



Tasman District Council

# Long Term Plan 2012–2022

including the Annual Plan 2012/2013

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



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# Membership of the Council

## Tasman Mayor



Mayor Richard Kempthorne

## Moutere/Waimea Ward



Cr Brian Ensor



Deputy Mayor, Cr Tim King



Cr Trevor Norriss

## Lakes/Murchison Ward



Cr Stuart Bryant

## Golden Bay Ward



Cr Martine Bouillir



Cr Paul Sangster

Motueka Ward



Cr Barry Dowler



Cr Jack Inglis



Cr Eileen Wilkins

Richmond Ward



Cr Kit Maling



Cr Judene Edgar



Cr Glenys Glover



Cr Zane Mirfin

# Part 1 – Introduction

## Welcome to Tasman District Council's Long Term Plan 2012-2022

“Long Term Plan” is the new terminology, in the recent changes to the Local Government Act 2002, for what used to be called the “Long Term Council Community Plan” (LTCCP). Tasman District Council's last LTCCP was called the “Ten Year Plan 2009-2019”.

### What is a Long Term Plan?

The “Long Term Plan” outlines the activities and the services Council is planning to provide over the coming 10 years. The public had the opportunity to make submissions on the Draft Long Term Plan. Council considered the submissions received during the consultation phase and has subsequently made decisions on the changes it wanted included in this final Plan.

The Long Term Plan states the vision for the District, the Community Outcomes, the services and activities Council is planning to undertake to contribute to those Outcomes, and the likely costs of Council providing those services and activities over the next 10 years.

It is important to note that the financial information contained in this Long Term Plan is forecast information based on the assumptions which Council reasonably expects to occur. Actual results achieved are likely to vary from the information presented and these variations may at times be reasonably large. That being said, we have endeavoured to make sure that our financial forecasts are as accurate as we can reasonably make them based on the information we currently have.

The outcomes identified by the Council and community indicate how the District should promote community well-being – socially, culturally, economically and environmentally.

The end result, is an all-encompassing document that outlines the community's expectations and shows how Council, with the help of the community and other organisations, will work together to achieve community well-being and the outcomes.

Under the Local Government Act 2002, Tasman District Council is required to produce a Long Term Plan. The first (interim) Long Term Council Community Plan was produced in 2004. The second one was produced in 2006 and the third in 2009.

The Long Term Plan must be reviewed and re-evaluated once every three years. This Long Term Plan is part of the Council's three yearly review process.

Between the three yearly reviews, Council produces an Annual Plan outlining what activities and services Council will be undertaking in that year and any changes from the Long Term Plan. Each year Council produces an Annual Report which outlines what Council actually did that year compared to what it was planning to do in the Long Term Plan or Annual Plan. Refer to the diagram on the next page.

The Plan states the Vision and Community Outcomes for the District and the services and activities Council is to undertake...





# Map of Tasman District



# How to find your way around the Long Term Plan

For first time readers, this section provides a beginners guide to the Long Term Plan. For those who are more familiar with Council documents, reading this section will enable you to find the information you need more quickly.

We have done our best to keep jargon and abbreviations to a minimum, but there are some words that have been used because of legislation or the specialised activities that Council carries out. For example, 'community outcomes' and 'community well-being' come from the Local Government Act. Please refer to the glossary in Appendix 3 (page 293) for an explanation of unfamiliar terms.

## Two volumes

The Long Term Plan comprises two volumes.

**Volume 1** (this document) includes information on the Council vision, community outcomes and Council's significant activities, which details key aspects of the Council's work for the next 10 years. Volume 1 is where you will find:

- Information on the consultation undertaken as part of the process of finalising this Plan.
- The key issues the Council is planning to address.
- The Council's vision and mission, and the community outcomes.
- The services the Council plans to provide and to what level.
- What key projects are proposed to be undertaken and when they are planned to occur.
- How much Council plans to spend on its activities, services or projects.

**Volume 2** contains all of the background policies that Council is required to include that relate to its financial position, such as:

- Rates Remission Policies.
- Development Contributions Policy.
- Liability Management Policy and Investment Policy.
- Several other related policies and statements such as the Funding Impact Statement that sets out information on the rating system, and Council's Schedule of Charges.
- Significance Policy.
- Revenue and Finance Policy.
- Variations between the Long Term Plan and Council's Water and Sanitary Services Assessment and Waste Management and Minimisation Plan.

Further detail on activities and when specific projects are planned to occur is contained in the Council's Activity Management Plans, which are available for most of the activities the Council undertakes. These Activity Management Plans are useful supplementary information as they provide the foundation for the preparation of this Long Term Plan. The other reason for looking at them is that they outline the Council's planned capital works or key projects for the next 20 years, so they go beyond what is contained in this Long Term Plan. If you can't find something you are interested in within the Long Term Plan, then check to see if it is listed in the section on projects that were considered but not included, see Appendix 4 (pages 297-319) and Appendix 5 (pages 321-323) or the Activity Management Plans, which are available on the Council's website, or from the Council on CD.

Please note that all the budget figures in this Plan contain an allowance for inflation. All rates within the Plan are GST inclusive. Any exceptions to the inclusion of inflation, or GST on rates, are expressly stated.

# Mayor's and Chief Executive Officer's Message

Over the last 12 months Council has worked hard to prepare this Long Term Plan, charting a way forward for the next 10 year planning period and beyond...

Our priorities when developing this Long Term Plan have been to prepare a work programme that:

- Delivers key services to residents, businesses and visitors and maintains our core infrastructure assets
- Provides investment in new assets to meet the needs of our growing and changing communities
- Helps meet our legislative obligations.

All this needs to be done at an affordable cost to our communities.

The current difficult economic situation has limited what might otherwise have been provided, particularly the "nice to haves" requested in many of the submissions on the Draft Long Term Plan. This economic situation looks set to continue for some time.

Recent national statistics about economic performance and growth in the regions show, however, that Tasman District continues to be a place where people want to live, work, and play. Council has a robust growth strategy to ensure that the planning that it does and the infrastructure it provides meets this growth when it is needed, as well as the service demands of people in their communities.

The Council has remained firm in its resolve to hold rates to affordable levels. Rates increases are proposed over the 10 years in order to allow for inflationary costs, to provide for our growing population and to meet new regulatory requirements. The average general rate increase in 2012/2013 is 3.63 percent, which is 1.12 percent lower than the increase proposed in the Draft Long Term Plan. The expected debt by 2021/2022 is also lower at \$310.8 million, compared to \$317 million in the Draft Plan. For a summary of overall rate increases in 2012/2013 and

for some sample properties in the District, please refer to page 19 of this document.

The national and international economic situation has raised the profile of debt levels. A full explanation on why Council uses debt is outlined in the Financial Strategy on pages 54-68. Essentially, debt is used to pay for infrastructure that has a useful life of many years and, therefore, the total cost should not be borne by current ratepayers but by those residents that get the benefit of using it over its lifespan. The vast majority of Council's increase in debt over the 10 years is to pay for core infrastructure services like roads, water supplies, wastewater treatment and systems, stormwater systems and solid waste services. A small amount is to pay for some community facilities to enable residents and visitors to enjoy Tasman's wonderful lifestyle. Refer to the graph on page 63 for details of the activities contributing to Council's debt over the 10 years of the Plan. Council will continue to review which projects are required and the scope of projects to reduce the expected level of debt. The financial projections in this Plan keep Council within its limits on debt.

A key project that Council has added into the final Long Term Plan as a result of public submissions on the Draft Plan is the completion of Tasman's Great Taste Trail by 2018/2019. The submissions provided Council with a range of benefits and good reasons for why the Trail should be completed during the 10 year period of the Plan. Just over \$4 million has been allocated to completing the Trail. Much of the funding has come from reprioritising other spending, including work at Saxton Field.

Other priority projects relating to our core services and vital infrastructure include:

- Contribution to the Lee Valley Dam project (subject to further work on the project and funding options).
- New wastewater treatment plants at Takaka and Motueka.
- Major expenditure on improving stormwater systems.
- Upgrading urban water supplies to meet the Government's drinking water standards.

- Upgrades to the Resource Recovery Centres and Eves Valley Landfill.
- Upgrade of the Motueka Library.
- Some ongoing development of facilities at Saxton Field.
- A new community facility in Golden Bay.

We also appreciate that across our large District our communities each have their own needs, preferences and challenges. Where possible we have looked for new ways to deliver services more efficiently and effectively. The work with Nelson City Council on a joint Waste Management and Minimisation Plan and our new insurance cover arranged in conjunction with Nelson City Council and Marlborough District Council are two recent examples.

There is also an opportunity now to work with our neighbouring councils on a broader range of joint procurement and shared services opportunities. The objective is that these initiatives will achieve savings for Tasman ratepayers while at the same time retaining the 'local' in our relationships with ratepayers and electors.

We would like to thank Councillors, the senior management team and the staff for all their work in preparing this Plan particularly given the work that was required by the civil defence emergency prior to Christmas and by the amalgamation proposal.

We would also like to thank the over 900 submitters who took the time to write submissions on the Draft Long Term Plan and also the many submitters who presented their submissions at the hearings.

We received requests for over \$30 million of additional projects or services to be included during the 10 years of the Plan. Council acknowledges that in order to keep rates increases and debt levels down it has not been able to include a large number of the projects that submitters requested. Many of the projects had merit and it would have been desirable to include them during the 10 years, however, for affordability reasons they were not included. As noted earlier, our priority has been on maintaining

our existing core infrastructure and services, meeting the needs of our growing communities and meeting our regulatory obligations. You will find a summary of the consultation process and the key changes that have been made as a result of the submissions on pages 30-31.

Thanks again for your input as it has helped shape the future of our wonderful Tasman District.

### Footnote from in-coming CEO

The real work on this Long Term Plan was completed before I arrived. Dennis Bush-King in his role as Acting Chief Executive was responsible for the support that the Mayor and Councillors received from Council staff throughout the process. They have all done a great job. The challenge for me now is to carry on that good work and to assist the Mayor and Councillors to address those issues that were identified at the final workshops and at the meetings where decisions on the submissions were taken. These challenges include reviewing the scope, service levels and funding of several major projects; the consequential debt and the opportunities for a closer collaboration with our neighbouring councils on joint procurement of goods and sharing services.



**Richard Kempthorne**  
Mayor



**Lindsay McKenzie**  
Chief Executive Officer



# Audit Report

## Independent Auditor's Report To the readers of Tasman District Council's Long-Term Plan for the ten years commencing 1 July 2012

The Auditor General is the auditor of Tasman District Council (the District Council type). The Auditor General has appointed me, Scott Tobin, using the staff and resources of Audit New Zealand, to report on the Long Term Plan (LTP), on her behalf. We have audited the District Council's LTP incorporating volumes 1 and 2 dated 27 June 2012 for the ten years commencing 1 July 2012.

The Auditor General is required by section 94(1) of the Local Government Act 2002 (the Act) to report on:

- the extent to which the LTP complies with the requirements of the Act; and
- the quality of information and assumptions underlying the forecast information provided in the LTP.

## Opinion

### Overall Opinion

In our opinion the District Council's LTP incorporating volumes 1 and 2 dated 27 June 2012 provides a reasonable basis for long term integrated decision-making by the District Council and for participation in decision-making by the public and subsequent accountability to the community about the activities of the District Council.

In forming our overall opinion, we considered the specific matters outlined in section 94(1) of the Act which we report on as follows.

### Opinion on Specific Matters Required by the Act

In our view:

- the District Council has complied with the requirements of the Act in all material respects demonstrating good practice for a council of its size and scale within the context of its environment; and

- the underlying information and assumptions used to prepare the LTP provide a reasonable and supportable basis for the preparation of the forecast information.

Actual results are likely to be different from the forecast information since anticipated events frequently do not occur as expected and the variation may be material. Accordingly, we express no opinion as to whether the forecasts will be achieved.

Our report was completed on 27 June 2012. This is the date at which our opinion is expressed.

The basis of the opinion is explained below. In addition, we outline the responsibilities of the Council and the Auditor, and explain our independence.

### Basis of Opinion

We carried out the audit in accordance with the International Standard on Assurance Engagements (New Zealand) 3000: Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and the Auditor General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). We have examined the forecast financial information in accordance with the International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information.

Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain all the information and explanations we considered necessary to obtain reasonable assurance that the LTP does not contain material misstatements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves performing procedures to obtain audit evidence about the forecast information and disclosures in the LTP. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the information in the LTP. In making those risk assessments we consider internal control relevant to the preparation of the District Council's LTP. We consider internal control in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council's internal control.

Our audit procedures also include assessing whether:

- the LTP provides the community with sufficient and balanced information about the strategic and other key issues, and implications it faces and provides for participation by the public in decision making processes;
- the District Council's financial strategy, supported by financial policies is financially prudent, and has been clearly communicated to the community in the LTP;
- the presentation of the LTP complies with the legislative requirements of the Act;
- the decision-making and consultation processes underlying the development of the LTP are compliant with the decision-making and consultation requirements of the Act;
- the information in the LTP is based on materially complete and reliable asset or activity information;
- the agreed levels of service are fairly reflected throughout the LTP;
- the District Council's key plans and policies have been consistently applied in the development of the forecast information;
- the assumptions set out within the LTP are based on best information currently available to the District Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast information has been properly prepared on the basis of the underlying information and the assumptions adopted and the financial information complies with generally accepted accounting practice in New Zealand;
- the rationale for the activities is clearly presented;
- the levels of service and performance measures are reasonable estimates and reflect the key aspects of the District Council's service delivery and performance; and
- the relationship of the levels of service, performance measures and forecast financial information has been adequately explained within the LTP.

We do not guarantee complete accuracy of the information in the LTP. Our procedures included examining on a test basis, evidence supporting assumptions, amounts and other disclosures in the LTP and determining compliance with the requirements of the Act. We evaluated the overall adequacy of the presentation

of information. We obtained all the information and explanations we required to support our opinion above.

### Responsibilities of the Council

The Council is responsible for preparing a LTP under the Act, by applying the Council's assumptions and presenting the financial information in accordance with generally accepted accounting practice in New Zealand. The Council is also responsible for such internal control as it determines is necessary to enable the preparation of a LTP that is free from material misstatement

The Council's responsibilities arise from Section 93 of the Act.

### Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the LTP and reporting that opinion to you based on our audit. This responsibility arises from section 15 of the Public Audit Act 2001 and section 94(1) of the Act.

It is not our responsibility to express an opinion on the merits of any policy content within the LTP.

### Independence

When reporting on the LTP we followed the independence requirements of the Auditor General, which incorporate the independence requirements of the External Reporting Board.

Other than this report and in conducting the audit of the LTP Statement of Proposal and the annual audit, we have no relationship with or interests in the District Council.



Scott Tobin  
Audit New Zealand  
On behalf of the Auditor General  
Christchurch, New Zealand

# Executive Summary

## About the Plan

As the name suggests, the Long Term Plan is a document put together by Council, in consultation with the community, to guide our District towards 2022.

The Plan ties together the threads of everything the Council does. It links into one overall guiding document the:

- Vision for the District.
- Outcomes proposed on behalf of the community.
- Services and activities the Council is planning to undertake to contribute to those outcomes.
- Likely costs of the Council providing those services and activities over the next 10 years.

The Plan gets reviewed every three years. In the years between the reviews, the Council produces Annual Plans.

## Tasman Today

The Tasman District is located in the north west of the South Island. It covers the area from the boundary of Nelson City in the east, to Murchison in the south and Golden Bay in the north-west. Tasman Bay is located to the north.

The main population of the Tasman District is centred in Richmond which is the largest and fastest growing town in the District with an estimated 14,036 residents as at June 2011. Motueka the next largest town, with an estimated 6,590 residents as at June 2011. The District contains many other small and distinct communities. Tasman District had a total estimated resident population of 48,100 at June 2011. Statistics New Zealand has estimated that the population of Tasman region increased by 1.6% in the year ending June 2011.

The Tasman District is known for the natural beauty of its landscapes. Fifty-eight percent of Tasman District is national park - Nelson Lakes, Kahurangi and Abel Tasman National Parks. There are a range of other forests and reserves in the area, including the Mount Richmond State Forest Park and Rabbit Island.

The national parks, forests and reserves offer:

- Beautiful sandy beaches and coastal areas.
- Mountain ranges.
- Scenic alpine lakes.
- Rugged rivers.
- Environmental protection and enhancement (e.g. the Department of Conservation Rotoiti Nature Recovery Project).

The District is famous for its wonderful lifestyle and the outdoor adventure and tourism activities, particularly in the national parks, in Golden Bay and around the Murchison area.

The District enjoys a pleasant sunny climate year round, which makes it ideal to enjoy the wonderful lifestyle and natural areas available to residents and visitors. Its unique micro climate assures in excess of 2,450 hours of sunshine annually. Average maximum temperatures in summer are between 21°C and 22°C. Night minimums are between 12°C and 13°C.

Arts and culture are prominent in the area. The District is home to a number of artists and crafts people, and has an arts and crafts trail.

The top five industries in the area are horticulture, forestry, fishing, agriculture and tourism. These provide the economic base for the community. A range of other industries are growing in importance to the local economy, including aquaculture, research and development, information technology and industries using the natural products in the area.

Tasman District covers 14,812 square kilometres of mountains, parks, waterways, territorial sea, and includes 812km of coastline.

For further details on the Tasman Region please refer to pages 288-291.

## Community outcomes

Community outcomes are the goals of the community. They reflect what the community sees as important for its well-being and they help to build up a picture of the collective vision for the District's future. The Council is not expected to achieve the outcomes on its own. The outcomes guide decision-making by Council. The Council links its activities and services back to the outcomes.

Eight community outcomes were developed following extensive community involvement in 2005, for inclusion in the 2006–2016 Ten Year Plan. These outcomes were reviewed and amended slightly for this Long Term Plan 2012–2022. The outcomes are:

Our unique natural environment is healthy and protected.

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

Our infrastructure is safe, efficient and sustainably managed.

Our communities are healthy, resilient and enjoy their quality of life.

Our communities respect regional history, heritage and culture.

Our communities have access to a range of cultural, social, educational and recreational services.

Our communities engage with Council's decision-making processes.

Our developing and sustainable economy provides opportunities for us all.

For further details on the community outcomes please refer to pages 73-75.

## The vision to guide Tasman's future

### Tasman District Council's Vision Statement

**Thriving communities enjoying the Tasman lifestyle.**

### Tasman District Council's Mission Statement

**To enhance community well-being and quality of life.**

### Our Place, Our Future

Our vision is for Tasman District to be a thriving, vibrant, interactive community where people enjoy a wonderful lifestyle and the natural environment is well cared for, where we all live and work sustainably, with employment opportunities for everyone and where residents and visitors can enjoy the stunning natural beauty of our District.

To achieve the vision Council considers that sustainable population growth and sustainable economic growth are important and that we need to plan for such growth. The number of people in the District and where they choose to live, and the growth in economic activity, directly affect the demand for land for development, infrastructure and the other services the Council provides. They underpin our land use planning, infrastructure developments, where and when new services or facilities are required and how much things will cost. The Council is planning on the June 2011 estimated normally resident population of 48,100 increasing to 49,932 residents by 2016, to 51,664 residents by 2021, to 53,264 residents by 2026 and to 54,595 residents by 2031.



## Executive Summary (cont.)

In order to manage population and economic growth, we need to deal with some key priorities over the next 10 to 20 years while keeping the rates and costs affordable for our communities:

- Maintaining the existing core infrastructure in our communities.
- Providing and maintaining the infrastructure necessary for our growing communities, businesses and industry.
- Meeting our legislative requirements to deliver services.

Council also aims to:

- Protect the productive capacity of our best soils, while ensuring there is suitable land available for residential, business, industrial and recreational use.
- Make sure we have enough high quality drinking water and water available for irrigation to support the continued development of the primary sector.
- Make sure development is sustainable.
- Maintain a high quality natural environment.
- Support our top five industries on which our economy is based (horticulture, forestry, fishing, agriculture and tourism), while encouraging new sustainable industries to locate here.
- Enhance the lifestyle Tasman offers residents and visitors by enhancing and protecting our natural environment, and provision of public open space, parks and community facilities.
- Maintain the vitality of our small rural communities.
- Work collaboratively on a range of issues and sharing services with our neighbouring councils.

### Key issues

The priorities listed above tie into the key issues in this Long Term Plan and the projects we will undertake. The Key issues section is one of the most important in the document. We have stated the key issues we've identified in this executive summary, however, we encourage

you to read the further information on pages 32-53, which states what the issues are and what the Council is planning to do about them. These pages also contain any changes to the services that Council currently delivers.

The key issues are:

1. Rainfall event December 2011.
2. Financial Strategy.
  - Debt
  - Rates and Inflation
3. Transportation, Roading and Footpaths issues.
  - Reducing levels of Government funding
  - Tasman's Great Taste Trail
  - Kaiteriteri Road
4. Water supply.
  - Motueka water supply
  - Coastal Tasman pipeline
  - New Richmond water treatment plant
  - New drinking water standards
  - Low flow restricted water supply rates
  - Pohara water supply proposed to join Urban Water Club
  - Water supply agreements with Nelson City Council and Industrial Water Users
5. Wastewater.
  - Infrastructure upgrades causing pan charges to increase
  - Infrastructure not included in the 10 years
  - Nelson Regional Sewerage Business Unit budgets
6. Stormwater.
  - Catchment management planning and hydraulic modelling requirements
  - Infrastructure upgrades leading to rates increases
7. Emissions Trading Scheme.
8. Flood Protection.
  - Lower Motueka Valley Flood Control Project

9. Community Services.
  - Shared facilities
  - District facilities
10. Aerodromes.
11. Port Taranaki.
12. Sustainable development.
  - Managing our land and land use
  - Projected growth and demand for land and services
  - Economic growth
  - Climate change
13. Iwi and Māori matters.
14. Amalgamation proposal.
15. Tourism funding and targeted rate.
16. Community Board targeted rate.
17. Lee Valley Dam.

## Assumptions

In preparing the financial information contained in the Long Term Plan, we have had to make a number of assumptions. The assumptions underpinning this Plan are outlined on pages 276-282.

## Changes to Policies

Volume 2 of this Plan contains a number of amendments to support policies, including:

- The Funding Impact Statement and Rating Policies
- Schedule of Charges
- Significance Policy
- Liability Management Policy
- Investment Policy
- Rates Remission Policies
- Development Contribution Policy
- Revenue and Financing Policy

Details of these policies are set-out in Volume 2.

## Council's ten year financial performance summary

We have considered the key issues and what Council could do about them. We have looked at what we may need to do to: meet expected population growth; maintain existing core infrastructure and services; and to meet legislative requirements. We have then prioritised the potential activities and projects. The planned projects are, however, subject to review through the next two Annual Plan processes and the Long Term Plan review in 2015. Projects from 2013/2014 onwards may be deferred, and their timing and scope could be changed. Not all of the projects and activities identified by the community or Council could be included in the Long Term Plan, due to concerns about affordability (refer Appendices 4 & 5 for details).

The financial information in this Plan reflects the activities and projects Council has identified as priorities, and is planning to deliver over the coming 10 years.

Council's overall financial summary:

	2011/2012 Budget \$ (\$000s)	2012/2013 Budget \$ (\$000s)	2013/2014 Budget \$ (\$000s)	2014/2015 Budget \$ (\$000s)	2015/2016 Budget \$ (\$000s)
General Rates	29,779	31,248	32,811	34,258	36,784
Targeted Rates	26,644	29,154	31,604	33,116	39,097
Total Debt	153,316	159,026	177,185	192,806	221,195
Cash & Cash Equivalents	1,497	1,202	2,741	2,321	2,240

	2016/2017 Budget \$ (\$000s)	2017/2018 Budget \$ (\$000s)	2018/2019 Budget \$ (\$000s)	2019/2020 Budget \$ (\$000s)	2020/2021 Budget \$ (\$000s)	2021/2022 Budget \$ (\$000s)
General Rates	39,435	41,590	43,589	45,735	47,903	49,548
Targeted Rates	41,393	44,410	46,735	48,253	50,527	52,372
Total Debt	238,683	249,755	254,893	269,237	286,440	310,807
Cash & Cash Equivalents	2,274	2,157	1,223	3,887	3,751	4,445

Please refer to pages 247-263 for Council's full prospective income statement, prospective balance sheet, prospective cash flow statement, prospective statement of changes in equity, prospective cash flow reconciliation, projected revenue by activity and summary funding impact statement.

## Examples of Total Rate Changes for Properties

To further clarify the rates changes between the 2011/2012 year to those for the 2012/2013 year, a selection of 17 properties from throughout the District have been summarised to provide a guide. It is important to note that these properties are a sample of the total properties and do not cover all situations for the 21,577 rateable properties in the District.

The following table is GST inclusive. It covers the total rates increases, incorporating the increase in the general rate of 3.63 percent and targeted rates, after the effects of the triennial property revaluations are taken into account.

Summary of Rates Increases for Sample Properties in the District	CV (2008)	2011/2012 Rates*	CV (2011)	2012/2013 Rates*	% Increase on 2011/2012	\$ Increase from 2011/2012
Golden Bay Farm	\$6,415,000	\$17,293.20	\$6,415,000	\$18,432.92	6.59%	\$1,139.72
East Takaka Lifestyle Block	\$500,000	\$1,775.20	\$495,000	\$1,863.27	4.96%	\$88.07
Takaka Residential	\$270,000	\$2,223.24	\$270,000	\$2,354.48	5.90%	\$131.24
Murchison Residential	\$160,000	\$1,592.45	\$160,000	\$1,706.51	7.16%	\$114.06
Tutaki Pastoral Farm	\$3,025,000	\$8,593.90	\$2,825,000	\$8,587.31	-0.08%	-\$6.59
Kaiteriteri Residential	\$720,000	\$3,592.20	\$660,000	\$3,592.96	0.02%	\$0.76
Motueka Commercial	\$1,125,000	\$6,140.90	\$1,300,000	\$6,911.53	12.55%	\$770.63
Motueka Residential	\$345,000	\$2,376.90	\$350,000	\$2,493.49	4.90%	\$116.59
Ngatimoti Horticultural	\$705,000	\$2,334.70	\$640,000	\$2,299.93	-1.49%	-\$34.77
Coastal Highway Lifestyle Block	\$890,000	\$4,342.10	\$1,100,000	\$4,536.72	4.48%	\$194.62
Wairoa Forestry	\$4,700,000	\$12,832.10	\$5,100,000	\$14,822.43	15.51%	\$1,990.33
Hope Horticultural	\$1,325,000	\$4,090.90	\$1,210,000	\$4,024.59	-1.62%	-\$66.31
Brightwater Residential	\$350,000	\$2,461.70	\$360,000	\$2,650.62	7.67%	\$188.92
Richmond Industrial	\$680,000	\$3,277.50	\$630,000	\$3,302.14	0.75%	\$24.64
Richmond Commercial	\$1,225,000	\$7,575.60	\$1,200,000	\$7,838.71	3.47%	\$263.11
Waimea Village Residential	\$185,000	\$1,810.80	\$185,000	\$1,928.08	6.48%	\$117.28
Richmond Residential	\$455,000	\$2,611.10	\$485,000	\$2,863.70	9.67%	\$252.60

Depending on particular circumstances and the effect of specific targeted rates, individual circumstances will vary from the above examples.

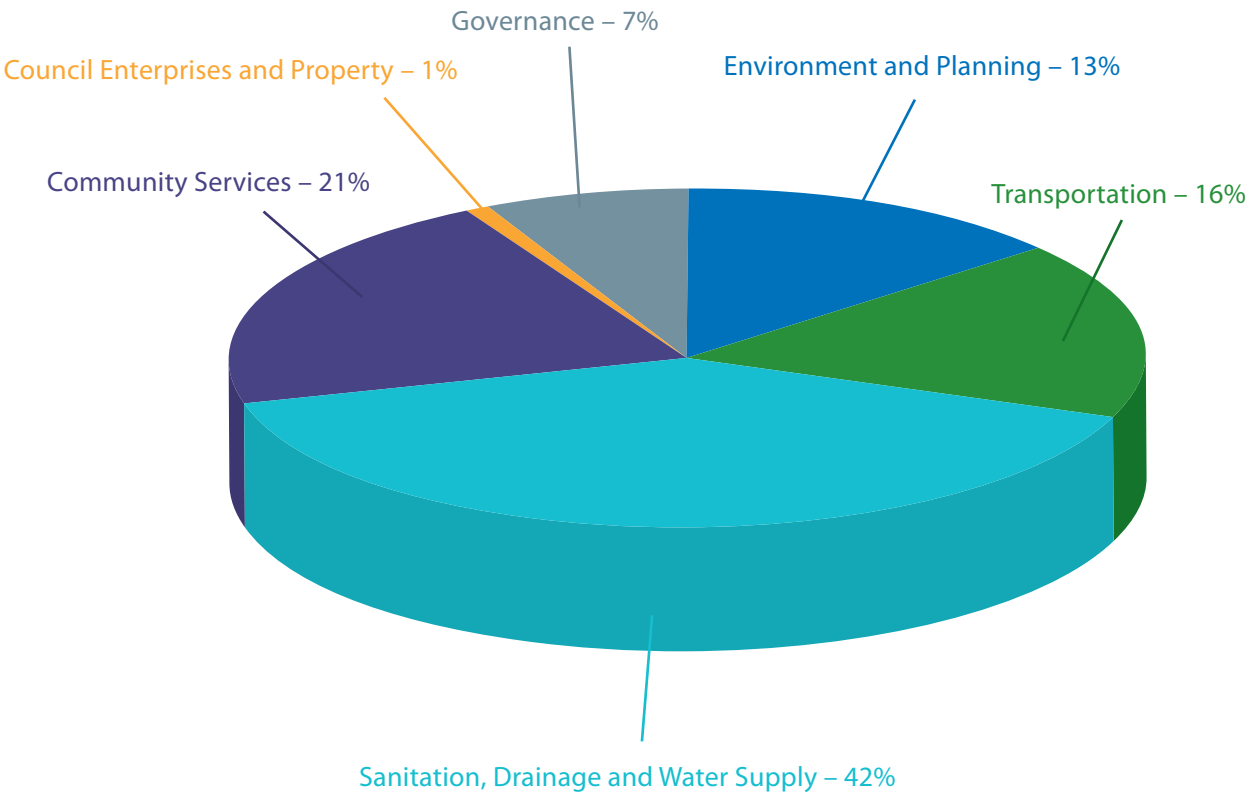
\* All figures are including GST  
CV: Capital Value of the property.

The triennial revaluations mean that if a property's valuation has increased more than the average property valuation change in the District (e.g. the Richmond property in the sample properties above) then the rates increase for that property will be higher than the average increase across the District. However, if a property valuation change is less than the average (e.g. the Hope Horticulture property above) then the rates increase will be less than the average increase. Refer to pages 22-23 of the Draft Long Term Plan for tables showing the rates increases proposed in the Draft Plan comparing the proposed rates figures before and after valuation changes.



# Where your rates go

Council provides a wide range of services to the District's residents, businesses, and also visitors to Tasman. The following graph shows the services that Council provides and the proportion of rates proposed to be spent on operational costs for these services in 2012/2013.



<b>Environment and Planning</b>	<b>13%</b>
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- Resource Policy.
- Resource and Environmental Information.
- Resource Consents.
- Environmental Monitoring.
- Regulatory Services – animal control, building consents, health and liquor licensing and inspections, noise control, parking control.
- Land Information.
- Civil Defence Emergency Management.
- Rural Fire.
- Environmental Education.
- Biosecurity – pest plant and animal management

<b>Transportation</b>	<b>16%</b>
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- Roading – 1,700km of roads: 944 sealed, 757km unsealed, 475 bridges and footbridges, 234km footpaths, 23 carparks, 2,723 streetlights.
- Coastal Structures – wharves at Mapua and Riwaka, responsibility for Port Motueka, jetties and boat ramps, coastal protection works at Ruby Bay/Mapua and Marahau, operation of Port Tarakohe.

<b>Sanitation, Drainage and Water Supply</b>	<b>42%</b>
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- Water – 16 water supply areas, 660km pipelines, 34 pumping stations, 11,400 domestic connections, 44 reservoirs, Wai-iti Dam.
- Wastewater – 14 Urban Drainage Areas, 380km pipeline, 3,470 manholes, 74 sewerage pumping stations, 7 wastewater treatment plants.
- Stormwater – 15 Urban stormwater drainage areas and 1 general district area, assets used include drainage channels, piped reticulation networks, tide gates, detention or ponding areas, inlet structures, discharge structures.
- Solid Waste – 1 operational landfill and 22 closed landfills, 5 resource recovery centres.
- Rivers – Council maintains 285km of X and Y classified rivers, assets include river protection works such as stopbanks, rock protection and willow plantings.

<b>Community Services</b>	<b>21%</b>
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- Parks and Reserves – 595ha of reserve land and 41 playgrounds.
- Community Recreation.
- 24 Public Halls and Community Buildings.
- Community Facilities and Pools.
- Cultural Services and Community Grants.
- 4 Public Libraries.
- 1 Swimming Pool (ASB Aquatic Centre).
- 12 Cemeteries.
- 61 Public Conveniences.

**Non-rate funded activities:**

- 4 commercially operated Camping Grounds.
- Community Housing – 101 Council Cottages.

<b>Council Enterprises and Property</b>	<b>1%</b>
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- Forestry (approximately 2,800 hectares).
- Property.
- Motueka and Takaka Aerodromes.
- Council Controlled Organisations – including Nelson Airport Ltd and Port Nelson Ltd.

<b>Governance</b>	<b>7%</b>
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- Council Support.
- Elections.
- Representation reviews.
- Strategic Planning.
- Communication.
- Elected Representatives.

## The major capital projects we have planned for you from 2012–2022

We've got some big capital projects planned over the next 10 years. We are planning to upgrade wastewater treatment plants, stormwater systems, new water supplies and upgrading existing ones to meet new central government requirements, Council's contribution to the Lee Valley Dam, and a few more recreation and community facilities.

The key projects are outlined in the following table.

In addition to the items listed in the table, the Council is planning to undertake maintenance, replacement and renewal of a range of its existing assets and funding has been allowed in the Long Term Plan to undertake that work.

## Transportation, Roads and Footpaths

### Roading and Footpaths

- Intersection improvements – Moutere Highway/Waimea West (2013-2016), Lower Queen Street/Lansdowne Road (2013-2016), Queen Street/Salisbury Road (2014-2016).
- Tasman's Great Taste Trail – completion of stage one (2012/2013) (including subsidy from the Ministry of Economic Development) and ongoing construction of the Trail from Mapua to Kaiteriteri and from Motueka via Tapawera back to Wakefield by 2018/2019.
- Queen Street upgrade (design and consultation 2012-2015 and construction 2015-2017).
- Minor safety improvements throughout the 10 years.
- Emergency reinstatement throughout the 10 years.
- Bridge renewals.

Some of the projects noted above will occur subject to receipt of a satisfactory New Zealand Transport Agency subsidy.

### Coastal structures

- Jackett Island – erosion control (2013-2015).
- Port Tarakohe – new weighbridge, wharf crane and other facilities (2012/2013).

## Sanitation, Drainage and Water Supply

### Water supply

- Water treatment plant upgrades to meet new Government drinking water standards (Motueka – existing supply, Brightwater, Collingwood, Kaiteriteri, Murchison, Pohara, and Richmond) throughout the 10 years.
- Wakefield - new water source and treatment plant (2015-2017).
- Coastal Tasman pipeline (2017-2023).
- Motueka new water supply, treatment plant and reticulation, subject to receipt of a satisfactory Government subsidy (2020-2024).
- Richmond water supply and reservoir upgrades to meet growth needs (2012-2015).
- Lee Valley Dam – investigation and Council's contribution to the construction costs.

### Wastewater and Sewage Disposal

- Treatment plant upgrades in Motueka (2012-2016) and Takaka (2012-2015).
- Replace Tapu Bay pipeline (2013-2017).
- Upgrade pumping mains – Motueka River Bridge to ponds (2013-2015), St Arnaud to wastewater treatment plant (2018-2020).
- Desludging of wastewater treatment plant oxidation ponds in St Arnaud (2019/2020).
- Pohara Valley reticulation (2016-2018) and Pohara/Tata Beach pump station and rising main upgrade (2012-2014 and 2016-2018).
- Pump station upgrades and renewals throughout the District and the 10 years.

### Stormwater

- Brightwater – Mt Heslington drain diversion (2018-2022).
- Mapua – Seaton Valley Stream stage 1 (2012-2016), drainage improvements Pomona Road and Stafford and Crusader Drives (2019-2022), pipe upgrades James Cross and Coutts Places and Langford Drive (2019/2020).
- Motueka – new development areas – upgrade of existing system King Edward Street to Woodland Drain to accommodate new development (2017-2022).
- Murchison – stream by recreation centre (2019/2020).
- Richmond – Borck Creek land purchase and development (2014-2022), Poutama Drain (2012-2016), Reservoir Creek Dam new spillway (2012/2013).
- Wakefield – Eden Stream.

### Solid waste

- Resource recovery centre upgrades throughout 10 years.
- Eves Valley Landfill improvements throughout 10 years.
- Maintain closed landfills throughout 10 years.

### Flood Protection and River Control Works

- Upgrade flood control on the Lower Motueka River and Brooklyn (note: this project is subject to a review of its scope and levels of service).
- Borlase Catchment project (2012/2013).
- Takaka flood control project (design and consultation 2012-2019 and construction 2019-2029).



# The major capital projects we have planned for you from 2012–2022 (cont.)

## Community Services

### Community Facilities and Parks

- Saxton Field developments, including cycle track, cycle/soccer pavilion and hockey turf (2012-2022).
- Golden Bay Community Facility (2013-2015).
- Mapua Hall (2012/2013).
- Brook Sanctuary (2013-2015).
- Upgrade to a hall/indoor facility (2019/2020).
- Motueka Library (2013/2014).
- Radio Frequency Identification Technology at libraries (2014/2015).
- Library Renewals and additional borrowing items (2012-2022).

## Council Enterprises and Property

### Aerodromes

- Maintenance of the Takaka and Motueka aerodromes (2012-2022)
- Provision of a pressure wastewater system at the Motueka aerodrome (2017/2018)

# How we plan to pay for it all

## Council uses a mix of general and targeted rates as a means of funding both operating and capital expenditure.

The application of targeted rates is dependent on whether a particular activity can be clearly identified from other works or functions of Council. Targeted rates can also be applied to a defined sub-set of the community which would benefit from a particular service or function. Where works or services apply to the entire District, and cannot reasonably be ring fenced, they are generally funded by the general rate.

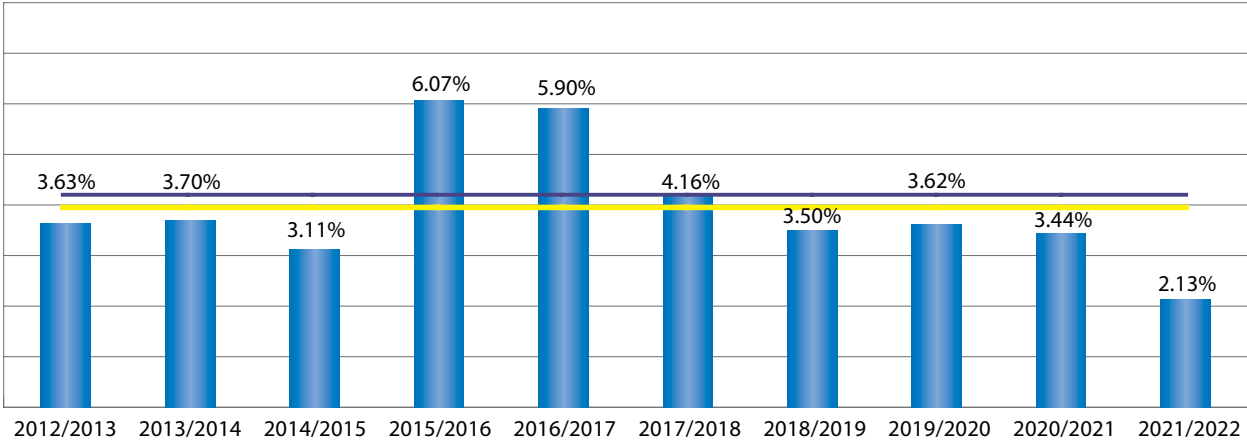
Over the timeframe of this Long Term Plan, targeted rates are increasing as a percentage of the total rate take, as either more functions are separately identified and funded as such, or works and services undertaken will provide a benefit to a particular group within the community.

## Average percentage increase in the general rate (inclusive of inflation)

Council has worked hard to prioritise the services and projects that are essential for our future, to provide them when they will be needed, and at an affordable cost. We are proposing annual general rates increases averaging 3.93 percent over the 10 years covered by the Plan, including an allowance for inflation, which is running at around 3.8 percent, and after deducting 1.3 percent for population growth. The general rates increase proposed for 2012/2013 is 3.63 percent (including inflation).

# How we plan to pay for it all (cont.)

## Projected General Rate



- Annual General Rate % Increase
- 3.93% – 2012-2022 Long Term Plan Average General Rate % Increase
- 4.19% – 2009-2019 Long Term Council Community Plan Average General Rate % Increase

The higher increases in 2015/2016 and 2016/2017 reflect the proposed \$6.2 million contribution towards Council's share of the environmental benefit cost attributed to the Lee Valley Dam and the costs of the Eves Valley Landfill expansion and gas capture equipment to reduce the costs Council has to pay the Government under the Emissions Trading Scheme.

The uniform annual general charge in 2012/2013, remains at the 2011/2012 figure of \$288.78 per rating unit. A total of \$5,433,016 (excl. GST) is collected from the uniform annual general charge in 2012/2013.

Targeted rates are scheduled to increase considerably over the next 10 years of this Plan. Council considers that where direct beneficiaries of Council services are identified, a targeted rate provides more transparency and reduces cross subsidisation of those not directly benefiting from the service. Targeted rates as a percentage of total rates are expected to rise from 48.3 percent in year one to 51.4 percent by 2021/2022.

New targeted rates are set out in the table below and reflect new projects or a change in Council's funding policies (i.e. Tourism funding). For a more detailed analysis of how targeted rates are likely to affect you for the 2012/2013 year, please refer to the Funding Impact Statement in Volume 2 of this Long Term Plan.

#### New targeted rates over the 10 years are:

Proposed new rates	Year introduced
Tourism Activity Rate	Year 1
Lee Valley Dam*	Year 4
Motueka New Town Water Supply Rate**	Year 10

\* Subject to the Lee Valley Dam project proceeding and a review of the funding mechanism for the project.

\*\* Subject to a review of the project and receipt of a Government subsidy.

#### Targeted rates to be discontinued over the 10 years are:

Existing rates to be discontinued	Year discontinued
Tourism Rate	Year 1
Waimea Water Augmentation (Lee Valley Dam) Rate	Year 2
Mapua Rehabilitation Rate	Year 4
Kaiteriteri-Stephens Bay Water Supply Scheme Rate	Year 8
Motueka Water Works Rate	Year 10

If you want to know what will be happening to your rates, please give us a call or go to our website ([www.tasman.govt.nz](http://www.tasman.govt.nz)) to find out.

Don't forget that the Rates Rebate Scheme is there to help people on lower incomes ([www.ratesrebates.govt.nz](http://www.ratesrebates.govt.nz)).

## How we plan to pay for it all (cont.)

### Our debt profile over the 10 years

Council is planning to spend \$404.8 million (including inflation) on capital projects over the next 10 years.

These projects will provide infrastructure that will last for many years, we are therefore planning to loan fund the majority of this expenditure. Council plans to raise these loans over a 20 year repayment term, with the exception of community facilities and Motueka Flood Control loans which are repaid over 40 years, and also where it is assessed the asset life is shorter than 20 years the loan is shortened to match this. Using loans means that people who get the benefit of using the service or facility over its lifetime, pay for it, rather than all the cost falling on current ratepayers. Council incurring debt is very similar to raising a loan to purchase a house. Refer to pages 63 and 64 for graphs on loans by activity and projected loan balances. The graph indicates that the vast majority of Council debt relates to core utility services.

Although interest rates have fallen slightly since the draft of this Plan was prepared Council is expecting that interest rates are likely to increase over the next ten years and an allowance has been made for this in the budgets contained in this Plan. Notwithstanding this, given the decrease in interest rates, Council has reduced the average cost of loans in 2012/2013 from 6.2 percent to 6.0 percent. Council is very mindful of the effects of interest rates on its debt and through its Liability Management Policy uses interest rate hedging instruments to smooth out the highs and lows of interest rate movements. In preparing this Plan we obtained independent advice on treasury matters to strengthen our financial management and reporting. Our loans were about \$139 million as at 30 June 2011 and are expected to increase to \$310.8 million by 2021/2022. While our loans are increasing, they remain within our Liability Management Policy and debt limits. Refer to page 65 for further information.





# Consultation and Submissions

The Council would like to thank all of the groups and individuals who provided input into the preparation of this Long Term Plan and who submitted on the Draft Long Term Plan. Your input has been invaluable.

## Consultation process

The Draft Long Term Plan was publicly notified calling for submissions on 29 February 2012, with submissions closing on 3 April 2012.

We produced a Summary of the Draft Long Term Plan, as a special edition of Council's Newline. The Summary was sent to every household and ratepayer in the District. Copies of the full Draft Long Term Plan were available on the Council's website, CD or hardcopy at Council's offices and libraries. The 17 Settlements Document provided a summary of what was being proposed in each of the District's 17 Settlements.

We ran a series of consultation discussion sessions around the District on the Draft Long Term Plan during March. The public consultation included informal discussion sessions during the daytime with Councillors and staff available to answer questions, usually followed by a more formal presentation and question sessions in the evenings. Several of the evening sessions were held in conjunction with local community association meetings.

A total of 901 submissions were received on the Draft Long Term Plan with 180 submitters wishing to be heard. We held seven days of hearings around the District in April/May to listen to the submissions. The hearings were followed by four days of workshops in late May for Councillors to discuss the submissions. The Council considered its response to the submissions at a meeting on 24 May 2012.

Council adopted this final Long Term Plan on 27 June 2012.

## Submissions and changes made for the final Long Term Plan

We received submissions on the Draft Long Term Plan from the Motueka and Golden Bay Community Boards, various community associations, iwi, youth groups, business and community groups, and primary sector groups, as well as from hundreds of individuals. These submissions provided us with valuable information on what the people in Tasman would like to see and their views on the priorities for the next 10 years in Tasman District.

The information was considered by the Council in the preparation of this final Long Term Plan. It informed and assisted our decision making. Unfortunately we cannot do everything asked for without generating large rate increases, which the Council considered was not in the interests of the wider community. In the submissions on the Draft Long Term Plan Council received requests for more than \$30 million worth of further expenditure for the period 2012 - 2022. To grant all these requests would have been totally unaffordable for our community (refer to Appendix 5 for a summary of the requests for additional funding raised in the submissions on the Draft Long Term Plan and to Appendix 4 for the list of items considered by Council during the preparation of the Draft Plan but which were not included).

The key topics raised in the submissions, along with the approximate number of submissions, were:

Lee Valley Dam	128
Saxton Field facilities including the cycling track	123
Kaiteriteri Road	99
Tasman's Great Taste Trail cycleway	96
Motorsport facility	63
Aerodromes	58
Water Supply	42
Tourism Rate	37
Refuse / Recycling /Solid waste	36
Other Community Services matters	29
Road Cycleways	25
Rates Affordability / Targeted Rates	24



In addition to the specific matters raised above there were approximately 80 submissions that covered several of the matters listed above, along with other subjects.

## Key changes

Some of the key changes made between the Draft Plan and this final Plan as a result of submissions include:

- Agreeing to retain the Lee Valley Dam project in the Long Term Plan, but noting that Council will work with the Waimea Water Augmentation Committee, and consult with other interested parties, to refine the funding model and costs of the project.
- Providing a further \$4.55 million funding towards the completion of Tasman's Great Taste Trail loop over the years from 2012 – 2019. To offset this project Council has deleted a number of projects previously planned for Saxton Field. Council has also signalled that the stages of the project are dependent on contributions from the Government and the community.
- Putting \$3 million of the special dividend from Port Nelson into Council's disaster fund and using the remaining \$1 million to reduce general rate funded debt.
- Introducing a new Tourism Activity Targeted Rate as proposed in the Draft Plan, which is to be charged as a flat rate across all the District's rateable properties. Council has also agreed to undertake a review of its ongoing involvement in and funding of tourism activities prior to June 2013.
- Including \$60,000 funding for a joint study in 2013/2014 of the three roundabouts near Champion Road with the New Zealand Transport Agency and Nelson City Council.
- The \$1.7 million upgrade of the Graham Valley Road has been deleted from years 2019-2021 of the final Long Term Plan to help reduce overall levels of debt.
- Council's share of funding for roading and other transportation projects has been retained at much the same levels as provided for in the Draft Long Term Plan, even though the New Zealand Transport Agency has reduced the Government funding for local roads in Tasman District and not provided an inflation adjustment for roading work for the first three years of the Plan.
- Some further funding has been provided in the Long Term Plan for erosion control work at Jackett Island. \$671,450 has now been included in 2012/2013 to develop a preferred option and obtain a resource consent. \$2.8 million has been provided in 2013-2015 to implement the preferred option.
- Changing the solid waste budget to amend the costs of the Emissions Trading Scheme from \$20 per NZU to \$15 per NZU and to delay some of the capital works projects planned at the resource recovery centres and landfill.
- Amending the areas and properties where the refuse and recycling rate is payable.
- Delaying and deleting some of the projects proposed in years 2012-2018 of the Draft Long Term Plan at Saxton Field to align Council's work programme with the changes proposed by Nelson City Council but at the same time still providing for major new developments to meet community needs. Projects removed were funding for the shifting of the radio mast, purchase of additional land; and projects reduced included the planned expenditure on two ponds.
- Increasing the water rate in 2012/2013 due to the dispute with the Industrial Water Users not being resolved at this stage.
- Amending some fees and charges.
- Deleting the proposed new wharf costing \$1.3 million in 2013/2014 and marina costing \$1.04 million in 2012/2013 at Port Tarakohe and replacing them with a new weigh bridge and wharf crane costing a total of \$290,640 in 2012/2013.
- Reducing the funding for the Lower Motueka Flood Control project to \$5 million within the 10 years with the intention of reviewing the scope and timing of the project.
- Increasing the low flow restricted water supply rate discount from 10 percent to 20 percent, which means that customers on these water supplies will pay 80 percent of the cost of water per unit to customers on urban water supplies. They also do not pay the daily charge that urban water supply customers pay.

## Key Issues

This section is one of the most important in the document. We encourage you to read it. We are planning to enhance some levels of service, for example drinking water supplies which are largely as a result of new Government requirements. We are also planning to reduce some levels of service from those previously proposed in the Ten Year Plan 2009-2019, particularly in the roading, cycleways and footpaths activities. We are also planning less new community facilities than we had previously planned. Council is planning to undertake less projects and services in order to keep rates increases down to a more affordable level. Read on to find out what the changes are.

### Rainfall Event December 2010 and 2011

In both December 2010 and 2011 the Tasman District experienced extremely heavy rainfall which led to flooding, slips and debris flows resulting in damage to Council infrastructure and private property. This was particularly destructive in Golden Bay in 2011 and in Murchison and Golden Bay in 2010. Both these events depleted Council's disaster funds.

The full extent and cost of the damage to Council infrastructure for the December 2011 event, including roads, other transportation assets, utility infrastructure and flood protection structures, is estimated to be approximately \$10.1 million. Of these costs around \$6.7 million should be recoverable from the Ministry of Civil Defence and Emergency Management or from insurance, which leaves a Council liability of around \$3.4 million. Most of the repair work will be undertaken in the current 2011/2012 year.

Much of the Council funding is likely to come from existing Council disaster funds or new loans. Council has budgeted for around \$900,000 to help replenish the disaster funds in 2012/2013. Council has also decided to use \$3 million of the Port Nelson special dividend received in 2011/2012 to replenish the General Disaster Fund. This additional funding will mean there should be sufficient money available to cover the costs of the disaster recovery work.

### Financial Strategy

As a result of recent changes in legislation councils now have to prepare a financial strategy to demonstrate how they will:

- Provide for growth and manage changes in land use.
- Ensure that the level of rates and borrowing are financially sustainable.
- Be accountable for maintaining the assets.
- Fund network infrastructure and maintain levels of service.

The full Financial Strategy is set out on pages 54-68 of this Plan. The Strategy is a key part of this Plan and we encourage you to read it.

Overall Council considers that the Long Term Plan is sustainable and will provide the most important services to residents, businesses and visitors.

## Debt

It is not financially sustainable for Council to provide all the services and activities wanted or even needed by all communities at the same time. Council, therefore, has to prioritise its work programme. Even with the prioritisation of the work programme Council debt is expected to increase from \$139 million as at June 2011 to \$310.8 million over the next 10 years. The projected increase is required to purchase new or upgrade existing assets e.g. water treatment plants throughout the District, Takaka and Motueka wastewater treatment plants, and the Motueka stopbanks. Refer to the table on pages 23-24 for a summary of the major capital works projects Council is planning to undertake, which are contributing to this increase in debt levels. While our loans are increasing, they remain within the Liability Management Policy.

In response to public concern about levels of debt, Council has decided to use \$1 million of the Port Nelson special dividend to repay debt. The remaining \$3 million was paid into the General Disaster Fund. Council has also given a clear indication of its intention to review the scope and risks associated with the Lower Motueka Valley Flood Control, Motueka water supply and Coastal Tasman pipeline projects with a view to reducing project costs and the associated levels of debt. Any changes to the scope of these projects will be outlined in future Annual Plans or the next Long Term Plan review.

Council uses debt to fund infrastructure assets that last for many years. We loan fund most of the expenditure over a 20 year repayment term with the exception of community

facilities and Lower Motueka Valley Flood Control loans which are repaid over 40 years. Using loans means that people who get the benefit of the infrastructure facilities over its lifetime, pay for it, rather than all costs falling on current ratepayers. Also, over the 10 year period the population of the District will be increasing, so there will be more people to repay the debt. It is important to recognise that these debt figures contain an allowance for inflation which means that a project undertaken in year 10 of the Plan will cost nearly 50 percent more than if it was undertaken in the first year. Assumptions on inflation rates are set out on page 278.

Because the level of borrowing is proposed to increase, the management of the cost of interest is very important and Council has joined the Local Government Funding Agency which enables it to borrow at a lower interest rate. Council has also budgeted for the average interest rate paid on its loans to increase over the 10 years of this Plan.

Council is aware of public concern about levels of debt given the current world economic climate. In order to keep rates increases to a minimum and debt levels down, Council is not planning to undertake a large number of projects that the public wants. Council is focusing on delivering critical core infrastructure projects, maintaining its existing network and providing infrastructure to meet new Government requirements (e.g. upgrading drinking water supplies). Council is aware that some Tasman residents may be unhappy with the lack of work proposed in the transportation, roads and footpaths and community facilities activities.

## Rates and Inflation

General rates are forecast to average 3.93 percent after growth over the 10 year period of this Plan, with a maximum increase in any one year to be less than 6.10 percent. The highest increase will occur when the expenditure for the proposed Lee Valley Dam is incurred in 2015/2016. Inflation for the goods and services purchased by Council is forecast

## Key Issues (cont.)

to average 3.7 percent over the 10 years of this Plan. The inflation figures that we have included in this Plan are largely based on figures provided by independent economic forecasters Business and Economic Research Limited (BERL). The level of rates increases set out in this Plan are considered sustainable and required to enable Council to fund the planned Levels of Service.

Activities that are to have an increase in Levels of Service over the 10 years of this Plan include upgrading urban water supplies to meet drinking water standards and improvements to stormwater and wastewater services to meet new resource consent requirements.

### Transportation, Roading and Footpaths issues

#### a. Reduced levels of Government funding

The New Zealand Transport Agency (NZTA) has not provided Council with an inflation adjustment for its share of the funding for local roads over the last three years. This has effectively reduced NZTA's contribution towards funding Tasman's local roads. NZTA has continued with this approach to road funding and will not provide inflation adjustments for the next three years (2012-2015). This will have the effect of reducing the funds available to manage roads and other transportation activities. Council has decided to inflation adjust its share of funding local roads, even though NZTA has not done so. Council has and will continue to develop innovative ways to manage the challenges in the reduced funding environment.

Since the preparation of the Ten Year Plan 2009-2019, the NZTA criteria for funding passenger transport, and cycling and walking projects have changed. NZTA has shifted the priority for funding to the major urban centres from elsewhere in the country. This shift has removed the 59 percent subsidy Council used to receive for walking and cycling projects in the Tasman District. Council has subsequently removed all cycleway projects from the next 10 years as they are not affordable without

the subsidy. The exception is the continuation of Tasman's Great Taste Trail. Council had also been planning to provide funding towards passenger transport between Richmond and Nelson, but as a result of the Government subsidy being withdrawn, this funding was removed at the time of preparing the Draft Plan.

As a result of the reduced levels of Government funding and the desire to keep rates increases and debt levels to a minimum, Council has had to remove a number of projects, previously planned in the Ten Year Plan 2009-2019, from the coming 10 years. Projects that have been removed include most seal extensions, some undergrounding of powerlines, new footpaths (for 2012-2015 only), cycleways and some streetscaping. Council acknowledges that there is a high demand from many members of the public for these facilities, but considers that they are unaffordable given the reduced Government funding and current economic climate. Council has implemented robust prioritisation procedures (e.g. a matrix for prioritising where new footpaths will be provided) and is continually looking for efficient processes to achieve more for less.

#### b. Tasman's Great Taste Trail

In 2012/2013 Council will complete Stage 1 of Tasman's Great Taste Trail (TGTT) to Mapua and Wakefield, and will also extend the trail to Tasman View Road, Motueka, Riwaka and to Kaiteriteri Mountain Bike Park. Council will also establish an interim connecting trail loop from Motueka to Woodstock and through to Wakefield. The Kaiteriteri link is funded through a \$150,000 contribution from the Ministry for Economic Development.

In 2013/2014 Council will complete upgrading the TGTT in the Mapua/Ruby Bay area.

Completion of the full TGTT loop from Wakefield through Spooners Tunnel, Kohatu, Tapawera, to Woodstock and Motueka is scheduled to be



completed from 2014/2015 to 2018/2019 (years three to seven of the Plan). This work is subject to Annual Plan reviews, and to Council receiving adequate external funding cash contributions from community groups/organisations and Central Government.

**c. Kaiteriteri Road**

Council has not budgeted funding for any further improvements to the Kaiteriteri road during the coming 10 years, apart from minor safety improvements that may be needed. Council acknowledges that approximately 100 submissions on the Draft Long Term Plan supported the need to upgrade the road. However, Council is of the view that it is not affordable to spend about \$6 million on upgrading the road at the present time.

## Water Supply

**a. Motueka Water Supply**

In the Ten Year Plan 2009-2019 Council planned to provide a reticulated water supply to Motueka township. Motueka is the largest town in New Zealand without a fully reticulated water supply. Only around a third of the town currently has a reticulated water supply, with the remainder of the properties extracting water from private bores.

The purposes of the water reticulation scheme were to reduce potential public health risks associated with bore water use, improve fire fighting capacity and ensuring adequate high quality water to meet future growth needs.

At the time when the Ten Year Plan was produced, we noted the potential to receive a Government subsidy to offset some of the costs of the project on the community. Council decided to proceed with the project only if it received a satisfactory Government subsidy. Late in 2011 Council was advised that the application was not successful. Council has, therefore, deferred the project in this Long Term Plan to start around 2021 when it will consider re-applying for

a Government subsidy and undertaking further consultation with the Motueka community on any proposed scheme. The cost of the project is in the order of \$25 million with \$9.88 million included within the 10 year period. In the meantime, Council will continue to monitor public health risks associated with bore water use and will review the Motueka Water Supply project scope with a view to reducing the cost of the work and the projected level of debt associated with the project.

**b. Coastal Tasman pipeline**

Coastal Tasman pipeline is a major capital expenditure project planned to improve the water supply capacity to Mapua and to facilitate growth in the Coastal Tasman Area (CTA). Growth in Mapua is currently constrained with only very limited new connections being allowed on to the water supply system.

The key issue is the upfront investment in the CTA pipeline infrastructure and the affordability for ratepayers of providing the pipeline. Construction of the pipeline is programmed to commence in 2018 and be completed around 2022. The cost of the project is in the order of \$38 million with \$23.8 million included within the 10 years of this Plan. Over the coming years Council will review the scope, timing and options for the CTA pipeline project, including the impact of the Lee Valley Community Dam, alternative water supply, and a review of the demand and supply of water in the wider Mapua/ Ruby Bay/Tasman/Dovedale/Moutere area, and projected growth, to reduce the costs of the project and associated levels of debt.

**c. New Richmond water treatment plant**

Richmond is currently fed from two water sources. Council has programmed the construction of a new water treatment plant in Richmond, where both the Waimea and Richmond sources will be blended. The blending of the sources is needed to meet the Government's new drinking water standards, as the Richmond supply does not currently meet the desirable nutrient content under the standard

## Key Issues (cont.)

and blending of the supplies will achieve this requirement. Construction of the treatment plant is planned to occur from 2012 to 2015. The cost of the project is in the order of \$9.42 million.

### d. New drinking water standards

The Health (Drinking Water) Amendment Act 2007 (HDWAA) now makes it mandatory for councils to comply with the Government's drinking water standards. This change will mean that the cost of providing water to residents and businesses will increase significantly over the coming 10 years. The upgrades will mean an increase in the level of service provided and an associated cost to ratepayers for the service. While most supplies in the District obtain water from good quality groundwater sources, they are currently not meeting the standards. The main reason for non-compliance is a lack of protozoa treatment at the treatment plants, which is required under the standards no matter what the quality is of the source water. The HDWAA also requires the completion and implementation of Public Health Risk Management Plans (PHRMPs) for all Council water supplies. These must be completed by specific dates.

Council has completed PHRMPs for several water supply schemes and has a programme in place to complete the rest in advance of the deadlines in the legislation. Council has budgeted \$1.08 million over the next 10 years to prepare the PHRMPs for the supplies that do not already have them. The PHRMPs outline what work is required to reduce public health risks within the schemes and to meet and maintain compliance with the Drinking Water Standards New Zealand (DWSNZ).

If these projects and other water supply projects proceed, the daily water charge will increase from 61.81 cents to \$1.10 during the 10 year period and the volume charge will increase from \$1.87 to \$2.91. These projects will also contribute to an increase in Council's debt by \$56.2 million over the 10 year period. This includes an increase in development contributions loans of \$6.42 million.

In this Long Term Plan Council has programmed, at considerable cost, upgrades of all remaining urban water treatment plants not currently meeting the DWSNZ during the coming 10 years. The Pohara water supply upgrade has been delayed for a few years as improvements made to the water supply following the December 2011 rainfall event meant that the full upgrade to meet the drinking water standards is less urgent. The three rural water supply schemes, however, are not covered by the upgrades and may be upgraded after the next 10 years if affordable methods of treatment can be found.

### e. Low flow restricted water supply rates

The low flow restricted water supply rates are also planned to increase substantially during the 10 year period. The annual rate is currently \$344.15 for supply of one m<sup>3</sup> a day. This rate has only been increased by inflation for the last three years. The rates collected are now not covering the costs for operating the water supply systems. The low flow restricted water supplies are provided from extensions to the urban water supplies, therefore, the cost of water for both types of supplies should be aligned. In past years the low flow restricted water supplies have received a 10 percent discount to reflect that customers water is supplied to a tank, is not supplied on demand or at pressure and it generally has to be pressurised by the customer. Several submitters on the Draft Long Term Plan commented that the 10 percent discount should be increased. Council has decided to increase the discount to 20 percent, which means that customers on low flow restrictors will pay 80 percent of the cost of water per unit to those customers on urban water supplies. Council noted that low flow restrictor customers do not pay the daily charge that urban supply customers have to pay, which effectively provides the low flow restrictor customers with an even greater discount than is reflected in the 80 percent figure. It is planned to increase the low flow restrictor charge from \$344.15 in 2011/2012 to \$546.91 in 2012/2013, and then to \$849.42 by the end of the 10 year period. The 2012/2013 increase reflects the fact that the Industrial

Water Users dispute was not resolved by 30 June 2012, however, it has been assumed that the Industrial Water Users will be paying the same amount as urban supply customers from 2013/2014 onwards.

**f. Pohara water supply proposal to join the Urban Water Club**

Council has decided that the Pohara water supply should be included in the "Urban Water Club". The Pohara water supply provides water to the Pohara Valley residents and the camping ground.

The Pohara water supply currently has its own separate closed account. There are only 51 connections on the water supply. Consumers pay the same water rate as all other metered consumers, which means that there are insufficient funds to pay off the loan, interest, and operations and maintenance costs. Following the installation of a new reticulation main from the Pohara Valley to secure supply to the Pohara camping ground, the account was in deficit by \$394,783 as at 30 June 2011.

There will be a minimal change to consumers on the Pohara water supply, which will be in line with the change to all Urban Water Club members. The present debt in the Pohara water account will be absorbed into the Urban Water Club account for all urban water users to repay. As there are a large number of ratepayers in the Urban Water Club over which to spread the Pohara deficit, this change will lead to only a slight increase in the water rate for all Urban Water Club members.

**g. Water supply agreements with Nelson City Council and Industrial Water Users**

A new services agreement is planned between Nelson City Council and Tasman District Council, for the supply of water to Nelson City ratepayers in the area of Champion Road, Garin College and the Wakatu Industrial Estate. Tasman District Council currently supplies water to these users, but under

individual supply arrangements. The individual supply agreements are likely to continue until a new agreement can be negotiated between the two Councils. Further consultation on this may be needed. The proposed agreement is for Council to supply water to Nelson City Council, rather than to individual residents and businesses. If this approach proceeds, Nelson City Council will be responsible for the supply of water directly to its ratepayers who are currently supplied by Tasman District Council. The cost of the water supply from Tasman District Council to Nelson City Council is proposed to be the same as to rating units with a metered connection in Richmond.

In the meantime, the charges for water supplied by the Council to rating units in Nelson City (per cubic metre supplied) will be \$1.87 for 2012/2013 (2011/2012 \$1.73). In addition, these properties are charged a fixed daily amount of 61.81 cents per day for 2012/2013 (2011/2012 59.67 cents per day.)

The water supply agreements between Council and Nelson Pine Industries Limited, ENZA Foods New Zealand Limited and Alliance Group Limited (Industrial Water Users) expired on 30 June 2010. Council and these Industrial Water Users have not agreed on the terms of water supply beyond the expiry date and that dispute is going to arbitration. The Industrial Water Users currently pay the Council 40.79 cents per cubic metre of water supplied.

Council had intended in the Draft Long Term Plan to set the same rates in relation to the rating units owned by Nelson Pine Industries Limited as it does for other rating units with a metered connection in Richmond. Council had also proposed that Nelson City Council take over responsibility for the supply of water to all properties within Nelson City currently supplied with water by Tasman District Council, including ENZA Foods New Zealand Limited and Alliance Group Limited, with the cost of the water supply from Tasman District Council to Nelson City Council being the same as for rating units with a metered connection in Richmond.

## Key Issues (cont.)

However, Council's dispute with the Industrial Water Users was unable to be resolved by 30 June 2012 so that those users pay the same charges for water as owners of rating units with a metered connection in Richmond. This has resulted in Council needing to set, in this final Plan, the higher of the potential water rates and charges that were outlined in the Draft Long Term Plan. This means that the water rates for low-flow restricted water supplies are also at the higher level.

For the final Plan Council has assumed the Industrial Water Users will be paying the same cost as other water users from 2013/2014 onwards.

### **h. Lee Valley Dam**

We have included information on the Lee Valley Dam proposal later in this Key Issues Section – refer pages 45-53.

## Wastewater

### **a. Infrastructure upgrades causing pan charges to increase**

Council is planning to upgrade the Takaka and Motueka Wastewater Treatment Plants in 2012 - 2014. The cost of upgrading the two plants is \$12.2 million. These treatment plant upgrades, along with a list of other wastewater projects, are needed to satisfy resource consents, renew ageing infrastructure and meet projected growth levels. This is leading to forecast wastewater rates (pan charge) increases from \$691.93 to \$1,042.46 over the 10 years and higher Development Contribution charges. The wastewater debt level is also forecast to rise \$13.1 million over the 10 year period, which is in turn causing loan servicing costs to increase. This includes an increase in development contributions loans of \$3.3 million.

### **b. Infrastructure not included in the 10 years**

Tasman village and Marahau have both been identified as settlements that would benefit from

public wastewater systems. These systems are not provided for in the 10 year period covered by this Long Term Plan.

### **c. Nelson Regional Sewerage Business Unit (NRSBU) budgets**

The NRSBU is planning major capital expenditure to upgrade the pipelines and the Bells Island treatment plant in coming years. The wastewater budgets contained in this Long Term Plan contain an allowance for Council's contribution to the costs of the NRSBU. The budget also contains an estimate of the potential surpluses, which may be returned each year to Council as a NRSBU shareholder. Council is proposing to use the surpluses, which may range between \$300,000 and \$1.1 million each year, to pay off wastewater debt, rather than to off-set operating costs. By doing this Council avoids sudden changes in the pan charges if the expected surpluses are not realised. Council also reduces debt levels, which are a concern to the public. If Council's contribution to the costs of the NRSBU is different from the projections, the actual pan charges may vary each year from those contained in this Long Term Plan.

## Stormwater

### **a. Catchment management planning and hydraulic modelling requirements**

Council is proposing to undertake catchment management plans to enable it to fully understand the impacts of stormwater discharges on receiving environments. Council has undertaken hydraulic modelling for the Richmond and Motueka catchments. Further hydraulic modelling is required for these townships and in other areas of the District so that Council can better understand the stormwater needs of the District's settlements. The costs of undertaking this work are \$1.54 million over the 10 years, which are budgeted in this Plan.

### **b. Infrastructure upgrades leading to rates increases**

Council is planning several major stormwater capital

works projects over the coming 10 years. Examples of these include: Mt Heslington drain diversion near Brightwater, upgrading stormwater systems in King Edward Street to Woodland Drain in Motueka, Borck Creek and Poutama Drain in Richmond, Meihana and Commercial Streets pipe upgrade in Takaka and upsizing pipes in Whitby Road to Arrow Street in Wakefield. These and other stormwater projects are needed to address environmental matters by making designs and practices more sustainable, to replace ageing infrastructure, to improve the capacity of the network and to meet growth needs. In order to undertake some of these stormwater projects, Council will need to purchase large amounts of land at a reasonably significant cost. These factors are leading to forecast stormwater urban drainage area rates increases from 0.0474 cents to 0.0891 cents per dollar of capital value over the 10 years. The stormwater debt level is also forecast to rise \$18.99 million over the 10 year period, which is in turn causing loan servicing costs to increase. This includes an increase in development contributions loans of \$5.64 million.

## Emissions Trading Scheme

The Emissions Trading Scheme (ETS) is increasing the costs of providing the solid waste activities. The ETS is costing approximately \$185,000 in 2012/2013, increasing to approximately \$560,000 in 2015/2016. Council has budgeted for the full cost implications of the Emissions Trading Scheme in the Long Term Plan and is considering the implications as part of investigating a joint landfill with Nelson City Council.

## Flood Protection and River Control Works

### Lower Motueka Valley Flood Control Project

Council had been planning to provide an adequate flood control system for the Lower Motueka Valley (Brooklyn, Motueka and Riwaka communities) that is acceptable and affordable. Council has been undertaking consultation with the local communities on the project and considered the communities views at each of the decision making stages for the project over the last three years.

A preferred option for flood control in the Lower Motueka Valley was identified and incorporated in the Draft Long Term Plan for further consultation. The proposal was to refurbish the existing stopbanks over a 13 year period at a cost of \$16.35 million. Refurbishment was to commence in 2017/2018 and be completed in 2029/2030.

Council has asked staff to review the scope, proposed risks and levels of flood protection, and funding for the project over the coming years. The project has been reduced to \$5 million for the duration of the Plan. Further consultation will need to be undertaken with the public on the scope of the project and the level of flood protection that will be provided.

Council has also developed a funding model for the Lower Motueka Valley flood control project. The project will be funded by three groups of ratepayers:

1. Those properties that directly benefit from the refurbished stopbanks by not getting flooded in a 1 in 100 year (1 percent annual exceedence period) in the year 2090 will pay 30 percent of the project costs.
2. Those properties in the Motueka Ward that are deemed to receive an indirect benefit from the flood control works will pay 40 percent of the project costs.
3. All rateable properties in the Tasman District will pay 30 percent of the project costs.

## Community Services

Council has an important role in creating the environment in which communities can prosper and enjoy improved health and wellbeing. The provision of open spaces and recreational facilities influences the way in which people can take part in the community life and makes being active more convenient, easier, safer and more enjoyable. However, Council cannot afford to improve all requested facilities to all communities at the same time and accordingly new and improved facilities have been prioritised.

## Key Issues (cont.)

The key projects included in the Plan for the following 10 years are:

Activity	2012/2013 - 2014/2015 Years 1 - 3	2015/2016 - 2021/2022 Years 4 - 10
Saxton Field developments (land purchases, walkways, roads)	\$1,575,791	\$1,969,810
Cycle track – Saxton Field	\$204,400	-
Cycle/football pavilion – Saxton Field	-	\$632,357
Hockey Turf – Saxton Field	\$306,600	\$359,937
Golden Bay multi-use facility	\$3,705,970	-
Mapua Hall	\$827,820	-
Brook Sanctuary	\$312,945	-
Upgrades to Halls and indoor facilities	-	\$1,743,482
Motueka Library	\$1,076,410	-
Radio Frequency Identification technology at libraries	\$373,608	-

While providing funding for improvements in some facilities and services, other Community Services programmes and projects have not been included in this Plan. These include:

- Boredom Busters Holiday programme has been reduced from \$20,480 to \$10,220.
- Community Development Fund general rate allocation has been reduced from \$20,480 to \$10,220.
- Opera in the Park allocation of \$5,605 has been deleted.
- The Community Arts Partnership has been reduced from \$29,696 to \$19,418.

### a. Shared Facilities

To align the projects planned at Saxton Field with those proposed by Nelson City Council and to enable Council to fund the completion of Tasman's Great Taste Trail from the shared facilities rate, Council has reduced the funding of Saxton Field projects from the Draft Plan in years one to six. No changes were made to subsequent years. The following changes are included in this Plan.

- Year 1 Reduced from \$669,970 to \$452,160
- Year 2 Reduced from \$744,045 to \$423,439
- Year 3 Reduced from \$758,334 to \$700,192
- Year 4 Reduced from \$1,122,061 to \$495,862
- Year 5 Reduced from \$627,787 to \$326,743
- Year 6 Reduced from \$643,407 to \$290,145



Tasman District Council's share of the Cycle/Football Pavilion on Saxton Field of \$632,357 has been provided for in 2015/2016.

The proposed Rowing/Aquatic Centre project has been moved out beyond the 10 year period of this Plan.

#### **b. District Facilities**

Amendments have also been made to proposed District Facilities to reduce the District Facilities Rate. To achieve this the Motueka Swimming Pool (\$4.25 million plus inflation) and the proposed contribution to road improvements for the Motorsport Facility (\$630,000 plus inflation) have been shifted out beyond the 10 year period of this Plan. One of the planned hall upgrades has also been removed from the 10 years covered by this Plan in order to reduce debt levels (\$1.13 million plus inflation).

### **Aerodromes**

Council has considered options for reducing the general rate requirement for the Motueka and Takaka aerodromes and this Plan includes:

- Increasing income for the aerodromes.
- Reviewing funding options and income to determine if it is commercially viable to upgrade the Takaka aerodrome cross-runway.
- Delaying a number of capital programmes including electricity and wastewater reticulation at the Motueka aerodrome.

### **Port Tarakohe**

Similarly, Council has also reviewed the rates requirement for Port Tarakohe and has an objective of scheduling developments and levels of service that would enable this facility to operate without support from general rates. Because of the debt associated with the Port, this cannot be achieved immediately, however, in the medium term this should be possible.

Council has decided not to proceed with the proposed marina and new wharf in this final Long Term Plan and has removed funding for these projects from the Port Tarakohe budget.

Council intends implementing a new charging scheme at the Port and has provided funding in the budget for a new weighbridge, wharf crane, security system and other facilities.

Council is proposing to undertake further work on the overall management of Port Tarakohe.

### **Sustainable Development**

Throughout the preparation of this Long Term Plan Council has considered matters relating to the sustainable development of the region, including reducing our impacts on the environment, environmental management, planning for growth, economic development, managing our water resources, urban design, waste management, provision of facilities, climate change and civil defence.

These matters are important to achieving the vision for Tasman District and the community outcomes. Taking a sustainable development approach is integrated into consideration of all the matters outlined in this Plan.

Everything Council does contributes to community well-being - social, economic, environmental and cultural aspects. If something didn't contribute to community well-being, Council would not be undertaking it.

To undertake an analysis of everything Council does and how it contributes to community well-being and the sustainable development of the Tasman District would take up a large amount of space in this document. There are, however, a couple of key sustainable development matters that do warrant comment in this Key Issues section and they are outlined in the following paragraphs.

## Key Issues (cont.)

### a. Managing our land and land use

Council considers protecting our productive soils is important to maintaining the economic base of our District, which is focused on primary production. Council's land use planning and growth modelling work is critical to achieving this. Council's decision making and planning takes this into account.

### b. Projected growth and demand for land and services

Tasman District has been facing moderate levels of population growth over recent years. This population growth, along with other factors, has stimulated economic growth in the District. Council is of the view that population growth will continue to occur in most parts of the District.

Council considers that population growth and sustainable economic growth are desirable, and we are planning infrastructure and community facilities to meet the expected demand for growth.

The number of people in the District and where they choose to live, and the growth in economic activity, directly affect the demand for land available for development, infrastructure and the other services the Council provides. Therefore, population and employment growth figures are critical indicators of demand. They underpin our land use planning, infrastructure developments, where and when new services or facilities are required and how much things will cost.

Council considers that the growth modelling work it undertook during the preparation of this Long Term Plan has been robust. It was important to determine how many people we are likely to get in the District over the next 20 plus years and where they are likely to want to live. The growth modelling exercise estimated the demand for land and services, and looked at how to supply that demand over at least the next 20 years.

Population growth projections used were the Statistics New Zealand "medium growth" scenario projections for the District. Council chose to use the medium growth projections as they are reasonably consistent with the past patterns of growth.

In Appendix 6 (page 323) of this document we have included a table of the projected population growth rates for Tasman District by settlement and wards, based on the Council's chosen scenario.

The growth modelling work identified what the likely population would be in each of the 17 principal settlements within the District and the expected demand for holiday home properties. The next step was to look at where the additional people and business activities could be accommodated on land suitable for the required development. This work took into account a range of factors including:

- The productive value of land.
- Potential hazards (like flooding and inundation from the sea due to climate change and other factors).
- Potential impacts on amenity, water margins, and natural and historic resources.
- The ability to provide infrastructure services (like stormwater, water, wastewater and roads).
- The need for community facilities (like reserves and community halls).
- Accessibility to town centres and employment opportunities.

Council looked at what infrastructure (water supply, stormwater, wastewater, roading, community facilities, reserves, etc) would be required to meet the needs of the current and future population, and for business, in each area of the District. This work fed into development of the Activity Management Plans that the Council has prepared for its key activities and services (copies of the Activity Management Plans are

available on the Council's website [www.tasman.govt.nz](http://www.tasman.govt.nz) or from the Council on a CD).

The cost of providing the infrastructure, community facilities and services has then fed directly into the budget forecasts contained in this Long Term Plan.

Council acknowledges that growth projections are sensitive to a number of factors, many of which are outside our control. In preparing this Plan and the accompanying activity management plans, Council is mindful of the potential impact of higher or lower rates of growth. The current economic climate leads to increased uncertainty around the levels of growth we could expect.

Should the population not reach the anticipated levels, proposed projects, activities and levels of service will be reviewed during the preparation of Annual Plans over the next two years and again when the Long Term Plan is reviewed in 2015.

As a consequence of lower than anticipated growth, some projects may be delayed or debt-funded at higher levels until the population growth is achieved.

On the other hand, should population projections be exceeded, the Council may need to bring forward some projects.

#### **c. Economic Growth**

As noted above, the Council sees sustainable economic growth as desirable. It supports ongoing growth in the horticulture, forestry, fishing, agriculture and tourism sectors. The Council sees benefits in encouraging economic growth in the primary industries, aquaculture sector, in research and development, in information technology and in industries that develop natural products based on the natural resources

available in our District. The Council continues to work with other agencies, like the Economic Development Agency, Research Institutes, the aquaculture industry, farming organisations, business associations and the tourism sector, to encourage sustainable economic growth in the region.

#### **d. Climate change**

Council considers that its primary role in climate change is enhancing the resilience of Tasman's communities and helping them adapt to the potential impacts of climate change and ensuring appropriate land-use planning, for example the recent Tasman Resource Management Plan change for Mapua. In order to better understand the potential impacts, Council needs better information. We have budgeted to obtain light detecting and ranging (LiDAR) aerial photography and data to improve our modelling for floods and inundation from the sea. The LiDAR data will also be useful for other Council functions like land-use planning and when designing infrastructure services.

