

ANNUAL REPORT PŪRONGO Ā-TAU 2022



Summary



Te Kaunihera o
te tai o Aorere

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 Covid-19 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, and 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 Public Library. This exciting development, utilising sustainable building practices, provides a valued community space, a showcase for local art and celebrates our unique Māori stories.

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

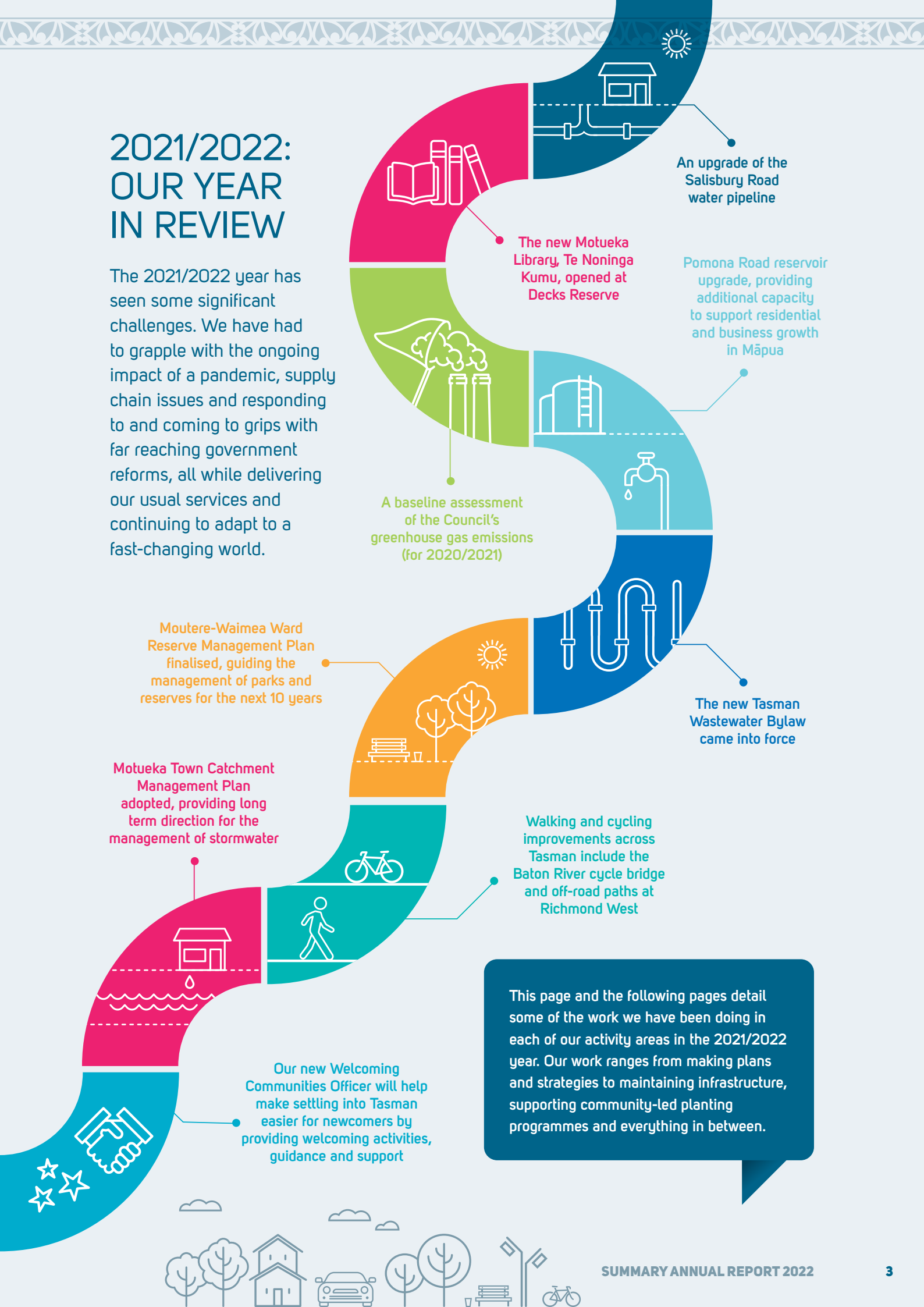


Leonie Rae
Chief Executive Officer



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.

