the Waimea, Motueka, Riuwaka, Moutere, Tākaka and Aorere rivers as well as several tributaries. The Council manages these rivers with funding provided by a differential rating system.



## FLOOD PROTECTION AND RIVER CONTROL WORKS

NAME	DESCRIPTION	2021/2022
River X & Y improvements	Improvements to flood protection schemes and erosion control.	There have been significant capital infrastructure improvements undertaken in response to flooding this year. The most significant works have been in the upper Motueka, Motupiko and Tadmor catchments. In September 2021 council authorised up to \$2.2 million additional expenditure to repair flood damage in the maintained river network.
Motueka stopbank improvements	Refurbishment of Motueka stopbanks.	We have continued a capital works programme to improve the structural integrity of the Motueka stopbank. This work has been partly funded by Kānoa – the regional economic development and investment unit. In March, work commenced at four sites at River Road, Lyndhurst Drive, Parker Street and Douglas Road. This work will continue in the 2022/2023 year.
Rivers Z <sup>6</sup> improvements	Assisting landowners with co-funding for erosion control on small rivers, creeks and streams.	We have responded to a significant number of River Z protection works as result of damage caused by July and September 2021 flooding, and most of the works have been completed. Some jobs have had to be deferred because of adverse ground conditions, contractor availability and limited rock supply.  In September 2021 council authorised an additional \$250,000 of expenditure for River Z works.
Rivers maintenance and operations	General operation and maintenance of all river assets.	All significant assets have been routinely inspected, particularly following flood events. Any necessary maintenance works have been scheduled.
Rivers Management Plans	Operational plans for all major rivers setting out a maintenance strategy and prioritised work programme.	Council undertook two-monthly forward work scheduling with our river maintenance contractor, prioritising work, and assessing the flood risk hazards.

6. River Z refers to rivers, streams and creeks that are on private land (including Department of Conservation, Land Information New Zealand lands). They are typically owned and maintained by private landowners with the Council part funding this work at times.

## FLOOD PROTECTION AND RIVER CONTROL WORKS

### FUNDING IMPACT STATEMENT For the year ended 30 June 2022

BUDGET 2020/2021 \$000	ACTUAL 2020/2021 \$000	NOTES	ACTUAL 2021/2022 \$000	BUDGET 2021/2022 \$000	% OF BUDGET
<b>SOURCES OF OPERATING FUNDING</b>					
-	-	General rates, uniform annual general charges, rates penalties	-	-	-
3,022	3,029	Targeted rates	2,200	2,185	101%
-	-	Subsidies and grants for operating purposes	-	-	-
124	115	Fees and charges	575	128	449%
-	-	Internal charges and overheads recovered	-	-	-
616	391	Local authorities fuel tax, fines, infringement fees, and other receipts	721	647	111%
<b>3,762</b>	<b>3,535</b>	<b>Total operating funding</b>	<b>3,496</b>	<b>2,960</b>	<b>118%</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>					
2,049	1,623	Payments to staff and suppliers	2,040	1,900	107%
-	-	Finance costs	39	67	58%
690	747	Internal charges and overheads applied	942	840	112%
-	-	Other operating funding applications	-	-	-
<b>2,739</b>	<b>2,370</b>	<b>Total applications of operating funding</b>	<b>3,021</b>	<b>2,807</b>	<b>108%</b>
<b>1,023</b>	<b>1,165</b>	<b>Surplus/(deficit) of operating funding</b>	<b>475</b>	<b>153</b>	<b>310%</b>
<b>SOURCES OF CAPITAL FUNDING</b>					
-	671	Subsidies and grants for capital expenditure	2,147	1,125	191%
-	-	Development and financial contributions	-	-	-
-	-	Increase/(decrease) in debt	1,456	1,028	142%
-	-	Gross proceeds from sale of assets	-	-	-
-	-	Lump sum contributions	-	-	-
-	-	Other dedicated capital funding	-	-	-
-	<b>671</b>	<b>Total sources of capital funding</b>	<b>3,603</b>	<b>2,153</b>	<b>167%</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>					
<b>Capital expenditure</b>					
-	-	• to meet additional demand	-	-	-
922	2,185	• to improve the level of service	5,209	2,255	231%
-	-	• to replace existing assets	-	-	-
101	(349)	Increase/(decrease) in reserves	(1,131)	51	-2218%
-	-	Increase/(decrease) in investments	-	-	-
<b>1,023</b>	<b>1,836</b>	<b>Total applications of capital funding</b>	<b>4,078</b>	<b>2,306</b>	<b>177%</b>
<b>(1,023)</b>	<b>(1,165)</b>	<b>Surplus/(deficit) of capital funding</b>	<b>(475)</b>	<b>(153)</b>	<b>310%</b>
-	-	<b>Funding balance</b>	-	-	-

# 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:

- 815 hectares of parks and reserves (including 239 hectares at Moturoa/Rabbit Island, 13 formal gardens, 14 special interest sites, 20 sports grounds, 103 urban open space/amenity reserves, 46 walkways, 217 rural recreation and esplanade reserves, seven sports facilities and three non-commercial camping grounds);
- 115 hectares of land vested as esplanade strip;
- 12 operating and two closed cemeteries;
- 55 playgrounds;
- 102 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.

## CONTRIBUTION TO COMMUNITY OUTCOMES

The Community Development activity primarily contributes to the following community outcomes:

- 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 Council provides leadership and fosters partnerships, a regional perspective, and community engagement.

## COMMUNITY DEVELOPMENT

● Fully achieved    
 ● Achieved within 5%    
 ● Not achieved    
 ● Not measured

OUTCOME	2022 TARGET	2022 RESULT	2021 RESULT	HOW DID WE PERFORM
<b>An interconnected open space network and recreation facilities that provide a range of leisure opportunities and meet the needs of users and the community</b>				
Residents' satisfaction with recreational facilities (which include playing fields and neighbourhood reserves)	85%	87%	87%	Satisfaction with Council's recreational facilities is 87% which is the same as the 2020/2021 result.
Percentage of properties zoned 'Residential' which are located within 500 metres of open space	85%	92%	92%	The percentage of residential property located within 500m of open space is 92% which is the same as the 2021 result.
<b>Public toilets at appropriate locations that meet the needs of users and are pleasant to use and maintained to a high standard of cleanliness</b>				
Satisfaction of residents who have used the District's public toilets within the past year	70%	78%	78%	Satisfaction with Council's public toilets is 78% which is the same as the 2021 result.
<b>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</b>				
A community building is available within a 15 minute drive for 95% of the population (i.e. 20 km radius catchment)	95%	99%	99%	The availability of community buildings at 99% is unchanged from 2021.

## COMMUNITY DEVELOPMENT

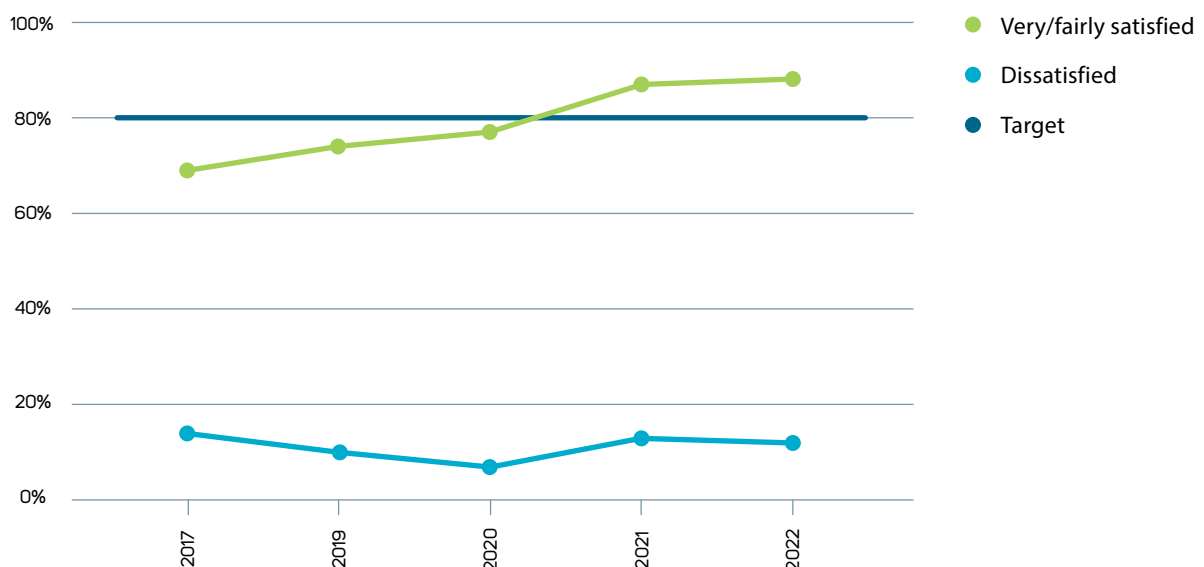
OUTCOME	2022 TARGET	2022 RESULT	2021 RESULT	HOW DID WE PERFORM
<b>Accessible and affordable housing to eligible people within the community</b>				
Tenants' overall satisfaction with community housing	80%	83%	83% (2019/2020)	The satisfaction level in the 2021/2022 year is the same as the previous survey in 2019/2020.
<b>The provision of access to a wide range of information relevant to the community's recreation and learning needs</b>				
The number of new and replacement lending/reference items added to the libraries collections is equivalent to at least 3000 items per 1,000 residents. Measured using information available from e-resource vendors and the Library Management System software	At least 300 items per 1,000 residents	321 items per 1,000 residents	Not measured	18,635 items were added to the library collections, comprising 14,533 physical items and 4,102 electronic items.
Satisfaction of library users with the public libraries. Measured through the annual Residents Survey	85%	96%	96%	There was a high level of satisfaction from residents who have used library services. The level of satisfaction was unchanged from last year.
The number of visits to our libraries (is equivalent to at least 9 visits per resident per year), measured using data from door counters at the Richmond, Motueka and Tākaka libraries	9 visits	Not measured	Not measured	Ongoing issues with data collection in Motueka and Tākaka Libraries mean that the data obtained for most of the year is unreliable. New counting technology was installed at Motueka Library in March, so we now have accurate data for this library. We are working with our vendors to resolve the issues with the counting technology in Tākaka Library.



## COMMUNITY DEVELOPMENT

OUTCOME	2022 TARGET	2022 RESULT	2021 RESULT	HOW DID WE PERFORM
<b>There is a high level of satisfaction reported from users of the Richmond Aquatic Centre facility</b>				
Users' satisfaction with Aquatic Centre facilities	80%	88%	87%	There was a slightly higher level of satisfaction among residents who used the Aquatic Centre compared with the 2020/2021 year.
<b>The Richmond Aquatic Centre facility is well used</b>				
Admissions to the Aquatic Centre pool facility increases over time	250,000+	267,715	314,197	The target was achieved with admissions significantly higher than the target level though lower than 2021 due to Covid-19 restrictions.
<b>Promotion and delivery of community events and recreational services</b>				
Satisfaction of residents attending a range of Council-organised community events	75%	60%	Not measured	Due to Covid there were a number of Council events cancelled. With the new traffic light system, there were restrictions placed on the events that did not allow the whole community to participate.

### User Satisfaction with Richmond Aquatic Centre



## COMMUNITY DEVELOPMENT

### User Satisfaction with Public Libraries



### User Satisfaction with Public Toilets



## COMMUNITY DEVELOPMENT

NAME	DESCRIPTION	2021/2022
Completion of the new Motueka Library	A new, purpose-built, 1,100m <sup>2</sup> single-storey library to meet our community's current and future needs. The project is due for completion early 2022.	We completed the construction of the new library in December 2021 and officially opened the library in March 2022.
Renewal of library collections District-wide	New and replacement material to refresh the library collection to reflect the interests of our growing and changing population.	14,533 physical items were added to the library collections during 2021/2022. There is a total of 146,625 physical items in the library collections. We spent \$301,359 on the purchase of new material for library collections in 2021/2022.
Purchase of digital library resources	Ongoing purchases of digital resources such as e-books, databases and streaming services to reflect the preferences and interests of our growing and changing population.	We added 4,102 e-books and e-audio books to the digital collection during 2021/2022. There is a total of 23,208 e-books and e-audio books available for borrowing. We spent \$72,855 on the purchase of digital resources in 2021/2022.
Renewal of library radio frequency identification technology	Technology which allows us to securely circulate our collections, as with any technology, it will need to be renewed to perform the service we expect.	Council has budgeted funding for the renewal of radio frequency identification technology (RFID) in the 2023/2024 financial year.
Purchase of cemetery land	We are proposing to purchase land for a new cemetery to service the Richmond and Moutere/Waimea Wards in 2022/2023.	The timeline for purchasing land for a new cemetery has been pushed out for up to two years. We have signed a Memorandum of Understanding with Nelson City Council to purchase and develop a new cemetery. A new timeline for this is being established.
Brightwater/Wakefield multi-purpose community facility	A new community facility to service the Brightwater, Wakefield and surrounding communities at the earliest in 2028/2029. A feasibility study will take place, and a location is still to be decided.	A group of Wakefield and Brightwater residents has been formed and this group is working with the Council to engage a consultant to undertake a feasibility study for the new community facility.

## COMMUNITY DEVELOPMENT

NAME	DESCRIPTION	2021/2022
Golden Bay Recreation Park Grandstand	We propose to upgrade the grandstand at Golden Bay Recreation Park during 2021/2022.	The upgrade of the grandstand is well advanced and during the 2021/2022 year the Council allocated additional funding to complete this project.
Nelson Provincial Museum	We are contributing to a new research facility located adjacent to the Nelson Provincial Museum in 2023/2024.	The Council has budgeted funding in the 2023/2024 financial year to contribute towards the construction of the new archives, research and collections facility for the Nelson Provincial Museum. During the 2021/2022 year, the Museum has progressed work needed in the lead-up to the construction.
Saxton Field improvements	We are continuing with ongoing developments that will provide additional recreational activities at Saxton Field.	We completed the following development work during the year: <ul style="list-style-type: none"> <li>• Completion of lighting and other works associated with additional car parking near the velodrome.</li> <li>• Investigation of the siting of a baseball diamond.</li> <li>• Improvements to accessibility, wayfinding and signs.</li> </ul>
Motueka Community Pool	We are working with the Motueka community to contribute to the building of an indoor swimming facility in 2023/2024. This work will include a feasibility study.	We commissioned an external consultant in May 2022 to undertake a feasibility study for a new indoor pool.
Maintenance and operation of and building improvements to the Richmond Aquatic Centre	Various works to the Aquatic Centre to provide a safe and comfortable environment for our communities and a fit for purpose facility.	Works carried out during the year included improvements and upgrades of critical water handling equipment, regrouting expansion joints in the learn-to-swim pool, renewing anti-slip surfacing in some change rooms, upgrading to an emergency exit, and installation of a breeze lobby at the main entrance.

## COMMUNITY DEVELOPMENT

### FUNDING IMPACT STATEMENT For the year ended 30 June 2022

BUDGET 2020/2021 \$000	ACTUAL 2020/2021 \$000	NOTES	ACTUAL 2021/2022 \$000	BUDGET 2021/2022 \$000	% OF BUDGET
<b>SOURCES OF OPERATING FUNDING</b>					
11,664	11,442	General rates, uniform annual general charges, rates penalties	12,417	12,417	100%
4,644	4,674	Targeted rates	5,003	5,012	100%
971	712	Subsidies and grants for operating purposes	586	279	210%
552	596	Fees and charges	640	580	110%
518	518	Internal charges and overheads recovered	472	472	100%
1,589	1,647	Local authorities fuel tax, fines, infringement fees, and other receipts	2,031	1,751	116%
<b>19,938</b>	<b>19,589</b>	<b>Total operating funding</b>	<b>21,149</b>	<b>20,511</b>	<b>103%</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>					
12,097	12,016	Payments to staff and suppliers	12,863	12,633	102%
957	869	Finance costs	1,003	1,031	97%
4,682	4,870	Internal charges and overheads applied	5,365	5,275	102%
-	-	Other operating funding applications	-	-	-
<b>17,736</b>	<b>17,755</b>	<b>Total applications of operating funding</b>	<b>19,231</b>	<b>18,939</b>	<b>102%</b>
<b>2,202</b>	<b>1,834</b>	<b>Surplus/(deficit) of operating funding</b>	<b>1,918</b>	<b>1,572</b>	<b>122%</b>
<b>SOURCES OF CAPITAL FUNDING</b>					
-	158	Subsidies and grants for capital expenditure	706	264	267%
3,736	7,067	Development and financial contributions	7,801	3,914	199%
3,380	2,301	Increase/(decrease) in debt	2,319	531	437%
-	-	Gross proceeds from sale of assets	-	-	-
-	-	Lump sum contributions	-	-	-
-	-	Other dedicated capital funding	-	-	-
<b>7,116</b>	<b>9,526</b>	<b>Total sources of capital funding</b>	<b>10,826</b>	<b>4,709</b>	<b>230%</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>					
<b>Capital expenditure</b>					
-	1,640	• to meet additional demand	2,269	-	100%
336	2,846	• to improve the level of service	2,565	1,338	192%
9,176	3,515	• to replace existing assets	4,291	4,718	91%
(86)	3,468	Increase/(decrease) in reserves	3,728	332	1123%
(108)	(109)	Increase/(decrease) in investments	(109)	(107)	102%
<b>9,318</b>	<b>11,360</b>	<b>Total applications of capital funding</b>	<b>12,744</b>	<b>6,281</b>	<b>203%</b>
<b>(2,202)</b>	<b>(1,834)</b>	<b>Surplus/(deficit) of capital funding</b>	<b>(1,918)</b>	<b>(1,572)</b>	<b>122%</b>
-	-	<b>Funding balance</b>	-	-	-

Development and financial contributions were higher than budget due to reserve contributions from subdivisions which reflects higher than forecast growth in the district. Capital expenditure was greater than budget due to reserve land acquired as part of the subdivisions.

# 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 Tākaka, a mixture of leased and managed holiday parks in Motueka, Pōhara, Collingwood and Murchison, the management of Port Taranaki 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 are 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

The Council Enterprises activity primarily contributes to the following community outcomes:

- Our communities have access to a range of social, cultural, educational and recreational facilities and activities.
- Our region is supported by an innovative and sustainable economy.





## 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.

● Fully achieved    
 ◐ Achieved within 5%    
 ◑ Not achieved    
 ● Not measured

OUTCOME	2022 TARGET	2022 RESULT	2021 RESULT	HOW DID WE PERFORM
<b>Commercial assets are managed prudently to provide a financial return for the benefit of the District's ratepayers</b>				
Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA) for Port Taranaki	\$224,000	\$193,000	0.9	The EBITDA was slightly under budget. This variation is mainly due to the deconstruction cost of \$50,000 to remove the old wharf.
EBITDA for holiday parks	\$510,000	\$506,000	1.4	EBITDA was slightly under the target level due to Covid rent relief for lessees and lower revenue during the shut-down period.
EBITDA for commercial properties	\$383,000	\$394,000	1.2	We achieved a small positive variance over the target despite Covid rent relief provided to some lessees.

## COUNCIL ENTERPRISES

	OUTCOME	2022 TARGET	2022 RESULT	2021 RESULT	HOW DID WE PERFORM
EBITDA for forestry		\$2.2 million	\$6.6 million	8.8	<p>EBITDA and the overall surplus for 2021/2022 was \$4.38 million higher than the target. The result was nearly three times the budget.</p> <p>The return from forestry was above the target due to additional harvesting following a windfall event in February 2022 and higher than budgeted average log prices.</p>
EBITDA for Motueka Aerodrome will provide for increasing funding cover		\$33,000	\$39,000	New	We achieved a small positive variance despite Covid rent relief for some tenants.
EBITDA for Tākaka Aerodrome will provide for increasing funding cover		\$51,000	\$34,000	New	The result was significantly under budget following maintenance repairs after the February 2022 weather event.
Percentage of commercial lease and licence relationships, measured by current annual rent value, which are based on an up-to-date lease document and rent amount		≥ 95%	100%	New	All commercial leases are current.



## COUNCIL ENTERPRISES

NAME	DESCRIPTION	2021/2022
Tākaka aerodrome runway extension	Extension and sealing of the cross runway to improve safety during strong winds.	We have completed the extension of the runway. The budget was insufficient to seal the crosswind runway, so this was extended but not sealed.
Port Motueka facilities	Compliant facilities for boat maintenance activities to improve environmental protection.	Work has not started. The existing leases have expired, and our current focus is on new leases for occupants.
Port Tarakohe renewals	Provision to allow for replacement of the 'plastic' floating marina and other capital renewals.	We have a tender process underway. In 2021/2022, we completed the installation of replacement lighting and upgraded services. We demolished the old wharf as a precursor to upcoming redevelopment work. We are also underway with concrete repairs to the wharf and a tender for a new wharf, wave protection, new berths, and abulation block design.
Māpua wharf precinct renewals	Annual capital renewal programme for Māpua Wharf area.	We have renewals at the Māpua Wharf underway with maintenance repairs to The Apple Shed restaurant. We have also received a resource consent for a new recycling centre.
Holiday parks renewals	Annual capital renewal programmes for all Council-owned holiday parks.	During the year we upgraded the abolition block, including showers, toilets, and roof at Pōhara Holiday Park. At the Motueka Holiday Park, we installed new kitchens in cabins and carried out some road resealing.
Motueka aerodrome renewals	Provision to allow for the reseal of the main runway and other capital renewals.	Renewals were not budgeted until the 2022/2023 year.

## COUNCIL ENTERPRISES

### FUNDING IMPACT STATEMENT For the year ended 30 June 2022

BUDGET 2020/2021 \$000	ACTUAL 2020/2021 \$000	NOTES	ACTUAL 2020/2021 \$000	BUDGET 2020/2021 \$000	% OF BUDGET
<b>SOURCES OF OPERATING FUNDING</b>					
(151)	(230)	General rates, uniform annual general charges, rates penalties	(229)	(229)	100%
-	-	Targeted rates	-	-	-
-	400	Subsidies and grants for operating purposes	-	-	-
1,133	1,001	Fees and charges	1,086	984	110%
-	-	Internal charges and overheads recovered	-	-	-
10,688	13,550	Local authorities fuel tax, fines, infringement fees, and other receipts	21,091	12,640	167%
<b>11,670</b>	<b>14,721</b>	<b>Total operating funding</b>	<b>21,948</b>	<b>13,395</b>	<b>164%</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>					
8,229	8,745	Payments to staff and suppliers	13,676	9,304	147%
358	252	Finance costs	252	354	71%
1,011	1,076	Internal charges and overheads applied	1,396	1,476	95%
-	-	Other operating funding applications	-	-	-
<b>9,598</b>	<b>10,073</b>	<b>Total applications of operating funding</b>	<b>15,324</b>	<b>11,134</b>	<b>138%</b>
<b>2,072</b>	<b>4,648</b>	<b>Surplus/(deficit) of operating funding</b>	<b>6,624</b>	<b>2,261</b>	<b>293%</b>
<b>SOURCES OF CAPITAL FUNDING</b>					
8,828	-	Subsidies and grants for capital expenditure	-	-	-
-	-	Development and financial contributions	-	-	-
950	79	Increase/(decrease) in debt	173	(588)	-29%
-	-	Gross proceeds from sale of assets	-	-	-
-	-	Lump sum contributions	-	-	-
-	-	Other dedicated capital funding	-	-	-
<b>9,778</b>	<b>79</b>	<b>Total sources of capital funding</b>	<b>173</b>	<b>(588)</b>	<b>-29%</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>					
<b>Capital expenditure</b>					
-	-	• to meet additional demand	-	-	-
51	252	• to improve the level of service	171	5	3420%
10,811	481	• to replace existing assets	2,287	522	438%
988	3,994	Increase/(decrease) in reserves	4,339	1,146	379%
-	-	Increase/(decrease) in investments	-	-	-
<b>11,850</b>	<b>4,727</b>	<b>Total applications of capital funding</b>	<b>6,797</b>	<b>1,673</b>	<b>406%</b>
<b>(2,072)</b>	<b>(4,648)</b>	<b>Surplus/(deficit) of capital funding</b>	<b>(6,624)</b>	<b>(2,261)</b>	<b>293%</b>
-	-	<b>Funding balance</b>	-	-	-

Other receipts and payments to staff and suppliers were greater than budget due to forestry harvest revenue and expenses. The reserves increased as a result.

# SUPPORT SERVICES

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 (e.g. bylaws, consultation requirements).

## CUSTOMER SERVICES

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

● Fully achieved
 ● Achieved within 5%
 ● Not achieved
 ● Not measured

OUTCOME	2022 TARGET	2022 RESULT	2021 RESULT	HOW DID WE PERFORM
<b>A range of communication channels that enhance Council's ability to engage and connect with the communities it serves</b>				
Residents consider the information supplied by Council to be sufficient	75%	77%	75%	
<b>We respond to customer requests in a timely and professional manner</b>				
Customers are satisfied with the service they receive when they contact Council	85%	75%	82%	The Customer Services team and call centre in Richmond have been significantly impacted by Covid and staff turnover (with 71% turnover between August 2021 and May 2022). With Covid and vacancies, the team has been operating at under 50% staffing levels for at least six months of the year. Inexperienced staff are slower to respond to customer queries and potentially make more mistakes than experienced team members.
Percentage of general enquiries that are responded to by Council staff within three working days of receipt of enquiry	85%	71%	77% <sup>7</sup>	Of the 21,006 service requests created over the budget year, 14,948 (71%) were actioned within three days. 17,977 (86%) were actioned before their deadline date.
All LIM applications are processed within the statutory timeframes (i.e. 10 working days)	100%	100%	100%	Council processed 726 LIM applications, within the ten days statutory timeframe, at an average of six working days.  There were 14% fewer LIMs processed in 2021/2022 FY than the previous year.