Council has allocated funding each year for soils research. Some of this funding may be used to do research on linking soil data with climate data. This information will assist farmers to work out what land-use may be appropriate for their land in the future.

The work Council is doing on water management and storage (e.g., Lee Valley Dam) and on flood protection (e.g., the Lower Motueka Valley flood control) is also relevant to enhancing the resilience of the community and environment to the impacts of climate change, particularly the likely increase in the incidents of flooding and drought. Council's engineering standards include consideration of the potential impacts of climate change in the planning, location and design of infrastructure.

## Key Issues (cont.)

Council currently subsidises half the cost of building permits for the installation of solar hot water systems from the general rate. Council also provides the Warm Homes Clean Heat programme which enables people to pay off loans for home insulation and clean heating through their rates, as a top-up to the Government programme.

### Iwi and Māori matters

Local Iwi and Council both support community wellbeing and contribute to the economic development of the Tasman District, but in different ways, for example Iwi have a kaitiakitanga (guardianship) role for the environment and Council has a range of enhancement, monitoring and regulatory functions that it undertakes to protect and improve the environment. Iwi have a long term commitment to the region and through various businesses provide economic development and significant employment to residents of the District, whereas Council focuses more on providing infrastructure to support businesses.

The Tasman District Council appreciates the important contribution Iwi and Māori organisations make towards these common goals.

It is important to Council that it has a good working relationship with Iwi and a number of steps have been taken over the last few years to enable greater contribution by Māori in the decision making processes. These are set out on page 84 in Volume 2 of this Plan, some of the recent actions are inclusion of Iwi representatives on important working groups and the appointment of a Kaumatua to assist the Mayor and Chief Executive with Māori protocol. Māori have asked that they be included in more of Council's decision making processes and that Council provide resources to enable this participation.

Unfortunately the cost of many of these initiatives would increase rates significantly and, therefore, Council has not provided any additional funding in the final Long Term Plan. However, Council recognises that as the Te Tiriti o Waitangi/The Treaty of Waitangi claims are settled that the role of Iwi in the District will develop and their relationship with Council may be defined. Therefore, Council has requested that staff and Iwi work through the operational requests to determine if some requested actions can be undertaken within existing budgets. Council will also continue to be mindful of opportunities to include Iwi and Māori views in its decision making processes.

### Amalgamation Proposal

When the Draft Long Term Plan was prepared the outcome of the proposed union of Nelson City and Tasman District was unknown. The polls have since been held. Approximately 75 percent of those that voted in Tasman voted against the proposed amalgamation, therefore, the proposal was defeated. The assumption in this Plan is that amalgamation with Nelson City or any other council will not proceed within the next 10 years.

### Tourism Funding and Targeted Rate

Tasman District Council provides a significant sum of money to assist funding the operations of Nelson Tasman Tourism (refer to pages 222-223 for a summary of this Council Controlled Trading Organisation). Nelson Tasman Tourism is a joint venture between Tasman and Nelson Councils which provides destination marketing, strategic destination management, tourism development and visitor information services for the District. In order to improve transparency and administrative efficiency, and to recognise that the benefits of tourism are widely spread and that there is a public good from many of Nelson Tasman Tourism's services, Council is changing the current funding of this company from a mix of general rates and a targeted rate on commercial activities that benefit from tourism, to a \$23.51 targeted

rate on all properties. The current \$115 targeted rate will be discontinued, as well as the general rate contribution.

The \$23.51 targeted rate will collect \$442,199 in 2012/2013 of which \$313,639 would be used to fund the i-Site component of Nelson Tasman Tourism Limited, including \$50,000 earmarked for the Motueka i-Site. The balance would be applied to destination marketing by Nelson Tasman Tourism Limited and a strategic review of Council's role in supporting tourism.

## Community Board Targeted Rate

Council has agreed to retain the Community Board Targeted Rate in the Long Term Plan. It has, however, made some changes to the rate. It has removed the general rate contribution from the calculation of the Community Board Targeted Rate from 2012/2013 onwards and has decided to not charge the Boards for staff time to deal with matters raised by the Boards. As a result, the Community Board Targeted Rates for the 2012/2013 year will be:

- Motueka Ward – \$12.26 (this figure includes an allowance of approximately \$5 per property for projects to be spent in the Motueka Ward, the funding for which will be allocated by the Motueka Community Board).
- Golden Bay Ward – \$15.07.

## Lee Valley Dam Proposal

### Summary

This Plan proposes the building of a dam in the Lee Valley. The best estimate at this time is that a cost of the dam would be \$41.6 million (in 2010 dollars), subject to site investigations, refinement of the dam design, and tender prices. If the dam is not built then there would need to be a cutback in water allocation of about 70 percent.

Tasman is one of the most significant farming and horticulture regions in New Zealand and combined with the fertile soils of the Waimea plains and high sunshine hours our region produces high quality horticultural and viticultural products. The main water source for this area is the Wairoa/Waimea Rivers and the aquifers underlying the area. The aquifers are replenished either directly or indirectly by these rivers. All residential, business and rural water on the plains is supplied from these aquifers.

In times of drought, however, there is an acute shortage of water. For provision of adequate flows in the river to protect ecological values and to protect against seawater intrusion in the aquifer near the coast, substantially higher amounts of water need to be left in the rivers. Studies show that the ideal minimum flow for plant, fish and other life in the river should be approximately 1100 litres per second (l/s). However, if we make provision for this amount of water in the lower river there would need to be a cutback in water allocation of about 70 percent. The current method of rationing water use is only a holding pattern. If water was rationed to this level then a cease-take order would have had to be imposed for at least part of the year, in four out of the last five years.

Water cutbacks of 70 percent have been assessed as reducing income to our region from agriculture to the value of \$440 million over 25 years. In addition to needing greater water flows for irrigation and environmental reasons, Council also needs to ensure that there is a secure water supply for the projected population increases in Richmond, Brightwater and Wakefield.

To meet these needs Tasman District Council and the Waimea Water Augmentation Committee (WWAC) are proposing that a dam be built in the Lee Valley that

## Key Issues (cont.)

would hold 13.4 million cubic metres of water. The cost of the dam would be about \$41.6 million (in 2010 dollars) and provide water for both irrigation and urban supply to the equivalent of 7,765 ha. It would also provide increased water flow in the Waimea River to:

- Preserve environmental flow requirements.
- Recharge the underlying aquifers during periods of drought.
- Provide water in the rivers for recreation during summer.
- Provide a secure water supply to Richmond, Brightwater and Wakefield for the long term (100 years).

The dam is being designed to have sufficient water to manage a 1 in 66 year drought.

It is proposed that the dam be owned by a co-operative company with Council purchasing shares on behalf of residents and businesses to meet its share of water requirements for water supply and environmental flows.

The Tasman District Council sought public input on the project through the Draft Long Term Plan. Issues raised in submissions included:

- Affordability and the likely cost per hectare.
- The mandatory nature of using a rate, with some submitters requesting more user pays.
- Suggestions to changing the funding split.
- Whether a dam is really required.
- Requests for particular properties to be excluded from the proposed rate.
- Support for the dam to address the over-allocation of water.
- Use of water conservation measures.

Council considered all submissions and resolved to include the dam in the final Long Term Plan to enable further work to be undertaken on design, resource consents, land



securement, and to explore other options for covering the costs of the dam. Once this information is available there will be further consultation on these points and the allocation of costs and funding sources. There are a number of steps that need to be achieved before this project would commence as well as further opportunities for the public to have input. Following the consideration of submissions on the Draft Long Term Plan Council has decided to include this project in the final Long Term Plan and to undertake further consultation on it at various stages over the coming years.

### Key features of the Lee Valley Dam proposal

Key features of the proposed Lee Valley Dam would be:

Assumption	Detail	Estimated Value
Capital Cost	Estimated by Tonkin and Taylor	\$41.6 m (2010)
Construction Period	Period between commencement of construction and commissioning of the dam	2 years
Size	Volume of the reservoir	13.4 million cubic metres
Base Case Area within scheme	Actual area serviced by the scheme	Total equivalence zone of effect 6300 ha, plus 1,465 ha available for adjacent land and/or Nelson City future water supply demand.
Operating costs	To cover repairs and maintenance and scheme administration costs	\$400,000 per annum
Hydro power station	Small hydro power station, owned separately from the dam and generating 6.2GWhr/year of power each year	Approx \$4.5 million. Costs would be recovered from the sale of electricity.

As a comparison the Nelson City Council Maitai Dam holds 4.0 million cubic metres of water, but this is mainly used for residential and businesses and not for irrigation purposes.

As currently proposed, the dam would be approximately 52 metres high and constructed of rockfill with a concrete face. It would take approximately two years to build and one to three months to fill, depending on the time of year filling starts.

# Key Issues (cont.)

Details of the proposal

## Proposed location of the dam



### Who is the Waimea Water Augmentation Committee (WWAC)?

The Waimea Water Augmentation Committee is a community group that has come together with a common interest in augmenting water supplies to resolve the acute water shortage problems of the Waimea Basin. It includes representatives elected by the Waimea Basin Water Users which comprises more than 400 water permit holders from the area. The committee also includes local iwi and environmental interests represented by Fish & Game and the Department of Conservation. Tasman District and Nelson City Councils represent the wider community and are represented by Councillors and Council staff who have knowledge of the water resource and expertise in water management planning and infrastructural development planning. The committee members are unpaid and have worked on behalf of their community for the long term good. Considerable time has been spent by the committee members over the last eight years attending meetings, workshops and liaising with local and central government as well as attending community meetings and keeping in touch with their zone members and sectors. The in-kind cost of committee members' contribution is very significant and is acknowledged and appreciated by Council.

### **Why we need a Dam?**

The 2001 drought showed we have an acute water shortage and that current water allocations will exceed the capacity of the system. During this drought the Waimea River went dry for several weeks, salt water contamination affected coastal water takes from bores and wells and there was considerable impact on the river habitat and numerous complaints of the aesthetic and ecological impacts on the river. Council and members of WWAC have considered what the minimum water flow in the Waimea River should be and propose a low flow in the lower river of 1100 l/s. If this limit was set then water takes should be set to about 30 percent of the current allocations and users would have been required to cease taking water in four of the last five years.

The economic loss to productivity is in the order of \$440 million over 25 years if water allocations are cut back to achieve the recommended environmental flows.

The population of Richmond, Brightwater and Wakefield and surrounding area is currently 23,700 and this is expected to increase to 30,000 by 2031. Water for residents and businesses in this area is currently supplied from water pumped from aquifers located at Lower Queen Street. These pumps are located near the Waimea estuary and therefore there is a risk of salt water intrusion.

### **Environmental benefits of the Dam**

The Wairoa/Waimea/Lee river systems, as well as contributing water from the Roding, are important to the whole river system. The lower river system, the Wairoa river below the gorge and the Waimea River are severely impacted in terms of their environmental, aesthetic and recreational values by low flows. The amount of water left in the river system is reduced by abstraction from groundwater and surface water. The coastal springs are valued by iwi. The run of the river (water released down river to replenish river flows and aquifer recharge) minimise seawater intrusion at the coastal fringes. The proposed dam has multiple intakes so discharge quality is proposed to be managed to enhance the quality of

the water released. A minimum flow of 500 l/s all the time below the dam and maintenance of 1100 l/s at the lower Waimea River through increasing water releases will benefit not only consumptive users but also the environmental, recreational and aesthetic values. The capability to release water to flush the river is built into the dam design which would also provide positive benefits for the river by clearing algae.

The environmental flow component is proposed to be guaranteed through an Environmental Trust that will be custodian on this matter to ensure the long term environmental benefits of the dam are maintained and enhanced.

### **Alternatives to the Dam**

Regional water supply options have been looked at for the whole region going back to the 70's by both the then Nelson Catchment and Regional Water Board and the Nelson Marlborough Regional Council. A further updated Tasman Regional Water Study was completed in 2003. This study overviewed all past options for the catchments east of Takaka Hill.

Specifically to the Waimea Basin – the Wairoa Gorge Dam and the Buller option were considered. The Wairoa Gorge Dam (high dam) was not seen to be suitable due to the development in the area that has occurred since the 1970's and the area the lake behind the dam would have drowned above the Wairoa Gorge. The Buller option was deemed too expensive (\$115 million+ in 2003 dollars). An in-catchment solution was seen as ideal and a site up the Wairoa left branch was identified in that study as a possibility.

Lake Rotoiti was also raised but there are legal issues with the Lake being in a National Park and also significant cost of pumping and piping to the Waimea. Waste water from the Bells Island pond was also looked at but both the treatment and the quality required for food production and insufficient volumes for the needs were seen as shortcomings.

## Key Issues (cont.)

Stage one Waimea Water Augmentation Study, produced by the Waimea Water Augmentation Committee (2004-2007), looked at a range of options and 18 sites were considered both in the Wai-iti/Wairoa and Lee catchments. These options were then narrowed down to two, with the Lee Catchment recommended to be the preferred area for an augmentation dam.

A feasibility investigation on the Lee Valley proposal was completed in early 2010. Design work is currently progressing (due for completion in 2013) on the site on Onslow Creek up the Lee Valley.

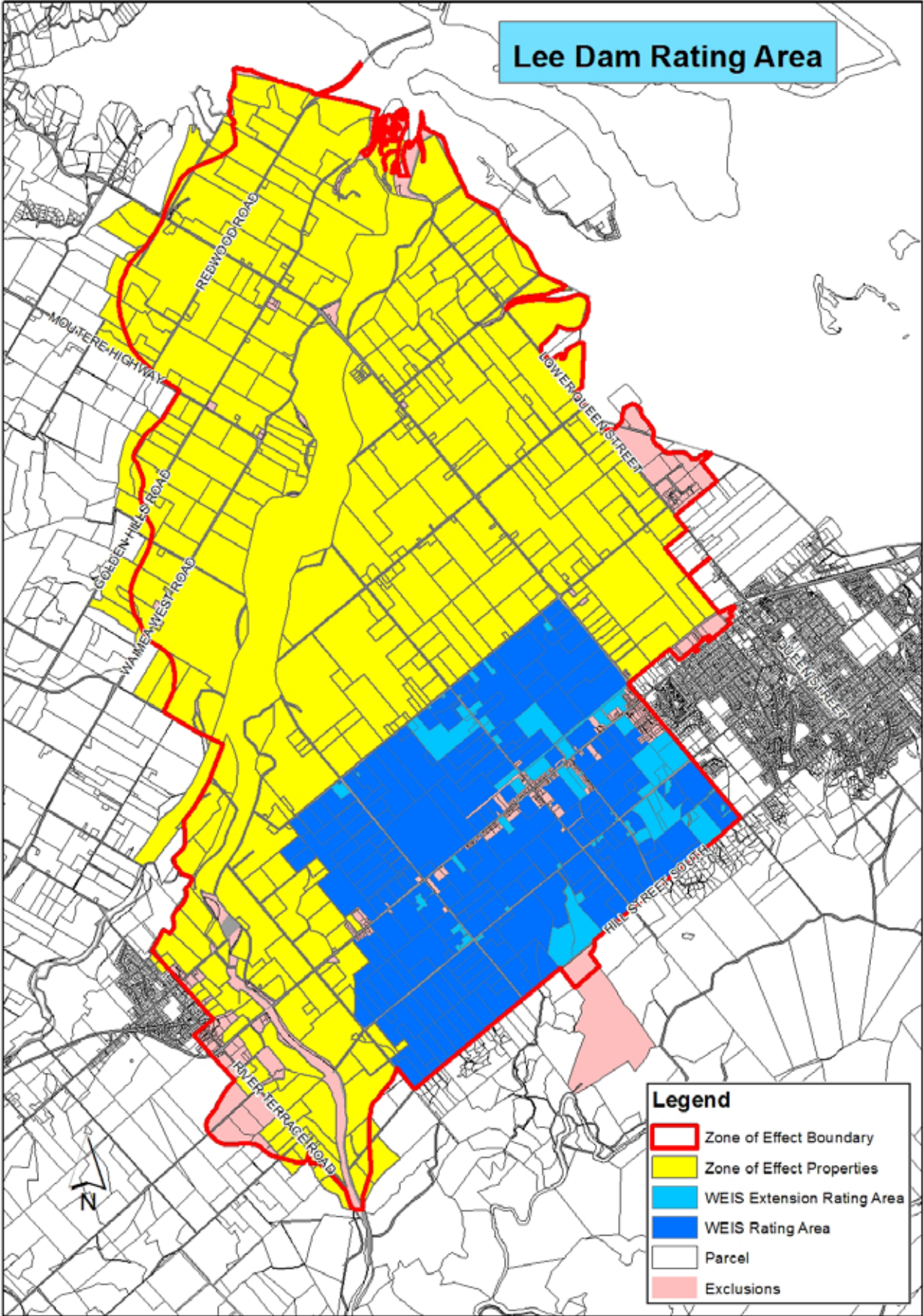
### **Who will be able to use water from the Dam?**

The map on the following page outlines who would have access to the water from the dam.

- Those properties within the yellow area on the map will be able to obtain water at the equivalent of 30mm per ha per week.
- The blue area will be linked in through the Waimea East Irrigation Company and urban connections can be provided water through the Council's water supply service.
- The current proposal will enable water to be provided to land outside of the yellow and blue areas, for example to Nelson City Council, which has assisted with funding of the studies for the dam.

Properties that are proposed to be rated for access to the water, but do not wish to use it will have the option of transferring their water to others. However, the rating liability would remain linked to the originating land.





## Key Issues (cont.)

### How would the dam be paid for?

As previously mentioned the cost of the dam is estimated at \$41.6 million (at 2010 prices). This figure is still considered the best estimate of the cost to construct the proposed dam. Further work will be undertaken to determine the amount to be paid by each party but in summary the proposal set-out in the Draft Long Term Plan was that the capital and operating costs would be met from the following groups:

- Irrigators for water for irrigation – this is estimated at \$420 to \$520 per hectare p.a.
- Residents and businesses for their share of the water for business and household use. This is estimated to add an extra 9 to 11 cents per cubic metre from 2016/2017 and is included in the calculations for water costs included in this Plan.
- All landowners, district-wide, to pay for a share of the water that will be used to improve the environment. Council has budgeted \$6.2 million as its share of the \$12.4 million for improving the environment. To minimise or spread the costs to ratepayers the Council will investigate a number of options, including assets sales and spreading the terms of the payment for this share.
- A contribution from Central Government and Nelson City Council towards the capital costs in recognition of the environmental and economic benefits of the project to the wider region and New Zealand.
- Any operating costs associated with water rights that Nelson City Council may incur if it decides to use any for its urban water supply.
- The dam offers a small hydroelectric generation opportunity of approximately 6.2GwHr/year. The economic analysis indicates the hydro component to be cost positive over time. The cost of the hydro component is estimated to be \$4.5 million and is not included in feasibility costing for the dam itself.

### Possible variation to proposed costs

The figures in this Plan for the Lee Valley Dam are in 2010 dollars and have not been inflated. They include costs for the dam itself plus initial estimates for land acquisition, approvals costs and environmental mitigation requirements. They are based on professional advice that WWAC and Council received during the feasibility study that was completed in 2009. The cost estimate for these components ranged between approximately \$39 million and \$46 million, depending on a range of assumptions and options and based on the information available at that time. The capital construction cost estimates for the dam itself are the most recent estimates to have been derived. The dam is currently undergoing detailed design, in order to provide further cost certainty to WWAC and the Council on these capital construction costs. There remain a number of factors that may result in a decrease or increase in the cost of the dam, such as the outcome of ongoing site investigations, final design, the requirements imposed by any resource consents, and the construction cost estimates received from tenderers.

There are also risks associated with the expected funding from Government and/or Nelson City Council which are currently assumed at \$6.2 million. An approach to Government for funding will be made once further work has been undertaken and although Nelson City Council has not included funding in its Long Term Plan, it has stated that it will consider contributing once more information is available. If the scheme capital and operating costs and external funding change this may have an impact on the costs to ratepayers, landowners and businesses. This is why Council will be consulting with the public throughout the process. This consultation may be as part of each year's Annual Plan or as separate consultation processes, as further information on costs for the scheme come to hand.



### **Other options considered for paying for the water**

The Waimea Water Augmentation Committee (WWAC) looked at charging on a per cubic metre basis. However, this was considered to be too insecure in terms of a stable funding system and distributing the cost for the dam equitably.

### **Ownership of the Dam**

It is proposed that the dam be owned by a co-operative company with 'A' and 'B' shares. 'A' shares would come with voting rights and represent consumptive user interests and 'B' shareholders, who will have their own Environmental Trust, representing non-consumptive interested parties.

To determine the preferred governance structure Council commissioned Price Waterhouse Coopers (PWC) to review the options available including whether the dam company should be a council controlled organisation (CCO). Given that 60 percent of the consumptive users are irrigators Council supports the dam being a community dam and not owned by Council. Council considered a Council Controlled Organisation model but under this model there would be no guarantee that the dam would be as readily able to access third party funding, including access to the Government's recently established Irrigation Acceleration Fund. Accordingly, in view of the community support to date, it is proposed that the dam be community owned and that Council will be a shareholder with an ability to appoint directors.

### **Consultation**

The proposed dam is the largest project that Council is proposing to undertake and there are a number of steps to be considered and consulted on before a final decision to proceed with the dam is made. These steps are:

By June 2012

1. Decision on whether to include funding towards the dam in the final Long Term Plan. This step has been completed.

By June 2013

2. Decision on the best form of ownership of the dam. This will be consulted on during 2012/2013.
3. Decision on how the costs will be divided. This will be consulted on over the next 18 months.
4. Obtaining Resource and Building consents for the dam. Separate consultation processes are required under the Resource Management Act.

By June 2014

5. Consultation on any amendments to the proposal arising from site investigations and refinement of the dam design.

Some of these steps may be combined, but there will be opportunities for the public to have input into the proposals for each of these items.

# Financial Strategy

This section of the Plan outlines Council's Financial Strategy. Although detailed financial information has been included in previous Annual and Long Term Plans, this year is the first year that councils in New Zealand have had to prepare a formal Financial Strategy.

Council must under the Local Government Act 2002 manage its revenues, expenses and assets, liabilities, investments and general financial dealings prudently, and in a manner that sustainably promotes the current and future interests of the community. The Financial Strategy is an important component of the Long Term Plan to demonstrate how Council will:

- Provide for growth in its region and manage changes in land use.
- Ensure that the level of rates and borrowing are financially sustainable and are kept within pre-set limits.
- Be accountable for maintaining the assets that Council owns on behalf of the community.
- Fund network infrastructure and maintain levels of service.
- Obtain pre-set returns on financial investments and equity securities.
- Give securities on borrowing.

In preparing the Long Term Plan and this Financial Strategy, Council has considered the balance of:

- Levels of Services and the costs of these services, and the money required to achieve those Levels of Service.
- Priorities for expenditure across all activities.
- Setting rates and charges across the full 10 year period of the Plan and how to minimise these, but still achieve the proposed Levels of Service.
- The level of debt that current and future residents and businesses will need to fund.

- The level of growth that is expected to occur in the next 20 years and even beyond this time period.

Overall Council considers that the Long Term Plan is sustainable and will provide the most important services to residents, businesses and visitors.

## Strategic Direction of Council

A description of the Vision and Community Outcomes supported by Council are set out on pages 72-73. Each activity also includes information on the key contributions that they make to the Community Outcomes.

## Outline of factors that influence how we fund our activities

Tasman provides a unique lifestyle and environment for residents, businesses and visitors. However, the size of the District and the spread of communities provide a number of challenges for the Council to manage.

- There are 17 major communities and a significant number of smaller communities and all our communities are different and have different needs and preferences.
- The population of most of our communities is increasing, with the largest increases in Richmond and Motueka (see next page for more information on growth).
- Services have to be provided separately to different communities e.g. we have 12 sewerage systems conveying wastewater to eight wastewater treatment plants. This is more expensive than providing services to only one or a few communities.
- Central Government has set higher standards for services that councils provide, e.g. drinking water standards, and also increased the number of services that Council has to provide and monitor.
- There are a number of factors that are outside Council's control that impact on how we fund our activities, for example Government sets the broad parameters of how councils can charge rates and also the amount of money that Council receives for road subsidies.

- The District's population is ageing, with the number of retired people forecast to increase from 7,700 to 15,200 by 2031.
- Income levels in our District are lower than the national average.
- Different levels of service are provided to different communities and there is an expectation from some communities that new projects be undertaken and services increased.
- Many of our communities are built on flood plains, or near rivers or along coastal areas and are, therefore, potentially at risk as a result of climate change and sea level rise.
- The Waimea Plains water supply, which is sourced mainly from aquifers, is currently over allocated, but we have an important role to support the economic development of the region.
- Overall the cost of goods and services that Council provides increases at a higher rate than the Consumer Price Index, e.g. roading costs are dependent on oil based products.
- Council also takes into account the affordability of rates and charges when considering how much it will collect in rates each year and has set a work programme to smooth the rates increases across the full 10 years of this Plan.

## Providing for existing levels of service

Council has assessed the funding requirements to meet the Levels of Service set out in the activity sections of this Plan and considers that the capital and operating expenditure is sufficient to achieve the proposed levels of service. However, in order to keep rates increases and debt levels to a minimum, Council has removed or delayed a number of projects from the coming 10 years. Details of these are set out within each activity and on pages 297-319. The most significant impact of these decisions is on the Transportation, Roads and Footpaths activity, where projects that have been removed include seal extensions, new footpaths (from 2012-2015 only), cycleways and some streetscaping.

Activities that are proposed to have an increase in Levels of Service over the 10 years of this Plan include upgrades to urban water supplies to meet drinking water standards.

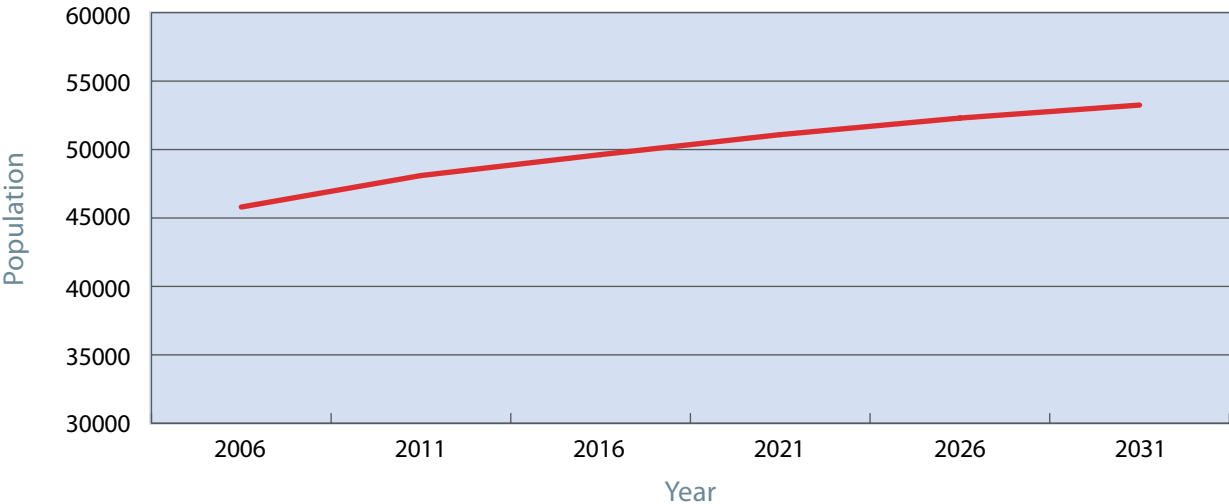
## Growth

The number of people in the District and where they choose to live, and the growth in economic activity, directly affect the demand for land for development, infrastructure and the other services the Council provides. This growth underpins our land use planning, infrastructure developments, where and when new services or facilities are required and how much things will cost. Council is planning on the June 2011 estimated normally resident population of 48,100 increasing to 49,932 residents by 2016, to 51,664 residents by 2021, to 53,264 residents by 2026 and to 54,595 residents by 2031. Although the majority of population increase is expected in the Richmond and Motueka areas the population is expected to grow in most settlements. Council has undertaken a comprehensive growth planning process that includes consideration of changes in land use.

# Financial Strategy (cont.)

Further information on the projected population changes is set out on pages 323-325. A summary of the projected growth is set out below:

Tasman District Population Projections 2006-2031



In forecasting growth, there are always inherent risks. If for any reason, the new growth works are undertaken but the new lots are less than calculated a corresponding loan will be drawn down for the shortfall with the debt servicing costs of that loan passed onto developers at the next review of the Long Term Plan.

### Funding Growth

It is Tasman District Council's intention that developers should bear the cost of the increased demand that development places on the District's infrastructure. Population growth in the District will place a strain on network and community infrastructure. That infrastructure will need to expand and be further developed in order to cope with the demands of population, holiday homes, and business growth.

Through its Development Contributions and Reserve Financial Contributions policies Tasman District Council is seeking to set the funding of growth projects in a transparent and consistent manner and at a level that sets a fair share of the capital expenditure for infrastructure and community facilities to be met by those who are creating the new demand for infrastructure in the District. However, not all growth costs can be collected through development contributions or reserve financial contributions due to legislative constraints. For example, the cost of flood protection, resource planning or solid waste activities driven by growth cannot be collected from these sources.

The consequences of the factors set out on pages 54-55, meeting levels of service, and population growth, are that:

- It is not financially sustainable for Council to provide all the services and activities wanted or even needed by all communities at the same time, therefore Council has to prioritise its work programme.
- Council has spent the last twelve months reviewing its work programme and services in order to prioritise the needs of the community.
- Costs for Council services will continue to increase in the foreseeable future.
- There is little money available for “nice to have” facilities.
- Council has some large infrastructure projects that it considers are needed, particularly in the area of water supply, in order to meet the new regulatory requirements set by Central Government as well as wastewater projects to meet environmental resource consent conditions.
- Some projects and levels of service that are of a lower priority, but were included in the Ten Year Plan 2009-2019 or considered as part of the development of this Plan, have been delayed or removed. Refer to pages 297-319 for further information.

- Council has to plan for changes in Land Use Change during the next 20 years. Major changes are outlined in the highlighted section below.

#### **Land use change**

Some of the increase in population can be met from improved and more intensive use of land already zoned for residential and business use. There is also a requirement to provide further land for houses and businesses for part of this growth. A change in land zoning requires a change to the Tasman Resource Management Plan using processes set out in the Resource Management Act 1991. The most significant changes in use of land over the next 20 years are expected to be:

- Richmond West Development to meet business and residential demand.
- Richmond East and Richmond South to meet population growth.
- Development of land in the Coastal Tasman and Mapua Area for residential use.
- Rezoning of land in Motueka West for mixed business/residential use and Central Motueka.
- Possible changes in the use of land which is to be provided with additional water as a result of the proposed Lee Valley Dam.

# Financial Strategy (cont.)

## Overall priorities

Council considers that the highest priorities for the next few years are to:

- Be financially prudent and keep rates affordable – this has meant that some work that was proposed in the Ten Year Plan 2009-2019 has either been taken out or deferred to keep rates rises as low as possible. For some activities this has meant that levels of service have had to be slightly reduced. Full details are set out in each activity area, but some of the main changes are, a decrease in the Transportation and Roding activity. Increases in services are proposed for water, wastewater, stormwater and community services. Detailed information on changes are set out in each activity.
- Ensure that Council services are as affordable as possible – the current economic environment is difficult for everyone and Council has worked hard to keep the general rate to an average of 3.93 percent after growth across the 10 years of this Plan. This is close to the rate of inflation forecast for local government activities by BERL. In order to keep the general rate rise this low Council has had to cut or reduce some activities and services, in order to offset reductions in Government funding for services such as roads and transportation, increasing the amount of money set aside for disasters, and the cost increases faced by Council, particularly in the areas of oil based products, energy and construction which are projected to increase at a higher rate than the Consumer Price Index.
- Maintain existing assets, meet legal requirements and provide for growth in those settlements that are forecast to have an increase in population.
- Improve the security of water supply to residents and businesses.
- Be able to respond to disasters that occur and affect our community.
- Manage debt levels.
- Make some limited improvements to community facilities within the 17 settlements of Tasman.

## Overall summary of 10 year financial performance

To maintain assets, cater for growth and deliver Level of Service improvements required to meet the priorities detailed above Council is forecasting capital expenditure of \$404.8 million and operating expenditure of \$1,216 million over the 10 years of this Plan.

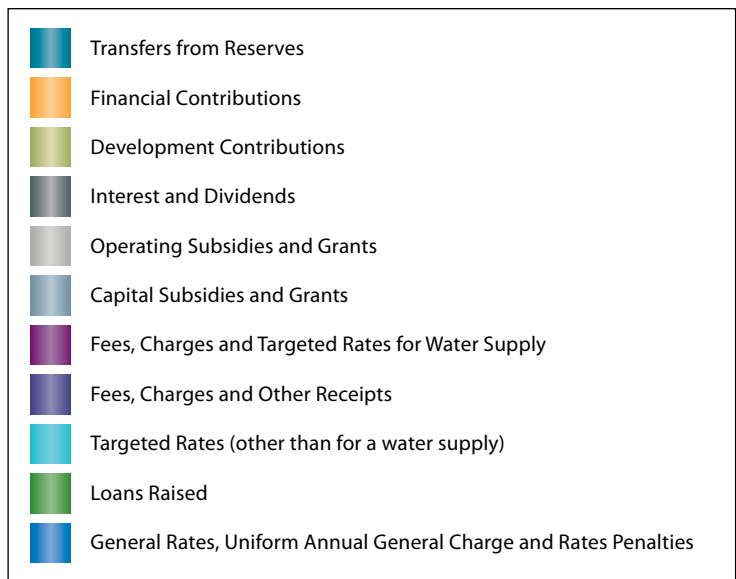
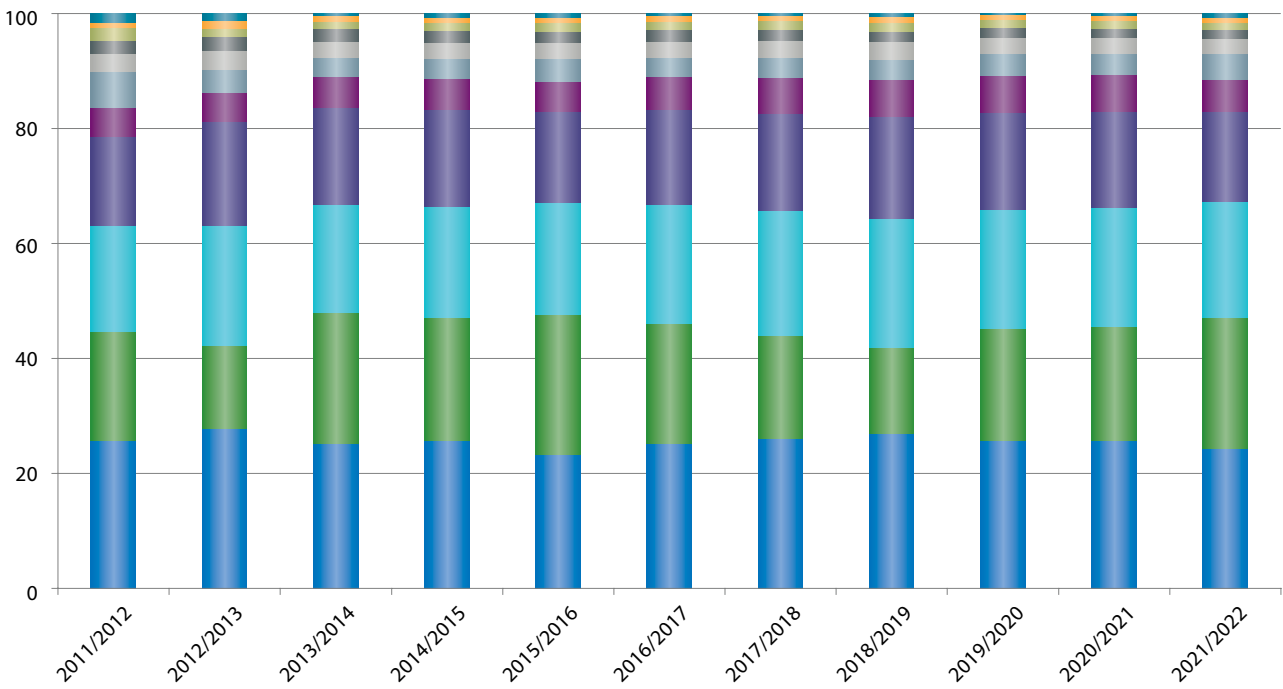
Council's proposed total income, after inflation, increases from \$101.4 million in 2012 /2013 to \$164.3 million in 2021/2022. The sources of funding are proposed to remain reasonably consistent during the term of the Plan, with the contribution from general rates decreasing slightly and the amount collected from targeted rates and fees and charges increasing.

Over the next few years Council will review the scope of projects like the Lower Motueka Valley Flood Control, Motueka water supply upgrade and Coastal Tasman pipeline project with a view to reducing project costs and associated levels of debt.



The following shows the different sources of income received by Council and the proportions expected to be received from each source over the next 10 years.

Percent



## Financial Strategy (cont.)

As part of the process of developing this Plan we have considered the key issues and what Council could do about them. We have looked at what we may need to do to meet expected population growth, to enhance the environment, and to meet the community's social and cultural needs. We have then prioritised the potential activities and projects.

The financial information in this Plan reflects the activities and projects Council has identified as priorities, and is planning to deliver over the coming 10 years.

The biggest driver of operating expenditure is increasing levels of service for water and wastewater and expected changes in costs for services purchased by Council. These costs are forecast to increase slightly higher than the Consumer Price Index (CPI), which reflects a forecast higher increase for key purchases such as roading and construction materials.

### Funding Expenditure

Council funds expenditure based on the following funding principles.

#### Funding Principles

1. The funding of expenditure budgets and operating programmes is based on a number of principles. First is the principle of beneficiary or excavator pays. Council predominantly levies targeted rates on the basis of direct user pays for the benefit received, however, in some cases targeted rates are levied as a proxy for direct user pays.
2. Second where the Council is providing services that are part of national programmes or the Government provides subsidies to Council to provide certain services then Council will claim for these Government grants/subsidies
3. Third, Council uses a general rate where there is a deemed general benefit across the entire District or where it is too difficult to identify specific users.

## Day to day expenditure

Council's day to day expenditure is paid from cash received through a number of sources, including:

- General rates.
- Targeted rates – where the benefits can be determined as being received by distinct groups, water rates (water club), wastewater pan charges.
- Fees and charges.
- Subsidies e.g New Zealand Transport Agencies.

### Council's overall financial summary:

	2011/2012 Budget \$ (\$000s)	2012/2013 Budget \$ (\$000s)	2013/2014 Budget \$ (\$000s)	2014/2015 Budget \$ (\$000s)	2015/2016 Budget \$ (\$000s)
General rates	29,779	31,248	32,811	34,258	36,784
Targeted rates	26,644	29,154	31,604	33,116	39,097
Total Debt	153,316	159,026	177,185	192,806	221,195
Cash & Cash Equivalentents	1,497	1,202	2,741	2,321	2,240

	2016/2017 Budget \$ (\$000s)	2017/2018 Budget \$ (\$000s)	2018/2019 Budget \$ (\$000s)	20019/2020 Budget \$ (\$000s)	2020/2021 Budget \$ (\$000s)	2021/2022 Budget \$ (\$000s)
General rates	39,435	41,590	43,589	45,735	47,903	49,548
Targeted rates	41,393	44,410	46,735	48,253	50,527	52,372
Total Debt	238,683	249,755	254,893	269,237	286,440	310,807
Cash & Cash Equivalentents	2,274	2,157	1,223	3,887	3,751	4,445

## Financial Strategy (cont.)

At the commencement of the Plan general rates fund 51.7 percent of total rates declining to 48.6 percent by the end of the Plan. Targeted rates increase from 48.3 percent in 2012/2013 to 51.4 percent in 2021/2022. This increase in the proportion of rates collected through targeted rates is also in line with Council's funding principle, set out earlier in this Financial Strategy. The increase in targeted rates also reflects the increases for those activities funded through targeted rates e.g. water charges are funded through targeted rates and these costs are forecast to increase faster than services funded through general rates. Water projects include proposed work on upgrading District water schemes to meet the Government's drinking water standards – full details on page 133.

The Plan demonstrates that while rates are an important source of funding, on average only 62 percent of Council's total revenue over the life of the Plan will be funded by rates.

### General rate and targeted rate limits

Council has set a limit of \$52 million per annum for General Rates and \$53 million per annum for Targeted Rates over the 10 years.

Another tool used by Council to set who and how much each ratepayer contributes to the rates collected is the Uniform Annual General Charge (UAGC). Many of the services that the Council supplies are used equally by all members of the community and have no correlation with property ownership or valuation. Due to this Council uses a UAGC to reflect the nature of these services.

Please refer to pages 247-263 for Council's full prospective income statement, prospective balance sheet, prospective cash flow statement, prospective statement of changes in equity, prospective cash flow reconciliation, projected revenue by activity and summary funding impact statement.

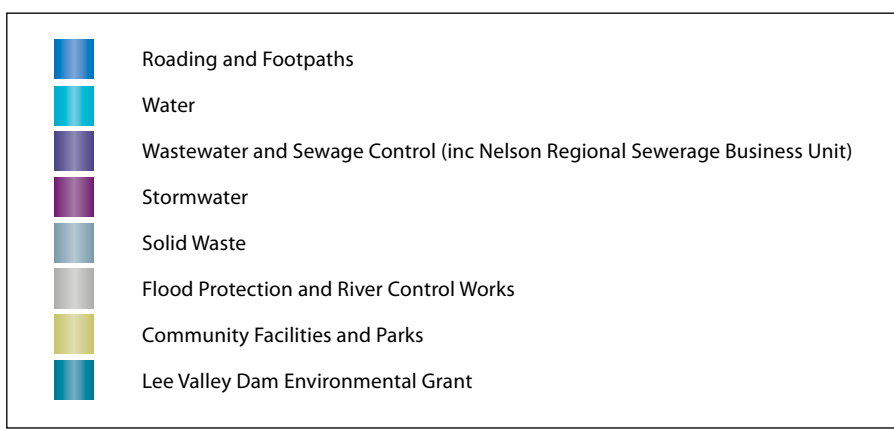
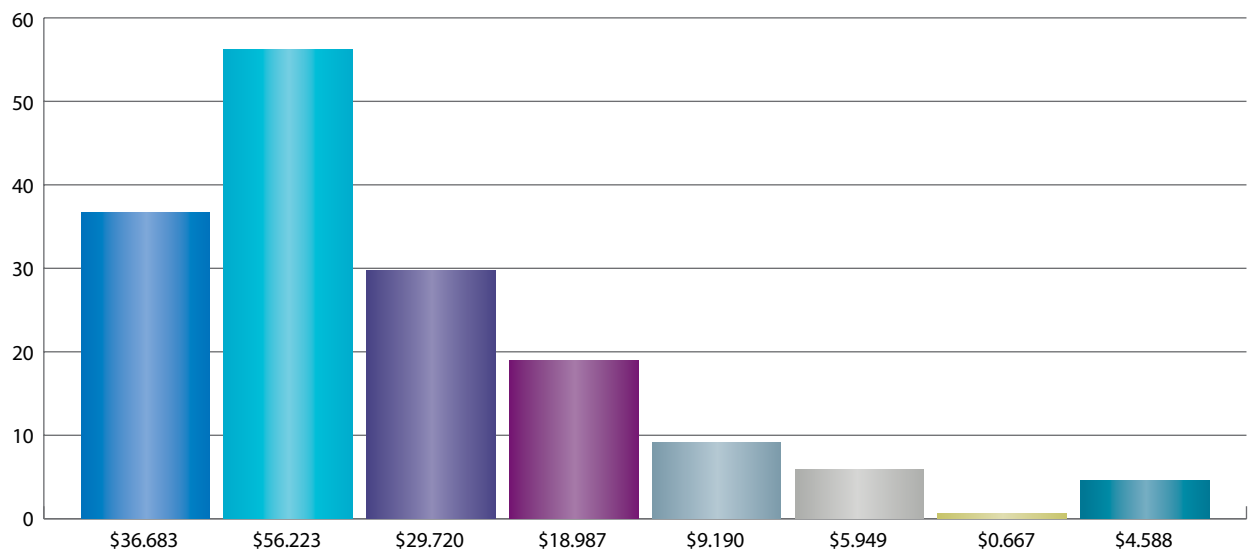
### Use of Borrowing

Council's policy is that it funds capital and renewal expenditure through borrowing, normally for 20 years, but shorter or longer terms are used for some assets depending on how long they are expected to last before they need to be replaced. Council has adopted this approach instead of setting aside funds to replace assets as they wear out, i.e. cash funding depreciation. By the time the asset needs to be replaced Council would normally have repaid the loan for the original asset and can borrow for the replacement asset. This method of funding capital expenditure provides intergenerational equity, this means that those people that receive the benefit from the asset generally pay for the asset. This follows the recommendations suggested in the Local Government Rates Inquiry 2007.

The following graph shows the net increase in debt by main activity, that is, new loans raised minus debt repayments for new and existing loans. The graph shows that the largest increases over the next 10 years are for engineering activities.

### Projected Net 10 Year Debt – by Main Activities

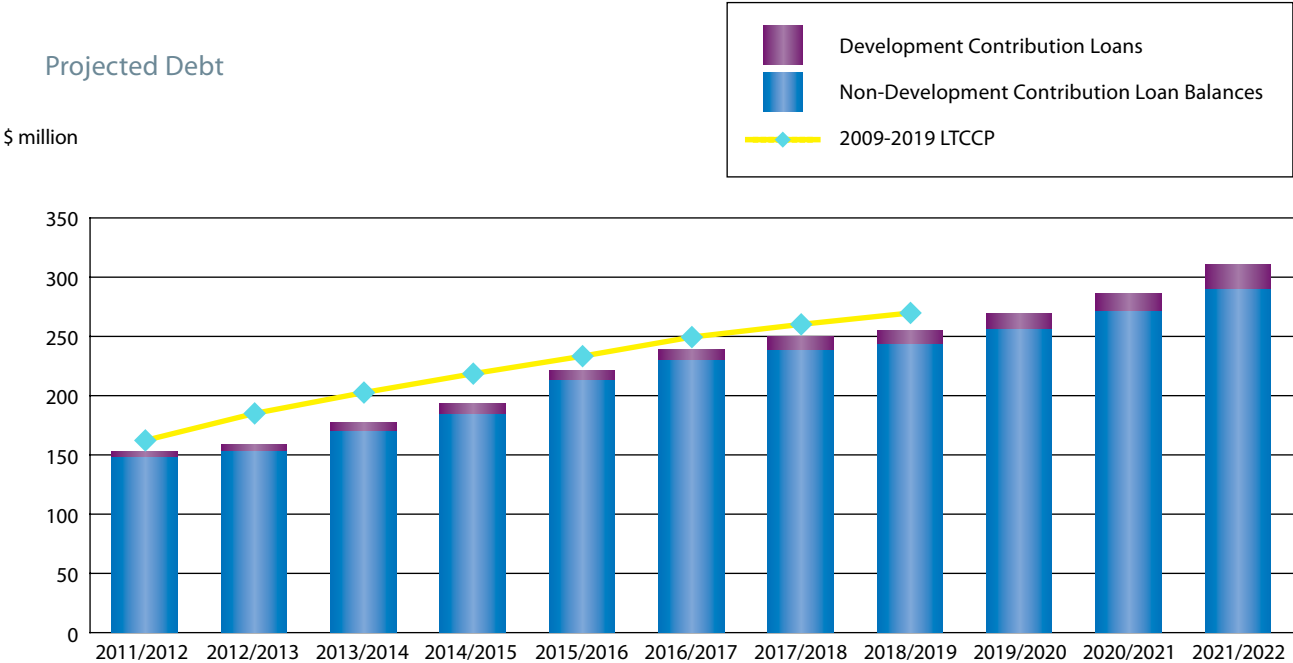
\$ millions



# Financial Strategy (cont.)

Council has set a limit of \$320 million of debt over the next 10 years. As at 30 June 2011 Council loans were \$139 million and are expected to increase to \$310.8 million by 2021/2022, see graph below. The projected increase is required to purchase new assets e.g. the Richmond water treatment plant and Takaka wastewater treatment plant, and make improvements to existing assets, e.g. the Motueka Stopbanks. The graph on the previous page shows the increase in loan balances for each major activity.

## Projected Debt



Although \$310.8 million of debt is significantly higher than the current loan amount there are several factors that should be taken into account.

- 1) \$310.8 million in 10 years time would be less than this in today's values because of inflation for example at 3 percent inflation per annum, \$320 million in 2022 would be similar to \$240 million today.
- 2) There will be more residents and businesses to share the cost of repaying these loans (see graph on page 56 for a summary of the population increase).
- 3) Council has indicated that it intends to review the scope and costs of some proposed major projects with a view to reducing costs and the impact on debt levels.

We also note Council's approach differs from that used by some other councils and there are some risks with the approach Council adopts. Continued growth in the rating base is important to spread the debt (and also rating) increases. With increased debt Council has an increased risk around adverse interest rate movements. Also with relatively high debt levels, Council's financial flexibility to manage arising issues such as decreases in Government subsidies or natural disasters is reduced.



Council is aware of and is managing or has the monitoring mechanisms in place to identify and respond to these issues. The primary means is through the careful management of debt and exposure to interest rates within prudent, sector accepted levels. The following table shows the liability policy levels and our compliance in each year.

	2012/ 2013	2013/ 2014	2014/ 2015	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020	2020/ 2021	2021/ 2022
<b>Borrowing Limits</b>										
Net external debt not to exceed 20% of equity (1)	13.2%	13.9%	14.7%	16.2%	16.8%	16.7%	16.5%	16.4%	16.8%	17.4%
Net external debt not to exceed 225% of total operating revenue (2)	161.5%	168.6%	177.4%	179.9%	186.1%	184.2%	179.7%	179.0%	182.8%	189.2%
Net interest expense on external debt as a % of total revenue to be less than 20%	9%	9%	10%	10%	11%	12%	12%	12%	12%	13%
Net interest expense on external debt as a % of total rates income to be less than 25%	15%	15%	16%	17%	18%	19%	20%	19%	20%	20%

(1) Net External Debt = Gross External Debt (aggregate borrowings of the Council, including any capitalised finance leases, and financial guarantees provided to third parties) less any cash or near cash treasury investments held from time to time. Net external debt is defined as loan funds raised to meet Council activities, but does not include debt of Council's associate organisations or equity investments.

(2) Operating revenue is defined as earnings from rates, government grants and subsidies, user charges, levies, interest, dividends, financial and other revenue and excludes non government capital contributions (e.g. developer contributions and vested assets).

The treasury limits were developed based on external advice as to what levels would be appropriate for a council of this size. Council is also aware that in general terms the limits are in line with the local government sector as a whole. The limits are set to enable an appropriate credit rating to be obtained if desired.

## Financial Strategy (cont.)

Over the initial 10 years of the Plan and the following 10 years Council's actual results are planned to be within the limits imposed by the Liability Management Policy. While acknowledging that information after 2022 is not prepared to the same degree of detail as the first 10 years of the Plan, it is an important point as it shows that Council is being prudent in its debt management not only for the 10 years of the Long Term Plan but in fact through to 2032.

Council will review and reappraise the environment, and especially growth levels and affordability at each Annual Plan. This allows timely adjustments to be made to our funding approach, should that prove necessary.

### Debt and interest management

Because the level of borrowing is proposed to increase the management of the cost of interest is very important.

Although interest rates are currently very low, Council has taken advice on projected changes in interest rates and has budgeted for the average interest rate paid on its loans to increase over the 10 years of this Plan, from 6.0 percent to 7.4 percent. In addition to obtaining lower rates for borrowing through the LGFA Council also manages the cost and risk of borrowing through its Liability Management Policy which requires a spread of terms for loans so that they do not have their interest rates reviewed at the same time, when interest rates may be high.

In summary to manage interest costs Council uses the following tools:

- Local Government Funding Agency (LGFA) to borrow at lower rates.
- Setting of Treasury policy limits.
- Use of interest rate swaps to reduce Council's exposure to interest rate movements.

Council is mindful that the higher level of debt will increase the proportion of total interest expense on external debt from 15 percent total annual rates income in 2012/2013 to 20 percent in 2021/2022. Council has a set limit of 25 percent for this ratio. Notwithstanding this, Council is investigating whether other means of funding assets is more appropriate. In particular, Council is looking at whether loan funding should be the predominant source of funds for renewal expenditure. Given the ongoing renewals work over the life of the Plan there is the risk that this strategy may result in a permanent level of debt. Equally the useful lives of assets might be less than the term of the loan, leaving debt outstanding with no underlying asset. While the current Council approach is considered prudent given the potential risks associated with both these matters these points will be considered further at a later date.

Any change is likely to result in an increase in rates and charges in the immediate time period, but might provide longer term benefits.

### Summary

While our loans are increasing, they remain within the Liability Management Policy and Debt limits. Our loans are also within the limits set by the Local Government Funding Agency (LGFA) which is a Bond Bank that Council belongs to with many other councils to manage its borrowing and to obtain loans at lower interest rates. Council considers use of debt is prudent and sustainable over the life of the Plan, and results in intergenerationally equitable charges.

### Managing Disaster Risks

Council holds a number of reserves to provide cover for specific events or to address statutory or other obligations. Council intends to maintain the same number of reserves over the life of the Plan.

Council intends as a result of recent storm events to increase its disaster reserve to \$6.5 million (plus interest) over the next 11 years. There is a risk that future disaster costs during the next 11 years might be higher than anticipated. Should this occur Council might need to reconsider the amount put aside on an annual basis.

It is important to note that even with the reserve built up to the desired level Council will continue to hold appropriate levels of insurance for assets.

## Investments

The Council has a significant portfolio of investments comprising:

- Equity investments.
- Asset investments.
- Associated organisations.

The full Investment Policy is included in Volume 2. This contains information on the reasons for holding these investments.

## General Policy

Council's philosophy is to ensure that the return on investments in cash, realisable capital growth and/or public good over time, is equal to or greater than the average cost of Council's borrowings.

Council will not hold cash investments other than those involving special funds and cash management investments. In its cash investment activity, the Council's primary objective when investing is the protection of its investment. Accordingly, any credit worthy counterparties will be acceptable.

Council's policy is to invest into banks with short-term rating minimum of A-1+ and long-term AA-, by Standard and Poor's Rating (or equivalent rating).

Within the above credit constraints, Council also seeks to:

- Ensure investments are negotiable and liquid.
- Minimise potential capital losses.
- Maximise investment return.
- Maintain a prudent level of liquidity and flexibility to meet both planned and unforeseen cash requirements.

# Financial Strategy (cont.)

Council’s main investments are shareholding in Council Controlled Trading Organisations and Port Nelson Limited. A list of these investments and the targets for returns on these investments is set out below.

Investment	Target return
Port Nelson Limited	5.1 percent on average shareholder funds
Nelson Airport Limited	Five percent on opening shareholders funds
Tourism Nelson Tasman Limited	No return on shareholders funds
New Zealand Local Government Funding Agency Ltd	Two percent higher than the LGFA cost of funds
New Zealand Local Government Insurance Corp	No return on shareholders funds

It is acknowledged that in cash terms the investments of Port Nelson Ltd, Nelson Airport Ltd, Tourism Tasman Nelson Ltd and the New Zealand Insurance Corporation will be less than Council’s overall objective of receiving a return equal to or greater over time than the average costs of Council borrowing. While the cash returns are lower Council expects to meet its policy once future releasable capital growth is included.

Council has approximately 2,800 hectares of plantation forests which generate a commercial return, while also providing recreational opportunities.

## Providing securities for borrowing

In general, Council will secure its borrowings against its rates revenue as per section 115 of the Local Government Act 2002. Other forms of security may be considered if they can lower the cost of borrowing.

Security may be offered over specific assets with prior Council approval. Council will offer security on infrastructure assets where special rating provisions apply.

A register of charges will be maintained by the Council and will be available for inspection.

# Regional Interests and Shared Services with Nelson City Council

Council delivers a range of joint projects and programmes with other councils across the top of the south (Te Tau Ihu o te Waka a Maui). These include the Top of the South Maps, which is a recent joint project between Tasman District Council and Nelson City Council to provide one source of geographic and map information to the public.

Nelson City Council and Tasman District Council already collaborate closely together and with other councils on a wide range of projects, programmes and shared services. Many residents might not realise the extent to which the Nelson and Tasman Councils already work together to the benefit of the wider Nelson Tasman region. This collaboration can provide better services to ratepayers and efficiency gains. At the same time collaboration preserves the separate identities and accountability arrangements of the two Councils, enabling each Council to respond to the specific needs and preferences of its local residents.

Both Councils have stated that they wish to work closer together on strategic issues which affect the two communities.

While the specific needs of Tasman's 17 settlements are best met locally, both Councils recognise that the interests of the region as a whole are often best served through a joint approach. There are a range of advantages from working together, including economies of scale through combining services to reduce overall costs for ratepayers or users of a service, or delivering a better service or facility to ratepayers. For example, the joint Saxton Field development and reciprocal library borrowing. Other programmes are led by one Council because it has particular expertise in that field, so that specialist skills don't have to be duplicated. Regional pest management is a good example of such a programme, which is led by the Tasman District Council.

Examples of the joint Nelson Tasman projects, programmes and services are grouped under broad operational headings. This is an indicative list and does not include every area of shared work or services. Staff and elected representatives from both Councils are in regular contact so new initiatives are likely to be developed or extended throughout the period of this Long Term Plan.

## Engineering/Infrastructure

- Interconnected water supply services provide enhanced security of supply for both Councils, especially during an emergency. Nelson City Council also provides some of Tasman's water supply needs from the Roding Dam. Tasman District Council supplies water and wastewater services to some Nelson residents living in Stoke.
- Both Councils have worked collaboratively with the Waimea Water Augmentation Committee (including land owners, iwi, and the Department of Conservation) on the Lee Valley Dam proposal.
- Nelson Regional Sewerage Business Unit (NRSBU), 50/50 ownership by both Councils, which includes the facilities at Bells Island. Management is overseen by a board of directors, including Tasman District Council and Nelson City Council appointed representatives, and the facility is located in Waimea Inlet, which is bounded by both Councils.
- Port Nelson Limited (50/50 ownership) is managed to ensure the company benefits the wider region. The majority of the cargo exiting through the Port is sourced from Tasman District, so both Councils have a strong interest in its successful operation.
- Nelson Airport Limited (50/50 ownership) also serves the wider region, bringing economic benefit to both areas. As with the Port Company, both Councils oversee its performance and jointly appoint directors.
- Road safety and cycle promotion programmes run every year to prevent accidents and increase the already growing numbers of Nelson and Tasman residents who choose to use active transport.

## Regional Interests and Shared Services with Nelson City Council (cont.)

- Cycleways developed between Richmond and Stoke involved the two Councils working together at the design stage.
  - Working towards consistent engineering standards across both Councils makes it easier for developers and contractors to follow one set of rules wherever the project is located.
  - Both Councils coordinate bylaws where the issues span Council boundaries, including the Tradewaste Bylaw.
  - Total Mobility is funded and is supported by both Councils so there is a coordinated approach to the provision of support to enhance access for all residents.
  - Regional transport planning continues to involve both Councils, although they have separate Regional Transport Committees. This allows each Council to make decisions on matters that lie solely within their individual boundaries. Cross boundary issues are dealt with by joint Council working parties. Regional advocacy to central government is handled through the Top of the South Land Transport Liaison Forum, involving Tasman, Marlborough and Nelson Councils.
  - A joint Nelson Tasman working party was established to look at coordinating recycling and solid waste management issues. A joint Waste Management and Minimisation Plan has recently been prepared and approved by the two Councils.
- It also benefits the wider region by attracting national level sporting events. Tasman District Council proposes to commit about \$5.0 million to Saxton Field developments over the next 10 years. Nelson City Council is also proposing to contribute funding to Saxton Field developments.
- The joint Council Regional Facilities Plan and Regional Funding Forum set funding levels for major regional recreational and community facilities like the Theatre Royal, which is funded by both Councils.
  - The Settlement Support Service for refugees and migrants, funded by the Department of Labour, is based at Nelson City Council but covers the wider Nelson Tasman region and includes the recent development of a website.
  - Nelson Tasman Tourism trading as Tourism Nelson Tasman Ltd is co-owned by the two Councils and provides tourism services to promote the wider region, which enhances the economic well-being of all Nelson Tasman communities.
  - The Provincial Museum in Nelson is co-funded by the two Councils.
  - Community policy development involves the input of both Councils, including positive ageing, the alcohol strategy and accord, the regional physical activity plan and regional arts strategy.
  - Both Councils work collaboratively on the Way2Go programme and It's On website.
  - As an International Safe Community, Tasman District Council recognises that safety is "a universal concern and a responsibility for all". Through continuing to work collaboratively with a range of communities, businesses, organisations and agencies as part of Safe at the Top, community safety can be improved by providing commitment, support and leadership. Tasman District Council will continue to support Safe at the Top until reaccreditation in 2015 and beyond.
- ### Community services
- Reciprocal library borrowing occurs across Nelson and Tasman, and other shared library services are being investigated where they can reduce overall costs or provide a better service for the region's ratepayers and residents. Both Councils have recently implemented the same library management software service.
  - Both Councils are involved in funding the further development of recreation facilities at Saxton Field, which is a jointly-owned and funded regional facility benefiting the residents of Tasman and Nelson.



## Environment/Planning/Regulation

- The two Councils have adopted a joint Regional Pest Management Strategy under the Biosecurity Act. This is funded by both Councils, and Tasman District Council is contracted to undertake Nelson's pest management work, as it has more expertise in this area, and a much larger land area.
- The two Councils work together on aligning monitoring programmes, including industrial land needs, air quality management and where required work on joint planning studies e.g. Nelson South/Richmond East residential intensification options.
- Tasman District Council manages key Nelson City Council water level and rainfall measurement sites and provides flood warnings to the City Council via a Hydrological Shared Services contract.
- Along with Marlborough District Council and Nelson City Council, Tasman is partnered with Ministry for Primary Industries in the Top of the South Marine Biosecurity Partnership. The main aim of which is to build systems and processes for the early detection and prevention of marine invasive species.
- The Councils have a joint urban design panel.
- Coastal oil spill contingency planning and management is coordinated across the two Council areas.
- Staff and Councillors from both Councils take part in best practice and specialist guest speaker workshops e.g. on changes to legislation.
- Ecofest and environmental education involves staff of both Councils working together on campaigns and the development and management of environmental education initiatives.
- The Councils run joint Environment Awards to recognise the efforts of people within the wider region to achieve good environmental outcomes.
- Civil Defence and Emergency Management services and training (50/50 ownership) currently managed out of Nelson covers the whole Nelson Tasman region.

## Democracy and administration

### Growing regional economic well-being

- The Regional Economic Development Agency (EDA) is jointly funded by both Councils. The Regional Economic Development Strategy, which is due for review in the 2012/2013 year, will include strategy liaison group members from both Councils. There are a wide range of economic development issues which involve both Councils, and Councils jointly utilise the EDA as a neutral advisory body and facilitator of economic development projects.
- Both Mayors have committed to the Mayors' Taskforce for Jobs programme. The workforce strategy advisory group also involves representatives from both Councils, as workforce issues span the wider region.
- Council staff have shared information for the preparation of the Long Term Plans.
- Top of the South Maps is a recent joint initiative between both Councils to provide common geographic and map information to the public.
- The Marlborough, Nelson and Tasman Councils have undertaken joint procurement of insurance for our building assets, professional indemnity insurance and some other insurances.
- Tasman District Council is part of the Local Authority Protection Programme, which is a local government scheme insuring water supply, wastewater, stormwater and flood protection assets.
- Tasman District Council is part of the Local Government Funding Agency, which is a local government scheme which enables Council to borrow funding for projects at a lower interest rate than is available from other sources.

We are continually looking at ways to work together to deliver services more efficiently and effectively.

# Part 2 – Council Vision and Community Outcomes

The purpose of this section is to outline the Vision and Community Outcomes that Tasman District Council aims to achieve in order to promote social, economic, environmental, and cultural well-being of the Tasman District both now and in the future.

## Council Vision

The Council vision is:

**Thriving communities enjoying the Tasman lifestyle**

## Council Mission

Tasman District Council's Mission Statement is:

**To enhance community well-being and quality of life**

Council has retained the same Mission that was included in the Ten Year Plan 2009-2019, but has amended the Vision. The amended vision recognises that there are many different communities within our District, not just geographic communities, but non-profit organisations, environmental communities, art communities, church communities, sporting communities, to name just a few. We would like all these communities to succeed and to benefit from the many opportunities that our District provides. It fits well with one of the purposes of Local Government, which is to, "promote the social, economic, environmental and cultural well-being of communities, in the present and for the future."

The activities and proposed expenditure in this Plan support the Council's Vision, Mission and Community Outcomes.

Community Outcomes reflect what the community sees as important for its well-being and they help build a picture of the collective vision for the District's future...

## Community Outcomes

### Background

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

As part of the development of this Long Term Plan, Council consulted with the public on possible changes to the Community Outcomes. A number of submissions were received and considered by Council and although the overall direction of the previous Community Outcomes has been retained the wording in these new Outcomes has been amended slightly.

Changes made to the Local Government Act 2002 (the Act) at the end of 2010 changed the definition of Community Outcomes from being those that are developed and implemented in conjunction with the community to those that Council itself aims to achieve.

Notwithstanding this change Council believes that the Community Outcomes can only be achieved through working in partnership with the whole community, including individuals, businesses, government agencies and community organisations. Everyone's views on describing how our District would look if we achieved these Outcomes will be slightly different, but we have put a description below each Outcome to help you understand what we are working towards.



# Council Vision and Community Outcomes (cont.)

## The Community Outcomes

### Outcome 1:

**Our unique natural environment is healthy and protected.**

Tasman's environment is important. Council's main objective for this Outcome is to ensure that our District's environment is maintained for the future and protected through mitigating the impacts of human activity on the environment.

Almost all our activities impact on this Outcome. Our progress towards this Outcome includes protecting the District's biodiversity, and managing air quality, freshwater and coastal waters, pests and waste. To determine whether we are progressing towards this Outcome we undertake an extensive monitoring programme of the environment, including air, water and soil health. Council also has a role in providing and monitoring resource consents and if necessary prosecuting any breaches. Council also recognises the important role that Tangata Whenua has in guardianship (kaitiakitanga) of the environment and of Tasman District.

### Outcome 2:

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

This Outcome is important to ensure that our current and future urban and rural living environments provide the important features that we need to enjoy Tasman District.

Our progress towards this Outcome includes having a built environment that is well planned, and includes; affordable roading services that meet the needs of our communities and providing parks and reserves for urban residents to use. We also achieve this Outcome through good urban planning processes.

### Outcome 3:

**Our infrastructure is safe, efficient and sustainably managed.**

Tasman District is widespread and covers 9654 km<sup>2</sup> of land, therefore it is important that our infrastructure of roads, cycleways, footpaths, water, wastewater and stormwater services are well managed and as efficient as practicable. Our objectives include providing these services in ways that do not significantly impact on the environment and that meet public health needs. Providing infrastructure services are expensive and this means that we cannot provide all services that residents would like (e.g. cycleways) to everyone.

One important priority for Council in this Plan is the upgrading of water supply services to new Government drinking water standards.

### Outcome 4:

**Our communities are healthy, resilient and enjoy their quality of life.**

This Outcome reflects the importance of the 17 settlements and that Council's objective is to support the opportunities for residents to enjoy a good quality of life. Council contributes to this Outcome through the provision of a wide range of services, including environmental, infrastructure and community facilities. By the end of the 10 year term of this Plan Council aims to provide additional recreation facilities, upgraded drinking water services in many of our settlements and will continue to provide a Civil Defence service that supports residents and businesses being resilient in the event of an emergency.

#### Outcome 5:

##### **Our communities respect regional history, heritage and culture.**

The Tasman District has a unique history, heritage and culture. This Outcome is one where some residents would like Council to spend additional funds, but in the medium term this is not affordable. Our objective for this Outcome is that important heritage items, sites and stories of our District are protected for future generations. Achieving this objective includes providing residents and visitors with the opportunities to celebrate our heritage, support cultural diversity and create a strong cultural identity in our District.

#### Outcome 6:

##### **Our communities have access to a range of cultural, social, educational and recreational services.**

Council provides facilities such as halls, parks, sport grounds and libraries throughout the District. Our objective is to provide residents and visitors access to a range of opportunities to be active and also to learn. Examples of how this Outcome might be different in the future is that there is likely to be more online information available from our libraries to enable everyone access to up-to-date information. Council also encourages the many festivals and events that are held throughout the year in Tasman. The two marae in Tasman are an important part of our District's cultural services and these are essential to our community identity.

#### Outcome 7:

##### **Our communities engage with Council's decision-making processes.**

Community engagement in decisions is crucial to ensuring that Council provides the services that meet residents and businesses needs. Our objective is to

provide opportunities to the public for input into decision making processes. Online tools for the public to contribute to the decision-making process are changing all the time and Council will continue to implement new systems so that there are new and easy ways for you to have your say. Face to face discussions will, however, remain very important and even at the end of the term of this Plan in 2022.

#### Outcome 8:

##### **Our developing and sustainable economy provides opportunities for us all.**

The population of Tasman District is continuing to increase, but is also changing in other ways, for example overall the population is ageing and is becoming more diverse. Our objective for this Outcome is to enable businesses to be established that complement the clean, green character of our District.

By the end of the 10 year period we expect that the Lee Valley Dam will be completed and that the water from this dam will support businesses located on the Waimea Plains. The Richmond West area would have continued to develop and this should provide more jobs to people living and working in the District.

# Part 3 – Council Activities

## Council Activities

The following pages outline the core areas of work that the Council undertakes. There are five sections:

- Environment and Planning
- Engineering
- Community Services
- Governance
- Council Enterprises

Each of these areas of work is broken down into groups of related activities.

We have provided the overall budget for each section and for each group of activities we have identified:

- What we plan to do.
- Why we do it.
- How the group of activities contribute to the community outcomes.
- The goal and any key issues for the activity.
- The service levels (what we are planning to provide), how we are going to measure whether we are achieving the service levels and the targets we are planning to achieve in years 1–3 and the target to be reached by year 10.
- The major activities we plan to undertake and any proposed major capital works projects.
- The key assumptions we have used and any significant effects from the activities.
- The cost of providing the service and how we intend funding the service.

The grouping of activities is slightly different to how they were arranged in previous plans and reflects changes

to the Local Government Act in 2010. These changes requires councils to report on a number of mandatory activities. The intention is to enable comparisons between councils performance for these mandatory activities. The mandatory activities are:

- Transportation, Roads and Footpaths
- Water Supply
- Wastewater and Sewage Disposal
- Stormwater
- Flood protection and River Control Works

Council also reports on the following Groups of Activities:

- Solid Waste
- Coastal Structures
- Environmental Management
- Public Health and Safety
- Recreation and Cultural Services
- Community Facilities and Parks
- Council Enterprises and Property
- Governance

Within each Group of Activities there may be a number of smaller activities, for example Public Health and Safety includes Building Control, Environmental Health, Animal Control, Civil Defence Emergency Management, Rural Fire Support Services, Maritime Safety and Parking Control.

The objective is to provide sufficient detail so that you can obtain an understanding of the services that Council provides, balanced against providing too much detail and making the document even larger and less readable. Detailed information on each Group of Activities is contained in their respective Activity Management Plans which are available from Council on CD, they can also be downloaded from our website [www.tasman.govt.nz](http://www.tasman.govt.nz)

Council activities cover the services and projects Council is planning to provide over the 10 years and the costs of providing them...



# Environment and Planning

The Environment and Planning section is broken down into two groups of related activities:

- Environmental Management
- Public Health and Safety

The 10 year budgets for the Environment and Planning activities are outlined in the following table along with the 2011/2012 budgets for comparison.

Environment and Planning	2011/2012 Budget \$	2012/2013 Budget \$	2013/2014 Budget \$	2014/2015 Budget \$	2015/2016 Budget \$
Environmental Management	9,020,013	8,882,607	9,909,546	9,413,976	9,847,195
Public Health and Safety	4,367,854	4,560,035	4,750,424	4,856,787	5,159,570
<b>TOTAL COSTS</b>	<b>13,387,867</b>	<b>13,442,642</b>	<b>14,659,970</b>	<b>14,270,763</b>	<b>15,006,765</b>

Environment and Planning	2016/2017 Budget \$	2017/2018 Budget \$	2018/2019 Budget \$	20019/2020 Budget \$	2020/2021 Budget \$	2021/2022 Budget \$
Environmental Management	10,250,420	10,798,480	11,146,440	11,641,828	12,047,450	12,416,493
Public Health and Safety	5,311,081	5,538,840	5,636,726	5,874,504	6,193,373	6,429,995
<b>TOTAL COSTS</b>	<b>15,561,501</b>	<b>16,337,320</b>	<b>16,783,166</b>	<b>17,516,332</b>	<b>18,240,823</b>	<b>18,846,488</b>

Details of each of these groups of activities are outlined in the following pages. These pages cover what the Council does in relation to each activity group, why we do it, the contribution of the activities to the Community Outcomes, the activity goal, any key issues, how we will measure our performance, the key things we plan to do and any major projects and funding arrangements.



# Environment and Planning (cont.)

## i. Environmental Management

### What we do

Council's environmental management functions and responsibilities include:

- The provision of policy advice, including responses to Government environmental requirements.
- The development and implementation of resource management policies and plans.
- Investigating significant environmental issues affecting or likely to affect the District.
- Maintaining an efficient resource information base to provide advice on environmental conditions and issues affecting the District.
- Assessing and processing resource consent applications and related compliance monitoring and enforcement.
- Undertaking biosecurity (plant and animal pest management) responsibilities including contributing to the Animal Health Board Bovine Tb vector control work in the District.
- Promoting environmental education and advocacy programmes and running environmental events to positively influence community behaviours.

### Why we do it

Council undertakes its environmental management responsibilities in order to promote the sustainable management of Tasman District's resources and to manage the consequences of human activity on the environment. Many of Council's policies and plans are statutory documents required under legislation. Council's state of the environment monitoring and information work is undertaken to monitor progress to achieve environmental outcomes, to help target planning controls, consent conditions and education programmes, to identify new issues, and to provide information of use to farmers, businesses and the public. Council processes resource consent applications

and undertakes compliance activities to reduce the impact of human activity on other people and the environment. Environmental education and advocacy activities provide non-regulatory means of encouraging good environmental practices and outcomes. Council's biosecurity activities help protect the environment from unwanted plant and animal pests.

## Contribution to Community Outcomes

Community Outcomes	How Our Activity Contributes to the Community Outcome
Our unique natural environment is healthy and protected.	<ul style="list-style-type: none"> <li>• By having in place policies and plans that promote sustainable management of natural and physical resources and, where necessary, regulating activities which would over time degrade the environment or place resources under pressure.</li> <li>• By monitoring and investigating the state of the environment and the trends, risks, and pressures it faces, we can make better decisions and have in place policies, plans and consent conditions that promote sustainable management of natural and physical resources while enabling development. Where necessary, conditions can be imposed (and monitored) that regulate activities which overtime would degrade the environment or place resources under pressure.</li> <li>• By managing animal and plant pests, working with landowners and others to protect biodiversity, soil and water sustainability, and educating and encouraging responsible environmental behaviours.</li> </ul>
Our urban and rural environments are pleasant, safe and sustainably managed.	<ul style="list-style-type: none"> <li>• By ensuring that living and productive environments are pleasant and safe, and that the activities of others do not adversely impact on citizens' lives and are appropriate in location and scale.</li> <li>• By monitoring and investigating the state of the environment and the trends, risks, and pressures it faces, we can make better decisions and have in place policies and plans that contribute to this outcome.</li> <li>• By educating people and providing them with information to enable them to live more sustainably and to be more resilient.</li> </ul>
Our infrastructure is safe, efficient and sustainably managed.	<ul style="list-style-type: none"> <li>• By having in place effective resource planning processes which ensure infrastructure provision is appropriate, efficient, and available to meet the demands of the community.</li> <li>• By promoting best practice and efficiency measures in the design and use of important utility services.</li> </ul>
Our communities are healthy, resilient and enjoy their quality of life.	<ul style="list-style-type: none"> <li>• By having in place processes which safeguard the community's health and wellbeing and which ensure resource use and human activities affecting resources do not adversely affect quality of life or community well-being.</li> <li>• By maintaining an effective flood warning system and working to identify contamination risks which are designed to promote safety of people and community well-being.</li> </ul>
Our communities respect regional history, heritage and culture.	<ul style="list-style-type: none"> <li>• By identifying heritage values of significance to the District and having in place a framework for protecting and enhancing these values, including sites which are important to iwi.</li> <li>• By promoting an appreciation of culture and heritage through running an Environment Awards programme and targeted funding to heritage and related projects.</li> </ul>
Our communities have access to a range of cultural, social, educational and recreational services.	<ul style="list-style-type: none"> <li>• By promoting involvement in activities like Sea Week, EnviroSchools, and Ecofest, which allow different sections of the community to participate, learn and teach each other about matters relating to community well-being.</li> </ul>
Our communities engage with Council's decision-making processes.	<ul style="list-style-type: none"> <li>• By encouraging participation in the processes of developing and administering policies and plans.</li> <li>• By encouraging participation in the EnviroSchools programme and events, like Ecofest, and making environmental information available and working with community groups to help them make environmentally sound decisions.</li> </ul>
Our developing and sustainable economy provides opportunities for us all.	<ul style="list-style-type: none"> <li>• By encouraging people to adopt best practice in relation to their use of resources such as land, water, air, and the coast.</li> <li>• By helping to provide resource information that enables development of opportunities for economic development and helps to identify potential hazards and constraints affecting such opportunities.</li> <li>• By processing resource consents that can facilitate economic development opportunities and compliance monitoring that can ensure fair and equal opportunities for all.</li> </ul>

# Environment and Planning (cont.)

## Our goal

The Environmental Management activity goal is to:

Effectively promote the sustainable management of the District’s natural and physical resources by:

1. Identifying and responding to resource management policy issues and biosecurity risks in a manner that is effective, appropriate to the risks and opportunities, and is supported by the community generally.
2. Achieving a robust and cost effective approach to environmental monitoring and resource investigations that will provide a good understanding of the District’s resources and the ability to assess environmental trends and manage risks to the environment.
3. Providing a sound and appropriate policy planning framework that will protect and enhance our unique environment and promote healthy and safe communities.
4. Managing the statutory processes involved in a way that is fair, lawful, timely and efficient, and which meets the expected environmental outcomes identified in policy statements and plans.
5. Improving practices in the use, development, and protection of the District’s resources and minimising damage to the environment through inappropriate practices or the incidence of pests and other threats to the quality of the environment we enjoy.
6. Educating communities and providing information to enable sustainable, resilient and productive communities within the District.

## Key Issues

Council recognises that future demands for Environmental Management will be influenced by:

- Population and economic growth and change – Population and economic growth places demands on the services provided in the Environmental Management group of activities. Over time Council may need to change how it responds to these

issues. Council has developed a robust growth model to forecast residential and business demands and opportunities to supply the level of demand expected.

- Changes in community expectations – Increasing environmental awareness could create extra demands on the Environmental Management activities. Some members of the community want Council to undertake more work in this area, however, others want less regulation and control.
- Productive demands for resources and technological change – Productive demands for use of resources and technological change have the ability to impact on the scope of services and the manner of delivery of this activity. Council is not expecting any changes to have a significant effect on the activity in the medium term.
- Environmental changes such as climate change risks – Changing patterns of weather, long term changes in the climate or the occurrence of climate-driven natural hazards will affect this group of activities. For example, Council’s policies relating to managing land use, hazards and the impacts of climate change will need to prepare for potentially increasing risks associated with pest incursions, sudden and severe weather events, drought risk and seawater inundation of low-lying coastal land.
- Need for changes in planning documents – These can be driven by Government legislation or policy, or by changes in Council policy.
- Changes in the environmental risk profile – Council undertakes environmental monitoring activities to increase its awareness of potential changes in environmental risks.

The impact of these influencing factors on the demand for Environmental Management and the effect on the current scale and mode of delivery is discussed in detail in the Environmental Management Activity Management Plan.





