

TASMAN DISTRICT COUNCIL

LONG TERM PLAN 2015–2025

INCLUDING THE ANNUAL PLAN 2015/2016 &
SOLID WASTE AMENDMENT 2016

VOLUME 1



making the right choices for Tasman's future

TASMAN DISTRICT COUNCIL

LONG TERM PLAN 2015–2025

INCLUDING THE ANNUAL PLAN 2015/2016 &
SOLID WASTE AMENDMENT 2016

VOLUME 1

making the right choices for Tasman's future

CONTENTS

MEMBERSHIP OF THE COUNCIL	4
PART 1 – INTRODUCTION	6
Welcome to Tasman District Council's Long Term Plan 2015-2025	7
How to find your way around the Long Term Plan	9
Mayor's and Chief Executive Officer's Message	10
Audit Report	12
Executive Summary	13
Consultation and Submissions	17
Your Rates	18
Examples of Total Rate Changes for Properties	20
Where Your Rates Go	22
Financial Strategy Summary	24
Infrastructure Strategy Summary	25
Key Issues	26
Funding Changes	35
Regional Interests and Shared Services with Nelson City Council	38
Council's Ten Year Financial Performance Summary	41
PART 2 – COUNCIL VISION AND COMMUNITY OUTCOMES	42
Council Vision	43
Council Mission	43
Community Outcomes	43
Map of Tasman District	44
Community Outcome Descriptors	45
PART 3 – COUNCIL ACTIVITIES	48
Council Activities	49
ENVIRONMENT AND PLANNING	50
Environmental Management	51
Public Health and Safety	66

ENGINEERING	78
Transportation, Roads and Footpaths	79
Coastal Structures	100
Water Supply	108
Wastewater	124
Stormwater	136
Solid Waste	150
Flood Protection and River Control Works	160
COMMUNITY DEVELOPMENT	168
Community Facilities and Parks	169
Community Relations	188
GOVERNANCE	200
COUNCIL ENTERPRISES AND PROPERTY	208
SUPPORT SERVICES	226

PART 4 – ACCOUNTING INFORMATION 230

Accounting Information	231
Inflation Adjusted Accounts	242
Reserve Financial Contributions	260
Assumptions	272
Reserve Funds	280
Financial Regulations Benchmarks	284

PART 5 – APPENDICES 292

Appendix 1: Tasman Today	293
Appendix 2: Statutory Functions	294
Appendix 3: Glossary of Terms	295
Appendix 4: List of requests contained in submissions on the Plan but not included in this final Plan	299
Appendix 5: Summary of Population Projections	301
Appendix 6: General Council Information	303
Appendix 7: Committees, Responsibilities and Portfolios	304
Appendix 8: Community Boards	306
Appendix 9: Council Management	306
Appendix 10: Audit Report for the Solid Waste Amendment 2016	307

MEMBERSHIP OF THE COUNCIL

Tasman Mayor



Mayor Richard Kempthorne

Moutere/Waimea Ward



Cr Brian Ensor



Deputy Mayor, Cr Tim King



Cr Trevor Norris

Lakes/Murchison Ward



Cr Stuart Bryant

Golden Bay Ward



Cr Martine Bouillir



Cr Paul Sangster

Motueka Ward



Cr Peter Canton



Cr Barry Dowler



Cr Jack Inglis

Richmond Ward



Cr Judene Edgar



Cr Mark Greening



Cr Michael Higgins



Cr Zane Mirfin



PART 1 INTRODUCTION

Upper Moutere

WELCOME TO TASMAN DISTRICT COUNCIL'S LONG TERM PLAN 2015-2025. THIS PLAN INCORPORATES THE ANNUAL PLAN 2015/2016, AND COUNCIL'S FINANCIAL AND INFRASTRUCTURE STRATEGIES.

This Long Term Plan outlines the activities and services Council is planning to provide over the coming 10 years. It 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 costs of Council providing those services and activities.

The outcomes identified by 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 these outcomes.

The public had the opportunity to make submissions on Council's options via the Consultation Document, supporting information and related consultations for the Long Term Plan during March and April 2015. Council also held hearings where submitters could present their submissions in person if they chose. Council has considered the submissions received during the consultation phase and made decisions on the changes it wanted to include in the final Plan.

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, with subsequent Plans produced in 2006, and then three yearly. 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 and incorporates the Annual Plan for 2015/2016.

Between the three yearly Long Term Plan reviews, Council produces an Annual Plan for each financial year. Council will only consult on the Annual Plan when there will be significant or material differences from the content of 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.

It is important to note that the financial information contained in this document is forecast information based on assumptions of what 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. 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.

In September 2016 we amended this Long Term Plan to incorporate changes to the Solid Waste Activity group.



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. 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' come from the Local Government Act. Please refer to the glossary in Appendix 3 for an explanation of unfamiliar terms.

TWO VOLUMES

The Long Term Plan comprises two volumes.

Volume 1 (this document) is where you will find:

- The key issues Council is planning to address.
- Council's vision, mission, and community outcomes.
- The services Council plans to provide and to what level.
- What key projects will be undertaken and when they are planned to occur.
- Most of Council's financial information and how much Council plans to spend on its activities, services or projects.

Volume 2 contains all of the supporting policies and strategies that Council is required to include, such as:

- The Financial Strategy
- The Infrastructure Strategy
- Funding Impact Statement (sets out information on the rating system) and Rating Maps
- Schedule of Charges
- Revenue and Financing Policy
- Rates Remission Policy
- Policy for Early Payment of Rates in the Current Financial Year
- Policy on Rate Relief for Māori Freehold Land

- Significance and Engagement Policy
- Statement on Fostering Māori Participation in Council Decision-Making
- Development Contributions Policy
- Treasury Risk Management 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 Council's Activity Management Plans, which are available for most of the activities Council undertakes. These Activity Management Plans are useful supporting 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 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 this Long Term Plan, check to see if it is listed in the section on projects that were considered but not included (Appendix 4) or in the Activity Management Plans, which are available separately on Council's website, or from 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

Welcome to our Long Term Plan for 2015-2025. This Plan is one of the most challenging we have produced. We have had to face some big issues and make difficult decisions about how Council spends its money over the next 10 years. As indicated in our earlier Consultation Document, issues include supporting the community to develop sustainably and putting Council on a more stable financial footing. That has meant limiting rate increases for our ratepayers, and managing Council's expenditure and debt within tighter limits. Our other challenging issues include responding to population growth; coping with natural hazards; securing an adequate supply of water for the future; and obtaining regional benefits for Tasman District.

We have made some substantial changes to what activities Council funds and how we fund them since the last Long Term Plan. The changes enable Council to address some of the community's concerns about debt. We think you will be pleased with the significant reduction in our net debt forecast which is now \$120 million in year 10 of the Plan and the 3% per annum (plus an allowance for growth) limit we propose on increases to rates income in any one year. We can achieve our financial objectives of reducing the projected growth in debt and rates by changing how we fund the wearing out of assets (depreciation), and by ensuring that the amount of money we spend on capital projects supports growth and is spent wisely. We are confident we can achieve these objectives without compromising what's important to our communities.

Providing core services and planning for growth continue to be our priorities. In the past, Council has invested heavily in roads, stormwater networks, drinking water supplies, wastewater systems and community facilities. We recognise that Council cannot afford to continue to invest at that rate nor do we need to. Tasman District is well set up for the future. While we will continue to develop our asset base to meet growth demands and the changing standards set by national legislation, we can afford to cut non-essential projects and delay others in order to reduce costs. We have reduced our external contracts and increased in-house engineering capacity. This change in management approach allows us to understand our assets better and get more life out of the assets we own before they have to be renewed (and saves money by doing so). We have also focused on reducing our operating costs.

Supplying water to our communities continues to be a core responsibility of Council and is a significant issue for us. This means we must consider and plan for secure water supplies for our communities. Water shortages could reduce our levels of service and affect current and future users, adversely impacting on our environment and many areas of our regional economy.

A proposal to fund the Waimea Community Dam almost entirely from rates was consulted on in 2014 but the funding proposal did not proceed. We are still proposing to provide funding for the Waimea Community Dam in the Long Term Plan 2015-2025 – but to a lesser extent. The funding is limited to \$25 million and will mainly be used to meet the Council's community water supplies needs and to pay for some of the public benefits (like the environmental and economic benefits) that the dam will provide. We have budgeted to meet two thirds of the cost of the capacity of the dam that is for environmental purposes and other community benefits. If the funds aren't used for the Waimea Community Dam they will be needed to meet the cost of an alternative community water supply.

If the project is to go ahead the other major water users, irrigators mostly, will need to investigate and provide their own funding. Engagement with irrigators is planned to be carried out by the Waimea Community Dam Company.

While we are focused on a lack of water on the one hand we also recognise that Tasman is subject to some extreme weather events and other natural hazards. Our priority is to plan for these and to ensure there is enough money committed to recover from damaging natural events. Finally, we are committed to building effective relationships with our regional partners including Nelson City Council and Nga Iwi o Te Tau Ihu.

We would like to thank Councillors, the senior management team and the staff for all their work in preparing this Plan particularly given the challenging financial limits and goals set out in the Financial Strategy.

We would also like to thank the over 500 submitters who took the time to write submissions on the Consultation Document and supporting information, many of whom presented their submissions at the hearings. About half of those submitters supported Council funding (to various degrees) the Kohatu Motor Sport Park. While Council is supportive of initiatives with regional benefits, regrettably the project does not fit with Council's funding priorities at this time.



Richard Kempthorne
Mayor

Lindsay McKenzie
Chief Executive Officer

To the reader

Independent auditor's report on Tasman District Council's 2015/25 Long Term Plan¹

I am the Auditor General's appointed auditor for Tasman District Council (the Council). Section 94 of the Local Government Act 2002 (the Act) requires an audit report on the Council's Long Term Plan (the plan). I have carried out this audit using the staff and resources of Audit New Zealand. We completed the audit on 25 June 2015.

OPINION

In my opinion:

- the plan provides a reasonable basis for:
 - long term, integrated decision making and coordination of the Council's resources; and
 - accountability of the Council to the community;
- the information and assumptions underlying the forecast information in the plan are reasonable; and
- the disclosures on pages 284 to 291 of volume one represent a complete list of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 and accurately reflect the information drawn from the Council's audited information.

This opinion does not provide assurance that the forecasts in the plan will be achieved, because events do not always occur as expected and variations may be material. Nor does it guarantee complete accuracy of the information in the plan.

BASIS OF OPINION

We carried out our work in accordance with the Auditor General's Auditing Standards, relevant international standards and the ethical requirements in those standards.²

We assessed the evidence the Council has to support the information and disclosures in the plan and the application of its policies and strategies to the forecast information in the plan. To select appropriate audit procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the plan.

Our audit procedures included assessing whether:

- the Council's financial strategy, and the associated financial policies, support prudent financial management by the Council;
- the Council's infrastructure strategy identifies the significant infrastructure issues that the Council is likely to face over the next 30 years;
- the information in the plan is based on materially complete and reliable asset and activity information;
- the Council's key plans and policies have been consistently applied in the development of the forecast information;

- the assumptions set out within the plan are based on the best information currently available to the Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast financial information has been properly prepared on the basis of the underlying information and the assumptions adopted and complies with generally accepted accounting practice in New Zealand;
- the rationale for the Council's activities is clearly presented and agreed levels of service are reflected throughout the plan;
- the levels of service and performance measures are reasonable estimates and reflect the main aspects of the Council's intended service delivery and performance; and
- the relationship between the levels of service, performance measures and forecast financial information has been adequately explained within the plan.

We did not evaluate the security and controls over the electronic publication of the plan.

RESPONSIBILITIES OF THE COUNCIL AND AUDITOR

The Council is responsible for:

- meeting all legal requirements affecting its procedures, decisions, consultation, disclosures and other actions relating to the preparation of the plan;
- presenting forecast financial information in accordance with generally accepted accounting practice in New Zealand; and
- having systems and processes in place to enable the preparation of a plan that is free from material misstatement.

I am responsible for expressing an independent opinion on aspects of the plan, as required by sections 94 and 259C of the Act. I do not express an opinion on the merits of the plan's policy content.

INDEPENDENCE

We have followed the independence requirements of the Auditor General, which incorporate those of the External Reporting Board. Other than our work in carrying out all legally required external audits, we have no relationship with or interests in the Council or any of its subsidiaries.



Bede Kearney, Audit New Zealand

On behalf of the Auditor General, Christchurch, New Zealand

¹ The Audit New Zealand opinion for the Solid Waste Amendment 2016 is attached in Appendix 10.

² The International Standard on Assurance Engagements (New Zealand) 3000 (Revised): *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and The International Standard on Assurance Engagements 3400: *The Examination of Prospective Financial Information*.

EXECUTIVE SUMMARY

KEY ISSUES AND RESPONSES

The key issues in this Long Term Plan have informed and shaped which projects and activities we will undertake in the coming years to respond to them. The key issues section is one of the most important in the document. We encourage you to read the information about each of the key issues on pages 26-34, which state what the issues are and what Council is planning to do about them. The table below provides a summary of these issues and how Council plans to respond.

ISSUE	RESPONSE
1. Addressing Rates Affordability	<ul style="list-style-type: none"> Limit total rates income increases to a maximum of 3% per annum plus an allowance for growth. Growth rates are expected to be between 1.17% to 2.55% per annum during the 10 years of the plan. Work within a fiscal envelope that sets a limit on general rates of \$51 million per annum and targeted rates of \$46 million per annum over the 10 year period.
2. Managing Council's Debt	<ul style="list-style-type: none"> Set the external net debt limit at \$200 million. Limit servicing of Council debt to 15% of operating income. Fund "the 'wear and tear' (depreciation) on assets progressively from cash flow as the asset wears out rather than borrowing to pay for the replacement asset. Council assets will be reviewed for potential sale.
3A. Developing Resilient Communities Part A. Providing a secure water supply, with a focus on the Waimea Community Dam	<ul style="list-style-type: none"> Provide up to \$25 million towards the construction of the Waimea Community Dam with the balance of costs to be funded by external sources including irrigators and Crown Irrigation Investment Fund. Refer to the Waimea Community Dam website (www.waimeacommunitydam.co.nz) for more information on the proposed dam.
3B. Developing Resilient Communities Part B. Hazard planning and recovery.	<ul style="list-style-type: none"> Undertake an assessment of stormwater secondary flow paths at a cost of \$2.017 million over 10 years. Undertake hazard risk assessments and modelling for settlements vulnerable to sea level rise and associated planning responses. Build and maintain the Council's disaster recovery funds to \$6.5 million by 2018. Maintain appropriate operational budgets, insurance cover, committed borrowing facilities and self insurance funds to mitigate or recover from unexpected disaster events.
4A. Responding to Population Growth Part A. Providing sufficient land and services	<ul style="list-style-type: none"> Extend infrastructure rather than provide for piecemeal development when considering additional land for residential development including through Tasman Resource Management Plan Changes. Implementing the Central Government Housing Accord for Tasman District.
4B. Responding to Population Growth Part B. Development Contributions Policy changes	<ul style="list-style-type: none"> Adopt the Development Contributions Policy. Require the costs of providing the growth component of infrastructure to be paid by the developer, rather than general ratepayers.
5. Maximising Regional Opportunities	<ul style="list-style-type: none"> Develop a memorandum of understanding with each or all iwi in Te Tau Ihu (the top of the South). Rationalise investment of capital for regional infrastructure (e.g. solid waste landfill). Improve governance arrangements for shared facilities, such as regional scale infrastructure and facilities that deliver regional benefit. Review existing funding of 'out of Tasman District' activities to enable Council to fund further activities within the Tasman District. Not fund 'out of district' regional initiatives.

THE MAJOR CAPITAL PROJECTS WE HAVE PLANNED FOR YOU FROM 2015–2025

Over the next 10 years we are planning to:

- Upgrade wastewater and stormwater systems,
- Develop new water supplies and upgrade existing ones to meet Central Government drinking water standards,
- Undertake town centre improvements,
- Upgrade the Motueka library and,
- Complete the Golden Bay Community Facility.

Council is also planning to undertake maintenance, replacement and renewal of a range of its existing assets. Funding has been allowed in the Long Term Plan to undertake that work.

The infrastructure strategy also sets out the major capital engineering projects, but for a longer time period – from 2015 to 2045. This enables Council to plan ahead. The following list shows what and when Council is planning to undertake projects exceeding approximately \$5 million over the term of this Long Term Plan.

MAJOR PROJECTS TIMELINE		
YEARS	PROJECTS	BUDGET
2015 – 2025	Richmond central improvements (stormwater)	\$15m
2015 – 2032	Borck Creek capacity upgrade (stormwater)	\$14.1m
2015 – 2020	Waimea Community Dam (water)	\$25m
2018 – 2023	Mapua/Ruby Bay rising mains and pump stations upgrades (wastewater)	\$5.1m
2018 – 2026	Pohara to Tarakohe pump station and rising main upgrades (wastewater)	\$6.1m
2023 – 2035	Wastewater trunk main upgrade from Wakefield to Three Brothers corner (wastewater)	\$12.5m
2024 – 2026	Richmond new ground water source (water)	\$4.5m

OTHER CAPITAL PROJECTS 2015-2025

GOLDEN BAY COMMUNITY FACILITY

\$3.2 million split over the 2014/2015 and 2015/2016 financial years.

FUNDING THE EXPANSION/REDEVELOPMENT OF THE MOTUEKA LIBRARY

\$2.1 million over two years starting in 2019/2020 for design and construction costs.

SAXTON FIELD PROJECTS

\$2.8 million for Saxton Field developments over the next 10 years.

FUNDING FOR CYCLEWAYS

\$1.2 million allocated for completion of Tasman's Great Taste Trail through to Woodstock (provided matching funds can be obtained from external providers).

The capital works programmes are outlined in more detail in each of the Activity Management Plans. Significant changes to the last Long Term Plan programme have been made, with many projects delayed, budgets cut or removed from the programme entirely.

LEVELS OF SERVICE

The Council is tasked with providing good quality local infrastructure and local public services, and cost effective regulatory functions. The budgets in this Long Term Plan are designed to maintain the overall level of services, facilities and regulatory functions provided by the Council.

Previous investment by the Council means Tasman's infrastructure needs are well provided for. As a result, the Council has been able to pull back on many planned projects to lift service levels, particularly in the first 10 years of the Long Term. This helps achieve our financial goals of reducing debt and rates income increases. For some activities and services there will be improvements to levels of service. In the short term, the Council's highest priority for service level improvements will be on ensuring water security for the Waimea urban water supply areas and stormwater improvements in Tasman District. Other important improvements to levels of service that have been programmed are:

- Improvements to comply with drinking water standards;
- Improvements to stormwater drainage in some catchments;
- Increased services for recycling solid waste;
- Commercial campground facilities; and,
- Improvements to comply with wastewater disposal standards.

You shouldn't notice many changes in the services we deliver. Cuts to non-essential projects or delays to others are not expected to reduce the levels of service enjoyed by our communities.

In the longer term, better management will allow us to get more life out of the assets we own before they have to be renewed. The Council anticipates 'sweating its assets' (the term described in the Infrastructure Strategy as a way of extending the life of an asset) which may increase the risk of occasional unexpected disruptions to service delivery. The Council will be working hard to avoid these disruptions, where possible, by improving its knowledge of asset condition; retaining budgets for operations and maintenance; and holding sufficient borrowing capacity should an asset urgently need to be replaced.

HOW WE PLAN TO PAY FOR IT ALL

Council is planning to spend an average of \$29.5 million per annum (including inflation) on capital projects and an average of \$79.4 million per annum on day to day essential services (operational expenditure, excluding interest and depreciation) over the next 10 years. Council uses a mix of general and targeted rates, user charges, commercial income, rental income and NZ Transport Agency subsidies as a means of funding both operating and capital expenditure.

The use of targeted rates depends 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 usually funded by the general rate.

To assist in keeping rates affordable, Council is limiting general rates income to \$51 million per annum and targeted rates to \$46 million per annum over the life of this Plan. When adjusted for inflation, the increase in rates during this Plan is relatively low and well below the level of increase experienced between 2005 and 2012, and that forecast in the last Long Term Plan 2012-2022.

Council is also limiting total rates income increases to a maximum of 3% per annum, plus an allowance for annual growth in rateable properties. The growth component varies from 1.17% to 2.55% per annum during the 10 years of the Plan.

Since 2005, the increases in targeted rates have been higher than general rates, which reflects the investment in infrastructure. This increase in targeted rates impacts on households receiving the services, usually households in urban areas. During the term of this Plan, increases to targeted rates are similar to general rates.

OUR DEBT PROFILE OVER THE 10 YEARS

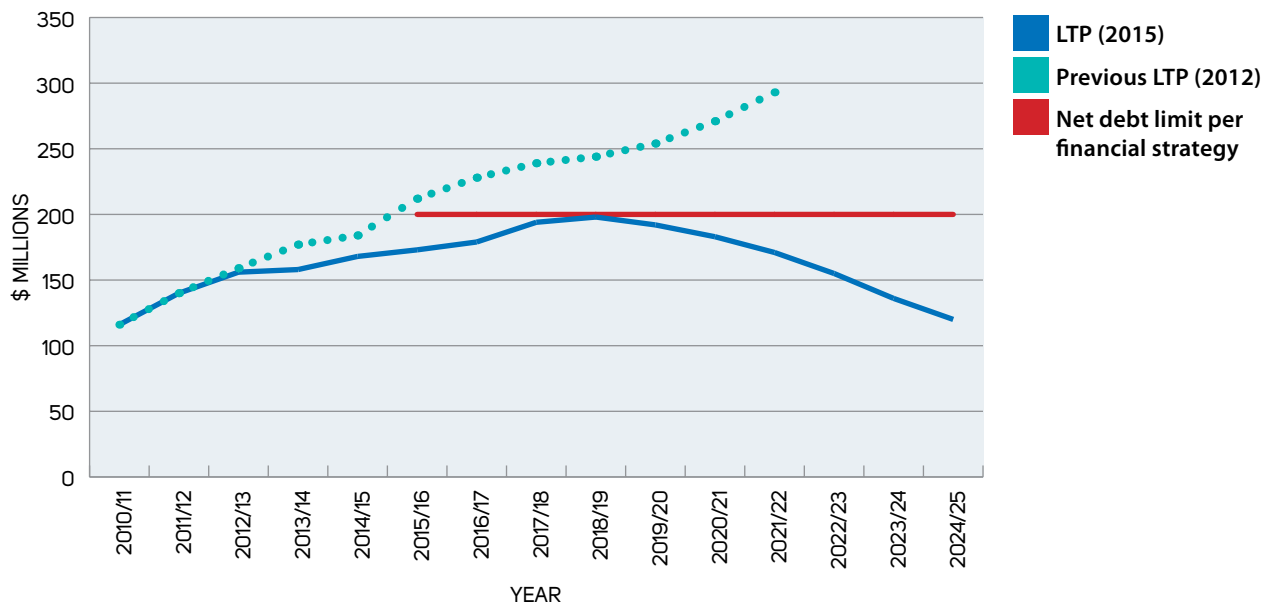
Significant debt reductions are forecast under Council's financial strategy. Reductions in debt are mainly driven by:

- moving to fully funding the wearing out of assets over their lives (funding depreciation). This will result in improved cashflows into Council, so it needs to borrow less to fund the replacement of existing infrastructure;
- reducing the overall capital expenditure programme;
- a reduction in Council's Opening Debt Position; and
- a reduction in debt associated with development contributions.

Reducing debt has multiple benefits, including more affordable rates over the long term, and improved flexibility to respond to unexpected events as they arise.

The following graph on debt reflects the net debt profile and limits on debt for the Long Term Plan 2015-2025. Net debt is predicted to peak at \$197.5 million and reduce from \$168 million (projected at 30 June 2015) to \$120.3 million by 2025.

FIGURE 1. TOTAL NET DEBT



CONSULTATION AND SUBMISSIONS

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 Consultation Document, related consultation processes and/or supporting information. Your input has been considered throughout the decision making processes.

CONSULTATION PROCESS

The Consultation Document for the Long Term Plan and related consultations were publicly notified on 9 March 2015, with submissions closing on 20 April 2015.

We publicised the availability of the Consultation Document and related consultations online, on the radio, through public notices, at community meetings and in several editions of Council's fortnightly publication 'Newslines' (i.e. those published between January and April 2015). Newslines are delivered to every household and ratepayer in the District. Copies of the Consultation Document, related consultations and supporting information were available on Council's website, CD or in hardcopy at Council's offices and libraries. The Tasman District Settlement Areas document provided a summary of what was being proposed in each settlement.

We ran a series of consultation discussion sessions around Tasman District on Long Term Plan consultations during March and April 2015. 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 session in the evenings. Several of the evening sessions were held in conjunction with local community association meetings.

A total of 544 submissions were received on the Consultation Document or related consultations, with 98 submitters wishing to be heard. We held four days of hearings in Richmond, Motueka, and Takaka in May to listen to the submissions. The hearings were followed by four days of workshops in late May for Councillors to discuss the submissions. Council considered its response to the submissions at a meeting on 28 May 2015. Council adopted this final Long Term Plan on 25 June 2015.

SUBMISSIONS AND CHANGES MADE FOR THE FINAL LONG TERM PLAN

We received submissions on the Long Term Plan consultation material 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 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. Council received requests for expenditure on a wide range of activities or services for the period 2015-2025. To grant all these requests would also have meant Council would have breached its rates and debt limits set out in the Financial Strategy. Refer to Appendix 4 for the list of items considered by Council during the preparation of the Long Term Plan but which were not included.

The key topics raised in the submissions, along with the approximate number of submissions (noting that some submissions are combined submission points or groups representing wider membership), were:

- Motorsport facility (224)
- Waimea Community Dam (162)
- Environment and planning matters (48)
- Community development matters (43)
- Cycleways (41)
- Debt (33)
- Consultation Document (33)
- Corporate matters (31)
- Draft Development Contributions policy (25)
- Rates Affordability (24)
- Stormwater (23)

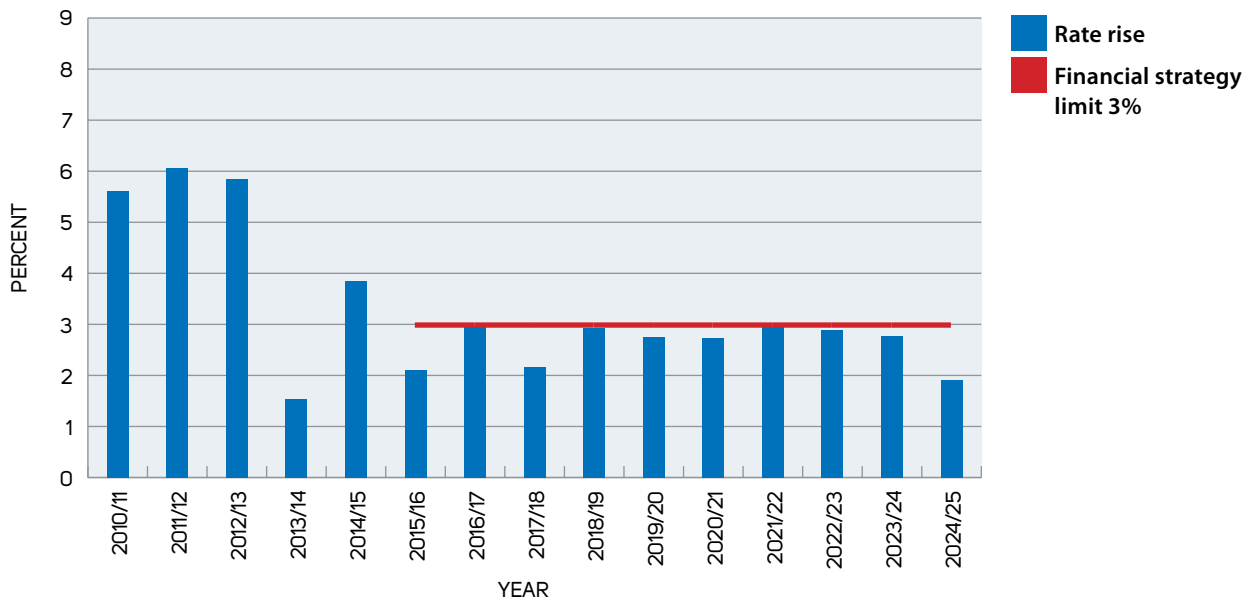
In addition to the specific matters raised above there were a smaller number of submissions covering other subjects.

YOUR RATES

AVERAGE PERCENTAGE INCREASE IN RATES INCOME (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. Council is limiting total rates income increases to a maximum of 3% per annum, plus an allowance for growth. The growth component varies from 1.17% to 2.55% per annum over the 10 years of the Plan. Within this overall limit, individual rates may change by a greater or lesser extent depending on the services available to the property and changes to relative property values. This is a substantially lower level of increase than has occurred in the past.

FIGURE 2. INCREASE TO RATES INCOME (EXCLUDING GROWTH)



The uniform annual general charge in 2015/2016 remains at the 2014/2015 amount of \$290 per rating unit. A total of \$6,529,000 (incl. GST) is proposed to be collected from the uniform annual general charge in 2015/2016.

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. During the term of this Plan, increases to targeted rates are similar to general rates. Targeted rates are expected to remain stable at just under 35% of total annual operating revenue during the term of this Plan. This is a lower proportion of total income, compared to the last Plan. This reflects the changes to the capital programme, the impact of changing how depreciation is funded and operational savings.

Council has identified targeted rates over the next 10 year period for:

- Stormwater
- Water supply
- Wastewater
- Regional river works
- Motueka and Richmond business rates
- Ruby Bay stopbank
- Mapua stopbank
- Motueka flood control
- Torrent Bay replenishment
- District facilities
- Shared facilities
- Facilities operations
- Museums facilities
- Refuse/recycling
- Golden Bay and Motueka community boards
- Mapua rehabilitation
- Warm Tasman (optional rate)

Targeted rates to be discontinued are set out in the table below and reflect changes to Council's funding policies or projects.

TARGETED RATES TO BE DISCONTINUED OVER THE 10 YEARS ARE:

EXISTING RATES TO BE DISCONTINUED	LAST YEAR RATE PLANNED
Motueka Flood Control Rate	Year 5
Ruby Bay Stopbank Rate	Year 7

For a more detailed analysis of how targeted rates are likely to affect you for the 2015/2016 year, please refer to the Funding Impact Statement in Volume 2 of this Long Term Plan.

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) to find out. There is also the Rates Rebate Scheme to help people on lower incomes (www.ratesrebates.govt.nz).

EXAMPLES OF TOTAL RATE CHANGES FOR PROPERTIES

To further clarify the rates changes between the 2014/2015 year to those for the 2015/2016 year, a selection of 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 rateable properties in the District.

The rating effects on individual properties vary because of differing valuation changes, and because targeted rates do not apply uniformly to all properties. An increase in property value does not necessarily mean a corresponding increase in rates.

The general rate applies to every rating unit in the District. Targeted rates are applied to rating units depending on how each targeted rate is set, as detailed in Council's Funding Impact Statement.

The Tasman District's last triennial revaluation was carried out by Quotable Value Limited at 1 September 2014. The capital value of the District increased by 4% and the land value of the District increased by 2.5%. The new values apply from the 2015/2016 rating year.

The tables below present what the rate increase would have been on the example properties 'before and after' the effects of the triennial revaluation are taken into account.

More information on the proposed rates for a particular property can be found on Council's website www.tasman.govt.nz

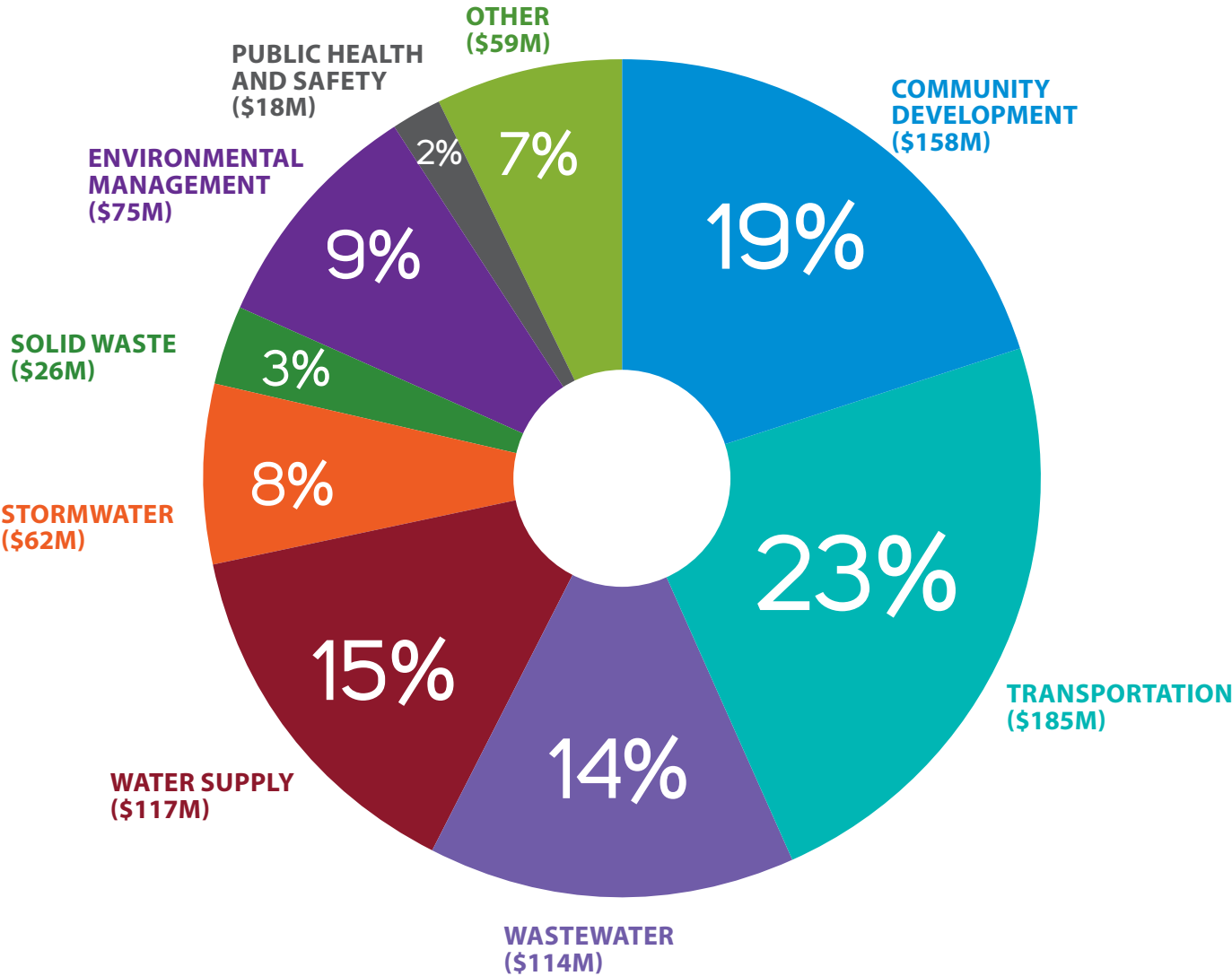
	CAPITAL VALUE (2014 DISTRICT WIDE REVALUATION)	2014/2015 ACTUAL RATES	2015/2016 RATES IF 2014 REVALUATION HAD NOT OCCURRED	2015/2016 RATES (POST REVALUATION)	% CHANGE FROM 2014/2015
Residential – Takaka	\$270,000	\$2,477	\$2,501	\$2,459	-0.7%
Residential – Murchison	\$160,000	\$1,803	\$1,829	\$1,807	0.2%
Residential – Mapua	\$495,000	\$2,129	\$2,103	\$2,144	0.7%
Residential – Kaiteriteri, with 65m ³ of water, Urban Water Supply Metered Connections	\$660,000	\$4,219	\$4,199	\$4,106	-2.7%
Residential – Brightwater, with 183m ³ of water, Urban Water Supply Metered Connections	\$385,000	\$3,444	\$3,521	\$3,555	3.2%
Residential – Wakefield, with 140m ³ of water, Urban Water Supply Metered Connections	\$350,000	\$3,058	\$3,149	\$3,184	4.1%

	CAPITAL VALUE (2014 DISTRICT WIDE REVALUATION)	2014/2015 ACTUAL RATES	2015/2016 RATES IF 2014 REVALUATION HAD NOT OCCURRED	2015/2016 RATES (POST REVALUATION)	% CHANGE FROM 2014/2015
Residential – Motueka, with 138m ³ of water, Motueka Urban Water Supply Metered Connections	\$380,000	\$2,893	\$2,937	\$2,988	3.3%
Residential – Richmond (Waimea Village,) with 30m ³ of water, Urban Water Supply Metered Connections	\$200,000	\$2,380	\$2,439	\$2,462	3.4%
Residential – Richmond, with 133m ³ of water, Urban Water Supply Metered Connections	\$510,000	\$3,583	\$3,693	\$3,703	3.4%
Residential – Richmond, with 186m ³ of water, Urban Water Supply Metered Connections	\$1,020,000	\$5,269	\$5,450	\$5,471	3.9%
Dairy Farm – Collingwood-Bainham	\$7,450,000	\$22,928	\$22,964	\$22,611	-1.4%
Forestry – Motueka	\$5,575,000	\$14,901	\$15,049	\$16,508	10.8%
Horticultural – Hope	\$1,210,000	\$4,209	\$4,203	\$4,038	-4.1%
Horticultural – Ngatimoti	\$660,000	\$2,417	\$2,425	\$2,398	-0.8%
Horticultural – Waimea West, with 9 hectares, with Water Supply Dams – Wai-iti Valley Community Dam	\$1,150,000	\$7,329	\$7,242	\$7,628	4.1%
Pastoral Farming (Fattening) – Upper Moutere	\$940,000	\$3,226	\$3,234	\$3,172	-1.7%
Lifestyle – Wakefield, with 3m ³ /day restrictor, Eighty–Eight Valley Rural Water Supply	\$1,600,000	\$5,433	\$5,513	\$5,496	1.2%
Lifestyle – East Takaka	\$495,000	\$1,957	\$1,951	\$1,890	-3.4%
Lifestyle – Neudorf, with 3m ³ /day restrictor, Dovedale Rural Water Supply	\$550,000	\$3,452	\$3,613	\$3,545	2.7%
Lifestyle – Tasman with 2m ³ /day restrictor, Rural Water Extension to Urban Water Scheme	\$680,000	\$3,756	\$3,833	\$3,808	1.4%
Lifestyle – Bronte, with 3m ³ /day restrictor, Redwood Valley Rural Water Supply	\$1,070,000	\$4,514	\$4,704	\$4,627	2.5%
Commercial – Queen St, Richmond, with 270m ³ of water, Urban Water Supply Metered Connections	\$1,310,000	\$9,066	\$9,332	\$9,548	5.3%
Commercial – High St, Motueka	\$1,300,000	\$7,292	\$7,455	\$7,258	-0.5%
Industrial – Cargill Place, Richmond, with 69m ³ of water, Urban Water Supply Metered Connections	\$620,000	\$3,925	\$4,046	\$3,922	-0.1%
Utility	\$69,960,000	\$637	\$196,862	\$179,527	28102%

The table above is GST inclusive. It covers the total rates increases including both the increases in the general and targeted rates. Metered water has been included using the actual volumes for the example properties in the previous year.

WHERE YOUR RATES GO

Council provides a wide range of services. The following graph shows the proportion of rates proposed to be collected for these services over the next 10 years.



ENVIRONMENT AND PLANNING 11% (\$93M)

- 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.
- Biosecurity – pest plant and animal management.

TRANSPORTATION 23% (\$185M)

- Roading – 1,741km of roads (955 sealed, 786km unsealed), 483 bridges and footbridges, 282km footpaths, walkways and cycleways, 22 off street car park areas, on street car parking, streetlights, traffic signs, culverts and Tasman's Great Taste Trail.
- Coastal Structures – Provision and management of coastal structures (wharves, jetties, boat ramps, associated buildings and foreshore protection walls) owned by Council, along with provision of navigational aids to help safe use of the coastal waters.

STORMWATER, WASTEWATER, WATER SUPPLY AND SOLID WASTE 40% (\$319M)

- Water – 15 water supply areas, 807km pipelines, 36 pumping stations, 11,600 domestic connections, 110 reservoirs and break pressure tanks, Wai-iti water storage dam.
- Wastewater – 14 Urban Drainage Areas, 396km pipeline, 3,670 manholes, 77 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 – 22 closed landfills, 5 resource recovery centres, 50% control of Eves Valley and York Valley landfills.
- Rivers – Council maintains 285km of X and Y classified rivers, assets include river protection works such as stopbanks, rock protection and willow plantings.

COMMUNITY DEVELOPMENT 19% (\$158M)

- Parks and reserves – 804ha of reserve land and 52 playgrounds.
- Community recreation.
- 20 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.
- 91 Public toilets.
- 8 Community housing complexes – (101 separate units in total).

OTHER 7% (\$59M)

- Forestry (approximately 2,800 hectares).
- 4 commercially operated Camping Grounds.
- Property.
- Motueka and Takaka Aerodromes.
- Council Controlled and Council Controlled Trading Organisations.
- Council Support.
- Elections.
- Representation reviews.
- Strategic Planning.
- Communication.
- Elected Representatives.

FINANCIAL STRATEGY SUMMARY

The financial strategy is set out in full in Volume 2. It sets the overall direction for Council's finances over the next ten years. It outlines a fundamental change to Council's approach to financial management of depreciation, capital expenditure and rates income from the last financial strategy. These changes are proposed to more fairly allocate costs and to reduce debt levels over the long term to create a more financially sustainable future.

Significant debt reductions are forecast as a result of the financial strategy. Reductions in debt are mainly driven by two things:

- Moving to fully funding the wearing out of assets over their lives (funding depreciation). This will result in improved cashflows into Council, so it needs to borrow less to fund the replacement of existing infrastructure; and
- Reducing the overall capital expenditure programme.

Reducing debt has multiple benefits, including more affordable rates over the long term, and the flexibility to respond to unexpected events as they arise. Council has set out its key financial goals that drive the budgets of this Plan. Key goals include:

- To reduce net debt from a projected \$168 million in 2015 (163% of operating revenue) to \$120 million in 2025 (83% of operating revenue);
- To limit increases in rates income to a maximum of 3% per annum plus growth;
- To move to fully funding the wearing out of assets over their lifetime (funding depreciation) and have this change fully implemented by 2025;
- To ensure there is sufficient funds or borrowing capacity available to fund the planned capital programme (i.e. provide essential infrastructure and services);

- To ensure the costs of providing the growth component of infrastructure are paid by those that benefit from it (i.e. the growth component of capital projects will be primarily funded through development contributions).
- To limit the provision for new community facilities and renewals in the short term, and increasing the minimum community contribution in the long term;
- To review Council assets and investments for potential sale to reduce debt or fund key projects; and
- To increase Council's income by seeking better performance from Council's commercial investments and activities and to remove rates exemptions for utility networks.

Population growth and an ageing population, land use change, changing legislation, natural hazards, and infrastructure demands are just some of the matters that have been considered in developing this financial strategy. The financial strategy dovetails with Council's infrastructure strategy, growth strategy, activity management plans and other financial policies. The goals in the financial strategy have helped to inform the financial decisions in this Plan.

INFRASTRUCTURE STRATEGY SUMMARY

The infrastructure strategy is set out in full in Volume 2. Council has an infrastructure strategy to plan its infrastructure over the next 30 years so it can provide the community and businesses with infrastructure at agreed levels of service, cost effectively, and within an acceptable level of service delivery risk.

The infrastructure strategy sets out the major issues, risks, uncertainties and projects for each of the following activities: wastewater, stormwater, transport, urban water supply, solid waste and rivers and flood control.

Our infrastructure strategy signals a significant change to how Council aims to achieve its objectives compared to the Long Term Plan 2012–2022. In particular, Council intends to be more selective in its investment focus for infrastructure. This means:

- Reducing the number of service level improvements by focusing on and prioritising essential improvements;
- Prioritising new capital works that provide the greatest benefit to the community, and facilitates growth; and
- Sensibly managing asset renewal risks by ensuring investment is justified on economic and service level grounds. This can be done by making better use of information about our assets.

The outcomes from this approach should see levels of service maintained for most communities and in some cases improved – i.e. for things like drinking water standards, and stormwater management. Cuts to non-essential projects or delays to others are not expected to reduce the current levels of service.

In the longer term, better management will allow us to get more life out of the assets we own before they have to be renewed. The Council anticipates ‘sweating its assets’ (the term described in the infrastructure strategy as a way of extending the life of an asset) which may increase the risk of occasional unexpected disruptions to service delivery. The Council will be working hard to avoid these disruptions, where possible, by improving its knowledge of asset condition; retaining budgets for operations and maintenance; and holding sufficient borrowing capacity should an asset urgently need to be replaced.

SIGNIFICANT INFRASTRUCTURE ISSUES

Significant infrastructure issues are those which cost a lot, have the potential to impact on public health or property, and/or are a big change to the approach signalled in the Long Term Plan 2012–2022. The significant infrastructure issues signalled in the strategy are:

- Waimea Plains water security. Extended periods of dry weather or drought have occurred nearly every summer since 2001, with impacts on the Waimea River, related aquifers, the environment and associated communities and businesses. Recent changes to the Tasman Resource Management Plan mean that the allocation of water will be much more constrained in the future if the Waimea Community Dam is not constructed.
- Stormwater management. Most residential areas in the District are subject to some level of flood hazard, and many of the District’s stormwater systems are under capacity.
- Joint solid waste initiative with Nelson City Council. It will be more efficient to operate a single landfill servicing both areas at any one time, reducing operating costs and avoiding the duplication of capital.

Council is also aware of the growing importance of managing the effects of more intense storm events, rising sea levels and other natural hazards. Council is doing the work needed to understand the future impacts of these issues. Council has increased its funding for responding to emergencies and natural hazards for roading, stormwater, and coastal structures.

KEY ISSUES

This section is one of the most important in the document. We encourage you to read it to find out what key issues Council is facing, how we are proposing to address the issues, and what it means for rates, debt and levels of service.

1. ADDRESSING RATES AFFORDABILITY

Members of our community expressed concern over the affordability of rates and the increases to rates forecast in the last Long Term Plan (2012-2022). That Long Term Plan contained a large capital expenditure programme and substantial increases in projected debt. This affected rates by pushing up the amount of money Council needed to repay debt and pay loan interest. Rates income was projected to rise at an average of 4.82% per annum, plus an allowance for growth of 1.3%. Council’s priority for the new Long Term Plan is to ensure that rates are affordable over the next 10 years. Council has set a limit on the amount of rates income that can be gathered each year, and will work within a set fiscal envelope.

Compared to the last Long Term Plan, Council plans to reduce the amount of rates income needed by spending less on capital projects and better managing its activities. While some large projects are still planned, Council has ‘smoothed’ the effects of the capital expenditure programme, so that big projects don’t cause a spike in rates in any one year and Council stays within its financial limits.

WHAT WE PLAN TO DO...	IMPLICATIONS	CONSEQUENCE
Limit total rates income increases to a maximum of 3% per annum plus an allowance for growth (from 1.17% to 2.55% per annum during the 10 years of the plan).	Ratepayers face steady but modest increases in rates as costs go up due to inflation and other cost increases. Capital and operational expenditure is limited and timed to avoid significant rate spikes. The timing of the stepped introduction of fully funding depreciation will be used to smooth the impact of rates increases over the 10 years of the Long Term Plan 2015-2025.	Rates increase at controlled increments. No direct impact on debt. No significant changes to levels of service.
Work within a fiscal envelope that sets a limit on general rates of \$51 million per annum and targeted rates of \$46 million per annum over the 10 year period.	No breach is likely unless expenditure exceeds revenue in the later years of the plan. The key control is staying within the rates income increase limit of 3% per annum plus growth.	Rates increase at controlled increments. No direct impact on debt. No significant changes to levels of service.

2. MANAGING COUNCIL'S DEBT

Council's debt has risen steadily over the last 15 years, with net debt projected to be \$168 million at 30 June 2015 (\$7,600 per rateable property). If Council continued with the programme in the Long Term Plan 2012-2022, it would result in a gross debt level of \$311 million (net debt \$293 million) by 2022. This equates to \$12,165 per rateable property. This was a relatively high debt per property ratio.

The high level of debt projected in the Long Term Plan 2012-2022 was the result of decisions to provide a higher standard of infrastructure and community facilities. New capital and renewal of infrastructure and facilities was primarily paid for by borrowing money. Council considers that continuing with that approach would be risky because:

- increasing debt is likely to increase the need for more rates income;
- there is exposure to upward interest rate changes and the availability of borrowings;
- borrowing for growth is not certain, as predicted growth may not occur;
- with high debt servicing costs Council is less able to deal with the unexpected (e.g. a natural disaster); and
- current ratepayers are not fully funding the wearing out of Council's assets as it occurs. This spreads the cost of paying depreciation on to future ratepayers.

Since 2012, Council has focused on how the projected debt level could be reduced. It looked at ways to progressively reduce future debt levels. Council reviews its budgets each year and had already reduced its total rates charges, compared to what was forecast in 2012.

The new financial projections show net debt will peak in 2018/2019 at \$197 million, and then reduce to \$120 million by 2025. Even with planned expenditure on projects like the Waimea Community Dam, there is a significant reduction in the debt forecast. The reduction has been driven by the following significant factors:

Reduction in capital spend funded from debt	\$44.27 million
Reduction in planned Nelson Regional Sewerage Business Unit (NRSBU) capital spend	\$18.46 million
Reduction in debt associated with development contributions	\$21.06 million
Funding of depreciation	\$19.78 million
Using other activities cash surpluses to repay debt	\$11.60 million
NRSBU owners distribution debt offsets	\$854,000
Reduction in opening debt position	\$21.03 million
TOTAL	\$137.05 MILLION

Keeping debt under control in the medium term will require additional changes. The options Council has selected for achieving this are set out in the following table.

2. MANAGING COUNCIL'S DEBT (CONT.)

WHAT WE PLAN TO DO...	IMPLICATIONS	CONSEQUENCE
<p>Place a limit on external net debt limit at \$200 million.</p> <p>Servicing of Council debt will be limited to 15% of operating income.</p>	<p>Reduces available funds for capital expenditure.</p> <p>Reduces vulnerability to external or unexpected events such as interest rate rises or natural disasters.</p> <p>Debt will peak in year 2018/2019 and slowly reduce over the remainder of the Long Term Plan 2015-2025.</p>	<p>Rates income increases at a maximum of 3% per annum (plus an allowance for growth).</p> <p>Debt reductions from year 2019/2020.</p> <p>No significant change to levels of service.</p>
<p>Review Council assets for potential sale.</p>	<p>In reviewing assets and investments for sale, Council will also consider the income provided by that asset and how it contributes to reducing rates or supporting other Council activities.</p> <p>Council will undertake further public consultation on any proposed sale of its strategic assets.</p>	<p>Potential to reduce debt.</p> <p>Potential to reduce income.</p> <p>Potential loss of service for some activities, depending on which assets are sold.</p> <p>Rates may increase if income assets are sold, as their income currently offsets the need for additional rates income.</p>
<p>Progressively fund the 'wear and tear' (depreciation) on assets from cash flow as the asset wears out rather than borrowing to pay for the replacement asset.</p>	<p>Council will move to fully implement cash funding of depreciation within the 10 years of the Long Term Plan 2015-2025.</p> <p>An increasing portion of the wear and tear on assets and infrastructure is paid for by current ratepayers over the next 10 years, rather than spreading these costs out to future generations.</p> <p>The move to fully fund depreciation will have a significant cost implication for ratepayers and for Council. The faster debt is repaid, the higher the costs to current ratepayers, but there are longer term benefits as debt and interest costs decrease.</p> <p>The timing of the progressive introduction of depreciation funding is being used to smooth the rates increases over the 10 years of the Long Term Plan 2015-2025.</p>	<p>Increases to rates, fees and charges, with rates income going to a maximum of 3% per annum (plus an allowance for growth).</p> <p>Reduction in finance costs and interest rate movement risk as debt decreases.</p> <p>Decreases in debt as the capital renewal programme is progressively funded from cash flows.</p> <p>No change to levels of service.</p>

3A. DEVELOPING RESILIENT COMMUNITIES – PROVIDING A SECURE WATER SUPPLY

In times of dry weather, there is a shortage of water in the Waimea River and aquifers. There is not enough water to provide for a healthy river ecosystem while at the same time meeting the demands of reticulated urban and rural water users. Recent changes to the Tasman Resource Management Plan (TRMP) have been made that will significantly reduce the amount of water that can be extracted.

This is an important issue because:

- Council is a major water user; it uses water from the Waimea River system to supply the Richmond, Brightwater, Mapua/Ruby Bay, Redwood Valley and surrounding low-flow rural reticulated community water supply networks;
- Council has a role in protecting the environmental values of the Waimea River; and
- Much of our economy is based on the primary sector, which relies on a secure water supply.

The Tasman Resource Management Plan currently requires Council to make a decision by 30th June 2015 on whether or not it will provide for a dam in the Lee Valley in the Long Term Plan 2015-2025. If Council decides not to proceed with the Waimea Community Dam, there will be greater water restrictions. The new rules mean the restrictions would be likely to occur more often, last longer, and be harsher than previous years.

Water restrictions would have a large impact on existing and future urban, rural and commercial water users in Richmond, Brightwater, Redwood Valley and Mapua and Waimea Plains horticultural and agricultural water users.

There are many issues that need to be resolved before the project proceeds, particularly relating to the cost and affordability of the proposed Dam. Council recognises that significant external funds are needed to make the project viable. The Waimea Community Dam website explains in more detail what is being proposed, the new timeframe for construction, and implications for the Tasman Resource Management Plan – see www.waimeacommunitydam.co.nz.

WHAT WE PLAN TO DO...	IMPLICATIONS	CONSEQUENCE
<p>Contribute up to a maximum of \$25 million towards the Waimea Community Dam. The funding is mainly to be used to secure water for Council's reticulated water supply users and contribute to the environmental health of the Waimea River.</p> <p>Provide a loan of up to \$300,000 to WCDL to assist them to undertake work to secure external funding. In addition, approximately \$70,000 in 2015/2016 from the Waimea Water Augmentation Project user levy will be provided to WCDL as a grant.</p>	<p>Greater water security for reticulated water supply users in urban centres that source water from the Waimea River system.</p> <p>Higher river flows will support a healthier environment.</p> <p>The 2014 NZIER report commissioned by the Nelson Regional Economic Development Agency states that the difference on the regional Gross Domestic Product between not having a dam and having a dam could be between \$71 million and \$89 million dollars per annum.</p>	<p>Increases in water rates will not cause Council to breach the 3% rates income increase limit.</p> <p>Council debt will increase by up to \$25 million.</p> <p>Levels of service will be secured for reticulated water users that source water from the Waimea River system.</p> <p>Rural water users and irrigators will need to establish an acceptable funding model for the irrigation portion of funding.</p>

3A. DEVELOPING RESILIENT COMMUNITIES – PROVIDING A SECURE WATER SUPPLY (CONT.)

WHAT WE PLAN TO DO...	IMPLICATIONS	CONSEQUENCE
Review options to improve water conservation.	<p>Council would need to expand its demand management programme to ensure greater water conservation by water users.</p> <p>Alone, this option does not provide sufficient water savings to meet reticulated water demands in periods of dry weather.</p>	<p>No significant impact on rates.</p> <p>Increases to operational expenditure if water conservation methods are to be promoted effectively.</p> <p>No direct impact on debt.</p>

3B. DEVELOPING RESILIENT COMMUNITIES – HAZARD PLANNING AND RECOVERING FROM DISASTER EVENTS

At times, Tasman District experiences a diverse range of extreme weather. In recent times, major damage to property and infrastructure has occurred as a result of these extreme weather events, and this has come at significant cost to Council, households and businesses.

Council anticipates increased flooding risk, coastal inundation and increased coastal erosion as a result of changing weather patterns and predicted sea level rise. How Council manages the impacts of more frequent and severe storm events is extremely important. It will have a significant impact on large tracts of coastline, land use planning, private property, and Council's infrastructure and finances.

Council has an emergency fund to respond to, and recover from, disaster events. The fund is made up of the General Fund and the Rivers Fund. The emergency fund balance as at end of June 2015 is predicted to be \$2.547 million. In 2011 Council commissioned a risk assessment report to advise on the level of funding required to be held for disaster events. Council is now aiming for the Fund to reach to a balance of \$6.5 million by 2018.

WHAT WE PLAN TO DO...	IMPLICATIONS	CONSEQUENCE
Undertake an assessment of stormwater secondary flow paths at a cost of \$2.017 million over 10 years.	<p>Improved knowledge and understanding of stormwater in urban areas.</p> <p>Enables Council to better plan for hazards to minimise damage to property.</p> <p>Substantial cost to Council and time to implement.</p>	<p>Increase in targeted rates to pay for the \$2.017 million needed over 10 years.</p> <p>No impact on debt as costs are operational expenditure.</p> <p>Likely future improvements to levels of service for stormwater management.</p>

WHAT WE PLAN TO DO...	IMPLICATIONS	CONSEQUENCE
Undertake hazard risk assessments and modelling for settlements vulnerable to sea level rise and associated planning responses.	Once assessments and modelling have been completed, response options will then need to be identified. Funding of the selected response options will need to be revisited in the 2018 Long Term Plan as no budget has been allocated in this Long Term Plan.	No direct impact on rates. No direct impact on Council debt. No direct change to levels of service in the short to medium term.
Build and maintain Council's disaster recovery funds to \$6.5 million by 2018. Maintain appropriate operational budgets, insurance cover, committed borrowing facilities and self insurance funds to mitigate or recover from unexpected disaster events.	Having a sufficient disaster recovery fund, operational budgets and insurance means Council has the ability to respond to, and recover from, disaster events. If the fund is not used the interest is returned to Council.	The impact on rates is an additional \$1.24 million per annum (adjusted for inflation) for the disaster recovery fund. No change to Council debt. No direct change to levels of service, but enables Council to restore services following disaster events.

4A. RESPONDING TO POPULATION GROWTH – PROVIDING SUFFICIENT LAND AND SERVICES

The population of Tasman District and levels of economic activity continue to grow. The population is projected to increase at a moderate rate from 48,800 in 2013 to 54,000 by 2043 (figures supplied by Statistics New Zealand). This leads to additional demand for services and land for development, particularly around existing urban settlements. Council needs to ensure sufficient land and services are available to accommodate the predicted housing and population growth. Council needs to consider where and how the land and services will be provided most efficiently and cost effectively. There are a number of Tasman Resource Management Plan changes already underway that are considering growth of settlements (e.g. Brightwater and Wakefield) and our rural areas.

WHAT WE PLAN TO DO...	IMPLICATIONS	CONSEQUENCE
When considering additional land for residential development, including through Tasman Resource Management Plan changes, Council will logically extend infrastructure rather than provide for piecemeal development.	Maximises capital and operational cost efficiencies.	Planned increases in debt to fund progressive capital costs. Minimises rate rises. Minimises debt increases. No direct change to levels of service. Increase in development contributions.
Implement the Central Government Housing Accord for Tasman.	Potential for faster release of land for housing developments and improve affordability. Potential additional demand for servicing and infrastructure.	We are intending to align the Housing Accord with the capital programme in the Activity Management Plans so additional debt is not incurred. Limited impact on rates as growth costs funded by development contributions and government assistance. Improved levels of service for land that is currently unserved.

4B. RESPONDING TO POPULATION GROWTH – DEVELOPMENT CONTRIBUTIONS POLICY CHANGES: ENSURING THOSE DEVELOPING PAY FOR THE COSTS OF GROWTH

Ongoing population and housing growth creates demand for additional capacity in Council's infrastructure. Providing this infrastructure comes at a cost. Council seeks to ensure the costs of providing the growth component of infrastructure are paid by those that benefit from it. The growth component is the additional infrastructure capacity needed to accommodate the demand arising from the development (e.g. upsizing of pipes and extensions of networks).

Council applies a charge – called a development contribution – at the time of subdivision or development of a site. This enables the costs of providing the growth component of infrastructure to be paid by the developer, rather than general ratepayers.

Summary of the Development Contributions Policy:

As a consequence of recent changes to the Local Government Act 2002, a new Development Contributions Policy has been developed by Council. The draft policy was open for public submission at the same time as the Consultation Document on the Long Term Plan, so that decisions on development contributions could be linked to the proposed capital expenditure programme. Development contribution charges have increased by 17% overall (this is 1% less than proposed through the draft policy). Some charges have increased such as wastewater charges, while others have decreased such as water charges.

The charges include the cost of new projects in the capital expenditure programme and the costs of existing growth related infrastructure. Significant growth related infrastructure has been built in recent years and has capacity to cater for growth into the future. Consequently, some of the costs associated with these works are being recovered through current charges.

The increase in costs is also because Council previously applied a 10 year capacity life when determining growth costs, but planned to recover the growth cost over 20 years. This substantially reduced development contribution charges compared to what they could have been. The Development Contributions Policy now provides for the 10 year capacity life of an asset to be recovered over 10 years and reduces the risk that there might be loans to be repaid if growth in Tasman District slows down.

As a result of submissions, Council has agreed to:

- Remove four roading projects from the Development Contributions Policy;
- Allow credits for vacant residential lots that predated 1 July 1996; and
- Enable special assessments to be undertaken without the need for a development agreement.

Other minor changes to the policy and maps have been agreed to by Council. The new Development Contributions Policy reflects these changes. The Development Contributions Policy contains an explanation of how development contributions are calculated for residential and non-residential activities, maps showing where development contributions are applied and a schedule of projects for which development contributions will be used.

Council has also directed staff to investigate differential charges for high density housing developments and/or multi-unit developments and establishing a policy for recognising works undertaken by developers. Due to time constraints this work was not able to be incorporated in the new Development Contribution Policy, but is likely to occur prior to the next review of the policy.

WHAT WE PLAN TO DO...	IMPLICATIONS	CONSEQUENCE
Adopt the Development Contributions Policy.	Costs associated with providing additional infrastructure capacity are paid for by developers.	<p>Costs of developing fall on developers.</p> <p>A rise in development contribution fees will contribute to the costs of developing land.</p> <p>Impact on rates through increased operating costs if development is slower than planned.</p> <p>Debt will increase where infrastructure needs to be built before the development contributions are received.</p> <p>Levels of service extended to new developments.</p>

5. MAXIMISING REGIONAL OPPORTUNITIES

The wider Nelson-Tasman region encompasses Tasman District and Nelson City. While each Council operates independently, we work closely on a range of issues and shared services. We share a number of common interests and are economically interdependent.

Tasman District Council wants to maximise regional opportunities and benefits from its investments to ensure there is efficient delivery of shared services. Better regional outcomes and more opportunities may be able to be obtained when the two councils work collaboratively.

It is important that Council also works to build its relationship with tangata whenua. There are eight iwi with mana whenua (traditional authority over parts of the District) in Tasman. The recent Treaty of Waitangi settlements create new rights, responsibilities and opportunities for iwi, Council and community. Council and iwi are in the early stages of redefining how the Treaty Settlements will change and improve our working relationships.

5. MAXIMISING REGIONAL OPPORTUNITIES (CONT.)

WHAT WE PLAN TO DO...	IMPLICATIONS	CONSEQUENCE
Develop a memorandum of understanding with each or all iwi in Te Tau Ihu (the top of the South).	Increased understanding and support for iwi and Council to work together.	No direct change to rates. Improvements to how Council and iwi work together.
Rationalise investment of capital for regional infrastructure (e.g. solid waste landfill).	Maximise regional benefits from Council's investments and work to ensure there is efficient delivery of shared services and to avoid duplication of costs.	Reduce increases to rates, charges and debt. Maintenance of levels of service.
Improve governance arrangements for shared facilities, such as regional infrastructure and facilities that deliver regional benefit.	Improved performance of facilities (e.g. Nelson Regional Sewerage Business Unit (NRSBU); and Saxton Field sport complex). Potential for additional governance costs, but also potential for additional savings through improved performance.	No direct impact on rates or debt, but potential reduction through improved financial performance. No direct change to levels of service.
Review existing funding of 'out of Tasman District' activities to enable Council to fund further activities within the Tasman District.	Potential reduction in funding for activities and services where these are not located in Tasman District, or where equitable funding arrangements cannot be established.	Potential reduction in rates and additional debt. Potential reduction in levels of service to some ratepayers that use facilities located outside the District, but possibly improvements to services in Tasman, or lower rates.
No new 'out of District' funding for regional initiatives.	No additional funds for activities that are not within Tasman District. New regional events or services may not be viable without funds from Council.	No change to rates or debt. No change to levels of service.

FUNDING CHANGES

This section covers key funding changes:

- From what the last Long Term Plan (2012-2022) contained; and
- Between the proposals contained in the Consultation Document and this final Long Term Plan as a result of submissions, or changed circumstances; and
- The changes introduced as a result of the Solid Waste Amendment in 2016.

