



Tasman District Council

# Summary Annual Report

## 30 June 2013

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





# Mayor's and Chief Executive Officer's Overview

The last year has been very positive, financially and with a number of improvements to the facilities and services provided to Tasman residents and businesses. Two examples are the development of Tasman's Great Taste Trail, which is expected to bring an additional \$20 million per annum into our region once it is completed, and Council support for the redevelopment of the Mapua Hall.

During the year the Council has also been planning for the future and working with the community on meeting expected growth. Plan Changes such as those currently being consulted on for Motueka, and discussions with the community on the options for rural land use, and intensification of residential development in Richmond are some of the projects that we have been working on. Public feedback on these Plan Changes is important to create a District that meets growth and provides a range of living options for residents.

Extreme rainfall events have once again been the main challenge in the past year. In April 2013 residents and businesses in Richmond as well as in neighbouring Stoke were subjected to flooding when over 100mm of rain fell in just one hour. The community responded amazingly to this event and helped each other through. Following submissions to the Draft Annual Plan the Council allocated \$500,000 towards improving the stormwater systems in the Champion Road area. Work has already started on this project and the intention is that the stormwater system will be upgraded to manage a 1 in 100 year rainfall event.

It takes time to recover and rebuild from severe weather events. The rainfall in December 2011 required work to be undertaken in other parts of the District. The Council also brought forward work on the Pohara water treatment plant as a result of this storm.

We are very mindful that the money that the Council spends comes from residents, ratepayers and businesses. An important project this year that will improve services and also reduce costs was bringing back in-house some

of the Engineering Services that were previously provided by consultants. This project is already providing benefits with Council having improved access to information on its assets and better able to respond to customer needs. We have also retendered a number of contracts in other activity areas and achieved cost savings as a result.

The 2012/13 year was a good one in financial terms. The Council debt at the end of June 2013 was \$158 million (including joint venture share of borrowings), which was under budget. That is a good result because our borrowing was ahead of budget at the beginning of the year. During the year Council purchased \$23.7 million of additional assets and spent \$79.6 million on services. The Council continues to be in a strong financial position. Ratepayers' equity increased during the year from \$1.130 billion to \$1.185 billion. We have significant financial challenges ahead and work is underway to address them.

Tasman District Council's mission is to "enhance community well-being and quality of life", and the services that we have provided this year were focused on delivering on this promise. It is a pity that so much of what Council does and provides is unseen by the casual observer - the new pipes that are buried, the trees that are planted, the road resealed, the grants given, water and air measurements taken, the conflicts resolved and so on. If you would like to find out more about what we have achieved, please read on. Finally, thank you on behalf of councillors and the members of our staff for the contribution so many of you have made, directly as well as by supporting the work of Council, to help us achieve our vision for Tasman.



**Richard Kempthorne**  
Mayor



**Lindsay McKenzie**  
Chief Executive Officer

# What did Council do over the last year?

This summary is one of the ways that the Council lets residents, ratepayers and businesses know what services and projects we provided during the year. As well as specific projects, the Council also provides a large number of “everyday” services that are needed for our District. Some examples of these services are:

- We issue over 700,000 books, magazines and CDs from our libraries each year, providing information, recreation and knowledge to residents of the District. There is strong demand from library users for access to material online and the Council provides access to 100's of newspapers, songs and books through its library website.
- The Council receives more than 80,000 phone calls each year, with approximately 17,000 of these being requests for service. The requests cover everything from building consents, dog licensing information, wild bees nests, road potholes, and right through to what plastics can be recycled.
- Thousands of plants are planted each year, many by members of the public as part of Community Planting days. These plants play a major part in making our district more attractive, they provide food and nesting areas for birds, and coastal planting assists with the protection of sand dunes from erosion.
- Community events are held throughout Tasman District. Popular events are the Tasman Skate Park Tour, Family Fund Rides, Go by Bike day, and In Your Neighbourhood activities. On average 500 people enjoy each of these events.
- Enforcement of regulations is part of our work to protect the community and is a priority for Council. This work includes issuing of speeding notices for boats, and following up noise complaints.
- Council works to keep you safe through providing information on a wide range of subjects, such as wearing of lifejackets, food safety for restaurants and cafes, and how to reduce air pollution from fireplaces.
- Maintenance of over 1700 kilometres of roads, which are needed not just for people to get from one place to another, but also for businesses to move their products and supply goods to their customers.

