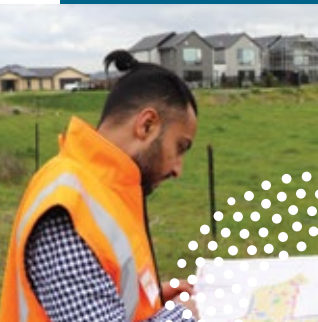


ANNUAL REPORT PŪRONGO Ā-TAU 2023



Te Kaunihera o
te tai o Aorere

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A WORD FROM OUR MAYOR AND CHIEF EXECUTIVE OFFICER

Welcome to Te Kaunihera o te tai o Aorere / Tasman District Council's Annual Report.

The 2022/2023 year would have to have been one of the more challenging years this Council has experienced. From preparing for the biggest resource management changes in decades, to fundamental change to how we deliver safe water to, and wastewater from, communities, and a structural review of the local government sector. All this during a time of economic 'swiss cheese', where the increasing interest rates, high inflation and chronic labour market shortages all came at once.

If those conditions were not challenging enough, in August 2022 the event now known as an atmospheric river unleashed five days of torrential rain into our region. The resulting flooding required some evacuations and caused significant damage to roads and infrastructure. Emergency Operation Centres in Richmond and Golden Bay were activated, involving staff from both Tasman and Nelson Councils as well as local iwi and other agencies. While a protracted recovery followed, it also provided a reminder of what we need to plan, build and prepare for in the future.

We are very happy to say that despite all those challenges your Councillors and Council staff managed to progress and complete a number of key projects across the District.



The Waimea Community Dam achieved an important milestone with the reservoir closed, ready for filling over winter. Motueka, Pōhara, and Dovedale got new treatment plants to improve the safety and quality of drinking water for these communities.

How we move through our growing district saw change with the Walking and Cycling Strategy becoming a reality with projects in Richmond, Māpua and Motueka funded from the government's Transport Choices and Streets for People programmes. New infrastructure was installed as part of the new and extended electric bus service, eBus, which began in August 2023.

The Golden Bay Grandstand was officially opened in January 2023 and the new Motueka Library /Te Noninga Kumu celebrated its first birthday with a growing number of visitors enjoying the activities hosted there. The Library was recognised at the New Zealand Institute of Architects Awards highlighting the building's community connection, agricultural roots, netzero electricity use and toi Māori.

It was not all about the then and now with several key strategic plans adopted taking a long-term view of the management of our natural and built environment, including the Future Development Strategy, a 30-year joint Nelson Tasman strategic plan for future housing and business growth, and the Biodiversity Strategy.

As we enter the 2023/2024 year there is still a high level of uncertainty, and this is likely to continue into 2024. We would like to thank the community, Councillors, Community Board members, staff, iwi, volunteers and contractors for their contributions throughout the year to support the place we live in. Your support ensures that we continue to enjoy the Tasman District from the mountains to the sea (ki uta ki tai), as a beautiful place to live.

A handwritten signature in blue ink, appearing to read 'Tim King'.

Tim King
Mayor

A handwritten signature in blue ink, appearing to read 'Janine Dowding'.

Janine Dowding
Chief Executive Officer

OUR COUNCIL MEMBERS

Tasman Mayor



Mayor Tim King

Motueka Ward



Cr Brent Maru



Cr Trindi Walker



Cr Barry Dowler

Richmond Ward



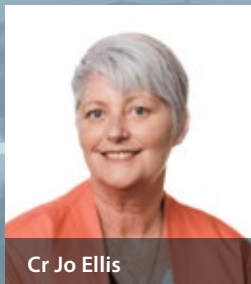
Cr Mark Greening



Cr Kit Maling



Cr Glen Daikee



Cr Jo Ellis

Moutere/Waimea Ward



Cr Christeen Mackenzie



Cr Dan Shallcrass



Cr Mike Kininmonth

Golden Bay Ward



Cr Celia Butler



Cr Chris Hill

Lakes/Murchison Ward



Cr Stuart Bryant



○ ————— ○

PART ONE: OVERVIEW

————— ○

2022/2023: OUR YEAR IN REVIEW

Tasman District Council has successfully continued to deliver services and projects to the community during a time of economic challenge and legislative change. The projects outlined here reflect the diverse range of activities that we undertake to help ensure Tasman has a healthy environment, strong economy and a vibrant community. Many of our projects take a collaborative approach with other organisations, particularly local iwi, neighbouring councils, government agencies and community groups.

This page and the following pages detail some of the work we have been doing in each of our activities in the 2022/2023 year.

Commissioned water treatment projects for Motueka, Pōhara, Dovedale, Brightwater and Wakefield

Planted 15,800 native plants on riparian sites

Constructed a new water treatment plant in Pōhara

Responded to the severe August weather event

Prepared for the rollout of the new bus services

Removed fines for overdue library items

Adopted the Nelson Tasman Future Development Strategy

Completed a new Building Waste Diversion facility in Richmond

Began filling the Waimea Dam

Started the Streets for People and Transport Choices programmes

Adopted the Tasman Biodiversity Strategy

Elected a new Council and community boards for the 2022–2025 term



ENVIRONMENTAL MANAGEMENT



CAPEX
\$335K

OPEX
\$21.4M

Our goal is to effectively promote the sustainable management of our District's natural and physical resources.

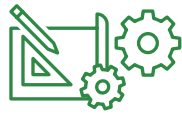
WHAT WE DO

The Environmental Management activity is responsible for environmental monitoring and resource investigations to understand our District's resources; minimising inappropriate practices or the incidence of pests and other threats, maintaining and enhancing indigenous biodiversity, and developing a robust policy planning framework to ensure ongoing sustainable management.

WHY WE DO IT

Our responsibility is to understand and promote the sustainable management of our District's resources, and to manage the consequences of human activity on the environment and other people.

WHAT WE DELIVERED



Began work on a new
MĀPUA MASTERPLAN



Adopted the Tasman
BIODIVERSITY STRATEGY



Responded to the severe August
WEATHER EVENT



Continued our ongoing
PLANTING PROGRAMMES at Teapot Valley and the Waimea Delta

LEVELS OF SERVICE



93% of swimming beaches and rivers we sampled were safe for contact recreation, above our target of 92%



The National Air Quality Standards were met with zero breaches of the limits for particulate matter, meeting our target



ALL recorded non-compliance was resolved within nine months, above our target of 80%

PUBLIC HEALTH AND SAFETY



CAPEX
\$45K

OPEX
\$10.3M

The Public Health and Safety activity aims to keep people and their properties safe and protect them from nuisance. It also aims to ensure that use of public areas is fair and equitable.

WHAT WE DO

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

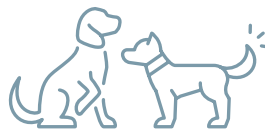
WHY WE DO IT

We contribute to the sustainable development of our District and the safety and well-being of our community. We ensure that actions, or non-actions, taken by the people in our District, are lawful, sustainable and safe. We enable people to carry out activities without affecting their, or others', safety. We also respond to central government legislation.

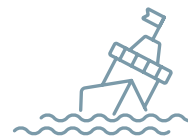
WHAT WE DELIVERED



Our building team **INSPECTED 8127 PROPERTIES**, and issued 1376 building consents and 1165 Code Compliance Certificates



Over **370 ADDITIONAL DOGS** were registered since last year



Our harbourmasters removed **FOUR WRECKS** and responded to **TWO OIL SPILLS**

LEVELS OF SERVICE



The average time taken to process a building consent dropped to **9 WORKING DAYS**, below our target of 12 working days



100% of high-priority dog complaints were responded to within 60 minutes, meeting our target of 100%



ALL food premises that we are responsible for were inspected, meeting our target of 100%



72% of residents were satisfied with our building control work, below our target of 80%

TRANSPORTATION



CAPEX
\$13.6M

OPEX
\$23.0M

Transportation activities are managed so people and goods can safely move within our communities and District.

WHAT WE DO

The Transportation activity involves maintaining our transportation network and other transportation-related services, for example, transport planning, road safety, and public transport services like the Total Mobility Scheme. These activities help to enable the movement of people and goods throughout our District and line up with the Regional Land Transport Plan's objectives.

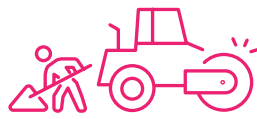
WHY WE DO IT

On behalf of our ratepayers, we provide a quality transportation network, enabling the safe and reliable movement of people and goods which improves the economic and social well-being of our District. The provision of transport services, roads, cycle paths, and footpaths are a public good, and as such it is a core function of local government.

WHAT WE DELIVERED



Began implementing the **STREETS FOR PEOPLE** programme in Richmond and Māpua



UPGRADED SALISBURY ROAD to include new pedestrian crossings and an on-road cycle lane

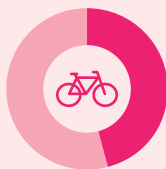


Started work on the **TRANSPORT CHOICES** programme in Richmond and Motueka



Prepared for the rollout of the **NEW BUS SERVICES**

LEVELS OF SERVICE



46% of residents thought that our road network was safe for cycling, below our target of 70%



There was **ONE LESS FATAL OR SERIOUS CRASH** on our road network compared to last year, meeting our target of zero annual increase



45% of residents were satisfied with our roads, below our target of 70%



Use of public transport **INCREASED BY 41%** compared to last year, achieving our target of an annual increase per capita

RIVERS AND COASTAL ASSETS



We aim to protect properties from river flooding and ensure that our river environments remain healthy and attractive ecosystems that can be enjoyed by our communities. We aim to ensure access to the sea can be enjoyed by all whilst managing the effects of the sea on property.



WHAT WE DO

We promote soil conservation, mitigate damage caused by floods and riverbank erosion, and maintain and improve river assets such as stopbanks and erosion protection. We also own, provide, maintain, and improve wharves, jetties, boat ramps, associated buildings, foreshore protection walls, and navigational aids to support the safe use of our coastal waters.

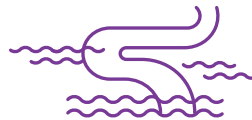
WHY WE DO IT

By implementing and maintaining river control and flood protection schemes, we enhance community wellbeing, protect neighbouring properties, and mitigate damage caused by flood events. We also ensure that our rivers are healthy and continue to support biodiversity. Our coastal assets provide access to coastal areas for commercial, cultural, and recreational purposes. Council ownership and management of coastal assets ensure they are retained for our community.

WHAT WE DELIVERED



Continued to improve the structural integrity of the **MOTUEKA RIVER STOPBANK**

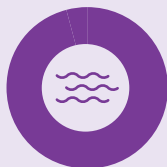


RIVER PROTECTION WORKS as a result of damage from the August floods



Planted **15,800 NATIVE PLANTS** on riparian sites

LEVELS OF SERVICE



ALL our flood protection and control works are maintained, meeting our target of 100%



We planted **15,800** plants along our river margins, above our target of 13,000



ALL of our coastal erosion structures have been inspected and maintained to their original standard, meeting our target of 100%

WATER SUPPLY



CAPEX
\$20.3M

OPEX
\$15.0M

We aim to provide secure water supply systems that deliver safe water to our communities.

WHAT WE DO

Water is a fundamental community requirement. We provide potable and non-potable water to about 13,600 properties (approximately 30,000 people) throughout Tasman District.

WHY WE DO IT

We provide a safe, secure and reliable water supply. We aim to provide ready access to high-quality drinking water in our urban schemes and fit-for-purpose water supply in our rural schemes to enhance the health and well-being of our residents. A safe, secure and reliable water supply also facilitates economic growth and enables the protection of property through the provision of water at a pressure adequate for firefighting needs.

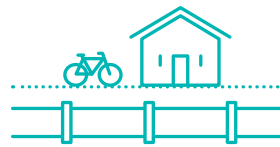
WHAT WE DELIVERED



The Waimea Dam began **FILLING WITH WATER**



Commissioned **WATER TREATMENT PROJECTS** in Motueka, Wakefield, Brightwater, and Pōhara



IMPROVED PIPE CAPACITY along Salisbury Road



Installed a **NEW WATER MAIN** to cater for growth in Motueka West

LEVELS OF SERVICE



85% of customers who receive water were satisfied, above our target of 80%

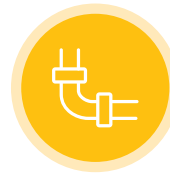


The average water consumption of residents per day was **232L**, below our target of 250L daily



Consented water takes achieved **FULL COMPLIANCE** with no notices or convictions recorded, meeting our target

WASTEWATER



CAPEX
\$8.1M

OPEX
\$11.7M

We aim to provide cost-effective and sustainable wastewater systems to protect public health whilst meeting environmental standards.

WHAT WE DO

We provide and manage wastewater collection, treatment, and disposal facilities for our residents connected to our eight wastewater networks. There are approximately 14,000 connections to our wastewater networks. These networks convey wastewater to eight treatment plants, seven of which we own and manage.

WHY WE DO IT

The provision of wastewater services is a core public health function of local government. We promote and protect public health, community well-being, and our environment within our District by planning, implementing, and maintaining our wastewater services. This is one of our key duties as required by the Health Act 1956.

WHAT WE DELIVERED



Construction began on stage one of the **TARAKOHE PUMP STATION AND RISING MAIN PROJECT**

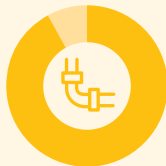


Construction began on a **NEW WASTEWATER RISING MAIN** from Grey Street to the Motueka bridge to cater for growth in Motueka West



We progressed development of a **REGIONAL WASTEWATER PHILOSOPHY** with iwi, to support a strategy to relocate the Motueka Wastewater Treatment Plant

LEVELS OF SERVICE



92% of users who receive a wastewater service were satisfied, well above our target of 80%



We took a median of **119 MINUTES** to attend to blockages, exceeding our 60-minute target, but the median time to resolve blockages was within our target of nine hours



There were **0.9** dry weather overflows per 1000 connections to the wastewater system, well below our target of five



We received **0.5** complaints related to wastewater odour, blockages, and noise for every 1000 connections, well below our target of 35

STORMWATER



We aim to provide cost-effective and sustainable stormwater systems that reduce flooding and meet environmental standards.

WHAT WE DO

The stormwater activity provides stormwater collection, reticulation, and discharge systems in our District on behalf of our residents. The assets used to provide this service include drainage channels, piped reticulation networks, tide gates, detention or ponding areas, inlet structures, discharge structures and quality treatment assets.

WHY WE DO IT

We minimise the risk of flooding of buildings and property from surface runoff and small urban streams. We also aim to minimise flooding in urban areas so that people can continue to move throughout our communities during times of wet weather. We enable safe and efficient conveyance and disposal of stormwater, improving the economic and social well-being of our District by protecting people and property from surface flooding.

WHAT WE DELIVERED



STORMWATER MODELLING has been carried out for the Māpua/Ruby Bay UDA*, and is currently underway for the Brightwater and Wakefield UDAs



We began Stage Two of a business case to develop and assess a new long-list of **IMPROVEMENT OPTIONS FOR RICHMOND CENTRAL**



Staff completed **MODELLING OF OVERLAND FLOWPATHS** and have continued floor level surveys to help confirm flooding risks

LEVELS OF SERVICE



Our stormwater system was **FULLY COMPLIANT** with its resource consents, meeting our target



82% of residents with a stormwater connection were satisfied with our service, above our target of 80%



There were **EIGHT** complaints for every 1000 connected properties about our stormwater system, well below our target of 20



The median response time to attend a flooding event was **35 MINUTES**, well below our target of 2 hours

*Urban development area

WASTE MANAGEMENT AND MINIMISATION



CAPEX
\$6.3M

OPEX
\$14.1M

We aim to avoid and reduce the creation and harmful effects of waste, and improve the efficiency of resource use.

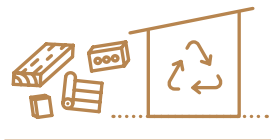
WHAT WE DO

We provide and promote kerbside recycling and waste collection services, a materials recovery facility (MRF) to process recycling, five Resource Recovery Centres (RRCs), drop-off facilities for greenwaste and processing, through a contracted service, transport services to move these materials around our District, and a range of waste minimisation initiatives with schools, businesses, and the wider community, to reduce the production of waste and minimise harm.

WHY WE DO IT

The Waste Minimisation Act (2008) requires us to promote effective and efficient waste management and minimisation within our District. We provide waste management and minimisation services to protect our public's health and our natural environment from waste generated by people. These waste minimisation activities promote efficient use of resources, reduce waste for businesses and households and extend the life of our Region's landfills.

WHAT WE DELIVERED



Completed a new **CONSTRUCTION AND DEMOLITION DIVERSION FACILITY** in Richmond

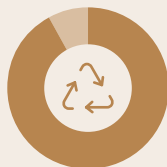


Supported engagement with schools through the **ENVIRO SCHOOLS PROGRAMME**



Undertook **REPAIRS AND UPGRADES** at the Murchison Resource Recovery Centre

LEVELS OF SERVICE



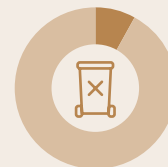
92% of recycling users were satisfied with our service, above our target of 90%



83% of residents who receive our recycling service used it more than three times per annum, below our target of 95%



658KG per person went to our landfills, below our target of 710kg



Contamination levels in our recycling were **8%**, above our target of 7.5%

COMMUNITY DEVELOPMENT



CAPEX
\$6.7M

OPEX
\$19.9M

We promote physical, environmental, economic, cultural and social well-being of our District with the provision of parks, reserves, facilities, and libraries. We also meet the needs of the community by providing amenities, events, environmental education, and community grants.

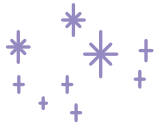
WHAT WE DO

We provide and maintain a wide range of parks, reserves, recreational facilities, community facilities and amenities, library and museum services, events, environmental education, and community grants, for our ratepayers.

WHY WE DO IT

This activity is important to our community's well-being. It contributes to providing the heart in each of our District's communities, encouraging healthy and active communities, strong social interaction, and improved environmental and cultural outcomes.

WHAT WE DELIVERED



Organised events for the first public holiday recognising **MATARIKI**



Ran a Welcoming Week to **CELEBRATE DIVERSITY** and welcome new residents



Built a **NEW PLAYGROUND** at Wakefield (Genia Drive)

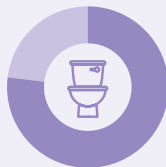


REMOVED FINES for overdue library items

LEVELS OF SERVICE



100% of library users were satisfied with our libraries, well above our target of 85%



77% of residents were satisfied with our public toilets, above our target of 70%



There were **313,344** admissions to the Richmond Aquatic Centre, above our target of 252,000



65% of residents were satisfied with our community events, below our target of 75%

COUNCIL ENTERPRISES



CAPEX
\$2.4M

OPEX
\$25.1M

Commercial and semi-commercial activities meet user needs, provide a safe and compliant working environment, and are financially sustainable.

WHAT WE DO

This activity involves the management of approximately 2,700 stocked hectares of commercial plantation forest, aerodromes in Motueka and Takaka, a mixture of leased and managed holiday parks in Motueka, Pōhara, Collingwood and Murchison, the management of Port Taranaki and the management of various commercial property assets.

WHY WE DO IT

Council's ownership and management of commercial 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 the Council. This additional income reduces the Council's reliance on rates to fund its activities.

WHAT WE DELIVERED



Work has begun on a \$6 million **UPGRADE** of Golden Bay's Port Taranaki



A new **RECYCLING CENTRE** was installed, along with maintenance and capital repairs at the Māpua Wharf precinct



A new **DECK AND RAMP** were installed at Motueka Holiday Park



A new **BOILER AND WATER TANK** were installed at Pōhara Holiday Park

LEVELS OF SERVICE



EBITDA from forestry activities was **\$11 MILLION** – more than four times our target of \$2.7 million



EBITDA of our holiday parks was **\$996,000**, above our target of \$645,000



EBITDA for our commercial properties was **\$332,000**, below our target of \$372,000

SUPPORT SERVICES



Support Services are the internal functions that do not have direct output to our communities but help ensure we operate efficiently and effectively, meet our statutory obligations, and work towards the achievement of our community outcomes.

WHAT WE DO

The Support Services activity includes customer services, communications, strategic policy, property, finance, human resources, information services, records management and health and safety.

WHY WE DO IT

We support other areas of the Council to more effectively and efficiently operate. We also engage the community in plans, policies, and strategies, provide communication to the community, answer customer queries and process certain applications.

WHAT WE DELIVERED



We successfully ran the **2022 LOCAL ELECTION** and elected a new Council



PROVIDED INPUT to the RMA reforms, Affordable Waters reforms, and the Review into the Future for Local Government



Consulted on our **CLIMATE RESPONSE STRATEGY** and Action Plan

LEVELS OF SERVICE



71% of residents considered the information we supply to be sufficient, below our target of 75%



53% of residents were satisfied with opportunities to give feedback on Council plans and decisions, above our target of 50%



82% of customers were satisfied with the service they receive when contacting the Council, below our target of 85%



98% of general enquires were responded to by Council staff within three working days, well above our target of 85%

WORKING WITH IWI

The Council continues to enhance its relationships with Iwi and Māori in the Tasman rohe. A key change in 2022/2023 is the increase in the Council's capacity to do this following the inclusion of a new Kaitohutohu Māori – Senior Māori Advisor role. The Council has now established Te Kāhui Hononga – the Māori Partnerships and Engagement team which includes the Council's Kaihautū and Kaitohutohu Māori.

Regular hui have been held with the Chairs and management of the Iwi Trusts to discuss their input into the Council's decision-making and to explore ways that we can work more collaboratively at an operational level. Te Taiuhu Iwi Trusts and the Nelson, Tasman, and Marlborough councils also hold regular forums to discuss matters and opportunities of mutual interest.

The Council and Taiao representatives from the Iwi Trusts have established routine engagement hui where Council can present upcoming projects and engagement opportunities. This is proving to be a valuable way to prioritise engagement efforts. Council staff have also been developing Whakawhitiwhiti Whakaaro, a digital space for iwi and Council that will continually incorporate feedback to create efficiencies to meet the needs of iwi.

Our Kaumātua, Archdeacon Emeritus Harvey Ruru QSM and Jane du Feu MNZM, continue to provide the Mayor and elected members with tikanga Māori leadership at civic events and help us understand iwi and Māori priorities. Jane and Harvey are amorangi (esteemed leaders) who are held in high regard by the Council, Iwi and the community.

On Wednesday 9 November, Iwi from Te Taiuhu and the Councils of Nelson City, Tasman and Marlborough Districts came together for the first time at Whakatū marae. The unprecedented hui came about at the start of the new Council triennium to build meaningful relationships through an increased understanding of the opportunities much of the country's recent legislation has provided.

Following the local government elections in October 2022, the inauguration event for Councillors was held at Te Āwhina Marae on 9 November. This was a very moving and significant occasion.

On 24 June 2022, the Tasman community joined the rest of New Zealand to celebrate the inaugural Matariki public holiday. Council and Iwi organised various events, such as waiata and kapa haka performances, and our libraries held storytime and craft sessions.

Throughout the year, Council and Iwi representatives have been working closely on several projects:

- **Tasman Environmental Policy Iwi Working Group:** a group of our staff and iwi representatives meet regularly to discuss the new Aorere ki uta – Aorere ki tai (Tasman Environment Plan). This group discusses plan changes and we have also worked together to identify Sites and Areas of Significance to Māori.



© Melissa Banks

WORKING WITH IWI

Te Puna Korero, a collaborative approach with eight Te Taihū Iwi and the three Top of the South Councils has been established to implement Te Mana O Te Wai and the requirements of the National Policy Statement for Freshwater Management. Since initiation, a partnership agreement between all parties has been established, regular hui have been conducted, and five wananga have been planned for next financial year.

- **Kotahitanga Mō Te Taiao (KMTT) Alliance Strategy:** Councils, iwi, and the Department of Conservation co-designed an inter-generational strategy to deliver landscape-scale conservation outcomes for the region. The Alliance aims to drive large-scale conservation projects with broader social, cultural and economic outcomes across the Buller, Tasman, Nelson, Marlborough and Kaikōura regions. The next step in implementation has started with the Conservation by Design process. Around 50 people from across the KMTT rohe, nominated by the KMTT Alliance partners, have worked across the workstreams identified by the Alliance. Proposed priority projects in Te Ao Māori, marine, invasive species, connected landscapes, people in te taiao, climate change, sustainable financing, and Buller Kawatiri are now being developed into an Operational Plan.
- **BioStrategy:** The BioStrategy aims to restore and sustain our natural biodiversity and ensure biosecurity in Tasman. The BioStrategy was adopted in 2022 and Iwi representatives were part of the working and governance groups to develop the strategy.
- **Freshwater Improvement Fund (as part of the Jobs for Nature programme):** In May 2021 Council confirmed \$4.8 million from the Ministry for the Environment for fish passage restoration and wetland enhancement projects. The wetlands and fish passage project team includes a Māori liaison role within Council that aims to develop a better understanding of Mātauranga Māori relating to wai, repo and taonga ika species. This funding also provides increased capacity for Te Taihū Iwi to contribute to this work.
- **Wastewater Strategy for Motueka:** Iwi and Council alongside Nelson Regional Sewerage Business Unit (NRSBU) are jointly developing a regional

position for wastewater. The Motueka wastewater strategy working group has been deferred while regional work is finalised. This work will assist the development of the long-term wastewater strategy for Motueka, including upgrading the Motueka Wastewater Treatment Plant. The working group's role is to gather community input, convey community needs/concerns, identify opportunities, and provide project guidance. This working group will regroup and continue the strategy work for the Motueka Wastewater Treatment Plant relocation in the last quarter of 2023.

- **Motueka Water Group:** This Group provides a forum to share information about aspects relating to the ongoing provision of public water to the Motueka communities through gathering Māori/Iwi and community input, conveying community needs/concerns, identifying opportunities, and providing data about water supply operations, to achieve a good understanding of water management which will provide resilient, economically and environmentally sustainable water infrastructure and services, that support the communities of Motueka now and into the future.
- **Waimea Inlet Management Strategy and Action Plan:** The Waimea Inlet Strategy and underlying Action Plan aim to improve the health of the Inlet. A coordination group involving Nelson and Tasman Councils, iwi, the Department of Conservation, and other stakeholders meets regularly to progress the action plan.

Our staff continue to grow their knowledge and use of tikanga and te reo Māori. A highlight of the year was Treaty of Waitangi training provided to Elected Members and Council staff.



The Council is committed to deepening our knowledge and practice of Te Ao Māori and ensuring we uphold our end of the Treaty partnership.



BIG THANK YOU TO OUR VOLUNTEERS!

We would like to say a big thank you to all the volunteers that have worked alongside us to help improve the well-being of our community.

We have benefitted from awesome voluntary assistance in tree planting, pest management, wilding conifer control, safer boating initiatives, dog walking at the pound, participating in reference groups to help us develop plans, on community hall management and reserve committees, maintaining reserves, footpaths and mountain bike trails, and many other ways too numerous to list individually.

We also received lots of goodwill from many property owners who welcomed our staff and contractors and enabled us to carry out our duties. In some cases, this meant owners simply providing access to their land for our staff and contractors. In other situations, it meant allowing us to make environmental, waterways and fish passage improvements on their land. So an enormous thank you to these landowners too.



OUR ACTION ON CLIMATE CHANGE

EMISSIONS MEASUREMENT

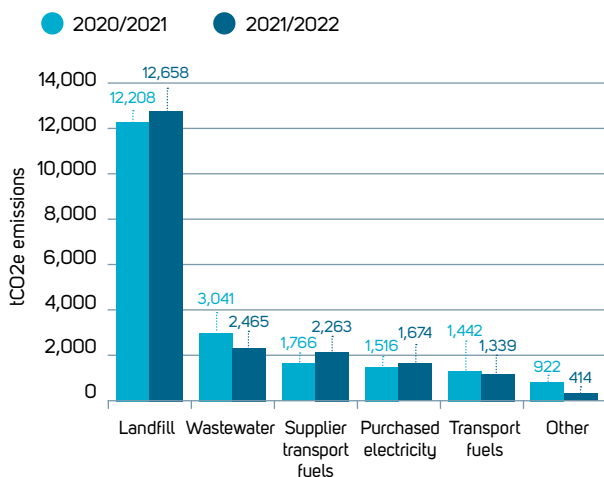
Tasman District Council's net emissions for the July 2021 – June 2022 period were 20,813 tCO₂e (tonnes of carbon dioxide equivalents). Our net emissions for 2021/2022 period were 0.4% less than the 2020/2021 year (20,895 tCO₂e). Emissions data from the 2022/2023 period have not been audited yet so is not included in this Annual Report.

The Council's primary emissions source was from landfills, by a significant margin. The Council's other large emission sources were wastewater treatment plants, supplier transport fuels, purchased electricity, and Council's transport fuels. These are the same major sources as last year, and they make up 97.6% of our gross carbon emissions for the 2021/2022 period.

We followed the Ministry for the Environment guidance and measured our emissions under ISO 14064-1: 2018 Greenhouse gases – Part 1: Specification with guidance at the organisational level for quantification and reporting of greenhouse gas emissions and removals. Our report was independently verified by McHugh & Shaw Limited and achieved mixed assurance (Reasonable Assurance ISO Cat 1/2 and Limited Assurance ISO Cat 3-6).

Full details of the Council's greenhouse gas emissions, including which emissions were included/excluded and the independent auditor's report, can be viewed on the Council's website at www.tasman.govt.nz/my-region/climate-change/what-is-council-doing.

Figure 1: Tasman District Council Greenhouse Gas Emissions 2020/2021 and 2021/2022



TASMAN CLIMATE ACTION PLAN

The Council adopted the Climate Action Plan in September 2019. The Action Plan is primarily an internally focused, living document used to guide actions on three focus areas: mitigation, adaptation and leadership. The Action Plan lists four overarching goals relating to these focus areas:

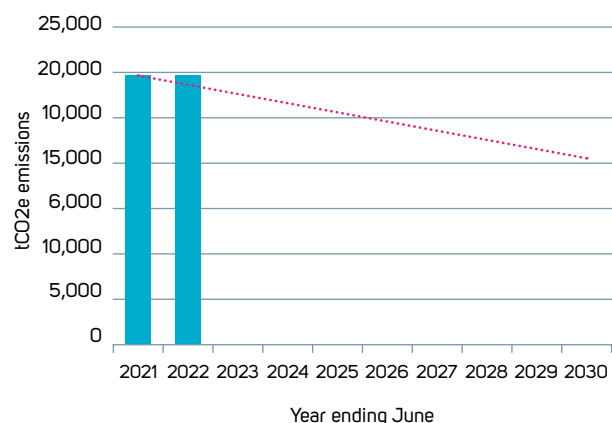
- **Goal 1:** Council contributes to New Zealand's efforts to reduce greenhouse gas emissions (including net carbon emissions).
- **Goal 2:** Tasman District becomes more resilient to the impacts of climate change.
- **Goal 3:** The Tasman Community is informed of climate change actions and options for response.
- **Goal 4:** Council shows clear leadership on climate change issues.

Each goal has targets and short, medium, and long-term actions. One of the key targets is to reduce greenhouse gas emissions (except biogenic methane) from Council activities to net zero by 2050, in alignment with the Climate Change Response Act 2002.

Since the Council adopted the Action Plan, we have been making steps forward in implementing the actions and we regularly report progress to the Strategy and Policy Committee.

The main actions taken during the 2022/2023 year are summarised in the infographic on the following page.

Figure 2: Gross greenhouse gas (GHG) emissions compared to the Tasman Climate Action Plan target for Council emissions



PROGRESS ON THE TASMAN CLIMATE ACTION PLAN 2022/2023



OUR BUILDINGS AND ASSETS

Implemented a number of energy efficiency initiatives across various Council buildings and assets

Began a Fleet Vehicle Decarbonisation Plan that will transition 2/3 of the Council's fleet to electric vehicles.

TRANSPORT

Entered into a new contract to replace the majority of our bus fleet with electric buses

Prepared to expand our public transport network to include new routes to Motueka and Wakefield

Measured the emissions of the Nelson Tasman region for the first time

Began implementing a \$23.1m programme to improve walking and cycling through the Streets for People and Transport Choices programmes

OUR ENVIRONMENT

Planted 35,000 native trees and 3,000 salt marsh plants around the Waimea Inlet

Planted 12,500 native plants and shrubs in Teapot Valley

Began the process of converting Kingsland Forest from exotic to native forest

OUR COMMUNITY

Sought public feedback on a revised Tasman Climate Response Strategy and Action Plan

Continued to collaborate with the Nelson Tasman Climate Forum

Continued to provide waste minimisation grants to community organisations

Developed a trial facility in Richmond for diverting and recovering building material at our landfill

Over 60 properties have been insulated as part of the Warmer Healthier Homes programme

ADAPTATION

Began working with Nelson City Council on the Nelson Tasman Regional Climate Change Risk Assessment project, including development of a Risk Explorer tool



OUR NON-FINANCIAL PERFORMANCE AT A GLANCE

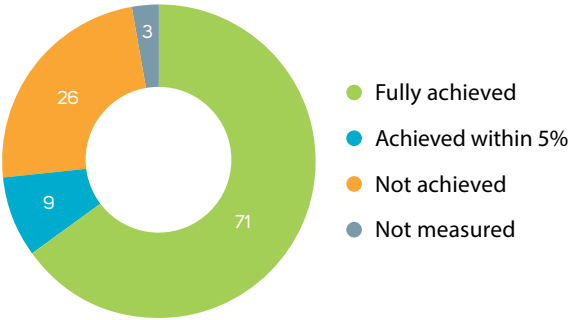
We measure our performance in delivering services to our community using targets set in our Long-Term Plan 2021–2031. Reporting against these targets presents a high-level view of our performance. More results on other aspects of performance, such as environmental and regulatory monitoring, can be found in the public reports held on our website or by contacting Council.

We have 109 targets that we report on through this Annual Report. We aim to report on most but not all of these targets each year. Full details on all the performance indicators are included in Part 4 of this Annual Report.

We fully achieved 71 of our targets, and a further nine were within 5% of the target. We did not achieve 26, and there were three that we either did not have the complete information available to report on, or were not due to be measured this year.

We achieved 65% of our levels of service target this year. This is approximately the same as last year, when we achieved 63% of our levels of service targets.

Levels of Service Target Achievement



The Annual Report includes a set of Local Government Mandatory Performance Measures. Of these, we fully achieved 20, and a further two were within 5% of the target. We did not achieve six and did not measure one.

Council’s service performance information is provided in Part 4: Financial and Non-Financial Performance of this Annual Report. This information is reported in accordance with the reporting standard for public benefit entities (PBE FRS 48).

Note: reporting against the Tasman Climate Action, including greenhouse gas emissions, does not have to be reported in accordance with this standard.

Residents Survey Data Analysis Scale: In 2021, the Council’s residents survey changed from a three-point scale (very satisfied, fairly satisfied, not very satisfied), with a don’t know option, to a four-point scale (very satisfied, satisfied, dissatisfied, very dissatisfied), with a don’t know option. This was predominately because the previous scale was positively skewed. An evenly distributed scale was necessary to ensure that respondents were not being led to respond more positively than their true opinion.

As all the performance targets for residents’ or users’ satisfaction were set on the previous years’ methodology, which gave more opportunities to respond positively than negatively, care should be taken when comparing the 2021 (and later years) results with the targets and previous years’ results.

KEY FINANCIAL INFORMATION

The Funding Impact Statement Surplus from Operating Funding was \$12.5 million, compared to a budget of \$17.7 million. The net external debt position of \$201.2 million was below the planned forecast debt of \$238.6 million, with rates revenue increases also remaining within the agreed cap of 5.05%.

The accounting surplus (on the “Statement of Comprehensive Revenue and Expense”) for the 2022/2023 year was \$20.6 million compared to budget of \$23.3 million.

REPORTING AGAINST OUR FINANCIAL STRATEGY

The Financial Strategy in the LTP 2021–2031 provides an outline of our policy on financing capital works and managing debt. The LTP 2021 – 2031 provides for capital expenditure of between \$57 million and \$78 million per annum, and operating expenditure of between \$113 million and \$132 million per annum for the 2021/2022 to 2023/2024 years.

The majority of the proposed capital expenditure and associated loans are for infrastructure works such as water, stormwater, wastewater and transportation networks, with a small percentage for community facilities.

The Financial Strategy outlines how we will manage our revenue, expenses and assets, liabilities and investments. The objective is to provide for the current and future interests of the community while also:

- providing for growth and changes in land use
- ensuring that the level of rates and borrowing is financially sustainable and is kept within our set limits
- being accountable for maintaining the assets that Council owns on behalf of the community
- funding network infrastructure and maintaining levels of service
- obtaining reasonable returns on investments, and
- meeting new central government standards for services such as drinking water.

NET EXTERNAL DEBT

Our net external debt at 30 June 2023 was \$201.2 million (after adjusting for liquid financial assets in joint operations and pass through loans), which is below our net external debt cap of \$250 million in our current Financial Strategy. This is also lower than the \$238.6 million forecast in the Annual Plan 2022/2023.

See Figure 3 on page 24.

RATES AFFORDABILITY

In our Financial Strategy we include a cap on rates revenue increases. Revenue increases are currently limited to a maximum 4.5% per annum, plus an allowance for annual growth in ratable properties. This was a new limit set as part of the LTP 2021 – 2031.

The green bars in Figure 4 show how we have performed against the 3% and 4.5% limits over the past three years. For 2022/2023 the actual rates revenue increase was 5.05% which was higher than the estimated limit of 4.5% per the Long Term Plan 2021 – 2031 and was revised to 5.05% in the Annual Plan 2022/2023. The blue bars show the estimated rates revenue increases (excluding growth) for the next two years.

Due to inflationary pressures currently affecting the Council’s business, the 2023/2024 forecasted rates revenue increase in the Long Term Plan 2021 – 2031 of 4.04% was revised to 8.57% in the Annual Plan 2023/2024. The rates revenue increase for 2024/2025 is likely to be higher than the planned 6.98% in the Long Term Plan 2021 – 2031. The rates revenue increase for 2024/2025 will be determined through the Annual Plan for that year.

See Figure 4 on page 24.

DEBT AFFORDABILITY

For 2022/2023 the debt affordability benchmarks were within the limits stated in our Financial Strategy.

See Table 1 on page 24.

FINANCIAL PERFORMANCE SUMMARY

Our credit rating is ‘AA with a stable outlook’ (Standard and Poor’s). This rating reflects our strong financial management, budgetary flexibility, liquidity and low contingent liabilities; and enables us to borrow funds at more favorable interest rates.

Total Council net assets total \$2.2 billion (2022: \$2.1 billion).

REVENUE AND SAVINGS

Total rates revenue for the year was \$89.3 million, and revenue from all other sources totaled \$132.4 million.

See Figures 5 and 6 on page 25.

KEY FINANCIAL INFORMATION

Figure 3. How Are We Tracking Against Planned Net Debt?