SOLID WASTE MANAGEMENT AT EVES VALLEY LANDFILL (AS AMENDED IN 2016)

Nelson City and Tasman District Councils previously approved a Regional Landfill subject to the signing of a formal agreement, with the effective date of 1 July 2015. The agreement was for a 'contract for service' with Nelson City Council, where Tasman's waste would be taken to Nelson's York Valley landfill from July 2015 and for Tasman's Eves Valley landfill to take both Tasman and Nelson's waste from 2030. The Long Term Plan Consultation Document (2015) was prepared on this basis. Subsequently, the Councils proposed an alternative agreement. The alternative option involves establishing a joint committee to govern and control the Eves Valley and York Valley landfills.

The transfer of control over Eves Valley landfill to the joint committee triggered a requirement under the Local Government Act to amend our Long Term Plan.

In 2016 Council publicly consulted on the joint committee option.

The financial impacts on Council's budget from the new arrangement for 2015-2025 were not materially different than those published in the original Long Term Plan. As a result there was no change to the Council's financial statements or the whole of Council Financial Impact Statement. However, the amendment has introduced changes to all references to Eves Valley landfill; and Solid Waste Activity capital and operational expenditure (Pages 150-159). In particular, the Solid Waste Activity Financial Impact Statement (Pages 158-159) and Infrastructure Strategy (Vol 2 Pages 210-217, including Figures 34-38) have been updated to reflect the new arrangement. The

performance measures for Solid Waste have not been amended as Council is not anticipating any significant changes to levels of service. However, the performance measures are likely to be reviewed during the development of the next Long Term Plan (2018-2028) to ensure they are consistent with Nelson City Council, where relevant.

Under the proposed arrangement with Nelson, we are planning to continue to operate the Eves Valley landfill until June 2017. After this we expect to close the landfill and take waste to York Valley. We intend to make a \$4.2 million payment to Nelson City Council to equalise values of the two landfills and enable equal joint control of the them through a joint committee. We have amended our Solid Waste Activity budget to anticipate the new arrangement. We have not amended other financial statements within this Long Term Plan to reflect the changes in financial position.

WAIMEA COMMUNITY DAM

We are still proposing to provide funding for the Waimea Community Dam in the Long Term Plan 2015-2025. The funding is limited to \$25 million and will mainly be used to meet the Council's community water supplies needs and to pay for some of the public benefits (like the environmental and economic benefits) that the dam will provide. We have budgeted to meet two thirds of the cost of the capacity of the dam that is for environmental purposes and which will provide other community benefits. If the funds aren't used for the Waimea Community Dam a portion will be needed to meet the cost of an alternative community water supply.

If the project is to go ahead the other major water users, irrigators mostly, will need to investigate and provide their own funding. This work is planned to be done by the Waimea Community Dam Company Limited (WCDL). As noted in the Key Issues section of this document, Council has agreed to provide a loan of up to \$300,000 to assist the WCDL undertake this work. In addition, approximately \$70,000 in 2015/2016 from the Waimea Water Augmentation Project user levy will also be provided to WCDL as a grant.

RICHMOND CENTRAL PROJECTS (PREVIOUSLY REFERRED TO AS RICHMOND TOWN CENTRE PROJECT)

Council has moved the timeframe forward for the Richmond Central project and provided a further \$6 million

for drainage works in central Richmond. This has occurred as modelling has identified different options which have been developed for consideration. The new options will also provide the potential to increase the capacity in the Beach Road drain and /or the Poutama Drain.

To minimise costs and disruptions, other projects related to central Richmond have been brought forward so that all services are completed in a similar timeframe rather than several years apart. This includes upgrades to projects that were outlined for Oxford Street within the Water, Wastewater and Transportation budgets.

These changes will positively benefit central Richmond, so that it will not continue to be threatened by excessive stormwater during a significant rainfall event. By having all the work carried out in a similar time period, the disruption to residents and businesses will also be minimised and reinstatement costs will be reduced.

The transportation budget has also been reduced by \$380,000 for central Richmond projects, as alternative options have been selected.

COMMUNITY CONTRIBUTIONS REQUIRED FOR COMMUNITY FACILITIES (SUCH AS NEW HALLS OR SIGNIFICANT RECREATION FACILITIES)

Council has decided to increase the required community contributions (i.e. fundraising) for new or renewal of large, community, recreational, sporting or cultural facilities (excluding Saxton Field), to a minimum of one third of the total project costs. This is an increase from the current 20% contribution. Where a community is prepared to fund two thirds or more of the cost of a new project that is not in Council's Long Term Plan, Council will consider the affordability of contributing the remaining costs and viability of the project.

NELSON TASMAN TOURISM AND ECONOMIC DEVELOPMENT AGENCY FUNDING

Council has allocated \$400,000 per annum in total to support economic development, regional branding and destination marketing activities that benefit the whole region.

Council will negotiate a three year funding agreement with Nelson City Council regarding the services the funding will purchase. The \$400,000 will be funded from the general rate. The \$400,000 is a reduction of \$218,670

provided for the two separate organisations in 2014/2015 and reflects an expected improvement in service delivery from the organisations as a result of more focused attention on outcomes sought by Council.

Both organisations are now fully owned by Nelson City Council. Tasman District Council will no longer directly fund visitor information centres.

CHANGES TO WHO PAYS RATES

Changes to rates and remission policies are set out in the Revenue and Financing Policy, the Funding Impact Statement, and Rates Remission Policy (see Volume 2 of this Plan). Significant rating changes for utility networks have been introduced (see below).

RATING OF UTILITY NETWORKS

A determination by the Court of Appeal in 1998 clarified the requirement for all utilities to be included on District valuation rolls. Up until now, however, Council has not fully rated utility networks for the general rate, only the specific targeted rates which applied. Council is now charging utility networks the same way as other ratepayers i.e. on capital value, and removing the rate differential that had been applied. The decision to remove the differential considered factors such as fairness to all ratepayers, and that the general rate funds activities which benefit all ratepayers in the District. Key District networks now to be charged the general rates are: Network Tasman – electricity network; Transpower – National Electricity Grid; Chorus (Telecom/Spark) – telecommunications; The Link Network – telecommunications; NZ Post; Tasman District Council water supply, wastewater and stormwater networks; the Nelson Regional Sewerage Business Unit, and dam irrigation schemes. Despite Council's networks incurring additional charges as a result of the proposed new rate, the overall increase in Council's income exceeds the costs to Council.

BOVINE TB VECTOR CONTROL PROGRAMME FUNDING

Previously, Council had contributed around \$225,000 annually to the Bovine TB vector control programme and funded it from general rates. Council has allocated funds for only one further year. A recent funding review and changes to the Bovine TB National Pest Management Plan means that Council will no longer have to contribute funds for the work to continue.

ADDITIONAL FUNDING FOR BIODIVERSITY ACTIVITIES

A further \$50,000 has been allocated for biodiversity monitoring, reporting and management in this Long Term Plan. The additional funding fund for these activities has been met by reprioritising work programmes.

CHANGES TO FEES AND CHARGES

Council has a new schedule of charges. Some charges are rising to cover the cost of inflation or to better reflect the costs of providing services. In other cases the costs have remained the same. A full schedule of the charges is included in Volume 2 of this Plan.

CHANGES TO FUNDING OF THE TASMAN BAYS HERITAGE TRUST

Funding for heritage activities and facilities will stay the same as for the last Long Term Plan (2012-2022). This amounts to \$974,287 per annum (adjusted for inflation). The Nelson and Tasman Councils have signalled that they will further review their funding of the Tasman Bays Heritage Trust activities (i.e. Nelson Provincial Museum). The Trust has indicated that it will make higher loan repayments from 2015/2016.

IMPROVING THE COMMERCIAL RETURN ON COUNCIL'S INVESTMENTS

Council has a number of commercial assets such as, forestry, Port Tarakohe, commercial campgrounds, Mapua Wharf precinct, and aerodromes. Council intends to provide a greater level of re-investment in commercial assets to ensure their ongoing commercial viability.

Following release of the Consultation Document an additional \$2.48 million has been included in the Commercial budget. This increase has arisen because Council:

- has been advised of additional health and safety related works necessary for the campgrounds and Port Tarakohe;
- has reviewed repairs and maintenance budgets in order to meet service level expectations; and
- has become aware of asset failures that require repair or replacement.

The additional expenditure is forecast to be more than offset by higher income and does not increase rates. Business cases will also be prepared and approved before the expenditure is undertaken.

INCREASE TO THE MOTUEKA COMMUNITY BOARD RATE

Council has agreed to an increase of \$5 per annum per rateable property in the Motueka ward. The additional fund will be directed to the Motueka Community Board's Special Project Fund and criteria for spending the funds will be developed.

RURAL FIRE DEPOT MAINTENANCE

Council has agreed to include \$60,000 as a capital contribution to maintain rural fire depots in Tasman District every second year of the Long Term Plan, commencing 2015/2016.

OTHER MAJOR ENGINEERING BUDGET CHANGES

Some of the key changes made between the Consultation material and this final Plan include:

- Bringing forward \$600,000 of the Bateup Road stormwater drain upgrading budget to 2018/2019. This allows the Council to work with developers in Richmond South to provide an interim solution before the full Borck Creek works programme is completed.
- An extra \$300,000 has been added to the water budget in 2015/2016, so that the Richmond Water Treatment Plant can be operated effectively. From 2016/2017, the budget increases by \$220,000 per year.
- The pump renewal at Richmond West, plus the reticulation and reticulation upsizing across Borck Creek project (amounting to \$500,000) has been brought forward to 2017/2018 from 2028/2029. This is to accommodate expected growth in the Richmond West area.
- Richmond's new groundwater source at a cost of \$2 million has been deferred from 2024/2025 to 2026/2027. This is in order to balance the Development Contributions expenditure.
- In order to cap rate increases to an acceptable level, the following water capital expenditure items have been deferred in the water budget:

- Thorpe Street, Motueka pipe renewal (\$1.8 million) deferred from 2019-2023 to 2023/2024;
- Richmond reservoir strengthening (\$500,000) deferred from 2018/2019 to 2025/2026;
- Water rezoning for Edward Street, Roeske Street and Wilkes street (\$1.1 million) deferred from 2018/2019 to 2025/2026; and
- Richmond water meter renewals (\$600,000) deferred from 2018/2019 to 2022/2023.
- \$225,000 has been brought forward from 2016/2017 to 2015/2016 to aid development in Richmond South, ahead of schedule. The funds will be used for upsizing water storage, pumping and reticulation.
- In a smoothing exercise to keep rates at the agreed capped level, the pavement rehabilitation programme of \$200,000 has been deferred from 2018/2019 to 2019/2020.
- In order to smooth capital expenditure, the Takaka (\$210,000) and Murchison (\$80,000) Resource Recovery Centres improvements and renewals budgets have both been deferred from 2018/2019 to 2019/2020.

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 – a joint project between Tasman District Council and Nelson City Council that provides one source of geographic and map information to the public.

Tasman District Council and Nelson City 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 Tasman and Nelson 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 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 (e.g. 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 Tasman- Nelson projects, programmes and services are grouped under broad operational headings below. These are indicative lists and do 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 are members of the Waimea Water Augmentation Committee (which also includes land owners, iwi, Fish and Game, and the Department of Conservation) and contributed to its work on the Waimea Community Dam.
- Nelson Regional Sewerage Business Unit (NRSBU), 50/50 ownership by both Councils, which includes the facilities at Bells Island. Management is overseen by a joint committee, 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) serves 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.
- 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. Council also takes a "Top of the South" perspective in its Regional Land Transport Plan looking at the needs for transport in partnership with our neighbouring councils, Nelson City and Marlborough District.
- A Tasman-Nelson joint waste working party investigated, co-ordinated and developed a joint Waste Management and Minimisation Plan that has been approved by the two Councils to promote effective and efficient waste minimisation.

COMMUNITY DEVELOPMENT

- Reciprocal library borrowing occurs across Tasman and Nelson, 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 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. It also benefits the wider region by attracting national level sporting events.
- Nelson Tasman Tourism and the Regional Economic Development Agency are owned by Nelson City Council. Tasman District Council contributes funding towards tourism and economic development activities through a payment for services with Nelson City Council. Nelson Tasman Tourism provides tourism services to promote the wider region, which enhances the economic interests of all Tasman-Nelson communities. Likewise, the Regional Economic Development Agency provides economic development services across the wider Nelson-Tasman region.
- 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 It's On website and The Prow 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.
- Environmental education involves staff of both Councils working together on campaigns and the development and management of environmental education initiatives.
- Council staff have shared information for the preparation of the Long Term Plans and have developed an agreed set of Community Outcomes to cover the Nelson-Tasman region.

ENVIRONMENT/PLANNING/REGULATION (CONT.)

ENVIRONMENT/PLANNING/REGULATION

- The two Councils have adopted a joint Regional Pest Management Strategy under the Biosecurity Act.
A joint strategy for pest management delivers a more targeted and cost effective approach.
- 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 is to build systems and processes for the early detection and prevention of marine invasive species.
- The two 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.
- Civil Defence and Emergency Management services and training (50/50 ownership) currently managed out of Richmond covers the whole Tasman-Nelson region.
- Both Council's are working on separate Housing Accords with the Government, but have committed to collaborate on joint actions.

DEMOCRACY AND ADMINISTRATION

- Growing regional economic interests
- 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.
- Top of the South Maps is a 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, and some other insurances.
- Tasman District Council is part of the Local Authority Protection Programme, which is a local government scheme providing cover from catastrophic failure for underground assets such as 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.

COUNCIL'S TEN YEAR FINANCIAL PERFORMANCE SUMMARY

We have considered the key issues and what Council could do about them within the parameters of our financial strategy limits. We have looked at what we need to do to: reduce debt, manage rates affordability; meet expected population growth; maintain existing core infrastructure and services; and to meet legislative requirements.

We have then prioritised activities and projects. The planned projects are, however, subject to review through future potential annual plan processes, business cases and long term plan review in 2018. As a result of these processes projects from 2016/2017 onwards may be deferred, and their timing and scope could be changed.

The financial information in this Plan reflects the activities and projects Council is planning to deliver over the coming 10 years. Please refer to the financial strategy in Volume 2 for more information about Council's financial goals and limits.

COUNCIL'S OVERALL FINANCIAL SUMMARY:

	2014/2015 BUDGET \$000	2015/2016 BUDGET \$000	2016/2017 BUDGET \$000	2017/2018 BUDGET \$000	2018/2019 BUDGET \$000	2019/2020 BUDGET \$000
General Rates	33,041	35,039	35,727	36,821	38,186	40,270
Targeted Rates	25,767	32,816	34,931	36,271	37,927	38,951
Total Net Debt	168,129	173,267	178,593	193,842	197,518	192,406
Cash & Cash Equivalents	1,422	1,791	1,365	1,656	618	362

	2020/2021 BUDGET \$000	2021/2022 BUDGET \$000	2022/2023 BUDGET \$000	2023/2024 BUDGET \$000	2024/2025 BUDGET \$000
General Rates	42,296	44,157	46,421	48,670	49,665
Targeted Rates	40,061	41,674	42,906	44,223	46,117
Total Net Debt	182,698	170,877	154,769	136,363	120,309
Cash & Cash Equivalents	1,020	1,620	969	1,264	1,642

Pages 242-259 contain Council's prospective statement of comprehensive revenue and expense, prospective statement of financial position, prospective statement of cashflows, prospective statement of changes in net assets/equity, prospective cashflow reconciliation, prospective funding impact statement, prospective balanced budget statement and depreciation and amortisation expense by groups of activities.



PART 2 COUNCIL VISION AND COMMUNITY OUTCOMES

Aerial view of looking from Richmond towards Motueka

The purpose of this section is to provide a context for our District, and outline the Vision and Community Outcomes that Tasman District Council aims to achieve in order to promote the social, economic and cultural interests of Tasman's current and future communities; together with maintaining and enhancing the quality of our environment.

COUNCIL VISION

COUNCIL'S 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 Vision and Mission that was included in the Long Term Plan 2012-2022. The 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 the purpose of Local Government, which is to: "(a) to enable democratic local decision-making and action by, and on behalf of, communities; and (b) to meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses."

The activities and proposed expenditure in the Long Term Plan 2015-2025 supports Council's Vision, Mission and Community Outcomes.

COMMUNITY OUTCOMES

BACKGROUND

Community Outcomes are the outcomes Council is working towards in order to promote community well-being. They reflect what Council sees as important for community well-being and they help to build up a picture of the collective vision for the District's future – how we 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 worked together with Nelson City Council to align the Community Outcomes of both councils. The resulting set of joint Community Outcomes retain the overall direction of the previous Outcomes, however 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.

MAP OF TASMAN DISTRICT



COMMUNITY OUTCOME DESCRIPTORS

OUTCOME 1:

Our unique natural environment is healthy and protected.

- Tasman is a place where everyone can enjoy the natural environment, while it is protected for the future.
- We recognise the importance of a healthy environment for tourism and productive land uses, and the need to minimise the impacts of human activities on the environment.
- We manage air quality, waste, freshwater and coastal waters.
- We treasure, protect and restore the special places, landscapes, native species and natural ecosystems of Tasman.
- Natural biodiversity is widely understood and valued.
- The value of introduced species is recognised and pests are controlled.
- Open spaces are linked and productive land is protected.
- We undertake an extensive monitoring programme of the environment, including air, water and soil health.
- We also provide and monitor resource consents and, if necessary, prosecute any breaches.
- The intergenerational kaitiakitanga (guardianship) of tangata whenua iwi is recognised; the community understands the concept and are involved in caring for ngā taonga tuku iho (treasure of the ancestors).

OUTCOME 2:

Our urban and rural environments are people-friendly, well planned and sustainably managed.

- Our current and future urban and rural living environments provide the important features that we need to enjoy Tasman.
- Urban and rural areas are designed to be people-friendly, particularly for children, families and our increasing, ageing population.
- We think and plan regionally and act locally within that context.
- Our built environments are well planned and based on sound urban design principles.
- Urban areas are attractive, safe, accessible and have parks and reserves available for residents to use.

- Tasman has affordable roading services that meet the needs of our communities.
- There is a range of community housing and community facilities, with more intensification in towns/settlements and clear urban/rural boundaries.

OUTCOME 3:

Our infrastructure is efficient, cost effective and meets current and future needs.

- We have good quality, sustainable, integrated, affordable, efficient and effective transportation networks (including roads, cycleways and footpaths), water, wastewater, stormwater and solid waste services.
- Waste and pollution is minimised, so we have clean water, clean seas, clean air, healthy flora, fauna and soils, and public health needs are met.
- Growth is well managed.
- Our public transport services are well-utilised and our developing cycleway network is popular with residents and visitors alike.

OUTCOME 4:

Our communities are healthy, safe, inclusive and resilient.

- We support the opportunities for Tasman residents to enjoy a good quality of life.
- We are a supportive and diverse community.
- Everyone is included and involved, can participate in decision-making and is able to enjoy a good quality of life, wherever they come from and whatever their age, abilities or income.
- We are a resilient community with a Civil Defence service that assists residents and businesses to cope with disasters or emergencies.
- Our communities health and wellbeing is safeguarded by ensuring standards of construction, food safety and registered premises operation are met, and that alcohol sale and consumption, risk from fire and nuisances (e.g. from dogs and stock) do not adversely affect quality of life.

COMMUNITY OUTCOME DESCRIPTORS (CONT.)

OUTCOME 5:

Our communities have opportunities to celebrate and explore their heritage, identity and creativity.

- We have a strong sense of community and are proud of our region, our communities and our diverse heritage.
- Important heritage items, sites and stories of the District are protected for future generations.
- Residents and visitors have opportunities to celebrate Tasman's heritage and support cultural diversity.
- We celebrate and acknowledge our heritage and our history and how that contributes to our distinctive identity.
- We tell our whakapapa (history) in an honest way and acknowledge the lessons that history has taught us.
- Māori culture and tikanga (traditions) are acknowledged as taonga (treasures) that represent our regional uniqueness.
- We value and support those things that make Tasman special and unique – our Maori history, our people, art and crafts, the outdoors, local food and wines and the relaxed atmosphere.
- The two marae in Tasman are an important part of our District's cultural services and these are essential to our community identity.
- Access to the coastal waters of Tasman is secured and safe boating practice is supported.

OUTCOME 6:

Our communities have access to a range of social, educational and recreational facilities and activities.

- We have a good range of sports and recreation facilities for all ages, including youth and older residents.
- There is a wide range of recreation, educational and leisure opportunities for everyone to take part in.
- We support and encourage all culturally diverse groups to demonstrate their unique recreational activities to the wider community.
- There are many festivals and events held throughout the year in the Nelson/Tasman regions.

OUTCOME 7:

Our Council provides leadership and fosters partnerships, a regional perspective, and community engagement.

- We work together effectively as a region, think of the generations that will follow and listen to the full range of views.
- Everyone has the opportunity to participate in the community's major decisions and information is easy to obtain.
- Leaders consult with and understand their communities and work for the good of all, including the wider region.
- Our leaders take responsibility for their decisions and act to improve the big issues facing our community.
- We continue to collaborate with community organisations and build effective Council-community partnerships.
- We support and mentor our youth to become the leaders of the future.

OUTCOME 8:

Our region is supported by an innovative and sustainable economy.

- We all participate in the regional economy and it meets people's needs.
- We are a business-friendly region, and economic activity is sensitive to the environment, heritage and people of Tasman.
- We are skilled and adaptable and we see the benefits of a wide range of high-value industries and businesses.
- Small, locally-owned businesses are an essential part of the community.
- We encourage appropriate new investment into our community.
- Our youth can live, learn and work in Tasman.
- We recognise, support and celebrate innovation and achievement.



Washbourn Gardens, Richmond



PART 3 COUNCIL ACTIVITIES

Abel Tasman Drive slip remediation

COUNCIL ACTIVITIES

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

- Environment and Planning
- Engineering
- Community Development
- 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 require 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
- 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
- Community Facilities and Parks, Library Services
- Community Relations
- Governance
- Council Enterprises and Property

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. Support services are described in the final section, but Council does not report on these as a separate group of activities.

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

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 2014/2015 budgets for comparison.

ENVIRONMENT AND PLANNING	2014/2015 BUDGET \$000	2015/2016 BUDGET \$000	2016/2017 BUDGET \$000	2017/2018 BUDGET \$000	2018/2019 BUDGET \$000	2019/2020 BUDGET \$000
Environmental Management	9,570	9,071	9,034	9,266	9,465	9,807
Public Health and Safety	4,732	4,884	5,000	5,169	5,273	5,473
TOTAL COSTS	14,302	13,955	14,034	14,435	14,738	15,280

ENVIRONMENT AND PLANNING	2020/2021 BUDGET \$000	2021/2022 BUDGET \$000	2022/2023 BUDGET \$000	2023/2024 BUDGET \$000	2024/2025 BUDGET \$000
Environmental Management	10,097	10,379	10,748	11,133	11,565
Public Health and Safety	5,642	5,845	6,014	6,267	6,432
TOTAL COSTS	15,739	16,224	16,762	17,400	17,997

Details of each of these groups of activities are outlined in the following pages. These pages cover what 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.

I. ENVIRONMENTAL MANAGEMENT

WHAT WE DO

Council's environmental management functions and responsibilities include:

- The provision of policy advice, including responses to national 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 respond to environmental hazards, and to provide advice on environmental conditions and issues affecting the District.
- Assessing and processing resource consent applications and related compliance monitoring and enforcement.
- Processing development contributions assessments.
- Undertaking biosecurity (pest management) responsibilities including contributing to the National Bovine Tb vector control work in the District.

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. Council's biosecurity activities help protect the environment from unwanted plant and animal pests.

I. ENVIRONMENTAL MANAGEMENT (CONT.)

CONTRIBUTION TO COMMUNITY OUTCOMES

COMMUNITY OUTCOMES	HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
<p>Our unique environment is healthy and protected.</p> <p>Our urban and rural environments are people-friendly, well-planned and sustainably managed.</p> <p>Our infrastructure is efficient, cost effective and meets current and future needs.</p>	<ul style="list-style-type: none"> • 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, keeps Tasman District special. • 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 promote sustainable management of natural and physical resources, and where necessary, that regulate activities which overtime would degrade the environment or place resources under pressure, keeps Tasman special. • By managing animal and plant pests, working with landowners and others to protect biodiversity, soil and water sustainability, and educating to encourage responsible environmental behaviours, we seek to ensure Tasman remains special. • By ensuring consent approvals for the development and use of the environment promote sustainable management of natural and physical resources. Where necessary, conditions can be imposed (and monitored) that regulate activities which overtime would degrade the environment or place resources under pressure. • By ensuring that living environments are pleasant, safe, and that the activities of others do not adversely impact on citizens' lives and are appropriate in location and scale. • 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. • By educating people and providing them with information to enable them to live more sustainably and to be more resilient. • By having in place effective resource planning processes which ensure infrastructure provision is appropriate, efficient, and available to meet the demands of the community. • By promoting best practice and efficiency measures in the design and use of important utility services.
<p>Our communities are healthy, safe, inclusive and resilient.</p>	<ul style="list-style-type: none"> • 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. • 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.
<p>Our communities have opportunities to celebrate and explore their heritage, identity and creativity.</p>	<ul style="list-style-type: none"> • 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.
<p>Our Council provides leadership and fosters partnerships, a regional perspective and community engagement.</p>	<ul style="list-style-type: none"> • Public participation is provided for in the processes of developing and administering policies and plans under the Resource Management and Biosecurity Acts. • We make environmental information available and work with groups in the community to help them make environmentally sound decisions
<p>Our region is supported by an innovative and sustainable economy.</p>	<ul style="list-style-type: none"> • Policies, plans and information help identify opportunities for economic development and potential hazards and constraints affecting such opportunities. • Resource information identifies opportunities for economic development in the use and development of resources of benefit to current and future generations, and potential hazards and constraints affecting such opportunities. • Resource consents can facilitate economic development opportunities and compliance monitoring can ensure fair and equal opportunities for all. • We encourage people to adopt best practice in relation to their use of resources such as land, water, air, and the coast.

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, proportionate, and 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, promote healthy and safe communities, and support business and enterprise.
4. Ensuring that plan development systems are administered in a way which meets the expected environmental outcomes identified in policy statements and plans.
5. Managing the statutory processes involved in a way that is fair, lawful, timely and efficient, and meets the expected environmental outcomes identified in policy statements and plans.
6. Improving use, development, and protection of the District's resources and minimising damage to the environment through minimising inappropriate practices or the incidence of pests and other threats to the quality of the environment we enjoy.
7. Providing environmental 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 demographic 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.
- Industrial demands for resources and technological change – Industrial 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 – 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.
- Changes in legislation and 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.

I. ENVIRONMENTAL MANAGEMENT (CONT.)

OUR LEVEL OF SERVICE – WHAT COUNCIL WILL DO AND HOW WE WILL MEASURE PERFORMANCE OVER THE 10 YEARS FROM 2015-2025

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...	CURRENT PERFORMANCE
<p>An appropriate policy framework that effectively promotes the sustainable management of the District's natural and physical resources by:</p> <ul style="list-style-type: none"> identifying and responding to resource management policy issues; and providing a sound and appropriate policy planning framework that will protect and enhance our unique environment and promote healthy and safe communities. 	<p>At least 65% of respondents are fairly or very satisfied with Council's resource management policy and planning work, as measured via the annual resident's survey.</p>	<p>The 2014 residents' survey showed 63% of residents were either satisfied or very satisfied with the activity.</p> <p><i>See Figure 3. Satisfaction with the Council's Environmental Policy and Planning Work, page 60</i></p>
<p>Monitoring of environmental trends and conditions and reporting systems that protect and inform the community about environmental conditions, changes and risks.</p>	<p>Council meets the Air Quality National Environmental Standard (NES) by 2020 (i.e. no more than one day per year when air quality is > 50 µg/m³ PM10).</p> <p>Air quality at the Richmond Central monitoring site will be reported on Council's website, including any air quality breaches.</p>	<p>Number of exceedances in 2013 was 9 (compared with 16 in 2012).</p> <p><i>See Figure 4. Number of Exceedances and 2nd Highest 24hr PM10 for Richmond Central, page 60</i></p> <p>Graph shows the total number of days per year that the NES levels were exceeded and second-highest exceedance (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 2013/2014.</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 22 May 2014 Environment & Planning Committee meeting (REP14-05-10).</p>
	<p>Swimming beaches and rivers are suitable for contact recreation, all or most of the time.</p>	<p>98.6% of swimming beaches and rivers for fine weather samples and 92.4% for all weather samples are suitable for contact recreation.</p>

FORECAST PERFORMANCE (TARGET)				
YEAR 1	YEAR 2	YEAR 3	BY YEAR 10	
65%	68%	70%	75%	
PM10 concentrations at Richmond Central monitoring site (BAM) continue to reduce (as corrected for meteorology).	Number of exceedances of the Air Quality National Environmental Standard is no more than three.	Number of exceedances of the Air Quality National Environmental Standard is no more than three.	Number of exceedances of the Air Quality National Environmental Standard is no more than three in years 4 and 5, and no more than one by 2020.	
One report released by 30 June.	One report released by 30 June.	One report released by 30 June.	One report released by 30 June.	
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.	
98% of swimming beaches and rivers are suitable for contact recreation using fine weather samples and 92% of swimming beaches and rivers are suitable for contact recreation using all weather samples.	98% of swimming beaches and rivers are suitable for contact recreation using fine weather samples and 92% of swimming beaches and rivers are suitable for contact recreation using all weather samples.	98% of swimming beaches and rivers are suitable for contact recreation using fine weather samples and 92% of swimming beaches and rivers are suitable for contact recreation using all weather samples.	98% of swimming beaches and rivers are suitable for contact recreation using fine weather samples and 92% of swimming beaches and rivers are suitable for contact recreation using all weather samples.	

I. ENVIRONMENTAL MANAGEMENT (CONT.)

OUR LEVEL OF SERVICE – WHAT COUNCIL WILL DO AND HOW WE WILL MEASURE PERFORMANCE OVER THE 10 YEARS FROM 2015-2025 (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...	CURRENT PERFORMANCE																			
<p>We provide a responsive and efficient process for assessing resource consent applications and ensuring compliance obligations are fairly and appropriately enforced</p>	<p>At least 80% of survey respondents rate their satisfaction with Council's resource consent processing work as fairly satisfied or better.</p>	<p>82% of respondents who participated in the 2014 survey of resource consent applicants were fairly or very satisfied with resource consent processing work.</p> <p><i>See Figure 5. Resource Consent Processing Satisfaction Rate, page 61</i></p>																			
	<p>Consent applications are processed within statutory timeframes (where they exist).</p>	<p>Notified consents 100% Non-notified consents 99.3% Limited notified consents 100%</p>																			
	<p>An annual report is prepared and presented to Council or a Council committee each year. This report 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.</p>	<p>Annual compliance report presented to Council on 21 August 2014 (REP13-08-06), showing that all resource consents monitored were assigned an appropriate compliance performance grade.</p> <table border="1" data-bbox="890 981 1422 1283"> <thead> <tr> <th colspan="2">COMPLIANCE RATING</th> </tr> </thead> <tbody> <tr> <td>1. Fully complying</td> <td>526</td> </tr> <tr> <td>2. Non-compliance. Nil or minor adverse effect</td> <td>198</td> </tr> <tr> <td>3. Non-compliance. Moderate adverse effect</td> <td>65</td> </tr> <tr> <td>4. Non-compliance. Significant adverse effect</td> <td>79</td> </tr> </tbody> </table> <p><i>See Figure 6. Resource Consent Compliance Rating, page 61</i></p>	COMPLIANCE RATING		1. Fully complying	526	2. Non-compliance. Nil or minor adverse effect	198	3. Non-compliance. Moderate adverse effect	65	4. Non-compliance. Significant adverse effect	79									
	COMPLIANCE RATING																				
1. Fully complying	526																				
2. Non-compliance. Nil or minor adverse effect	198																				
3. Non-compliance. Moderate adverse effect	65																				
4. Non-compliance. Significant adverse effect	79																				
<p>Where significant non-compliance is recorded, that resolution is achieved within appropriate timeframes.</p>	<table border="1" data-bbox="890 1384 1422 1877"> <thead> <tr> <th></th> <th>NUMBER</th> <th>RESOLVED (9 MONTHS)</th> <th>RESOLVED (12 MONTHS)</th> </tr> </thead> <tbody> <tr> <td>Formal actions such as warnings and directions</td> <td>35</td> <td>27</td> <td>0</td> </tr> <tr> <td>Formal action such as abatement notices and fines</td> <td>3</td> <td>3</td> <td>N/A</td> </tr> <tr> <td>Prosecution</td> <td>0</td> <td>0</td> <td>N/A</td> </tr> <tr> <td>TOTAL</td> <td>38</td> <td>79%</td> <td>79%</td> </tr> </tbody> </table>		NUMBER	RESOLVED (9 MONTHS)	RESOLVED (12 MONTHS)	Formal actions such as warnings and directions	35	27	0	Formal action such as abatement notices and fines	3	3	N/A	Prosecution	0	0	N/A	TOTAL	38	79%	79%
	NUMBER	RESOLVED (9 MONTHS)	RESOLVED (12 MONTHS)																		
Formal actions such as warnings and directions	35	27	0																		
Formal action such as abatement notices and fines	3	3	N/A																		
Prosecution	0	0	N/A																		
TOTAL	38	79%	79%																		

FORECAST PERFORMANCE (TARGET)			
YEAR 1	YEAR 2	YEAR 3	BY YEAR 10
80%	80%	85%	85%
100%	100%	100%	100%
100%	100%	100%	100%
100%	100%	100%	100%
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.
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.

I. ENVIRONMENTAL MANAGEMENT (CONT.)

OUR LEVEL OF SERVICE – WHAT COUNCIL WILL DO AND HOW WE WILL MEASURE PERFORMANCE OVER THE 10 YEARS FROM 2015-2025 (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...	CURRENT PERFORMANCE
<p>We provide a responsive and efficient process for assessing resource consent applications and ensuring compliance obligations are fairly and appropriately enforced</p>	<p>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.</p>	<p>Report presented to Council at the 21 August 2014 meeting (REP14-08-07).</p>
	<p>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.</p>	<p>Report presented to Council at the 10 July 2014 meeting which detailed that 87% of the dairy farms were fully compliant (REP14-07-04). <i>See Figure 7. Dairy Farm Compliance, page 62</i></p>
<p>We 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.</p>	<p>Timely reporting of pest management operations, in accordance with requirements of the Biosecurity Act.</p>	<p>Annual report prepared and reported to 23 September 2013 meeting (REP13-09-05).</p>

FORECAST PERFORMANCE (TARGET)			
YEAR 1	YEAR 2	YEAR 3	BY YEAR 10
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.
95% fully compliant	95% fully compliant	100% fully compliant	100% fully compliant
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.

I. ENVIRONMENTAL MANAGEMENT (CONT.)

FIGURE 3. SATISFACTION WITH THE COUNCIL'S ENVIRONMENTAL POLICY AND PLANNING WORK

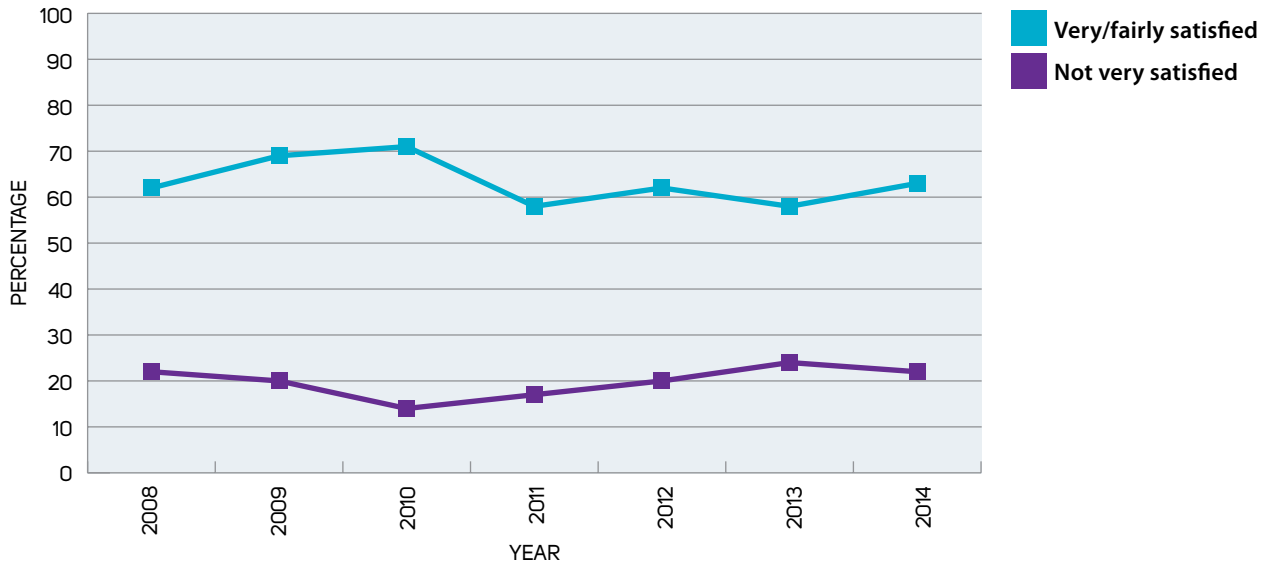


FIGURE 4. NUMBER OF EXCEEDANCES AND 2ND HIGHEST 24HR PM10 FOR RICHMOND CENTRAL

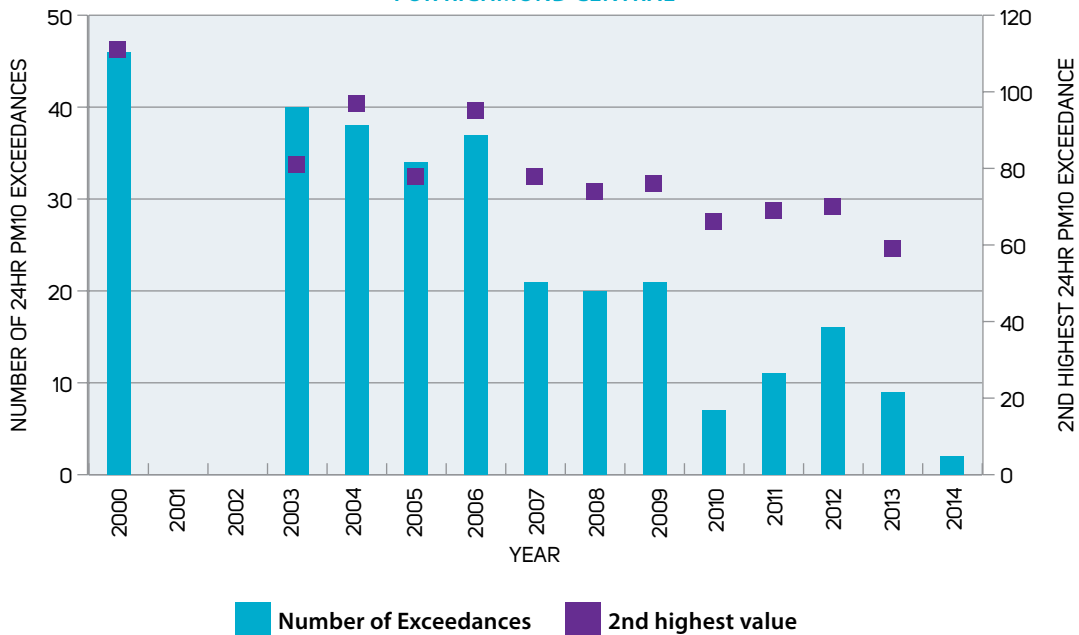


FIGURE 5. RESOURCE CONSENT PROCESSING SATISFACTION RATE

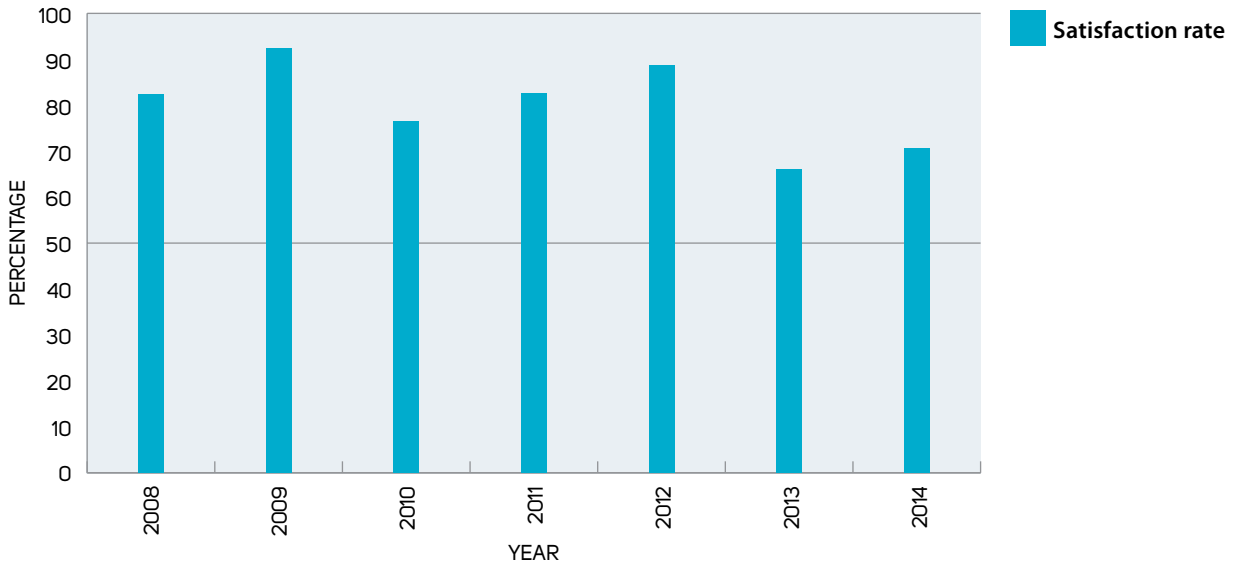
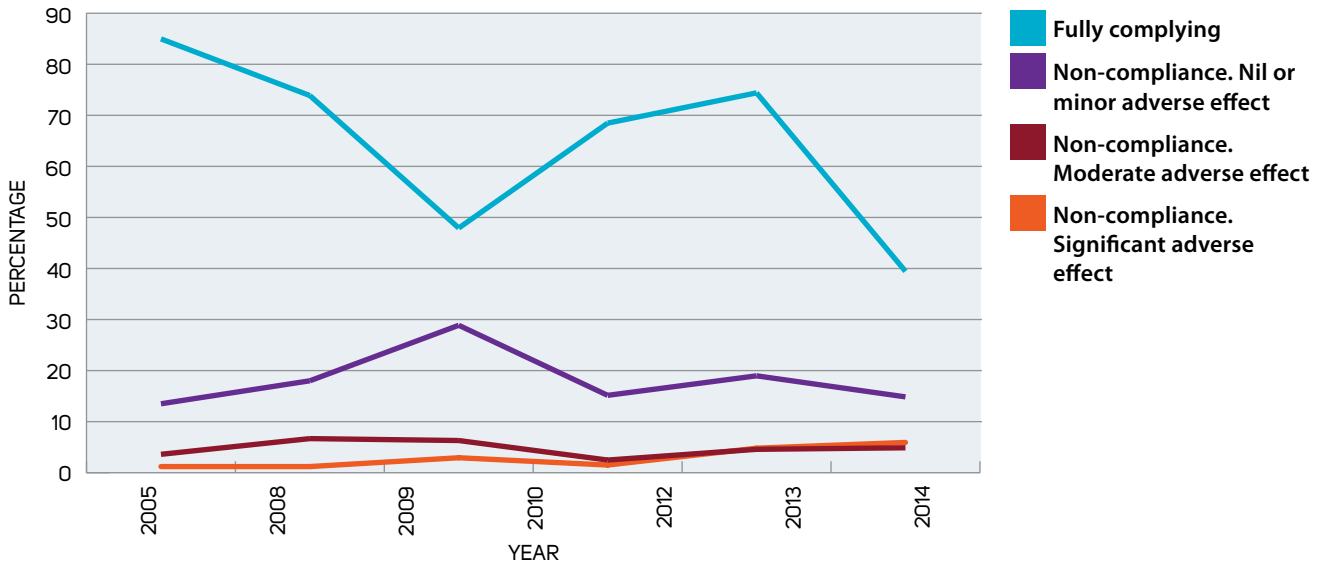
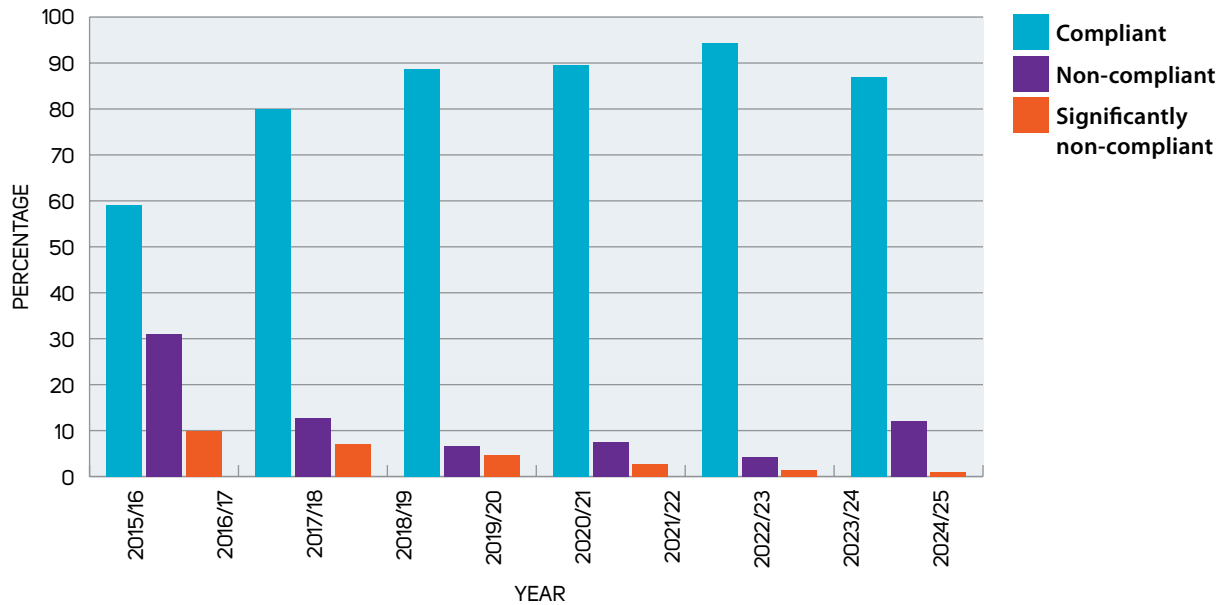


FIGURE 6. RESOURCE CONSENT COMPLIANCE RATING



I. ENVIRONMENTAL MANAGEMENT (CONT.)

FIGURE 7. DAIRY FARM COMPLIANCE



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 and development contribution notices.
- 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 for the 2015/16 financial year.

KEY CHANGES TO ACTIVITY OR SERVICE

The table below summarises the key changes for the management of the Environmental Management activity since the 2012 Long Term Plan.

KEY CHANGE	REASON FOR CHANGE
Funding of Tb Vector Control Programme	As a result of a funding review by OSPRI Council has decided to withdraw from funding as at 01 July 2016.

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 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 changes in legislation. There are anticipated to be further changes made to both the RMA and the Local Government Acts in the medium term that may impact on our service delivery until new or adapted systems are implemented. By way of example the Government is introducing new monitoring obligations through section 360 (RMA) Regulations. No allowance has been made for any increase arising from these and cost, if any, will be absorbed where possible.
- c) Future budgets are based on a similar level of effort being required to respond per issue 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.

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 pest control or the mapping of wetlands as significant 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.

I. ENVIRONMENTAL MANAGEMENT (CONT.)

FUNDING IMPACT STATEMENT AND FUNDING SOURCES FOR THE GROUP OF ACTIVITIES

FUNDING IMPACT STATEMENT – ENVIRONMENTAL MANAGEMENT	2014/2015 BUDGET \$'000	2015/2016 BUDGET \$'000	2016/2017 BUDGET \$'000	2017/2018 BUDGET \$'000
SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	6,696	6,618	6,585	6,729
Targeted rates	339	281	274	266
Subsidies and grants for operating purposes	120	123	126	130
Fees and charges	0	2,341	2,413	2,490
Internal charges and overheads recovered	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	2,695	49	51	52
TOTAL OPERATING FUNDING	9,850	9,412	9,449	9,667
APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	5,872	5,555	5,443	5,545
Finance costs	114	105	97	88
Internal charges and overheads applied	3,584	3,411	3,494	3,633
Other operating funding applications	0	0	0	0
TOTAL APPLICATIONS OF OPERATING FUNDING	9,570	9,071	9,034	9,266
SURPLUS (DEFICIT) OF OPERATING FUNDING	280	341	415	401
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	(146)	(146)	(146)	(146)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
TOTAL SOURCES OF CAPITAL FUNDING	(146)	(146)	(146)	(146)
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	33	0	0	0
- to replace existing assets	96	185	259	245
Increase (decrease) in reserves	5	10	10	10
Increase (decrease) in investments	0	0	0	0
TOTAL APPLICATIONS OF CAPITAL FUNDING	134	195	269	255
SURPLUS (DEFICIT) OF CAPITAL FUNDING	(280)	(341)	(415)	(401)
FUNDING BALANCE	0	0	0	0

The Annual Plan 2014/2015 information is as per the published document and has not been reclassified to reflect legislation changes which became effective from 1st July 2015.

The FIS statements also reflect changes resulting from internal restructures and revenue reclassification. The Annual Plan 2014/2015 has not been restated to reflect these changes.

	2018/2019 BUDGET \$000	2019/2020 BUDGET \$000	2020/2021 BUDGET \$000	2021/2022 BUDGET \$000	2022/2023 BUDGET \$000	2023/2024 BUDGET \$000	2024/2025 BUDGET \$000
	6,808	7,092	7,239	7,422	7,656	7,901	8,198
	256	251	233	210	185	168	158
	134	139	143	148	154	159	165
	2,572	2,663	2,759	2,861	2,971	3,089	3,214
	0	0	0	0	0	0	0
	54	55	57	59	61	64	66
	9,824	10,200	10,431	10,700	11,027	11,381	11,801
	5,701	5,926	6,063	6,250	6,463	6,683	7,005
	78	72	63	54	47	37	28
	3,686	3,809	3,971	4,075	4,238	4,413	4,532
	0	0	0	0	0	0	0
	9,465	9,807	10,097	10,379	10,748	11,133	11,565
	359	393	334	321	279	248	236
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	(146)	(148)	(149)	(149)	(151)	(152)	(152)
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	(146)	(148)	(149)	(149)	(151)	(152)	(152)
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	203	236	186	189	165	145	137
	10	9	(1)	(17)	(37)	(49)	(53)
	0	0	0	0	0	0	0
	213	245	185	172	128	96	84
	(359)	(393)	(334)	(321)	(279)	(248)	(236)
	0	0	0	0	0	0	0

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

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 people-friendly, well-planned 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 efficient, cost effective and meets current and future needs.	Parking control ensures parking facilities are available to ensure public access to urban retailers and services.
Our communities are healthy, safe, inclusive and resilient.	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.

COMMUNITY OUTCOMES	HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
Our communities have opportunities to celebrate and explore their heritage, identity and creativity.	Safe boating and providing such things as ski lanes ensures community access to the coastal waters of Tasman.
Our Council provides leadership and fosters partnerships, a regional perspective and community engagement.	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.

II. PUBLIC HEALTH AND SAFETY (CONT.)

OUR LEVEL OF SERVICE – WHAT COUNCIL WILL DO AND HOW WE WILL MEASURE PERFORMANCE OVER THE 10 YEARS FROM 2015-2025

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...	CURRENT PERFORMANCE
<p>We 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.</p>	<p>Applications for building consent (BC) and code compliance certificates (CCC) are processed within statutory timeframes.</p> <p>The average time taken to process a Building Consent is reduced to 10 working days by 2017.</p> <p>We maintain Building Consent Authority Accreditation.</p> <p>At least 80% of survey respondents rate their satisfaction with Council's building control work as fairly satisfied or better.</p>	<p>84.8% of building consent applications were processed within statutory time frames. 92.1% CCCs were processed within statutory timeframes.</p> <p>The average Building Consent processing time during 2013/2014 was 14 working days.</p> <p>Reaccreditation as a Building Consent Authority was achieved February 2014.</p> <p>64% of respondents who participated in the 2014 survey of building consent applicants were fairly or very satisfied with building control work.</p> <p><i>See Figure 8. Building Control Satisfaction Rate, page 72</i></p>
<p>We provide an environmental health service that:</p> <p>a. in association with other agencies, fosters the responsible sale and consumption of liquor; and</p> <p>b. ensures that food provided for sale is safe, free from contamination and prepared in suitable premises.</p>	<p>a. In conjunction with the New Zealand Police, we detect no sale of liquor to minors through random controlled purchase operations run annually.</p> <p>b. All food premises are inspected at least once annually for compliance and appropriately licensed.</p>	<p>Six operations were undertaken. A total of eight offences were detected during four of the six operations.</p> <p>99.4%</p>
<p>We 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.</p>	<p>All known dogs are registered annually by 30 September.</p> <p>We respond to high priority dog complaints within 60 minutes, 24 hours a day, seven days a week.</p>	<p>98.2%</p> <p>100%</p> <p><i>See Figure 9. Dog Control Satisfaction Rate, page 72</i></p>

	FORECAST PERFORMANCE (TARGET)			
	YEAR 1	YEAR 2	YEAR 3	BY YEAR 10
	98% of BCs	100% of BCs	100% of BCs	100% of BCs
	95% of CCCs	98% of CCCs	100% of CCCs	100% of CCCs
	12 working days	10 working days	10 working days	10 working days
	Accreditation maintained	Accreditation maintained	Accreditation maintained	Accreditation maintained
	80%	85%	85%	85%
	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.
	100%	100%	100%	100%
	100%	100%	100%	100%
	100%	100%	100%	100%

II. PUBLIC HEALTH AND SAFETY (CONT.)

OUR LEVEL OF SERVICE – WHAT COUNCIL WILL DO AND HOW WE WILL MEASURE PERFORMANCE OVER THE 10 YEARS FROM 2015-2025 (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...	CURRENT PERFORMANCE
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.	<p>The level of community support for Council's civil defence emergency management activity is rated as fairly satisfied or better through community survey.</p> <p>The Nelson Tasman CDEM Group Plan is reviewed and kept up to date.</p>	<p>The 2014 residents' survey showed 69% of residents were either satisfied or very satisfied with the activity. <i>See Figure 10. Emergency Management Satisfaction Rate, page 73</i></p> <p>The Nelson Tasman CDEM Group Plan is reviewed and kept up to date.</p>
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.	8.2ha of productive forest lost through fire. <i>See Figure 11. Hectares of Forest Burnt, page 73</i>
We provide Maritime Administration services to ensure Tasman's harbour waters are safe and accessible and that all known commercial vehicle operators are licensed.	All known commercial vessel operators are licensed.	100%
We 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 November 2013 with 80% compliance – target achieved. <i>See Figure 12. Compliance with Parking Time Limits, page 74</i>

FORECAST PERFORMANCE (TARGET)				
YEAR 1	YEAR 2	YEAR 3	BY YEAR 10	
70%	70%	70%	75%	
Implement CDEM Group Plan	Implement CDEM Group Plan	Implement CDEM Group Plan	Implement CDEM Group Plan	
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.	
100%	100%	100%	100%	
80%	85%	85%	85%	

II. PUBLIC HEALTH AND SAFETY (CONT.)

FIGURE 8. BUILDING CONTROL SATISFACTION RATE

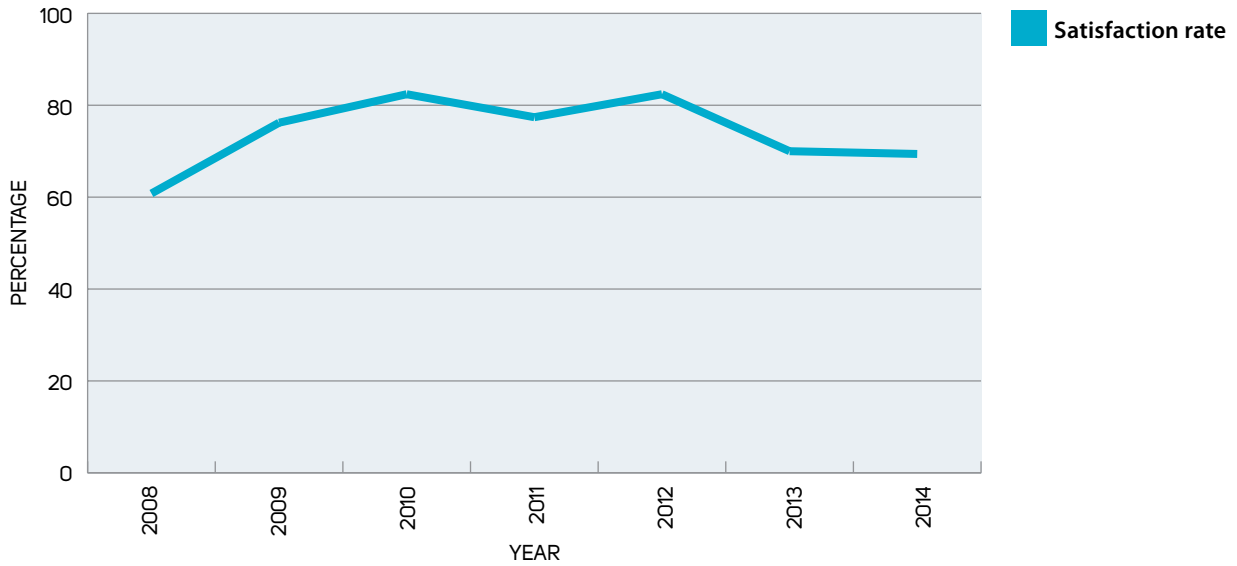


FIGURE 9. DOG CONTROL SATISFACTION RATE

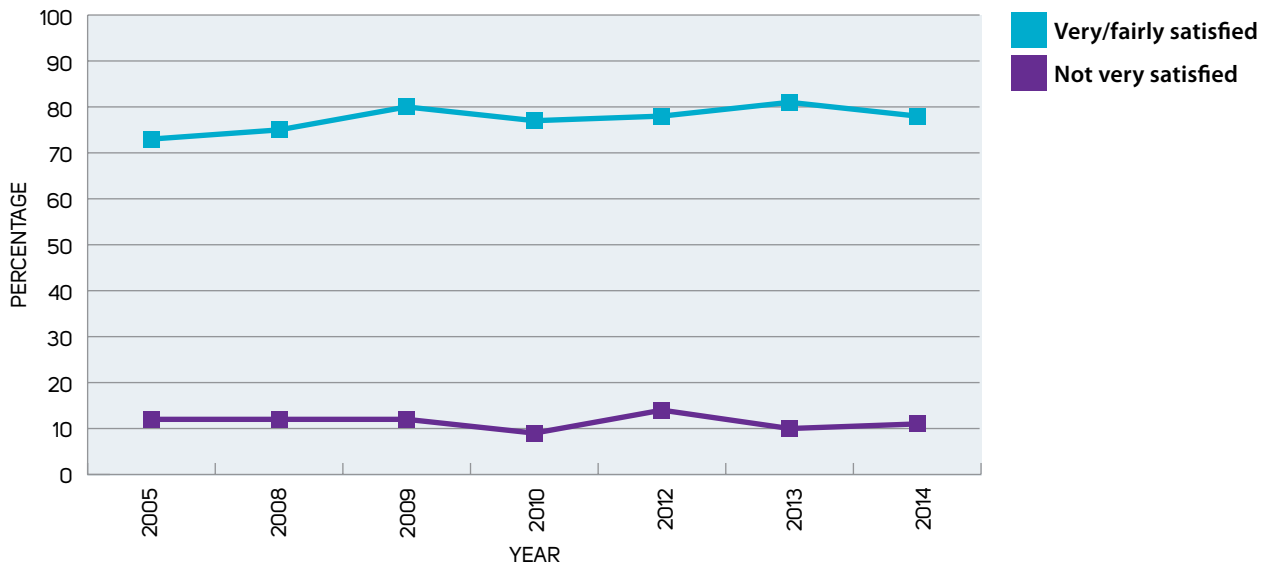


FIGURE 10. EMERGENCY MANAGEMENT SATISFACTION RATE

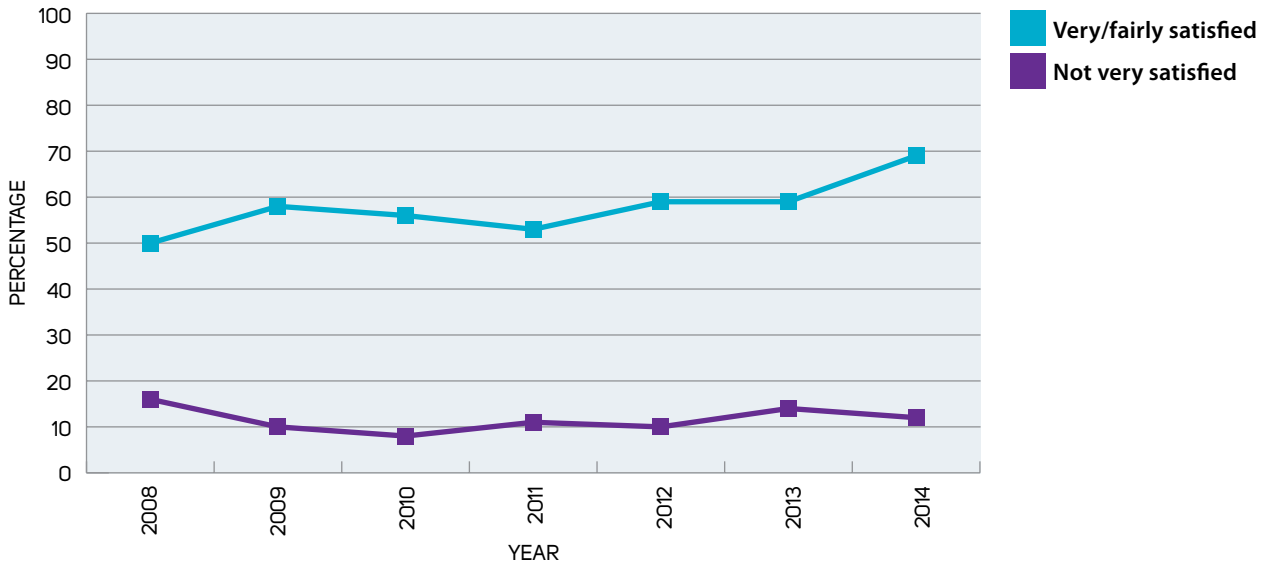
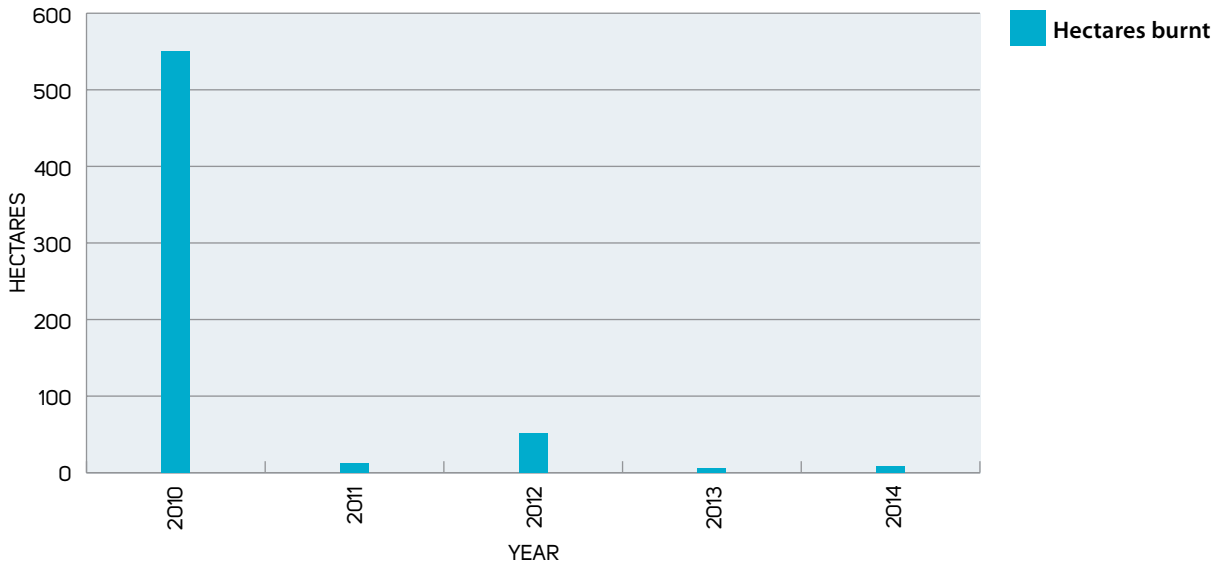
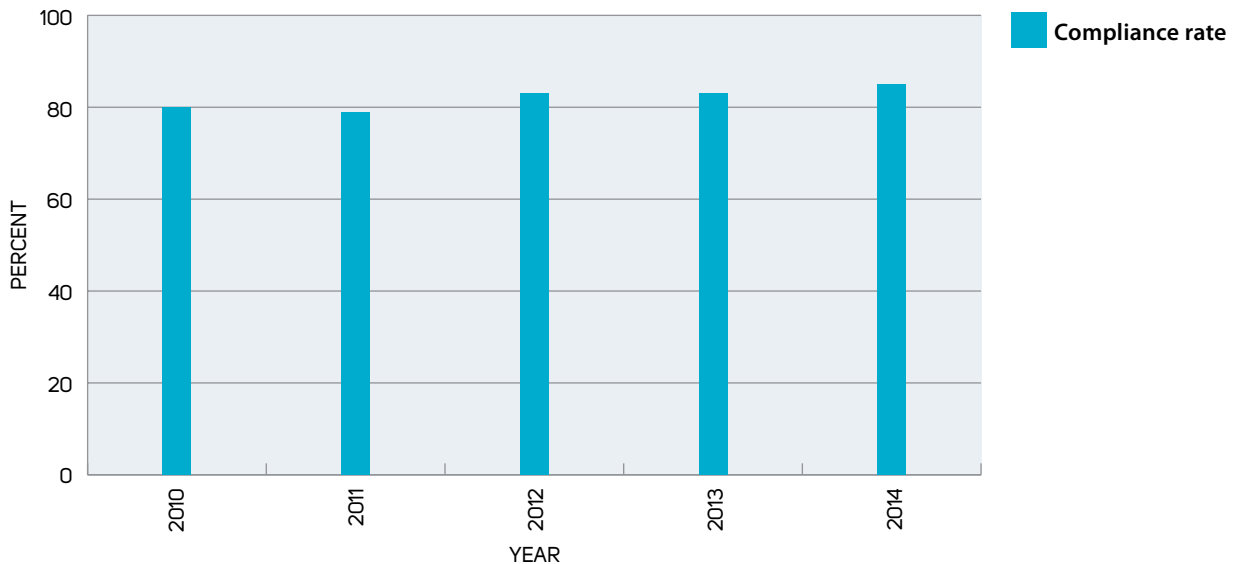


FIGURE 11. HECTARES OF FOREST BURNT



II. PUBLIC HEALTH AND SAFETY (CONT.)

FIGURE 12. COMPLIANCE WITH PARKING TIME LIMITS



MAJOR ACTIVITIES

- Respond to enquiries, process permits and consents, and undertake inspectorial responsibilities under the Health Act, Building Act, Sale and Supply of Alcohol Act, Food Act, Gambling Act, Dog Control Act, Forests and Rural Fires Act, Land Transport Act, Maritime Transport Act, the Hazardous Substances and New Organisms Act, and associated regulations and Council bylaws.
- Carry out navigation and safety 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 Authority.