## Environment and Planning (cont.)

Our level of service – What the Council will do and how we will measure performance over the 10 years from 2012-2022

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance
<p>We will develop and maintain an appropriate policy framework which effectively promotes the sustainable management of the District's natural and physical resources by:</p> <ul style="list-style-type: none"> <li>identifying and responding to resource management policy issues; and</li> <li>providing a sound and appropriate policy planning framework that will protect and enhance our unique environment and promote healthy and safe communities.</li> </ul>	<p>The level of community support for Council's resource management policy and planning work is rated as fairly satisfied or better through community surveys.</p>	<p>Actual = 58% The Communitrak™ residents' survey undertaken in May/June 2011 showed 58% of residents were either satisfied or very satisfied with the activity.</p> <p><i>See: Figure 1. Environmental Planning and Policy</i></p>
<p>We will monitor environmental trends and conditions and have in place reporting systems which protect and inform the community about environmental conditions, changes and risks.</p>	<p>Council's telemetry system (Hydrotel) is available to provide real time rainfall, river and sea level information for regional hazard management.</p>	<p>99.81% fully operational</p>
	<p>Council has the aim of meeting the Air Quality National Environmental Standard by 2020 (no more than 1 day &gt; 50 µg/m<sup>3</sup> PM10 per year) and will report on the website air quality breaches at the Richmond Central monitoring site of the limit of 50 µg/m<sup>3</sup> PM10.</p>	<p>Number of exceedences currently is 11.</p> <p><i>See: Figure 2. Number of Exceedences and Second highest 24 hour PM10 for Richmond Central</i></p> <p>Graph shows the total number of days per year that the NES levels were exceeded and second-highest exceedence (Note: no monitoring occurred in 2001/2002).</p>
	<p>One issue based State of the Environment report to be released each year.</p>	<p>Two reports in 2010/2011</p>
<p>An annual Recreational Bathing Water summary report is drafted and reported to Council or a Committee by 31 July each year.</p>	<p>Report presented to and adopted at the June 2011 Environment and Planning Committee meeting.</p>	



We will know we are meeting the Level of Service if...	Forecast Performance			
	Year 1	Year 2	Year 3	By Year 10
The level of community support for Council's resource management policy and planning work is rated as fairly satisfied or better through community surveys.	60%	70%	75%	75%
Council's telemetry system (Hydrotel) is available to provide real time rainfall, river and sea level information for regional hazard management.	99% fully operational	99% fully operational	99% fully operational	99% fully operational
Council has the aim of meeting the Air Quality National Environmental Standard by 2020 (no more than 1 day > 50 µg/m <sup>3</sup> PM10 per year) and will report on the website air quality breaches at the Richmond Central monitoring site of the limit of 50 µg/m <sup>3</sup> PM10.	PM10 concentrations at Richmond Central monitoring site (BAM) continue to reduce (as corrected for meteorology)	PM10 concentrations at Richmond Central monitoring site (BAM) continue to reduce (as corrected for meteorology)	PM10 concentrations at Richmond Central monitoring site (BAM) continue to reduce (as corrected for meteorology)	Number of exceedences of the Air Quality National Environmental Standard:  Year 4 – 10 = No more than three exceedences by 2016 and no more than one by 2020.
One issue based State of the Environment report to be released each year.	One report released by 30 June	One report released by 30 June	One report released by 30 June	One report released by 30 June
An annual Recreational Bathing Water summary report is drafted and reported to Council or a Committee by 31 July each year.	Report prepared and reported to Council or a Committee by 31 July.	Report prepared and reported to Council or a Committee by 31 July.	Report prepared and reported to Council or a Committee by 31 July.	Report prepared and reported to Council or a Committee by 31 July.

## Environment and Planning (cont.)

Our level of service – What the Council will do and how we will measure performance over the 10 years from 2012-2022 (cont.)

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance
We will provide a responsive and efficient process for assessing resource consent applications and ensuring compliance obligations are fairly and appropriately enforced.	The level of community support for Council's resource management consent and compliance work is rated as fairly satisfied or better through community survey.	72%
	Consent applications are processed within statutory timeframes (where they exist)	Notified consents 100% Non-notified consents 99% Limited notified consents 100%
	An annual report is prepared and presented to Council or a Council committee each year which details: <ul style="list-style-type: none"> <li>– The level of compliance with consent conditions or plan rules for those undertaking activities under resource consents or permitted activities as described under tailored monitoring programmes.</li> </ul>	Annual compliance report presented to Council on 23 November 2011, showing that all resource consents monitored were assigned an appropriate compliance performance grade – refer figure 3. Consent and targeted permitted activity compliance performance grading.
	– Where significant non-compliance is recorded, that resolution is achieved within appropriate timeframes.	New measure.
	An annual report is prepared and presented to Council committee or a Council meeting on Water Metering Compliance detailing the performance of consented and permitted activity ground and surface water abstractions requiring monitoring as defined in the Tasman Resource Management Plan.	Report presented to Council at the 25 August 2011 meeting.
	An annual Dairy Monitoring report is prepared detailing the performance of the District's dairy farms against the Council's dairy effluent discharge rules and Clean Streams Accord targets.	Report presented to Council at the 14 July 2011 meeting, which detailed that 90% of the dairy farms were fully compliant – refer figure 4.
We will work with resource users, stakeholder groups and the public to promote environmentally responsible behaviour, to encourage soil conservation and riparian planting, to maintain and enhance biodiversity	The level of community support for Council's environmental education projects and events is rated as fairly satisfied or better through community survey	Actual = 68%. The Communitrak™ residents' survey undertaken in May/June 2011 showed 68% of residents were either satisfied or very satisfied with the activity – refer Figure 5. Satisfaction with Environmental Education.
We will implement the provisions of the Regional Pest Management Strategy in Tasman and in Nelson to ensure that pests included in the Strategy are managed to minimise their impact on our productive sector and our natural areas.	Timely reporting of pest management operations in accordance with requirements of the Biosecurity Act.	Annual report prepared each November.

We will know we are meeting the Level of Service if...	Forecast Performance			
	Year 1	Year 2	Year 3	By Year 10
The level of community support for Council's resource management consent and compliance work is rated as fairly satisfied or better through community survey.	75%	75%	75%	75%
Consent applications are processed within statutory timeframes (where they exist)	100% 100% 100%	100% 100% 100%	100% 100% 100%	100% 100% 100%
An annual report is prepared and presented to Council or a Council committee each year which details: – The level of compliance with consent conditions or plan rules for those undertaking activities under resource consents or permitted activities as described under tailored monitoring programmes.	Annual report tabled to Council or a Council committee by 31 October, showing that all resource consents that are monitored are assigned appropriate compliance performance grades.	Annual report tabled to Council or a Council committee by 31 October, showing that all resource consents that are monitored are assigned appropriate compliance performance grades.	Annual report tabled to Council or a Council committee by 31 October, showing that all resource consents that are monitored are assigned appropriate compliance performance grades.	Annual report tabled to Council or a Council committee by 31 October, showing that all resource consents that are monitored are assigned appropriate compliance performance grades.
– Where significant non-compliance is recorded, that resolution is achieved within appropriate timeframes.	80% are resolved within 9 months and 95% are resolved within twelve months	80% are resolved within 9 months and 95% are resolved within twelve months	80% are resolved within 9 months and 95% are resolved within twelve months	80% are resolved within 9 months and 95% are resolved within twelve months
An annual report is prepared and presented to Council committee or a Council meeting on Water Metering Compliance detailing the performance of consented and permitted activity ground and surface water abstractions requiring monitoring as defined in the Tasman Resource Management Plan.	Annual report tabled to Council or a Council committee by 31 October	Annual report tabled to Council or a Council committee by 31 October	Annual report tabled to Council or a Council committee by 31 October	Annual report tabled to Council or a Council committee by 31 October
An annual Dairy Monitoring report is prepared detailing the performance of the Districts' dairy farms against the Council's dairy effluent discharge rules and Clean Streams Accord targets.	95% fully compliant	95% fully compliant	100% fully compliant	100% fully compliant
The level of community support for Council's environmental education projects and events is rated as fairly satisfied or better through community survey	65%	65%	65%	65%
Timely reporting of pest management operations in accordance with requirements of the Biosecurity Act.	Annual reports tabled to Council or a Council committee by 30 November	Annual reports tabled to Council or a Council committee by 30 November	Annual reports tabled to Council or a Council committee by 30 November	Annual reports tabled to Council or a Council committee by 30 November

## Environment and Planning (cont.)

Figure 1. Satisfaction with Environmental Planning and Policy

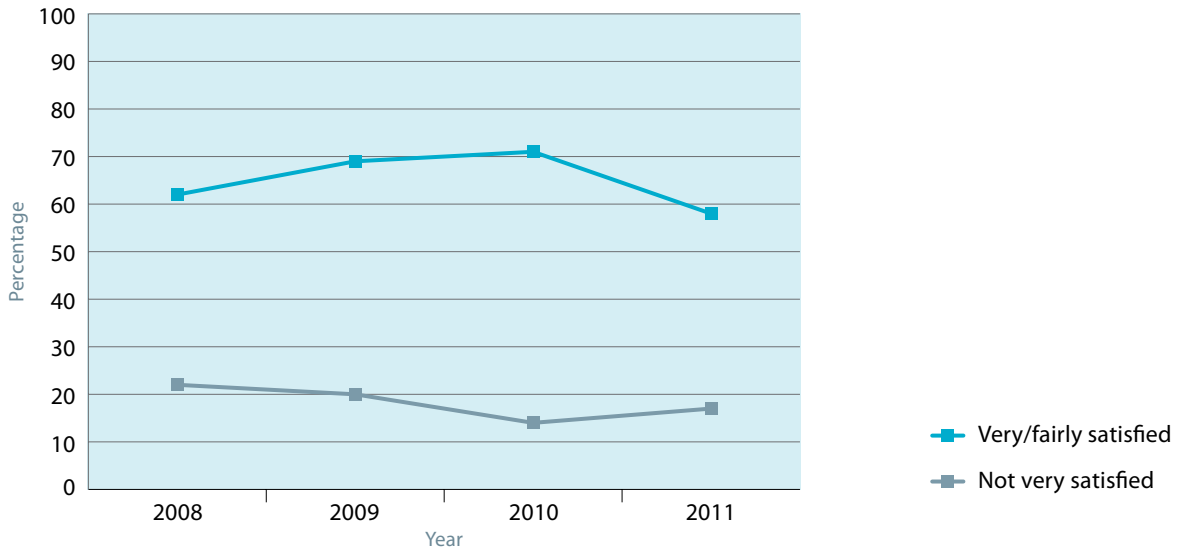


Figure 2. Number of Exceedences and Second highest 24 hour PM<sup>10</sup> for Richmond Central

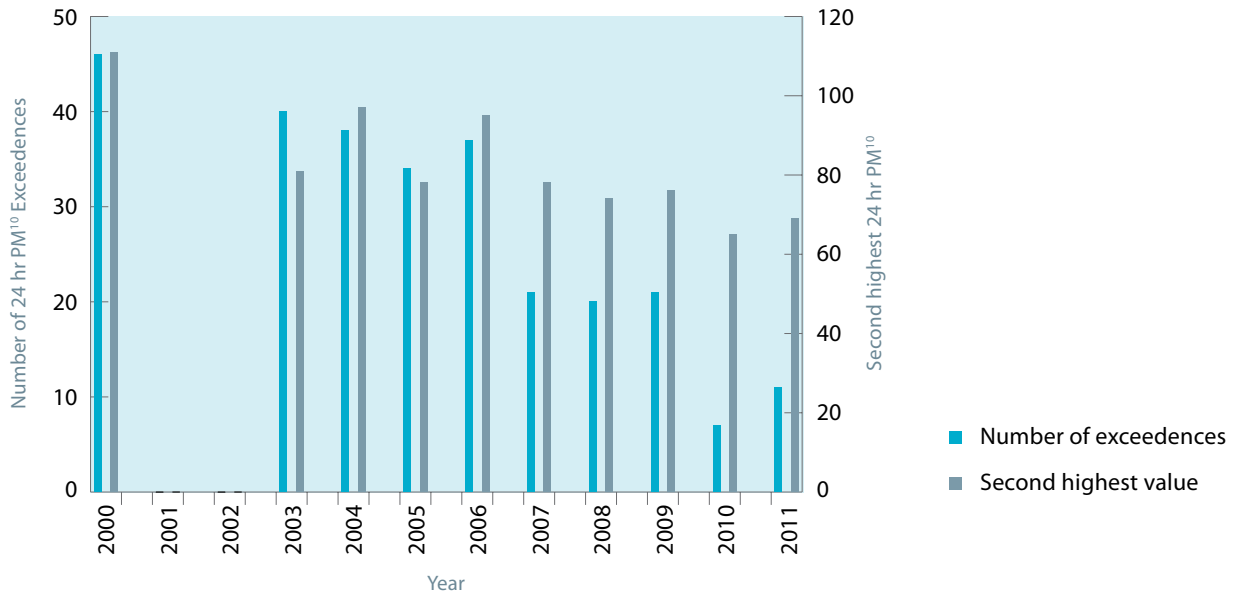
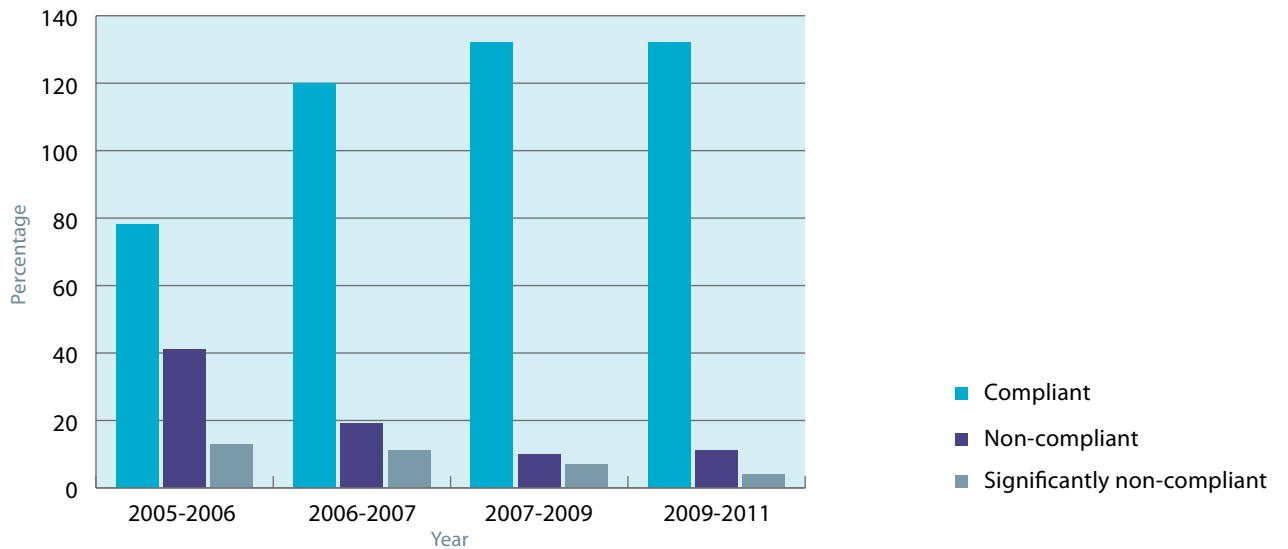


Figure 3. Consent and targeted permitted activity compliance performance grading

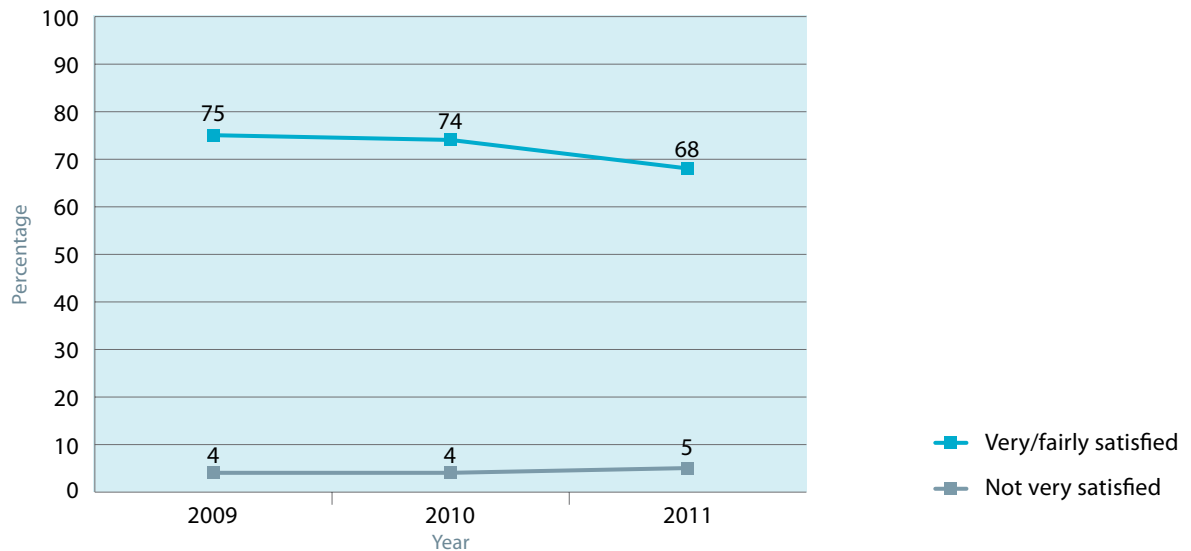
Compliance rating	
1. Fully complying	639
2. Non – compliance. Nil or minor adverse effect	385
3. Non – compliance. Moderate adverse effect	84
4. Non – compliance. Significant adverse effect	39

Figure 4. Dairy Monitoring



## Environment and Planning (cont.)

Figure 5. Satisfaction with Environmental Education



### Major activities

- Implementing the Resource Policy work programme, including:
  - reviews of, and changes to, the Tasman Resource Management Plan
  - development plans for various settlements within the District
  - rural policy reviews (including subdivision and rural land use, landscape protection)
  - land disturbance review
  - network services rules and design guidance development
  - water allocation reviews
  - riparian land management strategy
  - natural hazards strategic policy review
  - review of the Tasman Regional Policy Statement and consideration of combining it with the TRMP
  - provision of policy advice.



- Undertaking environmental monitoring of the District's resources, state of the environment reporting, hydrology and flood warning monitoring, and provision of environmental information.
- Providing advice to potential applicants for resource consents and processing resource consent applications.
- Undertaking compliance activities to enforce planning rules, bylaws and resource consent conditions, and undertaking enforcement action when needed.
- Undertaking plant and animal pest management planning and operations, including in Nelson City through a contractual arrangement with Nelson City Council, and funding the Animal Health Board to undertake its Tb Vector control programme in the District.
- Undertaking environmental education and advocacy activities, including working with land owners to achieve sustainable land management objectives, school and business education programmes, and running educational events.

### Key assumptions and uncertainties

The most significant assumptions and uncertainties that underlie the approach taken for this group of activities are:

- a) A reasonable degree of reliability can be placed on the population and other growth projections that have been used as forecast assumptions to support the priorities in the Environmental Management activity. However, these remain projections, and need to be carefully tracked to ensure that they remain a reliable indicator of likely future trends.
- b) Government regulation and other regulatory changes are capable of changing the scope, nature and processes associated with this activity. However, no allowance has been made for future changes in legislation.
- c) Future budgets are based on a similar level of effort being required to respond to the demands of this activity, but with growth and increasing contests over resource use, the outlook is for a slow level of increase in aggregate effort over the ten year period.

- d) The importance of public education, its message, delivery and review should never be under estimated.

### New capital expenditure

The main capital expenditure items associated with this group of activities is maintaining environmental and hydrology monitoring systems and ongoing renewal of those systems. This expenditure is provided for in the budget.

### Significant negative effects

There are no significant negative effects from the group of activities other than the costs of providing the services. However, particular actions and decisions may result in adverse media coverage that may be regarded as being a negative effect. In such cases, Council will manage this risk by properly assessing options and the implications of its decisions and clearly justifying decisions. In balancing the needs and wants of many people, there may be some decisions which will impact negatively on some individuals or groups. Compliance and enforcement activities can generate both positive and negative responses within the community. Some landowners may perceive the cost of plant pest control as undesirable and the need to obtain resource consents as unnecessary.

### Significant positive effects

There are many positive effects from this group of activities, which help reduce the impacts of human activity on the environment and on other people and through encouraging behaviour change to reduce impacts on the environment.

# Environment and Planning (cont.)

## Revenue and Finance Policy - Environmental Management section

### **Impact on the current/future social, economic, environmental and cultural wellbeing of the community**

This group of activities has a significant positive impact on the social, economic, cultural and environmental wellbeing of the community, through:

- Ensuring that the District's development is sustainable.
- Resource information is available to developers and environmental agencies.
- Environmental educational activities are undertaken to encourage behaviour with the community that promotes good environmental practices and supports community well-being.
- Processing resource consent applications and undertaking associated compliance.

### **Beneficiaries of this group of activities**

Council considers the beneficiaries of this activity to be the community, future generations, schools, resource users, sector groups (e.g., Farmers or businesses), resource consent applicants, and Tangata Whenua.

### **Distribution of benefits**

The Environmental Management group of activities are considered to provide predominantly public benefits to the community as a whole. The community benefits from the sustainable management of the District's natural and physical resources and enhanced community well-being. The Council's monitoring and investigation activity provides information on the state of the environment, on the risks to environmental values, and on environmental trends. The information assists well-informed decision-making and planning which promotes a better environment and the sustainable use and development of resources. The community will benefit through being

encouraged to change their behaviour to be more environmentally responsible. The community generally and the farming community will benefit from Council's biosecurity operations (e.g. Bovine Tb control).

Successful resource consent applicants are able to use resources. The process safeguards the environment from adverse effects, and encourages a pleasant, safe and healthy lifestyle and environment for everyone. The major area of private benefit relates to resource consent application processing and any privately initiated plan changes.

Council acknowledges that the sole responsibility for funding of non-cash expenses associated with this group of activities does not lie with the beneficiaries, direct or indirect, of these activities, therefore, depreciation has been funded at the income statement level.

### **The costs and benefits of funding the group of activities distinctly from other activities**

Council has the appropriate systems in place to separately identify the charges and costs of this group of activities. Council considers that the most appropriate method to recover the public benefit component is general rate (rate in the dollar based on capital value) and considers the most appropriate method to recover the private portion is fees and charges. For transparency and accountability the costs associated with this activity have been separated from other Council activities. Some funding is secured under contract and grants from third party sources.

### **The extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the group of activities**

Statutory obligations and community expectations are increasingly requiring good environmental policy, and good information to better understand our environment

and the impacts we are having on it. Resource consent applicants generate the need for consents to be processed and monitored, and community groups may have concerns about the effects of an activity on them or the environment.

**Period in which the benefits are expected to occur**

The benefits of this group of activities are both immediate in terms of direct public response to Council initiatives, through to long-term environmental benefits.

Funding	Operating	Capital
General Rates	Yes	Yes
Targeted Rates	Yes	Yes
Lump Sum Contributions		
Fees and Charges	Yes	
Interest and Dividends from Investments (Sundry Income)	Yes	
Borrowing		
Proceeds from Asset Sales		Yes
Development Contributions		
Financial Contributions under the Resource Management Act 1991		
Grants and Subsidies	Yes	

## Environment and Planning (cont.)

### Funding Impact Statement and Funding Sources for the Group of Activities

Environmental Management	2011/2012 Budget \$	2012/2013 Budget \$	2013/2014 Budget \$	2014/2015 Budget \$	2015/2016 Budget \$
<b>SOURCES OF OPERATING FUNDING</b>					
General rates, uniform annual general charge, rates penalties	5,775,153	6,110,050	6,370,925	6,654,421	7,038,231
Targeted rates (other than a targeted rate for water supply)	306,485	332,897	335,877	219,450	101,851
Subsidies and grants for operating purposes	30,000	107,915	52,633	-	-
Fees, charges and targeted rates for water supply	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	3,169,665	2,556,401	2,643,248	2,714,935	2,809,700
<b>TOTAL OPERATING FUNDING</b>	<b>9,281,303</b>	<b>9,107,263</b>	<b>9,402,683</b>	<b>9,588,806</b>	<b>9,949,782</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>					
Payments to staff and suppliers	5,621,752	5,566,106	6,512,929	5,924,728	6,292,892
Finance costs	109,705	94,680	91,343	75,239	38,273
Internal charges and overheads applied	3,288,556	3,221,821	3,305,274	3,414,009	3,516,030
Other operating funding applications	-	-	-	-	-
<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	<b>9,020,013</b>	<b>8,882,607</b>	<b>9,909,546</b>	<b>9,413,976</b>	<b>9,847,195</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING</b>	<b>261,290</b>	<b>224,656</b>	<b>(506,863)</b>	<b>174,830</b>	<b>102,587</b>
<b>SOURCES OF CAPITAL FUNDING</b>					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	(119,221)	(37,992)	(123,108)	(483,201)	(745,593)
Gross proceeds from sale of assets	-	-	750,000	500,000	750,000
Lump sum contributions	-	-	-	-	-
<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	<b>(119,221)</b>	<b>(37,992)</b>	<b>626,892</b>	<b>16,799</b>	<b>4,407</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>					
Capital expenditure					
- to meet additional demand	-	10,380	53,821	55,597	-
- to improve the level of service	82,281	98,091	12,917	46,701	-
- to replace existing assets	39,495	48,267	58,664	88,956	109,225
Increase (decrease) in reserves	20,293	29,926	(5,373)	375	(2,231)
Increase (decrease) in investments	-	-	-	-	-
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	<b>142,069</b>	<b>186,664</b>	<b>120,029</b>	<b>191,629</b>	<b>106,994</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING</b>	<b>(261,290)</b>	<b>(224,656)</b>	<b>506,863</b>	<b>(174,830)</b>	<b>(102,587)</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Environmental Management	2016/2017 Budget \$	2017/2018 Budget \$	2018/2019 Budget \$	2019/2020 Budget \$	2020/2021 Budget \$	2021/2022 Budget \$
<b>SOURCES OF OPERATING FUNDING</b>						
General rates, uniform annual general charge, rates penalties	7,373,993	7,854,665	8,069,634	8,459,431	8,778,923	9,040,347
Targeted rates (other than a targeted rate for water supply)	101,851	101,851	101,851	101,851	91,526	78,030
Subsidies and grants for operating purposes	-	6,099	-	-	-	-
Fees, charges and targeted rates for water supply	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	2,891,580	2,987,852	3,069,913	3,178,269	3,277,739	3,400,165
<b>TOTAL OPERATING FUNDING</b>	<b>10,367,424</b>	<b>10,950,467</b>	<b>11,241,398</b>	<b>11,739,551</b>	<b>12,148,188</b>	<b>12,518,542</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>						
Payments to staff and suppliers	6,527,749	6,852,427	7,119,869	7,426,039	7,634,414	7,899,032
Finance costs	19,215	27,319	30,127	26,729	25,244	23,075
Internal charges and overheads applied	3,703,456	3,918,734	3,996,444	4,189,060	4,387,792	4,494,386
Other operating funding applications	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	<b>10,250,420</b>	<b>10,798,480</b>	<b>11,146,440</b>	<b>11,641,828</b>	<b>12,047,450</b>	<b>12,416,493</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING</b>	<b>117,004</b>	<b>151,987</b>	<b>94,958</b>	<b>97,723</b>	<b>100,738</b>	<b>102,049</b>
<b>SOURCES OF CAPITAL FUNDING</b>						
Subsidies and grants for capital expenditure	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-
Increase (decrease) in debt	151,002	64,382	(30,665)	(30,665)	(30,665)	(28,750)
Gross proceeds from sale of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	<b>151,002</b>	<b>64,382</b>	<b>(30,665)</b>	<b>(30,665)</b>	<b>(30,665)</b>	<b>(28,750)</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>						
Capital expenditure						
- to meet additional demand	-	-	-	-	-	-
- to improve the level of service	172,714	154,549	-	-	-	-
- to replace existing assets	95,292	61,820	64,293	67,058	70,073	73,299
Increase (decrease) in reserves	-	-	-	-	-	-
Increase (decrease) in investments	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	<b>268,006</b>	<b>216,369</b>	<b>64,293</b>	<b>67,058</b>	<b>70,073</b>	<b>73,299</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING</b>	<b>(117,004)</b>	<b>(151,987)</b>	<b>(94,958)</b>	<b>(97,723)</b>	<b>(100,738)</b>	<b>(102,049)</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>





# Environment and Planning (cont.)

## ii. Public Health and Safety

### What we do

This activity involves the provision of advice and discharging statutory functions in the areas of public health, building, environmental health (including liquor licensing, food safety), hazardous substances, animal control, civil defence and emergency management, rural fire, parking control and maritime safety. It involves assessing and processing permit and registration applications, the administration of bylaws, and associated monitoring and enforcement action.

### Why we do it

The activity contributes to the sustainable development of the Tasman District and the well-being of the community by ensuring that actions, or non-actions, taken by people in Tasman District are lawful, sustainable and safe.

Much of the work done within the activity is to protect public health and safety, and in response to central government legislation.

While Council does not have a choice about providing the services, there is some discretion over the manner and degree to which the functions are delivered. In the past, the rationale for Council's involvement has been influenced by whether:

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

# Environment and Planning (cont.)

## Contribution to Community Outcomes

Community Outcomes	How Our Activity Contributes to the Community Outcome
Our unique natural environment is healthy and protected.	Managing risk from rural fire and ensuring recreational boating is safe keeps Tasman special.
Our urban and rural environments are pleasant, safe and sustainably managed.	The activity ensures that living environments are safe, and that the activities of others do not negatively impact on citizen's lives. Through ensuring buildings are well constructed, safe and weather tight, the activity contributes to the development of the District, and also ensures that the resale value of the community's assets are protected.
Our infrastructure is safe, efficient and sustainably managed.	Parking control ensures parking facilities are available to ensure public access to urban retailers and services.
Our communities are healthy, resilient and enjoy their quality of life.	This activity safeguards the community's health and well-being by ensuring standards of construction, food safety, and registered premises operation are met and that liquor consumption and nuisances from dogs and stock, and risk from fire do not adversely affect quality of life. Our civil defence and emergency management system is designed to promote the safety of people and a resilient community.
Our communities have access to a range of cultural, social, educational and recreational services.	Safe boating and providing such things as ski lanes ensures community access to the coastal waters of Tasman.
Our communities engage with Council's decision-making processes.	We encourage people to make preparations for civil emergencies.

## Our goal

The Public Health and Safety activity goal is to:

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

## Key Issues

Council recognises that future demands for the Public Health and Safety group of activities will be influenced by:

- Population and economic growth, and demographic change – Population growth places demands on the services provided in the Public Health and Safety group of activities. Over time Council may require extra resources to cope with additional activity and demand for services. Council has developed a robust growth model to forecast residential and business demands and opportunities to supply the level of demand expected.
- Changes in community expectations – Some members of the community want Council to undertake more work in this area, however, others want less regulation and control. Changing expectations may lead to a need to increase or decrease levels of service.
- Industrial practices and technological change – Both industrial practices and technological change have the ability to impact on the scope of services and the manner of delivery of this activity. Council is not expecting any changes to have a significant effect on the activity in the medium term.
- Environmental changes such as climate change.
- Changes in legislation and policies – These can be driven by Government legislation or policy, or by changes in Council policy.
- Changes in the environmental risk profile – Changing weather patterns or occurrence of natural hazards will affect the work of Council, particularly in the civil defence and rural fire activities.
- Disruption caused by potential restructuring – Current legislation changes going through Parliament may affect the roles Council has relating to the Public Health and Safety activities and the way Council delivers the activities. Council will respond appropriately to those changes.

The impact of these influencing factors on the demand for public health and safety services and the effect on the current scale and mode of delivery is discussed in detail in the Public Health and Safety Activity Management Plan.

## Environment and Planning (cont.)

Our level of service – What the Council will do and how we will measure performance over the 10 years from 2012-2022

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance
We will provide building control services in a professional and timely manner to ensure building work is safe and in accordance with the New Zealand Building Code.	Applications for building consent and code compliance certificates (CCC) are processed within statutory timeframes.  We maintain Building Consent Authority Accreditation.	94.3% of building consent applications were processed within statutory time frames.  86% CCCs were processed within statutory timeframes.  Reaccreditation as a Building Consent Authority was achieved March 2012.
We will provide an environmental health service that:  a. In association with other agencies, fosters the responsible sale and consumption of liquor.  b. Ensures that food provided for sale is safe, free from contamination and prepared in suitable premises.	In conjunction with the New Zealand Police, we detect no sale of liquor to minors through random controlled purchase operations run annually.  All food premises are inspected at least once annually for compliance and appropriately licensed.	Four operations were undertaken. Only one offence was detected during one of the operations.  100%
We will provide animal control services to minimise the danger, distress, and nuisance caused by dogs and wandering stock and to ensure all known dogs are recorded and registered.	All known dogs are registered annually by 30 September.  We respond to high priority dog complaints within 60 minutes, 24 hours a day, seven days a week.	96.2%  100%
We will have in place a civil defence and emergency management system that is designed to promote the safety of people and a resilient community in the event that emergencies occur.	The level of community support for Council's civil defence emergency management activity is rated as fairly satisfied or better through community survey.	Actual = 53%. The Communitrak™ residents' survey undertaken in May/June 2011 showed 53% of residents were either satisfied or very satisfied with the activity. – refer figure 1.
To safeguard life and property by the prevention, detection, restriction and control of fire in forest and rural areas.	The area of forest lost through fire annually does not exceed 20 hectares.	12 hectares of damage to production forest from rural fires.
We will provide Maritime Administration services to ensure Tasman's harbour waters are safe and accessible and that all known commercial vessel operators are licensed.	Residents with an understanding of Maritime Administration rate their satisfaction with this activity as "fairly satisfied" or better in annual surveys.  All known commercial vessel operators are licensed.	Actual = 92%. The Communitrak™ residents' survey undertaken in May/June 2011 showed 92% of residents with an understanding of the activity were either satisfied or very satisfied with the activity. Overall, 47% of residents were satisfied with the activity, with the majority of residents not being able to comment. – refer figure 2.  100%
We will provide parking control services to facilitate the public's access to urban retailers and services, respond to any misuse of disabled parking, and remove reported abandoned vehicles.	Compliance by not less than 80 out of every 100 vehicles parking in time controlled areas within the Traffic Bylaw, based on an annual snap survey.	Survey undertaken in January 2011 with 83% compliance – target achieved

We will know we are meeting the Level of Service if...	Forecast Performance			
	Year 1	Year 2	Year 3	By Year 10
Applications for building consent and code compliance certificates (CCC) are processed within statutory timeframes.	Building consents = 98%  CCCs =95%	Building consents = 100%  CCCs =98%	Building consents = 100%  CCCs =100%	100%  CCCs =100%
We maintain Building Consent Authority Accreditation.	Accreditation maintained	Accreditation maintained	Accreditation maintained	Accreditation maintained
In conjunction with the New Zealand Police, we detect no sale of liquor to minors through random controlled purchase operations run annually.	At least two annual operations with no offences detected.	At least two annual operations with no offences detected.	At least two annual operations with no offences detected.	At least two annual operations with no offences detected.
All food premises are inspected at least once annually for compliance and appropriately licensed.	100%	100%	100%	100%
All known dogs are registered annually by 30 September.	100%	100%	100%	100%
We respond to high priority dog complaints within 60 minutes, 24 hours a day, seven days a week.	100%	100%	100%	100%
The level of community support for Council's civil defence emergency management activity is rated as fairly satisfied or better through community survey.	50%	50%	50%	50%
The area of forest lost through fire annually does not exceed 20 hectares.	No more than 20 ha lost through fire annually.	No more than 20 ha lost through fire annually.	No more than 20 ha lost through fire annually.	No more than 20 ha lost through fire annually.
Residents with an understanding of Maritime Administration rate their satisfaction with this activity as "fairly satisfied" or better in annual surveys.	90%	90%	90%	90%
All known commercial vessel operators are licensed.	100%	100%	100%	100%
Compliance by not less than 80 out of every 100 vehicles parking in time controlled areas within the Traffic Bylaw, based on an annual snap survey.	80%	85%	90%	95% - 100%

# Environment and Planning (cont.)

Figure 1. Satisfaction with Civil Defence Emergency Management

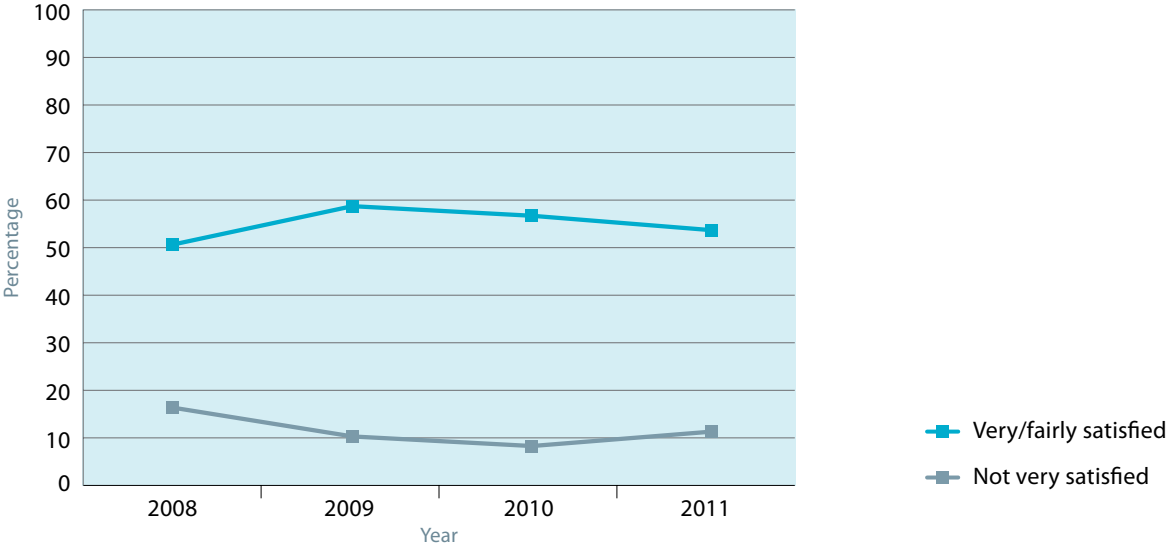
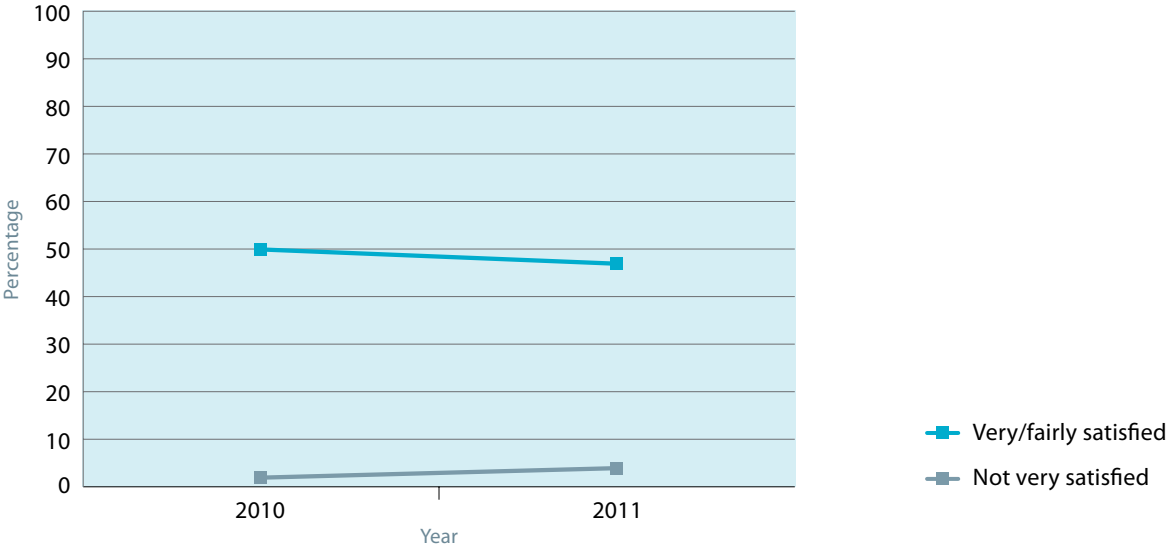


Figure 2. Satisfaction with Harbour Management and Safety Activity



## Major activities

- Respond to enquiries, process permits and consents, and undertake inspectorial responsibilities under the Health Act, Building Act, Sale of Liquor Act, Food Act, Dog Control Act, Forests and Rural Fires Act, Transport Act, Maritime Transport Act, the Hazardous Substances and New Organisms Act, and associated regulations and Council bylaws.
- Carry out Harbour Board functions including implementation of the Joint Oil Spill Contingency Plan (with Nelson City Council).
- Carry out animal control responsibilities.
- Carry out civil defence and emergency management responsibilities.
- Carry out parking control responsibilities under Council's Parking Bylaw.
- Ensure fire risk in the District is effectively managed through supporting rural fire parties and the Waimea Rural Fire Committee.

## Key assumptions and uncertainties

The most significant assumptions and uncertainties that underlie the approach taken for this group of activities are:

- a) A reasonable degree of reliability can be placed on the population and other growth projections that have been used as forecast assumptions for the priorities in the Public Health and Safety activity. However, these remain projections, and need to be carefully tracked to ensure that they remain a reliable indicator of likely future trends.
- b) It is possible that the income from fees and charges may differ from projections. Any variation from the forecast may indicate that development is occurring faster or slower than expected and this may force a re-think of the timing of any changes in the delivery of services.
- c) Regulatory activities, because of the associated compliance costs, are always likely to be a target for Government review. Except for changes in food safety regulations, no allowance has been made for changes in legislation.

- d) There will be a growing challenge to maintain the volunteer and community involvement in Council civil defence activities as volunteerism is in decline.

## New capital expenditure

The only assets owned by this activity are a building, used as a dog pound, which was upgraded in 2010 and is managed through Council's property portfolio, the harbour master's vessel which is due for replacement in 2015/2016, and equipment, appliances and depots associated with rural fire management. The main capital expenditure in this group of activities is on replacement fire appliances to the approximate value of \$34,000 plus inflation annually and replacing the harbour master's vessel and equipment in 2015/2016 to the approximate value of \$460,000. Council will be seeking subsidies from the National Rural Fire Authority towards the purchase of the fire equipment and appliances.

## Significant negative effects

There are no significant negative effects from the group of activities other than the costs of providing the public benefit component of the services. However, particular actions and decisions may result in adverse media coverage that may be regarded as being a negative effect. In such cases, Council will manage this risk by properly assessing options and the implications of its decisions and clearly justifying decisions. Compliance and enforcement activities can generate both positive and negative responses within the community.

## Significant positive effects

There are many positive effects from this group of activities, which help enhance public safety and reduce the impacts of human activity on other people.



## Environment and Planning (cont.)

### Revenue and Finance Policy – Public Health and Safety section

#### **Impact on the current/future social, economic, environmental and cultural wellbeing of the community**

This group of activities has a significant positive impact on the social, economic, cultural and environmental wellbeing of the community, through ensuring that the District's public health and safety is maintained and applications for permits and building consents are processed.

#### **Beneficiaries of this group of activities**

Council considers the beneficiaries of this activity to be property owners/operators, future owners/operators, the community, and central government. The setting and enforcing of safe standards, provides public health and safety for the wider community.

#### **Distribution of benefits**

Building control activity provides the majority of benefits to those applying for building consents, although there is some public benefit through the activity to maintain public safety, which is recovered through the general rate and uniform annual general charge.

Rural fire, harbourmaster and civil defence activities benefit public health and safety for the whole community. Where possible the cost of extinguishing a fire is recovered from the person responsible for lighting the fire where that can be determined. The Council considers that the community at large benefits from these activities.

The main benefits of environmental health services are public health and safety, through control of infectious diseases and monitoring of environmental standards.

The benefits from undertaking parking control, while ensuring fair access to CBD shopping, is largely considered to be a public benefit. Any infractions detected are, however, a private cost.

The benefits of dog control are considered to be largely public, through protection of the public. Private individuals benefit through administration of the registration system and returning lost or strayed animals. While there are public benefits, the Council considers that excavators should fund this activity and therefore the public benefit is to be funded by registration fees.

Council acknowledges that the sole responsibility for funding of non-cash expenses associated with this group of activities does not lie with the beneficiaries, direct or indirect, of these activities, therefore, depreciation has been funded at the income statement level.

#### **The costs and benefits of funding the group of activities distinctly from other activities**

Council has the appropriate systems in place to separately identify the charges and costs of this activity. With the exception of dog control and parking control Council considers that the most appropriate method to recover the public benefit component is general rate (rate in the dollar based on capital value) and considers the most appropriate method to recover the private portion is fees and charges. For transparency and accountability reasons the costs associated with this group of activities have been separated.

#### **The extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the group of activities**

The need to undertake these activities is driven by statutory obligations and applicants who generate the need for consents and licences to be processed, and community groups who may have concerns about the effects of an activity on them or the environment.

**Period in which the benefits are expected to occur**

The benefits of this group of activities range from immediate private benefit gained through the granting of consents and licences, or responding to complaints (e.g. about dogs), through to longer term benefits (e.g. from the construction of safe buildings).

Funding	Operating	Capital
General Rates	Yes	Yes
Targeted Rates		
Lump Sum Contributions		
Fees and Charges	Yes	Yes
Interest and Dividends from Investments (Sundry Income)	Yes	
Borrowing		Yes
Proceeds from Asset Sales		Yes
Development Contributions		
Financial Contributions under the Resource Management Act 1991		
Grants and Subsidies	Yes	Yes

## Environment and Planning (cont.)

### Funding Impact Statement and Funding Sources for the Group of Activities

Public Health and Safety	2011/2012 Budget \$	2012/2013 Budget \$	2013/2014 Budget \$	2014/2015 Budget \$	2015/2016 Budget \$
<b>SOURCES OF OPERATING FUNDING</b>					
General rates, uniform annual general charge, rates penalties	1,416,703	1,574,825	1,665,245	1,691,562	1,873,119
Targeted rates (other than a targeted rate for water supply)	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-
Fees, charges and targeted rates for water supply	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	2,991,299	3,051,713	3,165,791	3,266,115	3,372,647
<b>TOTAL OPERATING FUNDING</b>	<b>4,408,002</b>	<b>4,626,538</b>	<b>4,831,036</b>	<b>4,957,677</b>	<b>5,245,766</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>					
Payments to staff and suppliers	2,660,472	2,830,942	2,976,707	3,025,410	3,248,676
Finance costs	20,051	16,392	15,467	14,738	28,940
Internal charges and overheads applied	1,687,331	1,712,701	1,758,250	1,816,639	1,881,954
Other operating funding applications	-	-	-	-	-
<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	<b>4,367,854</b>	<b>4,560,035</b>	<b>4,750,424</b>	<b>4,856,787</b>	<b>5,159,570</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING</b>	<b>40,148</b>	<b>66,503</b>	<b>80,612</b>	<b>100,890</b>	<b>86,196</b>
<b>SOURCES OF CAPITAL FUNDING</b>					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	(18,745)	(19,645)	(19,645)	(19,645)	428,753
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	<b>(18,745)</b>	<b>(19,645)</b>	<b>(19,645)</b>	<b>(19,645)</b>	<b>428,753</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	-	-	9,688	-	-
- to replace existing assets	35,398	36,330	37,674	72,276	500,137
Increase (decrease) in reserves	(13,995)	10,528	13,605	8,969	14,812
Increase (decrease) in investments	-	-	-	-	-
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	<b>21,403</b>	<b>46,858</b>	<b>60,967</b>	<b>81,245</b>	<b>514,949</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING</b>	<b>(40,148)</b>	<b>(66,503)</b>	<b>(80,612)</b>	<b>(100,890)</b>	<b>(86,196)</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Public Health and Safety	2016/2017 Budget \$	2017/2018 Budget \$	2018/2019 Budget \$	2019/2020 Budget \$	2020/2021 Budget \$	2021/2022 Budget \$
<b>SOURCES OF OPERATING FUNDING</b>						
General rates, uniform annual general charge, rates penalties	1,929,549	2,050,552	2,039,171	2,155,655	2,382,587	2,441,560
Targeted rates (other than a targeted rate for water supply)	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-
Fees, charges and targeted rates for water supply	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	3,486,821	3,597,825	3,712,466	3,835,637	3,973,307	4,115,731
<b>TOTAL OPERATING FUNDING</b>	<b>5,416,370</b>	<b>5,648,377</b>	<b>5,751,637</b>	<b>5,991,292</b>	<b>6,355,894</b>	<b>6,557,291</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>						
Payments to staff and suppliers	3,336,532	3,474,296	3,563,411	3,711,602	3,877,973	4,066,355
Finance costs	46,103	47,559	46,768	41,507	39,217	35,757
Internal charges and overheads applied	1,928,446	2,016,985	2,026,547	2,121,395	2,276,183	2,327,883
Other operating funding applications	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	<b>5,311,081</b>	<b>5,538,840</b>	<b>5,636,726</b>	<b>5,874,504</b>	<b>6,193,373</b>	<b>6,429,995</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING</b>	<b>105,289</b>	<b>109,537</b>	<b>114,911</b>	<b>116,788</b>	<b>162,521</b>	<b>127,296</b>
<b>SOURCES OF CAPITAL FUNDING</b>						
Subsidies and grants for capital expenditure	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-
Increase (decrease) in debt	50,267	(47,405)	(47,405)	(47,405)	(47,405)	(47,405)
Gross proceeds from sale of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	<b>50,267</b>	<b>(47,405)</b>	<b>(47,405)</b>	<b>(47,405)</b>	<b>(47,405)</b>	<b>(47,405)</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>						
Capital expenditure						
- to meet additional demand	-	-	-	-	-	-
- to improve the level of service	95,290	-	-	-	-	-
- to replace existing assets	41,690	43,274	45,005	46,940	91,097	51,309
Increase (decrease) in reserves	18,576	18,858	22,501	22,443	24,019	28,582
Increase (decrease) in investments	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	<b>155,556</b>	<b>62,132</b>	<b>67,506</b>	<b>69,383</b>	<b>115,116</b>	<b>79,891</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING</b>	<b>(105,289)</b>	<b>(109,537)</b>	<b>(114,911)</b>	<b>(116,788)</b>	<b>(162,521)</b>	<b>(127,296)</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Engineering

The Engineering section is broken down into seven groups of related activities:

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

The 10 year budgets for the Engineering activities are outlined in the following table along with the 2011/2012 budgets for comparison.

Engineering	2011/2012 Budget \$	2012/2013 Budget \$	2013/2014 Budget \$	2014/2015 Budget \$	2015/2016 Budget \$
Transportation, Roads and Footpaths	11,419,272	11,377,977	12,086,814	12,467,624	13,824,153
Coastal Structures	902,210	1,574,046	926,664	1,265,271	1,085,548
Water Supply	6,062,735	6,111,726	6,581,463	7,129,104	8,231,460
Wastewater and Sewage Disposal	7,978,839	8,570,831	8,912,894	9,396,569	9,959,986
Stormwater	2,194,369	1,873,515	2,050,188	2,138,046	2,481,237
Solid Waste	6,189,320	6,996,203	7,738,125	8,050,096	8,853,271
Flood Protection and River Control Works	2,110,204	1,969,055	2,025,069	2,108,200	2,215,610
<b>TOTAL COSTS</b>	<b>36,856,949</b>	<b>38,473,353</b>	<b>40,321,217</b>	<b>42,554,910</b>	<b>46,651,265</b>

Details of each of these groups of activities are outlined in the following pages. These activity sections cover what the Council does in relation to each activity group, why we do it, the contribution of the groups of activities to the Community Outcomes, the activity goal, key issues, how we will measure our performance, the key things we plan to do and any major projects and funding arrangements.

Engineering	2016/2017 Budget \$	2017/2018 Budget \$	2018/2019 Budget \$	20019/2020 Budget \$	2020/2021 Budget \$	2021/2022 Budget \$
Transportation, Roads and Footpaths	14,751,967	15,480,412	16,249,881	16,965,300	17,602,908	18,517,254
Coastal Structures	1,112,028	1,307,439	1,117,087	1,129,217	1,328,549	1,105,529
Water Supply	8,778,115	9,369,929	9,885,665	10,501,177	11,278,889	12,349,343
Wastewater and Sewage Disposal	10,550,161	11,323,930	12,371,583	12,524,565	12,936,079	14,532,189
Stormwater	2,633,919	3,034,130	3,208,992	3,233,414	3,541,574	3,964,777
Solid Waste	9,404,787	9,679,095	9,893,254	10,124,631	10,941,574	11,339,070
Flood Protection and River Control Works	2,291,687	2,417,610	2,510,358	2,666,027	2,857,661	2,898,187
<b>TOTAL COSTS</b>	<b>49,522,664</b>	<b>52,612,545</b>	<b>55,236,820</b>	<b>57,144,331</b>	<b>60,487,234</b>	<b>64,706,349</b>

# Engineering (cont.)

## i. Transportation, Roads and Footpaths

### What we do

Tasman District Council is responsible for the management of a transportation network that comprises approximately 1,700km of roads, (944km sealed and 757km unsealed), 475 bridges (including footbridges), 234km of footpaths, cycleways and walkways, 23 carparks, 2,723 streetlights, 9,241 traffic signs and 8,771 culvert pipes. Each road in the transportation network has been categorised into a transportation hierarchy based on the road's purpose and level of use.

This group of activities includes:

- Ownership or authority to use the land under roads.
- Road carriageways for the safe movement of people and goods.
- Culverts, water tables and a stormwater system to provide drainage for roads.
- Signs, barriers and pavement markings to provide road user information and safe transport.
- Bridges to carry road users over waterways.
- Footpaths, walkways and cycleways to provide for the needs of pedestrians and cyclists.
- Street lighting to provide safe movement for road users at night.
- Carparking facilities.

This group of activities also includes other transportation related services, for example transport planning, road safety, cycleways and public transport services like the Total Mobility Scheme. These activities are included because they are part of managing the roading and footpath network (such as transport planning and road safety) or they can utilise the roading assets (such as cycleways and public transport). These activities are also of a small scale and do not materially impact on the overall budgets of the roading and footpaths activities and it is not efficient to deal with them as a separate group of activities.

### Why we do it

By providing a high quality transportation network, Council enables the safe and efficient movement of people and goods which improves the economic and social well-being of the District. The provision of transport services, roads and footpaths is considered a core function of local government and is something that the Council has done historically. The service provides many public benefits. It is considered necessary and beneficial to the community that the Council undertakes the planning, implementation and maintenance of the transportation network.

### Contribution to Community Outcomes

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



The transportation, roads and footpaths group of activities contribute to the Community Outcomes as detailed below.

Community Outcomes	How Our Activity Contributes to the Community Outcome
Our urban and rural environments are pleasant, safe and sustainably managed.	Our network of roads, footpaths, cycleways and carparks are safe, uncongested and maintained cost-effectively.
Our infrastructure is safe, efficient and sustainably managed.	Our urban communities have a means of travel for pedestrians, cyclists and commuters that is safe and efficient. Our rural communities have safe and effective access to our transportation network.

### Our goal

Council will progressively move towards managing all of its transportation responsibilities in a more sustainable and integrated way.

### Key Issues

There are several key issues for the transportation, roads and footpaths group of activities over the 10 year period of the Long Term Plan. These are as follows:

#### **Damage to roads and the transportation assets from storms and heavy rainfall events**

In December 2011 the Tasman District experienced extremely heavy rainfall which led to flooding, slips and debris flows resulting in damage to Council infrastructure and private property. This was particularly destructive in Golden Bay.

The full extent and cost of the damage to Council infrastructure for the December 2011 event, including roads, other transportation assets, utility infrastructure and flood protection structures, is estimated to be approximately \$10.1 million. Of these costs around \$6.7 million should be recoverable from the Ministry of Civil Defence and Emergency Management or from insurance, which leaves a Council liability of around \$3.4 million. Much of the repair work was undertaken in the 2011/2012 year.

## Engineering (cont.)

Much of the Council funding is likely to come from existing Council disaster funds or new loans. Council has budgeted for around \$900,000 to help replenish the disaster funds in 2012/2013. Council has also decided to use \$3 million of the Port Nelson special dividend received in 2011/2012 to replenish the General Disaster Fund. This additional funding will mean there should be sufficient money available to cover the costs of the disaster recovery work.

### **Reduced levels of Government funding**

The New Zealand Transport Agency (NZTA) has not provided Council with an inflation adjustment for its share of the funding for local roads over the last three years. This has effectively reduced NZTA's contribution towards funding Tasman's local roads. NZTA has continued with this approach to road funding and will not provide inflation adjustments for the next three years (2012-2015). This will have the effect of reducing the funds available to manage roads and other transportation activities. Council has decided to inflation adjust its share of funding local roads, even though NZTA has not done so. Council has and will continue to develop innovative ways to manage the challenges in the reduced funding environment.

Since the preparation of the Ten Year Plan 2009-2019, the NZTA criteria for funding passenger transport, and cycling and walking projects have changed. NZTA has shifted the priority for funding to the major urban centres from elsewhere in the country. This shift has removed the 59 percent subsidy Council used to receive for walking and cycling projects in the Tasman District. Council has subsequently removed all cycleway projects from the next 10 years as they are not affordable without the subsidy. The exception is the continuation of Tasman's Great Taste Trail. Council had also been planning to provide funding towards passenger transport between Richmond and Nelson, but as a result of the Government subsidy being withdrawn, this funding was removed at the time of preparing the Draft Plan.

As a result of the reduced levels of Government funding and the desire to keep rates increases and debt levels to a minimum, Council has had to remove a number of projects, previously planned in the Ten Year Plan 2009-2019, from the coming 10 years. Projects that have been removed include most seal extensions, some undergrounding of powerlines, new footpaths (for 2012-2015 only), cycleways and some streetscaping. Council acknowledges that there is a high demand from many members of the public for these facilities, but considers that they are unaffordable given the reduced Government funding and current economic climate. Council has implemented robust prioritisation procedures (e.g. a matrix for prioritising where new footpaths will be provided) and is continually looking for efficient processes to achieve more for less.

### **Increasing demand for transportation services, and roading, cycleway and footpath projects**

There are a number of factors creating extra pressure and demand on Council's transportation network, including increasing traffic volumes in Richmond causing congestion, and rising demand for personal mobility, cycleways, walkways, new footpaths, public transport, streetscaping and improved freight movement. There is ongoing demand for seal extensions in the rural unsealed road network. The incidence of heavy rainfall and flood events is also having a major impact on Council's transportation network.

### **Kaiteriteri Road improvements**

Council has not budgeted funding for any further improvements to this road during the coming 10 years, apart from minor safety improvements that may be needed and would be funded from the budget provided for those works. Council acknowledges that approximately 100 submissions on the Draft Long Term Plan supported the need to upgrade the road. However, Council is of the view that it is not affordable to spend about \$6 million on upgrading the road at the present time.

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

In 2012/2013 Council will complete Stage 1 of Tasman's Great Taste Trail (TGTT) to Mapua and Wakefield, and will also extend the trail to Tasman View Road, Motueka, Riwaka and to Kaiteriteri Mountain Bike Park. Council will also establish an interim connecting trail loop from Motueka to Woodstock and through to Wakefield. The Kaiteriteri link is funded through a \$150,000 contribution from the Ministry for Economic Development.

In 2013/2014 Council will complete upgrading the TGTT in the Mapua/Ruby Bay area.

Completion of the full TGTT loop from Wakefield through Spooners Tunnel, Kohatu, Tapawera, to Woodstock and Motueka is scheduled to be completed from 2014/2015 to 2018/19 (years three to seven of the Plan). This work is subject to Annual Plan reviews, and to Council receiving adequate external funding and cash contributions from community groups/organisations and Central Government.

### **Increasing public concern about high levels of debt and rates increases**

In order to keep rates increases to a minimum and debt levels down, Council is not planning to undertake a large number of projects that the public wants. Council is focusing on delivering critical core infrastructure projects and maintaining its existing network, rather than providing new assets or improved assets that will require ongoing maintenance and expenditure. Council is aware that this might mean some Tasman residents may be unhappy with the lack of work proposed in the transportation, roads and footpaths activities.

### **Providing value for money**

Council currently spends significantly more on the sealed road network compared with the similar sized unsealed road network. Council is finding it difficult to maintain low traffic volume sealed roads and may need to consider

alternatives to resealing such roads. Council may amend maintenance standards when preparing new contracts. This may lead to a change in the level of service.

### **Crashes on the road network**

An unacceptably high number of crashes occur on the road network. Council is planning some intersection improvements to help address this problem. This work will be funded from the minor improvements budget which is limited to projects with a value of less than \$250,000.

### **Subsidised and non-subsidised transport activities**

The Government provides funding assistance for some of Council's roading activities, referred to as a 'subsidy', through the NZTA.

Qualifying activities include: road safety education, road maintenance, reseals, pavement rehabilitation, minor improvements (such as corner improvements, installation of right turn bays and pedestrian refuges). Major projects, such as seal extensions, and significant intersection upgrades may also qualify for a subsidy if certain criteria are met, although funding for these is harder to get than it has been in the past. The provision and maintenance of footpaths are not included.

The financial assistance rate subsidy for Tasman is 49 percent for most activities with an increase to 59 percent for approved major works. The subsidy rate depends on the size of the overall programme of work and the assessed ability to pay, which is related to the capital value of the District.

## Engineering (cont.)

Our level of service – What the Council will do and how we will measure performance over the 10 years from 2012-2022

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance
1. Our network of roads, bridges, footpaths, cycleways and car parks are safe, uncongested and maintained cost effectively.	Number of customer service request complaints relating to the maintenance of footpaths - as measured through records held in Council's databases.	Actual = 61
	There is a downward trend in the number of serious and fatal crashes (excludes state highways). - as analysed by interrogating the New Zealand Transport Agency crash database.	Actual = 3 fatal and 18 serious injury, increasing trend.
	The average quality of the ride on sealed roads experienced by motorists is maintained at current levels - as measured by the Smooth Travel Exposure Index (STE). (Note: STE is a key national indicator of the effectiveness of road maintenance expenditure. It represents the proportion of travel undertaken each year on all sealed roads with acceptable surface roughness that provides comfortable travel conditions for passenger car users.)	Actual = 96% This information is taken from the New Zealand Transport Agency's RAMM report and covers all sealed roads urban/rural.
2. Our roads and footpaths are managed at a level that satisfies the community.	Residents are satisfied with Council's roads and footpaths in the District - as is measured through the annual residents' survey.	Actual from the Communitrak™ residents' survey undertaken in May/June 2011: Footpath = 71% Roads = 81% Parking = 91% Walk/cycleways = 88% <i>refer figure 1.</i>
3. Faults in the transportation network are responded to and fixed promptly.	Customer service request complaints relating to the maintenance of roads, footpaths and related activities are completed on time and in accordance with the requirements in Council's road maintenance contracts - as measured through contract audits.	Actual = 75% of customer service requests were completed within the specified time frames. Tasman = 87.5% Waimea = 66.7% Golden Bay = 100% Murchison = 100% <i>refer figure 2.</i>
4. Following emergency events our community is provided with a road network that is accessible.	All unplanned road closures are responded to as outlined in Council's emergency procedures manual - as reported in the contract operations report.	Actual = this is not currently being measured. An emergency procedures manual for road closures is being developed in 2011/2012.

We will know we are meeting the Level of Service if...	Forecast Performance			
	Year 1	Year 2	Year 3	By Year 10
Number of customer service request complaints relating to the maintenance of footpaths - as measured through records held in Council's databases.	<70	<80	<90	<60
There is a downward trend in the number of serious and fatal crashes (excludes state highways). - as analysed by interrogating the New Zealand Transport Agency crash database.	Downward trend in serious and fatal crashes	Downward trend in serious and fatal crashes	Downward trend in serious and fatal crashes	Downward trend in serious and fatal crashes
The average quality of the ride on sealed roads experienced by motorists is maintained at current levels - as measured by the Smooth Travel Exposure Index (STE). (Note: STE is a key national indicator of the effectiveness of road maintenance expenditure. It represents the proportion of travel undertaken each year on all sealed roads with acceptable surface roughness that provides comfortable travel conditions for passenger car users.)	94%	94%	94%	94%
Residents are satisfied with Council's roads and footpaths in the District - as is measured through the annual residents' survey.	Footpath = 70% Roads = 75% Parking = 85% Walkways and cycleways = 80%	Footpath = 65% Roads = 70% Parking = 80% Walkways and cycleways = 80%	Footpath = 60% Roads = 70% Parking = 75% Walkways and cycleways = 80%	Footpath = 60% Roads = 70% Parking = 75% Walkways and cycleways = 80%
Customer service request complaints relating to the maintenance of roads, footpaths and related activities are completed on time and in accordance with the requirements in Council's road maintenance contracts - as measured through contract audits.	>90%	>90%	>90%	>90%
All unplanned road closures are responded to as outlined in Council's emergency procedures manual - as reported in the contract operations report.	100%	100%	100%	100%

# Engineering (cont.)

Figure 1. Satisfaction with Transportation, Roads and Footpaths

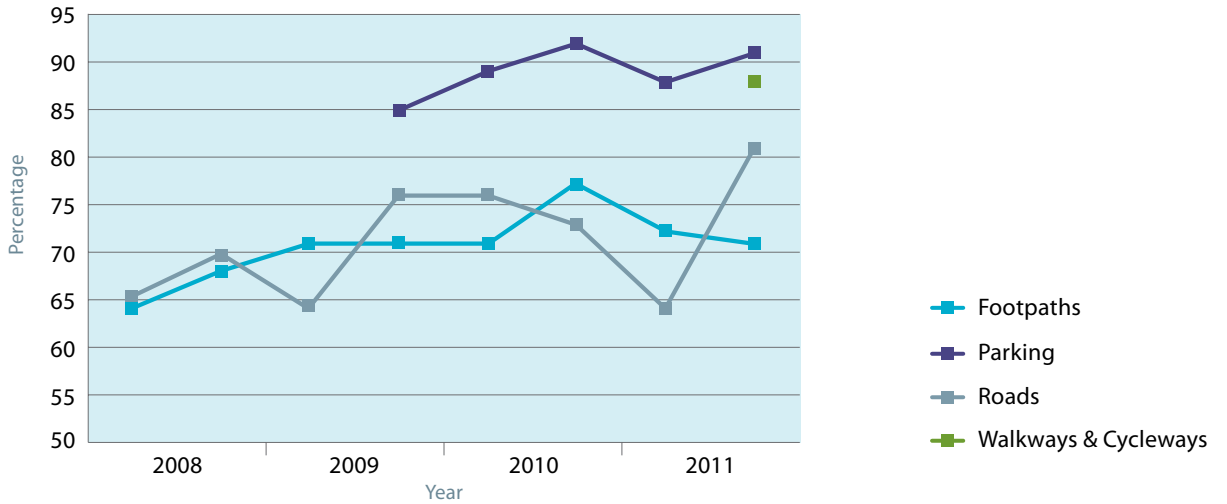
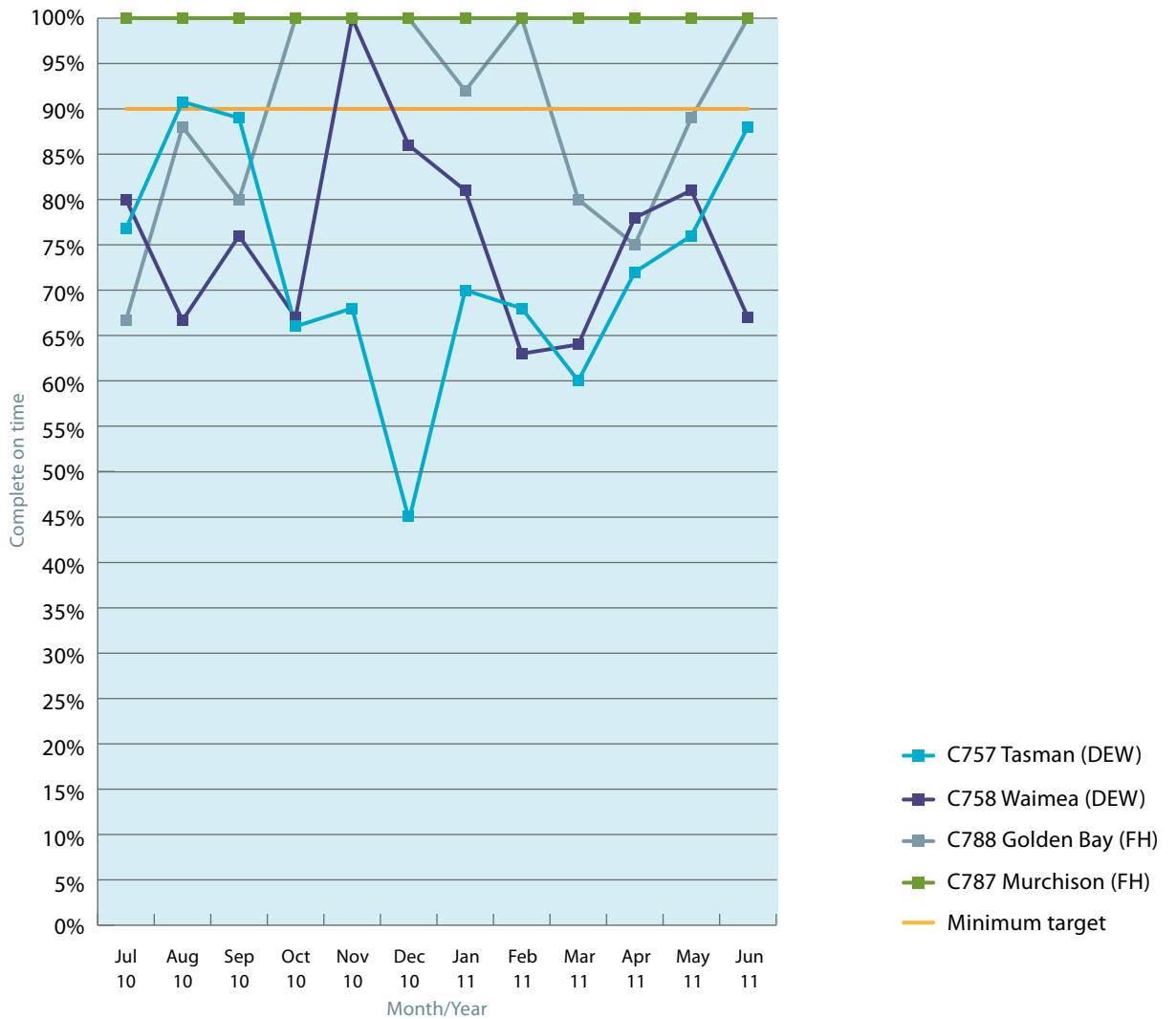


Figure 2. CSR On-Time Completion Rate by Contract



## Major activities

Ongoing management, maintenance and renewal of Council's transportation network comprising roads, bridges (including footbridges), footpaths, carpark, streetlights, traffic signs and culvert pipes.

Council has an approved Regional Land Transport Strategy called "Connecting Tasman". This document is used as a high level plan to guide the management of the Transportation, Roads and Footpaths group of activities and outlines the key issues and direction for the activities in accordance with current national strategies and policies.

## Key assumptions and uncertainties

The most significant assumptions and uncertainties that underlie the approach taken for this group of activities are:

- a) A reasonable degree of reliability can be placed on the population and other growth projections that have been used as forecast assumptions for the priorities in the Transportation, Roads and Footpaths group of activities. However, these are projections and need to be carefully tracked to ensure that they continue to be a reliable indicator of likely future trends.
- b) That the projects identified to receive a Government subsidy will receive a subsidy at the anticipated levels.
- c) That Council has adequate knowledge of its assets and the capacity of the network to adequately forecast planned renewal works to meet the proposed levels of service.
- d) That the level of funding in these budgets and held in Council's disaster fund reserves will be adequate to cover reinstatement following emergency events.
- e) That the capital project cost estimates are sufficiently accurate to determine the required funding level.
- f) That there will be no major changes in legislation or policy.

## New capital expenditure

The following table details the major capital and renewal work programmed for the years 2012 - 2022. A full list of projects and programmes for when the work is planned to be completed is included in Appendix F of the Transportation Activity Management Plan.



## Engineering (cont.)

Activity	2012/2013 - 2014/2015 Years 1 - 3	2015/2016 - 2021/2022 Years 4 - 10
Sealed roads pavement rehabilitation	\$1,958,904	\$8,504,038
Sealed roads resurfacing	\$8,067,663	\$23,094,128
Unsealed road metalling	\$2,453,564	\$7,257,360
Drainage renewals	\$4,459,376	\$13,690,601
Minor safety improvements	\$3,350,390	\$10,258,495
Footpath rehabilitation	\$422,651	\$1,188,392
New footpath construction District-wide (priority driven by the matrix)	-	\$3,066,235
Queen Street/Salisbury Road intersection improvement	\$103,505	\$1,057,991
Lower Queen Street/Lansdowne Road intersection improvements	\$196,258	\$508,990
Moutere Highway/Waimea West intersection improvements	\$232,383	\$737,558
Traffic services renewals	\$1,236,986	\$3,940,020
Tasman's Great Taste Trail	\$2,679,459	\$2,167,399
Bridge renewals	\$1,600,100	\$4,535,850
Power undergrounding projects	-	\$414,311

### Significant negative effects

There are a number of potential negative effects from the group of activities. These include:

- The costs of providing the services. Council uses competitive tendering processes to achieve best value for money for works it undertakes.
- Vehicle use of roads produces noise which can affect residential amenity and emissions which can effect air and water quality.
- Council installs lighting in public areas along roads to improve the safety and amenity of the area. This can have an adverse affect on neighbouring properties due to light spill.
- Air quality can be affected by dust generated from vehicles travelling on unsealed roads.
- Discharges from motor vehicles have the potential to diminish water quality in adjacent streams from run-off from roads.
- Increasing traffic volumes may result in congestion of roads.

- Road users face potential crashes and associated injury or death.
- Potential to affect historic and wahi tapu sites. Council undertakes consultation with affected parties prior to undertaking works. Council also maintains a record of known heritage sites.

### Significant positive effects

There are many positive effects from this group of activities including:

- The provision of an efficient road network allows for the movement of freight between key hubs and to markets, therefore, contributing to economic growth and prosperity in the District.
- Council aims to provide a transport system that is integrated with land-use planning, optimising access and mobility for all.
- Providing access also allows emergency services to access the majority of the community with ease.
- Council's management of the transport network encourages active modes of travel, for example walking and cycling, which can enhance people's health and well-being.
- Council's management of the transportation activities uses best practice and competitive tendering to provide value for money for ratepayers and provides jobs for contractors.

### Revenue and Finance Policy - Transportation, Roads and Footpaths section

#### **Impact on the current/future social, economic, environmental and cultural wellbeing of the community**

This group of activities has a significant positive impact on the social, economic, cultural and environmental wellbeing of the community, through ensuring that the people of the District and visitors have access to facilities,

services, employment and recreational activities, and enabling businesses to get products to markets.

#### **Beneficiaries of this activity**

Council considers that the beneficiaries of this group of activities include: motorists, cyclists, pedestrians, public, industry, businesses, commercial transport operators and passengers, planners and developers.

#### **Distribution of benefits**

The benefits apply in part to the whole community, as people are free to use any public road in the District. The subsidies from road user charges and petrol tax provided to the Council by the New Zealand Transport Agency reflect partly the private benefits that accrue from the use of much of the roading network. The balance of costs must be recovered through general rates to reflect the public benefit from the roading network.

Businesses are able to move goods swiftly. Individuals can travel to employment, recreation, health, education and other activities. Well designed and landscaped roads benefit the general community from a safety point of view as well as offering the enjoyment of pleasant surroundings.

Council acknowledges that the sole responsibility for funding of non-cash expenses associated with this group of activities does not lie with the beneficiaries, direct or indirect, of this group of activities, therefore, depreciation has been funded at the income statement level.

#### **The costs and benefits of funding the group of activities distinctly from other activities**

Council has the appropriate systems in place to separately identify the charges and costs of this group of activities. Council considers that the most appropriate method to recover the public benefit component is general rate (rate

## Engineering (cont.)

in the dollar based on capital value) and considers the most appropriate method to recover the private portion is fees and charges or development contributions.

The benefit of funding transportation, roading and footpaths separately from other Council activities is that these activities constitute a large component of the District's rates and it enables costs to be allocated in a transparent and fair manner.

### **The extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the group of activities**

All road users receive direct benefits and contribute to the need to undertake these activities. Businesses and industries also contribute through the need to move goods swiftly. Individuals contribute through the desire to travel to employment, recreation, health, education and other activities.

Developers add to the demands placed on schemes by requiring the Council to undertake new capital works related to growth. The Council applies development contributions to fund these costs – refer to the Development Contributions Policy.

### **Period in which the benefits are expected to occur**

The transportation systems that are being implemented over the next 10 years will provide long-term benefit to the community.

Capital costs (not funded through development contributions) are to be funded from borrowing with rates set at a level to cover interest costs and loan repayments. Council considers that borrowing is the appropriate funding method that will most efficiently achieve inter-generational equity.

Funding	Operating	Capital
General Rates	Yes	Yes
Targeted Rates	Yes	Yes
Lump Sum Contributions		Yes
Fees and Charges	Yes	Yes
Interest and Dividends from Investments (Sundry Income)	Yes	Yes
Borrowing		Yes
Proceeds from Asset Sales		Yes
Development Contributions		Yes
Financial Contributions under the Resource Management Act 1991		
Grants and Subsidies	Yes	Yes
New Zealand Transport Agency funding	Yes	Yes

## Engineering (cont.)

### Funding Impact Statements and Funding Sources for the Group of Activities

Transportation, Roads and Footpaths	2011/2012 Budget \$	2012/2013 Budget \$	2013/2014 Budget \$	2014/2015 Budget \$	2015/2016 Budget \$
<b>SOURCES OF OPERATING FUNDING</b>					
General rates, uniform annual general charge, rates penalties	8,945,518	8,893,954	9,793,236	10,558,441	11,560,526
Targeted rates (other than a targeted rate for water supply)	5,733	5,733	5,733	5,733	5,733
Subsidies and grants for operating purposes	3,545,207	3,320,720	3,478,018	3,441,048	4,151,414
Fees, charges and targeted rates for water supply	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	1,448,436	1,149,675	1,175,895	1,279,782	1,299,704
<b>TOTAL OPERATING FUNDING</b>	<b>13,944,894</b>	<b>13,370,082</b>	<b>14,452,882</b>	<b>15,285,004</b>	<b>17,017,377</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>					
Payments to staff and suppliers	7,986,088	7,899,654	8,362,880	8,396,637	9,333,243
Finance costs	1,596,327	1,610,259	1,861,020	2,148,170	2,545,802
Internal charges and overheads applied	1,836,857	1,868,064	1,862,914	1,922,817	1,945,108
Other operating funding applications	-	-	-	-	-
<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	<b>11,419,272</b>	<b>11,377,977</b>	<b>12,086,814</b>	<b>12,467,624</b>	<b>13,824,153</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING</b>	<b>2,525,622</b>	<b>1,992,105</b>	<b>2,366,068</b>	<b>2,817,380</b>	<b>3,193,224</b>
<b>SOURCES OF CAPITAL FUNDING</b>					
Subsidies and grants for capital expenditure	7,034,566	4,367,802	4,295,735	4,693,685	6,455,683
Development and financial contributions	793,068	128,597	135,265	132,407	174,320
Increase (decrease) in debt	5,139,162	3,501,074	3,840,856	3,337,918	5,611,580
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	<b>12,966,796</b>	<b>7,997,473</b>	<b>8,271,856</b>	<b>8,164,010</b>	<b>12,241,583</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>					
Capital expenditure					
- to meet additional demand	528,250	-	-	-	-
- to improve the level of service	4,985,357	2,971,337	3,407,874	3,410,135	7,969,709
- to replace existing assets	9,716,970	7,158,448	7,374,120	7,743,417	8,305,630
Increase (decrease) in reserves	261,841	(140,207)	(144,070)	(172,162)	(840,532)
Increase (decrease) in investments	-	-	-	-	-
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	<b>15,492,418</b>	<b>9,989,578</b>	<b>10,637,924</b>	<b>10,981,390</b>	<b>15,434,807</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING</b>	<b>(2,525,622)</b>	<b>(1,992,105)</b>	<b>(2,366,068)</b>	<b>(2,817,380)</b>	<b>(3,193,224)</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Transportation, Roads and Footpaths	2016/2017 Budget \$	2017/2018 Budget \$	2018/2019 Budget \$	2019/2020 Budget \$	2020/2021 Budget \$	2021/2022 Budget \$
<b>SOURCES OF OPERATING FUNDING</b>						
General rates, uniform annual general charge, rates penalties	12,618,221	13,759,173	14,613,538	15,623,312	16,505,390	17,501,007
Targeted rates (other than a targeted rate for water supply)	5,733	5,733	5,733	5,733	5,733	5,733
Subsidies and grants for operating purposes	4,321,088	4,469,091	4,623,639	4,844,296	4,922,877	5,236,224
Fees, charges and targeted rates for water supply	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	1,207,022	1,352,457	1,379,910	1,275,854	1,302,824	1,330,714
<b>TOTAL OPERATING FUNDING</b>	<b>18,152,064</b>	<b>19,586,454</b>	<b>20,622,820</b>	<b>21,749,195</b>	<b>22,736,824</b>	<b>24,073,678</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>						
Payments to staff and suppliers	9,780,228	10,092,507	10,423,648	10,941,786	11,133,216	11,794,267
Finance costs	2,966,453	3,297,195	3,712,197	3,828,584	4,174,117	4,390,069
Internal charges and overheads applied	2,005,286	2,090,710	2,114,036	2,194,930	2,295,575	2,332,918
Other operating funding applications	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	<b>14,751,967</b>	<b>15,480,412</b>	<b>16,249,881</b>	<b>16,965,300</b>	<b>17,602,908</b>	<b>18,517,254</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING</b>	<b>3,400,097</b>	<b>4,106,042</b>	<b>4,372,939</b>	<b>4,783,895</b>	<b>5,133,916</b>	<b>5,556,424</b>
<b>SOURCES OF CAPITAL FUNDING</b>						
Subsidies and grants for capital expenditure	5,260,644	5,715,752	5,852,931	6,757,915	6,736,592	6,854,352
Development and financial contributions	166,699	172,415	166,699	168,605	168,605	171,462
Increase (decrease) in debt	4,491,689	2,465,148	3,658,879	3,859,131	2,652,723	3,263,636
Gross proceeds from sale of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	<b>9,919,032</b>	<b>8,353,315</b>	<b>9,678,509</b>	<b>10,785,651</b>	<b>9,557,920</b>	<b>10,289,450</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>						
Capital expenditure						
- to meet additional demand	-	-	-	-	-	1,776,011
- to improve the level of service	5,158,099	3,691,883	4,885,619	5,645,525	4,310,976	4,010,618
- to replace existing assets	8,706,560	8,953,201	9,408,116	10,176,249	10,638,014	11,232,632
Increase (decrease) in reserves	(545,530)	(185,727)	(242,287)	(252,228)	(257,154)	(1,173,387)
Increase (decrease) in investments	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	<b>13,319,129</b>	<b>12,459,357</b>	<b>14,051,448</b>	<b>15,569,546</b>	<b>14,691,836</b>	<b>15,845,874</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING</b>	<b>(3,400,097)</b>	<b>(4,106,042)</b>	<b>(4,372,939)</b>	<b>(4,783,895)</b>	<b>(5,133,916)</b>	<b>(5,556,424)</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Engineering (cont.)