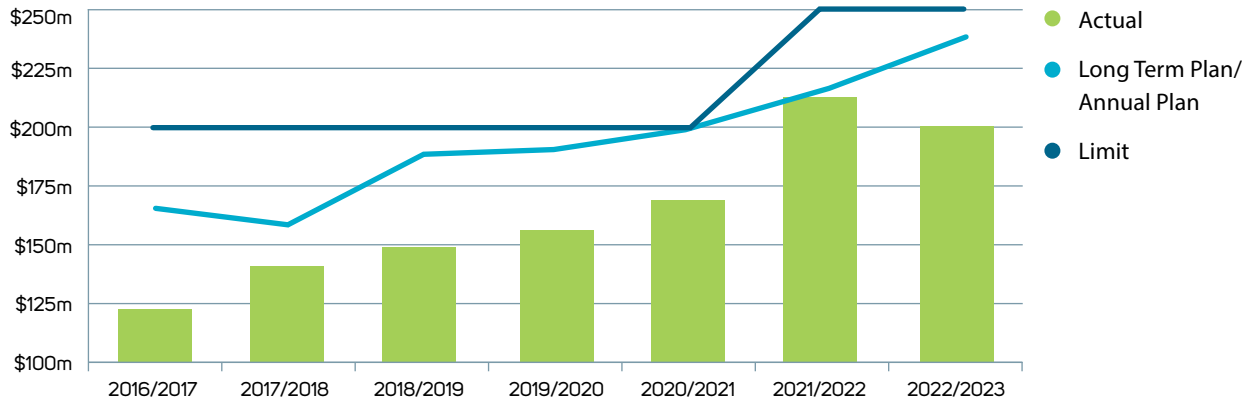


Figure 4. Rates Revenue Increases (excluding growth)

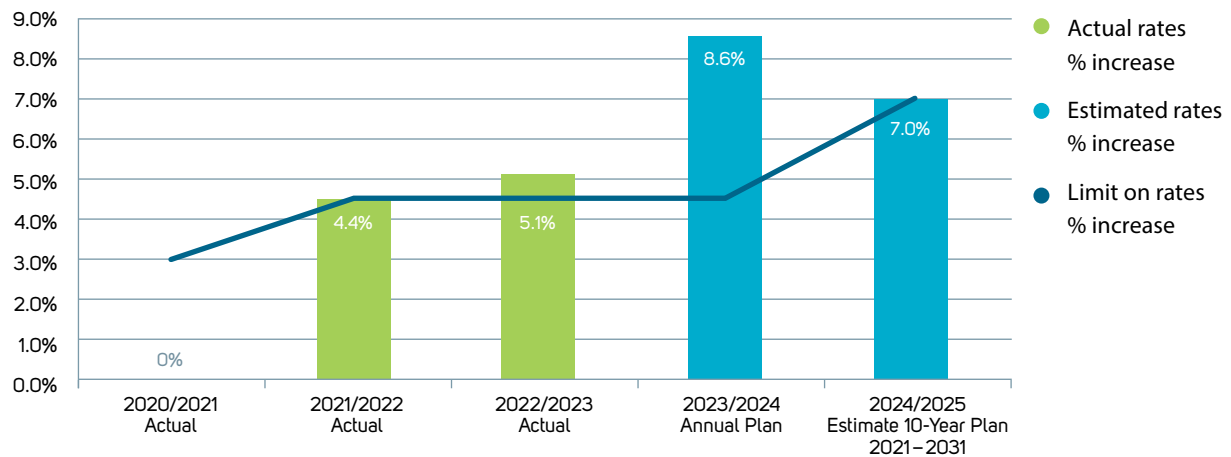


Table 1. Debt Affordability Limits

MEASURE	LIMIT	2019/2020 ACTUAL	2020/2021 ACTUAL	2021/2022 ACTUAL	2022/2023 ACTUAL	ANNUAL PLAN 2023/2024 (ESTIMATE)
Net external debt ¹ / Total operating income ²	<225%	109%	102%	111%	108%	142%
Net external debt / Equity	<20%	10%	10%	10%	9%	15%
Net interest on external debt / Total operating income	<15%	3%	5%	0.2%	-5.1%	-5%
Net interest on external debt / Annual rates income	<25%	5%	10%	0.4%	-10.6%	-10%

1. Net external debt = total external debt less liquid financial assets and investments.

2. Total operating income = cash earnings from rates, government grants and subsidies, user charges, interest, dividends, financial and other revenue and excludes non-government capital contributions (e.g. developer contributions and vested assets). The definitions contained in our Financial Strategy differ from those applied to the Financial Regulations Benchmarks reported in our Annual Reports. The Benchmark reporting is prepared in line with the Local Government (Financial Reporting and Prudence) Regulations 2014.

KEY FINANCIAL INFORMATION

Figure 5. Main Sources of Revenue (Excluding Joint Arrangements and Fair Value Gains)

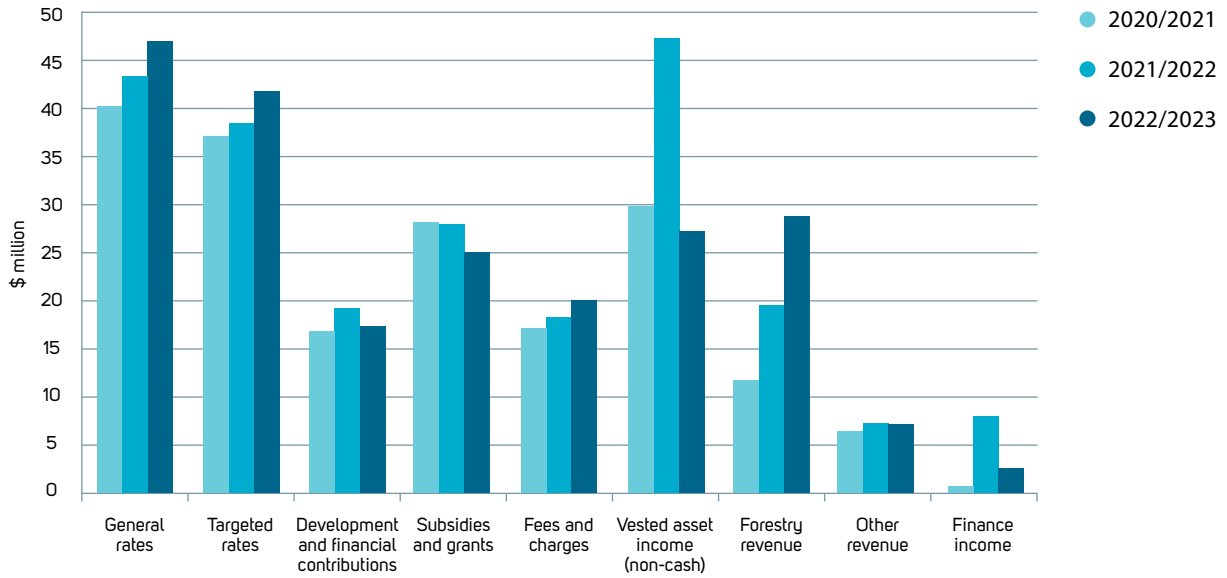
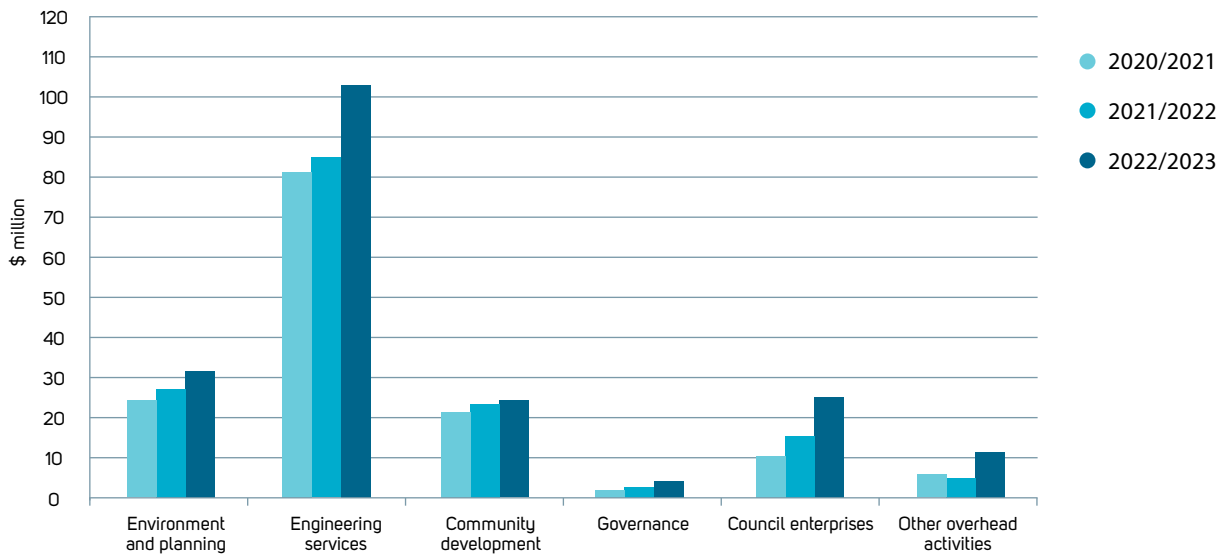


Figure 6. Total Council Expenditure by Department



KEY FINANCIAL INFORMATION

Figure 7. Operating Expenditure by Activity

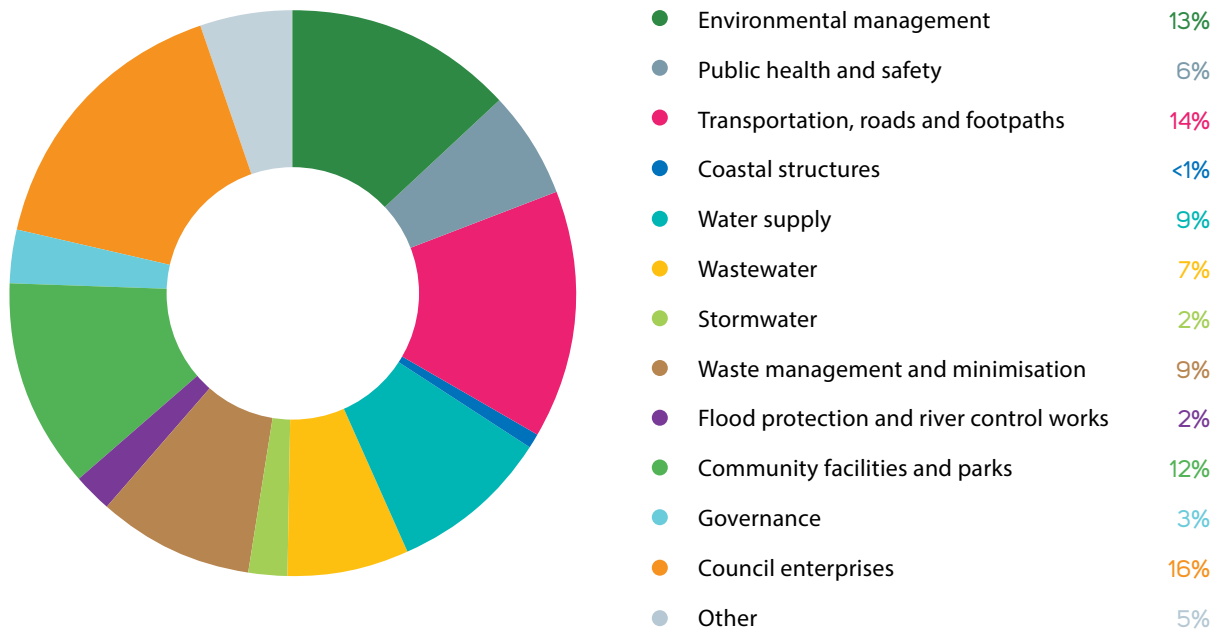
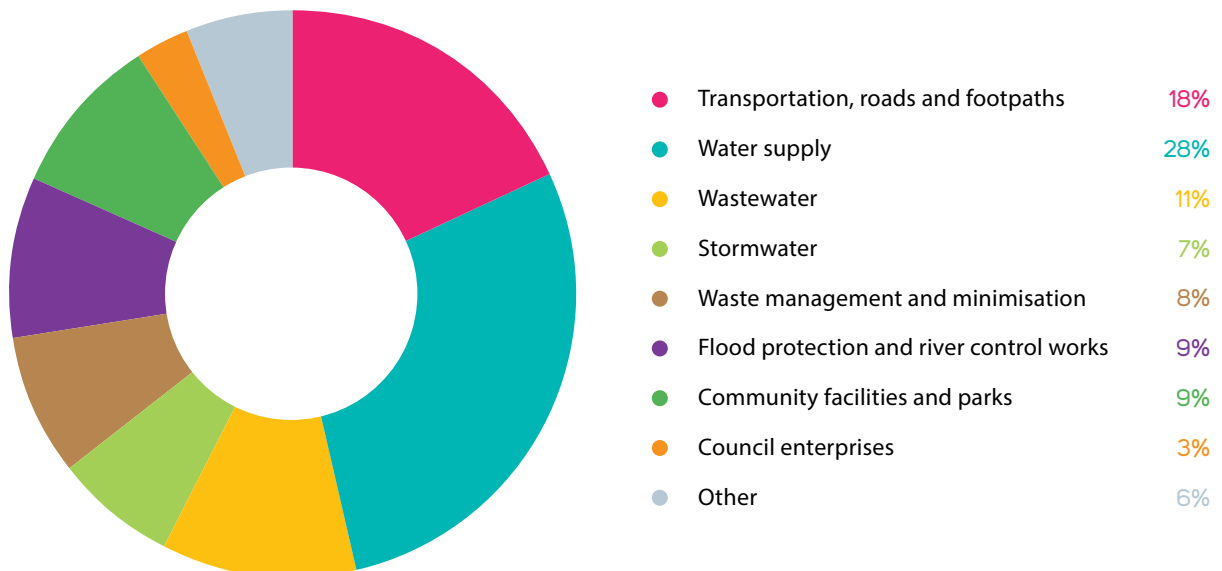


Figure 8. Capital Expenditure by Activity



PART TWO: COUNCIL VISION AND COMMUNITY OUTCOMES



OUR VISION

Thriving communities enjoying the Tasman lifestyle

OUR MISSION STATEMENT

To enhance community wellbeing and quality of life

COMMUNITY OUTCOMES

BACKGROUND

Community Outcomes are the outcomes Council is working towards to promote the social, economic, environmental, and cultural well-being of our community. They reflect what Council sees as important for our community's well-being and help build 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.

The Council believes that achieving Community Outcomes relies on partnering with the whole community, including individuals, businesses, government agencies and community organisations. Everyone's views on 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. These full descriptions are available in the **LTP 2021 – 2031**.

COMMUNITY OUTCOME STATEMENTS

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

In Part Four, we have listed which community outcomes each activity primarily contributes to.



○ —————

**PART THREE:
ROLES,
COMPLIANCE
AND AUDIT
STATEMENT**

————— ○

THE ROLE OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS

We are required to produce an Annual Report each year to account for the money provided by ratepayers, financial institutions and Government agencies.

The Annual Report is also an important tool for showing how our community outcomes are being achieved. This document, therefore, also represents an opportunity to provide interested parties with a range of additional information to give a more complete picture of the District's affairs.

The contents of this Annual Report will make reference to the District's strategies and plans, including the Long-Term Plan (LTP) 2021 – 2031. The LTP 2021 – 2031 was adopted by Council on 30 June 2021, after considerable consultation with ratepayers and interested others. This is the second Annual Report prepared under the LTP 2021 – 2031.

Many of the ways in which this information is presented are governed by legislation and standard accounting practices. However, we recognise that the readers of this report are from diverse backgrounds, so we have taken steps to present the information in an accessible and understandable form.

The message from the Mayor and Chief Executive Officer provides commentary on some of the year's key challenges, highlights and achievements. The Financial Statements and Statements of Service Performance look at the Council's performance in greater detail.

We thank you for your interest in our activities and our leadership role in developing Tasman District.

STATEMENT OF COMPLIANCE AND RESPONSIBILITY

COMPLIANCE

Council and management of the Tasman District Council confirm that all the statutory requirements of the Local Government Act 2002 in relation to the Annual Report have been complied with.

RESPONSIBILITY

Council and management of Tasman District Council accept responsibility for the preparation of the annual financial statements and the judgements used in them.

Council and management of Tasman District Council accepts responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial and non-financial reporting.

In the opinion of Council and management of Tasman District Council, the annual financial statements for the year ended 30 June 2023 fairly reflect the financial position, operations and service performance of Tasman District Council.



T B King
Mayor



J W Dowding
Chief Executive Officer

HOW THE ANNUAL REPORT FITS INTO COUNCIL'S OVERALL PLANNING FRAMEWORK



INDEPENDENT AUDITOR'S REPORT

To the readers of Tasman District Council's annual report for the year ended 30 June 2023

The Auditor-General is the auditor of Tasman District Council (the District Council). The Auditor-General has appointed me, John Mackey, using the staff and resources of Audit New Zealand, to report on the information in the District Council's annual report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the District Council has complied with the requirements of schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the District Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

We refer to this information as "the disclosure requirements" in our report.

We completed our work on 31 October 2023. This is the date on which we give our report.

OPINION ON THE AUDITED INFORMATION

In our opinion:

- the financial statements on pages 137 to 144, pages 146 to 217, and pages 227 to 234:
 - » present fairly, in all material respects:
 - › the District Council's financial position as at 30 June 2023; and
 - › the results of its operations and cash flows for the year ended on that date; and

- » comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards; and
- the funding impact statement on page 145, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long-term plan and annual plan;
- the statements of objectives and service performance on pages 36 to 136:
 - » present fairly, in all material respects, the District Council's levels of service for each group of activities for the year ended 30 June 2023, including:
 - › the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved; and
 - › the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
 - » comply with generally accepted accounting practice in New Zealand; and
- the statement about capital expenditure for each group of activities on pages 49 to 129, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council's long-term plan; and
- the funding impact statement for each group of activities on pages 49 to 129, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long-term plan.

REPORT ON THE DISCLOSURE REQUIREMENTS

We report that the District Council has:

- complied with the requirements of schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence Regulations 2014) on pages 218 to 226, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council's audited information and, where applicable, the District Council's long-term plan and annual plans.

The basis for our opinion is explained below and we draw attention to other matters. In addition, we outline the responsibilities of the Council and our responsibilities relating to the audited information, we comment on other information, and we explain our independence.

EMPHASIS OF MATTER – UNCERTAINTY OVER THE WATER SERVICES REFORM PROGRAMME

Without modifying our opinion, we draw attention to note 37 on page 216, which outlines developments in the Government's water services reform programme.

The Water Services Entities Act 2022, as amended by the Water Services Entities Amendment Act 2023 on 23 August 2023 and the Water Services Legislation Act 2023 on 31 August 2023, establishes 10 publicly owned water services entities to carry out responsibilities for the delivery of three water services, and transfers related assets and liabilities currently controlled by local authorities. Water services entities' establishment dates are staggered, with all the water services entities becoming operational between 1 July 2024 and 1 July 2026.

The financial impact of the water services reform on the Council as outlined in note 37 remains uncertain until the relevant water services entity's establishment date is known, and the allocation schedule of assets, liabilities, and other matters to be transferred, is approved.

BASIS FOR OUR OPINION ON THE AUDITED INFORMATION

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. We describe our responsibilities under those standards further in the "Responsibilities of the auditor for the audited information" section of this report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information.

RESPONSIBILITIES OF THE COUNCIL FOR THE AUDITED INFORMATION

The Council is responsible for meeting all legal requirements that apply to its annual report.

The Council's responsibilities arise under the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the information, we audit, that is free from material misstatement, whether due to fraud or error.

In preparing the information we audit, the Council is responsible for assessing its ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the District Council or there is no realistic alternative but to do so.

RESPONSIBILITIES OF THE AUDITOR FOR THE AUDITED INFORMATION

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit, carried out in accordance with the Auditor General's Auditing Standards, will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the District Council's annual plan/long-term plan.

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

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the statements of objectives and service performance, as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the District Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the District Council to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

OTHER INFORMATION

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 1 to 31 and 235 to 252 but does not include the audited information and the disclosure requirements, and our auditor's report thereon.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information, and we do not express any form of audit opinion or assurance conclusion thereon.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENCE

We are independent of the District Council in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit and the report on the disclosure requirements, we have carried out a limited assurance engagement related to the District Council's Debenture Trust Deed. Other than these engagements, we have no relationship with, or interests in, the District Council.



John Mackey

Audit New Zealand

On behalf of the Auditor-General
Christchurch, New Zealand



**PART FOUR:
FINANCIAL AND
NON-FINANCIAL
PERFORMANCE**

STATEMENTS OF OBJECTIVES AND SERVICE PERFORMANCE

The role of Tasman District Council is to give effect to the purpose of local government, in relation to the Tasman District. The purpose of local government is defined in the Local Government Act 2002 as:

- a. to enable democratic local decision-making and action by, and on behalf of, communities; and
- b. to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future.

Council's Community Outcomes reflect what Council sees as important for community's well-being. Service goals and objectives form the basis of our work and services for the District, and contribute to the Community Outcomes in the Long Term Plan 2021 – 2031.

The Council carries out its service performance activities by directly delivering goods and services, contracting with other entities to deliver these on our behalf, working with other entities that share common objectives, and providing grants.

The Council's groups of activities may be broadly categorised as follows:

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

Each of these areas of work is broken down into groups of related activities and includes the requirement to report on several mandatory activities.

The mandatory activities are all in the Engineering area:

- Transportation, Roads and Footpaths
- Water Supply
- Wastewater
- Stormwater
- Flood Protection and River Control Works

Council also reports on the following Groups of Activities:

- Waste Management and Minimisation
- Coastal Structures

- Environmental Management
- Public Health and Safety
- Community Development
- Governance
- Council Enterprises
- Support Services

A group of activities may contain several smaller activities. For example, Public Health and Safety includes Building Assurance, Environmental Health, Animal Control, Civil Defence Emergency Management (CDEM), Maritime Safety and Parking Control.

We have listed the service goals, objectives and performance indicators for each of the Council's significant activities. We have included information on what each activity does, why we do it, and how the activity contributes to the Community Outcomes in the Long Term Plan 2021 – 2031. These are followed by a statement on the level of achievement for the year ending June 2023, against the performance measures and targets for 2022/2023 from the Long Term Plan 2021 – 2031.

Each significant activity area incorporates elements of quality, quantity, timeliness, cost and location (where applicable). Unless otherwise noted, all tasks were completed by 30 June 2023.

SERVICE PERFORMANCE REPORTING

The service performance information of the Council has been prepared in accordance with PBE Standards. The service performance information in this Annual Report has been prepared in accordance with the Standard for Service Performance Reporting: Public Benefit Entity Financial Reporting Standard 48 Service Performance Reporting (PBE FRS 48).

QUALITY PROCESSES

Quality processes (which affect output quality) are a standard feature of internal management control systems.

STATEMENTS OF OBJECTIVES AND SERVICE PERFORMANCE

CORRECTIONS OF PRIOR PERIOD ERRORS

There have been no corrections to the results in the Service Performance Reporting section of the previous Annual Report for 2021/2022.

PREPARATION OF INTERNAL REPORTS

Suitably qualified and experienced staff prepare internal reports. Significant reports are subject to peer review.

CAPITAL WORKS

Capital works are constructed to design specifications. Suitably qualified and experienced engineers undertake inspections of works.

RESOURCE MANAGEMENT

These functions are performed by appropriately qualified staff, consultants and/or accredited hearing commissioners. These mechanisms assure the quality of service given to the public. With policy investigations and the development of regional and district plans, we follow processes outlined in legislation and established public consultation procedures.

MAINTENANCE WORKS

Maintenance works are undertaken by employees or by contract under the supervision of suitably qualified and experienced engineers or other appropriate staff and monitored in accordance with the relevant maintenance programme.

LEGISLATIVE AND FINANCIAL COMPLIANCE

In all instances, we strive to act within the relevant statutory requirements and within approved budget levels.

ACTIVITY MANAGEMENT PLANNING

A standard process we undertake is the development of asset/activity management plans for the Council's activities and infrastructural assets. This includes asset identification, valuation, condition rating, service levels, performance measures, and future maintenance and development plans. Sufficient maintenance has been

programmed and performed on all infrastructural assets during this financial year to ensure that the service potential of assets has not deteriorated.

PERFORMANCE MEASURES

We often included survey measures to assess progress toward achieving our objectives and check residents' satisfaction with our services. We report on these measures using data from an independent research company's annual survey of residents. The 2023 survey was conducted by telephone, including both landline and cell-phone numbers, and data collection took place between 27 April and 5 June 2023. In total, 405 surveys were completed, achieving a 4% response rate. A quota system was used to ensure the sample included a range of respondents, based on age, location and gender, and was representative of the District's population (as per the 2018 Census). Data collected is accurate to a maximum margin of error of +/- 4.9 percent at the 95 percent confidence level.

FUNDING IMPACT STATEMENT (FIS)

We have prepared a FIS for each activity in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014. This is a reporting requirement unique to local government and the disclosures contained within and the presentation of this statement are not prepared following 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 Comprehensive Revenue and Expense 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. Revenue such as subsidies for capital projects, for example Waka Kotahi NZ Transport Agency (Waka Kotahi) subsidies projected to be received for road renewal works, development and reserve financial contributions and gains on the sale of assets are recorded as capital funding sources. Under GAAP these are treated as revenue in the Comprehensive Revenue and Expense Statement.



DISCLOSURE OF JUDGEMENTS

The Council used several judgements to decide what service performance measures to include in its Long-Term Plan 2021 – 2031. These judgements reflect the information needs of our communities and ensure our performance measures are relevant, faithfully represented, understandable, timely, comparable, and verifiable.

We considered:

- the extent to which our levels of service are best captured by performance measures, i.e., how well do the performance measures represent the levels of service we provide?
- performance measures that demonstrate what we are accountable for and that reflect the attributes of service our communities expect to see. In doing so, we reflected on responses from consultation and informal feedback from the community.
- whether the performance measures reasonably demonstrated our contribution towards achieving the Council's purpose, strategic priorities and community outcomes documented in our Long Term Plan 2021 – 2031.
- whether the performance measures are sufficiently accurate, presentable, or measurable to provide a reliable picture of our performance and include an appropriate mix of qualitative and quantitative data.
- the extent the Council has control over the service attributes to which the performance measures relate.
- the benefit of maintaining consistency in the performance measures used to enable comparisons of the Council's performance over time and the identification of trends in performance.
- the constraints (including the cost) on the sourcing of information and quantitative data for reporting purposes.
- the appropriateness of using narrative and descriptive information over, or in addition to, quantitative data.
- how the set of performance measures for each activity collectively illustrates the quantity and quality of service the community is receiving in a concise and easy to understand manner.

ENVIRONMENTAL MANAGEMENT

OUR GOAL

Our goal is to effectively promote the sustainable management of our District's natural and physical resources.

WHAT WE DO

The Environmental Management activity is responsible for environmental monitoring and resource investigations to understand our District's resources; minimising inappropriate practices or the incidence of pests and other threats, maintaining and enhancing indigenous biodiversity, and the development of a robust policy planning framework to ensure ongoing sustainable management.

We identify, publicise, and respond to resource management issues and biosecurity risks; protect and enhance our environment, communities, and businesses through policy and planning, including implementing legislative and national policy direction; and administer planning, development, and compliance processes.

WHY WE DO IT

Our responsibility is to understand and promote the sustainable management of our District's resources, and to manage the consequences of human activity on the environment and other people. Many of our policies and plans are statutory documents required under legislation.

Our state of the environment monitoring and information work monitors progress on environmental outcomes; help target planning controls, consent conditions and education programmes, identify new issues, and provides information for farmers, businesses, and the public.

CONTRIBUTION TO COMMUNITY OUTCOMES

The Environmental Management activity contributes to the following community outcomes:

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

ENVIRONMENTAL MANAGEMENT

OUTCOME	2023 RESULT	2023 TARGET	2022 RESULT	HOW DID WE PERFORM	
<p>We provide 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 is responsive to our changing environment and will protect and enhance our unique environment and promote healthy and safe communities. 					
<p>Swimming beaches and rivers are suitable for contact recreation, all or most of the time. As measured using samples from our core sampling sites</p>					
Fine weather samples	Achieved within 5%	94.5%	98%	96.3%	<p>We were 3.5% below the target. The main reason for this was that we included two new sites at Stephens Bay. Stephens Bay has been a tricky area to manage with a wetland and wastewater services running through the catchment above the beach.</p> <p>Including new sites can reduce our performance result but gives us a more accurate reflection of whether our beaches and rivers are suitable for contact recreation or not. By including new sites, we can more effectively monitor and improve our beaches and rivers moving forward.</p>
All weather samples	Fully achieved	93.4%	92%	91.3%	<p>We achieved the target this year.</p> <p>Using the Ministry for the Environment "Suitability for Recreation Grade" criteria including rainfall-affected samples, there was no change from the 2021-22 year. Rabbit Island Main Beach was graded "Very Good", Māpua Leisure Park Beach was graded "Good", Kaiteriteri was graded "Fair", and Pōhara Beach graded "Fair".</p> <p>Using the National Policy Statement for Freshwater Management standards, the following sites were all in the 'Blue/Excellent' category for the 2021/2022 year: Tākaka at Paynes Ford, Lee Reserve, and Roding at Twin Bridges.</p>

ENVIRONMENTAL MANAGEMENT

	OUTCOME	2023 RESULT	2023 TARGET	2022 RESULT	HOW DID WE PERFORM
	Residents' satisfaction for those residents who are aware of the Council's role in resource management policy and planning work. As measured by the annual residents' survey.	61%	65%	55%	<p>The Council undertook community engagement on several high-level topics related to development of the Tasman Environment Plan that the Council is required to implement through legislation.</p> <p>The 2023 result reflects community sentiment around ongoing uncertainty and increased regulation resulting from new and proposed Government environmental regulation including the comprehensive Resource Management Act (RMA) reform bills.</p>
	Council meets the Air Quality National Environmental Standard (NES).	0 days	Meets NES	2 days	<p>The Council met the Air Quality NES over the period, as there were no days where the limit of particulate matter (PM10) was breached.</p> <p>Results for the preceding winter period were reported to Council in March 2023.</p>

ENVIRONMENTAL MANAGEMENT

OUTCOME	2023 RESULT	2023 TARGET	2022 RESULT	HOW DID WE PERFORM	
We provide a responsive and efficient process for assessing resource consent applications and ensuring compliance obligations are fairly and appropriately enforced					
At least 80% of survey respondents rate their satisfaction with Council's resource consent processing work as fairly satisfied or better.	Not achieved	52%	80%	54%	<p>We had a similar result to last year in that we were below the target. This was due to a shortage of consenting staff which has resulted in delays.</p> <p>Satisfaction with the time taken for consent processing has remained the same as last year (44%). Satisfaction with the reasonableness of costs has remained similar compared to last year (43%). Satisfaction with the helpfulness of staff is still reasonably high (74%).</p>
Consent applications are processed within statutory timeframes (where they exist):					
Notified consents	Not achieved	71%	100%	100%	In 2022/2023, we processed 5/7 (71%) publicly notified applications within statutory timeframes. In 2021/2022, we processed three, all within the statutory timeframes.
Non-notified consents	Not achieved	58%	100%	70%	We processed 58% of the 773 consent applications in the 2022/2023 period within statutory timeframes. The severe shortage of consent planning staff has impacted on our ability to meet timeframes.
Limited notified consents	Not achieved	26%	100%	47%	We processed 9/34 (26%) limited notified consents in 2022/2023 within statutory timeframes. Thirty-two of these consents processed were bundled in six bundles (multiple resource consents for the same development) of which four bundles were completed outside statutory timeframes.

ENVIRONMENTAL MANAGEMENT

OUTCOME	2023 RESULT	2023 TARGET	2022 RESULT	HOW DID WE PERFORM	
<p>We undertake monitoring of environmental trends and conditions and maintain reporting systems that protect and inform the community about progress toward community outcomes, environmental conditions, changes and risks</p>					
<p>An annual report is prepared and presented to Council or a Council committee each year showing that all resource consents that are monitored are assigned appropriate performance grades.</p>	Fully achieved	7 September 2023	30 September 2023	8 September 2022	<p>The Annual Compliance and Enforcement summary report was presented to the Regulatory Committee on 7 September 2023.</p> <p>Over the year 2022/2023, 3,740 resource consents and 371 targeted permitted activities were monitored. This was a significant lift in the number of consents monitored compared to last year (3,323)</p> <p>For the consented activities, 75% achieved full compliance at the time of inspection, up from 66% last year. Of the remainder, 15% were minor breaches that required no action (19% last year). Around 1% were considered non-compliant where the level of offending was more than minor and required further enforcement action. This is an improvement on the 4% from last year. The types of enforcement action we took ranged from education and advice to abatement notices and fines. Not all activities were able to be assigned a grade at the time of inspection, with 9% being recorded as not operating and unable to be monitored against consent conditions at that time.</p>
<p>Where significant non-compliance is recorded, that resolution is achieved within appropriate timeframes:</p>					
Percentage resolved within nine months	Fully achieved	100%	80%	100%	<p>For the consents and activities that were monitored in 2022/2023, eight received a grade of significant non-compliance that required direct enforcement action. This was slightly up on the six recorded last year.</p> <p>All of these were associated with consented water takes with persistent breaches of consent conditions. All (100%) were resolved within the nine-month period using a range of enforcement options.</p>
Percentage resolved within 12 months	Fully achieved	100%	95%	100%	

ENVIRONMENTAL MANAGEMENT

	OUTCOME	2023 RESULT	2023 TARGET	2022 RESULT	HOW DID WE PERFORM
	An annual report is prepared and presented to a 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.	Fully achieved 03 August 2023	31 October 2023	28 July 2022	<p>We presented the 2022/2023 Water Metering Compliance Monitoring report to the Environment and Regulatory Committee on 3 August 2023.</p> <p>1,188 resource consents and 117 permitted activity takes were overseen in the monitoring program. During the period, 921 resource consented takes were actively taking water and required to submit weekly water use data. Overall compliance was high, with 98% achieving full compliance. Of the 2% that failed to achieve full compliance, only 8 consent holders were considered moderately, or significantly non-compliant.</p> <p>These consent holders were subject to a range of actions including meter audits and fees, warnings, and abatement notices to gain compliance.</p>
	An operational plan and annual report are prepared and presented to Council or a Committee meeting each year, in accordance with the Regional Pest Management Plan and the requirements of the Biosecurity Act.	Fully achieved 17 November 2022	30 November 2022 ¹	2 December 2021 ²	<p>The Regional Pest Management Plan (RPMP) 2019-2029 took effect on 1 July 2019, so this is the fourth year of delivery. The operational plan was revised and recommendations for a Tasman-Nelson Regional Pest Management Plan limited review started. This plan change will continue in 2023/2024.</p> <p>With a full complement of staff this year they have delivered well on the RPMP, making satisfactory progress on the eradication and progressive containment work, along with increasing education initiatives and delivering on service requests.</p>

1. The Long Term Plan 2021 – 2031 has a target of 30 November 2021 but this is an error as the annual target should be within the Annual Report reference year.

2. This date was misreported as 2 December 2022 in the previous year's Annual Report for 2021/2022.

ENVIRONMENTAL MANAGEMENT

OUTCOME	2023 RESULT	2023 TARGET	2022 RESULT	HOW DID WE PERFORM	
<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 relevant national legislation (98% percentage of farms fully compliant).</p>	Achieved within 5%	94%	98%	93%	<p>We presented the 2022/2023 Dairy Farm Compliance report to the Environment & Regulatory Committee on 3 August 2023.</p> <p>All 116 active dairy farms received inspections and were assessed for their discharge of treated dairy effluent. Of these, 113 relied on the Permitted Activities rules of the Tasman Resource Management Plan to dispose of their dairy shed effluent. Three retain Resource Consents to discharge treated effluent to water as a contingency in high rainfall. These farms are assessed against both the rules and resource consent conditions.</p> <p>The compliance results from this year's survey were:</p> <ul style="list-style-type: none"> • 94% Fully Compliant – (109 farms) • 6% Minor Non-Compliant – (7 farms) <p>No farms were classed as significantly non-compliant.</p> <p>Given the minor nature of the breaches with no actual adverse environmental effects, no formal enforcement action was required but the matters were dealt with.</p>

ENVIRONMENTAL MANAGEMENT

INVESTMENTS

The following are key Environmental Management investments planned to occur during the 10 years of the Long Term Plan 2021 – 2031, with an update of any progress during 2022/2023.

NAME	DESCRIPTION	2022/2023
Develop the new 'Aorere ki uta, Aorere ki tai – Tasman Environment Plan'	This new plan replaces the Tasman Resource Management Plan which is due for statutory review.	The introduction of two bills to replace the Resource Management Act included a requirement for Nelson and Tasman to produce combined plans. This has meant a re-assessment of the current project to produce a new plan just for Tasman. Given the stage of the Tasman Environment Plan project all work to date can be carried over into the new system. Work on priority areas of freshwater, growth and housing and natural hazards is continuing at pace.
Responding to the Regional Pest Management Plan and Tasman Biodiversity Strategy	Implementing the Regional Pest Management Plan (RPMP) and the Tasman Biodiversity Strategy to enhance biodiversity and reduce impacts from pests.	<p>The RPMP is now well embedded, and the revised operational plan reflecting the changing nature of the team and delivery on the ground. The team is now at full capacity and able to deliver the full plan. A limited review of the plan is underway through the RPMP joint committee.</p> <p>A working group consisting of interested community members, iwi, Department of Conservation, and Council staff developed the Tasman Biodiversity Strategy. The Strategy was adopted by Council in August 2022. Work is now underway to deliver the Council's commitments within the strategy and develop a community driven working group.</p>

ENVIRONMENTAL MANAGEMENT

INVESTMENTS (CONT.)

NAME	DESCRIPTION	2022/2023
Assisting with improved land management	Managing the use and development of land resources to enhance water quality.	Soil mapping has continued for the region and new areas were uploaded in September. Three new Catchment Facilitation staff were employed supported by a funding grant made available from Ministry for the Environment (MfE.) The key function of the catchment facilitators is to support catchment wide outcomes as sought through the Essential Freshwater Package. The primary focus is on supporting the implementation of the Freshwater Farm Plan Regulations. This involves establishing internal and external processes to ensure the Council and landowners are ready for the roll out of these Plans from 1 January 2025. Facilitators will also be working closely with industry and landowners to develop collative approaches and improved land management expectations for these plans.
Monitoring quality and quantity of our region's water resources	Monitoring the quality and quantity of our water resources, in the ground and in our rivers/ streams and lakes. This is for both productive use and environmental protection, including flood management.	<p>River water quality monitoring was carried out as specified at 27 sites apart from: 1. One site not gauged due to flood flow and health and safety concerns. 2. Two sets of samples slightly over the temperature threshold on receipt at the lab. We completed a report in April 2023 on river water quality covering 29 sites across Tasman District. Presentations were made to Council and community groups.</p> <p>We undertook pilot sampling of 11 lakes in Mohua/ Golden Bay with a view to setting up a long-term Lake Monitoring Programme for Council (three of which were the same as the Lakes380 programme and were for additional information). The timing for this is good, coming in on the back of the Lakes380 programme that sampled 10 lakes in Tasman including Rotoiti and Rotoroa.</p> <p>Tasman took part in the national groundwater pesticide and emerging contaminants sampling exercise with reporting set for later in 2023.</p>

ENVIRONMENTAL MANAGEMENT

FUNDING IMPACT STATEMENT For the year ended 30 June 2023

LTP BUDGET 2021/2022 \$000	ACTUAL 2021/2022 \$000	NOTES	ACTUAL 2022/2023 \$000	LTP BUDGET 2022/2023 \$000
		SOURCES OF OPERATING FUNDING		
11,454	11,454	General rates, uniform annual general charges, rates penalties	13,171	12,752
136	134	Targeted rates	121	122
1,256	2,448	Subsidies and grants for operating purposes	3,164	1,277
2,467	3,217	Fees and charges	3,896	2,652
740	624	Local authorities fuel tax, fines, infringement fees, and other receipts	763	791
16,053	17,877	Total operating funding	21,115	17,594
		APPLICATIONS OF OPERATING FUNDING		
10,520	12,519	Payments to staff and suppliers	13,200	11,265
58	28	Finance costs	53	85
6,149	5,810	Internal charges and overheads applied	8,159	6,848
16,727	18,357	Total applications of operating funding	21,412	18,198
(674)	(480)	Surplus/(deficit) of operating funding	(297)	(604)
		SOURCES OF CAPITAL FUNDING		
923	735	Increase/(decrease) in debt	917	1,252
923	735	Total sources of capital funding	917	1,252
		APPLICATIONS OF CAPITAL FUNDING		
		Capital expenditure		
123	31	• to improve the level of service	150	190
127	33	• to replace existing assets	185	533
(1)	191	Increase/(decrease) in reserves	285	(75)
249	255	Total applications of capital funding	620	648
674	480	Surplus/(deficit) of capital funding	297	604
-	-	Funding balance	-	-

Council received central government funding for a number of unplanned initiatives including Freshwater Improvement Funds for Wetlands and to fund fish passages. This meant additional revenue and expenses in the above activity.