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, maintenance/replacement of fire depots to the approximate value of \$30,000 plus inflation annually and replacing the harbour master's vessel and equipment in 2015/2016 to the approximate value of \$300,000. 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.

II. PUBLIC HEALTH AND SAFETY (CONT.)

FUNDING IMPACT STATEMENT AND FUNDING SOURCES FOR THE GROUP OF ACTIVITIES

FUNDING IMPACT STATEMENT – PUBLIC HEALTH AND SAFETY	2014/2015 BUDGET \$'000	2015/2016 BUDGET \$'000	2016/2017 BUDGET \$'000	2017/2018 BUDGET \$'000
SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	1,403	1,576	1,615	1,697
Targeted rates	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0
Fees and charges	0	3,298	3,393	3,495
Internal charges and overheads recovered	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	3,464	95	97	100
TOTAL OPERATING FUNDING	4,867	4,969	5,105	5,292
APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	3,016	3,127	3,196	3,289
Finance costs	16	21	32	34
Internal charges and overheads applied	1,700	1,736	1,772	1,846
Other operating funding applications	0	0	0	0
TOTAL APPLICATIONS OF OPERATING FUNDING	4,732	4,884	5,000	5,169
SURPLUS (DEFICIT) OF OPERATING FUNDING	135	85	105	123
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	0	0	42	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	(20)	339	23	22
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
TOTAL SOURCES OF CAPITAL FUNDING	(20)	339	65	22
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
– to meet additional demand	0	0	0	0
– to improve the level of service	0	0	0	0
– to replace existing assets	106	410	152	125
Increase (decrease) in reserves	9	14	18	20
Increase (decrease) in investments	0	0	0	0
TOTAL APPLICATIONS OF CAPITAL FUNDING	115	424	170	145
SURPLUS (DEFICIT) OF CAPITAL FUNDING	(135)	(85)	(105)	(123)
FUNDING BALANCE	0	0	0	0

The Annual Plan 2014/2015 information is as per the published document and has not been reclassified to reflect legislation changes which became effective from 1st July 2015.

The FIS statements also reflect changes resulting from internal restructures and revenue reclassification. The Annual Plan 2014/2015 has not been restated to reflect these changes.

	2018/2019 BUDGET \$'000	2019/2020 BUDGET \$'000	2020/2021 BUDGET \$'000	2021/2022 BUDGET \$'000	2022/2023 BUDGET \$'000	2023/2024 BUDGET \$'000	2024/2025 BUDGET \$'000
	1,681	1,767	1,849	1,888	1,919	2,022	2,031
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	3,604	3,723	3,849	3,984	4,127	4,280	4,443
	0	0	0	0	0	0	0
	103	107	110	114	118	123	127
	5,388	5,597	5,808	5,986	6,164	6,425	6,601
	3,362	3,501	3,590	3,742	3,829	3,996	4,104
	32	33	32	31	31	31	30
	1,879	1,939	2,020	2,072	2,154	2,240	2,298
	0	0	0	0	0	0	0
	5,273	5,473	5,642	5,845	6,014	6,267	6,432
	115	124	166	141	150	158	169
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	(45)	21	(50)	20	(55)	32	(47)
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	(45)	21	(50)	20	(55)	32	(47)
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	45	115	83	122	51	130	55
	25	30	33	39	44	60	67
	0	0	0	0	0	0	0
	70	145	116	161	95	190	122
	(115)	(124)	(166)	(141)	(150)	(158)	(169)
	0	0	0	0	0	0	0

ENGINEERING

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

- Transportation, Roads and Footpaths
- Coastal Structures
- Water Supply
- Wastewater
- 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 2014/2015 budgets for comparison.

ENGINEERING	2014/2015 BUDGET \$000	2015/2016 BUDGET \$000	2016/2017 BUDGET \$000	2017/2018 BUDGET \$000	2018/2019 BUDGET \$000	2019/2020 BUDGET \$000
Transportation	11,457	11,530	11,677	12,122	12,700	13,267
Coastal Structures	1,404	602	450	498	382	405
Water Supply	6,614	7,633	8,075	8,851	9,589	10,255
Wastewater	8,587	11,660	12,213	12,365	12,748	12,505
Stormwater	2,272	2,649	3,096	3,295	3,557	3,753
Solid Waste	7,248	7,013	7,645	7,775	8,001	8,189
Flood Protection and River Control Works	2,032	1,821	1,867	1,923	1,924	1,997
TOTAL COSTS	39,614	42,908	45,023	46,829	48,901	50,371

ENGINEERING	2020/2021 BUDGET \$000	2021/2022 BUDGET \$000	2022/2023 BUDGET \$000	2023/2024 BUDGET \$000	2024/2025 BUDGET \$000
Transportation	13,448	13,967	14,044	14,159	14,229
Coastal Structures	518	397	420	547	415
Water Supply	10,494	10,663	11,094	11,342	11,418
Wastewater	12,771	12,813	12,866	12,975	13,014
Stormwater	3,882	4,068	4,198	4,119	4,301
Solid Waste	8,513	8,756	9,253	9,184	9,567
Flood Protection and River Control Works	2,096	2,101	2,187	2,276	2,320
TOTAL COSTS	51,722	52,765	54,062	54,602	55,264

Details of each of these groups of activities are outlined in the following pages. These activity sections cover what 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.

I. TRANSPORTATION, ROADS AND FOOTPATHS

WHAT WE DO

Council manages a transportation network that comprises approximately 1,741km of roads, (955km sealed and 786km unsealed), 483 bridges (including footbridges), 282km of footpaths, walkways and cycleways, 22 off street car park areas, on street car parking, streetlights, traffic signs, culverts and Tasman's Great Taste Trail. Each road in the transportation network has been categorised into a transportation hierarchy based on the road's purpose and level of use.

This activity 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 traffic 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;
- off street car parking facilities and on street car parking.

This activity also includes other transportation related services, for example transport planning, road safety and public transport services like the Total Mobility Scheme. These activities are included because they help to enable the movement of people and goods throughout the District and are consistent with the objectives of the Regional Land Transport Plan.

WHY WE DO IT

By providing a 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 a public good and as such it is a core function of local government.

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.

I. TRANSPORTATION, ROADS AND FOOTPATHS (CONT.)

COMMUNITY OUTCOMES	HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
Our communities are healthy, safe, inclusive and resilient.	Our network of roads, footpaths, cycleways and carparks are safe, uncongested and maintained cost-effectively. Our network of roads connects communities across the District.
Our infrastructure is efficient, cost effective and meets current and future needs.	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

ONE NETWORK ROAD CLASSIFICATION (ONRC)

The One Network Road Classification (ONRC) has been developed by the NZ Transport Agency and is to be implemented by road controlling authorities across New Zealand by 2018.

The ONRC involves categorising roads based on the functions they perform as part of an integrated national network. The classification will help local government and the NZ Transport Agency to plan, invest in, maintain and operate the road network in a more strategic, consistent and affordable way throughout the country. In addition to this the NZ Transport Agency has set out the customer levels of service and associated performance measures for each road hierarchy within the ONRC.

Council has taken the first step towards aligning to the ONRC by including the six key factors; safety, resilience, amenity, value for money, travel time and accessibility into its levels of service. A transition plan has also been completed which outlines Council’s current position and what is required in order to achieve compliance with the ONRC by 2018. Council will need to focus on implementing the transition plan over the next three year period.

GOVERNMENT FUNDING PRESSURE

Council did not receive a net increase in our funding assistance rate as a result of the NZ Transport Agency’s recent funding assistance review. In addition, NZ Transport Agency 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 caused a gradual reduction in the amount the NZ Transport Agency contributes towards funding of Tasman’s local roads. The NZ Transport Agency has continued with this approach to road funding and will not provide for inflation adjustments for the next three years (2015-2018). 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 the NZ Transport Agency has not done so.

Council has and will continue to develop innovative ways to manage the challenges of reduced funding.

FOCUS ON MAINTAINING THE EXISTING NETWORK AND CRITICAL IMPROVEMENTS

Council is under increasing pressure to minimise its long term debt forecast and keep rate raises to a minimum. In order to achieve this, Council has reduced its planned expenditure on transportation by approximately \$47 million. 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 on-going maintenance and expenditure. This may mean that some Tasman residents may be unhappy with the lack of work planned for the transportation network.

DAMAGE TO ROADS AND THE TRANSPORTATION ASSETS FROM STORMS AND HEAVY RAINFALL EVENTS

In December 2010 and December 2011 Tasman experienced extremely heavy rainfall which led to flooding, slips and debris flows resulting in damage to Council's infrastructure and private property. This was particularly destructive in Golden Bay in 2011 and in Murchison and Golden Bay in 2010.

As well as these more significant events, there has been an increase in the severity and frequency of storm events occurring in Tasman during recent years. This has resulted in a significant increase in emergency works costs. Consequently forecast expenditure has been increased to \$2 million per year to align with recent trends.

INCREASING DEMAND FOR TRANSPORTATION SERVICES DUE TO GROWTH

Residential growth in the Richmond area is creating extra pressure and demand on Council's transportation network. This growth will increase traffic volumes and may cause congestion on urban arterial routes. A number of projects are planned to occur within the Richmond Ring Route to improve traffic flows, these include intersection improvements on Salisbury Road and widening on Oxford Street.

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 NZ Transport Agency.

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 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 NZ Transport Agency's funding assistance rates have changed from 49% for maintenance and 59% for renewals, to 52% in 2015/16 and 51% thereafter for all subsidised transportation activities. Total Mobility is the only exception which is funded at 60%.

I. TRANSPORTATION, ROADS AND FOOTPATHS (CONT.)

OUR LEVEL OF SERVICE – WHAT COUNCIL WILL DO AND HOW WE WILL MEASURE PERFORMANCE OVER THE 10 YEARS FROM 2015-2025

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...	CURRENT PERFORMANCE
<p>Safety Our transportation network is becoming safer for its users.</p>	<p>There is a downward trend in the number of serious and fatal injury crashes occurring on our road network. Measured using the NZ Transport Agency's crash database. The crash database is assessed annually on a calendar year basis, i.e. 1 January to 31 December ONRC Safety – OM1</p>	<p>Actual = Decreasing <i>See Figure 13. All Crash Types, 2009-2013, Tasman District Council Roads Only, Fatal and Serious Crashes, page 90</i></p>
	<p>The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number. LGA Mandatory Measure.</p>	<p>Actual = New measure</p>
	<p>There is a decreasing number of loss of control crashes occurring on bends on our road network each year. Measured using the NZ Transport Agency's crash database. The crash database is assessed annually on a calendar year basis, i.e. 1 January to 31 December.</p>	<p>Actual = Decreasing <i>See Figure 14. Bend-Lost Control, 2009-2013, Tasman District Council Roads Only, All Injury Types, page 90</i></p>
<p>Safety Our transportation network is becoming safer for its users.</p>	<p>There is a decreasing number of loss of control crashes on straights on our road network each year. Measured using the NZ Transport Agency's crash database. The crash database is assessed annually on a calendar year basis, i.e. 1 January to 31 December.</p>	<p>Actual = Increasing <i>See Figure 15. Straight-Lost Control, 2009-2013, Tasman District Council Roads Only, All Injury Types, page 91</i></p>

FORECAST PERFORMANCE (TARGET)				
YEAR 1	YEAR 2	YEAR 3	BY YEAR 10	
Decreasing	Decreasing	Decreasing	Decreasing	
-1	-1	-1	-1 per year	
Decreasing	Decreasing	Decreasing	Decreasing	
Decreasing	Decreasing	Decreasing	Decreasing	

I. TRANSPORTATION, ROADS AND FOOTPATHS (CONT.)

OUR LEVEL OF SERVICE – WHAT COUNCIL WILL DO AND HOW WE WILL MEASURE PERFORMANCE OVER THE 10 YEARS FROM 2015-2025 (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF..	CURRENT PERFORMANCE
<p>Resilience</p> <p>We proactively maintain roads in high risk areas to minimise unplanned road closures.</p>	<p>Specified sites that Council considers to have a high risk of failure are inspected and attended to if necessary in response to severe weather warnings.</p> <p>Measured through the road maintenance contractor's monthly reports.</p>	Actual = New measure
<p>Accessibility</p> <p>Our transportation network enables the community to choose from various modes of travel.</p>	<p>Council constructs a minimum of 500 metres of new footpath each financial year to reduce the length of gaps in the existing footpath network.</p> <p>Measured using RAMM Inventory data and GIS mapping.</p>	Actual = New measure
<p>Value for Money</p> <p>Our transportation network is maintained cost effectively and whole of the costs are optimised.</p>	<p>The percentage of sealed local road that is resurfaced each financial year.</p> <p>LGA Mandatory Measure.</p>	Actual = New measure
<p>Travel Time</p> <p>Our transportation network is managed so that changes to normal travel time patterns across the network are communicated effectively.</p>	<p>Council communicates planned works programme and road closures to road users via the weekly road status report published on Council's website.</p> <p>Measured by tracking weekly website updates.</p> <p>ONRC TTR - PMI</p>	Actual = New measure
<p>Amenity</p> <p>The travel quality and aesthetics of our transportation network is managed at a level appropriate to the importance of the road and satisfies the community's expectations.</p>	<p>The percentage of footpaths with the Tasman District that are maintained to a condition of average or better.</p> <p>As measured through the triennial footpath condition rating survey (last completed 2013/14, next due 2016/17)</p> <p>ONRC Safety - PM8</p> <p>LGA Mandatory Measure</p>	Actual = 94% as at May 2014 94.3% as at November 2010

FORECAST PERFORMANCE (TARGET)			
YEAR 1	YEAR 2	YEAR 3	BY YEAR 10
Sites are inspected in response to severe weather warnings at least 100% of the time.			
≥500 metres	≥500 metres	≥500 metres	≥500 metres
4.8%	4.8%	4.8%	6.9%
100%	100%	100%	100%
NA	≥90	NA	≥90

I. TRANSPORTATION, ROADS AND FOOTPATHS (CONT.)

OUR LEVEL OF SERVICE – WHAT COUNCIL WILL DO AND HOW WE WILL MEASURE PERFORMANCE OVER THE 10 YEARS FROM 2015-2025 (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...	CURRENT PERFORMANCE																				
<p>Amenity</p> <p>The travel quality and aesthetics of our transportation network is managed at a level appropriate to the importance of the road and satisfies the community's expectations.</p>	<p>The proportion of travel undertaken on the sealed road network meets the specified comfort levels. Known as Smooth Travel Exposure (STE). Smooth travel exposure is defined as the proportion of vehicle kilometres travelled on roads with roughness below the following thresholds:</p> <table border="1" data-bbox="552 846 855 1144"> <thead> <tr> <th colspan="2">URBAN ROADS</th> </tr> <tr> <th>Vehicles per Day</th> <th>Roughness (NAASRA)</th> </tr> </thead> <tbody> <tr> <td><500</td> <td>≤180</td> </tr> <tr> <td>500-3,999</td> <td>≤150</td> </tr> <tr> <td>4,000-9,999</td> <td>≤120</td> </tr> <tr> <td>≥10,000</td> <td>≤110</td> </tr> </tbody> </table> <table border="1" data-bbox="552 1173 855 1377"> <thead> <tr> <th colspan="2">RURAL ROADS</th> </tr> <tr> <th>Vehicles per Day</th> <th>Roughness (NAASRA)</th> </tr> </thead> <tbody> <tr> <td><1,000</td> <td>≤150</td> </tr> <tr> <td>≥1,000</td> <td>≤130</td> </tr> </tbody> </table> <p>As reported through RAMM, based on traffic count and roughness survey data. ONRC Amenity – OM1. LGA Mandatory Measure.</p>	URBAN ROADS		Vehicles per Day	Roughness (NAASRA)	<500	≤180	500-3,999	≤150	4,000-9,999	≤120	≥10,000	≤110	RURAL ROADS		Vehicles per Day	Roughness (NAASRA)	<1,000	≤150	≥1,000	≤130	<p>Actual = 96% for 2013/14</p> <p><i>See Figure 16. Smooth Travel Exposure (STE), page 91</i></p>
URBAN ROADS																						
Vehicles per Day	Roughness (NAASRA)																					
<500	≤180																					
500-3,999	≤150																					
4,000-9,999	≤120																					
≥10,000	≤110																					
RURAL ROADS																						
Vehicles per Day	Roughness (NAASRA)																					
<1,000	≤150																					
≥1,000	≤130																					
<p>Amenity</p> <p>The travel quality and aesthetics of our transportation network is managed at a level appropriate to the importance of the road and satisfies the community's expectations.</p>	<p>Residents are satisfied with Council's roads and footpaths in the District.</p> <p>As measured through the annual Communitrak™ survey.</p>	<p>Actual =</p> <p>From Communitrak™ Survey undertaken in May 2014</p> <ul style="list-style-type: none"> – Footpaths = 70% – Roads = 70% <p><i>See Figure 17. Satisfaction with Roads and Footpaths, page 92</i></p>																				

FORECAST PERFORMANCE (TARGET)			
YEAR 1	YEAR 2	YEAR 3	BY YEAR 10
≥95%	≥95%	≥95%	≥93%
Footpaths ≥ 70% Roads ≥ 70%	Footpaths ≥ 70% Roads ≥ 70%	Footpaths ≥ 70% Roads ≥ 70%	Footpaths ≥ 70% Roads ≥ 70%

I. TRANSPORTATION, ROADS AND FOOTPATHS (CONT.)

OUR LEVEL OF SERVICE – WHAT COUNCIL WILL DO AND HOW WE WILL MEASURE PERFORMANCE OVER THE 10 YEARS FROM 2015-2025 (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF..	CURRENT PERFORMANCE
<p>Amenity</p> <p>The travel quality and aesthetics of our transportation network is managed at a level appropriate to the importance of the road and satisfies the community’s expectations.</p>	<p>Customer Service Requests relating to the transportation network and activities are completed on time.</p> <p>As measured by the maintenance contractor’s compliance with fault response time requirements (using RAMM Contractor), and the percentage of requests assigned to Council staff which are attended to within 5 days (using NCS).</p> <p>ONRC Safety PM7. LGA Mandatory Measure.</p>	<p>Actual =</p> <p>2013/14 percentage of Customer Service Requests were completed on time:</p> <ul style="list-style-type: none"> - Maintenance Contract = 94% - Council Staff = 76%

FORECAST PERFORMANCE (TARGET)			
YEAR 1	YEAR 2	YEAR 3	BY YEAR 10
≥90%	≥90%	≥90%	≥90%

I. TRANSPORTATION, ROADS AND FOOTPATHS (CONT.)

FIGURE 13. ALL CRASH TYPES, 2009-2013,
TASMAN DISTRICT COUNCIL ROADS ONLY, FATAL AND SERIOUS CRASHES

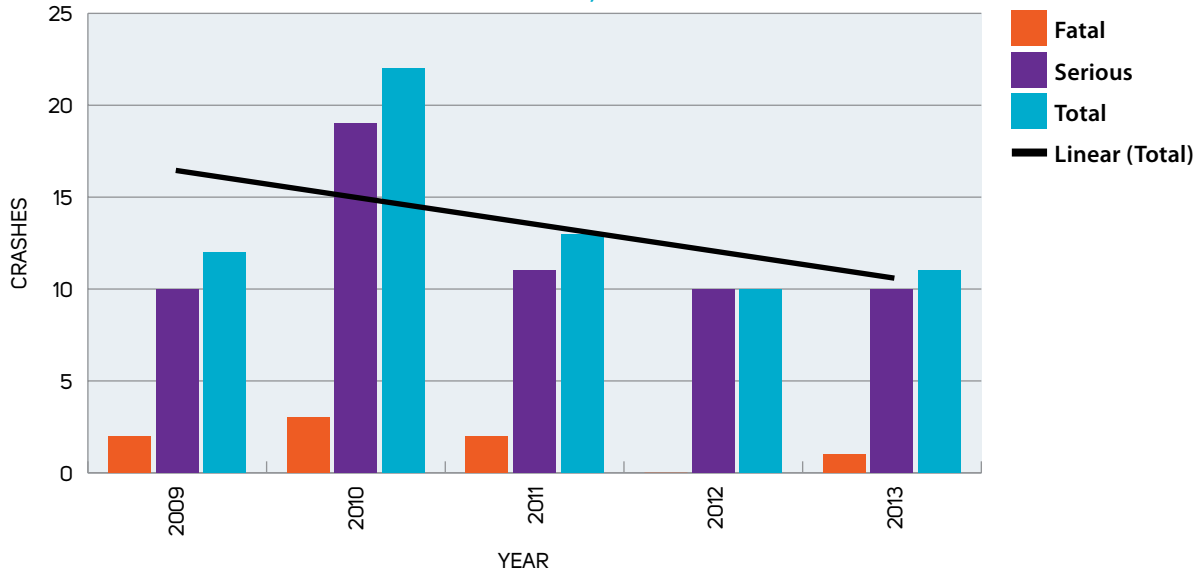


FIGURE 14. BEND-LOST CONTROL, 2009-2013,
TASMAN DISTRICT COUNCIL ROADS ONLY, ALL INJURY TYPES

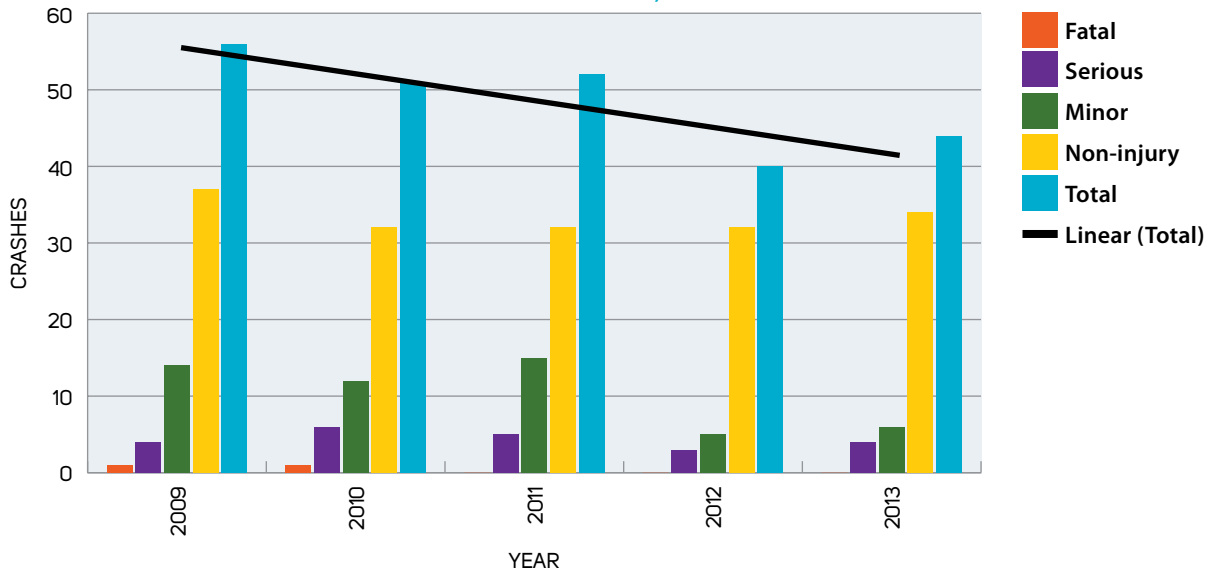


FIGURE 15. STRAIGHT-LOST CONTROL, 2009-2013, TASMAN DISTRICT COUNCIL ROADS ONLY, ALL INJURY TYPES

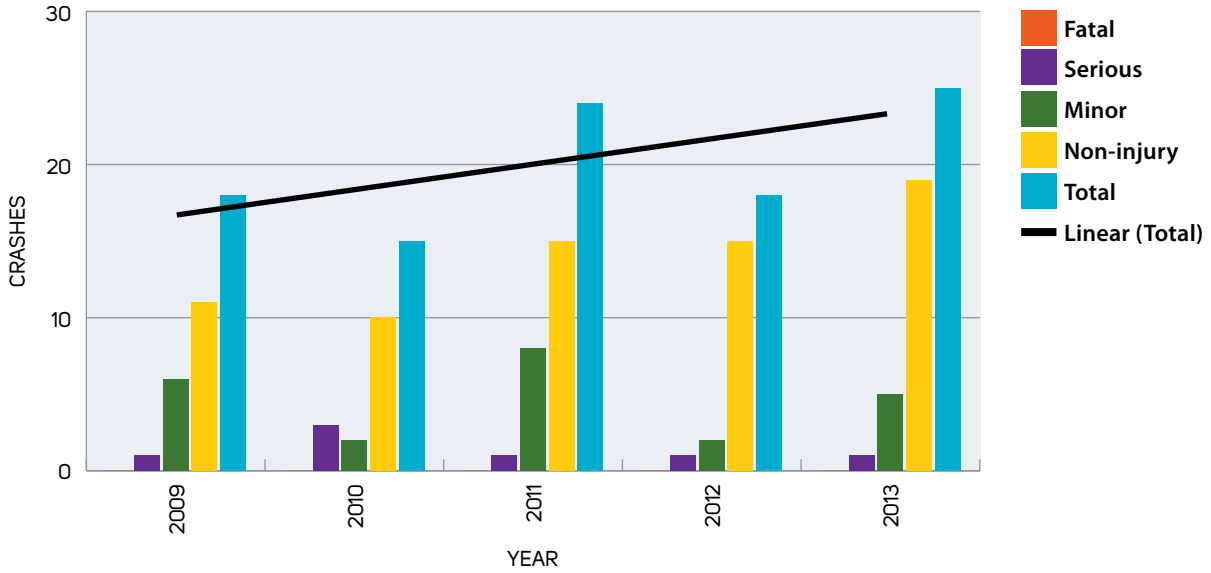
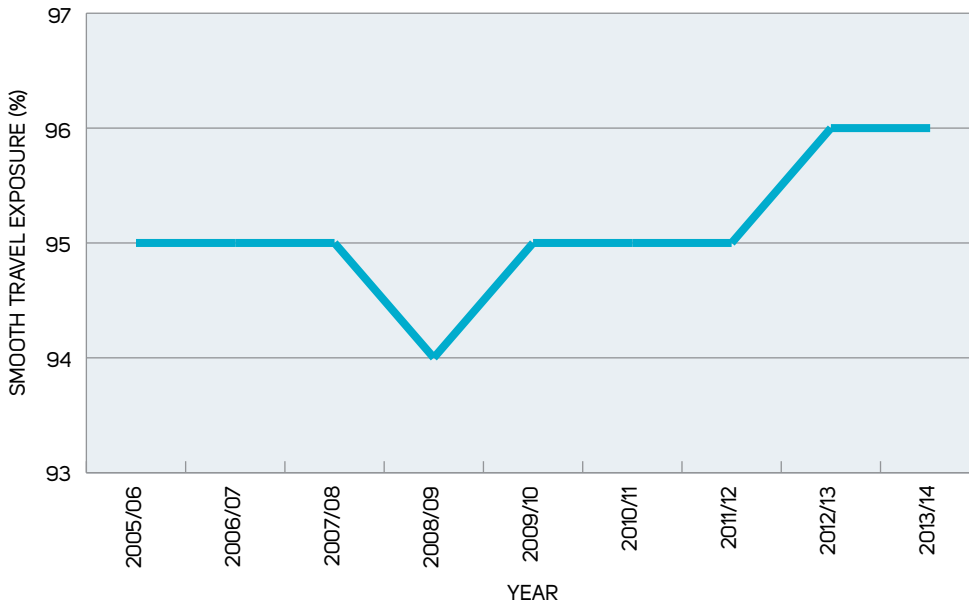
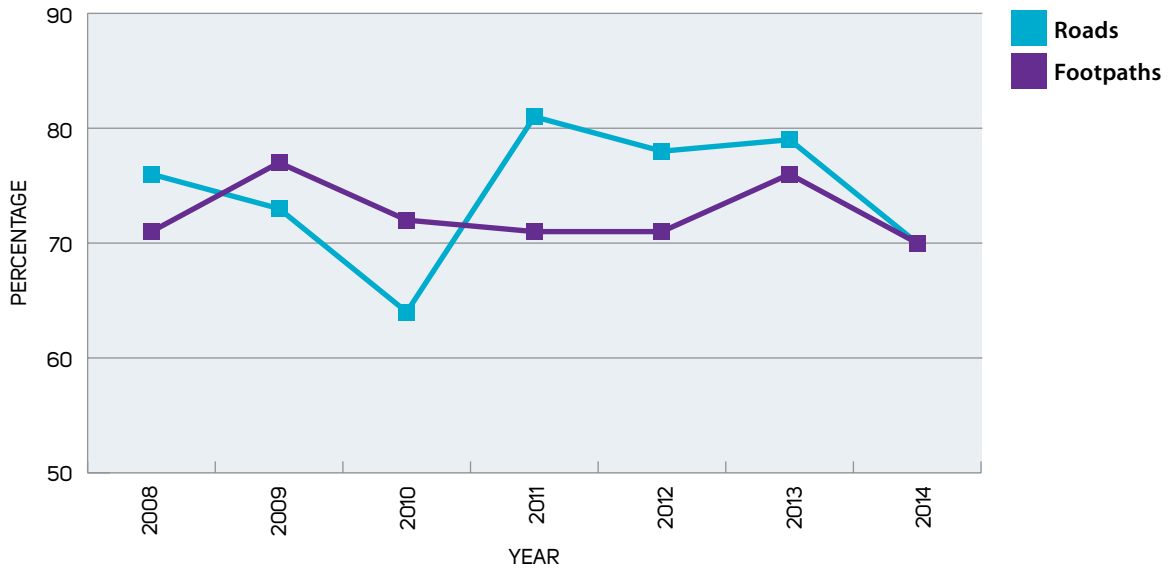


FIGURE 16. SMOOTH TRAVEL EXPOSURE (STE)



I. TRANSPORTATION, ROADS AND FOOTPATHS (CONT.)

FIGURE 17. SATISFACTION WITH ROADS AND FOOTPATHS



MAJOR ACTIVITIES

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

Council has an approved Regional Land Transport Plan. 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 CHANGES TO ACTIVITY OR SERVICE

The table below summarises the key changes for the management of the Transportation activity since the 2012 Long Term Plan.

KEY CHANGE	REASON FOR CHANGE
<p>Council is required to adopt the NZ Transport Agency's One Network Road Classification (ONRC). This hierarchy is used to improve the consistency of customer's experience across all roads nationally and to allow for better benchmarking practices across all road controlling authorities.</p> <p>The ONRC provides guidance on the customer levels of service and technical performance measures appropriate to each classification of road. Council has applied this classification and are planning to deliver a network that meets the fit-for-purpose outcomes of the ONRC and provides good value for money, without over or under investing in the transportation network.</p>	<p>The One Network Road Classification (ONRC) involves categorising roads based on the functions they perform as part of an integrated national network. The classification will help local government and the NZ Transport Agency to plan, invest in, maintain and operate the road network in a more strategic, consistent and affordable way throughout the country.</p>
<p>Level of service changes.</p>	<p>Council has incorporated the new mandatory performance measures relating to the provision of roads and footpaths into its levels of service statements, as required by the Non-Financial Performance Measure Rules 2013.</p>
<p>NZ Transport Agency's funding assistance rates have changed from 49% for maintenance and 59% for renewals, to 52% in 2015/16 and 51% thereafter for all subsidised transportation activities. Total Mobility is the only exception which is funded at 60%.</p>	<p>The NZ Transport Agency is under increasing pressure to reduce expenditure due to the release of the latest Government Policy Statement (GPS) by the Ministry of Transport.</p>
<p>Some Class 1 weight or speed restricted bridges which have little access value (i.e. servicing one property) may now be divested or posted where possible rather than upgrading, based on a case by case basis.</p>	<p>Council is under increasing pressure to provide value. The bridges of concern provide very little benefits to the community, and it is therefore questionable as to why Council owns or renews them.</p>
<p>Approximately \$47 million worth of capital work has been removed from the forward work programme over 20 years. All seal extensions have been removed from the programme. Some road reconstruction projects have also been removed and re-scoped with the intention of completing them as minor projects instead. Key changes are summarised below.</p>	<p>Council is under increasing pressure to minimise its long term debt forecast and keep rate raises to a minimum. Council is instead focusing on delivering critical core infrastructure projects and maintaining its existing network.</p>
<ul style="list-style-type: none"> Reduction in network and asset management budget of approximately \$13 million over 20 years. 	<p>Cost savings due to reorganisation of the Engineering Department.</p>
<ul style="list-style-type: none"> Reduction in drainage renewals budget of approximately \$15 million over 20 years. 	<p>Modelling supports a lower rate in drainage renewal investment now that a backlog has been largely cleared.</p>

I. TRANSPORTATION, ROADS AND FOOTPATHS (CONT.)

KEY CHANGE	REASON FOR CHANGE
<ul style="list-style-type: none"> Reduction in sealed pavement resurfacing budget of approximately \$8.5 million over 20 years. 	Driven by the generally good condition of the sealed network and the associated surface ages and predicted deterioration.
<ul style="list-style-type: none"> Reduction in bridge renewals budget of approximately \$8.0 million over 20 years. 	Nominal annual budget removed and replaced by specific budgets to reflect actual bridge condition needs and timing.
<ul style="list-style-type: none"> Reduction in minor improvements budget of approximately \$6.6 million over 20 years. 	Reduction reflects the current forward programme and project readiness.
<ul style="list-style-type: none"> Reduction in new footpath construction budget of approximately \$4.6 million over 20 years. 	Focus is on completing gaps in the network rather than extending the network.
<ul style="list-style-type: none"> Increase in emergency reinstatement budget of approximately \$25 million over 20 years. 	To reflect actual cost of emergency works over the past three years.

KEY ASSUMPTIONS, UNCERTAINTIES AND RISKS

Significant uncertainties and assumptions that are specific to the transportation activity and its programme are listed below. Significant assumptions common to all of Council's activities are listed in Part 4 of Volume 1.

ASSUMPTIONS AND UNCERTAINTIES

- The long term impact of the NZ Transport Agency's one network road classification framework on the provision of transportation services.
- NZ Transport Agency funding levels are 51% long term, and that there will not be any significant changes in NZ Transport Agency funding criteria.
- Future fuel prices, and the impact on travel choices is also not yet known. However, due to the fact the population is spread over a large area, the community is likely to remain dependent on private vehicular transport in future.

RISKS

- The reduction in renewals expenditure may have a negative impact on the condition of the road network, in effect reducing the level of service and/or increasing maintenance costs. Road pavements are typically slow to fail and it is expected that this risk can be managed through condition monitoring.

NEW CAPITAL EXPENDITURE

The following table details the major capital and renewal work programmed for the years 2015-2025. 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.

PROJECT NAME	DESCRIPTION	YEARS 1-3 (\$)	YEARS 4-10 (\$)
Sealed Road Resurfacing	Resurfacing of sealed roads.	5,354,125	21,244,713
Drainage Renewals	Renewal of drainage assets including kerb and channel, culverts, sumps and water tables.	2,896,431	7,228,609
Unsealed Road Metalling	Routine metalling of unsealed roads to replace lost aggregate.	2,593,601	6,998,008
Pavement Rehabilitation	Pavement rehabilitation of sites which meet NZTA funding criteria.	1,102,320	6,804,502
Bridge Renewals	Sites yet to be determined, selection will be based on priority matrix, the NZTAs funding criteria, and high productivity motor vehicle routes.	-	715,378
Traffic Services Renewals	Renewal of signs, edge marker posts and street lighting.	1,465,223	3,528,543
Structures Component Replacements	Bridge component replacements.	1,243,041	3,215,940
Footpath Rehabilitation	Footpath and walkway rehabilitation, sites identified in priority matrix.	314,949	424,894
New Footpaths	Construction of new footpaths across the District.	251,959	679,831
Minor Improvements	Minor improvements, sites identified in priority matrix.	2,972,736	8,020,984
Tasman's Great Taste Trail Construction	Construction of the Great Taste Trail from Spooners Tunnel to Woodstock.	1,822,923	552,982
Richmond Central Improvements – Queen Street Town Centre Renewal	Upgrade of Queen Street to provide improved traffic calming and shared spaces.	4,534,027	-
Motueka Town Centre Renewal	Upgrade of High Street pedestrian areas to provide for a shared environment.	924,853	-

I. TRANSPORTATION, ROADS AND FOOTPATHS (CONT.)

PROJECT NAME	DESCRIPTION	YEARS 1-3 (\$)	YEARS 4-10 (\$)
Brightwater Town Centre Improvements	Upgrade of Ellis Street to provide for a shared environment.	177,686	1,327,156
Bateup Road Widening	Reconstruction of Bateup Road to provide for growth.	3,005,768	-
Oxford Street Widening	Reconstruction of Oxford Street between Wensley Road and Gladstone Road to improve flows on the Richmond Ring Route.	448,149	492,707
William Street and Salisbury Road Intersection Improvements	Intersection upgrade to improve efficiency.	-	662,222
Queen Street and Salisbury Road Intersection Improvements	Intersection upgrade to improve efficiency.	-	1,181,687
Pah Street, Greenwood Street and High Street Intersection Improvements	Signalisation of the intersection to improve efficiency.	53,844	552,982

SIGNIFICANT NEGATIVE EFFECTS

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

- Noise Generation: Vehicle use within the network produces noise.
 - Social – The level of noise generated generally depends on the speed of vehicles, and the type of road surface and/or vehicle tyre types.
- Light Spill – Council installs lighting in public areas and along roads to improve the safety and amenity of the area.
 - Social – this can have an adverse effect on neighbouring properties due to light spill.
 - Environmental – upward light spill can adversely affect user groups by ‘polluting’ the night skies.
- Vehicle Emissions – Vehicles using the road network produce emissions.
 - Environmental – Discharges from motor vehicles have the potential to diminish water quality in adjacent streams from surface water run-off from roads.
 - Air quality can be affected by dust generation from vehicles travelling on unsealed roads.

- Traffic Congestion – Increasing traffic volumes may result in congestion of urban arterial links.
 - Economic – Traffic congestion causes delays to the road users and has the potential to affect the cost of freight.
- Road Crashes
 - Social – Road users face potential crashes and associated injury or death.
- Community Cost
 - Economic – The costs of providing transportation services.
- Damage to Historic Sites
 - Cultural – The provision of roads and transportation services has the potential to affect historic and wahi tapu sites.

SIGNIFICANT POSITIVE EFFECTS

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

- Economic Development – Provision of efficient road network allows for the movement of freight between key hubs and markets, therefore allowing economic growth and prosperity.
- Safety and Personal Security – Council aims to improve the safety of the transportation network for all modes of travel, for example this includes the implementation of the Minor Improvements programme and provision of lighting for pedestrians.
- Access and Mobility – 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.
- Public Health – Council's management of the transport network encourages active modes of travel, e.g. walkways and cycleways which can enhance people's health and well-being.
- Environmental Sustainability – Council aims to achieve environmental sustainability whilst managing the transportation activity. This is generally managed by the resource consent process and the TRMP.
- Economic Efficiency – Council's management of the transportation activity uses best practice and competitive tendering to provide value for money for the ratepayers and provides jobs for contractors.

I. TRANSPORTATION, ROADS AND FOOTPATHS (CONT.)

FUNDING IMPACT STATEMENTS AND FUNDING SOURCES FOR THE GROUP OF ACTIVITIES

FUNDING IMPACT STATEMENT – TRANSPORTATION, ROADS AND FOOTPATHS	2014/2015 BUDGET \$000	2015/2016 BUDGET \$000	2016/2017 BUDGET \$000	2017/2018 BUDGET \$000
SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	9,930	11,461	11,643	12,040
Targeted rates	6	0	0	0
Subsidies and grants for operating purposes	3,655	4,344	4,281	4,403
Fees and charges	0	139	143	147
Internal charges and overheads recovered	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	1,111	358	368	379
TOTAL OPERATING FUNDING	14,702	16,302	16,435	16,969
APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	7,460	8,552	8,671	8,853
Finance costs	2,043	1,801	1,856	2,059
Internal charges and overheads applied	1,954	1,177	1,150	1,210
Other operating funding applications	0	0	0	0
TOTAL APPLICATIONS OF OPERATING FUNDING	11,457	11,530	11,677	12,122
SURPLUS (DEFICIT) OF OPERATING FUNDING	3,245	4,772	4,758	4,847
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	4,760	3,404	3,330	3,363
Development and financial contributions	109	134	150	142
Increase (decrease) in debt	1,909	(922)	2,267	4,586
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
TOTAL SOURCES OF CAPITAL FUNDING	6,778	2,616	5,747	8,091
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
– to meet additional demand	66	0	0	0
– to improve the level of service	2,311	2,377	5,477	7,776
– to replace existing assets	7,315	5,011	5,028	5,162
Increase (decrease) in reserves	331	0	0	0
Increase (decrease) in investments	0	0	0	0
TOTAL APPLICATIONS OF CAPITAL FUNDING	10,023	7,388	10,505	12,938
SURPLUS (DEFICIT) OF CAPITAL FUNDING	(3,245)	(4,772)	(4,758)	(4,847)
FUNDING BALANCE	0	0	0	0

The Annual Plan 2014/2015 information is as per the published document and has not been reclassified to reflect legislation changes which became effective from 1st July 2015.

The FIS statements also reflect changes resulting from internal restructures and revenue reclassification. The Annual Plan 2014/2015 has not been restated to reflect these changes.

	2018/2019 BUDGET \$000	2019/2020 BUDGET \$000	2020/2021 BUDGET \$000	2021/2022 BUDGET \$000	2022/2023 BUDGET \$000	2023/2024 BUDGET \$000	2024/2025 BUDGET \$000
	12,729	13,829	15,038	16,195	17,557	19,079	19,191
	0	0	0	0	0	0	0
	4,585	4,724	4,837	5,146	5,204	5,355	5,542
	151	156	162	167	173	180	187
	0	0	0	0	0	0	0
	391	404	418	433	448	465	482
	17,856	19,113	20,455	21,941	23,382	25,079	25,402
	9,275	9,623	9,782	10,390	10,493	10,816	11,193
	2,199	2,348	2,289	2,163	2,062	1,774	1,416
	1,226	1,296	1,377	1,414	1,489	1,569	1,620
	0	0	0	0	0	0	0
	12,700	13,267	13,448	13,967	14,044	14,159	14,229
	5,156	5,846	7,007	7,974	9,338	10,920	11,173
	4,221	4,676	4,019	4,183	4,403	4,491	4,696
	157	145	152	145	150	150	161
	2,061	(227)	(1,723)	(2,450)	(3,599)	(5,525)	(5,867)
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	6,439	4,594	2,448	1,878	954	(884)	(1,010)
	0	0	0	0	0	0	0
	4,881	3,394	2,566	2,576	2,740	2,369	2,237
	6,714	7,046	6,889	7,276	7,552	7,667	7,926
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	11,595	10,440	9,455	9,852	10,292	10,036	10,163
	(5,156)	(5,846)	(7,007)	(7,974)	(9,338)	(10,920)	(11,173)
	0	0	0	0	0	0	0

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 wharf at Riwaka.
- Jetties, boat ramps, navigational aids and moorings.
- Coastal protection works at Ruby Bay and Marahau.
- Navigation aids associated with harbour management.

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 people-friendly, well planned 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 efficient, cost effective and meets current and future needs.	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

Council aims to maintain its coastal infrastructure and those that protect critical assets to achieve the vision of both Council and the community, taking into account affordability and sustainability.

KEY ISSUES

JACKETT ISLAND

An Environment Court decision in January 2014 determined that Council was no longer obliged to find a long term solution to erosion on Jackett Island. This was because modelling and investigation work showed that the cost for a cut across the Motueka spit and ongoing maintenance costs were unaffordable for the community, considering the dynamic nature of that particular coastline. Obtaining resource consent for such a project was also considered to be a difficult and expensive exercise with no guarantee of the application being successful. Council is obligated to continue maintaining the existing sand bag wall on Jackett Island until January 2017. Regular monitoring of the Jackett Island foreshore and the Motueka spit will continue throughout this time period.

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 council-owned coastal protection works and recreational assets, but 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. Modelling of the Tasman coastline is occurring and a full review of coastal policies is expected in the next three years. In the meantime, an interim coastal policy has been developed explaining Council's priorities for maintenance of existing coastal structures.

MANAGEMENT OF DERELICT WHARVES AND JETTIES

There are some wharves and jetties within the coastal area which are in derelict condition and in some cases have no clear owner. Council recognises that there is a potential risk to public safety should these structures not be managed appropriately. Council will work through these issues of ownership and management with appropriate agencies, with a view to either upgrade or remove the structure. Council is unlikely to upgrade or remove any coastal structures that do not belong to them.

COASTAL PROTECTION ASSET INVENTORY

Council owns and maintains coastal protection under this activity as well as in the transportation, parks and reserves and commercial activities. This is because the various coastal protection structures serve different purposes e.g. some rock walls may protect roads or campgrounds. Council requires more clarity on the exact location of these assets and which activity they belong to. Council is currently updating its databases with this information and will continue to do so in an ongoing manner as inspections are completed.

II. COASTAL STRUCTURES (CONT.)

OUR LEVEL OF SERVICE – WHAT COUNCIL WILL DO AND HOW WE WILL MEASURE PERFORMANCE OVER THE 10 YEARS FROM 2015-2025

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...	CURRENT PERFORMANCE	FORECAST PERFORMANCE (TARGET)			
			YEAR 1	YEAR 2	YEAR 3	BY YEAR 10
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 notices issued to Council.	Actual = There have been no notices issued for breach of resource consent conditions.	No notices issued.	No notices issued.	No notices issued.	No notices issued.

MAJOR ACTIVITIES

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

KEY CHANGES TO ACTIVITY OR SERVICE

The table below summarises the key changes for the management of the Coastal Structures activity since the 2012 Long Term Plan.

KEY CHANGE	REASON FOR CHANGE
Introduction of an interim position on coastal works.	<p>An increasing number of storm events in the District have caused considerable damage and erosion along parts of the Tasman coastline. Community expectations for Council to protect private property is unaffordable, so an interim position statement was developed while further modelling and investigation work into the effects of climate change and sea level rise on the Tasman District are assessed. The interim position statement is:</p> <ul style="list-style-type: none"> • Council will maintain or repair only existing Council-owned coastal protection structures (subject to a review of economic benefit and affordability and compliance with New Zealand Coastal Policy Statement (NZCPS) and TRMP). • Council will consider new investment in coastal protection works only where there are substantial Council-owned capital works, assets or infrastructure at risk and it is impracticable to relocate Council assets (subject to compliance with the NZCPS and the TRMP) • Council will not invest in or maintain any new Council-owned coastal structures or works to protect private property, nor will it accept responsibility for repair or maintenance of existing private coastal works. • Council will only give consideration to allow any privately funded construction of shoreline protection structures on Council-owned land, for the purposes of protecting Council-owned land or private property, where a proposal is substantially compliant with the objectives and policies of the NZCPS and objectives, policies and rules of the TRMP, and Council's Reserves General Policies document. In any event, Council retains complete discretion regarding authorisation of private structures on Council-owned land.

KEY ASSUMPTIONS, UNCERTAINTIES AND RISKS

Significant uncertainties and assumptions that are specific to the coastal structures activity and its programme are listed below. Significant assumptions common to all of Council's activities are listed in Part 4 of Volume 1.

ASSUMPTIONS, UNCERTAINTIES, AND RISKS

- The coastal hazards modelling work being undertaken by Council has the potential to significantly impact on this activity in the future.
- The impact improved ownership, age and condition data for coastal structure assets will have on Council's forward works programme. This information may significantly affect capital and maintenance forecasts in the future.

RISKS

- The interim policy on coastal works is unlikely to meet the expectations of households subject to coastal erosion

NEW CAPITAL EXPENDITURE

The following table details the major capital and renewal work programmed for the years 2015-2025.

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 Tarakohe Activity Management Plans.

PROJECT NAME	DESCRIPTION	YEARS 1-3 (\$)	YEARS 4-10 (\$)
Waimea Inlet Boat Access	Improvements to existing boat access facilities in the Waimea Inlet.	81,840	-

SIGNIFICANT NEGATIVE EFFECTS

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

- Visual pollution of coastal structures – the construction of structures that appear out of character with the coastal environment.
- Noise pollution from recreational users – increased traffic and noise from both commercial and recreational users of coastal facilities.
- Cost of coastal structures – the cost of providing the services.
- Environmental impact of coastal structures – potential changes to the natural coastal process due to placement of structures. This may include loss of natural sand dunes.
- Cultural impact of coastal structures – potential to affect wahi tapu sites relating to the local iwi.

II. COASTAL STRUCTURES (CONT.)

SIGNIFICANT POSITIVE EFFECTS

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

- Development – structures allow for the development of commercial businesses, therefore, contributing to economic growth and prosperity in the District.
- Safety and personal security – provision and maintenance of coastal protection schemes improves protection for some residents and the built environment.
- Community value – coastal structures contribute to community well-being by providing assets for recreational use of residents and visitors to the area.
- Environmental sustainability – Council aims to achieve environmental sustainability whilst managing the coastal structures activity.
- Economic efficiency – Council's management of the coastal structures activity uses best practice and competitive tendering to provide value for money for the ratepayers and provides jobs for contractors.

FUNDING IMPACT STATEMENTS AND FUNDING SOURCES FOR THE GROUP OF ACTIVITIES

FUNDING IMPACT STATEMENT – COASTAL STRUCTURES	2014/2015 BUDGET \$000	2015/2016 BUDGET \$000	2016/2017 BUDGET \$000	2017/2018 BUDGET \$000
SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	988	608	462	432
Targeted rates	113	105	102	100
Subsidies and grants for operating purposes	390	0	0	0
Fees and charges	0	0	0	0
Internal charges and overheads recovered	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	1,039	0	0	0
TOTAL OPERATING FUNDING	2,530	713	564	532
APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	826	464	316	369
Finance costs	394	95	92	85
Internal charges and overheads applied	184	43	42	44
Other operating funding applications	0	0	0	0
TOTAL APPLICATIONS OF OPERATING FUNDING	1,404	602	450	498
SURPLUS (DEFICIT) OF OPERATING FUNDING	1,126	111	114	34

	2018/2019 BUDGET \$000	2019/2020 BUDGET \$000	2020/2021 BUDGET \$000	2021/2022 BUDGET \$000	2022/2023 BUDGET \$000	2023/2024 BUDGET \$000	2024/2025 BUDGET \$000
	426	452	458	481	489	487	484
	98	97	94	94	83	80	80
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	524	549	552	575	572	567	564
	254	280	401	278	307	442	307
	77	74	68	61	57	50	44
	51	51	49	58	56	55	64
	0	0	0	0	0	0	0
	382	405	518	397	420	547	415
	142	144	34	178	152	20	149

II. COASTAL STRUCTURES (CONT.)

FUNDING IMPACT STATEMENTS AND FUNDING SOURCES FOR THE GROUP OF ACTIVITIES (CONT.)

FUNDING IMPACT STATEMENT – COASTAL STRUCTURES	2014/2015 BUDGET \$000	2015/2016 BUDGET \$000	2016/2017 BUDGET \$000	2017/2018 BUDGET \$000
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	(319)	(23)	(107)	(107)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
TOTAL SOURCES OF CAPITAL FUNDING	(319)	(23)	(107)	(107)
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
– to meet additional demand	0	0	0	0
– to improve the level of service	1,222	82	0	0
– to replace existing assets	261	0	0	0
Increase (decrease) in reserves	(676)	6	7	(73)
Increase (decrease) in investments	0	0	0	0
TOTAL APPLICATIONS OF CAPITAL FUNDING	807	88	7	(73)
SURPLUS (DEFICIT) OF CAPITAL FUNDING	(1,126)	(111)	(114)	(34)
FUNDING BALANCE	0	0	0	0

The Annual Plan 2014/2015 information is as per the published document and has not been reclassified to reflect legislation changes which became effective from 1st July 2015.

The FIS statements also reflect changes resulting from internal restructures and revenue reclassification. The Annual Plan 2014/2015 has not been restated to reflect these changes.

	2018/2019 BUDGET \$000	2019/2020 BUDGET \$000	2020/2021 BUDGET \$000	2021/2022 BUDGET \$000	2022/2023 BUDGET \$000	2023/2024 BUDGET \$000	2024/2025 BUDGET \$000
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	(107)	(107)	(107)	(107)	(107)	(102)	(88)
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	(107)	(107)	(107)	(107)	(107)	(102)	(88)
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	0	0	0	0	0	0	13
	35	37	(73)	71	45	(82)	48
	0	0	0	0	0	0	0
	35	37	(73)	71	45	(82)	61
	(142)	(144)	(34)	(178)	(152)	(20)	(149)
	0	0	0	0	0	0	0

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 15 water supply areas. The water supply areas consist of 10 urban water supply schemes (known as the urban water club), Motueka water supply scheme, three rural supply schemes and the Hamama community scheme.

Council's network is extensive and growing rapidly. At present the network comprises approximately 807km of pipeline, 36 pumping stations, 11,600 domestic connections and 110 reservoirs and break pressure tanks with a capacity of approximately 18,710 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 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 key 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 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 people-friendly, well-planned 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.

COMMUNITY OUTCOMES	HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
Our infrastructure is efficient, cost effective and meets current and future needs.	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 communities are healthy, safe, inclusive and resilient.	The water supply activity providing water that is safe to drink. Alternative sources and interconnectivity of networks support reliance of the system.
Our communities have opportunities to celebrate and explore their heritage, identity and creativity.	Key water supply assets have interpretive boards and creative facades to support community education and expression.
Our communities have access to a range of social, educational and recreational facilities and activities.	The water supply activity underpins other facilities and activities by providing safe water for human and animal needs.
Our Council provides leadership and fosters partnerships, a regional perspective and community engagement.	The water supply activity supports this outcome, as witnessed by agreements that we have with NCC and the Waimea Community Dam process.
Our region is supported by an innovative and sustainable economy.	The water supply activity underpins the economy by providing safe water for human and animal needs. Sustainable future supply is a key driver of our planning activities.

OUR GOAL

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

KEY ISSUES

WAIMEA BASIN WATER SECURITY AND THE WAIMEA COMMUNITY DAM

The Waimea Basin is a good quality but limited groundwater resource. There is a high demand for water in the area and the water is already over allocated. This is leading to an increase in the incidents of water rationing and in dry weather can lead to flows in the Waimea River that drop below what is needed for maintaining environmental flows. If a way to resolve these issues is not found, the Tasman Resource Management Plan rules will require reduced water takes and future constraints on growth in Brightwater, Richmond, and Mapua/ Ruby Bay.

A dam has been proposed as the potential solution to these issues. It would also deal with the wider Waimea Basin and Council water supply issues. \$8 million has been allocated to assist with funding the reticulated water supply component of the Dam capacity.

Without the Dam, Council will need to examine alternative water sources to improve water security for its reticulated supply network.

III. WATER SUPPLY (CONT.)

NEW DRINKING WATER STANDARDS

Following introduction of the Health (Drinking Water) Amendment Act 2007 (HDWAA), it is now mandatory to comply with Drinking Water Standards New Zealand (DWSNZ). This change means that the cost of providing water will increase over the coming 10 years due to the need for Council to upgrade and operate its water supplies to meet the standards.

While most supplies in Tasman 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. The HDWAA also requires the completion and implementation of Water Safety Plans (WSPs) for all Council water supplies. These must be completed by specific dates. Council is well advanced with programme of WSP documentation and water treatment plant upgrade works.

RURAL WATER SUPPLIES

Council's rural water supplies, including Dovedale, Redwood Valley and Eighty Eight Valley are nearly fully allocated, and Council has closed these water supplies to new connections. There are some projects planned that will provide some capacity improvements, but not enough to cope with any significant additional demand. The cost of further expanding capacity in the schemes to cater for growth is very high compared to the potential growth that would take advantage of any additional capacity.

MEETING GROWTH NEEDS

Water supply can be a major constraint on growth. Consequently, there are a number of water supply projects planned that are driven fully or partially by the need to cater for future growth, particularly in Wakefield, Brightwater, Richmond, Mapua, Motueka, and longer term – in Pohara and Coastal Tasman.

FULL MOTUEKA AND COASTAL TASMAN RETICULATION

Parts of Motueka have a reticulated water supply. However, about two thirds of Motueka residents currently rely on water sourced from private bores on their own properties. That makes it the largest urban area in New Zealand which does not have a full water supply network and reticulated fire fighting coverage. Provision of a fully reticulated water supply was proposed to be provided in 2020/2021, at a cost of approximately \$20 million, of which the Government would contribute \$4 million. However, this subsidy is no longer available, making the project more expensive for Tasman District Council. As a result, full reticulation of Motueka is now planned for 2031/2032.

Previously, Council intended to supply water to the Coastal Tasman Area and additional water to Mapua by 2024 via the Coastal Tasman Pipeline. However, while fully reticulated high quality water might be desirable, it would be very expensive to provide this through the Coastal Tasman Pipeline. Council plans to defer the project which means the wider Coastal Tasman area will not be reticulated until 2031/2032. Instead Council will meet Mapua's growth in the demand for water by upgrading the existing supply pipelines and storage in Mapua/Ruby Bay.

INADEQUATE ASSET INFORMATION

Age and condition data for some water assets is inadequate, creating uncertainty about the need and timing of renewals for these assets. Council intends to improve asset information to reduce this uncertainty. This may also significantly affect the programme and budgets for renewals in future Long Term Plans.



Motueka River

III. WATER SUPPLY (CONT.)

OUR LEVEL OF SERVICE – WHAT COUNCIL WILL DO AND HOW WE WILL MEASURE PERFORMANCE OVER THE 10 YEARS FROM 2015-2025

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...	CURRENT PERFORMANCE
Our water takes are sustainable	All water takes have all necessary resource consents. Details are held in NCS.	Actual = 100% A current resource consent is in place for each water take. No abatement notices have been received for breach of resource consent conditions.
	Compliance with water resource consents is achieved, as measured by the number of: <ul style="list-style-type: none"> • abatement notices • infringement notices • enforcement orders, or • convictions. 	Actual = Not fully recorded. No abatement notices have been received for breach of conditions. This is a new measure. Performance will be recorded in NCS.
	Our percentage of real water loss from the network is less than the target. As calculated: Total water provided less water metered less non revenue water = total real water loss. Then % = L real loss divided by average L usage per connection as a yearly average. (Mandatory measure 2)	Actual = 33%
	The average consumption of drinking water per day per resident is less than the target. (Mandatory measure 5)	Actual = NA This is a new measure. Performance will be recorded in the AMP.
Our use of the water resource is efficient.	Water Demand Management Plans are in place for each water scheme	Actual = 5/15 Plans are in place for Richmond/Waimea, Brightwater/Hope, Wakefield, Mapua/Ruby Bay and Kaiteriteri/Riwaka. Note - the Hamama water scheme is proposed to be handed back to the users, which will reduce the total number of water schemes from 15 to 14 from Year 3 onwards.

FORECAST PERFORMANCE (TARGET)				
	YEAR 1	YEAR 2	YEAR 3	BY YEAR 10
	100%	100%	100%	100%
	≤1 0 0 0	≤1 0 0 0	≤1 0 0 0	≤1 0 0 0
	31%	29%	28%	25%
	<300 L/person/day	<300 L/person/day	<300 L/person/day	<300 L/person/day
	8/15	9/15	10/14	14/14

III. WATER SUPPLY (CONT.)

OUR LEVEL OF SERVICE – WHAT COUNCIL WILL DO AND HOW WE WILL MEASURE PERFORMANCE OVER THE 10 YEARS FROM 2015-2025 (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...	CURRENT PERFORMANCE
Our water is safe to drink.	Number of temporary advisory notices issued to boil water – as issued in consultation with the Ministry of Health	Actual = 0 in 2014 There is a permanent notice in place at Dovedale, which is not covered in the targets as it is permanently in place.
	We comply with part 4 (bacteria compliance criteria) of the drinking-water standards As measured by bacterial water sample results. (Mandatory measure)	Actual = 99.7% Zone – 640 E.coli samples were taken over the year. Of these, four transgressions were recorded for E.coli = 99.4% Plant – 595 E.coli samples were taken over the year. Of these, no transgressions were recorded for E.coli = 100% compliance Performance will be recorded in the National Water database (WINZ).
	We comply with part 5 (protozoal compliance criteria) of the drinking-water standards. As measured by a number of schemes with compliant protozoa treatment determined by the Drinking Water Assessor) (Mandatory measure 1)	Actual = 1 of 15. Not all schemes need to comply yet and the number of schemes will reduce with planned changes. Performance will be recorded in the National Water database (WINZ).
Our water supply systems provide fire protection to a level that is consistent with the national standard.	Our water supply system's meet the FW2 standard as per the Code of Practice for Fire Fighting Water Supplies – measured through hydraulic modelling, and field testing revised biennially.	Actual = 90%. 9/10 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, Takaka has a reticulated fire fighting scheme for the central business area and Motueka has a network of fire wells which provide a limited fire fighting service.
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 = 77% <i>See Figure 18. Water Supply Services Satisfaction Rate, page 118</i>

FORECAST PERFORMANCE (TARGET)				
YEAR 1	YEAR 2	YEAR 3	BY YEAR 10	
0	0	0	0	
99%	99%	99%	99%	
2 of 15: Upper Takaka, Richmond	3 of 15: Tapawera	3 of 14: (Hamama handed back to users)	11 of 14	
90%	90%	90%	100%	
80%	80%	80%	85%	

III. WATER SUPPLY (CONT.)

OUR LEVEL OF SERVICE – WHAT COUNCIL WILL DO AND HOW WE WILL MEASURE PERFORMANCE OVER THE 10 YEARS FROM 2015-2025 (CONT.)