## ii. Coastal Structures

### What we do

This group of activities comprises:

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

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

- Ownership and management of wharves at Mapua and Riwaka.
- Responsibility for Port Motueka.
- Jetties, boat ramps, navigational aids and moorings.
- Coastal protection works at Ruby Bay and Marahau.
- Navigation aids associated with harbour management.
- Port Tarakohe at Golden Bay is reported on separately through the Corporate Services Committee of the Council, but is included in this group of activities for ease of reporting. The aim over time is for Port Tarakohe to operate on a commercial basis, but it will also provide social and recreational benefits.

### Why we do it

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

### Contribution to Community Outcomes

Council maintains and improves the infrastructure assets relating to coastal structures on behalf of the ratepayers to enhance community well-being and improve the District's coastal commercial and recreational assets.



The coastal structures group of activities contributes to the community outcomes as detailed below.

Community Outcomes	How Our Activity Contributes to the Community Outcome
Our unique natural environment is healthy and protected	Coastal structures can be managed so their impact does not affect the health and cleanliness of the receiving environment.
Our urban and rural environments are pleasant, safe and sustainably managed.	The coastal structures activity ensures our built environments are functional, pleasant and safe by ensuring the coastal structures are operated without causing public health hazards and by providing attractive recreational and commercial facilities.
Our infrastructure is safe, efficient and sustainably managed.	The coastal structures activity provides commercial and recreational facilities to meet the community needs at an affordable and safe level. The facilities are also managed sustainably.

## Our goal

Coastal infrastructure is developed to achieve the visions of both Council and the community.

## Key Issues

### Port Tarakohe

Council has reviewed the rates requirement for Port Tarakohe and has an objective of scheduling developments and levels of service that would enable this facility to operate without support from general rates. Because of the debt associated with the Port, this cannot be achieved immediately, however, in the medium term this should be possible.

Council has decided not to proceed with the proposed marina and new wharf in this final Long Term Plan and has removed funding for these projects from the Port Tarakohe budget.

Council intends on implementing a new charging scheme at the Port and has provided funding in the budget for a new weighbridge, wharf crane, security system and other facilities.

Council is proposing to undertake further work on the overall management of Port Tarakohe.

### Jackett Island

Council is currently developing a range of options for dealing with the erosion on Jackett Island. An allowance has been made in the budgets to develop a preferred option and to obtain resource consent for the work during 2012/2013. Council has increased the operating budget for this work from \$400,000 in the Draft Long Term Plan to \$650,000 in this final Plan. An indicative budget of \$2.84 million has been provided in 2013-2015 to implement the preferred option.

### Mapua Aquarium building

This Long Term Plan has not made provision for a budget to replace the Mapua Aquarium building burnt down in 2011. It does, however, provide for a Mapua Wharf development plan, which will look at alternatives for replacing the building. It is expected that any new building will be at least cost neutral to Council.

# Engineering (cont.)

## Increasing demand for coastal structures

Urban development along coastal margins, coastal erosion and potential sea level inundation associated with climate change all increase the demand for coastal protection works. There is also increasing demand for coastal structures that enhance recreational access to coastal areas. Council is planning to maintain existing coastal protection works and recreational assets, but it is not planning to provide any increased levels of protection to properties or new recreational assets. Council is also developing resource management policies to manage growth in coastal hazard areas to reduce the likelihood of further areas being developed that could be at risk from inundation from the sea and the need for coastal protection works for these areas.

Our level of service – What the Council will do and how we will measure performance over the 10 years from 2012-2022

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance	Forecast Performance			
			Year 1	Year 2	Year 3	By Year 10
1. Our works are carried out so that the impacts on the natural coastal environment are minimised to a practical but sustainable level.	Resource consents are held and complied with for works undertaken by Council or its contractors on Council owned coastal protection - as measured by the number of abatement notices issued to Council.	There have been no abatement notices issued for breach of resource consent conditions.	No abatement notices issued.	No abatement notices issued.	No abatement notices issued.	No abatement notices issued.
2. Faults in the coastal assets are responded to and fixed promptly.	We are able to respond to customer service requests relating to our coastal assets within the timeframes we have agreed with our suppliers and operators, and within the available funding.	100%	90%	90%	90%	90%

### Major activities

This group of activities involves ongoing management, maintenance and renewal of Council's coastal structures.

### Key assumptions and uncertainties

The most significant assumptions and uncertainties that underlie the approach taken for this group of activities are:

- a) That Council has adequate knowledge of its assets to adequately forecast planned renewal works to meet the proposed levels of service.
- b) That no major storm events occur creating coastal erosion and damage to Council's coastal infrastructure.
- c) That the capital project cost estimates are sufficiently accurate to determine the required funding level.
- d) That there will be no major changes in legislation or policy.

### New capital expenditure

The following table details the major capital and renewal work programmed for the years 2012 - 2022. A full list of projects and programmes for when the work is planned to be completed is included in Appendix F of the Coastal Structures and Port Taranaki Activity Management Plans.

Activity	2012/2013 - 2014/2015 Years 1 - 3	2015/2016 - 2021/2022 Years 4 - 10
Boat ramp reconstruction - Renewal and upgrading of formed boat ramps.	\$0	\$265,709
Mapua wharf - streetscaping wharf area	\$0	\$418,330
Port Taranaki developments including new weighbridge and wharf crane.	\$355,167	\$0

## Engineering (cont.)

### Significant negative effects

There are a number of potential negative effects from the group of activities. These include:

- The costs of providing the services - Council uses competitive tendering processes to achieve best value for money for works it undertakes.
- Increased traffic and noise from both commercial and recreational users of coastal facilities.
- Potential changes to the natural coastal processes and ecological systems due to placement of structures, this may include loss of natural sand dunes. The construction of structures that appear out of character with the coastal environment.
- Potential to affect historic and wahi tapu sites. Council undertakes consultation with affected parties prior to undertaking works. Council also maintains a record of known heritage sites.

### Significant positive effects

There are many positive effects from this group of activities including:

- Provision and maintenance of coastal structures allows for the development of commercial businesses, therefore, contributing to the economic growth and prosperity in the District.
- Coastal structures contribute to community well-being by providing assets for recreational use of residents and visitors to the area.
- Provision and maintenance of coastal protection schemes improves protection for some residents and the built environment.
- Council's management of the Coastal Structures activities uses best practice and competitive tendering to provide value for money for ratepayers and provides jobs for contractors.

### Revenue and Finance Policy - Coastal Structures section

#### **Impact on the current/future social, economic, environmental and cultural wellbeing of the community**

This group of activities has a significant positive impact on the social, economic, cultural and environmental wellbeing of the community, through ensuring that the people of the District and visitors have access to recreation facilities and services in the coastal environment, and through commercial operators being able to utilise the coastal area.

#### **Beneficiaries of this activity**

Council considers that the beneficiaries of this group of activities include: the general public, recreational and commercial users.

#### **Distribution of benefits**

The Council recognises that while there are benefits to the District at large from having coastal structures (public), the greatest benefits are to those who directly use the structures or those who own the assets that are protected by the structures (private).

Council acknowledges that the sole responsibility for funding of non-cash expenses associated with this group of activities does not lie with the beneficiaries, direct or indirect, of this group of activities, therefore, depreciation has been funded at the income statement level.

#### **The costs and benefits of funding the group of activities distinctly from other activities**

The benefit of funding Council's coastal structures separately from other activities is that predominantly those who directly use the major facilities (e.g. marinas and ports) will contribute to their funding.

Capital costs are to be funded from borrowing with rates set at a level to cover interest costs and loan repayments. Council considers that borrowing is the appropriate funding method that will most efficiently achieve inter-generational equity.

Council has the appropriate systems in place to separately identify the charges and costs of these activities. Council considers that the most appropriate method to recover the public benefit component is general rate (rate in the dollar based on capital value) and considers the most appropriate method to recover the private portion is fees and charges.

**The extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the group of activities**

People who are using the coastal structures or who own assets that need protecting by structures are creating the need for the Council to undertake work. It is considered appropriate for these people to fund this work through user charges or targeted rates.

**Period in which the benefits are expected to occur**

The coastal structures will provide long-term benefit to the community.

Funding	Operating	Capital
General Rates	Yes	Yes
Targeted Rates	Yes	Yes
Lump Sum Contributions		Yes
Fees and Charges	Yes	Yes
Interest and Dividends from Investments (Sundry Income)	Yes	Yes
Borrowing		Yes
Proceeds from Asset Sales		Yes
Development Contributions		
Financial Contributions under the Resource Management Act 1991		
Grants and Subsidies		

## Engineering (cont.)

### Funding Impact Statements and Funding Sources for the Group of Activities

Coastal Structures	2011/2012 Budget \$	2012/2013 Budget \$	2013/2014 Budget \$	2014/2015 Budget \$	2015/2016 Budget \$
<b>SOURCES OF OPERATING FUNDING</b>					
General rates, uniform annual general charge, rates penalties	416,045	547,814	444,340	724,017	762,827
Targeted rates (other than a targeted rate for water supply)	131,204	134,129	136,042	123,773	125,766
Subsidies and grants for operating purposes	-	-	-	-	-
Fees, charges and targeted rates for water supply	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	797,430	784,100	870,566	898,093	928,258
<b>TOTAL OPERATING FUNDING</b>	<b>1,344,679</b>	<b>1,466,043</b>	<b>1,450,948</b>	<b>1,745,883</b>	<b>1,816,851</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>					
Payments to staff and suppliers	311,930	1,086,358	401,105	647,502	426,756
Finance costs	499,485	330,027	365,339	441,877	482,510
Internal charges and overheads applied	90,795	157,661	160,220	175,892	176,282
Other operating funding applications	-	-	-	-	-
<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	<b>902,210</b>	<b>1,574,046</b>	<b>926,664</b>	<b>1,265,271</b>	<b>1,085,548</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING</b>	<b>442,469</b>	<b>(108,003)</b>	<b>524,284</b>	<b>480,612</b>	<b>731,303</b>
<b>SOURCES OF CAPITAL FUNDING</b>					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	(135,325)	(45,467)	1,022,838	1,026,676	(432,925)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	<b>(135,325)</b>	<b>(45,467)</b>	<b>1,022,838</b>	<b>1,026,676</b>	<b>(432,925)</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	89,495	378,870	1,426,243	1,473,307	51,739
- to replace existing assets	340,000	41,520	5,382	5,560	99,108
Increase (decrease) in reserves	(122,351)	(573,860)	115,497	28,421	147,531
Increase (decrease) in investments	-	-	-	-	-
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	<b>307,144</b>	<b>(153,470)</b>	<b>1,547,122</b>	<b>1,507,288</b>	<b>298,378</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING</b>	<b>(442,469)</b>	<b>108,003</b>	<b>(524,284)</b>	<b>(480,612)</b>	<b>(731,303)</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Coastal Structures	2016/2017 Budget \$	2017/2018 Budget \$	2018/2019 Budget \$	2019/2020 Budget \$	2020/2021 Budget \$	2021/2022 Budget \$
<b>SOURCES OF OPERATING FUNDING</b>						
General rates, uniform annual general charge, rates penalties	798,232	774,006	642,855	631,137	670,820	697,056
Targeted rates (other than a targeted rate for water supply)	127,928	130,138	132,397	134,705	137,065	139,477
Subsidies and grants for operating purposes	-	-	-	-	-	-
Fees, charges and targeted rates for water supply	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	959,490	989,975	1,021,456	1,055,945	1,093,682	1,132,819
<b>TOTAL OPERATING FUNDING</b>	<b>1,885,650</b>	<b>1,894,119</b>	<b>1,796,708</b>	<b>1,821,787</b>	<b>1,901,567</b>	<b>1,969,352</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>						
Payments to staff and suppliers	454,539	650,041	471,863	522,794	726,866	539,638
Finance costs	473,989	462,037	452,032	404,201	386,005	351,667
Internal charges and overheads applied	183,500	195,361	193,192	202,222	215,678	214,224
Other operating funding applications	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	<b>1,112,028</b>	<b>1,307,439</b>	<b>1,117,087</b>	<b>1,129,217</b>	<b>1,328,549</b>	<b>1,105,529</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING</b>	<b>773,622</b>	<b>586,680</b>	<b>679,621</b>	<b>692,570</b>	<b>573,018</b>	<b>863,823</b>
<b>SOURCES OF CAPITAL FUNDING</b>						
Subsidies and grants for capital expenditure	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-
Increase (decrease) in debt	(247,795)	(491,976)	(491,976)	(339,218)	(471,257)	(469,487)
Gross proceeds from sale of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	<b>(247,795)</b>	<b>(491,976)</b>	<b>(491,976)</b>	<b>(339,218)</b>	<b>(471,257)</b>	<b>(469,487)</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>						
Capital expenditure						
- to meet additional demand	-	-	-	-	-	-
- to improve the level of service	244,181	6,182	6,429	140,820	7,008	7,330
- to replace existing assets	125,069	43,830	6,429	6,706	7,007	153,926
Increase (decrease) in reserves	156,577	44,692	174,787	205,826	87,746	233,080
Increase (decrease) in investments	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	<b>525,827</b>	<b>94,704</b>	<b>187,645</b>	<b>353,352</b>	<b>101,761</b>	<b>394,336</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING</b>	<b>(773,622)</b>	<b>(586,680)</b>	<b>(679,621)</b>	<b>(692,570)</b>	<b>(573,018)</b>	<b>(863,823)</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



# Engineering (cont.)

## iii. Water Supply

### What we do

This group of activities comprises the provision of potable water (i.e. water suitable for use and consumption by people) to properties within 16 existing water supply areas (known as the urban water club) in the Tasman District. The 16 water supply areas, which Council owns operates and maintains, consists of 11 urban water supply schemes, three rural supply schemes and two community schemes.

The Council's network is extensive and growing rapidly. At present the network comprises approximately 660km of pipeline, 34 pumping stations, 11,400 domestic connections and 44 reservoirs and break pressure tanks with a capacity of approximately 18,330 cubic metres of water. In addition, Council manages the Wai-iti water storage dam to provide supplementary water into the Lower Wai-iti River and aquifer. This enables sustained water extraction for land irrigation at times of low river flows.

### Why we do it

By providing ready access to high quality drinking water, Council is primarily protecting public health. It is also facilitating economic growth and enabling the protection of property through the provision of an adequate fire fighting water supply. The service provides many public benefits and it is considered necessary and beneficial to the community that the Council undertakes the planning, implementation and maintenance of water supply services in the District.

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

## Contribution to Community Outcomes

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

The water supply activities contribute to the community outcomes as detailed below.

Community Outcomes	How Our Activity Contributes to the Community Outcome
Our unique natural environment is healthy and protected	All water in the Council-owned schemes is taken from the environment. This activity can be managed so the impact of the water take does not prove detrimental to the surrounding environment.
Our urban and rural environments are pleasant, safe and sustainably managed.	The water supply activity is a service to the community providing water that is safe to drink and is efficiently delivered to meet customer needs. It also provides a means for fire fighting consistent with the national fire fighting standards.
Our infrastructure is safe, efficient and sustainably managed.	The water activity is considered an essential service that should be provided to all properties within water supply network areas in sufficient capacity and pressure. This service should also be efficient and sustainably managed.

## Our goal

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

## Key Issues

### Motueka Water Supply

In the Ten Year Plan 2009-2019 Council planned to provide a reticulated water supply to Motueka township. Motueka is the largest town in New Zealand not supplied with a reticulated water supply. Only around a third of the town currently has a reticulated water supply, with the remainder of the properties extracting water from private bores.

## Engineering (cont.)

The purposes of the water reticulation scheme would be to:

- Reduce the potential public health risk associated with bore water use.
- Significantly improve the fire fighting capacity in the residential and commercial areas of the town.
- Provide high quality water to all users in the township making sure water is available when and where it is needed.
- Ensure there is adequate water available for the long term residential, commercial and industrial needs of the growing Motueka community.

At the time when the Ten Year Plan was produced, we noted the potential to receive a Government subsidy to offset some of the costs of the project on the community. Council decided to proceed with the project only if it received a satisfactory Government subsidy. Late in 2011 Council was advised that the application was not successful. Council has, therefore, deferred the project in this Long Term Plan to start around 2021 when it will consider re-applying for a Government subsidy and undertaking further consultation with the Motueka community on any proposed scheme. The cost of the project is in the order of \$25 million with \$9.88 million included within the 10 year period. In the meantime, Council will continue to monitor public health risks associated with bore water use and will review the Motueka Water Supply project scope with a view to reducing the cost of the work and the projected level of debt associated with the project.

### **Waimea Basin water source**

The Waimea Basin is a good quality but limited groundwater resource. There is a high demand for water in the area and the sustainable allocation limit is already over allocated. This is leading to an increase in the incidents of water rationing and in drought times can lead to flows in the Waimea River that drop below what is needed for environmental flows.

The Lee Valley Dam is being investigated as a potential solution to these issues. It appears to be an option to deal with the wider Waimea Basin and Council water supply issues. If a means to resolve these issues is not found, there is the possibility of reduced water takes and constraints on growth in the Waimea and Richmond settlements.

### **Lee Valley Dam**

Council is considering being involved in the Lee Valley Dam construction project proposed by the Waimea Water Augmentation Committee. The cost of the dam is in the order of \$41.6 million (in 2010 dollars). This is the most significant and expensive capital works project being planned in the Tasman District over the coming 10 years. It is important for all members of the community to be aware of the project, the implications of proceeding with it and the implications if the project does not proceed. Due to the importance of the project, a separate section outlining details of the project is included in this Long Term Plan - refer to pages 45-53 of this document.

### **Coastal Tasman pipeline**

The Coastal Tasman pipeline is a major capital expenditure project planned to improve the water supply capacity to Mapua and to facilitate growth in the Coastal Tasman Area (CTA). Growth in Mapua is currently constrained with only very limited new connections being allowed on to the water supply system. Water supply is the limiting factor to growth in Mapua, so once an improved supply is available growth will be able to occur.

The key issue is the upfront investment in the CTA pipeline infrastructure and the affordability for ratepayers of providing the pipeline. Construction of the pipeline is programmed to commence in 2018 and be completed around 2022. The cost of the project is in the order of \$38 million with \$23.8 million included within the 10 years of this Plan. Over the coming years Council will review the scope, timing and options for the CTA pipeline project,

including the impact of the Lee Valley Community Dam, alternative water supply, and a review of the demand and supply of water in the wider Mapua/Ruby Bay/Tasman/Dovedale/Moutere area, and projected growth, to reduce the costs of the project and associated levels of debt.

### **New Richmond water treatment plant**

Richmond is currently fed from two water sources. Council has programmed the construction of a new water treatment plant in Richmond, where both the Waimea and Richmond sources will be blended. The blending of the supplies is needed to meet the Government's new drinking water standards, as the Richmond supply does not currently meet the desirable nutrient content under the standard and blending of the supplies will achieve this requirement. Construction of the treatment plant is planned to occur from 2012 to 2015. The cost of the project is in the order of \$9.42 million.

### **New drinking water standards**

The Health (Drinking Water) Amendment Act 2007 (HDWAA) now makes it mandatory for councils to comply with the Government's drinking water standards. This change will mean that the cost of providing water to residents and businesses will increase significantly over the coming 10 years. Improvements to the water supplied to residents will mean an increase in the level of service provided. While most supplies in the District obtain water from good quality groundwater sources, they are currently not meeting the standards. The main reason for non-compliance is a lack of protozoa treatment at the treatment plants, which is required under the standards no matter what the quality is of the source water. The HDWAA also requires the completion and implementation of Public Health Risk Management Plans (PHRMPs) for all Council water supplies. These must be completed by specific dates.

Council has completed PHRMPs for several water supply schemes and has a programme in place to complete the rest in advance of the deadlines in the legislation. Council

has budgeted \$1.08 million over the next 10 years to prepare PHRMPs for the supplies that do not already have them. The PHRMPs outline what work is required to reduce public health risks within the schemes and to meet and maintain compliance with the Drinking Water Standards New Zealand (DWSNZ).

If these projects and other water supply projects proceed the daily water charge will increase from 61.81 cents to \$1.10 during the 10 year period and the volume charge will increase from \$1.87 to \$2.91. These projects and other water supply projects will also contribute to an increase in Council's debt by \$56.2 million over the 10 year period. This includes an increase in development contributions loans of \$6.42 million.

In this Long Term Plan Council has programmed, at considerable cost, upgrades of all remaining urban water treatment plants not currently meeting the DWSNZ during the coming 10 years. The Pohara water supply upgrade has been delayed for a few years as improvements made to the water supply following the December 2011 rainfall event mean that the full upgrade to meet drinking water standards is less urgent. The three rural water supply schemes, however, are not covered by the upgrades and may be upgraded after the next 10 years if affordable methods of treatment can be found.

### **Rural water supplies**

Council's rural water supplies, including Dovedale, Redwood Valley and Eighty Eight Valley are virtually all fully allocated. There are some projects planned that will provide some capacity improvements. These projects, however, will provide only minimal improvements. There is little capacity to cope with any significant additional demand. Council has closed these water supplies to new connections.

## Engineering (cont.)

### Low flow restricted water supply rates

The low flow restricted water supply rates are also planned to increase substantially during the 10 year period. The annual rate is currently \$344.15 for supply of one m<sup>3</sup> a day. This rate has only been increased by inflation for the last three years. The rates collected are now not covering the costs for operating the water supply systems. The low flow restricted water supplies are provided from extensions to the urban water supplies, therefore, the cost of water for both types of supplies should be aligned. In past years the low flow restricted water supplies have received a 10 percent discount to reflect that customers water is supplied to a tank, is not supplied on demand or at pressure and it generally has to be pressurised by the customer. Several submitters on the Draft Long Term Plan commented that the 10 percent discount should be increased. Council has decided to increase the discount to 20 percent, which means that customers on low flow restrictors will pay 80 percent of the cost of water per unit to those customers on urban water supplies. Council noted that low flow restrictor customers do not pay the daily charge that urban supply customers have to pay, which effectively provides the low flow restrictor customers with an even greater discount than is reflected in the 80 percent figure. It is planned to increase the low flow restrictor charge from \$344.15 in 2011/2012 to \$546.91 in 2012/2013, and then to \$849.92 by the end of the 10 year period. The 2012/2013 increase reflects the fact that the Industrial Water Users dispute was not resolved by 30 June 2012, however, it has assumed the Industrial Water Users will be paying the same amount as urban supply customers from 2013/2014 onwards.

### Meeting growth needs

There are a number of water supply projects planned that are driven fully or partially by the need to cater for future growth. Council applies development contributions to these projects so that developers meet the cost of the growth component of the projects, rather than ratepayers. The cost of development contributions can act as a disincentive for growth. The combined

effect of all the contributions has led to the water supply development contribution being forecast to decrease from \$7,145 to \$6,596.

### Pohara water supply to join the urban Water Club

Council has decided that the Pohara water supply should be included in the "Urban Water Club".

The Pohara water supply provides water to the Pohara Valley residents and the camping ground. The water supply was constructed to service the Tarakohe cement workers village located in the Pohara Valley. Council gained ownership of the scheme following the closure of the cement works.

The Pohara water supply is tested in accordance with the New Zealand Drinking Water Standards, however, full compliance is not achieved.

The Pohara water supply has its own separate closed account. There are only 51 connections on the water supply. Consumers pay the same water rate as all other metered consumers, which means that there are insufficient funds to pay the loan, interest, and operations and maintenance costs. Following the installation of a new reticulation main from the Pohara Valley to secure supply to the Pohara camping ground, the account was in deficit by \$394,783 as at 30 June 2011.

There will be a minimal change to consumers on the Pohara water supply, which will be in line with the change to all Urban Water Club members. The present debt in the Pohara water account will be absorbed into the Urban Water Club account for all urban water users to repay. As there are a large number of ratepayers in the Urban Water Club over which to spread the Pohara deficit, this change will lead to only a slight increase in the water rate for all Urban Water Club members.

### **Water supply agreements with Nelson City Council and Industrial Water Users**

A new services agreement is planned between Nelson City Council and Tasman District Council, for the supply of water to Nelson City ratepayers in the area of Champion Road, Garin College and the Wakatu Industrial Estate. Tasman District Council currently supplies water to these users, but under individual supply arrangements. The individual supply agreements are likely to continue until a new agreement can be negotiated between the two Councils. Further consultation on this may be needed. The proposed agreement is for Council to supply water to Nelson City Council, rather than to individual residents and businesses. If this approach proceeds, Nelson City Council will be responsible for the supply of water directly to its ratepayers who are currently supplied by Tasman District Council. The cost of the water supply from Tasman District Council to Nelson City Council is proposed to be the same as to rating units with a metered connection in Richmond.

In the meantime, the charges for water supplied by the Council to rating units in Nelson City (per cubic metre supplied) will be \$1.87 for 2012/2013 (2011/2012 \$1.73). In addition, these properties are charged a fixed daily amount of 61.81 cents per day for 2012/2013 (2011/2012 59.67 cents per day.)

The water supply agreements between Council and Nelson Pine Industries Limited, ENZA Foods New Zealand Limited and Alliance Group Limited (Industrial Water Users) expired on 30 June 2010. Council and these Industrial Water Users have not agreed on the terms of water supply beyond the expiry date and that dispute is going to arbitration. The Industrial Water Users currently pay the Council 40.79 cents per cubic metre of water supplied.

Council had intended in the Draft Long Term Plan to set the same rates in relation to the rating units owned by Nelson Pine Industries Limited as it does for other rating

units with a metered connection in Richmond. Council had also proposed that Nelson City Council take over responsibility for the supply of water to all properties within Nelson City currently supplied with water by Tasman District Council, including ENZA Foods New Zealand Limited and Alliance Group Limited, with the cost of the water supply from Tasman District Council to Nelson City Council being the same as for rating units with a metered connection in Richmond.

However, Council's dispute with the Industrial Water Users was unable to be resolved by 30 June 2012 so that users pay the same charges for water as owners of rating units with a metered connection in Richmond. This has resulted in Council needing to set, in this final Plan, the higher of the potential water rates and charges that were outlined in the Draft Long Term Plan. This means that the water rates for low-flow restricted water supplies are also at the higher level.

For the final Plan Council has assumed the Industrial Water Users will be paying the same cost as other water users from 2013/2014 onwards.

## Engineering (cont.)

Our level of service – What the Council will do and how we will measure performance over the 10 years from 2012-2022

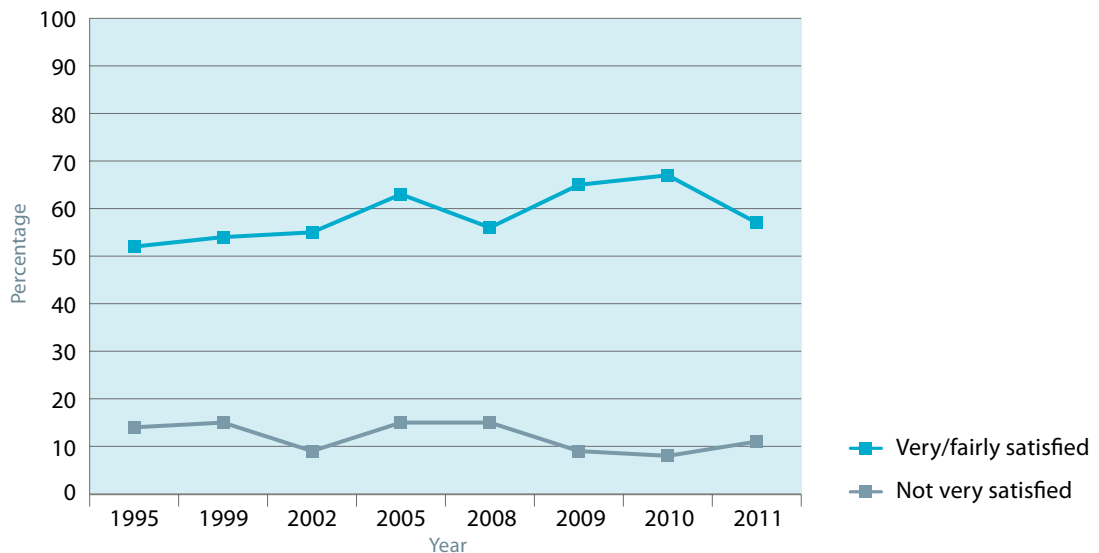
Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance
1. Our water takes are sustainable.	All water takes have resource consents. All resource consents are held in Confirm.	Actual = 100% A current resource consent is in place for each water take. No abatement notices had been received for breach of resource consent conditions.
2. Our use of the water resource is efficient.	Water demand management plans are in place for each water scheme - as measured by having a Demand Management Plan.	Actual = Five out of 16. Demand Management Plans are in place for Richmond, Brightwater/ Hope, Wakefield, Mapua/Ruby Bay and for Waimea.
3. Our water is safe to drink.	Number of temporary advisory notices issued to boil water - as issued in consultation with the Medical Officer of Health.	Actual = Two. Motueka due to a bacterial contamination and Pohara due to plant failure. There is a permanent notice in place at Dovedale, which is not covered in the targets as it is permanently in place.
	There are no bacterial non-compliances for water supplies - as measured by water sampling and analysis to meet DWSNZ, recorded in Water Information New Zealand.	Actual = Five Bacterial contamination - three transgressions were recorded for <i>E.coli</i> . Plant - two transgressions were recorded for <i>E.coli</i> . Council carries out water compliance testing on all of its public water supplies to DWSNZ: 2005 (revised 2008). If a transgression occurs, further samples are taken and an investigation begins.
4. Our water supply systems provide fire protection to a level that is consistent with the national standard.	Our water supply system's provide fire protection to a level that is consistent with the national standard. Urban water supply systems are able to meet FW2 standard Code of Practice for Fire Fighting Water Supplies - as measured through hydraulic modelling, revised biennially.	Actual = 90%. Nine out of 10 urban systems fully comply with fire fighting capability. The vast majority of Richmond complies, with the exception of Cropp Place. Rural water supplies and community supplies do not provide fire fighting capacity so are not covered by this performance measure, however, a reticulated fire fighting scheme for the central business district in Takaka was completed in 2011 and Motueka has a network of fire wells which provide a limited fire fighting service.
5. Our water supply activities are managed at a level that the community is satisfied with.	% of customers are satisfied with the water supply service - as measured through the annual residents' survey.	Actual = 86% The Communitrak™ survey was undertaken in May/June 2011. 86% of receivers of the service were found to be satisfied with the service they receive. – refer figure 5.
6. Our water supply systems are built, operated and maintained so that failures can be managed and responded to quickly.	% of faults remedied to within contract timeframes (e.g. Emergency = service restoration and four hours. Urgent = service restoration in one working day) - as recorded through Council's Confirm database.	Actual = 97%. The operations and maintenance contractor is required to meet a target of 90% of faults to be responded to and fixed within specified timeframes. The figure reported here relates to completion within the final completion timeframe. More detailed response timeframes are monitored through contract 688.



We will know we are meeting the Level of Service if...	Forecast Performance			
	Year 1	Year 2	Year 3	By Year 10
All water takes have resource consents. All resource consents are held in Confirm.	100%	100%	100%	100%
Water demand management plans are in place for each water scheme - as measured by having a Demand Management Plan.	Six out of 16	Eight out of 16	10 out of 16	12 out of 16
Number of temporary advisory notices issued to boil water - as issued in consultation with the Medical Officer of Health.	0	0	0	0
There are no bacterial non-compliances for water supplies - as measured by water sampling and analysis to meet DWSNZ, recorded in Water Information New Zealand.	0	0	0	0
Our water supply systems provide fire protection to a level that is consistent with the national standard. Urban water supply systems are able to meet FW2 standard Code of Practice for Fire Fighting Water Supplies - as measured through hydraulic modelling, revised biennially.	90%	90%	90%	100%
% of customers are satisfied with the water supply service - as measured through the annual residents' survey.	80%	80%	80%	85%
% of faults remedied to within contract timeframes (e.g. Emergency = service restoration and four hours. Urgent = service restoration in one working day) - as recorded through Council's Confirm database.	>90%	>90%	>90%	>90%

## Engineering (cont.)

Figure 5. Satisfaction with Water Supply



### Major activities

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

### Key assumptions and uncertainties

The most significant assumptions and uncertainties that underlie the approach taken for this group of activities are:

- a) A reasonable degree of reliability can be placed on the population and other growth projections that have been used as forecast assumptions for the priorities in the Water Supply group of activities. However, these are projections and need to be carefully tracked to ensure that they continue to be a reliable indicator of likely future trends.
- b) That Council has adequate knowledge of its assets to adequately forecast planned renewal works to meet the proposed levels of service.
- c) That the level of funding held in Council's disaster fund reserves and available from insurance claims will be adequate to cover reinstatement following emergency events.
- d) That the capital project cost estimates are sufficiently accurate to determine the required funding level.
- e) That there will be no major changes in legislation or policy.
- f) That Council will be granted resource consents for key capital works projects, including consent to abstract water from the Motueka aquifers to supply Motueka, Mapua and the CTA areas, and renewal of existing resource consents for existing assets.
- g) That Council will be able to purchase land to undertake the capital works projects.
- h) That the Lee Valley Dam will proceed and Council will be able to increase its water allocations on the Waimea Plains, including the allocation for water supply purposes.
- i) That Council will be granted a subsidy to help fund the proposed Motueka water supply when it reapplies towards the end of the 10 year period.
- j) That Council will be able to find and develop new water sources of sufficient quality and quantity to meet the needs of Richmond and Wakefield.
- k) The New Zealand Fire Service Fire Fighting Water Supplies Code of Practice 2003 was updated in 2008. Where the network met the 2003 fire fighting standard, it has been assumed that the same areas meet the updated 2008 fire fighting standard.

- l) That there is likely to be reducing demand per water connection due to water conservation and water cost increases, therefore, Council has decided to budget to sell less water per connection.
- m) That the dispute with the Industrial Water Users will be resolved during the later half of 2012 so that the charges to those industries for water will be the same as to those with rating units with metered connections in Richmond from 2013/2014 onwards.

### New capital expenditure

The following table details the major capital and renewal work programmed for the years 2012 - 2022. A full list of projects and programmes for when the work is planned to be completed is included in Appendix F of the Water Supply Activity Management Plan.

In addition to the major projects outlined in the table there are ongoing pipeline, value, telemetry, water meter, and restrictor renewals occurring throughout the 10 years, which are planned to cost millions of dollars during the period.

Activity	2012/2013 - 2014/2015 Years 1 - 3	2015/2016 - 2021/2022 Years 4 - 10
Brightwater water treatment plant upgrade to meet DWSNZ (2016-2019)	\$0	\$1,165,142
Brightwater - Factory Road water main replacement (2017/2018)	\$0	\$477,371
Brightwater - SH6/Ranzau Road/Three Brothers Corner main replacement (2020-2022)	\$0	\$1,027,243
Collingwood water treatment plant upgrade to meet DWSNZ (2015-2017)	\$0	\$679,197
CTA/Coastal Pipeline (2018-2022)*	\$0	\$23,784,343
Kaiteriteri/Riwaka water treatment plant upgrade to meet DWSNZ (2015-2017)	\$56,905	\$935,809
Mapua - Aranui Road Main replacement (2015-2017)	\$0	\$1,047,217
Motueka township water reticulation** (2020-2024)	\$0	\$9,883,679
Motueka - replacing pipes along Thorpe Street (2019-2021)	\$0	\$2,273,476
Motueka - High Street South main renewal (2020-2022)	\$0	\$586,044
Motueka water treatment plant upgrade to meet DWSNZ (2013-2015)	\$1,198,224	\$0
Murchison water treatment plant upgrade to meet DWSNZ (2012-2014)	\$626,810	\$0

## Engineering (cont.)

Activity	2012/2013 - 2014/2015 Years 1 - 3	2015/2016 - 2021/2022 Years 4 - 10
Richmond Major Projects:		
• Reticulation renewals - Talbot Street (2013/2014) & McGlashen Avenue (2016/2017), Cambridge Street/Wensley Road (2015/2016), William & Gilbert Streets (2014/2015)	\$1,096,564	\$676,474
• Queen Street water main replacement (2014-2017)	\$209,210	\$1,981,956
• Lower Queen Street upsizing & replacing water main (2015-2017)	\$0	\$929,889
• Fauchelle Avenue, Darcy Street, Florence Street main replacement (2015/2016)	\$0	\$1,093,633
• Water treatment plant upgrade to meet DWSNZ (2012-2015)	\$9,417,092	\$0
• New ground water source, well field & main to treatment plant throughout 10 years	\$31,705	\$89,148
• Seismic strengthening of reservoirs (2012/2013)	\$269,880	\$0
• Richmond East reservoir & pipeline (2012/2013)	\$1,245,600	\$0
Pohara water treatment plant upgrade to meet DWSNZ (2015/2016)	\$481,206	\$0
Wakefield - new water source & treatment plant (2015-2017)	\$184,736	\$4,977,232
Wakefield & 88 Valley restructuring the supply areas (2013/2014 & 2021/2022)	\$108,898	\$556,151

\* The CTA / Coastal Tasman pipeline project is subject to a scope, timing and cost review with a view to reducing the cost of this project.

\*\* Note that a final decision on whether the Motueka water supply and reticulation project proceeds is dependent on the receipt of a satisfactory Government subsidy for the project and further public consultation. Council proposes to review the scope, timing and cost of the project with a view to reducing its cost.

### Significant negative effects

There are a number of potential negative effects from the group of activities. These include:

- The costs of providing the services. Council uses competitive tendering processes to achieve best value for money for works it undertakes.
- Water is abstracted from rivers and groundwater sources. The removal of water from the natural environment can impact on the environment and can result in the water being unavailable for other uses such as irrigation or recreation. Water abstraction from rivers may add strain on the river systems.
- The installation of water supply infrastructure can cause disruption to local communities. The works can impact on traffic flow and business, and cause nuisance, noise, dust and visual impact. Shutdowns may result in properties not receiving water during the day.

- Potential to affect historic and wahi tapu sites. Council undertakes consultation with affected parties prior to undertaking works. Council also maintains a record of known heritage sites.
- Water restrictions can have a large impact on commercial and industrial businesses that rely on using water for their production. Residential customers may also be affected through restrictions on watering gardens.
- Malfunctions of water assets can cause disruption to supply. This is frustrating to the local community and businesses relying on the supply.
- Chemicals are used in water treatment plants. If these chemicals are not used correctly they have the ability to damage the environment.

### Significant positive effects

There are many positive effects from this group of activities including:

- Safe drinking water supplies provide public health benefits.
- Provision and maintenance of water supplies allows for the development of commercial businesses, industry and residential use, therefore, contributing to economic growth and prosperity in the District.
- The majority of Council's urban water supply network is built to accommodate fire fighting requirements.
- Council's management of the Water Supply activities uses best practice and competitive tendering to provide value for money for ratepayers and provides jobs for contractors.

### Revenue and Finance Policy - Water Supply section

#### **Impact on the current/future social, economic, environmental and cultural wellbeing of the community**

Water is a necessity of life and the supply of water has a significant positive impact on the social, economic and environmental wellbeing of the community, particularly through the public health benefits of providing safe drinking water, and through the economic benefits of having an urban fire fighting water supply and enabling the economic development within settlements.

#### **Beneficiaries of the group of activities**

Council considers the beneficiaries of these activities are all households and commercial operators connected to the supply and the general public.

#### **Distribution of benefits**

The benefits of these activities apply indirectly to the whole community and those who are connected to each scheme. While there are wider community and environmental benefits relating to the availability of a high quality supply of potable and irrigation water, Council considers that properties that are or will be connected to the water schemes should be solely responsible for funding expenditure.

Therefore for operating costs, it is considered that targeted rates are the most equitable form of funding this activity. A small portion of this rate is funded through general rates.

The water storage component of this activity contributes to maintaining environmental flows in the rivers. Any Council contribution to these flows is likely to be funded primarily from the general rate.

## Engineering (cont.)

Council acknowledges that the sole responsibility for funding of non cash expenses associated with these activities does not lie with the beneficiaries, direct or indirect, of the activities, therefore depreciation has been funded at the income statement level.

### **The costs and benefits of funding these activities distinctly from other activities**

The benefit of funding water supply activities separately from other Council activities is that only those currently or planning to be connected to schemes will be contributing to their funding. Council applies targeted rates for these activities for accountability and transparency to those who fund the schemes.

### **The extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake these activities**

People who are connected to the water schemes are creating the need for the Council to undertake work relating to the availability of a high quality supply of potable water. Council considers it appropriate for these people to fund this work through targeted rates.

Developers who are adding to the demands placed on schemes which require Council to undertake new capital works related to growth will contribute to these costs through development contributions – refer to the Development Contributions Policy.

### **Period in which the benefits are expected to occur**

The water supply systems that are being implemented over the next 10 years will provide long-term benefit to the community. The duration of benefits is dependent on the ability to gain the necessary resource consents, but is anticipated to be a maximum of 35 years.

Further capital costs are to be funded from borrowing with rates set at a level to cover interest costs and loan repayments. It is considered that borrowing is the funding method that will most efficiently achieve inter-generational equity.

Funding	Operating	Capital
General Rates	Yes	Yes
Targeted Rates	Yes	Yes
Lump Sum Contributions		Yes
Fees and Charges	Yes	Yes
Interest and Dividends from Investments (Sundry Income)	Yes	Yes
Borrowing		Yes
Proceeds from Asset Sales		
Development Contributions		Yes
Financial Contributions under the Resource Management Act 1991		
Grants and Subsidies		Yes



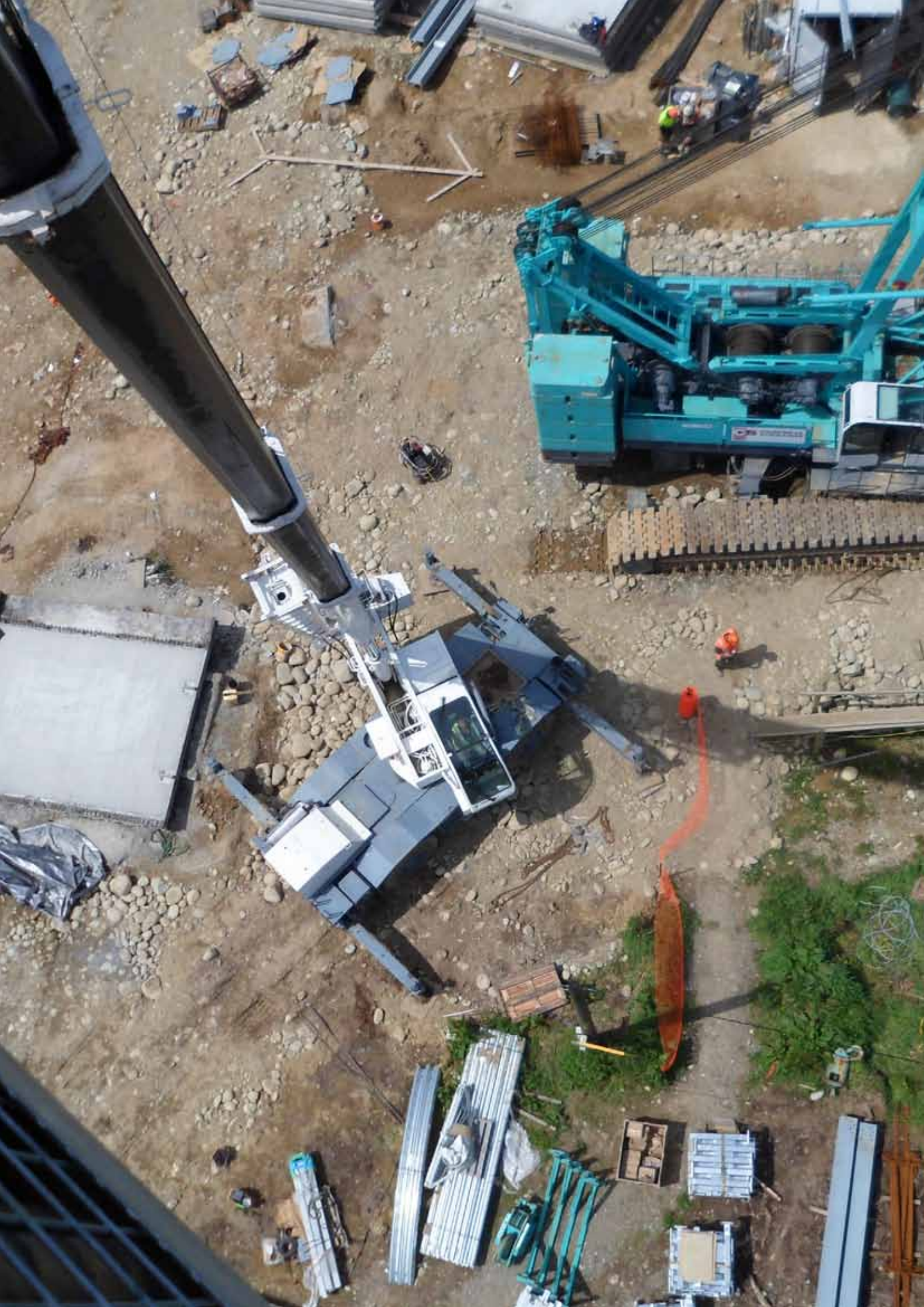
## Engineering (cont.)

### Funding Impact Statements and Funding Sources for the Group of Activities

Water Supply	2011/2012 Budget \$	2012/2013 Budget \$	2013/2014 Budget \$	2014/2015 Budget \$	2015/2016 Budget \$
<b>SOURCES OF OPERATING FUNDING</b>					
General rates, uniform annual general charge, rates penalties	101,650	101,650	101,650	101,650	101,650
Targeted rates (other than a targeted rate for water supply)	1,223,676	1,681,603	1,724,148	1,776,657	1,936,407
Subsidies and grants for operating purposes	-	-	-	-	-
Fees, charges and targeted rates for water supply	5,695,116	5,811,294	6,949,738	7,182,712	8,512,139
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	150,935	334,094	338,531	339,349	340,341
<b>TOTAL OPERATING FUNDING</b>	<b>7,171,377</b>	<b>7,928,641</b>	<b>9,114,067</b>	<b>9,400,368</b>	<b>10,890,537</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>					
Payments to staff and suppliers	4,093,431	3,844,880	4,089,710	4,217,053	4,519,157
Finance costs	1,460,608	1,288,184	1,508,295	1,896,897	2,686,308
Internal charges and overheads applied	508,696	978,662	983,458	1,015,154	1,025,995
Other operating funding applications	-	-	-	-	-
<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	<b>6,062,735</b>	<b>6,111,726</b>	<b>6,581,463</b>	<b>7,129,104</b>	<b>8,231,460</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING</b>	<b>1,108,642</b>	<b>1,816,915</b>	<b>2,532,604</b>	<b>2,271,264</b>	<b>2,659,077</b>
<b>SOURCES OF CAPITAL FUNDING</b>					
Subsidies and grants for capital expenditure	292,701	-	-	-	-
Development and financial contributions	807,028	474,387	505,191	486,709	763,948
Increase (decrease) in debt	2,567,018	1,550,368	4,962,410	5,804,446	2,638,454
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	<b>3,666,747</b>	<b>2,024,755</b>	<b>5,467,601</b>	<b>6,291,155</b>	<b>3,402,402</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>					
Capital expenditure					
- to meet additional demand	312,801	1,245,600	168,997	-	-
- to improve the level of service	2,638,809	2,063,020	5,854,326	7,063,384	1,619,256
- to replace existing assets	1,265,180	526,947	1,285,729	1,375,932	4,356,453
Increase (decrease) in reserves	558,599	6,103	691,153	123,103	85,770
Increase (decrease) in investments	-	-	-	-	-
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	<b>4,775,389</b>	<b>3,841,670</b>	<b>8,000,205</b>	<b>8,562,419</b>	<b>6,061,479</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING</b>	<b>(1,108,642)</b>	<b>(1,816,915)</b>	<b>(2,532,604)</b>	<b>(2,271,264)</b>	<b>(2,659,077)</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Water Supply	2016/2017 Budget \$	2017/2018 Budget \$	2018/2019 Budget \$	2019/2020 Budget \$	2020/2021 Budget \$	2021/2022 Budget \$
<b>SOURCES OF OPERATING FUNDING</b>						
General rates, uniform annual general charge, rates penalties	101,650	101,650	101,650	101,650	101,650	101,650
Targeted rates (other than a targeted rate for water supply)	2,036,951	2,167,516	2,261,857	2,358,009	2,488,106	2,629,082
Subsidies and grants for operating purposes	-	-	-	-	-	-
Fees, charges and targeted rates for water supply	9,087,269	10,022,463	10,585,117	11,416,951	12,222,863	11,650,650
Internal charges and overheads recovered	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	341,413	342,501	343,600	344,748	346,063	347,391
<b>TOTAL OPERATING FUNDING</b>	<b>11,567,283</b>	<b>12,634,130</b>	<b>13,292,224</b>	<b>14,221,358</b>	<b>15,158,682</b>	<b>14,728,773</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>						
Payments to staff and suppliers	4,653,528	4,881,448	5,010,429	5,294,484	5,464,731	5,886,418
Finance costs	3,064,730	3,381,346	3,755,222	4,043,776	4,598,528	5,228,397
Internal charges and overheads applied	1,059,857	1,107,135	1,120,014	1,162,917	1,215,630	1,234,528
Other operating funding applications	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	<b>8,778,115</b>	<b>9,369,929</b>	<b>9,885,665</b>	<b>10,501,177</b>	<b>11,278,889</b>	<b>12,349,343</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING</b>	<b>2,789,168</b>	<b>3,264,201</b>	<b>3,406,559</b>	<b>3,720,181</b>	<b>3,879,793</b>	<b>2,379,430</b>
<b>SOURCES OF CAPITAL FUNDING</b>						
Subsidies and grants for capital expenditure	-	-	-	-	234,255	2,213,554
Development and financial contributions	739,305	763,948	739,305	751,626	745,465	757,787
Increase (decrease) in debt	6,473,989	339,493	5,149,454	6,812,235	5,549,310	11,693,160
Gross proceeds from sale of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	<b>7,213,294</b>	<b>1,103,441</b>	<b>5,888,759</b>	<b>7,563,861</b>	<b>6,529,030</b>	<b>14,664,501</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>						
Capital expenditure						
- to meet additional demand	88,262	342,910	1,075,493	1,332,420	1,005,318	3,730,228
- to improve the level of service	6,566,911	1,651,304	6,815,552	7,667,287	5,590,465	8,521,480
- to replace existing assets	3,268,026	2,302,553	1,334,923	2,229,462	3,760,025	4,704,878
Increase (decrease) in reserves	79,263	70,875	69,350	54,873	53,015	87,345
Increase (decrease) in investments	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	<b>10,002,462</b>	<b>4,367,642</b>	<b>9,295,318</b>	<b>11,284,042</b>	<b>10,408,823</b>	<b>17,043,931</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING</b>	<b>(2,789,168)</b>	<b>(3,264,201)</b>	<b>(3,406,559)</b>	<b>(3,720,181)</b>	<b>(3,879,793)</b>	<b>(2,379,430)</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>







# Engineering (cont.)

## iv. Wastewater and Sewage Disposal

### What we do

Tasman District Council is responsible for the provision and management of wastewater treatment facilities and sewage collection and disposal to the residents of 14 Wastewater Urban Drainage Areas (UDA's). The assets used to provide this service include approximately 380km of pipelines, 3,470 manholes, 74 sewage pump stations, seven wastewater treatment plants and the relevant resource consents to operate these assets (plus Council's 50 percent ownership of the Bell's Island plant, with Nelson City Council).

Tasman District Council owns, operates and maintains 12 sewerage systems conveying wastewater to eight wastewater treatment and disposal plants (WWTPs).

Tasman District Council is a 50 percent owner of the Nelson Regional Sewerage Business Unit (NRSBU). Nelson City Council owns the remaining 50 percent. The NRSBU operates the Bells Island treatment plant which treats wastewater from most of Nelson City, Richmond, Mapua, Brightwater, Hope and Wakefield.

### Why we do it

The provision of wastewater services is a core public health function of local government and is something that the Council has always provided. By undertaking the planning, implementation and maintenance of wastewater and sewage disposal services Council promotes and protects public health within the District.

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

### Contribution to Community Outcomes

Council operates, maintains and improves the wastewater infrastructure assets and services on behalf of the ratepayers. It enhances public health, community well-being and improves the environment by delivering wastewater services.

# Engineering (cont.)

The wastewater and sewage disposal group of activities contribute to the community outcomes as detailed below.

Community Outcomes	How Our Activity Contributes to the Community Outcome
Our unique natural environment is healthy and protected	All wastewater in the Council-owned schemes is treated and discharged into the environment. This activity can be managed so the impact of the discharges does not adversely affect the health and cleanliness of the receiving environment.
Our urban and rural environments are pleasant, safe and sustainably managed.	The wastewater activity ensures our built urban environments are functional, pleasant and safe by ensuring wastewater is collected and treated without causing a hazard to public health, unpleasant odours and unattractive visual impacts.
Our infrastructure is safe, efficient and sustainably managed.	The wastewater activity is considered an essential service that should be provided to all properties within the urban drainage areas in sufficient size and capacity. This service should also be efficient and sustainably managed.

### Our goal

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

### Key Issues

There are several key issues for the Wastewater and Sewage Disposal group of activities over the coming 10 years.

#### Ageing infrastructure

Some of the pipe networks in the District are approaching the end of their useful life. Maximising the economic life of the assets and determining the optimal time for replacement are important challenges. Council undertakes CCTV inspections of assets to help determine the optimal time for replacement.

#### Infiltration into the wastewater network

Stormwater infiltration is a significant issue for some wastewater networks, causing the overloading of networks and wastewater treatment plants during very heavy rainfall events. This may result in occasional overflows from the sewer network, breaches of resource consent conditions and potential public health risks.

### **Infrastructure upgrades causing pan charges to increase**

Council is planning to upgrade the Takaka and Motueka Wastewater Treatment Plant in 2012 - 2014. These treatment plant upgrades along with a large list of other high cost wastewater projects are needed to satisfy resource consents, renew ageing infrastructure and meet projected growth levels. This is leading to forecast wastewater rates (pan charge) increases from \$691.93 to \$1,042.46 over the 10 years and an increase in Development Contributions. The wastewater debt level is also forecast to rise \$13.1 million over the 10 year period, which is in turn causing loan servicing costs to increase. This includes an increase in development contributions loans of \$3.3 million.

### **Infrastructure not included in the 10 years**

Tasman village and Marahau have both been identified as settlements that would benefit from public wastewater systems. These systems are not provided for in the 10 year period covered by this Long Term Plan.

### **Meeting growth needs**

There are a number of projects planned that are driven fully or partially by the need to cater for future growth. Council applies development contributions to these projects so that developers meet the cost of the growth component of the projects, rather than ratepayers. The cost of development contributions can act as a disincentive for growth. The combined effect of all the contributions has led to the wastewater development contribution being forecast to increase from \$5,696 to \$8,118.

### **Nelson Regional Sewerage Business Unit (NRSBU) budgets**

The NRSBU is planning major capital expenditure to upgrade the pipelines to the Bells Island treatment plant in coming years. The wastewater budgets contained in this Long Term Plan contain an allowance for Council's

contribution to the costs of the NRSBU. The budget also contains an estimate of the potential surpluses, which may be returned each year to Council as a NRSBU owner. Council is proposing to use the surpluses, which may range between \$300,000 and \$1.1 million, to pay off wastewater debt, rather than to off-set operating costs. By doing this Council avoids sudden changes in the pan charges if the expected surpluses are not realised. Council also reduces debt levels, which are a concern to the public. If Council's contribution to the costs of the NRSBU is different from the projections, the actual pan charges may vary each year from those contained in this Long Term Plan.

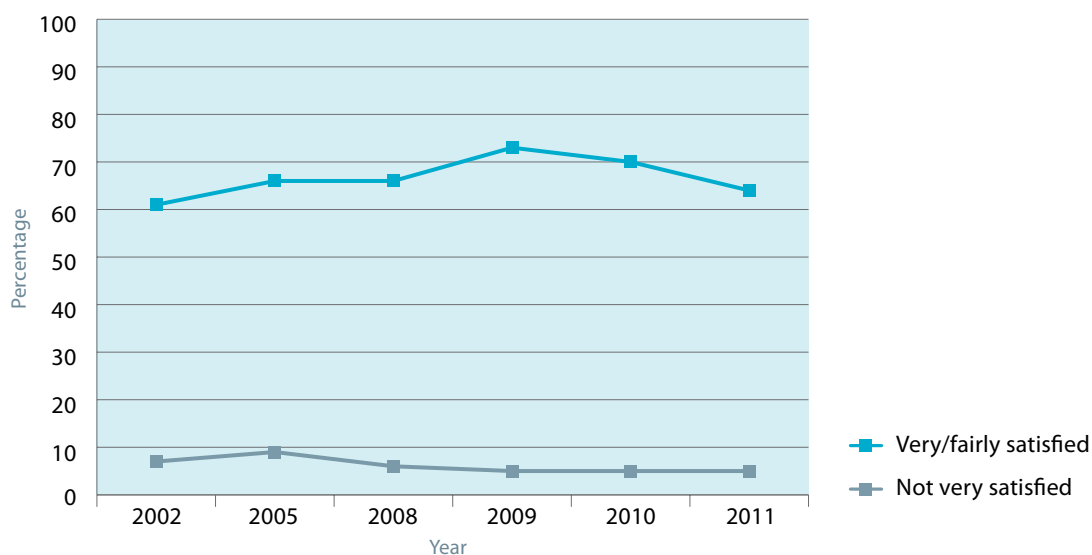
## Engineering (cont.)

Our level of service – What the Council will do and how we will measure performance over the 10 years from 2012-2022

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance	Forecast Performance			
			Year 1	Year 2	Year 3	By Year 10
1. Our wastewater systems do not adversely affect the receiving environment.	All necessary resource consents are held. Resource consent information is held in Council's Confirm database.	Actual = 100% All WWTPs hold all necessary resource consents.	In place	In place	In place	In place
	Number of beach closures or shellfish gathering bans caused by sewer overflows - as recorded in Council's Confirm database.	Actual = 0%	<5	<5	<5	<5
2. Our wastewater systems reliably take our wastewater with a minimum of odours, overflows or disturbance to the public.	Number of complaints relating to our wastewater systems - as recorded in Council's Confirm database.	Actual = 26 (60% noise, 40% odour)	<30	<30	<30	<30
	Number of overflows resulting from faults in Council's wastewater systems.	Actual = 37 overflows (with a total of 380 km this equates to 0.097 overflows per km of sewer)	<1 per km	<1 per km	<1 per km	<1 per km
3. Our wastewater activities are managed at a level that satisfies the community.	% of customers satisfied with the wastewater service - as measured through the annual residents' survey.	Actual = 93% the Communitrak™ residents survey was undertaken in May/June 2011. 93% of receivers of the service were found to be satisfied with the service they received. – refer figure 6.	80%	80%	80%	80%
4. Our wastewater systems are built, operated and maintained so that failures can be managed and responded to quickly.	% of faults responded to within contract timeframes e.g. Emergency = service restoration in four hours. Urgent = service restoration in one working day – as recorded through Council's Confirm database.	Actual = 97%. The operations and maintenance contractor is required to meet a target of 90% of faults to be responded to and fixed within specified timeframes. The figure reported here relates to completion within the final completion timeframe. More detailed response times are monitored through contract 688.	≥ 90%	≥ 90%	≥ 90%	≥ 90%



Figure 6. Satisfaction with Wastewater Services



### Major activities

This group of activities involves ongoing management, maintenance and renewal of Council's wastewater and sewage disposal network, comprising wastewater treatment plants and sewerage collection systems (made up of pipelines, manholes and sewage pump stations).

### Key assumptions and uncertainties

The most significant assumptions and uncertainties that underlie the approach taken for this group of activities are:

- a) A reasonable degree of reliability can be placed on the population and other growth projections that have been used as forecast assumptions for the priorities in the Wastewater and Sewage Disposal group of activities. However, these are projections and need to be carefully tracked to ensure that they continue to be a reliable indicator of likely future trends.
- b) That Council has adequate knowledge of its assets to adequately forecast planned renewal works to meet the proposed levels of service.
- c) That the level of funding held in Council's disaster fund reserves and available from insurance claims will be adequate to cover reinstatement following emergency events.
- d) That the capital project cost estimates are sufficiently accurate to determine the required funding level.
- e) That there will be no major changes in legislation or policy.
- f) That Council will be granted resource consents for key capital works projects and renewal of existing resource consents for existing assets.
- g) That Council will be able to purchase land to undertake the capital works projects.
- h) That the NRSBU business plan forecasts of operating expenditure and surpluses are correct.

## Engineering (cont.)

### New capital expenditure

The following table details the major capital and renewal work programmed for the years 2012 - 2022.

A full list of projects and programmes for when the work is planned to be completed is included in Appendix F of the Wastewater Activity Management Plan.

Activity	2012/2013 - 2014/2015 Years 1 - 3	2015/2016 - 2021/2022 Years 4 - 10
Treatment Plant Upgrades:		
• Motueka (2012-2016)	\$6,515,253	\$1,721,887
• Takaka (2012-2015)	\$4,011,333	\$0
Pohara Valley reticulation (2016-2018) and Pohara/Tata Beach pump station and rising main upgrade (2012-2014 & 2016-2018)	\$1,276,838	\$5,911,621
Tapu Bay pipeline replacement (2013-2017)	\$210,591	\$4,443,928
Continue to progress pipeline renewals across all schemes where pipes are failing:		
• Brightwater pipeline renewals (2016/2017)	\$0	\$120,900
• Mapua/Ruby Bay pipeline renewals (2016/2017)	\$0	\$120,900
• Motueka pipeline renewals (throughout 10 years)	\$1,388,126	\$4,078,386
• Gladstone Road, Richmond pipeline upgrade (2019-2021)	\$0	\$485,962
• Queen Street, Richmond pipeline upgrade (2014-2016)	\$18,124	\$168,667
• Richmond pipeline renewals (throughout 10 years)	\$355,129	\$1,518,527
• Wensley Road, Richmond pipeline upgrade (2014-2016)	\$105,611	\$436,809
• Takaka pipeline renewals (2016/2017 & 2021/2022)	\$0	\$811,874
• Wakefield pipeline renewals (2013/2014)	\$185,735	\$0
Replacement of significant rising mains:		
• Riwaka - Motueka Bridge to Motueka Ponds (2013-2015)	\$652,169	\$0
• St Arnaud to wastewater treatment plant (2018-2020)	\$0	\$1,394,334
Desludging of wastewater treatment plant oxidation ponds in St Arnaud (2019/2020)	\$0	\$408,377
Richmond telemetry renewals and improvements to services (throughout 10 years)	\$727,864	\$2,046,574

Activity	2012/2013 - 2014/2015 Years 1 - 3	2015/2016 - 2021/2022 Years 4 - 10
<b>Pump stations:</b>		
• Brightwater pump station upgrade and rising main replacement (2016-2019)	\$0	\$2,676,574
• Martin Farm Road pump station upgrade (2012/2013 & 2017/2018)	\$55,139	\$329,968
• Aranui Road & Higgs Road five pump station upgrades, storage, electrics (2014-2022)	\$17,155	\$855,377
• Ruby Bay pump station upgrade and storage (2016-2018)	\$0	\$186,363
• Taits, Mapua pump station and rising main upgrade (2014-2017)	\$243,696	\$2,477,526
• Toru Street, Mapua pump station upgrade and storage (2015-2017)	\$0	\$181,443
• Trewavas Street (Price), Motueka pump station upgrade and installation of telemetry (2018-2022)	\$0	\$1,190,545
• Thorp Street (Teece), Motueka pump station renewal of pumps, etc. (2016/2017)	\$0	\$87,093
• New Motueka West pump station and rising mains (2014/2015 & 2017/2018)	\$56,130	\$1,497,911
• Replace Oaks Village (Naumai Street), Motueka pump station (2018-2020)	\$0	\$917,563

### Significant negative effects

There are a number of potential negative effects from the group of activities. These include:

- The costs of providing the services. Council uses competitive tendering processes to achieve best value for money for works it undertakes.
- There could be disruption to the community if the service is not available for prolonged periods.
- If the discharge from wastewater treatment plants does not meet consent conditions, it may result in the degrading of the receiving environment and potential public health risks.
- Odour released from hydrogen sulphide in pipelines or from operational failures at the wastewater treatment plants can be offensive and a nuisance to the public.

## Engineering (cont.)

- Construction activity associated with sewer renewals or construction of new pipelines can generate noise, dust and traffic disruption.
- Overflows can occur from the wastewater network due to blockages or high flows with potential risks to the environment and public health. This can also affect the ability of the public to use and swim at beaches and to gather shellfish.
- Potential to affect historic and wahi tapu sites. Council undertakes consultation with affected parties prior to undertaking works. Council also maintains a record of known heritage sites.

### Significant positive effects

There are positive effects from this group of activities including:

- Public health benefits - spread of diseases is limited and public health improved by having a public wastewater collection and treatment system.
- Wastewater collection and treatment systems minimise environmental impact and water quality problems from discharges which is better for recreation activities and helps protect intrinsic environmental values.
- Council's management of the Wastewater and Sewage Disposal activities uses best practice and competitive tendering to provide value for money for ratepayers and provides jobs for contractors.

### Revenue and Finance Policy - Wastewater section

#### **Impact on the current/future social, economic, environmental and cultural wellbeing of the community**

This group of activities has a significant positive impact on the economic, environmental and social wellbeing of the community. Treatment and disposal of wastewater will protect the health of the community and the environment from adverse effects of untreated and uncontrolled sewage disposal.

#### **Beneficiaries of this group of activities**

Council considers the beneficiaries of these activities to be residents, commercial properties, the general public and visitors to the District.

#### **Distribution of benefits**

The benefits apply indirectly to the whole community and directly to those people who are connected to one of the 12 Council-operated schemes in the District.

While there are wider community and environmental benefits relating to sewage collection and disposal, the Council considers that people who are or will be connected to the wastewater schemes should be solely responsible for funding expenditure to ensure the environment is protected. Council, therefore, considers that targeted rates are the most equitable form of funding the operating costs of these activities. Developers who are adding to the demands placed on schemes, which require the Council to undertake new capital works related to growth, contribute to these costs through development contributions – refer to the Development Contributions Policy.

Council acknowledges that the sole responsibility for funding of non cash expenses associated with this group of activities does not lie with the beneficiaries, direct or indirect, of these activities, therefore, depreciation has been funded at the income statement level.

#### **The costs and benefits of funding these activities distinctly from other activities**

The benefit of funding wastewater distinctly is that only those currently connected, or planning to connect, to schemes will contribute to their funding. Council applies targeted rates for these activities for accountability and transparency to those who fund the schemes.

**The extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the group of activities**

People who are connected to the wastewater schemes are creating the need for these activities and for Council to protect the environment. Council considers it appropriate for these people to fund this work through targeted rates.

**Period in which the benefits are expected to occur**

The sewerage reticulation, treatment and disposal systems that are being implemented over the next 10 years will provide long-term benefit to the community.

The duration of benefits is dependent on the ability to gain resource consents for effluent disposal, but are anticipated to be a maximum of 35 years, with any engineering solution intended to provide future benefits equivalent to the design life of the systems components, which for certain assets is in excess of 70 years.

Capital costs (not funded through development contributions) are to be funded from borrowing with rates set at a level to cover interest costs and loan repayments. Council considers that borrowing is the funding method that will most efficiently achieve inter-generational equity.

Funding	Operating	Capital
General Rates		
Targeted Rates	Yes	Yes
Lump Sum Contributions		Yes
Fees and Charges	Yes	Yes
Interest and Dividends from Investments (Sundry Income)	Yes	Yes
Borrowing		Yes
Proceeds from Asset Sales		
Development Contributions		Yes
Financial Contributions under the Resource Management Act 1991		
Grants and Subsidies		Yes

## Engineering (cont.)

### Funding Impact Statements and Funding Sources for the Group of Activities

Wastewater and Sewage Disposal	2011/2012 Budget \$	2012/2013 Budget \$	2013/2014 Budget \$	2014/2015 Budget \$	2015/2016 Budget \$
<b>SOURCES OF OPERATING FUNDING</b>					
General rates, uniform annual general charge, rates penalties	-	-	-	-	-
Targeted rates (other than a targeted rate for water supply)	8,593,832	9,328,103	9,789,801	10,402,075	11,059,617
Subsidies and grants for operating purposes	-	-	-	-	-
Fees, charges and targeted rates for water supply	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	975,167	673,954	721,670	717,232	748,916
<b>TOTAL OPERATING FUNDING</b>	<b>9,568,999</b>	<b>10,002,057</b>	<b>10,511,471</b>	<b>11,119,307</b>	<b>11,808,533</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>					
Payments to staff and suppliers	5,297,804	5,846,404	6,009,249	6,159,511	6,515,029
Finance costs	1,753,887	1,578,161	1,749,300	2,046,149	2,242,487
Internal charges and overheads applied	927,148	1,146,266	1,154,345	1,190,909	1,202,470
Other operating funding applications	-	-	-	-	-
<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	<b>7,978,839</b>	<b>8,570,831</b>	<b>8,912,894</b>	<b>9,396,569</b>	<b>9,959,986</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING</b>	<b>1,590,160</b>	<b>1,431,226</b>	<b>1,598,577</b>	<b>1,722,738</b>	<b>1,848,547</b>
<b>SOURCES OF CAPITAL FUNDING</b>					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	707,130	613,282	654,168	629,636	973,075
Increase (decrease) in debt	417,609	(95,921)	6,868,206	2,999,914	2,167,389
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	<b>1,124,739</b>	<b>517,361</b>	<b>7,522,374</b>	<b>3,629,550</b>	<b>3,140,464</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>					
Capital expenditure					
- to meet additional demand	-	-	107,641	56,130	126,472
- to improve the level of service	44,541	1,753,463	6,353,306	3,735,927	3,440,087
- to replace existing assets	2,676,124	195,124	2,660,004	1,560,231	1,422,452
Increase (decrease) in reserves	(5,766)	-	-	-	-
Increase (decrease) in investments	-	-	-	-	-
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	<b>2,714,899</b>	<b>1,948,587</b>	<b>9,120,951</b>	<b>5,352,288</b>	<b>4,989,011</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING</b>	<b>(1,590,160)</b>	<b>(1,431,226)</b>	<b>(1,598,577)</b>	<b>(1,722,738)</b>	<b>(1,848,547)</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Wastewater and Sewage Disposal	2016/2017 Budget \$	2017/2018 Budget \$	2018/2019 Budget \$	2019/2020 Budget \$	2020/2021 Budget \$	2021/2022 Budget \$
<b>SOURCES OF OPERATING FUNDING</b>						
General rates, uniform annual general charge, rates penalties	-	-	-	-	-	-
Targeted rates (other than a targeted rate for water supply)	12,085,606	13,038,605	14,182,583	14,287,895	14,665,106	16,250,274
Subsidies and grants for operating purposes	-	-	-	-	-	-
Fees, charges and targeted rates for water supply	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	730,256	761,677	753,370	777,684	792,163	814,228
<b>TOTAL OPERATING FUNDING</b>	<b>12,815,862</b>	<b>13,800,282</b>	<b>14,935,953</b>	<b>15,065,579</b>	<b>15,457,269</b>	<b>17,064,502</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>						
Payments to staff and suppliers	6,824,398	7,106,086	7,791,483	8,098,900	8,485,064	10,171,577
Finance costs	2,484,882	2,922,554	3,269,635	3,066,246	3,031,237	2,918,858
Internal charges and overheads applied	1,240,881	1,295,290	1,310,465	1,359,419	1,419,778	1,441,754
Other operating funding applications	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	<b>10,550,161</b>	<b>11,323,930</b>	<b>12,371,583</b>	<b>12,524,565</b>	<b>12,936,079</b>	<b>14,532,189</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING</b>	<b>2,265,701</b>	<b>2,476,352</b>	<b>2,564,370</b>	<b>2,541,014</b>	<b>2,521,190</b>	<b>2,532,313</b>
<b>SOURCES OF CAPITAL FUNDING</b>						
Subsidies and grants for capital expenditure	-	-	-	-	-	-
Development and financial contributions	932,189	964,897	932,189	940,366	940,366	940,366
Increase (decrease) in debt	5,138,412	7,555,287	(485,830)	687,429	(2,024,477)	127,586
Gross proceeds from sale of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	<b>6,070,601</b>	<b>8,520,184</b>	<b>446,359</b>	<b>1,627,795</b>	<b>(1,084,111)</b>	<b>1,067,952</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>						
Capital expenditure						
- to meet additional demand	119,113	1,745,190	-	80,468	-	97,758
- to improve the level of service	3,209,378	1,930,284	1,663,557	1,520,947	904,299	642,149
- to replace existing assets	5,007,811	7,321,062	1,347,172	2,567,394	532,780	2,860,358
Increase (decrease) in reserves	-	-	-	-	-	-
Increase (decrease) in investments	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	<b>8,336,302</b>	<b>10,996,536</b>	<b>3,010,729</b>	<b>4,168,809</b>	<b>1,437,079</b>	<b>3,600,265</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING</b>	<b>(2,265,701)</b>	<b>(2,476,352)</b>	<b>(2,564,370)</b>	<b>(2,541,014)</b>	<b>(2,521,190)</b>	<b>(2,532,313)</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



## Engineering (cont.)

### v. Stormwater

#### What we do

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

The stormwater sumps and road culvert assets are generally owned and managed under Council's Transportation activity or by the New Zealand Transport Agency, depending upon whether they are located on local roads or state highways. This stormwater activity does not include land drains or river systems, which are covered under Council's Flood Protection and River Control Works activity. Nor does it cover stormwater systems in private ownership.

Council manages its stormwater activities in 16 Urban Drainage Areas (UDA) and one General District Area. The General District Area covers the entire District outside the UDA. Typically these systems include small communities with stormwater systems that primarily collect and convey road run-off to suitable discharge points.

#### Why we do it

Council undertakes the Stormwater activity to minimise the risk of flooding of buildings and property from surface runoff, as opposed to flooding from rivers and streams which is dealt with under the Flood Protection and River Control Works activity. By providing a high-quality stormwater network, Council enables the safe and efficient conveyance and disposal of stormwater from the urban drainage areas, which improves the economic and social well-being of the District by protecting people and property from surface flooding.

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

#### Contribution to Community Outcomes

Council operates, maintains and improves the stormwater infrastructure assets on behalf of its ratepayers. It undertakes to meet the level of service outlined in this Plan to enhance community well-being by reducing the risk of flooding of buildings and property from surface runoff.

The stormwater activities contribute to the community outcomes as detailed below.

Community Outcomes	How Our Activity Contributes to the Community Outcome
Our unique natural environment is healthy and protected	Stormwater arising within urban development areas is controlled, collected, conveyed and discharged safely to the receiving environment. This activity can be managed so the impact of the discharges does not adversely affect the health and cleanliness of the receiving environment.
Our urban and rural environments are pleasant, safe and sustainably managed.	Our stormwater activity ensures our built urban and rural environments are functional, pleasant and safe by ensuring stormwater is conveyed without putting the public at risk or damaging property, businesses or essential infrastructure.
Our infrastructure is safe, efficient and sustainably managed.	The stormwater activity is considered an essential service that should be provided to all properties within urban drainage areas in sufficient size and capacity. This service should also be efficient and sustainably managed.

## Our goal

We aim to achieve an acceptable level of flood protection in each UDA and the remaining General District stormwater areas.

## Key Issues

There are several key issues for the Stormwater group of activities over the coming 10 years.

### Hydraulic modelling required

Council has undertaken hydraulic modelling for the Richmond and Motueka catchments. However, further hydraulic modelling is required for these townships and in other areas of the District so that Council can better understand the stormwater needs of the District's settlements.

### Catchment management planning is needed

Council plans to undertake catchment management plans to enable it to fully understand the impacts of stormwater discharges on receiving environments. This planning work needs to involve the regulatory part of Council which controls discharges into the environment and engineering staff responsible for managing stormwater infrastructure.

## Engineering (cont.)

### **Impact on Council systems of stormwater received from other sources**

There is a lack of policy for the management of stormwater systems owned by others which interface with Council systems, for example stormwater from private land and from state highways managed by the New Zealand Transport Agency.

### **Infrastructure upgrades leading to rates increases**

Council is planning several major stormwater capital works projects over the coming 10 years. Examples of these include: Mt Heslington Drain diversion near Brightwater, upgrading stormwater systems in King Edward Street to Woodland Drain in Motueka, Borck Creek and Poutama Drain in Richmond, Meihana and Commercial Streets pipe upgrade in Takaka and upsizing pipes in Whitby Road to Arrow Street in Wakefield. These and other stormwater projects are needed to address environmental matters by making designs and practices more sustainable, to replace ageing infrastructure, to improve the capacity of the network and to meet growth needs. In order to undertake some of these stormwater projects, Council will need to purchase large amounts of land at a reasonably significant cost. These factors are leading to forecast stormwater urban drainage area rates increases from 0.0474 cents to 0.0891 cents per dollar of capital value over the 10 years. The stormwater debt level is also forecast to rise \$18.99 million over the 10 year period, which is in turn causing loan servicing costs to increase. This includes an increase in development contributions loans of \$5.64 million.

### **Meeting growth needs**

There are a number of projects planned that are driven fully or partially by the need to cater for future growth. Council applies development contributions to these projects so that developers meet the cost of the growth component of the projects, rather than ratepayers. The cost of development contributions can act as a disincentive for growth. The combined effect of all the contributions has led to the stormwater development contribution being forecast to increase from \$3,013 to \$5,149.

### **Land purchases needed**

In order to undertake some of the stormwater capital works projects planned over the 10 years, Council will need to purchase large amounts of land. The costs of this land are reasonably significant.

### **Reservoir Creek Dam**

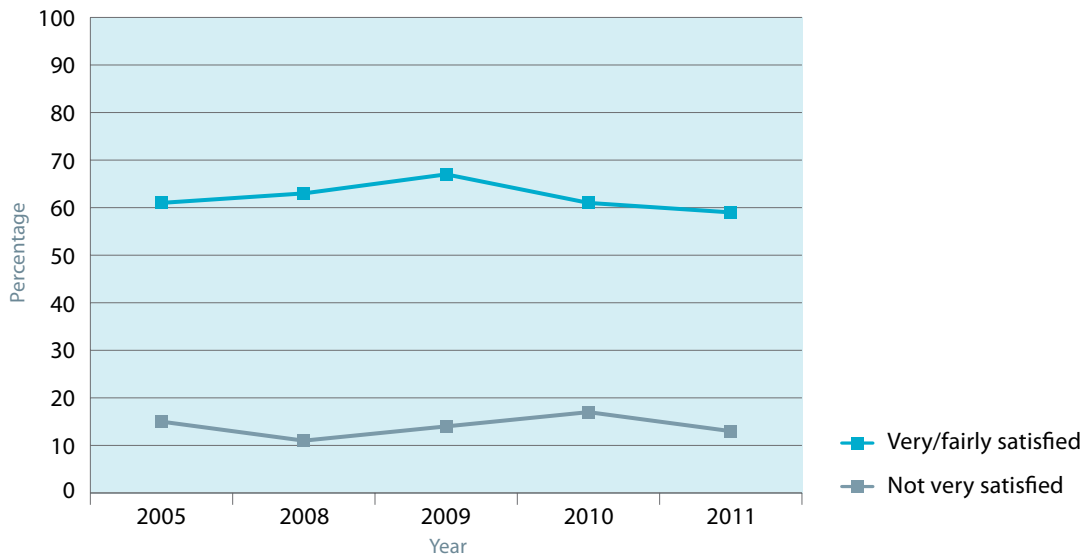
The project to upgrade the spillway on the Reservoir Creek Dam has been brought forward into 2012/2013 as a result of damage done to the spillway through the December 2011 rainfall event.

