

**VOTE
2019**

LOCAL ELECTIONS



PRE-ELECTION REPORT 2019

**OVER
TO YOU,
TASMAN**



STAND IN THE PLACE THAT YOU LOVE.

INFORMATION FOR VOTERS AND POTENTIAL CANDIDATES IN THE 2019 LOCAL BODY ELECTIONS

ABOUT THIS REPORT

The future of Tasman District is shaped by the decisions its elected Council makes – decisions that affect your local infrastructure, community facilities, services, the environment, land use and management, and much more.

On 12 October 2019 you will have the opportunity to shape the future of your community, either as a candidate for election or by voting for the people you want to represent you and the interests of the Tasman community.

This report outlines some of the issues the Tasman District Council faces now and in the future. It provides information about our financial performance over the past three years, the major projects that are underway and proposed over the next three years, and how we intend to pay for them.

Most of the financial data and information is taken from our audited documents including our Long Term Plan 2018–2028 and our Annual Reports. These documents, along with our Annual Plans, can be found on our website at: tasman.govt.nz/my-council/key-documents.

The law requires this report to be politically neutral, prepared by the chief executive independently of the mayor and councillors.



A MESSAGE FROM THE CHIEF EXECUTIVE

Tēnā koutou

Thank you for taking the time to learn more about your District and your Council ahead of the 2019 triennial elections.

Elections are an exciting opportunity to make a meaningful difference for the communities you live in and love, whether you are considering standing for election or whether you are a voter who will choose those who will lead the provision of local services and opportunities for the next three years.

The Mayor represents the District at large and has one vote. Each councillor represents one of our five wards and has one vote out of 14. The Motueka and Golden Bay Community Boards are both made up of four board members and two ward councillors. Councillors and board members must work together to achieve quality decisions that they feel represent the best interests and needs of the community. Importantly the significant and big decisions and plans are created with input from iwi, stakeholders and our community.

Now 12 months into the role as Chief Executive, I can say it has definitely been a busy year. I have been privileged to be part of a great team of staff who are dedicated to working for their community and providing the best service they can. Our staff are focused on supporting councillors to make good decisions by providing quality advice and, where appropriate, innovative solutions.

There are some significant issues facing our District. Some are unique to our communities, while others – such as climate change – reflect a global challenge.

As a relatively high debt and high rates Council, our region has its challenges. The Council has a key role in providing infrastructure to support the high population growth we're currently experiencing. The wide-ranging projects we undertake aim to ensure we plan and deliver essential infrastructure, community facilities and services that meet the needs of our District. Our aim is to ensure Tasman remains a great place to live, work and play with thriving communities enjoying the Tasman lifestyle.

Over the past three years, we have delivered on many of the plans and projects the Council and the community had agreed were our priorities. Within the past year,

the Council has approved the construction of the Waimea Community Dam, completed the Queen Street upgrade, replaced the main sewer line to Kaiteriteri, initiated planning for the new Motueka Library and continued to connect Tasman's Great Taste Trail – to name just a few. More information on these projects and others is included in this report.

We have faced a number of significant challenges this year including the Pigeon Valley fire and a region-wide drought; and there are more major issues for the Council going forward. One of these is climate change. We know that if we are to ensure our resilience against the impact of extreme weather events, we must invest in infrastructure that is fit for purpose. If passed, the Government's proposed Climate Change Response (Zero Carbon) Amendment Bill will also require councils to show greater leadership and work together to reduce greenhouse gas emissions. With a goal of net zero greenhouse gas emissions by 1 January 2050, there will be many discussions to come with our community.

The impact of changes to legislation and reviews of our performance by central government will mean that councils will have more requirements placed upon them. We are currently awaiting the outcome of their Three Waters Review (drinking water, stormwater and wastewater) and the National Policy Statement on Freshwater Management review. These will have implications for our infrastructure and budgets. Recent changes to the Local Government Act have returned the focus back to promoting community well-being (social, economic, cultural and environmental) now and for the future.



Elections are an exciting opportunity to make a meaningful difference for the communities you live in and love, whether you are considering standing for election or whether you are a voter who will choose those who will lead the provision of local services and opportunities for the next three years.



A MESSAGE FROM OUR CHIEF EXECUTIVE

Internally we face some big organisational challenges. The growth in our District has increased our responsibilities and that has put pressure on our services and our overall capacity. In order to manage this growth sustainably we need to look innovatively at our service provision, and in particular digital services. This also extends to public information and data which is an asset and should be available to benefit all. We are not well placed to make this shift with our current technology, yet improvements come with a high cost. This will be a challenging issue for the next Council to consider along with the potential costs of not making improvements.

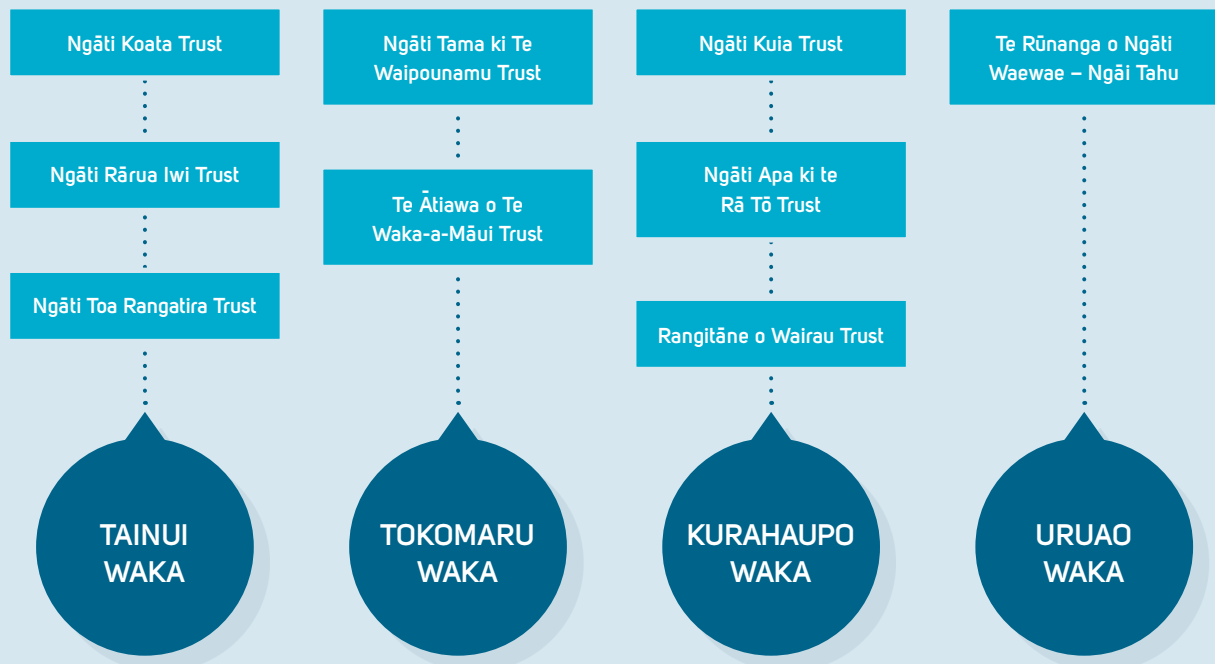
Finally, but very importantly, we have taken a significant step recently to improve our iwi relationships with the Council's approval to appoint a permanent Kaihautū officer. Potential candidates need to understand the Council's obligations to work with iwi and the role that a Kaihautū will play in advising and facilitating improved relationships.

The Kaihautū role is to provide strategic leadership and to help the Council become more culturally responsive. They will also support the development of enduring partnerships with the eight Te Tau Ihu iwi and Ngāi Tahu (shown below); and be responsible for fostering positive engagement and outcomes for iwi, Māori and the wider community. We are looking forward to welcoming this new person on board and the advice and support they will bring to the organisation.