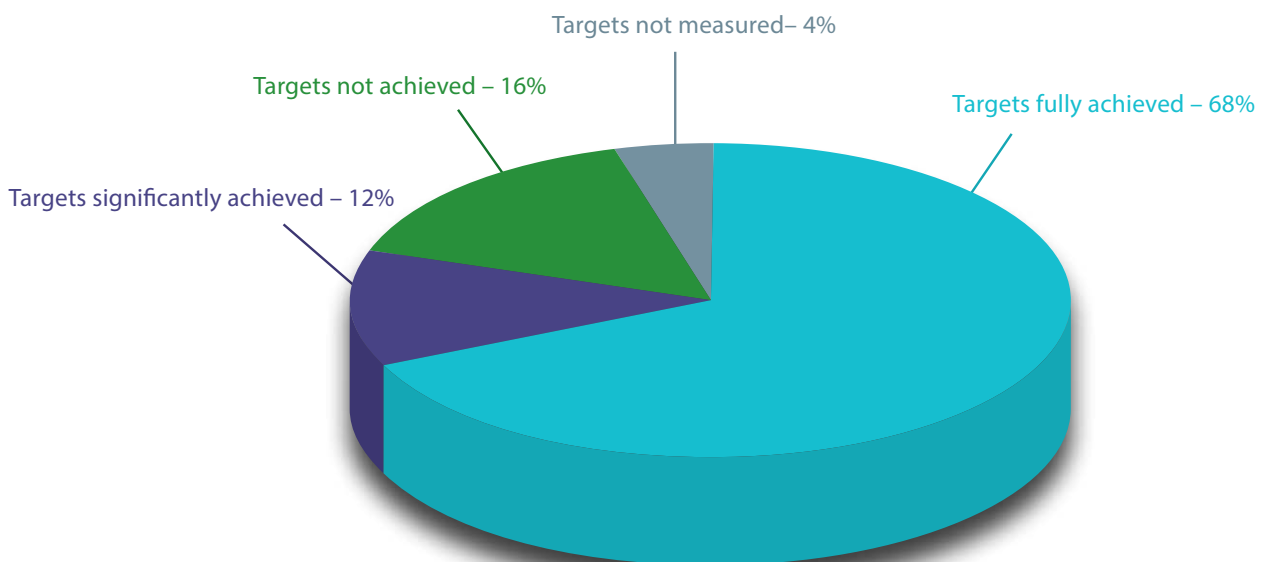


# How well did Council perform?

We have 91 measures that we report on for our performance. We met 62 of these fully, 11 were significantly achieved, 14 were not achieved, and there were four that we did not have the full information available to report on. We set ourselves high targets and some we missed achieving by only a small margin e.g. our target for processing building consent applications was that we would complete 100% of these within the statutory time limits. We achieved 98%, this is therefore classified as significantly achieving the target.

|                                    | Target Fully Achieved | Target Significantly Achieved | Not Achieved | Not Measured |
|------------------------------------|-----------------------|-------------------------------|--------------|--------------|
| Environmental Management           | 10                    | 4                             | 2            |              |
| Public Health and Safety           | 8                     | 2                             | 2            |              |
| Transport                          | 9                     |                               |              |              |
| Coastal Structures                 | 2                     |                               |              |              |
| Water                              | 4                     | 1                             | 2            |              |
| Wastewater                         | 5                     |                               | 1            |              |
| Stormwater                         | 2                     |                               | 2            | 1            |
| Solid waste                        | 3                     | 2                             | 1            |              |
| Flood protection                   | 5                     | 0                             | 1            | 1            |
| Community Facilities               | 9                     | 2                             | 1            |              |
| Recreational and Cultural Services | 3                     |                               | 2            |              |
| Governance                         | 2                     |                               | 0            | 2            |
| <b>TOTAL</b>                       | <b>62</b>             | <b>11</b>                     | <b>14</b>    | <b>4</b>     |

## Summary of Targets



# Community Outcomes

Council has eight Community Outcomes – these are the outcomes Council and community are working towards to improve community well-being. They reflect what Council and the community see as important both now and in the future. Many of the activities of Council contribute to more than one Community Outcome, and the following sections provide examples of the work that Council has done over the last twelve months towards achieving these outcomes.

## 1. Protecting our environment

What did we do during the year?

### **Motueka West and Motueka Central plan changes publicly notified**

These plan changes are focused on the future development within Motueka West and Motueka Central to meet the growth in business and residences expected in the future.

### **Ecofest**

Over 5000 people attended Ecofest in August 2012. The goal of Ecofest is to make it easier to be and act 'green'. The theme for 2012 was "Getting there is half the fun – active and sustainable transport" and featured the new cycle trails, car pooling, the N-Bus service, electric cars and bio-fuels, not to mention good old foot power.

### **Aorere River quality monitoring**

For a number of years there has been concern about bacteriological contamination of the marine environment from the Aorere River. A survey was undertaken between November 2012 and April 2013 which included walking along every farm waterway and assessing all effluent disposal systems and soil profiles.

The key findings of the survey were:

- there were no obvious sources of contamination from a single point found during the period of the survey.
- there are no non-compliant stock crossings remaining in the Aorere catchment, and 89% of those waterways requiring stock exclusion of the waterways are done with further fencing completed following the survey.
- the extent to which the significant waterways have been bridged and fenced has reduced the likelihood of them being major contributors to any wider problem of stock contamination.

A bigger question is what effect the many small waterways and artificial watercourses not subject to regulation are having on water quality, particularly in times of high ground water.

It is the intention of the Council to undertake this full farm survey throughout the remaining parts of the Tasman District as it provides a useful benchmark. It is also envisaged that in future years the Aorere River will be resurveyed.

It is noted that this work was assisted by the agricultural community's willingness to enhance the wider relationships created by the use of common waterways and their place in the environment.

## How well did we perform?

### **Reporting on Dairy Effluent Discharges – achieved**

A report is required to be provided to Council each year on dairy effluent discharges. The report for the last financial year was submitted in September 2012. Each farm is assessed against Resource Consent conditions, and 94.4% were Fully Compliant, 4.2% were Non-Compliant, and 1.4% were Significantly Non-Compliant.

## 2. Our urban and rural environments are pleasant, safe and sustainably managed

What did we do during the year?

### Release of higher density housing consultation

The Council began a discussion with Richmond residents about the need to develop a vision for the growth and development of the town. This discussion included asking for input on what opportunities are possible for higher density development.

The reason why we have started this discussion is that demand for residential land in Richmond will continue over the next 20 years, and we need to provide for this growth.

### Open day for Motueka Wastewater Treatment Plant

In April this year Motueka, Riwaka and Kaiteriteri residents and ratepayers were invited to attend open days about the future of the Motueka Wastewater Treatment Plant.

Since 2005 the Tasman District Council has been working to find a sustainable disposal solution for treated wastewater from the Motueka Wastewater Treatment Plant (WWTP). As the Motueka WWTP is so close to the coast and the Motueka River, there are several risks affecting the longer term viability of the site including flooding, sea level rise and coastal erosion.

A working party including members from Council and the community has been working on possible solutions to these issues and this work is continuing.