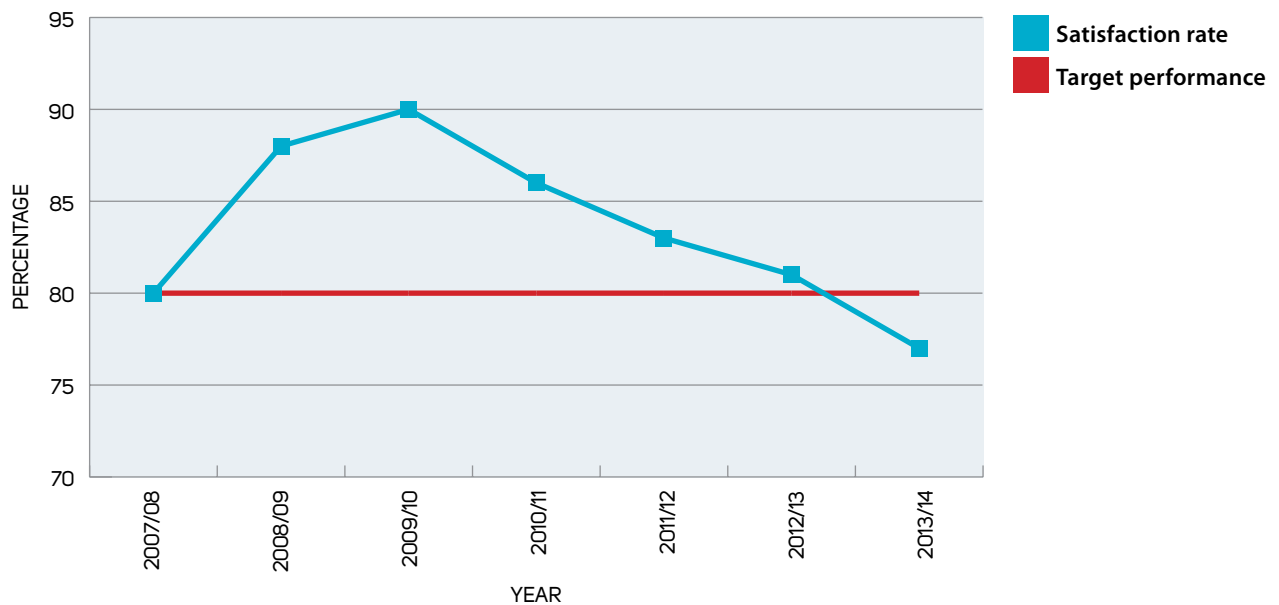
LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...	CURRENT PERFORMANCE
Our systems are built, operated and maintained so that failures can be managed and responded to quickly.	Complaints per 1000 connections are less than the target – relates to clarity, taste, odour, pressure or flow, continuity of supply and Council response to these issues – as recorded through Council’s Confirm database (Mandatory measure 4)	Actual =NA This is a new measure. Performance will be recorded in Confirm.
	Median resolution times are within targets for urgent call-outs (1 day) (Mandatory measure 3)	Actual = 99% This is a new measure. Performance will be recorded in Confirm. More detailed response timeframes are monitored through contract 688.
	Median response times are within targets for urgent call-outs (2 hours) (Mandatory measure 3)	Actual = 99% 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.
	Median response times are within targets for non-urgent call-outs (72 hours) (Mandatory measure 3)	Actual =NA This is a new measure. Performance will be recorded in Confirm. More detailed response timeframes are monitored through contract 688.
	Median resolution times are within targets for non-urgent call-outs (7 working day) (Mandatory measure 3)	Actual =NA This is a new measure. Performance will be recorded in Confirm. More detailed response timeframes are monitored through contract 688.

FORECAST PERFORMANCE (TARGET)

YEAR 1	YEAR 2	YEAR 3	BY YEAR 10
<20	<20	<20	<20
<24 hours	<24 hours	<24 hours	<24 hours
<2 hours	<2 hours	<2 hours	<2 hours
<72 hours	<72 hours	<72 hours	<72 hours
<8 Working days	<8 Working days	<8 Working days	<8 Working days

III. WATER SUPPLY (CONT.)

FIGURE 18. WATER SUPPLY SERVICES SATISFACTION RATE



MAJOR ACTIVITIES

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

KEY CHANGES TO ACTIVITY OR SERVICE

The table below summarises the key changes for the management of the Water activity since the 2012 Long Term Plan.

KEY CHANGE	REASON FOR CHANGE
Waimea Basin urban water supply options developed	The extreme shortage of water supply for the Waimea Basin has resulted in TRMP change 45-48 which will have an impact on the availability of water for urban areas. The Waimea Community Dam is Council's preferred solution to these issues and is included throughout the Water Activity Management Plan, however if the dam does not proceed, alternative solutions have been developed.
Deferral of Major projects: <ul style="list-style-type: none"> Coastal Tasman Area Pipeline Motueka Reticulation 	Both of these projects have been deferred in the Water Activity Management Plan due to affordability concerns. The Coastal Tasman Area pipeline would not support enough growth to pay for its installation cost in a reasonable timeframe. Council was unsuccessful in gaining government subsidy for the reticulation of Motueka and hence this project is currently not able to be delivered at a reasonable cost to the community.

KEY CHANGE	REASON FOR CHANGE
Level of service changes	<p>Council has incorporated the new mandatory performance measures relating to water supply into its levels of service statements, as required by the Non-Financial Performance Measure Rules 2013.</p> <p>In addition, the Waimea Community Dam and upgrade of urban water supplies over time, to meet drinking water standards, represent significant improvements to the security and quality of the water supplies.</p>

KEY ASSUMPTIONS, UNCERTAINTIES AND RISKS

Significant uncertainties and assumptions that are specific to the water activity and its programme are listed below. Significant assumptions common to all of Council's activities are listed in Part 4 of Volume 1.

ASSUMPTIONS AND UNCERTAINTIES

The key assumptions and uncertainties for water infrastructure are:

- The future source of reticulated water supply for Richmond, Brightwater and Mapua and associated rural extensions if the Waimea Community Dam does not proceed. Options are being developed and assessed.
- Frequency and duration of dry weather and the long term impact on reticulated water supplies.
- Major Industrial Water Users (IWU) and provision of water to some Nelson South properties – it is assumed that the IWUs and properties in Nelson South will continue to require the same amount of water that is currently being provided.
- The impact that improved age and condition data for water assets will have on Council's forward works programme. This information may significantly affect renewal forecasts in the future.

RISKS

- Significant failures may occur due to deferred renewals or because of inadequate age and condition data for some assets, increasing operations and maintenance costs and customer dissatisfaction, and potentially requiring renewal funds to be brought forward.
- Mapua growth or repair costs may require pipe upgrade project to be brought forward.
- Higher than forecast growth in Richmond South or West may require reticulation and storage works to be brought forward.
- Groundwater contamination in Motueka may require the full reticulation project to be brought forward.
- Industrial Water Users may reduce their demand, leading to significant drop in demand and operational income.

NEW CAPITAL EXPENDITURE

The following table details the major capital and renewal work programmed for the years 2015-2025. 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, valve, telemetry, water meter, and restrictor renewals occurring throughout the 10 years, which are planned to cost millions of dollars during the period.

III. WATER SUPPLY (CONT.)

PROJECT NAME	DESCRIPTION	YEARS 1-3 (\$)	YEARS 4-10 (\$)
Brightwater – treatment upgrade	Upgrade the existing treatment plant to meet DWSNZ.	-	793,794
Collingwood – treatment upgrade	Upgrade the existing treatment plant to meet DWSNZ.	581,358	-
Kaiteriteri – treatment upgrade	Upgrade the existing treatment plant to meet DWSNZ.	895,314	-
Mapua – Aranui Road main replacement	Replacing the existing watermain down Aranui Road.	-	1,083,457
Motueka – Thorp Street replacement	Replacing the low grade class B pipe down Thorp Street.	-	2,200,638
Richmond – Fauchelle Avenue, Darcy Street and Florence Street	Renewing failing watermains.	1,055,789	-
Richmond – Lower Queen Street replacement	Upsizing and replacing the existing 100mm main down Lower Queen Street.	891,046	-
Richmond – Queen Street main replacement	Replacing the 300mm trunkmain down Queen Street within the CBD.	1,925,751	-
Wakefield – new water treatment plant	Construct a new treatment plant at Spring Grove to meet DWSNZ.	4,081,257	221,193
Wakefield and 88 Valley – water supply upgrade	Re-zoning the Wakefield and 88 Valley Zone. Involves pump stations and reservoirs.	-	3,275,573
Richmond – rezoning	Upgrading pipelines within Richmond and adjusting the zonal boundary between Waimea and Richmond schemes.	-	1,308,409
Waimea Community Dam	Via CCO for construction of a new Dam.	14,504,791	9,000,000
Richmond – meter renewals	Meter renewals.	2,200,703	1,779,640
Richmond – pipes and ridermains renewals	Pipeline renewal programme.	472,423	2,523,425
Richmond South main, Lower Queen Street to low level reservoir	New main along Borck Creek to facilitate development	538,444	-
Renewals contingency	Renewals.	472,423	1,108,788
Richmond – telemetry upgrade	New control panels and telemetry and renewals of existing sites.	298,389	1,121,918
Motueka – Fearon Street mains replacement	Main needs to be lowered, currently has 480mm cover and suffers from bursts.	-	897,326
Relocate Fearons Bush Water Treatment Plant (WTP) to Parkers Street Water Treatment Plant	Relocate Fearons Bush WTP to Parkers Street WTP extend mains in Jocelyn and Parker.	688,790	-
Pump station renewal programme	Pump renewals.	207,260	486,278

PROJECT NAME	DESCRIPTION	YEARS 1-3 (\$)	YEARS 4-10 (\$)
Motueka – meter renewals	Meter renewals.	565,208	-
Dovedale – pipe renewals	Pipeline renewal programme.	-	596,463
Reservoir seismic strengthening	All except Richmond as per report ,	-	669,298

SIGNIFICANT NEGATIVE EFFECTS

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

CONSTRUCTION OF FUTURE SCHEMES

- Social – Installation of water schemes do cause a disruption to the local community. The works can impact on traffic flow, and cause noise, dust and visual impacts. Shutdowns may result in residents not receiving water during the day.
- Economic – This may result in customers avoiding the works and therefore nearby business may suffer. Shutdowns may result in businesses not receiving water during the day.
- Environmental – Construction of water contracts typically creates noise, dust and mud. The TRMP and specific resource consent conditions must be followed. Projects can involve acts such as de-watering, which requires the water to be discharged. Potential risk to the environment.

WATER RESTRICTIONS

- Social – Typically affects people who use the water for washing cars or watering the garden. This can frustrate the local community.
- Economic – This can have a larger impact on businesses that rely on using water for irrigation or production. This can cause a negative effect on these businesses

SPILLAGE OF CHEMICALS STORED AT WATER TREATMENT PLANTS

- Social – The ratepayer expects Council to handle all chemicals in the correct manner.
- Economic – Businesses which rely on nearby watercourses may not be able to operate until the chemical spill is resolved.
- Environmental – Tasman region is an environmentally sensitive area, any chemical spill may have a notable effect on the environment.

WATER ABSTRACTION

- Water is abstracted from surface water and groundwater sources.
- Social – The removal of water from the natural environment results in the water being unavailable for other uses such as irrigation or recreational.
- Economic – The removal of water from the natural environment results in the water being unavailable for other uses such as irrigation or recreational.
- Environmental – The removal of flow from a river system which is already very low can significantly impact the river ecology.

HISTORIC AND WAHI TAPU SITES

- Cultural – Construction of water supply assets can potentially affect historic and wahi tapu sites

SIGNIFICANT POSITIVE EFFECTS

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

ECONOMIC DEVELOPMENT

- 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.
- 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.

PUBLIC HEALTH

- Safe drinking water supplies provide critical public health benefits related to sustenance and sanitation.

SAFETY AND PERSONAL SECURITY

- The majority of Council's urban water supply network is built to accommodate fire fighting requirements and supports protection of life and property.

III. WATER SUPPLY (CONT.)

FUNDING IMPACT STATEMENTS AND FUNDING SOURCES FOR THE GROUP OF ACTIVITIES

FUNDING IMPACT STATEMENT – WATER SUPPLY	2014/2015 BUDGET \$000	2015/2016 BUDGET \$000	2016/2017 BUDGET \$000	2017/2018 BUDGET \$000
SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	102	159	171	567
Targeted rates	1,810	8,423	8,946	9,600
Subsidies and grants for operating purposes	0	0	0	0
Fees and charges	7,002	1,363	1,500	1,696
Internal charges and overheads recovered	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	334	0	0	0
TOTAL OPERATING FUNDING	9,248	9,945	10,617	11,863
APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	3,735	4,771	4,864	4,976
Finance costs	1,686	2,034	2,431	3,074
Internal charges and overheads applied	1,193	828	780	801
Other operating funding applications	0	0	0	0
TOTAL APPLICATIONS OF OPERATING FUNDING	6,614	7,633	8,075	8,851
SURPLUS (DEFICIT) OF OPERATING FUNDING	2,634	2,312	2,542	3,012
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	459	582	652	609
Increase (decrease) in debt	3,684	4,712	5,433	13,446
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
TOTAL SOURCES OF CAPITAL FUNDING	4,143	5,294	6,085	14,055
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
– to meet additional demand	904	317	0	619
– to improve the level of service	4,448	1,723	2,914	3,878
– to replace existing assets	745	3,982	3,840	1,121
Increase (decrease) in reserves	680	125	(21)	127
Increase (decrease) in investments	0	1,459	1,894	11,322
TOTAL APPLICATIONS OF CAPITAL FUNDING	6,777	7,606	8,627	17,067
SURPLUS (DEFICIT) OF CAPITAL FUNDING	(2,634)	(2,312)	(2,542)	(3,012)
FUNDING BALANCE	0	0	0	0

The Annual Plan 2014/2015 information is as per the published document and has not been reclassified to reflect legislation changes which became effective from 1st July 2015.

The FIS statements also reflect changes resulting from internal restructures and revenue reclassification. The Annual Plan 2014/2015 has not been restated to reflect these changes.

	2018/2019 BUDGET \$000	2019/2020 BUDGET \$000	2020/2021 BUDGET \$000	2021/2022 BUDGET \$000	2022/2023 BUDGET \$000	2023/2024 BUDGET \$000	2024/2025 BUDGET \$000
	957	1,160	1,227	1,227	1,227	1,227	1,227
	10,142	10,663	10,903	11,409	12,122	12,708	13,239
	0	0	0	0	0	0	0
	1,855	2,018	2,212	2,295	2,416	2,500	2,601
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	12,954	13,841	14,342	14,931	15,765	16,435	17,067
	5,190	5,512	5,701	5,903	6,151	6,406	6,691
	3,607	3,964	3,979	3,921	4,072	4,021	3,780
	792	779	814	839	871	915	947
	0	0	0	0	0	0	0
	9,589	10,255	10,494	10,663	11,094	11,342	11,418
	3,365	3,586	3,848	4,268	4,671	5,093	5,649
	0	0	0	0	0	0	0
	683	632	663	632	656	656	721
	5,578	2,401	(2,019)	114	1,485	(3,122)	(4,561)
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	6,261	3,033	(1,356)	746	2,141	(2,466)	(3,840)
	315	68	0	72	0	77	0
	1,351	1,081	508	574	2,918	428	1,054
	1,774	2,294	1,839	4,218	3,845	2,068	695
	186	176	145	150	49	54	60
	6,000	3,000	0	0	0	0	0
	9,626	6,619	2,492	5,014	6,812	2,627	1,809
	(3,365)	(3,586)	(3,848)	(4,268)	(4,671)	(5,093)	(5,649)
	0	0	0	0	0	0	0

IV. WASTEWATER

WHAT WE DO

This activity provides and manages wastewater collection, treatment and disposal facilities for ratepayers connected to the Council's twelve wastewater networks. These networks convey wastewater to eight treatment plants, seven of which are owned and managed by Council. The largest treatment plant, Bell Island, is owned by both Nelson and Tasman councils on a 50:50 basis but is managed by the Nelson Regional Sewerage Business Unit.

WHY WE DO IT

The provision of wastewater services is a core public health function of local government and is something that Council has always provided. By undertaking the planning, implementation and maintenance of wastewater services the 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. 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 Council-owned schemes is treated and discharged into the environment. This activity can be managed so the impact of the discharges does not adversely effect the health and cleanliness of the receiving environment.
Our urban and rural environments are people-friendly, well-planned 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 efficient, cost effective and meets current and future needs.	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

INFILTRATION INTO THE WASTEWATER NETWORK

Stormwater and groundwater infiltration is a significant issue for some wastewater networks, causing the overloading of pipe 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.

MEETING GROWTH NEEDS

There are a number of projects planned that are driven fully or partially by the need to cater for future growth. For example, the current Mapua wastewater system is operating close to capacity. None of the existing pump stations have sufficient capacity to handle future growth. Council has outlined a programme of upgrades and reconfigurations of the network to accommodate this future growth.

NELSON REGIONAL SEWERAGE BUSINESS UNIT (NRSBU) BUDGETS

The NRSBU is proposing major capital expenditure to upgrade the pipelines to the Bell 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. 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 the Long Term Plan.

ODOUR FROM WASTEWATER ASSETS

Long pipelines for raw wastewater with pump stations in series can lead to development of hydrogen sulphide gas and odours. These odours can be disruptive to the public if air release valves, pump stations, or wastewater treatment plants are close to residential properties.

There are existing programmes to monitor hydrogen sulphide levels to warn of likely odour issues as well as an Odour Management Plan that is implemented each summer for the Pohara and Kaiteriteri networks. Key assets such as air valves and pump stations have carbon filters and chemical dosing installed. The Motueka wastewater treatment plant has a biological scrubber and carbon filter to treat gas extracted from inlet works.

LACK OF TELEMETRY

Many of the smaller or more remote pump stations do not have telemetry so Council is reliant on the public to advise of alarms or issues. This can lead to overflows occurring before the site can be attended to. A lack of telemetry also means there is very little operational information to make good decisions about operational changes or upgrading.

ASSET AND OPERATIONAL INFORMATION

Historically, Council has relied on the knowledge of operators to know where assets are, how they operate and what the maintenance needs are. However in recent years there has been a higher turnover of operators and this knowledge has been lost. It is clear that Council's records are incomplete and in some cases incorrect. This leads to higher operation costs and has led to unnecessary overflows.

Council has been working to improve the as-built information obtained from repairs, new connections, new assets, asset age and condition information, as well as developing some rudimentary System Operating Plans for most wastewater networks.

IV. WASTEWATER (CONT.)

OUR LEVEL OF SERVICE – WHAT COUNCIL WILL DO AND HOW WE WILL MEASURE PERFORMANCE OVER THE 10 YEARS FROM 2015-2025

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...	CURRENT PERFORMANCE
Our wastewater systems do not adversely affect the receiving environment.	All necessary consents are held. Measured by resource consents held in Council's NCS database.	Actual = 100%
	The number of temporary wastewater overflow signs are erected at waterways is minimised. Measured by the number of contractor job requests.	Actual = 2 <i>See Figure 19. Number of Temporary Wastewater Overflow Signs Erected at Waterbodies, page 130</i>
	Compliance with resource consents for discharges from wastewater systems is achieved, as measured by the number of: <ul style="list-style-type: none"> • abatement notices, • infringement notices, • enforcement orders; or • convictions. 	Actual = 0 Actual = 0 Actual = 0 Actual = 0
Our wastewater systems reliably take our wastewater with a minimum of odours, overflows or disturbance to the public.	The total number of complaints received about: odour, system faults, blockages, and Council's response to issues for each 1000 properties connected to the wastewater system is less than the target.	Actual = 1.6 (21 local) <i>See Figure 20. Total Number of Complaints per 1000 properties connected, page 130</i>
	The number of dry weather wastewater overflows from all wastewater systems, expressed per 1000 wastewater connections in Tasman District. Dry weather is defined as a continuous 96 hours with less than 1mm of rain within each 24 hour period.	This cannot currently be measured.

FORECAST PERFORMANCE (TARGET)			
YEAR 1	YEAR 2	YEAR 3	BY YEAR 10
100%	100%	100%	100%
<5	<5	<5	<5
≤1 0 0 0	≤1 0 0 0	≤1 0 0 0	≤1 0 0 0
≤35	≤35	≤35	≤35
<5	<5	<5	<5

IV. WASTEWATER (CONT.)

OUR LEVEL OF SERVICE – WHAT COUNCIL WILL DO AND HOW WE WILL MEASURE PERFORMANCE OVER THE 10 YEARS FROM 2015-2025 (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...	CURRENT PERFORMANCE
Our wastewater activities are managed at a level that satisfies the community.	Percentage of customers satisfied with the wastewater service meets our targets. As measured through the annual residents' survey.	Actual = 89% <i>See Figure 21. Wastewater Services Satisfaction Rate, page 131</i>
Our systems are built, operated and maintained so that failures can be managed and responded to quickly.	Overflows resulting from blockages or other faults in the wastewater system are responded to within the target timeframes. As recorded in Confirm. Attendance time – from the time Council received notification of the fault to the time that service personnel reach the site, and Resolutions time – from the time notification is received to the time that the service personnel confirm resolution of the blockage or other fault.	This cannot currently be measured.

FORECAST PERFORMANCE (TARGET)				
YEAR 1	YEAR 2	YEAR 3	BY YEAR 10	
80%	80%	80%	80%	
Median ≤60 mins	Median ≤60 mins	Median ≤60 mins	Median ≤60 mins	
Median ≤ 9 hours	Median ≤ 9 hours	Median ≤ 9 hours	Median ≤ 9 hours	

IV. WASTEWATER (CONT.)

FIGURE 19. NUMBER OF TEMPORARY WASTEWATER OVERFLOW SIGNS ERECTED AT WATERBODIES

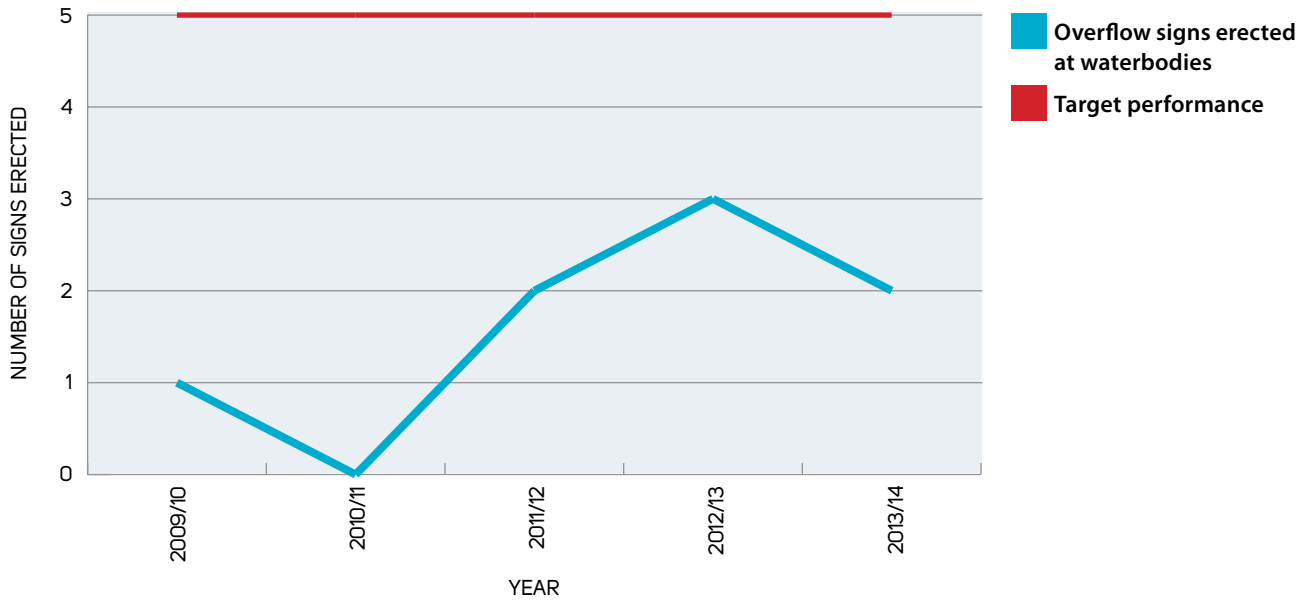


FIGURE 20. TOTAL NUMBER OF COMPLAINTS PER 1000 PROPERTIES CONNECTED

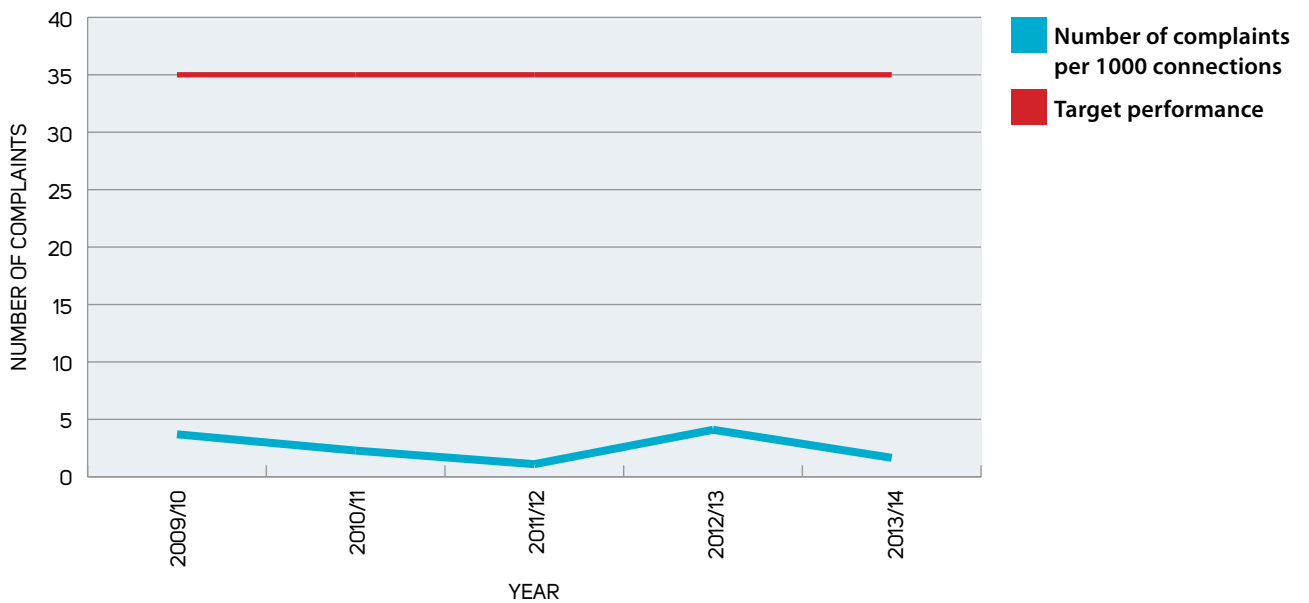
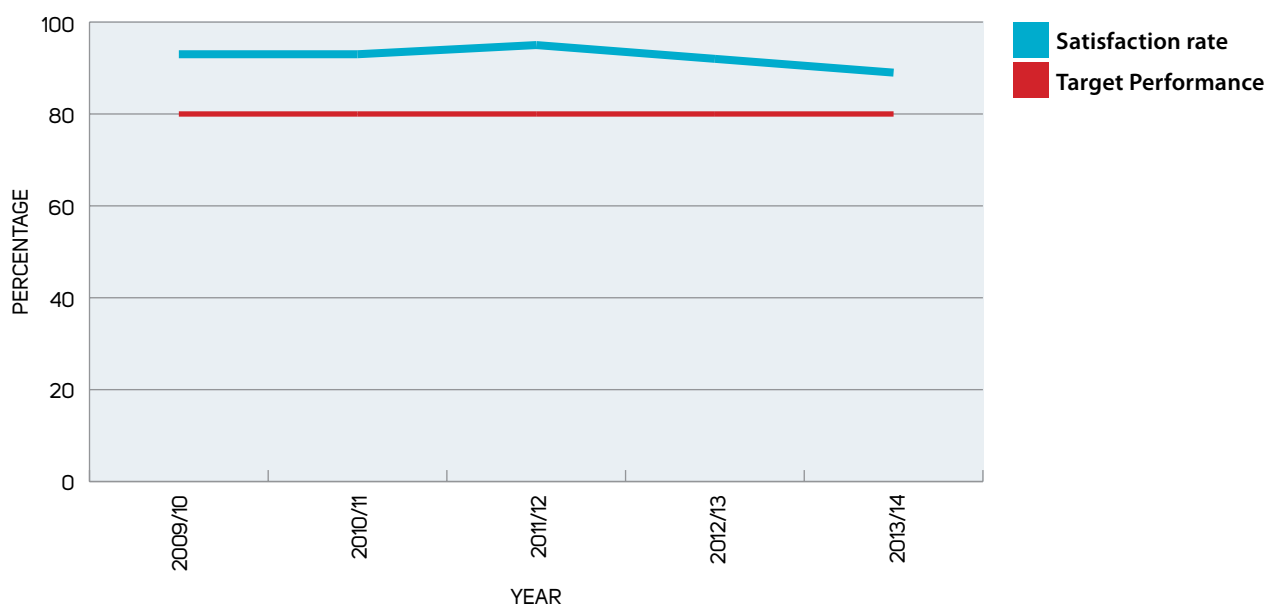


FIGURE 21. WASTEWATER SERVICES SATISFACTION RATE



MAJOR ACTIVITIES

This group of activities involves ongoing management, maintenance and renewal of Council’s wastewater network, comprising wastewater collection and treatment and disposal systems.

KEY CHANGES TO ACTIVITY OR SERVICE

The table below summarises the key changes for the management of the Wastewater activity since the 2012 Long Term Plan.

KEY CHANGE	REASON FOR CHANGE
Operations and maintenance of the wastewater asset is now managed in house by Council Engineering staff.	Improve institutional knowledge of the activity and significant long term cost savings.
Level of service changes.	Council has incorporated the new mandatory performance measures relating to sewerage and the treatment and disposal of sewage into its levels of service statements, as required by the Non-Financial Performance Measure Rules 2013.
All Urban Drainage Area operation and maintenance budgets have had growth allowances removed.	Specific budgets have been included for expected new facilities instead.
Deferral of Motueka pipeline renewals.	The priority pipelines that suffer from groundwater infiltration have been replaced. Council has deferred further renewals for three years while a new programme of work can be developed. The programme will be based on condition investigations and risk assessments with the most suitable, cost effective method of repair or replacement selected.

IV. WASTEWATER (CONT.)

KEY CHANGE	REASON FOR CHANGE
Eliminated advanced pipeline renewals in Brightwater, Mapua/ Ruby Bay and Takaka.	Due to revised population growth projections.
Any new pump station and rising main needed for new development in Motueka West.	This will be paid for by the developer.
Routine inflow and infiltration investigations have been removed.	Assessing and planning the most cost effective solution to pipeline renewals to reduce inflow and infiltration in Year 1 – Year 3.
Tarakohe/Pohara pump station and rising main upgrades deferred for 4 years.	Due to revised population growth projections.
New Stafford Drive pump station (replacing Taits pumpstation) and rising main deferred for 4 years.	Due to revised population growth projections.
Tata Beach and Ligar Bay pump station and rising main upgrades deferred for 4 years.	Due to revised population growth projections.
Brightwater to Burkes Bank trunk main upgrade deferred for 6 years.	Due to revised population growth projections.
Tarakohe/Pohara pump station and rising main upgrades deferred by 4 years.	Due to revised population growth projections.

KEY ASSUMPTIONS, UNCERTAINTIES AND RISKS

Significant uncertainties and assumptions that are specific to the wastewater activity and its programme are listed below. Significant assumptions common to all of Council's activities are listed in Part 4 of Volume 1.

ASSUMPTIONS AND UNCERTAINTIES

- Pipeline renewals in Motueka will provide capacity for growth within the network and at the treatment plant by eliminating inflow and infiltration.
- Reduction in renewals will not materially affect operating and maintenance costs. This assumption is based on Council's forecast cumulative investment in renewals exceeding the investment needed to replace ageing assets (based on remaining asset lives).
- The renewals programme is largely based on replacing ageing and faulty pipes. However, pipe rehabilitation technology may enable improvements to the network without the need to replace pipes, and at lower cost.
- Asset information improvements will enable more accurate forward works programmes. This may significantly affect renewal forecasts in the future.

RISKS

- Operation and maintenance costs may increase as a result of tendering a new contract in 2016/2017.
- Earlier than anticipated development may require pump station, rising main and trunk main upgrades to be brought forward.
- Motueka maintenance costs may increase significantly depending on the upgrade pursued for the Motueka treatment plant.

NEW CAPITAL EXPENDITURE

The following table details the major capital and renewal work programmed for the years 2015-2025.

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.

PROJECT NAME	DESCRIPTION	YEARS 1-3 (\$)	YEARS 4-10 (\$)
Motueka Wastewater Treatment Plant (WWTP) upgrade.	WWTP upgrade.	2,762,100	-
Tapu Bay pipeline.	Replace estuary pipeline with land based pipeline.	3,983,569	-
Ruby Bay to Mapua rising main and pump station upgrades.	Progressive upgrade rising mains and pump stations, including emergency storage. From Stafford Drive to Mapua Wharf.	-	4,711,733
Pohara to Tarakohe rising main and pump station upgrades.	Progressive upgrade rising mains and pump stations, including emergency storage, from Four Winds to Tarakohe pump stations.	281,046	5,526,216
Wakefield to Three Brothers Corner trunk main upgrade.	Upgrade the trunk main.	-	2,939,560

SIGNIFICANT NEGATIVE EFFECTS

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

- Noise
- Disruption to service
- Blockages and overflows
- Odour
- Non-compliant treated wastewater discharge
- Increase in rates
- Disturbance or destruction of historic or culturally sensitive sites.

SIGNIFICANT POSITIVE EFFECTS

There are positive effects from this group of activities including:

- Public health benefits
- Minimising environmental effects
- Supporting economic development

IV. WASTEWATER (CONT.)

FUNDING IMPACT STATEMENTS AND FUNDING SOURCES FOR THE GROUP OF ACTIVITIES

FUNDING IMPACT STATEMENT – WASTEWATER	2014/2015 BUDGET \$000	2015/2016 BUDGET \$000	2016/2017 BUDGET \$000	2017/2018 BUDGET \$000
SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	0	0	0	0
Targeted rates	9,850	10,408	11,035	11,080
Subsidies and grants for operating purposes	0	0	0	0
Fees and charges	0	170	270	397
Internal charges and overheads recovered	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	589	4,520	4,543	4,587
TOTAL OPERATING FUNDING	10,439	15,098	15,848	16,064
APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	5,410	8,516	9,053	9,300
Finance costs	1,983	2,526	2,487	2,354
Internal charges and overheads applied	1,194	618	673	711
Other operating funding applications	0	0	0	0
TOTAL APPLICATIONS OF OPERATING FUNDING	8,587	11,660	12,213	12,365
SURPLUS (DEFICIT) OF OPERATING FUNDING	1,852	3,438	3,635	3,699
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	628	1,412	1,601	1,506
Increase (decrease) in debt	2,189	210	(2,262)	(2,256)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
TOTAL SOURCES OF CAPITAL FUNDING	2,817	1,622	(661)	(750)
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
– to meet additional demand	468	0	63	108
– to improve the level of service	2,787	3,992	2,449	2,316
– to replace existing assets	1,233	1,068	462	525
Increase (decrease) in reserves	181	0	0	0
Increase (decrease) in investments	0	0	0	0
TOTAL APPLICATIONS OF CAPITAL FUNDING	4,669	5,060	2,974	2,949
SURPLUS (DEFICIT) OF CAPITAL FUNDING	(1,852)	(3,438)	(3,635)	(3,699)
FUNDING BALANCE	0	0	0	0

The Annual Plan 2014/2015 information is as per the published document and has not been reclassified to reflect legislation changes which became effective from 1st July 2015.

The FIS statements also reflect changes resulting from internal restructures and revenue reclassification. The Annual Plan 2014/2015 has not been restated to reflect these changes.

	2018/2019 BUDGET \$000	2019/2020 BUDGET \$000	2020/2021 BUDGET \$000	2021/2022 BUDGET \$000	2022/2023 BUDGET \$000	2023/2024 BUDGET \$000	2024/2025 BUDGET \$000
	0	0	0	0	0	0	0
	11,445	11,061	11,391	11,707	11,619	11,794	12,091
	0	0	0	0	0	0	0
	522	539	557	577	597	619	643
	0	0	0	0	0	0	0
	4,619	4,726	4,863	4,825	4,833	4,767	4,754
	16,586	16,326	16,811	17,109	17,049	17,180	17,488
	9,846	9,663	10,042	10,238	10,466	10,726	10,824
	2,178	2,099	1,943	1,754	1,540	1,348	1,250
	724	743	786	821	860	901	940
	0	0	0	0	0	0	0
	12,748	12,505	12,771	12,813	12,866	12,975	13,014
	3,838	3,821	4,040	4,296	4,183	4,205	4,474
	0	0	0	0	0	0	0
	1,530	1,389	1,483	1,389	1,451	1,451	1,601
	(1,823)	(3,970)	(1,240)	(5,044)	(4,110)	(2,026)	(1,074)
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	(293)	(2,581)	243	(3,655)	(2,659)	(575)	527
	0	0	70	0	688	1,166	1,290
	2,803	525	3,450	248	340	1,157	3,156
	742	715	763	393	496	1,307	555
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	3,545	1,240	4,283	641	1,524	3,630	5,001
	(3,838)	(3,821)	(4,040)	(4,296)	(4,183)	(4,205)	(4,474)
	0	0	0	0	0	0	0

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, discharge structures and quality treatment assets. The system is designed and operated to manage small to medium storm events.

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 15 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, and small urban streams. By providing a high-quality stormwater network, Council facilitates 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 regular 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 often becomes the logical network for dealing with private stormwater disposal.

The level of service chosen takes into consideration the cost/benefit to the community of Council providing the infrastructure.

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 people-friendly, well-planned and sustainably managed.	The 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 efficient, cost effective and meets current and future needs.	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 communities are healthy, safe, inclusive and resilient.	The stormwater activity provides for the transfer of runoff through urban areas to minimise risk to life and property damage.
Our communities have opportunities to celebrate and explore their heritage, identity and creativity.	The stormwater activity incorporates natural waterways that have extensive areas of high cultural, recreational and biodiversity.
Our communities have access to a range of social, educational and recreational facilities and activities.	The stormwater activity provides for runoff management to minimise disruption of access to community facilities due to storm events.
Our Council provides leadership and fosters partnerships, a regional perspective and community engagement.	The stormwater activity provides for runoff management across the territorial boundary with Nelson City. Schools, Iwi and other groups are engaged with the natural waterways elements of the network.
Our region is supported by an innovative and sustainable economy.	The stormwater activity underpins the economy by minimising risk and damage from flooding. Allowance for climate change in design provides for future sustainability.

OUR GOAL

We aim to achieve an acceptable level of flood protection in each UDA and the remaining General District stormwater areas.

V. STORMWATER (CONT.)

KEY ISSUES

STORMWATER MANAGEMENT

Most of Tasman's stormwater pipes and drains are too small to cope with the intense rainfall events experienced over the past few years. In response, Council has maintained a significant programme of works to improve stormwater management in Tasman. However, it is not affordable to improve all the existing pipes and drains, at least in the short to medium term. A better option is to make some investment in the primary network (the pipes) alongside work to protect secondary flow paths, so that when the intense rainfall events happen, the stormwater travels overland in areas where it does not damage property.

In order to undertake some of the stormwater capital works projects planned over the 10 years, Council will need to purchase land. The costs of this land are reasonably significant and in some cases, potentially controversial as owners may not wish to sell.

DAMAGE TO STORMWATER ASSETS FROM STORMS AND HEAVY RAINFALL EVENTS

In December 2010, December 2011, April 2013 and March 2014 Tasman 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 Murchison and Golden Bay in 2010, Golden Bay in 2011, and Richmond in 2013.

These events depleted Council's disaster funds. Consequently, more provision for future events has been included in Council's funding programme.



A Tasman District Council Water Quality Officer, overseeing stormwater structural work

CATCHMENT MANAGEMENT PLANNING

Council plans to undertake Catchment Management Plans (CMPs) to enable it better manage and mitigate 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. Hydraulic modelling, identification and protection of significant assets and secondary flow paths and water quality are key components of the CMPs.

STORMWATER POLICY

There is a lack of policy regarding the management of stormwater systems. For example the ownership and maintenance of key waterways and the responsibility for stormwater from private land and from state highways managed by the New Zealand Transport Agency. Council has initiated work (Project Stormwater) to address these issues.

MEETING GROWTH NEEDS

Stormwater management can be a major constraint on growth. Consequently, there are a number of projects planned that are driven fully or partially by the need to cater for future growth, such as Borck Creek and Poutama Drain in Richmond.



V. STORMWATER (CONT.)

OUR LEVEL OF SERVICE – WHAT COUNCIL WILL DO AND HOW IT WILL MEASURE PERFORMANCE OVER THE 10 YEARS FROM 2015-2025

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...	CURRENT PERFORMANCE
Our stormwater systems do not adversely affect or degrade the receiving environment.	Council has resource consents in place for each of the 15 stormwater UDAs. Resource consents are held in Council's Confirm database.	Actual = 0 Resource consents will be obtained in conjunction with catchment management plans for each UDA.
	Compliance with resource consents is achieved, as measured by the number of: <ul style="list-style-type: none"> • abatement notices • infringement notices • enforcement orders, or • convictions issued (Mandatory measure 2)	Actual = NA (New measure, data will be recorded in NCS).
We have adequate knowledge of our stormwater systems capacity and usage to facilitate Improvement.	The number of Urban Drainage Areas that have Catchment Management Plans meets the target.	Actual = 0 A draft plan exists for Richmond and this is to be finalised to be the template for other settlements. The AMP will record progress on completing plans.
	The number of flooding events that occur (per year) is less than the target. As measured through complaints recorded in the Confirm database. (Mandatory measure 1)	Actual = NA (New measure, data will be recorded in Confirm)
	Number of habitable floors affected in each flood event for each 1000 properties connected to the stormwater system is less than the target. As measured through complaints recorded in the Confirm database. (Mandatory measure 1)	Actual = NA (New measure, data will be recorded in Confirm)

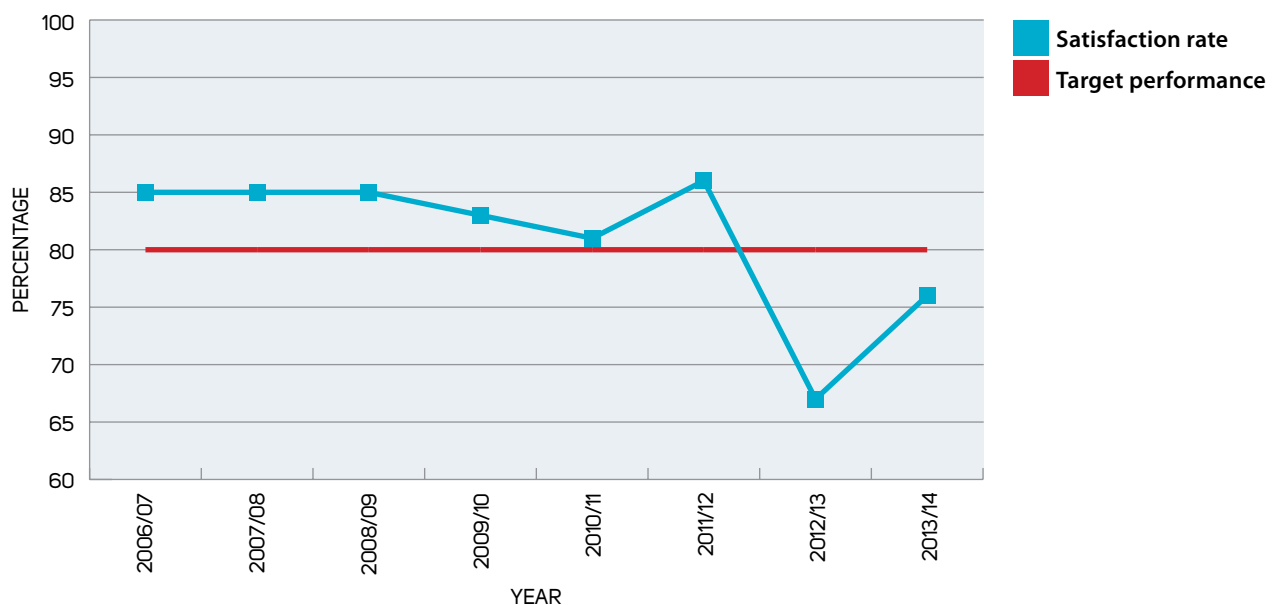
FORECAST PERFORMANCE (TARGET)				
YEAR 1	YEAR 2	YEAR 3	BY YEAR 10	
1 of 15 Richmond	2 of 15 Motueka	4 of 15 Takaka & Mapua	15 of 15	
≤1 0 0 0	≤1 0 0 0	≤1 0 0 0	≤1 0 0 0	
1 of 15	2	4	All 15	
< 20	< 20	< 20	< 20	
< 5	< 5	< 5	< 5	

V. STORMWATER (CONT.)

OUR LEVEL OF SERVICE – WHAT COUNCIL WILL DO AND HOW WE WILL MEASURE PERFORMANCE OVER THE 10 YEARS FROM 2015-2025 (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...	CURRENT PERFORMANCE
Our stormwater activities are managed at a level which satisfies the community.	Percentage of customers satisfied with the stormwater service. As measured through the annual resident survey.	Actual = 76%. The annual residents' survey was undertaken in May/June 2014 and 76% of receivers of the service were found to be satisfied with the service they received. This is the second year below the 80% target value. <i>See Figure 22. Stormwater Services Satisfaction Rate, below</i>
	Complaints per 1000 connections are less than the target – as recorded through Council's Confirm database. (Mandatory measure 4)	Actual = NA (New measure, data will be recorded in Confirm)
We have measures in place to respond to and reduce flood damage to property and risk to the community within stormwater UDAs.	The median response time to attend a flooding event, is less than the target (3 hours) – as recorded through Council's Confirm database. (Mandatory measure 3)	Actual = NA (New measure, data will be recorded in Confirm)

FIGURE 22. STORMWATER SERVICES SATISFACTION RATE



	FORECAST PERFORMANCE (TARGET)			
	YEAR 1	YEAR 2	YEAR 3	BY YEAR 10
	80%	80%	80%	80%
	< 20	< 20	< 20	< 20
	<3 hours	<3 hours	<3 hours	<3 hours

V. STORMWATER (CONT.)

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, discharge structures and quality treatment assets.

KEY CHANGES TO ACTIVITY OR SERVICE

The table below summarises the key changes for the management of the Stormwater activity since the 2012 Long Term Plan.

KEY CHANGE	REASON FOR CHANGE
Moving towards obtaining resource consents for stormwater discharges.	Council has a legal obligation to obtain resource consents for their stormwater discharges. Council is looking to seek consents in conjunction with catchment management approach to stormwater through the life of the Stormwater Activity Management Plan.
Level of service changes	Council has adjusted its level of service statements to: <ul style="list-style-type: none">• reflect Council's inability to fully control stormwater;• focus its efforts on flooding that impacts building floor areas; and• incorporate the new mandatory performance measures relating to stormwater drainage into its levels of service statements, as required by the Non-Financial Performance Measure Rules 2013.

KEY ASSUMPTIONS, UNCERTAINTIES AND RISKS

Significant uncertainties and assumptions that are specific to the stormwater activity and its programme are listed below. Significant assumptions common to all of Council's activities are listed in Part 4 of Volume 1.

ASSUMPTIONS AND UNCERTAINTIES

- The timing of the Borck Creek upgrade programme is maintained to support growth in Richmond West and South.
- Improved primary and secondary flow management will be facilitated by the catchment management plan programme and implemented progressively throughout Tasman.
- The impact of any further significant rainfall events and the resultant community expectations of higher levels of service.

RISKS

- The Richmond town centre will still be vulnerable to flooding until the full series of improvements are completed. Other urban areas are yet to be modelled and have remedial works planned and programmed.
- Capital expenditure and operating expenditure costs may increase as a result of secondary flow path management.
- The primary stormwater system, even after reprioritisation, will not have sufficient capacity to contain a 1 in 5 year rainfall event throughout Tasman.
- Progress in secondary flow management may be slow, leaving properties at risk.

NEW CAPITAL EXPENDITURE

The following table details the significant capital and renewal work programmed for the years 2015-2025.

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.

PROJECT NAME	DESCRIPTION	YEARS 1-3 (\$)	YEARS 4-10 (\$)
Brightwater – Mt Heslington Drain Diversion.	Improve Railway Diversion drain plus new Mt Heslington Stream diversion. Rintoul Place, block off 375mm culvert and ditch along State Highway to drain towards the stock yard.	-	2,614,574
Mapua – Langford Drive, Pomona Road/Stafford Drive, Crusader Drive.	Upgrading works to reduce localised flooding.	-	828,947
Mapua – Pinehill Heights.	Upgrading works to reduce localised flooding.	-	497,140
Motueka – Woodland development areas.	Network upgrade to accommodate new development and upgrade existing system from the area north of King Edward Street and connecting to the Woodland Drain.	-	3,614,207
Pohara main settlement.	Upgrade culverts Boyle Street, Ellis Creek Abel Tasman Drive and channels to manage flood and repair flood damage 2011-2014.	920,700	-
Lower Borcks Creek Catchment Works – SH6 to outlet including land.	Borcks Creek catchment works.	3,149,486	6,133,280
Richmond – Hill Street.	New stormwater system from Kingsley Place to Hill Street and along to Angelus Avenue.	-	1,624,158
Richmond – Middlebank Drive.	Installation of stormwater pipe from Gladstone Road to Olympus Way to Middlebank Drive.	1,292,265	3,197,432
Richmond Central Improvements.	Major works in Queen Street, Oxford Street, Beach Road drain, Poutama link and Washbourn Gardens area.	7,299,908	9,702,465
Richmond – Park Drive.	Increase capacity through Ridings Grove. Duplicate line in walkway reserve and upgrade Hill Street crossing to Q50.	1,111,619	-
Takaka – Commercial Street upgrade.	New stormwater pipes from Reilly Street to Te Kaukau stream at Rose Road.	-	643,235
Richmond – Salisbury Road upgrade.	Extend network to William Street.	-	768,622
Richmond – Ranzau Road/Paton Road/White Road.	Upgrade to White Road and Ranzau Road at Paton Road intersection.	860,792	-
Secondary flow management initiatives.	District Wide as derived from the CMPs.	317,643	1,746,379

V. STORMWATER (CONT.)

NEW CAPITAL EXPENDITURE (CONT.)

PROJECT NAME	DESCRIPTION	YEARS 1-3 (\$)	YEARS 4-10 (\$)
Richmond Deviation bund drainage.	Bird Street and Arbor-Lea works to reduce flood risk.	969,199	-
Motueka drainage improvements.	Poole, Jocelyn, Wilkie, Fry pipe extension to drain low points.	48,460	448,612
Mapua – Seaton Valley Stream, Stage 2.	Stream widening at Clinton-Baker.	-	439,644
Quality Improvement Programme.	Quality improvements as identified in the CMPs except Richmond.	-	424,894

SIGNIFICANT NEGATIVE EFFECTS

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

FLOODING

- Social: Localised flooding in some residential areas due to overloading of the stormwater system.
- Economic: Localised flooding in some commercial areas due to overloading of the stormwater system can have significant immediate and ongoing economic consequences.
- Environmental: Sediments, oils, greases, metals and organic material can be washed into natural water courses.
- Cultural: Flooding may have adverse effect on quality of receiving environment.

UNTREATED STORMWATER DISCHARGES

- Environmental: The discharge of untreated stormwater may have an adverse effect on quality of receiving environment, e.g. stormwater runoff following a dry period often contains many contaminants including sediments, oils, greases, metals and organic material washed from roads and other impervious areas, rubbish and contaminants illegally discharged into the stormwater system. In rural areas, runoff may be contaminated with sediment, herbicides, pesticides, fertilisers and animal waste.
- Cultural: Discharges may have adverse effect on quality of receiving environment.

UNTREATED WASTEWATER DISCHARGES (DUE TO STORMWATER)

- Environmental: Discharges may have adverse effect on quality of receiving environment
- Cultural: Discharges may have adverse effect on quality of receiving environment.

IMPACT TO HISTORIC AND WAHI TAPU SITES

- Cultural: Physical works may have adverse effect on sites. Uncontrolled stormwater may erode sites.

SIGNIFICANT POSITIVE EFFECTS

There are positive effects from this group of activities including:

ACCESS AND MOBILITY

- The stormwater system maximises access during and after storm events.

AMENITY

- Council's engineering standards promote the enhancement of recreational and environmental amenity value when developing new assets through low impact design.

ECONOMIC DEVELOPMENT

- Council maintains stormwater collection and treatment systems to minimise damage to private and public assets and this encourages development.

ENVIRONMENTAL PROTECTION

- Council stormwater discharges to a receiving environment can be controlled to minimise any negative environmental impact from the discharge. Fish passage and aquatic life is considered when implementing capital projects and often improved.

SAFETY AND PERSONAL SECURITY

- Council maintains stormwater collection and treatment systems to minimise disruption to normal community activities and risk to life.

V. STORMWATER (CONT.)

FUNDING IMPACT STATEMENTS AND FUNDING SOURCES FOR THE GROUP OF ACTIVITIES

FUNDING IMPACT STATEMENT – STORMWATER	2014/2015 BUDGET \$'000	2015/2016 BUDGET \$'000	2016/2017 BUDGET \$'000	2017/2018 BUDGET \$'000
SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	0	0	0	0
Targeted rates	3,299	3,885	4,510	4,986
Subsidies and grants for operating purposes	0	0	0	0
Fees and charges	0	0	0	0
Internal charges and overheads recovered	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	83	0	0	0
TOTAL OPERATING FUNDING	3,382	3,885	4,510	4,986
APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	778	1,198	1,443	1,402
Finance costs	975	1,027	1,195	1,411
Internal charges and overheads applied	519	424	458	482
Other operating funding applications	0	0	0	0
TOTAL APPLICATIONS OF OPERATING FUNDING	2,272	2,649	3,096	3,295
SURPLUS (DEFICIT) OF OPERATING FUNDING	1,110	1,236	1,414	1,691
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	422	1,305	1,486	1,392
Increase (decrease) in debt	1,864	1,830	3,529	3,717
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
TOTAL SOURCES OF CAPITAL FUNDING	2,286	3,135	5,015	5,109
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
– to meet additional demand	737	1,981	1,139	1,077
– to improve the level of service	2,449	1,932	5,112	5,664
– to replace existing assets	44	458	178	59
Increase (decrease) in reserves	166	0	0	0
Increase (decrease) in investments	0	0	0	0
TOTAL APPLICATIONS OF CAPITAL FUNDING	3,396	4,371	6,429	6,800
SURPLUS (DEFICIT) OF CAPITAL FUNDING	(1,110)	(1,236)	(1,414)	(1,691)
FUNDING BALANCE	0	0	0	0

The Annual Plan 2014/2015 information is as per the published document and has not been reclassified to reflect legislation changes which became effective from 1st July 2015.

The FIS statements also reflect changes resulting from internal restructures and revenue reclassification. The Annual Plan 2014/2015 has not been restated to reflect these changes.

	2018/2019 BUDGET \$000	2019/2020 BUDGET \$000	2020/2021 BUDGET \$000	2021/2022 BUDGET \$000	2022/2023 BUDGET \$000	2023/2024 BUDGET \$000	2024/2025 BUDGET \$000
	0	0	0	0	0	0	0
	5,594	6,093	6,502	7,077	7,346	7,472	8,384
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	5,594	6,093	6,502	7,077	7,346	7,472	8,384
	1,540	1,591	1,646	1,701	1,745	1,735	1,791
	1,536	1,687	1,735	1,855	1,923	1,824	1,935
	481	475	501	512	530	560	575
	0	0	0	0	0	0	0
	3,557	3,753	3,882	4,068	4,198	4,119	4,301
	2,037	2,340	2,620	3,009	3,148	3,353	4,083
	0	0	0	0	0	0	0
	1,421	1,290	1,377	1,290	1,348	1,348	1,450
	1,779	1,018	530	3,426	(3,718)	537	3,074
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	3,200	2,308	1,907	4,716	(2,370)	1,885	4,524
	94	1,137	100	2,415	106	2,582	3,728
	4,978	3,277	4,201	5,117	566	2,193	4,857
	165	234	226	193	106	463	22
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	5,237	4,648	4,527	7,725	778	5,238	8,607
	(2,037)	(2,340)	(2,620)	(3,009)	(3,148)	(3,353)	(4,083)
	0	0	0	0	0	0	0

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 five resource recovery centres – at Richmond, Mariri, Takaka, Collingwood and Murchison. Most public and commercial waste disposal is through the resource recovery centres. Waste from these sites is transferred to a Council-owned landfill at Eves Valley and recyclable material is processed and on-sold by Council contractors.

From 2017, landfill operations will be provided in co-operation with Nelson City Council, through a joint committee. We anticipate for the next 15 years all regional waste will be disposed at the York Valley landfill, with the Eves Valley landfill reserved for emergency use. We are planning for the Eves Valley landfill to reopen to accept regional waste from 2031.

Council promotes waste minimisation through kerbside collection of recyclable materials, on-going research, engagement and educational programmes, and provides drop off facilities for green waste, reusable and recyclable materials. Council also maintains 22 closed landfills around the district and responds to illegal dumping incidents.

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 the region'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 prepare a Waste Management and Minimisation Plan (WMMP). This plan sets the strategic direction of Council for solid waste management. Council has elected to do this jointly with Nelson City Council. The next review of the joint WMMP is scheduled for 2016/2017.

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 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 people-friendly, well planned 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 efficient, cost effective and meets current and future needs.	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 COUNCIL

The Councils are working to establish a joint committee to manage the Eves Valley and York Valley landfills. We expect to mothball the Eves Valley landfill and use the York Valley landfill in Nelson as a regional facility from July 2017. This arrangement will be more efficient, reduce duplication of capital and provide opportunity for improved waste minimisation.

Transition to regional landfill activities will require early closure and mothballing of the Eves Valley landfill. Council also needs to provide a half share of funding for reopening of the landfill in 2031.

Due to the importance of this arrangement to both Tasman District and Nelson City Councils, the issue is discussed in more detail in the Infrastructure Strategy.

NEW RECYCLING SERVICES

An improved kerbside recycling service, using 240 litre mobile bins, commenced in July 2015. This is expected to increase diversion of waste from landfill. A new materials recovery facility (MRF) in Richmond will provide opportunity for commercial recycling and regional cooperation.

REVIEW OF SERVICES

The Councils have agreed to a review of the Joint Waste Management and Minimisation Plan in 2016/2017. This will provide opportunity to review services and facilities over the wider region in the context of a joint landfill. The outcome of this review of services will influence the next Long Term Plan.

RENEWALS AND MAINTENANCE STRATEGY

With a transition to funding depreciation, a greater focus on asset valuation and condition assessment and asset life will be required.

VI. SOLID WASTE (CONT.)

OUR LEVEL OF SERVICE – WHAT COUNCIL WILL DO AND HOW IT WILL MEASURE PERFORMANCE OVER THE 10 YEARS FROM 2015-2025

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...	CURRENT PERFORMANCE
We provide effective waste minimisation activities and services.	There is an increase in resources diverted from landfill by Council services. As measured monthly and reported annually on a per capita basis.	Actual = 192kg per person <i>See Figure 23. Total Resources Diverted from Landfill per head (kg p.a.), page 154</i>
	There is a reduction in waste per capita going to landfill. As measured by tonnage recorded at landfill.	Actual = 640kg per person <i>See Figure 24. Waste to Landfill per capita (kg p.a.), page 154</i>
Our kerbside recycling and bag collection services are reliable, easy to use.	% of enquiries resolved within 24 hours. As measured through Confirm.	Actual = 95%
	% customer satisfaction with kerbside recycling services. As measured through annual resident survey of those provided with Council's kerbside recycling collection services.	Actual = 89% satisfied or very satisfied
	% customer satisfaction with kerbside bag collection services. As measured through annual resident survey of those provided with Council's kerbside bag collection services.	Actual = 69% satisfied or very satisfied
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 Resource Recovery Centres (RRC's).	Actual = 96% satisfied or very satisfied

FORECAST PERFORMANCE (TARGET)				
	YEAR 1	YEAR 2	YEAR 3	BY YEAR 10
	209kg	223kg	223kg	223kg
	570kg	560kg	560kg	560kg
	95%	95%	95%	95%
	90%	90%	90%	90%
	70%	70%	70%	70%
	95%	95%	95%	95%

VI. SOLID WASTE (CONT.)

FIGURE 23. TOTAL RESOURCES DIVERTED FROM LANDFILL PER HEAD (kg P.A.)

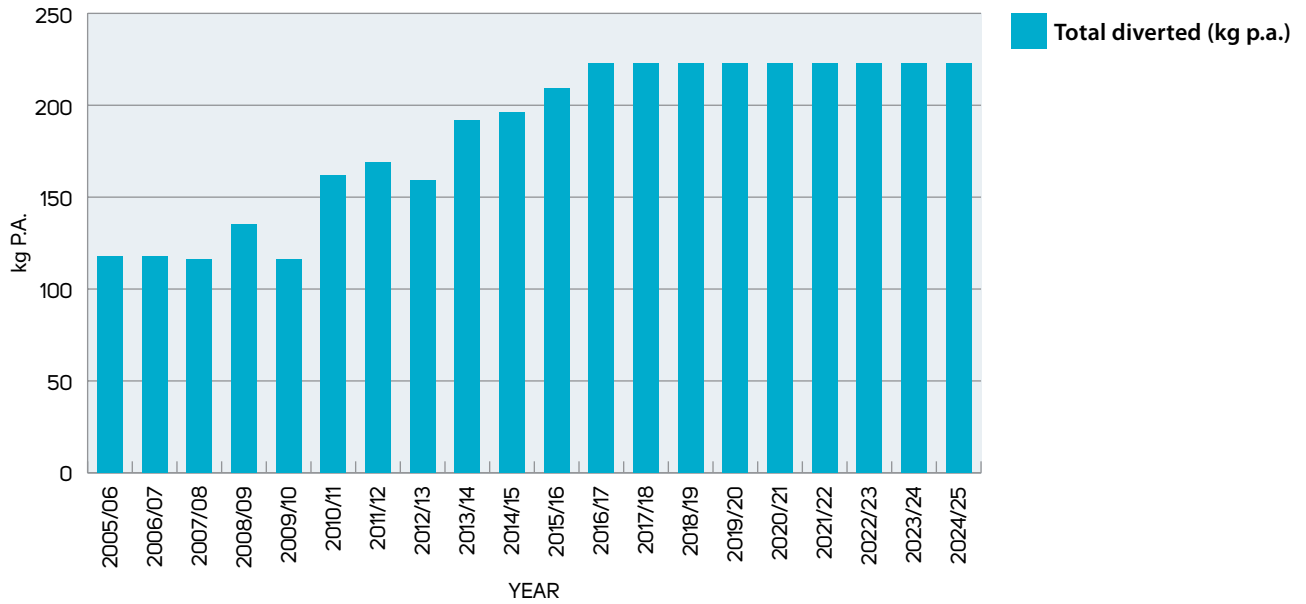
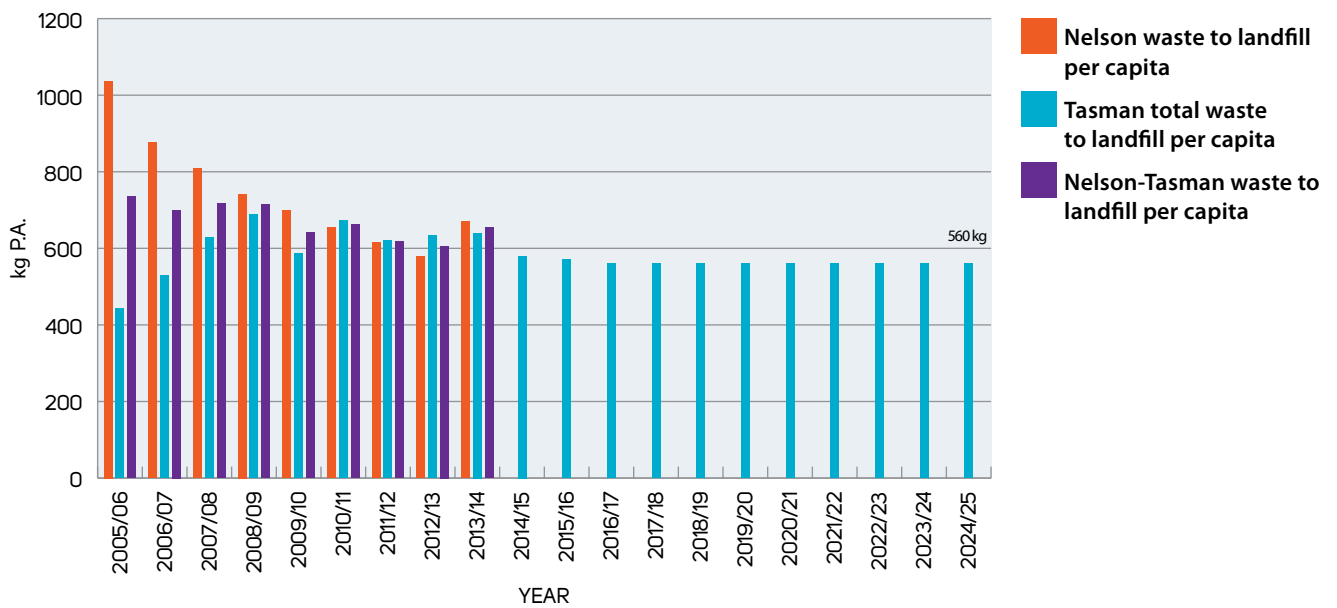


FIGURE 24. WASTE TO LANDFILL PER CAPITA (kg P.A.)