Janine Dowding
Chief Executive Officer



NINE IWI TRUSTS REPRESENT TANGATA WHENUA IN TASMAN DISTRICT:



OUR GOVERNANCE STRUCTURE

The elected Council consists of the Mayor and 13 councillors (including the Deputy Mayor). The Mayor represents the District at large, while the councillors cover five areas of the District (referred to as wards – see page 6). Although the councillors have been elected from their respective wards, they have an obligation and a duty to represent the interests of the District as a whole.

We also have two community boards comprising four members each – one covering the Golden Bay Ward and the other covering the Motueka Ward. The Council and community boards are elected every three years.

The Council is responsible for setting the overall direction of the District and the budget.

COUNCIL COMMITTEES

The Council currently has nine committees. Some include all councillors and others include only a certain number of councillors. There are also a number of subcommittees.

ALL COUNCILLORS:

1. Full Council
2. Community Development Committee
3. Environment and Planning Committee
4. Engineering Services Committee
5. Joint Committee of Tasman District and Nelson City Councils

APPOINTED COUNCILLORS:

6. Commercial Committee
7. Audit and Risk Committee
8. Joint Shareholders Committee
9. Saxton Field Committee
10. Regional Pest Management Joint Committee
11. Tasman Regional Transport Committee
12. Nelson Regional Sewerage Business Unit
13. Nelson Tasman Regional Landfill Business Unit
14. District Licensing Committee

Each of these committees have external representatives appointed to them. These committees and their subcommittees are reviewed after each election.

WHAT COUNCIL DOES



Set the budget and overall plan through Long Term Plans and Annual Plans



Adopt policies and strategies



Approve bylaws and RMA plans



Monitor the Council's performance



Engage with their local communities



Advocate on behalf of others



Raise issues to be addressed

TASMAN DISTRICT

Tasman is one of New Zealand's sunbelt regions and is generally noted for its mild winters, frequent sunny skies, and growing economic opportunities. This is a key drawcard for the District and one of the leading reasons why Tasman is a desirable place to live.

Tasman District is located in the north-west of the South Island and covers an area from the boundary of Nelson City in the east, to Murchison in the south, and Golden Bay in the north-west. Our District covers more than 14,800 square kilometres of mountains, parks, waterways, and territorial sea including 812 kilometres of coastline. The land area alone is 9,771 square kilometres. Of this, a significant proportion is owned by Te Tau Ihu Iwi Trusts and the Māori entities – Wakatū Incorporation and Ngāti Rārua Ātiawa Trust Board. Approximately 66% of Tasman District's land area is managed by the Department of Conservation.



OUR ROLE

Tasman District Council is one of only six Unitary Authorities. We combine the functions, duties and powers of both a territorial authority and a regional council.

TERRITORIAL FUNCTIONS



Community wellbeing and development



Public health and safety



Reserves, recreation, libraries and culture



Resource management



Infrastructure (water supply, stormwater, wastewater, solid waste, roads)

REGIONAL FUNCTIONS



River and coastal management



Biosecurity (plant and animal pest control)



Civil defence and emergency management



Regional land transport



Resource management and environmental information

KEY FACTS



Tasman District's population is **52,100** and by 2043 is projected to reach **63,900** (high growth), or **55,800** (medium growth) Stats NZ.



8% OF OUR POPULATION IDENTIFY AS MĀORI



21%

OF OUR POPULATION IS AGED OVER **65 YEARS***

ONLY 3%

OF OUR POPULATION IS UNEMPLOYED

LOWER THAN THE NATIONAL RATE OF 4.3%

328 COUNCIL EMPLOYEES



WITH AN EQUIVALENT **298**

FULL-TIME EMPLOYEES (FTE)

\$1.4 BILLION

FIXED ASSETS



MANAGED ON BEHALF OF TASMAN DISTRICT



\$114.6 MILLION

CURRENT OPERATING BUDGET

*This age group now outnumbers those aged 14 years and younger. The proportion aged 65 years and over is projected to increase to 36% by 2043, when Tasman is projected to have the second-oldest population in New Zealand.

AT A GLANCE

Tasman District Council's primary focus for the next three years will be to continue developing our region as a resilient, opportunity-rich place to live, recreate and do business.

The Council's vision is 'thriving communities enjoying the Tasman lifestyle'.

The Council's mission is to enhance community well-being and quality of life.

Our Long Term Plan 2018–2028 sets out the Council's outcomes for the next 10 years. Each of these is important for our region's economic development and continued quality of life.

COMMUNITY OUTCOMES

- Our unique natural environment is healthy, protected and sustainably managed
- Our urban and rural environments are people-friendly, well planned, accessible and sustainably managed
- Our infrastructure is efficient, cost-effective and meets current and future needs
- Our communities are healthy, safe, inclusive and resilient
- Our communities have opportunities to celebrate and explore their heritage, identity and creativity
- Our communities have access to a range of social, cultural, educational and recreational facilities and activities
- Our Council provides leadership and fosters partnerships, a regional perspective and community engagement
- Our region is supported by an innovative and sustainable economy

COUNCIL ACTIVITY

The following summary of the Council's key activities is taken from the Long Term Plan 2018–2028:

ENVIRONMENT AND PLANNING



- Resource Policy.
- Resource and Environmental Information.
- Resource Consents and Compliance.
- Environmental Monitoring, including rainfall, river flow and ground water monitoring and flood management response.
- Regulatory Services – animal control, building consents, health and liquor licensing and inspections, noise control, parking control.
- Land Information.
- Civil Defence Emergency Management.
- Biosecurity – pest plant and animal management.
- Building Control.

TRANSPORTATION



Maintaining 1,751km of roads (967 sealed, 784km unsealed), 494 bridges and footbridges, 285km footpaths, 276km walkways and 9km cycleways, 22 off street car park areas, on street car parking, street lights, traffic signs, culverts and Tasman's Great Taste Trail (138km).

RIVERS AND COASTAL



- The Council maintains 285km of rivers. Assets include river protection works such as stop banks, rock protection and willow plantings.
- Provision and management of coastal structures (wharves, jetties, boat ramps, associated buildings and foreshore protection walls) owned by the Council, along with the provision of navigational aids to help safe use of the coastal waters.



WATER SUPPLY



18 water supply schemes, including 32 bores, 15 water treatment plants, 61 reservoirs, 756km of reticulated pipe, 21 pumping stations, 4548 valves, 1437 hydrants, 117 backflow preventers, 11,200 meters, 1522 rural restrictors, and Wai-iti storage dam.

WASTEWATER



Nine wastewater networks, nine wastewater treatment plants (one of which is owned by both Nelson and Tasman Councils and managed by the Nelson Regional Sewerage Business Unit), 78 pump stations, 360km of reticulated pipe, 14,041 wastewater connections.

STORMWATER



15 urban stormwater drainage areas and one general District area, 187km of piped stormwater network, 29km of maintained open drains and streams, 10 detention dams. Other assets used include sumps, tide gates, detention or ponding areas, inlet structures, discharge structures.

SOLID WASTE



22 closed landfills and five resource recovery centres.



COMMUNITY DEVELOPMENT



- Parks, reserves and esplanade strips.
- 53 playgrounds.
- Community recreation.
- 18 community halls.
- 5 multi-use community recreation centres.
- Other community facilities and buildings.
- Cultural services and Community Grants.
- 4 public libraries.
- 3 museums.
- 1 indoor swimming pool (Aquatic Centre) and 3 outdoor swimming pools.
- 12 cemeteries.
- 98 public toilets.
- 8 community housing complexes – (101 separate units in total).
- 4 customer service offices.
- 1 customer service call centre.