PUBLIC HEALTH AND SAFETY

OUR GOAL

The Public Health and Safety activity aims to keep people and their properties safe and protect them from nuisance. It also aims to ensure that use of public areas is fair and equitable.

WHAT WE DO

We provide 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, 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

We contribute to the sustainable development of our District and the safety and well-being of our community. We ensure that actions, or non-actions, taken by the people in our District are lawful, sustainable and safe. We enable people to carry out activities without affecting their, or others', safety. We also respond to central government legislation.

CONTRIBUTION TO COMMUNITY OUTCOMES

The Public Health and Safety activity primarily contributes to the following community outcomes:

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

PUBLIC HEALTH AND SAFETY

OUTCOME	2023 RESULT	2023 TARGET	2022 RESULT	HOW DID WE PERFORM	
We provide building control services in a professional and timely manner, to ensure buildings are constructed in accordance with the New Zealand Building Code and therefore safe and healthy.					
98% of applications for building consent are processed within statutory timeframes.	Fully achieved	99%	98%	98%	We achieved 1% higher than our target.
98% of applications for code compliance certificates are processed within statutory timeframes.	Fully achieved	99%	98%	99%	We achieved 1% higher than our target.
The average time taken to process a Building Consent is 12 working days.	Fully achieved	9 working days	12 working days	10 working days	We fully achieved our target.
We maintain Building Consent Authority Accreditation.	Fully achieved	Accredita-tion main-tained	Accredita-tion main-tained	Accredita-tion main-tained	Accreditation maintained. The next audit is due October 2023.
At least 80% of survey respondents rate their satisfaction with Council's building control work as fairly satisfied or better.	Not achieved	72%	85%	76%	<p>The overall level of satisfaction with our building control work declined by 4 percentage points from last year. The reason for this decrease was largely due to dissatisfaction with the costs of the process.</p> <p>In the separate consents-specific survey, 85% of respondents agreed that staff are courteous and helpful, 66% of respondents agreed that the time taken was reasonable (6 percentage points decrease), and 53% of respondents agreed that the costs were reasonable (3 percentage points increase).</p>

PUBLIC HEALTH AND SAFETY

OUTCOME	2023 RESULT	2023 TARGET	2022 RESULT	HOW DID WE PERFORM	
We will provide an environmental health service that in association with other agencies, fosters the responsible sale and consumption of liquor					
In conjunction with the New Zealand Police, we detect no sale of liquor to minors through random controlled purchase operations (CPOs) run annually.	Not measured	Not measured	At least 75% of CPOs with no offences detected	Not measured	Due to availability of the other agencies and suitable purchasers, no CPOs were carried out over the period. Staff remain available to support CPOs once other agencies have the capability.
We will provide an environmental health service that ensures that food provided for sale is safe, free from contamination and prepared in suitable premises					
All food premises that are the responsibility of Council to audit will be visited at the frequency required by the Ministry of Primary Industries (MPI).	Fully achieved	100%	100%	100%	In accordance with the verification requirements all eligible food premises were verified.
We will provide animal control services to minimise the danger, distress, and nuisance caused by dogs and wandering stock and to ensure all known dogs are recorded and registered					
All known dogs are registered or otherwise accounted for annually by 30 June.	Fully achieved	100%	100%	100%	Over 12,500 dogs were registered over the last year. This is an increase of 370 dogs over the period.
We respond to high priority dog complaints within 60 minutes, 24 hours a day, seven days a week.	Fully achieved	100%	100%	100%	This service was maintained at the level indicated. Some responses are in the form of telephone conversations if no attendance is required.

PUBLIC HEALTH AND SAFETY

OUTCOME	2023 RESULT	2023 TARGET	2022 RESULT	HOW DID WE PERFORM	
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					
For those that have an opinion, the level of community support for Council's civil defence emergency management (CDEM) activity is rated as fairly satisfied or better through the annual residents' survey.	Fully achieved	79%	70%	79%	CDEM operated in support of the August flood response. An Incident Management Team (IMT) was also available to respond to other CDEM events.
We will 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.	Fully achieved	100%	100%	100%	All 31 commercial vessels were registered or exempted as per the rules.
We will provide parking control services to facilitate the public's access to urban retailers and services, respond to any misuse of disabled parking, and remove reported abandoned vehicles					
Compliance by not less than 85 out of every 100 vehicles parking in time-controlled areas within the Traffic Bylaw, based on an annual snap survey.	Fully achieved	91.4%	85%	85.56%	We undertook a survey on 21 January 2023. This is a positive result, as the survey was carried out during peak season, whereas in the previous year it was in early December. The survey shows that a higher percentage of vehicles are complying with the time limits than last year.

PUBLIC HEALTH AND SAFETY

Resident Satisfaction with Emergency Management



INVESTMENTS

The following are key Public Health and Safety investments planned to occur during the 10 years of the Long Term Plan 2021 – 2031, with an update of any progress during 2022/2023.

NAME	DESCRIPTION	2022/2023
Building Control	We provide assurance that buildings are correctly constructed as per legal requirements.	Building Assurance has met set targets, issuing 1,376 Building Consents, 1,165 Code Compliance Certificates, and undertaking 8,127 inspections. The satisfaction survey result was 13% below the target of 85% and 4% below 2022 result. The satisfaction level was driven down by the costs of the service.
Emergency Management and Civil Defence Activities	We assist CDEM, alongside other agencies, in responding to emergency events and recovery.	CDEM staff responded to the August flood events and the aftermath. Council staff have supported CDEM by providing expertise in roles across the range of civil defence functions. Availability for the Incident Management Team and response to actual events is maintained at an appropriate standard.
Maritime Safety	We carry out navigation safety functions as dictated by the Maritime Transport Act. With NCC, we maintain a fully trained response team to deal with any maritime oil spill events.	Maintenance of Maritime Safety continues to be the driver for this element of the function. Aides to navigation maintenance and support to stricken vessels are available at an appropriate level. Four wrecks have been removed over the period. Two Oil Spill response exercises have been carried out over the period. An additional Regional on Scene Commander has been appointed, which means we now have three in the region.

PUBLIC HEALTH AND SAFETY

INVESTMENTS (CONT.)

NAME	DESCRIPTION	2022/2023
Regulatory Services	We provide a public health service, which monitors food safety, alcohol controls, type IV gambling venues and other issues impacting on health and wellbeing. We also enforce parking rules, remove abandoned vehicles and enforce freedom camping bylaws.	<p>Our Environmental Health Team has achieved set targets this year relating to food control. We are in the process of prosecuting a food operator who refused to comply with the legislative requirements regarding registration and verification.</p> <p>No Controlled Purchase Operations (CPOs) were carried out for alcohol control because there was a lack of availability of Police and other agency staff. Also, the ability to recruit suitable “purchasers” was problematic. CPOs will be carried out in the near future as agency and Police personnel are now available. Police took a prosecution against a business owner selling alcohol without the required licenses.</p> <p>Parking control has operated smoothly this year, even though additional areas were added to the existing patrol areas. The number of abandoned vehicles removed reduced slightly over the period and this service is effective. The use of removal powers under s356A of the Local Government Act 1974 were used to remove three vehicles from the road which were neither registered, warranted or displayed false licence plates. In such circumstances, Police are informed prior to collecting and disposing of the vehicles.</p> <p>Compliance with the Freedom Camping rules has been better this year. Only 23 Infringements were issued over the period, compared with 57 in the previous year. The Government has introduced a new raft of infringement charges for different offences and some of these are already in force. New forms will be needed, and staff will need to be trained to apply the new rules prior to summer.</p>
Animal Control	We carry out dog and stock control functions as dictated by the Dog Control Act and the Stock Control Act.	<p>Over 370 additional dogs have been registered over the period since last year. Compared to last year, the number of infringements issued for non-registration has increased by 75% and infringements for failure to control a dog have increased by 70%. This is taken as an indication that increased education of dog owners and closer engagement at registration time is required.</p> <p>Stock control issues were responded to appropriately and at a similar level to previous years.</p>

PUBLIC HEALTH AND SAFETY

FUNDING IMPACT STATEMENT For the year ended 30 June 2023

LTP BUDGET 2021/2022 \$000	ACTUAL 2021/2022 \$000	NOTES	ACTUAL 2022/2023 \$000	LTP BUDGET 2022/2023 \$000
		SOURCES OF OPERATING FUNDING		
1,818	1,818	General rates, uniform annual general charges, rates penalties	2,106	1,848
-	90	Subsidies and grants for operating purposes	-	-
5,000	5,913	Fees and charges	5,844	5,160
686	823	Local authorities fuel tax, fines, infringement fees, and other receipts	812	724
7,504	8,644	Total operating funding	8,762	7,732
		APPLICATIONS OF OPERATING FUNDING		
4,582	5,964	Payments to staff and suppliers	5,993	4,764
23	23	Finance costs	23	21
2,865	3,029	Internal charges and overheads applied	4,285	3,063
7,470	9,016	Total applications of operating funding	10,301	7,848
34	(372)	Surplus/(deficit) of operating funding	(1,539)	(116)
		SOURCES OF CAPITAL FUNDING		
(47)	(44)	Increase/(decrease) in debt	(410)	6
(47)	(44)	Total sources of capital funding	(410)	6
		APPLICATIONS OF CAPITAL FUNDING		
		Capital expenditure		
-	-	• to replace existing assets	45	58
(13)	(416)	Increase/(decrease) in reserves	(1,994)	(168)
(13)	(416)	Total applications of capital funding	(1,949)	(110)
(34)	372	Surplus/(deficit) of capital funding	1,539	116
-	-	Funding balance	-	-

TRANSPORTATION

OUR GOAL

Transportation activities are managed so people and goods can safely move within our communities and District.

WHAT WE DO

We manage a transportation network that has 1,703km of roads, (1002km sealed and 701km unsealed), 525 bridges (including footbridges), 313km of footpaths, 6km of walkways, 192km of shared paths, 5km of cycleways, 30 off-street car park areas, on-street car parking, streetlights, traffic signs, culverts, and Tasman's Great Taste Trail.

This activity includes other transportation related services, for example, transport planning, road safety, and public transport services like the Total Mobility Scheme. These activities help to enable the movement of people and goods throughout our District and line up with the Regional Land Transport Plan's objectives.

WHY WE DO IT

On behalf of our ratepayers, we provide a quality transportation network, enabling the safe and reliable movement of people and goods which improves the economic and social well-being of our District. The provision of transport services, roads, cycle paths, and footpaths are a public good, and as such it is a core function of local government.

CONTRIBUTION TO COMMUNITY OUTCOMES

The Transportation, Roads and Footpaths activity primarily contributes to the following community outcomes:

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

OUTCOME	2023 RESULT	2023 TARGET	2022 RESULT	HOW DID WE PERFORM	
Safety: Our transportation network is becoming safer for its users					
There is a downward trend in the number of serious and fatal injury crashes occurring on our road network. Measured using Waka Kotahi's crash database.	Not achieved	Increasing	Decreasing	Decreasing	The last five years of crash data show a slight (5.56%) increasing trend.

TRANSPORTATION

	OUTCOME	2023 RESULT	2023 TARGET	2022 RESULT	HOW DID WE PERFORM	
	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. Mandatory measure 1.	-1	≤0	No change	There was one less fatal and serious crash in 2022/2023 (15) compared to the previous year (16).	
	Proportion of residents who perceive the road environment to be safe, for each mode. As measured through the annual residents' survey.	Fully achieved	72%	Walking 70%	69%	The majority of respondents perceive our road environments are safe for walking.
		Fully achieved	83%	Vehicles 70%	83%	The majority of respondents perceive our road environments are safe for driving.
		Not achieved	46%	Cycling 70%	41%	Almost half of the respondents perceive our road environments to be safe for cycling, although this has improved slightly. This is well below the target. We are currently going through a major programme of works to improve cycling safety through the Streets for People and Transport Choice projects. We expect that this will increase the percentage of respondents who perceive our road environments are safe for cycling in future years.

TRANSPORTATION

OUTCOME	2023 RESULT	2023 TARGET	2022 RESULT	HOW DID WE PERFORM	
Accessibility: Our transportation network enables the community to choose from various modes of travel					
The annual growth in the use of cycle routes exceeds specified levels. Measured using daily cycle count on selected routes per capita.	Achieved within 5%	-0.38%	Per capita measure increasing	+30%	The small decrease was likely caused by wet weather during the survey count period.
The annual growth in the use of passenger transport exceeds specified levels. Measured using annual boarding per capita (Nelson and Tasman).	Fully achieved	41%	Per capita measure increasing	-11.6%	Public transport continues to grow in Tasman with patronage now above pre-Covid levels. Patronage is up 7.3% on 2018/19 figures from 422,998 to 454,048 in 2022/2023. Covid significantly impacted bus patronage figures between 2020 and 2022. A 41% increase is a positive result but is accounting for significant decreases in patronage for the prior three years. The current annual boarding numbers per capita (for the Nelson Tasman region) is four trips for every resident.
Value for money: Our transportation network is maintained cost effectively and whole of life costs are optimised					
The percentage of sealed local roads resurfaced each fiscal year. Mandatory measure 3.	Not achieved	3.2%	6-8%	4.4%	We completed resurfacing on 31.8km of road, which equates to 3.2% of the maintained sealed network (982.1km). The amount completed is less than the target due to the escalating costs of resurfacing such as bitumen, and traffic management, and high cost of asphalt treatments compared with chipseal.

TRANSPORTATION

OUTCOME	2023 RESULT	2023 TARGET	2022 RESULT	HOW DID WE PERFORM	
<p>Amenity: 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 within the Tasman district that are maintained to a condition of fair or better, as measured through the triennial footpath condition rating survey.</p> <p>Mandatory measure 4.</p>	Not measured	Not measured	≥95%	No survey	The next survey is being completed in August 2023. The last survey was in 2020, with the percentage achieved of 95.8%.
<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. As reported through RAMM, based on traffic count and roughness survey data³. Mandatory measure 2.</p>					
Arterial roads	Not achieved	81.0%	≥95%	79.7%	<p>Overall roughness is similar to the previous year. There has been some improvement to arterial roads although this is still well below the target. Achieving the arterial target is not likely until upgrades programmed for late 2020s are complete.</p> <p><i>Note: includes Urban and Rural figures</i></p>
Primary collector roads	Achieved within 5%	92.3%	≥95%	92.1%	
Secondary collector roads	Achieved within 5%	93.5%	≥95%	93.9%	
Access roads	Fully achieved	93.0%	≥90%	92.8%	
Access (low volume) roads	Fully achieved	94.5%	≥90%	94.5%	

3. Road roughness survey data is collected biennially to meet **Waka Kotahi National Land Transport Programme requirements**. Data from May 2022 has been used. Traffic count data is collected continuously and data for 2022/2023 has been used.

TRANSPORTATION

OUTCOME	2023 RESULT	2023 TARGET	2022 RESULT	HOW DID WE PERFORM
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Residents are satisfied with the Council's roads and footpaths in the District. As measured through the annual residents' survey.

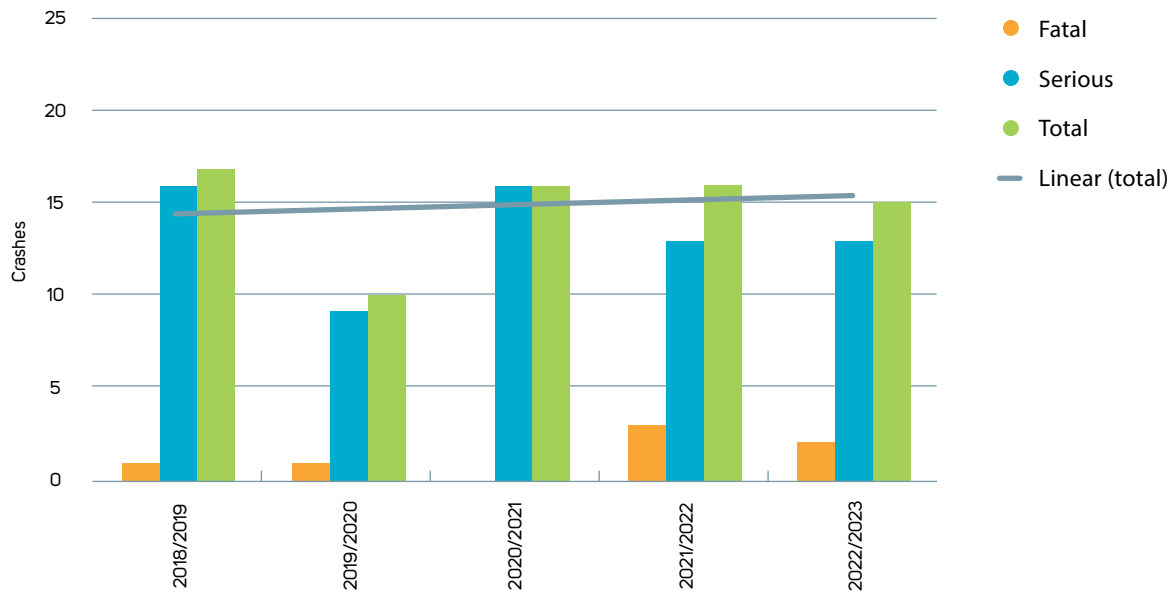
Footpaths	Achieved within 5%	68%	≥70%	63%	Dissatisfaction largely relates to unfunded demand for additional and improved footpaths.
Roads	Not achieved	45%	≥70%	53%	Lower satisfaction largely relates to the desire for higher-quality roads, and effects of high urban growth with increasing traffic.
Cycle paths	Fully achieved	68%	≥20%	70%	Satisfaction with the quality of existing cycle paths is generally high.

Residents are satisfied with Council's roads and footpaths in the District.

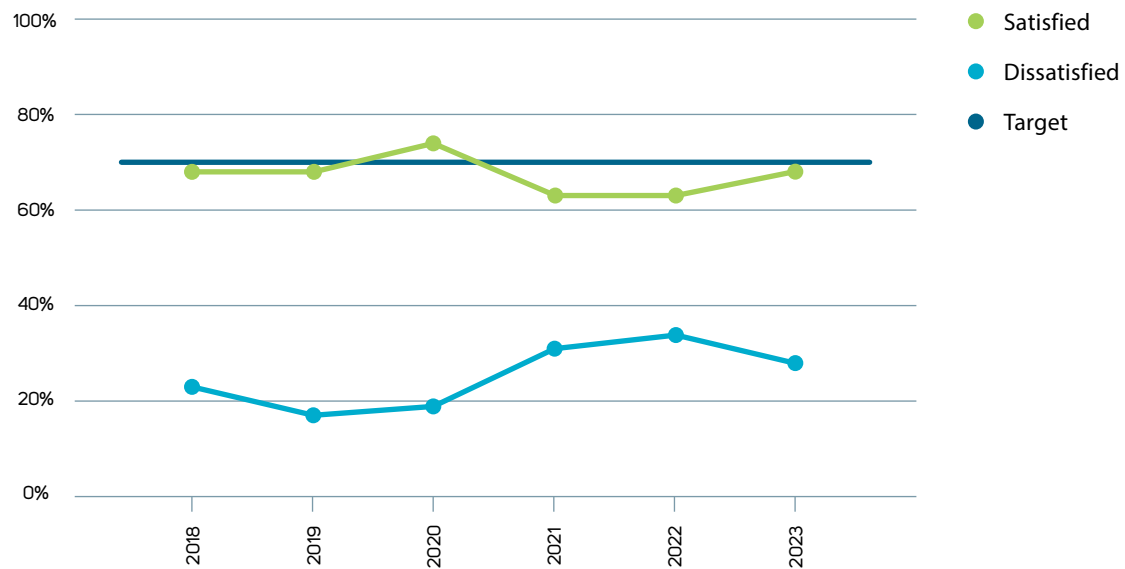
Customer Service Requests relating to the transportation network and activities are completed on time. As measured by the maintenance contractor's compliance with fault response time requirements (using RAMM Contractor), and the percentage of requests assigned to Council staff which are attended to within five days (using NCS). One Network Road Classification Safety – PM7. Mandatory measure 5.	Fully achieved	94%	≥90%	90.7%	94% of our customer service requests were completed on time, meeting our target of 90%.
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TRANSPORTATION

All Crash Types, Tasman District Council Roads Only, Fatal and Serious Crashes

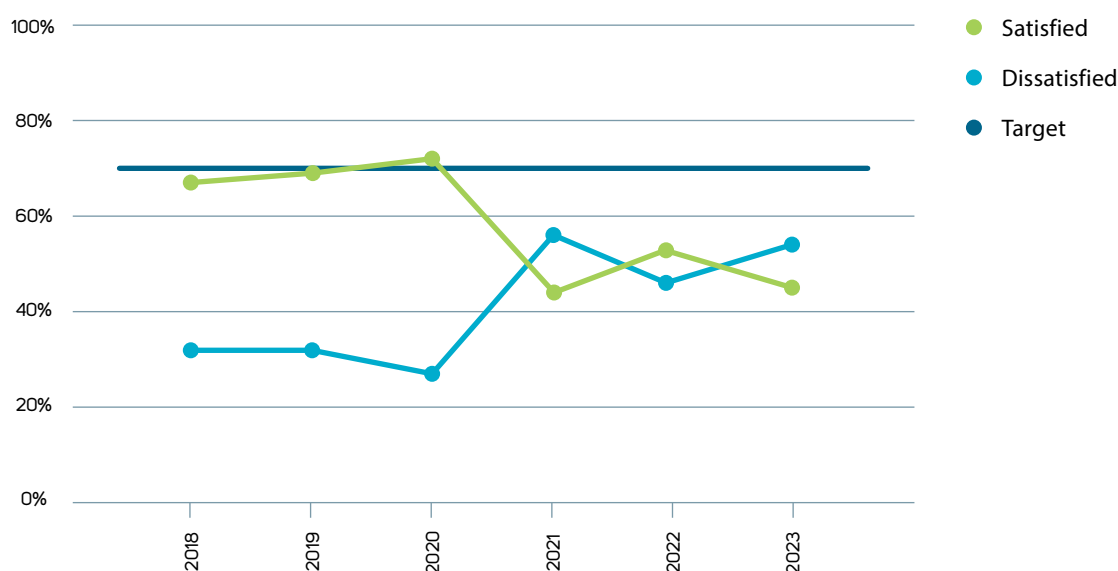


Resident Satisfaction with Footpaths



TRANSPORTATION

Resident Satisfaction with Roads



Note: In 2021, the Council's residents survey satisfaction scale changed. Prior to 2021, a three-point scale was used which was positively skewed. From 2021, a four-point scale has been used, with an even number of positive and negative response options. Care should be taken when comparing recent years' results with the earlier results before 2021. Refer to the 2021 Annual Report for more detailed information.

INVESTMENTS

The following are key Transportation investments planned to occur during the 10 years of the Long Term Plan 2021 – 2031, with an update of any progress during 2022/2023.

NAME	DESCRIPTION	2022/2023
Unsealed road metalling	Routine metalling of unsealed roads to mitigate gravel loss.	We applied a total of 26,382m ³ of metal across 90km of the district's roads in the 2022/2023 financial year.
Sealed road renewal	Pavement renewals and the renewal of sealed surfaces.	We renewed a total of 6,424m ² of sealed pavement during the period. This is below the forecast figure of 11,100m ² , mainly due to lack of available funding due to other urgent work taking priority. We resurfaced a total of 219,809m ² of seal during the period. This was down on the forecast figure of 262,100m ² (-16%) mainly due to lack of available funding due to other urgent work taking priority.
Slow urban streets and greenways	Improving residential streets slow traffic speeds and improve safety and encourage walking and cycling.	We completed raised platforms at Talbot Street, Salisbury Road, and Elizabeth Street. Design work is underway for walking and cycling improvements throughout Richmond, Motueka and Māpua.

TRANSPORTATION

INVESTMENTS (CONT.)

NAME	DESCRIPTION	2022/2023
Drainage renewals	Replacement of drainage assets including culverts, kerb and channel, surface water channels and sumps.	We replaced a total of 503m of culverts during the period. This was down from the forecast length of 1,170m due to some high-cost large culverts needing to be replaced.
Richmond and Motueka cycleway primary route	Creation of safe cycle routes through Richmond and Motueka.	The Council approved the Walking and Cycling Strategy in May 2022. Design of new facilities is in progress. Additional funding has been secured from Waka Kotahi to install safer infrastructure at various sites in Motueka and Richmond during 2023/2024.
Richmond bus terminal	Creation of a new bus terminal in Richmond to cater for new bus routes.	A new bus stop arrangement has been installed.
Tasman's Great Taste Trail	Complete the trail between Tapawera and Motueka.	Resource consents and construction contract have been obtained, and trail construction will begin shortly near Ngātimoto.
Lower Queen Street widening	Improvements to Lower Queen Street to cater for traffic associated with commercial and residential developments.	We have completed interim improvements along Lower Queen Street prior to further upgrades planned in future years.
Public Transport	Improvements to public transport services providing improved coverage and frequency.	We are underway with bus stop upgrades in advance of expanded services from 1 August 2023.
Transport network maintenance	Maintaining the existing transport network and assets.	<p>We have undertaken an extensive programme of network maintenance. Some notable statistics include:</p> <ul style="list-style-type: none"> • Routine maintenance across 1,750 km of roads, 450 road bridges, 300 km of footpaths • \$2.5 million spent on sealed road pavement maintenance • \$2.5 million spent on minor slips, trees, roadside mowing and vegetation control • \$154,000 spent on power for our 3,500 LED streetlights • \$230,000 spent on street sweeping in our townships • 1,639 km of grading completed

TRANSPORTATION

FUNDING IMPACT STATEMENT For the year ended 30 June 2023

LTP BUDGET 2021/2022 \$000	ACTUAL 2021/2022 \$000	NOTES	ACTUAL 2022/2023 \$000	LTP BUDGET 2022/2023 \$000
		SOURCES OF OPERATING FUNDING		
12,997	12,997	General rates, uniform annual general charges, rates penalties	13,476	13,980
4,649	7,961	Subsidies and grants for operating purposes	10,509	4,994
138	272	Fees and charges	201	143
942	961	Local authorities fuel tax, fines, infringement fees, and other receipts	1,229	998
18,726	22,191	Total operating funding	25,415	20,115
		APPLICATIONS OF OPERATING FUNDING		
9,229	14,454	Payments to staff and suppliers	19,356	9,955
1,400	1,361	Finance costs	1,430	1,323
2,468	2,659	Internal charges and overheads applied	2,261	2,656
13,097	18,474	Total applications of operating funding	23,047	13,934
5,629	3,717	Surplus/(deficit) of operating funding	2,368	6,181
		SOURCES OF CAPITAL FUNDING		
4,326	4,908	Subsidies and grants for capital expenditure	6,640	5,624
1,079	977	Development and financial contributions	1,073	1,079
360	(224)	Increase/(decrease) in debt	97	(371)
5,765	5,661	Total sources of capital funding	7,810	6,332
		APPLICATIONS OF CAPITAL FUNDING		
		Capital expenditure		
2,173	1,099	• to improve the level of service	1,285	611
8,558	10,383	• to replace existing assets	12,344	12,331
663	(2,104)	Increase/(decrease) in reserves	(3,451)	(429)
11,394	9,378	Total applications of capital funding	10,178	12,513
(5,629)	(3,717)	Surplus/(deficit) of capital funding	(2,368)	(6,181)
-	-	Funding balance	-	-

Operating grants and payments to staff and suppliers were greater than budget due to August 2022 adverse weather event partially funded by NZTA subsidies.

The unfunded amount caused the decrease to the reserve balance.

COASTAL ASSETS

OUR GOAL

We aim to ensure access to the sea can be enjoyed by all whilst managing the effects of the sea on property.

WHAT WE DO

We own, provide, maintain, and improve coastal assets (wharves, jetties, boat ramps, associated buildings and foreshore protection walls) on behalf of our ratepayers, as well as provide navigational aids to help safe use of coastal waters. As part of the coastal assets' activity, we protect our property and work with the community on private property.

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

- Ownership and management of wharf at Riwaka, Motueka and Māpua.
- Jetties, boat ramps, navigational aids and moorings.
- Coastal protection works at Ruby Bay and Mārahau.
- Navigation aids associated with harbour management.

Port Taranaki is not a part of this group of activities. It is included in the Council Enterprises group.

WHY WE DO IT

Coastal assets 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 our community, enhances community well-being, and improves our District's coastal commercial and recreational assets.

CONTRIBUTION TO COMMUNITY OUTCOMES

The Coastal Structures activity primarily contributes to the following community outcomes:

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

COASTAL ASSETS

OUTCOME	2023 RESULT	2023 TARGET	2022 RESULT	HOW DID WE PERFORM	
Protection: Our communities are protected from coastal erosion					
<p>Council owned coastal erosion structures are maintained to its original constructed standard.</p> <p>Council is developing a detailed inventory of coastal assets and conditions, as measured by routine annual inspection.</p>	Fully achieved	100%	100%	100%	All Council owned erosion protection assets were inspected this year and all required maintenance was completed.
Safety: Our structures are safe for the public to use					
<p>Council structures are maintained to a safe level to allow general public to use.</p> <p>Percentage of structures deemed 'safe' through annual inspection.</p>	Fully achieved	100%	100%	Not measured	<p>All maintained assets were inspected this year and found to be safe.</p> <p>Further work is required to identify the ownership and maintenance required for some assets.</p>

COASTAL ASSETS

INVESTMENTS

The following are key Coastal Asset investments planned to occur during the 10 years of the Long Term Plan 2021 – 2031, with an update of any progress during 2022/2023.

NAME	DESCRIPTION	2022/2023
Mārahau sea walls	Extension of the revetment at Mārahau to limit erosion of the footpath.	No work was completed on this project this work. Work is planned for the 2024/2025 financial year.
Torrent Bay sand replenishment and planting	Maintaining sand as a barrier to limit erosion in Torrent Bay.	While we have budgeted for replenishment this year, no replenishment took place this year as it was not required.
Maintenance of sea walls, wharves, and jetties	Maintaining existing coastal assets.	Coastal assets were regularly inspected and minor repairs were made.
Boat access improvements	Improvements of one or more boat launching facilities to support access to Tasman Bay.	Council has contributed \$75,000 to the Māpua Boat Ramp Community Trust to assist in the preparation of an application for a resource consent for a boat ramp.
Maintenance of navigational aids	Maintaining existing navigation aids.	No maintenance of navigational aids took place this year.

COASTAL ASSETS

FUNDING IMPACT STATEMENT For the year ended 30 June 2023

LTP BUDGET 2021/2022 \$000	ACTUAL 2021/2022 \$000	NOTES	ACTUAL 2022/2023 \$000	LTP BUDGET 2022/2023 \$000
		SOURCES OF OPERATING FUNDING		
99	99	General rates, uniform annual general charges, rates penalties	26	40
81	82	Targeted rates	69	70
8	8	Local authorities fuel tax, fines, infringement fees, and other receipts	7	9
188	189	Total operating funding	102	119
		APPLICATIONS OF OPERATING FUNDING		
128	71	Payments to staff and suppliers	179	267
17	17	Finance costs	14	13
53	46	Internal charges and overheads applied	23	55
198	134	Total applications of operating funding	216	335
(10)	55	Surplus/(deficit) of operating funding	(114)	(216)
		SOURCES OF CAPITAL FUNDING		
(76)	(73)	Increase/(decrease) in debt	(60)	(80)
(76)	(73)	Total sources of capital funding	(60)	(80)
		APPLICATIONS OF CAPITAL FUNDING		
		Capital expenditure		
55	12	• to replace existing assets	(12)	57
(141)	(30)	Increase/(decrease) in reserves	(162)	(353)
(86)	(18)	Total applications of capital funding	(174)	(296)
10	(55)	Surplus/(deficit) of capital funding	114	216
-	-	Funding balance	-	-

WATER SUPPLY

OUR GOAL

We aim to provide secure water supply systems that deliver safe water to our communities.

WHAT WE DO

Water is a fundamental community requirement. We provide potable and non-potable water to about 13,600 properties (approximately 30,000 people) throughout Tasman District. About 55% of our population is serviced by one of our managed water supplies.

Our water supply services include:

- on demand metered supply – no restriction is placed on the supply and the urban property has a meter
- restricted – a set amount of water per day is made available to the property, this typically occurs on our rural schemes
- firefighting – our supply meets the firefighting water supplies (FW2) standard to our urban metered supply areas
- capture, storage, and release from Wai-iti Community Dam (provides supplementary flow to Wai-iti River), and
- an investment in conjunction with Waimea Irrigators Limited in the Waimea Community Dam (WCD).

We own and operate 20 water supplies and manage associated infrastructure. Water supplies include Brightwater, Collingwood, Dovedale, Eighty – Eight Valley, Hamama, Kaiteriteri/Riwaka, Māpua Rise, Māpua/Ruby Bay, Motueka, Murchison, Pōhara, Redwood Valley 1, Redwood Valley 2, Richmond, Tākaka, Tapawera, Upper Tākaka, Wai-iti Community Dam, 51% of WCD (under construction) and Wakefield.

In addition to water supply schemes, we manage the Wai-iti 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. We are a majority shareholder in the WCD. Once operational, the WCD will deliver a secure water source into the Waimea River (and related aquifers) and will ensure a sustainable source of water for our community's water supplies in the long term.

WHY WE DO IT

We provide a safe, secure and reliable water supply. This is a fundamental community requirement and one of our core activities. We aim to provide ready access to high quality drinking water in our urban schemes, and fit for purpose water supply in our rural schemes to enhance the health and well-being of our residents.

A safe, secure and reliable water supply also facilitates economic growth and enables the protection of property through the provision of water at a pressure adequate for firefighting needs. 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 our District.

CONTRIBUTION TO COMMUNITY OUTCOMES

The Water Supply activity primarily contributes to the following community outcomes:

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

WATER SUPPLY

	OUTCOME	2023 RESULT	2023 TARGET	2022 RESULT	HOW DID WE PERFORM
Our water takes are sustainable					
Compliance with resource consent is achieved, as measured by the number of notices, orders, and convictions received in relation to those resource consents. All resource consents are held in DORIS.					
Abatement notices	Fully achieved	0	0	0	There were no notices or convictions over the 2022/2023 year. While compliance within the Delta Zone was breached for two weeks in January 2023, only a formal warning was recorded.
Infringement notices	Fully achieved	0	0	0	
Enforcement orders	Fully achieved	0	0	0	
Convictions	Fully achieved	0	0	0	
The volume and percentage of real water loss from the network is less than the target. Total real loss = total water provided – water metered – non-revenue water. % = L real loss divided by average L usage per connection as yearly average. Mandatory measure 2.	Fully achieved	22%	≤25%	28%	This result shows a significant improvement from last year. Real water loss decreased from 28% to 22%, a 6 percentage points improvement. Council staff have been proactively monitoring and responding to water losses, using new equipment and making pump station improvements to reduce pressure surges.
The average urban consumption of drinking water per day per resident is less than the target. Mandatory measure 5.	Fully achieved	232 Litres	<250L	218 Litres	The average urban consumption of drinking water per day per resident was below the 250L target.

WATER SUPPLY

OUTCOME	2023 RESULT	2023 TARGET	2022 RESULT	HOW DID WE PERFORM	
Our water is safe to drink					
Minimise the number of temporary advisory notices issued to customers to boil water.	Not achieved	8	0	8	<p>We issued boil water notices for the following schemes: August 2022 – Eighty Eight Valley, Upper Tākaka, Redwoods 1 and 2, April 2023 – Eighty Eight Valley, May 2023 – Eighty Eight Valley, Tapawera, Redwoods 1.</p> <p>In all cases, heavy rainfall events created elevated turbidity in source waters for extended periods of time meaning that the treatment processes in place could not be guaranteed to provide effective disinfection.</p> <p>There is a permanent boil water notice in place in Dovedale.</p>

The rules against which water suppliers demonstrate compliance changed from the Drinking Water Standards for New Zealand 2005 (Revised 2018) (DWSNZ) to the Drinking Water Quality Assurance Rules 2022 (DWQAR). This change occurred on 15 November 2022. The Drinking Water Regulator – Taumata Arowai – advised that demonstrating compliance with the new rules could be delayed until 1 January 2023. Tasman District Council opted to do so.

Parts 4 and 5 of the Drinking Water Standards will only be relevant to annual reporting for the period 1 July 2022 to 31 December 2022. After that date, we have applied the new rules.

For this Annual Report, we have reported the water supply performance for two separate six-month periods. Performance for 1 July to 31 December 2022 is based on compliance against the Drinking Water Standards for New Zealand 2005 (Revised 2018) [DWSNZ]. Performance for 1 January to 30 June 2023 is based on compliance against the Drinking Water Quality Assurance Rules 2022 [DWQAR]. All results have been reviewed by an independent drinking water compliance specialist.

Comparative data for last year (2022 Result), is based on compliance against the Drinking Water Standards for New Zealand 2005 (Revised 2018) [DWSNZ].

