

Tasman District Council

# SUMMARY ANNUAL REPORT

## 30 JUNE 2014

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



### MAYOR'S AND CHIEF EXECUTIVE OFFICER'S OVERVIEW

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

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

We have continued to focus on providing greater value to our communities across all Council activities. For example, bringing engineering services back in-house has delivered significant savings and improved coordination and planning of projects throughout Council. Shared service arrangements continue to be pursued with our regional partners on projects such as solid waste.

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

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

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

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

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

The Waimea Community Dam project reached several milestones through the past year, including the addition of policies into the Tasman Resource Management Plan, and preparation of the resource consent application by the Waimea Community Dam Company.

Council heads into the next Long Term Plan phase in 2015, and we encourage all residents and ratepayers to participate in the Long Term Plan's development when opportunities for public feedback open in March 2015.

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



**Richard Kempthorne**  
Mayor



**Lindsay McKenzie**  
Chief Executive Officer

# BALANCED BUDGET

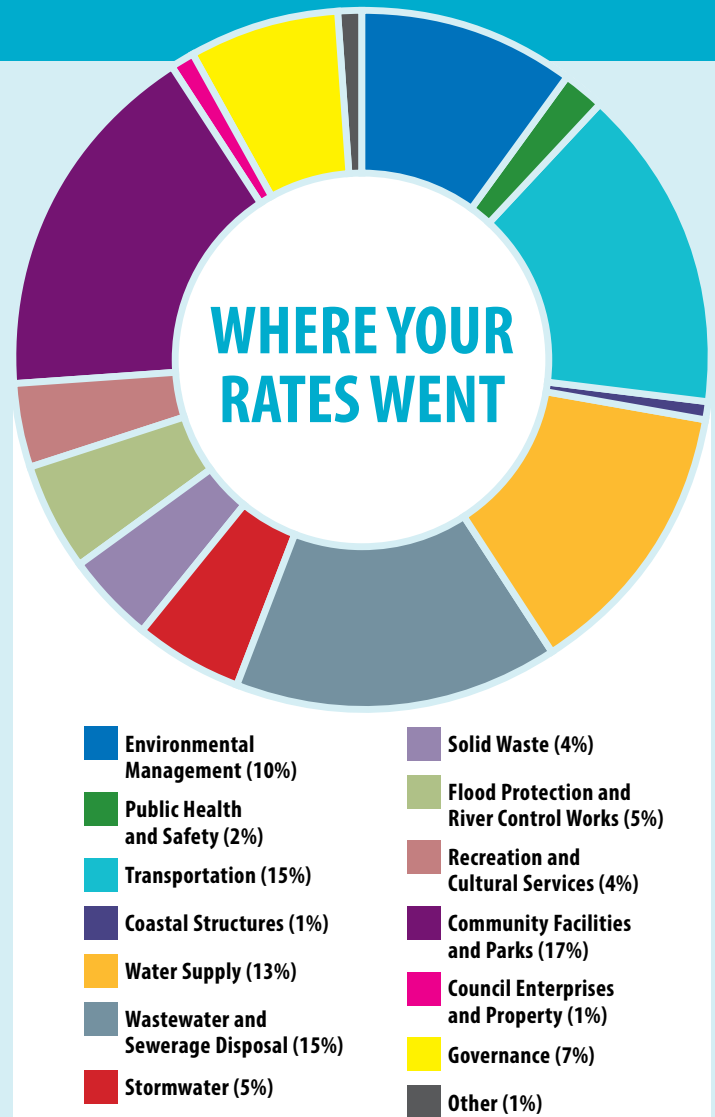
Council is required under the provisions of the LGA 2002 (s.101) to manage its revenues, expenses, assets, liabilities, investments and general dealings prudently and in a manner that promotes the current and future interests of its community.

The 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).

After adjusting operating surplus for the year for non-cash items (which don't impact on the funding requirements from ratepayer) and capital income (grants, subsidies and development contributions received to fund capital expenditure), **Council has an underlying operating surplus of \$2,386,000 (against a budgeted underlying operating surplus of \$2,684,000).**

Repayment of principal on loans is treated as an operating expense for the balanced budget requirement as Council chooses to loan fund renewals rather than to cash fund depreciation.