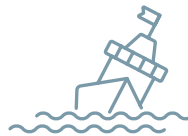
WHY WE DO IT

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.

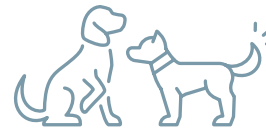
WHAT WE DELIVERED



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, streetlights, 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.

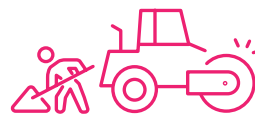
WHAT WE DELIVERED



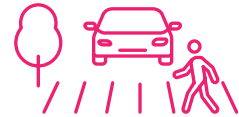
We adopted a new **WALKING AND CYCLING STRATEGY** to provide residents with safer choices to travel



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

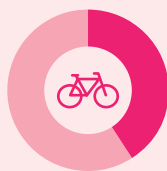


We renewed **11,501 SQUARE METRES OF ROAD PAVEMENT** and applied 24,676 cubic metres of metal to unsealed roads



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

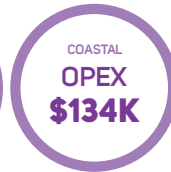


ONLY 53% of residents were satisfied with our roads, below our 70% target



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.

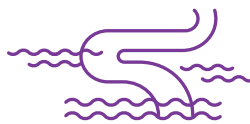
WHY WE DO IT

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.

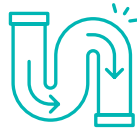
WHY WE DO IT

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

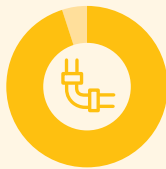


We renewed **WASTEWATER RETICULATION** in Tapawera



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.

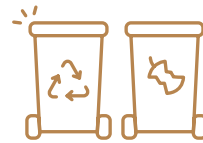
WHAT WE DELIVERED



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

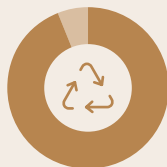


We continued to **ENCOURAGE WASTE MINIMISATION** through supporting electronic waste recycling, event recycling and home composting



We continued supporting the **ENVIRO SCHOOLS PROGRAMME**

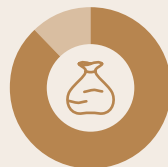
LEVELS OF SERVICE



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.

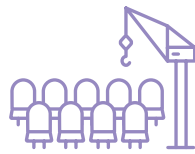
WHY WE DO IT

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 **1100M² 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.

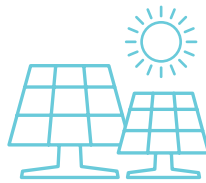
WHY WE DO IT

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



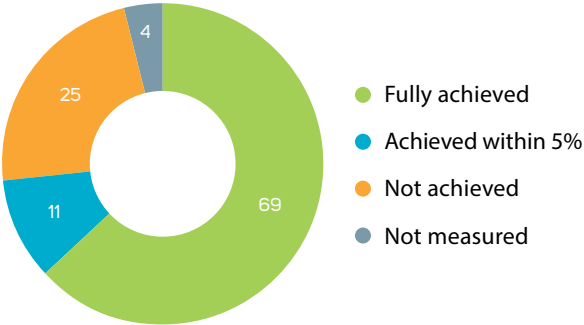
75% of customers are satisfied with the service they receive when contacting the Council, below our 85% target

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 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 full information available to report on or were not due to be measured this year.

Levels of Service Target Achievement



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.



WORKING WITH IWI

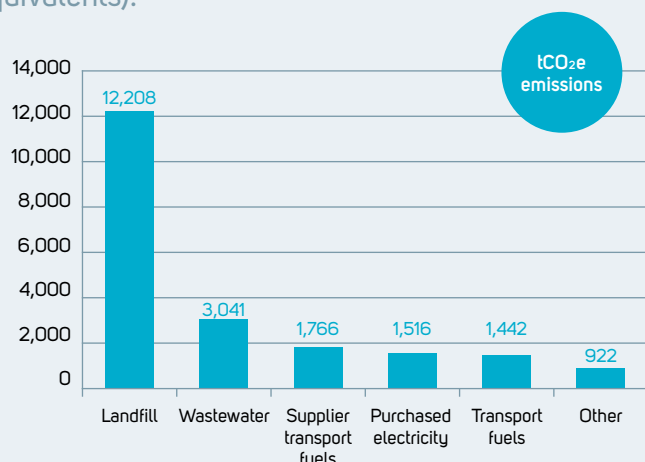
The Council and Ngā Iwi o Te Tau Ihu continue to engage in a more meaningful and collaborative manner supported by our Kaihautū, Kaitohutohu and Kaumātua. Throughout the year, Council and iwi representatives have been working closely on several projects:

- **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 ACTION ON CLIMATE CHANGE

The Council’s net emissions for the July 2020 – June 2021 period were 20,895 tCO₂e (tonnes of carbon dioxide equivalents).