WATER SUPPLY

OUTCOME		2023 RESULT	2023 TARGET	2022 RESULT	HOW DID WE PERFORM
<p>We comply with Part 4 (bacterial compliance criteria) of the Drinking Water Standards, as determined by the Drinking Water Assessor.</p> <p>Mandatory measure 1.</p> <p>Measured by the number of schemes with plant compliance and zone compliance as determined by the Ministry of Health Annual Drinking Water Survey.</p>					
Plant compliance	Not achieved	<p>Jul to Dec 2022: 6/13 46%</p> <p>Jan to Jun 2023: 2/15 13%</p>	100% compliance	8/13 62%	<p>Jul – Dec 2022</p> <p>Kaiteriteri and Pōhara Plants complied against the DWSNZ for the 2021/22 year but failed on minor technical monitoring requirements for the Jul-Dec 2022 period. This did not impact on water safety.</p> <p>Collingwood, Brightwater, Wakefield each had minor and isolated instances of non-compliance related to flood events.</p> <p>Eighty Eight Valley and Dovedale surface water supplies are prone to heavy rainfall events which elevate turbidity relatively often.</p> <p>The result for July to December 2022 does not include two supplies, Tapawera and Upper Tākaka, as these were assessed under Section (Part) 10 of the Drinking Water Standards (not sections 4 and 5) which has different compliance criteria not specific to treatment plant and distribution zone. However, these two supplies are included in the total numbers of plants and zones for the result for January to June 2023.</p> <p><i>Continued on next page.</i></p>

WATER SUPPLY

OUTCOME	2023 RESULT	2023 TARGET	2022 RESULT	HOW DID WE PERFORM
<p>Plant compliance (continued)</p>				<p>Jan-Jun 2023</p> <p>The criteria for assessing compliance changed, meaning that fewer plants were able to achieve the increased chlorine disinfection requirements. A number of plants also had UV disinfection installed but not for the entire six month period and therefore could not use the option of meeting the UV bacterial disinfection criteria.</p> <p>Only two plants – Richmond and Upper Tākaka – were fully compliant for the entire six month period. Most other plants achieved compliance on a high percentage of the 181 days comprising this six month period, as laid out in Table 2. Despite the apparent decrease in compliance, the reality is that most plants produced safer water than the corresponding period in 2022.</p> <p>It must be noted that for Jan – Jun 2023, the regulator only required reporting against a limited number of the applicable rules. Therefore, a comprehensive assessment of compliance against all rules will not be available until February 2024, this being when reporting against all remaining rules is to be completed.</p> <p>For further information on the results for each plant and zone, please see Tables 2 and 3 on pages 80 and 81.</p>

WATER SUPPLY

	OUTCOME	2023 RESULT	2023 TARGET	2022 RESULT	HOW DID WE PERFORM
Zone compliance	Not achieved	<p>Jul to Dec 2022: 14/14 100%</p> <p>Jan to Jun 2023: 13/16 81%</p>	100% compliance	13/14 93%	<p>Jul – Dec 2022</p> <p>All the water supply distribution zones complied with Part 4 zone measures for July to December 2022. This is an improvement compared with last year when Dovedale did not comply.</p> <p>As explained above, the result for July to December 2022 does not include two supplies, Tapawera and Upper Tākaka, but these are included in the result for January to June 2023.</p> <p>Jan – Jun 2023</p> <p>Three zones did not comply:</p> <ul style="list-style-type: none"> • Dovedale – frequent instances of low residual chlorine • Eighty Eight Valley – two instances of low residual chlorine • Redwoods 1 – one chlorine residual sample not taken as scheduled. <p>For further information on the results for each plant and zone, please see Tables 2 and 3 on pages 80 and 81.</p>

WATER SUPPLY

	OUTCOME	2023 RESULT	2023 TARGET	2022 RESULT	HOW DID WE PERFORM
	<p>We comply with Part 5 (protozoal compliance criteria) of the Drinking Water Standards, as measured by the number of schemes with compliant protozoa treatment determined by the Drinking Water Assessor.</p> <p>Mandatory measure 1.</p>	<p>Jul to Dec 2022: 1/13 8%</p> <p>Jan to Jun 2023: 1/15 7%</p>	<p>100% compliance</p>	<p>1/13 7.69%</p>	<p>Jul – Dec 2022</p> <p>Richmond was the only scheme which complied for the entire period.</p> <p>Dovedale, Redwoods 1 and 2, and Eighty Eight Valley schemes have no protozoa treatment and therefore cannot comply.</p> <p>Motueka, Pōhara, Brightwater, Wakefield, and Māpua/Ruby Bay schemes all had protozoa treatment installed just prior to or during the period. Therefore full compliance could not be demonstrated due to insufficient data.</p> <p>The Kaiteriteri scheme had short instances of elevated turbidity.</p> <p>Murchison and Collingwood schemes had issues with data quality.</p> <p>As explained above, the result for July to December 2022 does not include Tapawera and Upper Tākaka supplies, but they are included in the result for January to June 2023.</p> <p>Jan – Jun 2023</p> <p>Richmond – complied.</p> <p>Dovedale, Redwoods 1 & 2, Eighty Eight Valley – have no protozoa treatment.</p> <p>Collingwood, Pōhara, Kaiteriteri, Māpua, Brightwater, Wakefield, Tapawera, Murchison – all achieved compliance for most of the period as depicted in Table 2. In all cases, non-compliance was due to one or more minor issues including data quality and short turbidity spikes.</p> <p><i>Continued on next page.</i></p>

WATER SUPPLY

OUTCOME	2023 RESULT	2023 TARGET	2022 RESULT	HOW DID WE PERFORM
<p>We comply with Part 5 (protozoal compliance criteria) of the Drinking Water Standards, as measured by the number of schemes with compliant protozoa treatment determined by the Drinking Water Assessor.</p> <p>Mandatory measure 1.</p> <p><i>(continued)</i></p>				<p>Motueka – would have been fully compliant but for two short (2 hour) episodes where the untreated Recreation Centre bore had to provide water to the reticulation.</p> <p>Water quality and safety has improved greatly on the corresponding 2022 timeframe.</p> <p>Upper Tākaka – A new rule stipulating cartridge filtration was introduced. This filtration was installed in August 2023.</p> <p>It must be noted that for Jan – Jun 2023, the regulator only required reporting against a limited number of the applicable rules. Therefore a comprehensive assessment of compliance against all rules will not be available until February 2024, this being when reporting against all remaining rules is to be completed.</p> <p>For further information on the results for each plant and zone, please see Tables 2 and 3 on pages 80 and 81.</p>

Our water supply systems provide fire protection to a level that is consistent with the national standard

<p>Annually test, and achieve at least 95% compliance with FW2 standards, for 15 randomly selected fire hydrants in Richmond, and not less than five randomly selected fire hydrants in each of the other urban supplies in the District.</p>	Fully achieved	96%	95%	90%	<p>Of the 53 hydrants randomly selected, two were found to be below the requirements. One of those cannot be remedied due to low pressure in the area. We will investigate the remaining one with a view to repairing and retesting it to ensure it does meet requirements.</p>
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WATER SUPPLY

OUTCOME	2023 RESULT	2023 TARGET	2022 RESULT	HOW DID WE PERFORM	
Our water supply systems are built, operated and maintained so that failures can be managed and responded to quickly					
<p>Planned service interruptions do not exceed eight hours as required under section 69S(3) of the Health Act 1956*.</p> <p>*Note: this was replaced by section 25(4) of the Water Services Act 2021.</p>	Fully achieved	100%	<8 hours	<p>Longest interruption 10 hours and 40 minutes</p> <p>Of the 23 planned water shutdowns, none exceeded the 8-hour target.</p>	
Our water supply activities are managed at a level that the community is satisfied with					
<p>Percentage of customers (who receive a service) are satisfied with the water supply. Measured through the annual residents' survey.</p>	Fully achieved	85%	≥ 80%	85%	This result is similar to last year and met the target.
<p>Complaints per 1,000 connections are less than the target – relates to clarity, taste, odour, pressure or flow, continuity of supply and Council response to these issues. Justified complaint defined as a notification of a drop in LOS. Measured Confirm database and NSC system.</p> <p>Mandatory measure 4.</p>	Fully achieved	15.4	<20	18.5	There were fewer complaints per capita than last year and we met the target of less than 20 complaints.

WATER SUPPLY

	OUTCOME	2023 RESULT	2023 TARGET	2022 RESULT	HOW DID WE PERFORM
Median response times are within targets for urgent call-outs. Mandatory measure 3.	Fully achieved	1.9 hours	<2 hours	1.9 hours	The median response time of 1.9 hours is just within the target.
Median response times are within targets for non-urgent call-outs. Mandatory measure 3.	Fully achieved	3.4 hours	<48 hours	3.2 hours	The median response time of 3.4 hours for non-urgent call-outs is well within target.
Median resolution times are within targets for urgent call-outs. Mandatory measure 3.	Fully achieved	22.4 hours	<24 hours	21.0 hours	The resolution time is longer than the 2021/2022 year (by 1.4 hours) but still within target.
Median resolution times are within targets for non-urgent call-outs. Mandatory measure 3.	Fully achieved	25.7 hours	<3 working days	23.1 hours	This pleasing result is similar to the 2021/2022 year.

WATER SUPPLY

Table 2. Compliance with Drinking Water Standards for New Zealand 2005 (Revised 2018) for 1 July to 31 December 2022

The outcome for each treatment plant and distribution zone is summarised in the table below.

- A tick indicates full compliance.
- A cross indicates that one or more days did not meet the DWSNZ requirements.

WATER SUPPLY	TREATMENT PLANT		DISTRIBUTION ZONE	
	BACTERIAL (PART 4)	PROTOZOA (PART 5)	BACTERIAL (PART 4)	CHEMICAL
Collingwood	X	X	√	√
Dovedale	X	X	√	X
88 Valley	X	X	√	√
Hope Brightwater	X	X	√	√
Kaiteriteri	X	X	√	√
Motueka	√	X	√	√
Murchison	√	X	√	√
Pōhara	X	X	√	√
Redwoods 1	√	X	√	√
Redwoods 2	√	X	√	√
Richmond/Waimea	√	√	√	√
Waimea Industrial (zone only)			√	√
Tapawera	DWSNZ Section 10 assessment			
Māpua Ruby Bay	√	X	√	√
Wakefield	X	X	√	√
Upper Tākaka	DWSNZ Section 10 assessment			

WATER SUPPLY

Table 3. Compliance with Drinking Water Quality Assurance Rules 2022 for 1 January 2023 to 30 June 2023

The outcome for each treatment plant and distribution zone is summarised in the table below, showing the number of days (out of 181) or months (out of 6) of compliance.

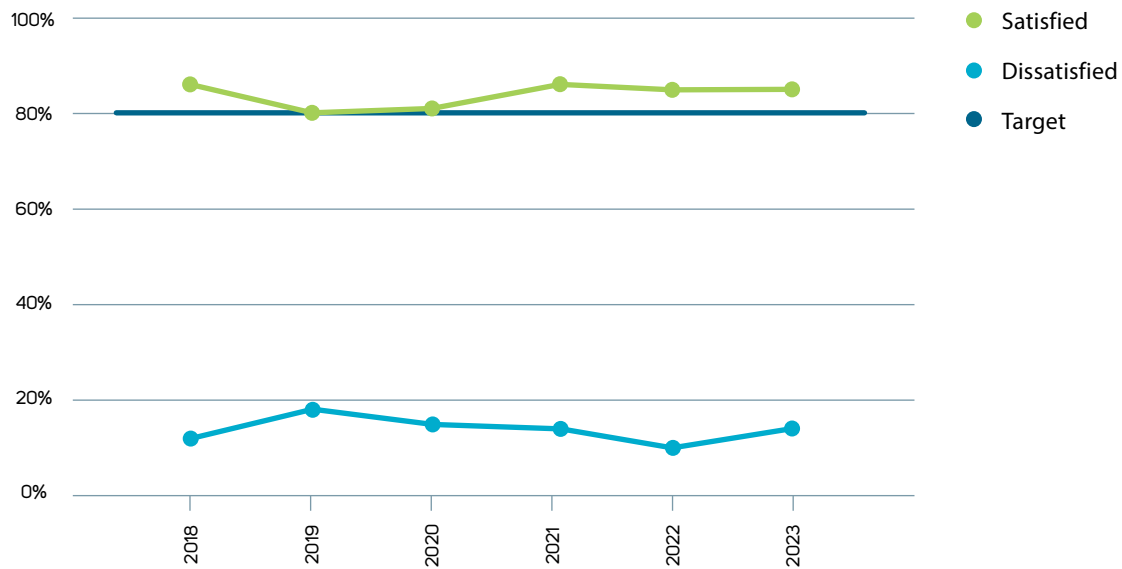
WATER SUPPLY	TREATMENT PLANT		DISTRIBUTION ZONE	
	BACTERIAL	PROTOZOA	MICROBIOLOGICAL	RESIDUAL DISINFECTANT
Collingwood	172/181	172/181	6/6	6/6
Dovedale	0/6	0/6	6/6	0/6
88 Valley	3/6	0/6	6/6	4/6
Hope Brightwater	118/181	118/181	6/6	6/6
Kaiteriteri	158/181	158/181	6/6	6/6
Motueka	179/181	179/181	6/6	6/6
Murchison	180/181	180/181	6/6	6/6
Pōhara	179/181	171/181	6/6	6/6
Redwoods 1	0/6	0/6	6/6	5/6
Redwoods 2	1/6	0/6	6/6	6/6
Richmond/Waimea	181/181	181/181	6/6	6/6
Waimea Industrial zone			6/6	6/6
Tapawera	180/181	180/181	6/6	6/6
Māpua Ruby Bay	176/181	176/181	6/6	6/6
Wakefield	176/181	176/181	6/6	6/6
Upper Tākaka	2/2	Annual	2/2	n/a

NOTES:

- Treatment plants using T3 rules have a compliance monitoring period of one day and have been assessed over 181 days, so the result is recorded as how many days out of 181 days supply were compliant.
- Treatment plants using T2 rules have a compliance monitoring period of one month and have been assessed over six months, so the result is recorded as how many months out of six months supply were compliant.
- Distribution zones using D3 and D2 have a compliance monitoring period of one month and have been assessed over six months, so the result is recorded as how many months out of six months supply was compliant.
- Treatment plants and distributions zones using the T1 rules have a compliance monitoring period of three months so the result is recorded as how many three-month periods out of two compliance monitoring periods supply was compliant.
- It is possible that with the submission of an annual report in January 2024 individual compliance or the overall result may change.

WATER SUPPLY

Customer Satisfaction with Water Supply Services



INVESTMENTS

The following are key Water Supply investments planned to occur during the 10 years of the Long Term Plan 2021 – 2031, with an update of any progress during 2022/2023.

NAME	DESCRIPTION	2022/2023
Water source improvements	Programme to improve water source capacity and security for networks including Richmond, Wai-iti Dam, and Redwood Valley.	Fittings at the outlet of Wai-iti Dam were dismantled, taken out and treated for corrosion. Teams of divers had to be engaged to dismantle the fittings, take them to the shore, and re-install them following the corrosion protection treatment. In the process, no water from the dam had to be released.
Maintenance of water supply schemes	Water supply network maintenance including reactive and routine activities.	<p>Our contractors have continued to deliver reactive and routine maintenance activities on all of our water supply networks, to best practice standard. Individual personnel are suitably trained and qualified to perform the work required and observations and audits of completed work are conducted by Council staff.</p> <p>Our contractors operate in accordance with the Watercare Code of Practice for Disinfection of Water Systems while Council develops its own Hygiene Code of Practice.</p>

WATER SUPPLY

INVESTMENTS (CONT.)

NAME	DESCRIPTION	2022/2023
Water safety improvements	Upgrade existing treatment plants and develop new Motueka treatment plant to meet the DWSNZ.	<p>Water treatment projects that completed construction in 2021/2022 for the Motueka, Wakefield, Brightwater, and Pōhara supplies have been commissioned. These four plants were operational for the greater part of the 2022/2023 year and are effective at improving water safety through UV disinfection and filtration.</p> <p>The Māpua – Ruby Bay Water Treatment Plant was operational with UV disinfection for all of 2022/2023 period. Further work is underway on commissioning the pH adjustment for this supply.</p>
Eighty-Eight Valley network improvements	Extend urban water supply to Eighty-Eight Valley including new water mains and pump station upgrades.	No physical work has been undertaken yet. Future work is being reviewed within the wider Waimea water supply strategy.
Richmond South Reservoir and water main	New water trunk main and storage reservoir to service residential development and improve resilience.	The low-level trunk main has been constructed as far as Hart Rise in several sections over a number of years. Commissioning of the main up to Paton Road has been completed. The remainder of the trunk main and the low-level reservoir are in design and are due for construction in future years.
Water pipe capacity upgrades	Projects to increase water supply capacity in Richmond and Brightwater.	The pipe renewal project along Salisbury Road, Richmond has been completed.
O'Connor's Creek Bore Renewal	Replacement of deteriorated well pump riser and headwork.	O'Connor's Creek Bore pump yield dropped significantly in late 2022. Inspection of the bore pump riser showed that the riser pipe deteriorated significantly and developed a few holes. The riser and the above-ground pipework were replaced by new pipes and the yield is back to normal.
Water pipe replacements	Replacement of aged pipes in poor condition.	Wakefield water supply network suffered a number of pipe bursts in old asbestos cement pipes. Renewal of the most critical section along Edward Street commenced in June and was completed in July 2023. Sections 2 and 3 of the main, along Edward Street and up to Wakefield Reservoir will follow shortly after and are scheduled for completion by October 2023.

WATER SUPPLY

INVESTMENTS (CONT.)

NAME	DESCRIPTION	2022/2023
Waimea water network capacity upgrades	Programme of work to upgrade capacity of bores, treatment plant, trunk mains, reticulation, pump stations and reservoirs to support growth and improve resilience.	The project was completed in 2021/2022 and was operational for all of 2022/2023.
Māpua reservoir upgrade	New concrete reservoir at Pomona Road with additional capacity to support residential and business growth in Māpua.	The project was completed in 2021/2022 and was operational for all of 2022/2023.
Motueka network improvements	New pump station, reservoir and water mains to increase network capacity.	Recreation Centre bore field site has been upgraded to serve as emergency (untreated) back-up to Parker Street WTP supply. In 2023/2024 the now redundant Fearon Bush bore and the pumping station will be decommissioned.
Motueka West water reticulation	New water mains to enable development of Motueka West.	A new 250mm water main has been installed at Grey Street and part of Whakarewa Street in parallel with the new wastewater rising main. This is one of the water reticulation projects aiming to close water supply network loops in west Motueka.
Demand, flow and leakage investigations	Leak detection, flow monitoring and network modelling.	Leak detection was carried out in Richmond, Wakefield, Kaiteriteri, Murchison, Pinehill Heights, Collingwood, Pōhara, and Upper Tākaka. Pressure transients monitored and adjustments were made to the pumps in Brightwater, Wakefield and Richmond Zones to minimise pipe breaks.

WATER SUPPLY

FUNDING IMPACT STATEMENT For the year ended 30 June 2023

LTP BUDGET 2021/2022 \$000	ACTUAL 2021/2022 \$000	NOTES	ACTUAL 2022/2023 \$000	LTP BUDGET 2022/2023 \$000
		SOURCES OF OPERATING FUNDING		
157	157	General rates, uniform annual general charges, rates penalties	359	263
12,710	12,575	Targeted rates	15,862	14,047
-	-	Subsidies and grants for operating purposes	258	-
1,137	960	Fees and charges	1,202	1,129
614	744	Local authorities fuel tax, fines, infringement fees, and other receipts	832	641
14,618	14,436	Total operating funding	18,513	16,080
		APPLICATIONS OF OPERATING FUNDING		
6,181	6,941	Payments to staff and suppliers	8,485	7,615
2,582	2,838	Finance costs	4,385	2,561
2,003	2,391	Internal charges and overheads applied	2,113	2,558
10,766	12,170	Total applications of operating funding	14,983	12,734
3,852	2,266	Surplus/(deficit) of operating funding	3,530	3,346
		SOURCES OF CAPITAL FUNDING		
7,890	9,256	Subsidies and grants for capital expenditure	153	3,500
2,440	3,076	Development and financial contributions	2,654	2,440
18,053	41,144	Increase/(decrease) in debt	31,500	(2,556)
28,383	53,476	Total sources of capital funding	34,307	3,384
		APPLICATIONS OF CAPITAL FUNDING		
		Capital expenditure		
2,818	328	• to meet additional demand	946	26
30,701	27,698	• to improve the level of service	17,236	5,920
4,480	13,665	• to replace existing assets	2,130	3,137
(5,764)	(8,626)	Increase/(decrease) in reserves	1,307	(2,702)
-	22,677	Increase/(decrease) in investments	16,218	349
32,235	55,742	Total applications of capital funding	37,837	6,730
(3,852)	(2,266)	Surplus/(deficit) of capital funding	(3,530)	(3,346)
-	-	Funding balance	-	-

Subsidies and grants for capital expenditure are lower than budgeted due to the budget including an estimate for Three Waters Stimulus funding, which was mostly completed in the prior year.

The increase in debt compared to the budget is mostly due to loan funding for WWL irrigator capacity loans being treated as pass through loans, and included on a net basis in the budget, whereas the actuals show the debt (borrowings) and shareholder advances (included in 'other financial assets') on a gross basis. The capital expenditure was above budget mostly due to the timing of WWL construction.

WASTEWATER

OUR GOAL

We aim to provide cost-effective and sustainable wastewater systems to protect public health whilst meeting environmental standards.

WHAT WE DO

We provide and manage wastewater collection, treatment, and disposal facilities for our residents connected to our eight wastewater networks. There are approximately 14,000 connections to our wastewater networks. These networks convey wastewater to eight treatment plants, seven of which we own and manage. The largest treatment plant (Bell Island) is owned by both Nelson and Tasman Councils on a 50:50 share basis and 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. We promote and protect public health, community well-being, and our environment within our District by planning, implementing, and maintaining our wastewater services. This is one of our key duties as required by the Health Act 1956.

CONTRIBUTION TO COMMUNITY OUTCOMES

The Wastewater activity primarily contributes to the following community outcomes:

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

WASTEWATER

OUTCOME	2023 RESULT	2023 TARGET	2022 RESULT	HOW DID WE PERFORM	
Our wastewater systems do not adversely affect the receiving environment					
Compliance with resource consents for discharges from wastewater systems is achieved.					
Mandatory measure 2.					
As measured by the number of:					
• Abatement notices	Fully achieved	0	0	0	In 2022/2023, there were no notices or enforcement orders issued or convictions received.
• Infringement notices	Fully achieved	0	0	0	
• Enforcement orders	Fully achieved	0	0	0	
• Convictions	Fully achieved	0	0	0	
The number of times temporary wastewater overflow signs are erected at waterways is minimised.	Not achieved	13	<5	21	Three of the overflows were due to blockages, nine due to wet weather/flooding (one due to a main break), and one due to a contractor. We continue to use social media and signs to advise of widespread overflows.

WASTEWATER

	OUTCOME	2023 RESULT	2023 TARGET	2022 RESULT	HOW DID WE PERFORM
Our wastewater systems reliably take out wastewater with a minimum of odours, overflows or disturbance to the public					
<p>The total number of complaints received about:</p> <ul style="list-style-type: none"> • odour • system faults • system blockages <p>Council's response to issues within its systems is less than the target.</p> <p>(Expressed per 1,000 connections.)</p> <p>Measured by the number of contract job request.</p> <p>Mandatory measure 4.</p>	Fully achieved	0.5	<35	2.1	We received eight complaints – four related to odour and four to noisy manholes. Three of the noise complaints related to a single manhole. This results in 0.5 complaints for every 1000 connections.
Our wastewater systems are built, operated and maintained so that failures can be managed and responded to quickly					
<p>The number of dry weather overflows from the Council wastewater system (expressed per 1,000 connections to wastewater system) is less than the target.</p> <p>Dry weather is defined as days with less than 1mm of rain within a continuous 24-hour period⁴. Measured by the number of contract job request.</p> <p>Mandatory measure 1.</p>	Fully achieved	0.9	≤5	1.1 ⁵	There were 13 dry weather overflows. 10 dry weather overflows were due to blockages and three were due to plant failure. This results in 0.9 overflows for every 1000 connections.

4. The definition of dry weather differs from the Long Term Plan 2021 – 2031 and has been amended to be consistent with the Department of Internal Affairs (DIA) wording for this mandatory measure.

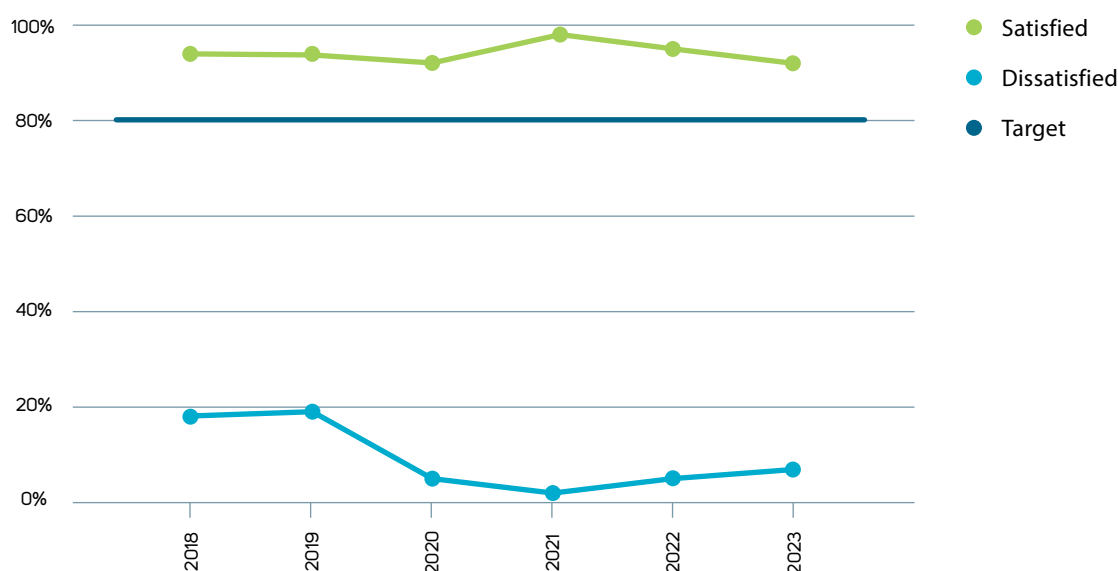
5. The 2022 result has been amended. The result published in the 2022 Annual Report incorrectly included five overflows which weren't dry weather overflows based on the DIA definition.

WASTEWATER

OUTCOME		2023 RESULT	2023 TARGET	2022 RESULT	HOW DID WE PERFORM
<p>Overflows resulting from a blockage or other fault in the wastewater system are attended to and resolved within the target timeframes.</p> <p>Measured by attendance and resolution times recorded in Confirm.</p> <p>Mandatory measure 3.</p>					
Attendance time (median) – from the time Council receives notification to the time that service personnel reach the site.	Not achieved	119 mins	≤60 mins	120 mins	The target was missed by an hour. This was because our contractor was overwhelmed during storm events in July and August.
Resolution time (median) – from the time Council receives notification to the time that the service personnel confirm resolution of the blockage or other fault.	Fully achieved	8.4 hours	≤ 9 hours	5.4 hours	The result is worse than the previous year due to the August storm event, but still within target.
<p>Our wastewater activities are managed at a level that satisfies the community</p>					
Percentage of customers (who receive a service) are satisfied with the wastewater service. Measured through the annual residents' survey.	Fully achieved	92%	>80%	95%	Customer satisfaction was significantly above the target this year.

WASTEWATER

Customer Satisfaction with Wastewater Services



INVESTMENTS

The following are key Wastewater investments planned to occur during the 10 years of the Long Term Plan 2021 – 2031, with an update of any progress during 2022/2023.

NAME	DESCRIPTION	2022/2023
Maintenance of wastewater schemes	Maintenance of wastewater networks including reactive and routine activities.	Completion of some routine work was delayed immediately after storm events, but the Contractor caught up afterwards.
Māpua wastewater network capacity upgrades	New pump stations and trunk mains to increase network capacity.	The maintenance period (defects liability) ended in October 2022. The pump stations and trunk mains are operational.
Mechanical and electrical renewals	Renewal of mechanical and electrical equipment at pump stations and wastewater treatment plants.	Most of the 2021/2022 work that was carried over into 2022/2023 was completed. In 2022/2023, 92% of the allocated work was completed. This was a large improvement on the 2021/2022 year. Electrical renewals make up most of the uncompleted work. Downer has subcontracted a lot of this work which has improved the number of renewals completed. Uncompleted work will carry over into 2023/2024.
New Motueka wastewater treatment plant	Designation, resource consent, and land purchase for new inland wastewater treatment plant in Motueka.	This project was put on hold while a wider NRSBU/ Tasman wastewater philosophy was developed with iwi. Completion of this project is now urgent, and a plan to fast-track it is underway.

WASTEWATER

INVESTMENTS (CONT.)

NAME	DESCRIPTION	2022/2023
Motueka growth wastewater infrastructure	New pressure mains from Motueka West to wastewater treatment plant to enable development of Motueka West.	Stage one of the pipeline is completed. Stage two is under construction. The design of the pump station is underway.
Māpua pump station capacity upgrades	Upgrade of Ruby Bay and Aranui-Higgs pump stations with additional storage capacity.	The storage at Aranui-Higgs pump station was completed in 2020/2021 as part of the wider Māpua-Ruby Bay wastewater upgrade. The upgrade of the Ruby Bay pump station was taken out of the wider Māpua-Ruby Bay upgrade and was completed more cost effectively under the Operation and Maintenance Contract.
Wastewater pipe replacements	District wide wastewater reticulation renewals.	Relining of reticulation in McCarthy Crescent in Motueka was completed, including laterals within the road reserve. Inflow and infiltration investigations over approximately 20% of the network in Motueka was completed. More renewals will result from this work.
Sludge removal and reuse	District-wide wastewater treatment plant sludge removal and disposal.	Desludging of Motueka Wastewater Treatment Plant is underway and expected to be complete in August 2023. There was no budget for disposal/reuse of sludge.
Richmond South wastewater infrastructure	New pump station and pressure main to enable development in Richmond South.	Options to reticulate Richmond South has started. A final decision hasn't been made, but developers have been advised that a low-pressure system is the most favourable option.
Emergency storage and generators	New mobile generators and emergency storage tanks for pump stations to improve network resilience.	This work was not completed this year.
Waimea wastewater network improvements	New bypass pump station in Brightwater to enable growth and improve network resilience.	This work is on-hold subject to alignment with the Waimea water supply strategy.
Golden Bay network upgrades	Upgraded pump stations and pressures mains at Pōhara and Tarakohe.	Stage one of the Tarakohe pump station and rising main project is under construction. This involves a new pressure main between Pōhara and Four Winds pump stations.
NRSBU	NRSBU investment in new and upgraded infrastructure to support growth and renew of existing assets.	There have been delays in completing all stages of the duplicate pipeline, to significantly increase pumping capacity between Richmond and Bell Island. Completion is expected by July 2024.

WASTEWATER

FUNDING IMPACT STATEMENT For the year ended 30 June 2023

LTP BUDGET 2021/2022 \$000	ACTUAL 2021/2022 \$000	NOTES	ACTUAL 2022/2023 \$000	LTP BUDGET 2022/2023 \$000
		SOURCES OF OPERATING FUNDING		
-	(27)	General rates, uniform annual general charges, rates penalties	-	-
10,916	10,877	Targeted rates	10,599	10,443
242	331	Fees and charges	270	250
3,560	3,570	Local authorities fuel tax, fines, infringement fees, and other receipts	2,973	3,704
14,718	14,751	Total operating funding	13,842	14,397
		APPLICATIONS OF OPERATING FUNDING		
7,896	9,020	Payments to staff and suppliers	9,683	8,405
1,011	1,061	Finance costs	1,103	904
1,271	1,397	Internal charges and overheads applied	931	1,363
10,178	11,478	Total applications of operating funding	11,717	10,672
4,540	3,273	Surplus/(deficit) of operating funding	2,125	3,725
		SOURCES OF CAPITAL FUNDING		
2,090	-	Subsidies and grants for capital expenditure	46	1,500
2,645	4,428	Development and financial contributions	3,504	2,645
(538)	(604)	Increase/(decrease) in debt	2,116	(871)
4,197	3,824	Total sources of capital funding	5,666	3,274
		APPLICATIONS OF CAPITAL FUNDING		
		Capital expenditure		
1,325	1,137	• to meet additional demand	889	274
3,415	6,113	• to improve the level of service	1,591	3,103
3,948	1,164	• to replace existing assets	5,611	3,172
49	(1,317)	Increase/(decrease) in reserves	(300)	450
8,737	7,097	Total applications of capital funding	7,791	6,999
(4,540)	(3,273)	Surplus/(deficit) of capital funding	(2,125)	(3,725)
-	-	Funding balance	-	-

Increase in debt is greater than budget due to loans raised for Council's Joint Operation Nelson Regional Sewerage Business Unit capital expenditure.

STORMWATER

OUR GOAL

We aim to provide cost-effective and sustainable stormwater systems that reduce flooding and meet environmental standards.

WHAT WE DO

The stormwater activity provides stormwater collection, reticulation, and discharge systems in our District on behalf of our residents. 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.

Generally, stormwater sumps and road culvert assets are owned and managed by the Waka Kotahi/New Zealand Transport Agency (NZTA) or our transportation activity, depending on its location (state highways or local roads). This stormwater activity does not include land drains or river systems, the specific streams and river sections that we maintain are listed in our rivers activity. Nor does it cover stormwater systems in private ownership.

We manage the stormwater activities primarily within 15 Urban Drainage Areas (UDAs). Systems that are outside the UDA's include small communities with stormwater systems that primarily collect and convey road run-off to suitable discharge points.

WHY WE DO IT

We minimise the risk of flooding of buildings and property from surface runoff and small urban streams. We also aim to minimise flooding in urban areas so that people can continue to move throughout our communities during times of wet weather. We enable safe and efficient conveyance and disposal of stormwater from the UDAs, improving the economic and social well-being of our District by protecting people and property from surface flooding.

We have a duty of care to ensure that the effects of any runoff from our own properties is remedied or mitigated. Because most of our properties are in the form of impermeable roads in developed areas, this means that some level of reticulation system is constructed. This becomes the logical network for dealing with private stormwater disposal.

CONTRIBUTION TO COMMUNITY OUTCOMES

The Stormwater activity primarily contributes to the following community outcomes:

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

STORMWATER

OUTCOME	2023 RESULT	2023 TARGET	2022 RESULT	HOW DID WE PERFORM	
Stormwater flooding: We have measures in place to respond to and reduce flood damage from stormwater to property and risk to the community					
<p>The number of flooding events that occur in the District. For each flooding event, the number of habitable floors affected (expressed per 1,000 properties connected to the territorial authority's stormwater system).</p> <p>Habitable floor refers to a floor of a building (including a basement) but does not include ancillary structures such as stand-alone garden sheds or garages.</p> <p>A flooding event means an overflow of stormwater from Council's stormwater system that enters a habitable floor.</p> <p>Mandatory measure 1.</p>	Fully achieved	0.70	<1	0.13	<p>There were 11 habitable floors flooded from one flooding event in 2022/2023. The flood event was in August and the habitable floors flooded were in Richmond and Pöhara.</p> <p>During 2022/2023 we have invested in flood protection in Pöhara and we have investigated overland flowpath improvements in Richmond. These works will address some of the affected properties.</p>
<p>The median response time to attend a flooding event, measured from the time that Council receives notification to the time that service personnel reach the site. As recorded through the Operations and Maintenance contract (July 2017).</p> <p>Mandatory measure 3.</p>	Fully achieved	35 minutes	<2 hours	0 minutes	<p>This response time is well below the target. In 2022, there were only three flooding enquiries. Two of them related to the same event, and the contractor was already on-site at the time of the enquiries, hence a zero minute response time.</p>

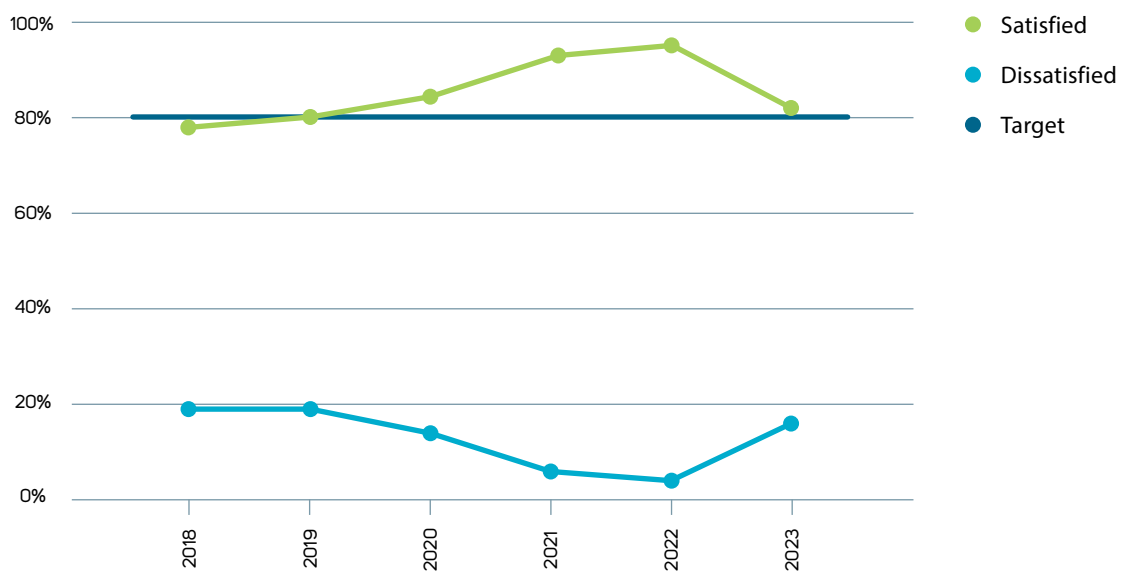
STORMWATER

	OUTCOME	2023 RESULT	2023 TARGET	2022 RESULT	HOW DID WE PERFORM
<p>The number of complaints received by Council about the performance* of its stormwater system, expressed per 1,000 properties connected to the stormwater system.</p> <ul style="list-style-type: none"> As measured through confirm and NCS database. Justified complaints about the performance of Council's stormwater system. <p>*The performance of the stormwater network is defined as the ability of the stormwater system to convey stormwater (not amenity or aesthetic functions).</p> <p>Mandatory measure 4.</p>	Fully achieved	8.2	<20	5.0	This result is well below the target at 8.2 complaints per 1,000 properties.
<p>Customer satisfaction: Our stormwater activities are managed at a level which satisfies the community</p>					
<p>Percentage of customers (who receive the service) that are satisfied with the stormwater service. As measured through the annual residents' survey.</p>	Fully achieved	82%	80%	89%	While we fully achieved the target, the % of customers who are satisfied with our stormwater services did drop this year. This may have resulted from the habitable floor flooding that occurred in August.

STORMWATER

OUTCOME	2023 RESULT	2023 TARGET	2022 RESULT	HOW DID WE PERFORM
The environment: Our stormwater systems do not adversely affect or degrade the receiving environment				
Compliance with Council's resource consents for discharge from its stormwater system, measured by the number of:				
Mandatory measure 5.				
Abatement notices	Fully achieved 0	≤1	0	Compliance was achieved over the 2022/2023 year with no notices, orders, or prosecutions.
Infringement notices	Fully achieved 0	0	0	
Enforcement orders	Fully achieved 0	0	0	
Successful prosecutions	Fully achieved 0	0	0	

Customer Satisfaction with Stormwater Services



STORMWATER

INVESTMENTS

The following are key Stormwater investments planned to occur during the 10 years of the Long Term Plan 2021 – 2031, with an update of any progress during 2022/2023.

NAME	DESCRIPTION	2022/2023
Stormwater treatment improvements	Implementation of measures to improve the quality of stormwater at strategic locations across the District.	<p>Staff have undertaken various field visits to develop a priority plan for stormwater improvement work. The plan proposes additional plantings as well as treatment on stormwater pipe outlets and filters in road sumps.</p> <p>In addition, improvement work was undertaken in Jimmy Lee Creek, with two floating ladders installed along Beach Road to improve fish passage.</p>
Secondary flow path improvements	District wide improvements to overland flow paths to reduce flood risks.	Staff completed modelling of overland flow paths and have continued floor level surveys to help confirm flooding risks. We have focused on the assessment, investigation, and design work for overland flow path improvements in areas affected by the August 2022 flood event.
Richmond Central stormwater improvements	Diversion of stormwater from Washbourn Gardens to Poutama Stream to reduce flood risks in Richmond Central.	We have carried out the first stage of an updated business case for the Richmond Central improvement works. This work involved re-assessing potential flood risk reduction benefits using more detailed stormwater modelling. Stage Two of the business case is underway, which involves the development and assessment of a new long-list of improvement options.
Motueka west stormwater improvements	New stormwater system to convey flows from the development area west of High Street towards Woodland drain.	Consent lodged but on hold for Resource Management Act (RMA) s92 request and Wratt Street scope inclusion. Ground investigations complete, ground water monitoring is ongoing. Final design and Traffic Management Plan under way, including consultation with Waka Kotahi, transportation, water and wastewater staff. Negotiations for easements are ongoing.
Māpua stormwater improvements	Combination of detention wetlands and network upgrades to convey flows from future development areas.	Further implementation of stormwater improvements around Māpua have been paused to allow completion of the Māpua Masterplan, which incorporates the Catchment Management Plan. A new programme of improvement will be developed as part of the Masterplan, which we expect to include new stormwater treatment and detention and pipe capacity upgrades.

STORMWATER

INVESTMENTS (CONT.)