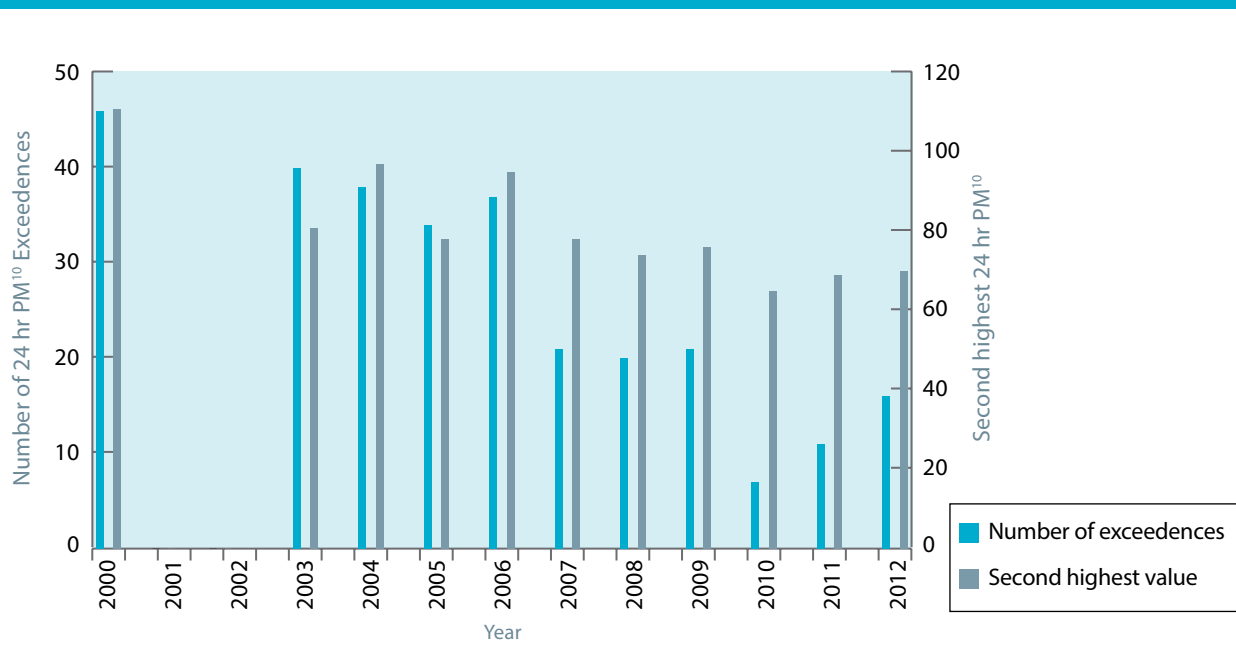
### Other projects

Other work that commenced or was ongoing during the year ranged from large projects such as the Waimea Water Management Plan Change, through to smaller, but still very important, work with the community to find and eliminate the Great White Butterfly.

## How well did we perform?

### Air Quality – not met

Council has the aim of meeting the Air Quality National Environmental Standard by 2020. During the 2012 winter there were 16 exceedances, five more than the previous winter. The maximum 24-hour concentration was also the highest for three years. We will continue to run the “Good Wood” programme to promote the use of dryer and cleaner burning wood, but rules and enforcement actions are also available to Council to meet this medium term objective. The following graph shows the number of exceedances each year.



## Community Outcomes (cont.)

### 3. Providing you with infrastructure that is safe and efficient

What did we do during the year?

#### Flood events

It was another difficult year as once again there were major flood events in our District, significantly effecting residents, businesses and Council. Overall there were 17 flood events that were actively monitored over the past year, with four of these escalating to levels that initiated flood warnings. The largest of these was the 21 April 2013 event in Richmond/ Stoke where one rain gauge recorded over 100mm of rain in one hour. Residents and businesses were significantly effected by the severity of this rainfall. As part of its medium term response to this event Council provided an additional \$500,000 in its final Annual Plan 2013/2014 towards improving the stormwater systems in the Champion Road area.

The Council has also been working this year with the Golden Bay community on identifying solutions for flooding issues following the December 2011 flooding.

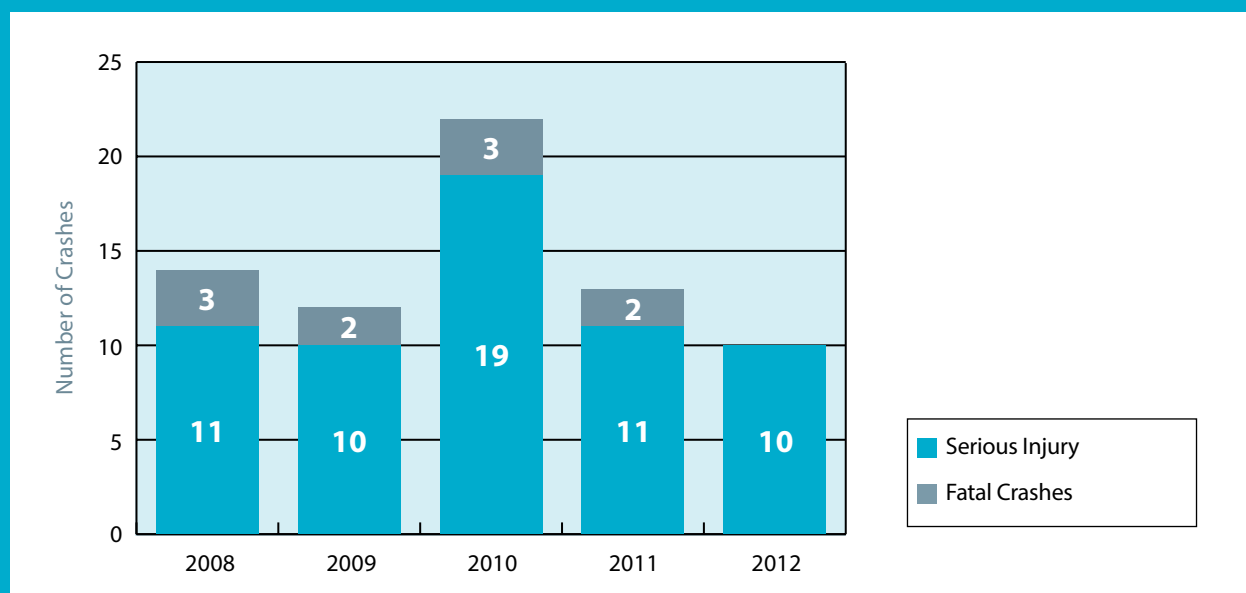
#### Matakitaki river project

This was a joint project between the Council and the New Zealand Transport Agency. The objective was to remove a large gravel build up in the Matakitaki River to help alleviate flooding in Murchison and to protect the bridge going over the river. Over 85,000m<sup>3</sup> of gravel was removed and rock protection was constructed around the bridge, together with groynes upstream to keep the river in a new channel.