7. We mis-reported this figure in the Annual Report 2020/2021. By mistake we reported that 86.5% but this was for enquiries responded to by their deadline date. However the deadline date was longer than three days.

## SUPPORT SERVICES

OUTCOME	2022 TARGET	2022 RESULT	2021 RESULT	HOW DID WE PERFORM	
<b>We produce high quality, fit for purpose and accessible Long Term Plans (LTP), Annual Plans (AP) and Annual Reports (AR)</b>					
The Long-Term Plan, Annual Plans and Annual Reports are prepared within statutory timeframes and there are no successful challenges to these processes		Statutory timeframes met	Statutory timeframes met	Statutory timeframes met	<p>The Annual Report for 2020/2021 was adopted on 16 December 2021, within statutory timeframes. The Covid-19 (Further Management Measures) Act extended the statutory deadline to 31 December 2021 for Local Government to adopt Annual Reports (section 98A of the Local Government Act 2002).</p> <p>The Annual Plan 2022/2023 was adopted within statutory deadlines on 23 June 2022.</p>
<b>We consult effectively with the public in our decision-making processes</b>					
Residents are satisfied with opportunities to give feedback on Council plans and decisions		≥50%	52%	58%	
<b>All Council-owned buildings are safe</b>					
All operational buildings (offices and libraries) comply with resource and building consents and any other legislative requirements		100% compliance	100%	100%	

## SUPPORT SERVICES

### Resident Satisfaction with the Level of Information Provided by Council



### Resident Satisfaction with Public Consultation



## SUPPORT SERVICES

### Resident Satisfaction with the Service Received When Contacting Council



NAME	DESCRIPTION	2021/2022
Sustainability initiatives	New works to Council buildings to reduce impacts on climate change.	Solar panels have been installed on the new Motueka library and are in the process of being installed at Richmond library.  LED lighting has replaced older lighting in the Richmond office and libraries.
Main office and service centre maintenance	Various works to our main office and service centres around the District to enable us to provide safe and comfortable facilities for staff and our communities.	We have improved air-conditioning and ventilation systems at the Richmond office, upgrading the heating, ventilation and air conditioning system.  At the Tākaka service centre, we have improved the security system.  We repaired leaks at the Tākaka service centre, Richmond mall office and the Richmond library during the year.
Libraries maintenance	Various works to our libraries around the District to provide a safe and comfortable environment for staff and our communities.	We completed the development of the new library at Motueka. This includes the supply and servicing of additional hygiene products.  We supplied new sit-stand desks to libraries.



## SUPPORT SERVICES

NAME	DESCRIPTION	2021/2022
Office improvements	Various works to our offices to enable a more effective and efficient work environment.	<p>We have reconfigured the main office buildings in Richmond following an organisational restructure.</p> <p>We have installed new led lighting at Motueka service centre to reduce power consumption and upgraded the external lighting at Richmond library.</p> <p>We have provided most staff with sit-stand desks and lockers for hot desking staff in some departments.</p> <p>Other office improvements made include:</p> <p>Motueka service centre:</p> <ul style="list-style-type: none"> <li>• Privacy screens, ergonomic chairs and a new hot-desking area.</li> </ul> <p>Tākaka service centre</p> <ul style="list-style-type: none"> <li>• Significant repairs following February storm.</li> <li>• New sit-stand desks.</li> <li>• Reconfigured for small meeting room hot desk.</li> <li>• New wall heater.</li> </ul>
Improving technology systems	Development of the Digital Blueprint for Tasman's future, associated Programme Roadmap and the supporting business cases and activity that will deliver a transformed technology environment for our communities and our staff.	<p>Throughout the year, the Council has progressed the Digital Blueprint through the Digital Innovation Programme with several project activities. Work has commenced with:</p> <ul style="list-style-type: none"> <li>• The development of management and reporting systems to guide programme activities.</li> <li>• Improved home working technology to support our response to the pandemic.</li> <li>• The selection of new systems for human resources and payroll.</li> <li>• Migration of some Council systems to more modern and resilient environments.</li> <li>• Implemented improved cybersecurity solutions.</li> </ul>



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# PART FIVE: FINANCIAL STATEMENTS

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# 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. The Council includes its jointly controlled ventures (Note 20) and operations (Note 21) in these financial statements.

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 2022. The financial statements were authorised for issue by Council on 22 December 2022.

## STATEMENT OF COMPLIANCE

The financial statements of the Council and group have been prepared in accordance with the requirements of the LGA and the Local Government (Financial Reporting and Prudence) Regulations 2014 (LG(FRP)R), which include the requirement to comply with NZ GAAP.

The financial statements have been prepared in accordance with and comply with PBE Accounting Standards.

## BASIS OF PREPARATION AND ROUNDING

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 are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000), other than the the severance payment disclosures in Note 31 which are rounded to the nearest dollar.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies are included in the notes to which they relate. Significant accounting policies that do not relate to a specific note are outlined below.

### 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.

### FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are translated into New Zealand Dollars (the functional currency) using the spot exchange rate at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in surplus or deficit.

### BUDGET FIGURES

The budget figures are those approved by the Council in its 2021/22 annual plan. The budget figures have been prepared in accordance with GAAP, using accounting policies that are consistent with those adopted by the Council in preparing these financial statements.

## STATEMENT OF ACCOUNTING POLICIES

### 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.

### 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.

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, estimates and assumptions have been made concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions 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:

- Estimating the fair value of land, buildings, and infrastructural assets, and their useful lives (Note 15)
- Estimating the fair value of forestry assets (Note 18)
- Estimating the fair value of investment property (Note 19)
- Estimating the landfill aftercare provision (Note 23)
- Valuation of derivative financial instruments (Note 12)
- Valuation of Emission Trading Schedule credits (Note 16)

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

Management has exercised the following critical judgements in applying accounting policies:

- Classification of community housing property (Note 15)
- Three waters reforms (Note 37)
- Accounting for joint operations, including Councils interest in Waimea Water Ltd (Note 21)



## STATEMENT OF ACCOUNTING POLICIES

### STANDARDS, AMENDMENTS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

Standards, amendments and interpretations issued that are not yet effective and have not been early adopted are:

*PBE IPSAS 41 Financial Instruments (transitioning from PBE IPSAS 29)*

Effective: Annual periods beginning on or after 1 January 2022.

PBE IPSAS 41 Financial Instruments replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement and is effective for the year ending 30 June 2023. The main changes under the standard relevant to the Council are:

New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost.

A new impairment model for financial assets based on expected losses, which might result in the earlier recognition of impairment losses.

A new hedge accounting model for hedge accounting relationships, should the Council elect to adopt the new model.

The Council can elect to continue to apply the PBE IPSAS 29 hedge accounting model on transition to PBE IPSAS 41.

Impact on Council: The direct impact of the accounting standards on Council has not yet been assessed, this will be assessed in 2022/23.

*PBE FRS 48 Service Performance Reporting*

Annual periods beginning on or after 1 January 2022.

PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 Presentation of Financial Statements and is effective for the year ending 30 June 2023. The main impact of the new standard will require additional information to be disclosed on those judgements that have the most significant effect on the selection, measurement, aggregation, and presentation of service performance information.

Impact on Council: The direct impact of the accounting standards on Council has not yet been assessed, this will be assessed in 2022/23.



# TAUĀKI Ā-MONI WHIWHI, Ā-WHAKAPAUNGA PŪTEA

## STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the year ended 30 June 2022

ACTUAL 2021 \$000		NOTES	ACTUAL 2022 \$000	BUDGET 2022 \$000
	<b>REVENUE</b>			
40,640	General rates	2	43,681	43,597
37,222	Targeted rates	2	38,627	38,719
16,830	Development and financial contributions		19,234	12,043
9,767	Operating subsidies and grants	4	11,222	6,183
18,438	Capital subsidies and grants	4	16,747	16,096
17,266	Fees and charges	5	18,362	16,227
48,430	Vested assets and other revenue	3	74,306	27,915
12,779	Fair value gain/(loss) on revaluation	3	7,068	1,609
172	Other gains	3	11	62
910	Finance income	8	7,999	605
7,365	Revenue of joint operations	21	8,287	6,442
7,417	Share of joint ventures surplus/(deficit)	20	7,167	-
<b>217,236</b>	<b>Total revenue</b>	<b>1</b>	<b>252,711</b>	<b>169,498</b>
	<b>EXPENSE</b>			
8,321	Finance expense	8	7,630	7,879
27,221	Employee related expense	6	30,400	29,756
46,584	Other expenses	7	53,336	46,579
23,539	Maintenance	7	29,261	22,951
29,971	Depreciation and amortisation	17	29,369	31,095
12,122	Expenditure of joint operations	21	10,106	7,150
<b>147,758</b>	<b>Total expense</b>	<b>1</b>	<b>160,102</b>	<b>145,410</b>
<b>69,478</b>	<b>Surplus/(deficit) before taxation</b>		<b>92,609</b>	<b>24,088</b>
-	Income tax expense	9	-	-
<b>69,478</b>	<b>Surplus/(deficit) after tax</b>		<b>92,609</b>	<b>24,088</b>
	<b>OTHER COMPREHENSIVE REVENUE</b>			
84,747	Gain on Council property, plant and equipment revaluations	26	268,654	-
-	Deferred tax on asset revaluations	9	-	-
926	Movement in NZLG shares value	26	807	-
-	Asset impairment, disposal gain/(loss)	15, 26	(2,165)	-
16,319	Share of joint ventures and joint operations other comprehensive revenue	20,21,26	14,672	-
<b>101,992</b>	<b>Total other comprehensive revenue and expense</b>	<b>26</b>	<b>281,968</b>	<b>-</b>
<b>171,470</b>	<b>Total comprehensive revenue and expense</b>		<b>374,577</b>	<b>24,088</b>

The table above shows surplus before other comprehensive income of \$92.6 million (2021: \$69.5 million) compared with a budgeted accounting surplus of \$24.1 million (2021:\$22.4 million). This equates to a surplus variance of \$68.5 million mostly due to non cash accounting movements for vested subdivision assets and derivatives. Most significantly, \$40 million of this variance relates to assets received from developers as a result of subdivisions, \$12.8 million relates to a non cash movement in the value of Council's interest rate derivatives, \$6.8 million relates to a non-cash fair value accounting adjustment on an interest free loan and \$7.2 million relates to development contributions from developers. Variances are explained in Note 36.

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.

# TAUĀKI MŌ TE TŪĀHUA TAHUA PŪTEA

## STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

ACTUAL 2021 \$000		NOTES	ACTUAL 2022 \$000	BUDGET 2022 \$000
	<b>CURRENT ASSETS</b>			
15,106	Cash and cash equivalents	10	16,310	20,102
15,398	Trade and other receivables	11	14,785	14,232
9,653	Other financial assets	13	25,602	26,765
–	Non current assets held for resale	14	–	–
<b>40,157</b>	<b>Total current assets</b>		<b>56,697</b>	<b>61,099</b>
	<b>CURRENT LIABILITIES</b>			
25,909	Trade and other payables	22	30,737	33,971
2,890	Employee benefit liabilities	24	3,342	3,247
42,000	Current portion of borrowings	25	49,003	15,003
334	Current portion of derivative financial instruments	12	540	4,387
<b>71,133</b>	<b>Total current liabilities</b>		<b>83,622</b>	<b>56,608</b>
<b>(30,976)</b>	<b>Working capital</b>		<b>(26,925)</b>	<b>4,491</b>
	<b>NON-CURRENT ASSETS</b>			
189,043	Investments in joint ventures	20	203,157	169,652
12,451	Other financial assets	13	33,517	9,869
2,851	Intangible assets	16	3,648	2,415
50,212	Forestry assets	18	44,847	49,924
5,820	Investment property	19	5,630	5,358
1,695,914	Property, plant and equipment	15	2,069,663	1,685,609
<b>1,956,291</b>	<b>Total non-current assets</b>		<b>2,360,462</b>	<b>1,922,827</b>
	<b>NON-CURRENT LIABILITIES</b>			
144,062	Term borrowings	25	190,970	238,588
13,763	Derivative financial instruments	12	778	19,011
369	Employee benefit liabilities	24	391	400
3,861	Provisions	23	3,561	3,575
<b>162,055</b>	<b>Total non current liabilities</b>		<b>195,700</b>	<b>261,574</b>
<b>1,763,260</b>	<b>Total net assets</b>		<b>2,137,837</b>	<b>1,665,744</b>
	<b>EQUITY</b>			
718,956	Accumulated equity	27	811,537	799,938
39,456	Restricted reserves	28	39,485	23,498
1,004,848	Revaluation reserves	26	1,286,815	842,308
<b>1,763,260</b>	<b>Total equity</b>		<b>2,137,837</b>	<b>1,665,744</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.



# TAUĀKI MŌ NGĀ MONI UTU, WHIWHINGA RĀNEI

## STATEMENT OF CASHFLOWS

As at 30 June 2022

ACTUAL 2021 \$000		NOTES	ACTUAL 2022 \$000	BUDGET 2022 \$000
	<b>CASHFLOW FROM OPERATING ACTIVITIES</b>			
	<b>Cash was provided from:</b>			
85,368	Fees and charges and other revenue		103,310	73,850
78,214	Rates revenue		82,258	82,322
2,491	Dividends received		2,844	2,555
809	Interest received		1,735	605
<b>166,882</b>			<b>190,147</b>	<b>159,332</b>
	<b>Cash was disbursed to:</b>			
(101,393)	Payments to suppliers and employees		(111,026)	(102,780)
(8,448)	Interest paid		(6,805)	(7,879)
(645)	Net GST (paid)/received		(439)	-
<b>(110,486)</b>			<b>(118,270)</b>	<b>(110,659)</b>
<b>56,396</b>	<b>Net cash flow from operating</b>	<b>29</b>	<b>71,877</b>	<b>48,673</b>
	<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
	<b>Cash was provided from:</b>			
172	Proceeds from sale of assets		11	62
43,684	Proceeds from sale of investments		9,653	1,843
<b>43,856</b>			<b>9,664</b>	<b>1,905</b>
	<b>Cash was disbursed to:</b>			
(73,714)	Purchase of assets		(95,170)	(80,518)
(2,019)	Purchase of investments		(45,861)	(6,806)
<b>(75,733)</b>			<b>(141,031)</b>	<b>(87,324)</b>
<b>(31,877)</b>	<b>Net cash flow from investing</b>		<b>(131,367)</b>	<b>(85,419)</b>
	<b>CASHFLOW FROM FINANCING ACTIVITIES</b>			
	<b>Cash was provided from:</b>			
27,881	Loans raised		102,694	54,370
	<b>Cash was disbursed to:</b>			
(66,003)	Loan principal repayments		(42,000)	(17,249)
<b>(38,122)</b>	<b>Net cash flow from financing</b>		<b>60,694</b>	<b>37,121</b>
<b>(13,603)</b>	<b>Total net cash flows</b>		<b>1,204</b>	<b>375</b>
28,709	Opening cash held		15,106	19,727
<b>15,106</b>	<b>Closing cash and cash equivalents balance</b>	<b>10</b>	<b>16,310</b>	<b>20,102</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.

# TAUĀKI MŌ NGĀ PANONITANGA O NGĀ HUA UARA

## STATEMENT OF CHANGES IN EQUITY

As at 30 June 2022

ACTUAL 2021 \$000		ACTUAL 2022 \$000	BUDGET 2022 \$000
<b>1,591,790</b>	<b>Equity at start of year</b>	<b>1,763,260</b>	<b>1,641,656</b>
171,470	Total comprehensive revenue and expense	374,577	24,088
<b>1,763,260</b>	<b>Total equity</b>	<b>2,137,837</b>	<b>1,665,744</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.





# TE TAUĀKĪ WHAKAAWEAWENGA TUKU PŪTEA A TE RŌPŪ COUNCIL FUNDING IMPACT STATEMENT

As at 30 June 2022

ACTUAL 2021 \$000	BUDGET 2021 \$000	FUNDING IMPACT STATEMENT	ACTUAL 2022 \$000	BUDGET 2022 \$000
<b>SOURCES OF OPERATING FUNDING</b>				
40,821	40,825	General rates, uniform annual general charges, rates penalties	44,040	43,949
37,222	37,324	Targeted rates	38,627	38,719
9,767	5,383	Subsidies and grants for operating purposes	11,220	6,183
17,266	15,652	Fees and charges	18,362	16,227
3,427	3,452	Interest and dividends from investments	3,869	3,050
25,345	21,239	Local authorities fuel tax, fines, infringement fees, and other receipts	34,884	24,123
<b>133,848</b>	<b>123,875</b>	<b>Total operating funding</b>	<b>151,002</b>	<b>132,251</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>				
105,359	90,912	Payments to staff and suppliers	120,055	104,854
7,438	8,558	Finance costs	7,405	7,879
–	–	Other operating funding applications	–	–
<b>112,797</b>	<b>99,470</b>	<b>Total applications of operating funding</b>	<b>127,460</b>	<b>112,733</b>
<b>21,051</b>	<b>24,405</b>	<b>Surplus/(deficit) of operating funding</b>	<b>23,542</b>	<b>19,518</b>
<b>SOURCES OF CAPITAL FUNDING</b>				
18,438	13,115	Subsidies and grants for capital expenditure	16,747	16,096
16,832	10,310	Development and financial contributions	19,234	12,043
(39,000)	16,799	Increase/(decrease) in debt	59,417	30,315
172	62	Gross proceeds from sale of assets	11	62
–	–	Lump sum contributions	–	–
–	–	Other dedicated capital funding	–	–
<b>(3,558)</b>	<b>40,286</b>	<b>Total sources of capital funding</b>	<b>95,409</b>	<b>58,516</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>				
<b>Capital expenditure</b>				
2,880	4,648	• to meet additional demand	3,763	4,174
42,203	16,682	• to improve the level of service	45,119	40,280
28,944	42,366	• to replace existing assets	40,322	34,044
(7,098)	(842)	Increase/(decrease) in reserves	(9,894)	1,379
(49,436)	1,837	Increase/(decrease) in investments	39,641	(1,843)
<b>17,493</b>	<b>64,691</b>	<b>Total applications of capital funding</b>	<b>118,951</b>	<b>78,034</b>
<b>(21,051)</b>	<b>(24,405)</b>	<b>Surplus/(deficit) of capital funding</b>	<b>(23,542)</b>	<b>(19,518)</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.

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# PART SIX: NOTES TO FINANCIAL STATEMENTS

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## NOTES TO FINANCIAL STATEMENTS

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

2020/2021 \$'000		2021/2022 \$'000
<b>REVENUE</b>		
16,519	Environmental Management	17,877
8,659	Public Health and Safety	8,644
26,298	Transportation, Roads and Footpaths	28,076
403	Coastal Structures	189
26,440	Water Supply	33,777
18,828	Wastewater	18,889
7,789	Stormwater	8,152
14,208	Solid Waste	15,765
4,206	Flood Protection and River Control Works	5,643
26,680	Community Development	29,521
17,690	Council Enterprises	15,902
3,487	Governance	3,571
46,029	Overhead activities including treasury, joint operations and ventures	66,705
<b>217,236</b>	<b>Total revenue</b>	<b>252,711</b>
<b>EXPENSE</b>		
16,297	Environmental Management	18,540
8,302	Public Health and Safety	9,127
25,075	Transportation, Roads and Footpaths	29,639
317	Coastal Structures	174
19,869	Water	16,469
15,459	Wastewater	16,017
4,784	Stormwater	4,968
13,280	Solid Waste	14,433
2,409	Flood Protection and River Control Works	3,059
22,006	Community Development	23,565
10,542	Council Enterprises	15,714
3,150	Governance	3,099
6,268	Overhead activities including treasury, joint operations and ventures	5,298
<b>147,758</b>	<b>Total expense</b>	<b>160,102</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.

2020/2021 \$000	RATES	2021/2022 \$000
<b>40,640</b>	<b>Total general rates</b>	<b>43,681</b>
<b>TARGETED RATES ATTRIBUTABLE TO ACTIVITIES</b>		
154	Environmental Management	134
–	– Transportation, Roads and Footpaths	–
82	Coastal Structures	82
2,962	Water Supply – excluding metered	3,447
8,399	Water Supply – metered	9,128
9,987	Wastewater	10,877
5,098	Stormwater	4,950
2,511	Solid Waste	2,475
3,029	Flood Protection and River Control Works	2,200
4,674	Community Development	5,003
326	Governance	331
<b>37,222</b>	<b>Total targeted rates attributable to activities</b>	<b>38,627</b>
<b>77,862</b>	<b>Total rates net of remissions</b>	<b>82,308</b>
221	Rates remissions	335
<b>78,083</b>	<b>Total rates gross of remissions</b>	<b>82,643</b>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 2: RATES (CONT.)

The annual rates revenue of Council for the year ended 30 June 2022 and 30 June 2021 for the purposes of the LGFA Guarantee and Indemnity Deed disclosure is shown above.

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 \$7,500 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.

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 2020. 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 2021.

### 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 (for roading and water assets, this is when S224 is approved). 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.

2020/2021 \$000	OTHER REVENUE	2021/2022 \$000
11,807	Forestry harvesting revenue	19,646
66	Dividend revenue	64
378	Infringements and fines	330
389	Petrol tax	360
283	Rental revenue from investment properties	285
30,253	Vested assets	47,452
5,254	Other	6,169
<b>48,430</b>	<b>Total other revenue</b>	<b>74,306</b>



## NOTES TO FINANCIAL STATEMENTS

### NOTE 3: OTHER REVENUE (CONT.)

The accounting policies for the fair value movements on revaluation are explained in the respective notes.

2020/2021 \$000	FAIR VALUE MOVEMENT ON REVALUATION	2021/2022 \$000
9,301	Unrealised gain/(loss) on interest rate derivatives (Note 12)	12,779
3,278	Gain on changes in fair value of forestry assets and other fair value movements (Note 18)	(5,366)
200	Investment property revaluation movement (Note 19)	(345)
<b>12,779</b>	<b>Total fair value movement on revaluation</b>	<b>7,068</b>

The unrealised gain/(loss) on interest rate derivatives of \$12.8 million is the annual movement in the fair value of the derivative net liability, in Note 12. The liability increased from a \$1.3 million liability at 30 June 2021 to a \$14.1 million liability at 30 June 2022. Council uses derivative financial instruments to hedge exposure to interest rate risks arising from financing activities. 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 associated gains or losses of derivatives are recognised in the surplus or deficit. Council has elected not to hedge account for its interest rate swaps.

2020/2021 \$000	OTHER GAINS	2021/2022 \$000
172	Gain on disposal of property, plant and equipment	11
<b>172</b>	<b>Total other gains</b>	<b>11</b>

### 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 Waka Kotahi (New Zealand Transport Agency), which subsidises part of Council's costs in maintaining the local roading infrastructure. Waka Kotahi 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.

2020/2021 \$000	OPERATING SUBSIDIES AND GRANTS	2021/2022 \$000
3,975	Waka Kotahi (NZ Transport Agency) roading subsidies	7,793
1,816	Mt Richmond Forest Park wilding conifer programme	1,089
1,499	Provincial Growth Fund hazardous trees and drainage	-
2,477	Other subsidies, grants and donations	2,340
<b>9,767</b>	<b>Total operating subsidies and grants</b>	<b>11,222</b>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 4: SUBSIDIES AND GRANTS (CONT.)

2020/2021 \$000	CAPITAL SUBSIDIES AND GRANTS	2021/2022 \$000
4,938	Waka Kotahi (NZ Transport Agency) roading subsidies	4,493
3,717	Three waters stimulus funding	5,965
8,000	Grants received for Waimea Community Dam	3,000
1,783	Other subsidies and grants	3,289
<b>18,438</b>	<b>Total capital subsidies and grants</b>	<b>16,747</b>

### SIGNIFICANT GRANTS WITH CONDITIONS:

Government grant revenue with conditions: revenue is recognised on entitlement when conditions pertaining to eligible expenditure are fulfilled. The arrangement stipulates that "contributions" from Councils toward expenditure programme are required. At 30 June any unspent balance, excluding expenditure that Council is funding, is recognised as a deferred liability. This means that there are no unfulfilled conditions or other contingencies attached to government grants and subsidies recognised as revenue. Amounts received with unfulfilled conditions as at 30 June, are recognised as a liability in Note 22.

At 30 June 2022, Council had received \$9.7 million of government grants from the three water stimulus package (2022: \$4.4 million and 2021: \$5.3 million). Council had spent all of this capital funding at 30 June 2022 (included in Note 15, additions). There were no unspent amounts included in current liabilities as deferred revenue (2021: \$1.2 million).

Council has received \$2.9 million of government grants from the Government Stimulus Funding, Mt Richmond Forest Park Wilding conifer programme (2022: \$0.7, 2021: 2.2 million), Council had spent all of this operational funding at 30 June 2022 (included in Note 7, project expenditure). There were no unspent amount included in current liabilities as deferred revenue (2021: Nil).