**YOU CAN FIND A FULL COPY OF THE ANNUAL REPORT ON COUNCIL'S WEBSITE**  
**WWW.TASMAN.GOV.T.NZ**



## AUDIT STATEMENT – INDEPENDENT AUDITOR'S REPORT

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

The summary annual report was derived from the annual report of the Tasman District Council (the District Council) for the year ended 30 June 2014. 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 in boxes 1 to 8 and 10 to 12 on the reverse page:

- the summary statement of financial position as at 30 June 2014;
- the summaries of the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2014; and
- the summary statement of service provision (made up of the information in boxes 2 to 3, 5 to 6 and 10 to 11) of the District Council.

We expressed an unmodified audit opinion on the District Council's full audited statements in our report dated 25 September 2014.

### 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 25 September 2014 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.

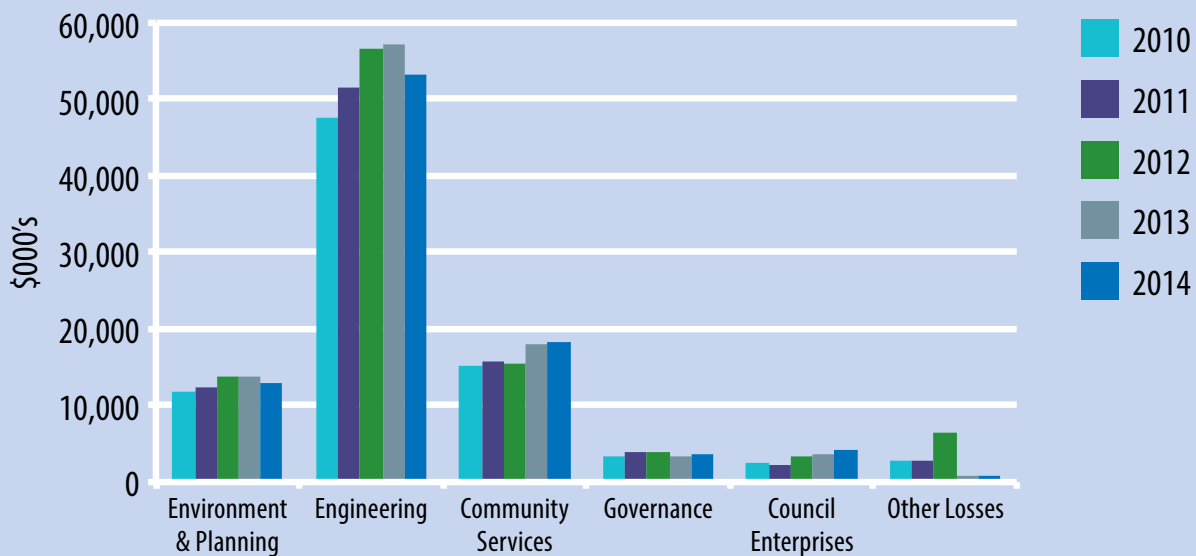
Other than in our capacity as auditor we have no relationship with, or interest in, the District Council.

**Bede Kearney**  
**Audit New Zealand**

On behalf of the Auditor General  
Christchurch, New Zealand  
24 October 2014

**AUDIT NEW ZEALAND**  
Mana Arotake Aotearoa

# 1. COUNCIL EXPENDITURE BY ACTIVITY



## 2. CAPITAL PROJECTS

The following major capital projects got underway or were completed in 2013/2014:

- Richmond water treatment plant construction started;
- Takaka wastewater treatment plant & Pohara/Tata Beach wastewater system upgrades initiated;
- Champion Road (Richmond) stormwater upgrades initiated;
- Minor and major roading improvements throughout the District, including road realignment at Pukekoikoi/Turners Bluff at Kaiteriteri.

## 3. INFRASTRUCTURE ACTIVITIES

### Wastewater management:

Only two recorded beach closures or shellfish gathering bans caused by sewer overflows in the last financial year. There was also a decline in complaints from the previous year due in part to the telemetry renewals and associated improvements in service for Richmond.

### Water quality:

A drop in the number of incidents of bacterial contamination of drinking water from nine in 2012/2013 to one in 2013/2014.

### Stormwater:

Of the 194 faults recorded, 98% were completed on time.

### Solid waste management:

The target for reducing waste per capita going to landfill was not achieved, despite an increase to 24% of waste being diverted from landfill by Council recycling and greenwaste services. This is an increase from 20% in the previous year.

### Transport:

Not all of the planned capital expenditure programme was completed in 2013/2014. In particular, there were delays to the undergrounding of powerlines along Motueka High Street; and to bridge renewals.