NAME	DESCRIPTION	2022/2023
Tākaka stormwater improvements	Network upgrades and water quality improvements.	No work has been completed on this project this year. Staff plan to accelerate the timing of planned improvements to 2025/2026 and complete the initial studies and design work sooner than previously planned.
Richmond South stormwater improvements	Stream widening and other network upgrades to convey flows from future development areas.	<p>Council formally adopted Purposes and Objectives for the Richmond South Stormwater programme. This informs design and land purchase. We are consulting with iwi and other stakeholders on design options.</p> <p>SH60 bridge, design completed but start of works delayed due to land acquisition requirements.</p> <p>Design has progressed on sections where there is residential land and development work is underway.</p>
Richmond stormwater land acquisition	Land acquisition required for stream widening projects.	In Richmond West we have made two additional land purchases in 2022/2023, which brings us close to the completion of the land purchase programme for this area. In Richmond South, we have progressed negotiations on several additional land purchases, and are close to agreement on two.
Richmond West stormwater improvements	Stream widening and other network upgrades to convey flows from future development areas.	<p>Staff have started the concept design for the Lower Queen Street bridge and section A along Headingly Lane. We plan on completing a detailed design for the bridge in 2023/2024. For section A, we are planning for the construction works to start towards the middle of 2024.</p> <p>Borck Creek design up to SH60 was completed. A cycle bridge was constructed and in use by October 2022. The Eastern Hills Creek was diverted and the right bank of Borck B3/C1 was completed with planting occurring August 2023.</p>

STORMWATER

INVESTMENTS (CONT.)

NAME	DESCRIPTION	2022/2023
Stormwater modelling and catchment management planning	Development of stormwater flood models and catchment management plans for urban drainage areas.	Stormwater modelling has been carried out for the Māpua/Ruby Bay Urban Development Area (UDA) and is currently underway for the Brightwater and Wakefield UDAs. Work on the Māpua Catchment Management Plan (CMP) has been rolled into the Māpua Masterplan and will be completed under that process. Work on the Brightwater-Wakefield CMP has kicked off with the initial round of community engagement completed in June 2023. Both CMPs are planned to be completed before June 2024. District-scale stormwater modelling is also underway to allow more efficient/cost-effective completion of future CMPs for smaller UDAs, with a CMP for the Golden Bay UDAs planned to be initiated towards the end of the 2023/2024 financial year.
Maintenance of stormwater assets	General maintenance on stormwater assets.	<p>We have maintained our open channel and piped network systems. Open channel networks and intakes are inspected on a routine schedule. Channel vegetation is maintained as required to maintain channel capacity and pipe intakes are regularly inspected and checked prior to heavy rain forecasts. Channels and intakes are also cleared as required following events. Our maintenance costs continue to increase with addition of open channels from recent subdivision and development.</p> <p>The focus this year has been on the recovery works and follow-up actions because of the flooding event in August 2022.</p>

STORMWATER

FUNDING IMPACT STATEMENT For the year ended 30 June 2023

LTP BUDGET 2021/2022 \$000	ACTUAL 2021/2022 \$000	NOTES	ACTUAL 2022/2023 \$000	LTP BUDGET 2022/2023 \$000
		SOURCES OF OPERATING FUNDING		
4,882	4,950	Targeted rates	4,914	4,700
141	251	Local authorities fuel tax, fines, infringement fees, and other receipts	132	152
5,023	5,201	Total operating funding	5,046	4,852
		APPLICATIONS OF OPERATING FUNDING		
1,580	1,658	Payments to staff and suppliers	2,206	1,620
889	869	Finance costs	922	841
404	548	Internal charges and overheads applied	380	470
2,873	3,075	Total applications of operating funding	3,508	2,931
2,150	2,126	Surplus/(deficit) of operating funding	1,538	1,921
		SOURCES OF CAPITAL FUNDING		
1,965	2,951	Development and financial contributions	2,673	1,965
249	1,892	Increase/(decrease) in debt	888	(709)
2,214	4,843	Total sources of capital funding	3,561	1,256
		APPLICATIONS OF CAPITAL FUNDING		
		Capital expenditure		
31	29	• to meet additional demand	4	32
153	173	• to improve the level of service	47	211
4,875	7,230	• to replace existing assets	5,256	9,928
(695)	(463)	Increase/(decrease) in reserves	(208)	(6,994)
4,364	6,969	Total applications of capital funding	5,099	3,177
(2,150)	(2,126)	Surplus/(deficit) of capital funding	(1,538)	(1,921)
-	-	Funding balance	-	-

Capital expenditure to replace existing assets is less than budget due to delay in acquisition of land for a significant capital project, which resulted in reserves also being less than budget.

WASTE MANAGEMENT AND MINIMISATION

OUR GOAL

We aim to avoid and reduce the creation and harmful effects of waste, and improve the efficiency of resource use. These goals are derived from the Nelson Tasman Waste Management and Minimisation Plan. In September 2019, when adopting the Plan, we committed to a target of 10% reduction of waste to landfill per person by 2030.

WHAT WE DO

We provide and promote the following waste management and minimisation services:

- kerbside recycling and waste collection services;
- a materials recovery facility (MRF) to process recycling;
- five Resource Recovery Centres (RRCs), which receive waste, recyclables, cleanfill, greenwaste and some hazardous materials – at Richmond, Māriri, Tākaka, Collingwood and Murchison;
- drop off facilities for greenwaste and processing, through a contracted service;
- transport services to move these materials around our District; and
- a range of waste minimisation initiatives with schools, businesses, and the wider community, to reduce the production of waste and minimise harm.

These services operate alongside commercial services across the Nelson Tasman region.

Most public and commercial waste disposal is through our RRCs, and we transfer waste from these Centres to landfill. We divert recyclable materials, greenwaste and cleanfill away from landfill and our contractors process and sell this waste. We also recover hazardous materials at these sites, and ensure that they are processed safely.

The Nelson-Tasman Regional Landfill Business Unit provides operational landfills in our Region. The business unit is a joint committee of Nelson City Council (NCC) and Tasman District Council, operates a regional landfill at York Valley, in Nelson, and manages the Eves Valley Landfill, near Brightwater, which closed in 2017. We maintain a further 22 closed landfills around our District.

In the coming years, together with NCC, we plan to reduce waste to landfill by increasing diversion of dry waste and organic materials, and promote waste reduction. This diversion could be delivered by the two councils directly or through commercial partnerships.

WHY WE DO IT

We provide waste management and minimisation services to protect our public's health and our natural environment from waste generated by people. These waste minimisation activities promote efficient use of resources, reduce waste for businesses and households and extend the life of our Region's landfills.

The Waste Minimisation Act (2008) requires us to promote effective and efficient waste management and minimisation within our District. Under this legislation, we are required to prepare a Waste Management and Minimisation Plan. This plan sets our strategic direction for waste management.

We elected to adopt a joint plan, with NCC, because waste management issues cross council boundaries. The most recent Nelson Tasman Waste Management and Minimisation Plan was adopted in September 2019.

CONTRIBUTION TO COMMUNITY OUTCOMES

The Waste Management and Minimisation activity primarily contributes to the following community outcomes:

- Our urban and rural environments are people-friendly, well planned, accessible and sustainably managed.
- Our region is supported by an innovative and sustainable economy.
- Our infrastructure is efficient, resilient, cost effective and meets current and future needs.
- Our unique natural environment is healthy, protected and sustainably managed.
- Our Council provides leadership and fosters partnerships including with iwi, fosters a regional perspective, and encourages community engagement.

WASTE MANAGEMENT AND MINIMISATION

OUTCOME	2023 RESULT	2023 TARGET	2022 RESULT	HOW DID WE PERFORM	
We enable effective waste minimisation activities and services					
There is a reduction in total waste per capita going to Class one landfill. As measured by Nelson – Tasman tonnage recorded at landfill.	Fully achieved	658kg	< 710kg	691 kg	A total of 74,498 tonnes from the Nelson Tasman region were sent to landfill this year. This year total waste to landfill per capita decreased from 691kg in 2021/2022 to 658kg this year. This is based on an estimated regional population of 113,200 as at June 2022.
There is a reduction in municipal waste per capita going to Class one landfill. As measured by Nelson – Tasman tonnage recorded at landfill excluding special waste.	Fully achieved	576kg	< 610kg	592 kg	Municipal waste per capita decreased from 592kg per capita in 2021/2022.
There are high levels of participation in our kerbside recycling service, as measured through annual residents' survey of those provided with Council's kerbside recycling collection services who use it three times or more per annum.	Not achieved	83%	>95%	88%	Participation rates since 2020 have been lower than the target, which was based on the 94% participation rate reported in 2019/2020. Since 2020 we have used a different survey provider. Despite lower participation rates, the amount of recycling material collected has been stable and satisfaction with recycling each year has remained very steady – between 92% and 93%.

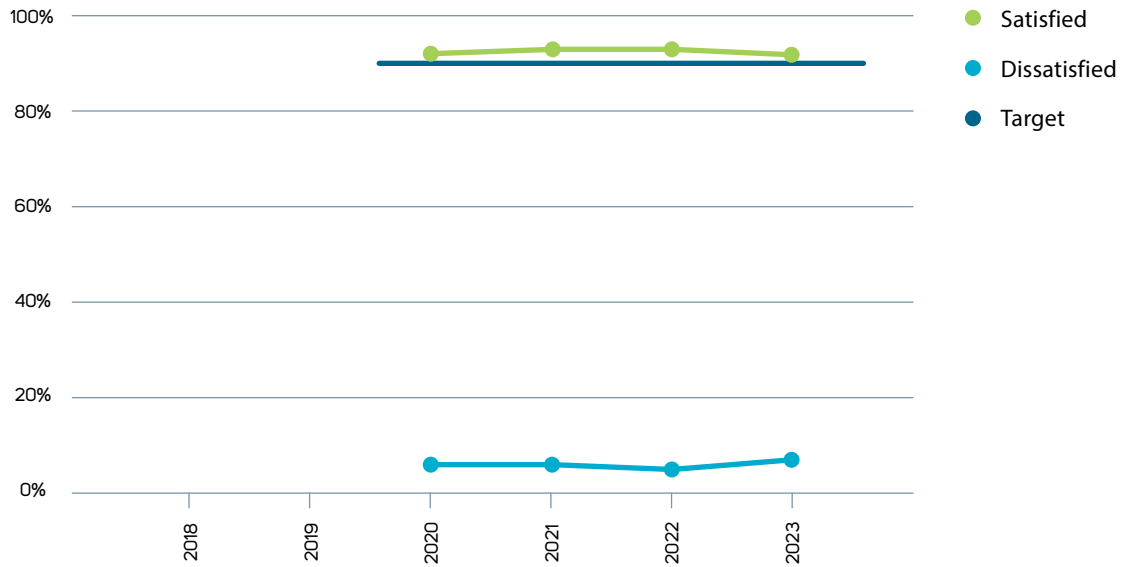
WASTE MANAGEMENT AND MINIMISATION

	OUTCOME	2023 RESULT	2023 TARGET	2022 RESULT	HOW DID WE PERFORM
Contamination levels in our kerbside recycling are low. As measured by our contractor at the Materials Recovery Facility.	Not achieved	8.0%	<7.5%	6.3%	<p>Recycling contamination increased this year, largely because of stricter quality control at the Materials Recovery Facility (MRF). This increase in quality control was driven by difficult international commodity markets for paper and cardboard, and reduced tolerance for contamination.</p> <p>In the coming year we will increase our communications and auditing of recycling bins.</p>
Our kerbside recycling services are reliable, easy to use					
Customer satisfaction with kerbside recycling services. As measured through residents' survey of those provided with Council's kerbside recycling collection services.	Fully achieved	92%	90%	93%	We met the target this year. This measure has been consistently high (and has consistently met the target) over the past five years.
Customer Service Requests relating to waste management activities are completed on time. Percentage of enquiries to our contractor resolved within contracted timeframes. As measured through the contract management system.	Fully achieved	96.2%	95%	96.9%	This measure was fully achieved this year.

WASTE MANAGEMENT AND MINIMISATION

OUTCOME	2023 RESULT	2023 TARGET	2022 RESULT	HOW DID WE PERFORM
Our resource recovery centres are easy to use and operated in a reliable manner				
Percentage of customer satisfaction. As measured by annual customer on-site surveys at Resource Recovery Centres (RRCs) who are very satisfied or fairly satisfied.	Fully achieved 98%	95%	98%	We met the target this year. This measure has been consistently high over the past five years.

Customer Satisfaction with Kerbside Recycling



WASTE MANAGEMENT AND MINIMISATION

INVESTMENTS

The following are key Waste Management and Minimisation investments planned to occur during the 10 years of the Long Term Plan 2021 – 2031, with an update of any progress during 2022/2023.

NAME	DESCRIPTION	2022/2023
Richmond RRC site improvements	New bunker to divert dry waste, construction of a second weighbridge, and improvements to the waste pit and waste bin storage area.	A concrete slab and lightweight building for diversion of construction waste has now been constructed at the Richmond Resource Recovery Centre (RRC). This was partially funded from a grant from the Waste Minimisation Fund. The glass bays at Richmond RRC, have been reconstructed to give greater capacity for storage at the site. A second weighbridge has been purchased and installation of this and improvements to the waste pit and bin storage project are programmed for subsequent years. The open drain adjacent to the entrance is now piped to allow for the earth bunds to be consolidated and help to reduce litter leaving site.
Nelson Tasman Regional Landfill Business Unit	Landfill improvements at York Valley and Eves Valley Landfills.	<p>The capital works programme successfully implemented over 90% of the budgeted works during the year, with six significant projects substantially completed. These projects include:</p> <ul style="list-style-type: none"> • The York Valley Gully 2 access road; • The Eves Valley all weather access upgrade and weighbridge installation; • The installation of the York Valley Landfill upper stability buttress and stormwater swale; • The York Valley gas extraction well expansion project; • The York Valley gas ring main installation; and • The completion of the acquisition of the Hospital Boiler and landfill gas system.
Materials Recovery Facility improvements	Purchase of equipment for sorting recycling, investigations and construction of an expanded building for this equipment.	This work has been delayed. Council has negotiated an extension of the contract for processing recycling and the need to extend the existing facility will be investigated in 2023/2024.

WASTE MANAGEMENT AND MINIMISATION

INVESTMENTS (CONT.)

NAME	DESCRIPTION	2022/2023
Māiri RRC site improvements	Construction of improved roads and access, relocation of the weighbridge and kiosk.	<p>The scope of this work has been reduced, due to the uncertainty of the upcoming central government waste policy. Minor improvements this year included an additional kiosk, and design work for a slab for processing scrap metal and a new wastewater disposal facility. New electric barriers have also been installed at Māiri RRC to control vehicles entering the weighbridge.</p> <p>A portion of the budget for work at this site has been re-allocated to fund improvements at the Richmond site.</p>
RRC renewals	Renewal of sealed pavements, drainage, buildings and equipment at Resource Recovery Centres.	<p>We have completed substantial pavement renewals at Richmond and Māiri RRCs. The kiosk at Murchison RRC has been renewed and a new roof has been constructed over the waste pit. Also installed at Murchison RRC, is a replacement 30,000 litre water tank for washing down and firefighting. A particle and UV filter system was fitted at the same time, so the site has drinking water. Critical spares have been purchased for the upgrade works to the compactor because some spare parts are no longer available.</p>
Waste minimisation activities	Activities to encourage waste reduction, waste diversion and recycling of waste.	<p>This year we have continued to engage with the community to encourage waste minimisation. Activities have included support for electronic waste recycling, public place and event recycling, home composting and waste minimisation grants. We have also supported engagement with schools through the EnviroSchools programme and investigated diversion options for construction waste and organic waste.</p>

WASTE MANAGEMENT AND MINIMISATION

FUNDING IMPACT STATEMENT For the year ended 30 June 2023

LTP BUDGET 2021/2022 \$000	ACTUAL 2021/2022 \$000	NOTES	ACTUAL 2022/2023 \$000	LTP BUDGET 2022/2023 \$000
		SOURCES OF OPERATING FUNDING		
1,062	1,062	General rates, uniform annual general charges, rates penalties	852	777
2,467	2,475	Targeted rates	2,771	2,776
5,438	5,271	Fees and charges	6,135	6,170
5,204	6,936	Local authorities fuel tax, fines, infringement fees, and other receipts	5,517	6,143
14,171	15,744	Total operating funding	15,275	15,866
		APPLICATIONS OF OPERATING FUNDING		
11,352	12,277	Payments to staff and suppliers	12,544	12,706
345	349	Finance costs	343	328
1,202	1,233	Internal charges and overheads applied	1,202	1,335
12,899	13,859	Total applications of operating funding	14,089	14,369
1,272	1,885	Surplus/(deficit) of operating funding	1,186	1,497
		SOURCES OF CAPITAL FUNDING		
401	21	Subsidies and grants for capital expenditure	274	876
242	(805)	Increase/(decrease) in debt	3,751	2,070
643	(784)	Total sources of capital funding	4,025	2,946
		APPLICATIONS OF CAPITAL FUNDING		
		Capital expenditure		
118	105	• to improve the level of service	132	28
3,834	2,193	• to replace existing assets	6,135	4,508
(317)	(1,197)	Increase/(decrease) in reserves	(1,056)	(93)
(1,720)	-	Increase/(decrease) in investments	-	-
1,915	1,101	Total applications of capital funding	5,211	4,443
(1,272)	(1,885)	Surplus/(deficit) of capital funding	(1,186)	(1,497)
-	-	Funding balance	-	-

RIVERS

OUR GOAL

We aim to protect properties from river flooding by implementing and maintaining river control works and flood protection assets. We ensure that our river environments remain healthy and attractive ecosystems that can be enjoyed by our communities.

WHAT WE DO

We maintain 285 kilometres of major rivers throughout our District to carry out our statutory roles to promote soil conservation and mitigate damage caused by floods and riverbank erosion. These rivers, known as classified rivers X and Y, are funded by a differential river rating system based on land value. Rivers that are covered under the rivers X and Y schemes include our major rivers like the Waimea, Motueka, Riuwaka, Moutere, Tākaka, Aorere rivers as well as several tributaries. We maintain and improve river assets in rivers X and Y, such as stopbanks and erosion protection.

There are many more rivers, streams and creeks that are on private, Council, and Crown (Department of Conservation, Land Information New Zealand) lands. These are collectively known as rivers Z. River protection assets such as rock walls and groynes form part of the river system. These are typically owned and maintained by private property owners; we sometimes part fund them.

The approach to river 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 management of stormwater or coastal assets. These are covered as individual activities and have their own Activity Management Plan.

WHY WE DO IT

By implementing and maintaining river control and flood protection schemes, we enhance community well-being and protect neighbouring properties and mitigate damage caused by flood events as required under the Soil Conservation and Rivers Control Act 1941.

CONTRIBUTION TO COMMUNITY OUTCOMES

The Flood Protection and River Control Works activity primarily contributes to the following community outcomes:

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

RIVERS

OUTCOME	2023 RESULT	2023 TARGET	2022 RESULT	HOW DID WE PERFORM	
Protection: Our structures are managed to reduce the impact of flooding now and in the future					
<p>The major flood protection and control works are maintained, repaired and renewed to the following standards: No failure of flood protection in the existing stopbank system maintained by Council below the specified design levels:</p> <ul style="list-style-type: none"> • Riuwaka River = approximately 145 m³/s @ Hickmotts flow gauge, (20% AEP to 10% AEP in 2020) for the area downstream of SH60 bridge. • Lower Motueka River = 1,854 m³/s @ Woodstock flow gauge, (2% AEP in 2020). • Waimea River = 1,346 m³/s @ Irvine Bridge flow gauge, (2% AEP in 2020). <p>AEP* = Annual Exceedance Probability.</p> <p>Mandatory measure 1.</p>	Fully achieved	100%	100%	100%	No flooding event during the 2022/2023 period resulted in any failure or damage to these assets.
<p>We complete approved annual maintenance programmes. As measured through Council's two monthly maintenance programmes.</p>	Fully achieved	90%	90%	90%	Routine maintenance was generally completed as programmed. However, some activities were deferred and programmes adjusted while significant flood repair works were prioritised.

RIVERS

	OUTCOME	2023 RESULT	2023 TARGET	2022 RESULT	HOW DID WE PERFORM
Amenity: Our river environments are healthy ecosystems that are attractive and enjoyed by our communities					
We develop new native riparian planting sites.	Fully achieved	15,800	>13,000	13,500	We planted 15,800 native plants in the 2022-2023 planting season across a number of new sites and extended some existing sites.
Number of plants planted and measured through river maintenance contract claim payment records.					
Complaints about illegal dumping in the X and Y ⁶ classified rivers and on adjacent beaches on public land are actioned within five working days.	Achieved within 5%	94%	95%	97.7%	30 of 32 reports were actioned within 5 working days.

6. River X & Y refers to major rivers such as the Waimea, Motueka, Riuwaka, Moutere, Tākaka and Aorere rivers as well as several tributaries. The Council manages these rivers with funding provided by a differential rating system

RIVERS

INVESTMENTS

The following are key Rivers investments planned to occur during the 10 years of the Long Term Plan 2021 – 2031, with an update of any progress during 2022/2023.

NAME	DESCRIPTION	2022/2023
River X & Y improvements	Improvements to flood protection schemes and erosion control.	There have been further significant capital works in response to flooding in May 2023. The most significant works have been in the Upper Motueka and the Wai-iti catchments.
Motueka stopbank improvements	Refurbishment of Motueka stopbanks.	We have continued a capital works programme to improve the structural integrity of the Motueka stopbank. This work has been part funded by Kānoa – the Regional Economic Development & Investment Unit. We have concluded work at five sites at River Road, Lyndhurst Drive, Parker Street, Whakarewa Street and Douglas Road and commenced repair works at Brooklyn Stream and Peach Island and native planting at Lyndhurst Drive. The native planting and works at Peach Island and Brooklyn Stream will conclude in the coming year.
Rivers Z improvements	Assisting landowners with co-funding for erosion control on small rivers, creeks and streams.	We have responded to a significant number of River Z protection works as result of new damage caused by flooding in May 2023, and outstanding damage from flood events in 2021/2022. Some jobs have had to be deferred because of adverse ground conditions, the need to focus on the maintained river network and ensuring compliance with our resource consents.
Rivers maintenance and operations	General operation and maintenance of all river assets.	All significant assets have been routinely inspected, particularly following flood events. Any necessary maintenance works have been scheduled. Some work this year has been delayed due to work required to ensure compliance with our resource consents.
Rivers Management Plans	Operational plans for all major rivers setting out a maintenance strategy and prioritised work programme.	Progress on this work has been delayed, in part due to limited staff resources and a need to reset the scope following initial engagement with stakeholders and partners. In 2022 we engaged an external consultant to assist with this work.

FUNDING IMPACT STATEMENT For the year ended 30 June 2023

LTP BUDGET 2021/2022 \$000	ACTUAL 2021/2022 \$000	NOTES	ACTUAL 2022/2023 \$000	LTP BUDGET 2022/2023 \$000
		SOURCES OF OPERATING FUNDING		
2,185	2,200	Targeted rates	2,035	2,362
128	575	Fees and charges	150	132
647	721	Local authorities fuel tax, fines, infringement fees, and other receipts	925	674
2,960	3,496	Total operating funding	3,110	3,168
		APPLICATIONS OF OPERATING FUNDING		
1,900	2,040	Payments to staff and suppliers	2,128	1,945
67	39	Finance costs	96	99
840	942	Internal charges and overheads applied	829	909
2,807	3,021	Total applications of operating funding	3,053	2,953
153	475	Surplus/(deficit) of operating funding	57	215
		SOURCES OF CAPITAL FUNDING		
1,125	2,147	Subsidies and grants for capital expenditure	3,253	3,375
1,028	1,456	Increase/(decrease) in debt	2,310	1,565
2,153	3,603	Total sources of capital funding	5,563	4,940
		APPLICATIONS OF CAPITAL FUNDING		
		Capital expenditure		
2,255	5,209	• to improve the level of service	6,494	5,104
-	-	• to replace existing assets	12	-
51	(1,131)	Increase/(decrease) in reserves	(886)	51
2,306	4,078	Total applications of capital funding	5,620	5,155
(153)	(475)	Surplus/(deficit) of capital funding	(57)	(215)
-	-	Funding balance	-	-

COMMUNITY DEVELOPMENT

The Community Development section comprises one group of related activities:

- Parks and Reserves
- Community Facilities (including Libraries and the Richmond Aquatic Centre)
- Community Partnerships

OUR GOAL

We promote physical, environmental, economic, cultural and social well-being of our District with the provision of parks, reserves, facilities, and libraries. We also meet the needs of residents and visitors by providing amenities, events, environmental education, and community grants.

WHAT WE DO

We provide and maintain a wide range of parks, reserves, recreational facilities, community facilities and amenities, library and museum services, events, environmental education, and community grants, for our ratepayers. Key assets include parks and reserves (including Moturoa/Rabbit Island, formal gardens, special interest sites, sports grounds, open space reserves, walkways, esplanade reserves, non-commercial camping grounds), sports and recreation centres, community facilities, halls, cemeteries, playgrounds, public toilets, libraries, community buildings, museums, older adults housing complexes, and the Richmond Aquatic Centre and three outdoor swimming pools. Saxton Field developing and operating costs are split in half between us and Nelson City Council.

WHY WE DO IT

This activity is important to our community's well-being. It contributes to providing the heart in each of our District's communities, encouraging healthy and active communities, strong social interaction, and improved environmental and cultural outcomes.

Community facilities, open spaces, recreational facilities and the provision of community grants and environmental education enable the development of active, healthy and functioning communities. They enable local people to work together, bringing about changes in their environment and improved health outcomes, and social and cultural well-being. Our facilities offer our residents the opportunity to engage socially in the places they live and work. We aim to ensure that adequate parks, reserves and community facilities are provided for our residents and visitors, and that these are managed and maintained in a way that meets community expectations and encourages community involvement.

Libraries help develop an informed community whose members are literate and inspired. By providing a quality library service, we support the community's cultural, social, learning and leisure needs, while also providing an affordable collective resource.

Our Richmond Aquatic Centre and community swimming pools enable people to learn to swim, for physical recreation and leisure, enabling improved community health and well-being.

We help meet a specific need for low-cost, community-based housing for older adults on low incomes. The housing we offer is affordable, accessible and fit for purpose.

Our community partnerships activities include environmental education, Council-organised events, and community grants. This team helps build an inclusive community, enhance our environment, and celebrate our cultural identity and heritage.

Our cemeteries are attractive, peaceful and respectful environments for the memorial and remembrance of the deceased, and are accessible to our communities. We are legally required to provide cemeteries, meeting the needs of our District now, and in the future. Cemeteries are provided for public health reasons.

We provide public toilets throughout our District to meet community, traveller and tourist needs.

COMMUNITY DEVELOPMENT

CONTRIBUTION TO COMMUNITY OUTCOMES

The Community Development activity primarily contributes to the following community outcomes:

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

	OUTCOME	2023 RESULT	2023 TARGET	2022 RESULT	HOW DID WE PERFORM
An interconnected open space network and recreation facilities that provide a range of leisure opportunities and meet the needs of users and the community					
At least 85% of Tasman residents rate their satisfaction with recreational facilities (which include playing fields and neighbourhood reserves) as "fairly satisfied" or better in the annual residents' surveys.	Fully achieved	88%	85%	87%	Satisfaction with the Council's recreational facilities is 88%, which is similar to the 2022 result.
At least 85% of properties zoned Residential are located within 500 metres of open space.	Fully achieved	97%	85%	92%	The percentage of residential property located within 500m of open space has increased to 97%.

COMMUNITY DEVELOPMENT

OUTCOME	2023 RESULT	2023 TARGET	2022 RESULT	HOW DID WE PERFORM	
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 who have used the District's public toilets within the past year rate their satisfaction with public toilets as "fairly satisfied" or better in the annual residents' surveys.	Fully achieved	77%	70%	78%	Satisfaction with the Council's public toilets is 77%, which is similar to the 2022 result.
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).	Fully achieved	99%	95%	99%	The availability of community buildings at 99% is unchanged from 2022.
Accessible and affordable housing to eligible people within the community					
Tenants' overall satisfaction with Council's community housing is at least 80%, as measured through a biennial survey of tenants.	Not measured	Not measured this year	Not measured	83%	Satisfaction with community housing is measured biennially. The next satisfaction survey for community housing is due November 2023.

COMMUNITY DEVELOPMENT

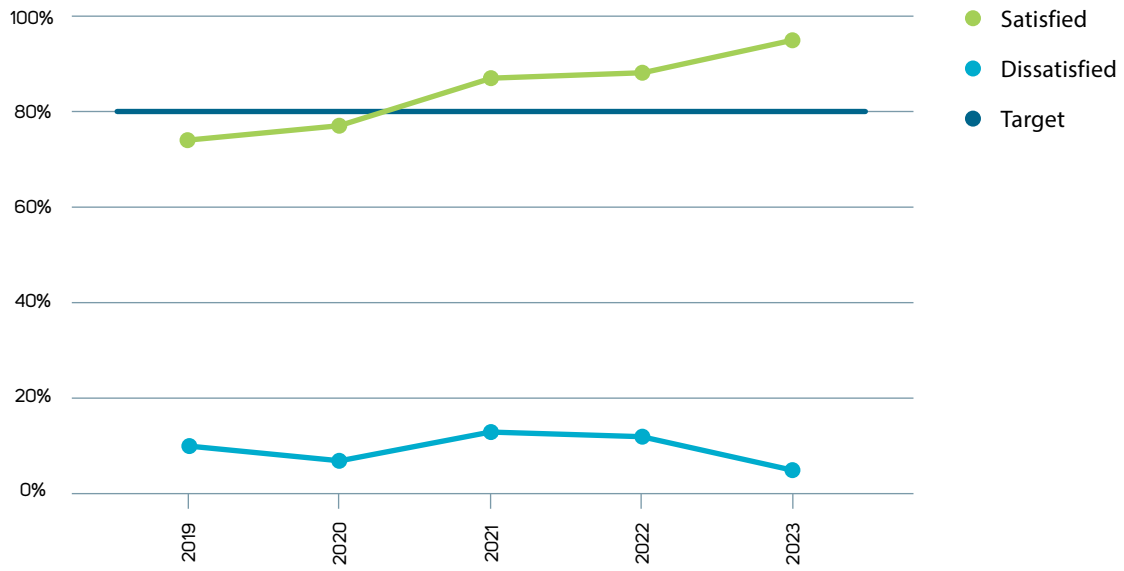
OUTCOME	2023 RESULT	2023 TARGET	2022 RESULT	HOW DID WE PERFORM	
The provision of access to a wide range of information relevant to the community's recreation and learning needs					
<p>The number of new and replacement lending/reference items added to the libraries collections is equivalent to at least 300 items per 1,000 residents.</p> <p>Measured using information available from the Library Management System software and from e-resource vendors.</p>	Fully achieved	339 items per 1,000 residents	300 items per 1,000 residents	321 items per 1,000 residents	<p>19,949 items were added to the library collections, comprising 13,040 physical items and 6,909 electronic items.</p> <p>Based on an estimated population of 58,700 for Tasman District, this means that there were 339 items added to library collections for every 1,000 residents. This is above the target of 300 items for every 1,000 residents, and is approximately 5% higher than last year.</p>
<p>At least 85% of library users are fairly or very satisfied with the public libraries, as measured through the annual residents' survey.</p>	Fully achieved	100%	85%	96%	<p>There was a very high level of satisfaction from residents who have used library services. The level of satisfaction was 4% higher than last year.</p>
<p>The number of visits to our libraries is equivalent to at least 9 visits per resident per year.</p> <p>Visitor numbers will be recorded daily using data from door counters at the Richmond, Motueka, and Tākaka libraries.</p>	Not achieved	5.9 visits per resident	9 visits per resident	Not measured	<p>From 2020-2022 library visitor numbers were impacted by Covid-19 restrictions. Visitor numbers have not yet returned to pre-Covid levels.</p> <p>The data obtained from Tākaka Library was unreliable for most of the year due to issues with data collection, and has been excluded from the result for this year. The 2023 result only includes data from the Richmond and Motueka libraries.</p>

COMMUNITY DEVELOPMENT

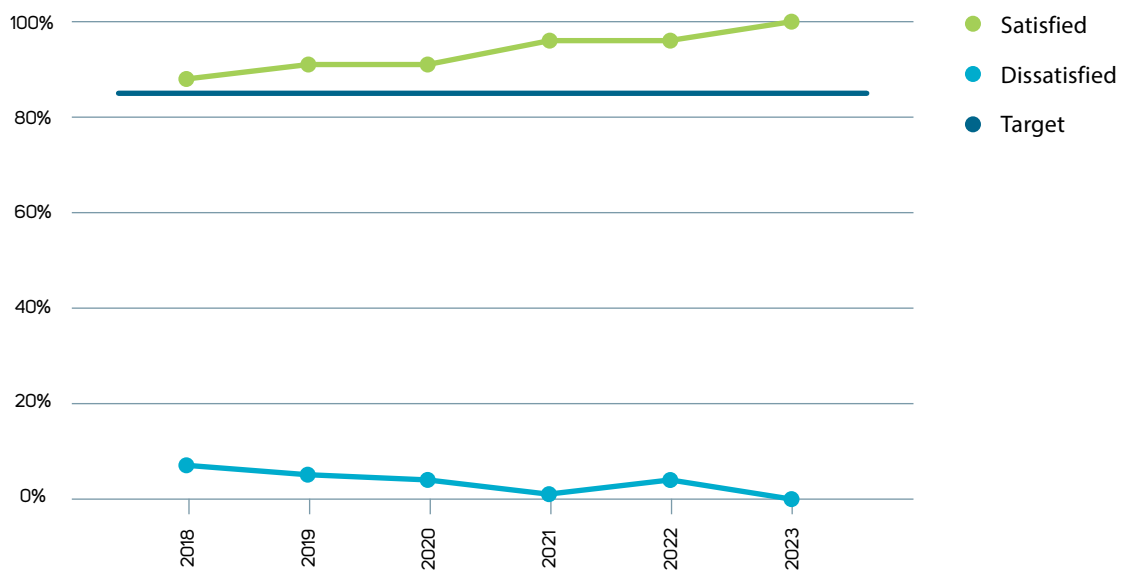
OUTCOME	2023 RESULT	2023 TARGET	2022 RESULT	HOW DID WE PERFORM	
There is a high level of satisfaction reported from users of the Richmond Aquatic Centre facility					
At least 80% of users rate their satisfaction with Aquatic Centre facilities as fairly satisfied or better, in the annual residents' survey.	Fully achieved	95%	80%	88%	There was significantly higher satisfaction from users of the Aquatic Centre, compared with the 2021/2022 year.
The Richmond Aquatic Centre facility is well used					
Admissions to the Aquatic Centre pool facility increases over time.	Fully achieved	313,344	252,000	267,715	The target was achieved. Admissions were significantly higher than the target and the 2021/2022 year.
Promotion and delivery of community events and recreational services					
Residents' satisfaction with a range of Council-organised community programmes and events. As measured by the annual residents' survey.	Not achieved	65%	75%	60%	While the 2023 satisfaction rate was below the target, this included 22% of residents who did not attend any Council events in the 12 month period. The satisfaction rate increases to 84% percent for those residents who had attended these events. Events are often held in locations that are accessible to the greatest number of our residents. This means some residents may have to travel further to attend and benefit from these events.

COMMUNITY DEVELOPMENT

User Satisfaction with Richmond Aquatic Centre

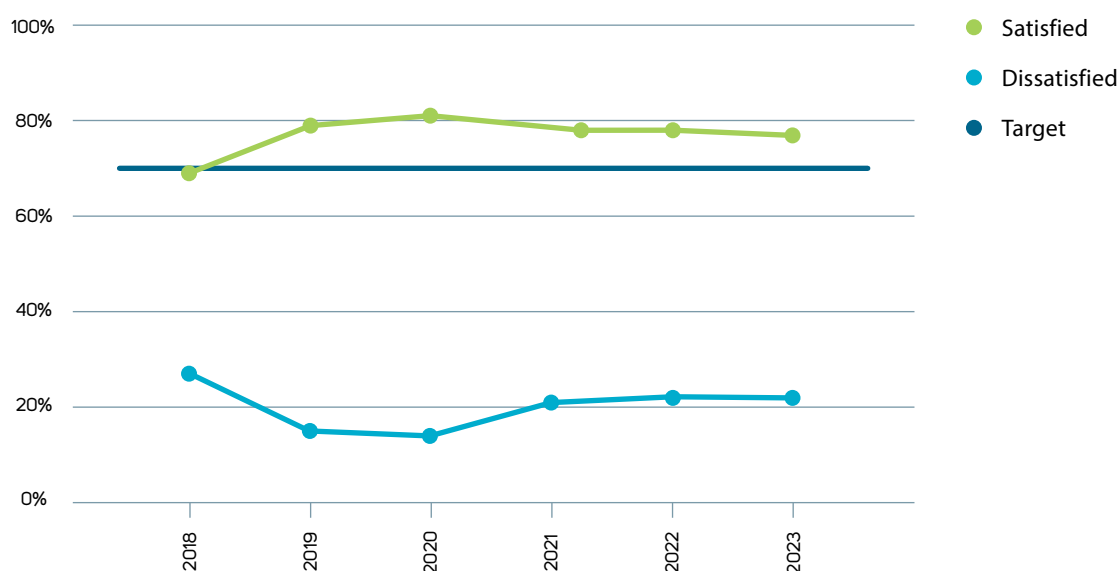


User Satisfaction with Public Libraries



COMMUNITY DEVELOPMENT

User Satisfaction with Public Toilets



INVESTMENTS

The following are key Community Development investments planned to occur during the 10 years of the Long Term Plan 2021 – 2031, with an update of any progress during 2022/2023.

NAME	DESCRIPTION	2022/2023
Completion of the new Motueka Library	A new, purpose-built, 1,100m ² single-storey library to meet our community's current and future needs. The project is due for completion early 2022.	The library was completed in the previous financial year and is fully operational.
Renewal of library collections District-wide	New and replacement material to refresh the library collection to reflect the interests of our growing and changing population.	13,040 physical items were added to the library collections during 2022/2023. There are a total of 147,836 physical items in the library collections. We spent \$310,204 on the purchase of new material for library collections in 2022/2023.

COMMUNITY DEVELOPMENT

INVESTMENTS (CONT.)

NAME	DESCRIPTION	2022/2023
Purchase of digital library resources	Ongoing purchases of digital resources such as e-books, databases and streaming services to reflect the preferences and interests of our growing and changing population.	We added 6,909 e-books and e-audio books to the digital collection during 2022/2023. There is a total of 23,658 e-books and e-audio books available for borrowing. We spent \$781,361 on the purchase of digital resources in 2022/2023.
Renewal of library radio frequency identification technology	Technology which allows us to securely circulate our collections, as with any technology, it will need to be renewed to perform the service we expect.	Council has budgeted funding for the renewal of Radio Frequency Identification Technology (RFID) in the 2023/2024 financial year.
Purchase of Cemetery land	We are proposing to purchase land for a new cemetery to service the Richmond and Moutere/ Waimea Wards in 2022/2023.	The timeline for purchase of land for a new cemetery may occur within the next 12-18 months. We have entered into a Memorandum of Understanding with Nelson City Council to purchase and develop a new cemetery jointly. A new timeline for this is being developed.
Brightwater/ Wakefield multi-purpose Community Facility	A new community facility to service the Brightwater, Wakefield and surrounding communities at the earliest in 2028/2029. A feasibility study will take place, and a location is still to be decided.	A group of Wakefield and Brightwater residents has been formed and this groups is working with the Council to engage a consultant to undertake a feasibility study for the new community facility.
Golden Bay Recreation Park Grandstand	We propose to upgrade the grandstand at Golden Bay Recreation Park during 2021/2022.	The upgrade of the grandstand has been completed and was reopened in January 2023.
Nelson Provincial Museum	We are contributing to a new research facility located adjacent to the Nelson Provincial Museum in 2023/2024.	The Council has budgeted funding in the 2023/2024 financial year to contribute towards construction of the new archives, research and collections facility for the Nelson Provincial Museum. During the 2022/2023 year, the Museum has progressed work needed in the lead-up to the construction.