Council has received \$4.5 million of government grants from the Provincial Development Fund, Climate Resilience Programme (2022: \$3.8 million, 2021: \$0.7 million) and had spent \$2.8 million of this capital funding (included in Note 15, additions). \$2.2 million is recognised as revenue (2021: \$0.7 million). The unspent amount, \$1.6 million is included in current liabilities as deferred revenue.

### 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.

2020/2021 \$000	FEES AND CHARGES	2021/2022 \$000
6,692	Building, resource consent, public health and liquor licensing charges	6,542
4,798	Landfill/resource recovery centre charges	5,271
3,865	Sales	3,799
550	Sundry fees and recoveries	590
1,361	Other fees and charges	2,160
<b>17,266</b>	<b>Total fees and charges</b>	<b>18,362</b>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6: EMPLOYEE BENEFIT EXPENSES

#### SALARIES AND WAGES

Salaries and wages are recognised as an expense as employees provide services.

#### SUPERANNUATION SCHEMES

##### Defined contribution schemes

Employer contributions to KiwiSaver, the Government Superannuation Fund, and the State Sector Retirement Savings Scheme<sup>28</sup> are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as incurred.

2020/2021 \$000	EMPLOYEE BENEFIT EXPENSES	2021/2022 \$000
26,258	Salary and wages	29,197
1,021	Kiwi saver/superannuation schemes employer contributions	1,143
(58)	Increase/(decrease) in employee benefit liabilities	60
<b>27,221</b>	<b>Total employee benefit expenses</b>	<b>30,400</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.

## NOTES TO FINANCIAL STATEMENTS

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

2020/2021 \$000	OTHER EXPENSES	2021/2022 \$000
6,192	Forestry harvesting expenses	10,127
3,239	Projects	2,210
1,059	Grants paid	1,367
1,520	Rates and water	1,615
1,269	Levies paid	1,453
1,283	Electricity	1,366
864	Elected representatives salary (including community board)	864
7,223	Consultants	9,519
170	Impairment and bad debt write offs	26
793	Legal fees	683
(104)	Movement in bad debts provision	77
139	Audit fees – Annual Report	151
149	Audit fees – Long Term Plan	–
4	Audit fees – debenture trust deed	4
28	Audit fees – fee recovery from the prior year	–
12	Donations	6
22,744	Other operating expenses	23,868
<b>46,584</b>	<b>Total other expenses</b>	<b>53,336</b>

### DISCLOSURE OF RATES WRITTEN OFF

Impairment and bad debt write offs include \$8,603 of rates written off as at 30 June 2022.

### MAINTENANCE

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.

2020/2021 \$000	MAINTENANCE	2021/2022 \$000
22,155	Operational maintenance	27,919
1,384	Other maintenance	1,342
<b>23,539</b>	<b>Total maintenance</b>	<b>29,261</b>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 8: FINANCE EXPENSE AND FINANCE INCOME

Interest revenue is recognised using the effective interest method.

2020/2021 \$000	FINANCE EXPENSE	2021/2022 \$000
<b>INTEREST EXPENSE</b>		
7,438	Interest on borrowings	7,405
883	Loan fair value adjustment	225
<b>8,321</b>	<b>Total finance costs</b>	<b>7,630</b>

2020/2021 \$000	FINANCE INCOME	2021/2022 \$000
<b>INTEREST REVENUE</b>		
–	Loan fair value adjustment	7,009
907	Interest on bank deposits	987
–	Interest on related party loans	3
3	Interest on community loans	–
<b>910</b>	<b>Total finance revenue</b>	<b>7,999</b>

Loan fair value adjustment – Council received an interest free loan from Crown Irrigation Investment limited. Loans are recognised initially at their fair value. The fair value loan adjustment is the difference between the face value of the loan and fair value of the loan. Fair value is calculated as the net present value of future cash flows at a market interest rate.

### 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.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 9: TAX (CONT.)

2020/2021 \$000		2021/2022 \$000
<b>RELATIONSHIP BETWEEN TAX EXPENSE AND ACCOUNTING PROFIT</b>		
69,478	Net surplus	92,609
19,454	Tax at 28%	25,931
(19,454)	Less non-taxable income	(25,931)
–	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 2020</b>	<b>(564)</b>	<b>564</b>	
Charged to surplus or deficit	25	(25)	–
Charged to other comprehensive revenue and expense	–	–	–
<b>Balance at 1 July 2021</b>	<b>(539)</b>	<b>539</b>	
Charged to surplus or deficit	(18)	18	–
Charged to other comprehensive revenue and expense	–	–	–
<b>Balance at 30 June 2022</b>	<b>(557)</b>	<b>557</b>	–

A deferred tax asset in relation to tax losses of \$11,635,494 (2021: \$11,544,681) has not been recognised for the year ended 30 June 2022

### 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.

30 JUNE 2021 \$000	CASH AND CASH EQUIVALENTS	30 JUNE 2022 \$000
15,106	Cash at bank and in hand	16,310
–	Short term deposits maturing three months or less from date of acquisition	–
<b>15,106</b>	<b>Total cash and cash equivalents</b>	<b>16,310</b>

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

## NOTES TO FINANCIAL STATEMENTS

### NOTE 11: TRADE AND OTHER RECEIVABLES

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

30 JUNE 2021 \$000	TRADE AND OTHER RECEIVABLES	30 JUNE 2022 \$000
1,154	Rates receivables	1,354
14,206	Other receivables	13,345
543	Prepayments	669
<b>15,903</b>		<b>15,368</b>
(505)	Less provision for doubtful debts	(583)
<b>15,398</b>		<b>14,785</b>
<b>Comprising:</b>		
15,398	Current portion	14,785
-	Non-current	-
<b>15,398</b>	<b>Total trade and other receivables</b>	<b>14,785</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.

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

2020/2021 \$000	TRADE AND OTHER RECEIVABLES	2021/2022 \$000
(609)	At 1 July	(505)
(401)	Additional provisions made during the year	(223)
140	Written off during period	26
365	Provisions reversed in year	119
<b>(505)</b>	<b>At 30 June</b>	<b>(583)</b>



## NOTES TO FINANCIAL STATEMENTS

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

The status of rates and other receivables as at 30 June 2022 are detailed as below:

2022 CURRENT AND NON-CURRENT	GROSS \$000	IMPAIRMENT \$000	NET \$000
< 30 days	12,217	–	12,217
30–60 days	912	–	912
61–90 days	173	–	173
90+ days	1,397	(583)	814
<b>Total rates and other receivables</b>	<b>14,699</b>	<b>(583)</b>	<b>14,116</b>
Prepayments	669	–	669
<b>Total trade and other receivables</b>	<b>15,368</b>	<b>(583)</b>	<b>14,785</b>

The status of rates and other receivables as at 30 June 2021 are detailed as below:

2021 CURRENT AND NON-CURRENT	GROSS \$000	IMPAIRMENT \$000	NET \$000
< 30 days	13,303	–	13,303
30–60 days	452	–	452
61–90 days	181	–	181
90+ days	1,424	(505)	919
<b>Total rates and other receivables</b>	<b>15,360</b>	<b>(505)</b>	<b>14,855</b>
Prepayments	543	–	543
<b>Total trade and other receivables</b>	<b>15,903</b>	<b>(505)</b>	<b>15,398</b>

**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.

30 JUNE 2021 \$000	DERIVATIVE FINANCIAL INSTRUMENTS	30 JUNE 2022 \$000
14,097	Interest rate swaps	1,318
<b>14,097</b>	<b>Total derivative financial instruments</b>	<b>1,318</b>
	<b>Comprising:</b>	
334	Current portion	540
13,763	Non-current	778
<b>14,097</b>	<b>Total derivative financial instruments liability</b>	<b>1,318</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. These are level 2 instruments under the fair value hierarchy.

**Fair value hierarchy**

For those instruments recognised at fair value in the statement of financial position, fair values are determined according to the following hierarchy:

- Level 1 – Quoted market price – Financial instruments with quoted prices for identical instruments in active markets.
- Level 2 – Valuation technique using observable inputs – Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- Level 3 – Valuation techniques with significant non-observable inputs – Financial instruments valued using models where one or more significant inputs are not observable.

### 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.

### 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.

#### Fair value hierarchy

For those instruments recognised at fair value in the statement of financial position, fair values are determined according to the following hierarchy:

- Level 1 – Quoted market price – Financial instruments with quoted prices for identical instruments in active markets.
- Level 2 – Valuation technique using observable inputs – Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- Level 3 – Valuation techniques with significant non-observable inputs – Financial instruments valued using models where one or more significant inputs are not observable.

## NOTES TO FINANCIAL STATEMENTS

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

30 JUNE 2021 \$000	OTHER FINANCIAL ASSETS	FAIR VALUE HIERARCHY LEVEL	30 JUNE 2022 \$000
<b>CURRENT PORTION</b>			
<b>Loans and receivables</b>			
29	Current portion of community loans		28
100	Current portion of related party loans		100
<b>Fair value through comprehensive revenue and expense</b>			
242	Borrower Notes – NZ LG Funding Agency	2	474
<b>Held to maturity</b>			
–	Disaster funds		–
9,282	Other short term deposits with maturities of 4–12 months		25,000
–	Monies administered for organisations		–
<b>9,653</b>	<b>Total current portion</b>		<b>25,602</b>
<b>NON-CURRENT PORTION</b>			
<b>Loans and receivables</b>			
100	Community loans		85
2,104	Related party loans and receivables		21,254
<b>Fair value through comprehensive revenue and expense</b>			
52	Unlisted shares – Civic Financial Services Ltd	3	52
7,832	Unlisted shares – NZ LG Funding Agency	3	8,663
2,363	Borrower Notes – NZ LG Funding Agency	2	3,463
<b>Held to maturity</b>			
–	Other long term deposits with maturities greater than 12 months		–
<b>12,451</b>	<b>Total non-current portion</b>		<b>33,517</b>

Council does not hold any material cash bonds subject to retentions (2021: Nil).

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 transfers between the different levels of the fair value hierarchy.

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 \$Nil (2021: Nil).

The related party loans and receivables includes an interest free loan of \$425,000, which has not been discounted in these financial statements to present value as it is not material (2021: Nil discount rate).

Interest rates receivable on community loans range from 3.90% to 7.15%, with an average rate of 5.18% (2021: 3.90% to 9.00%, with an average rate of 6.76%).

## 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 2022 Council did not hold any of its property for sale (2021: 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, unless there is a use or return condition attached to the asset.

Roads, Stormwater, Wastewater and Water Supply assets are recognised on section 224 issued date and by using the latest valuation unit rates, uplifted for inflation as required.

Land assets are recognised when legal titles passes using the rateable valuation.

Land under roads in recognised when legal title passes. The valuation is calculated based on the rateable value of the land pre subdivision, discounted by 50% to reflect the restricted nature of the land.

## NOTES TO FINANCIAL STATEMENTS

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

- **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)	2 – 100 years
Furniture and fittings	5 – 15 years
Plant and equipment	5 – 10 years
Motor vehicles	5 – 10 years
Library books	2 – 10 years
<b>INFRASTRUCTURE ASSETS</b>	
Bridges	50 – 100 years
Formation and sub-base pavement layer	Not depreciated
Drainage (culverts, sumps)	80 years
Footpaths	25 – 75 years
Pavement layers (other than sub-base)	30 – 60 years (unsealed), 75 years (sealed)
Roads – surface structure and other components	15 – 80 years
<b>WASTEWATER</b>	
Oxidation ponds	Not depreciated
Treatment	9 – 100 years
Pipe	60 – 120 years
Other wastewater features	10 – 80 years
Manhole	80 – 100 years
Chamber	50 – 100 years
<b>WATER</b>	
Water supply features	10 – 80 years
Pipes	60 – 120 years
<b>STORMWATER</b>	
Channel/detention dams – earthworks	Not depreciated
Channel/detention dams – concrete/ rock	120 years
Pipes	60 – 120 years
Manholes	80 – 100 years
Sumps	80 years



## NOTES TO FINANCIAL STATEMENTS

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

#### OTHER INFRASTRUCTURE ASSETS

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 for Roading, Three waters, Refuse, land and Buildings are carried out or reviewed by independent qualified valuers and it is intended that valuations be carried out on a three-yearly cycle. Other assets are not revalued. 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. 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.
- **Classification of community housing 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.

#### 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.

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.

**Three waters (water supply, waste water and stormwater), roads and bridges** have been valued at fair value using optimised depreciated replacement cost by Marsh & McLennan Companies as at 30 June 2022. The Valuer reported that the markets that the infrastructure assets' components are transacted in, are being impacted by the uncertainty that the COVID-19 outbreak has caused. The Valuer's assessment is that, as a consequence of this, there is "significant valuation uncertainty" with the valuation.

**Solid waste and coastal assets** have been valued at fair value using optimised depreciated replacement cost by Marsh & McLennan Companies as at 30 June 2020.

**River protection assets** consist of stop banks, rock protection and riparian protection. These assets are no longer revalued. The latest 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. These are no longer revalued.

**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 13 August 2019. 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.

**Aerodromes** – Aerodrome 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.

## NOTES TO FINANCIAL STATEMENTS

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

**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 QV Valuations Limited, and the valuation is effective as at 30 June 2021. Land includes land related to Three Waters assets, including joint operation land, land under treatment plants, sewerage and drainage reserves. Land does not include Land under Roads, or Port land which is held in the respective class.

**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 QV Valuations Limited, and the valuation is effective as at 30 June 2021.

Reconciliation to carrying value of buildings from revalued building assets using depreciated replacement cost and buildings valued using market-based evidence as at 30 June 2021 was as follows:

OPERATIONAL BUILDINGS	30 JUNE 2021 \$'000
Depreciated replacement cost	69,848
Market-based evidence	30,789
<b>Total revaluation of operational buildings</b>	<b>100,637</b>
Add: Work in progress	1,107
Add: Reserves and walkways excluded from revaluation	5,521
Add: Joint operations	431
<b>Total carrying value of operational buildings</b>	<b>107,695</b>

**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.

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

**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



## NOTES TO FINANCIAL STATEMENTS

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

2021/2022 \$000	COST/REVALUATION					
	COST/REVAL <sup>1</sup> 1 JULY 2021 \$000	CURRENT YEAR ADDITIONS \$000	CURRENT YEAR VESTED ASSETS \$000	CURRENT YEAR DISPOSALS \$000	CURRENT YEAR IMPAIRMENT \$000	REVAL <sup>1</sup> SURPLUS \$000
<b>FIXED ASSETS</b>						
Land	208,160	8,714	736	–	(2,165)	–
Buildings	120,428	7,580	–	(89)	–	(10)
Furniture and fittings	4,535	210	–	–	–	–
Motor vehicles	5,002	45	–	(32)	–	–
Plant	4,855	352	–	–	–	(24)
Office equipment	9,910	421	–	–	–	–
Library books	8,120	301	–	–	–	–
Heritage assets	1,843	–	–	–	–	–
Finance lease	–	–	–	–	–	–
	<b>362,854</b>	<b>17,625</b>	<b>736</b>	<b>(121)</b>	<b>(2,165)</b>	<b>(35)</b>
<b>INFRASTRUCTURAL ASSETS</b>						
Roading	594,579	10,584	9,517	–	–	126,178
Bridges	81,528	441	–	–	–	11,985
Land under roads	81,163	494	21,864	–	–	–
Stormwater	159,625	1,861	7,917	(238)	–	19,455
Wastewater	189,612	8,294	5,524	(418)	–	75,522
Refuse	15,180	2,244	–	–	–	327
Water	186,437	41,603	1,893	(2,532)	(290)	38,563
Rivers	78,398	5,209	–	–	–	–
Coastal structures	5,612	12	–	–	–	–
Ports	6,824	630	–	–	–	–
Aerodromes	1,364	138	–	–	–	–
	<b>1,400,321</b>	<b>71,509</b>	<b>46,716</b>	<b>(3,188)</b>	<b>(290)</b>	<b>272,031</b>
<b>Total</b>	<b>1,763,175</b>	<b>89,134</b>	<b>47,452</b>	<b>(3,309)</b>	<b>(2,455)</b>	<b>271,997</b>

1. Revaluation (Reval)

2. Depreciation (Depn)

3. Net Book Value (NBV)



## 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 2022 \$'000	ACC DEPN <sup>2</sup> & IMPAIRMENT 01 JULY 2021 \$'000	CURRENT YEAR DEPN <sup>2</sup> \$'000	WRITE BACK REVAL <sup>1</sup> ON DEPN <sup>2</sup> AND DISPOSAL \$'000	ACC DEPN <sup>2</sup> & IMPAIRMENT 30 JUNE 2022 \$'000	NBV <sup>3</sup> 01 JULY 2021 \$'000	NBV <sup>3</sup> 30 JUNE 2022 \$'000
-	215,445	-	-	-	-	<b>208,160</b>	<b>215,445</b>
-	127,909	(15,039)	(5,189)	14	(20,214)	<b>105,389</b>	<b>107,695</b>
-	4,745	(4,073)	(233)	-	(4,306)	<b>462</b>	<b>439</b>
-	5,015	(4,134)	(295)	32	(4,397)	<b>868</b>	<b>618</b>
-	5,183	(3,137)	(281)	23	(3,395)	<b>1,718</b>	<b>1,788</b>
-	10,331	(8,481)	(485)	-	(8,966)	<b>1,429</b>	<b>1,365</b>
-	8,422	(7,087)	(242)	-	(7,329)	<b>1,033</b>	<b>1,093</b>
-	1,843	(650)	(31)	-	(681)	<b>1,193</b>	<b>1,162</b>
-	-	-	-	-	-	-	-
-	<b>378,894</b>	<b>(42,602)</b>	<b>(6,756)</b>	<b>69</b>	<b>(49,289)</b>	<b>320,252</b>	<b>329,605</b>
(18,517)	722,342	(9,003)	(9,514)	18,517	-	<b>585,576</b>	<b>722,342</b>
(3,106)	90,848	(1,551)	(1,555)	3,106	-	<b>79,977</b>	<b>90,848</b>
-	103,521	-	-	-	-	<b>81,163</b>	<b>103,521</b>
(3,708)	184,912	(1,815)	(1,893)	3,718	10	<b>157,810</b>	<b>184,922</b>
(9,537)	268,998	(5,926)	(5,919)	10,878	(967)	<b>183,686</b>	<b>268,031</b>
-	17,751	(607)	(679)	118	(1,167)	<b>14,573</b>	<b>16,583</b>
(8,603)	257,071	(4,650)	(4,073)	8,783	60	<b>181,787</b>	<b>257,131</b>
-	83,607	(161)	(36)	-	(197)	<b>78,238</b>	<b>83,410</b>
-	5,624	(357)	(39)	-	(397)	<b>5,255</b>	<b>5,228</b>
-	7,453	(316)	(250)	-	(566)	<b>6,508</b>	<b>6,888</b>
-	1,502	(274)	(73)	-	(347)	<b>1,090</b>	<b>1,155</b>
<b>(43,471)</b>	<b>1,743,629</b>	<b>(24,660)</b>	<b>(24,032)</b>	<b>45,120</b>	<b>(3,571)</b>	<b>1,375,662</b>	<b>1,740,058</b>
<b>(43,471)</b>	<b>2,122,523</b>	<b>(67,261)</b>	<b>(30,788)</b>	<b>45,189</b>	<b>(52,860)</b>	<b>1,695,914</b>	<b>2,069,663</b>



## NOTES TO FINANCIAL STATEMENTS

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

2020/2021 \$000	COST/REVALUATION					
	COST/REVAL <sup>1</sup> 1 JULY 2020 \$000	CURRENT YEAR ADDITIONS \$000	CURRENT YEAR VESTED ASSETS \$000	CURRENT YEAR DISPOSALS \$000	CURRENT YEAR IMPAIRMENT \$000	REVAL <sup>1</sup> SURPLUS \$000
<b>FIXED ASSETS</b>						
Land*	146,220	1,932	732	(100)	–	59,376
Buildings	88,308	6,395	–	–	–	25,725
Furniture and fittings	4,316	219	–	–	–	–
Motor vehicles	5,135	244	–	(377)	–	–
Plant	4,574	304	–	–	–	(23)
Office equipment	9,146	764	–	–	–	–
Library books	7,843	278	–	–	–	–
Heritage assets	1,843	–	–	–	–	–
Finance lease	–	–	–	–	–	–
	<b>267,385</b>	<b>10,136</b>	<b>732</b>	<b>(477)</b>	<b>–</b>	<b>85,078</b>
<b>INFRASTRUCTURAL ASSETS</b>						
Roading	575,072	13,165	6,341	–	–	–
Bridges	81,241	286	–	–	–	–
Land under roads*	72,202	72	8,889	–	–	–
Stormwater	149,914	2,272	7,438	–	–	–
Wastewater	175,325	10,078	4,688	(882)	–	403
Refuse	14,419	998	–	–	(132)	(104)
Water	152,243	35,618	2,164	(2,924)	(665)	–
Rivers	76,213	2,185	–	–	–	–
Coastal structures	5,612	–	–	–	–	–
Ports*	6,808	15	–	–	–	–
Aerodromes	1,355	9	–	–	–	–
	<b>1,310,405</b>	<b>64,700</b>	<b>29,521</b>	<b>(3,806)</b>	<b>(797)</b>	<b>298</b>
<b>Total</b>	<b>1,577,789</b>	<b>74,836</b>	<b>30,253</b>	<b>(4,282)</b>	<b>(797)</b>	<b>85,376</b>

\*A transfer of \$650,000 was made from land to land under roads in the opening cost at 1 July 2020.

1. Revaluation (Reval)
2. Depreciation (Depn)
3. Net Book Value (NBV)

## 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 2021 \$'000	ACC DEPN <sup>2</sup> & IMPAIRMENT 01 JULY 2020 \$'000	CURRENT YEAR DEPN <sup>2</sup> \$'000	WRITE BACK REVAL <sup>1</sup> ON DEPN <sup>2</sup> AND DISPOSAL \$'000	ACC DEPN <sup>2</sup> & IMPAIRMENT 30 JUNE 2021 \$'000	NBV <sup>3</sup> 01 JULY 2020 \$'000	NBV <sup>3</sup> 30 JUNE 2021 \$'000
-	208,160	-	-	-	-	146,220	208,160
-	120,428	(9,883)	(5,167)	11	(15,039)	78,424	105,389
-	4,535	(3,881)	(192)	-	(4,073)	435	462
-	5,002	(4,148)	(334)	348	(4,134)	987	868
-	4,855	(2,887)	(272)	23	(3,137)	1,686	1,718
-	9,910	(8,016)	(465)	-	(8,481)	1,130	1,429
-	8,120	(6,773)	(315)	-	(7,087)	1,070	1,033
-	1,843	(619)	(31)	-	(650)	1,224	1,193
-	-	-	-	-	-	-	-
-	<b>362,854</b>	<b>(36,208)</b>	<b>(6,775)</b>	<b>382</b>	<b>(42,602)</b>	<b>231,177</b>	<b>320,252</b>
-	594,579	-	(9,003)	-	(9,003)	575,072	585,576
-	81,528	-	(1,551)	-	(1,551)	81,241	79,977
-	81,163	-	-	-	-	72,202	81,163
-	159,625	-	(1,815)	-	(1,815)	149,914	157,810
-	189,612	(973)	(6,217)	1,263	(5,926)	174,352	183,686
-	15,180	(63)	(648)	104	(607)	14,356	14,573
-	186,437	(48)	(4,602)	-	(4,650)	152,195	181,787
-	78,398	(123)	(38)	-	(161)	76,090	78,238
-	5,612	(318)	(39)	-	(357)	5,294	5,255
-	6,824	(74)	(242)	-	(316)	6,734	6,508
-	1,364	(205)	(69)	-	(274)	1,150	1,090
-	<b>1,400,321</b>	<b>(1,804)</b>	<b>(24,223)</b>	<b>1,368</b>	<b>(24,660)</b>	<b>1,308,601</b>	<b>1,375,662</b>
-	<b>1,763,175</b>	<b>(38,012)</b>	<b>(30,999)</b>	<b>1,749</b>	<b>(67,261)</b>	<b>1,539,778</b>	<b>1,695,914</b>

## NOTES TO FINANCIAL STATEMENTS

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

CORE ASSETS	CLOSING BOOK VALUE AT 30 JUNE 2022 \$000	ASSETS CONSTRUCTED FOR THE YEAR ENDING 30 JUNE 2022 \$000	ASSETS TRANSFERRED FOR THE YEAR ENDING 30 JUNE 2022 \$000	REPLACEMENT COSTS AS AT 30 JUNE 2022 \$000
Water supply – treatment plants	23,951	8,236	–	26,935
Water supply – other assets including reticulation	233,180	33,339	1,893	323,978
Wastewater – treatment plants	25,544	5,716	–	88,598
Wastewater – other assets including reticulation	242,487	2,578	5,524	296,510
Stormwater	184,922	1,861	7,917	255,763
Flood protection and control works	83,410	5,209	–	84,716
Transportation – roads, bridges, footpaths and land under roads	916,711	11,519	31,381	1,249,081

CORE ASSETS	CLOSING BOOK VALUE AT 30 JUNE 2021 \$000	ASSETS CONSTRUCTED FOR THE YEAR ENDING 30 JUNE 2021 \$000	ASSETS TRANSFERRED FOR THE YEAR ENDING 30 JUNE 2021 \$000	REPLACEMENT COSTS AS AT 30 JUNE 2021 \$000
Water supply – treatment plants	13,652	3,965	–	14,328
Water supply – other assets including reticulation	168,805	31,653	2,164	217,167
Wastewater – treatment plants	14,302	1,773	–	2,697
Wastewater – other assets including reticulation	169,382	8,305	4,688	256,113
Stormwater	157,809	2,272	7,438	201,785
Flood protection and control works	78,237	2,185	–	79,507
Transportation – roads, bridges, footpaths and land under roads	746,068	13,526	15,230	937,150

### 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 operations assets.

2020/2021 \$000	WORK IN PROGRESS	2021/2022 \$000
261	Refuse	474
–	Bridges	–
1,624	Roading	1,086
55,988	Water	75,507
1,826	Stormwater	1,800
6,174	Wastewater	8,989
502	Land	778
3,477	Buildings	1,107
<b>69,852</b>	<b>Total work in progress</b>	<b>89,741</b>

## NOTE 16: INTANGIBLE ASSETS

**Software acquisition and development** – Acquired computer software licenses are capitalized, including the costs to acquire and bring to use the specific software, if council has control and future benefit.