## 4. CASH FLOW AND EQUITY

June 2013 Actual \$(000's)	SUMMARY STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 30 JUNE 2014	June 2014 Actual \$(000's)	June 2014 Budget \$(000's)
18,573	Net Cashflow From Operating	29,063	20,788
(23,094)	Net Cashflow From Investing	(17,810)	(32,548)
2,403	Net Cashflow From Financing	(8,979)	11,415
<b>(2,118)</b>	<b>Total Net Cashflows</b>	<b>2,274</b>	<b>(345)</b>
3,870	Opening Cash Held	1,752	3,573
<b>1,752</b>	<b>Closing Cash Balance</b>	<b>4,026</b>	<b>3,228</b>

June 2013 Actual \$(000's)	SUMMARY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2014	June 2014 Actual \$(000's)	June 2014 Budget \$(000's)
1,130,315	Equity at the start of the year	1,185,487	1,154,100
55,172	Total comprehensive income	13,699	11,210
<b>1,185,487</b>	<b>Equity at the end of the year</b>	<b>1,199,186</b>	<b>1,165,310</b>

	Accumulated Equity	Restricted Reserves	Revaluation Reserve	Total
Opening Balance	502,052	13,984	669,451	1,185,487
Surplus	14,512	-	-	14,512
Gain on asset revaluations	-	-	596	596
All other comprehensive income	(78)	-	(1,331)	(1,409)
Net Transfers between reserves	(2,248)	1,959	289	-
<b>Closing Balance</b>	<b>514,238</b>	<b>15,943</b>	<b>669,005</b>	<b>1,199,186</b>

## 5. COMMUNITY ACTIVITIES

Notable activities and expenditure on community facilities for 2013/2014 included:

- The acquisition of four new reserves: Harts Reserve, Dominion Flats, Hody Estuary Park and LEH Baigent Reserve at Kina;
- Ongoing development of the regional recreation facilities at Saxton Field;
- Development of the Richmond mountain bike trails in collaboration with community volunteers;
- Release of the Draft Open Space Strategy.

## 6. SUPPORTING COMMUNITIES

Every year Council funds a wide range of community, environmental and safety events including – Age2Be Positive Aging expo, Ecofest, In Your Neighbourhood, children and family fun days and the Winterruption festival.

Grants:

- \$174,000 of community grants have been allocated;
- \$75,751 allocated to recreation programmes;
- \$1.1m funding spent on supporting local and regional cultural services and facilities.

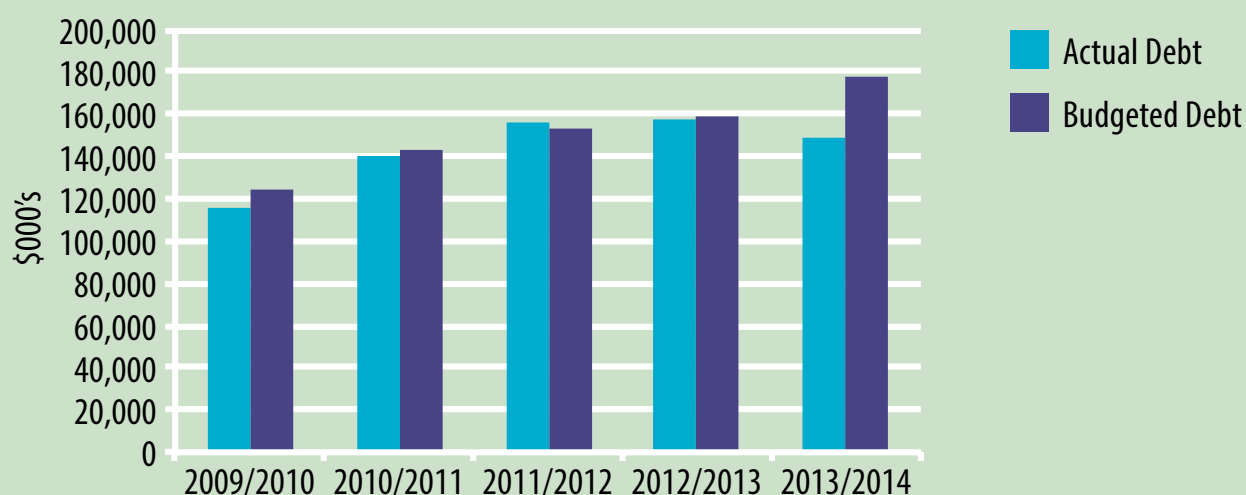
Donations:

- \$614,669 to Golden Bay Health Trust to assist with the new health facility being built.