### How well did we perform?

#### Reduced the number of serious and fatal crashes – achieved

The Council works with the community and government agencies to reduce the number of fatal and serious injury crashes. Our objective is to reduce these and the measure that is used is the number of serious accidents on Council roads, not including State Highways. The trend shows a decrease over the last few years, although it is not statistically significant.



#### The number of temporary boil water notices issued – not achieved

The target for this is for there to be no temporary boil water notices, however during the year three had to be issued, one each for 88 Valley, Motueka and Richmond.



### **Matakitaki river project**

Over 85,000m<sup>3</sup> of gravel was removed and rock protection was constructed around the bridge together with groynes upstream to keep the river in a new channel. The photo shows work on the opening up of the new channel which is 4m below the existing river level.



## Community Outcomes (cont.)

### 4. Helping our communities to be healthy and resilient

What did we do during the year?

#### **Emergency Management exercises – New Zealand Shakeout**

Over 21,000 people in Tasman, including those working at Tasman District Council, and an amazing 1.34 million people in New Zealand took part in the New Zealand ShakeOut earthquake drill at 9.26am on Wednesday 26 September 2012. The next campaign is likely to be in 2015/2016.

#### **How well did we perform?**

##### **Residents satisfaction with Council's civil defence emergency management work – achieved**

In our Residents' survey 69% of respondents who had sufficient information to comment, stated that they were satisfied with the Council's civil defence emergency management work.

### 5. Respecting our history, heritage and culture.

What did we do during the year?

#### **Natural Burial area at Rototai Cemetery**

Natural burial areas provide an alternative style of burial for those wanting a more natural and less formal style of interment. Following establishment of an area at the Motueka Cemetery in 2010, Council now provides a similar facility in Golden Bay at the Rototai Cemetery.

#### **Iwi and Māori contributions to decision making**

Council continues to provide funding and engage with iwi on a wide range of issues. Council held a Governance Hui in May 2013 with Māori, supported by Tiakina te Taiao. Council also held a number of meetings with iwi on a range of Council related projects. Support for Council cultural events was provided by the Council Kaumatua.

#### **How well did we perform?**

##### **Funding for Museums and the Suter Art Gallery**

Tasman Bay Heritage Trust received funding of \$807,221 for the year ended 30 June 2013, the Council also provides the Trust with free use of a storage facility, costing \$93,433. Local museums are also supported with \$42,000 going to the Motueka District Museum, and \$42,500 to Golden Bay Museum.

Council has continued to provide the Suter Art Gallery annual funding of \$82,772.

## 6. Providing you with cultural, social, educational and recreational services

What did we do during the year?

### Examples of events and facilities for the 2012/2013 year

As well as supporting cultural and recreational services under the history and cultural services Community Outcome, Council provides a wide range of other services for residents and visitors to use. During the year this included:

- Installation of a replacement floating pontoon jetty at Mapua
- Supporting the Age to Be Positive Ageing Forum, which had over 2000 visitors
- Carols by Candlelight in Washbourn Gardens, enjoyed by over 2000 people
- Skatepark Tour, held at eight locations with over 1500 people coming along
- Community Grants, there were a record 158 applications received, with applications totalling over \$400,000, compared to a funding pool of \$164,000
- Support for development of Mapua Hall – this wonderful community facility has recently reopened and was supported by just over \$800,000 of Council funding.
- Rebuild of Moutere Hills Community Centre – two fires broke out in this facility during the year and Council is working with the Centre Committee to get the Centre back up and running as quickly as possible.

## How well did we perform?

### Standards for library book stocks – achieved

We have a target of meeting 82% of the Library and Information Association New Zealand Aotearoa (LIANZA) standard for library book stock. Book stocks are currently at 85% of this standard.



## Community Outcomes (cont.)

### 7. Communicating with our communities

What did we do during the year?

#### **Residents' Survey**

Each year Council runs a telephone survey of 400 residents to find out your views on the services that we provide. This year's survey was run in May 2013 and information from this survey helps the Council determine how well we are meeting the needs of the community.

#### **Preparation for elections**

During the year preparation for the 2013 election was undertaken - this included completion of the representation review, and decisions such as the order in which candidates were listed on voting papers, and the approval of early processing of votes.

### How well did we perform?

#### **Production of key financial documents – achieved**

The Long Term Plan, Annual Plans and Annual Reports are key documents to ensure that the Council is accountable to the public for the money that it collects and spends. All three documents were produced within the statutory timeframes.

### 8. Provides economic opportunities to the community

What did we do during the year?

#### **Tasman's Great Taste Cycle Trail**

Stage one of Tasman's Great Taste Trial was completed during the year. This runs from Nelson, through Richmond and out to Mapua and Wakefield. The link through to Mapua included a bridge over the Waimea River and the trail has proven very popular with both locals and visitors. It is estimated that once the entire trail has been completed that it will attract 28,000 visitors per year and add \$20 million to the local economy.

#### **Support for the Regional Economic Development Agency**

One of the key economic contributions made by Council is its support of the Regional Economic Development Agency

(EDA) which is jointly funded by both Tasman District and Nelson City Councils. Council contributes just over \$200,000 to the EDA each year to support its work on a wide range of economic development issues.

#### **Commercial Sub-committee established**

An important step towards improving returns on Council investments was achieved during the year with the establishment of a Commercial Sub-committee. The Commercial Subcommittee is responsible for monitoring and improving the performance of Council's commercial portfolio being Forestry, Camping Grounds, Aerodromes and Commercial Property.

### How well did we perform?

#### **Provision of funding for Economic Development – achieved**

As noted above Council provided over \$200,000 to the Economic Development Agency.



## Tasman's Great Taste Cycle Trail

It is estimated that once the entire trail has been completed that it will attract 28,000 visitors per year and add \$20 million to the local economy.