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.

### **Forestry Emissions Trading Scheme (ETS) Credits**

- **Encumbered units:** Council earns ETS units over time as the forest grows in exchange for the carbon absorbed from the atmosphere by these trees. Therefore, the number of units held by Council increases as the plantation forestry grows and are surrendered when the trees are harvested. These units are included in the Forestry Valuation, and therefore are not included in Intangibles (refer to Note 18, Forestry Assets, assumption 10).
- **Unencumbered units:** Units which are deemed to be surplus to future harvest obligations are recognised at cost (which is fair value if these were not purchased) 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 or sold.

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 or sold.

**Landfill Emissions Trading Scheme (ETS) Credits – ETS credits held to meet the landfill liability** – 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.

## NOTES TO FINANCIAL STATEMENTS

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

#### IMPAIRMENT

**Emissions Trading Scheme (ETS) 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.

2021/2022	COMPUTER SOFTWARE \$'000	ETS CREDITS \$'000	TOTAL \$'000
<b>COST</b>			
Cost at 1 July 2021	3,965	2,314	6,279
Additions	49	1,413	1,462
Disposals	–	(495)	(495)
<b>Cost at 30 June 2022</b>	<b>4,014</b>	<b>3,232</b>	<b>7,246</b>
<b>ACCUMULATED AMORTISATION AND IMPAIRMENT</b>			
Accumulated amortisation at 1 July 2021	(3,427)	–	(3,427)
Amortisation expense	(171)	–	(171)
Disposals	–	–	–
<b>Accumulated amortisation at 30 June 2022</b>	<b>(3,598)</b>	<b>–</b>	<b>(3,598)</b>
<b>Net book value at 30 June 2022</b>	<b>416</b>	<b>3,232</b>	<b>3,648</b>

#### ETS units and market values

The market value of a ETS credit unit at 30 June 2022 was \$75.90 per unit (30 June 2021: \$43.47).

#### ETS units held by Council are comprised:

- Landfill ETS credits held to meet landfill obligation: Council's share in Joint Venture (NTRLBU):  
Book value (cost): \$2,984,000, 70,455 units.
- Forestry ETS credits: Book value (cost): \$248,000, 325,997 units.

Of the 325,997 units:

- 61,827 units are related to pre 1990 forestry which have no current or future harvest liability. The book value (at cost) recognised is \$248,000. The market value of these units is \$4,693,000 (\$75.90 per unit).
- 264,170 encumbered units are held to meet present and future obligation to surrender units upon harvest. At 30 June 2022 the present obligation from harvest was 92,880 units. These units are held to meet harvest obligations and there were no unencumbered (surplus or safe units) or deficit units at 30 June 2022. These units are included in the Forestry Valuation, and therefore are not included in Intangibles (refer to Note 18, Forestry Assets, assumption 10).

## NOTES TO FINANCIAL STATEMENTS

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

2020/2021	COMPUTER SOFTWARE \$000	ETS CREDITS \$000	TOTAL \$000
<b>COST</b>			
Cost at 1 July 2020	5,320	1,300	6,620
Additions	181	1,014	1,195
Disposals	(1,536)	–	(1,536)
<b>Cost at 30 June 2021</b>	<b>3,965</b>	<b>2,314</b>	<b>6,279</b>
<b>ACCUMULATED AMORTISATION AND IMPAIRMENT</b>			
Accumulated amortisation at 1 July 2020	(4,275)	–	(4,275)
Amortisation expense	(383)	–	(383)
Disposals	1,231	–	1,231
<b>Accumulated amortisation at 30 June 2021</b>	<b>(3,427)</b>	<b>–</b>	<b>(3,427)</b>
<b>Net book value at 30 June 2021</b>	<b>538</b>	<b>2,314</b>	<b>2,852</b>

#### ETS credits are comprised:

- Forestry ETS credits: \$310,000, 325,997 units.
- Landfill ETS credits: Council's share in the Nelson Tasman Regional Landfill Business Unit (NTRLBU): \$2,004,000, 70,455 units.

The market value of a ETS credit unit at 30 June 2021 was \$43.47.

### NOTE 17: DEPRECIATION BY GROUP OF ACTIVITY

2020/2021 \$000	DEPRECIATION EXPENSE BY GROUP OF ACTIVITY	2021/2022 \$000
313	Environment and Planning	294
22,698	Engineering	22,321
4,384	Community Development	4,471
853	Council Enterprises	725
–	Governance	–
<b>28,248</b>	<b>Total directly attributable depreciation by group of activity</b>	<b>27,811</b>
1,340	Depreciation expense not directly related to group of activities	1,387
<b>29,588</b>	<b>Total depreciation (excluding amortisation expense)</b>	<b>29,198</b>
1,411	Plus depreciation from joint operations	1,590
<b>30,999</b>	<b>Total depreciation per property, plant and equipment note (Note 15)</b>	<b>30,788</b>
383	Plus amortisation expense	171
(1,411)	Less depreciation from joint operations	(1,590)
<b>29,971</b>	<b>Total depreciation and amortisation per statement of comprehensive revenue and income</b>	<b>29,369</b>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 18: FORESTRY ASSETS

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

Gains or losses arising on initial recognition of forestry assets at fair value, less estimated point-of-sale costs, 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, and revenues from harvest, are included in the surplus or deficit when incurred.

30 JUNE 2021 \$000	FORESTRY ASSETS	30 JUNE 2022 \$000
<b>47,058</b>	<b>Balance at 1 July</b>	<b>50,212</b>
	<b>Gain/(loss) attributable to:</b>	
(5,180)	1. Decrease due to harvest	(11,180)
5,370	2. Advance due to 30 June	3,390
300	3. Update area data and harvest schedule	-
(300)	4. Update crop types and yield tables	740
(700)	5. Update costs	(2,510)
2,820	6. Log price assumption	4,000
890	7. Discount rate	-
(50)	8. Movement in cost to sell	83
(132)	9. Howard forest JO block	106
136	10. Other	6
<b>3,154</b>	<b>Net gain/(loss)</b>	<b>(5,365)</b>
<b>50,212</b>	<b>Balance at 30 June</b>	<b>44,847</b>

### NATURE OF FORESTRY ASSETS

Council owns 2,174 hectares of planted *Pinus radiata* forest, which are at varying stages of maturity ranging from one to 39 years. Council also owns 205 hectares of planted Douglas fir and 27 hectares of planted *Cupressus* Species trees.

### ANNUAL REVALUATION

Registered valuers PF Olsen Ltd have valued forestry assets as at 30 June 2022. PF Olsen also provides Council with forest management services. To preserve independence, the valuation presented by PF Olsen Ltd was peer reviewed by Woodlands Pacific Consulting Limited. The recommendations of the peer review were taken in to account when determining the fair value of forestry assets.

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.



## NOTES TO FINANCIAL STATEMENTS

### NOTE 18: FORESTRY ASSETS (CONT.)

#### EXPLANATION OF SIGNIFICANT ASSUMPTIONS AND MOVEMENTS

1. Removal of areas harvested since 30 June 2021 reduced the tree crop value by \$11.2 million (21.9%). Total harvested volume during the year ended 30 June 2022 was 170,087 tonnes (2021: 94,512 tonnes harvested).
2. Advancing forest maturity by one year adds physical growth to the crops, reduces the present value of future costs, increases present value of future revenues.
3. Updating the harvest schedule to match the current ten-year operational plan.
4. No updates were made to the generic crop type yield tables this year, but any new inventory was run and new stand-based yield tables were included for nine stands in Howard Forest. Further the final values were adjusted as per the recommendations made from peer review by Woodlands Pacific Consulting Limited.
5. Marginal changes to annual costs, harvest costs and cartage costs reduced the valuation by 5.1%.
6. 12 month (July 2021 – June 2022) log prices are applied to the 2022 harvest and five-year average prices are applied from 2026. Interpolated prices are applied for years 2023 – 2025. Based on market evidence analysed, the log prices assumed in this valuation represent a fair and reasonable view of long-term prices by log grade as demonstrated by log prices implied in recent sales of mature forests, including stumpage sales. The net impact is an increase in the valuation of 7.1%.
7. A pre-tax discount rate of 7.3% has been used in discounting the present value of expected pre-tax cash flows (2021: pre-tax discount rate of 7.3% was used). This is the average discount rate used by the Manley survey respondents (2019) for forests >1000ha.
8. The Howard JV stumpage since June 2021 has been marginally positive, hence variations in cost and log price have a large impact. This resulted in a net 267.7% increase in the Howard joint operation crop valuation.
9. Council also owns a small stand of timber through its share of the Nelson Regional Sewerage Business Unit joint operation. The movement in the value of this stand is included.

#### 10. Emission Trading Scheme 'ETS' units

Council earns ETS units over time as the forest grows in exchange for the carbon absorbed from the atmosphere by these trees. Therefore, the number of units held by Council increases as the plantation forestry grows and are surrendered when the trees are harvested.

The valuation is prepared on the assumption that Council's 'encumbered' ETS units would transfer with a sale of the forestry to the purchaser. If council no longer held these encumbered units, i.e. sold the units, that would reduce the fair value of the Council's forestry.

Council's valuation method is a discounted cashflow ('DCF') and, if Council has sufficient ETS units to fully meet the harvest liability, the model assumes nil cash outflows for the cost of ETS units which would be required on harvest. This valuation is therefore inclusive of ETS credits held, which have been accumulated through tree growth and future surrender of these credits that will occur upon harvest.

At 30 June, 2022, Council's carbon modelling forecast shows there were no unencumbered (or 'safe', 'surplus or deficit' units) at 30 June 2022. Therefore, at 30 June 2022 the number of units held is approximately equal to the estimated future surrender.

#### ETS Balances at 30 June 2022

At 30 June 2022, Council held 264,170 encumbered units (deemed cost\* of \$5,996,000) of which 92,880 units (deemed cost\* \$2,583,000) are required to meet current harvest obligation, and the remaining units are held to meet future obligations upon harvest. Therefore, the units held less harvest obligation totals 171,290 units (deemed cost \$3,413,000).

\*Deemed cost is the market value of the ETS units at the date the units were acquired.  
Deemed cost for the harvest obligation is calculated on a 'First In First Out' basis.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 18: FORESTRY ASSETS (CONT.)

#### RISK MANAGEMENT

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.

### 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, the 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.

30 JUNE 2021 \$000	INVESTMENT PROPERTY	30 JUNE 2022 \$000
5,350	Balance at 1 July	5,820
270	Addition (transfer from property, plant and equipment)	156
200	Gain/(loss) on changes in fair value of investment property	(346)
<b>5,820</b>	<b>Balance at 30 June</b>	<b>5,630</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 the 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.

COVID 19 Impact: The real estate market that the subject property is transacted in is being impacted by the uncertainty that the Covid-19 outbreak has caused. As at the date of valuation there is some long term uncertainty for properties having a reliance on travel and tourism. The valuations are based on the current information and factors known at 30 June 2022.

## NOTE 20: INVESTMENT IN JOINT VENTURES

Council accounts for an investment in a joint venture in the financial statements using the equity method. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. The Council's interest in the net assets, surplus and other comprehensive revenue is included on an equity accounting basis. The investment in a joint venture is initially recognised at cost and the carrying amount is increased or decreased to recognise Council's interest in the surplus or deficit of the joint venture after the date of acquisition. Distributions received from joint ventures reduce the carrying amount of the investment.

Where Council transacts with a joint venture, surpluses or deficits are eliminated to the extent of Council's interest in the joint ventures.

Council has recognised its interest, according to the entities audited financial statements (30 June 2022) using the equity method for its joint ventures:

- Port Nelson Ltd – Council was vested a 50% shareholding, and interest, in this entity.
- Nelson Airport Ltd – Council has a 50% shareholding, and interest, in this entity.
- Tasman Bays Heritage Trust – Council has a 50% interest in this Trust.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 20: INVESTMENT IN JOINT VENTURES (CONT.)

INVESTMENT IN JOINT VENTURES 2021/2022	PORT NELSON LTD \$000	NELSON AIRPORT LTD \$000	TASMAN BAYS HERITAGE TRUST INC. \$000	TOTAL EQUITY ACCOUNTED SHARE \$000
Current assets	12,274	1,441	519	
Non-current assets	368,812	146,161	32,141	
Current liabilities	(51,279)	(2,593)	(451)	
Non-current liabilities	(56,195)	(44,360)	(572)	
<b>Net assets</b>	<b>273,613</b>	<b>100,649</b>	<b>31,637</b>	
Revenue	76,793	11,732	2,335	
Expense (net of finance cost)	(61,647)	(9,034)	(2,374)	
Tax expense	(3,130)	(797)	-	
Other comprehensive revenue and (expense)	4,757	6,087	(5)	
<b>Total comprehensive revenue and (expense)</b>	<b>16,773</b>	<b>7,988</b>	<b>(44)</b>	

#### EQUITY ACCOUNTED SHARE OF ENTITY'S FINANCIAL INFORMATION

Net assets	273,613	100,649	31,637	
Proportion of Council's interest	50%	50%	50%	
Eliminations and adjustments to net assets	208	-	-	
<b>Council's equity accounted investment</b>	<b>137,014</b>	<b>50,324</b>	<b>15,818</b>	<b>203,157</b>
Council's interest in joint venture surplus	6,157	1,040	(30)	7,167
Council's interest in other comprehensive revenue	2,380	2,367	5,182	9,928

#### OTHER DISCLOSURES

Joint venture cash and cash equivalents	389	141	271	
Joint venture depreciation and amortisation expense	10,242	3,507	445	
Joint venture net finance expense / (income)	3,107	(507)	-	
Council share of in capital commitments	984	616	18	
Council's dividends received or receivable	2,430	550	-	

## NOTES TO FINANCIAL STATEMENTS

### NOTE 20: INVESTMENT IN JOINT VENTURES (CONT.)

INVESTMENT IN JOINT VENTURES 2020/2021	PORT NELSON LTD \$000	NELSON AIRPORT LTD \$000	TASMAN BAYS HERITAGE TRUST INC. \$000
Current assets	11,170	887	683
Non-current assets	360,201	140,969	21,957
Current liabilities	(11,729)	(2,460)	(539)
Non-current liabilities	(97,826)	(44,460)	(767)
<b>Net assets</b>	<b>261,816</b>	<b>94,936</b>	<b>21,334</b>
Revenue	73,510	13,628	2,340
Expense (net of finance cost)	(56,647)	(10,924)	(2,034)
Tax expense	(3,714)	(596)	-
Other comprehensive revenue and (expense)	2,307	26,368	1,699
<b>Total comprehensive revenue and (expense)</b>	<b>15,456</b>	<b>28,476</b>	<b>2,005</b>

#### EQUITY ACCOUNTED SHARE OF ENTITY'S FINANCIAL INFORMATION

Net assets	261,816	94,936	21,334
Proportion of Council's interest	50%	50%	50%
Eliminations and adjustments to net assets	-	-	-
<b>Council's equity accounted investment</b>	<b>130,908</b>	<b>47,468</b>	<b>10,667</b>
Council's interest in joint venture surplus	6,575	689	153
Council's interest in other comprehensive revenue	(365)	13,985	850

#### OTHER DISCLOSURES

Joint venture cash and cash equivalents	374	41	409
Joint venture depreciation and amortisation expense	9,300	5,522	326
Joint venture net finance expense / (income)	2,598	196	-
Council share of in capital commitments	2,952	816	8
Council's dividends received or receivable	2,000	500	-

With the exception of the policies noted below all policies adopted by Council's Joint Ventures are consistent with the policies adopted by Council. Figures in the tables above are based on draft Joint Venture figures, which have been used for Council's equity accounting. These may immaterially differ from final published results. These differences are recognised in Councils following year Financial Statements. The Financial Statements of the joint ventures are published on the publicly available websites of the entities.

#### DIFFERENCES IN ACCOUNTING POLICIES

Council applies depreciation on a straight line basis, whereas Nelson Airport Ltd has adopted diminishing values in regard to fixtures and fittings, computer software and branding assets. Nelson Airport capitalises interest costs, whereas Council expenses these, this is adjusted in Council's Financial Statements, however the impact is not material. The effect of these differences in accounting policy are not significant in Council's Financial Statements.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 20: INVESTMENT IN JOINT VENTURES (CONT.)

#### PERFORMANCE MEASURES

##### Actual and target returns on joint ventures

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

	TARGET RETURN	2019/2020	2020/2021	2021/2022
Port Nelson Limited	Annual dividend of not less than 50% of net profit after tax (approximately \$5.5 million per annum, shared between the two Councils).	Achieved a total dividend \$4.8 million [net profit after tax \$8 million].  Council's dividend share was \$2.4 million.	Achieved a total dividend \$4.0 million [net profit after tax \$13.1 million].  Council's dividend share was \$2.0 million.	Achieved a total dividend \$4.86 million [net profit after tax \$12.0 million].  Council's dividend share was \$2.43 million.
Nelson Airport Limited	Deliver dividend growth in excess of CPI movement, and higher than that declared in previous financial year.	Achieved. Dividend growth 9%.  A total dividend of \$850,000 was declared related to the 2019/2020 year.  Council's dividend share was \$425,000.	Achieved. Dividend growth 18%.  A total dividend of \$1,000,000 was declared related to the 2020/2021 year.  Council's dividend share was \$500,000.	Achieved. Dividend growth 10%.  A total dividend of \$1,100,000 was declared related to the 2021/22 year.  Council's dividend share was \$550,000.

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 OPERATIONS

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint operations also include operations where there activities primarily aim to provide the joint arrangement parties with an output (i.e. the parties have rights to substantially all of the service potential or economic benefits of the assets).

Council recognises in relation to its interest in a joint operation:

- a. Its assets, including its share of any assets held jointly;
- b. Its liabilities, including its share of any liabilities incurred jointly;
- c. Its revenue from the sale of its share of the output arising from the joint operation;
- d. Its share of the revenue from the sale of the output by the joint operation; and
- e. Its expenses, including its share of any expenses incurred jointly.

The entities disclosed below are joint operations.

### NELSON REGIONAL SEWERAGE BUSINESS UNIT (NRSBU)

Council has a 50% interest in this joint business unit between Tasman District Council and Nelson City Council. The most recent unaudited financial statements (30 June 2022) have been used to determine Council's interest.

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

Council has a 50% interest in this entity. The most recent unaudited financial statements (30 June 2021) have been used to determine Council's interest.

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

Council has a 50% interest in this joint business unit between Tasman District Council and Nelson City Council. The most recent unaudited financial statements (30 June 2022) 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 operation 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.

As at 30 June 2022, Council guarantees a loan between WWL and Crown Irrigation Investments Ltd (CIIL). 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, as it will no longer be guarantor for the loan.

- Waimea Water Ltd – Council has a minimum 51% shareholding in this entity, however the accounting interest differs according to the nature and agreements regarding the balances:
- Expenses – The Wholesale Water Augmentation Agreement section 5, provides that Council is responsible for 51% of the operating costs of WWL.
- WWL borrowings to be serviced by WIL – Council is not responsible for borrowings to be serviced by WIL, therefore these borrowings are not recognised in Council's financial statements.
- Other assets and liabilities: Council recognises its accounting interest as the proportion of Council's paid up equity and convertible shareholder advances divided by total equity and convertible shareholder advances. The difference between Council's investment and advances, and the accounting interest, is recognised in revenue or expense.

At 30 June 2022 the interest is 48.25% (2021: 50.19%).



## NOTES TO FINANCIAL STATEMENTS

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

Council's interest in the assets and liabilities recognised is:

YEAR ENDED 30 JUNE 2022	NRSBU \$000	NTCDEM \$000	NTRLBU \$000	WWL \$000	TOTAL \$000
<b>FINANCIAL RESULTS AFTER INTER-ENTITY ELIMINATIONS</b>					
Net revenue	3,219	236	4,847	(16)	8,287
Net expenditure	(4,077)	(484)	(4,788)	(756)	(10,106)
<b>Net surplus/(deficit)</b>	<b>(858)</b>	<b>(248)</b>	<b>59</b>	<b>(772)</b>	<b>(1,819)</b>
Includes depreciation of	(1,416)	(25)	(117)	(8)	(1,566)
<b>Other comprehensive income/(expense)</b>	<b>4,430</b>	<b>-</b>	<b>313</b>	<b>-</b>	<b>4,743</b>
<b>Total comprehensive income/(expense)</b>	<b>3,572</b>	<b>(248)</b>	<b>372</b>	<b>(772)</b>	<b>2,924</b>
Current assets	243	147	378	4,989	5,757
Current liabilities	(2,304)	-	(1,960)	(3,231)	(7,495)
Non-current assets	46,470	147	8,325	66,345	121,287
Non-current liabilities	-	-	(2,778)	-	(2,778)
<b>Net assets</b>	<b>44,409</b>	<b>294</b>	<b>3,965</b>	<b>68,103</b>	<b>116,771</b>

YEAR ENDED 30 JUNE 2021	NRSBU \$000	NTCDEM \$000	NTRLBU \$000	WWL \$000	TOTAL \$000
<b>FINANCIAL RESULTS AFTER INTER-ENTITY ELIMINATIONS</b>					
Net revenue	2,996	145	3,993	232	7,365
Net expenditure	(3,542)	(459)	(4,381)	(3,741)	(12,122)
<b>Net surplus/(deficit)</b>	<b>(546)</b>	<b>(314)</b>	<b>(388)</b>	<b>(3,509)</b>	<b>(4,757)</b>
Includes depreciation of	(1,230)	(36)	(110)	(10)	(1,386)
<b>Other comprehensive income/(expense)</b>	<b>1,765</b>	<b>-</b>	<b>79</b>	<b>-</b>	<b>1,844</b>
<b>Total comprehensive income/(expense)</b>	<b>1,219</b>	<b>(314)</b>	<b>(309)</b>	<b>(3,509)</b>	<b>(2,913)</b>
Current assets	142	172	704	5,093	6,111
Current liabilities	(1,420)	-	(981)	(2,310)	(4,711)
Non-current assets	39,297	141	4,970	44,895	89,303
Non-current liabilities	-	-	(2,078)	-	(2,078)
<b>Net assets</b>	<b>38,019</b>	<b>313</b>	<b>2,615</b>	<b>47,678</b>	<b>88,625</b>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 22: TRADE AND OTHER PAYABLES

Creditors and other payables are recorded at their face value.

30 JUNE 2021 \$000	TRADE AND OTHER PAYABLES	30 JUNE 2022 \$000
11,451	Trade payables	10,968
8,794	Sundry accruals	11,550
1,874	Other liabilities, bonds and deposits	2,508
3,790	Revenue in advance	5,711
<b>25,909</b>	<b>Total trade and other payables</b>	<b>30,737</b>

Revenue in advance includes unspent grant funding (refer to Note 4):

- Three Waters Stimulus: \$Nil (2021: 1.2 million) related to unspent grant funding
- Climate Resilience Programme \$1.6 million (2021: Nil)

### 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 2017 the Nelson Tasman Regional Landfill Business Unit (NTRLBU) (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.

30 JUNE 2021 \$000	PROVISIONS	30 JUNE 2022 \$000
	<b>Term</b>	<b>Term</b>
3,729	Opening balance	3,861
(68)	Change in provision	(500)
200	Unwinding of discount	200
<b>3,861</b>		<b>3,561</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.

**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, 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.

30 JUNE 2021 \$000	EMPLOYEE BENEFIT LIABILITIES	30 JUNE 2022 \$000
870	Accrued pay	1,098
1,794	Annual leave	2,065
170	Retirement gratuities	186
425	Long service leave	384
-	Sick leave	-
<b>3,259</b>	<b>Total employee benefit liabilities</b>	<b>3,733</b>
	<b>Comprising:</b>	
2,890	Current	3,342
369	Non-current	391
<b>3,259</b>	<b>Total employee benefit liabilities</b>	<b>3,733</b>

## NOTES TO FINANCIAL STATEMENTS

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

#### 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 4.30% (2021: 4.30%) and an inflation factor of 2.30% (2021: 2.30%) were used.

The retirement obligations have not been discounted to present value.

### 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.

30 JUNE 2021 \$000	30 JUNE 2021 \$000	BORROWINGS	30 JUNE 2022 \$000	30 JUNE 2022 \$000
Term	Current		Term	Current
144,062	42,000	Tasman District Council	190,970	49,003
-	-	Finance lease	-	-
<b>144,062</b>	<b>42,000</b>		<b>190,970</b>	<b>49,003</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 1.69% to 4.53% with a weighted average cost of borrowings, including swap rates and bank facility fees of 3.18% (2021: 0.56% to 4.53% with a weighted average of 3.75%).