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 closed landfills. The Eves Valley and York Valley landfills are anticipated to be managed jointly with Nelson City Council from 1 July 2017 through a joint committee.

Work is continuing with Nelson City Council on implementing the joint Waste Management and Minimisation Plan.

KEY CHANGES TO ACTIVITY OR SERVICE

The table below summarises the key changes for the management of the Solid Waste activity since the 2012 Long Term Plan.

KEY CHANGE	REASON FOR CHANGE
Decision to hold off work on stage 3 at the Eves Valley landfill and instead transfer waste to York Valley landfill in Nelson from 2017.	Anticipated in Joint Waste Management and Minimisation Plan. Increased efficiency, better use of capital and improved opportunity for waste minimisation to maximise asset life.
Move to new kerbside recycling service and materials recovery facility.	Improved collections at no greater cost. Opportunity to reduce waste to landfill.
Transfer of contract management and asset planning into direct Council control.	Improved asset management and decision making. Cost savings.

KEY ASSUMPTIONS, UNCERTAINTIES AND RISKS

Significant uncertainties and assumptions that are specific to the solid waste activity and its programme are listed below. Significant assumptions common to all of Council's activities are listed in Part 4 of Volume 1.

ASSUMPTIONS AND UNCERTAINTIES

- That the Councils will reach agreement on regional landfill operations from July 2017, and can meet all necessary legal obligations.
- That there will be no material changes in waste patterns.
- No significant change in activity costs when new operations contracts are awarded and that any industry cost increases will be reflected in cost fluctuation provisions.

VI. SOLID WASTE (CONT.)

RISKS

The regional landfill proposal has a number of risks and uncertainties, including:

- Reaching agreement with Nelson City Council on regional landfill activities in 2016/2017 and obtaining suitable authorisation from the Commerce Commission if required.
- Obtaining resource consents for the Eves Valley landfill (Stage 3) in time to enable operations if required.
- Timing of capital expenditure for further development of the York Valley and Eves Valley landfills.
- Waste flow patterns – current model assumes all wastes flow through resource recovery centres, but there would be advantages in rationalising some transport of this waste.

NEW CAPITAL EXPENDITURE

The following table details the major capital and renewal work programmed for the years 2015-2025. 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 and in the Nelson City Council Solid Waste Activity Management Plan (for York Valley landfill).

PROJECT NAME	DESCRIPTION	YEARS 1-3 (\$)	YEARS 4-10 (\$)
Eves Valley and York Valley landfills.	Eves Valley – Closure of Stage 2*.	134,611	-
	Eves Valley – Landscape planting.	103,630	-
	Eves Valley and York Valley renewals and improvements*.	28,283	433,190
Mariri Resource Recovery Centre.	Improve traffic flow and layout.	664,525	-
Takaka Resource Recovery Centre.	New weighbridge.	150,000	-
	Improve traffic flow and layout.	-	128,269
	Replacement waste compactor and bins.	-	569,830
Closed landfills.	Rock protection work and cap renewals.	262,895	-

** these budgets represent 50% of the total project, as they are shared with Nelson City Council*

SIGNIFICANT NEGATIVE EFFECTS

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

- Noise
- Dust, odour and windblown litter
- Discharges of pollutants to water and land
- Disruptions to service
- Discharge of methane and carbon dioxide
- Unaffordable or uneconomic cost of services

SIGNIFICANT POSITIVE EFFECTS

There are positive effects from this group of activities including:

- Public health benefits
- Economic benefits
- Environmental benefits

VI. SOLID WASTE (CONT.)

FUNDING IMPACT STATEMENTS AND FUNDING SOURCES FOR THE GROUP OF ACTIVITIES

FUNDING IMPACT STATEMENT – SOLID WASTE	2014/2015 BUDGET \$000	2015/2016 BUDGET \$000	2016/2017 BUDGET \$000	2017/2018 BUDGET \$000
SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	341	287	322	204
Targeted rates	2,170	2,201	2,301	2,364
Subsidies and grants for operating purposes	0	0	0	0
Fees and charges	0	5,275	5,623	5,802
Internal charges and overheads recovered	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	5,510	156	171	178
TOTAL OPERATING FUNDING	8,021	7,919	8,417	8,548
APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	6,084	6,167	6,818	6,414
Finance costs	432	400	356	503
Internal charges and overheads applied	732	446	471	504
Other operating funding applications	0	0	0	0
TOTAL APPLICATIONS OF OPERATING FUNDING	7,248	7,013	7,645	7,420
SURPLUS (DEFICIT) OF OPERATING FUNDING	773	906	772	1,128
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	(142)	(166)	(682)	3,543
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
TOTAL SOURCES OF CAPITAL FUNDING	(142)	(166)	(682)	3,543
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
– to meet additional demand	0	18	37	326
– to improve the level of service	394	567	52	451
– to replace existing assets	147	256	0	28
Increase (decrease) in reserves	90	(101)	1	(197)
Increase (decrease) in investments	0	0	0	4,062
TOTAL APPLICATIONS OF CAPITAL FUNDING	631	740	90	4,671
SURPLUS (DEFICIT) OF CAPITAL FUNDING	(773)	(906)	(772)	(1,128)
FUNDING BALANCE	0	0	0	(0)

The Annual Plan 2014/2015 information is as per the published document and has not been reclassified to reflect legislation changes which became effective from 1st July 2015.

The FIS statements also reflect changes resulting from internal restructures and revenue reclassification. The Annual Plan 2014/2015 has not been restated to reflect these changes.

	2018/2019 BUDGET \$000	2019/2020 BUDGET \$000	2020/2021 BUDGET \$000	2021/2022 BUDGET \$000	2022/2023 BUDGET \$000	2023/2024 BUDGET \$000	2024/2025 BUDGET \$000
	274	205	206	25	(37)	(78)	(132)
	2,409	2,479	2,574	2,691	2,807	3,055	3,096
	0	0	0	0	0	0	0
	5,968	6,100	6,336	6,588	6,854	6,782	7,058
	0	0	0	0	0	0	0
	184	190	197	204	211	219	227
	8,835	8,974	9,313	9,508	9,835	9,978	10,259
	6,626	6,754	7,088	7,299	7,728	7,676	8,003
	469	455	413	360	353	339	318
	532	555	583	601	616	654	657
	0	0	0	0	0	0	0
	7,628	7,763	8,085	8,259	8,696	8,669	8,978
	1,207	1,211	1,228	1,249	1,138	1,310	1,282
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	(870)	(427)	(932)	(871)	102	(521)	(326)
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	(870)	(427)	(932)	(871)	102	(521)	(326)
	96	149	0	24	850	185	380
	0	406	46	(0)	(0)	32	0
	38	37	47	32	143	34	103
	200	183	196	299	226	517	454
	3	9	7	23	22	21	19
	337	784	296	378	1,240	789	956
	(1,207)	(1,211)	(1,228)	(1,249)	(1,138)	(1,310)	(1,282)
	(0)	(0)	0	0	(0)	0	(0)

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.

The Rivers activity is managed holistically. This approach to rivers management places emphasis on channel management through gravel relocation/ repositioning and vegetation and land buffers on the river's edge. The aim is to manage the river channel and catchment so that there is less need to use hard engineering methods to prevent erosion.

This activity 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 people-friendly, well planned 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 efficient, cost effective and meets current and future needs.	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:

RIVER MANAGEMENT APPROACH

A fundamental change in the way operations and maintenance in our rivers system is managed is gradually being introduced. A holistic approach which considers water quality, ecology and visual enhancement as well as erosion management is being developed. The aim of this approach is to increase the amount of proactive versus reactive work that is carried out in the rivers system. Ultimately, there should be less rock revetment work occurring and more riparian plantings plus improved channel management taking place instead. This approach should be beneficial to the river channel capacity.

ONGOING DAMAGE TO THE FLOOD PROTECTION AND RIVER CONTROL ASSETS FROM STORMS AND HEAVY RAINFALL EVENTS

Tasman has experienced several major storm events since 2010. Council infrastructure and private property has suffered damage from the associated flooding, slips, erosion and debris flows. Council has a 'Classified Rivers Protection Fund'. Works required for river systems as a result of storm damage are usually subsidised from this fund. Council has previously funded up to 50% of the costs of works undertaken within 'River Z areas', with the landowner paying for the remaining 50%. In 2014, Council resolved to lower the percentage of funding to be made available for works in the River Z catchments (i.e. River Z works now receive a smaller Council subsidy). This change to the level of service may not align with community expectations.

LOWER MOTUEKA FLOOD CONTROL PROJECT

Council previously planned to provide improved flood control system for the Lower Motueka River (Brooklyn, Motueka and Riwaka communities). This work was intended to reduce the risk of a breach in the stopbanks, as well upgrade the stopbanks to contain a 1 in 100 year flood. Modelling work shows that the full length of the stopbanks is prone to failure from saturation over a prolonged event as well as a potential breach. However, at \$17 million, a full upgrade is unaffordable. Providing lower cost improvements in targeted areas of the stopbank would not resolve this issue.

Consequently, Council has decided to remove the Lower Motueka Flood Control project from the Long Term Plan 2015-2025. There is a level of risk associated with this decision, although the risk of a breach can be reduced through active maintenance.

TAKAKA AND RIWAKA FLOOD CONTROL

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 2027/2028 has been included in Council's programme. Further investigation, consultation and development of potential solutions will take place through the development of the Takaka Catchment Management Plan. The outcomes from this work will be considered in future Long Term Plans where more detailed funding options will be proposed (if required) for consideration by the community.

Indicative funding for a project to raise the freeboard level of the Riwaka River stopbanks has been included in Council's programme.

VII. FLOOD PROTECTION AND RIVER CONTROL WORKS (CONT.)

OUR LEVEL OF SERVICE – WHAT COUNCIL WILL DO AND HOW IT WILL MEASURE PERFORMANCE OVER THE 10 YEARS FROM 2015-2025

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...	CURRENT PERFORMANCE
<p>We maintain Council's stopbank assets in River X classified areas to deliver flood protection to the level that the stopbanks were originally constructed.</p>	<p>The major flood protection and control works that are maintained, repaired and renewed to the key standards defined below (Mandatory Performance Measure 1):</p> <p>Our stopbanks are maintained to their original constructed standard.</p> <p>(Riwaka River = 1 in 10 year flood return in 1950). (Lower Motueka River = 1 in 50 year flood return in 1950). (Waimea River = 1 in 50 year flood return in 1950).</p> <p>No failure of flood protection in the existing stopbank system maintained by Council below the specified design levels.</p>	<p>Actual:</p> <p>Riwaka River = 88%</p> <p>Motueka River = 100%</p> <p>Waimea River = 100%</p>
<p>River maintenance tasks are carried out in a safe, efficient and sustainable manner.</p>	<p>Council holds appropriate consents for the work it does.</p> <p>As measured by the number of notices issued to Council's flood protection and rivers control activity.</p>	<p>Actual = No notices issued</p> <p>Resource consents held are:</p> <p>Global – for works in rivers and some gravel extraction; and vegetation spraying.</p> <p>Contracts include the conditions of the consent and performance measures include requirements to meet the Resource Consent conditions.</p> <p>Council or its contractor has not received any non-compliance with respect to the resource consents.</p>
<p>We manage waste/rubbish in the river system.</p>	<p>Complaints about illegal dumping in the X and Y classified rivers and on adjacent beaches on public land are actioned within five days.</p> <p>As measured through Customer Service Requests in Council's database. CSR's are responded to within five days.</p>	<p>Actual = Not currently measured</p>

FORECAST PERFORMANCE (TARGET)				
	YEAR 1	YEAR 2	YEAR 3	BY YEAR 10
	88%	88%	88%	88%
	100%	100%	100%	100%
	100%	100%	100%	100%
	No notices issued	No notices issued	No notices issued	No notices issued
	100%	100%	100%	100%

VII. FLOOD PROTECTION AND RIVER CONTROL WORKS (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 CHANGES TO ACTIVITY OR SERVICE

The table below summarises the key changes for the management of the Rivers activity since the 2012 Long Term Plan.

KEY CHANGE	REASON FOR CHANGE
Introduction of more holistic river management philosophy.	<p>The holistic approach to river management or ecosystem-based management integrates the ecological, social and economic life of a river. This approach requires several disciplines of knowledge and expertise plus understanding of how diverse influences operate in the river catchment. This approach also requires the various stakeholders to work together.</p> <p>Hard engineering will become the last option in river channel and catchment management. Instead, Council develop this proactive long-term approach which will over time allow for a river to be channelled (where possible) so that it flows more efficiently and has a larger capacity for holding water without it threatening private property or Council-owned assets.</p> <p>Overall, the advantages of using the holistic approach are that proactive soft engineering options are employed in the first instance; it is sustainable both economically and environmentally.</p> <p>The shift to the holistic approach will require a transition period. Hard engineering options may be utilised while the approach is developed and the management of the river channel aligns to the holistic approach.</p>
Majority of rock protection work is scheduled as new capital works, rather than a split between new capital and renewal works.	Rock protection work is undertaken with durable rock and the rock is generally not lost to the river system. Under flood conditions the rock can be shifted or settled into the bed and then become the toe protection rock for the river works that follow a flood. Therefore additional rock is a new asset and is therefore capital works.
The Lower Motueka Flood Control project has been withdrawn from the Long Term Plan.	After further modelling to re-scope the project at the new funding level of \$5m, Council resolved to remove the Lower Motueka Flood Control project from the Long Term Plan.
Decreased funding allocation to Rivers Z works.	In order to address Council's debt issue, funding for river works in River Z classified rivers has decreased from \$300,000 to \$200,000 per annum.

KEY ASSUMPTIONS, UNCERTAINTIES AND RISKS

Significant uncertainties and assumptions that are specific to the rivers activity and its programme are listed below. Significant assumptions common to all of Council's activities are listed in Part 4 of Volume 1.

ASSUMPTIONS AND UNCERTAINTIES

- Tasman is increasingly experiencing extreme weather that in some cases has damaged the rivers. It is not yet known whether such events will increase the expenditure needed for river maintenance in the long term.
- With the adoption of the 'holistic' river management approach, operational costs are expected to increase initially. It is assumed that over time these costs will reduce, as outlay on material will decrease.

RISKS

- Large flood events place unanticipated demands on the rivers activity to increase capital expenditure
- Access to the Riwaka stopbank is limited and Council has no controls over land use on the stopbank.

NEW CAPITAL EXPENDITURE

The following table details the major capital and renewal work programmed for the years 2015-2025. 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.

PROJECT NAME	DESCRIPTION	YEARS 1-3 (\$)	YEARS 4-10 (\$)
Brightwater Flood Protection works	Consultation, Design and Construction.	-	90,954

SIGNIFICANT NEGATIVE EFFECTS

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

- Gravel extraction – over extraction of gravel in some areas has the potential to destabilise banks and change groundwater levels.
- Waste dumping – inappropriate use of river berms can cause nuisance to the public, for example dumping of refuse and car bodies.
- Cost – the cost of providing the services.
- Stopbank condition – poor condition of stopbank sections.
- Cultural impacts – potential to affect historic and Waahi tapu sites.

SIGNIFICANT POSITIVE EFFECTS

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

- Economic development – provision and maintenance of flood control schemes allow for the development of land for high value uses (e.g. residential or horticultural purposes) thereby allowing economic growth and prosperity in the Tasman District.
- Safety and personal security – flood protection and river control works contribute to community well-being by improving protection of communities, life, property and livelihoods.
- Environmental sustainability – Council aims to achieve environmental sustainability while managing the rivers activity. This is generally managed by the resource consent process, the TRMP, and compliance with the Soil Conservation and Rivers Control Act. Examples of this approach include the native riparian planting programme, the use of less invasive willow species and preventative erosion plantings plus the consideration of less eco-toxic herbicide sprays.
- Economic efficiency – Council's management of the rivers activity using best practice and competitive tendering to provide the best value for money for the ratepayers and provides jobs for contractors.
- Gravel extraction – there is no additional lowering of ground water levels through decreased gravel extraction where river beds are already degraded.

VII. FLOOD PROTECTION AND RIVER CONTROL WORKS (CONT.)

FUNDING IMPACT STATEMENT AND FUNDING SOURCES FOR THE GROUP OF ACTIVITIES

FUNDING IMPACT STATEMENT – FLOOD PROTECTION AND RIVER CONTROL WORKS	2014/2015 BUDGET \$'000	2015/2016 BUDGET \$'000	2016/2017 BUDGET \$'000	2017/2018 BUDGET \$'000
SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	32	35	34	32
Targeted rates	3,006	2,691	2,759	2,838
Subsidies and grants for operating purposes	0	0	0	0
Fees and charges	0	42	43	44
Internal charges and overheads recovered	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	402	218	224	231
TOTAL OPERATING FUNDING	3,440	2,986	3,060	3,145
APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	1,554	1,519	1,561	1,604
Finance costs	49	38	32	26
Internal charges and overheads applied	429	264	274	293
Other operating funding applications	0	0	0	0
TOTAL APPLICATIONS OF OPERATING FUNDING	2,032	1,821	1,867	1,923
SURPLUS (DEFICIT) OF OPERATING FUNDING	1,408	1,165	1,193	1,222
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	(27)	(105)	(105)	(105)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
TOTAL SOURCES OF CAPITAL FUNDING	(27)	(105)	(105)	(105)
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
– to meet additional demand	0	0	0	0
– to improve the level of service	1,068	1,032	1,059	1,087
– to replace existing assets	0	0	0	0
Increase (decrease) in reserves	313	28	29	30
Increase (decrease) in investments	0	0	0	0
TOTAL APPLICATIONS OF CAPITAL FUNDING	1,381	1,060	1,088	1,117
SURPLUS (DEFICIT) OF CAPITAL FUNDING	(1,408)	(1,165)	(1,193)	(1,222)
FUNDING BALANCE	0	0	0	0

The Annual Plan 2014/2015 information is as per the published document and has not been reclassified to reflect legislation changes which became effective from 1st July 2015.

The FIS statements also reflect changes resulting from internal restructures and revenue reclassification. The Annual Plan 2014/2015 has not been restated to reflect these changes.

	2018/2019 BUDGET \$000	2019/2020 BUDGET \$000	2020/2021 BUDGET \$000	2021/2022 BUDGET \$000	2022/2023 BUDGET \$000	2023/2024 BUDGET \$000	2024/2025 BUDGET \$000
	30	29	0	0	0	0	0
	2,862	3,053	3,024	3,056	3,175	3,298	3,380
	0	0	0	0	0	0	0
	46	47	49	50	52	54	56
	0	0	0	0	0	0	0
	238	246	254	263	272	282	293
	3,176	3,375	3,327	3,369	3,499	3,634	3,729
	1,609	1,673	1,757	1,757	1,835	1,903	1,944
	19	14	10	10	9	8	8
	296	310	329	334	343	365	368
	0	0	0	0	0	0	0
	1,924	1,997	2,096	2,101	2,187	2,276	2,320
	1,252	1,378	1,231	1,268	1,312	1,358	1,409
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	(105)	(105)	(13)	(13)	(13)	(13)	(13)
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	(105)	(105)	(13)	(13)	(13)	(13)	(13)
	0	0	0	0	0	0	0
	1,116	1,238	1,182	1,218	1,258	1,302	1,351
	0	0	0	0	0	0	0
	31	35	36	37	41	43	45
	0	0	0	0	0	0	0
	1,147	1,273	1,218	1,255	1,299	1,345	1,396
	(1,252)	(1,378)	(1,231)	(1,268)	(1,312)	(1,358)	(1,409)
	0	0	0	0	0	0	0

COMMUNITY DEVELOPMENT

The Community Development section is broken down into two groups of related activities:

- Community Facilities and Parks (including Libraries and Aquatic Centre)
- Community Relations

The 10 year budgets for the Community Development activities are outlined in the following table along with the 2014/2015 budgets for comparison.

COMMUNITY DEVELOPMENT	2014/2015 BUDGET \$000	2015/2016 BUDGET \$000	2016/2017 BUDGET \$000	2017/2018 BUDGET \$000	2018/2019 BUDGET \$000	2019/2020 BUDGET \$000
Community Facilities, Parks, Libraries and Aquatic Centre	12,916	12,284	12,615	13,118	13,234	13,457
Community Relations	2,626	2,495	2,518	2,578	2,613	2,652
TOTAL COSTS	15,542	14,779	15,133	15,696	15,847	16,109

COMMUNITY DEVELOPMENT	2020/2021 BUDGET \$000	2021/2022 BUDGET \$000	2022/2023 BUDGET \$000	2023/2024 BUDGET \$000	2024/2025 BUDGET \$000
Community Facilities, Parks, Libraries and Aquatic Centre	14,153	14,573	14,660	14,949	15,419
Community Relations	2,707	2,752	2,795	2,872	2,966
TOTAL COSTS	16,860	17,325	17,455	17,821	18,385

Details of each of these groups of activities are outlined in the following pages. These pages cover what 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:

- 804 hectares of parks and reserves (including 240 hectares at Moturoa/Rabbit Island, 13 formal gardens, 14 special interest sites, 20 sports grounds, 94 urban open space/amenity reserves, 41 walkways, 210 rural recreation and esplanade reserves, various sports facilities and three remote camping grounds)
- 108 hectares of land vested as esplanade strip
- 12 operating and two closed cemeteries
- 52 playgrounds
- four libraries
- funding for District and Shared Facilities such as the Saxton Field complex
- 20 community halls
- five multi-use community recreation centres
- two community centres
- three museums
- 14 miscellaneous community buildings (e.g. Plunket rooms, former church)
- 91 public toilets
- eight community housing complexes (101 separate units in total)
- the Aquatic Centre and three outdoor community swimming pools.

WHY WE DO IT

Council provides community and recreational facilities to promote community wellbeing and to meet community expectations. The provision of open spaces and recreational facilities contributes to the development of healthy, active, functioning communities. Council recognises that it plays a key role in creating the environment in which communities can prosper and enjoy improved health and wellbeing. Council therefore aims to ensure that adequate parks and reserves are provided for the community and that these are managed and maintained in a way that meets community expectations and encourages community involvement.

Council provides cemeteries that create an attractive, peaceful and respectful environment for the memorial and remembrance of the deceased. Cemeteries are provided for public health purposes and to comply with the requirements of the Burial and Cremation Act 1964.

Libraries develop an informed community whose members are literate and inspired. The Tasman District Council's public library services and facilities provide a collective resource that is greater than local families or individuals can afford.

Community facilities are meeting points, providing indoor space for community gatherings, events, recreational, educational and social activities. They enable community-led development, with local people working together and bringing about changes in their environment. They help build neighbourhoods and settlements with strong identities. Our facilities offer Tasman residents the opportunity to engage socially in the places they live and work.

Council provides public toilets throughout the District to meet community, traveller and tourist needs. The toilets deliver a range of public good benefits including health and sanitation benefits.

Council provides pensioner cottages to meet a specific need for low-cost, community-based housing for people on low incomes.

Council provides the Aquatic Centre and swimming pools to enable people to learn to swim, for physical recreation and leisure to promote community health and wellbeing.

I. COMMUNITY FACILITIES AND PARKS (CONT.)

CONTRIBUTION TO COMMUNITY OUTCOMES

COMMUNITY OUTCOMES	HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
Our unique natural environment is healthy and protected.	<p>Protection of the natural environment and ecologically significant areas.</p> <p>Provision and enhancement of open space.</p> <p>Vegetation enhancement and awareness.</p> <p>Enhanced community involvement in conservation and restoration work.</p> <p>Protection and enhancement of coastal and riparian areas.</p>
Our urban and rural environments are people-friendly, well-planned and sustainably managed.	<p>Provision and enhancement of open space and an interconnected open space network.</p> <p>Provision of neighbourhood and community parks within walking distance of homes.</p>
Our communities are healthy, safe, inclusive and resilient.	<p>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.</p> <p>Parks and facilities are designed and managed to ensure users safety and to cater for the needs of the whole community.</p> <p>Community facilities are provided that support specific social needs.</p> <p>Community housing provides good quality affordable housing for the elderly and others who meet the criteria of Council's Policy on Pensioner Housing.</p> <p>Libraries provide safe spaces for our community to socialise and interact. Libraries provide equitable access to information for all in the community; as such libraries are an integral part of a strong democracy at local and national levels.</p> <p>The Aquatic Centre supports specific social needs and is designed and managed to ensure users safety and to cater for the needs of the whole community.</p>
Our communities have opportunities to celebrate and explore their heritage, identity and creativity.	<p>We provide recreation facilities that cater for and promote healthy communities and active lifestyles through social and recreation activity.</p> <p>Libraries contribute to the enhancement of community identity through the collection and preservation of local heritage materials. Libraries are involved in regional history/heritage projects which increase access to local historical/cultural information and materials. Library resources and facilities encourage creative, cultural and recreational activities.</p> <p>Provision of an Aquatic Centre facility that caters for and promotes healthy communities and active lifestyles through social and recreation activity.</p> <p>Cemeteries provide a location for interments and remembrance.</p>
Our communities have access to a range of social, educational and recreational facilities and activities.	<p>Provision of high quality open space, community, recreation and cultural facilities that provide a range of leisure and cultural opportunities.</p> <p>Provision of attractive well maintained and functional toilet facilities.</p> <p>We provide high quality community, recreation and cultural facilities providing a range of leisure and cultural opportunities and targeted social support.</p> <p>Libraries provide access to a wide range of materials in a variety of formats to support the recreational, educational, cultural, social, and business needs of the community. Libraries provide a range of resources which enrich quality of life for all.</p>
Our Council provides leadership and fosters partnerships, a regional perspective and community engagement.	<p>Through the provision of freely accessible community spaces, libraries encourage social interaction and community engagement.</p>

OUR GOALS

GOALS	WE AIM TO PROVIDE...
Parks and reserves	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.
Cemeteries	An attractive and peaceful environment for the burial, memorial and remembrance of the deceased.
Public toilets	Clean public toilet facilities to meet community and visitor needs, in appropriate locations.
Community buildings	Community facilities that assist in meeting the community demand for indoor activities and recreation spaces.
Community housing	Community housing for people on low incomes that is affordable, accessible and fit for purpose.
Libraries	Quality services which enrich the life of the community by promoting lifelong learning and the creative use of leisure.
Swimming pools	An Aquatic Centre facility and outdoor swimming pools that assist in meeting the community demand for aquatic activities and provide the level of service that the customers want and are prepared to pay for.

KEY ISSUES

- The number of retired people is forecast to increase significantly in the next 25 years and this will result in changing use and demand for community facilities and parks. For example, more demand for urban reserve land, sports parks, walkways, cycleways, community housing, libraries and other fit-for-purpose, higher quality indoor spaces. By contrast, the proportion of young people as a percentage of the total population is predicted to decline significantly over time.
- Continuing population growth and increases in demand for additional community facilities and 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. With the exception of the Golden Bay facility, completion of the velodrome and limited work at Saxton Field, Council does not propose to fund development of any new community facilities within the next 10 years.
- There is a need for a policy on the use, occupancy, ownership, management and insurance of community buildings.
- There is more emphasis on natural hazard risk and, in particular, seismic risk for community facilities. Seismic assessments of many of Council's community buildings were undertaken between 2012-2014, with several identified as being earthquake prone. Seismic strengthening works are required to enable these buildings to remain open to the public. Further seismic assessments are required of other Council owned community buildings which have not yet been assessed. These assessments may identify further strengthening work that needs to be undertaken. Some funding has been allowed for this work to be undertaken later in the Long Term Plan.

I. COMMUNITY FACILITIES AND PARKS (CONT.)

KEY ISSUES (CONT.)

- Council's borrowing for Saxton Field facilities will be limited to the size of the outstanding loans in 2014/2015. Further investment in Saxton Field will be limited to an amount equivalent to the principal repayments Council makes on the existing loans, averaged over the years of the Long Term Plan 2015-2025.
- The focus on catering for growth and on development of new reserves has resulted in a decline in quality of older reserves, with some variance in service levels between new and older reserves.
- Coastal erosion and the impact of projected sea level rise may impact on Council walkways and reserves. There is likely to be increased expectation that Council will undertake coastal protection works on its reserves to protect adjacent private land and to retain public access to coastal areas, which needs to be balanced against the protection of wildlife habitats, retention of natural process, and the affordability to the public of coastal protection works.
- The risk of damage to the Parks and Reserves assets from storms and heavy rainfall events.
- Long-term provision and management of cemetery reserves, particularly in the Richmond area.
- Provision and management of public toilets throughout the District, to meet demand and maintain levels of service.
- Libraries will need to increase the availability of electronic resources to meet community demand. Currently there is no adequate system for charging for electronic stock.
- The existing library facility at Motueka is under-sized for the existing population and projected population growth.
- There is a strong national trend to adopt Radio frequency identification (RFID) technology for stock management. Without RFID technology, libraries will continue with the existing system, but face renewal costs for the existing security system. There will also be fewer opportunities to find savings through operational efficiencies, while maintaining current service levels.
- Level of subsidy to enable continued operation of the Aquatic Centre.
- The Aquatic Centre facility is 10 years old and plant and equipment maintenance and renewals are increasing.
- Ultra Violet treatment of pool water is required, to improve the atmosphere at the Aquatic Centre.
- Council's current naming rights sponsorship agreement with the ASB Bank has expired. The sponsorship funding helps offset operating expenditure for the Aquatic Centre. A new sponsorship arrangement needs to be entered into.



Tasman District Library, Richmond

I. COMMUNITY FACILITIES AND PARKS (CONT.)

OUR LEVEL OF SERVICE – WHAT COUNCIL WILL DO AND HOW IT WILL MEASURE PERFORMANCE OVER THE 10 YEARS FROM 2015-2025

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...	CURRENT PERFORMANCE
An interconnected open space network and recreation facilities that provide a range of leisure opportunities and meet the needs of users and the community.	The total area of park land ¹ provided by Council exceeds the industry average, as measured by Yardstick ParkCheck.	In 2014, the total area of park land provided was 17.0 hectares per 1000 residents (the industry average was 15.9 hectares per 1000 residents).
	Overall customer satisfaction with the facilities in parks and reserves exceeds 85%, as measured by the triennial Yardstick ParkCheck Visitor Measures Survey.	The 2014 Yardstick ParkCheck Visitor Measures Survey shows an overall satisfaction level of 93% (vs. 90% in 2010). Nine local authorities participated in the 2014 survey; the average satisfaction level across all councils was 92%. <i>See Figure 25. Satisfaction With the Facilities in Parks and Reserves, page 178</i>
	At least 85% of respondents rate their satisfaction with recreational facilities (which include playing fields and neighbourhood reserves) as “fairly satisfied” or better in the annual residents’ surveys.	The 2014 residents’ phone survey shows that 87% of respondents, and 91% of users, are satisfied with the District’s recreational facilities. <i>See Figure 26. Satisfaction With Recreational Facilities, page 178</i>
Public toilets at appropriate locations that meet the needs of users and are pleasant to use and maintained to a high standard of cleanliness.	At least 70% of respondents rate their satisfaction with public toilets as “fairly satisfied” or better in the annual residents’ surveys.	The 2014 residents’ phone survey shows that 76% of residents, and 84% of users, are satisfied with the District’s public toilets. <i>See Figure 27. Satisfaction With Public Toilets, page 179</i>
A network of public halls and community buildings (including multi-purpose community and recreation facilities in major centres and local halls) that provide reasonable access to indoor activities, and recreation space.	A community building is available within a 15-minute drive for 95% of the population (i.e. 20km radius catchment).	2014 results: A community building is available within a 15 minute drive for 99.3% of the population (2013: 99.8%).
Accessible and affordable housing to eligible people within the community.	Tenants’ overall satisfaction with community housing is at least 80%, as measured through a biennial survey of tenants.	Overall satisfaction scores were 92% in 2013 (vs. 91% in 2010).

¹ Includes all park and reserve land provided by Tasman District Council, but excludes esplanade strips.

	FORECAST PERFORMANCE (TARGET)			
	YEAR 1	YEAR 2	YEAR 3	BY YEAR 10
	17.0 ha per 1000 residents	16.9 ha per 1000 residents	16.8 ha per 1000 residents	16.0 ha per 1000 residents
	Not measured	Not measured	>85% overall satisfaction with Tasman's parks and reserves	>85% overall satisfaction with Tasman's parks and reserves (measured in years 2020 and 2023)
	85% of Tasman residents are fairly or very satisfied with the District's recreational facilities	85% of Tasman residents are fairly or very satisfied with the District's recreational facilities	85% of Tasman residents are fairly or very satisfied with the District's recreational facilities	85% of Tasman residents are fairly or very satisfied with the District's recreational facilities
	70% of Tasman residents are fairly or very satisfied with the District's public toilets	70% of Tasman residents are fairly or very satisfied with the District's public toilets	70% of Tasman residents are fairly or very satisfied with the District's public toilets	70% of Tasman residents are fairly or very satisfied with the District's public toilets
	A community building is available within a 15 minute drive for 95% of the population	A community building is available within a 15 minute drive for 95% of the population	A community building is available within a 15 minute drive for 95% of the population	A community building is available within a 15 minute drive for 95% of the population
	80% of tenants are satisfied with community housing	Not measured this year	80% of tenants are satisfied with community housing	80% of tenants are satisfied with community housing as measured biennially in 2019/20, 2021/22, and 2023/24.

I. COMMUNITY FACILITIES AND PARKS (CONT.)

OUR LEVEL OF SERVICE – WHAT COUNCIL WILL DO AND HOW WE WILL MEASURE PERFORMANCE OVER THE 10 YEARS FROM 2015-2025 (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...	CURRENT PERFORMANCE
Swimming pools that meet the needs of users and provide opportunity for aquatic based recreation activities and learn to swim programmes.	Admissions to the Aquatic Centre per m ² of swimming pool per annum is not lower than 10% below the peer group average, as measured by Yardstick (once every three years).	2013 results: 204 swims/m ² of swimming pool (vs. 174 swims/m ² in 2012). The 2013 peer group average was 177 swims/m ² .
	At least 85% of respondents rate their satisfaction with Aquatic Centre facilities as fairly satisfied or better, in annual surveys of customers.	New measure.
The provision of access to a wide range of information relevant to the community's recreation and learning needs.	The number of lending/reference items available at Tasman libraries is 3.0 items per resident. Stock numbers will be measured quarterly using information available from the Library Management System software.	The number of reference/lending items available is currently 3.2 per resident.
	At least 83% of residents are fairly or very satisfied with the public libraries, as measured through the annual residents' survey.	The 2014 residents' survey shows that 82% of residents are satisfied with the District's public libraries, and that 91% of library users are satisfied with the libraries. <i>See Figure 28. Satisfaction With Public Libraries, page 179</i>
The provision of safe, welcoming, attractive and accessible library facilities for customers to access library services.	Tasman District Council library buildings provide adequate spaces to enable the delivery of quality library services as measured against the Library and Information Association of New Zealand Aotearoa (LIANZA) standard.	The floor space of the Richmond and Takaka Libraries meet the LIANZA standard. The Murchison Library building at 160m ² is less than the 210m ² recommended in the LIANZA standard (i.e. is only 75% of the LIANZA standard). Space issues in Motueka are causing difficulties with service delivery. The Motueka Library building at 453m ² achieves 46% of the LIANZA standard. The library will need to increase by 617m ² in order to allow for population growth through to 2031. Funding for the redevelopment of the Motueka Library was deferred for discussion through the Long Term Plan 2015-2025.

	FORECAST PERFORMANCE (TARGET)			
	YEAR 1	YEAR 2	YEAR 3	BY YEAR 10
	Not measured	Not measured	205 swims/m ²	205 swims/m ² (measured in 2020 and 2023)
	85%	85%	85%	90%
	The number of reference/ lending items available is maintained at 3.0 per resident	The number of reference/ lending items available is maintained at 3.0 per resident	The number of reference/ lending items available is maintained at 3.0 per resident	The resources budgets will be funded at a level which will ensure that the number of reference/ lending items available is maintained at 3.0 per resident
	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
	The Richmond, Takaka and Murchison libraries floor areas are maintained at the current size.	The Richmond, Takaka and Murchison libraries floor areas are maintained at the current size.	The Richmond, Takaka and Murchison libraries floor areas are maintained at the current size.	The Richmond, Takaka and Murchison libraries floor areas are maintained at the current size.
	Motueka Library floor area does not meet the LIANZA standard.	Motueka Library floor area does not meet the LIANZA standard.	Motueka Library floor area does not meet the LIANZA standard.	Funding has been included in 2019/2020 and 2020/2021 for redevelopment of the Motueka Library.

I. COMMUNITY FACILITIES AND PARKS (CONT.)

FIGURE 25. SATISFACTION WITH THE FACILITIES IN PARKS AND RESERVES

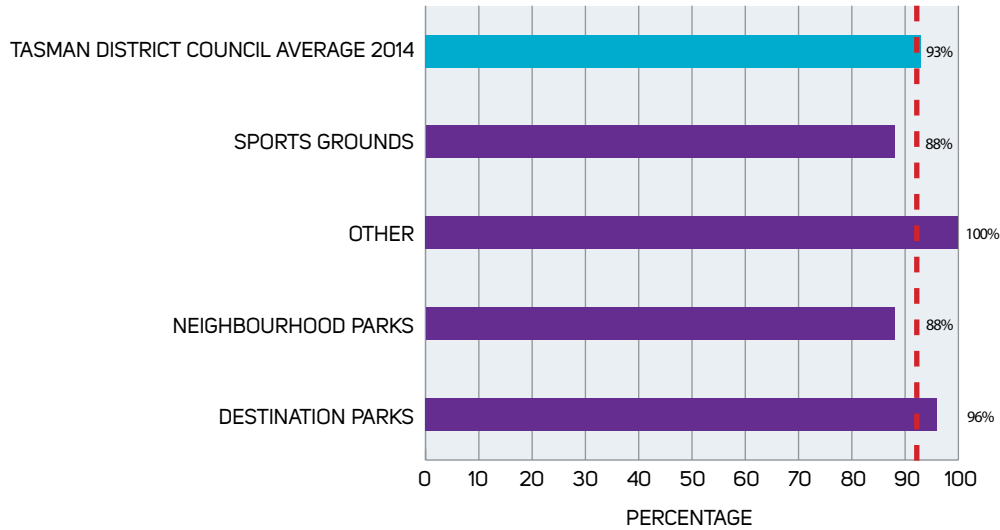


FIGURE 26. SATISFACTION WITH RECREATIONAL FACILITIES

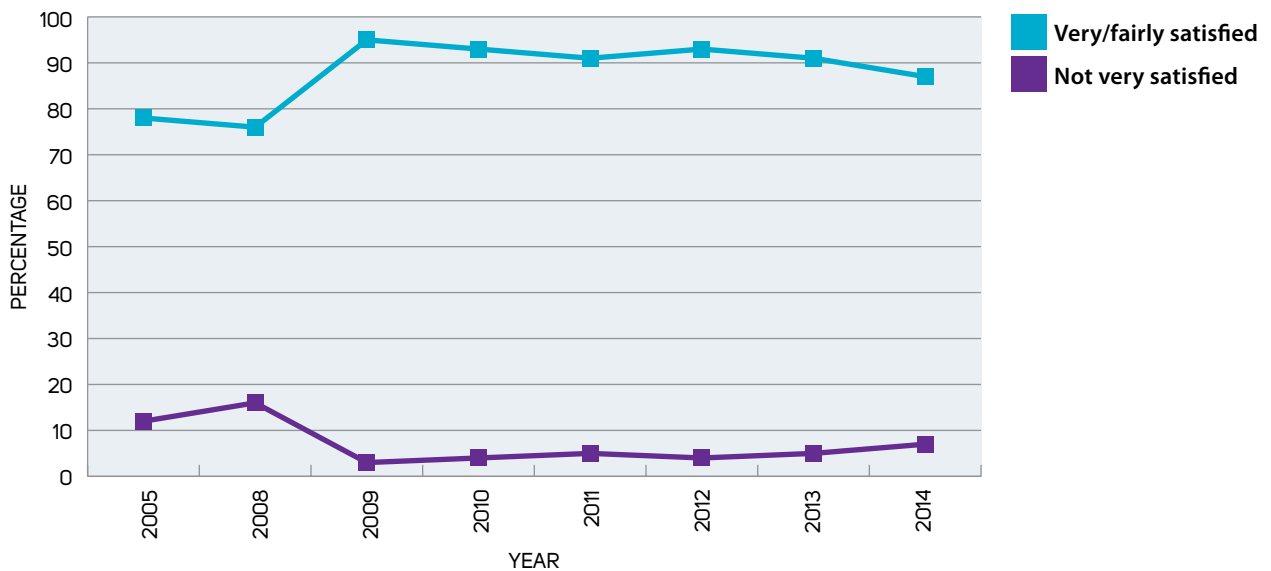


FIGURE 27. SATISFACTION WITH PUBLIC TOILETS

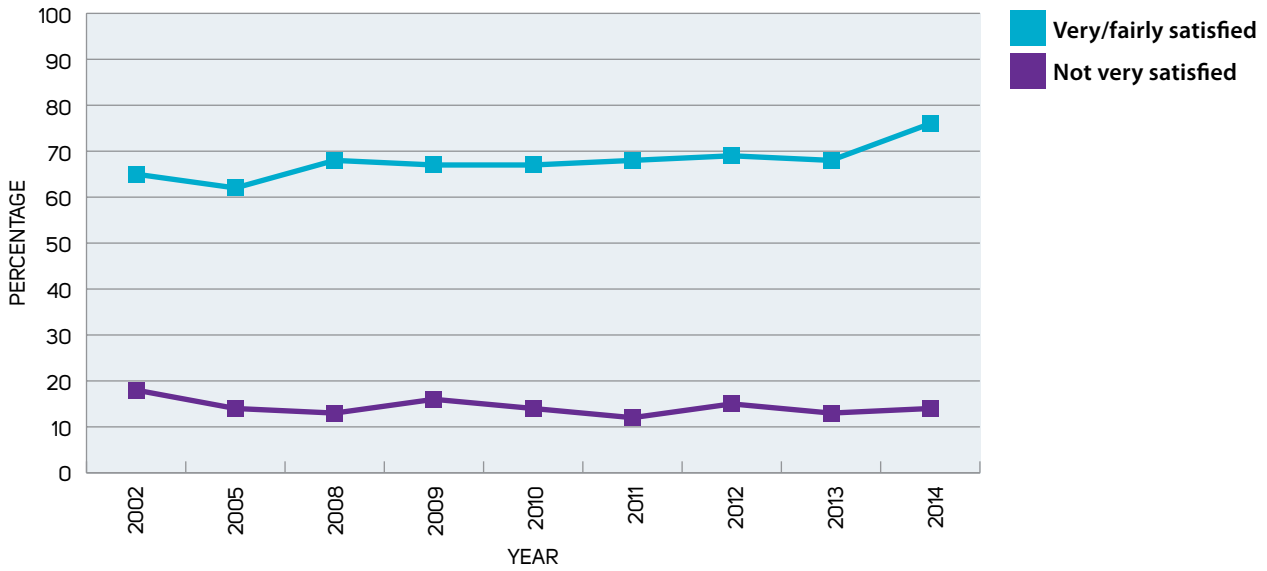
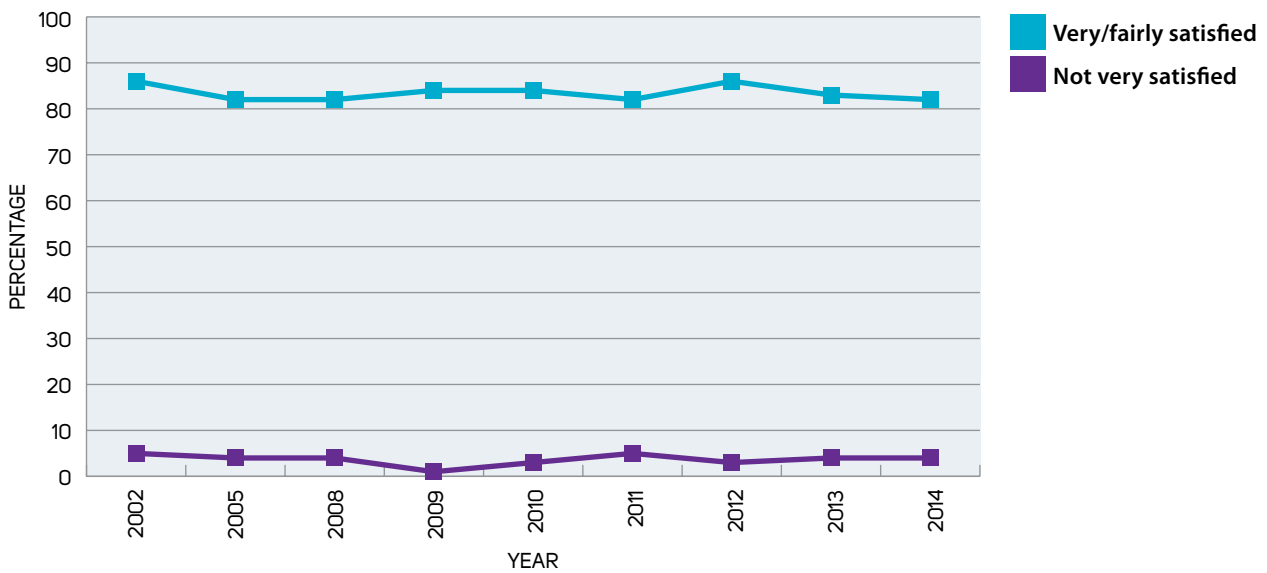


FIGURE 28. SATISFACTION WITH PUBLIC LIBRARIES



I. COMMUNITY FACILITIES AND PARKS (CONT.)

MAJOR ACTIVITIES

Ongoing management, maintenance and renewal of Council's parks and reserves, cemeteries, playgrounds, libraries, museums, halls, recreation centres, other district and shared facilities, public toilets, community housing, non-commercial campgrounds and swimming pools.

KEY CHANGES TO ACTIVITY OR SERVICE

The table below summarises the key changes for the management of the Community Facilities and Parks activity since the 2012-2022 Long Term Plan.

KEY CHANGE	REASON FOR CHANGE
Allocation of funding for projects from the Reserve Financial Contributions (RFCs) Ward accounts has changed.	RFCs are collected when land is subdivided to provide for the purchase and development of reserves. In the past Council estimated the income it was expecting to receive in a given year and also allocated that funding towards projects to be undertaken during that year. Council now collects the money in one year and then allocates the funding towards projects in the following year. This approach reduces the risk that projects will be undertaken and then the expected funding for them is not realised if subdivision of land does not proceed as quickly as anticipated. Council has also decided that it will not allocate all the funding that is received the previous year towards new projects. Some of the funding will be set aside to pay back more quickly loans that were taken out for large projects in previous years. This approach will reduce Council's overall debt levels. Council has also decided that some of the funding will be retained in the account so that major projects that occur in the Ward that the funding was collected from can be at least part funded from RFCs. An example of this is that approximately \$400,000 has been set aside in the Motueka RFC account to contribute to the proposed upgrade of the Motueka Library.
No planned Council contribution towards the development of new community facilities within the next 10 years, other than for the Golden Bay facility (2015), completion of the velodrome and ongoing developments at Saxton Field.	Council has reduced its overall capital expenditure programme in order to reduce Council debt and keep rates affordable over the long term.

KEY CHANGE	REASON FOR CHANGE
<p>In future, Council is proposing to seek a larger proportion of funding directly from the community before it will contribute money from the Community Facilities rates for new, large, community, recreational, sporting or cultural projects, and their renewal. Council is proposing to increase the community contribution to one third of the total cost of the project (except for projects at the Saxton Field complex where a separate funding arrangement is in place with Nelson City Council).</p> <p>Where the community is prepared to fund two thirds or more of the cost of a new project that is not in Council's Long Term Plan, Council will consider the affordability of contributing the remaining costs.</p> <p>It is also proposed that communities contribute one third of the community facilities' renewal costs, so Council will only fund depreciation of its share of any facilities.</p>	<p>This change is proposed to reduce the rate requirement across the District for community facilities.</p>
<p>Council has reduced programmed expenditure at Saxton Field. It also proposes that borrowing for Saxton Field facilities will be limited to the size of the outstanding loans in 2014/2015. Further investment in Saxton Field will be limited to an amount equivalent to the principal repayments Council makes on the existing loans, averaged over the years of the Long Term Plan 2015-2025.</p>	<p>This change is proposed to reduce the rate requirement across the District for community facilities and to ensure that Saxton Field development does not contribute to increasing Council's debt levels.</p>
<p>The installation of Radio Frequency Identification (RFID) in Council libraries has been deferred by one year.</p>	<p>Financial constraints and prioritisation of limited funds in the 2012-2022 period led to the project being deferred.</p>
<p>The Motueka Library upgrade and expansion has been deferred by six years.</p>	<p>Financial constraints and prioritisation of limited funds in the 2012-2022 period led to the project being deferred.</p>
<p>Council has improved its knowledge of the assets at the Aquatic Centre, including more detailed asset identification and condition assessments, and better identification of maintenance and renewals requirements for the Centre and its associated plant and equipment.</p>	<p>The Aquatic Centre is now over 10 years old and as such some of its plant and equipment is ageing and in need of greater maintenance and renewal. It is, therefore, important that Council has a greater understanding of the assets and their condition in order to better plan for and fund maintenance and renewals work.</p>
<p>Introduction of a new major project to install a new UV treatment plant at the Aquatic Centre.</p>	<p>Council has been receiving complaints about the chlorine smell at the Centre. The UV treatment plant is designed to reduce the use of chlorine and the chlorine smell, so as to improve the experience for users.</p>
<p>Introduction of a new major project to install photovoltaic cells at the Aquatic Centre.</p>	<p>This project will provide solar power for the facility to reduce operating cost of the facility and provide the opportunity to sell any excess electricity produced to the national grid.</p>

I. COMMUNITY FACILITIES AND PARKS (CONT.)

KEY ASSUMPTIONS AND UNCERTAINTIES

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

- 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, there might be greater demand for additional facilities.
- Council has adequate knowledge of the assets and their condition so that the planned renewal works will allow Council to meet the proposed levels of service.
- The reserves operating cost projections provide for an average annual growth increase of 0.8% per annum over the 10 year planning period and the capital project cost estimates are sufficiently accurate enough to determine the required funding level.
- Ongoing capital development programme is based on funding from reserve financial contributions as anticipated.
- All current community facilities continue to be operated with no significant changes.
- Community housing will continue to be self-funding.
- There will be no major changes in legislation or policy.
- The recreational needs of our community are likely to change over time.
- Council continues to run modern Library Management software.
- There will be increased delivery of digital services via the library website.
- The APNK network will continue to be funded by the National Library.
- The Aquatic Centre will continue to be subsidised from rates.

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.
- The 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.
- Contributions to the upgrade of the Mapua Hall.

In 2005 Council split the Community Facilities Rate into a District Facilities Rate to cover facilities located in and primarily benefiting Tasman residents and visitors and a Regional Facilities Rate to cover the wide range of projects which wider regional benefits which may be located 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. For this Long Term Plan, the key projects being funded by the Shared Facilities Rate are those at Saxton Field (see table below) and the key project being funded from the District Facilities Rate is completion of the Golden Bay community recreation facility.

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.
- Aquatic Centre.
- Murchison Sport, Recreation and Cultural Centre.
- Rotoiti Community Hall.
- Saxton Field Stadium.

The Community Facilities Operating Rate is currently charged to all wards in the Tasman District with the exception of the Golden Bay ward. From 2016/2017 the rate will be extended to the Golden Bay ward to enable a contribution to be made towards the operating costs of the new Golden Bay community recreation facility.

During the consultation process on the preparation of this Long Term Plan, Council received 223 submissions on the proposed Kohatu motorsport park. Several submissions asked Council to recognise the proposed facility as a regional facility providing regional benefits. A few submissions asked Council to help fund the project and highlighted the expected benefits of the park, including contributing to the regional economy and creating up to 47 new jobs. Council acknowledges the potential regional benefits of the projects but unfortunately the facility is outside of our current funding policies.

I. COMMUNITY FACILITIES AND PARKS (CONT.)

NEW CAPITAL EXPENDITURE

The following table details the major capital, renewal work and grants for Community Facilities programmed for the years 2015-2025. 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, Libraries and Aquatic Centre Activity Management Plans.

LOCATION	ACTIVITY	YEARS 1-3 (\$)	YEARS 4-10 (\$)
Golden Bay Recreation Reserve	Completion of an indoor community recreation facility in Golden Bay	1,943,700	-
Motueka	Motueka Library upgrade and expansion (including RFC contribution of \$400,000)	-	2,097,637
District-wide	Purchase of new reserves throughout the District (usually as a result of subdivision)	1,578,836	2,438,104
Ben Cooper Park	Construction of new public toilet facilities	227,986	348,284
Richmond Cemetery	Roading extensions and purchase of new land	53,844	416,430
Saxton Field	Champion Road access	465,543	-
	Champion Road car park	-	99,487
	Wetland planting	76,725	-
	Walkway links	100,377	84,011
	Velodrome lights	25,575	-
	Renewing a hockey turf	268,977	-
	Renewing athletics track	-	502,555
	Football training drainage	-	138,176
	General	73,463	915,604
Council Libraries	Conversion to RFID technology	358,060	-
	Ongoing purchasing of new reference/lending items in order to maintain the library collections at three items per resident	895,466	2,216,033
	Growth of digital collections (including digital newspapers and electronic databases)	174,732	688,480
Aquatic Centre, Richmond	Upper plant room - heating pump	51,834	-
	Swim pool - main ventilation duct hanging system	-	82,500
	Installation of new UV water treatment plant to reduce chloramines	132,331	-
	Lighting	101,539	71,720
	Controllers and switchboards	43,150	88,330
	Other electrical - PA system, heating, auto door, driers	31,772	26,400
	Replace pool tiles and floor coverings	63,738	55,550
	Installation of photovoltaic cells (to generate electricity and reduce operating costs of the facility and sell excess electricity produced to national grid)	-	220,000

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.

Projects funded using Reserve Financial Contributions are listed in Part 4 of Volume 1.

SIGNIFICANT NEGATIVE EFFECTS

The main negative effect from these activities is the cost on ratepayers associated with delivering the activities. There could be increasing operation and maintenance costs of Council's reserves, community facilities, Aquatic Centre, and other facilities, due to the age of plant and equipment.

A negative impact from ongoing population growth and resulting asset growth is the increasing operations and maintenance cost of Council facilities.

Parks may become restricted in their use or unattractive if they are not adequately managed during extreme weather events (such as drought or ongoing rain). There is the potential for safety risks from use of Council's facilities and services which could result in injuries to users (e.g. sports injuries).

The Aquatic Centre can have odour issues, caused by excessive chloramines.

SIGNIFICANT POSITIVE EFFECTS

The most significant positive effects from this group of activities is that the new parks, reserves and community facilities provide residents with opportunities to enjoy the facilities provided.

Parks, reserves and community facilities provide health benefits by providing spaces for people to play sports and participate in active recreation.

Parks and reserves help protect natural areas and resources.

Parks, reserves and community facilities provide areas for community events and social interaction.

Cemeteries provide benefits to the community through enabling burials to occur in a safe environment which protects public health and through providing spaces for remembrance of loved ones.

Public toilets are provided for the convenience of residents and visitors to the District.

Libraries provide quality services which enrich the life of the community by promoting lifelong learning and the creative use of leisure.

Council's aquatic facilities provide learn to swim and fitness opportunities.

RISK MITIGATION

The greatest risks associated with this group of activities are health and safety issues, particularly for users of the parks, reserves, community facilities and aquatic facilities. These risks are mitigated through compliance with standards and regular inspections and assessment.

Another major potential risk is significant damage to buildings/structures/facilities located on park and reserve lands from earthquakes. Council mitigates this risk by meeting appropriate design standards for its buildings and facilities. Older buildings are currently being assessed for their earthquake risk and, where needed and appropriate, will be upgraded. We also have building evacuation plans in place.

There is a potential risk from ineffective stakeholder engagement (e.g. iwi, Historic Places Trust, community groups). Council undertakes regular engagement and consultation with its communities and user groups.

I. COMMUNITY FACILITIES AND PARKS (CONT.)

FUNDING IMPACT STATEMENT AND FUNDING SOURCES FOR THE GROUP OF ACTIVITIES

FUNDING IMPACT STATEMENT – COMMUNITY FACILITIES AND PARKS	2014/2015 BUDGET \$'000	2015/2016 BUDGET \$'000	2016/2017 BUDGET \$'000	2017/2018 BUDGET \$'000
SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	8,530	8,472	8,755	8,905
Targeted rates	3,322	3,329	3,498	3,521
Subsidies and grants for operating purposes	112	116	119	123
Fees and charges	0	1,284	1,339	1,409
Internal charges and overheads recovered	0	471	477	499
Local authorities fuel tax, fines, infringement fees, and other receipts	1,744	28	24	24
TOTAL OPERATING FUNDING	13,708	13,700	14,212	14,481
APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	8,363	8,065	8,272	8,736
Finance costs	1,483	1,641	1,632	1,569
Internal charges and overheads applied	3,070	2,578	2,711	2,813
Other operating funding applications	0	0	0	0
TOTAL APPLICATIONS OF OPERATING FUNDING	12,916	12,284	12,615	13,118
SURPLUS (DEFICIT) OF OPERATING FUNDING	792	1,416	1,597	1,363
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	1,301	1,834	1,936	1,811
Increase (decrease) in debt	433	254	(1,051)	(1,045)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
TOTAL SOURCES OF CAPITAL FUNDING	1,734	2,088	885	766
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
– to meet additional demand	926	0	0	0
– to improve the level of service	1,007	0	0	0
– to replace existing assets	524	4,021	1,966	1,839
Increase (decrease) in reserves	69	(517)	516	290
Increase (decrease) in investments	0	0	0	0
TOTAL APPLICATIONS OF CAPITAL FUNDING	2,526	3,504	2,482	2,129
SURPLUS (DEFICIT) OF CAPITAL FUNDING	(792)	(1,416)	(1,597)	(1,363)
FUNDING BALANCE	0	0	0	0

The Annual Plan 2014/2015 information is as per the published document and has not been reclassified to reflect legislation changes which became effective from 1st July 2015.

The FIS statements also reflect changes resulting from internal restructures and revenue reclassification. The Annual Plan 2014/2015 has not been restated to reflect these changes.

	2018/2019 BUDGET \$000	2019/2020 BUDGET \$000	2020/2021 BUDGET \$000	2021/2022 BUDGET \$000	2022/2023 BUDGET \$000	2023/2024 BUDGET \$000	2024/2025 BUDGET \$000
	9,178	9,480	9,932	10,318	10,705	11,040	11,445
	3,592	3,703	3,770	3,841	3,956	4,012	4,030
	126	131	135	140	145	150	156
	1,478	1,548	1,655	1,706	1,751	1,796	1,843
	507	514	518	522	524	527	529
	25	26	27	28	29	30	31
	14,906	15,402	16,037	16,555	17,110	17,555	18,034
	8,873	9,029	9,680	10,073	10,108	10,408	10,955
	1,474	1,478	1,442	1,394	1,357	1,249	1,133
	2,887	2,950	3,031	3,106	3,195	3,292	3,331
	0	0	0	0	0	0	0
	13,234	13,457	14,153	14,573	14,660	14,949	15,419
	1,672	1,945	1,884	1,982	2,450	2,606	2,615
	0	0	0	0	0	0	0
	1,962	2,027	2,096	1,970	2,041	2,116	2,154
	(875)	(1,088)	(102)	(1,494)	(1,523)	(1,881)	(1,826)
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	1,087	939	1,994	476	518	235	328
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	1,974	1,821	3,587	1,419	1,578	1,778	1,666
	785	1,063	291	1,039	1,390	1,063	1,277
	0	0	0	0	0	0	0
	2,759	2,884	3,878	2,458	2,968	2,841	2,943
	(1,672)	(1,945)	(1,884)	(1,982)	(2,450)	(2,606)	(2,615)
	0	0	0	0	0	0	0

II. COMMUNITY RELATIONS

WHAT WE DO

The Community Relations activity delivers Council's communications and community relations responsibilities in order to build a sense of community and pride of place in Tasman and to build capacity within the Tasman community. We achieve this through engaging with community groups, providing community recreation opportunities, providing grant funding, and educating and facilitating partnerships between Council and its communities.

Our activities include:

- The provision of funding and advice for community initiatives and community organisations to enable them to achieve their objectives. Grants are predominately for 'not for profit' community and voluntary groups working for the benefit of Tasman District communities;
- Community engagement - where we provide information to our community and seek their views on Council's proposals;
- The promotion and celebration of our history and diverse cultures through the support of organisations that preserve and display our region's heritage;
- Delivery of community and recreation activities will be delivered and funded either through rates or external sources, to promote a pride of place and community wellbeing;
- Providing an awareness of environmental and sustainability issues through environmental education programmes, to influence community behaviours and to meet Council's Resource Management Act (RMA) obligations in this field.

WHY WE DO IT

This activity is charged with delivering Council's communications and community relations activities in order to build a sense of community and pride and place in Tasman. It will do this by building capacity within the community through engaging with and empowering community groups, providing community recreation opportunities and education and facilitating partnerships.

The Community Relations activity helps promote the wellbeing of our community so that our communities:

- are informed about Council's activities and have the opportunity to express their views on Council's proposals. The decisions local authorities make affect their communities on a daily basis. Effective community engagement builds trust and understanding in Council's decision making, while also increasing Council's awareness of issues in the community;
- are aware of what actions they can undertake to reduce their impact on the environment and to live in a more sustainable manner;
- are fit and healthy through the provision of recreation activities and programmes;
- have access to and support the protection of the District's culture and heritage values and artefacts for the education and enjoyment of current and future generations;
- receive funding and advice to assist and support the development of communities and the work voluntary organisations undertake within our communities.

CONTRIBUTION TO COMMUNITY OUTCOMES

COMMUNITY OUTCOMES	HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
Our communities are healthy, safe, inclusive and resilient.	Providing and supporting quality recreational services and facilities which enable participation in community-based activities that are inclusive, healthy and enjoyable.
Our communities have opportunities to celebrate and explore their heritage, identity and creativity.	Promoting and celebrating our history and diverse cultures. Supporting organisations that preserve and display our region's heritage and culture.
Our communities have access to a range of social, educational and recreational facilities and activities.	Promoting, supporting and delivering recreational, educational and social services and activities that reflect the diversity of the Tasman District. Assisting community-led facilities, projects and initiatives to deliver benefits across the broader community.
Our unique natural environment is healthy and protected.	Through the EnviroSchools programme, partially funded through the Ministry for the Environment, schools have assistance to initiate activities supporting and teaching sustainability and how we can all reduce our impact on the environment. Assists Council and community-led initiatives to deliver environmental benefits across the broader community.
Our urban and rural environments are people-friendly, well-planned and sustainably managed.	In partnership with Council's Engineering and Environment and Planning departments delivering environmental, air quality and waste minimisation education to support sustainable management and lifestyles. Assisting communities to create a unique sense of place through community group funding and advice.
Our Council provides leadership and fosters partnerships, a regional perspective and community engagement.	Providing opportunities for engagement between Council and its communities through our communications activities

OUR GOAL

To lead, manage and facilitate the effective management, planning and delivery of Council's community engagement, communications, recreation, events, community grants and environmental education responsibilities to build a sense of place and community wellbeing in support of the community outcomes and enhancement of Council's reputation and role within the community it serves.

II. COMMUNITY RELATIONS (CONT.)

KEY ISSUES

- Funding from external agencies is subject to external review and there is a risk that funding we currently receive may no longer be provided in the future or is reduced.
- 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 get 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 up to \$5 worth of services to the community.
- There are requests from the community to provide further funding to organisations.
- Amendments to the Local Government Act 2002 have changed the Long Term Plan consultation process and Council is now required to prepare a consultation document instead of a Draft Long Term Plan. The smaller Consultation Document could create negative perceptions about Council's willingness to engage with residents.
- Raised expectation within the community of the level of engagement Council will undertake.
- Level of service cuts imposed by Council to fund other activities deemed of higher importance.

TASMAN BAYS HERITAGE TRUST PERFORMANCE TARGETS

The Tasman Bays Heritage Trust (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 (TBHT) 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.

OUR INVESTMENT IN THE CCO

During the 2015/2016 financial year Council will make a grant to the TBHT of approximately \$974,827 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 Isele Park, Stoke. Council provides storage facilities at Wakatu Estate for the museum's use at no cost to the Trust, but which cost Council an additional \$94,699 in 2013/2014. In addition to the grant described above, Council contributed \$28,640 towards a strategic review in 2014/2015. Total loans to the Trust from the Tasman District Council are \$1.13 million. The Trust has indicated that it will be able to make higher loan repayments over the next few years.

The value of Council's investment in TBHT as at 30 June 2014 was \$9.336 million.

PERFORMANCE TARGETS - FROM THE 2014/2015 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 Maori within the role of Te Tau Ihu.
- 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 these when able to do so.
- Conduct all trading affairs in accordance with sound business practice.