This figure does not include emissions associated with the construction of the Waimea Community Dam, as it is a one-off project. Emissions from the Waimea Dam construction were 7,273 tCO₂e and made up 26% of our gross carbon emissions for 2020/2021. The Council adopted the Climate Action Plan in September 2019. Since the Council adopted the Action Plan, we have been making steps forward in implementing the actions. The main actions taken during the 2021/2022 year are summarised in the following infographic on page 17.



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



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 the Annual 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.

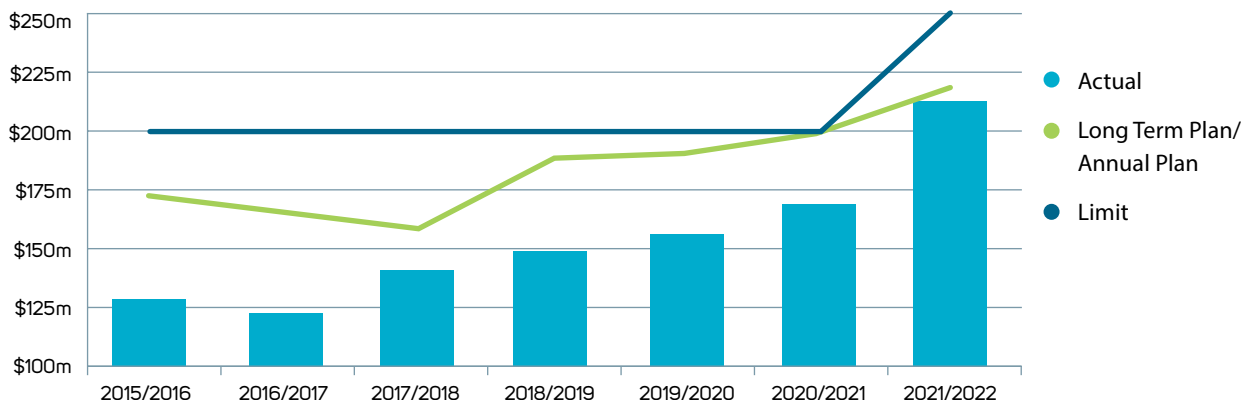
NET EXTERNAL DEBT

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 population growth than forecast, and greater forestry income than planned.

Figure 1. How Are We Tracking Against Planned Net Debt?



KEY FINANCIAL INFORMATION

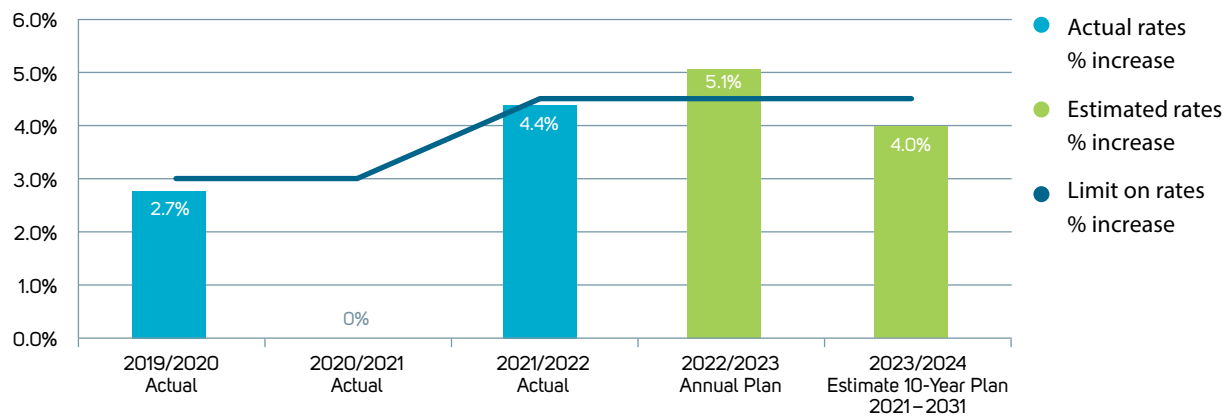
RATES AFFORDABILITY

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 2 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 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.