Our level of service – What the Council will do and how it will measure performance over the 10 years from 2012-2022

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance	Forecast Performance			
			Year 1	Year 2	Year 3	By Year 10
1. Our stormwater systems do not adversely effect or degrade the receiving environment.	Council has resource consents in place for each of the 16 stormwater UDAs. Resource consents are held in Council's Confirm database	Actual = resource consents will be obtained once a stormwater catchment management plan has been developed for each UDA.	0	One out of 16 (Richmond)	Two out of 16 (Richmond & Motueka)	All 16
2. Our stormwater systems collect and convey stormwater safely through urban environments, reducing the adverse effects of flooding on people and residential and commercial buildings.	There are no public complaints to Council of residential or commercial buildings being flooded as a result of failure of Council stormwater systems to cope with the current design capacity (this excludes capacity from rivers and private drainage failure) - as measured through complaints received through Council's customer services and recorded in the Confirm database.	Actual = This is a new measure which is not currently measured. Council needs to ensure this information is adequately recorded in Confirm.	0	0	0	0
3. Our stormwater activities are managed at a level which satisfies the community.	% of customers satisfied with the stormwater service - as measured through the annual residents' survey.	Actual = 81%. The Communitrak™ residents' survey was undertaken in May/June 2011. 81% of receivers of the service were found to be satisfied with the service they received. – refer figure 7.	80%	80%	80%	80%
	Number of complaints relating to health nuisance (odour, mosquitoes, noise, etc) - as measured through complaints received through Council's customer services and recorded in the Confirm database.	Actual = This is a new measure which is not currently measured. Council needs to ensure this information is adequately recorded in Confirm.	< 10 complaints	< 10 complaints	< 10 complaints	< 10 complaints
4. We have measures in place to respond to and reduce flood damage to property and risk to the community within stormwater UDAs.	% of faults responded to within contract timeframes (e.g. priority = clear obstructions in stormwater system in one working day) - as recorded through Council's Confirm database.	Actual = 97%. The operations and maintenance contractor is required to meet a target of 90% of faults to be responded to and fixed within specified timeframes. This is monitored through contract 688.	>90%	>90%	>90%	>90%

## Engineering (cont.)

Figure 7. Satisfaction with Stormwater Services



### Major activities

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

### Key assumptions and uncertainties

The most significant assumptions and uncertainties that underlie the approach taken for this group of activities are:

- A reasonable degree of reliability can be placed on the population and other growth projections that have been used as forecast assumptions for the priorities in the Stormwater group of activities. However, these are projections and need to be carefully tracked to ensure that they continue to be a reliable indicator of likely future trends.
- That Council has adequate knowledge of its assets to adequately forecast planned renewal works to meet the proposed levels of service.
- That the level of funding held in Council's disaster fund reserves and available from insurance claims will be adequate to cover reinstatement following emergency events.

- That the capital project cost estimates are sufficiently accurate to determine the required funding level.
- That there will be no major changes in legislation or policy, except for the need for Council to obtain resource consents for stormwater discharges.
- That Council has sufficient knowledge of discharge quality and receiving environments to apply for resource consents and that it will be granted resource consents for key capital works projects and for stormwater discharges.
- That the costs identified in this Plan for the monitoring of resource consent conditions are sufficient.
- That Council will not be required to undertake any treatment of stormwater discharges.
- That Council will be able to purchase land to undertake the capital works projects.

### New capital expenditure

The following table details the significant capital and renewal work programmed for the years 2012 - 2022. A full list of projects and programmes for when the work is planned to be completed is included in Appendix F of the Stormwater Activity Management Plan.

The following table details the major capital and renewal work programmed for the 10 years.

Activity	2012/2013 - 2014/2015 Years 1 - 3	2015/2016 - 2021/2022 Years 4 - 10
Brightwater - Mt Heslington drain diversion (2018-2022)	\$0	\$2,923,057
Ligar Bay - Abel Tasman Drive culvert replacement (2013-2017)	\$38,086	\$169,534
Mapua - pipe upgrades James Cross & Coutts Places & Langford Drive (2019/2020)	\$0	\$410,146
Mapua - drainage improvements Pomona Road & Stafford & Crusader Drives (2019-2022)	\$0	\$462,353
Mapua - Seaton Valley Stream stage 1 (2012-2016)	\$403,605	\$8,579
Motueka - improve & refurbish existing flap gates (2014-2016)	\$12,416	\$115,533
Motueka - new development areas - upgrade of existing system King Edward Street to Woodland Drain to accommodate new development (2017-2022)	\$0	\$3,575,116
Motueka - tidal gate renewal (2016/2017)	\$0	\$357,339
Murchison - stream by recreation centre (2019/2020)	\$0	\$257,767
Murchison - pipe renewals Fairfax Street (2018/2019)	\$0	\$450,562
Richmond - Borck Creek land purchase and development (2014/2015, 2017/2018, 2019/2020, 2021/2022)	\$847,663	\$4,815,118
Richmond - stormwater pipe Kingsley Place to Hill Street and along Angelis Avenue (2020-2022)	\$0	\$1,815,033
Richmond - stormwater pipe Middlebank Drive to Olympus Drive to Gladstone Road (2014-2019)	\$206,853	\$4,262,152
Richmond - Park Drive - improve capacity through Ridings Grove and upgrade Hill Street culverts (2018-2022)	\$0	\$1,362,490
Richmond - Poutama Drain (2012-2016)	\$2,973,727	\$162,677
Richmond - Queen Street upgrade and Queen Street/Salisbury Road intersection improvements (2012-2018)	\$454,013	\$2,393,103
Richmond - sump and soak hole upgrades (2014-2017)	\$22,239	\$444,352
Richmond - Salisbury Road upgrade (2020-2022)	\$0	\$857,745
Richmond - upgrade to White/Ranzau/Paton Roads intersection	\$210,621	\$892,849
Richmond - renewals McGlashen, Doran, Waverley, Salisbury Streets (2014-2016, 2018-2020)	\$44,477	\$461,842
Richmond - quality improvements (every second year throughout 10 years)	\$54,628	\$263,556
Richmond - Reservoir Creek Dam new spillway (2012/2013)	\$777,125	\$0
Takaka - Waitapu Road new stormwater pipes (2017/2018)	\$0	\$183,974
Takaka - Meihana Street stormwater pipe upgrade (2019-2021)	\$0	\$857,480
Takaka - Commercial Street stormwater pipe upgrade (2012-2016)	\$463,012	\$20,125
Tasman - Baldwin Road (2012/2013)	\$415,200	\$0
Wakefield - Eden Stream (2018-2021)	\$0	\$545,122
Wakefield - Whitby Road to Arrow Street upsize stormwater pipes (2016-2018)	\$0	\$710,748
Wakefield - Pitfure Road (2012-2016)	\$160,134	\$8,790

## Engineering (cont.)

### Significant negative effects

There are a number of potential negative effects from the Stormwater group of activities. These include:

- The costs of providing the services. Council uses competitive tendering processes to achieve best value for money for works it undertakes.
- The discharge of stormwater and contaminants into sensitive receiving environments may result in the degrading of the receiving environment and potential public health risks.
- Potential flooding of properties and buildings from surface runoff if stormwater systems are not designed, constructed and maintained to an acceptable capacity.
- Construction activity associated with stormwater renewals or construction of new pipelines can generate noise, dust and traffic disruption.
- Potential to affect historic and wahi tapu sites. Council undertakes consultation with affected parties prior to undertaking works. Council also maintains a record of known heritage sites.

### Significant positive effects

There are positive effects from this group of activities including:

- Stormwater collection and treatment systems minimise flooding from surface runoff of public property, private property and businesses.
- Council stormwater discharges can be controlled to minimise any negative environmental impacts from the discharges.
- Council's management of the Stormwater activities uses best practice and competitive tendering to provide value for money for ratepayers and provides jobs for contractors.
- Council's engineering standards promote the enhancement of recreational and environmental amenity when developing new assets.

### Revenue and Finance Policy – Stormwater section

#### **Impact on the current/future social, economic, environmental and cultural wellbeing of the community**

An adequate stormwater system has a significant positive impact on the social, economic and environmental wellbeing of the community by reducing the impact of flooding from surface runoff on public and private (residential, industrial and commercial) property.

#### **Beneficiaries of this group of activity**

Council considers the beneficiaries of these activities are property owners, the general public, Council and central government.

#### **Distribution of benefits**

The benefits apply indirectly to the whole community and directly to those who are connected to each scheme. While there are wider community and environmental benefits of an effective stormwater system, Council considers that properties that are or will be connected to the stormwater schemes should be responsible for funding expenditure to ensure the environment is protected and reduce the extent of flooding. Stormwater drainage minimises flood damage to public and private property. It promotes health, safety and access, and minimises inconvenience to the general public.

Council acknowledges that the sole responsibility for funding of non cash expenses associated with this group of activities does not lie with the beneficiaries, direct or indirect, of these activities, therefore, depreciation has been funded at the income statement level.

#### **The costs and benefits of funding from the group of activities distinctly from other activities**

The benefit of funding stormwater distinctly is that only those currently or planning to be connected to schemes or property within a rural stormwater area, will contribute to their funding.



Council applies targeted rates to ensure accountability and transparency to those who fund the schemes.

**The extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activities**

Owners of developed properties benefit from systems for the collection and disposal of stormwater and, therefore, create a demand for these services.

Developers who are adding to the demands placed on schemes, which require the Council to undertake new capital works related to growth, will contribute to these costs through development contributions – refer to the Development Contributions Policy.

**Period in which the benefits are expected to occur**

The stormwater systems that are being implemented over the next 10 years will provide long-term benefit to the community.

Capital costs (not funded through development contributions) are to be funded from borrowing with rates set at a level to cover interest costs and loan repayments. It is considered that borrowing is the funding method that will most efficiently achieve inter-generational equity.

Funding	Operating	Capital
General Rates		
Targeted Rates	Yes	Yes
Lump Sum Contributions		Yes
Fees and Charges	Yes	Yes
Interest and Dividends from Investments (Sundry Income)	Yes	Yes
Borrowing		Yes
Proceeds from Asset Sales		
Development Contributions		Yes
Financial Contributions under the Resource Management Act 1991		
Grants and Subsidies		

## Engineering (cont.)

### Funding Impact Statements and Funding Sources for the Group of Activities

Stormwater	2011/2012 Budget \$	2012/2013 Budget \$	2013/2014 Budget \$	2014/2015 Budget \$	2015/2016 Budget \$
<b>SOURCES OF OPERATING FUNDING</b>					
General rates, uniform annual general charge, rates penalties	-	-	-	-	-
Targeted rates (other than a targeted rate for water supply)	2,547,610	2,709,817	2,935,692	3,056,692	3,560,087
Subsidies and grants for operating purposes	-	-	-	-	-
Fees, charges and targeted rates for water supply	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	133,022	82,247	83,541	84,070	84,668
<b>TOTAL OPERATING FUNDING</b>	<b>2,680,632</b>	<b>2,792,064</b>	<b>3,019,233</b>	<b>3,140,762</b>	<b>3,644,755</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>					
Payments to staff and suppliers	1,061,206	798,001	964,714	929,036	1,063,360
Finance costs	752,569	681,327	694,321	806,920	1,009,438
Internal charges and overheads applied	380,594	394,187	391,153	402,090	408,439
Other operating funding applications	-	-	-	-	-
<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	<b>2,194,369</b>	<b>1,873,515</b>	<b>2,050,188</b>	<b>2,138,046</b>	<b>2,481,237</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING</b>	<b>486,263</b>	<b>918,549</b>	<b>969,045</b>	<b>1,002,716</b>	<b>1,163,518</b>
<b>SOURCES OF CAPITAL FUNDING</b>					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	341,187	410,568	437,940	421,517	640,487
Increase (decrease) in debt	700,047	427,357	(373,581)	3,225,429	1,747,051
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	<b>1,041,234</b>	<b>837,925</b>	<b>64,359</b>	<b>3,646,946</b>	<b>2,387,538</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>					
Capital expenditure					
- to meet additional demand	-	50,312	41,739	966,233	858,209
- to improve the level of service	1,604,447	741,958	550,135	3,918,892	2,444,991
- to replace existing assets	-	785,061	57,464	240,001	331,276
Increase (decrease) in reserves	(76,950)	179,143	384,066	(475,464)	(83,420)
Increase (decrease) in investments	-	-	-	-	-
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	<b>1,527,497</b>	<b>1,756,474</b>	<b>1,033,404</b>	<b>4,649,662</b>	<b>3,551,056</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING</b>	<b>(486,263)</b>	<b>(918,549)</b>	<b>(969,045)</b>	<b>(1,002,716)</b>	<b>(1,163,518)</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Stormwater	2016/2017 Budget \$	2017/2018 Budget \$	2018/2019 Budget \$	2019/2020 Budget \$	2020/2021 Budget \$	2021/2022 Budget \$
<b>SOURCES OF OPERATING FUNDING</b>						
General rates, uniform annual general charge, rates penalties	-	-	-	-	-	-
Targeted rates (other than a targeted rate for water supply)	3,833,696	4,390,961	4,595,516	4,679,477	5,072,474	5,534,756
Subsidies and grants for operating purposes	-	-	-	-	-	-
Fees, charges and targeted rates for water supply	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	85,300	85,922	86,561	87,248	88,012	88,802
<b>TOTAL OPERATING FUNDING</b>	<b>3,918,996</b>	<b>4,476,883</b>	<b>4,682,077</b>	<b>4,766,725</b>	<b>5,160,486</b>	<b>5,623,558</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>						
Payments to staff and suppliers	1,019,284	1,189,545	1,225,505	1,281,250	1,365,592	1,463,700
Finance costs	1,190,497	1,398,340	1,533,659	1,481,834	1,680,348	1,999,031
Internal charges and overheads applied	424,138	446,245	449,828	470,330	495,634	502,046
Other operating funding applications	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	<b>2,633,919</b>	<b>3,034,130</b>	<b>3,208,992</b>	<b>3,233,414</b>	<b>3,541,574</b>	<b>3,964,777</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING</b>	<b>1,285,077</b>	<b>1,442,753</b>	<b>1,473,085</b>	<b>1,533,311</b>	<b>1,618,912</b>	<b>1,658,781</b>
<b>SOURCES OF CAPITAL FUNDING</b>						
Subsidies and grants for capital expenditure	-	-	-	-	-	-
Development and financial contributions	618,590	635,012	618,590	624,064	624,064	624,064
Increase (decrease) in debt	2,678,487	2,259,689	(761,996)	1,053,443	3,241,709	5,489,320
Gross proceeds from sale of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	<b>3,297,077</b>	<b>2,894,701</b>	<b>(143,406)</b>	<b>1,677,507</b>	<b>3,865,773</b>	<b>6,113,384</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>						
Capital expenditure						
- to meet additional demand	34,640	2,209,654	327,944	1,571,200	1,358,257	2,923,179
- to improve the level of service	3,918,782	2,189,112	499,160	1,585,971	3,902,191	4,848,987
- to replace existing assets	571,743	-	502,575	53,646	224,238	-
Increase (decrease) in reserves	56,989	(61,312)	-	1	(1)	(1)
Increase (decrease) in investments	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	<b>4,582,154</b>	<b>4,337,454</b>	<b>1,329,679</b>	<b>3,210,818</b>	<b>5,484,685</b>	<b>7,772,165</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING</b>	<b>(1,285,077)</b>	<b>(1,442,753)</b>	<b>(1,473,085)</b>	<b>(1,533,311)</b>	<b>(1,618,912)</b>	<b>(1,658,781)</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Engineering (cont.)

## vi. Solid Waste

### What we do

Council provides comprehensive waste management and minimisation services. It achieves this through providing kerbside recycling and waste collection services, and operating five resource recovery centres - at Richmond, Mariri, Takaka, Collingwood and Murchison. Waste disposal from these sites is transferred to a Council owned landfill at Eves Valley and recyclable material is processed and on sold by Council contractors. All public and commercial waste disposal is through the resource recovery centres with special waste disposed of directly to Eves Valley.

Council promotes waste minimisation through kerbside collection of recyclable materials, ongoing educational programmes, and drop-off facilities for green waste, reusable and recyclable materials.

There are 22 closed landfills located throughout the District, which Council manages.

### Why we do it

The efficient and effective collection and disposal of waste protects both public health and the environment. Waste minimisation activities promote efficient use of resources and extend the life of Council's landfill assets.

The Waste Minimisation Act 2008 has increased the requirement for consideration of waste minimisation in Council's planning. The Act aims to protect the environment from harm by encouraging the efficient use of materials and a reduction in waste.

Under this legislation Council is required to carry out a waste assessment and to prepare a Waste Management and Minimisation Plan (WMMP) by 2012. A Draft WMMP, prepared jointly with Nelson City Council, was out for

public consultation during December 2011 and January 2012. This WMMP was adopted by both Councils in April 2012. This solid waste activity section is based on the WMMP.

### Contribution to Community Outcomes

Council operates, maintains and improves solid waste infrastructure assets on behalf of the ratepayers to enhance community well-being by minimising risks to public health and to the environment from waste generated by people.

The solid waste activities contribute to the community outcomes as detailed below.

Community Outcomes	How Our Activity Contributes to the Community Outcome
Our unique natural environment is healthy and protected	All material that is collected by the Council's operators or delivered to Council-owned facilities is processed or disposed of in an appropriate and sustainable manner. These activities will be managed to minimise the impact on the receiving environment.
Our urban and rural environments are pleasant, safe and sustainably managed.	Our kerbside collections ensure our built urban and rural environments are functional, pleasant and safe by receiving materials from the community and recycling, reusing or disposing of them with a minimum of nuisance and public complaint.
Our infrastructure is safe, efficient and sustainably managed.	Solid waste activities are operated in a safe and efficient manner to provide waste and recycling services that the community is satisfied with and which promote the sustainable use of resources.

### Our goal

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

1. Avoid the creation of waste.
2. Improve the efficiency of resource use.
3. Reduce the harmful effects of waste.

### Key Issues

There are several key issues relating to the Solid Waste group of activities.

#### **Joint solid waste management with Nelson City**

There is potential for Council to provide better and more cost-effective solid waste services through joint waste management with Nelson City Council. A joint approach needs further investigation. It could lead to improved security of income, reduced impacts from methane emissions and more optimal infrastructure investment. The WMMP recently prepared with Nelson City Council addresses these matters and identifies a forward programme of work. Investigation of a joint landfill solution is a matter of priority.

## Engineering (cont.)

### **Emissions Trading Scheme**

The Emissions Trading Scheme (ETS) is increasing the costs of providing the solid waste activities. The ETS is costing approximately \$185,000 in 2012/2013, increasing to approximately \$560,000 in 2015/2016. Council has budgeted for the full cost implications of the Emissions Trading Scheme in the Long Term Plan and is considering the implications as part of investigating a joint landfill with Nelson City Council.

### **Eves Valley Landfill extension**

If Council continues use of the Eves Valley landfill to at least current levels, additional space will be required during the 10 year period, therefore, Council will need to undertake expensive expansion of the landfill. This work is currently budgeted for in the Long Term Plan. If the work is not required, as a result of discussions with Nelson City Council on a joint landfill, then the cost of the work could be removed from the work programme at some stage in the future.

### **Resource Recovery Centre upgrades**

The Richmond resource recovery centre has recently been upgraded; the other resource recovery centres in the District are also in need of upgrading. The costs of undertaking this work are reasonably high and they are provided for in this Long Term Plan.

### **Uncertainty around customer expectations**

There is uncertainty around customer expectations for kerbside recycling and educational services. Council expects that there could be increased demand for recycling and educational services but this could be off-set by a lack of willingness to pay for those services by some members of the community.

Our level of service – What the Council will do and how it will measure performance over the 10 years from 2012-2022

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance	Forecast Performance			
			Year 1	Year 2	Year 3	By Year 10
1. We provide effective waste minimisation activities and services.	% of waste diverted from landfills is maintained or increased - as measured monthly and reported annually.	Actual = 20.3% – refer figures 8a-8d.	23%	25%	25%	25%
	There is a reduction in waste per capita going to landfill - as measured by tonnage recorded at landfill.	Actual = 415kg/capita	400kg/capita	395kg/capita	390kg/capita	390 - 400 kg/capita
	Participation in Council's waste minimisation services increases - as measured on a three yearly basis through residents' survey of those people provided with the opportunity to use kerbside recycling services.	Actual = 83%. The Communitrak™ survey was undertaken in May/June 2011. This survey showed that 83% of residents provided with Council's kerbside recycling services used the service in the last 12 months	80%	80%	85%	90%
2. Our kerbside recycling and bag collection services are reliable and easy to use.	% of enquiries resolved within 24 hours - as measured through Confirm.	Actual = 90%	95%	95%	95%	95%
	% of customers satisfied with kerbside recycling and bag collection services - as measured through the annual residents' survey of those provided with Council's kerbside waste collection services.	Actual = Rubbish bag collection = 69% Kerbside recycling = 90% The Communitrak™ survey was undertaken in May/ June 2011. 90% of receivers of Council's kerbside services were found to be satisfied or very satisfied with the service they receive.	Rubbish bag collection 70% Kerbside recycling 85%	Rubbish bag collection 70% Kerbside recycling 85%	Rubbish bag collection 70% Kerbside recycling 85%	Rubbish bag collection 70% Kerbside recycling 85%
3. Our resource recovery centres are easy to use and operated in a reliable manner.	% customer satisfaction based on-site surveys - as measured by annual customer surveys at the resource recovery centres.	Actual = 90% Surveys have been undertaken at the resource recovery centres annually since 2008. The results from the 2010/2011 survey showed an overall decrease in the level of satisfaction (fairly satisfied and very satisfied).	75%	75%	75%	75%



# Engineering (cont.)

Figure 8a. Percentage of waste diverted from landfill

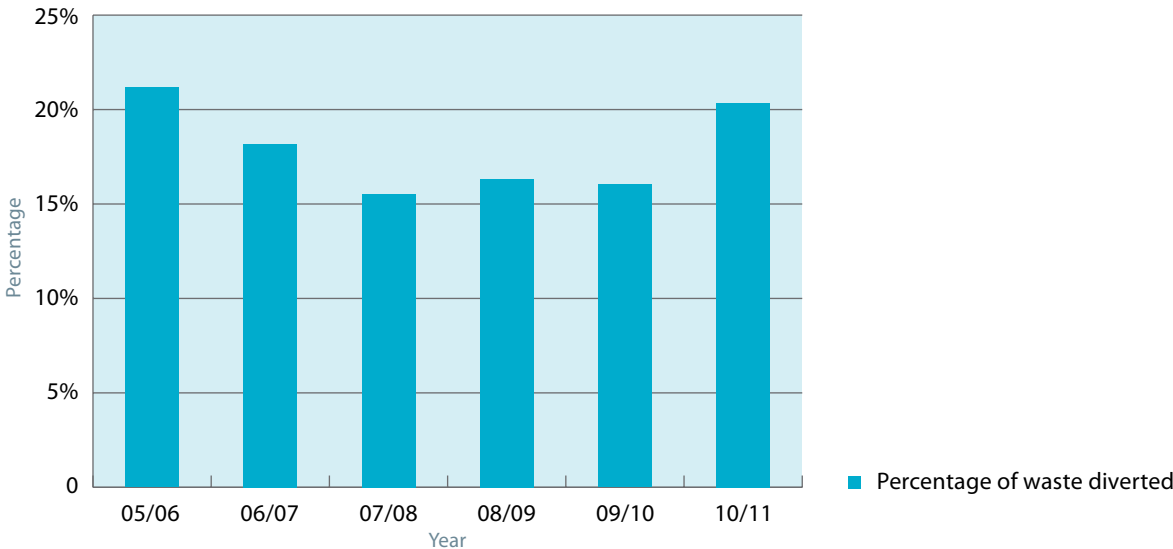


Figure 8b. Mixed Recyclables and Glass

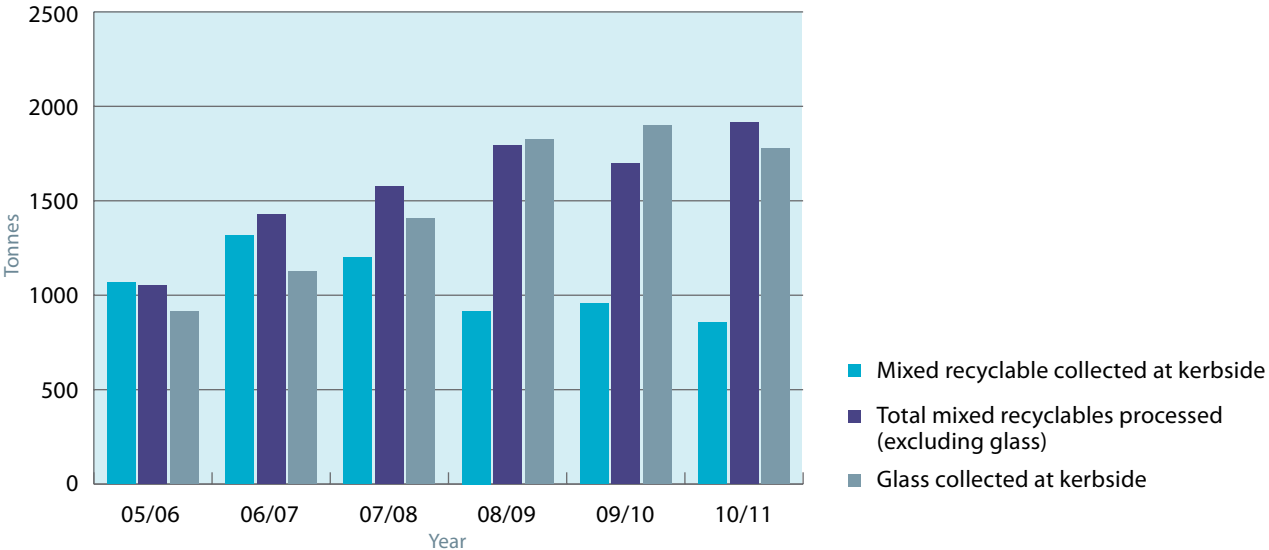


Figure 8c. Cars, Whiteware & Metal recovered

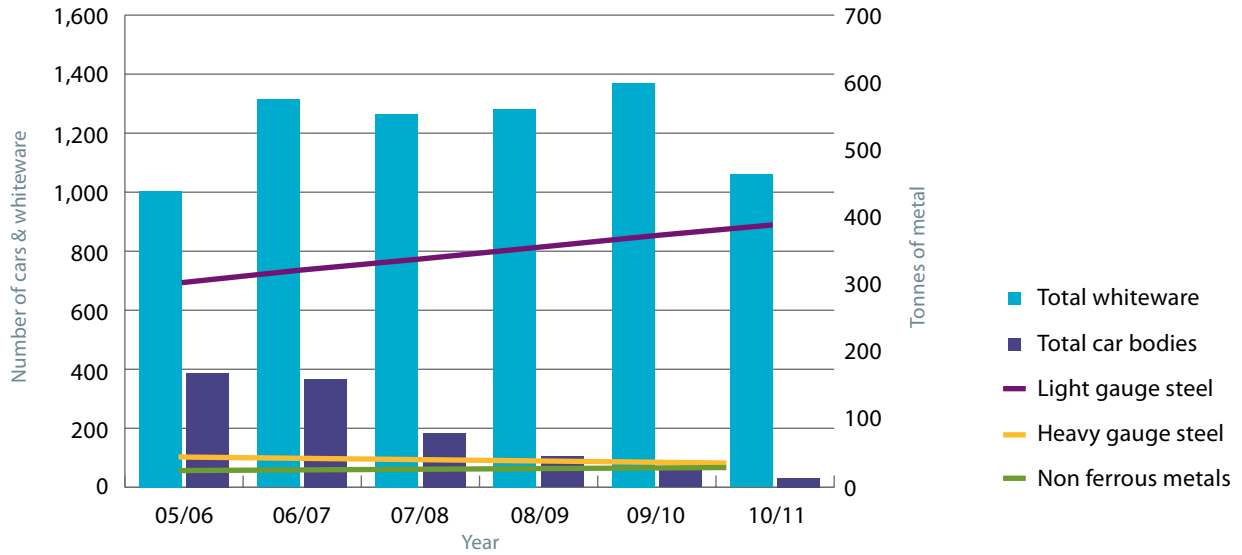
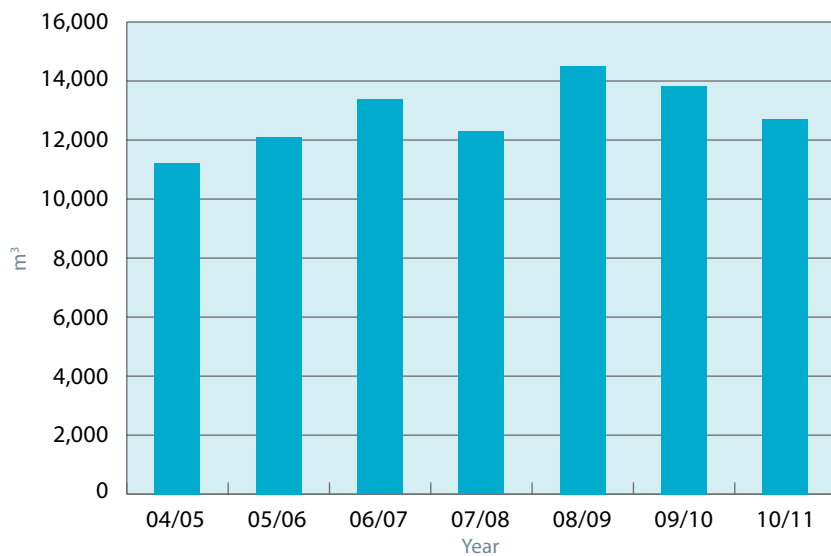


Figure 8d. Material Processed at Greenwaste to Zero



## Engineering (cont.)

### Major activities

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

Work is continuing with Nelson City Council on implementing the joint Waste Management and Minimisation Plan.

### Key assumptions and uncertainties

The most significant assumptions and uncertainties that underlie the approach taken for this group of activities are:

- a) A reasonable degree of reliability can be placed on the population and other growth projections that have been used as forecast assumptions for the anticipated waste volumes and priorities in the Solid Waste group of activities. However, these are projections and need to be carefully tracked to ensure that they continue to be a reliable indicator of likely future trends.
- b) That Council has adequate knowledge of its assets to adequately forecast planned renewal works and new capital expenditure to meet the proposed levels of service.
- c) That the level of funding held in Council's disaster fund reserves and available from insurance claims will be adequate to cover reinstatement following emergency events.
- d) That the capital project cost estimates are sufficiently accurate to determine the required funding level.
- e) That there will be no major changes in legislation or policy, except for the recent changes in the New Zealand Waste Strategy 2010, which are being taken into account during the current work on the WMMP.
- f) That Council will continue to dispose of waste at Eves Valley landfill. Ongoing disposal to Eves Valley landfill will require significant capital expenditure over the 10 year period. There is a possibility that Council may take some or all of the waste it collects to York Valley landfill subject to the outcome of further work on implementing the joint WMMP with Nelson City Council and any further investigations that may be undertaken. If this occurs, the capital expenditure programme at the Eves Valley landfill may change.
- g) That the ETS will come into effect for waste activities from 1 January 2013. The carbon price is currently unknown but has been assumed at \$15 per NZU. Entry of waste activities into the ETS will have potentially significant, but as yet unknown, costs. Mitigation of these costs will require significant capital expenditure in the first three years of the Long Term Plan. If Council takes some or all of the waste it collects to York Valley Landfill, it may not need to undertake some or all of the capital expenditure to reduce methane emissions provided for in this Long Term Plan.
- h) Income per tonne of refuse has been assumed at \$117.30 per tonne from the first year of the Plan for Richmond. Mariri is \$128.80 per tonne, and Takaka, Murchison, and Collingwood are \$134.55.

## New capital expenditure

The following table details the major capital and renewal work programmed for the years 2012 - 2022. A full list of projects and programmes for when the work is planned to be completed is included in Appendix F of the Solid Waste Activity Management Plan.

Activity	2012/2013 - 2014/2015 Years 1 - 3	2015/2016 - 2021/2022 Years 4 - 10
Resource Recovery Centres (2012 ongoing)		
• Richmond	\$403,194	\$984,254
• Mariri	\$868,483	\$770,375
• Takaka	\$418,141	\$1,036,339
• Collingwood	\$12,373	\$343,537
• Murchison	\$58,659	\$250,272
Eves Valley Landfill (2012 ongoing)	\$1,179,248	\$13,663,872
Closed Landfills (2016-2019)	\$0	\$346,305

## Significant negative effects

There are a number of potential significant negative effects from the Solid Waste group of activities. These include:

- The costs of providing the services. Council uses competitive tendering processes to achieve best value for money for works it undertakes.
- Recycling and refuse collection have potential negative effects from waste escaping from rubbish bags or bins and affecting the amenity of areas.
- Collection of recyclable material has potential negative effects if sustainable markets cannot be found for the products collected.
- Resource recovery centres and landfills can become smelly and dusty, and can give rise to windblown litter if correct operating procedures are not applied. Noise may be a nuisance for neighbours when the centres and landfills are operated seven days a week.
- Leachate from landfills can cause environmental problems if not properly collected and treated.
- Landfills produce gas, including methane. Methane contributes 25 times the effect that carbon dioxide does to the "greenhouse effect".
- If closed landfills are not capped and vegetated correctly, they may release additional refuse or leachate into the environment or present an opportunity for illegal dumping to occur.
- There are no significant negative effects from the educational aspects of this activity.

## Engineering (cont.)

### Significant positive effects

There are positive effects from this group of activities including:

- Recycling and waste collection and disposal provide public health and environmental benefits.
- Green waste composting reduces methane emissions and demand for landfill space.
- Recycling services result in reuse of resources and reduced demand for landfill space.
- Council's management of the Solid Waste activities uses best practice and competitive tendering to provide value for money for ratepayers and provides jobs for contractors.

### Revenue and Finance Policy - Solid Waste section

#### **Impact on the current/future social, economic, environmental and cultural wellbeing of the community**

An adequate solid waste management system has a significant positive impact on the social, economic and environmental wellbeing of the community through enabling reuse of resources, reducing environmental impacts, reducing public health risks and providing business opportunities.

#### **Beneficiaries of the group of activities**

Council considers the beneficiaries of these activities are the general public, households on collection routes, commercial operators and the environment.

#### **Distribution of benefits**

The benefits of these activities apply indirectly to the whole community and directly to those who generate and dispose of waste. These people should be responsible for funding expenditure relating to collection and disposal services. There are both public and private benefits from these activities. On a public level waste management ensures a convenient, healthy and cost

effective disposal of waste to meet environmental standards. On a private level, the service is provided for the convenience of the user.

The activities also have wider community benefit through the environmental education and environmental monitoring components (i.e. of landfill sites), which will be funded primarily from general rates.

Council acknowledges that the sole responsibility for funding of non cash expenses associated with these activities does not lie with the beneficiaries, direct or indirect, of these activities, therefore depreciation has been funded at the income statement level.

#### **The costs and benefits of funding the group of activities distinctly from other activities**

Where benefits are identified to specific users it is appropriate that user charges and targeted rates are set to match the private benefit received.

Therefore for accountability and transparency, Council is using targeted rates for waste collection. Appropriate fees for waste disposal reflect the private benefit gained.

#### **The extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activities**

The generator of waste creates the need for collection and disposal services. Council considers it appropriate for these people to fund this work through targeted rates and user charges.

#### **Period in which the benefits are expected to occur**

The residual waste disposal systems (i.e. landfills) that have been developed will provide long-term benefit to the community. The duration of benefits is dependent on the ability to gain the necessary resource consents, but is anticipated to be a maximum of 35 years.

Capital costs are to be funded from borrowing with rates set at a level to cover interest costs and loan repayments. Council considers that borrowing is the funding method that will most efficiently achieve inter-generational equity.

Funding	Operating	Capital
General Rates	Yes	Yes
Targeted Rates	Yes	Yes
Lump Sum Contributions		
Fees and Charges	Yes	Yes
Interest and Dividends from Investments (Sundry Income)	Yes	Yes
Borrowing		Yes
Proceeds from Asset Sales		
Development Contributions		
Financial Contributions under the Resource Management Act 1991		
Grants and Subsidies	Yes	Yes

## Engineering (cont.)

### Funding Impact Statements and Funding Sources for the Group of Activities

Solid Waste	2011/2012 Budget \$	2012/2013 Budget \$	2013/2014 Budget \$	2014/2015 Budget \$	2015/2016 Budget \$
<b>SOURCES OF OPERATING FUNDING</b>					
General rates, uniform annual general charge, rates penalties	208,152	509,874	611,220	631,245	318,948
Targeted rates (other than a targeted rate for water supply)	1,989,748	2,048,814	2,091,568	2,104,362	2,096,817
Subsidies and grants for operating purposes	-	-	-	-	-
Fees, charges and targeted rates for water supply	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	4,599,631	5,232,109	5,824,507	6,076,752	7,333,742
<b>TOTAL OPERATING FUNDING</b>	<b>6,797,531</b>	<b>7,790,797</b>	<b>8,527,295</b>	<b>8,812,359</b>	<b>9,749,507</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>					
Payments to staff and suppliers	5,335,156	5,990,787	6,696,177	6,956,337	7,571,846
Finance costs	403,762	364,148	392,497	421,809	605,307
Internal charges and overheads applied	450,402	641,268	649,451	671,950	676,118
Other operating funding applications	-	-	-	-	-
<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	<b>6,189,320</b>	<b>6,996,203</b>	<b>7,738,125</b>	<b>8,050,096</b>	<b>8,853,271</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING</b>	<b>608,211</b>	<b>794,594</b>	<b>789,170</b>	<b>762,263</b>	<b>896,236</b>
<b>SOURCES OF CAPITAL FUNDING</b>					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	1,032,726	318,572	429,770	105,729	4,862,229
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	<b>1,032,726</b>	<b>318,572</b>	<b>429,770</b>	<b>105,729</b>	<b>4,862,229</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	1,016,041	110,713	936,952	807,992	5,735,930
- to replace existing assets	620,567	902,453	181,988	-	22,535
Increase (decrease) in reserves	4,329	100,000	100,000	60,000	-
Increase (decrease) in investments	-	-	-	-	-
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	<b>1,640,937</b>	<b>1,113,166</b>	<b>1,218,940</b>	<b>867,992</b>	<b>5,758,465</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING</b>	<b>(608,211)</b>	<b>(794,594)</b>	<b>(789,170)</b>	<b>(762,263)</b>	<b>(896,236)</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



Solid Waste	2016/2017 Budget \$	2017/2018 Budget \$	2018/2019 Budget \$	2019/2020 Budget \$	2020/2021 Budget \$	2021/2022 Budget \$
<b>SOURCES OF OPERATING FUNDING</b>						
General rates, uniform annual general charge, rates penalties	635,143	636,260	785,531	606,151	680,989	733,588
Targeted rates (other than a targeted rate for water supply)	2,194,615	2,318,482	2,291,420	2,370,820	2,469,063	2,516,912
Subsidies and grants for operating purposes	-	-	-	-	-	-
Fees, charges and targeted rates for water supply	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	7,735,443	7,985,641	8,310,868	8,583,933	9,110,052	9,580,735
<b>TOTAL OPERATING FUNDING</b>	<b>10,565,201</b>	<b>10,940,383</b>	<b>11,387,819</b>	<b>11,560,904</b>	<b>12,260,104</b>	<b>12,831,235</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>						
Payments to staff and suppliers	7,867,788	7,986,641	8,177,761	8,472,949	9,151,727	9,464,218
Finance costs	839,100	962,174	979,896	888,735	991,073	1,067,439
Internal charges and overheads applied	697,899	730,280	735,597	762,947	798,774	807,413
Other operating funding applications	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	<b>9,404,787</b>	<b>9,679,095</b>	<b>9,893,254</b>	<b>10,124,631</b>	<b>10,941,574</b>	<b>11,339,070</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING</b>	<b>1,160,414</b>	<b>1,261,288</b>	<b>1,494,565</b>	<b>1,436,273</b>	<b>1,318,530</b>	<b>1,492,165</b>
<b>SOURCES OF CAPITAL FUNDING</b>						
Subsidies and grants for capital expenditure	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-
Increase (decrease) in debt	1,480,675	1,336,543	(1,105,616)	(322,448)	2,413,065	(328,965)
Gross proceeds from sale of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	<b>1,480,675</b>	<b>1,336,543</b>	<b>(1,105,616)</b>	<b>(322,448)</b>	<b>2,413,065</b>	<b>(328,965)</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>						
Capital expenditure						
- to meet additional demand	-	-	-	-	-	-
- to improve the level of service	2,346,759	2,423,747	328,383	989,099	3,731,595	631,625
- to replace existing assets	294,330	174,084	60,566	124,726	-	531,575
Increase (decrease) in reserves	-	-	-	-	-	-
Increase (decrease) in investments	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	<b>2,641,089</b>	<b>2,597,831</b>	<b>388,949</b>	<b>1,113,825</b>	<b>3,731,595</b>	<b>1,163,200</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING</b>	<b>(1,160,414)</b>	<b>(1,261,288)</b>	<b>(1,494,565)</b>	<b>(1,436,273)</b>	<b>(1,318,530)</b>	<b>(1,492,165)</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Engineering (cont.)

### vii. Flood Protection and River Control Works

#### What we do

Tasman District Council maintains 285 kilometres of the District's X and Y classified rivers in order to carry out its statutory roles to promote soil conservation and mitigate damage caused by floods and riverbank erosion. These classified rivers are funded by a differential river rating system based on land value. The rivers works in the classified rivers, such as stopbanks and willows, are owned, maintained and improved by Council.

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

This group of activities does not include stormwater or coastal structures, which are covered in other groups of activities in this Long Term Plan.

#### Why we do it

By implementing and maintaining quality river control and flood protection schemes, Council improves protection to neighbouring properties and mitigates the damage caused during the flood events. In 1992 river control functions under the Soil Conservation and Rivers Control Act 1941 for the Tasman District were transferred to Tasman District Council.

## Contribution to Community Outcomes

Council operates, maintains and improves flood protection and rivers control assets on behalf of Tasman residents and ratepayers to enhance community well-being, in particular to protect life, property and livelihoods.

The flood protection and rivers control group of activities contributes to the Community Outcomes as detailed below.

Community Outcomes	How Our Activity Contributes to the Community Outcome
Our unique natural environment is healthy and protected	Our flood protection and mitigation activities are carried out so that the impacts on the natural river environments are minimised to a practical but sustainable level, and use best practices in the use of the District's natural resources.
Our urban and rural environments are pleasant, safe and sustainably managed.	Our flood protection works and river control structures protect our most "at risk" communities and rural areas from flooding and are maintained in a safe and cost-effective manner.
Our infrastructure is safe, efficient and sustainably managed.	Our flood protection and mitigation structures are maintained in an environmentally sustainable manner to a level supported by the community.

## Our goal

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

## Key Issues

The key issues for this group of activities are:

### **Ongoing damage to the flood protection and river control assets from storms and heavy rainfall events**

In December 2010 and December 2011 the Tasman District experienced extremely heavy rainfall which led to flooding, slips and debris flows resulting in damage to Council infrastructure and private property. This was particularly destructive in Golden Bay. The full extent

## Engineering (cont.)

and cost of the damage to Council infrastructure for the December 2011 event, including roads, utility infrastructure and flood protection structures, is estimated to be approximately \$10.1 million. Of these costs around \$6.7 million should be recoverable from the Ministry of Civil Defence and Emergency Management or from insurance, which leaves a Council liability of around \$3.4 million. Much of the repair work has been undertaken in the 2011/2012 year.

Much of the Council funding for river works repairs is likely to come from the Classified Rivers Protection Fund.

### **Lower Motueka Valley flood control project**

A major capital works project that Council is planning is the provision of an adequate flood control system for the Lower Motueka Valley (Brooklyn and Motueka communities) that is acceptable and affordable. Council has been undertaking consultation with the local communities on the project and considered the communities views at each of the decision making stages for the project over the last three years. Consultation has covered identification of the extent of the problem and the objectives of the project, identification of the reasonably practical options to address the problem, assessment of the options, and development of a preferred option.

A preferred option for flood control in the Lower Motueka Valley has now been identified. The proposal was to refurbish the existing stopbanks over a 13 year period at a cost of \$16.35 million. Refurbishment was to commence in 2017/2018 and be completed in 2029/2030. Council has asked staff to review the scope, proposed risks and levels of flood protection and funding for the project over the coming years. The project budget has been reduced to \$5 million for the duration of the Plan. Further consultation will need to be undertaken with the public on the scope of the project and the level of flood protection that will be provided.

Council has also developed a funding model for the Lower Motueka Valley flood control project. The project will be funded by three groups of ratepayers:

1. Those properties that directly benefit from the refurbished stopbanks by not getting flooded in a 1 in 100 year (1 percent annual exceedence period) in the year 2090 will pay 30 percent of the project costs.
2. Those properties in the Motueka Ward and are deemed to receive an indirect benefit from the flood control works will pay 40 percent of the project costs.
3. All rateable properties in the Tasman District will pay 30 percent of the project costs.

### **Takaka Flood Control Project**

Council is undertaking a project to look at flooding issues and land zoning for Takaka. Council has initiated the first stages of the consultation with the Takaka community on the flooding issues. The Takaka River poses a flood risk to a number of commercial and residential buildings in Takaka, and to public infrastructure. Indicative funding for a project proposed to commence in 2019/2020 has been included in this Long Term Plan. Further investigation, consultation and development of a solution are required. The outcomes from this work will be considered in future long term plans where more detailed funding options will be proposed for consideration by the community.

### **Unclassified rivers asset information**

Council needs to improve the asset database for the "unclassified" (River Z) flood protection and river control works.

### **Management of crack willow**

Council manages the removal of crack willow under its maintenance regime. Crack willow management can be controversial with some members of the public. The management of crack willow is required as this particular species is invasive and overtime constricts the river floodplain creating potential risks for adjacent property owners.

**Community expectations**

Community expectations of the levels of service

Council will provide to their communities can change dramatically following heavy rainfall and flood events.

These increased expectations can be difficult for Council to manage in relation to ratepayers' willingness to pay for flood protection and affordability of rates.

## Engineering (cont.)

Our level of service – What the Council will do and how it will measure performance over the 10 years from 2012-2022

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance
1. Our works are carried out so that the impacts on the natural river environments are minimised to a practical but sustainable level.	Resource consents are held and complied with for works undertaken by Council or its contractors in the rivers within the District - as measured by the number of abatement notices issued to Council's flood protection and rivers control activity.	Actual = 100% Resource consents held are: Global – for works in rivers and some gravel extraction; and vegetation spraying. Contracts include the conditions of the consents and performance measures including requirements to meet the Resource Consent conditions. The Council or its contractor have not received any non-compliance with respect to the resource consents or any abatement notices.
	Over time Council manages crack willow from banks and berm areas - as measured by kilometres of riverbank cleared of crack willow per year.	Actual = 2009/2010 - 18.5 km Actual = 2010/2011 - 14.9 km.
2. We manage waste/rubbish in the river system.	Complaints about illegal dumping in the X and Y classified rivers and on adjacent beaches on public land are responded to within 10 days - as measured through customer service requests in Council's database.	Actual = not currently measured.
3. We maintain Council's stop bank assets in River X classified areas to deliver flood protection to the level that the stopbanks were originally constructed.	Our stop banks are maintained to the original constructed standard. (Riwaka River = 1 in 10 yr flood return, Lower Motueka = 1 in 50 yr flood return, Waimea River = 1 in 50 yr flood return) - as measured by their performance in flood events and/or flood modelling (where this has been undertaken).	Actual: Riwaka River = 88% Motueka River = 100% Waimea River - 100%
4. In River Y classified areas Council manages the rivers to minimise bank erosion up to an annual event.	Maintenance work in River Y classified areas is undertaken to rectify or minimise bank erosion as identified through annual river care group meetings and incorporated in the Annual Operating Maintenance Programme (AOMP) - as measured through completion of scheduled works detailed in the AOMP.	Actual = 98% of scheduled works. The year saw some disruption to the annual works programme due to the significant flood event that occurred in December 2010.

We will know we are meeting the Level of Service if...	Forecast Performance			
	Year 1	Year 2	Year 3	By Year 10
Resource consents are held and complied with for works undertaken by Council or its contractors in the rivers within the District - as measured by the number of abatement notices issued to Council's flood protection and rivers control activity.	No abatement notices issued.	No abatement notices issued.	No abatement notices issued.	No abatement notices issued.
Over time Council manages crack willow from banks and berm areas - as measured by kilometres of riverbank cleared of crack willow per year.	15 km/yr	15 km/yr	15 km/yr	15 km/yr
Complaints about illegal dumping in the X and Y classified rivers and on adjacent beaches on public land are responded to within 10 days - as measured through customer service requests in Council's database.	90%	90%	90%	90%
Our stop banks are maintained to the original constructed standard. (Riwaka River = 1 in 10 yr flood return, Lower Motueka = 1 in 50 yr flood return, Waimea River = 1 In 50 yr flood return) - as measured by their performance in flood events and/or flood modelling (where this has been undertaken).	Riwaka River = 88% Motueka River = 100% Waimea River - 100%	Riwaka River = 88% Motueka River = 100% Waimea River - 100%	Riwaka River = 88% Motueka River = 100% Waimea River - 100%	Riwaka River = 88% Motueka River = 100% Waimea River - 100%
Maintenance work in River Y classified areas is undertaken to rectify or minimise bank erosion as identified through annual river care group meetings and incorporated in the Annual Operating Maintenance Programme (AOMP) - as measured through completion of scheduled works detailed in the AOMP.	100%	100%	100%	100%







## Engineering (cont.)

### Major activities

This group of activities includes ongoing management, maintenance and renewal of Council's flood protection and river control assets, including promoting soil conservation and mitigating damage caused by floods.

### Key assumptions and uncertainties

The most significant assumptions and uncertainties that underlie the approach taken for this group of activities are:

- a) That Council has adequate knowledge of its assets to adequately forecast planned renewal works to meet the proposed levels of service.
- b) That no major flood events occur above the assets ability to cope with.
- c) That the level of funding held in Council's disaster fund reserves and available from insurance claims will be adequate to cover reinstatement following emergency events
- d) That the capital project cost estimates are sufficiently accurate to determine the required funding level.
- e) That there will be no major changes in legislation or policy.

### New capital expenditure

The following table details the major capital and renewal work programmed for the years 2012 - 2022. A full list of projects and programmes for when the work is planned to be completed is included in Appendix F of the Rivers Activity Management Plan.

Activity	2012/2013 - 2014/2015 Years 1 - 3	2015/2016 - 2021/2022 Years 4 - 10
Borlase Catchment project	\$1,305,641	\$0
Lower Motueka River flood control project	\$1,176,080	\$3,824,337
Takaka flood control project	\$0	\$1,067,930

## Engineering (cont.)

### Significant negative effects

There are a number of potential negative effects from the group of activities. These include:

- The costs of providing the services. Council uses competitive tendering processes to achieve best value for money for works it undertakes.
- Over extraction of gravel in some rivers has the potential to destabilise banks and change groundwater levels.
- Management of crack willow may have an effect on bank protection works if suitable replacements cannot be established. The burning of crack willow following removal from riverbanks can create an air pollution issue if suitable weather conditions are not present.
- Potential to affect historic and wahi tapu sites. Council undertakes consultation with affected parties prior to undertaking works. Council also maintains a record of known heritage sites.
- Inappropriate use of river berms can cause nuisance to the public, for example dumping of refuse and car bodies.

### Significant positive effects

There are many positive effects from this group of activities including:

- Provision and maintenance of flood control schemes allows for the development of land for higher value uses (e.g. residential or horticultural production) thereby allowing economic growth and prosperity in the Tasman District.
- Flood protection and river control works contribute to community well-being by improving protection of communities, life, property and livelihoods.
- Council's management of the Flood Protection and Rivers Control activities uses best practice and competitive tendering to provide value for money for ratepayers and provides jobs for contractors.

### Revenue and Finance Policy - Flood Protection and Rivers Control section

#### **Impact on the current/future social, economic, environmental and cultural wellbeing of the community**

Effective flood protection and river control works have a significant positive impact on the social, economic and environmental wellbeing of the community, by protecting life, property and livelihoods from erosion and flooding from rivers.

#### **Beneficiaries of this group of activities**

Council considers that the primary beneficiaries of this group of activities are: property owners, the farming sector, river recreational users, Council and government agencies.

#### **Distribution of benefits**

The benefits apply indirectly to the whole community and directly to those whose properties are adjacent to the District's rivers. While there are wider community and environmental benefits relating to an effective flood protection and rivers control network, the Council considers that properties directly adjacent to rivers will fund the cost of that activity at a higher level than those deemed to indirectly benefit. There is a private benefit in this activity as Council involvement limits damage to property and production. The Council's works protect access to services which assists the Department of Conservation and utilities like Telecom, the New Zealand Transport Agency and Network Tasman. The general public is served by ensuring the health and accessibility of rivers for recreational enjoyment, by protecting community assets and by enabling access to businesses and other services during floods or heavy rainfall events.

Council acknowledges that the sole responsibility for funding of non cash expenses associated with this activity does not lie with the beneficiaries, direct or indirect, of this group of activities, therefore, depreciation has been funded at the income statement level.

**The costs and benefits of funding the group of activities distinctly from other activities**

The benefit of funding flood protection and river control works separately from other activities is that it is possible for those adjacent to the rivers network to pay a higher proportion of the costs of the service. Accountability and transparency for each targeted rate are clearer and have been established.

**The extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the group of activities**

Development of properties adjacent to the rivers network means there are assets being located in flood plains which are at risk of flooding. The need to protect these assets is creating the need for Council to undertake work relating to asset development and maintenance. It is considered appropriate for owners of these properties to fund this work through targeted rates. There are also community assets at risk from flooding or erosion that are protected.

**Period in which the benefits are expected to occur**

The duration of benefits is dependent on the risk of flood events and incidence of erosion, but the benefits are likely to occur from the short term through to the long term.

Funding	Operating	Capital
General Rates	Yes	Yes
Targeted Rates	Yes	Yes
Lump Sum Contributions	Yes	Yes
Fees and Charges	Yes	Yes
Interest and Dividends from Investments (Sundry Income)	Yes	Yes
Borrowing		Yes
Proceeds from Asset Sales		
Development Contributions		
Financial Contributions under the Resource Management Act 1991		
Grants and Subsidies		

## Engineering (cont.)

### Funding Impact Statement and Funding Sources for the Group of Activities

Flood Protection and River Control Works	2011/2012 Budget \$	2012/2013 Budget \$	2013/2014 Budget \$	2014/2015 Budget \$	2015/2016 Budget \$
<b>SOURCES OF OPERATING FUNDING</b>					
General rates, uniform annual general charge, rates penalties	5,272	21,967	35,424	46,868	53,680
Targeted rates (other than a targeted rate for water supply)	2,784,451	2,917,523	3,016,295	3,176,859	3,314,432
Subsidies and grants for operating purposes	-	-	-	-	-
Fees, charges and targeted rates for water supply	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	289,757	381,460	392,826	403,589	415,277
<b>TOTAL OPERATING FUNDING</b>	<b>3,079,480</b>	<b>3,320,950</b>	<b>3,444,545</b>	<b>3,627,316</b>	<b>3,783,389</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>					
Payments to staff and suppliers	1,788,791	1,529,639	1,581,458	1,594,196	1,668,204
Finance costs	31,724	59,656	117,714	177,640	208,206
Internal charges and overheads applied	289,689	379,760	325,897	336,364	339,200
Other operating funding applications	-	-	-	-	-
<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	<b>2,110,204</b>	<b>1,969,055</b>	<b>2,025,069</b>	<b>2,108,200</b>	<b>2,215,610</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING</b>	<b>969,276</b>	<b>1,351,895</b>	<b>1,419,476</b>	<b>1,519,116</b>	<b>1,567,779</b>
<b>SOURCES OF CAPITAL FUNDING</b>					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	141,079	586,909	1,284,047	495,817	174,130
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	<b>141,079</b>	<b>586,909</b>	<b>1,284,047</b>	<b>495,817</b>	<b>174,130</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	586,825	1,883,555	2,645,925	1,954,886	1,679,311
- to replace existing assets	540,448	-	-	-	-
Increase (decrease) in reserves	(16,918)	55,249	57,598	60,047	62,598
Increase (decrease) in investments	-	-	-	-	-
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	<b>1,110,355</b>	<b>1,938,804</b>	<b>2,703,523</b>	<b>2,014,933</b>	<b>1,741,909</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING</b>	<b>(969,276)</b>	<b>(1,351,895)</b>	<b>(1,419,476)</b>	<b>(1,519,116)</b>	<b>(1,567,779)</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Flood Protection and River Control Works	2016/2017 Budget \$	2017/2018 Budget \$	2018/2019 Budget \$	2019/2020 Budget \$	2020/2021 Budget \$	2021/2022 Budget \$
<b>SOURCES OF OPERATING FUNDING</b>						
General rates, uniform annual general charge, rates penalties	65,940	85,254	111,823	131,473	149,682	151,803
Targeted rates (other than a targeted rate for water supply)	3,392,593	3,541,588	3,676,746	3,896,997	4,162,084	4,286,079
Subsidies and grants for operating purposes	-	-	-	-	-	-
Fees, charges and targeted rates for water supply	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	427,405	439,431	451,872	465,333	479,921	495,060
<b>TOTAL OPERATING FUNDING</b>	<b>3,885,938</b>	<b>4,066,273</b>	<b>4,240,441</b>	<b>4,493,803</b>	<b>4,791,687</b>	<b>4,932,942</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>						
Payments to staff and suppliers	1,706,357	1,769,154	1,798,611	1,891,022	1,995,163	2,011,212
Finance costs	233,677	278,076	344,929	392,584	459,187	481,056
Internal charges and overheads applied	351,653	370,380	366,818	382,421	403,311	405,919
Other operating funding applications	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	<b>2,291,687</b>	<b>2,417,610</b>	<b>2,510,358</b>	<b>2,666,027</b>	<b>2,857,661</b>	<b>2,898,187</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING</b>	<b>1,594,251</b>	<b>1,648,663</b>	<b>1,730,083</b>	<b>1,827,776</b>	<b>1,934,026</b>	<b>2,034,755</b>
<b>SOURCES OF CAPITAL FUNDING</b>						
Subsidies and grants for capital expenditure	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-
Increase (decrease) in debt	389,445	682,703	694,718	1,041,567	480,190	118,982
Gross proceeds from sale of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	<b>389,445</b>	<b>682,703</b>	<b>694,718</b>	<b>1,041,567</b>	<b>480,190</b>	<b>118,982</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>						
Capital expenditure						
- to meet additional demand	-	-	-	-	-	-
- to improve the level of service	1,918,432	2,263,334	2,353,878	2,795,406	2,337,136	2,073,381
- to replace existing assets	-	-	-	-	-	-
Increase (decrease) in reserves	65,264	68,032	70,923	73,937	77,080	80,356
Increase (decrease) in investments	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	<b>1,983,696</b>	<b>2,331,366</b>	<b>2,424,801</b>	<b>2,869,343</b>	<b>2,414,216</b>	<b>2,153,737</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING</b>	<b>(1,594,251)</b>	<b>(1,648,663)</b>	<b>(1,730,083)</b>	<b>(1,827,776)</b>	<b>(1,934,026)</b>	<b>(2,034,755)</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Community Services

The Community Services section is broken down into two groups of related activities:

- Community Facilities and Parks
- Recreation and Cultural Services

The 10 year budgets for the Community Services activities are outlined in the following table along with the 2011/2012 budgets for comparison.

Community Services	2011/2012 Budget \$	2012/2013 Budget \$	2013/2014 Budget \$	2014/2015 Budget \$	2015/2016 Budget \$
Community Facilities and Parks	13,443,020	13,259,815	12,694,239	13,101,847	13,806,416
Recreation and Cultural Services	2,552,718	2,659,942	2,594,396	2,691,502	2,610,420
<b>TOTAL COSTS</b>	<b>15,995,738</b>	<b>15,919,757</b>	<b>15,288,635</b>	<b>15,793,349</b>	<b>16,416,836</b>

Community Services	2016/2017 Budget \$	2017/2018 Budget \$	2018/2019 Budget \$	2019/2020 Budget \$	2020/2021 Budget \$	2021/2022 Budget \$
Community Facilities and Parks	14,137,049	14,961,916	14,987,149	15,355,189	15,912,407	16,283,354
Recreation and Cultural Services	2,719,731	2,803,795	2,882,836	2,968,411	3,109,276	3,173,529
<b>TOTAL COSTS</b>	<b>16,856,780</b>	<b>17,765,711</b>	<b>17,869,985</b>	<b>18,323,600</b>	<b>19,021,683</b>	<b>19,456,883</b>

Details of each of these groups of activities are outlined in the following pages. These pages cover what the Council does in relation to each activity group, why we do it, the contribution of the activities to the Community Outcomes, the activity goal, how we will measure our performance and the key things we will be doing in relation to the activity and funding of the activity.

## i. Community Facilities and Parks

### What we do

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

- 595 hectares of Parks and Reserves
- 12 Cemeteries
- 41 Playgrounds
- 4 Libraries
- Funding for District and Shared Facilities such as the Saxton Field complex
- 24 Public Halls and Community Buildings
- 61 Public Toilets
- 101 Council Cottages
- The ASB Aquatic Centre

### Why we do it

Council provides community and recreational facilities to promote community wellbeing and to meet community expectations.

Council recognises it plays a key role in creating the environment in which communities can prosper and enjoy improved health and wellbeing. The provision of open spaces and recreational facilities influences the way in which people can take part in the life of the community. Such facilities also enable people to be more active in a convenient, easy, safe and enjoyable manner.

Cemeteries are provided for public health purposes and to comply with the requirements of the Burial and Cremation Act 1964.



## Community Services (cont.)

### Contribution to Community Outcomes

Community Outcomes	How Our Activity Contributes to the Community Outcome
Our unique natural environment is healthy and protected	Protection of the natural environment and ecologically significant areas. Provision and enhancement of open space. Vegetation enhancement and awareness. Enhanced community involvement in conservation and restoration work. Protection and enhancement of coastal and riparian areas.
Our urban and rural environments are pleasant, safe and sustainably managed.	Provision and enhancement of open space and an interconnected open space network. Provision of neighbourhood and community parks within walking distance of homes.
Our communities are healthy, resilient and enjoy their quality of life.	Provision of open space and recreation facilities that cater for and promote active lifestyles. This includes casual activities such as walking and cycling, and organised sports and recreation activities.
Our communities have access to a range of cultural, social, educational and recreational services.	Reserves and facilities are designed and managed to ensure users safety and cater for the needs of the whole community. Provision of high quality open space, recreation and cultural facilities such as Libraries and Community Halls that provide a range of leisure, cultural and amenity services to the public.

### Our goal

We aim to provide parks, reserves and recreational facilities that promote the physical, psychological, environmental and social wellbeing of communities in Tasman District and to also provide amenities that meet the needs of residents and visitors.

- Complying with the Library and Information Association New Zealand Aotearoa (LIANZA) Standards as the population increases requires additional library floor space to be provided in some settlements and additional items for borrowing.

### Key issues

- Continuing population growth and increases in demand for additional urban reserve land and sports parks across the District needs to be managed cost effectively.
- Similar to all councils in New Zealand, there are always more requests from the public for new community facilities than can be funded, including both the capital and operating costs of facilities.
- The number of retired people is forecast to increase from 7,700 to 15,200 by 2031 and this may increase demand for Council services, e.g. library services and Council cottages. If surplus funds are available, Council will consider building additional Council cottages during the next 10 years.
- Coastal erosion and the impact of projected sea level rise may impact on Council walkways and reserves.

- Damage to the Parks and Reserves assets from storms and heavy rainfall events.  
In December 2011 the Tasman District experienced extremely heavy rainfall which led to flooding and damage to Council infrastructure and private property. This was particularly destructive in Golden Bay. The cost of the damage to Council walkways, reserve facilities, including small bridges, picnic tables, gas BBQ's, has been estimated at \$200,000 with \$50,000 recoverable. Much of the Council funding is likely to come from disaster funds or loans.



## Community Services (cont.)

Our level of service – What the Council will do and how it will measure performance over the 10 years from 2012-2022

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance
1. A network of multi-purpose community and recreation facilities in major centres supported by local halls, that provide reasonable access to indoor activities, libraries and recreation space	Customer satisfaction with parks and reserves score above 80% - as measured by ParkCheck Visitor Measures	2010 ParkCheck Visitor measures result 90%.
	Residents rate their satisfaction with this activity as "fairly satisfied" or better in annual surveys.	Parks and Reserves 2011 Communitrak™ result 91%  Libraries 2011 Communitrak™ result 82%
	Percentage of parks and reserves contract service standards met (based on exception reporting)	Not measured
	A community building* is available within a 15-minute drive for 80% of the population. (20km radius catchment)	Not measured
2. Cemeteries that offer a range of burial options and adequate space for future burial demand.	Percentage of cemeteries contract service standards met (based on exception reporting)	Not measured
3. Swimming pools that meet the needs of users and provide opportunity for aquatic based recreation activities and learn to swim programmes.	For the ASB Aquatic Centre, admissions per m <sup>2</sup> of pool swimming per annum within 10% of average of peer group as measured by Yardstick	173 swims per m <sup>2</sup> of swimming pool (4% lower than the peer group average)
4. Public Conveniences at appropriate locations that meet the needs of users and are pleasant to use and maintained to a high standard of cleanliness.	Our toilets are cleaned and maintained to 90% compliance with the appropriate contract specification as measured in the bi-monthly sample contract audit.	Non-compliance is recorded but not analysed.
5. Council cottages that help meet the needs of the elderly and people with disabilities.	Tenant satisfaction with standard, quality and management of cottages is 80% as measured through a biennial survey.	91% overall satisfaction from in-house survey
6. Access to information and leisure sources that satisfy the needs of the community, delivered within the libraries and through outreach programming.	Tasman District Council collections compare favourably when measured against the Library and Information Association New Zealand Aotearoa (LIANZA) standard for library book stocks. Stock numbers will be measured quarterly using information available for the Library Management System software.	Book stocks are currently at 81% of the LIANZA standard.
7. Access to a variety of information, leisure, social resources and services to support those with special needs through the libraries in Richmond, Motueka, Takaka and Murchison.	Tasman District Council library buildings provide adequate spaces to enable the delivery of quality library services as measured against the LIANZA standard.	The Richmond and Takaka libraries floor areas currently meet the LIANZA standard. The Murchison floor area is currently 75% of the LIANZA standard.
		The Motueka Library floor area is currently around 50% of the LIANZA standard. The library will need to increase by 617m <sup>2</sup> to allow for population growth through to 2031.

\*recreation centre, public hall or community house.

We will know we are meeting the Level of Service if...	Forecast Performance			
	Year 1	Year 2	Year 3	By Year 10
Customer satisfaction with parks and reserves score above 80% - as measured by ParkCheck Visitor Measures	Satisfaction target above 85%	Satisfaction target above 85%	Satisfaction target above 85%	Satisfaction target above 85%
Residents rate their satisfaction with this activity as "fairly satisfied" or better in annual surveys.	Satisfaction target above 85% for parks and reserves	Satisfaction target above 85% for parks and reserves	Satisfaction target above 85% for parks and reserves	Satisfaction target above 85% for parks and reserves
	83% of Tasman residents are fairly or very satisfied with the public libraries	83% of Tasman residents are fairly or very satisfied with the public libraries	83% of Tasman residents are fairly or very satisfied with the public libraries	83% of Tasman residents are fairly or very satisfied with the public libraries
Percentage of parks and reserves service standards met (based on exception reporting)	85%	85%	85%	85%
A community building is available within a 15-minute drive for 80% of the population. (20km radius catchment)	90%	90%	90%	90%
Percentage of cemeteries service standards met (based on exception reporting)	90%	90%	90%	90%
For the ASB Aquatic Centre, admissions per m <sup>2</sup> of swimming pool per annum within 10% of average of peer group as measured by Yardstick	Admissions per m <sup>2</sup> per annum above average of peer group as measured by Yardstick	Admissions per m <sup>2</sup> per annum above average of peer group as measured by Yardstick	Admissions per m <sup>2</sup> per annum above average of peer group as measured by Yardstick	Admissions per m <sup>2</sup> per annum above average of peer group as measured by Yardstick
Our toilets are cleaned and maintained to 90% compliance with the appropriate contract specification as measured in the bi-monthly sample contract audit.	90%	90%	90%	90%
Tenant satisfaction with standard, quality and management of cottages is 80% as measured through a biennial survey.	85%	85%	85%	85%
Tasman District Council collections compare favourably when measured against the Library and Information Association New Zealand Aotearoa (LIANZA) standard for library book stocks. Stock numbers will be measured quarterly using information available for the Library Management System software.	Book stocks achieve 82% of the LIANZA standard.	Book stocks achieve 84% of the LIANZA standard.	Book stocks achieve 85% of the LIANZA standard	The book budget will be funded at a level which will ensure that the target of 85% of the LIANZA standard for book stocks is maintained.
Tasman District Council library buildings provide adequate spaces to enable the delivery of quality library services as measured against the LIANZA standard.	The Richmond, Takaka and Murchison libraries floor areas are maintained at the current size.  Council will redevelop the Motueka Library to achieve 100% of the LIANZA standard. Work will commence in 2013.	The Richmond, Takaka and Murchison libraries floor areas are maintained at the current size.  The Motueka Library floor area is maintained at the size reached following building redevelopment.	The Richmond, Takaka and Murchison libraries floor areas are maintained at the current size.  The Motueka Library floor area is maintained at the size reached following building redevelopment.	The Richmond, Takaka and Murchison Libraries floor areas are maintained at the size.  The Motueka Library floor area is maintained at the size reached following building redevelopment.

# Community Services (cont.)

## Major activities

Ongoing management, maintenance and renewal of Council's parks and reserves, cemeteries, playgrounds, libraries, district and shared facilities, public toilets, Council cottages, and swimming pools.

## Key assumptions and uncertainties

The most significant assumptions and uncertainties that underlie the approach taken for this group of activities are:

- The Council's growth assumptions underpin this activity's capital works programme. If projected growth does not occur there could be implications for our income and this will impact on our ability to deliver the capital expenditure programme. If projected growth is higher then there might be greater demand for additional facilities.

## Community Facilities Rate

Council introduced the concept of a Community Facilities Rate in the 2003/2004 financial year to provide a unique funding source for a wide range of community, recreational, sporting and cultural projects that were being proposed throughout the District for the benefit of residents.

Completed projects that have been funded to date by the Community Facilities Rate include:

- The Rotoiti Community Hall.
- The Moutere Hills Community Centre.
- ASB Aquatic Centre.
- The Grandstand at Sports Park Motueka.
- Motueka Recreation Centre upgrade.
- The Murchison Sport, Recreation and Cultural Centre.
- The Tasman Tennis Centre upgrades and new courts.
- A contribution to the Maruia Hall.
- The purchase of 3000 temporary seats for use at various sporting and other events.
- Contributions under an agreed funding formula for ongoing developments at Saxton Field.
- Contributions to the upgrade of the Theatre Royal and to the upgrade of the Trafalgar Centre.

In 2005 Council split the Community Facilities Rate into a District Facilities Rate and a Regional Facilities Rate to cover the wide range of projects both within the Tasman District and also in Nelson City. Council proposes to continue with the two Facilities Rates covering both the previous District and Regional Facilities. In 2011 the Regional Facilities was renamed as the Shared Facilities Rate to recognise that most of the regional facilities are actually shared facilities that are used by many residents of both districts. Each of these rates is charged on all properties within Tasman District.

Council also has a Community Facilities Operating Rate, which provides funding to assist with the operating costs of the following community facilities:

- Moutere Hills Community Centre.
- Motueka Recreation Centre.
- ASB Aquatic Centre.
- Murchison Sport, Recreation and Cultural Centre.
- Rotoiti Community Hall.
- Saxton Field Stadium.

## District Facilities

(note: all rate figures listed in this section include an allowance for inflation unless stated otherwise and are exclusive of GST.)

## Changes since the 2011/2012 Annual Plan.

Amendments have been made to proposed District Facilities to reduce the District Facilities Rate. To achieve this the Motueka Swimming Pool (\$4.25 million plus inflation), the proposed contribution to the Motorsport Facility (\$630,000 plus inflation) and one of the proposed District hall upgrades (\$1.13 million plus inflation) have been shifted out beyond the 10 year period of this Long Term Plan.

Making these changes in the Long Term Plan has achieved a reduction in the District Facilities Rate and is considered more affordable for ratepayers.

#### **Motueka Swimming Pool**

Council is supportive of a pool in Motueka, preferably on Motueka High School land. Council will consider funding for this project if the Ministry for Education agrees to help fund the project.

#### **Mapua Public Hall**

An allowance of \$827,820 has been made in 2012/2013 towards the cost of a major upgrade of this community facility. The project will be loan funded.

Council has previously provided funding to assist with preparing building plans to enable the work to go to tender. This hall is owned by the Mapua Public Hall Society Incorporated.

Funding for this project is a guide only and any final allocation of funds will be subject to Council approval of the project.

#### **Proposed future projects**

##### **Golden Bay community facility**

An allowance of \$3.7 million has been made in 2013/2014 and 2014/2015 towards the cost of a new community facility in Golden Bay. The project will be loan funded.

Funding for this project is a guide only and any final allocation of funds will be subject to a feasibility study, community support fund raising, and Council approval of the project.

#### **Council hall upgrade**

An allowance of \$1.7 million in 2019/2020 has been made towards an upgrade of an existing Council owned hall.

Funding for this project is a guide only and any final allocation of funds will be subject to Council approval of the project.

# Community Services (cont.)

## Shared Facilities Rate

(note: all rate figures listed in this section include an allowance for inflation and are exclusive of GST.)

### **Changes since the 2011/2012 Annual Plan.**

The proposed Rowing/Aquatic Centre project has been moved out beyond the 10 year period of this Long Term Plan. This change has been made to reduce the number of projects funded by the Shared Facilities Rate and is considered more affordable for ratepayers.

### **Saxton Field continued development**

In conjunction with Nelson City Council, Saxton Field is continuing to be developed and this work is expected to continue over the next 10 years as new areas are developed and opened up for public use.

As part of the alignment of Tasman District Council and Nelson City Council Long Term Plans, and to also enable Council to provide funding towards the Tasman Great Taste Trail, Council has amended the Saxton Field developments through the LTP process as follows:

- Year 1 Reduced from \$669,970 to \$452,160
- Year 2 Reduced from \$744,045 to \$423,439
- Year 3 Reduced from \$758,334 to \$700,192
- Year 4 Reduced from \$1,122,061 to \$495,862
- Year 5 Reduced from \$627,787 to \$326,743
- Year 6 Reduced from \$643,407 to \$290,145

Tasman District Council's share of the Cycle/Football Pavilion on Saxton Field of \$632,357 has been provided for in 2015/2016.



The total cost to Tasman District of work at Saxton Field is expected to be approximately \$5 million over the next 10 years, including walkways, a cycletrack, a cycle/football pavilion and hockey turf. The work will be loan funded.

#### Tasman Great Taste Trail

Refer to page 111 in the Transportation section for information on this project.

#### Brook Sanctuary Fence

An allowance of \$312,945 has been made from 2013-2015 towards the cost of building a pest proof fence around the 700 hectare sanctuary. The project will be loan funded and funding must be used by the Sanctuary Trust by June 2015.

#### New capital expenditure

The following table details the major capital, renewal work and grants for Community Facilities programmed for the years 2012-2022. A full list of projects and programmes for when the work is planned to be completed is included in the Parks and Reserves, Community Facilities and Libraries Activity Management Plans.

Activity	2012/2013 - 2014/2015 Years 1 - 3	2015/2016 - 2021/2022 Years 4 - 10
Saxton Field developments (land purchases, walkways, roads)	\$1,575,791	\$1,969,810
Cycle track – Saxton Field	\$204,400	\$0
Cycle/football pavilion – Saxton Field	\$0	\$632,357
Hockey Turf – Saxton Field	\$306,600	\$359,937
Golden Bay multi-use facility	\$3,705,970	\$0
Mapua Hall	\$827,820	\$0
Brook Sanctuary	\$312,945	\$0
Upgrade to hall	\$0	\$1,743,482
Motueka Library	\$1,076,410	\$0
Radio Frequency Identification technology at libraries	\$373,608	\$0
Library renewals	\$1,094,401	\$2,993,280
Golden Bay Sports Field upgrade	\$104,035	\$158,558
Purchase of new reserves land (Waimea)	\$231,760	\$270,235
Provision of new walkways throughout the District	\$622,438	\$2,208,227

(Note: the amounts in the table above are the Tasman District Council contributions, some projects may include contributions from users of the facilities and/or Nelson City Council).



## Community Services (cont.)

For projects funded using Reserve Financial Contributions, please refer to pages 265-275 of this document.

### Significant negative effects

A negative impact from ongoing population growth and resulting asset growth is the increasing operations and maintenance cost of Council facilities.

### Significant positive effects

The most significant positive effects from this group of activities is that the new parks, reserves and facilities provide residents with opportunities to enjoy the facilities provided.

### Risk mitigation

The greatest risks associated with this group of activities are health and safety issues, particularly for users of the parks and reserves. These risks are mitigated through compliance with standards and regular inspections and assessment.

### Revenue and Finance Policy – Community Facilities and Parks section

The majority of capital works programme is funded from income received through Reserve Financial Contributions. Libraries are funded through general rates and pensioner housing is funded through user charges.

### Impact on the current/future social, economic, environmental and cultural wellbeing of the community

These activities have a significant positive impact on the social, economic, cultural and environmental wellbeing of the community, in terms of promoting recreation opportunities and activities, and providing social spaces, cultural enrichment and opportunities for residents to be involved in community life. It also provides environmental enhancement while adding distinctive open spaces and infrastructure.

Provision of adequate public conveniences and cemeteries cater for specific needs within the wider community.

### Distribution of benefits

Parks and Reserves benefit a wide number of residents and visitors. They offer sports grounds for clubs, picnic areas for families and encourage good physical and psychological health. They can also help protect the natural areas and environmental values.

The facilities protect cultural and heritage benefits and they provide controlled and serviced areas for recreational enjoyment and appreciation of the environment.

Community halls encourage social, mental and physical wellbeing by offering venues for social gatherings, sports and dances.

Groups are also able to obtain exclusive use of indoor facilities for a limited period of time.

The Council provides attractive and functional cemeteries. They provide a final resting place where families and friends can visit deceased loved ones.

Council acknowledges that the sole responsibility for funding of non cash expenses associated with this activity does not lie with the beneficiaries, direct or indirect, of this activity, therefore depreciation has been funded at the income statement level.

### The costs and benefits of funding the activities distinctly from other activities

This group of activities is provided mainly for the public good and so is predominantly funded from the general rate. Some funding for the activities also comes from Reserve Financial Contributions and fees and charges.

Funding the activities separately from other Council activities enables transparency to ensure that the financial contributions are used for the purposes for which they were intended.

**The extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activities**

All residents benefit and contribute to the need to undertake these activities. Council provides a wide range of facilities throughout the District to enable Tasman District residents and visitors to enjoy access to the wide range of parks and reserves, cultural and social activities. Those facilities that are for the benefit of specific groups of residents, such as Council cottages, are funded through user charges, however, most activities are funded through general and targeted rates, and reserve financial contributions, and/or district or shared facilities rates.

**Period in which the benefits are expected to occur**

The facilities that are currently provided and planned to be provided over the next 10 years provide ongoing benefit to the community.

Capital costs not funded from financial contributions are funded from loans. Council considers that this borrowing is the appropriate funding method that will most efficiently achieve inter-generational equity.

**Beneficiaries of this activity**

Council considers that the beneficiaries of this group of activities include: residents, visitors and sports groups.