OTHER



- Forestry (2,676 hectares).
- 4 commercially operated camping grounds.
- Port Taroako.
- Motueka and Takaka Aerodromes.
- Council-owned property.
- Council Controlled Organisations (CCOs) and Council Controlled Trading Organisations (CCTOs).
- Support to elected members.
- Elections.
- Representation reviews.
- Strategic Planning.
- Communication to residents and ratepayers.
- Information services.
- Corporate and governance services.



OUR KEY CHALLENGES

The size of our District, our rate of growth, our exposure to natural hazards and the spread of our communities provide a number of challenges for us to manage. Looking forward, we have identified a number of key challenges to address.

Providing safe and secure drinking water for our community schemes

Keeping our rates affordable and managing debt

Catering for predicted growth within the District

Climate change and natural hazards

WATER MANAGEMENT

Water and its management are major challenges for our District. This includes ensuring that we have a safe and secure water supply for our households and businesses.

WHAT ARE WE DOING?

Key projects underway include:

- Constructing the Waimea Community Dam – the Dam will increase water supply and security in the Waimea area for the next 100 years. The three-year construction project began in early March 2019. We expect the Dam to be operational by early 2022.
- Design of the new Mapua water trunk main (Moturoa/Rabbit Island).
- Takaka Freshwater Plan Change – We will change the Tasman Resource Management Plan for freshwater in Takaka to better enable us to regulate activities impacting on the quality of water.

Looking ahead, key projects planned include:

- Mapua water trunk main construction (Moturoa/Rabbit Island) in 2020/2021.
- Improving drinking water quality – we have a programme over the next 10 years to upgrade our water treatment to achieve the NZ Drinking Water Standards.

RATES AND DEBT

Rates affordability and relatively high Council debt are still key challenges for us. We currently have self-imposed limits on our net external debt and also our rates increases to ensure we stay on track. This has meant we have made conscious decisions to defer some projects to future years and undertake those of most priority for our community.

WHAT ARE WE DOING?

- Keeping our external net debt under our \$200m debt cap.
- Keeping our total rates increases to under 3% per annum.



GROWTH AND INFRASTRUCTURE

Tasman is growing and the challenge is to manage this growth in a sustainable and timely manner, including its environmental impacts. According to our 2017 growth model, the District will need nearly 3,000 new dwellings within the next 10 years and a further 3,000 between 2028 and 2048. Growth has been occurring at a higher rate than expected and the next review of the growth model may project even higher demand. Enabling an adequate supply of suitably zoned land connected to infrastructure is important if we are to accommodate the additional people wishing to live or establish businesses in our District and also improve housing affordability. With an ageing population the demand for different types of housing is changing along with changing needs for recreation facilities, parks and reserves and community facilities. We also expect an increase in demand for high quality pedestrian facilities and alternative modes of transport.

WHAT ARE WE DOING?

Key projects underway include:

- Development of our Future Development Strategy (in conjunction with Nelson City Council) which will show where growth is to be accommodated and in what form. It will also identify the infrastructure needed to support that growth.
- Implementation of our Age Friendly Policy.
- Rezoning of areas to allow development and provision of the necessary infrastructure.
- Lifting deferred zoning once services are in place; and rezoning of land approved for development under the Special Housing Area legislation.

Looking ahead, key projects planned include:

- Reviewing our Tasman Resource Management Plan and Regional Policy Statement.
- Developing our Regional Growth Strategy for the next 10 years to inform our LTP 2021 – 2031.
- Construction of a new library in Motueka in 2020/2021 to meet the needs of the Motueka community and surrounding areas.

CLIMATE CHANGE

Climate change is a significant challenge for our region. Our region has suffered from several significant natural hazard events recently including flooding and damage from cyclones, droughts and fires. Predictions for our region are that we are likely to see an increase in temperature and high temperature extremes; an increase in rainfall in winter with increased rainfall intensity; rising sea levels, increased wave height and storm surges; and more frequent and intense floods, droughts, landslides, and storm surges.

If passed, the Government's proposed Climate Change Response (Zero Carbon) Amendment Bill will set a goal of net zero greenhouse gas emissions, (other than biogenic methane) by 1 January 2050, and for each subsequent calendar year.

WHAT ARE WE DOING?

Key projects underway include:

- Developing a Climate Change Strategy that will address leadership, adaptation and emission reductions. The Strategy will include an Action Plan that will focus our efforts across the short, medium and long term planning horizons.
- We have recently approved a new land development manual that anticipates climate change through more resilient infrastructure design, as well as requiring the design of urban areas to create less effects on the environment – like better walking and cycling networks so we can reduce vehicle emissions.

Looking ahead, key projects planned include:

- Investigating the merits of a Nelson Tasman Climate Change Forum.
- Implementation of the Climate Change Action Plan.
- Working with our neighbouring councils, community and businesses to focus our combined efforts.
- Starting a series of conversations that we need to have with communities about how rising sea levels will affect us all. In July 2019, a team will be travelling around the District presenting the coastal hazard mapping project to help us understand how rising seas and coastal erosion may affect Tasman.
- We are anticipating how changes in temperatures will affect how we manage pests and biosecurity risks.



MAJOR PROJECTS

A major project has a significant capital investment or community impact.

WAIMEA COMMUNITY DAM – \$102.85M

The first stage in building the Waimea Community Dam has started. The three-year project began in early March 2019 with site works to create access to the Lee Valley site. The lake created by the dam will contain approximately 13 million cubic metres of water for urban, rural and environmental use.

- **August 2019** – initial site preparation works complete.
- **September 2019** – construction of the dam starts.
- **October 2021** – dam construction completed.
- **February 2022** – final commissioning.



MOTUEKA LIBRARY – \$5M

We're planning our new library in Motueka. Our current proposal is a new, purpose built building on Decks Reserve, located between the i-Site and Japanese Gardens. The new building will provide more space, services and activities for the thousands of library users that visit each year.

- **June 2019** – Public feedback.
- **September 2019** – Council decision whether to proceed with site.
- **2019 – 2020** – Planning and detailed designs completed.
- **2020 – 2021** – Construction.