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

30 JUNE 2021 \$000	REPAYABLE PERIOD OF LOANS	30 JUNE 2022 \$000
	<b>Repayable:</b>	
42,000	Within 1 year	49,003
<b>42,000</b>	<b>Current portion</b>	<b>49,003</b>
24,988	Within 1 – 2 years	31,681
52,000	Within 2 – 5 years	89,500
56,500	5+ years	57,000
13,000	Beyond 10 years	22,000
<b>146,488</b>	<b>Non-current portion</b>	<b>200,181</b>
(2,426)	Present value adjustment	(9,210)
<b>186,062</b>	<b>Total loans</b>	<b>239,973</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 2022-2023 financial year totalling \$49 million, classified as a current liability. It is probable that \$24 million of commercial paper being extended and \$25 million loans will be refinanced and extended within the 12 month period.

#### E. FINANCE LEASES

Council has no significant finance leases.

#### F. INTERNAL BORROWINGS

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

GROUP OF ACTIVITY 2022	30 JUNE 2021 \$000	LOANS RAISED \$000	LOANS REPAID \$000	30 JUNE 2022 \$000
Environmental Management	528	846	(111)	1,263
Public Health and Safety	714	–	(44)	670
Transportation, Roads and Footpaths	41,052	4,158	(4,381)	40,829
Coastal Structures	540	–	(72)	468
Water Supply	75,653	7,959	(3,587)	80,025
Wastewater	31,973	1,518	(1,830)	31,661
Stormwater	25,313	3,812	(1,920)	27,205
Solid Waste	10,635	292	(1,096)	9,830
Flood Protection and River Control Works	–	1,514	(58)	1,457
Community Development	28,521	4,234	(1,914)	30,841
Council Enterprises	7,434	851	(678)	7,607
<b>Total internal loans</b>	<b>222,363</b>	<b>25,184</b>	<b>(15,691)</b>	<b>231,856</b>

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

## NOTES TO FINANCIAL STATEMENTS

### NOTE 25: BORROWINGS (CONT.)

#### G. COVENANT COMPLIANCE

Borrowings includes loans from the LGFA which require Council to meet its borrowing covenants. At the 30 June 2022 the Council has complied with these covenants. The Council also complied with its Treasury Risk Management Policy 2019. The policy and covenants relate to ratios related to debt, interest cost and revenue.

### 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 2021 \$000	REVALUATION RESERVE	INCREASE/ (DECREASE) \$000	IMPAIRMENT ADJUSTMENT \$000	30 JUNE 2022 \$000
88,230	Port Nelson Limited	2,380	–	90,610
1,501	Port Tarakohe	–	–	1,501
–	Waimea Water Limited	–	–	–
19,898	Nelson Regional Sewerage Business Unit	4,430	–	24,328
142	Nelson Tasman Regional Landfill Business Unit	313	–	455
37,779	Nelson Airport Limited	2,367	–	40,146
6,032	NZ Local Government Shares	807	–	6,839
3,328	Tasman Bay Heritage Trust	5,182	–	8,510
150,528	Land	–	(2,165)	148,363
2,042	Bridges	11,985	–	14,027
74,146	Buildings	–	–	74,146
402,491	Roads	126,178	–	528,669
602	Aerodromes	–	–	602
35,270	Rivers	–	–	35,270
1,778	Coastal structures and ports	–	–	1,778
1,236	Refuse	–	–	1,236
58,546	Wastewater	72,472	–	131,018
78,242	Stormwater	19,455	–	97,697
43,058	Water	38,563	–	81,621
<b>1,004,848</b>		<b>284,133</b>	<b>(2,165)</b>	<b>1,286,815</b>

## NOTES TO FINANCIAL STATEMENTS

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

30 JUNE 2020 \$000	REVALUATION RESERVE	INCREASE/ (DECREASE) \$000	IMPAIRMENT ADJUSTMENT \$000	30 JUNE 2021 \$000
88,595	Port Nelson Limited	(365)	–	88,230
1,501	Port Tarohe	–	–	1,501
–	Waimea Water Limited	–	–	–
18,133	Nelson Regional Sewerage Business Unit	1,765	–	19,898
63	Nelson Tasman Regional Landfill Business Unit	79	–	142
23,795	Nelson Airport Limited	13,984	–	37,779
5,106	NZ Local Government Shares	926	–	6,032
2,473	Tasman Bay Heritage Trust	855	–	3,328
91,513	Land	59,015	–	150,528
2,042	Bridges	–	–	2,042
48,412	Buildings	25,733	–	74,146
402,491	Roads	–	–	402,491
602	Aerodromes	–	–	602
35,270	Rivers	–	–	35,270
1,778	Coastal structures and ports	–	–	1,778
1,236	Refuse	–	–	1,236
58,546	Wastewater	–	–	58,546
78,242	Stormwater	–	–	78,242
43,058	Water	–	–	43,058
<b>902,856</b>		<b>101,992</b>	<b>–</b>	<b>1,004,848</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.

2020/2021 \$000	ACCUMULATED EQUITY	2021/2022 \$000
655,633	Opening balance	718,956
69,478	Surplus	92,609
(6,155)	Net transfers (to)/from restricted reserves	(29)
–	Net transfers (to)/from revaluation reserve	–
–	Equity restatement	–
<b>718,956</b>		<b>811,537</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.

2020/2021 \$000	RESTRICTED AND COUNCIL CREATED RESERVES	2021/2022 \$000
33,301	At 1 July	39,456
	<b>Transfers to:</b>	
6,155	Net transfers to reserves	29
<b>39,456</b>	<b>At 30 June</b>	<b>39,485</b>
	<b>Restricted funds consist of:</b>	
39,456	Other funds (detailed below)	39,485
<b>39,456</b>		<b>39,485</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.

2021/2022	ACTIVITY TO WHICH THE FUND RELATES	OPENING BALANCE 1 JULY 2021 \$000	TRANSFER INTO FUND \$000	TRANSFERS OUT OF FUND \$000	CLOSING BALANCE 30 JUNE 2022 \$000
Reserve Financial Contributions Reserve	Community Facilities & Parks	17,493	5,797	(2,246)	21,044
Rivers Disaster Fund	Rivers & Flood Protection	100	(99)	–	1
Rivers Reserve	Rivers & Flood Protection	(680)	8,652	(8,168)	(196)
Water Reserve	Water	(697)	26,952	(28,345)	(2,090)
Waimea Water Financing	Water	253	(895)	1	(641)
Wastewater Reserve	Wastewater	2,696	11,899	(12,208)	2,387
Self-Insurance Fund	Overall Council	1,147	9	–	1,156
Stormwater Reserve	Stormwater	1,191	9,853	(9,710)	1,334
Solid Waste Reserve	Solid Waste	173	11,649	(11,952)	(130)
Dog Control Reserve	Public Health & Safety	19	483	(496)	6
Community Facilities Rate Reserve	Community Facilities & Parks	97	3,716	(3,930)	(117)
Camping Ground Reserve	Council Enterprises & Property	580	1,695	(2,072)	203
Community Housing Reserve	Community Facilities & Parks	787	943	(784)	946
Development Contribution Reserve	Roading & Footpaths, Water, Wastewater, Stormwater	12,070	11,457	(10,533)	12,994
Disaster Fund	Governance, Roading & Footpaths, Water, Wastewater, Stormwater	4,227	(1,639)	–	2,588
<b>Total</b>		<b>39,456</b>	<b>90,472</b>	<b>(90,443)</b>	<b>39,485</b>

## NOTES TO FINANCIAL STATEMENTS

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

2020/2021	ACTIVITY TO WHICH THE FUND RELATES	OPENING BALANCE 1 JULY 2020 \$000	TRANSFER INTO FUND \$000	TRANSFERS OUT OF FUND \$000	CLOSING BALANCE 30 JUNE 2021 \$000
Reserve Financial Contributions Reserve	Community Facilities & Parks	14,120	6,370	(2,997)	17,493
Rivers Disaster Fund	Rivers & Flood Protection	97	3	–	100
Rivers Reserve	Rivers & Flood Protection	(496)	4,355	(4,539)	(680)
Water Reserve	Water	(77)	22,247	(22,867)	(697)
Waimea Water Financing	Water	1,879	(655)	(971)	253
Wastewater Reserve	Wastewater	2,070	14,468	(13,842)	2,696
Self-Insurance Fund	Overall Council	1,144	3	–	1,147
Stormwater Reserve	Stormwater	734	5,105	(4,648)	1,191
Solid Waste Reserve	Solid Waste	237	11,432	(11,496)	173
Dog Control Reserve	Public Health & Safety	41	480	(502)	19
Community Facilities Rate Reserve	Community Facilities & Parks	118	3,577	(3,598)	97
Camping Ground Reserve	Council Enterprises & Property	176	1,278	(874)	580
Community Housing Reserve	Community Facilities & Parks	630	842	(685)	787
Development Contribution Reserve	Roading & Footpaths, Water, Wastewater, Stormwater	8,711	9,670	(6,311)	12,070
General Disaster Fund	Governance	3,917	310	–	4,227
<b>Total</b>		<b>33,301</b>	<b>79,485</b>	<b>(73,330)</b>	<b>39,456</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 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.

#### Disaster Fund

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

#### Reconciliation of surplus/ (deficit) after income tax to net cash flow from operating activities

30 JUNE 2021 \$000	CASHFLOW RECONCILIATION	30 JUNE 2022 \$000
<b>69,478</b>	<b>Opening surplus/(deficit)</b>	<b>92,609</b>
	<b>ADD NON-CASH EXPENSES/(LESS) NON CASH REVENUE:</b>	
31,382	Depreciation and amortisation	30,959
(4,842)	Share of joint venture's (surplus)/deficit net of dividend	(3,987)
4,904	Asset write down and disposal	5,415
(30,253)	Vested assets	(47,452)
(200)	Unrealised (gain)/loss on investment property	345
(3,278)	Fair value (gain)/loss of forestry assets	5,366
(9,301)	Unrealised (gain)/loss on interest rate derivatives	(12,779)
–	Unwinding of discount	(6,784)
(1,208)	Change of share of interest in joint operation assets	–
	<b>ADD/(LESS) MOVEMENTS IN WORKING CAPITAL ITEMS:</b>	
1,286	(Increase)/decrease in receivables	613
(203)	Increase/(decrease) in payables and employee benefit liabilities	5,280
	<b>ADD/(LESS) OTHER:</b>	
132	Increase/(decrease) in provisions	(300)
(172)	(Gain)/loss on sale included in investing activities	(11)
(1,382)	(Increase)/decrease in capital amounts included in receivables and payables movement	2,578
53	Increase/(decrease) in non-current employee benefit liabilities	22
–	Other	3
<b>56,396</b>	<b>Net cash flow from operating</b>	<b>71,877</b>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 29: CASHFLOW RECONCILIATION (CONT.)

#### Reconciliation of liabilities arising from financing activities

	CASH MOVEMENTS \$000	NON-CASH MOVEMENT \$000	TOTAL \$000
<b>BORROWINGS</b>			
<b>Balance at 1 July 2021</b>			<b>186,062</b>
Proceeds from borrowings	102,694	–	102,695
Repayment of borrowings	(42,000)	–	(42,000)
Present value discount and amortisation of loans	–	(6,784)	(6,784)
<b>Balance at 30 June 2022</b>	<b>60,694</b>	<b>(6,784)</b>	<b>239,973</b>

#### DERIVATIVES

<b>Balance at 1 July 2021</b>			<b>14,097</b>
Receipts from derivative financial instruments	–	–	–
Payments for derivative financial instruments	–	–	–
Net loss on change in fair value of derivative financial instrument	–	(12,779)	(12,779)
<b>Balance at 30 June 2022</b>	<b>–</b>	<b>(12,779)</b>	<b>1,318</b>

	CASH MOVEMENTS \$000	NON-CASH MOVEMENT \$000	TOTAL \$000
<b>BORROWINGS</b>			
<b>Balance at 1 July 2020</b>			<b>224,184</b>
Proceeds from borrowings	26,998	–	26,998
Repayment of borrowings	(66,003)	–	(66,003)
Present value discount and amortisation of loans	–	883	883
<b>Balance at 30 June 2021</b>	<b>(39,005)</b>	<b>883</b>	<b>186,062</b>

#### DERIVATIVES

<b>Balance at 1 July 2020</b>			<b>23,398</b>
Receipts from derivative financial instruments	–	–	–
Payments for derivative financial instruments	–	–	–
Net loss on change in fair value of derivative financial instrument	–	(9,301)	(9,301)
<b>Balance at 30 June 2021</b>	<b>–</b>	<b>(9,301)</b>	<b>14,097</b>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 30: RELATED PARTY TRANSACTIONS

2020/2021 \$000	RELATED PARTY TRANSACTIONS	2021/2022 \$000
<b>A) PORT NELSON LIMITED</b>		
2,000	Share of dividends – cash received	2,280
1,250	Share of dividends – accounts receivable	1,400
<b>B) TASMAN BAYS HERITAGE TRUST</b>		
892	Operational funding paid	892
525	Loan outstanding (face value)	425
100	Loan payments received	100
<b>C) NELSON AIRPORT LIMITED</b>		
<b>Received from:</b>		
500	Share of dividends – cash received	500
500	Share of dividends – accounts receivable	550

The loan from Council to Tasman Bays Heritage Trust is at a nil interest rate (2021: Nil). The loan has a face value of \$425,000 (2021: \$525,000). The loan has been recorded at cost as there is an immaterial difference between face value and fair value.

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 (2021: 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 Executive Leadership Team.

2020/2021	KEY MANAGEMENT PERSONNEL REMUNERATION	2021/2022
<b>LEADERSHIP TEAM, INCLUDING THE CHIEF EXECUTIVE</b>		
1,430	Remuneration \$(000)	1,853
6	Number of full-time equivalent (FTE) Leadership Team	8
<b>COUNCILLORS</b>		
849	Remuneration \$(000)	818
14	Number of Councillors	14
<b>2,279</b>	<b>Total remuneration \$(000) of key management personnel</b>	<b>2,671</b>
<b>20</b>	<b>Total Executive Team and Councillors</b>	<b>22</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 33, Local Government Act 2002, Council declares that there has been one individual severance payment of \$22,065 made to an employee during this financial year. (2021: Nil).

### NOTE 32: REMUNERATION

#### CHIEF EXECUTIVE

2020/2021 \$000	CHIEF EXECUTIVE REMUNERATION	2021/2022 \$000
327	Janine Dowding (to 13.03.22)	255
-	Leonie Rae (from 14.03.22)	72
<b>327</b>	<b>Total Chief Executive remuneration</b>	<b>327</b>

Janine Dowding was on secondment from 14.03.22, with Leonie Rae acting Chief Executive.

#### COUNCIL EMPLOYEES – HEAD COUNT

TOTAL ANNUAL REMUNERATION BY BAND FOR EMPLOYEES AS AT 30 JUNE	30 JUNE HEADCOUNT
<b>30 JUNE 2022</b>	
<60,000	102
\$60,000 – \$79,999	100
\$80,000 – \$99,999	90
\$100,000 – \$119,999	58
\$120,000 – \$139,999	14
\$140,000 – \$159,999	15
\$160,000 – \$319,999	7
\$320,000 – \$340,000	-
<b>Total employees at 30 June 2022</b>	<b>386</b>
<b>30 JUNE 2021</b>	
<60,000	103
\$60,000 – \$79,999	97
\$80,000 – \$99,999	80
\$100,000 – \$119,999	52
\$120,000 – \$139,999	10
\$140,000 – \$159,999	12
\$160,000 – \$319,999	5
\$320,000 – \$340,000	1
<b>Total employees at 30 June 2021</b>	<b>360</b>

Total remuneration includes non-financial benefits provided to employees including the Chief Executive and Executive 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 2021 FTE	FULL-TIME EQUIVALENT STAFF NUMBERS	30 JUNE 2022 FTE
271	Full-time staff	298
59	Part-time staff, on full-time equivalent staff basis	56
<b>330</b>	<b>Total full time equivalent staff numbers</b>	<b>354</b>

A full-time employee is determined on the basis of a 40-hour working week. This includes the Chief Executive and Executive 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:

2020/2021 \$000	COUNTERPARTIES WITH CREDIT RATINGS	2021/2022 \$000
<b>CASH AND CASH EQUIVALENTS</b>		
15,106	AA-	16,310
<b>15,106</b>	<b>Total cash and cash equivalents</b>	<b>16,310</b>
<b>OTHER FINANCIAL ASSETS HELD TO MATURITY</b>		
9,280	AA-	25,000
<b>9,280</b>	<b>Total financial assets held to maturity</b>	<b>25,000</b>
<b>DERIVATIVE FINANCIAL LIABILITIES</b>		
14,097	AA-	1,318
<b>14,097</b>	<b>Total derivative financial liabilities</b>	<b>1,318</b>

## NOTES TO FINANCIAL STATEMENTS

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

2020/2021 \$000	COUNTERPARTIES WITHOUT CREDIT RATINGS	2021/2022 \$000
<b>COMMUNITY LOANS</b>		
129	Existing counterparty with no defaults in the past	113
<b>129</b>	<b>Total community loans</b>	<b>113</b>
<b>LOANS TO RELATED PARTIES</b>		
2,204	Existing counterparty with no defaults in the past	21,354
<b>2,204</b>	<b>Total loans to related parties</b>	<b>21,354</b>
<b>UNLISTED SHARES</b>		
7,883	Existing counterparty with no defaults in the past	8,715
<b>7,883</b>	<b>Total unlisted shares</b>	<b>8,715</b>
<b>BORROWER NOTES</b>		
2,607	Existing counterparty with no defaults in the past	3,938
<b>2,607</b>	<b>Total borrower notes</b>	<b>3,938</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.

## NOTES TO FINANCIAL STATEMENTS

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

#### 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 \$3.3 million or minus \$3.5 million.

The sensitivity analysis relating to Tasman District Council's (Council's) interest rate exposures as at 30 June 2022 is as follows:

PBE IPSAS 30 SENSITIVITY ANALYSIS ON BORROWING			30 JUNE 2022	
INTEREST RATE RISK			POTENTIAL IMPACT ON SURPLUS AND DEFICIT	
DETAILS	CURRENCY	AMOUNT	PLUS 100BPS	MINUS 100BPS
Variable rate borrowings	NZD	\$148,500,000	\$(4,125,452)	\$4,125,452
Interest rate derivatives	NZD	\$128,000,000	\$3,268,737	\$(3,515,754)
Fixed rate borrowings	NZD	\$100,700,000	\$(3,384,992)	\$3,384,992

#### Notes:

1. Council had \$148.5 million of variable rate borrowings at 30 June 2022. The variable rate borrowings are made up of \$124.5 million of floating rate notes and \$24 million of commercial paper (which is treated as floating rate borrowings). Change in market interest rates only applies to remaining payment periods where interest rates had not been fixed as at 30 June 2022.
2. \$128 million of interest rate swaps were held as at 30 June 2022. The sensitivity analysis represents the change in fair value based on a change in the market swap curve.
3. The interest rate impact for fixed rate borrowing is zero, as a change in market interest rates will not change interest cash flow amounts. The fair value change of fixed rate borrowing, shown in the table above, is provided for background information purposes only.

#### CONTRACTUAL MATURITY ANALYSIS

The undiscounted cash flows relating to Council's borrowings and interest rate swap portfolios as at 30 June 2022 is as follows:

PBE IPSAS 30 – DEBT – CONTRACTUAL MATURITY ANALYSIS					
PERIOD	CARRYING AMOUNT	CONTRACTUAL CASH FLOWS (UNDISCOUNTED)	BANK STANDBY FACILITY	CROWN IRRIGATION INVESTMENTS LIMITED	LGFA
Less than 1 year	\$49,000,000	\$50,007,404	–	–	\$50,007,404
1 to 2 years	\$31,700,000	\$33,327,718	–	\$2,500,000	\$30,827,718
2 to 5 years	\$89,500,000	\$99,092,950	–	\$4,500,000	\$94,592,950
More than 5 years	\$79,000,000	\$89,985,358	–	\$21,000,000	\$68,985,358
<b>Grand total</b>	<b>\$249,200,000</b>	<b>\$272,413,431</b>	<b>–</b>	<b>\$28,000,000</b>	<b>\$244,413,431</b>

Note that the above table analyses the debt borrowing amounts based on the remaining period at balance date, 30 June 2022, through to the contracted maturity date.

This analysis includes the cash flows associated with interest payment amounts and the terminal principal payment amount at the contracted maturity date on an undiscounted cash flow basis.

## NOTES TO FINANCIAL STATEMENTS

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

#### INTEREST RATE SWAPS

The notional principal amounts of the outstanding interest rate swap contracts for Council at 30 June 2022 were \$128 million of which \$95 million was 'live' at balance date (2021: \$140 million of which \$98 million was 'live' at balance date). At 30 June 2022, the fixed interest rates of cash flow hedge interest rate swaps vary from 2.76% to 4.92% (2021: 2.76% to 4.92%).

PBE IPSAS 30 – INTEREST RATE SWAPS – CONTRACTUAL MATURITY ANALYSIS		
MATURITY PERIOD	CARRYING AMOUNT (FAIR VALUE)	CONTRACTUAL CASH FLOWS (UNDISCOUNTED)
Less than 1 year	\$17,000,000	\$5,259
1 to 2 years	\$28,000,000	\$392,223
2 to 5 years	\$45,000,000	\$617,423
More than 5 years	\$38,000,000	\$302,996
<b>Grand Total</b>	<b>\$128,000,000</b>	<b>\$1,317,901</b>

#### 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. The assessed exposure to credit risk at balance date was \$nil as detailed in the Statement of Contingent Liabilities (2021: \$Nil).

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

#### 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 (2021: \$100,000). There are no restrictions on the use of this facility.

Council has an undrawn loan facility of \$30 million with Westpac, and \$10 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 MANAGEMENT

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.

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 Waka Kotahi (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, The Waka Kotahi (NZ Transport Agency) controls the economic resources. Pending clarification of ownership and further consideration of the accounting issues which may arise, 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.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 36: SIGNIFICANT VARIANCES COMPARED TO THE ANNUAL PLAN

#### STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

The Statement of Comprehensive Revenue and Expense shows surplus before other comprehensive income of \$92.6 million (2021: \$69.5 million) compared with a budgeted accounting surplus of \$24.1 million (2021: \$22.4 million). This equates to a surplus variance of \$68.5 million mostly due to non cash accounting adjustments. Explanations for major variations from the budget are as follows:

VARIANCES ACTUAL COMPARED TO BUDGET	INCREASE/ (DECREASE) TO SURPLUS	REASONS FOR VARIANCES INCLUDE:
Vested asset revenue – non-cash revenue	\$40.0 million	Growth activity in the district created demand for more subdivisions, and therefore an increase in land under roads, roading and three waters assets vesting to Council, and therefore increased vested asset income.
Fair value gain on derivatives – non-cash revenue	\$12.8 million	The interest rate increased compared to budget forecast, which decreased the fair value of the swap liability, and increased revenue.
Present value adjustment for Crown Irrigation Investment limited loan – non-cash revenue	\$6.8 million	Council received an interest free loan from Crown Irrigation Investment limited, therefore an accounting adjustment has been posted to recognise the difference between the face value and fair value (net present value of future cash flows at a market interest rate). This adjustment was not reflected in the budget and therefore revenue was higher than budget.
Development and financial contributions – revenue for capital expenditure	\$7.2 million	Growth activity in the district created demand for more subdivisions, and therefore an increase in contributions charged for the developments, and increased revenue for capital expenditure.
Operating subsidies and grants – revenue	\$5.0 million	Increase partially due \$2.6 million funding for a July 2021 weather event partially funded by NZTA, and the remainder due to timing of meeting conditions of government grants. There are related increases in maintenance expenses (below).
Fees and charges revenue – revenue	\$2.1 million	Growth activity in the district created demand for more subdivisions, and therefore an increase revenue from resource consent and building consent fees.
Depreciation and amortisation – non-cash expense	\$1.7 million	Depreciation expense was lower than budget as the budget depreciation included inflation cost factors which are not included in this years actuals. These will be recognised in 2022-2023.
Unrealised loss on revaluation of forestry – non-cash expense	(\$6.8 million)	Forestry valuation was less than budget, therefore the loss on valuation was greater than budget. This was due to a decrease in the fair value of forestry assets mostly due to harvest and a change in price assumptions, see Note 18.
Net surplus on forestry (excluding fair value movement) – revenue less expense	\$5.5 million	Due to increased harvest volumes and log prices compared to budget assumptions, resulting in higher actual revenue. This movement is mostly offset by the forestry valuation movement above.
Consultancy – expense	(\$2.5 million)	Growth activity in the district created additional resource demand, and an increase in consultancy fee's including land subdivision and building consultancy fees. This reduces the surplus balance.
Maintenance – expense	(\$6.3 million)	More sealed pavement and environmental maintenance carried out than budgeted, \$4 million of which relates to repairing damage from a July 2021 weather event.

Continued on next page.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 36: SIGNIFICANT VARIANCES COMPARED TO THE ANNUAL PLAN (CONT.)