Figure 2. Rates Revenue Increases (excluding growth)



DEBT AFFORDABILITY

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

See Table 1 below.

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 ¹ / Total operating income ²	<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 3. Operating Expenditure by Activity

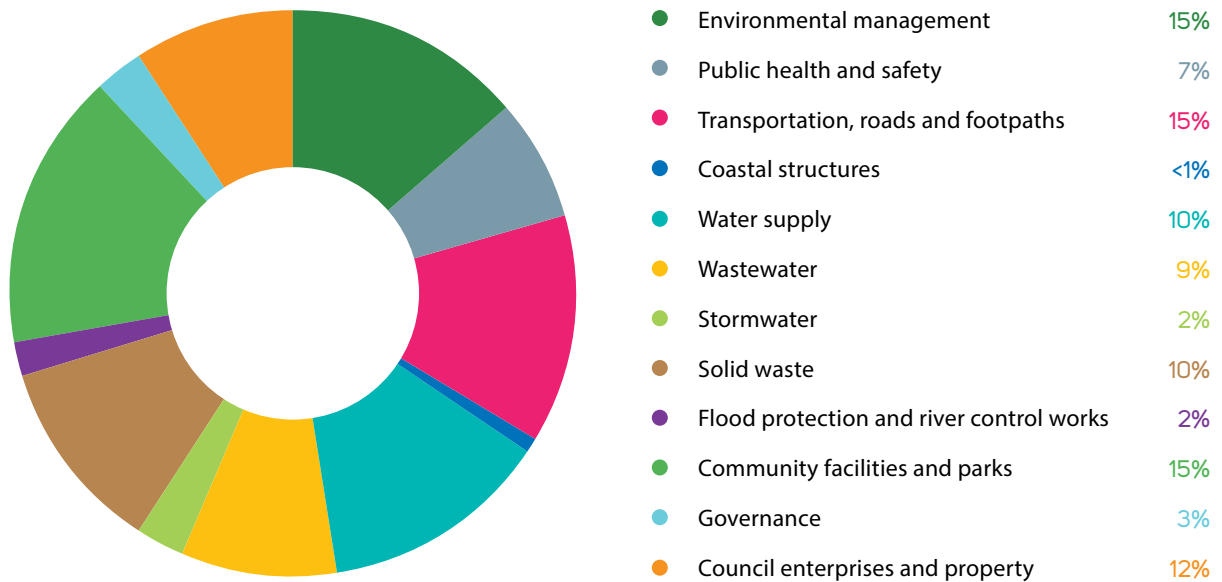
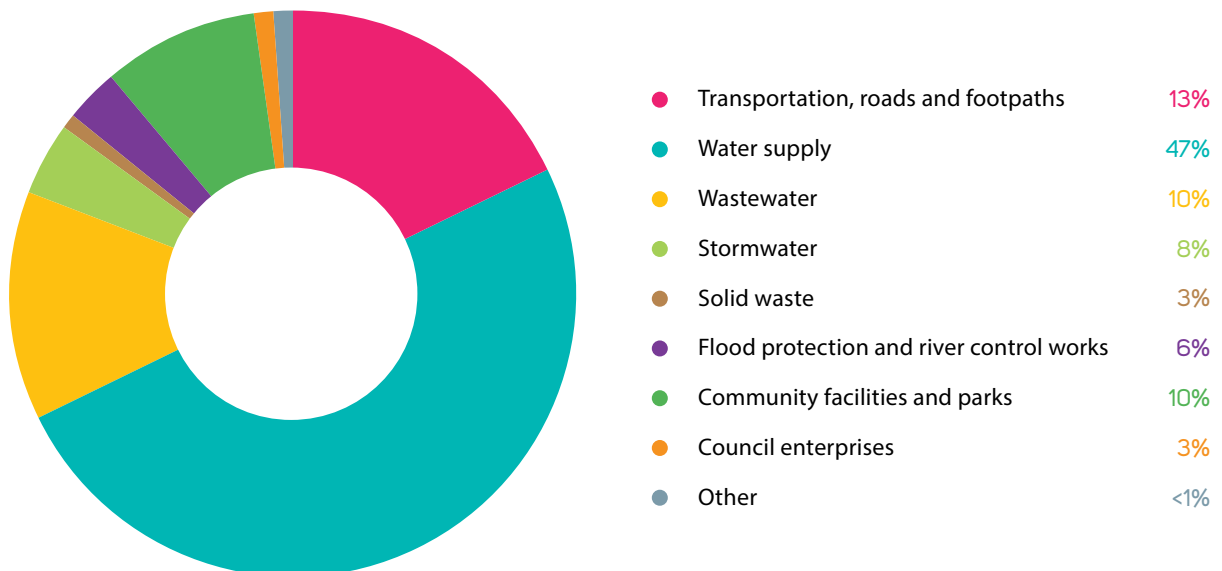