WALKING AND CYCLING – \$6M

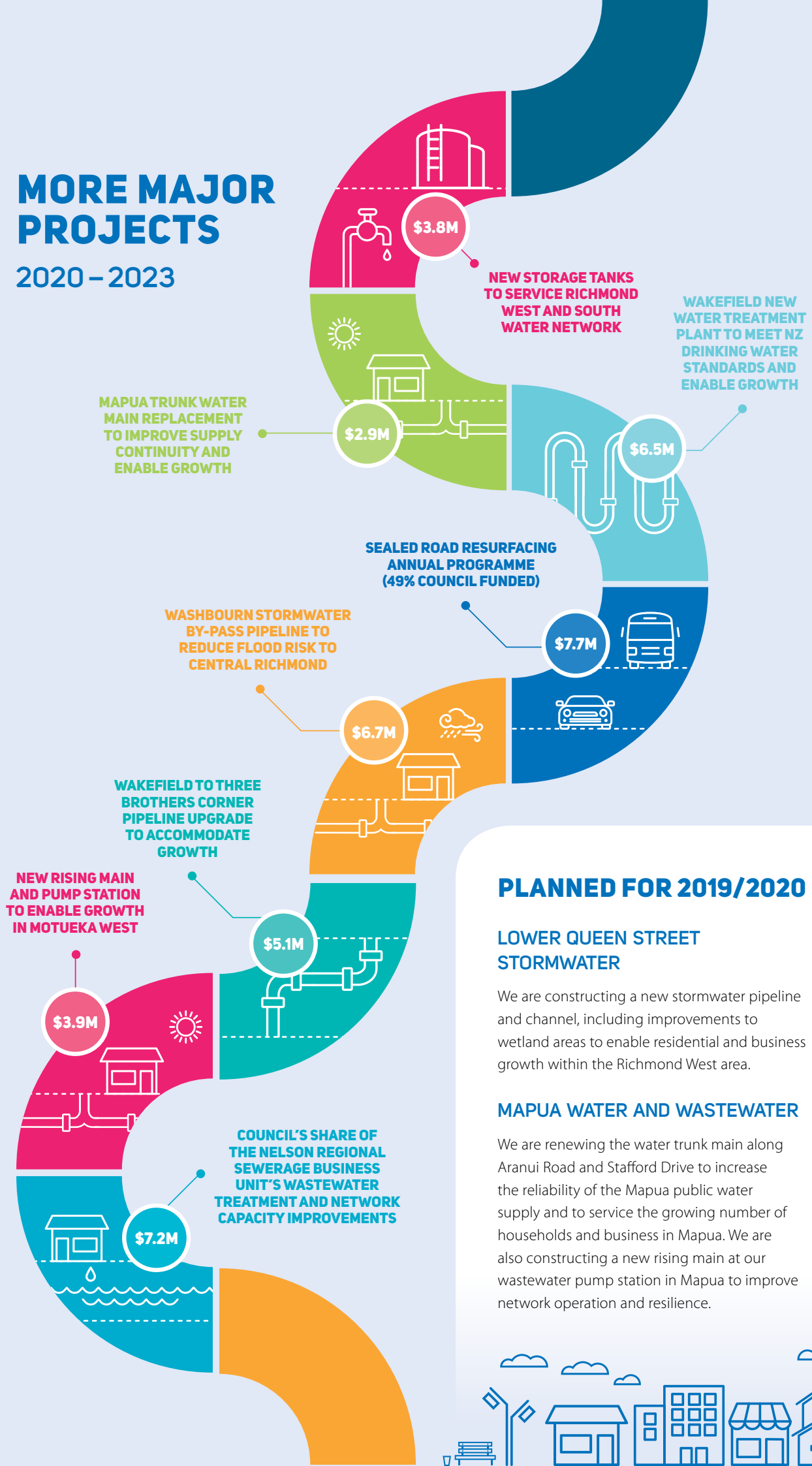
This programme brings together a number of projects and initiatives with a focus on cycling and pedestrian safety.

- **June 2019 – 2020** – we will continue to extend Tasman's Great Taste Trail by connecting missing links and extending the trail between Wakefield and Tapawera.
- **2021 – 2023** – Continuing to extend the trail between Tapawera and Woodstock and make safety improvements for the on-road route between Woodstock and Riwaka.
- **September – December 2019** – To allow cyclists to ride safely between Pohara Beach and Takaka, we're building a new cycleway. The majority of the cycleway will be off-road.



MORE MAJOR PROJECTS

2020 – 2023



PLANNED FOR 2019/2020

LOWER QUEEN STREET STORMWATER

We are constructing a new stormwater pipeline and channel, including improvements to wetland areas to enable residential and business growth within the Richmond West area.

MAPUA WATER AND WASTEWATER

We are renewing the water trunk main along Aranui Road and Stafford Drive to increase the reliability of the Mapua public water supply and to service the growing number of households and business in Mapua. We are also constructing a new rising main at our wastewater pump station in Mapua to improve network operation and resilience.



WHAT'S ON THE COUNCIL'S HORIZON

1. DIGITAL TRANSFORMATION STRATEGY

Having completed our website upgrade at the end of 2018, our focus is now on our Digital Transformation Strategy, particularly the implementation of smart technology and services for our customers, communities and stakeholders in the Tasman District. As part of this strategy, we are developing a vision for how our customers will interact with Council services in the future. It is called "Our Digital Region" and will form the foundation for collaboration with our communities, customers and staff on future services. We want to develop digital services in a customer driven way, taking advantage of smart technology such as customer portals, smart infrastructure, digital assistants and artificial intelligence.

2. TASMAN RESOURCE MANAGEMENT PLAN (TRMP) REVIEW

Our TRMP sets out the rules about how we maintain and enhance our environment, while allowing efficient use and development of resources in a sustainable way. Over the past several years we have kept the TRMP relevant by undertaking plan changes as and when required. However there is a legal requirement to review the provisions of our plan that have not been the subject of a change in the previous 10 years. To meet this requirement, the Council has recently made a decision to commence a full review of our TRMP. We expect this will take the next six to 10 years to complete, depending on the range and number of submissions received and any future appeals.

3. PORT TARAKOHE REDEVELOPMENT

We are currently preparing a business case for the redevelopment of Port Tarkohe to cater for the expected increase in harvested mussels in Golden Bay. The project will see the preparation of a concept design for the port with associated costs, which will inform future decision making and investment. The long term goal is to future proof the port to ensure social and economic resilience, meet operational needs for current and future recreational and commercial users, and to retain and protect the community asset for future generations. We expect to consult with the community on the proposed business case during July 2019.

4. TE TAUIHU INTERGENERATIONAL STRATEGY

We are working together with Nelson City Council, Marlborough District Council, iwi, Nelson Regional Development Agency (NRDA) and businesses to develop an intergenerational growth strategy for Te Taihu (Top of the South). The project is being led by Wakatu Incorporation and funded through the Government's Provincial Growth Fund. The aim of the project is to lift the cultural, environmental, economic and social opportunities for our future generations, and increase the productivity of Te Taihu. The project will involve the development of an intergenerational vision and "well-being" framework with collective outcomes and agreed measures and indicators. It will also identify priorities for business cases and undertake these across agreed focus areas.

5. GOLDEN BAY LOCAL BOARD

An application has been submitted to the Local Government Commission by a community working group to form a Golden Bay local board. Currently the area is represented by a community board, which the applicants do not consider has adequate power and responsibility to represent their interests. The local board would replace the community board.

As a result of the local board proposal, the Commission is currently assessing governance options. This may include the status quo, changes in Golden Bay, or changes across the whole of Tasman District. This work will not be completed by the 2019 election.



HOW ARE WE TRACKING?

We believe Tasman District is a great place to live, work and play. That belief is consistently backed up in our annual residents' survey.

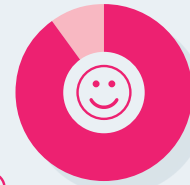
86%

of residents are happy with the service they received when they contacted a Council office



90%

of residents are happy with our recreational facilities (e.g. playing fields and neighbourhood reserves)



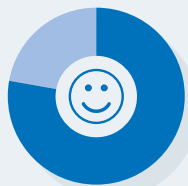
81%

of residents are happy with our community programmes and events



78%

of residents are happy with emergency management



77%

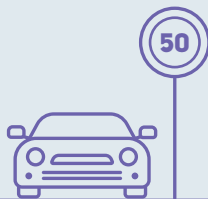
of residents feel that Tasman District Council has a good/very good reputation and are happy with kerbside recycling



AREAS WHERE WE WANT TO LIFT OUR PERFORMANCE

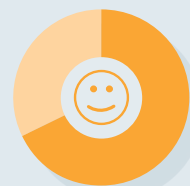
69%

of residents are happy with roads



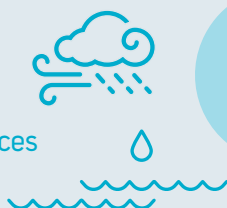
68%

of residents are happy with footpaths



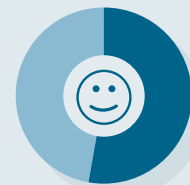
58%

of residents are happy with stormwater services



53%

of residents are happy with water supply



A STRATEGY FOR THE FUTURE

INFRASTRUCTURE STRATEGY

Our 30 year infrastructure strategy covers the provision of Council's water supplies, stormwater, wastewater, rivers and flood control and transportation activities. It outlines the major issues we are likely to face and the principal options for managing those issues.