COMMUNITY DEVELOPMENT

INVESTMENTS (CONT.)

NAME	DESCRIPTION	2022/2023
Saxton Field Improvements	We are continuing with ongoing developments that will provide additional recreational activities at Saxton Field.	<p>We completed the following development work during the year:</p> <ul style="list-style-type: none"> • concept plans for a synthetic baseball diamond • improvements to accessibility, wayfinding and signs • new cycleway link from Harakeke Green to Champion Road, and • irrigation works to Champion Green and Avery Field.
Motueka Community Pool	We are working with the Motueka community to contribute to the building of an indoor swimming facility in 2023/2024. This work will include a feasibility study.	<p>A feasibility study has been completed. Site options are currently being explored.</p> <p>We will continue to work with the community and engage consultants to provide design plans for the Community Pool.</p>
Maintenance and operation of and building improvements to the Richmond Aquatic Centre	Various works to the Aquatic Centre to provide a safe and comfortable environment for our communities and a fit for purpose facility.	<p>There has been a range of painting and resurfacing throughout the facility as required.</p> <p>Other improvements include a HVAC Improvement project as part of a gym facility upgrade, mains water supply filtration improvements, and lighting improvements throughout the facility as needed.</p>

COMMUNITY DEVELOPMENT

FUNDING IMPACT STATEMENT For the year ended 30 June 2023

LTP BUDGET 2021/2022 \$000	ACTUAL 2021/2022 \$000	NOTES	ACTUAL 2022/2023 \$000	LTP BUDGET 2022/2023 \$000
		SOURCES OF OPERATING FUNDING		
12,417	12,417	General rates, uniform annual general charges, rates penalties	12,753	13,103
5,012	5,003	Targeted rates	5,205	5,198
279	586	Subsidies and grants for operating purposes	370	158
580	640	Fees and charges	630	617
472	472	Internal charges and overheads recovered	477	476
1,751	2,031	Local authorities fuel tax, fines, infringement fees, and other receipts	1,916	1,846
20,511	21,149	Total operating funding	21,351	21,398
		APPLICATIONS OF OPERATING FUNDING		
12,633	12,863	Payments to staff and suppliers	14,145	13,119
1,031	1,003	Finance costs	1,037	984
5,275	5,365	Internal charges and overheads applied	4,710	5,843
18,939	19,231	Total applications of operating funding	19,892	19,946
1,572	1,918	Surplus/(deficit) of operating funding	1,459	1,452
		SOURCES OF CAPITAL FUNDING		
264	706	Subsidies and grants for capital expenditure	90	4
3,914	7,801	Development and financial contributions	7,535	4,039
531	2,319	Increase/(decrease) in debt	(850)	(683)
4,709	10,826	Total sources of capital funding	6,775	3,360
		APPLICATIONS OF CAPITAL FUNDING		
		Capital expenditure		
-	2,269	• to meet additional demand	2,071	-
1,338	2,565	• to improve the level of service	387	8
4,718	4,291	• to replace existing assets	4,254	5,732
332	3,728	Increase/(decrease) in reserves	1,626	(825)
(107)	(109)	Increase/(decrease) in investments	(104)	(103)
6,281	12,744	Total applications of capital funding	8,234	4,812
(1,572)	(1,918)	Surplus/(deficit) of capital funding	(1,459)	(1,452)
-	-	Funding balance	-	-

Development and financial contributions were higher than budget due to reserve contributions from subdivisions as result of growth in the district. This increased reserves for future capital expenditure.

GOVERNANCE

WHAT WE DO

We run the electoral process (under the direction of the Electoral Officer) to provide our District with a democratically elected Mayor, Councillors and Community Board members and the governance of our 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 our Councillors, Council and Community Boards and any assistance required by our Mayor;
- running democratic processes, including community consultation; and
- making appointments to Council Controlled Trading Organisations (CCTOs)⁷ and Council Controlled Organisations.

We have a 50% shareholding in the following organisations, with NCC holding the other 50% share, in:

- Nelson Airport Limited;
- Port Nelson Ltd; and
- Tasman Bays Heritage Trust.

We are also:

- a majority shareholder in Waimea Water Limited;
- a shareholder in the Local Government Funding Agency Limited; and
- a shareholder in the New Zealand Local Government Insurance Company Limited (Civic Assurance).

Note: Port Nelson is not a Council Controlled Organisation (CCO) under the Local Government Act 2002 (LGA). It is covered by the Port Companies Act 1988, which imposes similar obligations on port companies as those that would apply if the port was a CCO under the LGA.

WHY WE DO IT

We support democratic processes and Council decision-making, while meeting our statutory functions and requirements, and to provide economic benefits to our communities.

CONTRIBUTION TO COMMUNITY OUTCOMES

The Governance activity primarily contributes to the following community outcomes:

- Our communities are healthy, safe, inclusive and resilient.
- Our region is supported by an innovative and sustainable economy.
- Our Council provides leadership and fosters partnerships including with iwi, fosters a regional perspective, and encourages community engagement.

7. CCTOs are operated for the principle purpose of making a profit.

FUNDING IMPACT STATEMENT For the year ended 30 June 2023

LTP BUDGET 2021/2022 \$000	ACTUAL 2021/2022 \$000	NOTES	ACTUAL 2022/2023 \$000	LTP BUDGET 2022/2023 \$000
		SOURCES OF OPERATING FUNDING		
3,152	3,152	General rates, uniform annual general charges, rates penalties	3,480	3,449
331	332	Targeted rates	374	340
-	-	Subsidies and grants for operating purposes	10	-
92	87	Local authorities fuel tax, fines, infringement fees, and other receipts	106	101
3,575	3,571	Total operating funding	3,970	3,890
		APPLICATIONS OF OPERATING FUNDING		
2,390	2,027	Payments to staff and suppliers	2,795	2,651
1	2	Finance costs	1	-
1,156	1,070	Internal charges and overheads applied	1,281	1,202
3,547	3,099	Total applications of operating funding	4,077	3,853
28	472	Surplus/(deficit) of operating funding	(107)	37
		SOURCES OF CAPITAL FUNDING		
(7)	(15)	Increase/(decrease) in debt	(15)	(7)
(7)	(15)	Total sources of capital funding	(15)	(7)
		APPLICATIONS OF CAPITAL FUNDING		
		Capital expenditure		
-	-	• to replace existing assets	10	-
21	457	Increase/(decrease) in reserves	(132)	30
21	457	Total applications of capital funding	(122)	30
(28)	(472)	Surplus/(deficit) of capital funding	107	(37)
-	-	Funding balance	-	-

COUNCIL ENTERPRISES

OUR GOAL

Commercial and semi-commercial activities meet user needs, provides a safe and compliant working environment, and are financial sustainable.

WHAT WE DO

This activity involves the management of approximately 2,700 stocked hectares of commercial plantation forest, aerodromes in Motueka and Tākaka, a mixture of leased and managed holiday parks in Motueka, Pōhara, Collingwood and Murchison, the management of Port Tarkohe and the management of various commercial property assets.

WHY WE DO IT

Council's ownership and management of commercial assets provide benefits to all users, via employment and development for the wider community. Their economic development and strategic importance are critical to all ratepayers and facility users. 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

The Council Enterprises activity primarily contributes to the following community outcomes:

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

COUNCIL ENTERPRISES

OUTCOME		2023 RESULT	2023 TARGET	2022 RESULT	HOW DID WE PERFORM
Commercial assets are managed prudently to provide a financial return for the benefit of the District's ratepayers					
Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA) for Port Tarohe.	Not achieved	\$222,276	\$253,000	\$193,000	Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA) for Port Tarohe was 12% below the target. This variation is mainly due to the purchase of a new potable and non-potable water supply, following the failure of non-potable water supply in August 2022.
EBITDA for holiday parks.	Fully achieved	\$995,764	\$645,000	\$506,000	EBITDA for holiday parks was 54% more than the target. This was largely driven by increased visitor numbers. Two of our holiday parks (Pōhara and Murchison) have new lessees, and have increased revenue.
EBITDA for commercial properties.	Not achieved	\$331,946	\$372,000	\$394,000	EBITDA for commercial properties was 11% below the target. This was because of maintenance costs at Armadillos (Richmond) and at our commercial properties in Māpua (\$54K).

COUNCIL ENTERPRISES

	OUTCOME	2023 RESULT	2023 TARGET	2022 RESULT	HOW DID WE PERFORM
EBITDA for Forestry.	Fully achieved	\$11m	\$2.7m	\$6.6m	<p>EBITDA for forestry was more than three times the target. This was because we were in an upswing of the harvesting cycle. In addition, harvesting was brought forward for trees affected by the August 2022 storm, resulted in increased income.</p> <p>The forestry activity is now entering the part of the harvest cycle where harvest volumes will be low. This will result in very low or no income. Council is proposing to transfer some of the current activity surplus to an income equalisation reserve. This reserve will allow income to be returned in later years to ensure that this activity can maintain its distributions to offset the demands on rates. The proposed future distributions from the Enterprise activity are being considered as part of the Long Term Plan 2024 – 2034.</p>
EBITDA for Motueka Aerodrome.	Not achieved	\$24,914	\$42,000	\$39,000	EBITDA for Motueka Aerodrome was 41% below the target due to higher maintenance costs and because revenue did not increase.
EBITDA for Tākaka Aerodrome.	Not achieved	\$63,054	\$67,000	\$34,000	EBITDA for Tākaka Aerodrome was 6% below the target.
Percentage of commercial lease and licence relationships, measured by current annual rent value, which are based on an up-to-date lease document and rent amount.	Fully achieved	95%	≥95%	100%	We are in negotiations to update one agreement. All other commercial lease and licence relationships are on an up-to-date lease document and rental fee.

COUNCIL ENTERPRISES

INVESTMENTS

The following are key Council Enterprise investments planned to occur during the 10 years of the Long Term Plan 2021 – 2031, with an update of any progress during 2022/2023.

NAME	DESCRIPTION	2022/2023
Tākaka Aerodrome runway extension	Extension and sealing of the cross runway to improve safety during strong winds.	This was completed in 2021/2022.
Port Motueka facilities	Compliant facilities for boat maintenance activities to improve environmental protection.	Work has not started nor is there a budget for a boat wash facility. We are negotiating with the Motueka Powerboat Club to install a facility.
Port Tarakohe renewals	Provision to allow for replacement of the 'plastic' floating marina and other capital renewals.	Concrete repairs have been completed, fendering replacements are underway, and new berths and wave protection are underway. A new penguin fence was installed. A potable and non-potable water supply is in place. We have made two applications to Kanoa for government funding.
Māpua wharf precinct renewals	Annual capital renewal programme for Māpua Wharf area.	A new recycling centre was installed. Maintenance and capital repairs to the Appleshed are underway.
Holiday Parks renewals	Annual capital renewal programmes for all Council-owned holiday parks.	We have installed a new deck and ramp at Motueka and installed a new boiler and water tank at Pōhara Holiday Park.
Motueka Aerodrome renewals	Provision to allow for the reseal of the main runway and other capital renewals.	This has been deferred a year as the runway is in good condition.

FUNDING IMPACT STATEMENT For the year ended 30 June 2023

LTP BUDGET 2021/2022 \$000	ACTUAL 2021/2022 \$000	NOTES	ACTUAL 2022/2023 \$000	LTP BUDGET 2022/2023 \$000
		SOURCES OF OPERATING FUNDING		
(229)	(229)	General rates, uniform annual general charges, rates penalties	(164)	(190)
984	1,086	Fees and charges	1,333	1,053
12,640	21,091	Local authorities fuel tax, fines, infringement fees, and other receipts	30,804	14,830
13,395	21,948	Total operating funding	31,973	15,693
		APPLICATIONS OF OPERATING FUNDING		
9,304	13,676	Payments to staff and suppliers	23,645	10,717
354	252	Finance costs	269	314
1,476	1,396	Internal charges and overheads applied	1,136	1,586
11,134	15,324	Total applications of operating funding	25,050	12,617
2,261	6,624	Surplus/(deficit) of operating funding	6,923	3,076
		SOURCES OF CAPITAL FUNDING		
(588)	173	Increase/(decrease) in debt	1,030	(849)
-	-	Gross proceeds from sale of assets	1,763	-
(588)	173	Total sources of capital funding	2,793	(849)
		APPLICATIONS OF CAPITAL FUNDING		
		Capital expenditure		
5	171	• to improve the level of service	123	5
522	2,287	• to replace existing assets	2,268	274
1,146	4,339	Increase/(decrease) in reserves	7,325	1,948
1,673	6,797	Total applications of capital funding	9,716	2,227
(2,261)	(6,624)	Surplus/(deficit) of capital funding	(6,923)	(3,076)
-	-	Funding balance	-	-

Other receipts and payments to staff and suppliers were greater than budget due to forestry harvest revenue and expenses, the reserves increased as a result.

SUPPORT SERVICES

This section covers customer services, communications, strategic policy, property, finance, human resources, information services, records management, and health and safety.

Support Services are the internal functions that do not have direct output to our communities, but help ensure we operate efficiently and effectively, meet our statutory obligations, and work towards the achievement of our community outcomes.

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' in Tasman's 10-Year Plan 2021–2031 and no funding impact statement has been produced for these activities. Levels of service are outlined at the end of this section.

CUSTOMER SERVICES

We provide a contact centre offering various options to customers through phone, email, or face-to-face contact. Our Service Centres are based in Richmond, Motueka, Tākaka, and Murchison, where Automobile Association and Waka Kotahi/New Zealand Transport Agency services are offered, alongside Council services. Internal departments also rely on customer services to answer customer enquiries and process certain applications on their behalf.

COMMUNICATIONS AND CHANGE

The Communications and Change Team leads the effective management, planning and delivery of our communications and engagement with our communities. Our communities are informed through relationships with local and national media, our website and social media channels and a variety of publications, including Newsline. We do this to keep our communities informed, build a sense of place and community well-being through the delivery and support of our community outcomes.

STRATEGIC POLICY

The Strategic Policy Team engages with our communities in the development of our key documents. Our 10-Year Plan is our Long Term Plan (LTP), providing the vision and direction for our District. This Plan is prepared once every three years. The Annual Plan is prepared in the years between LTPs, and contain proposals for any significant variances to the current LTP. The Annual Report is produced every year to describe our performance against the LTP/Annual Plan.

This Team is responsible for other cross-Council policy work (e.g. Growth Model, Tasman Climate Action Plan); for reserves planning; and for reporting on our performance.

PROPERTY

The Property Team manages non-commercial property assets and provides Council with property-related services. The Team ensures that our buildings are safe and compliant, are managed efficiently, economically, and effectively; and our operational properties continue to satisfy the requirements of our communities and tenants.

FINANCE

The Finance Team is responsible for providing financial advice and services to all of our other activities. All operations have some financial aspect to them and require support in areas such as revenue gathering, capital funding, financial and tax obligations, monitoring of expenditure, monthly corporate reporting, annual reporting, and planning. Our financial and accounting services are cost-effective, and enhances the achievement of our goals, meeting our needs. It also provides a payroll function.

INFORMATION SERVICES

Information Services provide technology solutions that enable us to deliver on our responsibilities. The Team supports and assists us with technology and implements systems and services changes to improve the effectiveness and efficiency of our technology.

SUPPORT SERVICES

INFORMATION MANAGEMENT

The Information Management Team supports the identification, organisation and protection of our information assets. The Team provides guidance on the use of our centralised electronic document management system and oversees the operation of our physical storage facilities too. The purpose of the Information Management Team is to ensure that we meet legislative obligations and that information is held securely for current and future generations.

PEOPLE AND WELLBEING

The People and Wellbeing Team works in partnership with managers to provide recruitment, training and development, performance management, remuneration, and related policy development and planning.

HEALTH AND SAFETY

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

OUTCOME	2023 RESULT	2023 TARGET	2022 RESULT	HOW DID WE PERFORM	
A range of communication channels that enhance Council’s ability to engage and connect with the communities it serves					
Residents consider the information supplied by Council to be sufficient. As measured by the annual residents’ survey.	Not achieved	71%	75%	77%	Each opportunity to include residents in decision-making campaign is assessed to ensure the appropriate tone and content is used.
We respond to customer requests in a timely and professional manner					
Customers are satisfied with the service they receive when they contact Council. As measured by the annual residents’ survey for residents who had contacted Council in the previous year.	Achieved within 5%	82%	85%	75%	There have been numerous compliments about the Customer Services team and the service they provide. However repeated calls about the same issue may be an indication of frustrations around wait times between the initial interaction and the response from the relevant department.

SUPPORT SERVICES

	OUTCOME	2023 RESULT	2023 TARGET	2022 RESULT	HOW DID WE PERFORM
	Percentage of general enquiries that are responded to by Council staff within three working days of receipt of enquiry.	Fully achieved 98%	85%	71%	<p>Of the 23,978 Service Requests created in 2022/2023, 17,238 of these were through the MagiQ system. Of those, 98.25% were actioned within 3 working days and 97.87% were completed within the deadline. The rest were through the Council Asset system where urgent issues are phoned through to contractors immediately.</p> <p>Additional tracking of service requests have been put in place, with weekly reports sent to managers and team leaders, so that any overdue Service Requests are chased regularly.</p>
	All LIM (Land Information Memorandum) applications are processed within the statutory timeframes (i.e. 10 working days).	Achieved within 5% 99%	100%	100%	<p>Council officers processed 745 LIM reports, in an average of six working days. However, four applications breached the 10 days statutory timeframe.</p> <p>There were 4% more LIMs processed in 2022/2023 than the previous year.</p>
<p>We produce high quality, fit for purpose and accessible Long-Term Plans (LTP), Annual Plans (AP) and Annual Reports (AR)</p>					
	The Long-Term Plan, Annual Plans and Annual Reports are prepared within statutory timeframes and there are no successful challenges to these processes.	Fully achieved Annual Report and Annual Plan adopted on time	Statutory timeframes met	Statutory timeframes met	<p>The Annual Report for 2021/2022 was adopted on 22 December 2022, within statutory timeframes. The Covid-19 (Further Management Measures) Act extended the statutory deadline to 31 December 2022 for Local Government to adopt Annual Reports (section 98A of the Local Government Act 2002).</p> <p>The Annual Plan 2023/2024 was adopted within statutory deadline on 22 June 2023.</p>

SUPPORT SERVICES

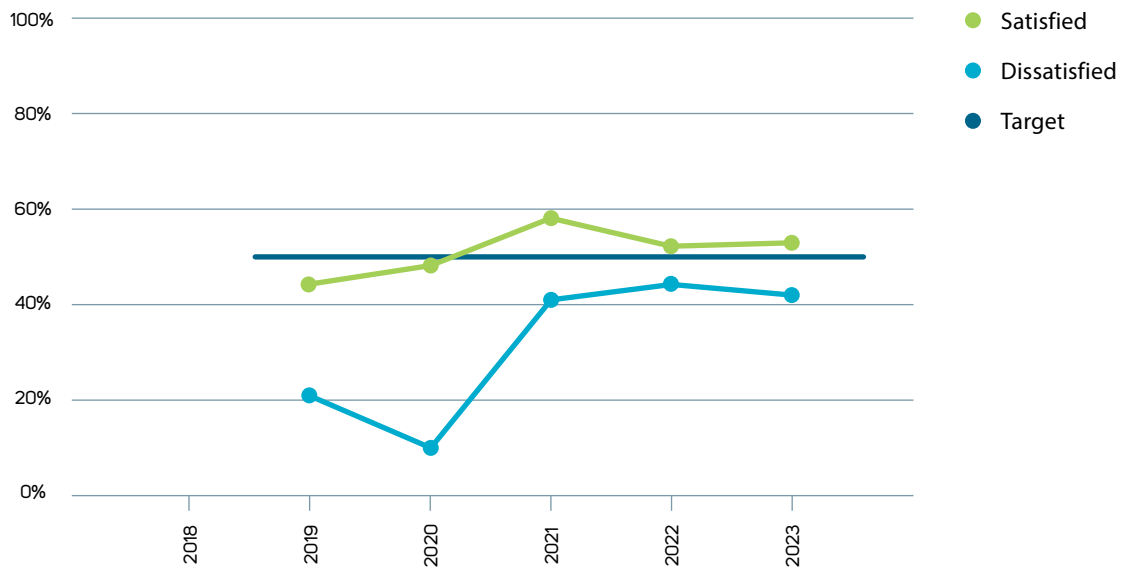
OUTCOME	2023 RESULT	2023 TARGET	2022 RESULT	HOW DID WE PERFORM
We consult effectively with the public in our decision-making processes				
Residents are satisfied with opportunities to give feedback on Council plans and decisions. As measured by the annual residents' survey.	Fully achieved 53%	50%	52%	The Council has invested in new technology to provide further opportunities for residents to engage in decision-making as well as maintaining current and historic ways of engaging. We continue to explore new ways of engaging our residents. We fully achieved the target this year.
All Council-owned buildings are safe				
All operational buildings (offices and libraries) comply with resource and building consents and any other legislative requirements.	Fully achieved 100%	100%	100%	All our operational buildings comply with resource and building consents and any other legislative requirements.

Resident Satisfaction with the Level of Information Provided by Council

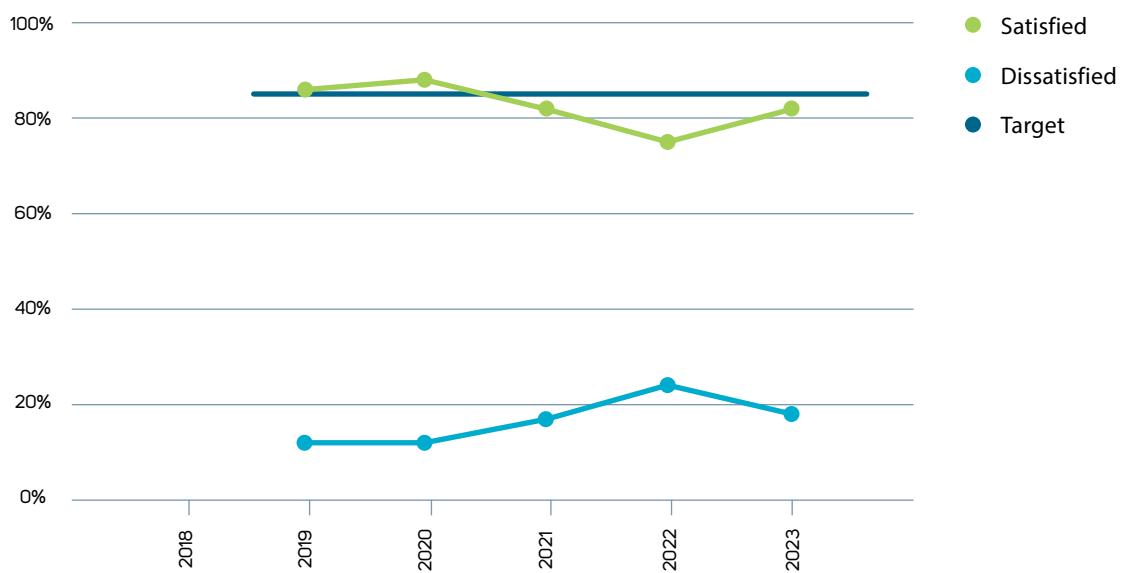


SUPPORT SERVICES

Resident Satisfaction with Public Consultation



Resident Satisfaction with the Service Received When Contacting Council



SUPPORT SERVICES

INVESTMENTS

The following are key Support Service investments planned to occur during the 10 years of the Long Term Plan 2021 – 2031, with an update of any progress during 2022/2023.

NAME	DESCRIPTION	2022/2023
Sustainability initiatives	New works to Council buildings to reduce impacts on climate change.	We installed solar panels on the Richmond Library to improve energy efficiency. This has the added benefit of saving us money over time. This follows from installing solar panels on the Motueka Library in previous years. Wastewater staff have also undertaken various improvements to pumps and filters to reduce energy usage.
Office improvements	Various works to our offices to enable a more effective and efficient work environment.	We undertook upgrades on the Richmond Office. The most significant of this work was in Zone 2 (Council Operations) and Zone 4 (Hydrology). We also purchased the property at 4 Wensley Road and are using it to accommodate staff while upgrades to the Richmond Office take place. We also installed additional security measures at the Tākaka service centre.
Main office and service centre maintenance	Various works to our main office and service centres around the District to enable us to provide safe and comfortable facilities for staff and our communities.	Various works at the Richmond Office were undertaken to improve the resilience of the building. Significant repairs took place in Zone 4 (Hydrology) and staff could not use this part of the building for a substantial portion of the reporting period. These works were largely to strengthen the building and make it more resilient to earthquakes. We also undertook work at the 4 Wensley Road building so that it can accommodate staff while further repairs at the Richmond Office take place.
Libraries maintenance	Various works to our libraries around the District to provide a safe and comfortable environment for staff and our communities.	We undertook roof repairs at the Richmond Library alongside the installation of solar panels.

SUPPORT SERVICES

INVESTMENTS (CONT.)

NAME	DESCRIPTION	2022/2023
Improving technology systems	Development of the Digital Blueprint for Tasman’s future, associated Programme Roadmap and the supporting business cases and activity that will deliver a transformed technology environment for our communities and our staff.	<p>The Digital Innovation Programme continues to scale up and progress with a number of project activities. These include:</p> <ul style="list-style-type: none"> • implementation of our new HR (Human Resources) and Payroll systems; • completion of a Market Brief as the first part of Project Harakeke – Core Council Applications replacement; • beginning the MagiQ Cloud upgrade project to ensure MagiQ continues to service the needs of the organisation in the short to medium term while Harakeke progresses; • completion of an Integration Strategy for the Council; • continued transition of Council’s on-premises workloads to the Cloud; • recruitment of a Security Partner (FINAO) to assist us with our ongoing cybersecurity improvement programme; and • recruitment of a Testing Services Partner (Assurity) to assist us with testing and signoff of changes incurred during our system updates and replacements programme, including but not limited to Harakeke.



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PART FIVE: FINANCIAL STATEMENTS

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STATEMENT OF ACCOUNTING POLICIES

REPORTING ENTITY

Tasman District Council (Council) is a unitary local authority governed by the Local Government Act 2002 (LGA) and the Local Government (Rating) Act 2002. It is domiciled and operates in New Zealand.

Council provides local infrastructure, local public services, and performs regulatory functions to the community. Council does not operate to make a financial return. The Council includes its jointly controlled ventures (note 20) and operations (note 21) in these financial statements.

Council has designated itself as a public benefit entity (PBE) for financial reporting purposes.

The financial statements of Council are for the year ended 30 June 2023. The financial statements were authorised for issue by Council on 31 October 2023.

STATEMENT OF COMPLIANCE

The financial statements of the Council and group have been prepared in accordance with the requirements of the LGA and the Local Government (Financial Reporting and Prudence) Regulations 2014 (LG(FRP)R), which include the requirement to comply with NZ GAAP.

The financial statements have been prepared in accordance with and comply with PBE Accounting Standards.

BASIS OF PREPARATION AND ROUNDING

The financial statements have been prepared on the going concern basis, and the accounting policies have been applied consistently throughout the period.

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000), other than the severance payment disclosures in note 31 which are rounded to the nearest dollar.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies are included in the notes to which they relate. Significant accounting policies that do not relate to a specific note are outlined below.

GST

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST-inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (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 an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are translated into New Zealand Dollars (the functional currency) using the spot exchange rate at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in surplus or deficit.

BUDGET FIGURES

The budget figures are those approved by the Council in its 2022/2023 annual plan. The budget figures have been prepared in accordance with GAAP, using accounting policies that are consistent with those adopted by the Council in preparing these financial statements.

STATEMENT OF ACCOUNTING POLICIES

OVERHEADS

Indirect overheads have been apportioned on an activity basis, using the 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.

FUNDING IMPACT STATEMENTS

The Funding Impact Statements ("FIS") have been prepared in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014. 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. 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 Comprehensive Revenue and Expense Statement as required under GAAP. These items include, but are not limited to the 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. Revenue 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 revenue in the Comprehensive Revenue and Expense Statement.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

In preparing these financial statements, estimates and assumptions have been made concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions 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:

- Estimating the fair value of land, buildings, and infrastructural assets, and their useful lives (note 15)
- Estimating the fair value of forestry assets (note 18)
- Estimating the fair value of Investment property (note 19)
- Estimating the landfill aftercare provision (note 23)
- Valuation of derivative financial instruments (note 12)
- Valuation of Emission Trading Schedule credits (note 16)

CRITICAL JUDGEMENT IN APPLYING COUNCIL'S ACCOUNTING POLICIES

Management has exercised the following critical judgements in applying accounting policies:

- Classification of community housing property (note 15)
- Water services reform, affordable waters (note 37)
- Accounting for joint operations, including Councils interest in Waimea Water Limited (note 21)

STATEMENT OF ACCOUNTING POLICIES

CHANGES IN ACCOUNTING POLICIES

Other than the adoption of new PBE Standards and amendments to PBE Standards as disclosed below, there have been no changes in the accounting policies of the Council for the year. Other than the changes disclosed below, all accounting policies and disclosures are consistent with those applied by the Council in the previous financial year.

NEW AND AMENDED STANDARDS AND INTERPRETATIONS

The Council applied for the first-time certain standards and amendments which were effective for the year ending 30 June 2023.

PBE IPSAS 1 GOING CONCERN DISCLOSURES

Changes to PBE IPSAS 1 relating to going concern disclosures came into effect on 1 January 2022. The Council has assessed these changes and there are no impacts on the financial statements as the Council remains as a going concern.

PBE IPSAS 41 FINANCIAL INSTRUMENTS

PBE IPSAS 41 Financial Instruments supersedes PBE IPSAS 29 Financial Instruments: Recognition and Measurement and is effective for period beginning 1 January 2022. The 30 June 2023 financial year is the first year which the standard is effective for the Council. The main changes between PBE IPSAS 29 and PBE IPSAS 41 are:

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost.
- A new impairment model for financial assets based on expected credit losses, which may result in earlier recognition of impairment losses.
- Revised hedge accounting requirements to better reflect the management of risks.

Information about the transition to PBE IPSAS 41 is disclosed in note33A.

STANDARDS, AMENDMENTS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

There are no standards, amendments, and interpretations issued but not yet effective that have not been early adopted, and which are relevant for the Council.

TAUĀKI Ā-MONI WHIWHI, Ā-WHAKAPAUNGA PŪTEA

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the year ended 30 June 2023

ACTUAL 2022 \$000		NOTES	ACTUAL 2023 \$000	BUDGET 2023 \$000
	REVENUE			
43,681	General rates	2	47,309	46,951
38,627	Targeted rates	2	41,949	41,037
19,234	Development and financial contributions		17,440	12,192
11,222	Operating subsidies and grants	4	14,753	6,364
16,747	Capital subsidies and grants	4	10,456	17,257
18,362	Fees and charges	5	19,978	19,864
26,854	Other revenue	3	35,950	24,719
47,452	Vested assets	3	27,247	7,616
7,068	Fair value gain/(loss) on revaluation	3	(9,173)	1,723
11	Other gains/(losses)	3	(2,699)	62
7,999	Finance income	8	2,496	634
8,287	Revenue of joint operations	21	10,056	7,380
7,167	Share of joint ventures surplus/(deficit)	20	5,902	-
252,711	Total revenue	1	221,664	185,799
	EXPENSE			
7,630	Finance expense	8	11,956	8,084
30,400	Employee related expense	6	34,719	33,625
55,096	Other expenses	7	65,976	56,946
27,501	Maintenance	7	36,323	24,635
29,369	Depreciation and amortisation	17	39,012	31,083
10,106	Expenditure of joint operations	21	13,036	8,079
160,102	Total expense	1	201,022	162,452
92,609	Surplus/(deficit) before taxation		20,642	23,347
-	Income tax expense	9	-	-
92,609	Surplus/(deficit) after tax		20,642	23,347
	OTHER COMPREHENSIVE REVENUE			
268,654	Gain on Council property, plant and equipment revaluations	26	22,707	99,700
807	Movement in NZLG shares value	26	83	-
(2,165)	Asset impairment, disposal gain/(loss)	15, 26	(1,930)	-
14,672	Share of joint ventures and joint operations other comprehensive revenue	20, 21, 26	2,677	-
281,968	Total other comprehensive revenue and expense	26	23,537	99,700
374,577	Total comprehensive revenue and expense		44,179	123,047

The table above shows surplus before other comprehensive income of \$20.6 million (2022: \$92.6 million) compared with a budgeted accounting surplus of \$23.3 million (2022: \$24.1 million). This equates to a surplus variance of \$2.7 million.

Variances to budget are explained in note 36.

The Statement of Accounting Policies and Notes to the Financial Statements form an integral part of, and should be read in conjunction with, these financial statements.

TAUĀKI MŌ TE TŪĀHUA TAHUA PŪTEA

STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

ACTUAL 2022 \$000		NOTES	ACTUAL 2023 \$000	BUDGET 2023 \$000
	CURRENT ASSETS			
16,310	Cash and cash equivalents	10	21,969	14,760
14,785	Trade and other receivables	11	16,935	14,916
25,602	Other financial assets	13	18,886	372
56,697	Total current assets		57,790	30,048
	CURRENT LIABILITIES			
30,737	Trade and other payables	22	29,681	26,549
3,342	Employee benefit liabilities	24	4,352	3,412
49,003	Current portion of borrowings	25	89,204	34,003
540	Current portion of derivative financial instruments	12	–	333
83,622	Total current liabilities		123,237	64,297
	NON-CURRENT ASSETS			
203,157	Investments in joint ventures	20	205,576	189,043
33,517	Other financial assets	13	46,326	3,915
3,648	Intangible assets	16	5,332	4,014
44,847	Forestry assets	18	30,379	53,270
5,630	Investment property	19	6,426	5,940
2,069,663	Property, plant and equipment	15	2,156,664	1,902,664
2,360,462	Total non-current assets		2,450,703	2,158,846
	NON-CURRENT LIABILITIES			
190,970	Term borrowings	25	199,728	224,311
778	Derivative financial instruments	12	–	13,763
391	Employee benefit liabilities	24	–	491
3,561	Provisions	23	3,512	3,904
195,700	Total non-current liabilities		203,240	242,469
2,137,837	Total net assets		2,182,016	1,882,128
	EQUITY			
811,537	Accumulated equity	27	834,294	856,238
39,485	Restricted reserves	28	37,370	21,490
1,286,815	Revaluation reserves	26	1,310,352	1,004,400
2,137,837	Total equity		2,182,016	1,882,128

Variances to budget are explained in note 36.

The Statement of Accounting Policies and Notes to the Financial Statements form an integral part of, and should be read in conjunction with, these financial statements.

TAUĀKI MŌ NGĀ MONI UTU, WHIWHINGA RĀNEI

STATEMENT OF CASHFLOWS

As at 30 June 2023

ACTUAL 2022 \$000		NOTES	ACTUAL 2023 \$000	BUDGET 2023 \$000
	CASHFLOW FROM OPERATING ACTIVITIES			
	Cash was provided from:			
103,310	Fees and charges and other revenue		104,009	88,261
82,258	Rates revenue		89,116	88,003
2,844	Dividends received		2,791	2,830
1,735	Interest received		2,362	634
190,147			198,278	179,728
	Cash was disbursed to:			
(111,026)	Payments to suppliers and employees		(147,860)	(121,930)
(6,805)	Interest paid		(9,519)	(8,084)
(439)	Net GST (paid)/received		(601)	-
(118,270)			(157,980)	(130,014)
71,877	Net cash flow from operating	29	40,298	49,714
	CASHFLOW FROM INVESTING ACTIVITIES			
	Cash was provided from:			
11	Proceeds from sale of assets		1,780	62
9,653	Proceeds from sale of investments		25,602	107
9,664			27,382	169
	Cash was disbursed to:			
(95,170)	Purchase of assets		(75,401)	(20,772)
(45,861)	Purchase of investments		(34,817)	(62,683)
(141,031)			(110,218)	(83,455)
(131,367)	Net cash flow from investing		(82,836)	(83,286)
	CASHFLOW FROM FINANCING ACTIVITIES			
	Cash was provided from:			
102,694	Loans raised		97,200	54,013
	Cash was disbursed to:			
(42,000)	Loan principal repayments		(49,003)	(18,883)
60,694	Net cash flow from financing		48,197	35,130
1,204	Total net cash flows		5,659	1,558
15,106	Opening cash held		16,310	13,202
16,310	Closing cash and cash equivalents balance	10	21,969	14,760

The Statement of Accounting Policies and Notes to the Financial Statements form an integral part of, and should be read in conjunction with, these financial statements.

TAUĀKI MŌ NGĀ PANONITANGA O NGĀ HUA UARA

STATEMENT OF CHANGES IN EQUITY

As at 30 June 2023

ACTUAL 2022 \$000		ACTUAL 2023 \$000	BUDGET 2023 \$000
1,763,260	Equity at start of year	2,137,837	1,759,081
374,577	Total comprehensive revenue and expense	44,179	123,047
2,137,837	Total equity	2,182,016	1,882,128

The Statement of Accounting Policies and Notes to the Financial Statements form an integral part of, and should be read in conjunction with, these financial statements.



TE TAUĀKĪ WHAKAAWEAWENGA TUKU PŪTEA A TE RŌPŪ COUNCIL FUNDING IMPACT STATEMENT

As at 30 June 2023

ACTUAL 2022 \$000	ANNUAL PLAN BUDGET 2022 \$000	FUNDING IMPACT STATEMENT	ACTUAL 2023 \$000	ANNUAL PLAN BUDGET 2023 \$000
SOURCES OF OPERATING FUNDING				
44,040	43,949	General rates, uniform annual general charges, rates penalties	47,711	47,316
38,627	38,719	Targeted rates	41,949	41,037
11,220	6,183	Subsidies and grants for operating purposes	14,753	6,364
18,362	16,227	Fees and charges	19,978	19,864
3,869	3,050	Interest and dividends from investments	4,758	3,323
34,884	24,123	Local authorities fuel tax, fines, infringement fees, and other receipts	42,727	29,044
151,002	132,251	Total operating funding	171,876	146,948
APPLICATIONS OF OPERATING FUNDING				
120,055	104,854	Payments to staff and suppliers	148,150	121,173
7,405	7,879	Finance costs	11,194	8,085
127,460	112,733	Total applications of operating funding	159,344	129,258
23,542	19,518	Surplus/(deficit) of operating funding	12,532	17,690
SOURCES OF CAPITAL FUNDING				
16,747	16,096	Subsidies and grants for capital expenditure	10,456	17,257
19,234	12,043	Development and financial contributions	17,440	12,192
59,417	30,315	Increase/(decrease) in debt	47,576	35,130
11	62	Gross proceeds from sale of assets	1,780	62
95,409	58,516	Total sources of capital funding	77,252	64,641
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
3,763	4,174	• to meet additional demand	3,910	330
45,119	40,280	• to improve the level of service	27,446	14,113
40,322	34,044	• to replace existing assets	42,496	51,605
(9,894)	1,379	Increase/(decrease) in reserves	3,535	216
39,641	(1,843)	Increase/(decrease) in investments	12,397	16,067
118,951	78,034	Total applications of capital funding	89,784	82,331
(23,542)	(19,518)	Surplus/(deficit) of capital funding	(12,532)	(17,690)
-	-	Funding balance	-	-

The Statement of Accounting Policies and Notes to the Financial Statements form an integral part of, and should be read in conjunction with, these financial statements.