Figure 4. Capital Expenditure by Activity



FINANCIAL POSITION AND STATEMENTS

SUMMARY STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

ACTUAL 2021 \$'000		ACTUAL 2022 \$'000	BUDGET 2022 \$'000
196,130	Revenue	230,477	167,284
12,779	Fair value gain/(loss) on revaluation	7,068	1,609
910	Finance income	7,999	605
7,417	Share of joint ventures surplus/(deficit)	7,167	-
217,236	Total revenue	252,711	169,498
139,437	Expenditure	152,472	137,531
8,321	Finance expense	7,630	7,879
147,758	Total expense	160,102	145,410
69,478	Surplus/(deficit) before taxation	92,609	24,088
-	Income tax expense	-	-
69,478	Surplus/(deficit) after tax	92,609	24,088
	OTHER COMPREHENSIVE REVENUE		
84,747	Gain on Council property, plant and equipment revaluations	268,654	-
-	Deferred tax on asset revaluations	-	-
926	Movement in NZLG shares value	807	-
-	Asset impairment disposal gain/(loss)	(2,165)	-
16,319	Other comprehensive income including share of joint ventures and operations	14,672	-
101,992	Total other comprehensive revenue and expense	281,968	-
171,470	Total comprehensive revenue and expense	374,577	24,088

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. 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 of the full Annual Report.

FINANCIAL POSITION AND STATEMENTS

REVENUE AND EXPENDITURE



Revenue \$252.7M

- Rates
- Fees and charges
- Operating subsidies and grants
- Development and financial contributions
- Share of joint ventures surplus/deficit
- Revenue of joint operations
- Other revenue
- Capital subsidies and grants



EXPENDITURE \$160.1M

- Finance expense
- Employee related expense
- Other expenses
- Maintenance
- Depreciation and amortisation
- Expenditure of joint operations

FINANCIAL POSITION AND STATEMENTS

SUMMARY STATEMENT OF FINANCIAL POSITION

ACTUAL 2021 \$000		ACTUAL 2022 \$000	BUDGET 2022 \$000
40,157	Current assets	56,697	61,099
(71,133)	Current liabilities	(83,622)	(56,608)
(30,976)	Working capital	(26,925)	4,491
1,956,291	Non-current assets	2,360,462	1,922,827
(162,055)	Non-current liabilities	(195,700)	(261,574)
1,763,260	Total net assets	2,137,837	1,665,744
1,763,260	Total equity	2,137,837	1,665,744

SUMMARY STATEMENT OF CASHFLOWS

ACTUAL 2021 \$000		ACTUAL 2022 \$000	BUDGET 2022 \$000
56,396	Net cash flow from operating	71,877	48,673
(31,877)	Net cash flow from investing	(131,367)	(85,419)
(38,122)	Net cash flow from financing	60,694	37,121
(13,603)	Total net cash flows	1,204	375
28,709	Opening cash held	15,106	19,727
15,106	Closing cash and cash equivalents balance	16,310	20,102

SUMMARY STATEMENT OF CHANGES IN EQUITY

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

EQUITY

ACTUAL 2021 \$000		ACTUAL 2022 \$000	BUDGET 2022 \$000
718,956	Accumulated equity	811,537	799,938
39,456	Restricted reserves	39,485	23,498
1,004,848	Revaluation reserves	1,286,815	842,308
1,763,260	Total equity	2,137,837	1,665,744

FINANCIAL POSITION AND STATEMENTS

SIGNIFICANT ACCOUNTING MATTERS

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.