Funding	Operating	Capital
General Rates	Yes	Yes
Targeted Rates	Yes	Yes
Lump Sum Contributions		
Fees and Charges	Yes	Yes
Interest and Dividends from Investments (Sundry Income)	Yes	Yes
Borrowing		Yes
Proceeds from Asset Sales		Yes
Development Contributions		
Financial Contributions under the Resource Management Act 1991	Yes	Yes
Grants and Subsidies	Yes	Yes

## Community Services (cont.)

### Funding Impact Statement and Funding Sources for the Group of Activities

Community Facilities and Parks	2011/2012 Budget \$	2012/2013 Budget \$	2013/2014 Budget \$	2014/2015 Budget \$	2015/2016 Budget \$
<b>SOURCES OF OPERATING FUNDING</b>					
General rates, uniform annual general charge, rates penalties	7,064,690	7,686,403	8,169,261	8,513,953	8,865,250
Targeted rates (other than a targeted rate for water supply)	2,446,549	2,522,191	2,865,277	3,229,499	3,542,576
Subsidies and grants for operating purposes	-	105,235	108,706	112,296	116,226
Fees, charges and targeted rates for water supply	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	1,741,518	1,684,413	1,736,068	1,809,734	1,860,439
<b>TOTAL OPERATING FUNDING</b>	<b>11,252,757</b>	<b>11,998,242</b>	<b>12,879,312</b>	<b>13,665,482</b>	<b>14,384,491</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>					
Payments to staff and suppliers	9,287,792	9,264,854	8,473,935	8,575,952	9,064,791
Finance costs	1,617,268	1,408,850	1,556,014	1,756,410	1,898,879
Internal charges and overheads applied	2,537,960	2,586,111	2,664,290	2,769,485	2,842,746
Other operating funding applications	-	-	-	-	-
<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	<b>13,443,020</b>	<b>13,259,815</b>	<b>12,694,239</b>	<b>13,101,847</b>	<b>13,806,416</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING</b>	<b>(2,190,263)</b>	<b>(1,261,573)</b>	<b>185,073</b>	<b>563,635</b>	<b>578,075</b>
<b>SOURCES OF CAPITAL FUNDING</b>					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	970,000	1,461,695	1,259,167	1,300,714	1,357,648
Increase (decrease) in debt	1,346,168	699,965	2,740,733	1,471,625	(133,901)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	<b>2,316,168</b>	<b>2,161,660</b>	<b>3,999,900</b>	<b>2,772,339</b>	<b>1,223,747</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>					
Capital expenditure					
- to meet additional demand	650,230	705,840	645,846	1,585,612	1,494,662
- to improve the level of service	589,598	122,484	3,487,568	1,473,307	95,428
- to replace existing assets	71,310	552,222	468,782	512,608	488,648
Increase (decrease) in reserves	(1,185,233)	(480,459)	(417,223)	(235,553)	(276,916)
Increase (decrease) in investments	-	-	-	-	-
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	<b>125,905</b>	<b>900,087</b>	<b>4,184,973</b>	<b>3,335,974</b>	<b>1,801,822</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING</b>	<b>2,190,263</b>	<b>1,261,573</b>	<b>(185,073)</b>	<b>(563,635)</b>	<b>(578,075)</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Community Facilities and Parks	2016/2017 Budget \$	2017/2018 Budget \$	2018/2019 Budget \$	2019/2020 Budget \$	2020/2021 Budget \$	2021/2022 Budget \$
<b>SOURCES OF OPERATING FUNDING</b>						
General rates, uniform annual general charge, rates penalties	9,216,391	9,588,874	10,032,073	10,313,206	10,734,423	11,126,758
Targeted rates (other than a targeted rate for water supply)	3,612,521	3,717,267	3,849,586	3,885,203	4,016,121	4,007,536
Subsidies and grants for operating purposes	120,295	124,269	128,368	132,860	137,775	142,873
Fees, charges and targeted rates for water supply	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	1,912,964	1,996,144	2,050,155	2,109,283	2,174,046	2,241,162
<b>TOTAL OPERATING FUNDING</b>	<b>14,862,171</b>	<b>15,426,554</b>	<b>16,060,182</b>	<b>16,440,552</b>	<b>17,062,365</b>	<b>17,518,329</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>						
Payments to staff and suppliers	9,247,260	9,885,111	9,811,435	10,123,941	10,457,257	10,821,088
Finance costs	1,935,021	1,952,550	2,017,120	1,935,292	1,988,737	1,923,877
Internal charges and overheads applied	2,954,768	3,124,255	3,158,594	3,295,956	3,466,413	3,538,389
Other operating funding applications	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	<b>14,137,049</b>	<b>14,961,916</b>	<b>14,987,149</b>	<b>15,355,189</b>	<b>15,912,407</b>	<b>16,283,354</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING</b>	<b>725,122</b>	<b>464,638</b>	<b>1,073,033</b>	<b>1,085,363</b>	<b>1,149,958</b>	<b>1,234,975</b>
<b>SOURCES OF CAPITAL FUNDING</b>						
Subsidies and grants for capital expenditure	-	-	-	-	-	-
Development and financial contributions	1,440,589	1,488,132	1,537,238	1,591,040	1,649,904	1,710,952
Increase (decrease) in debt	(940,871)	(629,510)	(1,086,171)	639,496	(1,113,987)	(980,506)
Gross proceeds from sale of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	<b>499,718</b>	<b>858,622</b>	<b>451,067</b>	<b>2,230,536</b>	<b>535,917</b>	<b>730,446</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>						
Capital expenditure						
- to meet additional demand	750,414	717,107	726,507	831,507	988,051	982,194
- to improve the level of service	-	98,912	36,004	60,351	35,037	194,974
- to replace existing assets	564,606	464,889	680,222	2,220,937	699,353	543,880
Increase (decrease) in reserves	(90,180)	42,352	81,367	203,104	(36,566)	244,373
Increase (decrease) in investments	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	<b>1,224,840</b>	<b>1,323,260</b>	<b>1,524,100</b>	<b>3,315,899</b>	<b>1,685,875</b>	<b>1,965,421</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING</b>	<b>(725,122)</b>	<b>(464,638)</b>	<b>(1,073,033)</b>	<b>(1,085,363)</b>	<b>(1,149,958)</b>	<b>(1,234,975)</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>





# Community Services (cont.)

## ii. Recreation and Cultural Services

### What we do

These activities include provision and support of recreational and cultural needs of the communities of the Tasman District. This is done through provision of projects that support and develop the community engagement with recreation, sports, arts and heritage and publication of Council magazines, e.g. Mudcakes and Roses.

Council's services include the provision of resources for community initiatives and community organisations to enable them to achieve their objectives by way of grants. Grants are predominately for 'not for profit' community and voluntary groups working for the benefit of Tasman District communities.

Funding from this group of activities also provides grants to the Suter Art Gallery and the Nelson Bays Heritage Trust, as well as support for District museums.

### Why we do it

By providing Recreation and Cultural Services Council meets community expectations to promote the well-being of the communities in its District. This requires providing and informing communities of opportunities to participate in recreation and leisure activities and supporting cultural and heritage organisations.

The Recreation and Cultural Services group of activities is an important component of Council's business in terms of:

- How it relates to the communities.
- How it strengthens its communities.
- How it supports its communities.
- How it maintains an accurate picture of community opportunities and challenges.
- How it supports access to and protects the District's recreation culture and heritage values.



## Community Services (cont.)

### Contribution to Community Outcomes

Community Outcomes	How Our Activity Contributes to the Community Outcome
Our communities are healthy, resilient and enjoy their quality of life.	Providing and supporting quality recreational services which enable participation in suitable relevant and enjoyable activities life long.
Our communities respect regional history, heritage and culture.	Promotion and celebration of our history and diverse cultures. Support of organisations that preserve and display our regions heritage and culture.
Our communities have access to a range of cultural, social, educational and recreational services.	Promotion and delivery of recreational services that reflect the diversity of the Tasman District. Assists community-led facilities, projects and initiatives to deliver benefits across the broader community.

### Our Goal

Council's aim is to enhance the quality of life of the community by providing and supporting recreational, cultural and heritage services which enable participation in suitable, relevant and enjoyable activities and environments lifelong and to enable communities to lead initiatives to help themselves.

### Key Issues

- Funding from external agencies is subject to external review and may not be certain in the long term.
- The growth in population raises expectations of service delivery but also brings new and valuable skills to the region.
- The voluntary sector is facing challenges of a reduction in volunteer hours being available, compliance with health and safety requirements, and reduced sponsorship and grant money being available. This is likely to increase the demand for Council grant funding. It may be difficult to meet community expectations on the amount of grant funding available.
- Council needs to ensure we continue to obtain value for money from grants dispersed. It is estimated by the NZ Federation of Voluntary Welfare Organisations that for every dollar an organisation receives they return \$3 to \$5 worth of services to the community.
- There are requests from the community to provide further funding to organisations, but Council funding for these activities comes mainly from general rates and Council has to balance these requests against the need to maintain rates at an affordable level.
- Council provides a contribution towards the operating costs of the Suter Art Gallery for services used by Tasman residents. The amount in 2012/2013 is \$82,772.

### Tasman Bays Heritage Trust Performance Targets

The TBHT is a Council Controlled Organisation and has separate performance targets which are set as part of the development of an annual Statement of Intent.

The Tasman Bays Heritage Trust provides for a high-quality exhibition, preservation, educational, and research facility emphasising the history of our region. The Nelson Provincial Museum is located in Trafalgar Street, Nelson.

Council has proposed that a strategic review of the museum's long term operating, facilities and governance needs be undertaken during the first three years of the Long Term Plan, including storage facilities and running costs of the museum. This would be a joint project between Tasman and Nelson Councils and the Tasman Bays Heritage Trust. The cost of the review is to be funded from existing budgets.

### Our investment in the CCO

This financial year Council will make a grant to the Tasman Bays Heritage Trust of approximately \$805,284 to assist with the operation of the Nelson Provincial Museum. This contribution will also support the retention of storage facilities at the current museum site in Isel Park, Stoke. Council provides new storage facilities at Wakatu Estate for the museums use at no cost to the Trust, but which is costing Council an additional \$87,585 in 2012/2013. Council has also loaned the Trust Funds.

Council has made no provision in this Plan for additional funding for the museum towards the museum's proposed new storage facility.

### Performance Targets - from the 2011/2012 Statement of Intent.

The principal objectives of the Trust as detailed in its Statement of Intent include:

- Foster, promote and celebrate a sense of history and awareness of the importance of the Nelson

and Tasman regions heritage and identity and the relationship of the Tangata Whenua as kaitiaki of taonga Māori within the role of Te Tai Ao.

- Be a good employer.
- Exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage those when able to do so.
- Conduct all trading affairs in accordance with sound business practice.



## Community Services (cont.)

Our level of service – What the Council will do and how it will measure performance over the 10 years from 2012-2022

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance
1. Promotion and celebration of our history and cultures. Support of facilities and services that house our regions stories, artifacts and arts.	Residents are satisfied with the information available in publications, as measured through the residents' survey undertaken at least three yearly.	95% of residents who have seen at least one of the recreation publications are fairly or very satisfied with them.
2. Promotion and delivery of events and recreational services that reflect the diversity of the District.	Residents attending a range of Council organised and supported activities and events are satisfied, as measured through user surveys.	80% of the community is very or fairly satisfied with Council activities or events.
3. Community development is supported with staff advice and funding support.	Information to support communities is accessible and relevant, as measured through the residents' survey undertaken at least every three years.  Information about grants assistance is accessible and appropriate. The administration of funding is clear and transparent, as measured through the residents' survey undertaken at least every three years.	70% of the community is very or fairly satisfied with the community assistance.
4. Provide grants to community groups to deliver services and facilities that enhance community well-being.	Grants are fully allocated to groups and individuals who meet our funding criteria.  Groups are delivering the services outlined in their applications and that they receive grant money to provide services to the community.	100% of grant funding is allocated.  75% of accountability forms are returned completed.

We will know we are meeting the Level of Service if...	Forecast Performance			
	Year 1	Year 2	Year 3	By Year 10
Residents are satisfied with the information available in publications, as measured through the residents' survey undertaken at least three yearly.	90% of residents who have seen at least one of the recreation publications are fairly or very satisfied with them.	90% of residents who have seen at least one of the recreation publications are fairly or very satisfied with them.	90% of residents who have seen at least one of the recreation publications are fairly or very satisfied with them.	90% of residents who have seen at least one of the recreation publications are fairly or very satisfied with them.
Residents attending a range of Council organised and supported activities and events are satisfied, as measured through user surveys.	90% of the community is very or fairly satisfied with Council activities or events.	90% of the community is very or fairly satisfied with Council activities or events.	90% of the community is very or fairly satisfied with Council activities or events.	90% of the community is very or fairly satisfied with Council activities or events.
Information to support communities is accessible and relevant, as measured through the residents' survey undertaken at least every three years.  Information about grants assistance is accessible and appropriate. The administration of funding is clear and transparent, as measured through the residents' survey undertaken at least every three years.	70% of the community is very or fairly satisfied with the community assistance.	70% of the community is very or fairly satisfied with the community assistance.	70% of the community is very or fairly satisfied with the community assistance.	70% of the community is very or fairly satisfied with the community assistance.
Grants are fully allocated to groups and individuals who meet our funding criteria.  Groups are delivering the services outlined in their applications and that they receive grant money to provide services to the community.	100% of grant funding is allocated. 90% of accountability forms are returned completed.	100% of grant funding is allocated. 90% of accountability forms are returned completed.	100% of grant funding is allocated. 90% of accountability forms are returned completed.	100% of grant funding is allocated. 90% of accountability forms are returned completed.

# Community Services (cont.)

## Major activities

- Support of community development through advice, grants and partnership arrangements.
- Allocation of contestable grants.
- Ongoing allocation of funding to cultural services, e.g. Museums and The Suter art gallery.
- Annual review of grants funding criteria and process.
- Support of regional recreation programmes.
- Provision of community events and activities.
- Promotion of community events and activities through website, Mudcakes and Roses, Boredom Busters, JAM website, Newslines, Found Directory, Bike/Walk Tasman, Hummin in Tasman and other media.
- Facilitate the Youth Council with regional recreation coordinators.
- Facilitate the Positive Ageing Forum.
- Consider implementation of actions identified as priorities in the Nelson Tasman Regional Arts Strategy.
- Develop final draft of Tasman Youth Strategy for consideration and adoption. Implement those actions identified as priorities.

## Key assumptions and uncertainties

Council will continue to deliver current activities and programmes and to receive contestable funding for these activities from external organisations.

## Trends in Community Expectations

In the residents' satisfaction surveys there has been no indication by the community for a change in the Council's role in the Recreation and Cultural Services.

## Changes in Legislation and Policies

Changes to Recreation and Cultural Services may be driven internally through change of emphasis on increasing service or externally by other organisations such as the Government.

## New capital expenditure

There are no assets held in this activity or proposed capital expenditure during the 10 year period.

## Significant Negative Effects

There are no significant negative effects from the activities, apart from the cost of providing the activity.

## Significant Positive Effects

The activity supports community and voluntary sector groups and encourages residents to become physically active and engaged with community life.

## Revenue and Finance Policy – Recreation and Cultural Services section

### **Impact on the current/future social, economic, environmental and cultural wellbeing of the community**

These activities have a significant positive impact on the social, economic and cultural wellbeing of the community, in terms of promoting cultural enrichment and opportunities for residents to be involved in community life.

### **Beneficiaries of these activities**

Council considers the beneficiaries of these activities to be local residents and visitors, families, senior citizens, youth and children.

### **Distribution of benefits**

The public receive better use of resources, facilities and recreational opportunities and as such gain physical and psychological wellbeing and a sense of community identity. Overall there are District and national benefits from people being healthy. Council also considers there is a private benefit to all those who use Council recreation facilities including community and sporting groups.

**The costs and benefits of funding these activities distinctly from other activities**

The benefit of funding these activities is that the organisations are providing services that are of benefit to the whole District (public). Therefore the activities are mainly funded as a public good through rates.

**The extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake these activities**

The Council undertakes these activities to allow Tasman District residents to enjoy access to a wide range of recreational cultural and social activities.

**Period in which the benefits are expected to occur**

Most of these activities provide ongoing benefit to the community. Operational grants to The Suter and Museums mainly provide benefits for the year that they are provided.

Funding	Operating	Capital
General Rates	Yes	Yes
Targeted Rates	Yes	Yes
Lump Sum Contributions		
Fees and Charges	Yes	
Interest and Dividends from Investments (Sundry Income)	Yes	
Borrowing		
Proceeds from Asset Sales		
Development Contributions		
Financial Contributions under the Resource Management Act 1991	Yes	
Grants and Subsidies	Yes	

## Community Services (cont.)

### Funding impact statements and funding sources for the Group of Activities

Recreation and Cultural Services	2011/2012 Budget \$	2012/2013 Budget \$	2013/2014 Budget \$	2014/2015 Budget \$	2015/2016 Budget \$
<b>SOURCES OF OPERATING FUNDING</b>					
General rates, uniform annual general charge, rates penalties	1,211,800	1,152,067	1,178,270	1,233,919	1,252,748
Targeted rates (other than a targeted rate for water supply)	1,041,204	1,095,666	1,151,771	1,208,312	1,270,690
Subsidies and grants for operating purposes	143,432	330,477	203,979	210,547	69,545
Fees, charges and targeted rates for water supply	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	173,773	142,510	146,154	149,502	153,215
<b>TOTAL OPERATING FUNDING</b>	<b>2,570,209</b>	<b>2,720,720</b>	<b>2,680,174</b>	<b>2,802,280</b>	<b>2,746,198</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>					
Payments to staff and suppliers	2,149,797	2,247,837	2,168,852	2,245,866	2,162,007
Finance costs	159,426	119,086	120,413	123,682	128,860
Internal charges and overheads applied	243,495	293,019	305,131	321,954	319,553
Other operating funding applications	-	-	-	-	-
<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	<b>2,552,718</b>	<b>2,659,942</b>	<b>2,594,396</b>	<b>2,691,502</b>	<b>2,610,420</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING</b>	<b>17,491</b>	<b>60,778</b>	<b>85,778</b>	<b>110,778</b>	<b>135,778</b>
<b>SOURCES OF CAPITAL FUNDING</b>					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	109,222	(10,778)	(10,778)	(10,778)	(10,778)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	<b>109,222</b>	<b>(10,778)</b>	<b>(10,778)</b>	<b>(10,778)</b>	<b>(10,778)</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	-	-	-	-	-
- to replace existing assets	-	-	-	-	-
Increase (decrease) in reserves	6,713	50,000	75,000	100,000	125,000
Increase (decrease) in investments	120,000	-	-	-	-
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	<b>126,713</b>	<b>50,000</b>	<b>75,000</b>	<b>100,000</b>	<b>125,000</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING</b>	<b>(17,491)</b>	<b>(60,778)</b>	<b>(85,778)</b>	<b>(110,778)</b>	<b>(135,778)</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Recreation and Cultural Services	2016/2017 Budget \$	2017/2018 Budget \$	2018/2019 Budget \$	2019/2020 Budget \$	2020/2021 Budget \$	2021/2022 Budget \$
<b>SOURCES OF OPERATING FUNDING</b>						
General rates, uniform annual general charge, rates penalties	1,316,875	1,355,672	1,387,759	1,429,658	1,517,503	1,529,616
Targeted rates (other than a targeted rate for water supply)	1,309,573	1,348,617	1,389,194	1,425,991	1,471,388	1,515,686
Subsidies and grants for operating purposes	71,979	74,414	76,869	79,431	82,304	85,211
Fees, charges and targeted rates for water supply	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	157,082	160,870	164,792	169,109	173,859	178,794
<b>TOTAL OPERATING FUNDING</b>	<b>2,855,509</b>	<b>2,939,573</b>	<b>3,018,614</b>	<b>3,104,189</b>	<b>3,245,054</b>	<b>3,309,307</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>						
Payments to staff and suppliers	2,255,593	2,312,327	2,393,709	2,469,396	2,579,107	2,647,300
Finance costs	132,032	135,161	142,087	135,561	138,593	137,806
Internal charges and overheads applied	332,106	356,307	347,040	363,454	391,576	388,423
Other operating funding applications	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	<b>2,719,731</b>	<b>2,803,795</b>	<b>2,882,836</b>	<b>2,968,411</b>	<b>3,109,276</b>	<b>3,173,529</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING</b>	<b>135,778</b>	<b>135,778</b>	<b>135,778</b>	<b>135,778</b>	<b>135,778</b>	<b>135,778</b>
<b>SOURCES OF CAPITAL FUNDING</b>						
Subsidies and grants for capital expenditure	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-
Increase (decrease) in debt	(10,778)	(10,778)	(10,778)	(10,778)	(10,778)	(10,778)
Gross proceeds from sale of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	<b>(10,778)</b>	<b>(10,778)</b>	<b>(10,778)</b>	<b>(10,778)</b>	<b>(10,778)</b>	<b>(10,778)</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>						
Capital expenditure						
- to meet additional demand	-	-	-	-	-	-
- to improve the level of service	-	-	-	-	-	-
- to replace existing assets	-	-	-	-	-	-
Increase (decrease) in reserves	125,000	125,000	125,000	125,000	125,000	125,000
Increase (decrease) in investments	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	<b>125,000</b>	<b>125,000</b>	<b>125,000</b>	<b>125,000</b>	<b>125,000</b>	<b>125,000</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING</b>	<b>(135,778)</b>	<b>(135,778)</b>	<b>(135,778)</b>	<b>(135,778)</b>	<b>(135,778)</b>	<b>(135,778)</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



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# Governance

This section contains the Governance group of activities. The 10 year budgets for the Governance activities are outlined in the following table along with the 2011/2012 budgets for comparison.

Governance	2011/2012 Budget \$	2012/2013 Budget \$	2013/2014 Budget \$	2014/2015 Budget \$	2015/2016 Budget \$
Governance	3,908,407	3,697,561	3,982,268	3,898,441	13,684,205
<b>TOTAL COSTS</b>	<b>3,908,407</b>	<b>3,697,561</b>	<b>3,982,268</b>	<b>3,898,441</b>	<b>13,684,205</b>

Governance	2016/2017 Budget \$	2017/2018 Budget \$	2018/2019 Budget \$	20019/2020 Budget \$	2020/2021 Budget \$	2021/2022 Budget \$
Governance	8,029,612	7,968,896	8,116,494	8,470,045	8,448,171	8,581,690
<b>TOTAL COSTS</b>	<b>8,029,612</b>	<b>7,968,896</b>	<b>8,116,494</b>	<b>8,470,045</b>	<b>8,448,171</b>	<b>8,581,690</b>

Details of each of this group of activities are outlined in the following pages. These pages cover what the Council does in relation to the activity group, why we do it, the contribution of the activities to the Community Outcomes, the activity goal, key issues, how we will measure our performance, the key things we will be doing in relation to the activities and funding of the activities.

## What we do

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

- Support for councillors, Council and Community Boards.
- Organising and preparation for Council meetings.
- Preparing Council's strategic plans and annual financial reports.
- Running elections and democratic processes, including community consultation.
- Managing Council's investments in Council Controlled Trading Organisations (CCTOs).

# Governance (cont.)

Council invests in CCTOs to assist it to achieve its objectives. The CCTOs, listed below, independently manage facilities, deliver services, and undertake developments on behalf of Council:

- Nelson Airport Limited.
- Tourism Nelson Tasman Limited.
- Port Nelson Limited (note: although Port Nelson is a company half-owned by Council, it is not classed as a CCTO in legislation. However, performance monitoring requirements are similar to those of a CCTO).

## Why we do it

We undertake this function to support democratic processes and Council decision-making, while meeting our statutory functions and requirements, and to provide economic benefits to our community.

## Contribution to Community Outcomes

Community Outcomes	How Our Activity Contributes to the Community Outcome
Our communities engage with Council’s decision-making processes.	The Governance activity contributes to the community outcomes by ensuring democratic processes and strategic planning are undertaken, and by supporting the work of elected members.
Our developing and sustainable economy provides opportunities for us all.	The Governance activity contributes to the community outcomes by the CCTOs providing an economic return to Council and ratepayers and by providing employment opportunities.

## Electoral process

Tasman District is divided into five electoral wards – Golden Bay, Lakes/Murchison, Motueka, Moutere/Waimea and Richmond. Councillors are elected by ward. The Mayor is elected from across the District. We have Community Boards in Golden Bay and Motueka.

Elections are held every three years under the Local Electoral Act 2001.

Council comprises a Mayor and 13 Councillors elected as follows:

Ward	Councillors
Golden Bay	2
Lakes/Murchison	1
Motueka	3
Moutere/Waimea	3
Richmond	4

### Friendly Towns/Community Relationships

Tasman District Council enjoys Friendly Town/Communities Relationships with three towns, two in Japan and one in Holland. Motueka has a friendly town relationship with Kiyosato in Japan, and Richmond has a friendly town relationship with Fujimi-Machi in Japan. There are regular exchanges of students and adults between the towns. Takaka has a friendly towns relationship with Grootegast in Holland, and the Tasman District Council has a friendly communities relationship with Grootegast Council. These relationships foster and encourage economic and cultural relations between the areas.

### Key Issues

#### **Iwi and Māori matters**

Local Iwi and Council both support community wellbeing and contribute to the economic development of the Tasman District, but in different ways, for example Iwi have a kaitiakitanga (guardianship) role for the environment and Council has a range of enhancement, monitoring and regulatory functions that it undertakes to protect and improve the environment. Iwi have a long term commitment to the region and through various businesses provide economic development and significant employment to residents of the District, whereas Council focuses more on providing infrastructure to support businesses.

The Tasman District Council appreciates the important contribution Iwi and Māori organisations make towards these common goals.

## Governance (cont.)

It is important to Council that it has a good working relationship with Iwi and a number of steps have been taken over the last few years to enable greater contribution by Māori in the decision making processes. These are set out on page 84 in Volume 2 of this Plan, some of the recent actions are inclusion of Iwi representatives on important working groups and the appointment of a Kaumatua to assist the Mayor and Chief Executive with Māori protocol. Māori have asked that they be included in more of Council's decision making processes and that Council provide resources to enable this participation.

Unfortunately the cost of many of these initiatives would increase rates significantly and, therefore, Council has not provided any additional funding in the final Long Term Plan. However, Council recognises that as the Te Tiriti o Waitangi/ The Treaty of Waitangi claims are settled that the role of Iwi in the District will develop and their relationship with Council may be defined. Therefore, Council has requested that staff and Iwi work through the operational requests to determine if some requested actions can be undertaken within existing budgets. Council will also continue to be mindful of opportunities to include Iwi and Māori views in its decision making processes.

### **Amalgamation Proposal**

At the time of writing the Draft Long Term Plan, the Local Government Commission had just announced its decision on the proposed union of Nelson City and Tasman District.

A postal vote on the Commission's final draft reorganisation scheme closed 21 April 2012 with 75 percent of Tasman voters rejecting the proposed scheme, and accordingly as over 50 percent of the people that vote in each of the polls would need to vote for the amalgamation, the proposal failed.

The Draft Long Term Plan was prepared for the Tasman District only and the assumption used when preparing the financial information was that amalgamation would not occur.

Therefore no changes have been required to be made in finalising the Long Term Plan in respect to the poll.

### **Tourism Funding and Targeted Rate**

Tasman District Council provides a significant sum of money to assist funding the operations of Nelson Tasman Tourism (refer to pages 222-223 for a summary of this Council Controlled Trading Organisation). Nelson Tasman Tourism is a joint venture between Tasman and Nelson Councils which provides tourism services to visitors and residents. In order to improve transparency and administrative efficiency, and to recognise that the benefits of tourism are widely spread and that there is a public good from many of Nelson Tasman Tourism's services, Council consulted on changing the funding of this company from a mix of general rates and a targeted rate on commercial activities that benefit from tourism, to a \$23.51 uniform charge on all properties within Tasman District. Following consideration of submissions Council has decided to adopt the \$23.51 uniform charge. The current \$115 targeted rate per commercial property that benefits from tourism has been discontinued as well as the general rate contribution.

The \$23.51 targeted rate will collect \$442,199 in 2012/2013 of which \$313,639 would be used to fund the i-Site component of Nelson Tasman Tourism Limited, including \$50,000 earmarked for the Motueka i-Site. The balance would be applied to destination marketing by Nelson Tasman Tourism Limited and a strategic review of Council's role in supporting tourism.

### **Community Board Targeted Rate**

Council has agreed to retain the Community Board targeted rate in the Long Term Plan. It has, however, made some changes to the rate. It has removed the general rate contribution from the calculation of the Community Board targeted rate from 2012/2013 onwards and has decided to not charge the Boards for staff time to deal with matters raised by the Boards. As a result, the Community Board targeted rates for the 2012/2013 year will be:

- Motueka Ward: \$12.26 (this figure includes the allowance of approximately \$5 per property for projects to be spent in the Motueka Ward, the funding for which will be allocated by the Motueka Community Board).
- Golden Bay Ward: \$15.07.

Our level of service – What the Council will do and how it will measure performance over the 10 years from 2012-2022

Levels Of Service (We provide)	We will know we are meeting the Level Of Service if...	Current Performance	Forecast Performance			
			Year 1	Year 2	Year 3	By Year 10
1. Support for Iwi to enable them to be consulted on Council statutory issues.	Funding is provided to enable Iwi consultation with Council on a wide range of statutory issues.	Council continues to provide funding and engage with Iwi on a wide range of issues.	90% of funding budgeted is allocated during any given year.	90% of funding budgeted is allocated during any given year.	90% of funding budgeted is allocated during any given year.	90% of funding budgeted is allocated during any given year.
2. Support for economic development in the Tasman District.	Funding is provided for economic development opportunities in Tasman District.	Council continues to provide funding for economic development.	90% of funding budgeted is allocated during any given year.	90% of funding budgeted is allocated during any given year.	90% of funding budgeted is allocated during any given year.	90% of funding budgeted is allocated during any given year.
3. Good strategic and annual planning for the Council.	The Long Term Plan, Annual Plans and Annual Reports are prepared within statutory timeframes.	Council prepared its Annual Plan 2011/2012. All statutory requirements and timeframes were met.	All Long Term Plan, Annual Plan and Annual Report statutory timeframes are met. Variations are managed to meet statutory requirements.	All Long Term Plan, Annual Plan and Annual Report statutory timeframes are met. Variations are managed to meet statutory requirements.	All Long Term Plan, Annual Plan and Annual Report statutory timeframes are met. Variations are managed to meet statutory requirements.	All Long Term Plan, Annual Plan and Annual Report statutory timeframes are met. Variations are managed to meet statutory requirements.
4. Effectively run election processes.	The election process is carried out effectively and there are no successful challenges.	There were no successful challenges to the 2010 election processes.	There are no successful challenges to the 2013 election processes.	There are no successful challenges to the 2013 election processes.	There are no successful challenges to the 2013 election processes.	There are no successful challenges to the 2016 and 2019 election processes.

## Governance (cont.)

### Major activities

- Three yearly elections, with the next scheduled for October 2013.
- Preparation of the Long Term Plan, Annual Plan and Annual Report.

### Council controlled trading organisations – Performance Targets

Note: the information provided below is from the 2011/2012 Statements of Intent for each organisation.

#### Nelson Airport Ltd

##### Nature of the CCO

This Company was established as the successor to the Nelson Regional Airport Authority. The Company provides for the efficient and economic management of Nelson Airport, which is acknowledged as the fourth busiest commuter airport in New Zealand. The key objectives of the Company, as detailed in its Statement of Intent, include:

- To provide facilities and services at fair market prices.
- To ensure the full operating potential of the airport is maintained so that it continues to meet the needs of the region as it grows.
- To exhibit a sense of social and environmental responsibility by providing for the present and future needs of the airport users, including recreational users, in ways that are sensitive to the needs of the community.

##### Our investment in the CCO

The Tasman District Council holds 50 percent of the shares in this entity. Nelson City Council holds the other 50 percent. Council intends to maintain its 50 percent investment in the Company and aims, with Nelson City Council, to retain effective local body control of this strategic investment.

The current dividend policy of the company is that the company will endeavour to pay an annual dividend of 5 percent of the opening shareholder funds for that year. Under this policy Council has budgeted to receive \$210,000 during the 2012/2013 financial year with incremental increases in subsequent years. Council makes no financial contribution to Nelson Airport Ltd.

The value of Council's shareholding in Nelson Airport Ltd at 30 June 2011 was \$6.8 million.

Currently five Directors sit on the Board of Nelson Airport Ltd. Mr M J Higgins is the Council appointed director on the Board.

##### Performance Targets

The key performance targets identified in the Company's Statement of Intent are:

- To pass all Civil Aviation certification audits at a satisfactory standard.
- To achieve financial performance targets as represented in the annual plan.
- To hold regular meetings of the Nelson Airport Noise Environment Advisory Committee and provide this Committee with the appropriate monitoring information.
- Ensure the Company complies with all employment related legislation.

#### Tourism Nelson Tasman Ltd (trading as Nelson Tasman Tourism)

##### Nature of the CCO

This Company was established on 1 July 1994 for the purpose of promoting and marketing tourism activities in the region to the potential tourism markets throughout New Zealand, the Pacific Basin, and globally.

### **Our investment in the CCO**

Tasman District Council holds 50 percent of the shares in this entity, with Nelson City Council holding the other 50 percent.

Council's financial contribution towards the administration and operation of the Company, and the five visitor information centres within Tasman District will be around \$413,884 during the 2012/2013 financial year. Council is not planning to receive a dividend from this Company for the 2012/2013 financial year.

There are currently four Directors of Tourism Nelson Tasman Ltd.

### **Performance Targets**

The Company's key objectives identified in the Company's Statement of Intent are:

- Increase tourism sector investment in destination marketing.
- Achieve growth in international and domestic visitors to our region.
- To operate within the budgets agreed with the shareholders.
- To provide comprehensive, objective information which meets visitors expectations.
- To improve the reputation of Nelson/Tasman as a visitor friendly destination.

### **Port Nelson Ltd**

Port Companies are not classified as Council Controlled Organisations under the Local Government Act 2002.

Council is a 50 percent shareholder in this Company, with Nelson City Council holding the other 50 percent shareholding. This Company is regarded by Council as a strategic investment and is noted for its efficient and flexible operations.

The Company's Mission Statement states that it will operate a successful business providing cost-efficient, effective and competitive services and facilities for port users and shippers. It will provide for the present and future needs of the company in ways that are sensitive to people, uses resources wisely, and are in harmony with an environment of an export port. Port Nelson Ltd provides for the efficient and economic passage of cargo through Port Nelson and acknowledges its part in maintaining and improving the economic prosperity of the Nelson Tasman Region.

### **Performance Targets**

Performance targets identified in the Company's Statement of Intent include its desire to:

- Have a lost time injury frequency rate of less than 1.5 percent.
- To pay a dividend of \$4.2 million to its shareholders.
- Debt equity ratio not to exceed 40:60.
- To fully comply with NZ Maritime Safety requirements in respect of dredged channels compliant with charts, navigation aids, and pilotage.
- To disclose breaches of noise level guidelines.
- To meet stated cargo tonnages and numbers of ships.

The current dividend policy of the Company is that a dividend of at least 50 percent of net profit after tax will be returned to shareholders annually. Under this policy Council has budgeted to receive \$2.1 million in the 2012/2013 financial year. Council makes no financial contribution to Port Nelson Ltd. The value of Council's shareholding in Port Nelson Ltd at 30 June 2011 was \$68.4 million.

Currently the Port Nelson Board has six Directors. Cr Tim King is the Council appointed director on the Board.



## Governance (cont.)

### Revenue and Finance Policy – Governance section

#### **Impact on the current/future social, economic, environmental and cultural wellbeing of the community**

This group of activities has an impact on the social, economic, cultural and environmental wellbeing of the community, in terms of providing effective decision-making and leadership for the community, and through effective public information and providing opportunities for public input into Council's strategic planning and decision-making processes.

#### **Beneficiaries of the group of activities**

All citizens within Tasman District benefit from these activities.

#### **Distribution of benefits**

The Governance process provides a public benefit. The democratic process and decisions affect individuals and properties within the community. Everyone has an equal opportunity to be heard by Council and have his or her views considered. The provisions surrounding the number of wards and makeup of Council and community boards ensures that the governing bodies in the District are democratically elected and that they carry out Council functions in accordance with democratic processes.

Council acknowledges that the sole responsibility for funding of non cash expenses associated with these activities does not lie with the beneficiaries, direct or indirect, of these activities, therefore depreciation has been funded at the income statement level.

#### **The costs and benefits of funding these activities distinctly from other activities**

Council has the appropriate systems in place to separately identify the charges and costs of these activities. Council considers that the most appropriate method to recover the public benefit component is general rate. However in line with Council's policy of charging by targeted rate

those that directly benefit from a service are funded by a targeted rate (e.g. the Motueka and Golden Bay wards pay for the Community Boards via a targeted rate).

For transparency and accountability, the costs associated with the democratic process have been separated from other Council activities.

#### **The extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake these activities**

Demand for the governance activities is largely a result of the democratic and legislative framework within which the local government sector operates. However, some demand for these activities is driven by public demand, for example the wards that choose to have community boards and the levels of public engagement and consultation that communities seek on various matters.

#### **Period in which the benefits are expected to occur**

The benefits will occur in the year in which expenditure is made to ensure the people of the Tasman District are adequately represented, informed and consulted.

Funding	Operating	Capital
General Rates	Yes	Yes
Targeted Rates	Yes	
Fees and Charges	Yes	Yes
Interest and Dividends from Investments (Sundry Income)	Yes	
Borrowing		Yes
Proceeds from Asset Sales		
Development Contributions		
Financial Contributions under the Resource Management Act 1991		
Grants and Subsidies	Yes	Yes

## Governance (cont.)

### Funding impact statements and funding sources for the Group of Activities

Governance	2011/2012 Budget \$	2012/2013 Budget \$	2013/2014 Budget \$	2014/2015 Budget \$	2015/2016 Budget \$
<b>SOURCES OF OPERATING FUNDING</b>					
General rates, uniform annual general charge, rates penalties	3,833,115	3,563,886	3,411,987	3,009,809	3,817,773
Targeted rates (other than a targeted rate for water supply)	343,086	682,264	728,907	756,544	4,050,065
Subsidies and grants for operating purposes	-	-	-	-	-
Fees, charges and targeted rates for water supply	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	255,687	348,474	448,154	497,378	519,462
<b>TOTAL OPERATING FUNDING</b>	<b>4,431,888</b>	<b>4,594,624</b>	<b>4,589,048</b>	<b>4,263,731</b>	<b>8,387,300</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>					
Payments to staff and suppliers	3,436,394	2,989,865	3,258,295	3,148,791	12,726,171
Finance costs	60,100	180,100	182,100	186,100	392,608
Internal charges and overheads applied	411,913	527,596	541,873	563,550	565,426
Other operating funding applications	-	-	-	-	-
<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	<b>3,908,407</b>	<b>3,697,561</b>	<b>3,982,268</b>	<b>3,898,441</b>	<b>13,684,205</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING</b>	<b>523,481</b>	<b>897,063</b>	<b>606,780</b>	<b>365,290</b>	<b>(5,296,905)</b>
<b>SOURCES OF CAPITAL FUNDING</b>					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	-	-	-	-	6,076,000
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,076,000</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	-	-	-	-	-
- to replace existing assets	-	2,076	2,153	2,224	2,299
Increase (decrease) in reserves	523,481	894,987	604,627	363,066	776,796
Increase (decrease) in investments	-	-	-	-	-
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	<b>523,481</b>	<b>897,063</b>	<b>606,780</b>	<b>365,290</b>	<b>779,095</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING</b>	<b>(523,481)</b>	<b>(897,063)</b>	<b>(606,780)</b>	<b>(365,290)</b>	<b>5,296,905</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Governance	2016/2017 Budget \$	2017/2018 Budget \$	2018/2019 Budget \$	2019/2020 Budget \$	2020/2021 Budget \$	2021/2022 Budget \$
<b>SOURCES OF OPERATING FUNDING</b>						
General rates, uniform annual general charge, rates penalties	4,389,980	4,351,347	4,456,897	4,713,425	4,713,028	4,804,441
Targeted rates (other than a targeted rate for water supply)	4,084,461	4,119,479	4,155,239	4,192,697	4,234,489	4,277,298
Subsidies and grants for operating purposes	-	-	-	-	-	-
Fees, charges and targeted rates for water supply	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	617,063	596,298	640,817	739,070	716,958	758,592
<b>TOTAL OPERATING FUNDING</b>	<b>9,091,504</b>	<b>9,067,124</b>	<b>9,252,953</b>	<b>9,645,192</b>	<b>9,664,475</b>	<b>9,840,331</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>						
Payments to staff and suppliers	6,848,463	6,764,399	6,901,753	7,247,626	7,172,556	7,329,401
Finance costs	597,436	592,380	600,744	557,668	549,930	528,176
Internal charges and overheads applied	583,713	612,117	613,997	664,751	725,685	724,113
Other operating funding applications	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	<b>8,029,612</b>	<b>7,968,896</b>	<b>8,116,494</b>	<b>8,470,045</b>	<b>8,448,171</b>	<b>8,581,690</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING</b>	<b>1,061,892</b>	<b>1,098,228</b>	<b>1,136,459</b>	<b>1,175,147</b>	<b>1,216,304</b>	<b>1,258,641</b>
<b>SOURCES OF CAPITAL FUNDING</b>						
Subsidies and grants for capital expenditure	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-
Increase (decrease) in debt	(348,000)	(248,000)	(348,000)	(248,000)	(348,000)	(248,000)
Gross proceeds from sale of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	<b>(348,000)</b>	<b>(248,000)</b>	<b>(348,000)</b>	<b>(248,000)</b>	<b>(348,000)</b>	<b>(248,000)</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>						
Capital expenditure						
- to meet additional demand	-	-	-	-	-	-
- to improve the level of service	-	-	-	-	-	-
- to replace existing assets	2,382	2,473	2,572	2,682	2,803	2,932
Increase (decrease) in reserves	711,510	847,755	785,887	924,465	865,501	1,007,709
Increase (decrease) in investments	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	<b>713,892</b>	<b>850,228</b>	<b>788,459</b>	<b>927,147</b>	<b>868,304</b>	<b>1,010,641</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING</b>	<b>(1,061,892)</b>	<b>(1,098,228)</b>	<b>(1,136,459)</b>	<b>(1,175,147)</b>	<b>(1,216,304)</b>	<b>(1,258,641)</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Council Enterprises and Property

The Council Enterprises and Property section comprises one group of related activities covering:

- Forestry
- Aerodromes
- Camping Grounds
- Property Services

The 10 year budgets for the Council Enterprises and Property activities are outlined in the following table along with the 2011/2012 budgets for comparison.

Council Enterprises and Property	2011/2012 Budget \$	2012/2013 Budget \$	2013/2014 Budget \$	2014/2015 Budget \$	2015/2016 Budget \$
Council Enterprises and Property	3,767,316	3,559,223	3,666,289	3,635,214	4,116,072
<b>TOTAL COSTS</b>	<b>3,767,316</b>	<b>3,559,223</b>	<b>3,666,289</b>	<b>3,635,214</b>	<b>4,116,072</b>

Council Enterprises and Property	2016/2017 Budget \$	2017/2018 Budget \$	2018/2019 Budget \$	2019/2020 Budget \$	2020/2021 Budget \$	2021/2022 Budget \$
Council Enterprises and Property	4,296,772	4,543,693	5,990,028	5,553,482	5,741,898	6,190,365
<b>TOTAL COSTS</b>	<b>4,296,772</b>	<b>4,543,693</b>	<b>5,990,028</b>	<b>5,553,482</b>	<b>5,741,898</b>	<b>6,190,365</b>

Details of each of these activities are outlined in the following pages. These pages cover what Council does in relation to these activities, why we do them, the contribution of the activities to the Community Outcomes, the activity goal, any key issues, how we will measure our performance, the key things we will be doing in relation to the activities and funding of the activities.

## What we do

This group of activities involves the management of approximately 2,800 stocked hectares of commercial plantation forest, aerodromes in Motueka and Takaka, the leasing of camping grounds in Motueka, Pohara and Murchison and provision of property related services to the Council.

## Why we do it

Council is the owner or custodian of a substantial forestry and property portfolios and has identified the need for professional expertise within Council to meet its on-going management of these assets.

## Contribution to Community Outcomes

Community Outcomes	How Our Activity Contributes to the Community Outcome
Our unique natural environment is healthy and protected.	Our plantation forests assist in reducing the carbon footprint for Tasman District.
Our developing and sustainable economy provides opportunities for us all	We provide business opportunities for planting and tending of forests, plantation management and the logging and sale of logs. The aerodromes and camping grounds provide business and tourism opportunities. Efficient management of Council's property assets reduces the amount of money required from rates.
Our communities have access to a range of cultural, social, educational and recreational services.	We own four camping grounds throughout the District which provide recreation and leisure opportunities for residents and visitors to the region.

## Our goal

To provide property and business management of Council assets that contributes towards the enhancement of Council's recreational assets and maximise net returns on a sustainable basis to provide a contribution to off-set the need for additional rates income.

## Key Issues

### The Emissions Trading Scheme

The Emissions Trading scheme provides both costs and opportunities to Council that will need to be managed closely to ensure that no unexpected liabilities arise as a result of Council's forestry cutting programme. Council has received some carbon credits as a result of its forestry ownership but has not made a decision on whether to sell any of these. Refer to page 282 for information on the assumptions for the costs of the Emissions Trading Scheme.

### Cost of running the Aerodromes in Motueka and Takaka

The Motueka and Takaka aerodromes are relatively small operations and, therefore, do not benefit from economies of scale. It is difficult to manage the income and costs so that these activities do not require rating support.

## Council Enterprises and Property (cont.)

Council has considered options for reducing the general rate requirement for the Motueka and Takaka aerodromes, and has reviewed the work programme and levels of service for the aerodromes. The objective is for these facilities to be operated without support from general rates over the medium term. Changes include:

- Increasing income from the aerodromes.
- Reviewing funding options and income to determine if it is commercially viable to upgrade the Takaka aerodrome cross-runway.
- Delaying a number of capital programmes including electricity and wastewater reticulation from the Motueka Aerodrome Activity Management Plan.
- Consideration, if necessary, of lower levels of service.

Our level of service – What the Council will do and how it will measure performance over the 10 years from 2012-2022

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance	Forecast Performance			
			Year 1	Year 2	Year 3	By Year 10
1. We will responsibly manage liabilities for any carbon credits.	We meet the requirements laid down by Government.	Council has appointed PF Olsens Ltd in the interim to manage the Emissions Trading Scheme (ETS) on our behalf.	Compliance with any emissions trading scheme	Compliance with any emissions trading scheme	Compliance with any emissions trading scheme	Compliance with any emissions trading scheme
2. Our forestry operations will be managed on a commercial basis recognising any component of public good.	A business plan for forestry has been approved and implemented by Council.	A business plan for forestry is scheduled for the near future.	The plan will be reviewed as required.	The plan will be reviewed as required.	The plan will be reviewed as required.	The plan will be reviewed as required.
3. Effective management of Council property services to enable other Council activities to carry out their functions.	Other departments reasonable expectations of the property services are delivered. As measured by a three yearly survey of selected customers.	Most requirements are met, however, not all factors are currently measured.	70% of customers surveyed are fairly or very satisfied.	70% of customers surveyed are fairly or very satisfied.	70% of customers surveyed are fairly or very satisfied.	70% of customers surveyed are fairly or very satisfied.
4. Buildings and property services that comply with legislative and resource and building consent requirements.	All operational buildings (offices and libraries) meet all legislative, resource consent and building consent requirements.	Most requirements are met, however, not all factors are currently measured.	All requirements are met	All requirements are met	All requirements are met	All requirements are met



## Major Activities

The Council Enterprises and Property Group of Activities involves the management, maintenance and renewals of Council's investments in Forestry, Motueka and Takaka aerodromes, three camping grounds and provision of property management services.

## Key assumptions and uncertainties

The most significant assumptions and uncertainties that underlie the approach taken for this group of activities are:

- a) Central Government policy and legislation on the Emissions Trading Scheme, as Council needs to carefully manage any liability that arises from this scheme.
- b) The return from Council's forestry assets, which fluctuate as a result of a large number of factors including world economic conditions and exchanges rates.

## New capital expenditure

The following table details the major capital and renewal work programmed for the years 2012 - 2022.

A full list of projects and programmes for when the work is planned to be completed is included in the Property and Aerodromes Activity Management Plans.

Activity	2012/2013 - 2014/2015 Years 1 - 3	2015/2016 - 2021/2022 Years 4 - 10
Aerodrome renewals Motueka and Takaka	\$38,740	\$118,940
Pressured wastewater service at Motueka aerodrome	\$0	\$140,949
Installation of new power and data services for Motueka	\$0	\$111,275

## Council Enterprises and Property (cont.)

### Significant negative effects

- The noise from the aerodromes annoys some residents. Council mitigates this through the hours of operation and enforces noise restrictions for on-ground activities (the Civil Aviation Authority controls aircraft once they are airborne).
- There are increased traffic movements when events are held at the aerodromes and during the summer period when visitors stay at the camping grounds.
- Council has a financial exposure to the ETS, which needs to be carefully managed to ensure that Council meets its liabilities and that forestry does not become a liability.

### Significant positive effects

- The ownership of forestry blocks provides an income stream that offsets the rates required to provide services to the public and to also provide land for recreation activities, such as mountain biking.
- The camping grounds provide recreation opportunities for residents of and visitors to the Tasman District. The camping grounds also provide a return to Council which offsets rate requirements.
- The aerodromes provide an alternative transport link for the Motueka and Takaka settlements, recreation opportunities and also provide economic benefits through tourism and job opportunities.
- The property management services assists Council with the efficient management of Council buildings and also provides a return from investment properties.

### Revenue and Financing Policy – Council Enterprises and Property section

#### **Impact on the current/future social, economic, environmental and cultural wellbeing of the community**

The forestry and camping ground activities have a positive impact on the social, economic and environment wellbeing of the community, through providing access to recreation

facilities including walking tracks through forests, holiday locations, and providing business opportunities.

The aerodromes provide employment opportunities and recreational and transportation facilities for Motueka and Takaka residents and visitors.

#### **Beneficiaries of this activity**

Council considers that the beneficiaries of this group of activities includes ratepayers, residents, visitors and businesses.

#### **Distribution of benefits**

The benefits from this group of activities range from individuals and families who use the camping groups, through to businesses that provide services through the aerodromes, forestry and property services.

Council acknowledges that the sole responsibility for funding of non cash expenses associated with this activity does not lie with the beneficiaries, direct or indirect, of this activity, therefore depreciation has been funded at the income statement level.

#### **The costs and benefits of funding these activities distinctly from other activities**

These activities predominantly contribute to the general rate and the forestry and camping ground activities provide return back to Council. Separating these activities allows transparency and accountability of the returns achieved from each of the sub-activities.

#### **The extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activities**

The demand for recreational use of forests could impact on the forestry activity and accordingly reduce income from this source. Individuals and businesses that use the

camping grounds and aerodromes create the demand for providing these facilities and accordingly it is appropriate that these activities are funded through user charges.

**Period in which the benefits are expected to occur**

Forestry assets are maintained to appropriate standards to provide an ongoing service. Where capital expenditure is required it will be funded from accumulated funds and borrowing. The camping grounds provide long-term benefits.

Funding	Operating	Capital
General Rates	Yes	Yes
Targeted Rates		Yes
Lump Sum Contributions		
Fees and Charges	Yes	Yes
Interest and Dividends from Investments (Sundry Income)	Yes	Yes
Borrowing		Yes
Proceeds from Asset Sales	Yes	Yes
Development Contributions		
Financial Contributions under the Resource Management Act 1991		
Grants and Subsidies		

## Council Enterprises and Property (cont.)

### Funding impact statements and funding sources for the Group of Activities

Council Enterprises and Property	2011/2012 Budget \$	2012/2013 Budget \$	2013/2014 Budget \$	2014/2015 Budget \$	2015/2016 Budget \$
<b>SOURCES OF OPERATING FUNDING</b>					
General rates, uniform annual general charge, rates penalties	276,491	422,229	502,886	500,981	607,334
Targeted rates (other than a targeted rate for water supply)	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-
Fees, charges and targeted rates for water supply	-	-	-	-	-
Internal charges and overheads recovered	492,726	791,769	810,891	823,520	839,022
Local authorities fuel tax, fines, infringement fees, and other receipts	3,586,692	2,861,236	3,117,696	3,074,125	4,154,271
<b>TOTAL OPERATING FUNDING</b>	<b>4,355,909</b>	<b>4,075,234</b>	<b>4,431,473</b>	<b>4,398,626</b>	<b>5,600,627</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>					
Payments to staff and suppliers	2,790,647	2,716,152	2,813,023	2,735,372	3,225,754
Finance costs	511,539	341,650	331,884	322,288	316,594
Internal charges and overheads applied	465,130	501,421	521,382	577,554	573,724
Other operating funding applications	-	-	-	-	-
<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	<b>3,767,316</b>	<b>3,559,223</b>	<b>3,666,289</b>	<b>3,635,214</b>	<b>4,116,072</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING</b>	<b>588,593</b>	<b>516,011</b>	<b>765,184</b>	<b>763,412</b>	<b>1,484,555</b>
<b>SOURCES OF CAPITAL FUNDING</b>					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	1,658,655	(178,851)	(327,948)	(322,142)	(715,442)
Gross proceeds from sale of assets	-	500,000	500,000	-	-
Lump sum contributions	-	-	-	-	-
<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	<b>1,658,655</b>	<b>321,149</b>	<b>172,052</b>	<b>(322,142)</b>	<b>(715,442)</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>					
Capital expenditure					
- to meet additional demand	2,163,354	25,950	26,910	27,798	28,744
- to improve the level of service	45,234	51,900	2,691	-	45,990
- to replace existing assets	20,600	162,966	55,973	91,178	65,488
Increase (decrease) in reserves	18,060	596,344	851,662	322,294	628,891
Increase (decrease) in investments	-	-	-	-	-
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	<b>2,247,248</b>	<b>837,160</b>	<b>937,236</b>	<b>441,270</b>	<b>769,113</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING</b>	<b>(588,593)</b>	<b>(516,011)</b>	<b>(765,184)</b>	<b>(763,412)</b>	<b>(1,484,555)</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Council Enterprises and Property	2016/2017 Budget \$	2017/2018 Budget \$	2018/2019 Budget \$	2019/2020 Budget \$	2020/2021 Budget \$	2021/2022 Budget \$
<b>SOURCES OF OPERATING FUNDING</b>						
General rates, uniform annual general charge, rates penalties	302,593	218,565	611,098	734,415	776,857	759,682
Targeted rates (other than a targeted rate for water supply)	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-
Fees, charges and targeted rates for water supply	-	-	-	-	-	-
Internal charges and overheads recovered	856,455	873,361	904,683	1,101,819	1,300,550	1,301,206
Local authorities fuel tax, fines, infringement fees, and other receipts	4,259,453	4,635,253	5,389,300	5,694,630	6,049,695	5,957,843
<b>TOTAL OPERATING FUNDING</b>	<b>5,418,501</b>	<b>5,727,179</b>	<b>6,905,081</b>	<b>7,530,864</b>	<b>8,127,102</b>	<b>8,018,731</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>						
Payments to staff and suppliers	3,396,348	3,609,995	5,059,676	4,477,961	4,490,785	4,978,472
Finance costs	304,911	296,368	308,011	424,529	551,542	515,820
Internal charges and overheads applied	595,513	637,330	622,341	650,992	699,571	696,073
Other operating funding applications	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	<b>4,296,772</b>	<b>4,543,693</b>	<b>5,990,028</b>	<b>5,553,482</b>	<b>5,741,898</b>	<b>6,190,365</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING</b>	<b>1,121,729</b>	<b>1,183,486</b>	<b>915,053</b>	<b>1,977,382</b>	<b>2,385,204</b>	<b>1,828,366</b>
<b>SOURCES OF CAPITAL FUNDING</b>						
Subsidies and grants for capital expenditure	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-
Increase (decrease) in debt	(385,382)	(239,914)	(453,207)	2,937,305	(1,235,175)	(1,543,584)
Gross proceeds from sale of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	<b>(385,382)</b>	<b>(239,914)</b>	<b>(453,207)</b>	<b>2,937,305</b>	<b>(1,235,175)</b>	<b>(1,543,584)</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>						
Capital expenditure						
- to meet additional demand	29,778	30,910	32,146	4,056,949	35,037	36,649
- to improve the level of service	-	123,639	128,585	-	-	-
- to replace existing assets	129,833	21,019	262,262	79,127	177,990	79,103
Increase (decrease) in reserves	576,736	768,004	38,853	778,611	937,002	169,030
Increase (decrease) in investments	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	<b>736,347</b>	<b>943,572</b>	<b>461,846</b>	<b>4,914,687</b>	<b>1,150,029</b>	<b>284,782</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING</b>	<b>(1,121,729)</b>	<b>(1,183,486)</b>	<b>(915,053)</b>	<b>(1,977,382)</b>	<b>(2,385,204)</b>	<b>(1,828,366)</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Part 4 – Accounting Information

## Accounting Information

### Reporting Entity

The financial forecasts reflect the operations of the Tasman District Council.

Tasman District Council was formed in 1989 as a result of the Local Government Commission's Final Re-organisational Scheme. The resultant Tasman District Council is an amalgamation of the former Waimea County Council, Richmond Borough Council, Motueka Borough Council and Golden Bay County Council.

In 1992 Council assumed the responsibilities of the former Nelson Marlborough and West Coast Regional Councils within its boundaries to become a Unitary Authority.

### Statement of Compliance and Basis of Preparation

The forecast information has been prepared and complies with Section 111 of the Local Government Act 2002, the Financial Reporting Act 1993, Generally Accepted Accounting Practice in New Zealand (NZ GAAP) and the pronouncements of the New Zealand Institute of Chartered Accountants.

The Tasman District Council is a Public Benefit Entity whose primary objective is to provide goods and services for community or social benefit and where any equity has been provided with a view to supporting that primary

objective rather than for a financial return. All available reporting exemptions allowed under the framework for Public Benefit Entities have been adopted.

The financial statements are presented in New Zealand Dollars (NZD) and all values are rounded to the nearest thousand dollars (\$000). The functional currency of the Council is New Zealand dollars.

### Measurement Base

The measurement base adopted is that of historical cost, except for land, buildings, forest assets and infrastructural assets which have been valued separately as noted below.

### Statement of Prospective Financial Information

The financial information contained within this document is prospective financial information in terms of Financial Reporting Standard 42. The purpose for which it has been prepared is to enable the public to participate in the decision-making processes as to the services to be provided by the Tasman District Council to the Tasman communities over the financial years 2012-2022.

The assumptions underlying the preparation of this prospective financial information are adjusted to incorporate significant known variances as at June 2012. No actual results have been incorporated in this prospective financial information.

Tasman District Council is a public body whose primary objective is to provide goods and services to its communities...

## Basis of Financial Statement Preparation

The financial statements are prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through surplus or deficit, certain classes of property, plant and equipment and investment property.

The preparation of financial statements in conformity with New Zealand International Financial Reporting Standards (NZIFRS) requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The accounting policies set out below will be applied consistently to all periods presented in the prospective financial statements.

The main purpose of prospective financial statements in the Long Term Plan is to provide users with information about the core services that the Council intends to provide to ratepayers, the expected cost of those services and, as a consequence, how much the Council requires by way of rates to fund the intended levels of service. The level of rates funding required is not affected by subsidiaries except to the extent that Council obtains distributions from, or further invests in, those subsidiaries. Such effects are included in the prospective financial statements of Council.

## A Cautionary Note

The actual results achieved for any given financial year are likely to vary from the information presented and may vary materially depending upon the circumstances that arise during the period. The prospective financial information is prepared in accordance with Section 93 of the Local Government Act 2002. The information may not be suitable for use in any other capacity.





# Accounting Policies

## Revenue Recognition

Revenue is recognised on an accrual basis. The following particular policies apply:

- Rates are recognised on instalment notice.
- Water billing revenue is recognised on an accrual basis with unread meters at year end accrued on an average usage basis.
- New Zealand Transport Agency revenue is recognised on entitlement when conditions pertaining to eligible expenditure are fulfilled.
- Rental income from investment property is recognised in the surplus or deficit on a straight line basis over the terms of the lease. Lease incentives granted are recognised as an integral part of the total rental income.
- Grants from the Government are recognised at their fair value where there is reasonable assurance that the grant will be received.
- Development and financial contributions are recognised as revenue when the Council provides, or is able to provide, the service that gave rise to the charging of the contribution. Otherwise, development and financial contributions are recognised as liabilities until such time as Council provides, or is able to provide, the service.
- Interest is recognised using the effective interest method.
- Dividends are recognised when the right to receive payment has been established.
- Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as revenue. Assets vested in the Council are recognised as revenue when control over the asset is obtained.

The Tasman District Council collects monies for many organisations. Where collections are processed through the Tasman District Council's books, any monies held are shown as liabilities in the Statement of Financial Position. Amounts collected on behalf of third parties are not recognised as revenue, but commissions earned from acting as agent are recognised in revenue.

## Trade and other Receivables

Trade and other receivables are initially measured at fair value. They are subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Debtors have been valued at estimated net realisable value, after providing for doubtful and uncollectable debts.

## Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Inventories held for distribution at no charge, or for a nominal amount, are stated at the lower of cost and current replacement cost.

## Works in Progress

Work in progress is valued at the lower of cost and net realisable value.

## Expenditure

Expenditure is recognised when the service has been provided or the goods received or when it has been established that rewards of ownership have been transferred from the seller/provider to the Council and when it is certain the obligation to pay arises.

## Leases

Finance leases transfer to the lessee substantially all of the risks and rewards of ownership. At inception, finance leases are recognised as assets and liabilities on the Balance Sheet at the lower of the fair value of the leased property and the present value of the minimum lease payments. Any additional direct costs of the lessee are added to the amount recognised as an asset. Assets leased under a finance lease are depreciated as if the assets are owned.

Operating leases, where the lessor substantially retains the risks and rewards of ownership, are recognised in the surplus or deficit in a systematic manner over the term of the lease. Lease incentives are recognised in the surplus or deficit as a reduction in rental expense.

### Borrowing costs

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

## Taxation

Council's income tax expense comprises the total amount included in the determination of surplus or deficit for the period in respect of current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year (using tax rates enacted or substantially enacted at balance sheet date) together with any adjustment of tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method and applied on temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and the tax base of the assets and liabilities.

The enactment of tax rates and legislation at balance sheet date determine the application of deferred tax and applies when the related deferred tax asset is realised or when deferred tax liability is settled.

Deferred tax is not accounted for if an asset or liability of a non-business transaction does not affect either accounting profit or taxable profit. Similarly, deferred tax is not accounted for on temporary differences associated with investments in subsidiaries, branches, associates and joint ventures where the reversal of the temporary difference is controlled by Council, and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable future taxable profit will be available against which deductible temporary differences can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

## Investments

### Financial assets at fair value through surplus or deficit

This category has two sub-categories: financial assets held for trading, and those designated at fair value through surplus or deficit at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. After initial recognition they are measured at fair value. Gains or losses on measurement are recognised in the surplus or deficit.

### Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition they are measured at amortised cost using the effective interest method. Gain or loss on impairment or de-recognition are recognised in the surplus or deficit.

### Held-to-maturity Investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that management has the positive intention and ability to hold to maturity. After initial recognition they are measured at amortised cost using the effective interest method. Gain or loss on impairment or de-recognition are recognised in the surplus or deficit.

Community loans are held-to-maturity assets and are stated at fair value.

## Accounting Policies (cont.)

### Financial Assets at fair value through comprehensive income

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every balance date.

### Intangible Assets

#### Computer Software

Acquired computer software licences are capitalised on the basis of costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives.

Costs associated with maintaining computer software (including the annualised licence) programmes are recognised as an expense as incurred.

Costs that are directly associated with the production of identifiable and unique software products controlled by the Tasman District Council, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Computer software development costs recognised as assets are amortised over their estimated useful lives. The useful lives and associated amortisation rates of computer software have been estimated at three years (33 percent).

#### Subsequent Expenditure

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates, and it meets the definition of, and recognition criteria for, an intangible asset. All other expenditure is expensed as incurred.

An intangible asset with an indefinite useful life is not amortised, but is tested for impairment annually, and is carried at cost less accumulated impairment losses.

### Property, Plant and Equipment

#### Property, Plant and Equipment

Property, Plant and Equipment consist of:

**Operational Assets** – these include land, buildings, computers and office equipment, building improvements, library books, plant and equipment, forestry and motor vehicles.

**Restricted Assets** – assets owned or vested in Council which cannot be disposed of because of legal or other restrictions and provide a benefit or service to the community.

#### Revaluation

It is Council's intention to revalue all property plant and equipment with the exception of vehicles, computers, plant, library books and office equipment, no more than every three years.

Revaluation increases and decreases relating to individual assets within a class are offset. Revaluation increases and decreases in respect of different classes are not offset.

The following assets will be revalued on a two or three yearly basis:

- Rooding
- Stormwater
- Solid Waste
- Water Supply
- Wastewater
- Rivers
- Coastal Structures
- Land and Buildings

The anticipated results of the revaluations have been included in the Long Term Plan.

### Infrastructural Assets

Infrastructural assets are the fixed utility systems owned by the Council. Each asset type includes all items that are required for the network to function, e.g. sewerage reticulation includes reticulation piping and sewerage pump stations.

Costs incurred in obtaining any resource consents are capitalised as part of the asset to which they relate. If a resource consent application is declined then all capitalised costs are written off in the current period.

### Depreciation

Depreciation is provided on a straight line basis on all assets at rates which will write off the cost (or valuation) of the assets to their estimated residual values, over their useful lives.

These assets have component lives that have been estimated as follows:

Land	Not Depreciated
Buildings (including fit out)	10-100 years
Plant and Equipment	5-10 years
Motor Vehicles	5-10 years
Library Books	5-10 years

# Accounting Policies (cont.)

## Infrastructure Assets

Transportation	
Bridges	50-100 years
Roads	2-80 years
Formation	Not Depreciated
Sub-base (sealed)	Not Depreciated
Basecourse (sealed)	65-75 years
Surfaces	2-50 years
Carparks – components	8-45 years
Footpaths	5-50 years
Pavement base (unsealed)	Not Depreciated
Drainage	15-80 years
Wastewater	
Treatment	9-100 years
Pipe	50-80 years
Pump Stations	20-80 years
Water	
Wells and Pumps	10-80 years
Pipes/Valves/Meters	15-80 years
Stormwater	
Channel/Detention Dams	Not Depreciated
Pipe/Manhole/Sumps	80-120 years
Ports and Wharves	7-100 years
Aerodromes	10-80 years
Solid waste	10-100 years
Rivers	
Stop Banks	Not Depreciated
Rock Protection	Not Depreciated
Willow Plantings	Not Depreciated
Gabion Baskets/Outfalls	30-60 years
Railway Irons	50 years

## Library Books

Adult and Technical Books	10 years
Children's Books	5 years
CDs and talking books	2 years

## Impairment

The carrying amounts of Council's assets, other than investment property, inventories and deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement. Impairment losses on re-valued assets offset any balance in the asset revaluation reserve, with any remaining impairment loss being posted to the surplus or deficit.

An impairment loss in respect of a held-to-maturity security or receivable carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.

## Vested Assets

Vested assets are assets vested in Council as a result of subdivision activity. Council has made an estimate of the likely value of assets that will be vested in any one year. This estimate is based upon an assessment of typical vested assets underpinned by Council's future growth study.

## Forest Assets

Forest assets are predominantly standing trees which are managed on a sustainable yield basis. These are shown in the Statement of Financial Position at fair value less estimated point of sale costs at harvest. The costs to establish and maintain the forest assets are included in the surplus or deficit together with the change in fair value for each accounting period.

The valuation of the Tasman District Council's forests is based on the present value of expected discounted cash flow models where the fair value is calculated using cash flows from continued operations, based on sustainable forest management plans taking into account growth potential. Forest assets are valued separately from the underlying freehold land.

## GST

All figures are GST exclusive except receivables and payables which are stated with GST included.

## Contract Retentions

Certain contracts entitle Council to retain amounts to ensure the performance of contract obligations. These retentions are recognised as a liability and are then used to remedy contract performance or paid to the contractor at the end of the retention period.

## Overheads

Indirect overheads have been apportioned on an activity basis, using labour cost of full time staff employed in those specific output areas.

Indirect costs not directly charged to activities are allocated as overheads using appropriate cost drivers such as actual usage, staff numbers and floor area.

## Accounting Policies (cont.)

### Investment Properties

Properties that fall within the accounting definition of investment properties are revalued annually at fair value by an independent registered valuer. The result of the revaluation is credited or debited to the surplus or deficit. There is no depreciation on investment properties.

### Properties Intended for Resale

In circumstances where the use of the property changes to being property held for resale the property would be reclassified as held for sale and stated at the lower of their carrying amount and fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

Non-current assets would not be depreciated or amortised while they are classified as held for sale.

### Provisions

A provision is recognised in the Statement of Financial Position when the Council has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits, the amount of which can be reliably estimated, will be required to settle the obligation.

### Employee Entitlements

Provision is made in respect of Tasman District Council's liability for retiring gratuity allowances, annual and long service leave and sick leave.

The retiring gratuity liability is assessed on an actuarial basis using current rates of pay taking into account years of service, years to entitlement and the likelihood staff will reach the point of entitlement. These estimated amounts are discounted to their present value using an interpolated 10 year government bond rate.

Liabilities for accumulating short-term compensated absences (e.g. annual and sick leave) are measured as the amount of unused entitlement accumulated at the balance sheet date that the entity anticipates employees will use in future periods in excess of the days that they will be entitled to in each of those periods.

### Landfill After Care Costs

As operator of the Eves Valley landfill (and owner of a number of closed landfills), the Council has a legal obligation to provide ongoing maintenance and monitoring services at the landfill sites after closure. The landfill post closure provision is recognised in accordance with New Zealand International Reporting Standard 37 Provisions, Contingent Liabilities and Contingent Assets. This provision is calculated on the basis of discounting closure and post closure costs into present day value.

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

### Financial Guarantee Contracts

A financial guarantee contract is a contract that requires Council to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to meet a payment when due.

Financial guarantee contracts are initially recognised at fair value. If a financial guarantee contract was issued in a stand-alone arms length transaction to an unrelated party, its fair value at inception is equal to the consideration received. When no consideration is received a provision is recognised based on the probability Council will be required to reimburse a holder for a loss incurred discounted to present value. The portion of the guarantee that remains unrecognised, prior to discounting to fair value, is disclosed as a contingent liability.



Financial guarantees are subsequently measured at the initial recognition amount less any amortisation. However, if Council assesses that it is probable that expenditure will be required to settle a guarantee, then a provision for the guarantee is measured at the present value of the future expenditure.

## Equity

Equity is the community's interest as measured by total assets less total liabilities. Public equity is disaggregated and classified into a number of reserves. The components of equity are:

- Accumulated Funds
- Restricted Reserves and Council Created Reserves
- Asset Revaluation Reserve

Reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by Council.

Restricted reserves are those reserves subject to specific conditions accepted as binding by the Council and which may not be revised by the Council without reference to the Courts or third party.

Council created reserves are reserves established by Council decision. The Council may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

## Statement of Cash Flows

**Cash and cash equivalents** mean cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments in which council invests, as part of its day to day cash management.

**Operating activities** include cash received from all income sources and record the cash payments made for the supply of goods and services.

**Investing activities** are those activities relating to the acquisition and disposal of non-current assets.

**Financing activities** comprise the change in equity and debt capital structure of the Council.

## Funding Impact Statements

The Funding Impact Statements ("FIS") have been prepared in accordance with the Local Government (Financial Reporting) Regulations 2011, which came into effect 11 July 2011. This is a reporting requirement unique to Local Government and the disclosures contained within and the presentation of these statements is not prepared in accordance with generally accepted accounting practices ("GAAP").

The purpose of these statements is to report the net cost of services for significant groups of activities ("GOA") of the Council, and are represented by the revenue that can be allocated to these activities less the costs of providing the service. They contain all funding sources for these activities and all applications of this funding by these activities. The GOA FIS include internal transactions between activities such as internal overheads and charges applied and or recovered and internal borrowing. A FIS is also prepared at the whole of Council level summarising the transactions contained within the GOA FIS, eliminating internal transactions, and adding in other transactions not reported in the GOA statements.

These statements are based on cash transactions prepared on an accrual basis and as such do not include non cash/ accounting transactions that are included within the

## Accounting Policies (cont.)

Prospective Comprehensive Income Statement as required under GAAP. These items include but are not limited to Council's depreciation, gain and/or losses on revaluation and vested assets.

They also depart from GAAP as funding sources are disclosed within the FIS as being either for operational or capital purposes. Income such as subsidies received for capital projects, development and financial contributions and gains on sale of assets are recorded as capital funding sources. Under GAAP these are treated as income in the Prospective Comprehensive Income Statement..

### Funding in accordance with the Local Government Act 2002

Council does not fund depreciation at an activity level, but instead funds depreciation at a surplus or deficit level.

Section 100(1) of the Local Government Act 2002 requires local authorities to set operating revenues at a level to cover all operating expenses, except as provided in S100(2). Operating expenses include an allowance for debt servicing and for the decline in service potential of assets (depreciation). Council has complied with S100(1) in the preparation of this Long Term Plan.

### Changes in Accounting Policies

There are no changes to accounting policies.

# Inflation Adjusted Accounts

The Financial Reporting Standard 42 – ‘Prospective Financial Information’, requires councils to incorporate the effects of inflation into their 10-year financial forecasts.

This means that all financial figures shown in this document for Year 1 onwards incorporate inflation adjustments compounding annually. For example, this means that what costs \$1.00 for maintenance in Year 1 is expected to cost almost \$1.50 by Year 10.

Inflation data for the local government sector is provided by Business and Economic Research Ltd, (BERL). The data is prepared to assist councils with planning models, particularly their Long Term Plans.

Council considered the BERL figures along with other economic factors like forecast labour costs and the slower economic conditions currently being experienced.

In deriving our inflation-adjusted financial projections we have used the data from BERL plus some other data for Year 1 operating costs. Since the preparation of the Draft Plan economic conditions have changed and accordingly Council has reduced the expected inflation rates for salaries, operating expenses, maintenance and capital costs for the first few years.

Variable annual rates have been applied to six cost groups across the model.

We have used a cost weighted averaging exercise to derive an inflation rate for all costs, best summarised in the following table:

	Jun-13	Jun-14	Jun-15	Jun-16	Jun-17	Jun-18	Jun-19	Jun-20	Jun-21	Jun-22	Ten Year Average
Income	3.3%	3.3%	3.3%	3.5%	3.5%	3.3%	3.3%	3.5%	3.7%	3.7%	3.4%
Salaries	2.5%	2.5%	2.5%	3.5%	3.5%	3.3%	3.3%	3.5%	3.7%	3.7%	3.2%
Maintenance	3.3%	3.1%	3.1%	3.3%	3.3%	3.2%	3.3%	3.5%	3.6%	3.7%	3.3%
Other Operating Expenses	2.2%	3.0%	3.0%	3.4%	3.5%	3.4%	3.3%	3.3%	3.6%	3.5%	3.2%
Energy	4.8%	4.7%	4.7%	5.0%	5.1%	4.6%	4.5%	5.0%	5.4%	5.4%	4.9%
Capital	3.8%	3.7%	3.3%	3.4%	3.6%	3.8%	4.0%	4.3%	4.5%	4.6%	3.9%

The BERL figures were prepared during late 2011.

The financial projections contained in this document are presented in future (inflation adjusted) dollars.