## 7. PROFIT & LOSS

June 2013 Actual \$(000's)	SUMMARY STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2014	June 2014 Actual \$(000's)	June 2014 Budget \$(000's)
105,690	Total Operating Income	103,100	97,576
4,268	Share of Associates	5,372	2,484
(286)	Share of Joint Ventures (net)	(524)	954
(88,922)	Total Expenditure (excluding finance expense)	(85,287)	(82,528)
(7,998)	Finance Expense	(8,149)	(9,468)
<b>12,752</b>	<b>Surplus before Taxation</b>	<b>14,512</b>	<b>9,018</b>
-	Tax expense	-	-
<b>12,752</b>	<b>Net Surplus</b>	<b>14,512</b>	<b>9,018</b>
	<b>Other comprehensive Income</b>		
42,957	Gain/(loss) on asset revaluations	-	2,192
(501)	Asset Impairment Loss	(1,331)	-
-	Movement in NZLG shares value	(4)	-
-	Impairment Investment in Associate	(68)	-
(23)	Opening Equity Restatement - JV	(10)	-
(578)	Opening Asset Restatement	-	-
565	Other Comprehensive Income - Associates	600	-
<b>42,420</b>	<b>Total other comprehensive Income</b>	<b>(813)</b>	<b>2,192</b>
<b>55,172</b>	<b>Total comprehensive Income</b>	<b>13,699</b>	<b>11,210</b>

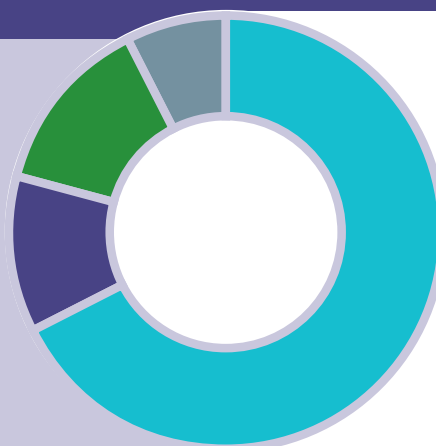
## 8. DEBT



## 9. SUMMARY OF TARGETS

Council measures its performance each year using a core set of indicators that are determined through the Long Term Plan and Annual Plan.

We have 96 measures that we report on for our performance. We met 65 of these fully, 11 were significantly achieved, 13 were not achieved, and there were seven that we did not have the full information available to report on.



**65** TARGETS FULLY ACHIEVED  
**11** TARGETS SIGNIFICANTLY ACHIEVED  
**13** TARGETS NOT ACHIEVED  
**7** TARGETS NOT MEASURED

## 10. RESIDENTS' SATISFACTION

**70% of residents are satisfied** how rates are spent by Council. Overall, there has been little change in satisfaction levels from last year. When compared with national satisfaction levels, **Tasman performs above the national average**. Areas where satisfaction dropped were in the areas of: processing of building consents, where this was attributed to time delays caused by the transition to electronic building consents; roads and footpaths; stormwater management following the April 2013 storm event; and public transport. The District's parks and libraries continue to obtain high levels of resident satisfaction.

## 11. TASMAN'S ENVIRONMENT

**Council monitors and manages the health and quality of rivers, streams, coasts, air, groundwater, soils, wetlands, flora and fauna**. Improvements in air quality in Richmond have been achieved; 97% compliance with contact recreation water guidelines; 87% of dairy farms effluent discharges were compliant with environmental standards which is a drop from last year. All of the dairy farm effluent discharge non-compliances have been resolved.

## 12. FINANCIAL POSITION

June 2013 Actual \$(000's)	SUMMARY STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014	June 2014 Actual \$(000's)	June 2014 Budget \$(000's)
24,813	Current Assets	19,445	20,543
(22,520)	Current Liabilities	(22,026)	(24,901)
2,293	Working Capital	(2,581)	(4,358)
1,337,789	Non Current Assets	1,344,751	1,337,323
(154,595)	Non Current Liabilities	(142,984)	(167,655)
<b>1,185,487</b>	<b>Total Net Assets</b>	<b>1,199,186</b>	<b>1,165,310</b>
<b>1,185,487</b>	<b>Total Equity</b>	<b>1,199,186</b>	<b>1,165,310</b>

# LEGAL STATEMENT

This Summary Annual Report has been extracted from the full Annual Report dated 30 June 2014 and covers the year ended 30 June 2014. This Summary Annual Report was authorised for issue on 24 October 2014 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 25 September 2014. 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). The full Annual Report can be obtained from Council 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).

Council's Summary Annual Report complies with Financial Reporting Standard 43 (FRS-43) Summary Financial Statements.

The full 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.

*Feel free to contact us:*



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