Infrastructure is the physical assets the Council provides and owns in order to undertake these services. We have other infrastructure that supports community services such as libraries, parks and reserves, pools and halls. These are not covered by this strategy.

The Council is responsible for managing \$1.2 billion worth of infrastructure. Maintaining and renewing these assets, as well as managing and meeting the communities' changing needs for infrastructure, account for most of our spending.

There is always tension in the process when the Council assesses how and when to address key infrastructure needs. Often, what the Council would like to do differs from what is practical and affordable, especially in regards to timing. The Council has an inherent desire to address issues quickly for the community, but this is not always possible. A key constraint is our reliance on suppliers within the construction sector and their capacity and capability to deliver our annual operational, maintenance and capital works programme at an acceptable cost. The Council is competing with demand on construction resources from both private sector development and Nelson City Council. The stretched supplier market is clearly impacting on the pricing of projects. The tender prices for many projects are exceeding our budgets, sometimes by significant margins.

The Infrastructure Strategy acknowledges the tension between prudent provision of infrastructure and the need to stay within the financial caps set out in our Financial Strategy. By doing this, the Council has set out a long-term infrastructure strategy that is realistic, prudent and achievable and outlines the infrastructure services that will be provided.

OUR INFRASTRUCTURE PRIORITIES

1

PROVIDING SAFE AND SECURE INFRASTRUCTURE SERVICES

Providing safe and secure infrastructure services, now and into the future, is paramount. We aim to provide security in the services we deliver and avoid significant disruptions.

2

PROVIDING INFRASTRUCTURE SERVICES THAT MEET THE NEEDS OF OUR CHANGING POPULATION

We will continue to enable growth through the development of trunk and main infrastructure. However, as Tasman grows and changes, we expect the density of our urban populations to increase and there to be significant advancements in technology, presenting opportunities to optimise the use of existing assets through smarter operational procedures.

3

PLANNING, DEVELOPING AND MAINTAINING RESILIENT COMMUNITIES

Infrastructure resilience is the ability to reduce the magnitude and/or duration of disruptive events. We plan to invest in infrastructure that has the ability to anticipate, absorb, adapt to, and/or rapidly recover from a potentially disruptive event.

4

PRUDENT MANAGEMENT OF OUR EXISTING ASSETS AND ENVIRONMENT

We cannot lose sight of the importance of maintaining our existing assets or the need to continue to protect Tasman's natural environment. We aim to invest in renewal and maintenance at an optimised level to prevent built assets becoming run down and at the same time avoid their premature replacement.



OUR FINANCIAL STRATEGY

Our Financial Strategy sets out the overall approach for funding the activities and services the Council provides for the next 10 years. It guides our future funding decisions, and along with the Infrastructure Strategy, informs the capital and operational spending for the Long Term Plan (LTP) 2018–2028.

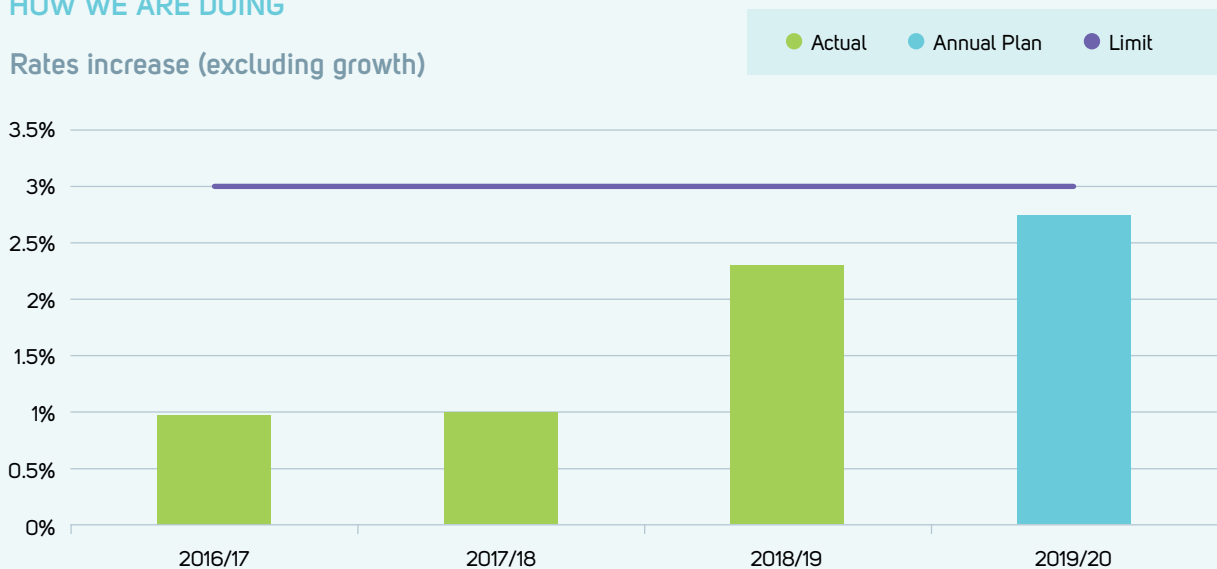
MINIMISE RATES INCREASES

Our strategy is to maintain rates increases at modest and stable levels. For the 10 years of our LTP 2018–2028, total rates increases are planned to be no more than 3% per annum plus an allowance for annual growth in rateable properties. General rates income will be capped at \$65 million per annum and targeted rates at \$60 million per annum.

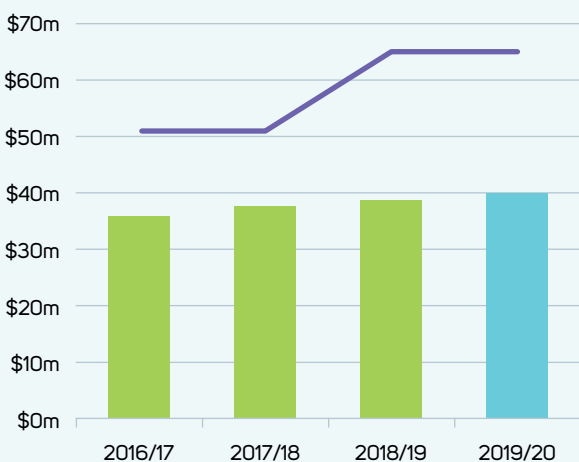
Several factors influence the Council's ability to stay within the 3% limit, such as the contract market pushing tender prices up for operational maintenance contracts, potential increases in loan interest costs, changing requirements from central government in terms of levels of service expectations and additional activities and services we may need to undertake, growth pressures etc.