VARIANCES ACTUAL COMPARED TO BUDGET	INCREASE/ (DECREASE) TO SURPLUS	REASONS FOR VARIANCES INCLUDE:
Loss on disposal of water assets – non-cash expense	(\$3.0 million)	Water assets disposed earlier than previous estimation of useful life.
Share of joint operations surplus	(\$1.1 million)	The share of joint operations surplus is not included in the budget.
Share of joint ventures surplus	\$7.2 million	The share of joint ventures surplus is not included in the budget.
Other	(\$0.1 million)	Various immaterial movements due to timing of revenue and expenses.
<b>Total surplus increase compared to budget</b>	<b>\$68.5 million</b>	

### STATEMENT OF FINANCIAL POSITION

The total equity of \$2,137.8 million was \$472.1 million higher than budget due to:

- The variance between actual and budget in opening equity of \$121.6 million; and
- The variance between actual and budget 'Total Comprehensive Revenue and Expense' of \$350.5 million, for the year ended 30 June 2022. This variance is made up of \$68.5 million in the surplus increase compared to budget (explained above) and \$282.0 million in 'Other Comprehensive Revenue' due to revaluation movements not included in the budget, as the valuation was done ahead of the three year revaluation cycle to recognise material inflation movements.

### OTHER SIGNIFICANT VARIANCES

Property, plant and equipment (PPE) \$2,069.7 million was \$384.1 million higher than budget due to:

- \$70.1 million increase in the opening PPE balance mostly due to Land and Building revaluation gains at 30 June 2021;
- \$283.3 million increase in the value of Council and joint operation PPE due to inflationary movements at 30 June 2022; and
- \$40 million increase due to assets vested to Council from subdivisions.

Investment in joint ventures \$203.2 million was \$33.5 million higher than budget mostly due to revaluation gains at 30 June 2021 (\$16.3 million) and 30 June 2022 (\$14.7 million).

Non-current other financial assets \$33.5 million was \$23.6 million higher than budget mostly due to a loan (borrowings) being presented on a net basis in the Annual Plan against the advance to Waimea Water Ltd (other financial assets).

Borrowings totalled \$240.0 million which was \$13.6 million lower than budget mostly due to the opening net debt being \$22.0 lower than budget due to timing including capital projects and cash surplus from forestry operations and development contributions for future capital expenditure, partially offset the net presentation of the other financial assets explained above and fair value adjustment for the loan.

Derivative financial liability (interest rate swaps) \$1.3 million was \$22 million lower than budget. The interest rate increased compared to budget forecast, which decreased the fair value of the swap liability.



## NOTE 37: EVENTS AFTER THE REPORTING DATE

### THREE WATERS REFORM

On 27 October 2021, the Local Government Minister announced that central government will proceed with the three waters service delivery reforms using a legislated “all in” approach. The three waters reform involves the creation of four statutory water services entities to be responsible for the service delivery and infrastructure from local authorities from 1 July 2024. There is still a number of uncertainties associated with the new three waters delivery model including the mechanism for how assets will be transferred to the newly established entities, and the control and governance of these entities.

In June 2022, the Government introduced legislation to establish four publicly owned water services entities to take over responsibilities for service delivery and infrastructure from local authorities with effect from 1 July 2024. The legislation received royal assent from the Governor-General on 12 December 2022. The impact of these reforms will mean that the Council will no longer deliver three waters services or own the assets required to deliver these services. Additional legislation is expected in 2023 that will provide detail on the transfer of assets and liabilities to the water service entities.

As at 30 June 2022, Council has \$138.9 m of internal borrowings related to three waters activities, the carrying value of Council’s Three Waters Assets was \$704.7 million. Three Waters Asset capital additions during the year was \$67.1 million and annual operating expenditure in relation to Three Waters Assets was \$36.6 million.

Council continues to recognise its three waters assets at 30 June 2022 in accordance the accounting policies set out in Note 15. There has been no adjustment in these financial statements to reflect the expected future transfer of assets to the new water entity. It is expected central government will develop details around the mechanism for the transfer of the water assets and this will be completed prior to 1 July 2024. As further details are established this may require adjustments to Council’s three water assets either in respect of disclosure or measurement.

### HOLDING COMPANY

In September 2022, the Council resolved to establish a holding company, named Infrastructure Holdings Limited (“IHL”), to hold the Nelson City Council and Tasman District Council shareholdings (the “shareholders”) in Port Nelson and Nelson Airport (the “subsidiaries”). Initial directors have been approved, and an independent chairperson is being recruited. As part of the proposal to incorporate IHL, the shareholders will each subscribe for 42,230 ordinary shares in IHL (84,460 in total), at an issue price of \$100.00 per share.

IHL’s primary purpose will be to operate as a treasury vehicle to access cheaper core debt to on-lend to its subsidiaries. IHL will join the Local Government Funding Agency (“LGFA”) borrowing programme as a council-controlled trading organisation. This will deliver savings in financing costs, as the subsidiaries currently have ordinary borrowings with the bank. The LGFA and the bank will require certain financial conditions, including cross-guarantees, and general security over property. Also required is a subscription from the shareholders for uncalled and unpaid equity capital in IHL, being 1,165,000 ordinary shares each (totalling 2,330,000) for an issue price of \$100.00 per share.

### WAIMEA WATER LIMITED

Refer to Note 41.

## 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:

2020/2021 TOTAL \$		2021/2022 SALARY \$	2021/2022 ALLOWANCES, EXPENSES AND ADJUSTMENTS \$	2021/2022 TOTAL COST \$
150,150	King T B, Mayor from 2019/2020	154,000	(8,415)	145,585
77,282	Bryant S – Deputy Mayor	67,226	8,551	75,776
<b>COUNCILLORS</b>				
56,526	Maling K, Standing Committee Chair	53,650	4,690	58,340
57,267	Wensley D, Standing Committee Chair	45,186	6,930	52,116
58,578	Greening M	44,574	1,300	45,874
49,518	McNamara D	44,574	2,958	47,532
54,828	Tuffnell T	44,574	1,300	45,874
44,901	Ogilvie D	44,574	8,776	53,350
48,245	Turley A	44,574	2,662	47,236
55,212	Hill C	44,574	9,044	53,618
46,176	Butler C	44,574	1,300	45,874
50,736	Mackenzie C	44,574	4,710	49,284
49,219	Walker T	44,534	3,432	47,966
50,717	Dowler B	45,379	4,245	49,624
<b>PREVIOUS COUNCILLORS</b>				
–	Wensley D, Standing Committee Chair	–	–	–
<b>849,353</b>	<b>Total Councillors</b>	<b>766,571</b>	<b>51,481</b>	<b>818,052</b>

### THE MAYOR'S REMUNERATION

The Mayor's remuneration set by the Remuneration Authority, is \$154,000. The Mayor T B King has full private use of a vehicle to undertake his civic duties. The Remuneration Authority calculation has been used to value this full private use at an annual benefit amount, which has been deducted from the Mayor's salary above. The total value, of this benefit, for the year ended 30 June 2022 was \$3,990 (2021: \$3,402) shown in allowances and expenses above.

### COUNCILLORS' ALLOWANCES, EXPENSES AND ADJUSTMENTS

Allowances and expenses include mileage expenses, communication, travel and childcare allowances.

## NOTE 39: FINANCIAL PERFORMANCE IN RELATION TO REGULATIONS BENCHMARKS

### ANNUAL REPORT DISCLOSURE STATEMENT FOR YEAR ENDING 30 JUNE 2022

#### 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:

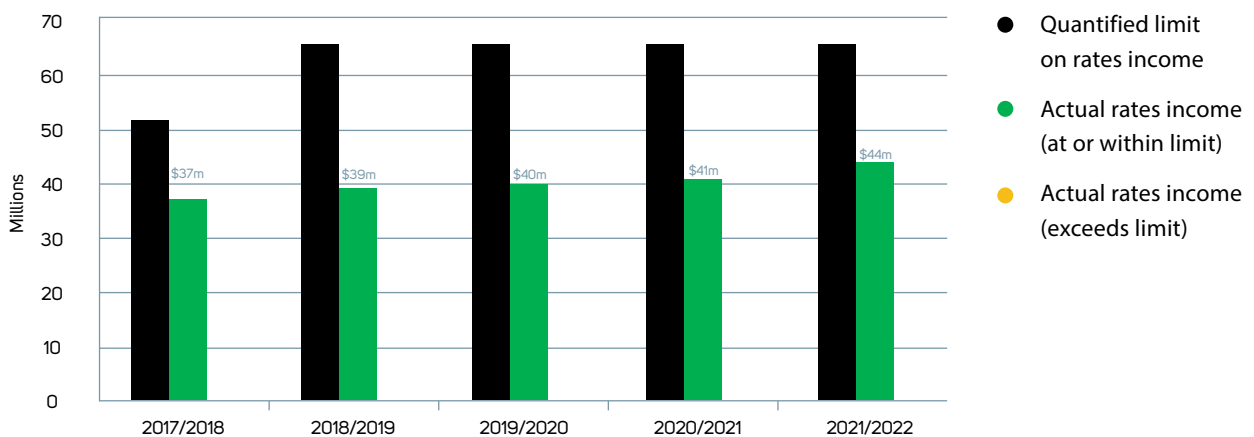
- Its actual rates revenue equals or is less than each quantified limit on rates; and
- Its actual rates increases equal or are less than each quantified limit on rates increases.

#### Rates (revenue) affordability

**Figure 8** 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 \$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 and Long Term Plan 2021 – 2031.

**Figure 8. Rates (Income) Affordability – General Rates**

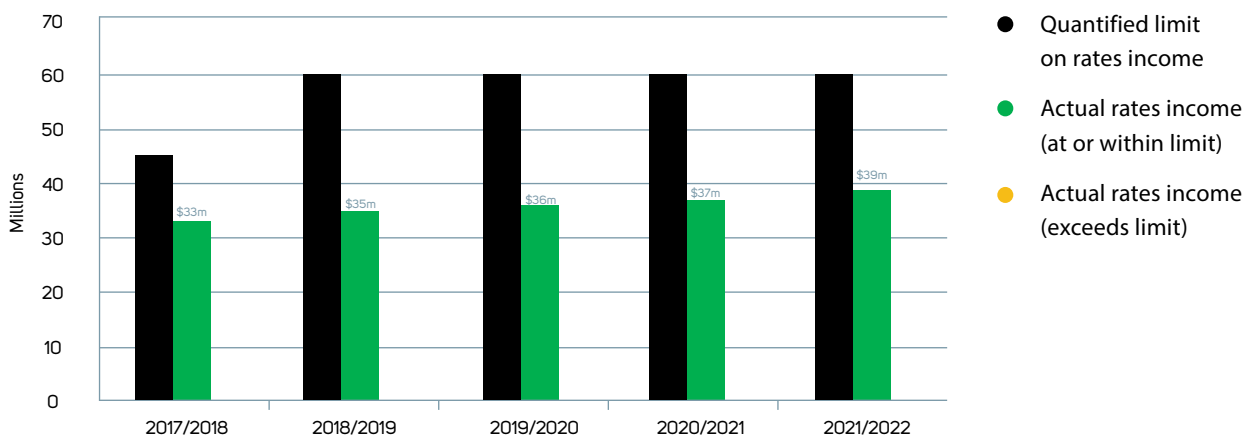


NOTE 39: FINANCIAL PERFORMANCE IN RELATION TO REGULATIONS BENCHMARKS (CONT.)

**Figure 9** 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 \$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 and Long Term Plan 2021 – 2031.

Figure 9. Rates (Income) Affordability – Targeted Rates

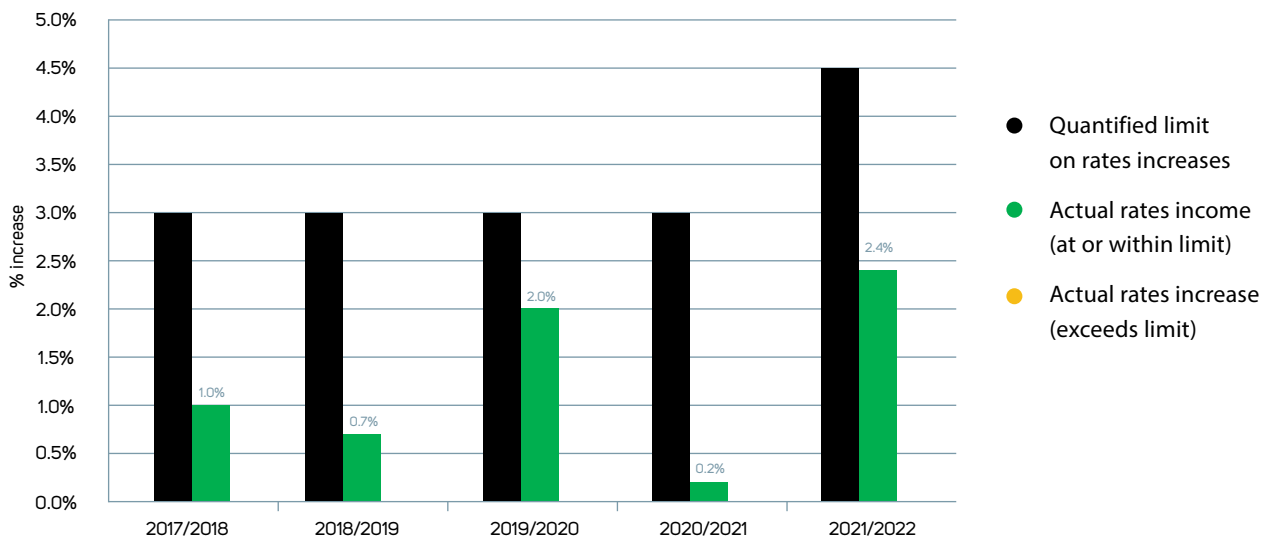


Rates (increases) affordability

**Figure 10** 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 3% excluding growth per annum for each year covered by the Long Term Plan 2015 – 2025 and Long Term Plan 2018 – 2028 and 4.5% excluding growth per annum for each year covered by the Long Term Plan 2021 – 2031.

Figure 10. Rates (Increases) Affordability



**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 2021 – 2031 as total external debt less liquid financial assets and investments.

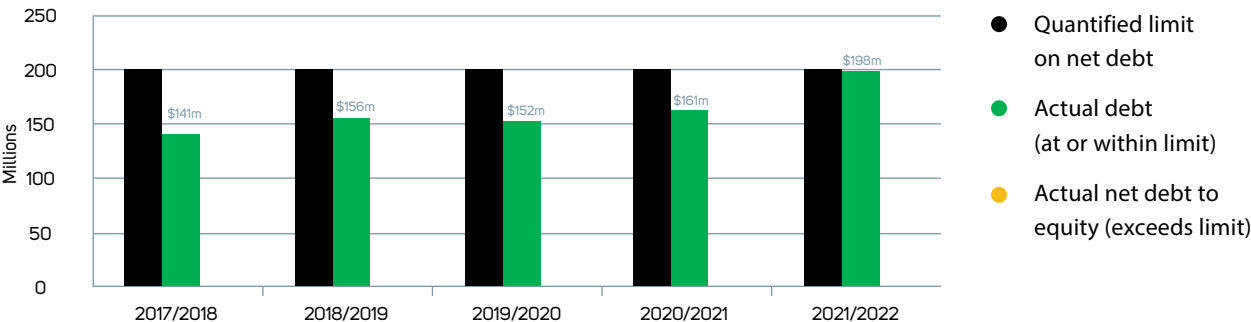
Net debt is defined in the regulations as financial liabilities less financial assets (excluding trade and other receivables). Financial liabilities as defined by GAAP include, gross external debt (aggregate and financial guarantees provided to third parties) plus trade payables and derivative financial 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 11** 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 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 and net external debt not to exceed \$250 million per annum for each year covered by the Long Term Plan 2021 – 2031.

**Figure 11. Debt Affordability – External Debt Limit**



NOTE 39: FINANCIAL PERFORMANCE IN RELATION TO REGULATIONS BENCHMARKS (CONT.)

Net debt to equity

Figure 12 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 12. Debt Affordability – Net Debt to Equity

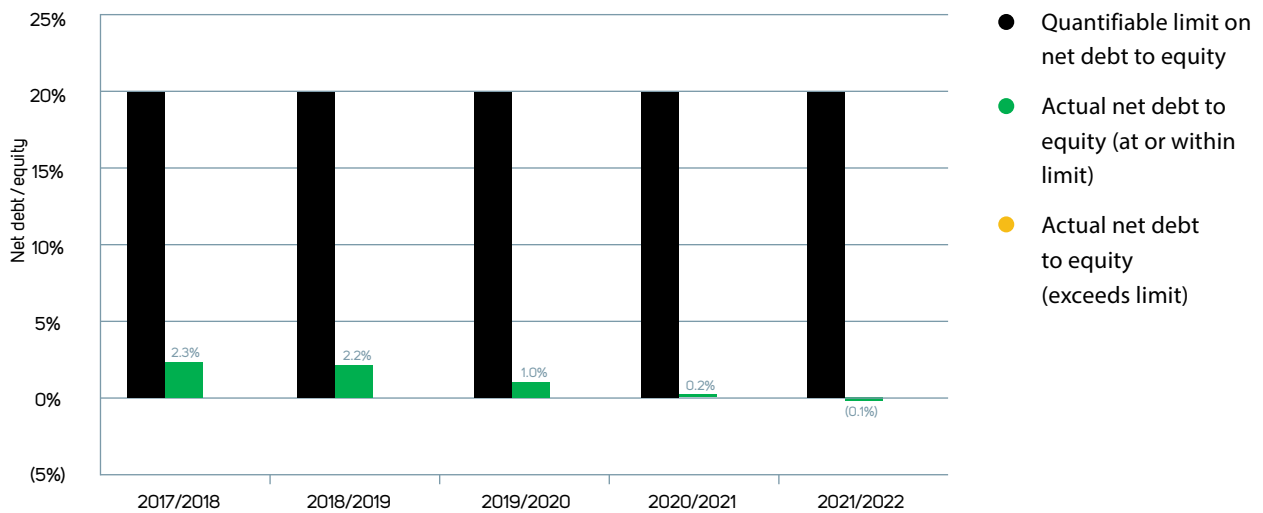
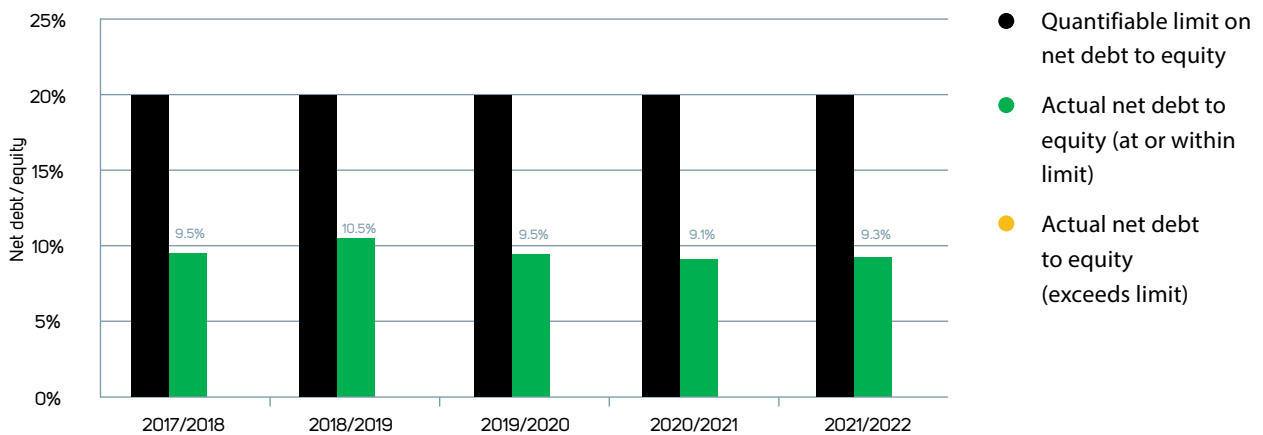


Figure 13 represents the actual results based on the intended definitions contained in the financial strategy.

Figure 13. Debt Affordability – Net Debt to Equity



NOTE 39: FINANCIAL PERFORMANCE IN RELATION TO REGULATIONS BENCHMARKS (CONT.)

Net debt to total operating revenue

Figure 14 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 14. Debt Affordability – Net Debt to Operating Revenue

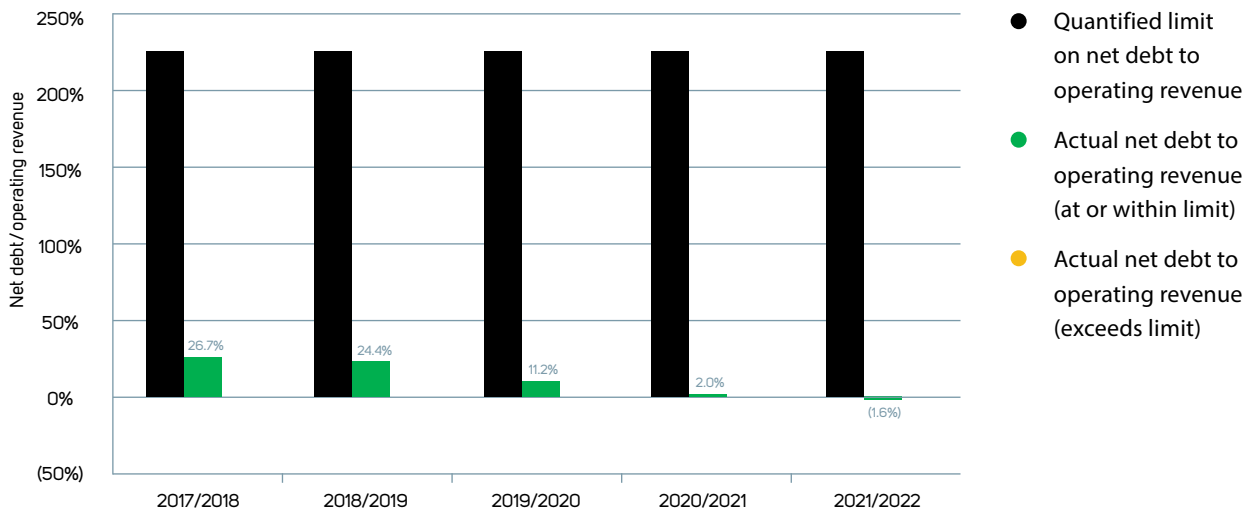
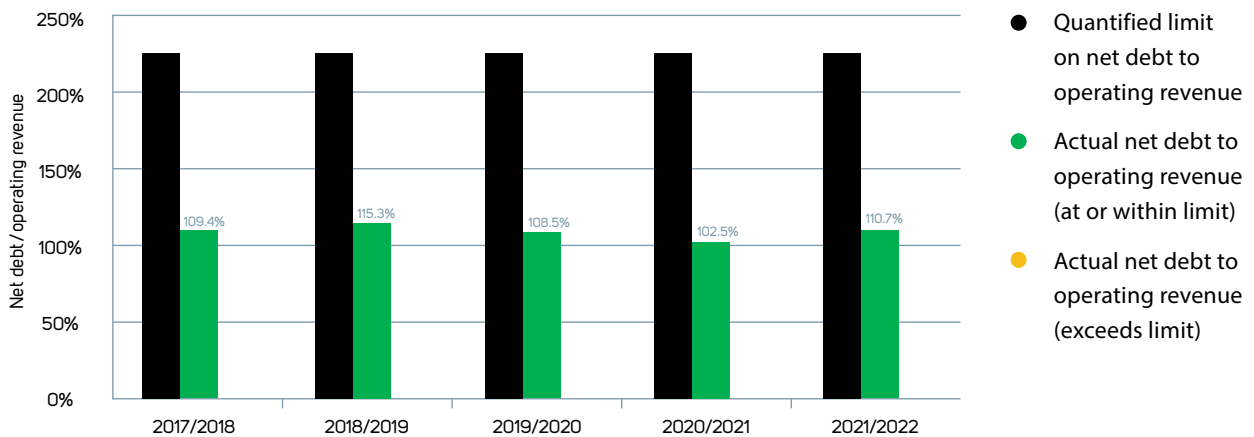


Figure 15 represents the actual results based on the intended definitions contained in the financial strategy.

Figure 15. Debt Affordability – Net Debt to Operating Revenue





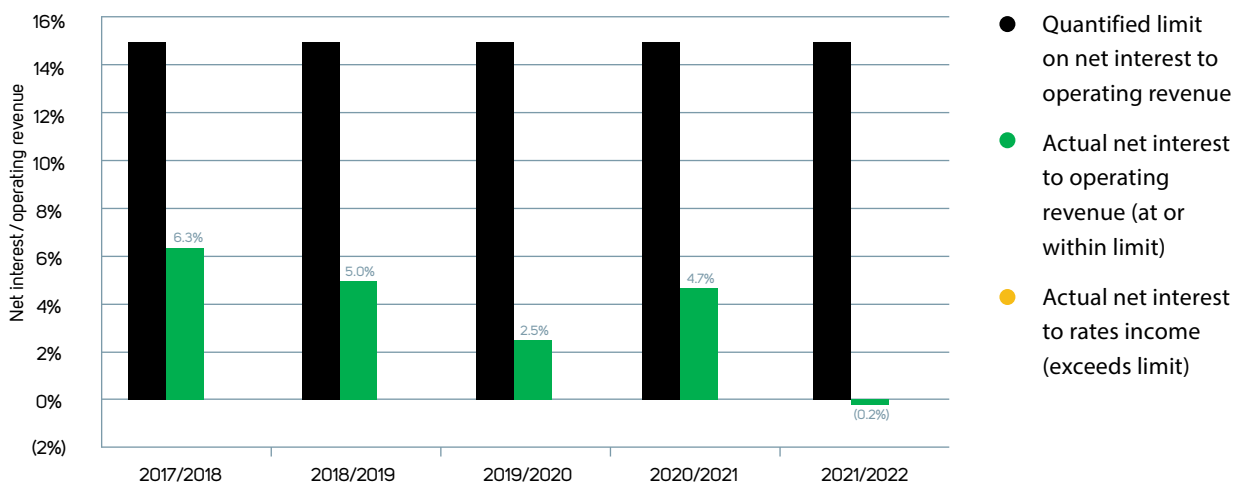
NOTE 39: FINANCIAL PERFORMANCE IN RELATION TO REGULATIONS BENCHMARKS (CONT.)