## Inflation Adjusted Accounts (cont.)

Prospective Income Statement	2011/2012 Budget \$ (000)	2012/2013 Budget \$ (000)	2013/2014 Budget \$ (000)	2014/2015 Budget \$ (000)	2015/2016 Budget \$ (000)
<b>INCOME</b>					
General rates	29,779	31,248	32,811	34,258	36,784
Targeted rates (other than for water supply)	21,414	23,459	24,781	26,060	31,064
Targeted rates for water supply	5,230	5,695	6,823	7,056	8,033
Dividends	2,322	2,440	2,472	2,557	2,563
Bank interest	384	291	332	360	374
Development and financial contributions	3,618	3,089	2,992	2,971	3,909
Subsidies and grants	11,046	8,232	8,139	8,458	10,793
Assets vested in council	3,577	5,250	5,397	5,548	5,703
Income of joint ventures	3,203	4,213	4,512	4,458	4,317
Other gains/(losses)	531	693	715	757	802
Fees, recoveries and other	18,764	16,799	18,123	18,574	21,622
<b>TOTAL OPERATING INCOME</b>	<b>99,868</b>	<b>101,409</b>	<b>107,097</b>	<b>111,057</b>	<b>125,964</b>
<b>EXPENDITURE</b>					
Operating costs of activities					
Environment and planning	13,470	13,409	14,624	14,215	14,969
Engineering	55,863	53,720	55,581	58,804	63,564
Community services	17,169	18,597	18,026	18,600	19,205
Council enterprises and property	3,353	3,219	3,305	3,266	3,731
Governance	3,914	3,744	4,017	3,932	13,718
Expenditure of joint ventures	2,403	3,320	3,381	3,324	3,281
<b>TOTAL OPERATING EXPENDITURE</b>	<b>96,172</b>	<b>96,009</b>	<b>98,934</b>	<b>102,141</b>	<b>118,468</b>
<b>SURPLUS BEFORE TAXATION</b>	<b>3,696</b>	<b>5,400</b>	<b>8,163</b>	<b>8,916</b>	<b>7,496</b>
<b>LESS</b>					
Taxation	-	-	-	-	-
<b>NET SURPLUS</b>	<b>3,696</b>	<b>5,400</b>	<b>8,163</b>	<b>8,916</b>	<b>7,496</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Gain/(loss) on asset revaluations	27,029	28,833	46,340	33,557	50,121
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>	<b>27,029</b>	<b>28,833</b>	<b>46,340</b>	<b>33,557</b>	<b>50,121</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>30,725</b>	<b>34,233</b>	<b>54,503</b>	<b>42,473</b>	<b>57,617</b>

Prospective Income Statement	2016/2017 Budget \$ (000)	2017/2018 Budget \$ (000)	2018/2019 Budget \$ (000)	2019/2020 Budget \$ (000)	2020/2021 Budget \$ (000)	2021/2022 Budget \$ (000)
<b>INCOME</b>						
General rates	39,435	41,590	43,589	45,735	47,903	49,548
Targeted rates (other than for water supply)	32,786	34,880	36,642	37,339	38,813	41,241
Targeted rates for water supply	8,607	9,530	10,093	10,914	11,714	11,131
Dividends	2,567	2,571	2,579	2,573	2,577	2,577
Bank interest	407	441	476	514	552	593
Development and financial contributions	3,897	4,024	3,994	4,076	4,128	4,205
Subsidies and grants	9,774	10,390	10,682	11,815	12,114	14,532
Assets vested in council	5,863	6,027	6,196	6,369	6,547	6,730
Income of joint ventures	4,604	4,557	4,523	5,156	5,095	5,134
Other gains/(losses)	742	675	716	736	756	777
Fees, recoveries and other	22,381	23,476	24,877	25,803	27,031	27,865
<b>TOTAL OPERATING INCOME</b>	<b>131,063</b>	<b>138,161</b>	<b>144,367</b>	<b>151,030</b>	<b>157,230</b>	<b>164,333</b>
<b>EXPENDITURE</b>						
Operating costs of activities						
Environment and planning	15,551	16,337	16,764	17,467	18,167	18,726
Engineering	67,728	71,567	75,509	79,516	85,127	90,277
Community services	19,675	20,627	20,738	21,203	21,698	21,899
Council enterprises and property	3,905	4,129	5,553	4,961	4,951	5,366
Governance	8,063	8,002	8,149	8,502	8,479	8,613
Expenditure of joint ventures	3,465	3,419	3,459	4,024	4,239	4,808
<b>TOTAL OPERATING EXPENDITURE</b>	<b>118,387</b>	<b>124,081</b>	<b>130,172</b>	<b>135,673</b>	<b>142,661</b>	<b>149,689</b>
<b>SURPLUS BEFORE TAXATION</b>	<b>12,676</b>	<b>14,080</b>	<b>14,195</b>	<b>15,357</b>	<b>14,569</b>	<b>14,644</b>
<b>LESS</b>						
Taxation	-	-	-	-	-	-
<b>NET SURPLUS</b>	<b>12,676</b>	<b>14,080</b>	<b>14,195</b>	<b>15,357</b>	<b>14,569</b>	<b>14,644</b>
<b>OTHER COMPREHENSIVE INCOME</b>						
Gain/(loss) on asset revaluations	36,295	54,211	39,256	58,634	42,459	63,419
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>	<b>36,295</b>	<b>54,211</b>	<b>39,256</b>	<b>58,634</b>	<b>42,459</b>	<b>63,419</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>48,971</b>	<b>68,291</b>	<b>53,451</b>	<b>73,991</b>	<b>57,028</b>	<b>78,063</b>

## Inflation Adjusted Accounts (cont.)

Prospective Comprehensive Income Statement	2011/2012 Budget \$ (000)	2012/2013 Budget \$ (000)	2013/2014 Budget \$ (000)	2014/2015 Budget \$ (000)	2015/2016 Budget \$ (000)
TOTAL OPERATING INCOME AS PER PROSPECTIVE INCOME STATEMENT	99,868	101,409	107,097	111,057	125,964
EXPENDITURE					
Finance Costs	9,053	8,889	9,763	11,124	13,310
Employee Benefit Expenses	16,466	16,599	16,961	17,497	18,387
Depreciation and amortisation	19,861	19,827	19,951	21,007	21,683
Other Expenses	50,792	50,694	52,259	52,513	65,088
TOTAL OPERATING EXPENDITURE	96,172	96,009	98,934	102,141	118,468
SURPLUS BEFORE TAXATION	3,696	5,400	8,163	8,916	7,496
LESS					
Taxation	-	-	-	-	-
NET SURPLUS	3,696	5,400	8,163	8,916	7,496
OTHER COMPREHENSIVE INCOME					
Gain/(loss) on asset revaluations	27,029	28,833	46,340	33,557	50,121
TOTAL OTHER COMPREHENSIVE INCOME	27,029	28,833	46,340	33,557	50,121
TOTAL COMPREHENSIVE INCOME	30,725	34,233	54,503	42,473	57,617

Prospective Comprehensive Income Statement	2016/2017 Budget \$ (000)	2017/2018 Budget \$ (000)	2018/2019 Budget \$ (000)	2019/2020 Budget \$ (000)	2020/2021 Budget \$ (000)	2021/2022 Budget \$ (000)
TOTAL OPERATING INCOME AS PER PROSPECTIVE INCOME STATEMENT	131,063	138,161	144,367	151,030	157,230	164,333
EXPENDITURE						
Finance Costs	15,050	16,482	17,917	17,925	19,466	20,943
Employee Benefit Expenses	19,220	20,091	20,754	21,511	22,446	23,259
Depreciation and amortisation	23,167	23,983	25,312	27,494	29,553	30,192
Other Expenses	60,950	63,525	66,189	68,743	71,196	75,295
TOTAL OPERATING EXPENDITURE	118,387	124,081	130,172	135,673	142,661	149,689
SURPLUS BEFORE TAXATION	12,676	14,080	14,195	15,357	14,569	14,644
LESS						
Taxation	-	-	-	-	-	-
NET SURPLUS	12,676	14,080	14,195	15,357	14,569	14,644
OTHER COMPREHENSIVE INCOME						
Gain/(loss) on asset revaluations	36,295	54,211	39,256	58,634	42,459	63,419
TOTAL OTHER COMPREHENSIVE INCOME	36,295	54,211	39,256	58,634	42,459	63,419
TOTAL COMPREHENSIVE INCOME	48,971	68,291	53,451	73,991	57,028	78,063

## Inflation Adjusted Accounts (cont.)

Prospective Balance Sheet	2011/2012 Budget \$ (000)	2012/2013 Budget \$ (000)	2013/2014 Budget \$ (000)	2014/2015 Budget \$ (000)	2015/2016 Budget \$ (000)
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	1,497	1,202	2,741	2,321	2,240
Trade and other receivables	10,198	9,459	10,484	10,780	12,932
Other financial assets	5,060	5,373	6,077	6,500	7,340
Non current assets held for resale	-	-	-	-	-
	16,755	16,034	19,302	19,601	22,512
<b>CURRENT LIABILITIES</b>					
Trade and other payables	13,103	12,103	13,043	13,160	15,433
Employee benefit liabilities	996	1,615	1,615	1,615	1,615
Derivative Financial Assets	706	-	-	-	-
Current portion of public debt	8,417	9,758	11,242	13,613	14,122
	23,222	23,476	25,900	28,388	31,170
<b>WORKING CAPITAL</b>	(6,467)	(7,442)	(6,598)	(8,787)	(8,658)
<b>NON CURRENT ASSETS</b>					
Investments in associates	83,000	83,463	83,463	83,463	83,463
Other financial assets	2,178	1,957	1,957	1,957	7,207
Intangible assets	814	941	941	941	941
Trade & Other Receivables	118	95	95	95	95
Forestry assets	18,833	19,765	20,318	20,907	21,534
Investment property	1,896	4,039	4,201	4,369	4,544
Property, plant and equipment	1,183,969	1,203,688	1,273,307	1,330,462	1,409,778
	1,290,808	1,313,948	1,384,282	1,442,194	1,527,562
<b>NON CURRENT LIABILITIES</b>					
Public Debt	144,899	149,268	165,943	179,193	207,073
Employee benefit liabilities	569	669	669	669	669
Provisions	553	587	587	587	587
	146,021	150,524	167,199	180,449	208,329
<b>TOTAL NET ASSETS</b>	1,138,320	1,155,982	1,210,485	1,252,958	1,310,575
<b>RATEPAYERS EQUITY</b>					
Accumulated General Equity	489,502	504,054	509,966	518,799	525,782
Reserve funds	11,046	9,485	11,736	11,819	12,332
Revaluation reserves	637,772	642,443	688,783	722,340	772,461
	1,138,320	1,155,982	1,210,485	1,252,958	1,310,575



Prospective Balance Sheet	2016/2017 Budget \$ (000)	2017/2018 Budget \$ (000)	2018/2019 Budget \$ (000)	2019/2020 Budget \$ (000)	2020/2021 Budget \$ (000)	2021/2022 Budget \$ (000)
<b>CURRENT ASSETS</b>						
Cash and cash equivalents	2,274	2,157	1,223	3,887	3,751	4,445
Trade and other receivables	12,951	13,633	14,242	14,987	15,574	16,686
Other financial assets	8,173	9,089	9,995	10,993	11,977	13,065
Non current assets held for resale	-	-	-	-	-	-
	23,398	24,879	25,460	29,867	31,302	34,196
<b>CURRENT LIABILITIES</b>						
Trade and other payables	15,165	14,906	14,362	16,633	16,192	18,283
Employee benefit liabilities	1,615	1,615	1,615	1,615	1,615	1,615
Derivative Financial Assets	-	-	-	-	-	-
Current portion of public debt	15,707	16,795	17,727	19,174	20,154	21,150
	32,487	33,316	33,704	37,422	37,961	41,048
<b>WORKING CAPITAL</b>	(9,089)	(8,437)	(8,244)	(7,555)	(6,659)	(6,852)
<b>NON CURRENT ASSETS</b>						
Investments in associates	83,463	83,463	83,463	83,463	83,463	83,463
Other financial assets	7,207	7,207	7,207	7,207	7,207	7,207
Intangible assets	941	941	941	941	941	941
Trade & Other Receivables	95	95	95	95	95	95
Forestry assets	22,094	22,580	23,099	23,630	24,173	24,729
Investment property	4,726	4,915	5,112	5,317	5,530	5,751
Property, plant and equipment	1,474,341	1,551,289	1,608,037	1,693,500	1,765,099	1,865,949
	1,592,867	1,670,490	1,727,954	1,814,153	1,886,508	1,988,135
<b>NON CURRENT LIABILITIES</b>						
Public Debt	222,976	232,960	237,166	250,063	266,286	289,657
Employee benefit liabilities	669	669	669	669	669	669
Provisions	587	587	587	587	587	587
	224,232	234,216	238,422	251,319	267,542	290,913
<b>TOTAL NET ASSETS</b>	1,359,546	1,427,837	1,481,288	1,555,279	1,612,307	1,690,370
<b>RATEPAYERS EQUITY</b>						
Accumulated General Equity	537,429	549,895	563,089	576,435	589,253	603,220
Reserve funds	13,361	14,975	15,976	17,987	19,738	20,415
Revaluation reserves	808,756	862,967	902,223	960,857	1,003,316	1,066,735
	1,359,546	1,427,837	1,481,288	1,555,279	1,612,307	1,690,370

## Inflation Adjusted Accounts (cont.)

Prospective Cashflow Statement	2011/2012 Budget \$ (000)	2012/2013 Budget \$ (000)	2013/2014 Budget \$ (000)	2014/2015 Budget \$ (000)	2015/2016 Budget \$ (000)
<b>CASHFLOW FROM OPERATING ACTIVITIES</b>					
<b>CASH WAS PROVIDED FROM:</b>					
Fees and Charges	35,004	29,669	28,313	29,769	34,349
Rates	55,929	60,317	64,331	67,312	75,704
Dividends Received	2,322	2,440	2,472	2,557	2,563
Interest Received	384	291	332	360	374
Net GST Received	482	428	503	555	564
	<b>94,121</b>	<b>93,145</b>	<b>95,951</b>	<b>100,553</b>	<b>113,554</b>
<b>CASH WAS DISBURSED TO:</b>					
Payments to Suppliers & Employees	(68,035)	(64,353)	(66,148)	(66,579)	(78,690)
Interest Paid	(9,031)	(8,871)	(9,159)	(10,581)	(12,314)
	<b>(77,066)</b>	<b>(73,224)</b>	<b>(75,307)</b>	<b>(77,160)</b>	<b>(91,004)</b>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>17,055</b>	<b>19,921</b>	<b>20,644</b>	<b>23,393</b>	<b>22,550</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>					
<b>CASH WAS PROVIDED FROM:</b>					
Proceeds from sale of assets	-	418	1,168	500	750
Proceeds from sale of investments	-	671	-	-	-
	<b>-</b>	<b>1,089</b>	<b>1,168</b>	<b>500</b>	<b>750</b>
<b>CASH WAS DISBURSED TO:</b>					
Purchase of investments	(192)	(1,010)	(704)	(423)	(840)
Purchase of property plant & equipment	(32,136)	(25,826)	(37,728)	(39,512)	(45,680)
	<b>(32,328)</b>	<b>(26,836)</b>	<b>(38,432)</b>	<b>(39,935)</b>	<b>(46,520)</b>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(32,328)</b>	<b>(25,747)</b>	<b>(37,264)</b>	<b>(39,435)</b>	<b>(45,770)</b>
<b>CASHFLOW FROM FINANCING ACTIVITIES</b>					
<b>CASH WAS PROVIDED FROM:</b>					
Proceeds from loans	22,179	16,409	30,020	28,954	38,780
<b>CASH WAS DISBURSED TO:</b>					
Repayments of borrowings	(9,241)	(10,639)	(11,861)	(13,332)	(15,641)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>12,938</b>	<b>5,770</b>	<b>18,159</b>	<b>15,622</b>	<b>23,139</b>
<b>TOTAL NET CASHFLOWS</b>	<b>(2,335)</b>	<b>(56)</b>	<b>1,539</b>	<b>(420)</b>	<b>(81)</b>
Opening Cash Held	3,832	1,258	1,202	2,741	2,321
Closing Cash Balance	<b>1,497</b>	<b>1,202</b>	<b>2,741</b>	<b>2,321</b>	<b>2,240</b>
<b>REPRESENTED BY:</b>					
Cash and cash equivalents	<b>1,497</b>	<b>1,202</b>	<b>2,741</b>	<b>2,321</b>	<b>2,240</b>

Prospective Cashflow Statement	2016/2017 Budget \$ (000)	2017/2018 Budget \$ (000)	2018/2019 Budget \$ (000)	2019/2020 Budget \$ (000)	2020/2021 Budget \$ (000)	2021/2022 Budget \$ (000)
<b>CASHFLOW FROM OPERATING ACTIVITIES</b>						
<b>CASH WAS PROVIDED FROM:</b>						
Fees and Charges	36,136	37,316	39,034	41,025	42,779	45,562
Rates	80,725	85,892	90,234	93,912	98,337	101,848
Dividends Received	2,567	2,571	2,579	2,573	2,577	2,577
Interest Received	407	441	476	514	552	593
Net GST Received	668	723	761	813	856	898
	120,503	126,943	133,084	138,837	145,101	151,478
<b>CASH WAS DISBURSED TO:</b>						
Payments to Suppliers & Employees	(77,743)	(80,698)	(84,182)	(85,775)	(90,598)	(94,842)
Interest Paid	(14,002)	(15,461)	(16,928)	(16,916)	(18,255)	(19,182)
	(91,745)	(96,159)	(101,110)	(102,691)	(108,853)	(114,024)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	28,758	30,784	31,974	36,146	36,248	37,454
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>						
<b>CASH WAS PROVIDED FROM:</b>						
Proceeds from sale of assets	-	-	-	-	-	-
Proceeds from sale of investments	-	-	-	-	-	-
	-	-	-	-	-	-
<b>CASH WAS DISBURSED TO:</b>						
Purchase of investments	(833)	(916)	(906)	(998)	(984)	(1,088)
Purchase of property plant & equipment	(45,378)	(41,057)	(37,140)	(46,828)	(52,602)	(60,039)
	(46,211)	(41,973)	(38,046)	(47,826)	(53,586)	(61,127)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	(46,211)	(41,973)	(38,046)	(47,826)	(53,586)	(61,127)
<b>CASHFLOW FROM FINANCING ACTIVITIES</b>						
<b>CASH WAS PROVIDED FROM:</b>						
Proceeds from loans	33,028	28,674	24,172	34,702	37,455	46,763
<b>CASH WAS DISBURSED TO:</b>						
Repayments of borrowings	(15,541)	(17,602)	(19,034)	(20,358)	(20,253)	(22,396)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	17,487	11,072	5,138	14,344	17,202	24,367
<b>TOTAL NET CASHFLOWS</b>	34	(117)	(934)	2,664	(136)	694
Opening Cash Held	2,240	2,274	2,157	1,223	3,887	3,751
Closing Cash Balance	2,274	2,157	1,223	3,887	3,751	4,445
<b>REPRESENTED BY:</b>						
Cash and cash equivalents	2,274	2,157	1,223	3,887	3,751	4,445

## Inflation Adjusted Accounts (cont.)

Prospective Statement of Changes in Equity	2011/2012 Budget \$ (000)	2012/2013 Budget \$ (000)	2013/2014 Budget \$ (000)	2014/2015 Budget \$ (000)	2015/2016 Budget \$ (000)
EQUITY AT THE START OF THE YEAR	1,107,595	1,121,749	1,155,982	1,210,485	1,252,958
Total Comprehensive Income	30,725	34,233	54,503	42,473	57,617
EQUITY AT THE END OF THE YEAR	1,138,320	1,155,982	1,210,485	1,252,958	1,310,575
COMPONENTS OF EQUITY					
Accumulated general equity at beginning of year	485,793	499,332	504,054	509,966	518,799
Net surplus (deficit) for the year	3,696	5,400	8,163	8,916	7,496
Net Transfers (to)/from reserves	13	(678)	(2,251)	(83)	(513)
ACCUMULATED GENERAL EQUITY AT END OF YEAR	489,502	504,054	509,966	518,799	525,782
Accumulated reserve funds at beginning of year	11,059	8,807	9,485	11,736	11,819
Net Transfers to/(from) reserves	(13)	678	2,251	83	513
ACCUMULATED RESERVE FUNDS AT END OF YEAR	11,046	9,485	11,736	11,819	12,332
Accumulated revaluation reserves at beginning of year	610,743	613,610	642,443	688,783	722,340
Revaluation surplus/(deficit)	27,029	28,833	46,340	33,557	50,121
ACCUMULATED REVALUATION RESERVES AT END OF YEAR	637,772	642,443	688,783	722,340	772,461
EQUITY AT THE END OF THE YEAR	1,138,320	1,155,982	1,210,485	1,252,958	1,310,575

Prospective Statement of Changes in Equity	2016/2017 Budget \$ (000)	2017/2018 Budget \$ (000)	2018/2019 Budget \$ (000)	2019/2020 Budget \$ (000)	2020/2021 Budget \$ (000)	2021/2022 Budget \$ (000)
EQUITY AT THE START OF THE YEAR	1,310,575	1,359,546	1,427,837	1,481,288	1,555,279	1,612,307
Total Comprehensive Income	48,971	68,291	53,451	73,991	57,028	78,063
EQUITY AT THE END OF THE YEAR	1,359,546	1,427,837	1,481,288	1,555,279	1,612,307	1,690,370
COMPONENTS OF EQUITY						
Accumulated general equity at beginning of year	525,782	537,429	549,895	563,089	576,435	589,253
Net surplus (deficit) for the year	12,676	14,080	14,195	15,357	14,569	14,644
Net Transfers (to)/from reserves	(1,029)	(1,614)	(1,001)	(2,011)	(1,751)	(677)
ACCUMULATED GENERAL EQUITY AT END OF YEAR	537,429	549,895	563,089	576,435	589,253	603,220
Accumulated reserve funds at beginning of year	12,332	13,361	14,975	15,976	17,987	19,738
Net Transfers to/(from) reserves	1,029	1,614	1,001	2,011	1,751	677
ACCUMULATED RESERVE FUNDS AT END OF YEAR	13,361	14,975	15,976	17,987	19,738	20,415
Accumulated revaluation reserves at beginning of year	772,461	808,756	862,967	902,223	960,857	1,003,316
Revaluation surplus/(deficit)	36,295	54,211	39,256	58,634	42,459	63,419
ACCUMULATED REVALUATION RESERVES AT END OF YEAR	808,756	862,967	902,223	960,857	1,003,316	1,066,735
EQUITY AT THE END OF THE YEAR	1,359,546	1,427,837	1,481,288	1,555,279	1,612,307	1,690,370

## Inflation Adjusted Accounts (cont.)

Prospective Cashflow Reconciliation	2011/2012 Budget \$ (000)	2012/2013 Budget \$ (000)	2013/2014 Budget \$ (000)	2014/2015 Budget \$ (000)	2015/2016 Budget \$ (000)
SURPLUS(DEFICIT) FROM PROSPECTIVE INCOME STATEMENT	3,696	5,400	8,163	8,916	7,496
ADD NON CASH ITEMS					
Depreciation	19,861	19,827	19,951	21,007	21,683
Vested Assets	(3,577)	(5,250)	(5,397)	(5,548)	(5,703)
	16,284	14,577	14,554	15,459	15,980
MOVEMENTS IN WORKING CAPITAL					
Decrease (increase) in accounts receivable	(1,321)	1,464	(1,025)	(296)	(2,152)
Increase (decrease) in accounts payable	301	1,910	(940)	(117)	(2,273)
	(1,020)	3,374	(1,965)	(413)	(4,425)
ADD(DEDUCT) ITEMS CLASSIFIED AS INVESTING OR FINANCING ACTIVITIES					
Capital Creditors	(1,905)	(3,430)	(108)	(569)	3,499
NET CASH FLOW FROM OPERATING ACTIVITIES	17,055	19,921	20,644	23,393	22,550

Prospective Cashflow Reconciliation	2016/2017 Budget \$ (000)	2017/2018 Budget \$ (000)	2018/2019 Budget \$ (000)	2019/2020 Budget \$ (000)	2020/2021 Budget \$ (000)	2021/2022 Budget \$ (000)
SURPLUS(DEFICIT) FROM PROSPECTIVE INCOME STATEMENT	12,676	14,080	14,195	15,357	14,569	14,644
ADD NON CASH ITEMS						
Depreciation	23,167	23,983	25,312	27,494	29,553	30,192
Vested Assets	(5,863)	(6,027)	(6,196)	(6,369)	(6,547)	(6,730)
	17,304	17,956	19,116	21,125	23,006	23,462
MOVEMENTS IN WORKING CAPITAL						
Decrease (increase) in accounts receivable	(19)	(682)	(609)	(745)	(587)	(1,112)
Increase (decrease) in accounts payable	268	259	544	(2,271)	441	(2,091)
	249	(423)	(65)	(3,016)	(146)	(3,203)
ADD(DEDUCT) ITEMS CLASSIFIED AS INVESTING OR FINANCING ACTIVITIES						
Capital Creditors	(1,471)	(829)	(1,272)	2,680	(1,181)	2,551
NET CASH FLOW FROM OPERATING ACTIVITIES	28,758	30,784	31,974	36,146	36,248	37,454

## Inflation Adjusted Accounts (cont.)

Funding Impact Statement	2011/2012 Budget \$ (000)	2012/2013 Budget \$ (000)	2013/2014 Budget \$ (000)	2014/2015 Budget \$ (000)	2015/2016 Budget \$ (000)
<b>SOURCES OF OPERATING FUNDING</b>					
General rates, uniform annual general charge, rates penalties	30,039	31,514	33,085	34,540	37,075
Targeted rates (other than a targeted rate for water supply)	21,414	23,459	24,781	26,060	31,064
Subsidies and grants for operating purposes	3,719	3,864	3,843	3,764	4,337
Fees, charges and targeted rates for water supply	5,695	5,811	6,950	7,183	8,512
Interest and dividends from investments	2,706	2,731	2,804	2,917	2,937
Local authorities fuel tax, fines, infringement fees, and other receipts	18,047	20,549	22,152	22,625	25,167
<b>TOTAL OPERATING FUNDING</b>	<b>81,620</b>	<b>87,928</b>	<b>93,615</b>	<b>97,089</b>	<b>109,092</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>					
Payments to staff and suppliers	64,795	68,871	70,834	71,563	85,060
Finance costs	9,113	8,343	9,237	10,659	12,810
Other operating funding applications	-	-	-	-	-
<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	<b>73,908</b>	<b>77,214</b>	<b>80,071</b>	<b>82,222</b>	<b>97,870</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING</b>	<b>7,712</b>	<b>10,714</b>	<b>13,544</b>	<b>14,867</b>	<b>11,222</b>
<b>SOURCES OF CAPITAL FUNDING</b>					
Subsidies and grants for capital expenditure	7,327	4,368	4,296	4,694	6,456
Development and financial contributions	3,618	3,089	2,992	2,971	3,909
Increase (decrease) in debt	12,938	5,666	19,132	16,577	20,661
Gross proceeds from sale of assets	-	500	1,250	500	750
Lump sum contributions	-	-	-	-	-
<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	<b>23,883</b>	<b>13,623</b>	<b>27,670</b>	<b>24,742</b>	<b>31,776</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>					
Capital expenditure					
- to meet additional demand	3,993	2,435	1,429	3,096	2,946
- to improve the level of service	11,689	10,177	24,690	23,887	23,085
- to replace existing assets	15,789	10,997	12,768	12,443	16,329
Increase (decrease) in reserves	4	728	2,327	183	638
Increase (decrease) in investments	120	-	-	-	-
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	<b>31,595</b>	<b>24,337</b>	<b>41,214</b>	<b>39,609</b>	<b>42,998</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING</b>	<b>(7,712)</b>	<b>(10,714)</b>	<b>(13,544)</b>	<b>(14,867)</b>	<b>(11,222)</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



Funding Impact Statement	2016/2017 Budget \$ (000)	2017/2018 Budget \$ (000)	2018/2019 Budget \$ (000)	2019/2020 Budget \$ (000)	2020/2021 Budget \$ (000)	2021/2022 Budget \$ (000)
<b>SOURCES OF OPERATING FUNDING</b>						
General rates, uniform annual general charge, rates penalties	39,737	41,902	43,911	46,068	48,248	49,905
Targeted rates (other than a targeted rate for water supply)	32,786	34,880	36,642	37,339	38,813	41,241
Subsidies and grants for operating purposes	4,513	4,674	4,829	5,057	5,143	5,464
Fees, charges and targeted rates for water supply	9,087	10,022	10,585	11,417	12,223	11,651
Interest and dividends from investments	2,974	3,012	3,055	3,087	3,129	3,170
Local authorities fuel tax, fines, infringement fees, and other receipts	26,200	27,228	28,587	30,122	31,272	32,126
<b>TOTAL OPERATING FUNDING</b>	<b>115,297</b>	<b>121,718</b>	<b>127,609</b>	<b>133,090</b>	<b>138,828</b>	<b>143,557</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>						
Payments to staff and suppliers	81,923	85,353	88,701	92,085	95,684	101,162
Finance costs	14,491	15,942	17,357	17,336	18,665	19,583
Other operating funding applications	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	<b>96,414</b>	<b>101,295</b>	<b>106,058</b>	<b>109,421</b>	<b>114,349</b>	<b>120,745</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING</b>	<b>18,883</b>	<b>20,423</b>	<b>21,551</b>	<b>23,669</b>	<b>24,479</b>	<b>22,812</b>
<b>SOURCES OF CAPITAL FUNDING</b>						
Subsidies and grants for capital expenditure	5,261	5,716	5,853	6,758	6,971	9,068
Development and financial contributions	3,897	4,024	3,994	4,076	4,128	4,205
Increase (decrease) in debt	17,801	11,895	3,657	15,076	8,268	16,936
Gross proceeds from sale of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	<b>26,959</b>	<b>21,635</b>	<b>13,504</b>	<b>25,910</b>	<b>19,367</b>	<b>30,209</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>						
Capital expenditure						
- to meet additional demand	1,492	5,553	2,696	8,443	3,990	10,206
- to improve the level of service	23,633	14,535	16,720	20,408	20,822	20,933
- to replace existing assets	19,563	20,231	14,513	18,592	17,158	21,080
Increase (decrease) in reserves	1,154	1,739	1,126	2,136	1,876	802
Increase (decrease) in investments	-	-	-	-	-	-
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	<b>45,842</b>	<b>42,058</b>	<b>35,055</b>	<b>49,579</b>	<b>43,846</b>	<b>53,021</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING</b>	<b>(18,883)</b>	<b>(20,423)</b>	<b>(21,551)</b>	<b>(23,669)</b>	<b>(24,479)</b>	<b>(22,812)</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Inflation Adjusted Accounts (cont.)

Pursuant to FRS-42 paragraph 40 following is an explanation of the relationship between this Funding Impact Statement and the Prospective Comprehensive Income Statement.

This Funding Impact Statement has been prepared in accordance with the Local Government (Financial Reporting) Regulations 2011. This is a reporting requirement unique to Local Government and the disclosures contained within and the presentation of this statement is not prepared in accordance with generally accepted accounting practices ("GAAP").

This statement is based on cash transactions prepared on an accrual basis and as such does not include non cash/accounting transactions that are included within the Prospective Comprehensive Income Statement as required under GAAP. These items include but are not limited to Council's depreciation, gain and/or losses on revaluation and vested assets.

It also departs from GAAP as funding sources are disclosed based on whether they are deemed for operational or capital purposes. Income such as subsidies for capital projects, for example New Zealand Transport Agency subsidies projected to be received for road renewal works, development and reserve financial contributions and gains on sale of assets are recorded as capital funding sources. Under GAAP these are treated as income in the Prospective Comprehensive Income Statement.

## Depreciation and amortisation expense by groups of activities

Group of Activity	2011/2012 (000s)	2012/2013 (000s)	2013/2014 (000s)	2014/2015 (000s)	2015/2016 (000s)
Environmental Management	62	144	148	141	150
Public Health and Safety	20	101	103	99	118
Roading and Footpaths	10,729	8,268	8,390	8,810	9,125
Coastal Assets	447	381	357	383	376
Solid Waste	332	393	423	419	510
Wastewater and Sewage Control	2,438	2,065	2,051	2,262	2,347
Stormwater	1,397	1,312	1,253	1,386	1,444
Flood Protection and River Control Works	33	34	54	62	62
Water	3,388	2,850	2,789	2,987	3,112
Lifestyle and Culture	0	28	28	28	28
Community Facilities and Parks	705	2,712	2,774	2,846	2,830
Council Enterprises and Property	298	452	449	455	454
Governance	5	55	44	43	43

Group of Activity	2016/2017 (000s)	2017/2018 (000s)	2018/2019 (000s)	2019/2020 (000s)	2020/2021 (000s)	2021/2022 (000s)
Environmental Management	170	194	194	179	162	133
Public Health and Safety	133	133	123	119	125	122
Roading and Footpaths	9,424	9,729	10,152	11,983	13,257	13,728
Coastal Assets	409	412	445	446	474	466
Solid Waste	662	757	836	848	955	1,061
Wastewater and Sewage Control	2,643	2,834	3,152	3,227	3,492	3,559
Stormwater	1,601	1,654	1,799	1,828	2,001	2,091
Flood Protection and River Control Works	64	54	35	24	26	25
Water	3,467	3,582	3,923	4,086	4,511	4,716
Lifestyle and Culture	28	27	27	27	27	27
Community Facilities and Parks	2,863	2,909	2,918	2,932	2,731	2,500
Council Enterprises and Property	464	459	467	509	510	477
Governance	43	43	43	43	43	43

This table has been included in accordance with section 4 of the Local Government (Financial Reporting) Regulations 2011, and will constitute part of the notes to the financial statements in Council's Annual Report for the year ending 30 June 2013.

The purpose of this table is to specify in relation to each group of activities, the combined depreciation and amortisation expense for assets used directly in providing the group of activities.

This information was previously included within Council's Cost of Service Statements, however, under the new financial reporting regulations the funding impact statements exclude non-cash/accounting transactions such as depreciation.



# Reserve Financial Contributions

## How funds are received

All new subdivisions, from one new lot up to hundreds of new lots, are required to pay Reserve Financial Contributions for reserves and other Council facilities. With regard to Reserve Financial Contributions, these are based on 5.62 percent of the value of all new allotments, less the value of any land taken for reserves or walkways. Credits are also given in some cases for work that is carried out on these areas of land, over and above levelling and grassing. Examples of such credits would be children's play equipment and formation of paths.

Reserve Financial Contributions are also payable as a percentage of the cost of some large constructions. For example, new factories and commercial premises.

All Reserve Financial Contributions received must be separately accountable and the Council keeps Reserve Financial Contributions received in four separate accounts as follows:

- Golden Bay Ward
- Motueka Ward
- Moutere/Waimea and Lakes/Murchison Wards
- Richmond Ward

Income in each of these accounts varies considerably from year to year, depending on the demand for new sections and the availability of land for development.

## What the Reserve Financial Contributions can be used for

Strict criteria apply to the use of Reserve Financial Contributions with use being in the main restricted to:

- Land purchase for reserves.
- Capital improvements to reserves.
- Other capital works for recreation activities.

## Allocation of Funds

Each year as part of the Council's Long Term Plan review or Annual Plan process, a list of works in each of the four Reserve Financial Contributions accounts is produced by staff and these include requests received from Council's Reserve and Hall Management Committees and other organisations that are recreation related.

These requests are considered by the Community Boards in Golden Bay and Motueka, and the Ward Councillors for each of the four ward groupings listed previously. Recommendations are then forwarded to the Council's Community Services Committee for approval before being included in the Long Term Plan or Annual Plan.

Tables of the proposed expenditure of the Reserve Financial Contributions for each of the four ward groupings follow:



## Reserve Financial Contributions (cont.)

District Wide Reserve Financial Contributions 2012-2022	2012/2013 Budget \$	2013/2014 Budget \$	2014/2015 Budget \$	2015/2016 Budget \$	2016/2017 Budget \$
<b>PROJECTS</b>					
Staff costs	82,624	85,613	87,875	89,333	92,134
Valuation costs	5,110	5,263	10,842	11,211	11,603
Management Plans	5,621	5,790	5,963	6,166	6,382
Consultant Fees	15,330	15,790	21,685	22,422	23,207
Library Books	61,320	63,160	65,054	67,266	69,620
Council Overhead costs	104,602	108,210	115,419	114,215	119,190
Loan Repayments	34,217	34,217	0	0	0
<b>GOLDEN BAY WARD</b>					
Halls and Reserves	24,482	26,626	27,451	34,028	35,151
Revegetation Work	10,330	10,650	15,373	15,880	17,576
<b>MOTUEKA WARD</b>					
Halls and Reserves	41,320	15,975	16,471	22,686	23,434
Revegetation Work	10,330	10,650	15,373	15,880	16,404
<b>WAIMEA/LAKES WARD</b>					
Halls and Reserves	56,815	58,576	60,392	68,057	70,303
Revegetation Work	10,330	10,650	15,373	15,880	16,404
<b>RICHMOND WARD</b>					
Halls and Reserves	10,330	10,650	10,980	17,014	17,576
Revegetation Work	10,330	10,650	15,373	19,283	19,919
<b>TOTAL EXPENDITURE</b>	<b>483,091</b>	<b>472,470</b>	<b>483,624</b>	<b>519,321</b>	<b>538,903</b>
Estimated Opening Balance	2,010	6,785	16,366	29,774	40,953
General Rate Allocation	340,890	357,475	385,805	416,421	442,804
Transfer from Ward Accounts	117,530	94,739	81,318	84,083	77,743
Sundry Income	29,446	29,837	29,909	29,996	30,091
<b>ESTIMATED CLOSING BALANCE</b>	<b>6,785</b>	<b>16,366</b>	<b>29,774</b>	<b>40,953</b>	<b>52,688</b>

District Wide Reserve Financial Contributions 2012-2022	2017/2018 Budget \$	2018/2019 Budget \$	2019/2020 Budget \$	2020/2021 Budget \$	2021/2022 Budget \$
<b>PROJECTS</b>					
Staff costs	96,286	97,272	100,999	106,084	109,610
Valuation costs	11,998	12,394	12,803	13,264	13,728
Management Plans	6,599	6,817	7,042	7,295	7,550
Consultant Fees	17,997	18,591	19,204	19,896	20,592
Library Books	71,987	74,363	76,817	79,582	82,367
Council Overhead costs	128,331	124,617	130,588	140,920	137,327
Loan Repayments	0	0	0	0	0
<b>GOLDEN BAY WARD</b>					
Halls and Reserves	36,276	43,719	45,249	46,878	48,612
Revegetation Work	18,138	22,484	25,856	26,787	27,778
<b>MOTUEKA WARD</b>					
Halls and Reserves	24,184	24,982	25,856	26,787	27,778
Revegetation Work	16,929	17,487	19,392	20,090	20,834
<b>WAIMEA/LAKES WARD</b>					
Halls and Reserves	72,552	74,946	77,569	80,362	83,335
Revegetation Work	16,929	22,484	25,856	26,787	27,778
<b>RICHMOND WARD</b>					
Halls and Reserves	18,138	18,737	19,392	20,090	20,834
Revegetation Work	20,556	22,484	25,856	26,787	27,778
<b>TOTAL EXPENDITURE</b>	<b>556,900</b>	<b>581,377</b>	<b>612,479</b>	<b>641,609</b>	<b>655,901</b>
Estimated Opening Balance	52,688	73,576	100,754	130,051	152,870
General Rate Allocation	469,615	497,712	528,173	547,714	567,980
Transfer from Ward Accounts	77,986	80,560	83,218	86,214	89,231
Sundry Income	30,187	30,283	30,385	30,500	30,617
<b>ESTIMATED CLOSING BALANCE</b>	<b>73,576</b>	<b>100,754</b>	<b>130,051</b>	<b>152,870</b>	<b>184,797</b>

## Reserve Financial Contributions (cont.)

Richmond Ward Reserve Financial Contributions 2012-2022	2012/2013 Budget \$	2013/2014 Budget \$	2014/2015 Budget \$	2015/2016 Budget \$	2016/2017 Budget \$
<b>PROJECTS</b>					
<b>Walkways/Cycleways</b>					
General	41,520	37,674	66,716	91,979	142,936
Dellside Reserve	51,650	53,251	38,431	17,014	11,717
Estuary	25,950	26,910	27,798	28,744	29,778
<b>Sportsfields</b>					
Training Lights - Jubilee Park	-	86,113	-	-	-
General	-	-	-	28,744	-
<b>Picnic Areas</b>					
General	-	-	-	11,497	-
Waimea River Park	15,570	21,528	22,239	22,995	23,823
Fittal Street car park land	-	10,764	-	-	-
<b>Playgrounds</b>					
General	-	-	-	63,236	-
Easby Park	-	59,203	-	-	-
<b>Toilets</b>					
General	-	-	-	-	71,468
Ben Cooper Park	-	-	111,193	-	-
<b>Cemeteries</b>					
Richmond Cemetery Roothing	-	-	-	-	-
<b>Miscellaneous</b>					
Future Planning	5,621	5,790	5,963	6,166	6,382
Reservoir Creek Native Bush	20,660	-	-	-	23,434
Security Cameras	12,456	-	-	13,797	-
Land Additions	-	-	-	-	-
Croquet Carpark	7,154	-	-	-	-
Loan Principal	127,713	127,713	127,713	127,713	127,713
Transfer to District Wide Contributions	30,660	26,317	27,106	25,785	25,527
<b>TOTAL EXPENDITURE</b>	<b>338,954</b>	<b>455,263</b>	<b>427,159</b>	<b>437,670</b>	<b>462,778</b>
Estimated Opening Balance	50,000	72,596	22,827	14,542	33,224
Projected Income	361,550	405,494	418,874	456,352	472,324
	411,550	478,090	441,701	470,894	505,548
Expenditure	338,954	455,263	427,159	437,670	462,778
<b>ESTIMATED CLOSING BALANCE</b>	<b>72,596</b>	<b>22,827</b>	<b>14,542</b>	<b>33,224</b>	<b>42,770</b>



Richmond Ward Reserve Financial Contributions 2012-2022	2017/2018 Budget \$	2018/2019 Budget \$	2019/2020 Budget \$	2020/2021 Budget \$	2021/2022 Budget \$
<b>PROJECTS</b>					
Walkways/Cycleways					
General	123,639	128,585	134,114	140,149	146,596
Dellside Reserve	12,092	12,491	12,928	13,394	13,889
Estuary	30,910	32,146	33,529	35,037	36,649
Sportsfields					
Training Lights - Jubilee Park	-	-	-	-	-
General	30,910	-	33,529	-	36,649
Picnic Areas					
General	12,364	-	13,411	-	14,660
Waimea River Park	24,728	25,717	26,823	28,030	29,319
Fittal Street car park land	-	-	-	-	-
Playgrounds					
General	68,001	-	73,763	-	80,628
Easby Park	-	-	-	-	-
Toilets					
General	-	77,151	-	112,119	-
Ben Cooper Park	-	-	-	-	-
Cemeteries					
Richmond Cemetery Roading	24,728	-	-	-	29,319
Miscellaneous					
Future Planning	6,599	6,817	7,042	7,295	7,550
Reservoir Creek Native Bush	-	-	-	-	-
Security Cameras	-	15,430	-	-	17,592
Land Additions	-	-	-	140,149	73,298
Croquet Carpark	-	-	-	-	-
Loan Principal	127,713	127,713	127,713	127,708	-
Transfer to District Wide Contributions	28,795	29,745	30,727	31,833	32,947
<b>TOTAL EXPENDITURE</b>	<b>490,479</b>	<b>455,795</b>	<b>493,579</b>	<b>635,714</b>	<b>519,096</b>
Estimated Opening Balance	42,770	40,203	88,420	116,493	21,731
Projected Income	487,912	504,012	521,652	540,952	560,968
	530,682	544,215	610,072	657,445	582,699
Expenditure	490,479	455,795	493,579	635,714	519,096
<b>ESTIMATED CLOSING BALANCE</b>	<b>40,203</b>	<b>88,420</b>	<b>116,493</b>	<b>21,731</b>	<b>63,603</b>

## Reserve Financial Contributions (cont.)

Waimea/Moutere & Lakes Ward Reserve Financial Contributions 2012-2022	2012/2013 Budget \$	2013/2014 Budget \$	2014/2015 Budget \$	2015/2016 Budget \$	2016/2017 Budget \$
<b>PROJECTS</b>					
<b>Walkways/Cycleways</b>					
General	15,570	69,967	72,275	74,733	77,423
Rural 3	25,950	26,910	27,798	40,241	41,690
Waimea Inlet	20,760	10,764	11,119	22,995	23,823
<b>Sportsfields</b>					
General	20,760	-	-	68,984	71,468
<b>Picnic Areas</b>					
General	10,330	10,650	10,980	11,343	11,717
Waimea River Park	15,570	10,764	11,119	11,497	11,911
<b>Gardens</b>					
General	10,330	10,650	10,980	11,343	11,717
<b>Playgrounds</b>					
General - new reserves etc	62,280	-	55,597	-	59,557
<b>Toilets</b>					
General	-	43,056	-	68,984	-
<b>Cemeteries</b>					
General	-	10,650	-	-	11,717
<b>Coastcare</b>					
General	20,660	21,300	21,961	22,686	23,434
<b>Tennis Courts</b>					
General	20,760	64,585	33,358	-	-
<b>Miscellaneous</b>					
Murchison Bowls	8,176	-	-	-	-
Equestrian Park	20,660	21,300	-	22,686	-
Funding requests	-	-	32,941	34,028	23,434
New reserves land	155,700	53,821	22,239	-	-
Hall trusts	5,190	5,382	5,560	5,749	5,956
Transfer to District Wide Contributions	40,880	31,580	27,106	24,664	26,688
Loan Principal	145,293	145,293	94,890	94,889	94,889
<b>TOTAL EXPENDITURE</b>	<b>598,869</b>	<b>536,672</b>	<b>437,923</b>	<b>514,822</b>	<b>495,424</b>
Estimated Opening Balance	5,000	82,746	4,923	29,966	(5,686)
Projected Income	676,615	458,849	462,966	479,170	531,365
	681,615	541,595	467,889	509,136	525,679
Expenditure	598,869	536,672	437,923	514,822	495,424
<b>ESTIMATED CLOSING BALANCE</b>	<b>82,746</b>	<b>4,923</b>	<b>29,966</b>	<b>(5,686)</b>	<b>30,255</b>

Waimea/Moutere & Lakes Ward Reserve Financial Contributions 2012-2022	2017/2018 Budget \$	2018/2019 Budget \$	2019/2020 Budget \$	2020/2021 Budget \$	2021/2022 Budget \$
<b>PROJECTS</b>					
Walkways/Cycleways					
General	18,546	19,288	20,117	21,022	21,989
Rural 3	43,274	45,005	46,940	49,052	51,309
Waimea Inlet	24,728	25,717	26,823	28,030	29,319
Sportsfields					
General	-	-	80,468	-	87,958
Picnic Areas					
General	12,092	12,491	12,928	13,394	13,889
Waimea River Park	12,364	12,859	13,411	14,015	14,660
Gardens					
General	12,092	12,491	12,928	13,394	13,889
Playgrounds					
General - new reserves etc	-	90,010	-	70,075	29,319
Toilets					
General	-	-	107,291	-	-
Cemeteries					
General	-	-	12,928	-	-
Coastcare					
General	24,184	24,982	25,856	26,787	27,778
Tennis Courts					
General	37,092	-	-	42,045	-
Miscellaneous					
Murchison Bowls	-	-	-	-	-
Equestrian Park	-	37,473	-	-	27,778
Funding requests	36,276	74,946	38,785	66,968	27,778
New reserves land	123,639	-	-	-	146,596
Hall trusts	6,182	6,429	6,706	7,007	7,330
Transfer to District Wide Contributions	31,195	32,224	33,287	34,486	35,693
Loan Principal	94,889	94,889	94,889	94,889	94,889
<b>TOTAL EXPENDITURE</b>	<b>476,553</b>	<b>488,804</b>	<b>533,357</b>	<b>481,164</b>	<b>630,174</b>
Estimated Opening Balance	30,255	102,603	180,813	234,315	361,722
Projected Income	548,901	567,014	586,859	608,571	631,089
	579,156	669,617	767,672	842,886	992,811
Expenditure	476,553	488,804	533,357	481,164	630,174
<b>ESTIMATED CLOSING BALANCE</b>	<b>102,603</b>	<b>180,813</b>	<b>234,315</b>	<b>361,722</b>	<b>362,637</b>

## Reserve Financial Contributions (cont.)

Motueka Ward Reserve Financial Contributions 2012-2022	2012/2013 Budget \$	2013/2014 Budget \$	2014/2015 Budget \$	2015/2016 Budget \$	2016/2017 Budget \$
<b>PROJECTS</b>					
<b>Walkways/Cycleways</b>					
General	41,520	53,821	100,074	114,974	59,557
Stephens Bay Development	12,396	0	21,961	0	23,434
<b>Sportsfields</b>					
General	0	21,528	0	22,995	0
Tennis Court Renewals	0	0	0	0	71,468
Memorial Park / General	20,760	0	0	0	0
Memorial Park tennis courts	5,190	0	0	0	0
Sports Park - new field development	0	53,821	83,395	0	0
Goodman Recreation Reserve Carpark	83,040	0	0	0	0
<b>Picnic Areas</b>					
General	0	21,300	0	22,686	0
<b>Gardens</b>					
Pethybridge Rose Garden	0	0	0	0	0
Goodman Ponds	0	0	8,784	0	5,859
Artwork	0	0	0	17,014	0
General	10,380	0	0	5,749	0
<b>Playgrounds</b>					
Wildmans Road	0	0	0	68,984	0
Old Wharf Road Youth Park	0	10,764	0	0	0
Decks Reserve	51,900	0	0	0	0
General - new reserves etc	0	0	0	0	0
<b>Toilets</b>					
Tapu Bay	31,140	0	0	0	0
General	0	0	0	0	71,468
<b>Cemeteries</b>					
General	20,660	21,300	0	0	0
<b>Coastcare</b>					
Motueka Foreshore Protection	0	0	11,119	11,497	0
General	16,528	17,040	17,569	18,148	18,747
<b>Miscellaneous</b>					
Future Planning	11,242	11,579	11,927	12,332	12,764
Keep Motueka Beautiful	12,264	12,632	13,011	13,453	13,924
Motueka Clock Tower Trust - loan	8,176	8,421	8,674	8,969	9,283
Security Cameras	6,228	0	0	6,898	0
Motueka Recreation Centre upgrade	103,800	0	0	0	0
Transfer to District Wide Contributions	35,770	26,317	18,432	26,906	20,886
<b>TOTAL EXPENDITURE</b>	<b>470,994</b>	<b>258,523</b>	<b>294,946</b>	<b>350,605</b>	<b>307,390</b>
Estimated Opening Balance	321,000	139,246	136,825	117,454	52,069
Projected Income	289,240	256,102	275,575	285,220	295,203
	610,240	395,348	412,400	402,674	347,272
Expenditure	470,994	258,523	294,946	350,605	307,390
<b>ESTIMATED CLOSING BALANCE</b>	<b>139,246</b>	<b>136,825</b>	<b>117,454</b>	<b>52,069</b>	<b>39,882</b>

Motueka Ward Reserve Financial Contributions 2012-2022	2017/2018 Budget \$	2018/2019 Budget \$	2019/2020 Budget \$	2020/2021 Budget \$	2021/2022 Budget \$
<b>PROJECTS</b>					
<b>Walkways/Cycleways</b>					
General	98,911	64,293	67,057	70,075	73,298
Stephens Bay Development	0	24,982	0	0	0
<b>Sportsfields</b>					
General	0	0	0	0	73,298
Tennis Court Renewals	0	0	0	84,089	0
Memorial Park / General	0	77,151	53,646	0	0
Memorial Park tennis courts	0	0	0	0	0
Sports Park - new field development	0	0	0	0	0
Goodman Recreation Reserve Carpark	0	0	0	0	0
<b>Picnic Areas</b>					
General	24,184	0	25,856	0	0
<b>Gardens</b>					
Pethybridge Rose Garden	0	0	12,928	0	0
Goodman Ponds	0	0	0	6,697	0
Artwork	18,138	0	19,392	0	0
General	0	6,429	0	0	7,330
<b>Playgrounds</b>					
Wildmans Road	0	0	0	0	0
Old Wharf Road Youth Park	12,364	0	0	14,015	0
Decks Reserve	0	0	0	0	0
General - new reserves etc	61,820	0	0	42,045	73,298
<b>Toilets</b>					
Tapu Bay	0	0	0	0	0
General	0	51,434	0	140,149	0
<b>Cemeteries</b>					
General	0	0	12,928	0	0
<b>Coastcare</b>					
Motueka Foreshore Protection	12,364	12,859	13,411	14,015	14,660
General	19,347	19,986	20,685	21,430	22,223
<b>Miscellaneous</b>					
Future Planning	13,198	13,633	14,083	14,590	15,101
Keep Motueka Beautiful	14,397	14,873	15,363	15,916	16,473
Motueka Clock Tower Trust - loan	9,598	9,915	10,242	10,611	10,982
Security Cameras	0	7,715	0	0	8,796
Motueka Recreation Centre upgrade	0	0	0	0	0
Transfer to District Wide Contributions	15,597	16,112	16,644	17,243	17,846
<b>TOTAL EXPENDITURE</b>	<b>299,918</b>	<b>319,382</b>	<b>282,235</b>	<b>450,875</b>	<b>333,305</b>
Estimated Opening Balance	39,882	44,909	40,535	84,333	(28,447)
Projected Income	304,945	315,008	326,033	338,095	350,605
	344,827	359,917	366,568	422,428	322,158
Expenditure	299,918	319,382	282,235	450,875	333,305
<b>ESTIMATED CLOSING BALANCE</b>	<b>44,909</b>	<b>40,535</b>	<b>84,333</b>	<b>(28,447)</b>	<b>(11,147)</b>

## Reserve Financial Contributions (cont.)

Golden Bay Ward Reserve Financial Contributions 2012-2022	2012/2013 Budget \$	2013/2014 Budget \$	2014/2015 Budget \$	2015/2016 Budget \$	2016/2017 Budget \$
<b>PROJECTS</b>					
<b>Walkways/Cycleways</b>					
General	36,155	37,276	32,941	34,028	35,151
<b>Sportsfields</b>					
Golden Bay Recreation Reserve	0	48,438	55,597	114,974	17,867
<b>Picnic Areas</b>					
General	0	0	21,961	0	23,434
<b>Gardens</b>					
Art Works	0	21,300	0	0	0
General	10,000	(67,475)	(56,495)	(67,475)	(55,758)
Takaka Memorial Reserve - landscaping	67,475	67,475	67,475	67,475	67,475
<b>Playgrounds</b>					
General - new reserves etc	31,140	0	0	0	35,734
<b>Toilets</b>					
General	0	0	0	34,492	0
<b>Cemeteries</b>					
General	5,165	5,325	0	0	0
<b>Coastcare</b>					
General	30,660	36,843	43,370	33,633	34,810
<b>Miscellaneous</b>					
School Pools - Upgrade	0	0	0	0	0
Interpretation Panels	0	10,650	0	11,343	0
Security Cameras	0	0	16,679	0	0
Golden Bay Tennis Courts	0	43,056	0	0	0
Transfer to District Wide Contributions	10,220	10,527	8,674	6,727	4,641
<b>TOTAL EXPENDITURE</b>	<b>190,815</b>	<b>213,415</b>	<b>190,202</b>	<b>235,197</b>	<b>163,354</b>
Estimated Opening Balance	329,000	272,475	197,782	150,879	52,588
Projected Income	134,290	138,722	143,299	136,906	141,697
	<b>463,290</b>	<b>411,197</b>	<b>341,081</b>	<b>287,785</b>	<b>194,285</b>
Expenditure	190,815	213,415	190,202	235,197	163,354
<b>ESTIMATED CLOSING BALANCE</b>	<b>272,475</b>	<b>197,782</b>	<b>150,879</b>	<b>52,588</b>	<b>30,931</b>

Golden Bay Ward Reserve Financial Contributions 2012-2022	2017/2018 Budget \$	2018/2019 Budget \$	2019/2020 Budget \$	2020/2021 Budget \$	2021/2022 Budget \$
<b>PROJECTS</b>					
Walkways/Cycleways					
General	54,414	37,473	45,249	40,181	41,668
Sportsfields					
Golden Bay Recreation Reserve	0	25,717	0	0	0
Picnic Areas					
General	0	0	0	0	0
Gardens					
Art Works	18,138	0	0	0	0
General	(67,475)	(67,475)	(61,011)	(67,475)	(67,475)
Takaka Memorial Reserve - landscaping	67,475	67,475	67,475	67,475	67,475
Playgrounds					
General - new reserves etc	0	0	40,234	0	0
Toilets					
General	0	38,576	0	42,045	0
Cemeteries					
General	12,092	0	0	13,394	0
Coastcare					
General	35,994	37,181	38,408	39,791	41,184
Miscellaneous					
School Pools - Upgrade	0	61,969	0	0	0
Interpretation Panels	12,092	0	0	13,394	0
Security Cameras	18,546	0	0	21,022	0
Golden Bay Tennis Courts	0	0	0	0	0
Transfer to District Wide Contributions	2,400	2,479	2,561	2,653	2,746
<b>TOTAL EXPENDITURE</b>	<b>153,676</b>	<b>203,395</b>	<b>132,916</b>	<b>172,480</b>	<b>85,598</b>
Estimated Opening Balance	30,931	23,629	(28,562)	(4,982)	(15,176)
Projected Income	146,374	151,204	156,496	162,286	168,290
	<b>177,305</b>	<b>174,833</b>	<b>127,934</b>	<b>157,304</b>	<b>153,114</b>
Expenditure	153,676	203,395	132,916	172,480	85,598
<b>ESTIMATED CLOSING BALANCE</b>	<b>23,629</b>	<b>(28,562)</b>	<b>(4,982)</b>	<b>(15,176)</b>	<b>67,516</b>

# Assumptions

The Tasman Long Term Plan is based on a number of significant forecasting assumptions. These assumptions include assessments of a number of factors that might impact on Council and the community, including consideration of how the population will probably change over the next 20 years, funding of Council services, the financial environment, how Council will provide services over the next 20 years and external factors such as climate change and Government legislation.

The assumptions are the best reasonable assessment based on current information, but actual results might differ and these differences might be large. Council has, therefore, included an assessment of how likely the actual may vary from the assumptions and what impact the variances would have on Council and the community.

These are the overarching assumptions relating to Council's activities. In addition to these assumptions, activity specific assumptions are found in each of the activity sections that are located earlier in this document.



Assumption	Description of Risk	Level of uncertainty	Impact
<b>Population Change and Growth Assumptions</b>			
<p>Population growth: Council has undertaken a detailed assessment of the likely population increase for all of the District's 17 main settlements as well as rural areas outside of these settlements. The overall population of Tasman is expected to increase from an estimated population of 48,100 in 2011 to 53,200 by 2031.</p> <p>The population increase has been based on the medium growth rates provided by Statistics New Zealand. Council planning also considers non-resident demand for holiday home properties and business growth. The growth figures included in this Plan are at a slightly lower rate of growth than that used in the 2009 Plan.</p> <p>Note: The 2011 census was cancelled following the Christchurch earthquake in February and Statistics New Zealand has advised that the next Census will be held in March 2013.</p>	<p>That growth is higher or lower than projected. A higher figure might result if a large number of people decided to relocate from Christchurch. A lower growth rate might result if economic conditions are poor and net migration to New Zealand is negative. The demand for holiday home properties could be lower than expected if economic conditions do not improve.</p>	Low	<p>The growth strategy provides for consistent supply of sections to match demand across the Tasman District. Council reassesses the growth rates and whether projects need to be brought forward or delayed as part of each year's Annual Plan or Long Term Plan process.</p>
<p>Ageing population: The medium age in the Tasman District in 2006 was 40.3 This is expected to increase to 47.3 by 2031.</p> <p>The increasing age of the population is likely to have an impact on residents' ability to pay for services and also the services that they require.</p>	<p>That the age profile in 10 years time is significantly different to that forecast.</p>	Low	<p>Demographic projections and the ageing of the population is well defined and likely to be similar to that forecast by Statistics New Zealand. Council has taken projected demographic changes into consideration as part of the development of this Plan, for example increased demand for community services such as libraries.</p>
<p>Affordability: As noted in the Ageing Population section the medium age of residents is expected to increase over the next 20 years. Older residents who are no longer in employment will be less able to fund increases in rates for new services/ infrastructure.</p>	<p>That the ability of the community to afford rates increases will be lower than anticipated.</p>	Low	<p>Council considers affordability of rates and charges as part of each Long Term Plan and Annual Plan. The Long Term Plan contains a number of changes to levels of service to assist with affordability.</p>
<p>Development contributions: Full assumptions on development contributions are included within the Development Contributions Policy – refer to Volume 2. Council expects to collect \$45 million in development contributions over the next 10 years.</p>	<p>That development occurs at a slower or faster rate than forecast. This could be across the District or in specific settlements.</p>	Medium	<p>The Council's growth strategy is detailed and the forecast rate of growth is conservative. Refer to pages 323-325 for further information. Council reassesses its work programme each year as part of the Annual Plan process and can bring forward or delay projects if the growth rate is different or occurs in different settlements than forecast. If growth was lower than forecast this would result in less money collected through development contributions and a reduction of income. In the short term this would require additional borrowing and higher interest costs, but in the medium and long term Council would delay projects to manage this shortfall.</p>

## Assumptions (cont.)

Assumption	Description of Risk	Level of uncertainty	Impact								
Financial Contributions: That Council will receive \$1.46 million per annum in 2012 from financial contributions, rising to \$1.71 million by 2021/2022.	That development occurs at a slower or faster rate than forecast. This could be across the District or in specific settlements.	Medium	The Council's growth strategy is detailed and the forecast rate of growth is conservative. Refer to pages 323-325 for further information. If growth was lower than forecast this would result in lower financial contributions. Council would delay projects through the Annual Plan process to manage any shortfall. If the growth rate was faster than forecast Council would consider bringing projects forward.								
Vested Assets: That Council will receive \$5.25 million of vested assets per annum in 2012, rising by 2.8 percent per annum adjusted by inflation. Vested Assets are engineering assets such as roads, sewers and water mains, paid for by developers and vested to Council on completion of the subdivision.	That vested assets vary from budget.	Medium	Vested assets must be maintained by Council, therefore if growth is higher than forecast Council will need to increase its budget to maintain those assets. The impact of higher or lower growth is not considered significant.								
<b>Financial Assumptions</b>											
<p>Inflation/Price changes: In preparing the Long Term Plan Council has assumed the inflation as set out in the table below.</p> <p>Figures for the Draft Long Term Plan were provided by Business and Economic Research Limited (BERL). Since the Draft Plan was prepared economic conditions have changed and accordingly Council has reduced the expected inflation rates for salaries, operating expenses, maintenance and capital costs.</p> <p>Variable annual rates have been applied to six cost groups across the model. We have used a cost weighted averaging exercise to derive an inflation rate for all costs.</p>	That inflation is higher or lower than planned.	Medium to High	There is likely to be some variation in the actual rates of inflation from those assumed and this will impact on the financial results of Council. If the variances are significant Council may need to consider either increasing or decreasing rates and charges or the levels of service for activities. This would be considered through the Annual Plan process. Council plans to spend approximately \$1,216 million operating and \$404.8 million capital p.a. over the 10 year period of the Plan. A one percent movement in inflation could increase or decrease costs by approximately \$1 million p.a. by year 10 of the Plan. There would also be an impact on Council debt levels.								
	Jun 13	Jun 14	Jun 15	Jun 16	Jun 17	Jun 18	Jun 19	Jun 20	Jun 21	Jun 22	Ten year average
Income	3.3%	3.3%	3.3%	3.5%	3.5%	3.3%	3.3%	3.5%	3.7%	3.7%	3.4
Salaries	2.5%	2.5%	2.5%	3.5%	3.5%	3.3%	3.3%	3.5%	3.7%	3.7%	3.2
Maintenance	3.3%	3.1%	3.1%	3.3%	3.3%	3.2%	3.3%	3.5%	3.6%	3.7%	3.3
Other Operating Expenses	2.2%	3.0%	3.0%	3.4%	3.5%	3.4%	3.3%	3.3%	3.6%	3.5%	3.2
Energy	4.8%	4.7%	4.7%	5.0%	5.1%	4.6%	4.5%	5.0%	5.4%	5.4%	4.9
Capital	3.8%	3.7%	3.3%	3.4%	3.6%	3.8%	4.0%	4.3%	4.5%	4.6%	3.9

Assumption		Description of Risk	Level of uncertainty	Impact																						
<p>Interest rates: In preparing the Long Term Plan Council has assumed the following interest rates:</p> <table border="1"> <thead> <tr> <th>Average interest rates</th> <th>For borrowings</th> </tr> </thead> <tbody> <tr> <td>2012/2013</td> <td>6.0</td> </tr> <tr> <td>2013/2014</td> <td>6.1</td> </tr> <tr> <td>2014/2015</td> <td>6.3</td> </tr> <tr> <td>2015/2016</td> <td>6.6</td> </tr> <tr> <td>2016/2017</td> <td>6.8</td> </tr> <tr> <td>2017/2018</td> <td>7.0</td> </tr> <tr> <td>2018/2019</td> <td>7.4</td> </tr> <tr> <td>2019/2020</td> <td>7.1</td> </tr> <tr> <td>2020/2021</td> <td>7.3</td> </tr> <tr> <td>2021/2022</td> <td>7.3</td> </tr> </tbody> </table>		Average interest rates	For borrowings	2012/2013	6.0	2013/2014	6.1	2014/2015	6.3	2015/2016	6.6	2016/2017	6.8	2017/2018	7.0	2018/2019	7.4	2019/2020	7.1	2020/2021	7.3	2021/2022	7.3	<p>Higher interest rates will increase costs for Council. Lower interest rates will decrease costs.</p> <p>Since the Draft Plan was prepared interest rates have fallen and accordingly the cost of borrowing has been reduced from 6.2 percent to 6.0 percent in 2012/2013.</p> <p>The remaining nine years interest rates have not been adjusted.</p>	Medium/high	<p>Interest rates used are based on advice from Asia Pacific Risk Management and includes the cost of both funds already borrowed and anticipated new debt at anticipated future interest rates. If actual interest rates are higher than the assumed rate, this cost would be rated for or future borrowing requirements adjusted. An increase of 1% over forecast borrowing costs might increase costs by up to \$3 million per annum by the end of 10 years. A degree of protection against fluctuating interest rates has been provided through the use of interest rate swaps.</p> <p>Council is also a founding member of the Local Government Funding Agency which provides access to loans at a lower rate than Council could obtain directly from banks.</p>
Average interest rates	For borrowings																									
2012/2013	6.0																									
2013/2014	6.1																									
2014/2015	6.3																									
2015/2016	6.6																									
2016/2017	6.8																									
2017/2018	7.0																									
2018/2019	7.4																									
2019/2020	7.1																									
2020/2021	7.3																									
2021/2022	7.3																									
<p>Climate change: Council uses the Ministry for the Environment (MFE) guidelines set out in "Preparing for Climate Change, March 2009" for estimating Sea Level Rise (SLR). MFE indicates that councils should plan for a 0.5 m SLR by 2099 and Council Engineering Standards provide for a 0.6 m SLR. The next guidelines are expected to be released in 2013 and will be considered as part of the 2015 Long Term Plan.</p> <p>A study commissioned from NIWA by Tasman District Council in 2008 confirms there are implications from climate change for our own region. This work has formed the basis for zoning changes in the Tasman Resource Management Plan.</p> <p>Council also plans for flood protection.</p>		<p>Climatic events might lead to increased costs for Council in both responding to events and building greater resilience into infrastructure.</p>	Medium	<p>More frequent and more extreme weather events (drought and floods) and exposure of low-lying land to sea level rise, plus greater risk of pest incursions. The work Council is undertaking on water management and storage (e.g., Lee Valley Dam) and on flood protection (e.g., the Motueka Stopbank) is also relevant to enhancing the resilience of the community and environment to the impacts of climate change, particularly the likely increase in the incidents of flooding and drought.</p> <p>Council's Engineering Standards include consideration of the potential impacts of climate change in the planning, location and design of infrastructure. It is not possible to quantify the cost of climate change, but Council hold reserves and insurance to meet the costs of flood events.</p>																						

## Assumptions (cont.)

Assumption	Description of Risk	Level of uncertainty	Impact
Useful lives of significant assets: The Council has made a number of assumptions about the useful life of its assets. These assumptions affect the depreciation charge contained within the Plan. The detail for each asset category is reflected in the Statement of Accounting Policies on pages 238-246 of this document. Council's asset depreciation rates are contained on page 263 of the Statement of Accounting Policies.	That the lives of assets are materially different from those contained within the Plan.	Low	If the life of assets are materially different from those contained within the Plan the asset values stated in the prospective balance sheet and the profit contained in the prospective income statement would be affected. If the life was shorter than expected then Council might need to replace the asset sooner than planned and this would need to be funded through borrowing or an increase in rates. However, Council has a long history of managing assets and has asset management practices in place which reduce the likelihood of the useful life of assets being very different to the projections.
Funding depreciation: Council does not fund depreciation at an activity level, but instead funds depreciation at an income statement level.	That a future Council decides to account for depreciation at activity level.	Low	If a future Council decides to fully fund depreciation at the activity level then the rate requirements may need to increase. Council will consider the method of funding depreciation as part of the development of the 2015 Long Term Plan.
NZTA funding: An underlying assumption of the budget figures contained in the Transportation Activity is that the government subsidy through the Financial Assistance Rate will remain unchanged during the first three years of the Long Term Plan. Funding rates used for the preparation of this Plan are based on information from the New Zealand Transport Agency and range from 49 percent to 100 percent subsidy.	That the Government will reduce the level of subsidy available to councils for transport and transport related activities.	Medium	Any decrease in NZTA funding will require Council to make a decision on whether to increase funding for transport activities from rates, reduce levels of service, remove projects from the Long Term Plan or apply a mix of these options. An example of the impact of lower NZTA funding would be if the subsidy rate for Tasman work was reduced by 1%, from 59% to 58% then Council income would be \$250,000 p.a lower. To offset this Council would need to either increase general rates by 0.7%, or decrease levels of service.
Insurance costs: It has been assumed that insurance premiums will continue at the level paid for cover for 2011/2012 plus inflation. These costs are subsequent to the Christchurch earthquakes. Council has also made an assumption that it will be able to obtain insurance cover.	That premiums increase above inflation and/or Council cannot obtain 100% cover.	Medium	Any increase in premiums above the level assumed in this Plan will have an impact on rates or the level of cover that Council adopts.
Return on investments: It is assumed that the return on investments, including dividends from Council Controlled Trading Organisations and retained earnings on subsidiaries will continue at current levels plus inflation.	That returns are lower than expected.	Low	Lower returns will impact on rates as the income will need to be raised from other sources. Alternatively Council could consider reducing levels of service.

Assumption	Description of Risk	Level of uncertainty	Impact
Limits on Rates and Rate increases: The level of the Council limits on rates and rate increases, as required by the Local Government Act 2002, are set out in the Financial Strategy, pages 54-68. This Plan assumes that Council will remain within these limits.	That rate increases are above the limits set by Council.	Low	The rates limits might be exceeded if there was a natural disaster and Council had to increase rates to cover the cost of damage, or Council decided to undertake an additional capital project, or if income was lower than forecast. If one of these situations occurred Council could decide to either amend the rates limit and/or report the breach through the Annual Report and pre-election report. There is no legislative requirement for Council to remain within the rates limit and the forecasts in this Plan provide a margin for unexpected events.
Major Industrial Water users: It is assumed that the Major Water users and Council will come to an agreement on higher water charges during 2012/2013.	That an agreement is not meet, or that the cubic metre charge is lower than forecast	Medium	Council's dispute with the Industrial Water Users was unable to be resolved by June 2012, so that those users pay the same charges for water as owners of rating units with a metered connection in Richmond, therefore the charges for water supplied by the Council to rating units within Nelson City and the water rates to Tasman District rating units (excluding those in Motueka township and the Nelson Pine Industries Limited site) has been set at \$1.87 per cubic metre supplied and the fixed charge around 61.81 cents per day. If the dispute is not resolved prior to the 2013/2014 Annual Plan then water rates and charges for 2013/2014 could be higher than forecast in this Plan.
<b>Operational Assumptions</b>			
Resource consents: It is assumed that resource consents held by Council will not be significantly altered and any due for renewal during the life of the Plan can be renewed accordingly.	That conditions of resource consents are significantly altered and there are accordingly significant new compliance costs or consents cannot be renewed.	Low	Budgets are in place for renewal of resource consents. Any increased compliance costs will be managed through the Annual Plan process. If resource consents are not renewed then Council will need to consider how it delivers these services. These costs could be significant, for example if water extraction rights are not approved.
Amalgamation with NCC: The Draft Long Term Plan assumed that amalgamation would not proceed and that Tasman District Council and Nelson City Council will continue to develop shared services where this provides economic and social benefits to our communities.	The reorganisation proposed was rejected by Tasman voters and therefore no change as a result of the poll is required.	Low	N/A

## Assumptions (cont.)

Assumption	Description of Risk	Level of uncertainty	Impact
<b>External Assumptions</b>			
Government legislation: It is assumed that there will be no material changes to existing legislation or additional activity or compliance requirements imposed by Central Government, that has not already been allowed for in this document.	That Central Government requires Council to undertake further activities, without corresponding funding or imposes additional compliance costs on Local Government.	Medium	If changes in legislation require Council to provide further services, or significantly increases levels of compliance or operating costs then this will need to be offset by increases in fees and charges and/ or in increases in rates. It is unlikely that Government will reduce compliance or legislative costs incurred by Council, but if there was a reduction this would enable Council to reduce rates or fees and charges.
Disasters: It is assumed that there will be some flooding events during the term of this Plan, but that these events will not be significant.	That there is a significant natural disaster in the District, such as flooding, earthquake or fire.	Low	Council has adequate insurance to cover natural disasters. However, in the event of a significant event Council will need to re-evaluate its work programme and implement disaster recovery plans.
Emissions Trading Scheme (ETS): Council assumes that ETS costs will arise mainly as a result of the landfill at Eves Valley and from its forestry holdings.	That costs will be higher than forecast	Low	Council has undertaken an analysis of the impact of the ETS and has budgeted for the full cost implications of the Emissions Trading Scheme in the Long Term Plan. Council is also considering the implications of the ETS as part of investigating a joint landfill with Nelson City Council. The final Long Term Plan provides for the cost of New Zealand Units (NZUs) at \$15 per unit. If costs are higher than forecast then Council may need to increase rates or fees and charges to fund these, for example transfer station or landfill charges.

## Reserve Funds

Changes to the Local Government Act 2002 now require councils to provide a summary of the Reserve funds that it holds.

### Background

These changes placed more focus on the accounting for, and disclosure of reserves. The Act defines reserve funds as “money set aside by a local authority for a specific purpose”. Reserves are part of equity which may or may not be physically backed by cash/investments. Reserves are often used to separate a funding surplus of an activity. The Act requires Council to specify the amount expected to be deposited in the fund, and the amount expected to be withdrawn from the fund over the 10 year period that the Long Term Plan covers. Council does not transfer money from one reserve to fund another. Council also does not charge/pay ‘internal’ interest on any surplus or deficit balances that each individual reserve may have. Opening balance surpluses are usually due to approved committed projects not yet being undertaken or completed.

Tasman District Council Reserve Reporting	Projected Opening Balance 1 July 2012 (000's) \$	Transfer in to fund over the LTP period (000's) \$	Transfers out of fund over the LTP period (000's) \$	Projected Closing Balance 30 June 2022 (000's) \$	Activity to which the fund relates
Pinegrove Trust Reserve	197	-	-	197	Heritage & Culture Services
Reserve Financial Contributions Reserve	707	19,653	(19,753)	607	Community Facilities & Parks
Rivers Disaster Fund	778	671	-	1,449	Rivers & Flood Protection
Rivers Reserve	-	47,502	(47,502)	-	Rivers & Flood Protection
Water Reserve	(562)	195,458	(194,137)	759	Water
Wastewater Reserve	363	177,183	(177,183)	363	Wastewater
Self Insurance Fund	848	-	-	848	Overall Council
Stormwater Reserve	322	67,398	(67,398)	322	Stormwater
Solid Waste Reserve	(735)	123,942	(123,682)	(475)	Solid Waste
Dog Control Reserve	(15)	4,667	(4,484)	168	Public Health & Safety
Community Facilities Rate Reserve	435	47,152	(44,699)	2,888	Community Facilities & Parks

## Reserve Funds (cont.)

Tasman District Council Reserve Reporting	Projected Opening Balance 1 July 2012 (000's) \$	Transfer in to fund over the LTP period (000's) \$	Transfers out of fund over the LTP period (000's) \$	Projected Closing Balance 30 June 2022 (000's) \$	Activity to which the fund relates
Golden Bay Community Board Reserve	10	-	(10)	-	Governance
Motueka Community Board Reserve	10	-	(10)	-	Governance
Camping Ground Reserve	(111)	8,586	(8,062)	413	Council Enterprises & Property
Community Housing Reserve	159	6,671	(5,820)	1,010	Community Facilities & Parks
Abel Tasman Foreshore Reserve	230	-	-	230	Public Health & Safety
Torrent Bay Committee Reserve	57	-	-	57	Overall Council
Coastal Reserve	776	2,626	(2,006)	1,396	Coastal Structures
Development Contribution Reserve	4,709	39,062	(43,017)	754	Roading & Footpaths, Water, Wastewater, Stormwater
Mapua Rehabilitation Reserve	(21)	2,955	(2,932)	2	Environmental Management
Property Reserve	-	1,000	(36)	964	Council Enterprises & Property
Local Government Financing Agency Reserve	100	243	(228)	115	Governance
Forestry Reserve	550	25,363	(25,353)	560	Council Enterprises & Property
General Disaster Fund	-	7,788	-	7,788	Governance
<b>TOTAL</b>	<b>8,807</b>	<b>777,920</b>	<b>(766,312)</b>	<b>20,415</b>	



## Reserves

### Pinegrove Trust Reserve

Council administers these funds on behalf of the Pinegrove Trust. The trustees of the Pinegrove Trust decide who receives grants each year. Grants paid are roughly equivalent to the interest received on the funds for the year so as to not deplete the fund.

### Reserve Financial Contributions Reserve

Reserve financial contributions are paid as a percentage of the land value of new allotments, and are applied to the acquisition and development of land for reserves, and to the development and upgrading of community services. All reserve financial contributions must be separately accountable and the Council keeps reserve financial contributions received in four separate accounts (Golden Bay ward, Motueka ward, Moutere/Waimea/Lakes/Murchison wards, Richmond ward). Strict criteria apply to the use of these funds.

### Rivers Disaster Fund

The rivers disaster fund (The Classified Rivers Protection Fund) covers the excess for river protection assets insured under the Local Authority Protection Programme (LAPP). No allowance has been made in the Long Term Plan for any withdrawals on this disaster fund as the timing of any disasters cannot be predicted.

### Rivers Reserve

The river reserve is used to enable separate accounting for the funding and expenditure for the rivers activity. Each year Council sets the proposed income, expenditure and funding budgets. Variations from these budgets, as a result of timing of projects or unplanned expenditure are recorded in the rivers fund to keep any surpluses/deficits separate from other activities.

### Water Reserve

The water reserve is used to separate all funding and expenditure for the water activity, excluding development

contributions income and projects. Each year Council sets the proposed income, expenditure and funding budgets for this activity. Variations from these budgets, as a result of timing of projects and/or unplanned expenditure are recorded in the water reserve to keep any surpluses/deficits separate from other activities.

### Wastewater Reserve

The wastewater reserve is used to separate all funding and expenditure for the water activity, excluding development contributions income and projects. Each year Council sets the proposed income, expenditure and funding budgets for this activity. Variations from these budgets, as a result of timing of projects and/or unplanned expenditure are recorded in the wastewater reserve to keep any surpluses/deficits separate from other activities.

### Self Insurance Fund

The purpose of this fund is to provide cover for assets or liabilities that are medium to low risk, but are uneconomic to insure.

### Stormwater Reserve

The stormwater reserve is used to separate all funding and expenditure for the stormwater activity, excluding development contributions income and projects. Each year Council sets the proposed income, expenditure and funding budgets for this activity. Any variation from these budgets for example as a result of timing of projects or unplanned expenditure are recorded in the stormwater reserve to keep any surpluses/deficits separate from other activities.

### Solid Waste Reserve

The solid waste reserve is used to separate all funding and expenditure for the solid waste activity. Each year Council sets the proposed income, expenditure and funding budgets set for this activity. Any variation from these budgets for example timing of projects or unplanned expenditure are recorded in the solid waste reserve to keep any surpluses/deficits separate from other activities.

## Reserve Funds (cont.)

### Dog Control Reserve

The dog control reserve is used to separate all funding and expenditure for the dog control activity. Each year Council sets the proposed income, expenditure and funding budgets for this activity. Any variation from these budgets, for example timing of projects or unplanned expenditure, are recorded in the dog control reserve to keep any surpluses/deficits separate from other activities.

### Community Facilities Rate Reserve

The community facilities rate reserve is used to separate all funding and expenditure for the community facilities activity. Each year Council sets the proposed income, expenditure and funding budgets for this activity. Any variations from these budgets, for example timing of projects or unplanned expenditure, are recorded in the community facilities rate reserve so that any surpluses/deficits are kept separate from other activities. The surplus in this reserve increases over the life of the Long Term Plan due to interest costs decreasing as the loans are repaid. The surplus increase is mainly from year 5 onwards in this Long Term Plan.

### Golden Bay Community Board Reserve

The Golden Bay Community Board reserve is used to separate all funding and expenditure specifically set aside for the Golden Bay Community Board. Each year the Council sets the proposed income, expenditure and funding budgets for this activity. Any variations from these budgets, for example due to timing of projects or unplanned expenditure, are recorded in the Golden Bay Community Board Reserve so that any surpluses/deficits are kept separate from other activities. Any funding received during a year is expected to be matched by expenditure.

### Motueka Community Board Reserve

The Motueka Community Board reserve is used to separate all funding and expenditure specifically set aside for the Motueka Community Board. Each year the Council sets the proposed income, expenditure and funding budgets for this activity. Any variations from these budgets, for example

due to timing of projects or unplanned expenditure, are recorded in the Motueka Community Board Reserve so that any surpluses/deficits are kept separate from other activities. Any funding received during a year is expected to be matched by expenditure.

### Camping Ground Reserve

The camping ground reserve is used to separate all funding and expenditure for the camping ground activity. Each year Council sets the proposed income, expenditure and funding budgets for this activity. Any variations from these budgets, for example timing of projects, unplanned expenditure or changes in income, are recorded in the camping ground reserve so that any surpluses/deficits are kept separate from other activities.

### Community Housing Reserve

The community housing reserve is used to separate all funding and expenditure for the community housing activity. Each year Council sets the proposed income, expenditure and funding budgets for this activity. Any variations from these budgets, for example due to timing of projects or unplanned expenditure, is recorded in the community housing reserve so that any surpluses/deficits can be kept separate from other activities.

### Abel Tasman Foreshore Reserve

The Abel Tasman Foreshore Scenic Reserve was gazetted as a scenic reserve in January 2007. It is managed under delegated authority from the Minister of Conservation and the Director-General of Conservation by an Administration Committee, which consists of the Chief Executive Officer of Tasman District Council and the Conservator of the Nelson/Marlborough Conservancy of the Department of Conservation. Council collects the funds on behalf of the Administration Committee and these funds are used for Council or Department of Conservation projects in the scenic reserve. The Abel Tasman Foreshore reserve is used to separate all funding and expenditure on this activity. Any income received during a year is expected to be matched by expenditure.

### Torrent Bay Committee Reserve

Council collects funds on behalf of the Torrent Bay Committee and these funds are used in the Torrent Bay area. The Torrent Bay Committee reserve is used to ring-fence all funding and expenditure on this activity. Any income received during a year is expected to be matched by expenditure.

### Coastal Reserve

The coastal reserve is used to separate all funding and expenditure for the coastal activity. Each year Council sets proposed income, expenditure and funding budgets for this activity. Any variations from these budgets, for example due to timing of projects or unplanned expenditure, are recorded in the coastal reserve so that any surpluses/deficits are kept separate from other activities. The coastal reserve includes the Port Motueka endowment funds.

### Development Contribution Reserve

It is Tasman District Council's intention that developers should bear the cost of the increased demand that development places on the District's infrastructure. Population growth in the District places a strain on network and community infrastructure. That infrastructure will need to expand and be further developed in order to cope with the demands of population growth. This includes additional demand on services such as roading, water supply, wastewater and stormwater management. All development contributions must be separately accountable and the Council keeps development contributions received in four separate accounts; roading, wastewater, stormwater and water. Strict criteria apply to the use of these funds. Any budgeted surpluses/deficits for these funds in any given year are funded through borrowing or repaying development contribution loans. The opening balance of development contributions loans are \$5,773,000, and these loans are forecast to be \$21,235,000 at the end of the Long Term Plan.

### Mapua Rehabilitation Reserve

A reserve fund is used to separate all funding and expenditure related to the rehabilitation of the former Fruitgrowers Chemical Company site at Mapua. A rate is collected each year to pay off these costs and any related loans.

### Property Reserve

The purpose of this reserve fund is to separate the net proceeds from the sale of the Salisbury Road property in years one and two of the Long Term Plan, pending a Council decision on how to apply these funds.

### Local Government Financing Agency Reserve

Council is a principal shareholding in the Local Government Funding Agency (LGFA). A loan was taken up to purchase the initial shares. A reserve fund is used to separate all dividends received and interest paid related to the LGFA shareholding. As free cash flow permits the debt will be repaid.

### Forestry Reserve

The forestry reserve is used to separate all funding and expenditure for the forestry activity. Each year Council sets the income, expenditure and funding budgets for this activity. Any variations from these budgets, for example timing of harvesting, unplanned expenditure or differences in between planned and market log prices, are recorded in the forestry reserve so that any surpluses/deficits are kept separate from other activities.

### General Disaster Fund

The General Disaster Fund is to cover uninsurable assets like roads and bridges. Council usually receives a subsidy from NZ Transport Agency to cover part of the costs of any roads and bridges damaged in a disaster but Council needs to fund any remaining costs. No allowance has been made in the Long Term Plan for any withdrawals on this disaster fund as disasters are impossible to predict. This plan includes provision to increase the Disaster Fund to \$6.5 million over the next 11 years.

# Part 5 – Appendices

## Supplementary Information

### Appendix 1: Tasman Today

#### The Tasman Region

The Tasman Region is located in the north west of the South Island. It covers the area from the boundary of Nelson City in the east, to Murchison in the south and Golden Bay in the north-west. Tasman Bay is to the north.

Carbon dating suggests that the Tasman area was first settled around the ninth century. Early settlements occurred near the coastline and along rivers like the Waimea River, and in Riwaka, Motueka, Parapara and Mapua. Fishing, hunting, gathering and cultivating kumara were vital sources of food for these early communities.