HOW WE ARE DOING

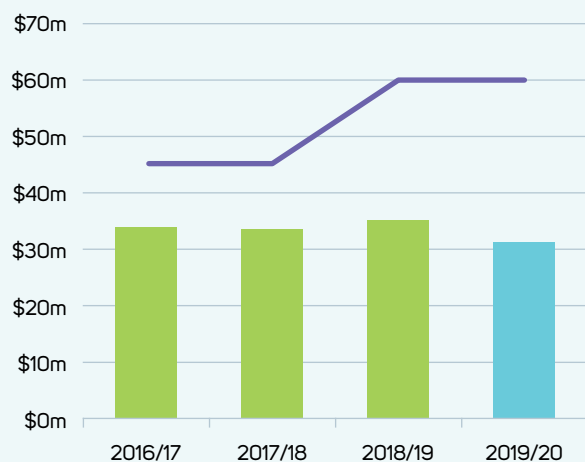
Rates increase (excluding growth)



General rates income



Targeted rates income



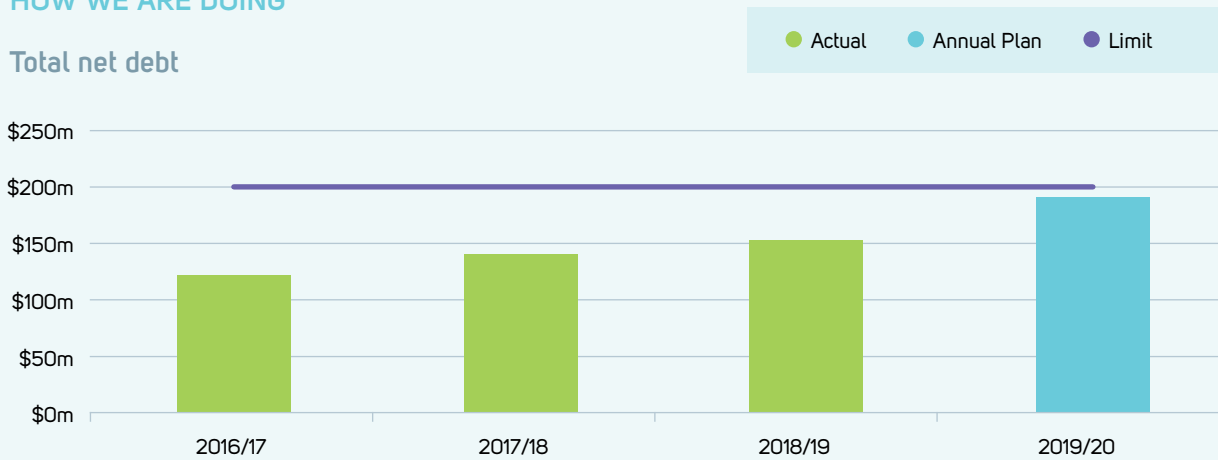
MINIMISE DEBT LEVELS

Our aim is to act in a financially prudent manner. For this reason, the Council has capped its net external debt to a maximum of \$200 million for the 10 years of the LTP 2018–2028. Several factors influence the Council’s ability to keep debt levels within the \$200 million cap, such as growth, demands for increased levels of service (e.g. Nelson Provincial Museum seeking funding for the research facility), contract market pushing up tender prices for capital works, growth pressures, changing requirements from central government etc.

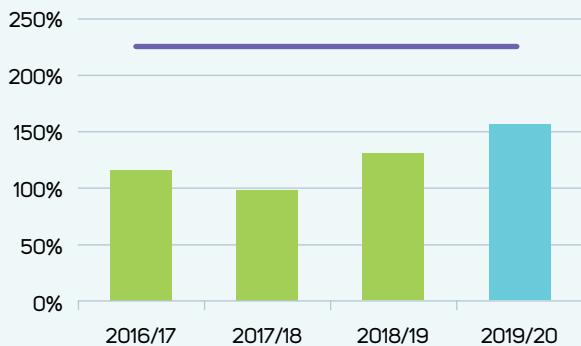
The Council has a credit rating of ‘AA with a stable outlook’ (Standard and Poors). This rating reflects our strong financial management, budgetary flexibility, liquidity and low contingent liabilities; and enables us to borrow funds at more favourable interest rates.

HOW WE ARE DOING

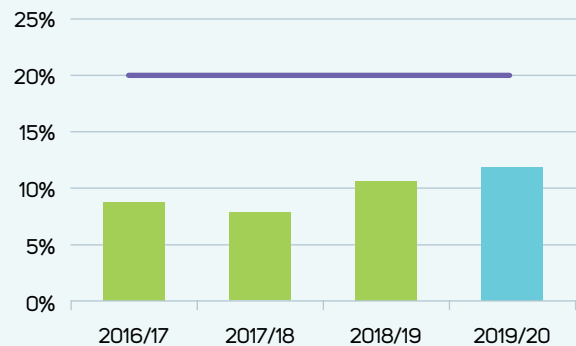
Total net debt



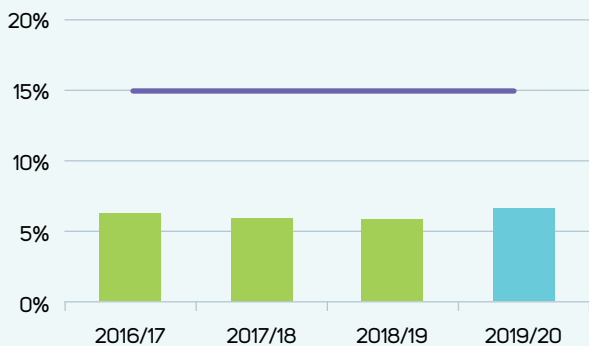
Net external debt/total operating revenue



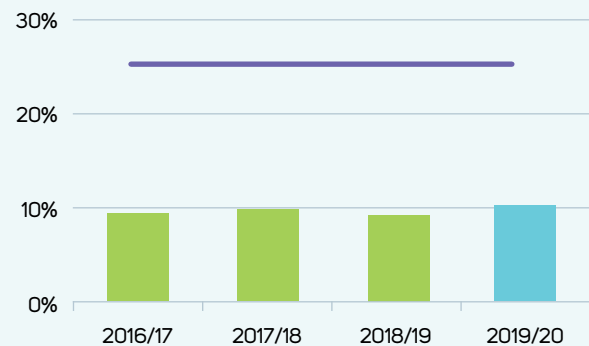
Net external debt/equity



Net interest/total operating income



Net interest/total rates income



BALANCE USER PAYS WITH PUBLIC GOOD

For the past several years, the Council has maintained its philosophy of where possible targeting those who use the assets or who exacerbate activities to pay for those benefits. To recognise our large District, predominantly rural nature and number of small communities, we also use a number of District-wide targeted rates and the general rate to share the costs of providing services across the entire District.

HOW WE ARE DOING

Council reviews its fees and charges every year. Every 3 – 6 years we also review our rating policies. This includes the Revenue and Financing Policy, our Rates Remission Policy, and Policy on the Remission and Postponement of Rates on Maori Freehold Land.

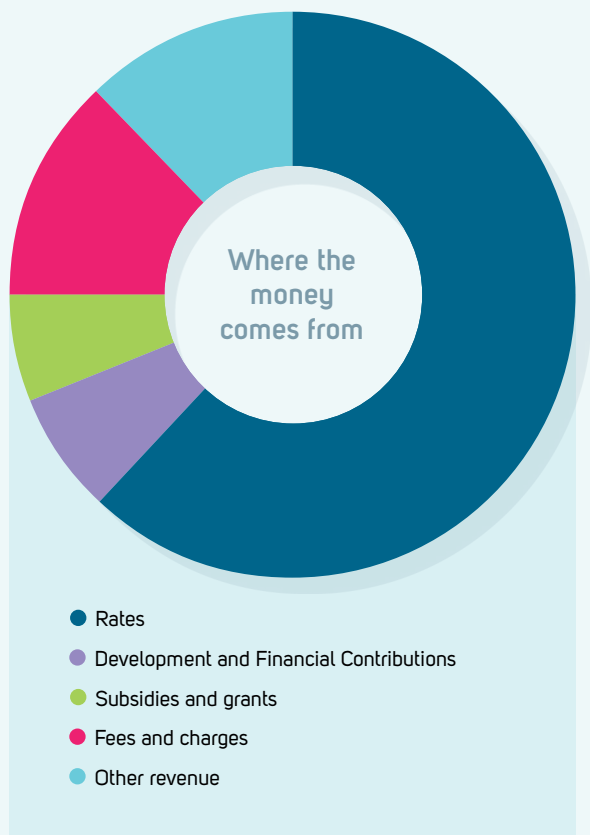


INCREASE OTHER INCOME (NOT RATES)

In order to moderate our rates levels, we also look to other sources of revenue. This includes fees and charges, Government and grant funding, applying for subsidies, and increasing earnings and dividends from our commercial investments.