Net interest to total revenue

**Figure 16** 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, the Long Term Plan 2018 – 2028 and the Long Term Plan 2021 – 2031.

Figure 16. Debt Affordability – Net Interest to Operating Revenue

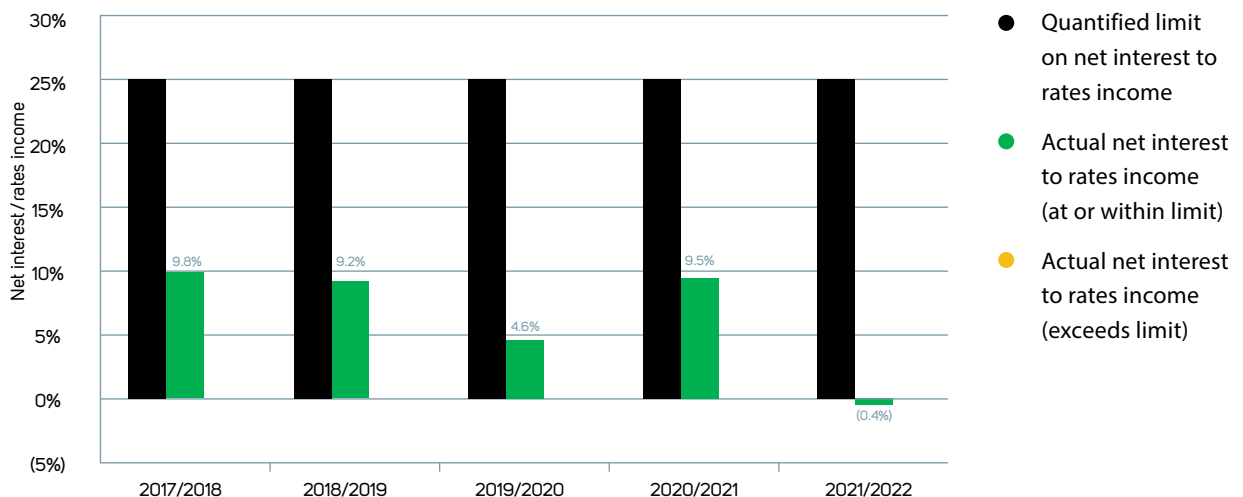


Net interest to total rates revenue

**Figure 17** 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 17. Debt Affordability – Net Interest to Annual Rates Income



NOTES TO FINANCIAL STATEMENTS

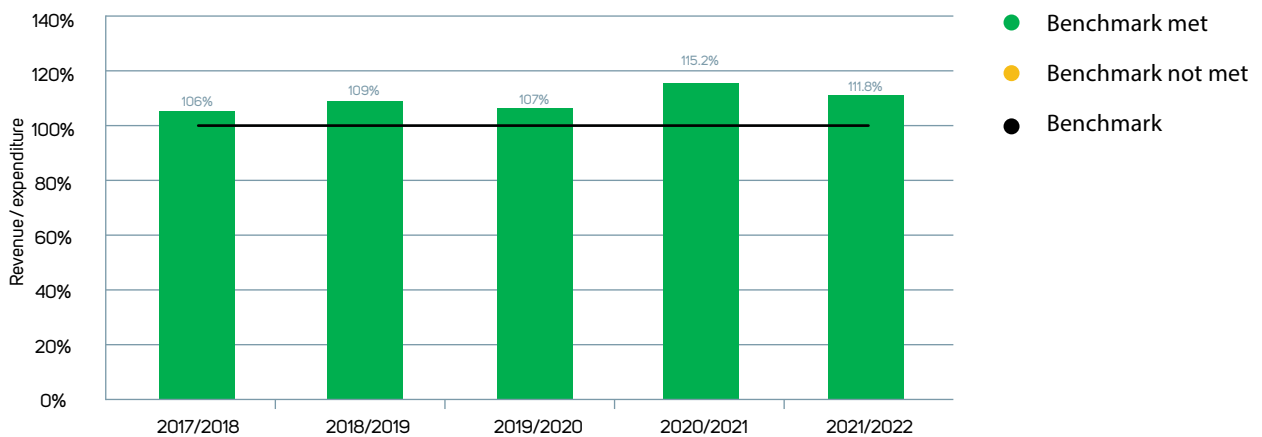
NOTE 39: FINANCIAL PERFORMANCE IN RELATION TO REGULATIONS BENCHMARKS (CONT.)

BALANCED BUDGET BENCHMARK

Figure 18 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 18. 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.

NOTE 39: FINANCIAL PERFORMANCE IN RELATION TO REGULATIONS BENCHMARKS (CONT.)  
**ESSENTIAL SERVICES BENCHMARK**

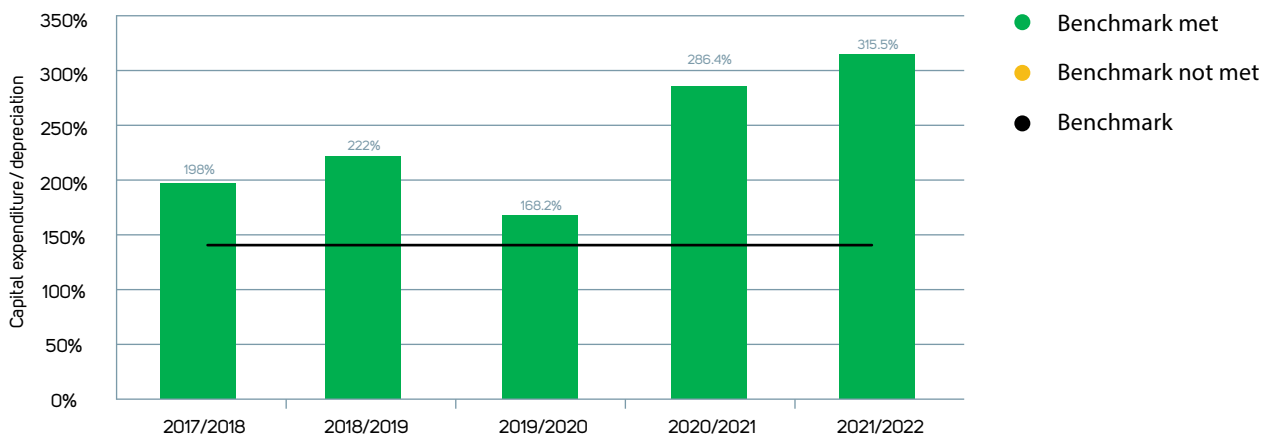
**Figure 19** displays Council's capital expenditure on network services as a proportion of depreciation on network services.

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.

The increase in 2020/21 and 2021/22 is due to capital expenditure for the Waimea Dam through Council's joint operation, Waimea Water Limited.

**Figure 19. Essential Services Benchmark**



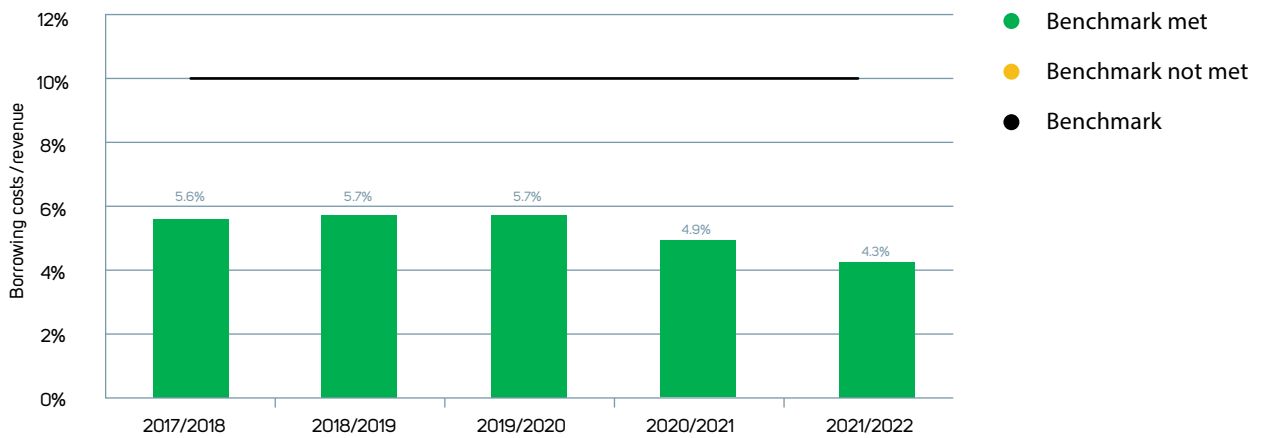
NOTE 39: FINANCIAL PERFORMANCE IN RELATION TO REGULATIONS BENCHMARKS (CONT.)

DEBT SERVICING BENCHMARK

Figure 20 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 20. Debt Servicing Benchmark

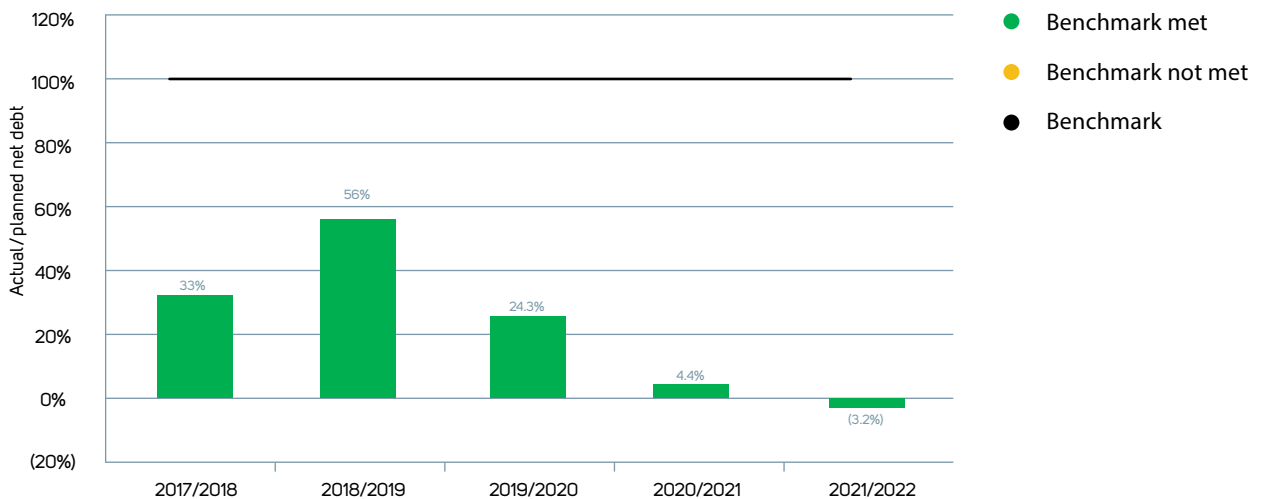


DEBT CONTROL BENCHMARK

Figure 21 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 21. Debt Control – Actual Net Debt /Planned Net Debt

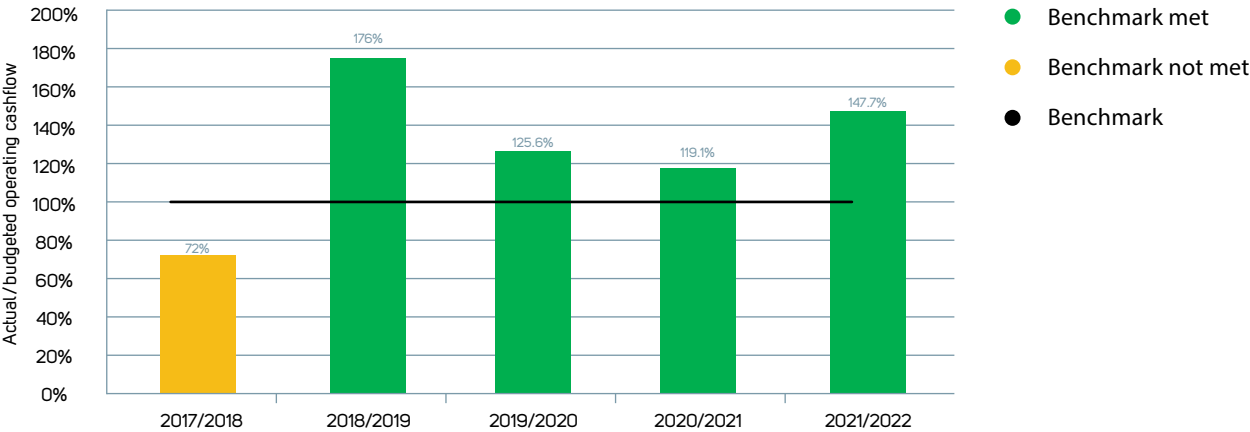


NOTE 39: FINANCIAL PERFORMANCE IN RELATION TO REGULATIONS BENCHMARKS (CONT.)  
OPERATIONS CONTROL BENCHMARK

Figure 22 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 22. Operations Control – Actual / Budgeted Operating Cashflow



## NOTES TO FINANCIAL STATEMENTS

### 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 2021 (the preceding year as required by the Act).

Rating unit info as at 30 June 2021:

	COUNT	LAND VALUE	CAPITAL VALUE
Non-rateable 100%	1,084	533,836,150	576,294,150
Non-rateable services only	283	194,485,302	457,780,066
<b>Total non-rateable</b>	<b>1,367</b>	<b>728,321,452</b>	<b>1,034,074,216</b>
Rateable	25,378	12,332,464,898	22,514,253,934
<b>Total rating units</b>	<b>26,745</b>	<b>13,060,786,350</b>	<b>23,548,328,150</b>

Rating unit info as at 30 June 2020:

	COUNT	LAND VALUE	CAPITAL VALUE
Non-rateable 100%	1,041	423,658,100	459,817,100
Non-rateable services only	259	141,343,700	376,105,200
<b>Total non-rateable</b>	<b>1,300</b>	<b>565,001,800</b>	<b>835,922,300</b>
Rateable	24,575	9,062,957,725	17,780,644,325
<b>Total rating units</b>	<b>25,875</b>	<b>9,627,959,525</b>	<b>18,616,566,625</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 2022.

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 \$823,347,000 (2021: \$628,946,000). 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 2022 is \$2,588,000 (2021: \$4,227,000).

#### ROADING AND FOOTPATH ASSETS

These activities have a total book value of \$916,711,000 (including land under roads). For this activity of assets, Council would however receive a minimum of 51% subsidy from the Waka Kotahi (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.

#### BUILDINGS, PLANT AND EQUIPMENT, AND OTHER ASSETS

This activity has a total asset book value of \$113,541,000 (2021: \$111,224,000). (Land is excluded as is not insured). Total insurance value at 30 June 2022 is \$259,517,000 plus capital additions (2021: \$259,517,000 plus capital additions).

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/subsidence of \$2,000,000. (2021: as per 2022).

The harbourmaster boat is insured for \$370,767 (2021: \$370,767).

#### VEHICLES

This activity has a total asset book value for insurance purposes of \$618,000 (2021: \$868,000). 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 2022 is \$1,156,000 (2021: \$1,147,000) 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 2022.

CONTRACTUAL CAPITAL COMMITMENTS	30 JUNE 2022 \$000
Transportation	653
Three waters	2,916
Refuse	-
Share of joint operation – (Waimea Water, NRSBU, NTRLBU)	9,716
Land and buildings	512
Rivers	2,953
Others	79
<b>Total capital commitments 30 June 2022</b>	<b>16,829</b>

These are capital commitments for which a formal contract has been entered at 30 June 2021.

CONTRACTUAL CAPITAL COMMITMENTS	30 JUNE 2021 \$000
Transportation	1,439
Three waters	15,937
Refuse	-
Share of joint operation – (Waimea Water, NRSBU, NTRLBU)	18,320
Land and buildings	3,477
Others	178
<b>Total capital commitments 30 June 2021</b>	<b>39,351</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.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 41: COMMITMENTS AND CONTINGENCIES (CONT.)

#### OPERATING LEASES AS LESSEE

Council has no material operating leases as lessee

#### GUARANTEE – NEW ZEALAND LOCAL GOVERNMENT FUNDING AGENCY LIMITED

Tasman District Council is a guarantor of the New Zealand Local Government Funding Agency Ltd. The New Zealand Local Government Funding Agency Ltd 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 AAA for domestic currency and AA+ for foreign currency.

Tasman District Council is one of 30 local authority shareholders and 68 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 2022, NZLGFA had borrowings totalling \$15.789 billion (2021: \$13.610 billion).

Financial reporting standards require the Council to recognise the guarantee liability at fair value.

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

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

#### WAIMEA WATER LIMITED (WWL) JOINT OPERATION

The Council and Waimea Irrigators Ltd (WIL) entered into a joint operation partnership to build and operate the Waimea Community Dam. The three-year construction project began in March 2019.

##### Project status

The purpose of the Dam is to provide water security (the Lake will hold approximately 13 billion litres of water), resulting in increased economic prosperity for the region. The Nelson Tasman region is expected to see significant benefit in terms of jobs, general health and well-being, and future economic development. Aside from the share of water to be extracted, a major benefit of the Dam is regaining the river flow. A healthy river is critical for the sake of the environment, to protect the community's drinking water supplies, and so it can be enjoyed safely for fishing, swimming and other recreation

As at 30 June 2022 construction of embankment and spillway was nearing completion, ~70% complete. However, the project is delayed and there are further cost pressures largely driven by delay, mechanical and electrical and diversion works. The delays are largely due to Covid-19 with approximately 7000 manhours lost. There was also a contractor initiated dispute.

##### Project cost

Since the decision to proceed was finalised in 2018, project costs to build the Dam have risen from the initial estimate of \$104.5 million to \$158.5 million at 30 June 2022 (2021: \$158.5 million).

## NOTES TO FINANCIAL STATEMENTS

### NOTE 41: COMMITMENTS AND CONTINGENCIES (CONT.)

#### Project funding of cost overruns, and shares to 30 June 2022

The original cost is \$104.5 million, and new cost at 30 June 2021 was \$158.5 million excluding hydro, therefore the total assumed cost overrun was \$54 million.

The funding of the \$54 million cost overrun is split as follows:

- Share of first \$3 million Council: \$1.5 million
- Share of first \$3 million Irrigator: \$1.5 million
- Irrigator extractive capacity advance: \$24.8 million
- Advance Council capacity: \$11.6 million
- Equity contribution Council: \$14.3 million
- Calculation interest adjustment (already funded by Council): \$0.3 million.

The total cost at 30 June 2022 was still estimated to be \$158.5 million, however this was revised subsequent to year end, see disclosure below.

#### The first \$3 million

The first \$3.0 million will be shared 50:50 between the Council and Waimea Irrigators Limited. This payment will not result in voting shares in either party, therefore is excluded from the accounting interest. However, this payment results in an increase in the net assets of Waimea Water Limited, which have the impact of increasing the Councils Property, Plant and Equipment.

#### Irrigator extractive capacity advance \$24.8 million

This shareholder advance \$24.8 million is drawn by the Council through Crown Irrigation Investments Limited and the Local Government Funding Agency. These funds are then to be passed to Waimea Water Limited.

This is a back-to-back drawing. Waimea Irrigators Limited is effectively servicing this debt indefinitely, except for the interest bearing portion in the first five years. The reason for Waimea Irrigators Limited servicing the debt, is that this advance relates to irrigator extractive capacity.

It is primarily for this reason that we have assessed that the substance of this arrangement is that the Council is acting as an agent for Waimea Irrigators Limited in respect to this loan. We have therefore not included this in Councils accounting interest.

#### Further detail regarding the arrangement

For the first five years of the Tasman 10 Year Plan the interest costs on \$10.14 million of this advance will be funded through the Council's General Rate. After the five-year period, this debt is serviced by Waimea Irrigators Limited. The interest on the remaining \$14.64 million of shareholder advances will be funded by Waimea Water Limited water charges paid by Waimea Irrigators Limited. The full advance is secured over Waimea Water Limited assets. In addition interest, on the full advance, is also secured over Waimea Irrigators Limited assets (both through a second ranking security after Crown Irrigation Investments Limited loans).

After 40 years, according to the Shareholder Advance Agreement, Waimea Water Limited must seek to refinance this advance on commercial terms, subject to Council agreement. If the refinancing is agreed on commercial terms, the loan will be directly between Waimea Water Limited and a commercial entity. The decision related to the refinancing of the loan in 40 years, will be a shareholder reserve matter (requires agreement of Waimea Water Limited, Waimea Irrigators Limited and the Council).

## NOTES TO FINANCIAL STATEMENTS

### NOTE 41: COMMITMENTS AND CONTINGENCIES (CONT.)

If Waimea Water Limited does not succeed with this, or agreement between Council and Waimea Irrigators Limited is not reached, Council has a contractual option to roll over this loan, in five year terms. It is quite possible that irrigator capacity shareholder advances will be rolled over in perpetuity.

In either of the scenarios above, the Council will require Waimea Irrigators Limited to continue to be responsible for servicing this loan. If Waimea Irrigators Limited disagrees then there is a provision in the Council's Revenue and Financing Policy for a targeted rate to be charged to properties with affiliated consents to take water. Therefore, either way Waimea Irrigators Limited or their shareholders shall service the debt. This is because it is related to irrigator extractive capacity.

The Council could also decide to fund the repayment of the loan, which would result in the Council receiving ordinary shares with voting rights, so long as the Council still has less than 75% of voting rights, otherwise some shares would be non-voting. We have assumed that the Council will not take this option, as this would create interest costs in the Council, which contractually sit with Waimea Irrigators Limited. It is for this reason that the Council deems the accounting interest in this advance to sit with Waimea Irrigators Limited, not the Council. This assumption would be revisited if it became probable that the Council may convert the loan to equity. The likely accounting impact would be an increase to debt and property, plant and equipment. Although, this is not deemed likely.

Another possibility, which would need further agreement, is that the Council may allow Waimea Irrigators Limited to pay off the loan in return for ordinary shares with voting rights. This is deemed a possibility, given Waimea Irrigators Limited will be servicing the debt, without the benefit of obtaining future voting rights. In the unlikely event of a liquidation, the ordinary shares which have voting rights, give the right to the net assets of Waimea Water Limited.

#### Council capacity advance \$11.6 million

The interest costs of the Council's portion of the shareholder advances (\$11.6 million) and its additional equity contribution will be funded through the Council's Urban Water account for extractive capacity and through the Zone of Benefit rate and District-wide fixed charge for the environmental and public benefits. This loan is the Council's responsibility, and can be converted to voting shares, this is included in the Council's accounting interest.

#### Equity contribution Council: \$14.3 million

This equity payment results in voting shares to the Council, and is included in the Council's accounting interest, and there are no significant complexities.

#### 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. The Council's maximum exposure is limited to \$50 million in aggregate.

The Council remains committed to the joint operation and the Deed. There is no contingent liability or guarantee to be recognised as at 30 June 2022 (30 June 2021: Nil) in relation to the compensation clause.

#### CIIIL Loan, guarantees and credit support

Crown Irrigation Investments Ltd (CIIIL) issued a loan up to \$25m to Council's joint operation WWL. WWL is responsible for the servicing and repayment of this loan. The repayments will be funded through water charges paid by WIL. WIL is jointly and severally liable with WWL for the loan as co-obligor and guarantor of all of WWL's obligations under the loan. As the loan is repaid, or if the Council credit support is released, WIL's Non-voting Shares will be converted into Ordinary Shares periodically. This loan is not recognised in Council's financial statements as a liability but is included in the calculation of its interest in WWL.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 41: COMMITMENTS AND CONTINGENCIES (CONT.)

The Council has provided credit support for this loan to the value of \$29 million (includes capitalised interest and fees). This means that CIIL may call on the Council to satisfy the Company's obligations to CIIL in relation to repayment of the CIIL loan, in accordance with the Project Deed. In return, Council currently holds a greater share of voting rights in the joint operation as at 30 June 2020.

No liability has been recognised in relation to the Council's credit support for the CIIL loan. The risk of default of the CIIL loan is as low 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.

#### Waimea Water Ltd – Subsequent events

Subsequent to 30 June 2022: The company have now indicated that the final cost to complete is likely to be \$194.6 million (2021: \$158.5 million) excluding unquantifiable risks of excessive weather events and Covid-19 impacts. Reasonably quantifiable risks are included in the cost forecast. The construction industry has seen high inflation since the global COVID-19 pandemic started, and global inflation have continued to increase due to the impacts of Covid-19. There are procurement and supply chain disruptions both nationally and internationally.