II. COMMUNITY RELATIONS (CONT.)

OUR LEVEL OF SERVICE – WHAT COUNCIL WILL DO AND HOW IT WILL MEASURE PERFORMANCE OVER THE 10 YEARS FROM 2015-2025

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...	CURRENT PERFORMANCE
Promotion and delivery of community events and recreational services.	Residents attending a range of Council-organised community events rate their satisfaction as "fairly satisfied" or better, as measured through the residents' survey three yearly.	80% of the community is very or fairly satisfied with Council activities or events.
Grants to community groups to deliver services and facilities that enhance community wellbeing.	Groups are delivering the services outlined in their applications and that they receive grant money to provide services to the community.	96% of accountability forms are returned completed. Percentage of accountability forms returned completed. <i>See Figure 29. Percentage of Accountability Forms Returned Completed, page 194</i>
Leadership and coordination to schools and early childhood centres, to protect and enhance our local environment through education.	The number of schools and early childhood centres developing and maintaining environmental care practices is sustained. The achievement level of each enviroschool improves over time, as measured by the Enviroschools stages of Bronze, Silver to Green-Gold.	Currently 24 enviroschools engage in a number of environmental practices and projects. The District's enviroschools achievement levels as at 2014. <i>See Figure 30. EnviroSchool Levels, page 194</i>
We provide a range of communication channels that enhance Council's ability to engage and connect with the communities it serves.	Residents are informed and actively engage with Council: At least 80% of residents consider the information supplied by Council to be sufficient (i.e. enough or more than enough), as measured by the annual residents' survey. Usage of Council's website (i.e. sessions, users and page views) increases at a rate of 5% or more per year	2014 result: 81% of respondents consider the information supplied by Council to be sufficient. <i>See Figure 31. Sufficiency of Information Supplied by Council, page 195</i> Usage of Council's website during the year ending 30 June 2014, compared to the previous year: - the number of website users increased by 13.5% - the number of page views increased by 5%; and - website sessions increased by 10%. <i>See Figure 32. Usage of Council's Website During the Year Ending 30 June 2014, Compared to the Previous Year, page 195</i> Total number of website users in 2013/2014 was 156,002 (vs. 137,422 in 2012/2013).

	FORECAST PERFORMANCE (TARGET)			
	YEAR 1	YEAR 2	YEAR 3	BY YEAR 10
	Not measured	Not measured	80% of the community is very or fairly satisfied with Council activities or events	80% of the community is very or fairly satisfied with Council activities or events. Only measured in 2021 and 2024
	100% of accountability forms are returned completed.	100% of accountability forms are returned completed.	100% of accountability forms are returned completed.	100% of accountability forms are returned completed.
	25 schools are engaged in EnviroSchools programme. EnviroSchools achievement levels improve over time.	26 schools are engaged in EnviroSchools programme. EnviroSchools achievement levels improve over time.	26 schools are engaged in EnviroSchools programme. EnviroSchools achievement levels improve over time.	26 schools are engaged in EnviroSchools programme. EnviroSchools achievement levels improve over time.
	80% of residents consider the information supplied by Council to be sufficient. Website usage has increased by 5% or more, compared to the previous year.	80% of residents consider the information supplied by Council to be sufficient. Website usage has increased by 5% or more, compared to the previous year.	80% of residents consider the information supplied by Council to be sufficient. Website usage has increased by 5% or more, compared to the previous year.	80% of residents consider the information supplied by Council to be sufficient. Website usage has increased by 5% or more, compared to the previous year.

II. COMMUNITY RELATIONS (CONT.)

FIGURE 29. PERCENTAGE OF COMMUNITY GRANT ACCOUNTABILITY FORMS COMPLETED

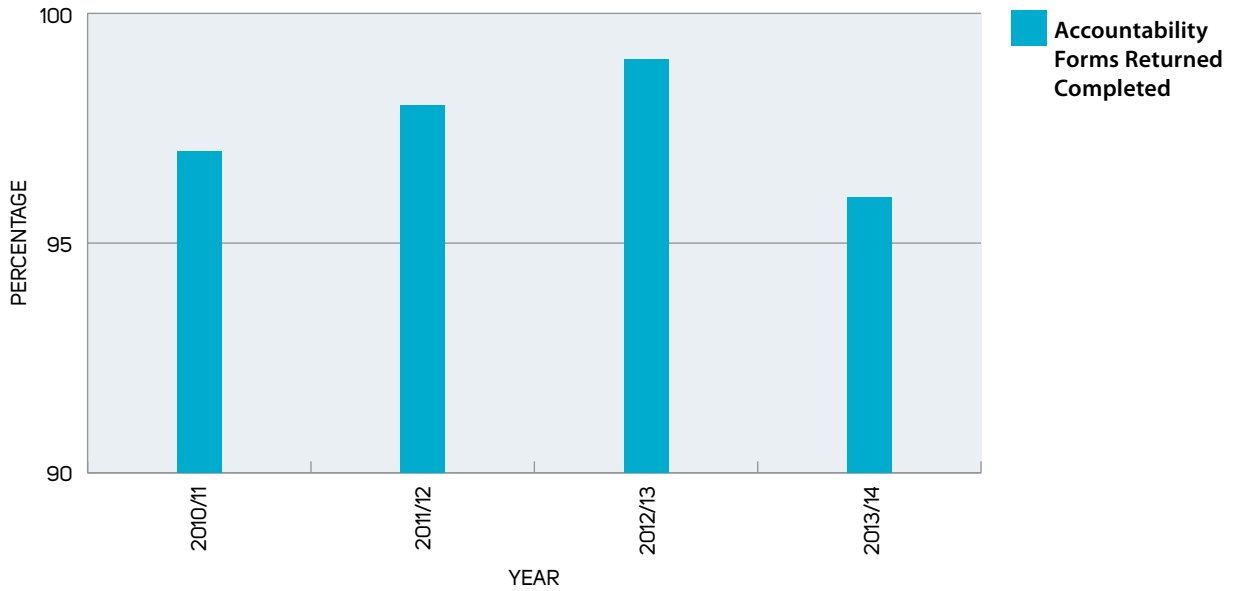


FIGURE 30. ENVIROSCHOOL LEVELS

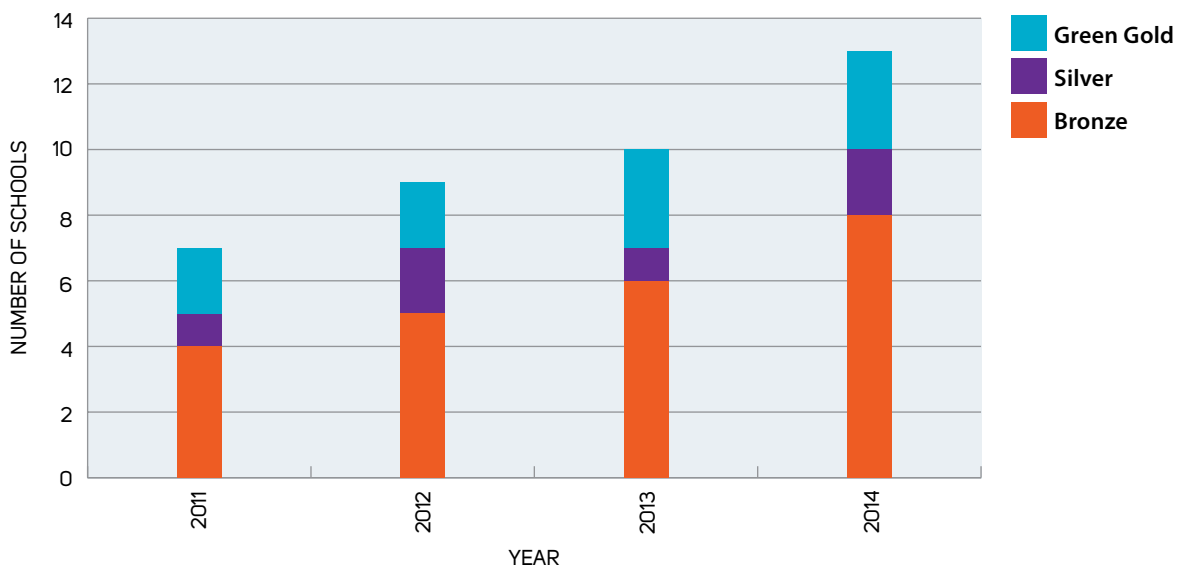


FIGURE 31. SUFFICIENCY OF INFORMATION SUPPLIED BY COUNCIL

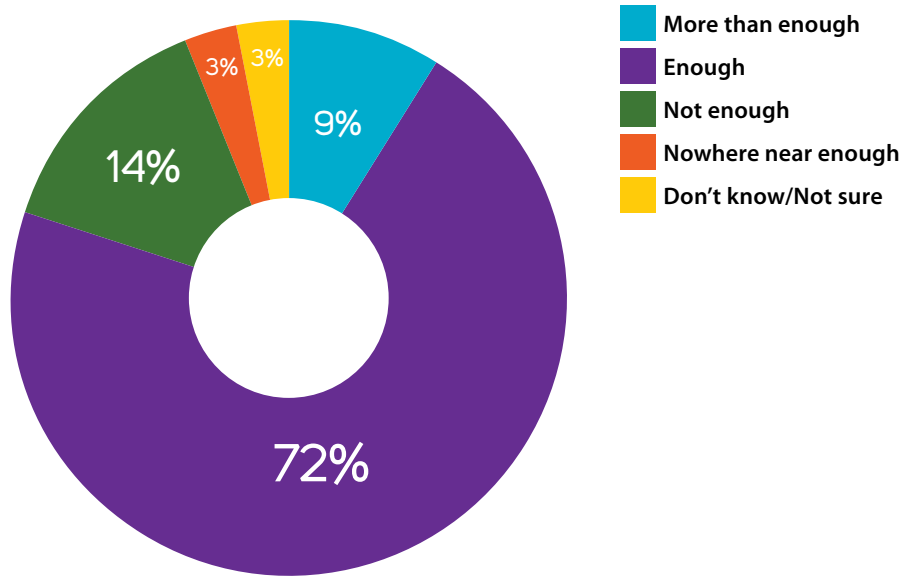
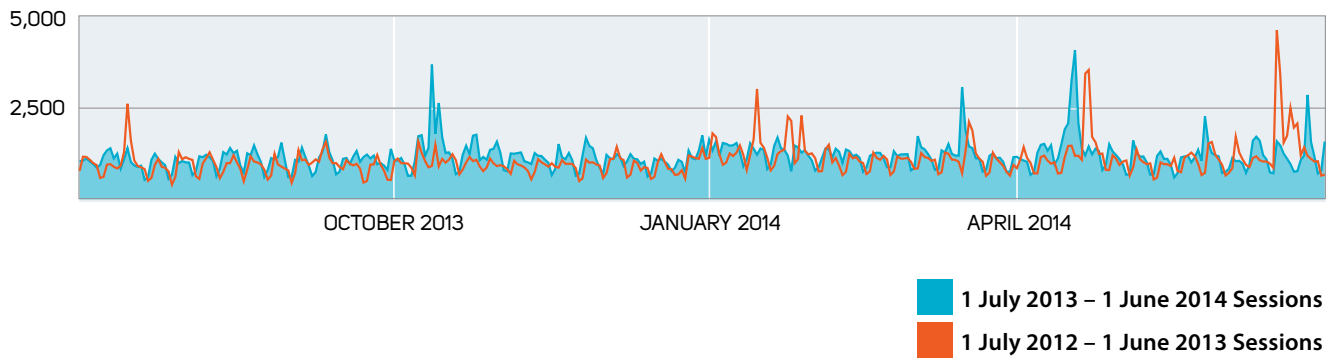


FIGURE 32. USAGE OF COUNCIL'S WEBSITE DURING THE YEAR ENDING 30 JUNE 2014, COMPARED TO THE PREVIOUS YEAR



II. COMMUNITY RELATIONS (CONT.)

MAJOR ACTIVITIES

Our major activities include:

- the provision of funding and advice for community initiatives and community organisations to enable them to achieve their objectives. Grants are predominately for 'not for profit' community and voluntary groups working for the benefit of Tasman District communities;
- community engagement – where we provide information to our community and seek their views on Council's proposals;
- the promotion and celebration of our history and diverse cultures through the support of organisations that preserve and display our region's heritage;
- delivery of community and recreation activities which will be funded either through rates or external sources, to promote a pride of place and community wellbeing; and
- providing an awareness of environmental and sustainability issues through environmental education programmes, to influence community behaviours and to meet Council's RMA obligations in this field.

KEY CHANGES TO ACTIVITY OR SERVICE

The table below summarises the key changes for the management of the Community Relations activity since the Long Term Plan 2012-2022.

KEY CHANGE	REASON FOR CHANGE
The development of the Community Relations Section, within the Community Development Department, brings together the functions of Communications, Community Recreation and Environmental Education.	Council considers this section is better placed to meet the demands of providing leadership on organisational community engagement, communications activities, recreation activities, facilities management, grants processes, community partnerships, events and environmental education.
Large reductions in budgets for all current activities, including a reduction of a full time staff member, the reduction in events, the rationalisation of a number of publications and a change in external service provider and contractual terms.	To reduce the impact on rates made by these activities, as well as the identification of value driven changes to service delivery methods.
Council is proposing to stop funding the Nelson School of Music. In the past Council has provided funding of \$25,000 to \$30,000 per annum to the School.	This funding was provided for a set period of time which has now passed. Council is proposing to reduce the funding to achieve savings in this activity and to reduce the rate requirement for the activity.

KEY ASSUMPTIONS AND UNCERTAINTIES

- a) Security of funding – Council will continue to deliver current activities and programmes and to receive contestable funding for some of these activities from external organisations.
- b) Trends in community expectations – there has been no indication by the community for a change in Council’s role in the Community Relations services.
- c) Changes in legislation and policies – there are no further significant changes to legislation or policy expected.

NEW CAPITAL EXPENDITURE

There are no assets held in this activity or proposed capital expenditure during the 10 year period.

SIGNIFICANT NEGATIVE EFFECTS

- The only potential negative effects of this activity are the costs associated with delivering the activities and the risk that the community does not support Council decision-making.

SIGNIFICANT POSITIVE EFFECTS

The activity supports:

- Environmental awareness – through environmental education there is a growing awareness of the value of the environment and the opportunities for people to reduce their negative impact on the environment.
- Greater physical activity and wellbeing – through provision of recreational opportunities and through the use of recreation and community centres the health and wellbeing of Tasman residents and visitors is improved.
- Greater youth governance experience – management and support of the District’s youth councils achieves a greater experience of local governance for youth.
- Individual and community support – through grants from rates and other community funding avenues individuals and groups have support to contribute to community wellbeing and to local community services.
- Greater awareness and engagement with Council decision-making – through online and general communication management the citizens of Tasman have the information required to play a role in informing Council decision-making.

II. COMMUNITY RELATIONS (CONT.)

FUNDING IMPACT STATEMENTS AND FUNDING SOURCES FOR THE GROUP OF ACTIVITIES

FUNDING IMPACT STATEMENT – COMMUNITY RELATIONS	2014/2015 BUDGET \$'000	2015/2016 BUDGET \$'000	2016/2017 BUDGET \$'000	2017/2018 BUDGET \$'000
SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	1,138	1,184	1,199	1,252
Targeted rates	1,192	1,205	1,209	1,213
Subsidies and grants for operating purposes	198	78	80	83
Fees and charges	0	174	176	178
Internal charges and overheads recovered	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	109	5	5	3
TOTAL OPERATING FUNDING	2,637	2,646	2,669	2,729
APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	2,195	2,029	2,051	2,082
Finance costs	120	107	99	90
Internal charges and overheads applied	311	359	368	406
Other operating funding applications	0	0	0	0
TOTAL APPLICATIONS OF OPERATING FUNDING	2,626	2,495	2,518	2,578
SURPLUS (DEFICIT) OF OPERATING FUNDING	11	151	151	151
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	(11)	(151)	(151)	(151)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
TOTAL SOURCES OF CAPITAL FUNDING	(11)	(151)	(151)	(151)
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
– to meet additional demand	0	0	0	0
– to improve the level of service	0	0	0	0
– to replace existing assets	0	0	0	0
Increase (decrease) in reserves	0	0	0	0
Increase (decrease) in investments	0	0	0	0
TOTAL APPLICATIONS OF CAPITAL FUNDING	0	0	0	0
SURPLUS (DEFICIT) OF CAPITAL FUNDING	(11)	(151)	(151)	(151)
FUNDING BALANCE	0	0	0	0

The Annual Plan 2014/2015 information is as per the published document and has not been reclassified to reflect legislation changes which became effective from 1st July 2015.

The FIS statements also reflect changes resulting from internal restructures and revenue reclassification. The Annual Plan 2014/2015 has not been restated to reflect these changes.

	2018/2019 BUDGET \$000	2019/2020 BUDGET \$000	2020/2021 BUDGET \$000	2021/2022 BUDGET \$000	2022/2023 BUDGET \$000	2023/2024 BUDGET \$000	2024/2025 BUDGET \$000
	1,287	1,315	1,361	1,395	1,426	1,485	1,546
	1,217	1,229	1,238	1,248	1,260	1,270	1,280
	85	87	90	93	96	99	103
	106	108	111	134	137	141	144
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	2,695	2,739	2,800	2,870	2,919	2,995	3,073
	2,120	2,155	2,186	2,231	2,271	2,315	2,418
	81	80	74	68	63	55	48
	412	417	447	453	461	502	500
	0	0	0	0	0	0	0
	2,613	2,652	2,707	2,752	2,795	2,872	2,966
	82	87	93	118	124	123	107
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	(82)	(87)	(93)	(118)	(124)	(123)	(107)
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	(82)	(87)	(93)	(118)	(124)	(123)	(107)
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	(82)	(87)	(93)	(118)	(124)	(123)	(107)
	0	0	0	0	0	0	0

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 2014/2015 budget for comparison.

GOVERNANCE	2014/2015 BUDGET \$000	2015/2016 BUDGET \$000	2016/2017 BUDGET \$000	2017/2018 BUDGET \$000	2018/2019 BUDGET \$000	2019/2020 BUDGET \$000
Governance	3,173	2,772	2,879	2,750	2,817	3,037
TOTAL COSTS	3,173	2,772	2,879	2,750	2,817	3,037

ENGINEERING	2020/2021 BUDGET \$000	2021/2022 BUDGET \$000	2022/2023 BUDGET \$000	2023/2024 BUDGET \$000	2024/2025 BUDGET \$000
Governance	2,913	2,992	3,234	3,100	3,195
TOTAL COSTS	2,913	2,992	3,234	3,100	3,195

Details of each of this group of activities are outlined in the following pages. These pages cover what 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:

- Organising and preparation for Council meetings.
- Organising civic ceremonies, such as citizenship ceremonies and Anzac Day services.
- Support for councillors, Council and Community Boards and any other assistance required by the Mayor.
- Running elections and democratic processes, including community consultation.
- Managing Council's investments in Council Controlled Trading Organisations (CCTOs) and Council Controlled Organisations (CCOs).

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.
- Port Nelson Limited.

(Note: although Port Nelson Ltd and Nelson Airport Ltd are companies half-owned by Council, they are 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 Council provides leadership and fosters partnerships, a regional perspective and community engagement.	The Governance activity ensures that democratic processes are undertaken and supports the work of elected members.
Our region is supported by an innovative and sustainable economy.	The CCTOs provide an economic return to Council and ratepayers and also provide 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, with the next one being in 2016.

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

Council acknowledges Manawhenua (Iwi), meaning specifically those people claiming customary and ancestral ties to this land in Tasman District.

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. 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. 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 in Council's Statement of Māori Participation in Decision-making. Some of the actions are including Iwi representatives on important working groups and the appointment of a Kaumatua to assist the Mayor and Chief Executive with Māori protocol. Meetings of Mayors and Iwi Chairs are held to discuss governance issues. Council staff attend regular liaison meetings with Māori groups in the community, including attendance at Tiakina Te Taiao and Manawhenua ki Mohua meetings. This enables service delivery issues and other matters of concern to be identified and fed back into Council, to be considered and addressed at the appropriate level. Council also has a formal arrangement with Iwi in regard to review of resource management consent applications and actively works with Iwi on planning issues. Iwi are engaged in freshwater planning through appointments on the Freshwater and Land Advisory Groups (FLAG) for Waimea and Takaka.

As the Te Tiriti o Waitangi/Treaty of Waitangi claims are now settled, the role of Iwi in the District and their relationship with Council - and how their views are included in decision making processes - will continue to be defined.

TOURISM FUNDING AND TARGETED RATE

Council transferred its 50% share of Tourism Nelson Tasman Ltd (NTT) to Nelson City Council (NCC) in 2014. Council has budgeted for a total of \$400,000 per annum for purchasing services through NCC. These services are currently provided directly by NTT. In the same way services currently delivered by the Nelson Regional Economic Development Agency will also be purchased through NCC. This funding source for both these is General Rates.

COMMUNITY BOARD TARGETED RATE

Council is proposing to retain the Community Board targeted rate in the Long Term Plan. These rates offset some of the costs of maintaining the community boards.

- Motueka Ward: \$17.66 per rating unit (this figure includes the allowance of approximately \$10 per property for special projects to be spent in the Motueka Ward, the funding for which will be allocated by the Motueka Community Board).
- Golden Bay Ward: \$17.68 per rating unit.

MAJOR ACTIVITIES

- Three yearly elections, with the next scheduled for October 2016.
- Working with Iwi.
- Friendly towns/communities relationships.
- Overseeing Council Controlled Trading Organisations (CCTOs) and Council Controlled Organisations (CCOs).
- Purchase services from Nelson City Council who own 100% of the Economic Development Agency and Nelson Tasman Tourism Limited.

KEY CHANGES TO ACTIVITY OR SERVICE

The table below summarises the key changes for the management of the Governance activity since the 2012 Long Term Plan.

KEY CHANGE	REASON FOR CHANGE
Council has transferred its 50% share in Nelson Tasman Tourism to Nelson City Council (NCC).	To allow NCC to better manage the necessary restructuring of the delivery of regional promotion and related activities.

OUR LEVEL OF SERVICE – WHAT COUNCIL WILL DO AND HOW IT WILL MEASURE PERFORMANCE OVER THE 10 YEARS FROM 2015-2025

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...	CURRENT PERFORMANCE	FORECAST PERFORMANCE (TARGET)			
			YEAR 1	YEAR 2	YEAR 3	BY YEAR 10
We effectively run election processes.	Electoral processes are carried out within statutory requirements and there are no successful challenges.	There were no successful challenges to the 2013 election processes.	There are no successful challenges to any electoral processes that may occur during the year.	There are no successful challenges to the 2016 election process.	There are no successful challenges to any electoral processes that may occur during the year.	There are no successful challenges to the 2019 and 2022 election processes or any other electoral processes.

Note: We will be working with Nelson City Council on deliverables and outcomes for economic development and tourism services using up to a total of \$400,000 per annum.

COUNCIL CONTROLLED TRADING ORGANISATIONS – PERFORMANCE TARGETS

Note: the information provided below is from the 2014/2015 Statements of Intent for each organisation.

EQUITY INVESTMENT	OBJECTIVES	TARGET RETURNS
<p>Port Nelson Ltd</p> <p>Port Nelson is a commercial trading port.</p> <p>Council is a 50% shareholder with Nelson City Council</p> <p>Council holds 12,707,702 shares</p> <p>2013/14 book value of the investment: \$73.493 million.</p> <p>2013/14 net assets of the company \$146.986 million</p>	<p>Council aims to maintain its 50% investment in Port Nelson Ltd to retain effective local body control of this strategic asset.</p> <p>Receive a commercial return to reduce Council's reliance on rates income.</p>	<p>Annual dividend of not less than 50% of net profit after tax (approximately \$4.2 million per annum, shared between the two Councils).</p>
<p>Nelson Airport Ltd</p> <p>Nelson Airport Ltd is an operation airport servicing Nelson Bays.</p> <p>Council holds 1,200,000 shares.</p> <p>Council is a 50% owner with Nelson City Council.</p> <p>2013/14 book value of the investment is \$8.123 million. The 2012/13 net assets of the company were \$10.3 million.</p>	<p>Maintain 50% investment in Nelson Airport Ltd to retain effective local body control of this strategic investment.</p> <p>Receive a commercial return to Council, to reduce Council's reliance on rates income.</p>	<p>Annual dividend of 5% of the opening shareholders' funds for that year (approximately \$500,000 per annum, shared between the two Council's shareholders.)</p>
<p>New Zealand Local Government Funding Agency Limited (LGFA)</p> <p>The LGFA was established to provide funding facilities for local government.</p> <p>Council holds 3,731,958 shares (including uncalled capital). Council along with the Crown and 30 other local authorities is a minority shareholder.</p> <p>2013/14 book value: \$1.866 million.</p> <p>2013/14 net assets: \$28.848 million.</p> <p>Council has an outstanding loan used to purchase these shares of \$1.75 million (2014).</p>	<p>(a) Obtain a return on the investment.</p> <p>(b) Ensure that the Local Government Funding Agency has sufficient capital to remain viable, meaning that it continues as a source of debt funding for Council.</p> <p>(c) Access loan funding at lower rates.</p> <p>Because of these multiple objectives, where it is to the overall benefit of Council, it may invest in shares in circumstances in which the return on that investment is potentially lower than the return it could achieve with alternative investments.</p> <p>If required in connection with the investment, Council may also subscribe for uncalled capital in the LGFA.</p>	<p>The company's policy is to pay a dividend that provides an annual return to shareholders equal to the Local Government Funding Agency cost of funds plus 2 percent. This equated to \$113,000 for 2013/14.</p> <p>All dividends received are used to repay the loan taken out to purchase the shares in the LGFA.</p>

EQUITY INVESTMENT	OBJECTIVES	TARGET RETURNS
<p>New Zealand Local Government Insurance Corporation Ltd (Civic Assurance)</p> <p>Civic Assurance was established as an insurance vehicle for local authorities. Council holds 65,584 shares. Council, along with other local authorities, is a minority shareholder.</p> <p>2013/14 book value: \$73,454 2013/14 net assets: \$12.354 million.</p>	<p>Council invests in New Zealand Local Government Insurance Corporation Ltd to ensure that the insurance market is competitive and that the local government sector is in a strong position to manage its own risk.</p> <p>These shares are not tradable and Council is unlikely to purchase further shares.</p>	<p>As a result of the Christchurch earthquakes, the company does not envisage paying dividends until its capital base is restored.</p>
<p>Forestry</p> <p>Current Council forestry policy to operate and maintain up to 3,000 planted hectares.</p> <p>2013/14 book value: \$20.1 million.</p> <p>Note: this is an asset investment, rather than an equity investment.</p>	<p>Forestry is a flexible investment that can be manipulated to suit cash flow requirements and market conditions by managing the harvesting programme.</p> <p>Economies of scale with 3,000 hectares provides a marketing advantage and cost savings in operations.</p>	<p>10% of net forestry revenues derived from Rabbit Island must be used for maintenance of Rabbit Island each year.</p> <p>Internal dividends contribute to reducing Council's general rate requirement and/or assist with the repayment of Council's debt.</p>

FUNDING IMPACT STATEMENT AND FUNDING SOURCES FOR THE GROUP OF ACTIVITIES

FUNDING IMPACT STATEMENT – GOVERNANCE	2014/2015 BUDGET \$'000	2015/2016 BUDGET \$'000	2016/2017 BUDGET \$'000	2017/2018 BUDGET \$'000
SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	2,558	2,946	3,010	2,966
Targeted rates	660	289	296	303
Subsidies and grants for operating purposes	0	0	0	0
Fees and charges	0	25	89	27
Internal charges and overheads recovered	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	441	0	0	0
TOTAL OPERATING FUNDING	3,659	3,260	3,395	3,296
APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	2,486	1,928	2,062	1,929
Finance costs	122	0	0	0
Internal charges and overheads applied	565	844	817	821
Other operating funding applications	0	0	0	0
TOTAL APPLICATIONS OF OPERATING FUNDING	3,173	2,772	2,879	2,750
SURPLUS (DEFICIT) OF OPERATING FUNDING	486	488	516	546
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
TOTAL SOURCES OF CAPITAL FUNDING	0	0	0	0
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
– to meet additional demand	0	0	0	0
– to improve the level of service	0	0	0	0
– to replace existing assets	2	2	2	2
Increase (decrease) in reserves	484	486	514	544
Increase (decrease) in investments	0	0	0	0
TOTAL APPLICATIONS OF CAPITAL FUNDING	486	488	516	546
SURPLUS (DEFICIT) OF CAPITAL FUNDING	(486)	(488)	(516)	(546)
FUNDING BALANCE	0	0	0	0

The Annual Plan 2014/2015 information is as per the published document and has not been reclassified to reflect legislation changes which became effective from 1st July 2015.

The FIS statements also reflect changes resulting from internal restructures and revenue reclassification. The Annual Plan 2014/2015 has not been restated to reflect these changes.

The operating surplus is because rates are being used to fund Emergency funds.

	2018/2019 BUDGET \$000	2019/2020 BUDGET \$000	2020/2021 BUDGET \$000	2021/2022 BUDGET \$000	2022/2023 BUDGET \$000	2023/2024 BUDGET \$000	2024/2025 BUDGET \$000
	3,117	3,242	3,216	3,325	3,538	3,512	3,719
	312	321	331	342	353	365	379
	0	0	0	0	0	0	0
	27	98	29	30	108	33	34
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	3,456	3,661	3,576	3,697	3,999	3,910	4,132
	1,998	2,204	2,075	2,156	2,389	2,253	2,350
	0	0	(1)	(1)	(2)	(2)	(3)
	819	833	839	837	847	849	848
	0	0	0	0	0	0	0
	2,817	3,037	2,913	2,992	3,234	3,100	3,195
	639	624	663	705	765	810	937
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	(1)	(4)	(6)	(8)	(11)	(7)	(10)
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	(1)	(4)	(6)	(8)	(11)	(7)	(10)
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	63	2	2	2	2	3	76
	575	618	655	695	752	800	851
	0	0	0	0	0	0	0
	638	620	657	697	754	803	927
	(639)	(624)	(663)	(705)	(765)	(810)	(937)
	0	0	0	0	0	0	0

COUNCIL ENTERPRISES AND PROPERTY

The Council Enterprises and Property section comprises one group of related activities covering:

- Commercial Activities (i.e. forestry, aerodromes, ports, commercial campgrounds and commercial property)
- Property Services (i.e. residential tenancies, Council offices and libraries and provision of leasing and property management services).

The 10 year budgets for the Council Enterprises and Property activities are outlined in the following table along with the 2014/2015 budgets for comparison.

GOVERNANCE	2014/2015 BUDGET \$000	2015/2016 BUDGET \$000	2016/2017 BUDGET \$000	2017/2018 BUDGET \$000	2018/2019 BUDGET \$000	2019/2020 BUDGET \$000
Governance	3,614	3,777	3,876	4,492	4,313	5,098
TOTAL COSTS	3,614	3,777	3,876	4,492	4,313	5,098

ENGINEERING	2020/2021 BUDGET \$000	2021/2022 BUDGET \$000	2022/2023 BUDGET \$000	2023/2024 BUDGET \$000	2024/2025 BUDGET \$000
Governance	5,574	5,941	6,111	6,102	6,440
TOTAL COSTS	5,574	5,941	6,111	6,102	6,440

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, a mixture of leased and managed camping grounds in Motueka, Pohara, Collingwood and Murchison, management of Port Tarkohe, management of commercial and other property assets, council operational properties and provision of property related services to Council.

WHY WE DO IT

Council's ownership and management ensures its assets are retained for both the commercial and recreational community – their economic development and strategic importance is critical to all ratepayers and facility users. These assets provide benefits to all users via employment and development for the wider community. Income streams from commercial activities and commercial investments provide additional income to Council. This additional income reduces Council's reliance on rates to fund its activities.

CONTRIBUTION TO COMMUNITY OUTCOMES

AERODROMES

COMMUNITY OUTCOMES	HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
Our unique natural environment is healthy and protected.	All aerodromes can be managed so the impacts of any effects do not affect the health and cleanliness of the receiving environment.
Our urban and rural environments people-friendly, well planned and sustainably managed.	The aerodromes activity ensures our built urban environments are functional, pleasant and safe by ensuring the aerodromes are operated without causing public health hazards and by providing attractive recreational and commercial facilities.
Our infrastructure is efficient, cost effective and meets current and future needs.	Aerodromes provide commercial and recreational facilities to meet the community needs at an affordable level and are available to the whole community. The facilities are also sustainably managed.

CAMPGROUNDS

COMMUNITY OUTCOMES	HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
Our region is supported by an innovative and sustainable economy.	Running a viable and economically sustainable model ensures development and growth opportunities are paid for by users, not the ratepayers. Facilities are able to be maintained and levels of service gradually improved through a consistent reinvestment strategy based on community use.
Our infrastructure is efficient, cost effective and meets current and future needs.	Campgrounds provide the users with a variety of facilities to choose from at an affordable price level while also looking towards future needs of a changing market. There is a changing community expectations around campground facilities.
Our Council provides leadership and fosters partnerships, a regional perspective and community engagement.	Open and good dialogue with operators of Council facilities fosters strong relationships with common ground. Council receives constant feedback and recommendations from operators regarding trends and issues which achieves strong buy in by lessees.
Our communities are healthy, safe, resilient and inclusive.	The campground industry is heavily regulated by public health authorities. This is achieved through operating and complying with increasing legislative and health and safety standards.

CONTRIBUTION TO COMMUNITY OUTCOMES (CONT.)

COMMERCIAL PROPERTY

COMMUNITY OUTCOMES	HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
Our region is supported by an innovative and sustainable economy.	Council have approved the construction of a retail commercial property on council land at Mapua. This will support the increased economic activity Council have seen in this area over recent years. Financial analysis shows a sound return on investment can be expected. Other commercial property holdings provide an income stream to Council to reduce its reliance on rates and adds to the critical mass already achieved on this site. Council continues to manage commercial properties at Mapua, Fittal Street, Queen Street and Port Motueka.
Our infrastructure is efficient, cost effective and meets current and future needs.	Assets must meet current and future needs reflected in both commercial performance and viability and, where appropriate, community benefits. The primary focus of all commercial assets is the financial viability.
Our Council provides leadership and fosters partnerships, a regional perspective and community engagement	Council established the Mapua Advisory Group as a means of engaging with the community on council activities in the Mapua Wharf precinct.
Our communities have access to a range of social, educational and recreational facilities and activities.	Evidenced by use of the Mapua precinct for a range of educational and recreational activities e.g. Sea scouts, boat club, fishing and boat ramp for fishing and recreational craft.

FORESTRY

COMMUNITY OUTCOMES	HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
Our region is supported by an innovative and sustainable economy.	The long term cut plan has been developed to produce as much as possible an even flow of timber from Council's forestry estate. The ultimate objective is to achieve a non declining annual volume cut from the forests with an average stand rotation length of approximately 28 years.
Our unique natural environment healthy and protected.	All forests are managed according to the various policies and plans so the impacts of any effects do not affect the health and cleanliness of the receiving environment.
Our urban and rural environments people-friendly, well planned and sustainably managed.	Where practical and safe Council enables public access and use of forests for recreation e.g. biking, horse riding and walking.
Our infrastructure is efficient, cost effective and meets current and future needs.	Olsen's have been appointed with a management contract over all Tasman District Council forests and have gained Forest Stewardship Council (FSC) accreditation ensuring our forests are sustainably managed within internationally recognised guidelines.

PORTS

COMMUNITY OUTCOMES	HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
Our region is supported by an innovative and sustainable economy.	Running a viable and economically sustainable port ensures development and growth opportunities are paid for by users and does not place an undue burden on District ratepayers.
Our infrastructure is efficient, cost effective and meets current and future needs.	The Port Tarakohe activity provides commercial and recreational users with facilities to meet stakeholder needs, at an affordable cost and is positioned for future growth. Applying commercial disciplines to the running of the port ensures it is efficient and financially sustainable.
Our Council provides leadership and fosters partnerships, a regional perspective and community engagement.	Council has re-established the Port Tarakohe Advisory Group (PTAG) and opened communication lines with all key stakeholders to improve engagement with all users and gain support for port development initiatives.
Our communities have access to a range of social, educational and recreational facilities and activities.	Port Tarakohe facilities offer access for communities to a safe boating facility for a range of recreational activities to meet social, educational and recreational needs.
Our unique natural environment is healthy and protected.	Port Tarakohe facilitates activities within a recognised landscape area and attempts to minimise any impact on the wider Golden Bay environment.

PROPERTY

COMMUNITY OUTCOMES	HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
Our unique natural environment is healthy and protected.	All Property assets can be managed so the impacts of any effects do not affect the health and cleanliness of the receiving environment.
Our urban and rural environments people-friendly, well planned and sustainably managed..	The Property activity can be managed so that the impact of any property development upon the environment is minimised and any future developments have environmental sustainability as an expectation.
Our communities are healthy, safe, inclusive and resilient.	Our offices and Libraries will be accessible for persons with disabilities and will also provide a safe and welcoming environment.

OUR GOAL

To provide management of Council Property assets that contributes toward the enhancement of our District at the level of service that the customer wants and is prepared to pay for and in a manner that minimises conflict with the community.

To undertake commercial and semi-commercial activities that meet user needs, provide a safe and compliant working environment, and that are financial sustainable.

KEY ISSUES

Council will ensure that its operational properties continue to satisfy the requirements of the community and tenants. It will ensure also that its properties are dealt with in an efficient, economic and effective manner.

A number of the assets within the commercial portfolio are legacy assets. Council will be applying commercial disciplines to improve the management of these assets and their financial returns. This will not in all cases result in full commercial returns being achieved. It will however reduce the current level of cross subsidy from rates.

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 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;
- consideration, if necessary, of lower levels of service;
- consideration of an alternative governance and management structure for Takaka aerodrome.

Council will improve its knowledge of asset condition focused on the key assets of both aerodromes and undertake a financial review of the operations of both aerodromes in the first three years of the AMP.

Council is returning to a single ownership model for campgrounds based on the best commercial return across its entire portfolio. This model provides for ownership of all land and improvements by Council. The model also looks to lease all campgrounds within this activity. This move to eventual leasing, not management, is to ensure operators have the appropriate level of ownership/commitment to the business. Council is to produce a business plan for each campground as part of its strategic review. These business plans will allow the consideration of repurchasing any lessee assets and identify the strategies and management approach necessary to improve financial returns.

Council seeks to maintain a 90% occupancy of all commercial sites to ensure appropriate financial returns are achieved and are looking to ensure we have a tenancy lease average term of three years with an evenly spread maturity profile for tenancy risk mitigation.

Water and parking remain a major issue for the Mapua Precinct development and Council are working on this issue to find a cost effective solution, which will likely include a makeover of the precinct area. A commercial build project and related tenancies is set to occur on the former Mapua aquarium site during 2015. Management and tender processes will be dominated by fixed price contracts.

Council will continue to mitigate the health and safety concerns arising from increased recreational use of plantation and commercial areas by the public. This will require greater security, signage and management deterrents with regular liaison between Council and contractors.

Council will contribute to the improvement of Health and Safety within high risk industry sites (forestry and port) to reduce the potential for serious injuries and fatalities. External auditors will be used to assess risks associated with external and internal influences. There is a need to better limit and manage public access/conflict with production activity and fire risks.

Port Tarakohe charges will be constantly reviewed to ensure the Ports planned return to financial viability occurs. A trading profit that delivers a breakeven result after depreciation funding and loan repayments is essential. A constant review of 'fit for purpose' infrastructure and facilities will occur through input from;

- Port user groups;
- Port Management;
- Regular review and peer discussions.

Council will identify, plan and implement changes required to ensure all reasonable Port users needs are addressed as far as practical within the fiscal envelope that must be maintained to deliver financial sustainability. The completion of a Port Tarakohe Strategic Plan is planned during 2015/2016, but is resource driven.

The Strategic Plan will clearly outline a definitive action list around wharf development, land use, infrastructure, access, water, roading and financial sustainability to cover the expected growth. It will also develop trigger points for investments in each development.

The timing of investment by Council will be dictated by the actual growth of industries and the demand for port facilities that delivers financial sustainability.

OUR LEVEL OF SERVICE – WHAT COUNCIL WILL DO AND HOW IT WILL MEASURE PERFORMANCE OVER THE 10 YEARS FROM 2015-2025

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...	CURRENT PERFORMANCE
Buildings and property services that comply with legislative and resource and building consent requirements.	All operational buildings (offices and libraries) and commercial buildings comply with resource, building consent and any other legislative requirements.	Actual = Current Building Warrant of Fitness is displayed, compliance schedules are maintained and resource consents complied with.
Property and building assets that are functionally appropriate and meet the needs of users and customers.	Customers and users are satisfied with the buildings they occupy and the level of service provided. As measured by a three-yearly survey of selected customers.	Actual = Staff survey results in 2014: 75% of occupants were satisfied or very satisfied.
Our aerodromes are operated in a safe manner.	Our aerodromes are managed in accordance with Civil Aviation Authority (CAA) requirements. As measured through a CAA audit.	Actual = 100%
	The glide path for planes is free of obstructions, as determined by CAA.	Actual = 100%
	No Health and Safety incidents.	0 non - compliances
Faults in the aerodromes system are responded to and fixed promptly.	We respond to Customer Service Requests regarding faults on our aerodromes within the timeframes we have agreed with our suppliers and operators, and within available funding.	Actual = 100%
Aerodromes managed in a financially sustainable manner.	Aerodromes managed in a financially sustainable manner.	Actual = not achieved
Campground Health and Safety procedures are in line with industry best practice and improved to external audit findings.	Fully compliant at all times, or if issues identified a corrective plan implemented within 30 days.	Actual = partially met
Campground Financial sustainability must be achieved.	Earnings Before Interests, Taxes, Depreciation and Amortization (EBITDA) performance of the campgrounds must provide 1.2 times funding cover.	Actual = 3.5 times

FORECAST PERFORMANCE (TARGET)			
YEAR 1	YEAR 2	YEAR 3	BY YEAR 10
100% compliance	100% compliance	100% compliance	100% compliance
Not measured	Not measured	75% of customers surveyed are satisfied or very satisfied.	75% of customers surveyed are satisfied or very satisfied (only measured in Years 6 and 9)
100%	100%	100%	100%
0 non - compliances	0 non - compliances	0 non - compliances	0 non - compliances
0 non - compliances	0 non - compliances	0 non - compliances	0 non - compliances
100%	100%	100%	100%
Partly compliant	compliant	compliant	compliant
2.1 times	1.8 times	1.5 times	1.5 times

OUR LEVEL OF SERVICE – WHAT COUNCIL WILL DO AND HOW WE WILL MEASURE PERFORMANCE OVER THE 10 YEARS FROM 2015-2025 (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...	CURRENT PERFORMANCE
<p>Effective, and responsible management of campground assets ensuring achieving financial sustainability, whilst recognising the social and recreational benefits of campgrounds to the community.</p>	<p>Condition assessment is based on lease or management model. It should include a focus to improve ratings.</p> <p>Occupancy should sit within a 10% variable of the regional average by year 3 for similar campground activities.</p> <p>Achieving financial returns in line with the budget projections while not compromising the level of service to the community on most assets.</p> <p>Councils return will improve based on reinvestment levels – Levels of Service (LOS) changes in new financial strategy adoption.</p>	<p>Ratings = 2 star average.</p> <p>Occupancy = est. 40% average.</p> <p>Tariffs = within 90%-110% of national range by year 3.</p> <p>Model = mixed.</p> <p>Return on Assets (ROA) = 14% (Sales over \$5.8m value).</p>
<p>Commercial property assets that are financially sustainable</p>	<p>EBITDA performance of the commercial property portfolio will increase towards 1.0 times funding cover of all depreciation and debt servicing.</p> <p>Occupancy of all commercial tenancies at or above 90% at all times.</p> <p>Weighted Lease terms evenly spread with 3 year average.</p>	<p>Actual = 1.0 times</p> <p>Not measured.</p> <p>Not measured.</p>
<p>Commercial property assets that are financially sustainable</p>	<p>Condition assessment programme reviewed every 3 months.</p>	<p>Regular completion of quarterly condition assessment – no variation.</p>
<p>Fit for purpose commercial assets that are required to comply with legislative needs, minimise health and safety issues, providing effectiveness and efficiencies now and into the future.</p>	<p>No health and safety issues arise directly attributable to Council inaction/ control.</p> <p>Council are able to respond to reasonable Customer Service Requests within the timeframes we have agreed with our suppliers and within the available funding.</p> <p>Resource consents and building consents are held and complied with for works undertaken by Council or its contractors. As measured by inspections, defaults and abatement notices issued to Council.</p>	<p>Health and safety incidents = NIL.</p> <p>All service requests completed with 48 hours & within budget.</p> <p>All buildings and activities consented – No variation.</p>

FORECAST PERFORMANCE (TARGET)			
YEAR 1	YEAR 2	YEAR 3	BY YEAR 10
3 star average	3 star average	3 star average	4 star average
Unmeasured	Unmeasured	40%	40%
Unmeasured	Unmeasured	90%	95%
Mixed	Mixed	Mixed	Mixed
15%	16%	17%	18%
Actual = 0.7 times	Actual = 0.7 times	Actual = 0.8 times	Actual = 0.9 times
Occupancy = 100%	Occupancy = 100%	Occupancy = 100%	Occupancy = 100%
Average lease term 3 years.	Average lease term 3 years.	Average lease term 3 years.	Average lease term 3 years.
Regular completion of quarterly condition assessment – no variation.	Regular completion of quarterly condition assessment – no variation.	Regular completion of quarterly condition assessment – no variation.	Regular completion of quarterly condition assessment – no variation.
Health and safety incidents = NIL.	Health and safety incidents = NIL.	Health and safety incidents = NIL.	Health and safety incidents = NIL.
All service requests completed with 48 hours & within budget.	All service requests completed with 48 hours & within budget.	All service requests completed with 48 hours & within budget.	All service requests completed with 48 hours & within budget.
All buildings and activities consented – No variation.	All buildings and activities consented – No variation.	All buildings and activities consented – No variation.	All buildings and activities consented – No variation.

OUR LEVEL OF SERVICE – WHAT COUNCIL WILL DO AND HOW WE WILL MEASURE PERFORMANCE OVER THE 10 YEARS FROM 2015-2025 (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...	CURRENT PERFORMANCE
<p>Forestry health and safety procedures are in line with industry best practice and improved to external audit findings.</p>	<p>Forestry is a high risk activity. Regular external audit of all Council processes will occur. Contractors are to have their own health and safety processes which are externally audited and assessed within Forest Stewardship Council (FSC) accreditation processes.</p>	<p>External audit = partially met</p> <p>Continued FSC accreditation.</p>
<p>Forestry fit for purpose condition assessment is required to comply with legislative and user requirements whilst providing efficient and effective Forestry operations. This LOS will be directly related and recognise the commercial returns required by further investment by Council.</p>	<p>External six monthly risk reviews identifying key risks and actions require to mitigate.</p> <p>Quarterly internal processes have been refined throughout 2014 to ensure full quarterly review identifies and limits key risks.</p> <p>External quarterly reporting is required within 45 days of period end by contractor.</p> <p>We respond to Customer Service Requests within 48 hours and within available budget funding.</p> <p>Appropriate consents are held and complied with. Measured by inspections, defaults and abatement notices issued to Council.</p>	<p>Actual = most not measured and under corrective action.</p>
<p>Forestry financial sustainability must be achieved.</p>	<p>Performance of Forestry must provide a net Return on Assets return (ex replanting, management and all activities) of 4%.</p>	<p>Actual = 3.0%</p>
<p>Port Tarakohe health and safety procedures are in line with industry best practice and improved to external audit findings.</p>	<p>There will be no health and safety events at the port that are attributed to Council or the Port Manager.</p>	<p>Actual = partially met</p>
<p>Financial sustainability for Port Tarakohe must be achieved.</p>	<p>EBITDA performance of the Port must provide 1.2 times funding cover of all depreciation and debt servicing. The main activities at the port (wharf, marina, recreation) are self-funding.</p>	<p>Actual = 0.8 times</p>

FORECAST PERFORMANCE (TARGET)			
YEAR 1	YEAR 2	YEAR 3	BY YEAR 10
Compliant	Compliant	Compliant	Compliant
Accredited	Accredited	Accredited	Accredited
Key Risks = Not met or measured.	Key Risks = Not met or measured.	Key Risks = Not met or measured.	Key Risks = Not met or measured.
Quarterly processes underway – met.	Quarterly processes underway – met.	Quarterly processes underway – met.	Quarterly processes underway – met.
Contractor reporting – no exceptions.	Contractor reporting – no exceptions.	Contractor reporting – no exceptions.	Contractor reporting – no exceptions.
Service requests – no exceptions.	Service requests – no exceptions.	Service requests – no exceptions.	Service requests – no exceptions.
Consents – no exceptions.	Consents – no exceptions.	Consents – no exceptions.	Consents – no exceptions.
4.3%	3.5%	2.5%	4.6% ave.
compliant	compliant	compliant	compliant
1.5 times	1.6 times	1.7 times	1.5 times

MAJOR ACTIVITIES

The Commercial and Property Group of Activities involves the management, maintenance and renewals of Council's investments in Forestry, Port Tarakohe and Mapua, Motueka and Takaka aerodromes, four camping grounds commercial property, operation property, residential tenancies and provision of property management services.

KEY CHANGES TO ACTIVITY OR SERVICE

The table below summarises the key changes for the management of the Council Enterprises and Property activity since the 2012 Long Term Plan.

KEY CHANGE	REASON FOR CHANGE
The ASB Aquatic and Fitness Centre has been removed from the Property AMP.	This asset now has its own AMP which is seen to be more relevant.
Camping grounds and commercial property have been removed from the Property AMP.	These assets now comprise a part of the Commercial AMP.
Assets which do not belong to any other AMP have been included with the Property AMP.	This is a catch all to ensure that all property assets are covered by an AMP. Residential houses purchased for future road improvements are now part of the Property AMP.
The Commercial AMP is a new document which includes Aerodromes, Campgrounds, Commercial Property, Forestry and Ports	<p>The Commercial AMP incorporates the change in focus by Council on all commercial activities. Council's financial strategy on the commercial activities is to;</p> <ul style="list-style-type: none"> • group the assets; • maximise financial performance and thus returns; • develop a retention of profits model that will self fund future growth and investment needs on all commercial activities; • adopt a dividend strategy to Council that is reflective of market practices, whilst ensuring future planned growth is achievable.

KEY ASSUMPTIONS AND UNCERTAINTIES

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

- a) Financial assumptions – that all expenditure has been stated in 1 July 2014 dollar values and no allowance has been made for inflation.
- b) Asset data knowledge – that Council has sufficient knowledge of the assets and their condition so that the planned renewal work will allow Council to meet its levels of service.
- c) Timing of capital projects – that capital projects will be undertaken when planned.
- d) Ownership – Council will continue to own its operational property.
- e) Funding of capital projects – that the projects identified will receive funding.
- f) Accuracy of capital project cost estimates – that the capital project cost estimates are sufficiently accurate enough to determine the required funding level.
- g) Changes in legislation and policy – that there will be no significant changes in legislation or policy.
- h) Management – the provision of Council's property services will continue to be delivered in house.

- i) Funding sources – that all commercial asset group activities will become self funding.
- j) Funding of commercial capital projects – that the commercial projects identified will receive funding following a business case review.

NEW CAPITAL EXPENDITURE

The following table details the major capital and renewal work programmed for the years 2015-2025.

A full list of projects and programmes for when the work is planned to be completed is included in the Property and Commercial Activity Management Plans.

ACTIVITY	DESCRIPTION	YEARS 1-3 (\$)	YEARS 4-10 (\$)
Golden Bay Service Centre	Proposal to seismically strengthen and refit	506,534	-
Takaka Aerodrome Sealed Runway Reseal	Runway resurfacing and remarking.	-	87,828
Motueka Aerodrome access off College Street	Construct and seal access off College street.	16,368	-
Motueka Aerodrome Power and Data Reticulation	Installation of new power and data services.	96,920	-
Motueka Aerodrome Pressure Wastewater System	Design and installation of a new wastewater system.	10,769	110,596
Mapua rebuild	Commercial retail premises completion.	1,023,000	-
Mapua wharf extension/streetscaping	Completion of wharf extension to link commercial premises to reserve area.	283,681	113,693
Port Tarakohe Pile Berths	Commercial berths for larger vessels and addressing Health and safety issues on current structures.	51,150	81,840
Port Tarakohe Crane	One crane for main wharf.	167,936	-
Port Tarakohe Second Wharf	Rebuild fuel platform and main wharf access to address Health and safety issues, replace existing wooden condemned wharf with purpose built wharf to service the mussel industry.	76,725	2,273,861
Port Tarakohe security	Funds for further security and surveillance of Port areas.	-	80,316
Motueka Campground	Buyback of lessee improvements with cabin, road and shed upgrade and ongoing maintenance programme..	1,655,079	849,788
Pohara Campground	Buyback of lessee improvements and ongoing maintenance programme.	632,488	363,510
Murchison Campground	New managers and office accommodation and ongoing maintenance programme.	161,533	424,895
Collingwood Campground	Major upgrade of facilities to repair impaired infrastructure and address Health and safety issues identified, failures and future requirement plus ongoing maintenance programme.	565,310	559,316

SIGNIFICANT NEGATIVE EFFECTS

- Cost of providing additional facilities to cater for growth.
- Ongoing cost of maintaining ageing building stock.
- Increased number of visitors to Mapua wharf precinct increases the risk of clashes with modes of transport, e.g. vessels, walking, cycling, vehicular traffic.
- Structural requirements under new building code regarding earthquake risk and age and condition assessment of buildings require regular assessment.
- Tenants for Mapua development shed 4 have yet to sign full lease – heads of agreements are in place. Potential for Council financial viability may be affected by inability to attract suitable tenants.
- Significant increase in the number of serious port and forestry injuries and fatalities over last five years nationally.
- Restricted recreational use in some forest estates and closure during times of harvesting.
- Public criticism of forestry slash and off cuts blocking drainage channels, structures and roadway during times of storm event.
- Fluctuation in the market price for logs (both export and domestic market).
- An industrial environment at Tarakohe may have a negative visual impact.
- Port Tarakohe expansion may, but is unlikely, to affect historic and wahi tapu sites.
- Noise from aircraft within the aerodromes and flying overhead of residential areas. This has social effects with associated frustration caused by excessive noise.
- Noise from drag cars (Motueka Aerodrome only).
- Building height restrictions to protect flight paths.
- Increased traffic movements from both the commercial businesses and drag racing events (Motueka Aerodrome only).
- Damage to Council campground facilities caused by guests.
- Periodic sea wall damage at Collingwood and Pohara Campgrounds or other coastal environments.
- Significant value of campground improvements is owned by lessee therefore Council is missing out on income, pending campground strategy implementation.
- Some campground assets are run down due to lack of reinvestment.

SIGNIFICANT POSITIVE EFFECTS

- Economic development – provision and maintenance of these activities allows for the development of commercial businesses, therefore contributing to economic growth and prosperity. Harvest forests at the optimum time for stand condition and export market value also contributes to economic growth and prosperity.
- Community value – the provision and maintenance of these activities are of community value as it contributes to tourism, recreation, education and business within the communities.
- Environmental sustainability – Council aims to achieve environmental sustainability whilst managing these activities.
- Economic efficiency – Council's management of these activities uses industry best practice, market comparison and efficiency measures are used to determine economic efficiency, i.e. best value for money for the ratepayers.



FUNDING IMPACT STATEMENTS AND FUNDING SOURCES FOR THE GROUP OF ACTIVITIES

FUNDING IMPACT STATEMENT – COUNCIL ENTERPRISES AND PROPERTY	2014/2015 BUDGET \$'000	2015/2016 BUDGET \$'000	2016/2017 BUDGET \$'000	2017/2018 BUDGET \$'000
SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	342	(4)	46	72
Targeted rates	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0
Fees and charges	0	1,344	1,422	1,490
Internal charges and overheads recovered	808	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	3,316	3,785	3,913	4,464
TOTAL OPERATING FUNDING	4,466	5,125	5,381	6,026
APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	2,943	2,815	2,867	3,513
Finance costs	339	451	536	529
Internal charges and overheads applied	332	511	473	450
Other operating funding applications	0	0	0	0
TOTAL APPLICATIONS OF OPERATING FUNDING	3,614	3,777	3,876	4,492
SURPLUS (DEFICIT) OF OPERATING FUNDING	852	1,348	1,505	1,534
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	296	2,533	181	(399)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
TOTAL SOURCES OF CAPITAL FUNDING	296	2,533	181	(399)
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
– to meet additional demand	0	0	0	0
– to improve the level of service	535	3,013	0	248
– to replace existing assets	211	180	1,113	356
Increase (decrease) in reserves	402	688	573	531
Increase (decrease) in investments	0	0	0	0
TOTAL APPLICATIONS OF CAPITAL FUNDING	1,148	3,881	1,686	1,135
SURPLUS (DEFICIT) OF CAPITAL FUNDING	(852)	(1,348)	(1,505)	(1,534)
FUNDING BALANCE	0	0	0	0

The Annual Plan 2014/2015 information is as per the published document and has not been reclassified to reflect legislation changes which became effective from 1st July 2015.

The FIS statements also reflect changes resulting from internal restructures and revenue reclassification. The Annual Plan 2014/2015 has not been restated to reflect these changes.

The operating surplus is because rates are being used to fund Emergency funds.

	2018/2019 BUDGET \$000	2019/2020 BUDGET \$000	2020/2021 BUDGET \$000	2021/2022 BUDGET \$000	2022/2023 BUDGET \$000	2023/2024 BUDGET \$000	2024/2025 BUDGET \$000
	(182)	(188)	(195)	(219)	(270)	(308)	(340)
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	1,615	1,696	1,838	1,909	1,978	2,058	2,138
	0	0	0	0	0	0	0
	4,750	4,868	5,313	5,762	5,707	5,823	6,258
	6,183	6,376	6,956	7,452	7,415	7,573	8,056
	3,432	3,638	3,578	4,037	5,112	4,349	4,432
	482	521	534	470	417	344	281
	399	939	1,462	1,434	582	1,409	1,727
	0	0	0	0	0	0	0
	4,313	5,098	5,574	5,941	6,111	6,102	6,440
	1,870	1,278	1,382	1,511	1,304	1,471	1,616
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	(771)	1,389	(988)	(1,126)	(1,168)	(1,147)	(835)
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	(771)	1,389	(988)	(1,126)	(1,168)	(1,147)	(835)
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	409	2,672	381	328	312	323	656
	690	(5)	13	57	(176)	1	125
	0	0	0	0	0	0	0
	1,099	2,667	394	385	136	324	781
	(1,870)	(1,278)	(1,382)	(1,511)	(1,304)	(1,471)	(1,616)
	0	0	0	0	0	0	0

SUPPORT SERVICES

This section covers strategic planning, customer services, finance, human resources, information management, and health and safety.

Support Services are the internal teams that help Council operate efficiently. Support Services are an essential part of ensuring we operate in an effective and efficient manner, meeting our statutory obligations, and working towards the achievement of community outcomes.

These activities are internally focused and do not generally have a direct output to the community, rather they are internal support systems for those activities that do. The Support Service activities have their own business plans which outline the strategic focus for the activity and the major projects proposed.

This group is not classed as a 'group of activities' for Long Term Plan purposes and no funding impact statement has been produced for these activities. Levels of service are outlined at the end of this section.

STRATEGIC PLANNING

We engage the community in the development of our key documents. The Long Term Plan is our 10 year business plan that provides the vision and direction for the District; we prepare these once every three years. The Annual Plan is prepared in the years between Long Term Plans. The Annual Report is produced every year to ensure that we are doing what we said we would in the Long Term Plan/Annual Plan.

We are responsible for other cross-Council policy work (e.g. Growth Strategy, Pre-Election Report); for reserves planning; for monitoring and reporting on performance; and for guidance on legislative processes (e.g. Bylaws, consultation requirements).

CUSTOMER SERVICES

The customer services team provide a 'one stop shop', offering various contact options to customers through phone, email or face to face contact. Service centres are based in Richmond, Motueka, Takaka and Murchison. Internal departments also rely on customer services to answer customer enquiries and process certain applications on their behalf.

FINANCE

The finance team is responsible for offering financial advice and services to all of our other activities. All of our operations have some financial aspect to them and require support in areas such as revenue gathering, capital funding, meeting financial and tax obligations, monitoring of expenditure, and corporate reporting. This activity provides a cost effective financial and accounting service that enhances the achievement of our goals and meets the needs of the organisation. It also provides a payroll service.

HUMAN RESOURCES

The human resource activity works in partnership with managers to ensure that we recruit, train, and support our staff to perform in their roles competently. This activity provides training and development, performance management, remuneration, and related policy development and planning.

INFORMATION SERVICES AND RECORDS MANAGEMENT

The primary roles of the information services and records management teams are to support and assist other activities to meet their goals and objectives through the provision of practical technological solutions and effective management of data and records. Services provided include information technology, records management, land administration, data integrity and geographical information systems.

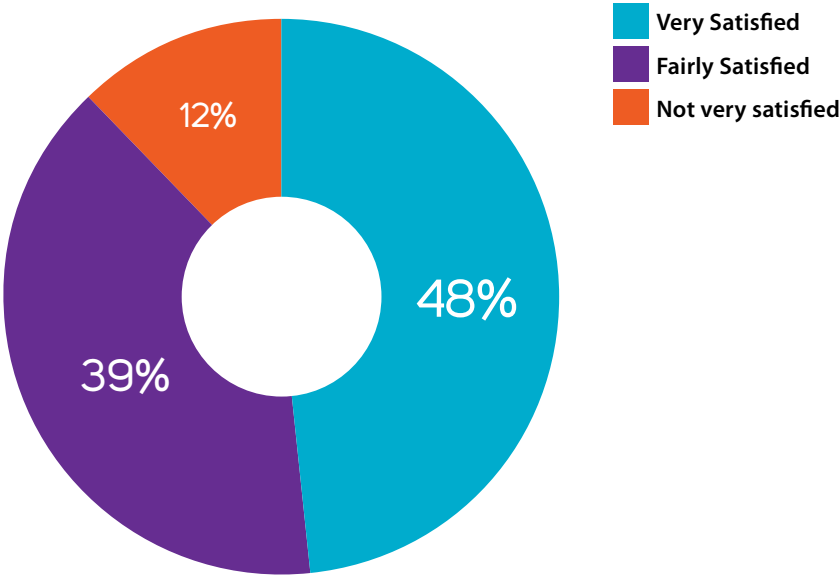
HEALTH AND SAFETY

This service is in place to support all of our activities and to provide a system to ensure that all health and safety objectives can be addressed and achieved as well as meeting our legislative requirements. This activity underpins good management as well as developing and enhancing corporate culture.

OUR LEVEL OF SERVICE – WHAT COUNCIL WILL DO AND HOW IT WILL MEASURE PERFORMANCE OVER THE 10 YEARS FROM 2015-2025

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF...	CURRENT PERFORMANCE
We respond to customer requests in a timely and professional manner.	At least 85% of respondents are either fairly satisfied or very satisfied with the service they receive when they contact Council, as measured by the annual residents' survey.	The 2014 residents' phone survey shows that 87% of residents are satisfied with the service they received when they contacted Council. <i>See Figure 33. Satisfaction With Service Received When Contacting Council, below</i>
We produce high quality, fit for purpose and accessible Long Term Plans (LTP), Annual Plans (AP) and Annual Reports (AR).	The Long Term Plan, Annual Plans and Annual Reports are prepared within statutory timeframes and there are no successful challenges to these processes.	Council prepared its Annual Plan and Annual Report 2013/2014. All statutory requirements and timeframes were met and there were no successful challenges to this process.
We provide resolution of most customer phone enquiries during the initial conversation with a Customer Services Officer.	80% of customer phone calls are resolved at first point of contact (i.e. without the need to transfer the call to another staff member).	81.5% of customer phone calls are resolved at first point of contact.
We provide Land Information Memorandums (LIMs) to customers within 10 working days.	100% of LIM applications are processed within the statutory timeframes (i.e. 10 working days). The average time taken to process a LIM is reduced to 5 working days by 2016.	99% of LIM's are processed within time. The average LIM processing time during 2012 and 2013 was six working days.

FIGURE 33. SATISFACTION WITH SERVICE RECEIVED WHEN CONTACTING COUNCIL



FORECAST PERFORMANCE (TARGET)

YEAR 1	YEAR 2	YEAR 3	BY YEAR 10
85.5% customer satisfaction rate	86% customer satisfaction rate	86.5% customer satisfaction rate	90% customer satisfaction rate
All LTP, AP and AR statutory timeframes are met. LTP amendments are managed to meet statutory requirements.	All LTP, AP and AR statutory timeframes are met. LTP amendments are managed to meet statutory requirements.	All LTP, AP and AR statutory timeframes are met. LTP amendments are managed to meet statutory requirements.	All LTP, AP and AR statutory timeframes are met. LTP amendments are managed to meet statutory requirements.
≥80% of customer phone calls resolved at first point of contact.	≥80% of customer phone calls resolved at first point of contact.	≥80% of customer phone calls resolved at first point of contact.	≥80% of customer phone calls resolved at first point of contact.
100% of LIMs are processed within statutory timeframes. The average LIM processing time is 5.5 working days.	100% of LIMs are processed within statutory timeframes. The average LIM processing time is 5 working days.	100% of LIMs are processed within statutory timeframes. The average LIM processing time is 5 working days.	100% of LIMs are processed within statutory timeframes. The average LIM processing time is 5 working days.