## Other Council work during 2012/2013

It is not possible to include all the projects in a summary of this size and a lot more information is included in the full Annual Report. A sample of what Council has also been working on includes:

- Replacement of the Torrent Bay jetty
- Planning for the Richmond Town Centre
- Improvements to the Matakītaki River
- Reorganisation of the Engineering Services Department to bring back in-house key strategic and operational roles
- Further developments on the Mapua waterfront
- Development of a management plan for the Motueka Aerodrome

## Work with the Community

Council appreciates the support received from residents, businesses and community organisations who assist with working towards the Community Outcomes. Financial support is also received from a number of organisations, including the Canterbury Community Trust who provided funding for the following projects:

- |                      |          |
|----------------------|----------|
| • Ecofest            | \$5,000  |
| • Holiday programmes | \$6,000  |
| • Summer festival    | \$11,000 |
| • Young people grant | \$4,000  |

Without the support from these organisations some of these services and festivals would not be able to be provided.

# Looking forward

Many of Council's projects don't end exactly on 30 June. Some of the projects that we are currently working on that contribute the Community Outcomes are:

## New Richmond water treatment plant

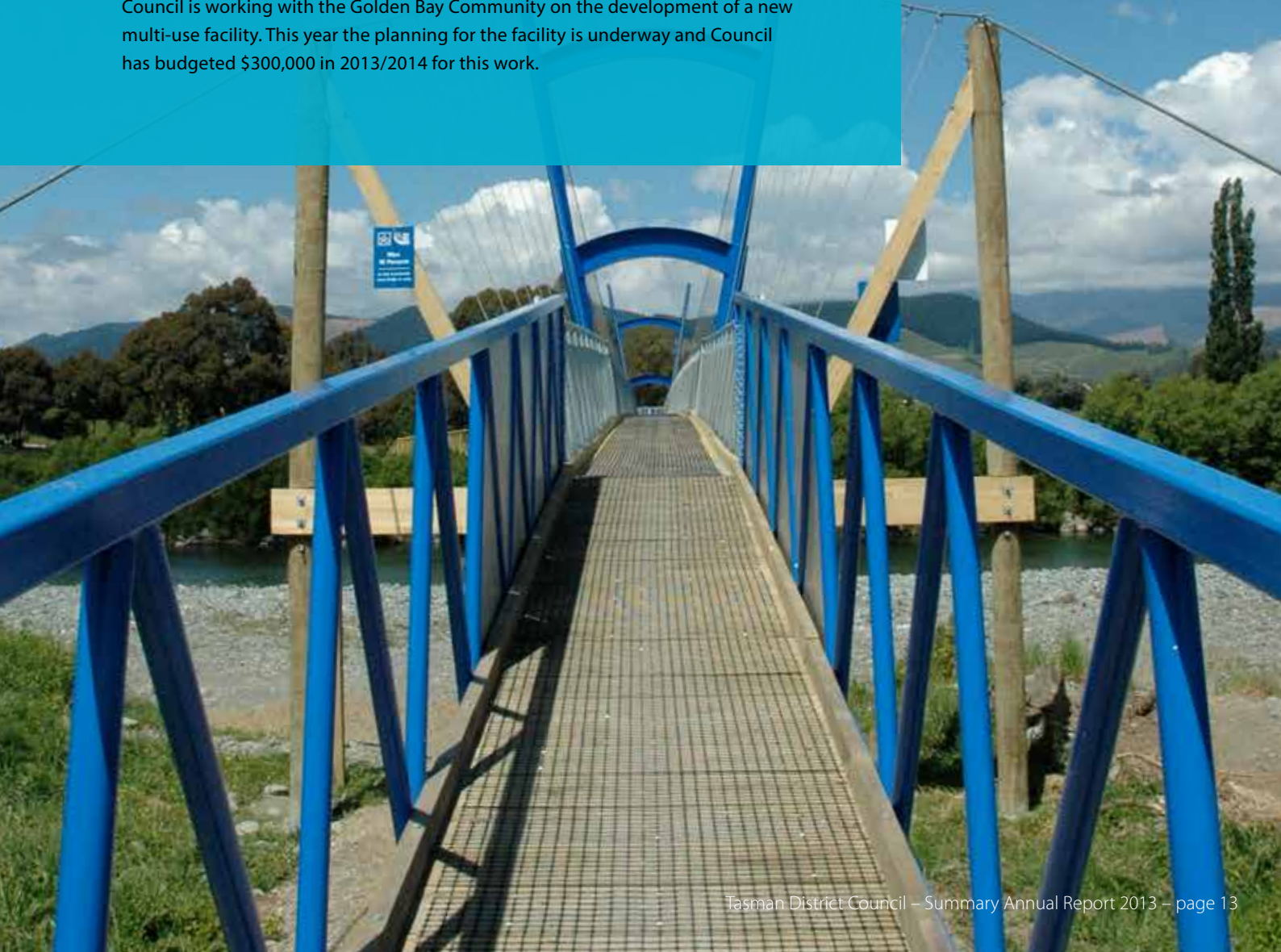
The work on this plant is planned to occur from 2012 to 2015 at a total cost of \$9.4 million. The majority of this expenditure is required for the reticulation upgrade and the upgrade of the water pumps and bores.

## Tasman's Great Taste Trail

Following on from the work that was undertaken last year, the Council is now working on an interim connecting trail loop from Motueka to Woodstock and through to Wakefield. Connections through to Motueka, Riwaka and to the Kaiteriteri Mountain Bike Park are also planned to be completed in the 2013/2014 year.

## Community Facilities

Council is working with the Golden Bay Community on the development of a new multi-use facility. This year the planning for the facility is underway and Council has budgeted \$300,000 in 2013/2014 for this work.



# Tasman District Council

## Financial summary for the year ended 30 June 2013

Council continues to be in a strong financial position, finishing the year with an accounting surplus of \$12.75 million, before adjusting for movement in asset valuations. In summary Total Operating Income was \$113.0 million, some \$11.6 million ahead of budget. Total Operating Expenditure was \$100.3 million which was \$4.2 million above budget.

Council borrowing as at the end of June 2013 was \$158 million (including joint ventures share of borrowings), which was under budget. During the year Council purchased \$23.7 million of additional assets and spent \$79.6 million on services.