HOW WE ARE DOING

This graph is based on the Long Term Plan 2018 – 2028 budgets. It shows the planned proportion of all revenue sources over the 10 years of the LTP, excluding revaluations, vested assets and the Council’s share of its joint ventures and associate’s income.



RETURN ON EQUITY INVESTMENTS

Following is a summary of the Council's return on investments compared with the targets specified in the Financial Strategy. The 2018/2019 returns have been sourced from the companies' 2018/2019 Statements of Intent (SOI).

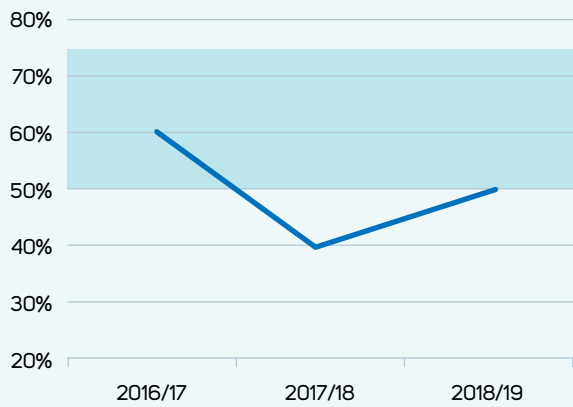


PORT NELSON LIMITED

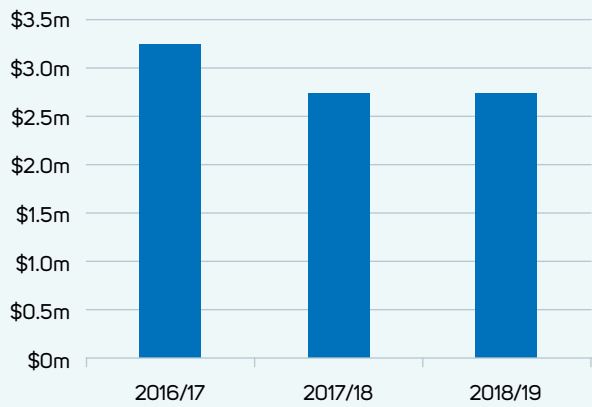
The Tasman District Council is a 50% shareholder with Nelson City Council.

Target return: Annual dividend of not less than 50% and not more than 75% of Net Profit After Tax.

Dividend as % net profit after tax



Port Nelson dividend received



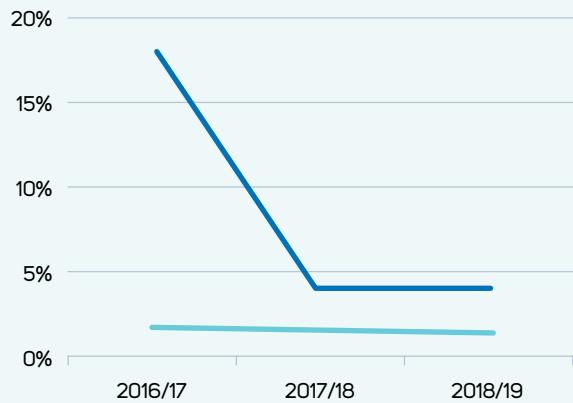
While showing as not achieved in 2017/18, the dividend is in line with the agreed distribution contained in Port Nelson's Statement of Intent.

NELSON AIRPORT LIMITED

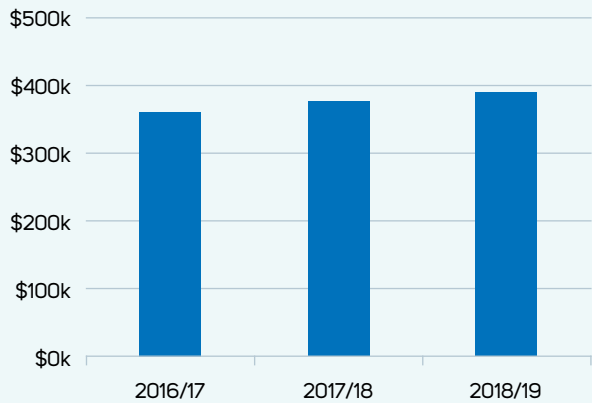
The Tasman District Council is a 50% shareholder with Nelson City Council.

Target return: Annual dividend both higher than previous financial year and inflation (CPI) for the last published period.

% increase in dividend



Nelson Airport dividend received

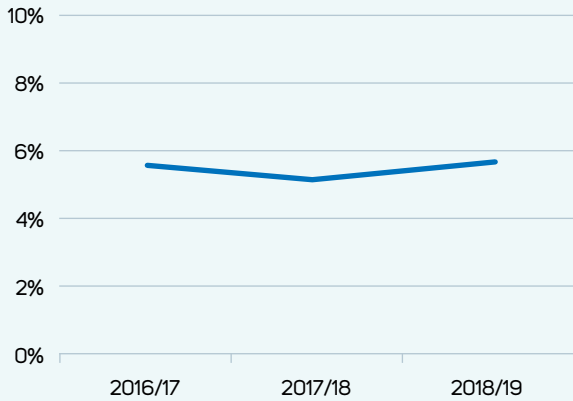


NEW ZEALAND LOCAL GOVERNMENT FUNDING AGENCY (LGFA)

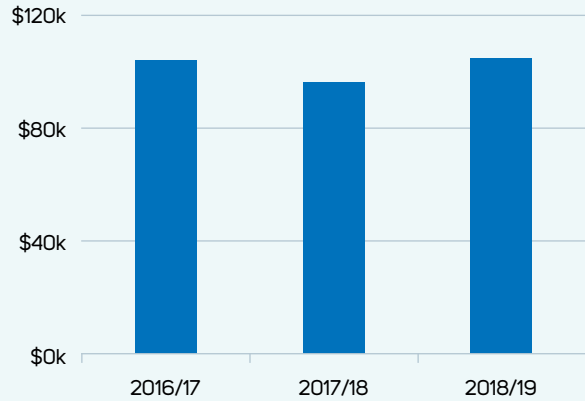
The Council is a minority shareholder in the LGFA and as such receives dividends from it.

Target return: Annual dividend equal to the LGFA cost of funds plus 2%.

LGFA cost of funds + 2%

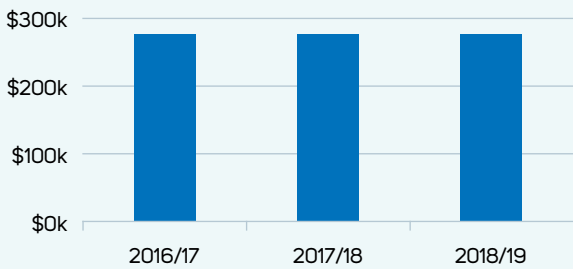


LGFA dividend received

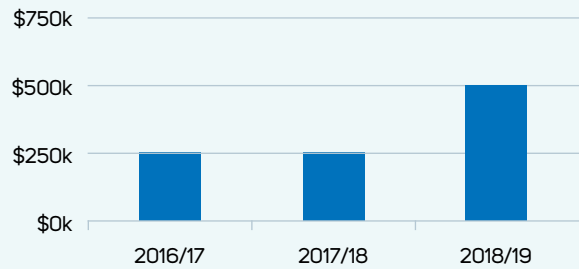


COMMERCIAL FORESTRY

10% of net forestry revenues derived from Moturoa/Rabbit Island must be used for the maintenance of Moturoa/Rabbit Island each year. **Achieved.**