PART 4 ACCOUNTING INFORMATION

Roll-out of new kerbside collection bins

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 (PBE) 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 have been prepared in accordance with Tier 1 PBE accounting standards. These financial statements comply with PBE accounting standards.

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 Public Benefit Entity 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 2015-2025.

The assumptions underlying the preparation of this prospective financial information are adjusted to incorporate significant known variances as at December 2014. No actual results have been incorporated in this prospective financial information.

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 Public Benefit Entity standards, is issued by the External Reporting Board. (PBE IPSAS) 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.

BASIS OF FINANCIAL STATEMENT PREPARATION (CONT.)

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 Council intends to provide to ratepayers, the expected cost of those services and, as a consequence, how much 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.

JOINT VENTURES

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. For jointly controlled operations Council recognises in its financial statements the assets it controls, the liabilities and expenses it incurs, and the share of income that it earns from the joint venture in accordance with PBE IPSAS 8 Interests in Joint Ventures.

The entities disclosed below are treated as joint ventures.

- Nelson Regional Sewerage Business Unit. Council has a 50% interest in this entity.
- Nelson Tasman Combined Civil Defence Organisation. Council has a 50% interest in this entity.

ASSOCIATED ORGANISATIONS

Council accounts for an investment in an associate in the financial statements using the equity method. An associate is an entity over which Council has significant influence and that is neither a subsidiary nor an interest in a joint venture. The investment in an associate is

initially recognised at cost and the carrying amount is increased or decreased to recognise Council's share of the surplus or deficit of the associate after the date of acquisition. Distributions received from an associate reduce the carrying amount of the investment.

If Council's share of deficits of an associate equals or exceeds its interest in the associate, Council discontinues recognising its share of further deficits. After Council's interest is reduced to zero, additional deficits are provided for, and a liability is recognised, only to the extent that Council has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports surpluses, Council will resume recognising its share of those surpluses only after its share of the surpluses equals the share of deficits not recognised.

Council's share in the associates surplus of deficits resulting from unrealised gains on transactions between Council and its associates are eliminated.

Dilution gains or losses arising from investments in associates are recognised in the surplus or deficit.

The entities disclosed below are treated as associates.

- Port Nelson Ltd. Council was vested a 50% shareholding in this entity
- Nelson Airport Ltd. Council has a 50% shareholding in this Company.
- Tasman Bays Heritage Council has significant influence over the trust. Council has equity accounted for 50% of this entity.

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 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 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.

DISCLOSING TRANSACTIONS AS EXCHANGE OR NON-EXCHANGE

The new PBE accounting standards require entities to disclose on the face of the statement of financial position separate amounts for receivables from exchange transactions, receivables from non-exchange transactions, payables from exchange transactions, and payables from non-exchange transactions. Revenue from transfers and taxes, including major classes, is also required to be separately disclosed either on the face of the statement of comprehensive revenue and expense or the notes.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash-in-hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown in current liabilities in the statement of financial position.

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 Council and when it is certain the obligation to pay arises.

PAYABLES

Short-term payables are recorded at their face value.

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.

EXPENDITURE (CONT.)

BORROWING COSTS

Borrowing Costs are recognised as an expense in the period in which they are incurred. Borrowings are initially recognised at their fair value plus transaction costs. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless Council has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

GRANT EXPENDITURE

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where Council has no obligation to award on receipt of the grant application. Council recognises these grants as expenditure when a successful applicant has been notified.

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.

FINANCIAL ASSETS

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.

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.

IMPAIRMENT OF FINANCIAL ASSETS

At each Statement of Financial Position date Council assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the surplus or deficit.

ACCOUNTING FOR DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

Council uses derivative financial instrument to hedge exposure to interest rate risks arising from financing activities. In accordance with its treasury policy, Council does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value at each balance date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The associated gains or losses of derivatives that are not hedge accounted are recognised in the surplus or deficit.

Council has elected not to hedge account for its interest rate swaps.

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 on a straight-line basis over their estimated useful lives. The useful lives and associated amortisation rates of computer software have been estimated at five years (20 percent).

CARBON CREDITS

Purchased carbon credits are recognised at cost on acquisition. They have an indefinite useful life and are not amortised, but are instead tested for impairment annually. They are derecognised when they are used to satisfy carbon emission obligations.

EASEMENTS

Easements are recognised at cost, being the costs directly attributable in bringing the asset to its intended use. Easements have an indefinite useful life and are not amortised, but are instead tested for impairment annually.

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 three yearly basis:

- Roothing
- Stormwater
- Solid Waste
- Water Supply
- Wastewater
- Rivers
- Coastal Structures
- Land and Buildings

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

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 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	2-10 years

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	
Oxidation Ponds	Not Depreciated
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	15-100 years
RIVERS	
Stop Banks	Not Depreciated
Rock Protection	Not Depreciated
Willow Plantings	Not Depreciated
Gabion Baskets/Outfalls	30-60 years
Railway Irons	50 years

PROPERTY, PLANT AND EQUIPMENT (CONT.)

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.

ADDITIONS

The cost of an item of property, plant, and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to Council and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant, and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

DISPOSALS

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit. When revalued assets are sold, the amounts included in revaluation reserves in respect of those assets are transferred to general funds.

SUBSEQUENT COSTS

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to Council and the cost of the item can be measured reliably. The costs of day-to-day servicing of property, plant, and equipment are recognised in the surplus or deficit as they are incurred.

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.

The net amount of GST recoverable from, or payable to, the IRD is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

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.

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 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.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in "finance costs"

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 a joint operator of the Eves Valley landfill and York Valley landfill (and owner of a number of closed landfills in Tasman District), 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 Council and which may not be revised by Council without reference to the Courts or third party.

Council created reserves are reserves established by Council decision. Council may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at the discretion of 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 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 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 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

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

The accounting policies are now in accordance with Tier 1 PBE accounting standards. Prior to 1 July 2014, Council financial statements were prepared in accordance with NZ IFRS accounting policies.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

In preparing these financial statements Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

LANDFILL AFTER-CARE COSTS

As operator of landfills, 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 NZ IFRS 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.

INFRASTRUCTURAL ASSETS

There are a number of assumptions and estimates used when performing DRC valuations over Infrastructural assets. These include:

- The physical deterioration and condition of an asset, for example Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets which are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets.
- Estimating any obsolescence or surplus capacity of an asset.
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then Council could be over or under estimating the annual depreciation charge recognised as an expense in the surplus or deficit. To minimise this risk Council's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of Council's asset management planning activities, which gives Council further assurance over its useful life estimates.

Experienced independent valuers perform Council's infrastructural asset revaluations.

CRITICAL JUDGEMENT IN APPLYING COUNCIL'S ACCOUNTING POLICIES

Management have exercised the following critical judgement in applying Council's accounting policies.

CLASSIFICATION OF PROPERTY

Council owns a number of properties which are maintained primarily to provide community housing. The receipt of lower than market-based rental from these properties is incidental to holding these properties. These properties are held for service delivery objectives. These properties are accounted for as property, plant and equipment.

INFLATION ADJUSTED ACCOUNTS

The PBE 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 \$1.38 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.

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:

	JUNE 2016	JUNE 2017	JUNE 2018	JUNE 2019
Income	2.3%	2.9%	3.0%	3.1%
Salaries	1.2%	2.0%	2.1%	3.2%
Maintenance	2.4%	2.3%	2.5%	2.6%
Other Operating Expenses	2.3%	2.5%	2.6%	2.7%
Energy	3.5%	3.8%	3.9%	4.1%
Capital	2.3%	2.6%	2.6%	2.7%

The BERL figures were prepared in October 2014.

The financial projections contained in this document are presented in future (inflation adjusted) dollars.

PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE	2014/2015 BUDGET \$000	2015/2016 BUDGET \$000	2016/2017 BUDGET \$000	2017/2018 BUDGET \$000
REVENUE				
Revenue from Rates				
General rates	33,041	35,039	35,727	36,821
Targeted rates	32,212	32,817	34,931	36,271
Operating Activities				
Development and financial contributions	2,920	5,267	5,824	5,460
Operating subsidies and grants	4,086	4,661	4,607	4,738
Capital subsidies	4,760	3,404	3,372	3,363

	JUNE 2020	JUNE 2021	JUNE 2022	JUNE 2023	JUNE 2024	JUNE 2025	TEN YEAR AVERAGE
	3.3%	3.4%	3.5%	3.6%	3.7%	3.8%	3.3%
	3.3%	3.4%	3.5%	3.6%	3.7%	3.8%	3.3%
	2.8%	2.9%	3.0%	3.2%	3.4%	3.5%	2.9%
	2.9%	3.0%	3.1%	3.3%	3.4%	3.6%	2.9%
	4.3%	4.5%	4.7%	4.9%	5.1%	5.3%	4.4%
	2.8%	3.0%	3.1%	3.3%	3.5%	3.7%	3.0%

	2018/2019 BUDGET \$000	2019/2020 BUDGET \$000	2020/2021 BUDGET \$000	2021/2022 BUDGET \$000	2022/2023 BUDGET \$000	2023/2024 BUDGET \$000	2024/2025 BUDGET \$000
	38,186	40,270	42,296	44,157	46,421	48,670	49,665
	37,927	38,951	40,061	41,674	42,906	44,222	46,116
	5,752	5,483	5,771	5,426	5,646	5,722	6,086
	4,930	5,081	5,205	5,527	5,598	5,764	5,966
	4,221	4,676	4,019	4,183	4,403	4,491	4,696

PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE	2014/2015 BUDGET \$'000	2015/2016 BUDGET \$'000	2016/2017 BUDGET \$'000	2017/2018 BUDGET \$'000
Other revenue	26,160	25,015	27,345	28,956
TOTAL REVENUE	103,179	106,203	111,806	115,609
Fair value movement on revaluation	593	476	653	797
Other gains	85	87	93	75
Finance income	264	536	539	536
TOTAL REVENUE	104,121	107,302	113,091	117,017
EXPENSE				
Finance expense	9,976	9,864	10,336	10,920
Employee related expense	18,324	19,905	20,222	20,684
Expenditure on operating activities	29,898	28,656	31,523	32,809
Maintenance	16,243	18,603	18,834	19,568
Depreciation and amortisation	21,569	23,883	25,383	26,689
TOTAL EXPENSE	96,010	100,911	106,298	110,670
TOTAL ACCOUNTING SURPLUS	8,111	6,391	6,793	6,347
Share of joint ventures	952	1,142	1,166	1,149
Share of associates surplus/deficit	0	0	0	0
NET SURPLUS BEFORE TAXATION	9,063	7,533	7,959	7,496
Income tax expense	0	0	0	0
NET SURPLUS FOR THE YEAR	9,063	7,533	7,959	7,496
OTHER COMPREHENSIVE INCOME REVENUE AND EXPENSES				
Gain on asset revaluations	33,463	47,585	0	40,137
Asset impairment Loss	0	0	0	0
Share of associate other comprehensive revenue and expenses	0	0	0	0
TOTAL OTHER COMPREHENSIVE REVENUE AND EXPENSES	33,463	47,585	0	40,137
TOTAL COMPREHENSIVE SURPLUS/DEFICIT	42,526	55,118	7,959	47,633
TOTAL OPERATING SURPLUS (AS ABOVE)	8,111	6,391	6,793	6,347
Less Non-Controllable Activities				
Capital subsidies	4,760	3,404	3,372	3,363
Vested assets	4,950	2,966	3,022	3,080
Fair value movement on revaluation	593	476	653	797
TOTAL NON-CONTROLLABLE ACTIVITIES	10,303	6,846	7,047	7,240
TOTAL CONTROLLABLE SURPLUS/DEFICIT	(2,192)	(455)	(254)	(893)

PROSPECTIVE STATEMENT OF FINANCIAL POSITION	2014/2015 BUDGET \$'000	2015/2016 BUDGET \$'000	2016/2017 BUDGET \$'000	2017/2018 BUDGET \$'000
CURRENT ASSETS				
Cash and cash equivalents	1,422	1,769	1,319	1,584
Trade and other receivables	11,594	11,934	12,740	13,127
Other financial assets	1,692	1,715	1,738	1,764
Non current assets held for resale	1,866	1,864	1,864	1,864
TOTAL CURRENT ASSETS	16,574	17,282	17,661	18,339

	2018/2019 BUDGET \$000	2019/2020 BUDGET \$000	2020/2021 BUDGET \$000	2021/2022 BUDGET \$000	2022/2023 BUDGET \$000	2023/2024 BUDGET \$000	2024/2025 BUDGET \$000
	30,135	31,215	32,653	33,987	34,950	35,519	36,972
	121,151	125,676	130,005	134,954	139,924	144,388	149,501
	466	621	164	167	1,347	565	232
	111	89	87	93	75	111	89
	533	552	552	551	570	570	569
	122,261	126,938	130,808	135,765	141,916	145,634	150,391
	11,442	11,845	11,397	10,788	10,364	9,288	8,213
	21,257	21,828	22,563	23,352	24,234	25,061	26,020
	33,069	34,425	35,654	36,904	38,921	39,124	40,339
	20,809	21,084	21,830	22,786	23,515	24,206	24,912
	28,788	30,157	30,979	32,420	33,519	34,098	35,756
	115,365	119,339	122,423	126,250	130,553	131,777	135,240
	6,896	7,599	8,385	9,515	11,363	13,857	15,151
	1,138	1,135	1,177	1,178	1,175	1,176	1,164
	0	0	0	0	0	0	0
	8,034	8,734	9,562	10,693	12,538	15,033	16,315
	0	0	0	0	0	0	0
	8,034	8,734	9,562	10,693	12,538	15,033	16,315
	50,581	0	45,729	52,949	0	51,043	55,028
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	50,581	0	45,729	52,949	0	51,043	55,028
	58,615	8,734	55,291	63,642	12,538	66,076	71,343
	6,896	7,599	8,385	9,515	11,363	13,857	15,151
	4,221	4,676	4,019	4,183	4,403	4,491	4,696
	3,142	3,207	3,279	3,356	3,441	3,533	3,634
	466	621	164	167	1,347	565	232
	7,829	8,504	7,462	7,706	9,191	8,589	8,562
	(933)	(905)	923	1,809	2,172	5,268	6,589
	2018/2019 BUDGET \$000	2019/2020 BUDGET \$000	2020/2021 BUDGET \$000	2021/2022 BUDGET \$000	2022/2023 BUDGET \$000	2023/2024 BUDGET \$000	2024/2025 BUDGET \$000
	518	229	849	1,403	695	923	1,221
	13,792	14,168	14,484	14,857	15,219	15,453	15,939
	1,792	1,825	1,864	1,909	1,965	2,033	2,114
	1,864	1,864	1,864	1,864	1,864	1,864	1,864
	17,966	18,086	19,061	20,033	19,743	20,273	21,138

PROSPECTIVE STATEMENT OF FINANCIAL POSITION	2014/2015 BUDGET \$'000	2015/2016 BUDGET \$'000	2016/2017 BUDGET \$'000	2017/2018 BUDGET \$'000
CURRENT LIABILITIES				
Trade and other payables	11,589	12,329	12,681	13,195
Employee benefit liabilities	1,671	1,722	1,749	1,787
Current portion of borrowings	12,930	16,564	17,247	18,201
TOTAL CURRENT LIABILITIES	26,190	30,615	31,677	33,183
WORKING CAPITAL	(9,616)	(13,333)	(14,016)	(14,844)
NON CURRENT ASSETS				
Investments in associates	88,098	88,098	88,098	88,098
Other financial assets	3,790	6,574	8,468	19,790
Intangible assets	915	859	926	1,102
Trade & other receivables	31	32	34	35
Forestry assets	21,533	22,009	22,662	23,459
Investment property	1,850	1,869	1,887	1,906
Property, plant and equipment	1,295,069	1,355,265	1,365,346	1,415,970
TOTAL NON CURRENT ASSETS	1,411,286	1,474,706	1,487,421	1,550,360
NON CURRENT LIABILITIES				
Term borrowings	158,965	160,187	164,403	178,989
Derivative Financial Instruments	3,197	3,197	3,197	3,197
Employee benefit liabilities	545	562	571	583
Provisions	1,041	1,041	889	769
TOTAL NON CURRENT LIABILITIES	163,748	164,987	169,060	183,538
TOTAL NET ASSETS	1,237,922	1,296,386	1,304,345	1,351,978
EQUITY				
Accumulated equity	517,904	528,482	535,776	543,541
Reserve funds	17,104	17,405	18,070	17,801
Revaluation reserves	702,914	750,499	750,499	790,636
TOTAL EQUITY	1,237,922	1,296,386	1,304,345	1,351,978

PROSPECTIVE STATEMENT OF CASHFLOWS	2014/2015 BUDGET \$'000	2015/2016 BUDGET \$'000	2016/2017 BUDGET \$'000	2017/2018 BUDGET \$'000
CASHFLOW FROM OPERATING ACTIVITIES				
CASH WAS PROVIDED FROM:				
Fees and charges	29,862	36,191	38,475	40,218
Rates	65,134	67,794	70,605	73,048
Dividends received	2,546	2,502	2,502	2,502
Interest received	264	536	539	536

	2018/2019 BUDGET \$000	2019/2020 BUDGET \$000	2020/2021 BUDGET \$000	2021/2022 BUDGET \$000	2022/2023 BUDGET \$000	2023/2024 BUDGET \$000	2024/2025 BUDGET \$000
	12,879	12,970	13,225	13,591	13,594	13,987	14,803
	1,833	1,878	1,935	1,993	2,056	2,113	2,177
	19,328	20,511	21,695	21,965	21,308	22,126	22,675
	34,040	35,359	36,855	37,549	36,958	38,226	39,655
	(16,074)	(17,273)	(17,794)	(17,516)	(17,215)	(17,953)	(18,517)
	88,098	88,098	88,098	88,098	88,098	88,098	88,098
	25,790	28,790	28,790	28,790	28,790	28,790	28,790
	1,195	1,207	1,213	1,250	1,239	1,229	1,219
	37	38	39	40	41	41	43
	23,925	24,546	24,710	24,877	26,223	26,789	27,021
	1,926	1,946	1,968	1,990	2,014	2,040	2,067
	1,470,654	1,470,289	1,515,615	1,567,203	1,561,916	1,609,156	1,664,522
	1,611,625	1,614,914	1,660,433	1,712,248	1,708,321	1,756,143	1,811,760
	180,500	173,950	163,715	152,224	136,121	117,193	100,969
	3,197	3,197	3,197	3,197	3,197	3,197	3,197
	598	613	631	651	671	690	711
	663	554	478	400	319	236	149
	184,958	178,314	168,021	156,472	140,308	121,316	105,026
	1,410,593	1,419,327	1,474,618	1,538,260	1,550,798	1,616,874	1,688,217
	550,315	557,287	565,788	574,519	584,787	597,501	611,201
	19,061	20,823	21,884	23,846	26,116	28,435	31,050
	841,217	841,217	886,946	939,895	939,895	990,938	1,045,966
	1,410,593	1,419,327	1,474,618	1,538,260	1,550,798	1,616,874	1,688,217

	2018/2019 BUDGET \$000	2019/2020 BUDGET \$000	2020/2021 BUDGET \$000	2021/2022 BUDGET \$000	2022/2023 BUDGET \$000	2023/2024 BUDGET \$000	2024/2025 BUDGET \$000
	42,432	44,153	45,466	46,768	48,152	49,018	50,861
	76,060	79,168	82,308	85,776	89,274	92,841	95,742
	2,502	2,502	2,502	2,502	2,502	2,502	2,502
	533	552	552	551	570	570	569

PROSPECTIVE STATEMENT OF CASHFLOWS	2014/2015 BUDGET \$000	2015/2016 BUDGET \$000	2016/2017 BUDGET \$000	2017/2018 BUDGET \$000
Net GST received	573	0	0	0
	98,379	107,023	112,121	116,304
CASH WAS DISBURSED TO:				
Payments to staff and suppliers	(65,309)	(69,121)	(72,603)	(75,284)
Interest paid	(10,397)	(9,864)	(10,336)	(10,920)
	(75,706)	(78,985)	(82,939)	(86,204)
NET CASH FROM OPERATING ACTIVITIES	22,673	28,038	29,182	30,100
CASHFLOW FROM INVESTING ACTIVITIES				
CASH WAS PROVIDED FROM:				
Proceeds from sale of assets	0	87	93	75
Proceeds from sale of investments	0	0	0	0
	0	87	93	75
CASH WAS DISBURSED TO:				
Purchase of investments	(504)	(1,482)	(1,917)	(11,348)
Purchase of property, plant and equipment	(49,672)	(33,984)	(32,706)	(34,102)
	(50,176)	(35,466)	(34,623)	(45,450)
NET CASH FROM INVESTING ACTIVITIES	(50,176)	(35,379)	(34,530)	(45,375)
CASHFLOW FROM FINANCING ACTIVITIES				
CASH WAS PROVIDED FROM:				
Proceeds from loans	38,071	24,252	22,145	33,741
CASH WAS DISBURSED TO:				
Repayment of borrowings	(12,870)	(16,564)	(17,247)	(18,201)
NET CASH FROM FINANCING ACTIVITIES	25,201	7,688	4,898	15,540
TOTAL NET CASHFLOWS	(2,302)	347	(450)	265
Opening cash held	3,724	1,422	1,769	1,319
Closing cash balance	1,422	1,769	1,319	1,584
Represented by:				
Cash and cash equivalents	1,422	1,769	1,319	1,584
CASH AND CASH EQUIVALENTS	1,422	1,769	1,319	1,584

PROSPECTIVE STATEMENT OF CHANGES IN NET ASSETS/EQUITY	2014/2015 BUDGET \$000	2015/2016 BUDGET \$000	2016/2017 BUDGET \$000	2017/2018 BUDGET \$000
EQUITY AT THE START OF THE YEAR	1,195,396	1,241,268	1,296,386	1,304,345
Total Comprehensive Revenue and Expenses	42,526	55,118	7,959	47,633

	2018/2019 BUDGET \$000	2019/2020 BUDGET \$000	2020/2021 BUDGET \$000	2021/2022 BUDGET \$000	2022/2023 BUDGET \$000	2023/2024 BUDGET \$000	2024/2025 BUDGET \$000
	0	0	0	0	0	0	0
	121,527	126,375	130,828	135,597	140,498	144,931	149,674
	(77,460)	(79,738)	(82,448)	(85,375)	(88,928)	(90,846)	(93,588)
	(11,442)	(11,845)	(11,397)	(10,788)	(10,364)	(9,288)	(8,213)
	(88,902)	(91,583)	(93,845)	(96,163)	(99,292)	(100,134)	(101,801)
	32,625	34,792	36,983	39,434	41,206	44,797	47,873
	111	89	87	93	75	111	89
	0	0	0	0	0	0	0
	111	89	87	93	75	111	89
	(6,028)	(3,033)	(39)	(45)	(56)	(68)	(81)
	(29,427)	(27,755)	(27,361)	(27,707)	(25,174)	(26,501)	(30,593)
	(35,455)	(30,788)	(27,400)	(27,752)	(25,230)	(26,569)	(30,674)
	(35,344)	(30,699)	(27,313)	(27,659)	(25,155)	(26,458)	(30,585)
	20,981	16,129	12,645	10,744	4,549	4,015	5,685
	(19,328)	(20,511)	(21,695)	(21,965)	(21,308)	(22,126)	(22,675)
	1,653	(4,382)	(9,050)	(11,221)	(16,759)	(18,111)	(16,990)
	(1,066)	(289)	620	554	(708)	228	298
	1,584	518	229	849	1,403	695	923
	518	229	849	1,403	695	923	1,221
	518	229	849	1,403	695	923	1,221
	518	229	849	1,403	695	923	1,221
	1,351,978	1,410,593	1,419,327	1,474,618	1,538,260	1,550,798	1,616,874
	58,615	8,734	55,291	63,642	12,538	66,076	71,343

PROSPECTIVE STATEMENT OF CHANGES IN NET ASSETS/EQUITY	2014/2015 BUDGET \$'000	2015/2016 BUDGET \$'000	2016/2017 BUDGET \$'000	2017/2018 BUDGET \$'000
EQUITY AT THE END OF THE YEAR	1,237,922	1,296,386	1,304,345	1,351,978
COMPONENTS OF EQUITY				
Accumulated general equity at beginning of year	511,235	524,228	528,482	535,776
Net surplus/(deficit) for the year	9,063	7,533	7,959	7,496
Net transfers (to)/from reserves	(2,394)	(3,279)	(665)	269
ACCUMULATED GENERAL EQUITY AT END OF YEAR	517,904	528,482	535,776	543,541
Accumulated reserve funds at beginning of year	14,710	14,126	17,405	18,070
Net transfers to/(from) reserves	2,394	3,279	665	(269)
ACCUMULATED RESERVE FUNDS AT END OF YEAR	17,104	17,405	18,070	17,801
Accumulated revaluation reserves at beginning of year	669,451	702,914	750,499	750,499
Revaluation surplus/(deficit)	33,463	47,585	0	40,137
ACCUMULATED REVALUATION RESERVES AT END OF YEAR	702,914	750,499	750,499	790,636
EQUITY AT THE END OF THE YEAR	1,237,922	1,296,386	1,304,345	1,351,978
PROSPECTIVE CASHFLOW RECONCILIATION				
SURPLUS(DEFICIT) FROM PROSPECTIVE INCOME STATEMENT	9,063	7,533	7,959	7,496

	2018/2019 BUDGET \$'000	2019/2020 BUDGET \$'000	2020/2021 BUDGET \$'000	2021/2022 BUDGET \$'000	2022/2023 BUDGET \$'000	2023/2024 BUDGET \$'000	2024/2025 BUDGET \$'000
	1,410,593	1,419,327	1,474,618	1,538,260	1,550,798	1,616,874	1,688,217
	543,541	550,315	557,287	565,788	574,519	584,787	597,501
	8,034	8,734	9,562	10,693	12,538	15,033	16,315
	(1,260)	(1,762)	(1,061)	(1,962)	(2,270)	(2,319)	(2,615)
	550,315	557,287	565,788	574,519	584,787	597,501	611,201
	17,801	19,061	20,823	21,884	23,846	26,116	28,435
	1,260	1,762	1,061	1,962	2,270	2,319	2,615
	19,061	20,823	21,884	23,846	26,116	28,435	31,050
	790,636	841,217	841,217	886,946	939,895	939,895	990,938
	50,581	0	45,729	52,949	0	51,043	55,028
	841,217	841,217	886,946	939,895	939,895	990,938	1,045,966
	1,410,593	1,419,327	1,474,618	1,538,260	1,550,798	1,616,874	1,688,217

	2018/2019 BUDGET \$'000	2019/2020 BUDGET \$'000	2020/2021 BUDGET \$'000	2021/2022 BUDGET \$'000	2022/2023 BUDGET \$'000	2023/2024 BUDGET \$'000	2024/2025 BUDGET \$'000
	8,034	8,734	9,562	10,693	12,538	15,033	16,315

PROSPECTIVE CASHFLOW RECONCILIATION	2014/2015 BUDGET \$'000	2015/2016 BUDGET \$'000	2016/2017 BUDGET \$'000	2017/2018 BUDGET \$'000
ADD NON CASH ITEMS				
Depreciation	21,569	23,883	25,383	26,689
Fair value movement on revaluation	0	(476)	(653)	(797)
Share of associates surplus/deficit	0	0	0	0
Vested assets	(4,950)	(2,966)	(3,022)	(3,080)
	16,619	20,441	21,708	22,812
MOVEMENTS IN WORKING CAPITAL				
Decrease (increase) in accounts receivable	(687)	(341)	(806)	(387)
Increase (decrease) in accounts payable	311	740	352	514
Increase (decrease) in employee entitlements	0	51	27	38
	(376)	450	(427)	165
OTHER				
Decrease (increase) in term receivables	0	(1)	(2)	(1)
Increase (decrease) in term provisions	0	0	(152)	(120)
Increase (decrease) in term employee entitlements	0	17	9	12
	0	16	(145)	(109)
ADD(DEDUCT) ITEMS CLASSIFIED AS INVESTING OR FINANCING ACTIVITIES				
Gain on sale of assets	0	(87)	(93)	(75)
Capital creditors	(2,633)	(315)	180	(189)
	(2,633)	(402)	87	(264)
NET CASH FLOW FROM OPERATING ACTIVITIES	22,673	28,038	29,182	30,100
PROSPECTIVE FUNDING IMPACT STATEMENT	2014/2015 BUDGET \$'000	2015/2016 BUDGET \$'000	2016/2017 BUDGET \$'000	2017/2018 BUDGET \$'000

PROSPECTIVE FUNDING IMPACT STATEMENT	2014/2015 BUDGET \$'000	2015/2016 BUDGET \$'000	2016/2017 BUDGET \$'000	2017/2018 BUDGET \$'000
SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charges, rates penalties	33,298	35,039	35,727	36,821
Targeted rates	25,767	32,816	34,931	36,271
Subsidies and grants for operating purposes	4,086	4,661	4,607	4,738
Fees and charges	7,002	15,754	16,637	17,601
Interest and dividends from investments	2,810	3,508	3,519	3,538
Local authorities fuel tax, fines, infringement fees, and other receipts	21,966	8,610	8,788	9,400
TOTAL OPERATING FUNDING	94,929	100,388	104,209	108,369
APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	68,636	71,328	73,539	76,082
Finance costs	9,995	9,844	10,293	10,876
Other operating funding applications	0	0	0	0
TOTAL APPLICATIONS OF OPERATING FUNDING	78,631	81,172	83,832	86,958
SURPLUS (DEFICIT) OF OPERATING FUNDING	16,298	19,216	20,377	21,411
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	4,760	3,404	3,372	3,363
Development and financial contributions	2,920	5,267	5,824	5,460
Increase (decrease) in debt	8,734	7,689	4,899	15,540
Gross proceeds from sale of assets	85	87	93	75
Lump sum contributions	0	0	0	0
Other dedicated capital funding		0	0	0
TOTAL SOURCES OF CAPITAL FUNDING	16,499	16,447	14,188	24,438
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	3,461	2,316	1,239	2,129
- to improve the level of service	16,293	14,718	17,063	21,473
- to replace existing assets	11,380	17,267	14,223	10,690
Increase (decrease) in reserves	1,663	(97)	146	235
Increase (decrease) in investments	0	1,459	1,894	11,322
TOTAL APPLICATIONS OF CAPITAL FUNDING	32,797	35,663	34,565	45,849
SURPLUS (DEFICIT) OF CAPITAL FUNDING	(16,298)	(19,216)	(20,377)	(21,411)
FUNDING BALANCE	0	0	0	0

	2018/2019 BUDGET \$000	2019/2020 BUDGET \$000	2020/2021 BUDGET \$000	2021/2022 BUDGET \$000	2022/2023 BUDGET \$000	2023/2024 BUDGET \$000	2024/2025 BUDGET \$000
	38,186	40,270	42,296	44,157	46,421	48,670	49,665
	37,927	38,951	40,061	41,674	42,906	44,223	46,117
	4,930	5,081	5,205	5,527	5,598	5,764	5,966
	18,393	19,246	20,121	20,880	21,761	22,065	22,922
	3,542	3,568	3,572	3,575	3,597	3,598	3,600
	9,749	9,992	10,616	11,070	11,055	11,159	11,639
	112,727	117,108	121,871	126,883	131,338	135,479	139,909
	78,200	80,495	83,302	86,259	89,881	91,536	94,389
	11,396	11,798	11,348	10,737	10,311	9,233	8,184
	0	0	0	0	0	0	0
	89,596	92,293	94,650	96,996	100,192	100,769	102,573
	23,131	24,815	27,221	29,887	31,146	34,710	37,336
	4,221	4,676	4,019	4,183	4,403	4,491	4,696
	5,752	5,483	5,771	5,426	5,646	5,722	6,086
	1,653	(4,482)	(9,750)	(11,721)	(16,360)	(18,111)	(16,789)
	111	89	87	93	75	111	89
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	11,737	5,766	127	(2,019)	(6,236)	(7,787)	(5,918)
	505	1,354	170	2,512	1,644	4,011	5,398
	15,129	9,921	11,952	9,794	7,885	7,547	12,721
	13,245	16,326	15,204	15,454	15,275	15,220	13,048
	(11)	(20)	22	108	106	145	251
	6,000	3,000	0	0	0	0	0
	34,868	30,581	27,348	27,868	24,910	26,923	31,418
	(23,131)	(24,815)	(27,221)	(29,887)	(31,146)	(34,710)	(37,336)
	0	0	0	0	0	0	0

PROSPECTIVE BALANCED BUDGET STATEMENT	2014/2015 BUDGET \$'000	2015/2016 BUDGET \$'000	2016/2017 BUDGET \$'000	2017/2018 BUDGET \$'000
Total income	104,121	107,302	113,091	117,017
Total expenditure	96,010	100,911	106,298	110,670
TOTAL ACCOUNTING SURPLUS	8,111	6,391	6,793	6,347
LESS				
Vested assets	4,950	2,966	3,022	3,080
Other gains/losses	593	476	653	797
Development and financial contributions	2,920	5,267	5,824	5,460
Capital rates income	3,851	3,119	3,142	3,036
Capital grants and subsidies	4,760	3,404	3,372	3,363
Loan principal repaid from rates income	10,385	942	975	1,062
	27,459	16,174	16,988	16,798
PLUS				
Depreciation not funded	20,567	10,653	11,234	11,354
Operations funded from reserve funds	908	827	615	625
	21,475	11,480	11,849	11,979
UNDERLYING OPERATING SURPLUS/(DEFICIT)	2,127	1,697	1,654	1,528
NET TRANSFERS TO RESERVES AND EQUITY	(2,127)	(1,697)	(1,654)	(1,528)
BALANCED BUDGET	0	0	0	0

Pursuant to PBE FRS-42 paragraph 40 the 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.

The 2014/15 Annual Plan information is as per the published document and has not been reclassified to reflect legislation changes which became effective from July 1st 2015.

Where appropriate the budgets for the Long Term Plan 2015-2025 have been developed from the forecast closing position of the 2014/15 financial year rather than the published annual plan.

	2018/2019 BUDGET \$'000	2019/2020 BUDGET \$'000	2020/2021 BUDGET \$'000	2021/2022 BUDGET \$'000	2022/2023 BUDGET \$'000	2023/2024 BUDGET \$'000	2024/2025 BUDGET \$'000
	122,261	126,938	130,808	135,765	141,916	145,634	150,391
	115,365	119,339	122,423	126,250	130,553	131,777	135,240
	6,896	7,599	8,385	9,515	11,363	13,857	15,151
	3,142	3,207	3,279	3,356	3,441	3,533	3,634
	466	621	164	167	1,347	565	232
	5,752	5,483	5,771	5,426	5,646	5,722	6,086
	2,859	3,144	3,101	3,254	3,371	3,535	3,628
	4,221	4,676	4,019	4,183	4,403	4,491	4,696
	1,078	1,114	1,059	1,100	1,123	1,130	1,155
	17,518	18,245	17,393	17,486	19,331	18,976	19,431
	11,947	12,069	10,771	10,132	9,449	7,727	7,530
	217	190	808	237	374	453	200
	12,164	12,259	11,579	10,369	9,823	8,180	7,730
	1,542	1,613	2,571	2,398	1,855	3,061	3,450
	(1,542)	(1,613)	(2,571)	(2,398)	(1,855)	(3,061)	(3,450)
	0	0	0	0	0	0	0

DEPRECIATION AND AMORTISATION EXPENSE BY GROUPS OF ACTIVITIES

GROUP OF ACTIVITY	2014/2015 BUDGET \$'000	2015/2016 BUDGET \$'000	2016/2017 BUDGET \$'000	2017/2018 BUDGET \$'000
Environmental Management	200	204	243	293
Public Health and Safety	8	7	8	9
Roading and Footpaths	9,321	10,606	11,708	12,365
Coastal Assets	349	71	71	70
Solid Waste	335	279	306	334
Wastewater	2,497	2,620	2,729	2,796
Stormwater	1,457	1,548	1,627	1,711
Flood Protection and River Control Works	28	39	59	80
Water Supply	2,796	3,480	3,670	3,836
Community Relations	33	40	40	39
Community Facilities and Parks	3,105	2,979	2,606	2,652
Council Enterprises and Property	414	1,054	1,276	1,329
Governance	17	1	1	2

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.

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.

	2018/2019 BUDGET \$000	2019/2020 BUDGET \$000	2020/2021 BUDGET \$000	2021/2022 BUDGET \$000	2022/2023 BUDGET \$000	2023/2024 BUDGET \$000	2024/2025 BUDGET \$000
	329	365	390	370	351	338	313
	9	8	8	8	8	8	8
	13,048	14,273	14,790	15,217	16,235	16,648	17,057
	99	97	96	128	126	125	157
	360	359	354	304	326	351	370
	3,081	3,141	3,206	3,460	3,347	3,396	3,727
	2,031	2,096	2,160	2,527	2,590	2,641	3,053
	188	209	232	353	374	396	526
	4,180	4,114	4,111	4,428	4,419	4,506	4,856
	39	39	39	39	41	36	16
	2,657	2,698	2,724	2,723	2,705	2,686	2,716
	1,372	1,555	1,554	1,543	1,662	1,623	1,588
	8	14	14	14	14	8	10

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 (RFCs) 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 (e.g. new factories and commercial premises).

All Reserve Financial Contributions received must be separately accounted for and 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.
- Growth related projects.

ALLOCATION OF FUNDS

Each year as part of Council's Long Term Plan review or annual work plan process, a list of works in each of the four Reserve Financial Contributions accounts is produced by staff.

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 Council's Community Development Committee for approval before being included in the Long Term Plan or annual work plan.

In the past Council has funded smaller requests from the RFC accounts for non-Council Sport and Recreation Facilities projects. Council has moved away from this process to ensure all projects meet the criteria for use of RFC funds. In order to continue to assist these groups, Council has added a section called Sport and Recreation Facilities to its Grants from Rates scheme whereby groups can apply for funding of up to \$5,000 for projects that support sport and recreation in the District.

Tables of the proposed expenditure of the Reserve Financial Contributions for each of the four ward groupings follow:



Hoddy Estuary Park, Richmond

ALLOCATION OF FUNDS (CONT.)

DISTRICT WIDE RESERVE FINANCIAL CONTRIBUTIONS 2015-2025	2015/2016 BUDGET \$	2016/2017 BUDGET \$	2017/2018 BUDGET \$	2018/2019 BUDGET \$
PROJECTS				
Staff costs	-	-	-	-
Valuation costs	11,091	11,369	11,664	11,979
Consultant Fees	21,995	22,566	23,153	23,778
Library Books	10,230	10,486	10,758	11,049
Rainbow Project	12,877	13,198	13,542	13,907
Loan Interest	336	-	-	-
Loan Principal	11,405	-	-	-
TOTAL EXPENDITURE	67,934	57,619	59,117	60,713
Estimated Opening Balance	31,532	21,215	21,958	22,726
General Rate Allocation	1,088	743	768	795
Internal Interest Received	56,529	57,619	59,117	60,713
Transfer from Ward Accounts	56,529	57,619	59,117	60,713
ESTIMATED CLOSING BALANCE	21,215	21,958	22,726	23,521

	2019/2020 BUDGET \$	2020/2021 BUDGET \$	2021/2022 BUDGET \$	2022/2023 BUDGET \$	2023/2024 BUDGET \$	2024/2025 BUDGET \$
	-	-	-	-	-	-
	12,327	12,696	13,090	13,522	13,982	14,485
	24,444	25,177	25,958	26,814	27,753	28,780
	11,369	11,710	12,073	12,472	12,896	13,360
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	48,140	49,583	51,121	52,808	54,631	56,625
	23,521	24,403	25,319	26,268	27,319	28,411
	882	915	949	1,051	1,093	1,136
	48,140	49,584	51,121	52,808	54,630	56,625
	48,140	49,584	51,121	52,808	54,630	56,625
	24,403	25,319	26,268	27,319	28,411	29,547

ALLOCATION OF FUNDS (CONT.)

RICHMOND WARD RESERVE FINANCIAL CONTRIBUTIONS 2015-2025	2015/2016 BUDGET \$	2016/2017 BUDGET \$	2017/2018 BUDGET \$	2018/2019 BUDGET \$
WALKWAYS/CYCLEWAYS				
General	-	7,872	10,769	18,248
ARTWORK				
General	-	20,992	-	-
SPORTSFIELDS				
General	-	89,216	86,151	77,417
Gardens	10,000	10,000	10,000	10,000
PICNIC AREAS				
General	10,240	-	-	-
PLAYGROUNDS				
General	15,345	73,472	64,613	77,417
Saxton Velodrome	100,000	-	-	-
TOILETS				
General	112,530	115,456	-	27,649
CEMETERIES				
Richmond Cemetery Rooding	-	-	53,844	221,193
MISCELLANEOUS				
Valuation Expenses/Future Planning	-	10,486	10,758	11,049
Security Cameras	-	20,992	-	-
New Reserves	-	104,960	269,222	-
Loan Interest	26,717	-	-	-
Loan Principal	905,653	-	-	-
Transfer to District Wide Contributions	16,959	17,286	17,735	18,214
TOTAL EXPENDITURE	1,197,444	470,732	523,092	461,187
Estimated Opening Balance	1,172,240	890,275	1,349,952	1,790,150
Projected Income	875,037	899,249	916,042	927,905
Internal Interest Received	40,442	31,160	47,248	62,655
	2,087,719	1,820,684	2,313,242	2,780,710
Expenditure	1,197,444	470,732	523,092	461,187
ESTIMATED CLOSING BALANCE	890,275	1,349,952	1,790,150	2,319,523

	2019/2020 BUDGET \$	2020/2021 BUDGET \$	2021/2022 BUDGET \$	2022/2023 BUDGET \$	2023/2024 BUDGET \$	2024/2025 BUDGET \$
	17,054	46,842	32,598	18,708	51,633	26,772
	-	23,421	-	-	-	-
	30,697	99,538	102,624	-	109,721	113,781
	15,000	15,000	15,000	10,000	30,000	10,000
	-	-	-	-	-	-
	73,900	175,656	78,477	56,123	109,721	53,544
	-	-	-	-	-	-
	-	72,604	181,101	-	-	66,930
	56,847	17,566	54,330	12,472	23,235	30,788
	11,369	11,710	12,073	12,472	12,896	13,360
	-	-	-	-	38,725	-
	284,233	-	-	311,796	-	334,649
	-	-	-	-	-	-
	-	-	-	-	-	-
	14,442	14,875	15,336	15,842	16,389	16,987
	503,542	477,212	491,539	437,413	392,320	666,811
	2,319,523	2,861,489	3,482,699	4,034,573	4,704,217	5,480,730
	958,526	991,116	912,812	945,674	980,664	1,102,586
	86,982	107,306	130,601	161,383	188,169	219,229
	3,365,031	3,959,911	4,526,112	5,141,630	5,873,050	6,802,545
	503,542	477,212	491,539	437,413	392,320	666,811
	2,861,489	3,482,699	4,034,573	4,704,217	5,480,730	6,135,734

ALLOCATION OF FUNDS (CONT.)

WAIMEA/MOUTERE & LAKES/MURCHISON WARD RESERVE FINANCIAL CONTRIBUTIONS 2015-2025	2015/2016 BUDGET \$	2016/2017 BUDGET \$	2017/2018 BUDGET \$	2018/2019 BUDGET \$
WALKWAYS/CYCLEWAYS				
General	10,230	20,992	21,538	27,649
SPORTSFIELDS				
General	25,575	131,200	91,535	-
GARDENS				
General	10,240	10,476	10,737	11,017
ARTWORK				
General	-	-	-	-
PLAYGROUNDS				
General - new reserves etc	102,300	56,678	69,998	-
Toilets	-	26,240	26,922	110,596
CEMETERIES				
General	10,240	10,476	-	3,305
Coastcare	22,528	26,189	26,844	16,525
MISCELLANEOUS				
Valuation Fees	6,759	12,067	10,229	12,178
New reserves land	255,750	262,400	269,222	276,491
Transfer to District Wide Contributions	16,959	17,286	17,735	18,214
Loan Interest	70,092	53,791	38,971	27,467
Loan Principal	298,178	269,711	228,439	134,391
TOTAL EXPENDITURE	828,851	897,506	812,170	637,833
Estimated Opening Balance	739,369	580,806	379,572	103,234
Projected Income	644,780	675,944	522,547	690,432
Internal Interest Received	25,508	20,328	13,285	3,613
	1,409,657	1,277,078	915,404	797,279
Expenditure	828,851	897,506	812,170	637,833
ESTIMATED CLOSING BALANCE	580,806	379,572	103,234	159,446

	2019/2020 BUDGET \$	2020/2021 BUDGET \$	2021/2022 BUDGET \$	2022/2023 BUDGET \$	2023/2024 BUDGET \$	2024/2025 BUDGET \$
	36,382	11,710	38,635	52,382	25,817	56,221
	96,639	76,118	102,624	81,067	51,633	87,009
	16,988	11,653	18,005	18,581	12,808	19,885
	8,000	-	8,000	20,000	-	13,000
	96,639	76,118	78,477	106,011	83,904	113,781
	-	23,421	24,147	-	-	-
	16,988	3,496	18,005	3,716	-	13,257
	28,313	29,134	30,008	30,968	32,021	33,142
	13,643	14,052	14,488	14,966	15,475	16,032
	-	292,760	-	-	322,709	-
	14,442	14,875	15,336	15,842	16,389	16,987
	20,520	12,389	4,259	101	-	-
	134,391	134,391	134,391	3,194	-	-
	482,945	700,117	486,375	346,828	560,756	369,314
	159,446	395,696	447,884	723,096	1,176,795	1,463,263
	713,216	737,466	744,791	771,603	800,152	799,879
	5,979	14,839	16,796	28,924	47,072	58,531
	878,641	1,148,001	1,209,471	1,523,623	2,024,019	2,321,673
	482,945	700,117	486,375	346,828	560,756	369,314
	395,696	447,884	723,096	1,176,795	1,463,263	1,952,359

ALLOCATION OF FUNDS (CONT.)

MOTUEKA WARD RESERVE FINANCIAL CONTRIBUTIONS 2015-2025	2015/2016 BUDGET \$	2016/2017 BUDGET \$	2017/2018 BUDGET \$	2018/2019 BUDGET \$
WALKWAYS/CYCLEWAYS				
General	-	15,744	10,769	15,483
SPORTSFIELDS				
General	-	52,480	26,922	-
GARDENS				
General	10,230	10,496	10,769	5,530
PLAYGROUNDS				
General - new reserves etc	66,495	73,472	43,076	32,073
Toilets	35,805	-	26,922	110,596
CEMETERIES				
General	7,168	7,333	-	-
COASTCARE				
General	17,920	17,808	18,254	22,033
MISCELLANEOUS				
Purchase New Reserve	255,750	-	161,533	-
Valuation Fees/Future Planning	10,230	6,291	6,455	4,808
Keep Motueka Beautiful	10,230	10,486	10,758	11,049
Motueka Clock Tower Trust	7,161	7,340	7,531	7,734
Library Invest & Concept Plans	-	-	-	-
Transfer to District Wide Contributions	16,959	17,286	17,735	18,214
TOTAL EXPENDITURE	437,948	218,736	340,724	227,520
Estimated Opening Balance	1,237,557	1,109,071	1,200,147	1,180,468
Projected Income	266,766	270,995	279,040	256,110
Internal Interest Received	42,696	38,817	42,005	41,316
	1,547,019	1,418,883	1,521,192	1,477,894
Expenditure	437,948	218,736	340,724	227,520
ESTIMATED CLOSING BALANCE	1,109,071	1,200,147	1,180,468	1,250,374

	2019/2020 BUDGET \$	2020/2021 BUDGET \$	2021/2022 BUDGET \$	2022/2023 BUDGET \$	2023/2024 BUDGET \$	2024/2025 BUDGET \$
	28,423	-	30,184	31,180	24,526	24,095
	56,847	-	42,257	-	-	38,819
	11,369	11,710	10,866	12,472	12,908	13,386
	39,793	29,276	60,367	42,404	-	42,835
	-	-	-	21,202	-	-
	10,193	11,653	12,003	12,387	12,808	13,257
	22,650	23,307	24,006	24,774	25,617	22,536
	-	292,760	-	-	322,709	-
	6,822	7,026	7,244	7,483	7,738	8,016
	11,369	11,710	12,073	12,472	12,896	13,360
	7,958	8,197	8,451	8,730	9,027	9,352
	-	468,415	-	-	-	-
	14,442	14,875	15,336	15,842	16,389	16,987
	209,866	878,929	222,787	188,946	444,618	202,643
	1,250,374	1,351,959	797,285	837,112	922,744	765,050
	264,562	273,557	232,716	241,094	250,014	181,940
	46,889	50,698	29,898	33,484	36,910	30,602
	1,561,825	1,676,214	1,059,899	1,111,690	1,209,668	977,592
	209,866	878,929	222,787	188,946	444,618	202,643
	1,351,959	797,285	837,112	922,744	765,050	774,949

ALLOCATION OF FUNDS (CONT.)

GOLDEN BAY WARD RESERVE FINANCIAL CONTRIBUTIONS 2015-2025	2015/2016 BUDGET \$	2016/2017 BUDGET \$	2017/2018 BUDGET \$	2018/2019 BUDGET \$
WALKWAYS/CYCLEWAYS				
General	-	10,476	16,106	16,525
SPORTSFIELDS				
Golden Bay Recreation Reserve	15,345	7,347	16,153	16,589
ART WORKS				
General	-	-	4,295	4,407
PLAYGROUNDS				
General - new reserves etc	-	-	-	-
CEMETERIES				
General	-	-	10,769	11,060
Coastcare	20,460	20,972	21,517	22,098
Transfer to District Wide Contributions	5,653	5,762	5,912	6,071
TOTAL EXPENDITURE	41,458	44,557	74,752	76,750
Estimated Opening Balance	604,770	631,608	699,390	742,755
Projected Income	47,431	90,233	93,638	87,429
Internal Interest Received	20,865	22,106	24,479	25,996
	673,066	743,947	817,507	856,180
Expenditure	41,458	44,557	74,752	76,750
ESTIMATED CLOSING BALANCE	631,608	699,390	742,755	779,430

	2019/2020 BUDGET \$	2020/2021 BUDGET \$	2021/2022 BUDGET \$	2022/2023 BUDGET \$	2023/2024 BUDGET \$	2024/2025 BUDGET \$
	16,988	17,480	18,005	18,581	19,213	19,885
	-	-	-	-	-	-
	-	-	-	11,148	-	11,931
	22,739	23,421	24,147	-	-	-
	-	-	-	-	11,618	-
	22,739	23,421	24,147	24,944	25,792	26,720
	4,814	4,958	5,112	5,281	5,463	5,662
	67,280	69,280	71,411	59,954	62,086	64,198
	779,430	831,693	886,987	928,484	988,182	1,051,189
	90,314	93,385	79,646	82,513	85,566	69,574
	29,229	31,189	33,262	37,139	39,527	42,048
	898,973	956,267	999,895	1,048,136	1,113,275	1,162,811
	67,280	69,280	71,411	59,954	62,086	64,198
	831,693	886,987	928,484	988,182	1,051,189	1,098,613

ASSUMPTIONS

The Tasman Long Term Plan 2015-2025 is required to contain information on the significant forecasting assumptions underlying the information contained in the document. 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 30 years, funding of Council services, the financial environment, how Council will provide services over the next 30 years and external factors such as climate change and Government legislation.

The assumptions are 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 and Activity Management Plans which are available as separate documents. Activity assumptions are also included in the Financial and Infrastructure Strategies which are included in volume two of the Long Term Plan 2015-2025.

ASSUMPTION	DESCRIPTION OF RISK
POPULATION CHANGE AND GROWTH ASSUMPTIONS	
<p>Population growth: Council has undertaken a detailed assessment of the likely population increase for all of the District’s 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 48,800 in 2013 to 54,000 by 2043.</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.</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 other cities or towns. 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 New Zealand or overseas economic conditions are worse than expected. Note: Growth rates since 2012 have been slightly lower than forecast in the Long Term Plan 2012-2022.</p>
<p>Ageing population: The medium age in the Tasman District in 2006 was 40.3 This is expected to increase to 47.7 by 2046.</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>

LEVEL OF UNCERTAINTY	IMPACT
Low	The growth strategy provides for a 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.
Low	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.

ASSUMPTION	DESCRIPTION OF RISK																																			
POPULATION CHANGE AND GROWTH ASSUMPTIONS (CONT.)																																				
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.	That the ability of the community to afford rates increases will be lower or higher than anticipated.																																			
Development contributions: Full assumptions on development contributions are included within the draft Development Contributions Policy – copies of this policy are available on Council’s website. Council expects to collect \$36.5 million in development contributions over the next 10 years.	That development occurs at a slower or faster rate than forecast. This could be across the District or in specific settlements.																																			
Reserve Financial Contributions (RFCs): That Council will receive \$1.8 million in 2015/2016 from financial contributions, rising to \$2.12 million by 2024/2025.	That development occurs at a slower or faster rate than forecast. This could be across the District or in specific settlements.																																			
Vested Assets: That Council will receive \$2.96 million of vested assets in 2015/2016 rising to \$3.634 million in 2024/2025. 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.																																			
FINANCIAL ASSUMPTIONS																																				
<p>Inflation/Price changes:</p> <p>In preparing the Consultation Document Council has assumed the inflation as set out in the table below.</p> <p>Council has generally used the figures provided by Business and Economic Research Limited (BERL). 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. The inflation cost estimated by BERL for salaries has been adjusted to reflect Council’s expected future costs.</p>	That inflation is higher or lower than planned.																																			
	<table border="1"> <thead> <tr> <th></th> <th>Jun-16</th> <th>Jun-17</th> <th>Jun-18</th> <th>Jun-19</th> </tr> </thead> <tbody> <tr> <td>Income</td> <td>2.30%</td> <td>2.90%</td> <td>3.00%</td> <td>3.10%</td> </tr> <tr> <td>Salaries</td> <td>1.20%</td> <td>2.00%</td> <td>2.10%</td> <td>3.20%</td> </tr> <tr> <td>Maintenance</td> <td>2.40%</td> <td>2.30%</td> <td>2.50%</td> <td>2.60%</td> </tr> <tr> <td>Other Operating Expenses</td> <td>2.30%</td> <td>2.50%</td> <td>2.60%</td> <td>2.70%</td> </tr> <tr> <td>Energy</td> <td>3.50%</td> <td>3.80%</td> <td>3.90%</td> <td>4.10%</td> </tr> <tr> <td>Capital</td> <td>2.30%</td> <td>2.60%</td> <td>2.60%</td> <td>2.70%</td> </tr> </tbody> </table>		Jun-16	Jun-17	Jun-18	Jun-19	Income	2.30%	2.90%	3.00%	3.10%	Salaries	1.20%	2.00%	2.10%	3.20%	Maintenance	2.40%	2.30%	2.50%	2.60%	Other Operating Expenses	2.30%	2.50%	2.60%	2.70%	Energy	3.50%	3.80%	3.90%	4.10%	Capital	2.30%	2.60%	2.60%	2.70%
	Jun-16	Jun-17	Jun-18	Jun-19																																
Income	2.30%	2.90%	3.00%	3.10%																																
Salaries	1.20%	2.00%	2.10%	3.20%																																
Maintenance	2.40%	2.30%	2.50%	2.60%																																
Other Operating Expenses	2.30%	2.50%	2.60%	2.70%																																
Energy	3.50%	3.80%	3.90%	4.10%																																
Capital	2.30%	2.60%	2.60%	2.70%																																
Interest rates: In preparing the Consultation Document:	Higher interest rates will increase costs for Council. Lower interest rates will decrease costs.																																			

LEVEL OF UNCERTAINTY	IMPACT
Low	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.
Medium	Council's growth strategy is detailed and the forecast rate of growth is conservative. 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.
Medium	Council's growth strategy is detailed and the forecast rate of growth is conservative. 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. Council is proposing to not spend all RFCs received during the term of the Long Term Plan. This will provide a buffer if growth is lower than expected and will provide future Councils options for spending the funds, and to either repay loans faster than scheduled or to have a buffer in case development in the settlements is lower than expected.
Medium	Vested assets must be maintained by Council and depreciation provided for, 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.

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. A 1% movement in inflation could increase or decrease costs by approximately \$1 million p.a. by year 10 of the Plan. There might also be an impact on Council debt levels.
----------------	---

Jun-20	Jun-21	Jun-22	Jun-23	Jun-24	Jun-25	Ten Year Average
3.30%	3.40%	3.50%	3.60%	3.70%	3.80%	3.3%
3.30%	3.40%	3.50%	3.60%	3.70%	3.80%	3.3%
2.80%	2.90%	3.00%	3.20%	3.40%	3.50%	2.9%
2.90%	3.00%	3.10%	3.30%	3.40%	3.60%	2.9%
4.30%	4.50%	4.70%	4.90%	5.10%	5.30%	4.4%
2.80%	3.00%	3.10%	3.30%	3.50%	3.70%	3.0%

Medium/high	<p>Interest rates used are based on advice from Price Waterhouse Cooper 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. A degree of protection against fluctuating interest rates has been provided through the use of interest rate swaps.</p> <p>Council is also a member of the Local Government Funding Agency which provides access to loans at a lower rate than Council could obtain directly from banks.</p>
-------------	---

ASSUMPTION	DESCRIPTION OF RISK			
FINANCIAL ASSUMPTIONS (CONT.)				
	Jun-16	Jun-17	Jun-18	Jun-19
Interest Rate	5.70%	5.75%	5.75%	5.75%
Useful lives of significant assets: Council has made a number of assumptions about the useful life of its assets (refer Infrastructure Strategy in Part 5 of Volume 2). These assumptions affect the depreciation charges contained within Council's proposed budgets. The detail for each asset category is reflected in the Statement of Accounting Policies on pages 237-238. Council's asset depreciation rates are also included in the Statement of Accounting Policies. Council has a work programme planned to obtain improved information on the age and condition of its utilities assets.	That the lives of assets are materially different from those contained within the Plan.			
Funding depreciation: Council is proposing to begin funding depreciation from year one of the Long Term Plan 2015-2025. After 10 years depreciation would be fully funded (refer to Council's Revenue and Financing Policy, Infrastructure Strategy and Finance Strategy for further details).	That the amount set aside for depreciation will be higher or lower than the amount required to replace assets.			
Revaluation: Council revalues the following non-current assets on a three yearly cycle. Stormwater – Yr 3 (and every three years thereafter) 9% Solid Waste – Yr 3 (and every three years thereafter) 9% Roading – Yr 1 (and every three years thereafter) 5% Water Supply – Yr 3 (and every three years thereafter) 10% Wastewater – Yr 3 (and every three years thereafter) 9% Rivers – Yr 1 (and every three years thereafter) 9% Coastal – Yr 1 (and every three years thereafter) 9% Land – Yr 1 (and every three years thereafter) 9% Buildings – Yr 1 (and every three years thereafter) 9% These assumptions affect the depreciation charges contained within Council's proposed budgets. The detail for each asset category is reflected in the Statement of Accounting Policies on pages 237-238. Council's asset depreciation rates are in the Statement of Accounting Policies on pages 237-238.	That the lives of assets are materially different from those contained within the Plan.			
NZTA funding: An underlying assumption of the budget figures contained in the Transportation Activity is that the government subsidy through the NZ Transport Agency's Co-investment 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 NZ Transport Agency and are set at 52% for 2015/2016 and then 51% thereafter. The only exception is Special Purpose Roads (Pupu Springs Road and Totaranui Road) which will be funded at 100% for 2015/2016 to 2017/2018.	That the Government will reduce the level of subsidy available to councils for transport and transport related activities.			
Insurance costs: It has been assumed that insurance premiums will continue at the level paid for cover for 2014/2015 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.			
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.			
Limits on Rates and Rate increases: The level of Council limits on rates and rate increases, as required by the Local Government Act 2002, are set out in the Financial Strategy. This Plan assumes that Council will remain within these limits.	That rate increases are above the limits set by Council.			

LEVEL OF UNCERTAINTY		IMPACT				
Jun-20	Jun-21	Jun-22	Jun-23	Jun-24	Jun-25	Ten Year Average
6.00%	6.00%	6.00%	6.25%	6.25%	6.25%	5.97%
Low	<p>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.</p> <p>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. New technology over the term of the plan might enable Council to further extend the life of its assets and therefore reduce replacement costs.</p>					
Low	<p>Council revalues its assets on a regular basis. Any changes to the value of assets, and therefore the amount required to be funded to replace them when they wear out, will be included in updated Long Term Plans.</p>					
Low	<p>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 revenue 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.</p> <p>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. New technology over the term of the plan might enable Council to further extend the life of its assets and therefore reduce replacement costs.</p>					
Medium	<p>Any decrease in NZ Transport Agency 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.</p> <p>An example of the impact of lower NZ Transport Agency funding is when the co-investment rate for Tasman work is to be reduced by 1%, from 52% to 51% in 2016/2017 then Council income would be \$136,000 lower as a result of this. To offset this Council would need to either increase general rates by 0.20%, or decrease levels of service.</p>					
Medium	<p>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.</p>					
Low	<p>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.</p>					
Low	<p>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.</p> <p>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.</p>					

ASSUMPTION	DESCRIPTION OF RISK
FINANCIAL ASSUMPTIONS (CONT.)	
That the extractive users will be able to raise their portion of funding for the proposed Waimea Community Dam and that this dam will support the future source for reticulated water supplies for Richmond, Brightwater and Mapua and associated rural extensions.	That the dam does not proceed.
Major Industrial Water Users (IWU) and provision of water to some Nelson South properties: The figures in the Long Term Plan assume that the IWUs and properties in Nelson South will continue to require the same amount of water that is currently being provided.	That the amount of water required is higher or lower than that currently provided.
That the Tasman and Nelson Councils will reach an agreement on a regional landfill effective July 2017 and that there will be no material changes in waste patterns. This plan also assumes that the new capital for Eves Valley and York Valley landfills will be jointly funded by Nelson City and Tasman District Councils.	That an agreement will not be reached and that in the short/medium term Tasman's waste does not go to York Valley and in the long term Nelson's waste does not go to Eves Valley.
OPERATIONAL ASSUMPTIONS	
Council 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.
Going Concern: The financial information that supports the Consultation Document assumes that Council will continue through the term of the Long Term Plan. Council will continue to work with Nelson City Council to develop shared services where this provides economic and social benefits to our communities.	N/A
EXTERNAL ASSUMPTIONS	
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.
Climate change: Council anticipates increased flooding risk, coastal inundation and an increase in the frequency of drought as a result of changing weather patterns and sea level rise. Council plans for these events based on previous disasters, extreme events, such as a one in five hundred year storm are not budgeted for.	Climatic events might lead to increased costs for Council in both responding to events and building greater resilience into infrastructure.
Disasters: It is assumed that there will be some minor disaster events during the term of this Plan, for example flooding, but that these events will not be significant.	That there is a significant natural disaster in the District, such as flooding, earthquake or fire.
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.

LEVEL OF UNCERTAINTY	IMPACT
Medium	If the Waimea Community Dam does not proceed then an alternative long term source/storage solution will need to be developed to meet the water needs for these areas.
Medium	If the amount of water required increases or decreases significantly Council will need to reassess the water storage needs for the urban water supply system. A large change in the volume provided might also affect the cost of water provided to other urban water supply users, including Tasman residential properties. The reason for this is that most of the costs of supplying water are fixed, and a change in the volume provided would also change the average cost per cubic metre.
Low-Medium	If a regional landfill does not proceed then Council will need to reassess its capital expenditure programme to ensure that Eves Valley can operate on a continuing basis.
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.
Low	Note: Any assumption that there would be an reorganisation of councils would mean that Council budgets would be replaced by budgets of a new organisation.
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.
Medium	How Council manages the impacts of more frequent and more severe storm events is extremely important. It will have a significant impact on large tracts of coastline, land use planning, private property, and Council's infrastructure and finances. 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. Council is also proposing to increase funding for emergency reinstatement works for those activities most likely to be effected by Climate Change, for example Transportation, Stormwater and Parks and Reserves activities.
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. Council also has a disaster fund and is currently working to build this up to \$6.5 million. Council is also proposing to increase funding for emergency reinstatement works for those activities most likely to be effected by disasters for example Transportation, Stormwater and Parks and Reserves activities.
Low	Council has undertaken an analysis of the impact of the ETS and has budgeted for the cost implications of the Emissions Trading Scheme. If costs are higher than forecast then Council may need to increase rates or fees and charges to fund these.

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 now charges/pays ‘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.