### Tasman District Council Statement of Comprehensive Income for the Year ended 30 June 2013

|                                         | Actual 2012/2013<br>\$000s | Budget 2012/2013<br>\$000s |
|-----------------------------------------|----------------------------|----------------------------|
| General Rates                           | 31,398                     | 31,248                     |
| Targeted Rates                          | 28,829                     | 28,906                     |
| Other Gains                             | 6,129                      | 693                        |
| Income of Joint Ventures                | 3,052                      | 4,213                      |
| Share of Associates surplus/deficit     | 4,268                      | 2,440                      |
| Other Operating Income                  | 39,334                     | 33,909                     |
| <b>Total Operating Income</b>           | <b>113,010</b>             | <b>101,409</b>             |
| Expenditure of Joint Venture            | 3,338                      | 3,320                      |
| Other Operating Expenses                | 96,920                     | 92,689                     |
| <b>Total Operating Expenses</b>         | <b>100,258</b>             | <b>96,009</b>              |
| <b>Net Surplus</b>                      | <b>12,752</b>              | <b>5,400</b>               |
| Income Tax                              | Nil                        | Nil                        |
| <b>Net Surplus (Deficit) after Tax</b>  | <b>12,752</b>              | <b>5,400</b>               |
| Gain on Asset Revaluations              | 42,957                     | 28,833                     |
| Other Comprehensive Income – Associates | 565                        | -                          |
| All Other Comprehensive Income          | (1,102)                    | -                          |
| <b>Total Comprehensive Income</b>       | <b>55,172</b>              | <b>34,233</b>              |

The Statement of Comprehensive Income provides information on the change in equity for the year.

Operating Expenses includes finance costs of \$8 million actual and \$8.3 million budget.



## Tasman District Council Statement of Financial Position as at 30 June 2013

|                               | Actual 2012/2013<br>\$000s | Budget 2012/2013<br>\$000s |
|-------------------------------|----------------------------|----------------------------|
| Total Current Assets          | 24,813                     | 16,034                     |
| Total Non-Current Assets      | 1,337,789                  | 1,313,948                  |
| <b>Total Assets</b>           | <b>1,362,602</b>           | <b>1,329,982</b>           |
| Total Current Liabilities     | (22,520)                   | (23,476)                   |
| Total Non-current Liabilities | (154,595)                  | (150,524)                  |
| <b>Total Liabilities</b>      | <b>(177,115)</b>           | <b>(174,000)</b>           |
| <b>TOTAL NET ASSETS</b>       | <b>1,185,487</b>           | <b>1,155,982</b>           |
| Accumulated Equity            | 502,052                    | 504,054                    |
| Reserve Funds                 | 13,984                     | 9,485                      |
| Revaluation Reserves          | 669,451                    | 642,443                    |
| <b>Total Equity</b>           | <b>1,185,487</b>           | <b>1,155,982</b>           |

The Statement of Financial position is also known as the “balance sheet”. It covers what the Council owns (assets) and what it owes (liabilities). Assets minus liabilities is the “net assets”. This is the net worth of the Council (equity).

## Tasman District Council Statement of Changes in Equity for the Year ended 30 June 2013

|                                     | Actual 2012/2013<br>\$000s | Budget 2012/2013<br>\$000s |
|-------------------------------------|----------------------------|----------------------------|
| Equity at the beginning of the year | 1,130,315                  | 1,121,749                  |
| Total Comprehensive Income          | 55,172                     | 34,233                     |
| Equity at the end of the year       | 1,185,487                  | 1,155,982                  |

The Statement of Changes in Equity is a summary of the Council's equity at the start of the financial year, plus the increase in value, and then showing the equity at the end of the year.

The changes in equity are broken down into the components of equity as follows:

|                                | Accumulated Equity<br>\$000s | Restricted Reserves<br>\$000s | Revaluation Reserve<br>\$000s | Total<br>\$000s  |
|--------------------------------|------------------------------|-------------------------------|-------------------------------|------------------|
| Opening Balance                | 486,496                      | 16,092                        | 627,727                       | 1,130,315        |
| Surplus                        | 12,752                       | -                             | -                             | 12,752           |
| Gain on asset revaluations     | -                            | -                             | 42,957                        | 42,957           |
| Share of OCI - Associates      | 565                          | -                             | -                             | 565              |
| All other comprehensive income | (601)                        | -                             | (501)                         | (1,102)          |
| Net Transfers between reserves | 2,840                        | (2,108)                       | (732)                         | -                |
| <b>Closing Balance</b>         | <b>502,052</b>               | <b>13,984</b>                 | <b>669,451</b>                | <b>1,185,487</b> |

## Tasman District Council Cashflow Statement for the Year ended 30 June 2013

|                                    | Actual 2012/2013<br>\$000s | Budget 2012/2013<br>\$000s |
|------------------------------------|----------------------------|----------------------------|
| Net Cash from Operating Activities | 18,573                     | 19,921                     |
| Net Cash from Investing Activities | (23,094)                   | (25,747)                   |
| Net Cash from Financing Activities | 2,403                      | 5,770                      |
| Net Increase/(Decrease) in Cash    | (2,118)                    | (56)                       |
| Cash at the beginning of the year  | 3,870                      | 1,258                      |
| Cash at the end of the year        | 1,752                      | 1,202                      |

The cashflow statement shows how cash has flowed in and out of Council business over the year. It shows the source of cash received and what it has been applied to.