Revised shareholder agreements were executed on 12 December 2022, in respect to the funding of the cost increases.

- **Equity contributions**

Council will increase its equity to \$72.262 million through the purchase of ordinary (voting) shares.

Waimea Irrigators Ltd equity contribution will remain at \$25.967 million.

- **Irrigator Capacity Project Funding**

There is no change to the Crown Irrigation Investments \$25m funding of Waimea Water Ltd for irrigation capacity.

This facility is serviced by Waimea Irrigators Ltd through its water charges.

#### Irrigator extractive capacity Shareholder advance \$46.254 million

This shareholder advance \$46.254 million is drawn by the Council through Crown Irrigation Investments Limited and the Local Government Funding Agency. These funds are then to be passed to Waimea Water Limited. Within this increased facility there is a new facility of \$3 million. This new facility is to refinance some costs to enable Waimea Irrigators Ltd to smooth the water charges to its shareholders.

This is a back-to-back drawing. Waimea Irrigators Limited is effectively servicing this debt indefinitely, except for the interest bearing portion in the first five years. The reason for Waimea Irrigators Limited servicing the debt, is that this advance relates to irrigator extractive capacity.

### CONTINGENT LIABILITIES

Council has contingent liabilities of \$Nil (30 June 2021: \$Nil). Council has no contingent claims against other parties (30 June 2021: Nil).

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.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 41: COMMITMENTS AND CONTINGENCIES (CONT.)

Risk Pool provides public liability and professional indemnity insurance for its members. Council was a member of Risk Pool until 1 July 2016. The Trust Deed of Risk Pool 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.

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. Our offices and public buildings having either been upgraded or their maximum occupancies have been reclassified to meet the standards.

A detailed assessment of the Richmond Office main building was completed in 2020-21. This identified that the civic area was <20% of the New Building Standard (NBS), and this was strengthened in 2021. The balance of the complex has been assessed at <34% NBS, apart from a 2012 addition which is 35% of NBS. Further strengthening is commencing in 2023/24. As the complex is treated as one building a Earthquake Prone Building Notice has been issued to Council. This provides that Council has until 4 June 2033 to strengthen it.

We are in discussions regarding the sale of the 8 Ball Club building, Motueka with the buyer being responsible for upgrade works.

Asbestos Assessment reports were completed for Councils buildings in 2018. We have substantially progressed action on rectifying any building elements that were identified in the reports as Asbestos Containing Materials (ACM`s) or with assumed ACM`s and had a condition rating of "Poor". We have also engaged a certified asbestos assessor to provide more detailed reports. Most of the identified issues have been addressed or are encapsulated and only require further inspection prior to any disturbance.

### OTHER CONTINGENT ASSETS

2022: \$Nil (2021: \$Nil.)

### JOINT VENTURES CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no material contingent assets or liabilities to record as at the date of this Annual Report.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 42: COVID-19 IMPACT

On 17 August 2021 we moved into Alert Level 4 of the COVID-19 Protection Framework (traffic lights) then quickly transitioned to Level 3 and 2 (31 August and 7 September). As of 10 March 2022, COVID-19 was now an epidemic and in full community transmission.

The pandemic impacted the capacity of our contractors and staff and caused significant delays to some projects. It affected our ability to obtain materials due to international and domestic delays. These disruptions and the resulting inflationary impact have placed pressure on the delivery of our capital works programme. There has been an impact on the Council's achievement of its performance targets during the year. The impact on the performance targets are explained in the relevant activity sections of the Annual Report.

Council revalued its Forestry and Investment Property assets at 30 June 2022. The impact of Covid-19 for Investment Property is included in Note 19. There were no significant Covid-19 impacts for the forestry valuation assumptions.

An impairment assessment has been completed for tangible and intangible assets. The result of this assessment was that there has been no material movement in asset values resulting from Covid-19.

Three waters (water supply, waste water and stormwater), roads and bridges have been valued at fair value using optimised depreciated replacement cost by Marsh & McLennan Companies as at 30 June 2022. The Valuer reported that the markets that the infrastructure assets' components are transacted in, are being impacted by the uncertainty that the COVID-19 outbreak has caused. The Valuer's assessment is that, as a consequence of this, there is "significant valuation uncertainty" with the valuation.

#### IMPACT OF COVID ON COUNCIL'S JOINT VENTURE, NELSON AIRPORT LTD

As at 30 June 2022, an impairment assessment was carried out to determine the appropriateness of the carrying values of Nelson Airport Limited's assets. Due to Covid-19, there is some additional uncertainty around forecast passenger numbers and consequently on Nelson Airport Limited's cash flows. Nelson Airport Limited's forecasts are based on its ten-year financial forecast model, and a recovery in passenger numbers back to pre-Covid-19 levels after the 2029 financial year.

Nelson Airport Limited's estimates of passengers, recovery and growth rates remain uncertain and dependent on several factors with respect to Covid-19 including any remaining restrictions on domestic and international travel, public demand and behaviour with respect to travel and airline scheduling.

Material changes in any of these factors might have an impact on Nelson Airport Limited's estimates of income and cashflows used to support the valuations, fair value assessments and impairment considerations as at 30 June 2022.

The assessment, effective 30 June 2022, included the following major assumptions:

- Revenue is largely dependent on passenger numbers. The company has conservatively projected growth in passenger numbers, with a recovery to pre-Covid-19 levels projected only during the 2029 financial year. A growth rate of 2.0% has been applied to cashflows after the forecast period.
- Forecast free cashflows for the period FY2023 – FY2026 reflect agreed pricing with airlines following the company's 2021 Airline Pricing Consultation. Following this period, a probable transition to forecast CPI has been applied, consistent with the path of the historical growth rates.
- The discount rate (Nelson Airport Limited's pre-taxation weighted average cost of capital) applied to the company's pre-taxation free cash flows was 9.8%.

The assessment concluded no impairment was required to the carrying value of property, plant and equipment. There was also no impairment in Council's interest in the Nelson Airport Ltd at 30 June 2022.





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# APPENDICES

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# APPENDIX ONE: APPLICATIONS PROCESS

## RESOURCE MANAGEMENT ACT 1991

TYPE OF CONSENT	AVERAGE (2017 – 2021)	OUTCOME 2019/2020	OUTCOME 2020/2021
Land Use	554	529	625
Water	180	375	125
Discharge	148	178	160
Coastal	19	28	12
Subdivision	128	126	142
Title Plans	109	115	127
Completion Certificates	109	117	113
Certificates of Compliance	7	9	5
Deemed Permitted Boundary Notices	38	51	53
Marginal or Temporary Exemption Notices	30	19	20
Resource Consent (Permit) Transfers	189	213	77
Right of Way (s348 Local Govt. Act 1974)	13	11	7
<b>Total</b>	<b>1575</b>	<b>1571</b>	<b>1466</b>

## BUILDING ACT 2004

TYPE OF CONSENT	AVERAGE NUMBER ISSUED 2017 – 2021	NUMBER ISSUED 2021	NUMBER ISSUED 2022	AVERAGE VALUE IN \$M 2017 – 2021	VALUE IN \$M 2021	VALUE IN \$M 2022
Dwelling	440	577	515	116	241.4	265.7
Commercial	51	35	39	36	42.7	58.0
Other	910	810	796	38	39.9	60.6
<b>Total</b>	<b>1402</b>	<b>1422</b>	<b>1350</b>	<b>\$240</b>	<b>\$324.0</b>	<b>\$384.3</b>

## APPENDIX ONE: APPLICATIONS PROCESS

### LICENCES

TYPE	AVERAGE 2017 – 2021	OUTCOME 2021	OUTCOME 2022
Food premises/operators	340	399	371
Hairdressers	92	46	42
Campgrounds	40	43	43
Hawkers/mobile traders	49	42	34
Others	15	12	10
Commercial vessel operators	26	18	19

### SALE OF ALCOHOL

TYPE	AVERAGE 2017 – 2021	OUTCOME 2021	OUTCOME 2022
Manager's certificate	286	302	292
On/off licence	92	117	101
Club licence	10	6	13
Special licence	58	49	38
Temporary authority order	13	18	12

### OTHER

TYPE	AVERAGE 2017 – 2021	OUTCOME 2021	OUTCOME 2022
Land Information Memoranda	744	827	698
Complaints received	2686	2953	2470
Abatement notices issued	53	36	19
Infringement notices issued	59	31	41
Enforcement orders	1	1	0
Excessive noise directions	167	159	203

# APPENDIX TWO: COUNCIL'S COMMITTEES, RESPONSIBILITIES, PORTFOLIOS AND MEETING ATTENDANCE

## COUNCIL STANDING COMMITTEES

There are three standing committees of the Council, each with delegated powers. All Councillors and the Mayor are members of these committees, which meet every six weeks.

COMMITTEE	PURPOSE	CHAIR
Strategy and Policy	<p>The Strategy and Policy Committee's purpose is to guide, approve, and oversee:</p> <ul style="list-style-type: none"> <li>The Council's strategy and policy programmes, services, activities and associated projects, including public consultation.</li> <li>The development and growth of the district, land and resource use, and the provision of infrastructure.</li> <li>Any policies and plans required under the Resource Management Act 1991 (RMA).</li> </ul> <p>The primary areas of responsibility of the Committee are:</p> <ul style="list-style-type: none"> <li>Electoral and democratic functions of local government in the Tasman District.</li> <li>Long Term Plans, Annual Plans, Activity Management Plans, Statutory Policies, and Annual Reports.</li> <li>Resource Management Act Policies and Plans.</li> </ul>	Councillor Kit Maling
Regulatory	<p>The Regulatory Committee's purpose is to guide, approve, and oversee the Council's regulatory programmes, services, and activities, including bylaw development and implementation.</p> <p>The primary areas of responsibility of the Committee are:</p> <ul style="list-style-type: none"> <li>Monitoring and enforcing Council's Resource Management Act functions.</li> <li>Enforcing Council's other regulatory functions.</li> <li>Undertaking bylaw preparation processes.</li> </ul>	Councillor Chris Hill
Operations	<p>The Operations Committee's purpose is to oversee the Council's operational programmes, services, activities and projects.</p> <p>The primary areas of responsibility of the Committee are:</p> <ul style="list-style-type: none"> <li>Overseeing and monitoring and Council's operational functions.</li> <li>Overseeing and monitoring Council's capital works programme.</li> </ul>	Councillor Stuart Bryant

## COUNCIL COMMITTEES

There are also three committees in the Council that report to Council but do not have delegated powers. These committees include a smaller number of councillors alongside appointed members with expertise in a particular area.

COMMITTEE	PURPOSE	MEMBERS	CHAIR
Audit and Risk	<p>The Audit and Risk Committee's purpose is to assist and advise the Council and the Chief Executive in their governance, internal control and risk management responsibilities.</p> <p>The focus of the Committee is:</p> <ul style="list-style-type: none"> <li>Ensuring that the Council has appropriate controls consistent with the public interest.</li> <li>Overseeing good financial and cultural governance.</li> </ul>	<p>Councillors Chris Hill, Christeen Mackenzie, David Ogilvie, Trindi Walker</p> <p>Graeme McGlenn (independent member)</p>	<p>Graham Naylor (independent member)</p>
CEO Review	<p>The purpose of this Committee is to oversee matters associated with the employment of the Chief Executive Officer (CEO). It can:</p> <ul style="list-style-type: none"> <li>Make recommendations to the Council on the initial employment, reemployment, remuneration, resignation or dismissal of the Chief Executive Officer.</li> <li>Negotiate, set objectives and review the performance and remuneration for the Chief Executive each year.</li> <li>Handle all routine CEO contract/employment matters not dealt with by the Mayor.</li> </ul>	<p>Mayor Tim King</p> <p>Councillors Stuart Bryant and Christeen Mackenzie</p>	
Enterprise	<p>The Enterprise Committee's purpose is to monitor and improve the performance of the Council's commercial and semi-commercial activities. This includes recommendations on investments and resources to manage the financial and non-financial risks associated with these activities. The Committee is expected to identify opportunities that will increase the portfolio and may also recommend to the Council disposal of poor-performing assets and investments.</p> <p>The Committee's area of responsibility includes:</p> <ul style="list-style-type: none"> <li>Forestry</li> <li>Aerodromes</li> <li>The Motueka Harbour and Coastal Works Reserve Fun</li> <li>Council Controlled Organisations and Council Controlled Trading Organisations (excluding Waimea Water Limited and Tasman Bays Heritage Trust)</li> <li>Commercial campgrounds</li> <li>Commercial property</li> <li>Port Motueka and Port Tarkohe</li> </ul>	<p>Councillors Celia Butler, Chris Hill, Kit Maling and David Ogilvie</p> <p>Independent members Kevin Armstrong, Alan Dunn, and Roger Taylor</p>	<p>Councillor Christeen Mackenzie</p>

## COUNCIL SUBCOMMITTEES

In addition to the above committees, the Council has several special purpose subcommittees. These have delegated powers and only meet as required. Their level of autonomy varies depending on the specific delegations – some can make decisions in their own right while others make recommendations to their parent committee or Full Council.

The Mayor is a member of all subcommittees. The current subcommittees are:

COMMITTEE	PURPOSE	MEMBERS	CHAIR
Community Awards	The purpose of this Subcommittee is to evaluate Community Award nominees and their contributions to the community for outstanding service. This subcommittee reports to the Operations Committee.	Councillors Barry Dowler, Trevor Tuffnell and Anne Turley	Councillor Chris Hill
Community Grants	The purpose of this Subcommittee is to administer community grants. This subcommittee reports to the Operations Committee.	Councillors Stuart Bryant, Celia Butler, Kit Maling and Trindi Walker	Councillor Anne Turley
Creative Communities	The purpose of this Subcommittee is to consider local applications to the Creative Communities Scheme and provide grants. This subcommittee reports to the Operations Committee.	Councillor Trindi Walker  Independent members Lloyd Harwood, Mary Nicholls, Donna McLeod and Anna Dean	Councillor Celia Butler
Golden Bay Recreation Park Management	The purpose of this Subcommittee is to oversee the management of land and buildings in the Golden Bay Recreation Park. This subcommittee reports to the Operations Committee.	Councillor Chris Hill  Independent members Duncan McKenzie, Wayne Packard, Anju Ejima and Lorna Pomeroy	Councillor Celia Butler

## OTHER COMMITTEES

The following two committees operate under separate legislation, and their membership includes both Council and external members. The Mayor is not a member of either Committee.

COMMITTEE	PURPOSE	MEMBERS	CHAIR
Tasman Regional Transport	This Committee operates under the Land Transport Act 2003 and is responsible for preparing a regional land transport strategy, regional land transport programme, regional fuel tax scheme, and any advice and assistance the Council may request about its transport responsibilities.	Councillors Anne Turley, Celia Butler, and Barry Dowler  Emma Speight (Waka Kotahi)  Independent members Donna Smith, Jane Murray, and Inspector Dan Mattison	Councillor Stuart Bryant
District Licensing	This Committee operates under the Sale and Supply of Alcohol Act 2012 and is responsible for determining applications for licences to sell alcohol.	Councillor Mark Greening  Independent members David Lewis, Laurie Gabites, and Michael Fitzsimons	Councillor David Ogilvie



## JOINT COMMITTEES

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.

COMMITTEE	PURPOSE	TASMAN MEMBERS
Joint Committee	The purpose of this Committee is to determine matters relating to Port Nelson Ltd, Nelson Airport Ltd, and Tasman Bays Heritage Trust.	Mayor Tim King and all Councillors
Joint Committee Subcommittee	The purpose of this Subcommittee is to oversee the Nelson Tasman Future Development Strategy 2022. This subcommittee reports to the Joint Committee.	Councillors Stuart Bryant, Kit Maling, and David Ogilvie
Joint Shareholders	The purpose of this Committee is to appoint and set remuneration for directors and other matters relating to jointly owned Council Controlled Organisations.	Mayor Tim King Councillors Stuart Bryant, Kit Maling, David Ogilvie, Christeen Mackenzie, and Barry Dowler
Nelson Regional Sewerage Business Unit (NRSBU)	The purpose of this Committee is to look after the Regional Sewerage Scheme.	Councillors Kit Maling and Trevor Tuffnell
Saxton Field Committee	The purpose of this Committee is to oversee Saxton Field and its facilities.	Councillors Kit Maling and Trevor Tuffnell
Nelson Tasman Regional Landfill Business Unit (NTRLBU)	The purpose of this Committee is to look after the regional landfill unit.	Councillors Stuart Bryant and Trindi Walker
Civil Defence and Emergency Management	The purpose of this Committee is to look after matters relating to Civil Defence and Emergency Management.	Mayor Tim King and Councillor Stuart Bryant

## COUNCIL REPRESENTATIVES AND APPOINTMENTS

The following are external groups and committees that elected members are appointed to.

APPOINTMENT	TASMAN MEMBERS
Local Government New Zealand – Zone 5	Mayor Tim King and Chief Executive
Regional Sector Group	Mayor Tim King and Chief Executive
Rural and Provincial Sector	Group Manager Service and Strategy (Mayor Tim King or Councillor Stuart Bryant as alternate)
Accessibility for All	Vacancy
Nelson Tasman Climate Forum	Councillor Trindi Walker (Councillor David Ogilvie as alternate)
Friendly Towns	Councillors Trevor Tuffnell (Richmond) and Trindi Walker (Motueka)
Iwi liaison	Mayor Tim King and Chief Executive
Local boards representation review	Councillors Celia Butler, Chris Hill, and Trindi Walker
Māpua Waterfront Area Masterplan working group	Councillor Anne Turley
Motueka Aerodrome Advisory Group	Councillor Barry Dowler (Councillor David Ogilvie as alternate)
Native Habitats Trust	Councillors Celia Butler and David Ogilvie
Nelson Tasman Business Trust	Councillor Kit Maling (trustee in a personal capacity)
Positive Ageing	Vacancy
Port Taranaki Advisory Group	Councillors Celia Butler (chair) and Chris Hill
Regional TB Free	Councillor Stuart Bryant
Richmond Bridge and Croquet	Councillor Mark Greening
Richmond Network Operating Framework	Councillors Stuart Bryant and Trevor Tuffnell
Tākaka Aerodrome Advisory Group	Councillor Chris Hill
Tasman Bays Heritage Trust Appointments	Mayor Tim King and Chief Executive
Tasman Bio-strategy Governance Group	Councillors Celia Butler, David Ogilvie, and Trevor Tuffnell
Tasman Environmental Trust	Councillor Christeen Mackenzie
Tasman Youth Council	Councillors Trindi Walker and Chris Hill
Tenders Panel	Councillors Stuart Bryant, Kit Maling, and Trevor Tuffnell, Chief Executive
Waimea Inlet Working Group	Councillor Trevor Tuffnell

## APPENDIX TWO: COUNCIL'S COMMITTEES, RESPONSIBILITIES, PORTFOLIOS AND MEETING ATTENDANCE

### MEETING ATTENDANCE

These figures represent attendance at Full Council and the three standing committees between July 1 2021, and June 30 2022.

MEMBER	MEETING ATTENDANCE	2022 REMUNERATION (\$)
Mayor Tim King	97%	145,585
Councillor Stuart Bryant	89%	75,776
Councillor Celia Butler	100%	45,874
Councillor Barry Dowler	100%	49,624
Councillor Mark Greening	43%	45,874
Councillor Chris Hill	97%	53,618
Councillor Kit Maling	86%	58,340
Councillor Christeen Mackenzie	100%	49,284
Councillor Dean McNamara	69%	47,532
Councillor David Ogilvie	100%	53,350
Councillor Trevor Tuffnell	94%	45,874
Councillor Anne Turley	100%	47,236
Councillor Trindi Walker	91%	47,966
Councillor Dana Wensley <sup>8</sup>	96%	52,116

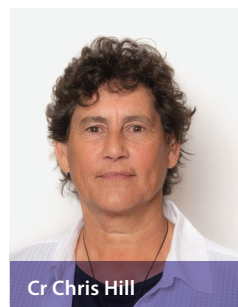
8. Councillor Dana Wensley resigned in May 2022. Councillor Wensley's attendance is the proportion of meetings attended prior to resignation.

# APPENDIX THREE: COMMUNITY BOARDS

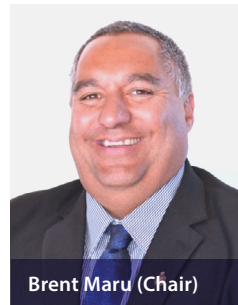
Community Boards are separately elected advisory bodies and are not Council Committees. Their main role is to represent, and act as an advocate for, the interests of their community.

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

Leonie Rae

## CHIEF OPERATING OFFICER

Jenna Neame

## GROUP MANAGER – COMMUNITY INFRASTRUCTURE

Richard Kirby

## GROUP MANAGER – ENVIRONMENTAL ASSURANCE

Dennis Bush-King (until 3 June 2022) then Kim Drummond

## GROUP MANAGER – FINANCE

Mike Drummond

## GROUP MANAGER – INFORMATION, SCIENCE, AND TECHNOLOGY

Steve Manners

## GROUP MANAGER – SERVICE AND STRATEGY

Susan Edwards

## OTHER

### BANKERS

ASB Bank Ltd

### 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.

## COMMUNITY OUTCOMES

Community outcomes are the priorities and aspirations identified by Council that it aims to achieve in order to promote the present and future social, economic, environmental and cultural well-being of the community.

## CONSULTATION

Consultation is the dialogue that comes before decision-making. Consultation is an exchange of information, points of view and options for decisions between affected and interested people and the decision makers.

## COST OF SERVICES

The cost of services relates 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.

## APPENDIX FIVE: GLOSSARY OF TERMS

### 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.

### JOINT OPERATION

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint operations also include operations where the activities primarily aim to provide the joint arrangement parties with an output (i.e. the parties have rights to substantially all of the service potential or economic benefits of the assets).

### JOINT VENTURE

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

### LEVELS OF SERVICE

This term describes what Council will deliver. Performance measures are specific indicators used to demonstrate how Council is doing regarding the 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.



## APPENDIX FIVE: GLOSSARY OF TERMS

### MAJOR GOALS

These highlight specific significant outcomes of the activity and what is intended to be achieved. The objectives are in some cases encompassing more than just the current financial year but are considered important enough in terms of providing an overall picture to be included in the Plan.

### NET EXTERNAL DEBT (NET DEBT)

Net external debt means total external debt less liquid financial assets and investments.

### NET INTEREST

Net interest is interest paid less interest income received.

### NETWORK INFRASTRUCTURE

See Infrastructure Assets.

### OPERATING COSTS (OR OPERATING EXPENDITURE)

These expenses, which are included in the Prospective Income Statement, are the regular costs of providing ongoing services and include salaries, maintaining assets, depreciation and interest. The benefit of the cost is received entirely in the year of expenditure.

### 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.

### RESIDENT SATISFACTION SURVEY

This is the survey of residents' opinions that Council has undertaken annually by an independent research agency.

### 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).

## APPENDIX FIVE: GLOSSARY OF TERMS

### TABLE LOAN

A loan where your regular repayments are the same each week, fortnight or month, unless your interest rate changes.

Every repayment includes a combination of interest and principal. At first, your repayments comprise mostly interest but as the amount you still owe begins to decrease, your regular repayment will include less interest and repay more of the principal (the amount you borrowed).

### TARGETED RATES

A targeted rate is designed to fund a specific function or activity. It can be levied on specific categories of property (e.g. determined by a particular use or location) and it can be calculated in a variety of ways (e.g. based on capital value, as a fixed amount per rateable property etc.).

### TOTAL OPERATING INCOME

Total operating income is defined as earnings from rates, government grants and subsidies, user charges, levies, interest, dividends, financial and other revenue, but excludes non-government capital contributions, (e.g. development contributions and vested assets).

### TRUNK SERVICES

The network elements that service larger segments of a community beyond a single street or subdivision.

### UNCALLED CAPITAL

Capital that a company has raised by issuing shares or bonds but that the company has not collected because it has not requested payment.

### UNIFORM ANNUAL GENERAL CHARGE (UAGC)

A UAGC is a portion of the general rate collected as a fixed charge per rateable property. It is deemed that the properties receive equal benefit for services charged regardless of the rateable value of the properties, e.g. use of parks, reserves and libraries.

### UNITARY AUTHORITY

Tasman District Council is a unitary authority, which means we carry out the functions of both a regional council and a territorial authority.

### URBAN WATER CLUB

Includes 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.

### VESTED ASSETS

Assets such as transport, stormwater, wastewater and water supply infrastructure, and land (including land under roads) transferred to Council ownership as part of the subdivision process.

### 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

**Street address** | 189 Queen Street, Richmond 7020  
**Postal address** | Private Bag 4, Richmond 7050  
**Telephone** | 03 543 8400  
**Email** | [info@tasman.govt.nz](mailto:info@tasman.govt.nz)

## MOTUEKA OFFICE

**Street address** | 7 Hickmott Place, Motueka 7120  
**Postal address** | PO Box 123, Motueka 7143  
**Telephone** | 03 528 2022

## GOLDEN BAY OFFICE

**Street address** | 78 Commercial Street, Tākaka 7110  
**Postal address** | PO Box 74, Tākaka 7142  
**Telephone** | 03 525 0020

## MURCHISON OFFICE

**Street address** | 92 Fairfax Street, Murchison 7007  
**Postal address** | 92 Fairfax Street, Murchison 7007  
**Telephone** | 03 523 1013







Te Kaunihera o  
**te tai o Aorere**