RESERVE REPORTING	ACTIVITY TO WHICH THE FUND RELATES	OPENING BALANCE 1 JULY 2015 \$ (000'S)	TRANSFER INTO FUND \$ (000'S)	TRANSFERS OUT OF FUND \$ (000'S)	CLOSING BALANCE 30 JUNE 2025 \$ (000'S)
Reserve Financial Contributions Reserve	Community Facilities & Parks	3,641	21,807	(15,601)	9,847
Rivers Disaster Fund	Rivers & Flood Protection	810	355	-	1,165
Rivers Reserve	Rivers & Flood Protection	414	34,491	(34,491)	414
Water Reserve	Water	957	201,280	(200,228)	2,009
Wastewater Reserve	Wastewater	1,890	176,611	(176,611)	1,890
Self Insurance Fund	Overall Council	920	360	-	1,280
Stormwater Reserve	Stormwater	(272)	100,687	(100,687)	(272)
Solid Waste Reserve	Solid Waste	391	99,262	(98,895)	758
Dog Control Reserve	Public Health & Safety	41	5,348	(4,998)	391
Community Facilities Rate Reserve	Community Facilities & Parks	1,078	42,446	(42,446)	1,078

RESERVE REPORTING	ACTIVITY TO WHICH THE FUND RELATES	OPENING BALANCE 1 JULY 2015 \$ (000'S)	TRANSFER INTO FUND \$ (000'S)	TRANSFERS OUT OF FUND \$ (000'S)	CLOSING BALANCE 30 JUNE 2025 \$ (000'S)
Camping Ground Reserve	Council Enterprises & Property	105	14,558	(15,022)	(359)
Community Housing Reserve	Community Facilities & Parks	31	7,111	(6,119)	1,023
Development Contribution Reserve	Roading & Footpaths, Water, Wastewater, Stormwater	5,404	37,213	(39,018)	3,599
General Disaster Fund	Governance	1,737	6,490	-	8,227
TOTAL		17,147	748,019	(734,116)	31,050

RESERVES

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 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.

RESERVES (CONT.)

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 wastewater 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.

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.

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.

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 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 \$7,995,000 and these loans are forecast to be fully repaid at the end of the Long Term Plan.

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 by 2018.

FINANCIAL REGULATIONS BENCHMARKS

Long Term Plan disclosure statement for period commencing 1 July 2015.

WHAT IS THE PURPOSE OF THIS STATEMENT?

The purpose of this statement is to disclose Council’s planned financial performance in relation to various benchmarks to enable the assessment of whether Council is prudently managing its revenues, expenses, assets, liabilities and general financial dealings.

Council is required to include this statement in its Long Term Plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

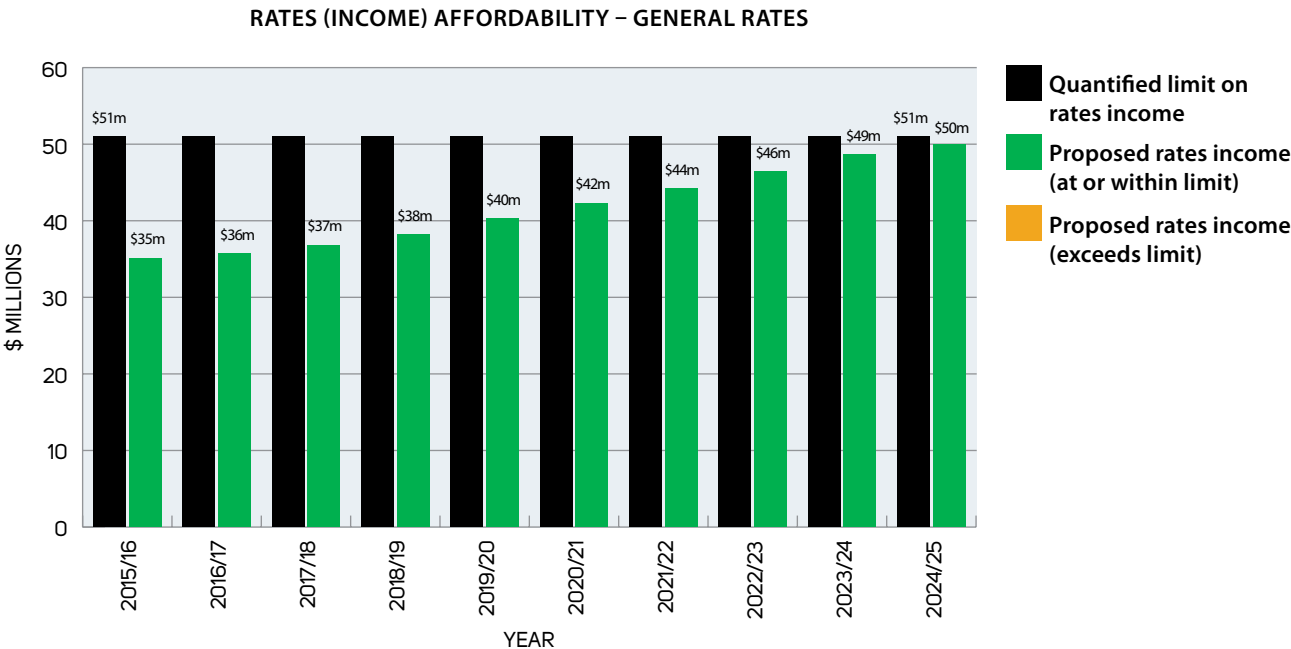
RATES AFFORDABILITY BENCHMARK

Council meets the rates affordability benchmark if –

- its actual rates income equals, or is less than, each quantified limit on rates; and
- its actual rates increases equals, or is less than, each quantified limit on rates increases.

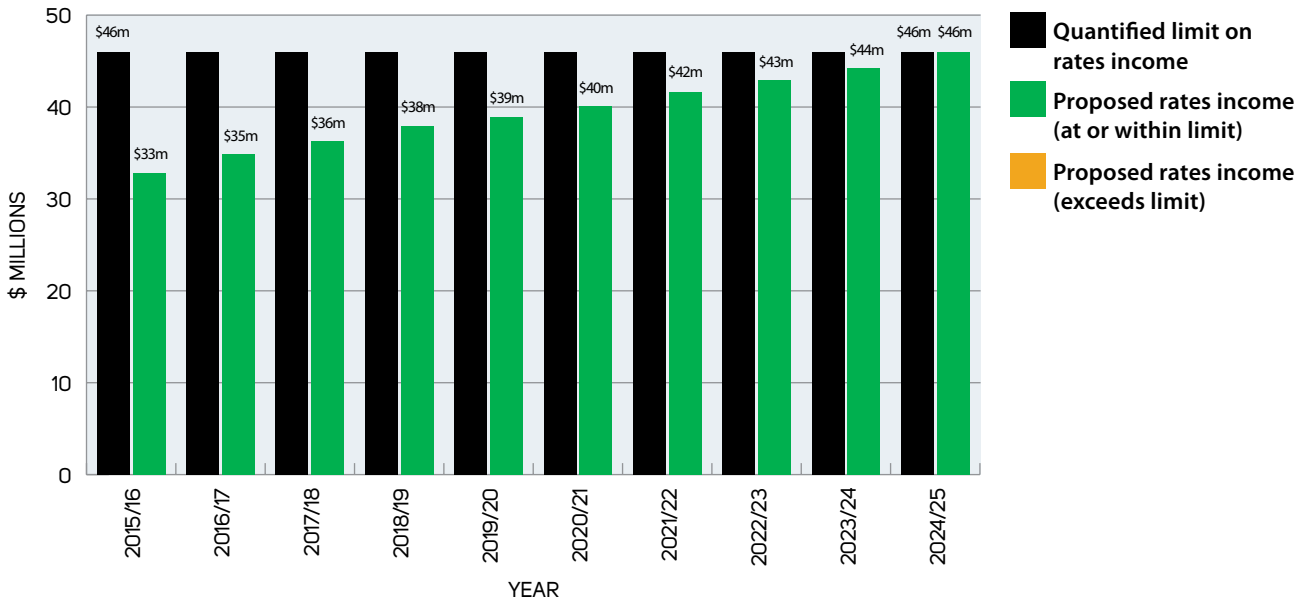
RATES (INCOME) AFFORDABILITY

The following graph compares Council’s planned general rates income with a quantified limit on general rates contained in the Financial Strategy in Volume 2. The quantified limit for general rates is \$51m per annum for each year covered by the Long Term Plan.



The following graph compares Council's planned targeted rates income with a quantified limit on targeted rates contained in the Financial Strategy. The quantified limit for targeted rates is \$46m per annum for each year covered by the Long Term Plan.

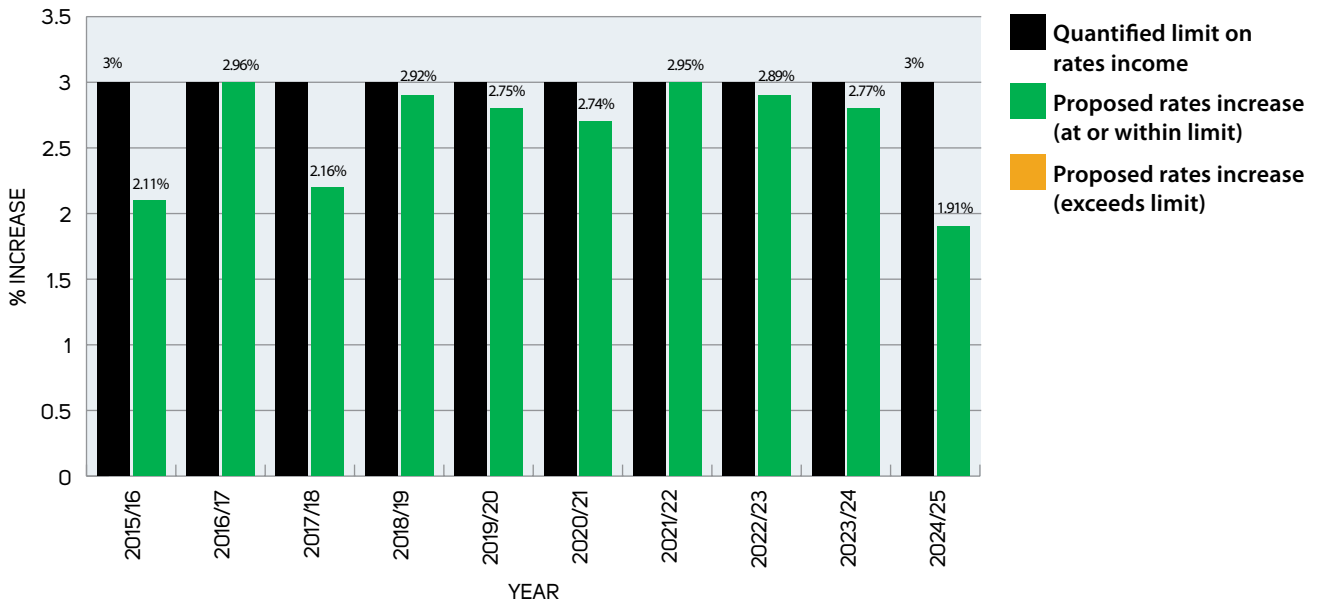
RATES (INCOME) AFFORDABILITY – TARGETED RATES



RATES (INCREASES) AFFORDABILITY

The following graph compares Council's planned rate increases with a quantified limit on rates increases contained in the Financial Strategy. The quantified limit is a maximum of 3% plus a range of growth from 1.17% to 2.55% for total rates income for each year covered by the Long Term Plan.

RATES (INCREASES) AFFORDABILITY



DEBT AFFORDABILITY BENCHMARK

Council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing.

The definitions contained in the regulations differ from those used in Council’s Treasury Risk Management Policy and Financial Strategy. The quantified limits on borrowing contained in the Financial Strategy are taken from Council’s Treasury Policy. Planned results reported in the benchmark graphs are determined based on the prescribed definitions contained in the regulations. The main departure between these two documents relates to the definition of net debt in the regulations compared to net external debt in the Treasury Policy.

Net debt is defined in the regulations as financial liabilities less financial assets (excluding trade and other receivables).

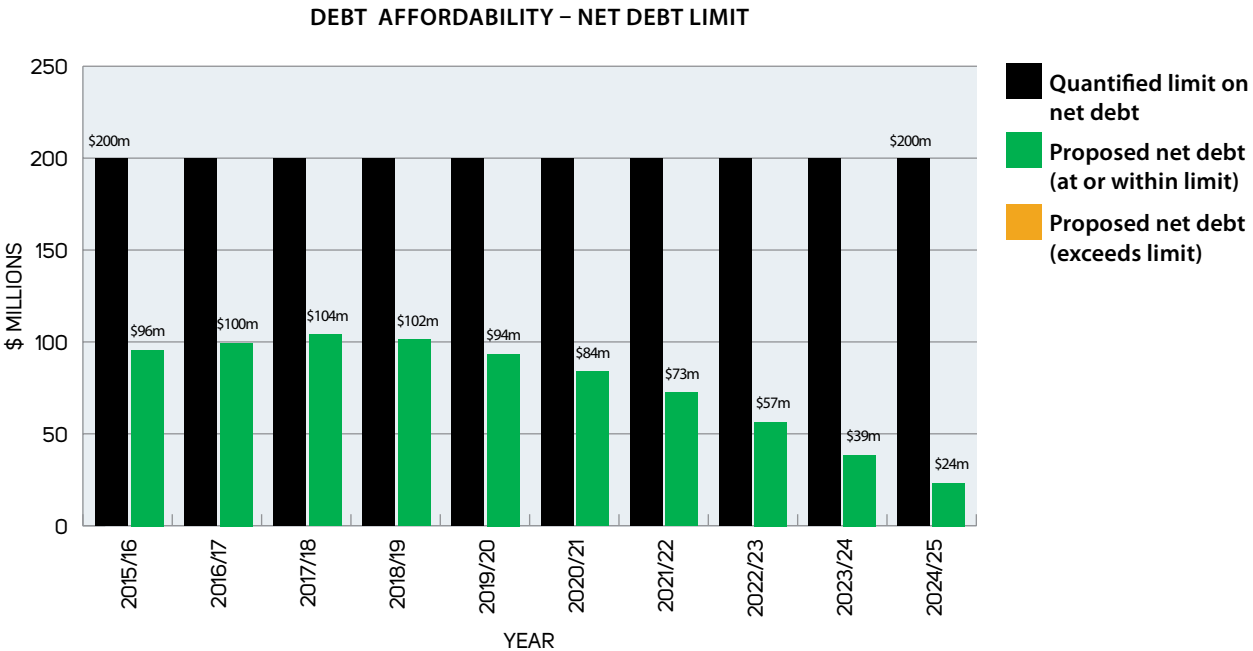
Financial liabilities as defined by GAAP include, gross external debt (aggregate borrowings of Council, excluding debt of Council’s associate organisations, including any capitalised finance leases, and financial guarantees provided to third parties) plus trade payables and derivative financial instruments (interest rate swaps).

Financial assets as defined by GAAP include cash or near cash treasury investments held from time to time, and equity instruments of other entities e.g. investments in Council Controlled Organisations (CCOs).

Net external debt is defined in the Treasury Policy as total external debt less liquid financial assets and investments.

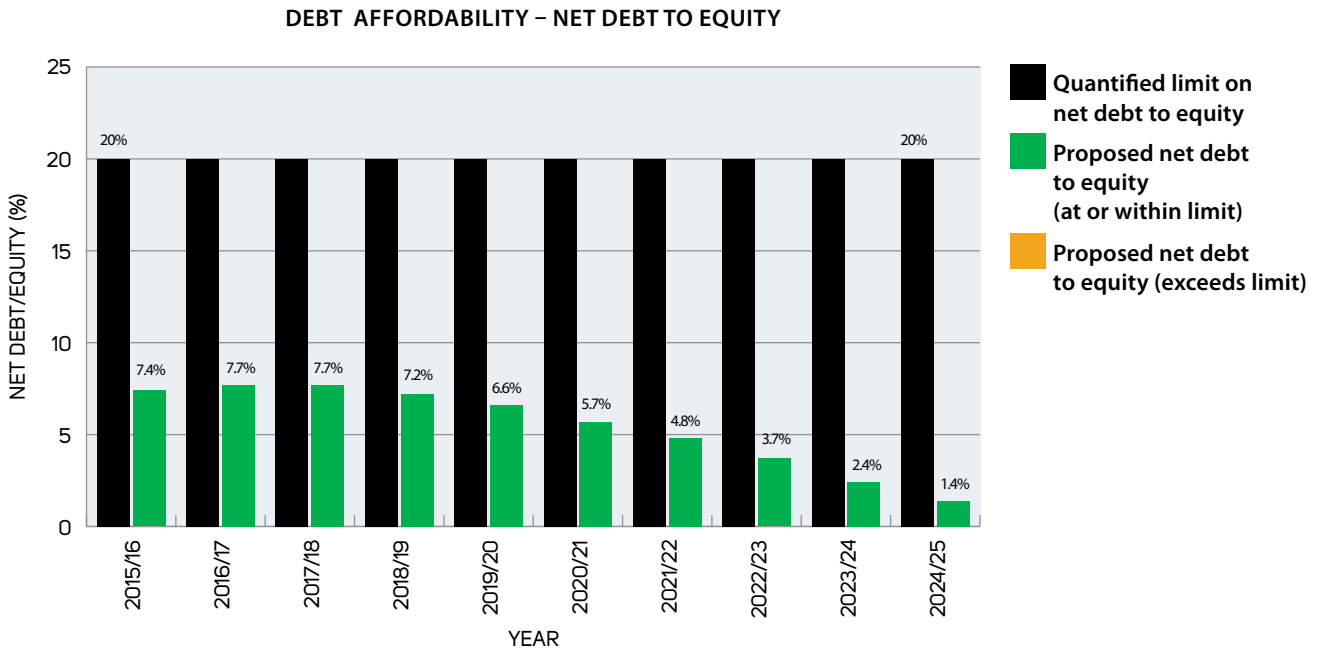
NET DEBT LIMIT

The following graphs compares Council’s planned debt with a quantified limit on borrowing contained in the Financial Strategy. The quantified limit for net debt is \$200 million per annum for each year covered by the Long Term Plan.



NET DEBT TO EQUITY

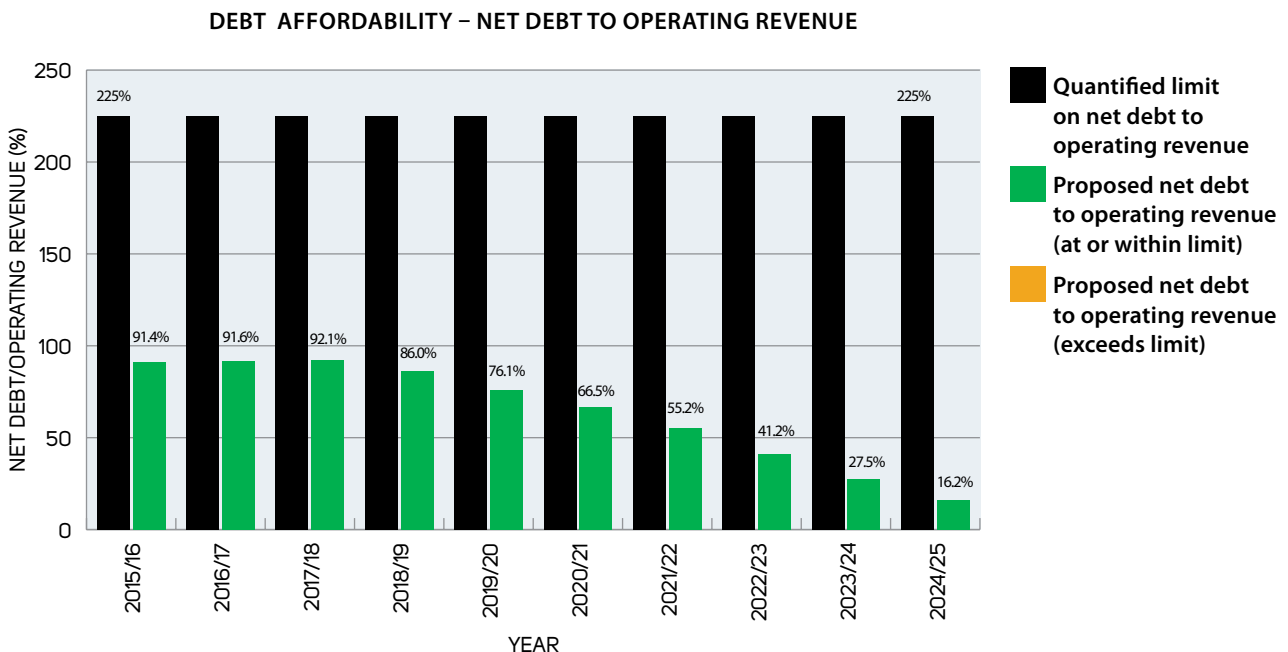
The following graph compares Council’s planned debt with a quantified limit on borrowing contained in the Financial Strategy. The quantified limit is 20% of equity.



NET DEBT TO TOTAL OPERATING REVENUE

The following graph compares Council’s planned debt with a quantified limit on borrowing contained in the Financial Strategy. The quantified limit is 225% of total operating revenue.

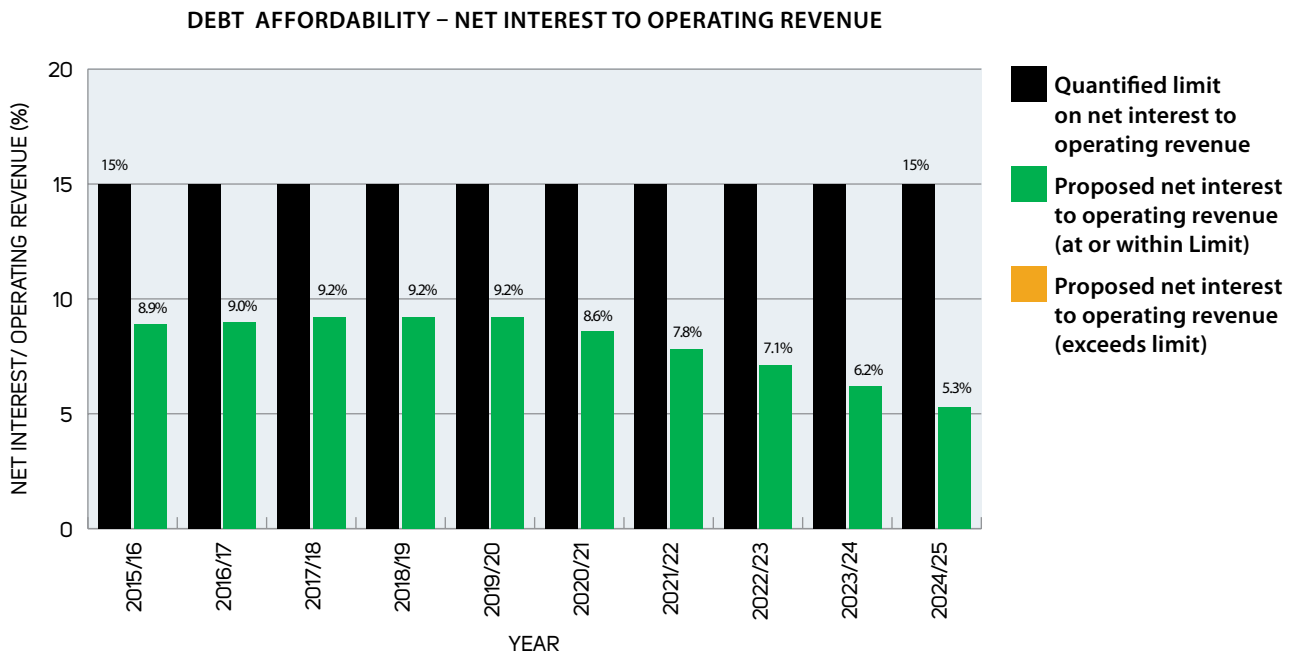
Total operating revenue is defined as earnings from rates, government grants and subsidies, user charges, levies, interest, dividends, financial and other revenue, but excludes non-government capital contributions, (e.g. development contributions and vested assets), gains on derivative financial instruments, and revaluations of property, plant, or equipment.



DEBT AFFORDABILITY BENCHMARK (CONT.)

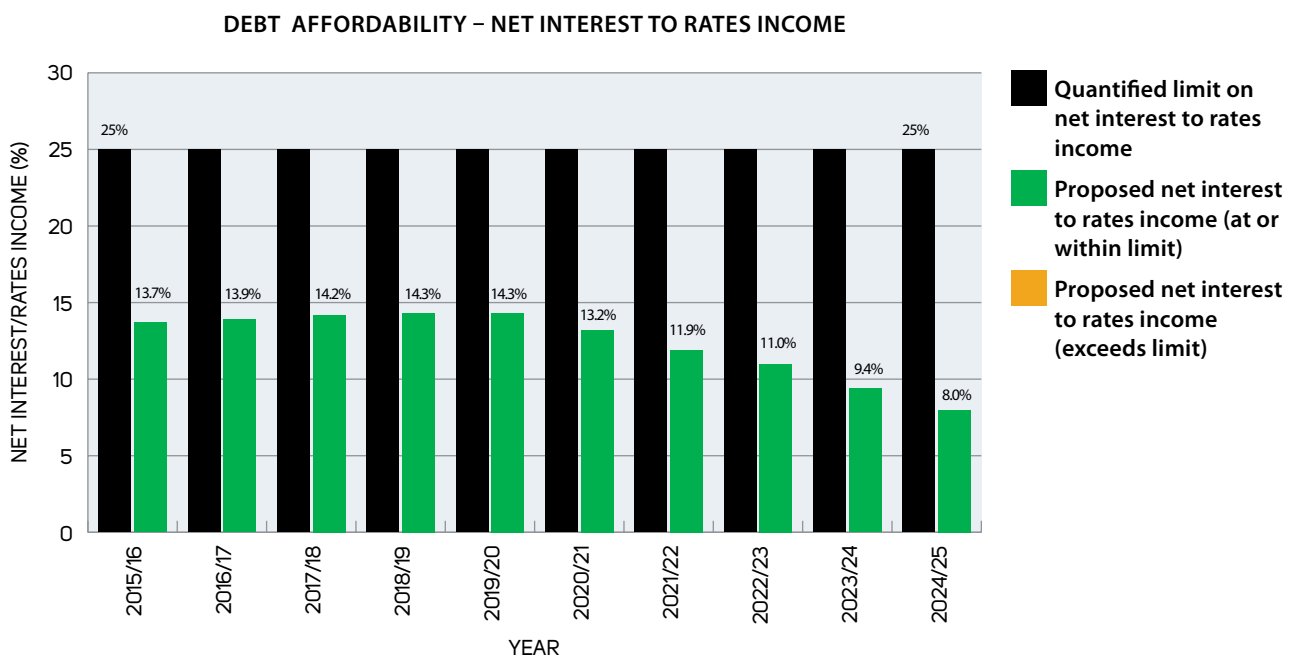
NET INTEREST TO TOTAL OPERATING REVENUE

The following graph compares the net interest costs of Council's planned debt with a quantified limit on borrowing contained in the Financial Strategy. The quantified limit is 15% of total operating revenue.



NET INTEREST TO TOTAL RATES INCOME

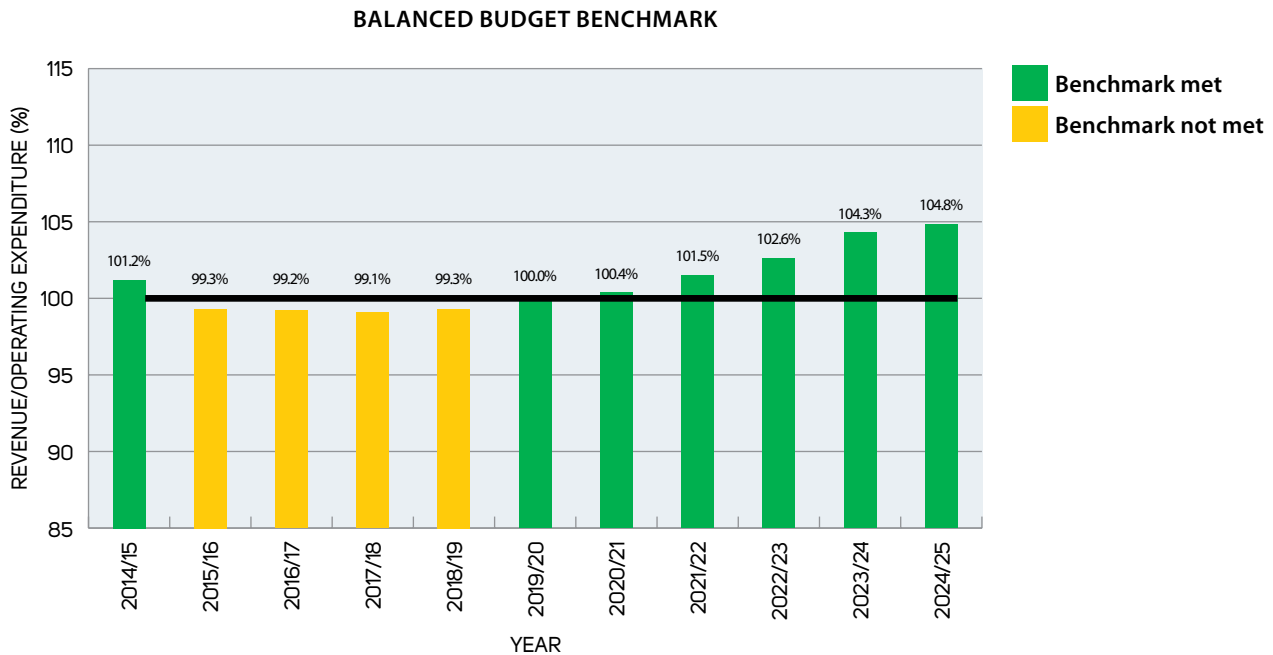
The following graph compares the net interest costs of Council's planned debt with a quantified limit on borrowing contained in the Financial Strategy. The quantified limit is 25% of total rates income.



BALANCED BUDGET BENCHMARK

The following graph displays Council's planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

Council meets the balanced budget benchmark if its planned revenue equals or is greater than its planned operating expenses.

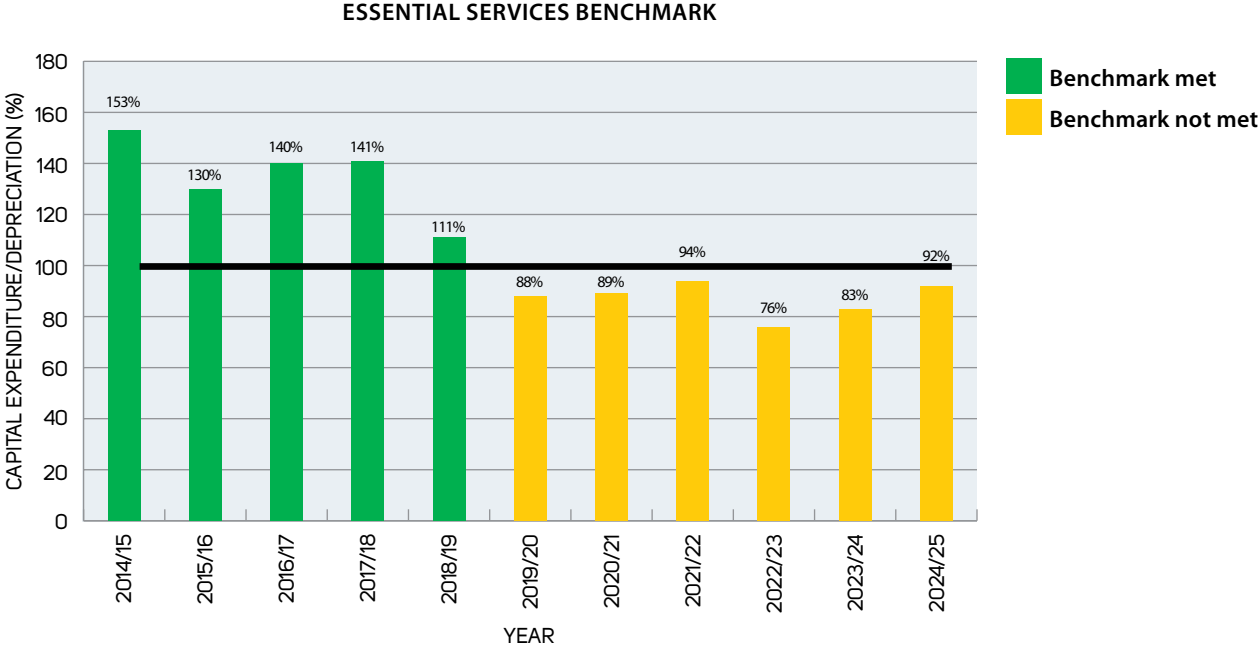


These benchmark results are based on the prescribed definitions of the regulations (outlined above). The Financial Strategy outlines a fundamental change in direction for Council in progressively funding depreciation from 2015/2016. Given the full depreciation charge is included in the operating expenses used to determine the above results; this produces an operating deficit as defined by the regulations that does not reflect the cash operating position of Council. A more detailed balanced budget is contained in the financial statements above. This shows Council runs a cash operating surplus over the same period; we considered this a better measure of Council's operating performance.

ESSENTIAL NETWORK SERVICES BENCHMARK

The following graph displays Council's planned capital expenditure on essential network services as a proportion of expected depreciation on network services. Essential network services have been defined as water, wastewater, stormwater, flood protection, roading activities. Therefore other Council activities and services have been excluded from this benchmark.

Council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services. Capital expenditure excludes vested assets.



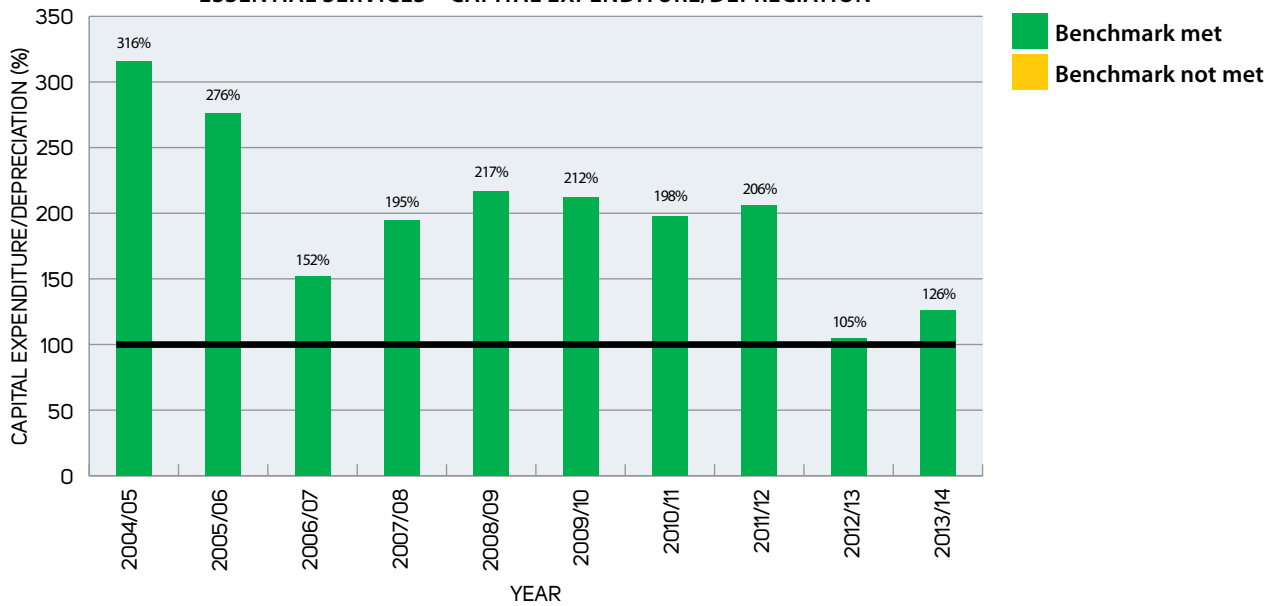
The main theme for the Financial Strategy is turning the tide on debt. This was achieved primarily through two means:

1. progressively funding depreciation, mentioned in the previous benchmark and outlined in more detail in the Financial Strategy, and
2. by reducing the overall capital expenditure programme.

The benchmark results in the above graph show Council's planned capital expenditure is less than planned depreciation for the last five years of the Long Term Plan. This is possible due to the previous high capital investment and improved management of infrastructure.

There is, however, an increased risk of a reduction in levels of service through infrastructure failure under this approach, although improvements to asset management systems are expected to mitigate this risk. Please refer to the Infrastructure Strategy for more commentary.

HISTORICAL COMPARISON ESSENTIAL SERVICES – CAPITAL EXPENDITURE/DEPRECIATION

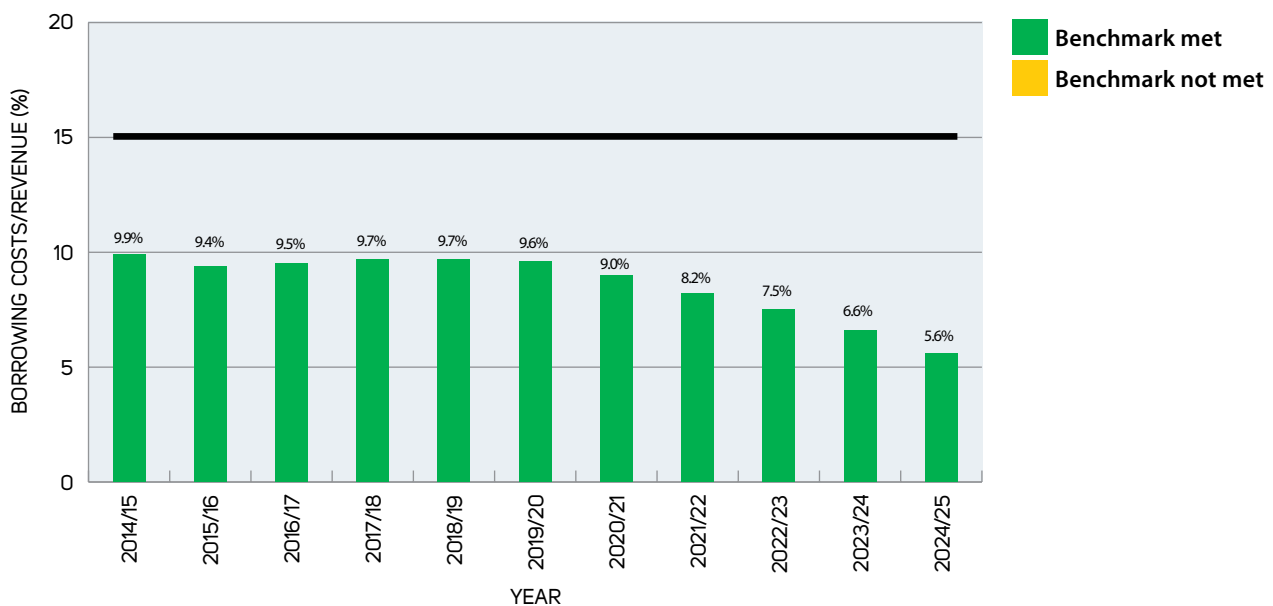


DEBT SERVICING BENCHMARK

The following graph displays Council’s planned borrowing costs as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

Because Statistics New Zealand projects that the population of Tasman District will grow faster than the national population is projected to grow, Council meets the debt servicing benchmark if its planned borrowing costs equal or are less than 10% of its planned revenue.

DEBT SERVICING BENCHMARK





PART 5 APPENDICES

Port Tarkohe

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 with an estimated 13,606 residents as at June 2013. Motueka is the next largest town, with an estimated 6,687 residents as at June 2013. The District contains many other small and distinct communities with a wonderful village atmosphere about them. Tasman District had a total estimated population of 48,800 at June 2013, which is 1.1 percent of New Zealand's population. Statistics New Zealand has estimated that the population of Tasman region increased by 0.4% in the year ending June 2013.

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 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 2,450 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 Wearable Art annual awards event, which is now held in Wellington due to the success of the event. The World of Wearable Art 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.

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.

Information from the 2013 census for Tasman District:

- Median age 44.2 years
- 17.9% 65 years and over
- 20% under 15 years
- 93.1% European
- 7.6% Māori
- 75% of households in occupied private dwellings owned the dwelling or held it in a family trust (this is the highest rate of home ownership in New Zealand).

ETHNICITY (FROM 2013 CENSUS)	TASMAN	NEW ZEALAND
European	93.1%	74.0%
Māori	7.6%	14.9%
Pacific peoples	1.1%	7.4%
Asian	2.0%	11.8%
Middle Eastern, Latin American, African	0.3%	1.2
Other ethnicity	4.8%	3.3%

EDUCATION 15 YEARS + (FROM 2013 CENSUS)	TASMAN	NEW ZEALAND
Formal qualification	76.7%	79.1%
Level 1 to 6 qualification	62.2%	59.0%
Bachelor's degree or higher	14.4%	20%
No qualification	23.3%	20.9%

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. The Tasman Region had an unemployment rate of 4.0% in March 2013, as compared with the national average of 7.1%.

People are employed in a wide range of occupations with the most common being managers, followed by labourers, professionals, technicians and administration/ clerical.

The median income is \$25,700 compared with the national average of \$28,500 (2013 census).

INCOME	TASMAN	NEW ZEALAND
< \$20,000	39%	38%
\$20,000 to \$50,000	40%	35%
> \$50,000	21%	27%

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
- Burial and Cremations Act 1964
- Bylaws Act 1910
- Civil Defence Emergency Management Act 2002
- Climate Change Response Act 2002
- Dog Control Act 1996
- Fencing of Swimming Pools Act 1987
- Food Act 1981
- Food Act 2014
- 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
- 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
- Prostitution Reform Act 2003
- Psychoactive Substances Act 2013
- Public Bodies Leases Act 1969
- Public Works Act 1981
- Reserves Act 1977
- Resource Management Act 1991
- Sale and Supply of Alcohol Act 2012
- 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

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 discretionary responsibilities that, if undertaken by Council, must comply with various statutory requirements (such as 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 (PREVIOUSLY REFERRED TO AS ASSET MANAGEMENT PLANS)

Activity Management Plans (AMPs) 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.

ASSET INVESTMENT

Investments held in physical capital assets rather than shares (equity investment). Council's primary asset investment is forestry. In addition, Council holds investments in commercial and semi-commercial property, including community housing and camping grounds.

APPENDIX 3: GLOSSARY OF TERMS (CONT.)

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 COST

The cost of creating or acquiring new physical assets or to increase the capacity of existing assets beyond their most recently assessed design capacity or service potential.

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 Council has undertaken annually by an independent research agency.

COMMUNITY OUTCOMES

Community outcomes are the priorities and aspirations identified by Council that it aims to achieve in order to promote the present and future social, economic, environmental and cultural well-being of the community.

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.

DEBENTURE TRUST DEED

A debenture trust deed is a debt instrument that is accompanied by a contract for repayment from the company issuing the debt. The company receives cash to fund its capital expenditures, and the investor receives guaranteed interest and principal payments. Because the payments are guaranteed, the risk to the investor is lower.

DEPRECIATION

Depreciation is an estimate of the wearing out, consumption or loss of value of an asset over time.

EQUITY INVESTMENT

An equity investment generally refers to the buying and holding of shares in anticipation of income from dividends and capital gains, as the value of the stock rises. Council can also hold equity investments for strategic purposes.

FINANCIAL YEAR

Council's financial year runs from 1 July to 30 June the following year.

FISCAL ENVELOPE

A set of financial limits that control for example the amount of operational expenditure, capital expenditure or rates income of council.

FIXED INCOME

An income from a pension or investment that is set at a particular figure and does not vary like wages, dividends or other investment income. An example would be government superannuation or a WINZ benefit.

GENERAL RATES

The general rate funds activities which are deemed to provide a general benefit across the entire District or which are not economic to fund separately. It is charged to every rateable property in the District.

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 SERVICE

This term describes what Council will deliver. Performance measures are specific indicators used to demonstrate how Council is doing regarding delivery of services. The measures are described in each Activity Management Plans. Council reports on the levels of service it delivered and on the performance measures each year through the Annual Report.

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.

LIQUIDITY

The ability or ease with which assets can be converted into cash.

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 Long Term Plan was previously called the Long Term Council Community Plan (LTCCP).

APPENDIX 3: GLOSSARY OF TERMS (CONT.)

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.

NET EXTERNAL DEBT (NET DEBT)

Net external debt means total external debt less liquid financial assets and investments.

NET INTEREST

Net interest is interest paid less interest income received.

NETWORK INFRASTRUCTURE

See Infrastructure Assets.

OPERATING COSTS (OR OPERATING EXPENDITURE)

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.

PRIMARY NETWORK

The network of pipes and open drains that manage stormwater for most rainfall events.

RATES INCOME

Income derived from setting and assessing general or targeted rates.

RENEWALS

The replacement of an asset or its component that has reached the end of its life, so as to provide a similar level of service or agreed alternative.

RETURN ON INVESTMENT APPROACH

Investments are managed to cover costs as well as return a surplus to Council. Investments with a higher return are favoured over those with a lower return.

SECONDARY FLOW PATH

The locations that stormwater flows when the primary network is full or blocked.

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).

TABLE LOAN

A loan where your regular repayments are the same each week, fortnight or month, unless your interest rate changes.

Every repayment includes a combination of interest and principal. At first, your repayments comprise mostly interest but as the amount you still owe begins to decrease, your regular repayment will include less interest and repay more of the principal (the amount you borrowed).

TARGETED RATES

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 (e.g. based on capital value, as a fixed amount per rateable property etc).

TOTAL OPERATING INCOME

Total operating income is defined as earnings from rates, government grants and subsidies, user charges, levies, interest, dividends, financial and other revenue, but excludes non government capital contributions, (e.g. development contributions and vested assets).

TRUNK SERVICES

The network elements that service larger segments of a community beyond a single street or subdivision.

UNCALLED CAPITAL

Capital that a company has raised by issuing shares or bonds but that the company has not collected because it has not requested payment.

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.

URBAN WATER CLUB

Includes all those Council-owned urban reticulated water supplies (except Motueka). They are grouped together for the purpose of allocating the costs of urban water supplies. The charge is consistent across all members of the urban water club.

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: LIST OF REQUESTS CONTAINED IN SUBMISSIONS ON THE 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 consultation documents that are NOT included in the final Long Term Plan. Over \$50 million of requests for additional funding to be included in the final Plan were received through the submissions on the Plan.

Unfortunately we cannot do everything requested without generating large rates and debt increases, which Council considered was not in the interests of the wider community. To grant all the requests for additional funding or services would have meant Council would have breached its rates and debt limits set out in the Financial Strategy. Some requests were not agreed to for a range of other reasons.

APPENDIX 4: LIST OF REQUESTS CONTAINED IN SUBMISSIONS ON THE PLAN BUT NOT INCLUDED IN THIS FINAL PLAN (CONT.)

Due to constraints on Council's budget, funding towards new recreation or community facilities has been restricted to a very limited number of projects – such as Motueka Library and Golden Bay recreation facility.

A substantial number of requests for support of the Kohatu Motorsport and Adventure Park were received. The Trust overseeing the development of the facility has undertaken a feasibility study that states that, after five years of operation it would contribute \$61 million to the regional economy and create 47 new jobs. The park is proposed to include a car racing circuit, rally circuit, drag racing strip and a number of other motorsport and non-motor sport facilities. Council is supportive of this regionally beneficial initiative but unfortunately it is outside of Council's current funding policies.

Some of the key items raised through the submission process, which have not been included in the Long Term Plan, are listed below.

ENVIRONMENTAL MANAGEMENT

- Funding towards controlling pine and Grevillea seedlings in Torrent Bay;
- Support for the Sustainable Living Programme and phasing out of herbicides;
- That Tasman District become GE Free;
- Reduce charges for Air Discharge Resource Consents;
- Transferring some of the savings from the TB Vector Control to biodiversity monitoring, reporting and management (although Council did decide to reallocate budgets within the Environment and Planning area, to support some of the highest priorities);
- Bringing forward the work programme for hazard risk assessments;
- Extending the Council's work programme on natural landscapes to the rest of the District, until the work on the Golden Bay/Mohua project has been completed and evaluated.

PUBLIC HEALTH AND SAFETY

- Policy on cat ownership;
- Provision of an Eco Design Advisor staff position;
- Purchase of sound level meter for Golden Bay;
- Compliance Officer to be appointed to work in Golden Bay.

TRANSPORTATION

- Additional cycleways; noting that Council has budgeted \$40,000 towards route investigation, design and land purchase for a cycleway between Takaka and Pohara;
- Upgrade of Marahau Bridge;
- Progressive upgrade of one-way bridges in Motueka.
- Increased contribution to a regional public transport network noting that the Council budgets had already been increased by \$75,597 (including NZ Transport Authority subsidy) per annum, with a further \$22,000 per annum increase from 2018/2019 (including NZ Transport Authority subsidy).

COASTAL STRUCTURES

- Funding for maintenance of revetment along Marahau Foreshore.

WATER SUPPLY

- Commitment to promoting and implementing fluoridation scheme;
- Bringing forward Drinking Water Standards NZ upgrades.

STORMWATER

- Progressive study on identified stormwater infrastructure failure in Motueka.

SOLID WASTE

- Waste bins for green waste collection.

RIVERS

- Reinstatement of the Lower Motueka River Flood Protection Project;
- Develop a land agreement for the Motueka Stopbanks;

COMMUNITY FACILITIES AND PARKS

- Funding for Kohatu Motorsport and Adventure Park, but acknowledging that the proposed park would be an important regional facility.
- Funding for District’s Visitor Centres.
- Funding for communities share of seismic repairs for Riwaka Hall and Motueka District Museum, noting that Council had already budgeted \$180,000 towards the seismic repairs to Riwaka Hall and has declined the request for Council to fund the balance needed of \$46,800; Motueka District Museum has a budget allocation of \$50,000 in the 2014/2015 financial year for seismic strengthening.
- Additional funding for the Golden Bay Museum;
- Review Urban Cycling Strategy and develop a Strategic Plan for Off-Road Biking;
- Further funding of digital services at libraries;
- Funding for “public” security cameras in Motueka;
- Additional funding for coast care projects;
- Additional funding contribution of \$50,000 towards restoration of the Motueka Quay Historic Wharf;
- Funding towards new community well-being clubhouse in Golden Bay;
- Development of new squash courts;
- Financial support for golf courses;
- Additional funding for Brook Waimarama Sanctuary and Dun Mountain Trail
- Prepare a Regional Event Strategy across all art, culture, ethnic and sporting events;
- Additional public toilets;
- Change the charging policy for Council’s pensioner housing so that rents are not increased to 80% of market value;
- One-off grant and contribution to annual operating costs for Natureland Wildlife Trust;
- \$15,000 funding contribution towards project by Education Nelson-Tasman;
- Funding to be provided for a separate Iwi liaison manager.

APPENDIX 5: 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 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. 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.

The growth model is a District-wide, long term development planning tool. Planning is required to best provide for the projected growth in Tasman’s population (from 48,800 in 2013 to 54,000 in 2043), households and business activity. The purpose of the growth model is to provide predictive information (demand and supply) for future physical development including sites for built development and network services. This information generates the forecast assumptions for the programming of a range of services as Council activities.

OVERALL SUMMARY OF POPULATION CHANGE

(based on Statistics New Zealand medium growth projections: 2006 base and updated in June 2013).

KEY STATISTICS	2006	2013	2031
Population	45,800	48,800	53,900
Median age (years)	40.3	44.2	47.3
Proportion of population aged over 65	13.6%	17.9%	28.6%
Number of households	17,900	18,264	23,500
Working age population	29,810	30,370	29,150

The most significant demographic change occurring across the District (and country) is the ageing of the population. In addition, household composition is becoming more diverse, and the average household size is also reducing.

Across our District, there are significant differences in the current and forecast composition of the different communities, including the rate of ageing, occupations, forecast household size and incomes. These demographic changes and variations have an impact on which facilities and infrastructure should be provided to the respective communities and how these facilities are funded. Examples of how Council intends to respond to the needs of our growing, ageing population include: providing for increased intensive living options in our urban settlements; ensuring infrastructure is accessible; and keeping rates and charges affordable to ratepayers on low and fixed incomes.

A summary of the population changes by settlement is set out below.

POPULATION PROJECTIONS FOR TASMAN DISTRICT BY SETTLEMENT AREA

Projected population data derived from Statistics NZ census data (adjusted for Growth Model).

Base projection series applied = medium

SETTLEMENT AREA	2014	2015	2016	2017	2020	2023	2026	2029	2039
Brightwater	1835	1857	1878	1900	1966	2036	2103	2168	2412
Coastal Tasman Area	2498	2519	2540	2561	2621	2677	2729	2780	2903
Collingwood	232	233	235	236	239	242	244	247	250
Kaiteriteri	377	379	381	383	388	391	392	392	382
Mapua/Ruby Bay	2028	2049	2071	2092	2156	2221	2281	2339	2506
Marahau	119	120	120	121	122	123	124	124	120
Motueka	6687	6710	6733	6756	6814	6852	6864	6864	6810
Murchison	413	411	410	408	402	392	386	381	365
Pohara/Ligar/Tata	543	546	549	552	560	567	572	577	583
Richmond	13606	13737	13869	14000	14381	14734	15088	15441	16396
Riwaka	591	595	599	603	613	620	623	623	636
St Arnaud	101	101	101	101	101	100	99	99	93
Takaka	1239	1239	1239	1239	1235	1222	1201	1175	1056
Tapawera	284	286	289	291	297	301	304	308	320
Tasman	189	190	192	193	197	200	203	205	210
Upper Moutere	148	149	151	152	156	160	165	168	177
Wakefield	1939	1959	1979	2000	2060	2121	2189	2260	2471
Ward Remainder (Area Outside Ward Balance)	282	284	285	287	291	295	298	300	303
Ward Remainder Golden Bay	3023	3040	3056	3073	3119	3156	3186	3214	3248
Ward Remainder Lakes Murchison	2418	2433	2448	2462	2507	2551	2596	2640	2722
Ward Remainder Motueka	3096	3122	3148	3173	3248	3318	3382	3445	3597
Ward Remainder Moutere Waimea	4248	4283	4319	4354	4457	4553	4642	4727	4937
Ward Remainder Richmond	1612	1656	1700	1743	1875	2006	2146	2289	2704
Total for District	47508	47898	48292	48680	49805	50838	51817	52766	55201

AGE STRUCTURE

The age structure of our District reflects the various influences of births, deaths and migration. Changes in the age structure of the population are occurring in all areas. The most important trend is the general ageing of the population, with an increasing number and share in the older age groups.

Between 2013 and 2043, the number of people aged over 65 in Tasman is projected to double from 17.8% to 37.6% of the population. Twenty-five years ago the figure was less than 10%. The first of the baby boomers (i.e. those born between 1946 and 1964) commenced retiring from 2011. Fertility rates have decreased over the last 20 years. The median age is projected to increase from 44.0 in 2013 to 53.8 in 2043.

Those communities with an older population are likely to have different aspirations to communities with a younger median age, for example:

- Where they wish to live (possibly closer to heart of the settlement areas where medical and social services are more readily available).
- An increasing demand for smaller properties and a decreasing 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 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 their incomes are expected to be lower – this may reduce the demand for retail outlets.

Communities with a younger population are likely to need:

- More formal recreation facilities.
- Larger properties.
- Access to public transport during commuter hours.
- Their ability to pay for services may be higher.
- Extended hours and methods to access Council services (e.g. evenings, online services).

Council has taken these factors into account in the development of this Long Term Plan.

APPENDIX 6: GENERAL COUNCIL INFORMATION

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 Council does and the services it provides are outlined in detail in Part 3 (Activities section) of this document.

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

MOTUEKA OFFICE

Street Address: 7 Hickmott Place, Motueka
Postal Address: PO Box 123, Motueka, 7143
Telephone: 03 528 2022
Fax: 03 528 9751

GOLDEN BAY OFFICE

Street Address: 14 Junction Street, Takaka
Postal Address: PO Box 74, Takaka, 7142
Telephone: 03 525 0020
Fax: 03 525 9972

MURCHISON OFFICE

Street Address: 92 Fairfax Street, Murchison
Postal Address: 92 Fairfax Street, Murchison, 7007
Telephone: 03 523 1013
Fax: 03 523 1012

APPENDIX 7: COMMITTEES, RESPONSIBILITIES AND PORTFOLIOS

COUNCIL STANDING COMMITTEES

There are four standing Committees of Council, each having delegated powers to handle their affairs. All Councillors have membership on these committees. 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 supplies, sewerage treatment and disposal, solid waste collection/disposal and waste minimisation, coastal protection, stormwater collection and disposal, some ports/wharves and boat ramps (excludes Port Tarakohe), rivers and waterways, public transport. This Committee is chaired by Cr T E Norriss.

COMMUNITY DEVELOPMENT COMMITTEE

This Committee has responsibility for recreation and development, parks and reserves, sports grounds, public halls, libraries, walkways, camping grounds, cemeteries, communications, environmental education, community and cultural facilities, Council grants, Annual and Long Term Plans, public conveniences, 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, rural fire, pest management 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 Council and other departments, including rate collection and financial management and property management. It is also responsible for Council's business enterprises (e.g. Port Tarakohe, aerodromes and forestry). This Committee is chaired by Cr T B King.

COUNCIL COMMITTEES

The following two committees operate under separate legislation, and their membership includes both Council and external members. The Mayor is not ex-officio on either committee.

TASMAN REGIONAL TRANSPORT COMMITTEE

This Committee operates under the Land Transport Act 2003, and is responsible for preparing for Tasman District a regional land transport strategy, a regional land transport programme, a regional fuel tax scheme, and any advice and assistance Council may request in relation to its transport responsibilities. The Committee is chaired by Cr T E Norriss.

DISTRICT LICENSING COMMITTEE

This Committee operates under the Sale and Supply of Alcohol Act 2012 and is responsible for determining applications for licences to sell alcohol. These could be On or Off Licences, Special Licences for events, Managers Certificates for people working in licensed premises. The Committee is chaired by Cr B W Ensor.

COUNCIL SUBCOMMITTEES

In addition to the above 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:

AUDIT

(reporting to Corporate Services Committee) – Crs M J Higgins (Chair), J L Inglis, P F Sangster, M J Greening, T B King.

CEO REVIEW

(reporting to Council) – Mayor R G Kempthorne (Chair), Crs B W Ensor, J L Edgar.

COMMERCIAL

(reporting to Corporate Services Committee) – Crs T B King (Chair), B W Ensor plus three appointed members.

COMMUNITY AWARDS

(reporting to Community Development Committee) – Crs J L Edgar, M L Bouillir.

COMMUNITY GRANTS AND FACILITIES

(reporting to Community Development Committee) –
Crs M L Bouillir (Chair), S G Bryant, P L Canton, J L Edgar,
T B King.

CREATIVE COMMUNITIES

(reporting to Community Development Committee) –
Crs M L Bouillir (Chair) and Z S Mirfin, plus community
representatives.

DEVELOPMENT CONTRIBUTIONS

(reporting to Environment and Planning Committee) –
Crs S G Bryant, T E Norriss and B W Ensor.

COUNCIL REPRESENTATIVES AND APPOINTMENTS

ACCESSIBILITY FOR ALL

Cr J L Edgar.

FRIENDLY TOWNS

Richmond representative – Cr Z S Mirfin for Fujimi Machi
Motueka representative – Cr P L Canton for Kiyosato

GOLDEN BAY AERODROME COMMITTEE

Cr P F Sangster

IWI LIAISON

Mayor R G Kempthorne, Chief Executive

JOINT SHAREHOLDERS

Mayor R G Kempthorne, Crs T B King, S G Bryant.

LOCAL GOVERNMENT NEW ZEALAND

Regional Sector Group representatives

Mayor R G Kempthorne, Chief Executive.

Zone 5 representatives

Mayor R G Kempthorne, Chief Executive.

Rural and Provincial Sector representatives

Cr T B King, Community Development Manager.

MOTUEKA AERODROME COMMITTEE

Cr B F Dowler

NATIVE HABITATS TASMAN

Cr B W Ensor

NELSON AIRPORT LIMITED

Council Director Cr J L Edgar

NELSON REGIONAL SEWERAGE BUSINESS UNIT

Crs B F Dowler, M J Higgins

NELSON TASMAN BUSINESS TRUST

Cr M J Higgins

NELSON-TASMAN CYCLE TRUST WORKING GROUP

Cr J L Edgar

NEW ZEALAND CYCLE TRAIL INCORPORATED (NZCT INC)

Gillian Wratt - Council representative

PORT NELSON LIMITED

Council Director Cr T B King.

POSITIVE AGEING FORUM

Cr J L Edgar

REGIONAL FUNDING FORUM

Crs T B King, J L Edgar

REGIONAL TB FREE

Cr T E Norriss

SAFE OF TOP GOVERNANCE GROUP

Cr J L Edgar

SAXTON FIELD WORKING GROUP

Crs J L Edgar, B W Ensor

TASMAN BAYS HERITAGE TRUST APPOINTMENTS COMMITTEE

Mayor R G Kempthorne, Chief Executive

TASMAN ENVIRONMENTAL TRUST

Cr B W Ensor

TASMAN REGIONAL SPORTS TRUST BOARD

Mayor R G Kempthorne

TASMAN YOUTH COUNCIL

Crs P L Canton, M L Bouillir

TENDERS PANEL

Crs J L Edgar, T B King, T E Norriss, Chief Executive

WAIMEA RURAL FIRE COMMITTEE

Cr T B King

APPENDIX 8: 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.

APPENDIX 9: COUNCIL MANAGEMENT

CHIEF EXECUTIVE

Lindsay McKenzie

COMMUNITY DEVELOPMENT MANAGER

Susan Edwards

CORPORATE SERVICES MANAGER

Mike Drummond

ENGINEERING MANAGER

Peter Thomson

ENVIRONMENT AND PLANNING MANAGER

Dennis Bush-King

OTHER

BANKERS

ASB Bank Ltd
Queen Street
Richmond

SOLICITORS

Fletcher Vautier Moore
265a Queen Street
Richmond

AUDITORS

Audit New Zealand, on behalf of the
Office of the Auditor General

APPENDIX 10: AUDIT REPORT FOR THE SOLID WASTE AMENDMENT 2016

To the readers of Tasman District Council's amended 2015-2025 Long Term Plan

I am the Auditor-General's appointed auditor for Tasman District Council (the Council).

The Council adopted its 2015-25 long-term plan (the plan) on 25 June 2015.

A long-term plan must contain a report from the auditor on:

- whether the plan gives effect to the purpose set out in section 93(6) of the Local Government Act 2002; and
- the quality of the information and assumptions underlying the forecast information in the plan.

We issued an unmodified opinion on the plan in our report dated 25 June 2015.

The Council has since consulted on a proposed amendment to the plan. The amendment to the plan transfers control of the Eves Valley landfill to a joint committee that will be operated as a joint venture with Nelson City Council.

Our audit report on the consultation document for the proposed amendment was dated 30 June 2016.

Following the consultation process, the Council has decided to amend its plan. The amended plan replaces the previously adopted plan.

The amended plan must contain a report from the auditor that either confirms or amends the previous audit report issued when the plan was adopted.

My report is below.

I carried out the work for this report using the staff and resources of Audit New Zealand. This work was completed on 5 October 2016.

REPORT CONFIRMING OUR PREVIOUS OPINION

Our work for this report focused only on the amendment and its effect on the plan. We did not repeat the audit work we did on the plan when it was originally adopted.

As a result of this work, we do not consider it necessary to amend our previous opinion which was included in our report on the plan as originally adopted.

I confirm that our previous audit opinion on the plan as originally adopted issued on 25 June 2015, is not affected by the amendment to the plan.

As for our opinion on the plan, this report does not provide assurance that the forecasts in the amended plan will be achieved, because events do not always occur as expected and variations may be material. Nor does it guarantee complete accuracy of the information in the amended plan.

BASIS OF THIS REPORT

We carried out our work in accordance with the Auditor-General's Auditing Standards and the:

- International Standard on Assurance Engagements (New Zealand) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information;
- International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information, and
- ethical requirements in those standards.

We did not evaluate the security and controls over the electronic publication of the amended plan.

RESPONSIBILITIES OF THE COUNCIL AND AUDITOR

The Council is responsible for:

- meeting all legal requirements affecting its procedures, decisions, consultation, disclosures and other actions relating to amending the plan;
- presenting forecast financial information in accordance with generally accepted accounting practice in New Zealand; and
- having systems and processes in place to enable the amended plan to be free from material misstatement.

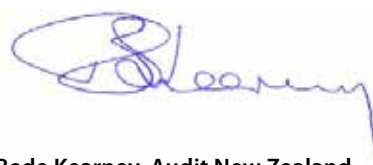
I am responsible for reporting on whether the amendment to the plan affects my previous audit report on the plan as originally adopted. I do not express an opinion on the merits of the plan's policy content.

INDEPENDENCE AND QUALITY CONTROL

In carrying out our audit, we complied with the Auditor-General's

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 (Revised); and
- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended).

Other than our work in carrying out all legally required external audits, and an independent assurance review of the District Council's Debenture Trust Deed, we have no relationship with or interests in the Council.



Bede Kearney, Audit New Zealand

On behalf of the Auditor General, Christchurch, New Zealand