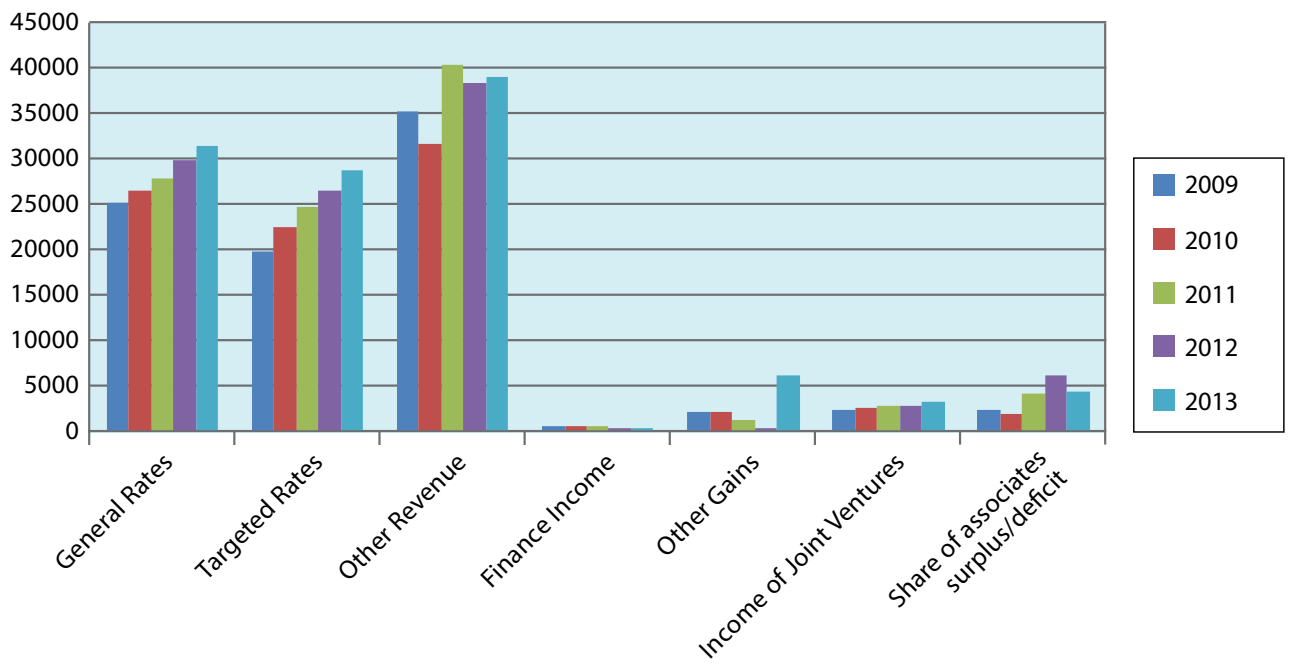
## Tasman District Council Balanced Budget Statement of Financial Performance for the Year ended 30 June 2013

|                                                                    | Actual 2012/2013<br>\$000s | Budget 2012/2013<br>\$000s |
|--------------------------------------------------------------------|----------------------------|----------------------------|
| Operating Income                                                   | 113,010                    | 101,409                    |
| Operating Expenditure                                              | 100,258                    | 96,009                     |
| Accounting Operating Surplus                                       | 12,752                     | 5,400                      |
| <b>Less</b>                                                        |                            |                            |
| Share of JV & Associates (Net)                                     | 3,982                      | 3,333                      |
| Vested Assets                                                      | 4,990                      | 5,250                      |
| Capital Grants and Subsidies                                       | 4,926                      | 4,368                      |
| Development & Financial Contributions                              | 4,051                      | 3,089                      |
| Other Gains/Losses                                                 | 5,401                      | 693                        |
| Principal Repaid (excl JV) - see note below                        | 11,097                     | 9,001                      |
|                                                                    | 34,447                     | 25,734                     |
| <b>Plus</b>                                                        |                            |                            |
| Depreciation not funded                                            | 19,638                     | 18,796                     |
| Dividends from Associates                                          | 2,350                      | 2,440                      |
|                                                                    | 21,988                     | 21,236                     |
| <b>Underlying Operating Surplus</b>                                | <b>293</b>                 | <b>902</b>                 |
|                                                                    |                            |                            |
| Net transfers from reserves and equity                             | (293)                      | (902)                      |
|                                                                    |                            |                            |
| Balanced Budget – Operating Income agrees to Operating Expenditure | 0                          | 0                          |

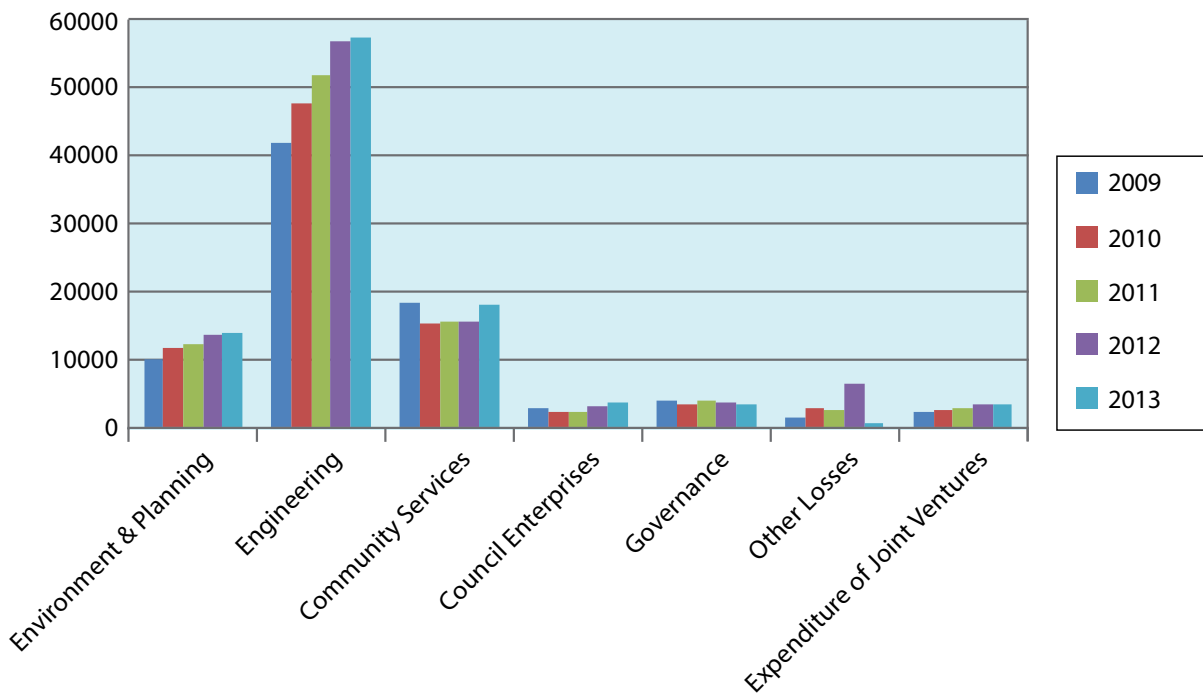
Council is required under the provisions of the LGA 2002 (s.101) to manage its revenues, expenses, assets, liabilities, investments and general dealings prudently and in a manner that promotes the current and future interests of its community. The LGA 2002 (s.100) requires that local authorities “balance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