Three waters (water supply, wastewater 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.

Events after the reporting date – Three Waters

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. There has been no adjustment in these financial statements to reflect the expected future transfer of assets to the new water entity. This matter is disclosed in Note 37 in the Annual Report Financial Statements.

Events after the reporting date – 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.

Commitments

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. Contained in the project agreements are clauses related to the financing of cost over-runs, a loan guarantee and a compensation clause.

The project continues to face cost pressures, but this risk is reducing as the project continues and ground works are completed. The project as at 30 June 2022 was ~70% complete.

The building industry has seen unprecedented inflation since the global Covid-19 pandemic started, which has also caused procurement and supply chain disruptions both nationally and internationally. The total cost at 30 June 2022 was estimated to be \$158.5 million, however this was revised subsequent to year end to \$194.6 million. New funding agreements for this were signed in December 2022.

Further details are provided in the Annual Report 2022 in Note 41.



LEGAL STATEMENT

This Summary Annual Report has been extracted from the full Annual Report, which was adopted by Council on 22 December 2022 and covers the year from 1 July 2021 to 30 June 2022.

The full and summary financial statements have been prepared in accordance with Tier 1 Public Benefit Entities (PBE) accounting standards. The Summary Annual Report has been prepared with PBE FRS-43 Summary Financial Statements.

The Council's full Annual Report has been audited by Audit New Zealand on behalf of the Office of the Auditor General and an unmodified opinion was issued. The audit opinion included an emphasis of matter related

to the Three Waters Reform and Infrastructure Asset Valuation uncertainty. This Summary report cannot be expected to provide as complete an understanding (of the financial and service performance, financial position and cashflows of the Council) as provided by the full Annual Report. The Financial Statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$'000).

INDEPENDENT AUDITOR'S REPORT

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

The summary of the annual report was derived from the annual report of the Tasman District Council (the District Council) for the year ended 30 June 2022.

The summary of the annual report comprises the following information on pages 4 to 14, page 18, and 21 to 25:

- the summary statement of financial position as at 30 June 2022;
- the summaries of the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2022;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary statement of objectives and service performance.

OPINION

In our opinion:

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

SUMMARY OF THE ANNUAL REPORT

The summary of the annual report does not contain all the disclosures required by generally accepted accounting practice in New Zealand. Reading the summary of the annual report and the auditor's report thereon, therefore, is not a substitute for reading the full annual report and the auditor's report thereon.

The summary of the annual report does not reflect the effects of events that occurred subsequent to the date of our auditor's report on the full annual report.

THE FULL ANNUAL REPORT AND OUR AUDIT REPORT THEREON

We expressed an unmodified audit opinion on the information we audited in the full annual report for the year ended 30 June 2022 in our auditor's report dated 22 December 2022.

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

Our auditor's report on the full annual report also includes an emphasis of matter paragraph drawing attention to the Government's three waters reform programme. 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. This matter is disclosed within the significant accounting matters on page 24 of the summary financial statements.

EMPHASIS OF MATTER – THREE WATERS INFRASTRUCTURE ASSETS VALUATION UNCERTAINTY

Without modifying our opinion, we draw attention to significant accounting matters on page 24, 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.

INDEPENDENT AUDITOR'S REPORT

COUNCIL'S RESPONSIBILITY FOR THE SUMMARY OF THE ANNUAL REPORT

The Council is responsible for preparing the summary of the annual report which includes preparing summary statements, in accordance with PBE FRS-43: Summary Financial Statements.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on whether the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the full annual report and whether the summary statements comply with PBE FRS 43: Summary Financial Statements.

Our opinion on the summary of the annual report is based on our procedures, which were carried out 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.

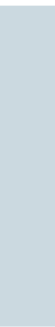
Other than in our capacity as auditor, we have no relationship with, or interests in the District Council.



John Mackey,
Audit New Zealand

On behalf of the Auditor-General
Christchurch, New Zealand
22 December 2022





 **tasman**
district council

Te Kaunihera o
te tai o Aorere