Tangata whenua iwi in the Top of the South/Te Tau Ihu are Ngati Kuia, Ngati Rarua, Ngati Tama, Te Atiawa, Ngati Koata, Ngati Toa Rangatira, Ngati Apa, Rangitane and Ngai Tahu.

There are two marae in the Tasman District:

- Te Awhina Marae in Motueka.
- Onetahua Kokiri Marae in Pohara, Golden Bay.

There is also the Whakatu Marae which is located in Nelson City.

Māori make an important contribution to the social, cultural and economic well-being of the community, for example through the Wakatu Incorporation's business enterprises.

The main population of the Tasman District is centred in Richmond which is the largest and fastest growing town in the District with an estimated 14,036 residents as at June 2011. Motueka the next largest town, with an estimated 6,590 residents as at June 2011. The District contains many other small and distinct communities with a wonderful village atmosphere about them. Tasman District had a total estimated resident population of 48,100 at June 2011. Statistics New Zealand has estimated that the population of Tasman region increased by 1.6% in the year ending June 2011.

Tasman is named after the Dutch explorer, Abel Tasman, who was the first European explorer to arrive in Golden Bay in 1642.

The area is known for the natural beauty of its landscapes. Fifty-eight percent of Tasman District is national park – to the south-east is the alpine park of Nelson Lakes covering an area 101,753 hectares, to the north-west is Kahurangi covering 454,000 hectares, and along the Tasman Bay coastline is Abel Tasman, which is the smallest (at 22,541 hectares) and most popular park

Tasman District contains many distinct communities with a wonderful village atmosphere about them...

stretching along some of the most beautiful coastline in the world. There are a range of other forests and reserves in the District, including the Mount Richmond State Forest Park and Rabbit Island.

The national parks, forests and reserves offer:

- Beautiful sandy beaches and coastal areas used for swimming, kayaking, boating, picnicking, walking, fishing, wind and kite surfing, and a range of other activities.
- Mountain ranges popular for walking, tramping, mountain biking, skiing, bird watching and picnicking.
- Scenic alpine lakes for swimming, trout fishing, boating and waterskiing.
- Rugged rivers, like the Buller, Motueka and Takaka Rivers, for fishing, rafting and kayaking.
- Environmental protection and enhancement, like the nature recovery project aimed at restoring native birdlife and bush at St Arnaud in Nelson Lakes National Park.

The area is famous for its wonderful lifestyle and the outdoor adventure and tourism activities, particularly in the national parks in Golden Bay and around the Murchison area.

The region enjoys a pleasant sunny climate year round,

which makes it ideal to enjoy the wonderful lifestyle and natural areas available to residents and visitors. Its unique micro climate assures in excess of 2450 hours sun annually, and frequently wins the nations annual highest sunshine award. Average maximum temperatures in summer are between 21°C and 22°C. Night minimums are between 12°C and 13°C.

Arts and culture are also important in the region. Nelson/Tasman was the birthplace in 1987 of the World of WearableArt annual awards event, which is now held in Wellington due to the success of the event. The World of WearableArt and Classic Car Museum in Nelson is home to an historic collection of the garments from the awards, along with an extensive collection of classic cars.

The area is home to a large number of artists and crafts people, and has an arts and crafts trail.

The top five industries in the area are horticulture, forestry, fishing, agriculture and tourism. These provide the economic base for the community. We also have a range of manufacturing industries including the Nelson Pine Industries Plant which is one of the largest single site producers of medium density fibreboard in the world. Tasman has a number of notable vineyards and wineries. A range of other industries are growing in importance to the local economy, including aquaculture, research and development, information technology and industries using the natural products in the area.



## Supplementary Information (cont.)

### Tasman District Statistics

Tasman District covers 14,812 square kilometres of mountains, parks, waterways, territorial sea, and includes 817km of coastline (including islands).

The total land area of the District (including islands) is 9,654 square kilometres and the area of sea contained in the District is 5,179 square kilometres.

The 2011 Census was postponed because of the Christchurch earthquake in February 2011, however, Statistics New Zealand issued projected figures as at June 2011. Where projected figures are not available information from the 2006 census is included.

- Median age 42.2 years
- 16.0 percent 65 years and over
- 20.2 percent under 15 years
- 87.7 percent European (from 2006 census)
- 7.1 percent Māori (from 2006 census)

Ethnicity (from 2006 census)	Tasman	New Zealand
European	82.7%	67.55%
Māori	7.1%	14.65%
Pacific	7.5%	6.9%
Asian	1.35%	9.2%
Other	8.1%	1.7%

Education 15 years + (from 2006 census)	Tasman	New Zealand
School Qualification	37%	38.5%
Post School Qualification	38.7%	39.9%
No qualification	27%	25%

### Tasman District's Economic Profile:

The main drivers of the Tasman economy continue to be horticulture, forestry, fishing/seafood, agriculture and tourism. The District also has manufacturing and processing plants associated with these activities, for example the Nelson Pine Industries Plant, and a dairy factory in Golden Bay.

Tasman enjoys a high employment rate. Figures for the region are not available because the 2011 census was postponed, however, the wider area of Tasman/Nelson/Marlborough/Westcoast had an unemployment rate of 4.5 percent in September 2011, as compared with the national average of 6.6 percent.

People are employed in a wide range of occupations with the most common being labourers, followed by managers, professionals, technicians and administration/clerical.

The median income is \$21,600 compared with the national average of \$24,400 (2006 census).

Income	Tasman	New Zealand
< \$20,000	47.1%	43.2%
> \$50,000	13%	18%



## Supplementary Information (cont.)

### Appendix 2: Statutory Functions

Tasman District Council, as a regional and territorial authority, has a wide range of functions and responsibilities under a number of Acts of Parliament and associated regulations. These statutes define what we are required to do and in many cases how we must carry out these duties and responsibilities. The principal statutes are:

- Biosecurity Act 1993
- Building Act 2004 and Building Regulations
- Burial and Cremations Act 1964
- Bylaws Act 1910
- Civil Defence Emergency Management Act 2002
- Climate Change Response Act 2002
- Dog Control Act 1996 and Regulations
- Fencing of Swimming Pools Act 1987
- Food Act 1981 and supporting regulations
- Forests and Rural Fires Act 1977
- Freedom Camping Act 2011
- Gambling Act 2003
- Hazardous Substances and New Organisms Act 1996
- Health Act 1956
- Health and Safety in Employment Act 1992
- Impounding Act 1955
- Land Transport Management Act 2003
- Land Transport Act 1998
- Litter Act 1979
- Local Electoral Act 2001 and Local Electoral Regulations 2001
- Local Government Act 1974
- Local Government Act 2002
- Local Government Borrowing Act 2011
- Local Government Official Information and Meetings Act 1987
- Local Government (Rating) Act 2002
- Maritime Transport Act 1994
- Public Bodies Leasing Act 1969
- Public Transport Management Act 2008
- Public Works Act 1981
- Reserves Act 1977
- Resource Management Act 1991
- Sale of Liquor Act 1989
- Soil Conservation and Rivers Control Act 1941
- Statutory Land Charges Registration Act 1928
- Unit Titles Act 2010
- Utilities Access Act 2010
- Waste Minimisation Act 2008
- Weathertight Homes Resolution Services Act 2006

The Council administers a number of resource management plans, strategies and bylaws that are prepared in accordance with procedures laid down in the relevant statute. There are also a proliferation of National Environmental Standards and National Policy Statements prepared by the Government that councils must now give effect to.

There are many statutory responsibilities, which are mandatory, for instance the receiving and processing of resource consents. There are other responsibilities, which are discretionary but which if the Council chooses to undertake, it must comply with various statutory requirements, for example the provision of public cemeteries. Council has to decide how it will best give effect to these statutory obligations.

There is a cost involved in complying with the various statutory obligations, only some of which can be recovered through licence and permit fees. Where these fees are set by Government regulations (as many are), any shortfall is a cost to Council and ultimately ratepayers.



## Appendix 3: Glossary of Terms

To further assist readers of these financial statements, the following definitions of other terms used in the document are set out below:

### Annual Plan

A plan required by the Local Government Act 2002 to be produced by Council in the two intervening years between each three-yearly Long Term Plan (LTP). The main purpose of the Annual Plan is to identify any amendments and variations to the specific year of the base Long Term Plan.

### Annual Report

Annual Reports are published following the end of each financial year which ends on 30 June. It is an audited account of whether Council completed its planned work programme. Any work not completed as planned is explained. The Annual Report is a key method for Council to be accountable to the community for its performance.

### Activity Management Plans

Activity Management Plans (which are the 'new generation' of Asset Management Plans) describe the infrastructural assets and the activities undertaken by Council and outline the financial, management and technical practices to ensure the assets are maintained and developed to meet the requirements of the community over the long term. Activity Management Plans focus on the service that is delivered as well as the planned maintenance and replacement of physical assets.

### Associate

An associate is an entity over which Tasman District Council has a significant influence and that is neither a subsidiary nor an interest in a joint venture.

### Assumptions

Assumptions are the underlying premises made by Council that affect its financial planning for a specific activity, or for all Council activities. These are made clear so everyone can understand the basis for Council's financial planning, and form an opinion about how reasonable those assumptions are.

### Capital Expenditure

This expenditure relates to the purchase or creation of assets that are necessary to assist in the provision of services. They have useful lives in excess of one year and are therefore included in the Statement of Financial Position. Capital expenditure includes the creation of assets that did not previously exist or the improvement or enlargement of assets beyond their original size and capacity.

### Capital Value

Capital value is the value of the property including both the value of the land and any improvements (e.g. buildings) on the land.

### Community

Community means everyone in Tasman District: individuals, businesses, local and central government, groups and organisations, iwi, Māori, disabled, young, old, families, recent migrants and refugees, rural and urban residents.

### Communitrak™ Survey

The Communitrak™ Survey is the survey of residents' opinions that the Council has undertaken annually by an independent research agency.

### Community Outcomes

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

## Supplementary Information (cont.)

### Consultation

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

### Cost of Services

The cost of services relate to the activity, not the organisational departments. The Local Government Act 2002 requires the Long Term Plan to be expressed by the activity. The cost of the activity includes the direct and the indirect costs that have been allocated to the activity. Indirect costs include interest on public debt, cost of support services and depreciation allowances.

### Council-Controlled Organisation

As defined by Section 6 of the Local Government Act 2002, a company under the control of local authorities through their:

- Shareholding of 50 percent or more.
- Voting rights of 50 percent or more; or
- Right to appoint 50 percent or more of the directors.

### Depreciation

Depreciation is the wearing out, consumption or loss of value of an asset over time.

### Financial Year

Council's financial year runs from 1 July to 30 June the following year.

### General rate

A general rate is a district wide rate through which all ratepayers contribute to a range of council activities and is based on the capital value of ratepayers properties.

### Groups of Activities

Groups of Activities are the services, projects or goods produced by Council. These are 13 broad groups of all of Council's services and facilities, each with common elements. For example Community Facilities and Parks is a group of activities and includes services such as Reserves, Libraries and Community Halls.

### Income

This includes fees and licences charged for Council's services and contributions towards services by outside parties.

### Infrastructure

Networks that are essential to running a district, including the roading network, water supply and wastewater and stormwater networks.

### Infrastructure Assets

These are assets required to provide essential services like water, stormwater, wastewater and roading. They also include associated assets such as pump stations, treatment plants, street lighting and bridges.

### Levels of Services

The standard to which services are provided, such as speed of response times to information requests or the standard of the stormwater drainage system that prevent incidents of surface water flooding. It is what the Council will provide.

### LiDAR (Light Detection and Ranging)

LiDAR is optical remote sensing technology that measures properties of scattered light to find range and/or other information of a distant target. The prevalent method to determine distance to an object or surface is to use laser pulses.

## Long Term Plan

The Local Government Act 2002 requires Council to adopt a Long Term Plan (LTP). The Long Term Plan outlines Council's intentions over a 10 year period. The Long Term Plan requires extensive community consultation, the identification of community outcomes and priorities, and the establishment of monitoring and review mechanisms. The LTP was previously called the Long Term Council Community Plan (LTCCP).

## Major Goals

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

## Network Infrastructure

See Infrastructure Assets.

## Operating Costs

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

## Park Check

Park Check is based on a nationally developed questionnaire which is implemented by participating councils. The questionnaire asks park users a range of questions about the parks and their experiences. The results of the questionnaires are collated at the national level and the information is then made available to the councils.

## Performance Targets

These are the measures that will be used to assess whether the performance has been achieved.

## Separately Used or Inhabited Parts of a Rating Unit

Where targeted rates are calculated on each separately used or inhabited part of a rating unit the following definition will apply:

Any portion of a rating unit used or inhabited by any person, other than the ratepayer or member of the ratepayer's household, having a right to use or inhabit that portion by virtue of a tenancy, lease, licence or other agreement.

## Solid Waste

Waste products of non-liquid or gaseous nature (for example, building materials, used packaging, household rubbish).

## Stormwater

Water that is discharged during rain and run-off from hard surfaces such as roads.

## Sustainable Development

"Development which meets the needs of the present without compromising the ability of future generations to meet their own needs" (from the Sustainable Development for New Zealand Programme of Action, Department of Prime Minister and Cabinet, January 2003).

## Targeted Rate

A targeted rate is designed to fund a specific function or activity. It can be levied on specific categories of property (e.g. determined by a particular use or location) and it can be calculated in a variety of ways. It may also cover a distinct area of beneficiaries.

## Supplementary Information (cont.)

### Uniform Annual General Charge (UAGC)

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

### Unitary Authority

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

### Wastewater

Wastewater is the liquid waste from homes (including toilet, bathroom and kitchen wastewater products) and businesses.

### Yardstick™

Yardstick™ is an international parks benchmarking initiative. It involves council parks departments participating in an annual self-assessment survey. Information collected includes levels of service, financial information, best practice, asset management and policy and planning. The information is collated at the national level and made available to the councils. Over half of the councils in New Zealand are members, as is the Department of Conservation.

## Appendix 4: Items considered by Council during the preparation of the Draft Plan but not included

(Note that Appendix 5: Outlines the projects and activities requested in submissions on the Draft Long Term Plan that have not been included in this final Long Term Plan, along with projects and activities that were included in the Draft Plan that were deleted for this final Plan.)

The following pages summarise the main projects or programmes that were not included in the Draft Long Term Plan 2012-2022, but had either been included in previous plans, or were suggested by the Community. The main changes that have been made are in the transportation, roads and footpaths and community facilities activities. The reasons why most of the projects were not included were to keep rates increases to an affordable level and levels of debt down.

Pages 298-301 outlines operational savings and areas where Council will increase income. Pages 302-319 outlines capital expenditure savings for the transportation, roads and footpaths activity. Council borrows most of the money required to fund capital expenditure, therefore reductions in capital expenditure generally have a smaller impact on rates in the short term.

### Community Services Capital Expenditure changes

Changes made by Council as part of the development of the Long Term Plan for community facilities include:

- Shifting the funding for the proposed Motueka Swimming Pool, contribution to the proposed Motorsport Facility and any assistance to the Rowing/Aquatic Centre project out beyond the 10 year period of this Plan.
- Council has reduced the funding of Saxton Field projects.
- A portion of the Tasman District Council share of the Cycle/Football Pavilion on Saxton Field has also been moved out by one year.

## Supplementary Information (cont.)

### Operational savings and increased income proposed as part of the preparation of the Draft Long Term Plan.

These figures have not been adjusted for inflation as they are not included in the final financial figures of the Long Term Plan.

Expenditure adjustments include changes to Council's current work programme and additional funding requested from Council Departments and the Community that could not be accommodated in the Draft Long Term Plan.

Operational Expenditure	2012/2013 \$	2013/2014 \$	2014/2015 \$	2015/2016 \$	2016/2017 \$
<b>STRATEGIC DEVELOPMENT</b>					
Environment Awards - to be held every second year		3,000		3,000	
Growth Strategy - reduce costs		30,000			30,000
Newsline - reduce size	33,000	33,000	33,000	33,000	33,000
Newsline - stop posting to Non Resident Ratepayers	17,000	17,000	17,000	17,000	17,000
<b>Strategic Development Totals</b>	<b>50,000</b>	<b>83,000</b>	<b>50,000</b>	<b>53,000</b>	<b>80,000</b>
<b>ENVIRONMENT AND PLANNING</b>					
Reduction in expenses e.g. legal, materials, consultants	250,000	359,330	359,330	359,330	359,330
<b>COMMUNITY SERVICES</b>					
<b>Libraries</b>					
Reduction Tapawera contract		6,000	6,000	6,000	6,000
<b>Community Recreation</b>					
Reduction in promotion budget		4,000	6,000	6,000	6,000
Reduction in Arts partnerships		3,000	3,000	3,000	3,000
Reduction in Holiday Programme		10,000	10,000	10,000	10,000
Jam Magazine savings		12,000	12,000	12,000	12,000
<b>Grants Funding</b>					
Reduction in event funding		20,000	25,000	30,000	35,000
Reduction in Community Development Fund		10,000	10,000	10,000	10,000
Reduction in Arts and Culture expenditure		3,000	3,000	3,000	3,000
Reduction in Friendly Towns expenditure		2,000	2,000	2,000	2,000

Operational Expenditure	2017/2018 \$	2018/2019 \$	2019/2020 \$	2020/2021 \$	2021/2022 \$	"Total Savings" \$
<b>STRATEGIC DEVELOPMENT</b>						
Environment Awards - to be held every second year	3,000		3,000		3,000	15,000
Growth Strategy - reduce costs			30,000			90,000
Newsline - reduce size	33,000	33,000	33,000	33,000	33,000	330,000
Newsline - stop posting to Non Resident Ratepayers	17,000	17,000	17,000	17,000	17,000	170,000
<b>Strategic Development Totals</b>	<b>53,000</b>	<b>50,000</b>	<b>83,000</b>	<b>50,000</b>	<b>53,000</b>	<b>605,000</b>
<b>ENVIRONMENT AND PLANNING</b>						
Reduction in expenses e.g. legal, materials, consultants	419,330	419,330	419,330	419,330	419,330	3,783,970
<b>COMMUNITY SERVICES</b>						
<b>Libraries</b>						
Reduction Tapawera contract	6,000	6,000	6,000	6,000	6,000	54,000
<b>Community Recreation</b>						
Reduction in promotion budget	6,000	6,000	6,000	6,000	6,000	52,000
Reduction in Arts partnerships	3,000	3,000	3,000	3,000	3,000	27,000
Reduction in Holiday Programme	10,000	10,000	10,000	10,000	10,000	90,000
Jam Magazine savings	12,000	12,000	120,000	12,000	12,000	216,000
<b>Grants Funding</b>						
Reduction in event funding	35,000	35,000	35,000	35,000	35,000	285,000
Reduction in Community Development Fund	10,000	10,000	10,000	10,000	10,000	90,000
Reduction in Arts and Culture expenditure	3,000	3,000	3,000	3,000	3,000	27,000
Reduction in Friendly Towns expenditure	2,000	2,000	2,000	2,000	2,000	18,000

## Supplementary Information (cont.)

Operational Expenditure	2012/2013 \$	2013/2014 \$	2014/2015 \$	2015/2016 \$	2016/2017 \$
COMMUNITY SERVICES (cont.)					
<b>Parks and Reserves</b>					
General Parks & Reserves reduction	144,000	144,000	144,000	144,000	144,000
Maintenance reserves - reduced expenditure	80,000	80,000	80,000	80,000	80,000
Provision of trees for property boundaries of new subdivisions	5,000	5,000	5,000	5,000	5,000
Reduction for new reserves etc.		10,000	10,000	10,000	10,000
Reduce General Rate contribution to balance Reserve Fund Contributions Account		20,000	30,000	25,000	25,000
<b>Community Services Total</b>	<b>229,000</b>	<b>329,000</b>	<b>346,000</b>	<b>346,000</b>	<b>351,000</b>
CIVIL DEFENCE EMERGENCY MANAGEMENT					
Reduce proposed increase in budget	28,000	28,000	28,000	28,000	28,000
CORPORATE					
Benefits from lower interest rates	200,000	200,000	200,000	200,000	200,000
Orthophotography	30,000	30,000			
Potplants - remove except public areas	7,000	7,000	7,000	7,000	7,000
Cancel lease of Loney carpark	4,000	4,000	4,000	4,000	4,000
Adjustment to Councillor mileage	25,000	25,000	25,000	25,000	25,000
<b>Corporate Total</b>	<b>266,000</b>	<b>266,000</b>	<b>236,000</b>	<b>236,000</b>	<b>236,000</b>
ENGINEERING					
<b>Transportation</b>					
No provision of funding for Bus Service	75,000	75,000	75,000	75,000	75,000
Removal of Expenditure for Urban Overhanging Trees	15,000	15,000	15,000	15,000	15,000
Reduction in Community Programmes	8,000	8,000	8,000	8,000	8,000
<b>Engineering total</b>	<b>98,000</b>	<b>98,000</b>	<b>98,000</b>	<b>98,000</b>	<b>98,000</b>
<b>TOTAL DECREASES IN PROPOSED EXPENDITURE</b>	<b>921,000</b>	<b>804,000</b>	<b>758,000</b>	<b>761,000</b>	<b>793,000</b>
INCREASES IN INCOME					
COMMUNITY SERVICES					
<b>Libraries</b>					
Rental income increase		3,500	3,500	3,500	3,500
ENVIRONMENT & PLANNING					
Overall increase in income	210,000	210,000	210,000	210,000	210,000
<b>TOTAL INCREASES IN INCOME</b>	<b>210,000</b>	<b>213,500</b>	<b>213,500</b>	<b>213,500</b>	<b>213,500</b>



Operational Expenditure	2017/2018 \$	2018/2019 \$	2019/2020 \$	2020/2021 \$	2021/2022 \$	"Total Savings" \$
COMMUNITY SERVICES (cont.)						
<b>Parks and Reserves</b>						
General Parks & Reserves reduction	144,000	144,000	144,000	144,000	144,000	144,000
Maintenance reserves - reduced expenditure	80,000	80,000	80,000	80,000	80,000	80,000
Provision of trees for property boundaries of new subdivisions	5,000	5,000	5,000	5,000	5,000	5,000
Reduction for new reserves etc.	10,000	10,000	10,000	10,000	10,000	90,000
Reduce General Rate contribution to balance Reserve Fund Contributions Account	25,000	25,000	25,000	25,000	25,000	225,000
<b>Community Services Total</b>	<b>351,000</b>	<b>351,000</b>	<b>459,000</b>	<b>351,000</b>	<b>351,000</b>	<b>3,464,000</b>
CIVIL DEFENCE EMERGENCY MANAGEMENT						
Reduce proposed increase in budget	28,000	28,000	28,000	28,000	28,000	280,000
CORPORATE						
Benefits from lower interest rates	200,000	200,000	200,000	200,000	200,000	1,800,000
Orthophotography						30,000
Potplants - remove except public areas	7,000	7,000	7,000	7,000	7,000	63,000
Cancel lease of Loney carpark	4,000	4,000	4,000	4,000	4,000	36,000
Adjustment to Councillor mileage	25,000	25,000	25,000	25,000	25,000	225,000
<b>Corporate Total</b>	<b>236,000</b>	<b>236,000</b>	<b>236,000</b>	<b>236,000</b>	<b>236,000</b>	<b>2,154,000</b>
ENGINEERING						
<b>Transportation</b>						
No provision of funding for Bus Service	75,000	75,000	75,000	75,000	75,000	750,000
Removal of Expenditure for Urban Overhanging Trees	15,000	15,000	15,000	15,000	15,000	150,000
Reduction in Community Programmes	8,000	8,000	8,000	8,000	8,000	80,000
<b>Engineering total</b>	<b>98,000</b>	<b>98,000</b>	<b>98,000</b>	<b>98,000</b>	<b>98,000</b>	<b>980,000</b>
<b>TOTAL DECREASES IN PROPOSED EXPENDITURE</b>	<b>766,000</b>	<b>763,000</b>	<b>904,000</b>	<b>763,000</b>	<b>766,000</b>	<b>7,483,000</b>
INCREASES IN INCOME						
COMMUNITY SERVICES						
<b>Libraries</b>						
Rental income increase	3,500	3,500	3,500	3,500	3,500	31,500
ENVIRONMENT & PLANNING						
Overall increase in income	210,000	210,000	210,000	210,000	210,000	2,100,000
<b>TOTAL INCREASES IN INCOME</b>	<b>213,500</b>	<b>213,500</b>	<b>213,500</b>	<b>213,500</b>	<b>213,500</b>	<b>2,131,500</b>

## Supplementary Information (cont.)

Capital Expenditure		Community Services Capital expenditure
Solid Waste Projects	Change	Description
Collingwood RRC	Timing delayed and budget reduced	Road and on-site signage
Mariri RRC	Timing delayed for part of the project	"2012/2013: Pit modifications and compactor and bin purchase. 2015/2016: Improve access to recycling drop-off and weighbridge construction.
Murchison RRC	Timing delayed	Road and on-site signage
Richmond RRC	Timing delayed	Road and on-site signage
Takaka RRC	Timing delayed	Road and on-site signage
Takaka RRC	Timing delayed and budget reduced slightly	Renew internal fencing. Seal areas of frequent traffic use, put hardstand under greenwaste, scrap metal and other areas, reseal lower level, improve concrete pond and stormwater controls
Richmond RRC	Timing delayed	Provision of a second road weighbridge

Stormwater Projects	Change	Description
Brightwater	Timing delayed	Improve Railway Diversion drain plus new Mt Heslington stream diversion. Rintoul Place
Collingwood	Timing delayed	New 600 pipe to intercept stormwater flows on Gibbs Road. Also construct gravel interception chamber at bottom of Gibbs Road.
Mapua	Timing delayed	Upgrade culvert capacity crossing Aranui Road at top end of School Road drain
Mapua	Timing delayed	Drainage improvements at intersection of Pomona Road and Stafford Drive
Mapua	Timing delayed	Drainage improvements from Crusader Drive to Stafford Drive
Mapua	Timing delayed	Stafford Drive improvements
Mapua	Timing delayed	Seaton Valley Stream Stage 2: Stream widening at Clinton-Baker
Mapua	Timing delayed	Drainage improvements at Toru Street and the Aranui Road tennis courts
Motueka	Timing delayed	Network upgrade to accommodate new development and upgrade existing system from the area north of King Edward Street and connecting to the Woodland Drain
Motueka	Timing delayed	Renewal of gates, hydraulics, control cabinets and telemetry at Woodlands Drain Gates (Old Wharf Road at Woodlands Drain bridge) and at Wharf Road Gates
Murchison	Timing delayed	Improve existing stream behind the recreation centre out to Fairfax Street
Richmond	Timing delayed	Beach Road box culvert/ open channel concrete ditch
Richmond	Timing delayed	New stormwater system from Kingsley Place to Hill Street and along to Angelis Avenue
Richmond	Timing delayed	Increase capacity through Ridings Grove. Duplicate line in walkway reserve and upgrade Hill Street crossing - Hill St culverts, then Riding Grove pipe

Capital Expenditure	Community Services Capital expenditure			
Solid Waste Projects	Original Estimate	Project Estimate	Original timing	New Timing
Collingwood RRC	\$125,300	\$42,400	2017/2018, 2022/2023, 2027/2028	2021/2022, 2031/2032, Beyond 2032
Mariri RRC	\$938,000	\$938,000	2012/2013	2012/2013, 2015/2016
Murchison RRC	\$71,000	\$71,000	2017/2018	2021/2022, 2031/2032, Beyond 2032
Richmond RRC	\$32,200	\$32,200	2017/2018	2021/2022, 2031/2032, Beyond 2032
Takaka RRC	\$38,500	\$38,500	2017/2018	2021/2022, 2031/2032, Beyond 2032
Takaka RRC	\$430,300	\$401,600	2013/2014, 2018/2019	2019/2020
Richmond RRC	\$290,300	\$290,300	2013/2014	2016/2017

Stormwater Projects	Original Estimate	Project Estimate	Original timing	New Timing
Brightwater	\$2,060,400	\$2,060,400	2014 - 2018	2018 - 2022
Collingwood	\$710,300	\$710,300	2014/2016	2024 - 2026
Mapua	\$98,455	\$98,455	2016/2017	2020/2021
Mapua	\$325,000	\$325,000	2016 - 2020	2019 - 2023
Mapua	\$275,100	\$275,100	2016 - 2020	2019 - 2023
Mapua	\$132,100	\$132,100	2016 - 2020	2019 - 2023
Mapua	\$348,000	\$348,000	2019 - 2023	2023 - 2026
Mapua	\$463,400	\$463,400	2013 - 2017	2024 - 2028
Motueka	\$2,550,400	\$2,550,400	2014 - 2018	2017 - 2022
Motueka	\$300,000	\$300,000	2013/2014	2016/2017
Murchison	\$192,200	\$192,200	2015/2016	2019/2020
Richmond	\$7,324,500	\$7,324,500	2019 - 2023	2022 - 2026
Richmond	\$1,243,588	\$1,243,588	2017 - 2019	2020 - 2022
Richmond	\$978,600	\$978,600	2016 - 2020	2018 - 2022

## Supplementary Information (cont.)

Wastewater projects	Change	Description
Brightwater	Timing delayed	Waimea West Road sewer pump station - Renewal of pump
Collingwood	Timing delayed	Beach Road sewer pump station - Renewal of pumps
Collingwood	Timing delayed	Landscape planting at WWTP
Ligar Bay / Tata Beach	Timing delayed	Ligar Bay pump station and rising main upgrades
Ligar Bay / Tata Beach	Timing delayed	Tata Beach pump station and rising main upgrades
Mapua / Ruby Bay	Timing delayed	Higgs Road pump station 2 - replace pumps and electrics
Mapua / Ruby Bay	Timing delayed	Higgs Road pump station 3 - replace pumps and electrics
Marahau	Not included in the ten year period	Marahau reticulation and wastewater treatment plant
Motueka	Timing delayed	New PS and rising main from corner of King Edwards/High St to tie in with Thorp Street rising main
Motueka	Timing delayed	Replacement of main along Thorp Street from Trewavas Street pump station
Motueka	Timing delayed	Replacement of main along Thorp Street to Motueka wastewater treatment plant
Tasman Village	Not included in the ten year period	Tasman Village reticulation and wastewater treatment plant
Wakefield	Timing delayed	Easement of Trunkmain from Wakefield to Richmond

Water Supply Projects	Change	Description
Brightwater	Timing delayed	Brightwater pipeline renewals
Dovedale	Timing delayed	Knotts water pump station - replace flowmeter, pressure cylinder, pump
Dovedale	Timing delayed	New Motueka Valley water supply - wells, headworks, pump station, treatment plant, reticulation pipework
Eighty Eight Valley	Timing delayed	Upgrade treatment to mitigate risks identified in Public Health Risk Management Plan (PHRMP) and meet the Drinking Water Standards NZ (DWSNZ)
Hope	Timing delayed	Replace water main along State Highway 6 from Ranzau Road to Three Brothers Corner
Kaiteriteri/Riwaka	Timing delayed	Kaiteriteri pipeline renewals
Mapua/Ruby Bay	Timing delayed	Coastal Tasman to Mapua Coastal Pipeline
Marahau	Timing delayed	Construct new water supply
Motueka - Plains	Timing delayed	Motueka New Town Supply
Pohara	Timing delayed	Construct new water supply serving Pohara, Tata Beach and Ligar Bay from water source
Redwoods Valley	Timing delayed	Maisey Road booster pump station replace control panel, pressure cylinder, pump

Wastewater projects	Original Estimate	Project Estimate	Original timing	New Timing
Brightwater	\$11,098	\$11,098	2013/2014	2016/2017
Collingwood	\$19,766	\$19,766	2013/2014	2016/2017
Collingwood	\$20,000	\$20,000	2013/2014	2019/2020
Ligar Bay / Tata Beach	\$1,649,100	\$1,649,100	2017 - 2019	2022 - 2024
Ligar Bay / Tata Beach	\$1,096,657	\$1,096,657	2019 - 2021	2023 - 2025
Mapua / Ruby Bay	\$44,292	\$44,292	2015/2016	2018/2019
Mapua / Ruby Bay	\$44,292	\$44,292	2015/2016	2018/2019
Marahau	\$2,861,600	\$2,861,600	2031 - 2033	2031 - 2033
Motueka	\$1,262,000	\$1,262,000	2012/2013 2015/2016	2014/2015 2017/2018
Motueka	\$1,867,905	\$1,867,905	2020 - 2022	2023 - 2025
Motueka	\$3,262,464	\$3,262,464	2019 - 2021	2022 - 2024
Tasman Village	\$3,883,400	\$3,883,400	Beyond 2032	Beyond 2032
Wakefield	\$250,000	\$250,000	2012 - 2015	2015 - 2018

Water Supply Projects	Original Estimate	Project Estimate	Original timing	New Timing
Brightwater	\$913,500	\$913,500	Programmed throughout ten years starting in 2013/2014	Now programmed to start in 2018/2019
Dovedale	\$50,750	\$50,750	2014/2015	2016/2017
Dovedale	\$1,679,013	\$1,679,013	2017 - 2019	2026 - 2028
Eighty Eight Valley	\$667,667	\$667,667	2018 - 2020	2026 - 2028
Hope	\$706,948	\$706,948	2015 - 2017	2020 - 2022
Kaiteriteri/Riwaka	\$1,015,000	\$1,015,000	Programmed throughout ten years starting in 2015/2016	Now programmed to start in 2018/2019
Mapua/Ruby Bay	\$26,288,500	\$26,288,500	2015 - 2019	2017 - 2023
Marahau	\$1,145,631	\$1,145,631	2030 - 2032	Beyond 2032
Motueka - Plains	\$16,500,000	\$16,500,000	2012 - 2016	2020 - 2024
Pohara	\$10,353,000	\$10,353,000	2029 - 2032	Beyond 2032
Redwoods Valley	\$80,185	\$80,185	2013/2014	2015/2016

## Supplementary Information (cont.)

Water Supply Projects	Change	Description
Redwoods Valley	Timing delayed	Restrictor Renewals
Redwoods Valley	Timing delayed	Upgrade treatment to meet DWSNZ.
Redwoods Valley	Timing delayed	Upgrade treatment to meet DWSNZ.
Richmond	Timing delayed	New main along Gladstone Road from Queen Street to Three Brothers Roundabout
Richmond	Timing delayed	Pipeline Renewals
Richmond	Timing delayed	New main down McGlashen Avenue
Richmond	Timing delayed	Upgrade the existing main in Talbot Street
Richmond	Timing delayed	New main in William Street, upsize Gilbert Street main
Richmond	Timing delayed	Richmond East Heights - rising main and pump station from existing high level reservoir to new Heights reservoir.
Richmond	Timing delayed	Ridermain improvements
Tapawera	Timing delayed	Tapawera pipeline renewals
Wakefield	Timing delayed	Wakefield and Eighty Eight Valley - new reservoirs and mains
Richmond	Timing delayed	Upgrading Edward Street, Roeske Street and Wilkes Street includes new ridermains

Other infrastructure projects	Change	Description
Port Tarohe	Timing delayed and budget reduced	Wharf replacement
Port Tarohe	Budget reduced	18 berth un-serviced marina
Mapua Wharf	Project deleted	New building on the Mapua Wharf to replace the building burnt down in 2011
Motueka Aerodrome	Timing delayed	Installation of new power and data services
Motueka Aerodrome	Timing delayed	Design and installation of new wastewater system

Water Supply Projects	Original Estimate	Project Estimate	Original timing	New Timing
Redwoods Valley	\$71,862	\$71,862	2012/2013	2014/2015
Redwoods Valley	\$396,865	\$396,865	2017 - 2019	2026 - 2028
Redwoods Valley	\$478,167	\$478,167	2017 - 2019	2026 - 2028
Richmond	\$1,522,000	\$1,522,000	2018 - 2020	2025 - 2027
Richmond	\$9,108,518	\$9,108,518	Programmed to start in 2018/2019	Now programmed to start in 2020/2021
Richmond	\$340,981	\$340,981	2012/2013	2016/2017
Richmond	\$226,000	\$226,000	2012/2013	2013/2014
Richmond	\$767,400	\$767,400	2012/2013	2014/2015
Richmond	\$741,000	\$741,000	2013/2014	2016/2017
Richmond	\$534,600	\$534,600	2017/2018	2025/2016
Tapawera	\$150,000	\$150,000	2012/2013	2022/2023
Wakefield	\$2,529,177	\$2,529,177	2017 - 2019	2021-2023
Richmond	\$1,009,100	\$1,009,100	2013 - 2016	2018 - 2021

Other infrastructure projects	Original Estimate	Project Estimate	Original timing	New Timing
Port Tarkohe	\$1,500,000	\$1,500,000	2012/2013	2013/2014
Port Tarkohe	\$5,000,000	\$1,000,000	2012/2013	2012/2013
Mapua Wharf	\$1,500,000	\$1,500,000	2012/2013	Deleted
Motueka Aerodrome	\$90,000	\$90,000	2013/2014	2017/2018
Motueka Aerodrome	\$110,000	\$110,000	2015/2016	2018/2019

## Supplementary Information (cont.)

### Transportation Projects Modified

#### Projects Deleted From This 20 Year Forecast

Project No.	Project Name	Description	Project Estimate	Sub Total Year 1 to 3	Sub Total Year 4 to 10	2012/13 Year 1
1	Backblock Road Access	Maintenance of back block roads	\$700,000	105,000	245,000	35,000
2	Kaiteriteri Cycle Facilities - Martin Farm Road	New shared use path on Martin Farm Road	\$435,800	435,800		435,800
3	Richmond Construction - Paton/Ranzau Intersection	Intersection layout improvements	\$213,100		213,100	
4	Richmond Construction - Lower Queen/McShane Intersection	Intersection layout improvements	\$211,600		211,600	
5	Mapua Streetscape Wharf Area Renewal	Mapua wharf area streetscape renewal	\$666,470			
6	District Power Undergrounding - Private Connections	Private Telecom and power connections associated with Network Tasman power undergrounding projects	\$700,000		161,538	
7	Tasman District Council/NCC Bus Service	Contribution to NCC	\$1,500,000	225,000	525,000	75,000
8	Mapua Streetscape Wharf Area - Iwa Street to Cul-de-sac	Aranui Road wharf entrance area between Iwa Street and cul-de-sac - Mapua precinct	\$476,050	476,051		71,408
9	Mapua Streetscape Wharf Area - Tahī Street to Iwa Street	Aranui Road wharf entrance area between Tahī Street and Iwa Street - Mapua precinct	\$476,050	476,051		
10	Corridor Access Requests	Corridor Access Requests	\$209,244	60,602	148,642	20,000
11	Urban Overhanging Vegetation	Inspection and enforcement of overhanging vegetation in urban areas	\$150,000	45,000	105,000	15,000
12	Seal Extension Low Volume	District wide in accordance with Council policy	\$123,850	123,850		
13	Lightband Road Undergrounding	Private Telecom and power connections associated with Network Tasman power undergrounding	\$9,400		9,400	
14	Main Road Riwaka Undergrounding	Private Telecom and power connections associated with Network Tasman power undergrounding	\$320,800		320,800	
15	Community Programmes - Non Subsidised	Community Coordination, Programmes and Advertising	\$80,000	24,000	56,000	8,000
Total Value Of Projects Removed From Forecast			\$6,272,364	\$1,971,354	\$1,996,080	\$660,208
Sub Total of Budget Reductions due to Deleted Projects						



Project No.	2013/14 Year 2	2014/15 Year 3	2015/16 Year 4	2016/17 Year 5	2017/18 Year 6	2018/19 Year 7	2019/20 Year 8	2020/21 Year 9	2021/22 Year 10
1	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
2									
3					20,300	22,200	170,600		
4					9,400	17,500	184,700		
5									
6							53,846	53,846	53,846
7	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
8	404,643								
9	71,408	404,643							
10	20,200	20,402	20,606	20,812	21,020	21,230	21,443	21,657	21,874
11	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
12	123,850								
13				9,400					
14				320,800					
15	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
	\$753,101	\$558,045	\$153,606	\$484,012	\$183,720	\$193,930	\$563,589	\$208,503	\$208,720
	Years 1 to 3	\$1,971,354						Years 4 to 10	\$1,996,080

## Supplementary Information (cont.)

### Transportation Projects Modified

#### Projects Amended

Note: The cost and/or the timing of the project might have been amended. The first line is the original project cost and timeframe and the second line is the amended cost and timeframe. Refer to the 'Description' column. Only years 1-10 are included. The timing of some projects may have been deferred to years 11-20.

Project No.	Project Name	Description	Project Estimate	Sub Total Year 1 to 3	Sub Total Year 4 to 10	2012/13 Year 1
1	Motupipi Street Carpark Reconstruction	Timing of project	\$562,000	\$562,000	\$-	\$56,200
			\$562,000	\$562,000	\$-	\$-
2	Tasman District Council Office Carpark (Motueka)	Timing of project	\$36,000	\$36,000	\$-	\$36,000
			\$36,000	\$36,000	\$-	\$-
3	Will Watch Carpark	Timing of project	\$20,400	\$20,400	\$-	\$20,400
			\$20,400	\$20,400	\$-	\$-
4	New Footpaths	Removed cost Year 1-3	\$6,760,000	\$1,014,000	\$2,366,000	\$338,000
			\$5,746,000	\$-	\$2,366,000	\$-
5	Pram Crossing Construction	Spread over 10 years instead of 5	\$175,000	\$105,000	\$70,000	\$35,000
			\$175,000	\$52,500	\$122,500	\$17,500
6	District Kerb and Channel	Reduced cost Year 1-3	\$2,400,000	\$360,000	\$840,000	\$120,000
			\$2,280,000	\$240,000	\$840,000	\$80,000
7	Tahi Street Kerb and Channel	Timing of project	\$104,000	\$104,000	\$-	\$104,000
			\$104,000	\$-	\$104,000	\$-
8	Tasman Great Taste Trail Construction	Total cost and timing	\$3,847,000	\$2,089,000	\$1,758,000	\$284,000
			\$3,534,000	\$734,000	\$900,000	\$284,000
9	Tasman Great Taste Trail Professional Services	Total cost and timing	\$240,000	\$120,000	\$120,000	
			\$240,000	\$33,600	\$67,200	
10	Richmond Cycle Facilities - Aquatic Centre to Bird Street	Timing of project	\$138,125	\$-	\$138,126	
			\$138,125	\$-	\$-	
11	Mapua Cycle Facilities - Mapua Drive	Timing of project	\$55,250	\$-	\$55,250	
			\$55,250	\$-	\$-	
12	Richmond Cycle Facilities - Reservoir Creek	Timing of project	\$50,000	\$-	\$50,000	
			\$50,000	\$-	\$-	
13	Golden Bay Cycle Facilities - Abel Tasman Drive	Timing of project	\$1,184,625	\$-	\$651,544	
			\$1,184,625	\$-	\$-	
19	Richmond Construction - Lower Queen/Lansdowne Intersection	Timing of project	\$631,300	\$631,300	\$-	\$65,900
			\$631,300	\$188,600	\$442,700	
20	Richmond Construction - Moutere Highway/Waimea West Intersection	Scope reduction and timing of project	\$1,081,000	\$130,800	\$950,200	
			\$864,200	\$222,700	\$641,500	

Project No.	2013/14 Year 2	2014/15 Year 3	2015/16 Year 4	2016/17 Year 5	2017/18 Year 6	2018/19 Year 7	2019/20 Year 8	2020/21 Year 9	2021/22 Year 10
1	\$505,800	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
	\$56,200	\$505,800	\$-	\$-	\$-	\$-	\$-	\$-	\$-
2		\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
	\$36,000	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
3		\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
	\$20,400	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
4	\$338,000	\$338,000	\$338,000	\$338,000	\$338,000	\$338,000	\$338,000	\$338,000	\$338,000
	\$-	\$-	\$338,000	\$338,000	\$338,000	\$338,000	\$338,000	\$338,000	\$338,000
5	\$35,000	\$35,000	\$35,000	\$35,000					
	\$17,500	\$17,500	\$17,500	\$17,500	\$17,500	\$17,500	\$17,500	\$17,500	\$17,500
6	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000
	\$80,000	\$80,000	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000
7			\$104,000						
8	\$900,000	\$905,000	\$858,000	\$900,000					
	\$225,000	\$225,000	\$225,000	\$225,000	\$225,000	\$225,000			
9	\$60,000	\$60,000	\$60,000	\$60,000					
	\$16,800	\$16,800	\$16,800	\$16,800	\$16,800	\$16,800			
10				\$13,813	\$124,313				
11						\$55,250			
12							\$5,000	\$45,000	
13								\$118,463	\$533,081
19	\$122,700	\$442,700							
	\$65,900	\$122,700	\$442,700						
20	\$53,500	\$77,300	\$950,200						
	\$31,300	\$191,400	\$641,500						

## Supplementary Information (cont.)

### Transportation Projects Modified

#### Projects Amended (cont.)

Project No.	Project Name	Description	Project Estimate	Sub Total Year 1 to 3	Sub Total Year 4 to 10	2012/13 Year 1
21	Motueka Valley Construction - Motueka Valley Highway Widening	Timing of project	\$1,080,000	\$-	\$1,080,000	
			\$1,080,000	\$-	\$1,080,000	
22	Moutere Construction - Moutere Highway	Timing of project	\$495,000	\$-	\$495,000	
			\$495,000	\$-	\$495,000	
23	Motueka Valley Construction - McLean's Corner Realignment	Timing of project	\$372,800	\$-	\$372,800	
			\$372,800	\$-	\$372,800	
24	Motueka Valley Construction - Narrow Bridge Realignment	Timing of project	\$1,255,700	\$-	\$1,255,700	
			\$1,255,700	\$-	\$1,255,700	
25	Seal Extension Low Volume	Cost reduction	\$1,238,500	\$123,850	\$495,400	
			\$123,850	\$123,850	\$-	
26	Collingwood Streetscape	Timing of project	\$248,300	\$248,300	\$-	\$248,300
			\$248,300	\$248,300	\$-	
27	Collingwood Streetscape Renewal	Timing of project	\$173,810	\$-	\$-	
			\$173,810	\$-	\$-	
28	Richmond Gateways	Timing of project	\$381,600	\$381,600	\$-	\$381,600
			\$381,600	\$381,600	\$-	
29	Richmond Streetscape	Cost reduction	\$5,042,800	\$708,750	\$4,334,050	\$105,000
			\$4,500,000	\$630,000	\$3,870,000	\$90,000
30	Richmond Streetscape Renewal	Cost reduction	\$3,529,960	\$-	\$-	
			\$3,150,000	\$-	\$-	
31	Brightwater Streetscape	Timing of project	\$1,530,100	\$-	\$1,530,100	
			\$1,530,100	\$-	\$765,050	
33	Mapua Streetscape Aranui Road	Timing of project	\$148,700	\$-	\$148,700	
			\$148,700	\$-	\$-	
34	Mapua Streetscape Town Centre	Timing of project	\$1,636,900	\$-	\$1,636,900	
			\$1,636,900	\$-	\$-	
36	Motueka Streetscape	Timing of project	\$797,900	\$-	\$797,900	
			\$797,900	\$-	\$-	
38	Takaka Streetscape Renewal	Timing of project	\$409,400	\$-	\$409,400	
			\$409,400	\$-	\$-	
39	District Wide Streetscaping Improvements	Cost reduction and timing of project	\$5,700,000	\$600,000	\$2,100,000	
			\$2,600,000	\$-	\$-	
40	Streetscaping Professional Services for Minor Improvements	Cost reduction and timing of project	\$1,240,000	\$220,000	\$420,000	\$100,000
			\$600,000	\$-	\$-	

Project No.	2013/14 Year 2	2014/15 Year 3	2015/16 Year 4	2016/17 Year 5	2017/18 Year 6	2018/19 Year 7	2019/20 Year 8	2020/21 Year 9	2021/22 Year 10
21			\$150,400	\$43,900	\$885,700				
					\$150,400	\$43,900	\$885,700		
22				\$21,300	\$37,300	\$436,400			
						\$21,300	\$37,300	\$436,400	
23					\$11,000	\$27,400	\$334,400		
						\$11,000	\$27,400	\$334,400	
24						\$15,100	\$99,300	\$1,141,300	
					\$15,100	\$99,300	\$1,141,300		
25	\$123,850		\$123,850		\$123,850		\$123,850		\$123,850
	\$123,850								
26	\$248,300								
27									
28		\$381,600							
29	\$315,000	\$288,750	\$2,167,025	\$2,167,025					
	\$270,000	\$270,000	\$1,935,000	\$1,935,000					
30									
31				\$153,010	\$612,040	\$765,050			
								\$153,010	\$612,040
33					\$14,870	\$133,830			
34						\$163,690	\$1,473,210		
36							\$79,790	\$319,160	\$398,950
38								\$40,940	\$368,460
39	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000
40	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000

## Supplementary Information (cont.)

### Transportation Projects Modified

#### Projects Amended (cont.)

Project No.	Project Name	Description	Project Estimate	Sub Total Year 1 to 3	Sub Total Year 4 to 10	2012/13 Year 1
41	Freeman Access	Timing of project	\$746,700	\$746,700	\$-	
			\$746,700	\$-	\$746,700	
42	Graham Valley Road	Timing of project	\$1,218,200	\$81,200	\$1,137,000	
			\$1,218,200	\$-	\$1,218,200	
43	Sunrise Road	Timing of project	\$153,400	\$-	\$153,400	
			\$153,400	\$-	\$14,700	
44	Carylon Road	Timing of project	\$909,720	\$-	\$909,720	
			\$909,720	\$-	\$-	
45	Brooklyn Valley Road	Timing of project	\$2,111,000	\$-	\$2,111,000	
			\$2,111,000	\$-	\$-	
46	Lower Queen Street	Timing of project	\$168,750	\$-	\$168,750	
			\$168,750	\$-	\$-	
47	Supplejack Valley Road	Timing of project	\$504,000	\$-	\$-	
			\$504,000	\$-	\$-	
48	Holdaway Road	Timing of project	\$484,500	\$-	\$-	
			\$484,500	\$-	\$-	
49	Rosedale Road	Timing of project	\$562,500	\$-	\$-	
			\$562,500	\$-	\$-	
50	Stage Coach Road	Timing of project	\$646,800	\$-	\$-	
			\$646,800	\$-	\$-	
51	Garden Valley Road	Timing of project	\$2,172,000	\$-	\$-	
			\$2,172,000	\$-	\$-	
52	Kaiteriteri Construction - New Road	Timing of project	\$1,450,700	\$1,450,700	\$-	\$25,300
			\$1,450,700	\$174,084	\$1,276,616	\$29,014
53	Kaiteriteri Construction - Martin Farm Road Upgrade	Timing of project	\$1,129,100	\$103,800	\$1,025,300	\$48,300
			\$1,129,100	\$103,800	\$1,025,300	
54	Kaiteriteri Construction - Turners Bluff to Tapu Bay	Timing of project	\$1,213,200	\$131,900	\$1,081,300	\$22,800
			\$1,213,200	\$-	\$-	
55	Kaiteriteri Construction - Tapu Bay to Cederman Drive	Timing of project	\$1,076,900	\$128,900	\$948,000	\$29,800
			\$1,076,900	\$-	\$-	
56	Regional Land Transport Planning	Reduction in cost and amended timing	\$400,000	\$120,000	\$280,000	\$40,000
			\$320,000	\$100,000	\$220,000	\$20,000
57	Regional Transport Studies	Amended timing	\$20,000	\$5,000	\$15,000	\$5,000
			\$20,000	\$5,000	\$15,000	\$-
58	System Use Studies	Amended timing	\$40,000	\$10,000	\$30,000	\$10,000
			\$40,000	\$10,000	\$30,000	\$-

Project No.	2013/14 Year 2	2014/15 Year 3	2015/16 Year 4	2016/17 Year 5	2017/18 Year 6	2018/19 Year 7	2019/20 Year 8	2020/21 Year 9	2021/22 Year 10
41	\$746,700					\$746,700			
42		\$81,200	\$1,137,000				\$81,200	\$1,137,000	
43				\$14,700	\$138,700				\$14,700
44					\$90,972	\$818,748			
45					\$51,900	\$103,900	\$977,600	\$977,600	
46								\$16,875	\$151,875
47									
48									
49									
50									
51									
52	\$150,700	\$1,274,700							
	\$29,014	\$116,056	\$1,276,616						
53	\$55,500		\$1,025,300						
	\$48,300	\$55,500		\$1,025,300					
54	\$109,100			\$11,800	\$1,069,500				
55	\$99,100					\$11,700	\$936,300		
56	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000
	\$20,000	\$60,000	\$20,000	\$20,000	\$60,000	\$20,000	\$20,000	\$60,000	\$20,000
57	\$-	\$-	\$5,000	\$-	\$-	\$5,000	\$-	\$-	\$5,000
	\$5,000	\$-	\$5,000	\$-	\$-	\$5,000	\$-	\$-	\$5,000
58	\$-	\$-	\$10,000	\$-	\$-	\$10,000	\$-	\$-	\$10,000
	\$10,000	\$-	\$10,000	\$-	\$-	\$10,000	\$-	\$-	\$10,000

## Supplementary Information (cont.)

### Transportation Projects Modified

#### Projects Amended (cont.)

Project No.	Project Name	Description	Project Estimate	Sub Total Year 1 to 3	Sub Total Year 4 to 10	2012/13 Year 1
59	District Parking Review	Amended timing	\$50,000	\$30,000	\$20,000	\$30,000
			\$50,000	\$30,000	\$20,000	\$-
60	Emergency Reinstatement	Cost reduction	\$14,000,000	\$4,200,000	\$9,800,000	\$1,400,000
			\$7,000,000	\$2,100,000	\$4,900,000	\$700,000
61	Unsealed Road Metalling	Cost reduction	\$10,900,000	\$3,270,000	\$7,630,000	\$1,090,000
			\$9,000,000	\$2,700,000	\$6,300,000	\$900,000
62	Traffic Counting	Cost reduction	\$1,046,221	\$303,010	\$743,211	\$100,000
			\$1,005,221	\$262,010	\$743,211	\$40,000
63	Forward Works Programme and Asset Management	Cost reduction	\$4,751,200	\$1,342,642	\$3,408,558	\$420,000
			\$4,711,200	\$1,302,642	\$3,408,558	\$380,000
64	Road Legalisation	Cost reduction	\$1,100,000	\$330,000	\$770,000	\$110,000
			\$700,000	\$210,000	\$490,000	\$70,000
65	Utility Service Management	Cost reduction	\$220,000	\$150,000	\$70,000	\$50,000
			\$170,000	\$100,000	\$70,000	\$-
66	Preventative Maintenance	Cost reduction	\$1,475,000	\$490,000	\$985,000	\$150,000
			\$1,425,000	\$440,000	\$985,000	\$100,000
67	Road Studies	Amended timing	\$120,000	\$30,000	\$90,000	\$30,000
			\$120,000	\$30,000	\$90,000	\$-
68	CBD Footpath Cleaning	Cost reduction	\$520,000	\$120,000	\$400,000	\$40,000
			\$510,000	\$110,000	\$400,000	\$30,000
69	Community Programmes - Subsidised	Cost reduction	\$800,000	\$240,000	\$560,000	\$80,000
			\$560,000	\$168,000	\$392,000	\$56,000
70	Community Programmes - Non Subsidised	Cost reduction	\$130,000	\$39,000	\$91,000	\$13,000
			\$80,000	\$24,000	\$56,000	\$8,000
71	Environmental Maintenance	Reduced cost - mowing LOS	\$14,641,784	\$4,358,388	\$10,283,396	\$1,450,000
			\$13,141,784	\$3,908,388	\$9,233,396	\$1,300,000
61a	Unsealed Road Metalling	Reduced cost	\$9,000,000	\$2,700,000	\$6,300,000	\$900,000
			\$8,000,000	\$2,400,000	\$5,600,000	\$800,000
72	Minor Improvements	Reduced cost 8%	\$14,242,678	\$4,171,506	\$10,071,172	\$1,380,755
			\$-	\$-	\$-	\$-
73	Carpark Maintenance	Reduced cost	\$600,000	\$180,000	\$420,000	\$60,000
			\$400,000	\$120,000	\$280,000	\$40,000
1a	Motupipi Street Carpark Reconstruction	Timing of project	\$562,000	\$562,000	\$-	\$-
			\$-	\$-	\$-	\$-
74	Richmond New Carpark Facilities	Reduced cost	\$200,000	\$-	\$200,000	\$-
			\$-	\$-	\$-	\$-



Project No.	2013/14 Year 2	2014/15 Year 3	2015/16 Year 4	2016/17 Year 5	2017/18 Year 6	2018/19 Year 7	2019/20 Year 8	2020/21 Year 9	2021/22 Year 10
59	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$20,000
	\$30,000	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$20,000
60	\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000
	\$700,000	\$700,000	\$700,000	\$700,000	\$700,000	\$700,000	\$700,000	\$700,000	\$700,000
61	\$1,090,000	\$1,090,000	\$1,090,000	\$1,090,000	\$1,090,000	\$1,090,000	\$1,090,000	\$1,090,000	\$1,090,000
	\$900,000	\$900,000	\$900,000	\$900,000	\$900,000	\$900,000	\$900,000	\$900,000	\$900,000
62	\$101,000	\$102,010	\$103,030	\$104,060	\$105,101	\$106,152	\$107,214	\$108,286	\$109,369
	\$120,000	\$102,010	\$103,030	\$104,060	\$105,101	\$106,152	\$107,214	\$108,286	\$109,369
63	\$494,200	\$428,442	\$503,426	\$437,054	\$512,831	\$445,838	\$522,418	\$454,800	\$532,190
	\$494,200	\$428,442	\$503,426	\$437,054	\$512,831	\$445,838	\$522,418	\$454,800	\$532,190
64	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000
	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000
65	\$50,000	\$50,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
	\$50,000	\$50,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
66	\$130,000	\$210,000	\$85,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000
	\$130,000	\$210,000	\$85,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000
67	\$-	\$-	\$30,000	\$-	\$-	\$30,000	\$-	\$-	\$30,000
	\$30,000	\$-	\$30,000	\$-	\$-	\$30,000	\$-	\$-	\$30,000
68	\$40,000	\$40,000	\$40,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000
	\$40,000	\$40,000	\$40,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000
69	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000
	\$56,000	\$56,000	\$56,000	\$56,000	\$56,000	\$56,000	\$56,000	\$56,000	\$56,000
70	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000
	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000
71	\$1,452,750	\$1,455,638	\$1,458,669	\$1,461,853	\$1,465,195	\$1,468,705	\$1,472,391	\$1,476,260	\$1,480,323
	\$1,302,750	\$1,305,638	\$1,308,669	\$1,311,853	\$1,315,195	\$1,318,705	\$1,322,391	\$1,326,260	\$1,330,323
61a	\$900,000	\$900,000	\$900,000	\$900,000	\$900,000	\$900,000	\$900,000	\$900,000	\$900,000
	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000
72	\$1,382,616	\$1,408,135	\$1,401,612	\$1,424,445	\$1,430,390	\$1,435,351	\$1,450,722	\$1,442,262	\$1,486,390
73	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000
	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000
1a	\$56,200	\$505,800	\$-	\$-	\$-	\$-	\$-	\$-	\$-
	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
74	\$-	\$-	\$-	\$-	\$-	\$200,000	\$-	\$-	\$-
	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-

## Supplementary Information (cont.)

### Transportation Projects Modified

#### Projects Amended (cont.)

Project No.	Project Name	Description	Project Estimate	Sub Total Year 1 to 3	Sub Total Year 4 to 10	2012/13 Year 1
68a	CBD Footpath Cleaning	Reduced cost Year 2-4	\$510,000	\$110,000	\$400,000	\$30,000
			\$480,000	\$90,000	\$390,000	\$30,000
8a	Tasman Great Taste Trail Construction	Timing of project and cost	\$1,634,000	\$734,000	\$900,000	\$284,000
			\$284,000	\$284,000	\$-	\$284,000
9a	Tasman Great Taste Trail Professional Services	Timing of project and cost	\$100,800	\$33,600	\$67,200	\$-
			\$-	\$-	\$-	\$-
75	Landscape Maintenance	Reduced cost	\$950,000	\$285,000	\$665,000	\$95,000
			\$902,500	\$270,750	\$631,750	\$90,250
76	District Land Purchase	Reduced cost Year 2-3	\$1,800,000	\$400,000	\$1,400,000	\$-
			\$1,725,000	\$325,000	\$1,400,000	\$-
77	Golden Bay Route Study	Timing of project	\$65,000	\$-	\$65,000	\$-
			\$-	\$-	\$-	\$-
26a	Collingwood Streetscape	Timing of project	\$248,300	\$248,300	\$-	\$-
			\$-	\$-	\$-	\$-
27a	Collingwood Streetscape Renewal	Deferred outside 20yr	\$-	\$-	\$-	\$-
			\$-	\$-	\$-	\$-
28a	Richmond Gateways	Timing of project	\$381,600	\$381,600	\$-	\$-
			\$-	\$-	\$-	\$-
31a	Brightwater Streetscape	Timing of project	\$765,050	\$-	\$765,050	\$-
			\$-	\$-	\$-	\$-
32a	Brightwater Streetscape Renewal	Deferred outside 20yr	\$-	\$-	\$-	\$-
			\$-	\$-	\$-	\$-
69a	Community Programmes - Subsidised	Increased cost	\$560,000	\$168,000	\$392,000	\$56,000
			\$760,000	\$228,000	\$532,000	\$76,000
52a	Kaiteriteri Construction - New Road	Timing of project	\$1,450,700	\$174,084	\$1,276,616	\$29,014
			\$-	\$-	\$-	\$-
53a	Kaiteriteri Construction - Martin Farm Road Upgrade	Timing of project	\$1,129,100	\$103,800	\$1,025,300	\$-
			\$-	\$-	\$-	\$-
Nett Reduction From Amendments			\$17,302,210			\$2,784,086
Sub Total of Budget Reductions due to Amendments						
Total Reduction from Deletions and Amendments			\$23,574,574			\$3,444,294
Total of Budget Reductions due to Amendments and Deleted Projects						

Project No.	2013/14 Year 2	2014/15 Year 3	2015/16 Year 4	2016/17 Year 5	2017/18 Year 6	2018/19 Year 7	2019/20 Year 8	2020/21 Year 9	2021/22 Year 10
68a	\$40,000	\$40,000	\$40,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000
	\$30,000	\$30,000	\$30,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000
8a	\$225,000	\$225,000	\$225,000	\$225,000	\$225,000	\$225,000	\$-	\$-	\$-
	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
9a	\$16,800	\$16,800	\$16,800	\$16,800	\$16,800	\$16,800	\$-	\$-	\$-
	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
75	\$95,000	\$95,000	\$95,000	\$95,000	\$95,000	\$95,000	\$95,000	\$95,000	\$95,000
	\$90,250	\$90,250	\$90,250	\$90,250	\$90,250	\$90,250	\$90,250	\$90,250	\$90,250
76	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
	\$150,000	\$175,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
77	\$-	\$-	\$65,000	\$-	\$-	\$-	\$-	\$-	\$-
	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
26a	\$248,300	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
27a	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
28a	\$-	\$381,600	\$-	\$-	\$-	\$-	\$-	\$-	\$-
	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
31a	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$153,010	\$612,040
	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
32a	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
69a	\$56,000	\$56,000	\$56,000	\$56,000	\$56,000	\$56,000	\$56,000	\$56,000	\$56,000
	\$76,000	\$76,000	\$76,000	\$76,000	\$76,000	\$76,000	\$76,000	\$76,000	\$76,000
52a	\$29,014	\$116,056	\$1,276,616	\$-	\$-	\$-	\$-	\$-	\$-
	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
53a	\$48,300	\$55,500	\$-	\$1,025,300	\$-	\$-	\$-	\$-	\$-
	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
	\$3,711,386	\$2,939,294	\$3,186,659	\$1,539,948	\$4,034,345	\$2,688,568	\$3,178,050	\$1,880,028	\$2,270,976
	Years 1 to 3	\$9,434,766						Years 4 to 10	\$18,778,574
	\$4,464,487	\$3,497,339	\$3,340,265	\$2,023,960	\$4,218,065	\$2,882,498	\$3,741,639	\$2,088,531	\$2,479,696
	Years 1 to 3	\$11,406,120						Years 4 to 10	\$20,774,654







## Supplementary Information (cont.)

### Appendix 5:

### List of common requests contained in submissions on the Draft Plan but not included in this final Plan.

The purpose of this section is to outline the projects, funding and other requests raised through submissions on the Draft Long Term Plan that are NOT included in the final Plan. Over \$30 million of requests for additional funding to be included in the final Plan were received through the submissions on the Draft Plan.

Unfortunately we cannot do everything requested without generating large rates and debt increases, which the Council considered was not in the interests of the wider community. Some requests were not agreed to for a range of other reasons.

The key items raised through the submission process, which have not been included in the Long Term Plan, are listed below.

#### Environmental Management

- Additional funding for biodiversity and pest control.
- Additional funding for reviews of commercially zoned land in Collingwood.
- Additional changes to the final Plan relating to sustainability related matters, including peak oil, genetic modification, climate change matters and other related matters.
- Funding for implementation of the Waimea Estuary Strategy and formalisation of the Strategy.
- Funding for an integrated Tasman Bay marine management plan.

#### Public Health and Safety

- Introduction of a cat registration scheme.
- Review of Dog Control Bylaw relating to Takaka.
- Funding for a dog control officer in Motueka.

#### Transportation

- Funding for numerous additional cycleway projects (excluding the Tasman Great Taste Trail, which has been added into the final Plan).
- Funding for the Collingwood, Mapua (Aranui Road) and other additional streetscaping projects.
- Funding for passenger transport services.
- Funding for upgrading the Kaiteriteri Road.
- Additional funding for upgrading other roads in the District.
- Funding for Graham Valley Road upgrade (which was in the Draft Plan and has been taken out of the final Plan).
- Additional funding for footpaths, undergrounding power lines or seal extension projects.
- Funding for development of a policy on paper roads.
- Funding for a route study for an alternative road behind Clifton.

#### Coastal Structures

- Funding for a new marina and wharf at Port Tarakohe.
- Funding for the Motueka reclamation project.
- Funding for upgrades of all the small wharves in Golden Bay.

#### Water Supply

- Funding to bring forward the water supply projects for Richmond South.
- Funding for a water supply at Marahau.
- Funding for a water supply at Tasman Village.
- Request to bring forward the Motueka water supply project.
- Funding to fluoridate Council's water supply systems.
- Funding to upgrade Council's rural water supplies to meet the Drinking Water Standards New Zealand.

## Supplementary Information (cont.)

### Wastewater

- Funding for a study on composting toilets.

### Stormwater

- Funding for additional stormwater projects.

### Solid Waste

- A policy to reduce the refuse and recycling rates for unoccupied sections.

### Rivers

- Funding for the full Lower Motueka Flood Control refurbishment project (the project budget has been reduced to \$5 million).

### Community Facilities and Parks

- Additional funding for Coastcare groups.
- Funding for external barbecue and associated facilities at Rotoiti Community Hall.
- Funding for painting work for Age Concern.
- Additional funding for the extra projects proposed by Murchison Community Resource Centre.
- Funding for a library at St Arnaud.
- Funding for a completely new library in Motueka (the Plan contains funding for an upgraded library).
- Additional funding for the Nelson Provincial Museum.
- Funding for Nelson Marlborough Rescue Helicopter Trust.
- Funding for provision for a Motueka Pool.
- Funding for upgrade of movie theatre at Takaka.
- Motorsport funding to be added back into the Plan;
- Funding for upgrading the Nelson School of Music.
- Funding for the Theatre Royal.
- Funding for Trafalgar Centre upgrades.
- Funding for upgrading the Suter Art Gallery.

- Funding for Rowing/Aquatic Centre.
- Funding for Te Awhina Marae maintenance and upgrade.
- Funding for gateways to Tasman settlements.

### Recreation and Cultural Services

- Funding to reinstate the various community grants schemes and the Community Development Fund to the 2011/2012 levels.
- Funding for the FIFA under 20 World Cup bid.

### Governance

- Funding for an iwi liaison officer.
- An alternative policy for rates remissions on Māori Freehold Land.
- An alternative Statement on Fostering Māori participation in Council decision-making.
- Funding for training for iwi representatives as RMA commissioners.
- Funding for co-management of cultural reserves.
- Funding for development of policies on Council commitment to Treaty of Waitangi, commitment to partnership, engagement with Māori, and co-management and co-governance.
- Declines to amend wording of vision and community outcomes.
- Declines to amend wording in Policy on Significance.
- Funding for development of a social procurement policy.
- Funding for Council to combine its IT systems with Nelson City Council systems.
- A rates postponement policy for land that has been re-zoned.

### Aerodromes

- Funding for upgrading Takaka Aerodrome runway and facilities.

## Appendix 6: Summary of Population Projections

As part of the process of preparing the Long Term Plan Council has had to decide on a number of assumptions to support the Long Term Plan and the underlying Activity Management Plans. These assumptions include projected changes in the population of the District. To obtain this information Council uses information from the Statistics New Zealand population projections. The Council has also developed a comprehensive Growth Model and Strategy to support its planning. This section of the Plan summarises the information from the Growth Strategy.

### Overall summary of Population Change

(based on Statistics New Zealand medium growth projections: 2006 base and updated in July 2010).

Key Statistics	2006	2031
Population	45,800	53,200
Median age	40.3	47.3
Proportion of population aged over 65	13.6	28.6
Number of households	17,900	23,500
Working age population (medium projection)	29,810	29,150

Overall the population is expected to increase by 7,400 by 2031. Almost half of this growth is expected to be in Richmond, with the remainder spread between the other settlements and areas outside of the urban areas. Statistics New Zealand has estimated that the population of Tasman increased by 1.6 percent in 2011, this is higher than previous forecasts and mainly reflects higher migration from Canterbury. A summary of the population changes by settlement is set out on the following page.

## Supplementary Information (cont.)

### Population projections for Tasman District

Based on Statistics New Zealand 2010 Population projections.

Settlement Area	Population	Est 2010 Population	2011	2016	2021	2026	2031
Brightwater	1898	1948	2092	2215	2348	2471	2604
Coastal Tasman Area	2158	2215	2332	2429	2517	2595	2659
Collingwood	229	235	244	251	256	260	262
Kaiteriteri	404	415	420	431	436	436	431
Mapua / Ruby Bay	1944	1996	2117	2229	2341	2443	2535
Marahau	194	199	202	207	210	210	207
Motueka	6242	6408	6590	6703	6764	6764	6738
Murchison	479	492	482	472	453	443	433
Pohara/Tata/Ligar/Tarakohe	738	758	785	807	823	835	841
Richmond	12953	13297	14036	14714	15322	15930	16458
Riwaka	535	549	574	593	606	606	612
St Arnaud	431	442	442	442	435	435	421
Takaka	1133	1163	1173	1173	1153	1113	1062
Tapawera	309	317	339	354	361	368	375
Tasman	162	166	174	180	185	189	192
Upper Moutere	148	152	161	168	175	182	188
Wakefield	1844	1893	2026	2131	2236	2360	2475
Ward Remainder (Golden Bay)	2730	2802	2904	2984	3043	3087	3109
Ward Remainder (Lakes Murchison)	1202	1234	1286	1325	1364	1403	1429
Ward Remainder (Motueka)	2521	2588	2724	2838	2940	3031	3105
Ward Remainder (Moutere Waimea)	4915	5045	5310	5532	5732	5910	6055
Ward Remainder (Richmond)	1447	1485	1544	1754	1964	2193	2403
		TOTAL	47957	49932	51664	53264	54594



## Age Structure

In line with the overall New Zealand trend, one of the most significant changes expected in society over the next 20 years is the increase in the median age of the population. The first of the baby boomers, those born between 1946 and 1964, commenced retiring in 2011 and fertility rates have also decreased over the last 20 years. The median age is projected to increase from 40.3 in 2006 to 47.3 in 2031. By 2031 the number of people aged over 65 in Tasman is projected to double and comprise 28.6 percent of the population, compared to 13.6 percent in 2006. Twenty years ago the figure was less than 10 percent. Communities with an older population are likely to have different aspirations to the communities with a younger median age, this may include:

- Where they wish to live, possibly closer to main settlement areas where medical and social services are more readily available.
- An increase in the demand for smaller properties and a decrease in the demand for lifestyle or larger properties, particularly given the projected increase in the number of single households.
- The type of facilities and the levels of service requested, including more informal recreation facilities and the increased demand for “free” or low cost services such as libraries.
- Their ability and willingness to pay for services and facilities may be lower, given that incomes are expected to be lower.

Council has taken these factors into account in the development of this Long Term Plan.

# Supplementary Information (cont.)

## Appendix 7: General Council Information

### What does Tasman District Council do?

Tasman District Council's purpose is to enable local decision-making and action on behalf of the Tasman community to:

- Provide services that the community wants to enhance its social, economic, environmental and cultural well-being.
- Perform the functions and responsibilities given to it through legislation.

Tasman District is one of only five councils in New Zealand which have responsibility for both regional and territorial functions. Councils with this dual role are commonly known as "Unitary Authorities".

The functions and activities the Council does and the services it provides are outlined in detail in the Activities section of this document (pages 76-235).

Tasman District Council's powers are primarily derived from the Local Government Act 2002 and many other Acts and Regulations that are referred to throughout this document.

### Directory

#### Main Office

Street Address: 189 Queen Street, Richmond  
Postal Address: Private Bag 4, Richmond, 7050  
Telephone: 03 543 8400  
Fax: 03 543 9524  
Email: [info@tasman.govt.nz](mailto:info@tasman.govt.nz)

#### Golden Bay Office

Street Address: 78 Commercial Street, Takaka  
Postal Address: PO Box 74, Takaka, 7142  
Telephone: 03 525 0020  
Fax: 03 525 9972

#### Motueka Office

Street Address: 7 Hickmott Place, Motueka  
Postal Address: PO Box 123, Motueka, 7143  
Telephone: 03 528 2022  
Fax: 03 528 9751

#### Murchison Office

Street Address: 92 Fairfax Street, Murchison  
Postal Address: 92 Fairfax Street, Murchison, 7007  
Telephone: 03 523 1013  
Fax: 03 523 1012

## Appendix 8: Committees, Responsibilities and Portfolios

### Council Committees

There are five standing Committees of Council, each having delegated powers to handle their affairs. All Councillors have membership on these committees, except the Tasman Regional Transport Committee. Mayor Kempthorne is an ex officio member of all committees. Committees normally meet six-weekly.

#### Engineering Services Committee

This Committee has responsibility for roads, bridges, water supply, sewerage treatment and disposal, solid waste collection/disposal and waste minimisation, coastal protection, stormwater collection and disposal, ports/wharves and boat ramps (excludes Port Taranaki), rivers and waterways, public transport.

This Committee is chaired by Cr T E Norriss.

#### Community Services Committee

This Committee has responsibility for recreation and development, parks and reserves, sports grounds, public halls, libraries, walkways, camping grounds, cemeteries, community and cultural facilities, property management, public conveniences, rural fire, grants, community housing and customer services.

This Committee is chaired by Cr J L Edgar.

#### Environment and Planning Committee

This Committee has responsibility for resource management, policy, consents, environmental health, building control, sale of liquor, biosecurity, maritime safety, Council's response to climate change, animal control and compliance.

This Committee is chaired by Cr S G Bryant.

#### Corporate Services Committee

This Committee is responsible for providing financial and administrative services to the Council and other departments, including rate collection and financial management. It is also responsible for Council's business enterprises (e.g. Port Taranaki, aerodromes and forestry).

This Committee is chaired by Cr T B King.

#### Tasman Regional Transport Committee

This Committee is responsible for preparing for Tasman District a regional land transport strategy, a regional land transport programme, and any advice and assistance Council may request in relation to its transport responsibilities.

The Committee is chaired by Cr T E Norriss, and its membership consists of four other councillors (Crs Sangster, Dowler, Edgar and Mirfin), a NZTA representative and five appointed members.

### Council Subcommittees

In addition to these standing committees, Council also has a number of special purpose subcommittees. These have delegated powers and only meet as required. Their function is to examine specific areas of Council operations and then make recommendations to their parent committee or full Council. The Mayor is ex officio on all Subcommittees.

The current subcommittees are:

#### Communications

(reporting to Corporate Services) – Crs E J Wilkins (Chair), J L Edgar, M L Bouillir, Z S Mirfin.

#### Creative Communities

(reporting to Community Services) – Crs J L Edgar (Chair) and E J Wilkins, plus community representatives.

## Supplementary Information (cont.)

### **CEO Review**

(reporting to Council) – Mayor R G Kempthorne (Chair),  
Crs B W Ensor, J L Edgar.

### **Audit**

(reporting to Corporate Services) – Crs G A Glover (Chair),  
J L Inglis, C M Maling, P F Sangster, T E Norriss, T B King.

### **Grants and Community Facilities**

(reporting to Community Services) – Crs E J Wilkins  
(Chair), S G Bryant, M L Bouillir, J L Edgar, T B King.

### **Community Awards**

Crs J L Edgar, E J Wilkins.

### **Development Contributions**

Crs S G Bryant, T E Norriss.

## Council Representatives and Appointments

### **Joint Shareholders**

Mayor R G Kempthorne, Crs T B King, G A Glover.

### **Nelson Airport Limited**

Mr M J Higgins.

### **Port Nelson Limited**

Council Director Cr T B King.

### **Nelson Regional Sewerage Business Unit**

Cr G A Glover, and Mr M J Higgins

### **Tasman Regional Sports Trust Board**

Mayor R G Kempthorne.

### **Nelson Tasman Business Trust**

Cr C M Maling.

### **Tasman Bays Heritage Trust Appointments Committee**

Mayor R G Kempthorne, Chief Executive.

### **Positive Ageing Forum**

Cr J L Edgar.

### **Tasman Youth Council**

Crs Z S Mirfin, G A Glover.

### **Mayors Taskforce for Jobs – Nelson Tasman Connections Steering Group**

Mayor R G Kempthorne.

### **Saxton Field Working Group**

Crs J L Edgar, B W Ensor, C M Maling.

### **Friendly Towns**

Cr E J Wilkins.

### **Golden Bay Patriotic Welfare Committee**

Cr P F Sangster.

### **Nelson-Tasman Cycle Trust Working Group**

Cr C R Maling.

### **Civil Defence Emergency Management**

Mayor R G Kempthorne, Cr T B King.

### **Waste Management Working Party**

Crs J L Edgar, S G Bryant, B F Dowler

**Local Government New Zealand****Regional Sector Group**

Mayor R G Kempthorne, Chief Executive.

**Zone 5**

Mayor R G Kempthorne, Chief Executive.

**Rural and Provincial Sector**

Cr T B King, Strategic Development Manager.

**Māori Liaison/Ethnic Affairs**

Mayor R G Kempthorne.

**Patriotic Council**

Cr J L Inglis.

**Tb Free/Animal Health Board**

Cr T E Norriss.

**Talking Heads**

Mayor R G Kempthorne, Chief Executive.

**Tenders**

Crs S G Bryant, J L Edgar, T E Norriss, Chief Executive.

**Accessibility for All**

Cr J L Edgar.

**Native Tasman Habitats**

Cr B W Ensor.

**Regional Funding Forum**

Crs T B King, J L Edgar.

**Tasman Environmental Trust**

Cr B W Ensor.

**Economic Development Agency**

Mayor R G Kempthorne, Cr T E Norriss.

# Supplementary Information (cont.)

## Appendix 9: Community Boards

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

There are two Community Boards in the Tasman District, namely the Golden Bay Community Board serving the Golden Bay Ward and the Motueka Community Board serving the Motueka Ward. Both Community Boards have ward councillors appointed.

### Membership of the Golden Bay Community Board:



Carolyn McLellan  
(Chair)



Leigh Gamby  
(Deputy Chair)



Karen Brookes



Mik Symmons

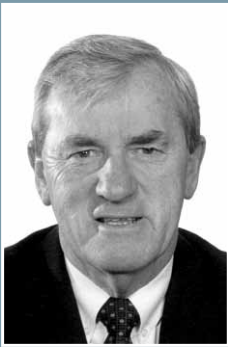


Cr Paul Sangster



Cr Martine Bouillir

Membership of the Motueka Community Board:



David Ogilvie  
(Chair)



Paul Hawkes  
(Deputy Chair)



Mark Chapman



Cliff Satherley



Cr Eileen Wilkins



Cr Jack Inglis



Cr Barry Dowler

# Supplementary Information (cont.)

## Appendix 10: Council Management

### **Chief Executive**

Lindsay McKenzie

### **Community Services Manager**

Lloyd Kennedy

### **Corporate Services Manager**

Murray Staite

### **Engineering Manager**

Peter Thomson

### **Environment and Planning Manager**

Dennis Bush-King

### **Strategic Development Manager**

Susan Edwards

### **Other**

#### **Bankers**

ASB Bank Ltd  
Queen Street  
Richmond

#### **Solicitors**

Fletcher Vautier Moore  
2 Cambridge Street  
Richmond

#### **Auditors**

Audit New Zealand, on behalf of the  
Office of the Auditor General