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

## Source of Revenue



## Council Expenditure by Activity



## Notes to the Summary Annual Report

This Summary Annual Report has been extracted from the full Annual Report dated 30 June 2013 and covers the year ended 30 June 2013. This Summary Annual Report was authorised for issue on 24 October 2013 by the Corporate Services Manager, Chief Executive Officer and Mayor of the Council. The Council's full Annual Report has been audited by Audit New Zealand and an unmodified opinion was issued on 26 September 2013. This report cannot be expected to provide as complete an understanding as provided by the full Annual Report (of the financial and service performance, financial position and cashflows of the Council). This full Annual Report was authorised for issue on 26 September 2013 by the Corporate Services Manager, Chief Executive Officer and Mayor of the Council. The full Annual Report can be obtained from Council Offices in Richmond, Motueka, Takaka and Murchison, and the Council's website ([www.tasman.govt.nz](http://www.tasman.govt.nz)).

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

The full and summary financial statements have been prepared in accordance with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) as applicable for public benefit entities.

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

No significant events have occurred since balance date that affect these financial statements.

The net surplus has been influenced by a number of items, including:

- An unrealised gain of \$4 million on Council's interest rate swaps – "swaps" are a financial system that helps the Council manage changes in interest rates
- Higher than budgeted income for Tasman's Great Taste Trail cycleway project
- Council's share of Associates' income is higher than budget
- Emergency works expenditure higher than expected
- Unbudgeted additional subsidies received from the New Zealand Transport Agency and the recoveries for river works due to emergency works
- Development Contributions received were higher than budgeted
- Legal Expenses were significantly higher than budget
- Reparation work was undertaken at Jackett Island and the Motueka Groyne
- Higher income was received from water charges on completion of the Industrial Water Users dispute

The Statement of Financial Position has been influenced by a number of items, including:

- Trade & Other Receivables have increased due to the timing of Council's invoicing of debtors as well as an increase in overdue accounts which are being actively followed up by Council.
- Investment in Associates is up on budget due to the associates results being better than budgeted.
- The property, plant and equipment asset increase is due to an asset revaluation being required at the end of the financial year for land, buildings and roading assets. These revaluations were \$12,676,000 higher than budgeted.
- Reserve funds have increased primarily due to opening balance for the year being higher than budgeted due to prior year transactions. The timing of engineering and community projects can also affect the balance of the reserve funds at year end.
- Revaluation reserves are up due to an asset revaluation being required at the end of the financial year for land, buildings and roading assets. These revaluations were \$12,676,000 higher than budgeted. The previous year asset revaluation was also higher than expected which resulted in the opening revaluation reserve balance being understated when preparing the Annual Plan.

## Rates Validation

It has come to the attention of the Tasman District Council that a number of irregularities occurred in the setting of rates in the financial years 2003/2004 to 2008/2009 (inclusive). This has raised concerns about the validity of those rates. The irregularities related to the way in which the council purported to comply with certain provisions of the Local Government (Rating) Act 2002.

The council considers that it is desirable to address these irregularities and legislation is the only means by which all rates that were purported to be set by the Council can be validated.

The Rates Validation Bill is still before the Local Government and Environment (LG&E) Select Committee. It is expected that the Bill will be reported back to Parliament for its Second Reading and Committee Stages in November. The Bill will then proceed to its Third Reading before enactment and receiving the Royal Assent.



# Audit Statement

## Independent Auditor's Report

### To the readers of Tasman District Council's summary annual report for the year ended 30 June 2013

The summary annual report was derived from the annual report of Tasman District Council (the District Council) for the year ended 30 June 2013. We have considered whether the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report.

The annual report included full audited statements, and the summary annual report includes summary statements. We have audited the following summary statements reported in the summary annual report on pages 2 to 18:

- the summary statement of financial position as at 30 June 2013;
- the summaries of the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2013;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary statement of service provision of the District Council, made up of what did the Council do over the last year and Community Outcomes.

We expressed an unmodified audit opinion on the District Council's full audited statements in our report dated 26 September 2013.

## Opinion

In our opinion:

- the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the summary statements comply with FRS 43 (PBE): Summary Financial Statements.

## Basis of opinion

Our audit was carried out in accordance with the Auditor General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand), and in particular with the International Standard on Auditing

(New Zealand) 810: Engagements to Report on Summary Financial Statements. These standards require us to carry out procedures to confirm whether the summary annual report contains the information necessary, and at an appropriate level of aggregation, so as not to be misleading.

The summary statements and the full audited statements from which they were derived, do not reflect the effects of events that occurred subsequent to our report dated 26 September 2013 on the full audited statements.

The summary statements do not contain all the disclosures required for full audited statements under generally accepted accounting practice in New Zealand. Reading the summary statements, therefore, is not a substitute for reading the full audited statements in the annual report of the District Council.

## Responsibilities of the Council and the Auditor

The Council is responsible for preparing the summary annual report so that it represents, fairly and consistently, the information regarding the major matters dealt with in the annual report. This includes preparing summary statements, in accordance with FRS 43 (PBE): Summary Financial Statements. The Council is also responsible for the publication of the summary annual report, whether in printed or electronic form.

We are responsible for expressing an opinion on whether the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report and whether the summary statements comply with FRS 43 (PBE): Summary Financial Statements.

Other than in our capacity as auditor we have no relationship with, or interest in, the District Council.



Bede Kearney  
Audit New Zealand  
On behalf of the Auditor General  
Christchurch, New Zealand  
24 October 2013