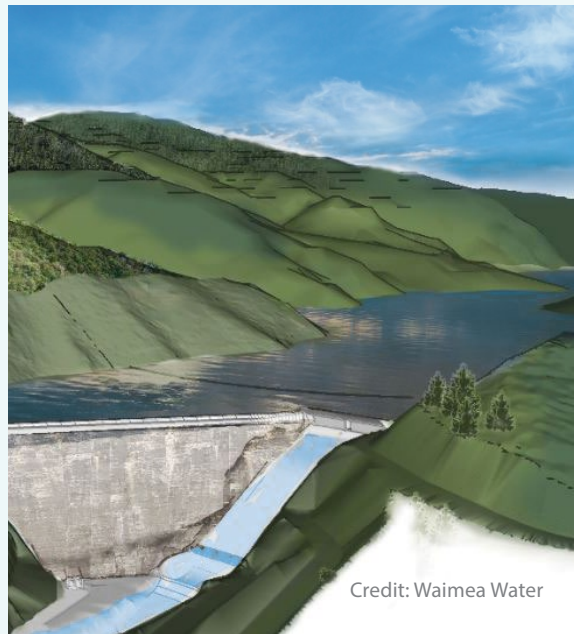


Internal dividends contribute to reducing the Council's rate requirements, assist with the repayment of Council debt, or provide support for the capital programme in relation to commercial or semi-commercial activities. **Achieved.**



WAIMEA WATER LTD

There is no targeted return on this investment. The company will be operated on a break-even basis only. There will be no dividends paid to shareholders.



Credit: Waimea Water

FINANCIAL PERFORMANCE

FUNDING IMPACT STATEMENT as at 30 June (\$'000)

ACTUAL 2016/2017	ACTUAL 2017/2018	ESTIMATE 2018/2019		ANNUAL 2019/2020	LONG TERM PLAN 2018 – 2028		
					2020/2021	2021/2022	2022/2023
SOURCES OF OPERATING FUNDING							
36,160	37,902	39,113	General rates, uniform annual general charges, rates penalties	40,602	41,973	43,254	45,293
33,692	33,494	35,059	Targeted rates	35,936	37,296	39,188	40,453
3,580	9,758	4,819	Subsidies and grants for operating purposes	3,664	3,739	3,920	3,987
17,923	15,304	15,436	Fees and charges	15,284	16,603	16,963	17,571
4,052	3,393	5,038	Interest and dividends from investments	3,208	3,387	3,515	3,672
7,065	14,962	15,635	Local authorities fuel tax, fines, infringement fees, and other receipts	18,999	22,734	21,922	24,374
102,472	114,813	115,100	Total sources of operating funding	117,693	125,732	128,762	135,350
APPLICATIONS OF OPERATING FUNDING							
70,649	91,098	87,334	Payments to staff and suppliers	88,135	87,404	89,587	94,424
7,060	7,502	7,781	Finance costs	8,137	9,477	9,383	9,580
–	–	–	Other operating funding applications	–	–	–	–
77,709	98,600	95,115	Total applications of operating funding	96,272	96,881	98,970	104,004
24,763	16,213	19,985	Surplus/(deficit) of operating funding	21,421	28,851	29,792	31,346
SOURCES OF CAPITAL FUNDING							
4,021	4,291	4,167	Subsidies and grants for capital expenditure	7,585	3,852	3,941	4,256
5,104	8,347	12,276	Development and financial contributions	10,135	10,235	8,236	8,321
(6,778)	27,500	17,996	Increase/(decrease) in debt	11,322	4,743	(197)	(1,001)
523	385	62	Gross proceeds from sale of assets	62	62	62	62
–	–	–	Lump sum contributions	–	–	–	–
–	–	–	Other dedicated capital funding	–	–	–	–
2,870	40,523	34,501	Total sources of capital funding	29,104	18,892	12,042	11,638
APPLICATIONS OF CAPITAL FUNDING							
Capital expenditure							
26	528	942	• To meet additional demand	1,556	5,965	6,671	5,007
2,868	8,164	11,313	• To improve the level of service	15,351	16,217	15,216	18,844
30,551	36,337	24,825	• To replace existing assets	22,758	23,626	17,335	16,003
(5,760)	1,258	(1,903)	Increase/(decrease) in reserves	(915)	1,963	2,623	3,143
(52)	10,450	19,310	Increase/(decrease) in investments	11,775	(28)	(11)	(13)
27,633	56,736	54,487	Total applications of capital funding	50,525	47,743	41,834	42,984
(24,763)	(16,213)	(19,985)	Surplus/(deficit) of capital funding	(21,421)	(28,851)	(29,792)	(31,346)
–	–	–	Funding balance	–	–	–	–

SUMMARY STATEMENT OF FINANCIAL POSITION

as at 30 June (\$'000)

ACTUAL 2016/2017	ACTUAL 2017/2018	ESTIMATE 2018/2019		ANNUAL 2019/2020	LONG TERM PLAN 2018 – 2028		
					2020/2021	2021/2022	2022/2023
CURRENT ASSETS							
17,453	35,327	29,307	Financial assets	25,037	26,888	26,909	27,766
560	–	–	Other current assets	–	560	560	560
18,013	35,327	29,307	Total current assets	25,037	27,448	27,469	28,326
CURRENT LIABILITIES							
16,228	49,003	25,003	Current portion of borrowings	16,116	16,228	16,228	16,228
15,809	23,090	28,018	Other current liabilities	21,565	21,748	21,746	22,225
32,037	72,093	53,021	Total current liabilities	37,681	37,976	37,974	38,453
(14,024)	(36,766)	(23,714)	Working capital	(12,644)	(10,528)	(10,505)	(10,127)
NON-CURRENT ASSETS							
7,254	9,648	17,227	Financial assets	14,621	12,155	12,144	12,131
1,525,679	1,602,225	1,635,902	Other non-current assets	1,776,157	1,777,563	1,791,348	1,920,157
1,532,933	1,611,873	1,653,129	Total non-current assets	1,762,138	1,763,473	1,777,247	1,906,043
NON-CURRENT LIABILITIES							
110,003	104,500	146,496	Term borrowings	184,302	188,413	188,216	187,215
12,901	14,980	21,734	Other non-current liabilities	16,315	15,354	15,334	15,317
122,904	119,480	168,230	Total non-current liabilities	200,617	203,767	203,550	202,532
1,396,005	1,455,627	1,461,185	Total net assets	1,548,877	1,549,178	1,563,192	1,693,384
1,396,005	1,455,627	1,461,185	Total equity	1,548,877	1,549,178	1,563,192	1,693,384

The financial information contained in this report includes both actual and forecast figures.

The 2018/2019 figures have been estimated using the Council's May 2019 management reporting financial results prepared 10 June 2019, plus an estimate for June and adjusted for outstanding year-end items such as:

- accounting for Council's investments in associates,
- revaluation of forestry assets, and
- joint venture consolidation.

The adjustments made were based on either the Long Term Plan 2018 – 2028 budgets or best financial information available. Please note the difference between the estimated and actual year end results could be material.



STAND IN THE PLACE THAT YOU LOVE.

Tasman District Council needs passionate people with aroha for their community and District. Will you stand to represent your fellow Tasman residents and lead our beautiful region to a sustainable, vibrant and prosperous future?

We are looking for candidates with great ideas, enthusiasm, commitment to local people and a positive vision for the future and wellbeing of their community. If you know someone with these qualities, will you encourage them to put their hand up?

Local government elections will be held in October 2019. The people who are elected as mayor, councillors and community board members will lead Tasman for the next three years, making the local decisions that will affect our environment and communities.

It's an opportunity to make a genuine difference for the place that you love. Visit tasman.govt.nz/link/elections for more information about standing as a candidate in the 2019 local elections.

ELECTORAL OFFICER

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DEPUTY ELECTORAL OFFICER

Anna Gerraty, Phone: (03) 543 7281,
Email: anna.gerraty@tasman.govt.nz

KEY DATES