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PART SIX: NOTES TO FINANCIAL STATEMENTS

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NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF REVENUE AND EXPENDITURE FOR GROUPS OF ACTIVITIES

2021/2022 \$000	REVENUE	2022/2023 \$000
17,877	Environmental Management	21,115
8,644	Public Health and Safety	8,762
28,076	Transportation, Roads and Footpaths	33,128
189	Coastal Structures	102
33,777	Water Supply	20,054
18,889	Wastewater	17,392
8,152	Stormwater	7,719
15,765	Solid Waste	15,549
5,643	Flood Protection and River Control Works	6,364
29,521	Community Development	28,836
15,902	Council Enterprises	21,636
3,571	Governance	3,970
66,705	Overhead activities including finance and vested asset income	37,037
252,711	Total revenue	221,664

2021/2022 \$000	EXPENSE	2022/2023 \$000
18,540	Environmental Management	21,605
9,127	Public Health and Safety	10,412
29,639	Transportation, Roads and Footpaths	41,035
174	Coastal Structures	255
16,469	Water	20,694
16,017	Wastewater	16,881
4,968	Stormwater	6,585
14,433	Solid Waste	14,574
3,059	Flood Protection and River Control Works	3,092
23,565	Community Development	24,429
15,714	Council Enterprises	25,463
3,099	Governance	4,077
5,298	Overhead activities including finance and vested asset income	11,920
160,102	Total expense	201,022

2021/2022 \$000	RECONCILIATION OF SURPLUS OF OPERATING FUNDING TO OPERATING SURPLUS BEFORE GAINS AND LOSSES	2022/2023 \$000
160,102	Statement of comprehensive revenue and expenses: total expense	201,022
	Less non-FIS items:	
(29,369)	Depreciation and amortisation	(39,012)
(3,048)	Loss on disposal	(1,902)
(225)	Finance expense – amortisation of loans at present value	(763)
127,460	Funding impact statement: total applications of operating funding	159,344

NOTES TO FINANCIAL STATEMENTS

NOTE 2: RATES

RATES RECOGNITION

Rates income is recognised on an accrual basis and is measured at the fair value of consideration received or receivable.

The following particular policies apply:

- General rates, targeted rates (excluding water-by-meter), and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. Council considers that the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.
- Rates arising from late payment penalties are recognised as revenue when rates become overdue.
- Rates remissions are recognised as a reduction of rates revenue when Council has received an application that satisfies its Rates Remission Policy.
- Water billing revenue is recognised on an accrual basis with unread meters at year end accrued on an average usage basis.

2021/2022 \$000	RATES	2022/2023 \$000
43,681	Total general rates	47,309
TARGETED RATES ATTRIBUTABLE TO ACTIVITIES		
134	Environmental Management	121
82	Coastal Structures	69
3,447	Water Supply – excluding metered	4,302
9,128	Water Supply – metered	11,560
10,877	Wastewater	10,599
4,950	Stormwater	4,914
2,475	Solid Waste	2,771
2,200	Flood Protection and River Control Works	2,035
5,003	Community Development	5,205
331	Governance	373
38,627	Total targeted rates attributable to activities	41,949
82,308	Total rates net of remissions	89,258
335	Rates remissions	451
82,643	Total rates gross of remissions	89,709

The annual rates revenue of Council for the year ended 30 June 2023 and 30 June 2022 for the purposes of the LGFA Guarantee and Indemnity Deed disclosure is shown above.

Rates revenue is shown net of rates remissions. The Rates Remission Policy allows Council to remit rates when certain conditions and criteria are met. Some examples of situations where rates may be remitted include when land has been detrimentally affected by natural disaster, on properties with a rating valuation up to \$7,500 and on land used for sporting, recreation or community services purposes.

NOTES TO FINANCIAL STATEMENTS

NOTE 2: RATES (CONT.)

In accordance with the Local Government (Rating) Act 2002, certain properties cannot be rated for general rates. This includes schools, places of religious worship, public gardens and reserves. These non-rateable properties, where applicable, may be subject to targeted rates in respect of wastewater, water, refuse and sanitation. Non-rateable land does not constitute a remission under Council's rates remission policy.

A rating revaluation occurs every three years. They are prepared on behalf of the Tasman District Council by Quotable Value (QV). The entire process is independently audited by the Office of the Valuer General. The effective date for the current revaluation is 1 September 2020. These valuations, along with other factors will be used by Council as the basis for distributing individual rates obligations for the three financial years, starting from 1 July 2021.

NOTE 3: OTHER REVENUE

Revenue is recognised on an accrual basis and is measured at the fair value of consideration received or receivable. The following particular policies apply:

- Development contributions and reserve financial contributions are recognised as revenue when Council has rights to the contribution and has provided, or is able to provide, the service that gave rise to the charging of the contribution. Otherwise development contributions 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.
- Vested assets are recognised when 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 (for roading and water assets, this is when S224 is approved). The fair value of vested or donated assets is usually determined by reference to the cost of constructing the asset. For assets received from property developments, the fair value is based on construction price information provided from the most recent revaluation.
- Infringements are recognised when the fine is issued.
- The accounting policies for the fair value movements on revaluation are explained in the respective notes.

2021/2022 \$000	OTHER REVENUE	2022/2023 \$000
19,646	Forestry harvesting revenue	28,798
64	Dividend revenue	91
330	Infringements and fines	442
360	Petrol tax	384
285	Rental revenue from investment properties	297
6,169	Other	5,938
26,854	Total other revenue	35,950

NOTES TO FINANCIAL STATEMENTS

NOTE 3: OTHER REVENUE (CONT.)

2021/2022 \$000	VESTED ASSETS	2022/2023 \$000
47,452	Vested assets	27,247
47,452	Total vested assets	27,247

2021/2022 \$000	FAIR VALUE GAIN/(LOSS) ON REVALUATION	2022/2023 \$000
12,779	Unrealised gain/(loss) on interest rate derivatives (note12)	2,593
(5,366)	Movement in carrying value in forestry asset and other fair value movements (note 18)	(12,395)
(345)	Investment property revaluation movement (note19)	629
7,068	Total fair value gain/(loss) on revaluation	(9,173)

DERIVATIVE MOVEMENT

The unrealised gain on interest rate derivatives of \$2.6 million is the increase in the fair value of the derivative interest rate swap asset to \$1.3 million asset at 30 June 2023 (2022: \$1.3 million liability), in note 12. Council uses derivative financial instruments to hedge exposure to interest rate risks arising from financing activities. 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 associated gains or losses of derivatives are recognised in the surplus or deficit. Council has elected not to hedge account for its interest rate swaps.

FORESTRY MOVEMENT

Forestry assets (note 18) decreased by \$14.5 million mostly due to harvest. This loss is partially offset by an ETS gain of \$2.0 million from the fixed price option explained in note 18, assumption 10.

The revenue from the forestry harvesting is shown above, and the expenses are included in note 7.

2021/2022 \$000	OTHER GAINS/(LOSSES)	2022/2023 \$000
11	Gain on disposal of property plant and equipment and intangibles	1,780
-	Loan present value adjustment	(4,479)
11	Total other gains/(losses)	(2,699)

In the year ended 30 June 2022 Council received an interest free loan from Crown Irrigation Investment limited, and an accounting adjustment was posted to recognise the difference between the face value and present value on inception (net present value of future cash flows discounted at a market interest rate), this non-cash gain was recognised in finance income (note 8).

However, this loan partially related to debt that was passed onto Waimea Water Limited, through the irrigator capacity shareholder advances. These advances are recognised as other financial assets (note 13). The advances are also discounted to present value on inception. The adjustment of \$4.5 million is the difference between the face value of the loan, \$37.0 million, and the present value \$32.5 million, which has been recorded in 2023 through other gains above. The \$4.5 million includes \$3.6 million which should have been recognised as a non-cash loss, or reduction to the finance income recognised in 2022, the remaining \$0.9 million relates to 2023. No prior year restatement was made for 2022 as this non-cash adjustment is not material.

NOTES TO FINANCIAL STATEMENTS

NOTE 4: SUBSIDIES AND GRANTS

Revenue is recognised on an accrual basis and is measured at the fair value of consideration received or receivable.

The following policies apply:

- Council receives government grants from the Waka Kotahi (New Zealand Transport Agency), which subsidises part of Council's costs in maintaining the local roading infrastructure. Waka Kotahi revenue is recognised on entitlement when conditions pertaining to eligible expenditure are fulfilled.
- Other grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

2021/2022 \$000	OPERATING SUBSIDIES AND GRANTS	2022/2023 \$000
7,793	Waka Kotahi (NZ Transport Agency) roading subsidies	10,414
3,429	Other subsidies, grants and donations	4,339
11,222	Total operating subsidies and grants	14,753

2021/2022 \$000	CAPITAL SUBSIDIES AND GRANTS	2022/2023 \$000
4,493	Waka Kotahi (NZ Transport Agency) roading subsidies	6,334
5,965	Three waters stimulus funding	98
3,000	Grants received for Waimea Community Dam	–
3,289	Other subsidies and grants	4,024
16,747	Total capital subsidies and grants	10,456

SIGNIFICANT GRANTS WITH CONDITIONS

Government grant revenue with conditions: revenue is recognised on entitlement when conditions pertaining to eligible expenditure are fulfilled. At 30 June any unspent balance, is recognised as a deferred liability. This means that there are no unfulfilled conditions or other contingencies attached to government grants and subsidies recognised as revenue. Amounts received with unfulfilled conditions as at 30 June, are recognised as a liability in note 22.

BETTER OFF FUNDING (AFFORDABLE WATERS)

In the year ended 30 June 2023 Council received \$0.8 million Better Off Funding (2022: nil), included within other subsidies and grants.

Tasman District Council was allocated up to \$5.64 million in December 2022 from Department of Internal Affairs (DIA) to benefit the wider community and iwi outcomes through the Government's Three Waters Better Off Support Package. This funding is in recognition of the significant transfer of responsibility for three waters service delivery.

The announcement of the revised Three Waters programme – Affordable Waters – in April 2023 has provided a reset of what the proposed reform will involve for councils across the country, including Tasman.

NOTES TO FINANCIAL STATEMENTS

NOTE 5: FEES AND CHARGES

Revenue is recognised on an accrual basis and is measured at the fair value of consideration received or receivable. The following particular policies apply:

- Fees and charges for building and resource consent services are recognised on a percentage completion basis with reference to the recoverable costs incurred at balance.

2021/2022 \$000	FEES AND CHARGES	2022/2023 \$000
6,542	Building, resource consent, public health and liquor licensing charges	6,249
5,271	Landfill/resource recovery centre charges	6,135
3,799	Sales	4,571
590	Sundry fees and recoveries	715
2,160	Other fees and charges	2,308
18,362	Total fees and charges	19,978

NOTE 6: EMPLOYEE BENEFIT EXPENSES

SALARIES AND WAGES

Salaries and wages are recognised as an expense as employees provide services.

SUPERANNUATION SCHEMES

Defined contribution schemes

Employer contributions to KiwiSaver, the Government Superannuation Fund, and the State Sector Retirement Savings Scheme are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as incurred.

2021/2022 \$000	EMPLOYEE BENEFIT EXPENSES	2022/2023 \$000
29,197	Salary and wages	32,713
1,143	KiwiSaver/superannuation schemes employer contributions	1,801
60	Increase/(decrease) in employee benefit liabilities	205
30,400	Total employee benefit expenses	34,719

NOTE 7: OTHER EXPENSES

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 these 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.

OPERATING LEASE

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight line basis over the lease term.

NOTES TO FINANCIAL STATEMENTS

NOTE 7: OTHER EXPENSES (CONT.)

2021/2022 \$000	OTHER EXPENSES	2022/2023 \$000
12,939	Forestry expenses (commercial plantation forestry, note 18)	21,726
2,210	Projects	2,051
1,367	Grants paid	1,630
1,615	Rates and water	1,704
1,453	Levies paid	1,167
1,366	Electricity	1,497
864	Elected representatives remuneration (including community boards)	895
9,018	Consultants	9,937
26	Impairment and bad debt write offs	83
683	Legal fees	820
77	Movement in bad debts provision	222
151	Audit fees – Annual Report	230
4	Audit fees – Debenture trust deed	10
–	Audit fees – fee recovery related to the prior year	27
6	Donations	19
23,317	Other operating expenses	23,958
55,096	Total other expenses	65,976

DISCLOSURE OF RATES WRITTEN OFF

Impairment and bad debt write offs include \$8,026 of rates written off as at 30 June 2023 (2022: \$8,603).

RECLASSIFICATION OF FORESTRY EXPENSES

For the year ended 30 June 2022:

- \$1,760,000 has been reclassified from maintenance – operational maintenance to other expenses: forestry expenses, as the expenses relate to Council’s commercial plantation forestry.

Within other expenses:

- \$551,000 has been reclassified within other expenses from other operating expenses to forestry expenses.
- \$501,000 has been reclassified from consultants to forestry expenses.

Forestry expenses includes the costs to manage (including consultancy), plant, harvest and maintain the forestry assets (note 18).

RECLASSIFICATION OF FORESTRY EXPENSES	2021/2022 ORIGINAL \$000	ADJUSTMENT	2021/2022 RECLASSIFIED \$000
Total other expenses	53,336	1,760	55,096
Total maintenance	29,261	(1,760)	27,501

NOTES TO FINANCIAL STATEMENTS

NOTE 7: OTHER EXPENSES (CONT.)

MAINTENANCE

Maintenance comprises Council expenditure to maintain its infrastructural and operational assets. This includes the transportation and road network, facilities and parks and Council enterprises, property maintenance. Other Operating Expenses includes general operating expenses, insurance, rating valuation fees, information technology costs, refuse and waste water costs.

2021/2022 \$000	MAINTENANCE	2022/2023 \$000
26,159	Operational maintenance	34,172
1,342	Other maintenance	2,151
27,501	Total maintenance	36,323

NOTE 8: FINANCE EXPENSE AND FINANCE INCOME

Interest revenue is recognised using the effective interest method.

2021/2022 \$000	FINANCE EXPENSE	2022/2023 \$000
INTEREST EXPENSE		
7,405	Interest on borrowings	11,194
225	Amortisation on fair value write-down on CIIL concessional loans	762
7,630	Total finance costs	11,956

2021/2022 \$000	FINANCE INCOME	2022/2023 \$000
INTEREST REVENUE		
7,009	Loan fair value adjustment	-
987	Interest on bank deposits	2,494
3	Interest on related party loans	2
7,999	Total finance revenue	2,496

Concessional loan fair value adjustment 2022 – Council received an interest free loan from Crown Irrigation Investment Limited (CIIL). Loans are recognised initially at their fair value. The fair value loan adjustment is the difference between the face value of the loan and the fair value of the loan. Fair value is calculated as the net present value of future cash flows at a market interest rate.

NOTES TO FINANCIAL STATEMENTS

NOTE 9: TAX

Council is largely exempt from income tax except for income from its port related commercial undertakings. From 1 July 2022 dividends Council receives from CCOs are exempt income.

Income tax expense in relation to the surplus or deficit for the period comprises current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using rates that have been enacted or substantively enacted by balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, using tax rates that have been enacted or substantively enacted by balance date.

Current and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to transactions recognised in other comprehensive revenue and expense or directly in equity.

2021/2022 \$000		2022/2023 \$000
RELATIONSHIP BETWEEN TAX EXPENSE AND ACCOUNTING PROFIT		
92,609	Net surplus	20,642
25,931	Tax at 28%	5,780
(25,931)	Less non-taxable income	(5,780)
-	Tax expense	-

	PROPERTY, PLANT AND EQUIPMENT \$000	TAX LOSSES \$000	TOTAL \$000
DEFERRED TAX ASSETS/(LIABILITIES)			
Balance at 1 July 2021	(539)	539	-
Charged to surplus or deficit	(18)	18	-
Balance at 1 July 2022	(557)	557	-
Charged to surplus or deficit	18	(18)	-
Balance at 30 June 2023	(539)	539	-

A deferred tax asset in relation to tax losses of \$11,849,606 (2022: \$11,635,494) has not been recognised for the year ended 30 June 2023.

NOTES TO FINANCIAL STATEMENTS

NOTE 10: 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.

30 JUNE 2022 \$000	CASH AND CASH EQUIVALENTS	30 JUNE 2023 \$000
16,310	Cash at bank and in hand	21,969
16,310	Total cash and cash equivalents	21,969

The carrying value of short-term deposits with maturity dates of three months or less approximates their fair value.

NOTE 11: TRADE AND OTHER RECEIVABLES

Receivables are recorded at the amount due, less an allowance for expected credit losses ('ECL').

The Council applies the simplified ECL model where the lifetime ECL is recognised for the receivables.

30 JUNE 2022 \$000	TRADE AND OTHER RECEIVABLES	30 JUNE 2023 \$000
1,354	Rates receivables	1,656
13,345	Other receivables	15,703
669	Prepayments	380
15,368	Gross trade and other receivables	17,739
(583)	Less provision for doubtful debts	(805)
14,785	Net trade and other receivables	16,935
	Comprising:	
14,785	Current portion	16,935
14,785	Total trade and other receivables	16,935

The carrying amount of trade and other receivables approximates their fair value. There is no concentration of credit risk with respect to receivables.

SIMPLIFIED ESTIMATED CREDIT LOSS 'ECL'

In measuring ECLs, receivables have been grouped into rates receivables, and other receivables, and assessed on a collective basis as they possess shared credit risk characteristics. They have then been grouped based on the days past due. A provision matrix is then established based on historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

Council does not provide for any impairment on rates receivable as it has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debts. These powers allow the Council to commence legal proceedings to recover any rates that remain unpaid four months after the due date for payment. If payment has not been made within three months of the Court's judgement, then Council can apply to the Registrar of the High Court to have the judgement enforced by sale or lease of the rating unit.

NOTES TO FINANCIAL STATEMENTS

NOTE 11: TRADE AND OTHER RECEIVABLES (CONT.)

Rates are "written-off":

- when remitted in accordance with the Council's rates remission policy; and
- in accordance with the write-off criteria of sections 90A (where rates cannot be reasonably recovered) and 90B (in relation to Māori freehold land) of the Local Government (Rating) Act 2002.

The Chief Executive approved the write-off of rates receivable during the year under the LG(R)A 2002 as follows:

- Section 90A: \$2,124 (2022: \$2,173)
- Section 90B: \$5,903 (2022: \$6,429)

Movements in the provision for impairment of receivables is as follows:

2021/2022 \$000	TRADE AND OTHER RECEIVABLES	2022/2023 \$000
(505)	At 1 July	(583)
(223)	Additional provisions made during the year	(343)
26	Written off during period	52
119	Provisions reversed in year	69
(583)	At 30 June	(805)

OTHER RECEIVABLES

The ECL rates for other receivables are based on the payment profile of revenue on credit over the prior two years at the measurement date and the corresponding historical credit losses experienced for that period. The historical loss rates are adjusted for current and forward-looking macroeconomic factors that might affect the expected recoverability of receivables. Given the short period of credit risk exposure, the effects of macroeconomic factors are not considered significant.

There have been no changes since 1 July 2022 in the estimation techniques or significant assumptions in measuring the loss allowance.

NOTES TO FINANCIAL STATEMENTS

NOTE 11: TRADE AND OTHER RECEIVABLES (CONT.)

The allowance for credit losses based on The Council's credit loss matrix is as follows:

	OTHER RECEIVABLES' DAYS PAST DUE					TOTAL
	1 TO 30 DAYS	31 TO 60 DAYS	61 TO 90 DAYS	MORE THAN 90 DAYS	MORE THAN 1 YEAR	
30 JUNE 2023						
Expected credit loss rate	0.21%	0.46%	1.55%	42.14%	100.00%	
Gross other receivable amount (\$000)	13,514	681	593	262	653	15,703
Lifetime ECL (\$000)	(29)	(3)	(9)	(111)	(653)	(805)
Rates receivable	572	368	71	645	–	1,656
1 JULY 2022						
Expected credit loss rate	–	–	–	–	100.00%	–
Gross other receivable amount (\$000)	11,894	556	89	223	583	13,345
Lifetime ECL (\$000)	–	–	–	–	(583)	(583)
Rates receivable	323	356	84	591	–	1,354

- i. Loss rates used vary between portfolios as part of Council's ECL measurement for its other receivables.
- ii. The ECL measured on the date of initial application (1 July 2022) of PBE IPSAS 41 was not material therefore no adjustment was made.

PREVIOUS ACCOUNTING POLICY

In the previous year, the allowance for credit losses was based on the incurred credit loss model. An allowance for credit losses was recognised only when there was objective evidence that the amount due would not be fully collected.

NOTES TO FINANCIAL STATEMENTS

NOTE 12: DERIVATIVE FINANCIAL INSTRUMENTS

ACCOUNTING FOR DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

Council uses derivative financial instruments 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.

Council's associate Port Nelson Limited has applied hedge accounting to its interest rate swaps.

30 JUNE 2022 \$000	DERIVATIVE FINANCIAL INSTRUMENTS	30 JUNE 2023 \$000
	Comprising:	
540	Current portion	-
778	Non-current	-
1,318	Total derivative financial instruments liability	-
-	Current portion	573
-	Non-current	702
-	Total derivative financial instruments asset	1,275

FAIR VALUE

The fair values of interest rate swaps have been determined using a discounted cash flow valuation technique based on quoted market prices. The inputs into the valuation model are from independently sourced market parameters such as interest rate yield curves. These are level 2 instruments under the fair value hierarchy.

Fair value hierarchy

For those instruments recognised at fair value in the statement of financial position, fair values are determined according to the following hierarchy:

- Level 1 – Quoted market price – Financial instruments with quoted prices for identical instruments in active markets.
- Level 2 – Valuation technique using observable inputs – Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- Level 3 – Valuation techniques with significant non-observable inputs – Financial instruments valued using models where one or more significant inputs are not observable.

NOTE 13: FINANCIAL ASSETS

Other financial assets are initially recognised at fair value. They are then classified as, and subsequently measured under, the following categories:

- amortised cost;
- fair value through other comprehensive revenue and expense (FVTOCRE); and
- fair value through surplus and deficit (FVTSD).

Transaction costs are included in the value of the financial asset at initial recognition unless it has been designated at FVTSD, in which case it is recognised in surplus or deficit.

The classification of a financial asset depends on its cash flow characteristics and the Council and joint operations' management model for managing them.

A financial asset is classified and subsequently measured at amortised cost if it gives rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal outstanding and is held within a management model whose objective is to collect the contractual cash flows of the asset.

A financial asset is classified and subsequently measured at FVTOCRE if it gives rise to cash flows that are SPPI and held within a management model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Financial assets that do not meet the criteria to be measured at amortised cost or FVTOCRE are subsequently measured at FVTSD. However, the Council and group may elect at initial recognition to designate an equity investment not held for trading as subsequently measured at FVTOCRE.

SUBSEQUENT MEASUREMENT OF FINANCIAL ASSETS AT AMORTISED COST

Financial assets classified at amortised cost are subsequently measured at amortised cost using the effective interest method, less any expected credit losses (ECL). Where applicable, interest accrued is added to the investment balance.

SUBSEQUENT MEASUREMENT OF FINANCIAL ASSETS AT FVTOCRE

Financial assets in this category that are debt instruments are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense, except ECL and foreign exchange gains and losses are recognised in surplus or deficit. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified to surplus and deficit.

Financial assets in this category that are equity instruments designated as FVTOCRE are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense. There is no assessment for impairment when fair value falls below the cost of the investment. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred to accumulated funds within equity. The Council designate into this category all equity investments that are not held for trading as they are strategic investments that are intended to be held for the medium to long-term.

NOTES TO FINANCIAL STATEMENTS

NOTE 13: FINANCIAL ASSETS (CONT.)

SUBSEQUENT MEASUREMENT OF FINANCIAL ASSETS AT FVTSD

Financial assets in this category are subsequently measured at fair value with fair value gains and losses recognised in surplus or deficit.

Interest revenue and dividends recognised from these financial assets are separately presented within revenue.

The fair value of financial instruments traded in active markets is based on quoted market prices at the Statement of Financial Position date. The quoted market price used is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

EXPECTED CREDIT LOSS ALLOWANCE (ECL)

The Council recognises an allowance for ECLs for all debt instruments not classified as FVTSD. ECLs are the probability-weighted estimate of credit losses, measured at the present value of cash shortfalls, which is the difference between the cash flows due to Council in accordance with the contract and the cash flows it expects to receive. ECLs are discounted at the effective interest rate of the financial asset.

ECLs are recognised in two stages. ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). However, if there has been a significant increase in credit risk since initial recognition, the loss allowance is based on losses possible for the remaining life of the financial asset (Lifetime ECL). ECL on receivables within the scope of PBE IPSAS 41.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Council and group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Council and group's historical experience and informed credit assessment and including forward-looking information.

The Council considers a financial asset to be in default when the financial asset is more than 90 days past due. The Council and group may determine a default occurs prior to this if internal or external information indicates the entity is unlikely to pay its credit obligations in full.

The Council measures ECLs on loan commitments at the date the commitment becomes irrevocable. If the ECL measured exceeds the gross carrying amount of the financial asset, the ECL is recognised as a provision.

FAIR VALUE HIERARCHY

For those instruments recognised at fair value in the statement of financial position, fair values are determined according to the following hierarchy:

- Level 1 – Quoted market price – Financial instruments with quoted prices for identical instruments in active markets.
- Level 2 – Valuation technique using observable inputs – Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- Level 3 – Valuation techniques with significant non-observable inputs – Financial instruments valued using models where one or more significant inputs are not observable.

NOTES TO FINANCIAL STATEMENTS

NOTE 13: FINANCIAL ASSETS (CONT.)

30 JUNE 2022 \$000	OTHER FINANCIAL ASSETS	FAIR VALUE HIERARCHY LEVEL	30 JUNE 2023 \$000
CURRENT PORTION			
Amortised cost			
28	Current portion of community loans		28
100	Loan to Tasman Bays Heritage Trust		100
25,000	Other short term deposits with maturities of 4 – 12 months		16,730
Fair value through surplus or deficit			
474	Borrower notes – NZ LG Funding Agency	2	1,455
–	Derivative financial instruments asset	2	573
25,602	Total current portion		18,886
NON-CURRENT PORTION			
Amortised cost			
85	Community loans		82
325	Loan to Tasman Bays Heritage Trust		225
20,929	Other financial assets – loans receivable WWL (irrigator capacity, note 41)		32,537
Fair value through comprehensive revenue and expense			
52	Unlisted shares – Civic Financial Services Ltd	3	52
8,663	Unlisted shares – NZ LG Funding Agency	3	8,746
Fair value through surplus or deficit			
3,463	Borrower notes – NZ LG Funding Agency	2	3,982
–	Derivative financial instruments asset	2	702
33,517	Total non-current portion		46,326

Council does not hold any material cash bonds subject to retentions (2022: Nil).

The fair value of the unlisted shares in the New Zealand Local Government Insurance Corporation Limited and the New Zealand Local Government Funding Agency have been determined by calculating Tasman District Council's share of total equity based on shares held. The fair value of the borrower notes have been determined based on cost.

There were no transfers between the different levels of the fair value hierarchy.

The loans receivable from Waimea Water Limited (WWL) are explained in detail in note 41, irrigator capacity advances. Council has external borrowings which are then passed to WWL as advances (Loan receivable). Waimea Irrigator Limited is responsible for servicing these loans. A portion of these borrowings and advances are interest free, therefore these are discounted to present value.

The book value at 30 June 2023 was \$32.5 million (2022: \$20.9 million). The loans have been discounted to present value, using average discount rate of 5.9%. The face value of these loans at 30 June 2023 was \$37.0 million (2022: \$20.9 million). A present value adjustment of \$4.5 million was recognised in the year ended 30 June 2023. Refer to note 3, other gains and losses.

NOTES TO FINANCIAL STATEMENTS

NOTE 13: FINANCIAL ASSETS (CONT.)

The total value of other financial assets that can only be used for a specific purpose is \$Nil (2022: Nil).

An interest free loan to Tasman Bays Heritage Trust of \$325,000 (2022:\$425,000), which has not been discounted in these financial statements to present value as it is not material (2022: Nil discount rate).

Interest rates receivable on community loans range from 3.90% to 9.00%, with an average rate of 6.45% (2022: 3.90% to 7.15%, with an average rate of 5.18%).

CREDIT RISK, INCLUDING ECLS

Term deposits

The Council considers there has not been a significant increase in credit risk for investments in term deposits because the banks continue to have low credit risk at balance date. Term deposits are held with banks that have a long-term AA- investment grade credit rating, which indicates the bank has a very strong capacity to meet its financial commitments.

No ECL has been recognised for term deposits as the loss allowance is trivial.

Community loans

Council manages credit risk associated with community loans in accordance with its Treasury Management Policy.

To access community loans, applicants must demonstrate a reasonable credit history and ability to make repayments. As part of the application process, Council completes due diligence checks to confirm the credit risk associated with each applicant. Council does not enter into any loan agreements that result in credit-impaired loans on origination.

Council monitors increases in credit risk by performing regular credit checks, completing regular debtor payment performance analyses, and review of macroeconomic changes in the Tasman district. Council considers a debtor's credit risk to have significantly increased if the information suggests they will be unable to make loan repayments.

No ECL has been recognised on community loans as the estimated loss allowance is immaterial.

Other financial assets

Expected credit losses measured for other financial assets are immaterial. They are low-risk and the Council has not identified any indications that credit risk associated with those instruments has significantly increased since initial recognition.

The Council does not hold any collateral for any of its loan assets.

Previous accounting policy (summarised)

In the previous year, other financial assets were classified into the following categories:

- loans and receivables at amortised cost (included related party loans to Tasman Bay Heritage trust and Waimea Water Limited, and community loans);
- held-to-maturity investments at amortised cost (included term deposits and NZ LG Funding Agency borrower notes); and
- fair value through other comprehensive revenue and expense (included unlisted shares).

NOTES TO FINANCIAL STATEMENTS

NOTE 13: FINANCIAL ASSETS (CONT.)

The main differences for the prior year policies are:

- Impairment was recorded only when there was objective evidence of impairment. For equity investments, a significant or prolonged decline in the fair value of the investment below its cost was considered objective evidence of impairment. For debt investments, significant financial difficulties of the debtor, probability the debtor would enter into bankruptcy, receivership or liquidation, and default in payments were indicators the asset is impaired.
- Impairment losses on shares were recognised in the surplus or deficit.
- For shares, the cumulative gain or loss previously recognised in other comprehensive revenue and expense was transferred from equity to surplus or deficit on disposal of the investment.

NOTE 14: NON-CURRENT ASSETS (PROPERTY) HELD FOR SALE

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the surplus or deficit.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

As at 30 June 2023 Council did not hold any of its property for sale (2022: Nil).

NOTE 15: 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, equipment, wharves and motor vehicles.
- **Restricted assets** – Assets owned or vested in Council which cannot easily be disposed of because of legal or other restrictions and provide a benefit or service to the community.
- **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. sewer reticulation includes reticulation piping and sewer pump stations.

Property, plant and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses.

Additions: The cost of an item of property, plant and equipment is recognised as an asset if, and only if, 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 15: PROPERTY, PLANT AND EQUIPMENT (CONT.)

Disposals: Gains and losses on disposals are determined by comparing the disposal 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 asset revaluation reserves in respect of those assets are transferred to accumulated 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.

Values included in respect of assets are as follows:

- **Classification of community housing 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.
- **Vested assets** – Certain infrastructural assets and land have been vested in Council as part of the subdivision consent process. Vested infrastructural assets have been valued by calculating the cost of providing identical quantities of infrastructural components. Vested assets are recognised as revenue when control over the asset is obtained, unless there is a use or return condition attached to the asset.

Roads, Stormwater, Wastewater and Water Supply assets are recognised on section 224 issued date and by using the latest valuation unit rates, uplifted for inflation as required.

Land assets are recognised when legal titles passes using the rateable valuation.

Land under roads is recognised when legal title passes. The valuation is calculated based on the rateable value of the land pre subdivision, discounted by 50% to reflect the restricted nature of the land.

- **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)	2 – 100 years
Furniture and fittings	5 – 15 years
Plant and equipment	5 – 10 years
Motor vehicles	5 – 10 years
Library books	2 – 10 years

INFRASTRUCTURE ASSETS

Bridges	50 – 100 years
Formation and sub-base pavement layer	Not depreciated
Drainage (culverts, sumps)	80 years
Footpaths	25 – 75 years
Pavement layers (other than sub-base)	30 – 60 years (unsealed), 75 years (sealed)
Roads – surface structure and other components	15 – 80 years

NOTES TO FINANCIAL STATEMENTS

NOTE 15: PROPERTY, PLANT AND EQUIPMENT (CONT.)

WASTEWATER	
Oxidation ponds	Not depreciated
Treatment	9 – 100 years
Pipe	60 – 120 years
Other wastewater features	10 – 80 years
Manhole	80 – 100 years
Chamber	50 – 100 years
WATER	
Water supply features	10 – 80 years
Pipes	60 – 120 years
STORMWATER	
Channel/detention dams – earthworks	Not depreciated
Channel/detention dams – concrete/ rock	120 years
Pipes	60 – 120 years
Manholes	80 – 100 years
Sumps	80 years
OTHER INFRASTRUCTURE ASSETS	
Ports and wharves	7 – 100 years
Airfields	10 – 80 years
Refuse	15 – 100 years
RIVERS	
Stop banks	Not depreciated
Rock protection	Not depreciated
Willow plantings	Not depreciated
Gabion baskets	30 years
Railway irons	50 years
Outfalls	60 years

NOTES TO FINANCIAL STATEMENTS

NOTE 15: PROPERTY, PLANT AND EQUIPMENT (CONT.)

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

- **Revaluation of assets** – With the exception of vested assets at the initial point of recognition, all valuations for roading, three waters, refuse, land and buildings are carried out or reviewed by independent qualified valuers. Other assets are not revalued. The carrying values of revalued items are reviewed at each balance date to ensure that these values are not materially different to fair value. Revaluations are carried out on an asset class basis.

The frequency of revaluations depends upon the changes in the fair values of the items of property, plant and equipment being revalued. When the fair value of a revalued asset differs materially from its carrying amount, a further revaluation is necessary. Some items of property, plant and equipment experience significant and volatile changes in fair value, thus necessitating annual revaluation. Such frequent revaluations are unnecessary for items of property, plant and equipment with only insignificant changes in fair value. Instead, it may be necessary to revalue the item only every three or five years.

The net revaluation results are credited or debited to other comprehensive revenue and expenses 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 expenses 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 expenses.

INFRASTRUCTURAL ASSET CLASSES: ROADS AND BRIDGES, WASTEWATER, SOLID WASTE, WATER SUPPLY, STORMWATER, COASTAL STRUCTURES, PORTS AND RIVER PROTECTION ASSETS

Roads and bridges, wastewater, solid waste, water supply, stormwater, coastal structures, ports and river protection infrastructural assets are valued using the depreciated replacement cost method. There are a number of estimates and assumptions exercised when valuing infrastructural assets using the depreciated replacement cost method.

These include:

- Estimating any obsolescence or surplus capacity of the asset.
- Estimating the replacement cost of the asset. The replacement cost is derived from recent construction contracts in the region for similar assets.
- Estimates of the remaining useful life over which the asset will be depreciated. These estimates can be affected 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 underestimating the annual depreciation charge recognised as an expense in the statement of comprehensive revenue and expense. To minimise this risk, 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 asset management planning activities, which provides further assurance over useful life estimates.

Three waters (water supply, wastewater and stormwater), roads and bridges have been valued at fair value using optimised depreciated replacement cost by Marsh & McLennan Companies as at 30 June 2022. The Valuer reported that the markets that the infrastructure assets' components are transacted in, are being impacted by the uncertainty that the COVID-19 outbreak has caused. The Valuer's assessment is that, as a consequence of this, there is "significant valuation uncertainty" with the valuation.

Solid waste and coastal assets have been valued at fair value using optimised depreciated replacement cost by Marsh & McLennan Companies as at 30 June 2020.

NOTES TO FINANCIAL STATEMENTS

NOTE 15: PROPERTY, PLANT AND EQUIPMENT (CONT.)

River protection assets consist of stop banks, rock protection and riparian protection. These assets are no longer revalued. The latest were valued for inclusion in Council's financial statements at optimised depreciated replacement cost by in-house specialists as at 31 March 2017. These in-house valuations have been peer reviewed by Opus International Consultants Limited. These are no longer revalued.

Ports – A new asset category for Port assets has been created in the 2014/2015 year. Council considered that it was appropriate to distinguish the commercial Port assets from other coastal structures. These have been valued at optimised depreciated replacement cost by Jones Lang Lasalle IP, Inc. of Auckland as at 13 August 2019. The Port assets were not revalued during the previous three yearly cycle in order for the specialist valuation to be undertaken.

Land under roads – Land under roads has been valued at average land sales throughout the District by MWH New Zealand Ltd as at 1 July 2003. Under NZ IFRS, the Council has elected to use the fair value of land under roads as at 1 July 2003 as deemed cost. Land under roads is no longer revalued.

Aerodromes – Aerodrome assets were valued for inclusion in Council's financial statements at optimised depreciated replacement cost by in-house specialists as at 31 March 2017. The in-house valuations have been peer reviewed by Opus International Consultants Limited.

Library books – This asset is recorded at the latest valuation conducted by Duke & Cooke Ltd, registered valuers, as at 30 June 1999. During the 2002 income year Council ceased further revaluations and adopted deemed cost. Donated books are assigned a value based on current replacement cost, less an allowance for age and condition. Additions are valued at cost less depreciation. Library books are depreciated on a straight-line basis over the following estimated life:

- Adult and technical books 10 years
- Children's books 5 years
- CD's and talking books 2 years

Furniture and fittings – Furniture and fittings were recorded at valuation. The latest valuation was conducted by Duke & Cooke Ltd, registered valuers, as at 31 October 2000, using the assessed market value in situ. Furniture and fittings are not revalued and are now treated as deemed cost. Additions are recorded at cost.

Land (operational, restricted, and infrastructural) – Land is valued at fair value using market-based evidence based on its highest and best use with reference to comparable land values. Adjustments have been made to the "unencumbered" land value where there is a designation against the land or the use of the land is restricted because of reserve or endowment status. These adjustments are intended to reflect the negative effect on the value of the land where an owner is unable to use the land more intensely. The most recent valuation was performed by QV Valuations Limited, and the valuation is effective as at 30 June 2021. Land includes land related to Three Waters assets, including joint operation land, land under treatment plants, sewerage and drainage reserves. Land does not include Land under Roads, or Port land which is held in the respective class.

Buildings (operational and restricted) – Specialised buildings are valued at fair value using depreciated replacement cost because no reliable market data is available for such buildings. Depreciated replacement cost is determined using a number of significant assumptions. Significant assumptions include:

- The replacement asset is based on the reproduction cost of the specific assets with adjustments where appropriate for obsolescence due to over-design or surplus capacity.
- The replacement cost is derived from recent construction contracts of similar assets and Property Institute of New Zealand cost information.
- The remaining useful life of assets is estimated.
- Straight-line depreciation has been applied in determining the depreciated replacement cost value of the asset.

Non-specialised buildings (for example, residential buildings) are valued at fair value using market-based evidence. Market rents and capitalisation rates were applied to reflect market value. The most recent valuation was performed by QV Valuations Limited, and the valuation is effective as at 30 June 2023.

NOTES TO FINANCIAL STATEMENTS

NOTE 15: PROPERTY, PLANT AND EQUIPMENT (CONT.)

Reconciliation to carrying value of buildings from revalued building assets using depreciated replacement cost and buildings valued using market-based evidence as at 30 June 2023 was as follows:

OPERATIONAL BUILDINGS	30 JUNE 2021 VALUATION \$000	30 JUNE 2023 VALUATION \$000
Depreciated replacement cost	69,848	103,821
Market-based evidence	30,789	22,314
Total revaluation of operational buildings	100,637	126,135
Add: Work in progress	1,107	1,074
Add: Reserves and walkways excluded from revaluation	5,521	1,256
Add: Joint operations	431	719
Total carrying value of operational buildings	107,695	129,183

Heritage assets – Heritage assets comprise Council assets that are subject to a Historic Places protection order and are identified as such in the Resource Management Plan. Heritage assets were identified and introduced at 30 June 2002 at a fair market value as determined by QV Valuations, registered valuers. The fair market values have been adopted as deemed cost. Subsequent additions are at cost or independently determined fair market value which is adopted as deemed cost.

IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Intangible assets that have an indefinite useful life, or are not yet available for use, are not subject to amortisation and are tested annually for impairment.

Property, plant and equipment that have a finite useful life are reviewed for impairment at each balance date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit.

For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss on a revalued asset is credited to other comprehensive revenue and expense and increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit.

For assets not carried at a revalued amount, the reversal of an impairment loss is recognised in the surplus or deficit.

Value in use for non-cash-generating assets

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non-cash-generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, a restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

Value in use for cash-generating assets

Cash-generating assets are those assets that are held with the primary objective of generating a commercial return.

The value in use for cash-generating assets and cash-generating units is the present value of expected future cash flows.

NOTES TO FINANCIAL STATEMENTS

NOTE 15: PROPERTY, PLANT AND EQUIPMENT (CONT.)

2022/2023 \$000	COST/REVALUATION					
	COST/REVAL ¹ 1 JULY 2022 \$000	CURRENT YEAR ADDITIONS \$000	CURRENT YEAR VESTED ASSETS \$000	CURRENT YEAR DISPOSALS \$000	CURRENT YEAR IMPAIRMENT \$000	REVAL ¹ SURPLUS \$000
FIXED ASSETS						
Land	215,445	8,298	76	(54)	(1,930)	-
Buildings	127,909	4,346	-	(71)	-	22,670
Furniture and fittings	4,745	77	-	-	-	-
Motor vehicles	5,015	142	-	-	-	-
Plant	5,183	530	-	-	-	20
Office equipment	10,331	344	-	-	-	-
Library books	8,422	313	-	-	-	-
Heritage assets	1,843	-	-	-	-	-
Finance lease	-	-	-	-	-	-
	378,894	14,051	76	(124)	(1,930)	22,690
INFRASTRUCTURAL ASSETS						
Roading	722,342	12,975	5,839	-	-	-
Bridges	90,848	126	-	-	-	-
Land under roads	103,521	846	8,266	-	-	-
Stormwater	184,912	2,897	6,062	(673)	-	-
Wastewater	268,998	8,060	4,438	(691)	-	2,973
Refuse	17,751	5,997	-	-	-	545
Water	257,071	24,557	2,626	(470)	(29)	-
Rivers	83,607	6,494	-	-	-	-
Coastal structures	5,624	(12)	-	-	-	-
Ports	7,453	1,776	-	-	-	-
Aerodromes	1,502	248	-	-	-	-
	1,743,629	63,965	27,231	(1,834)	(29)	3,518
Total	2,122,523	78,015	27,307	(1,958)	(1,958)	26,208

1. Revaluation (Reval)
2. Depreciation (Depn)
3. Net Book Value (NBV)

NOTES TO FINANCIAL STATEMENTS

		DEPRECIATION				NET BOOK VALUE	
REVAL ¹ DEPN ² WRITE BACK \$'000	COST/REVAL ¹ 30 JUNE 2023 \$'000	ACC DEPN ² & IMPAIRMENT 01 JULY 2022 \$'000	CURRENT YEAR DEPN ² \$'000	WRITE BACK REVAL ¹ ON DEPN ² AND DISPOSAL \$'000	ACC DEPN ² & IMPAIRMENT 30 JUNE 2023 \$'000	NBV ³ 01 JULY 2022 \$'000	NBV ³ 30 JUNE 2023 \$'000
-	221,836	-	-	-	-	215,445	221,836
(25,672)	129,183	(20,214)	(5,460)	25,674	-	107,695	129,183
-	4,822	(4,306)	(209)	-	(4,516)	439	306
-	5,158	(4,397)	(260)	-	(4,657)	618	501
(23)	5,711	(3,395)	(307)	23	(3,680)	1,788	2,031
-	10,675	(8,966)	(468)	-	(9,434)	1,365	1,241
-	8,735	(7,329)	(262)	-	(7,591)	1,093	1,144
-	1,843	(681)	(31)	-	(712)	1,162	1,131
-	-	-	-	-	-	-	-
(25,694)	387,963	(49,289)	(6,996)	25,696	(30,589)	329,605	357,373
-	741,155	-	(16,001)	-	(16,001)	722,342	725,155
-	90,975	-	(1,892)	-	(1,892)	90,848	89,083
-	112,633	-	-	-	-	103,521	112,633
-	193,198	10	(3,077)	-	(3,067)	184,922	190,131
(1,368)	282,411	(967)	(6,532)	1,368	(6,132)	268,031	276,279
(310)	23,983	(1,167)	(754)	310	(1,612)	16,583	22,371
-	283,756	60	(4,946)	-	(4,887)	257,131	278,869
-	90,101	(197)	(36)	-	(233)	83,410	89,868
-	5,612	(397)	(39)	-	(436)	5,228	5,176
-	9,229	(566)	(254)	-	(820)	6,888	8,409
-	1,750	(347)	(85)	-	(432)	1,155	1,318
(1,677)	1,834,803	(3,571)	(33,618)	1,677	(35,512)	1,740,058	1,799,291
(27,371)	2,222,766	(52,860)	(40,614)	27,373	(66,101)	2,069,663	2,156,664

NOTES TO FINANCIAL STATEMENTS

NOTE 15: PROPERTY, PLANT AND EQUIPMENT (CONT.)

2021/2022 \$000	COST/REVALUATION					
	COST/REVAL ¹ 1 JULY 2021 \$000	CURRENT YEAR ADDITIONS \$000	CURRENT YEAR VESTED ASSETS \$000	CURRENT YEAR DISPOSALS \$000	CURRENT YEAR IMPAIRMENT \$000	REVAL ¹ SURPLUS \$000
FIXED ASSETS						
Land	208,160	8,714	736	-	(2,165)	-
Buildings	120,428	7,580	-	(89)	-	(10)
Furniture and fittings	4,535	210	-	-	-	-
Motor vehicles	5,002	45	-	(32)	-	-
Plant	4,855	352	-	-	-	(24)
Office equipment	9,910	421	-	-	-	-
Library books	8,120	301	-	-	-	-
Heritage assets	1,843	-	-	-	-	-
Finance lease	-	-	-	-	-	-
	362,854	17,625	736	(121)	(2,165)	(35)
INFRASTRUCTURAL ASSETS						
Roading	594,579	10,584	9,517	-	-	126,178
Bridges	81,528	441	-	-	-	11,985
Land under roads	81,163	494	21,864	-	-	-
Stormwater	159,625	1,861	7,917	(238)	-	19,455
Wastewater	189,612	8,294	5,524	(418)	-	75,522
Refuse	15,180	2,244	-	-	-	327
Water	186,437	41,603	1,893	(2,532)	(290)	38,563
Rivers	78,398	5,209	-	-	-	-
Coastal structures	5,612	12	-	-	-	-
Ports	6,824	630	-	-	-	-
Aerodromes	1,364	138	-	-	-	-
	1,400,321	71,509	46,716	(3,188)	(290)	272,031
Total	1,763,175	89,134	47,452	(3,309)	(2,455)	271,997

1. Revaluation (Reval)

2. Depreciation (Depn)

3. Net Book Value (NBV)

NOTES TO FINANCIAL STATEMENTS

		DEPRECIATION				NET BOOK VALUE	
REVAL ¹ DEPN ² WRITE BACK \$000	COST/REVAL ¹ 30 JUNE 2022 \$000	ACC DEPN ² & IMPAIRMENT 01 JULY 2021 \$000	CURRENT YEAR DEPN ² \$000	WRITE BACK REVAL ¹ ON DEPN ² AND DISPOSAL \$000	ACC DEPN ² & IMPAIRMENT 30 JUNE 2022 \$000	NBV ³ 01 JULY 2021 \$000	NBV ³ 30 JUNE 2022 \$000
-	215,445	-	-	-	-	208,160	215,445
-	127,909	(15,039)	(5,189)	14	(20,214)	105,389	107,695
-	4,745	(4,073)	(233)	-	(4,306)	462	439
-	5,015	(4,134)	(295)	32	(4,397)	868	618
-	5,183	(3,137)	(281)	23	(3,395)	1,718	1,788
-	10,331	(8,481)	(485)	-	(8,966)	1,429	1,365
-	8,422	(7,087)	(242)	-	(7,329)	1,033	1,093
-	1,843	(650)	(31)	-	(681)	1,193	1,162
-	-	-	-	-	-	-	-
-	378,894	(42,602)	(6,756)	69	(49,289)	320,252	329,605
(18,517)	722,342	(9,003)	(9,514)	18,517	-	585,576	722,342
(3,106)	90,848	(1,551)	(1,555)	3,106	-	79,977	90,848
-	103,521	-	-	-	-	81,163	103,521
(3,708)	184,912	(1,815)	(1,893)	3,718	10	157,810	184,922
(9,537)	268,998	(5,926)	(5,919)	10,878	(967)	183,686	268,031
-	17,751	(607)	(679)	118	(1,167)	14,573	16,583
(8,603)	257,071	(4,650)	(4,073)	8,783	60	181,787	257,131
-	83,607	(161)	(36)	-	(197)	78,238	83,410
-	5,624	(357)	(39)	-	(397)	5,255	5,228
-	7,453	(316)	(250)	-	(566)	6,508	6,888
-	1,502	(274)	(73)	-	(347)	1,090	1,155
(43,471)	1,743,629	(24,660)	(24,032)	45,120	(3,571)	1,375,662	1,740,058
(43,471)	2,122,523	(67,261)	(30,788)	45,189	(52,860)	1,695,914	2,069,663

NOTES TO FINANCIAL STATEMENTS

NOTE 15: PROPERTY, PLANT AND EQUIPMENT (CONT.)

CORE ASSETS	CLOSING BOOK VALUE AT 30 JUNE 2023 \$000	ADDITIONS: CONSTRUCTED BY COUNCIL 2022/2023 \$000	VESTED: TRANSFERRED TO COUNCIL 2022/2023 \$000	MOST RECENT REPLACEMENT COSTS 30 JUNE 2023 \$000
Water supply – treatment plants	24,799	1,180	–	28,071
Water supply – other assets including reticulation	254,071	23,377	2,626	349,556
Wastewater – treatment plants	30,217	5,013	–	93,610
Wastewater – other assets including reticulation	246,062	3,047	4,438	303,305
Stormwater	190,131	2,897	6,062	264,049
Flood protection and control works	89,868	6,494	–	91,210
Transportation – roads, bridges, footpaths and land under roads	926,871	13,947	14,105	1,277,133

CORE ASSETS	CLOSING BOOK VALUE AT 30 JUNE 2022 \$000	ADDITIONS: CONSTRUCTED BY COUNCIL 2021/2022 \$000	VESTED: TRANSFERRED TO COUNCIL 2021/2022 \$000	MOST RECENT REPLACEMENT COSTS 30 JUNE 2022 \$000
Water supply – treatment plants	23,951	8,236	–	26,935
Water supply – other assets including reticulation	233,180	33,339	1,893	323,978
Wastewater – treatment plants	25,544	5,716	–	88,598
Wastewater – other assets including reticulation	242,487	2,578	5,524	296,510
Stormwater	184,922	1,861	7,917	255,763
Flood protection and control works	83,410	5,209	–	84,716
Transportation – roads, bridges, footpaths and land under roads	916,711	11,519	31,381	1,249,081

WORK IN PROGRESS

Included in net book value is work in progress. These assets have not been depreciated.

Work in progress includes Council's share of joint operation assets.

2021/2022 \$000	WORK IN PROGRESS	2022/2023 \$000
474	Refuse	2,347
1,086	Roading	2,118
75,507	Water	87,595
1,800	Stormwater	1,202
8,989	Wastewater	6,761
–	Rivers	1,311
–	Ports	1,187
778	Land	765
1,107	Buildings	1,074
89,741	Total work in progress	104,360

NOTE 16: INTANGIBLE ASSETS

Software acquisition and development – Acquired computer software licenses are capitalised, including the costs to acquire and bring the specific software into use, if council has control and future benefit.

Costs associated with maintaining computer software are recognised as an expense when incurred. Costs that are directly associated with the development of software for internal use by Council, are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Amortisation – The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the surplus or deficit.

Computer software useful life for amortisation is five years.

There are no restrictions over the title of intangible assets. No intangible assets are pledged as security for liabilities.

FORESTRY EMISSIONS TRADING SCHEME (ETS) CREDITS

Council earns ETS credits over time as the forest grows in exchange for the carbon absorbed from the atmosphere by these trees. Therefore, the number of ETS credits held by Council increases as the plantation forestry grows.

Council distinguishes its ETS credits into two categories:

- **Encumbered units:** The ETS credits Council expects to be surrendered after its trees are harvested. Council earns ETS units over time as the forest grows in exchange for the carbon absorbed from the atmosphere by these trees. Therefore, the number of units held by Council increases as the plantation forestry grows and are surrendered when the trees are harvested. These encumbered units are included in the forestry, note 18, and therefore are not included in Intangibles (refer to note 18, Forestry Assets, assumption 10).
- **Unencumbered units:** The ETS credits which are deemed to be surplus to future harvest obligations. Purchased ETS credits are recognised at cost on acquisition. ETS credits received through Council's forestry activities are granted by the Crown and are recognised at fair value on receipt. They have an indefinite useful life and are not amortised but are instead tested for impairment annually. Impairment is tested by comparison to market trading prices. They are derecognised when they are used to satisfy carbon emission obligations or sold.

Pre and post 1989 forestry and classification as encumbered or unencumbered

Post 1989 ETS credits, are those which have been earned from the forestry asset in note 18. The classification of units as encumbered or unencumbered units related to the existing forestry asset (post 1990 ETS account) is an estimate provided by the forestry valuer, based on current harvest and planting forecasts, which is subject to change over time.

Pre 1989 ETS credits, are unencumbered, and have no associated future liabilities. These are not related to the forestry asset in note 18.

Landfill Emissions Trading Scheme (ETS) Credits – ETS credits held to meet the landfill liability – Purchased 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 16: INTANGIBLE ASSETS (CONT.)

2022/2023	COMPUTER SOFTWARE \$'000	ETS LANDFILL \$'000	ETS FORESTRY (UNENCUMBERED ONLY) \$'000	TOTAL \$'000
COST				
Cost at 1 July 2022	4,014	2,984	248	7,246
Additions	241	359	1,340	1,940
Disposals	–	(92)	–	(92)
Cost at 30 June 2023	4,256	3,251	1,588	9,094
ACCUMULATED AMORTISATION AND IMPAIRMENT				
Accumulated amortisation at 1 July 2022	(3,598)	–	–	(3,598)
Amortisation expense	(164)	–	–	(164)
Disposals	–	–	–	–
Accumulated amortisation at 30 June 2023	(3,762)	–	–	(3,762)
Net book value at 30 June 2023	493	3,250	1,588	5,332

2021/2022	COMPUTER SOFTWARE \$'000	ETS LANDFILL \$'000	ETS FORESTRY (UNENCUMBERED ONLY) \$'000	TOTAL \$'000
COST				
Cost at 1 July 2021	3,965	2,066	248	6,279
Additions	49	1,413	–	1,462
Disposals	–	(495)	–	(495)
Cost at 30 June 2022 restated	4,014	2,984	248	7,246
ACCUMULATED AMORTISATION AND IMPAIRMENT				
Accumulated amortisation at 1 July 2021	(3,427)	–	–	(3,427)
Amortisation expense	(171)	–	–	(171)
Disposals	–	–	–	–
Accumulated amortisation at 30 June 2022	(3,598)	–	–	(3,598)
Net book value at 30 June 2022	416	2,984	248	3,648

NOTES TO FINANCIAL STATEMENTS

NOTE 16: INTANGIBLE ASSETS (CONT.)

ADDITIONAL ETS DISCLOSURES:	INTANGIBLE ASSETS			FORESTRY ASSET	TOTAL ETS
	ETS LANDFILL	ETS FORESTRY (UNENCUMBERED PRE 1989 ACCOUNT)	ETS FORESTRY (UNENCUMBERED POST 1989 ACCOUNT)	ETS FORESTRY (ENCUMBERED POST 1989 ACCOUNT)	
Number of ETS credits held at 30 June 2022	70,455	61,827	–	264,170	396,452
Number of ETS credits held at 30 June 2023	74,165	61,827	42,160	171,290	349,442
Market value at 30 June 2022 (\$75.90 per unit)* \$000	5,348	4,693	–	20,051	30,091
Market value at 30 June 2023 (\$41 per unit)* \$000	3,041	2,535	1,729	7,023	14,327
Intangible book value at 30 June 2022 (units are held at cost) \$000	2,984	248	–	N/A	3,232
Intangible book value at 30 June 2023 (units are held at cost) \$000	3,250	248	1,340	N/A	4,839
ETS surrender obligations/ contingencies:	Note 23, provisions: ETS held to meet landfill obligation provision	N/A	N/A	Note 18: forestry asset, ETS held to meet future forestry harvest obligations, which is equal to the value of these units	–

*Market value: the market value at 30 June 2023 was based on Carbon Match's last/settle prices for spot ETS for the five trading days ending 30 June 2023, provided by PF Olsen. The market price of ETS fell significantly in June 2023 (35% decrease since 30 June 2022), due to the 14 June 2023 Government auction failing to sell ETS credits. Subsequently, the price of ETS has risen significantly.

ETS market price is disclosed for information purposes only, ETS are recognised using the deemed cost model (market value on date of acquisition) under PBE IPSAS 31.

NOTES TO FINANCIAL STATEMENTS

NOTE 17: DEPRECIATION BY GROUP OF ACTIVITY

2021/2022 \$000	DEPRECIATION EXPENSE BY GROUP OF ACTIVITY	2022/2023 \$000
294	Environment and Planning	-
22,321	Engineering	-
4,471	Community Development	4,678
725	Council Enterprises	748
27,811	Total directly attributable depreciation by group of activity	5,426
1,387	Depreciation expense not directly related to group of activities	33,586
29,198	Total depreciation (excluding amortisation expense)	38,848
1,590	Plus depreciation from joint operations	1,766
30,788	Total depreciation per property, plant and equipment note (note15)	40,614
171	Plus amortisation expense	164
(1,590)	Less depreciation from joint operations	(1,766)
29,369	Total depreciation and amortisation per statement of comprehensive revenue and income	39,012

NOTE 18: FORESTRY ASSETS

Standing forestry assets are independently revalued annually at fair value less estimated costs to sell for one growth cycle. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined rate. This calculation is based on existing sustainable felling plans and assessments regarding growth, timber prices, felling costs and silviculture costs and takes into consideration environmental, operational and market restrictions.

Gains or losses arising on initial recognition of forestry assets at fair value, less estimated point-of-sale costs, from a change in fair value less estimated point-of-sale costs, are recognised in the surplus or deficit.

The costs to plant, harvest and maintain the forestry assets, and revenues from harvest, are included in the surplus or deficit when incurred (note 7, forestry expenses).

NOTES TO FINANCIAL STATEMENTS

NOTE 18: FORESTRY ASSETS (CONT.)

30 JUNE 2022 \$000	FORESTRY ASSETS	30 JUNE 2023 \$000
50,212	1 July forestry asset	44,847
	Movement in forestry asset value:	
(11,180)	1. Decrease due to harvest	(13,800)
3,390	2. Advance due to 30 June	3,900
–	3. Update area data and harvest schedule	–
740	4. Update crop types and yield tables	–
(2,510)	5. Update costs	(3,500)
4,000	6. Log price assumption	(1,400)
–	7. Discount rate	–
83	8. Movement in cost to sell	221
106	9. Howard forest JO block	6
6	Other	105
(5,365)	Net fair value increase/(decrease)	(14,468)
44,847	30 June forestry asset value	30,379

NATURE OF FORESTRY ASSETS

Council owns 2,015 hectares of planted pinus radiata forest, which are at varying stages of maturity ranging from one to 39 years. Council also owns 203 hectares of planted douglas fir and 22 hectares of planted cupressus species trees.

ANNUAL REVALUATION

Registered valuers PF Olsen Ltd have valued forestry assets as at 30 June 2023. PF Olsen also provides Council with forest management services. To preserve independence, the valuation presented by PF Olsen Ltd was peer reviewed by Woodlands Pacific Consulting Limited. The recommendations of the peer review were taken in to account when determining the fair value of forestry assets.

The forests have been valued on a going concern basis and this only includes the value of the existing crops on a single and rotation basis. All costs and revenues are expressed in current dollar terms.

EXPLANATION OF SIGNIFICANT ASSUMPTIONS AND MOVEMENTS

1. Removal of areas harvested since 30 June 2022 reduced the tree crop value by \$13.8 million (30.4%). Total harvested volume during the year ended 30 June 2023 was 242,546 tonnes (2022: 170,087 tonnes harvested).
2. Advancing forest maturity by one year adds physical growth to the crops, reduces the present value of future costs, increases present value of future revenues.
3. Updating the harvest schedule to match the current ten-year operational plan.
4. No updates were made to the generic crop type yield tables this year, but any new inventory was run and new stand-based yield tables were included for nine stands in Howard Forest. Further the final values were adjusted as per the recommendations made from peer review by Woodlands Pacific Consulting Limited.

NOTE 18: FORESTRY ASSETS (CONT.)

5. Marginal changes to annual costs, harvest costs and cartage costs reduced the valuation by 7.6%. The forestry valuation cost assumptions assume compliance with current industry standards and regulations (including the Resource Management Act, National Environmental Standard, NZ Code of Forest Practice and the Pakohe Management Plan), the cost assumptions do not include a provision for increased costs that may arise from future possible regulatory changes.
6. 12 month (July 2022 to June 2023) log prices are applied to the 2023 harvest and five-year average prices are applied from 2027. Interpolated prices are applied for years 2024 – 2026. Based on market evidence analysed, the log prices assumed in this valuation represent a fair and reasonable view of long-term prices by log grade as demonstrated by log prices implied in recent sales of mature forests, including stumpage sales. The net impact is a decrease in the valuation of 3.0%.
7. A pre-tax discount rate of 7.3% has been used in discounting the present value of expected pre-tax cash flows (2022: pre-tax discount rate of 7.3% was used). This is the average discount rate used by the Manley survey respondents (2021) for forests >1000ha.
8. The Howard JV stumpage since June 2022 has been marginally positive, hence variations in cost and log price have a large impact. This resulted in a net 3.8% increase in the Howard joint operation crop valuation.
9. Council also owns a small stand of timber through its share of the Nelson Regional Sewerage Business Unit joint operation. The movement in the value of this stand is included.

10. **Emission Trading Scheme 'ETS' units**

Council earns ETS units over time as the forest grows in exchange for the carbon absorbed from the atmosphere by these trees. Therefore, the number of units held by Council increases as the plantation forestry grows and are surrendered when the trees are harvested. These units are held in Council's post 1989 forestry ETS account.

The valuation is prepared on the assumption that Council's 'encumbered' ETS units would transfer with a sale of the forestry to the purchaser. If council no longer held these encumbered units, i.e. sold the units, that would reduce the fair value of the Council's forestry.

Council's valuation method is a discounted cashflow ('DCF') and , if Council has sufficient ETS units to fully meet the harvest liability, the model assumes nil cash outflows for the cost of ETS units which would be required on harvest. This valuation is therefore inclusive of ETS credits held, which have been accumulated through tree growth and future surrender of these credits that will occur upon harvest.

Post 1989 Forestry ETS balances and transactions

At 30 June 2022, Council's carbon modelling forecast showed there were no unencumbered (or 'safe', 'surplus or deficit' units). Therefore, at 30 June 2022 the number of units held, 264,170 was approximately equal to the estimated future surrender of 264,170 units, of which 92,880 was expected to be surrendered in 2023.

In the year ended 30 June 2023 the 92,880 present obligation was settled, and therefore the liability reduced to 171,290 units. Ordinarily, Council would have settled the 92,880 obligation through surrender of ETS credits. However, Council elected to take a one off fixed price option offered by the Ministry for Primary Industries to settle part of its obligation through a cash payment at a price substantially less than market value. Instead of surrendering the full 92,880 units, Council only surrendered 23,220 units. The remaining 69,660 units were met through a cash payment of \$1,974,000 (recognised as a forestry expense).

Council funded this payment through the sale of 27,500 units for \$2.0 million (recognised within note 3 other gains) to fund the cash payment. This resulted in 42,160 of surplus 'unencumbered' credits, which would have otherwise been surrendered without the fixed price option. [92,880 unit obligation less 27,500 sold less 23,220 surrendered = 42,160 surplus units]. Also shown in the table on the following page:

NOTES TO FINANCIAL STATEMENTS

NOTE 18: FORESTRY ASSETS (CONT.)

30 JUNE 2022	FORESTRY POST 1989 ETS UNITS	30 JUNE 2023
264,170	Balance at 1 July	264,170
	– Surrender of units	(23,220)
	– Sale of units	(27,500)
264,170	Balance at 30 June	213,450
(264,170)	Less total estimated ETS future surrender liability units 30 June	(171,290)
	– Unencumbered units recognised in note 18: Intangible assets, post 1989 ETS	42,160

Forestry valuation risk management

Council is exposed to financial risks arising from changes in timber prices. Council is a long-term forestry investor and does not expect timber prices to decline significantly in the foreseeable future, therefore, has not taken any measures to manage the risks of a decline in timber prices. Council reviews its outlook for timber prices regularly in considering the need for active financial risk management.

NOTE 19: INVESTMENT PROPERTY

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

Investment property is measured initially at its cost, including transaction costs.

After initial recognition, the Council measures all investment property at fair value as determined annually by an independent valuer.

Gains or losses arising from a change in the fair value of investment property are recognised in the surplus or deficit.

30 JUNE 2022 \$000	INVESTMENT PROPERTY	30 JUNE 2023 \$000
5,820	Balance at 1 July	5,630
156	Addition (transfer from property, plant and equipment)	167
(346)	Gain/(loss) on changes in fair value of investment property	629
5,630	Balance at 30 June	6,426

Council's investment properties are valued annually at fair value effective 30 June based on open market evidence. The valuations were performed by Telfer Young, registered valuer. They are experienced valuers with extensive market knowledge in the types and location of investment properties owned by the Council. The fair value of investment property has been determined using the capitalisation of net revenue and discounted cash flow methods. These methods are based upon assumptions including future rental revenue, anticipated maintenance costs, and appropriate discount rates.

Council's investment properties comprise properties at Māpua Wharf and a commercial property in Richmond.

NOTE 20: INVESTMENT IN JOINT VENTURES

Council accounts for an investment in a joint venture in the financial statements using the equity method. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. The Council's interest in the net assets, surplus and other comprehensive revenue is included on an equity accounting basis. The investment in a joint venture is initially recognised at cost and the carrying amount is increased or decreased to recognise Council's interest in the surplus or deficit of the joint venture after the date of acquisition. Distributions received from a joint venture reduces the carrying amount of the investment.

Where Council transacts with a joint venture, surpluses or deficits are eliminated to the extent of Council's interest in the joint ventures.

Council has recognised its interest, according to the entities audited financial statements using the equity method for its joint ventures:

- Port Nelson Ltd – Council has a 50% shareholding, and interest, in this entity.
- Nelson Airport Ltd – Council has a 50% shareholding, and interest, in this entity.
- Tasman Bays Heritage Trust – Council has a 50% interest in this trust.

Infrastructure Holdings Limited – Council has a 50% shareholding, and interest, in this entity. IHL was incorporated in January 2023 and is intended to act as a holding company for Tasman District Council and Nelson City Council (its two shareholders). At 30 June 2023 no share transfer had occurred, and is a dormant entity, as such there are no transactions or balances to report. Refer to note 37 for the transfer that occurred on 1 July 2023.

NOTES TO FINANCIAL STATEMENTS

NOTE 20: INVESTMENT IN JOINT VENTURES (CONT.)

INVESTMENT IN JOINT VENTURES 2022/2023	PORT NELSON LTD \$000	NELSON AIRPORT LTD \$000	TASMAN BAYS HERITAGE TRUST INC. \$000	TOTAL EQUITY ACCOUNTED SHARE \$000
Cash and cash equivalents	1,393	172	358	
Other current assets	14,759	1,737	104	
Non-current assets	364,448	145,663	32,130	
Current liabilities	(44,508)	(31,227)	(408)	
Non-current liabilities	(59,294)	(13,739)	(439)	
Joint venture net assets 100%	276,798	102,606	31,745	
Council's eliminations and adjustments to net assets	-	-	1	
Council's 50% equity accounted investment	138,399	51,303	15,874	205,576
Revenue	85,780	16,760	2,657	
Depreciation and amortisation expense	(10,574)	(4,238)	(483)	
Finance (expense) / income	(3,550)	(1,329)	(33)	
Other expenses	(59,096)	(7,090)	(1,999)	
Tax expense	(3,243)	(1,394)	-	
Joint venture surplus 100%	9,317	2,709	142	
Council's eliminations and adjustments to surplus	(204)	38	(16)	
Council's 50% share of surplus	4,455	1,392	55	5,902
Joint venture other comprehensive revenue and (expense) 100%	(1,343)	543	-	
Council's adjustments to other comprehensive revenue and (expense)	(399)	(85)	-	
Council's 50% interest in other comprehensive revenue and (expense)	(1,070)	187	-	(884)
Other disclosures				
Council share of in capital commitments	2,050	571	210	
Council's dividends received or receivable	2,000	600	-	

With the exception of the policies noted below all policies adopted by Council's joint ventures are consistent with the policies adopted by Council. Figures in the tables above are based on draft joint venture figures, which have been used for Council's equity accounting. These may immaterially differ from final published results. These differences are recognised in Council's following year financial statements (included within the eliminations and adjustments line). The financial statements of the joint ventures are published on the publicly available websites of the entities.

NOTES TO FINANCIAL STATEMENTS

NOTE 20: INVESTMENT IN JOINT VENTURES (CONT.)

INVESTMENT IN JOINT VENTURES 2021/2022	PORT NELSON LTD \$000	NELSON AIRPORT LTD \$000	TASMAN BAYS HERITAGE TRUST INC. \$000	TOTAL EQUITY ACCOUNTED SHARE \$000
Cash and cash equivalents	389	141	271	
Other current assets	11,886	1,300	248	
Non-current assets	368,812	146,161	32,141	
Current liabilities	(51,279)	(2,593)	(451)	
Non-current liabilities	(56,195)	(44,360)	(572)	
Joint venture net assets 100%	273,613	100,649	31,637	
Eliminations and adjustments to net assets	208	(1)	(1)	
Council's 50% equity accounted investment	137,014	50,324	15,818	203,157
Revenue	76,793	11,732	2,335	
Depreciation and amortisation expense	(10,242)	(3,507)	(445)	
Finance (expense) / income	(3,107)	507	-	
Other expenses	(48,298)	(6,034)	(1,929)	
Tax expense	(3,130)	(797)	-	
Joint venture surplus 100%	12,016	1,901	(39)	
Council's eliminations and adjustments to surplus	149	89	(10)	
Council's 50% share of surplus	6,157	1,040	(30)	7,167
Joint venture other comprehensive revenue and (expense) 100%	4,757	6,087	(5)	
Council's adjustments to other comprehensive revenue and (expense)	2	(677)	5,185	
Council's 50% interest in other comprehensive revenue and (expense)	2,380	2,367	5,182	9,928
Other disclosures				
Council share of in capital commitments	984	616	18	
Council's dividends received or receivable	2,430	550	-	

DIFFERENCES IN ACCOUNTING POLICIES

Council applies depreciation on a straight line basis, whereas Nelson Airport Limited has adopted diminishing values in regard to fixtures and fittings, computer software and branding assets.

Nelson Airport Limited capitalises interest costs, whereas Council expenses these, this is adjusted in Council's financial statements, however the impact is not material.

The effect of these differences in accounting policy are not significant in Council's financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 20: INVESTMENT IN JOINT VENTURES (CONT.)

PERFORMANCE MEASURES

Actual and target returns on joint ventures

A list of the investments in joint ventures with targets for returns is set out below.

	TARGET RETURN	2020/2021	2021/2022	2022/2023
Port Nelson Limited	Annual dividend of not less than 50% of net profit after tax (approximately \$5.5 million per annum, shared between the two Councils).	Achieved a total dividend \$4.0 million (net profit after tax \$13.1 million). Council's dividend share was \$2.0 million.	Achieved a total dividend \$4.86 million (net profit after tax \$12.0 million). Council's dividend share was \$2.43 million.	Achieved a total dividend \$4 million (net profit after tax \$9.3 million). Council's dividend share was \$2 million.
Nelson Airport Limited	Deliver dividend growth in excess of CPI movement, and higher than that declared in previous financial year.	Achieved. Dividend growth 18%. A total dividend of \$1,000,000 was declared related to the 2020/2021 year. Council's dividend share was \$500,000.	Achieved. Dividend growth 10%. A total dividend of \$1,100,000 was declared related to the 2021/2022 year. Council's dividend share was \$550,000.	Achieved. dividend increase 9%. A total dividend of \$1.2 million was declared related to the 2022/2023 year. Council's dividend share was \$600,000.

Council maintained its 50% investment in Port Nelson Limited and Nelson Airport Limited during the year as per its objective of retaining effective local body control of this strategic asset as set out in the Long Term Plan. Council also received a commercial return to reduce Council's reliance on rates income. These organisations carried out the nature and scope of activities as intended to be provided by the organisation for the year.

NOTES TO FINANCIAL STATEMENTS

NOTE 21: INTEREST IN JOINT OPERATIONS

A joint arrangement is a binding arrangement that confers enforceable rights and obligations on the parties to the arrangement that is subject to joint control. Joint control is the agreed sharing of control where decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as a joint operation or a joint venture. The classification depends on the rights and obligations of each party under the joint arrangement. The Council reviews the legal form, terms of the binding agreement, and other facts and circumstances relevant to its interest in determining the classification of the joint arrangement.

Council recognises in relation to its interest in a joint operation:

- a. Its assets, including its share of any assets held jointly;
- b. Its liabilities, including its share of any liabilities incurred jointly;
- c. Its revenue from the sale of its share of the output arising from the joint operation;
- d. Its share of the revenue from the sale of the output by the joint operation (this excludes sales to the joint operators); and
- e. Its expenses, including its share of any expenses incurred jointly.

Consolidation differences are recognised within joint operation revenue or expense respectively.

The entities disclosed below are joint operations.

NELSON REGIONAL SEWERAGE BUSINESS UNIT (NRSBU)

Council has a 50% interest in this joint business unit between Tasman District Council and Nelson City Council. The most recent unaudited financial statements (30 June 2023) have been used to determine Council's interest.

NELSON TASMAN CIVIL DEFENCE AND EMERGENCY MANAGEMENT (NTCDDEM)

Council has a 50% interest with Nelson City Council having the other 50% interest. The most recent unaudited financial statements (30 June 2023) have been used to determine Council's interest.

NELSON TASMAN REGIONAL LANDFILL BUSINESS UNIT (NTRLBU)

Council has a 50% interest in this joint business unit between Tasman District Council and Nelson City Council. The most recent unaudited financial statements (30 June 2023) have been used to determine Council's interest.

WAIMEA WATER LIMITED (WWL)

Waimea Water Ltd (WWL), a Council-Controlled Organisation, was established in November 2018 to manage the construction, operation and maintenance of the Waimea Community Dam. WWL is a joint operation between the Tasman District Council and Waimea Irrigators Ltd (WIL). The Dam is a significant infrastructure project for the region and is set to secure the water supply for Nelson Tasman for the next 100+ years. Approval to proceed with the dam was reached by Council on 30 November 2018 and finance was secured for the project on 21 December 2018. Refer to note 41 for project status, risks and commitments.

As at 30 June 2023, Council guarantees a loan between WWL and Crown Irrigation Investments Ltd (CIIL). As the loan is repaid and Council's credit support is reduced, WIL's voting shares will increase. This will result in Council voting shares reduce, as it will no longer be guarantor for the loan. (Note 41.)

Waimea Water Ltd. Council has a minimum 51% shareholding in this entity, however the accounting interest differs according to the nature and agreements regarding the balances:

- Expenses: The Wholesale Water Augmentation Agreement section 5, provides that Council is responsible for 51% of the operating costs of WWL.

NOTES TO FINANCIAL STATEMENTS

NOTE 21: INTEREST IN JOINT OPERATIONS (CONT.)

- WWL borrowings to be serviced by WIL: Council is not responsible for borrowings to be serviced by WIL, therefore these borrowings are not recognised in Council's financial statements.
- Other assets and liabilities: Council recognises its accounting interest as the proportion of Council's paid up equity and convertible shareholder advances divided by total equity and convertible shareholder advances.

The difference between Council's equity investment and convertible loans, and the accounting interest, is recognised in joint operation revenue or expense. At 30 June 2023 the interest is 51.47% (2022: 48.25%).

YEAR ENDED 30 JUNE 2023	NRSBU \$000	NTCDEM \$000	NTRLBU \$000	WWL \$000	TOTAL \$000
Council's interest in the of assets and liabilities recognised is:					
Net revenue	2,265	86	4,492	3,212	10,056
Net expenditure	(4,802)	(734)	(6,931)	(568)	(13,036)
Net surplus/ (deficit)	(2,537)	(648)	(2,439)	2,644	(2,980)
Includes depreciation of	(1,403)	(33)	(304)	(37)	(1,777)
Other comprehensive income/(expense)	3,016	-	545	-	3,561
Total comprehensive income/(expense)	479	(648)	(1,894)	2,644	581
Current assets	184	7	391	6,047	6,629
Current liabilities	(1,526)	-	(2,279)	(1,853)	(5,658)
Non-current assets	52,171	123	13,117	86,841	152,252
Non-current liabilities	-	-	(3,512)	-	(3,512)
Net assets	50,829	130	7,717	91,035	149,711

YEAR ENDED 30 JUNE 2022	NRSBU \$000	NTCDEM \$000	NTRLBU \$000	WWL \$000	TOTAL \$000
Council's interest in the of assets and liabilities recognised is:					
Net revenue	3,219	236	4,847	(16)	8,287
Net expenditure	(4,077)	(484)	(4,788)	(756)	(10,106)
Net surplus/ (deficit)	(858)	(248)	59	(772)	(1,819)
Includes depreciation of	(1,416)	(25)	(117)	(8)	(1,566)
Other comprehensive income/(expense)	4,430	-	313	-	4,743
Total comprehensive income/(expense)	3,572	(248)	372	(772)	2,924
Current assets	243	147	378	4,989	5,757
Current liabilities	(2,304)	-	(1,960)	(3,231)	(7,495)
Non-current assets	46,470	147	8,325	66,345	121,287
Non-current liabilities	-	-	(2,778)	-	(2,778)
Net assets	44,409	294	3,965	68,103	116,771

NOTES TO FINANCIAL STATEMENTS

NOTE 22: TRADE AND OTHER PAYABLES

Creditors and other payables are recorded at their face value.

30 JUNE 2022 \$000	TRADE AND OTHER PAYABLES	30 JUNE 2023 \$000
10,968	Trade payables	13,317
11,550	Sundry accruals	10,863
2,508	Other liabilities, bonds and deposits	2,351
5,711	Revenue in advance	3,150
30,737	Total trade and other payables	29,681

Payables are generally non-interest bearing and are normally settled on 30-day terms. Therefore, the carrying value of payables approximates their fair value.

Revenue in advance includes grants received subject to substantive conditions not yet met:

- Climate Resilience Programme \$0.9 million (2022:\$1.6 million).

NOTE 23: PROVISIONS

Council recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures 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".

PROVISION FOR LANDFILL AFTERCARE COSTS

On 1 July 2017 the Nelson Tasman Regional Landfill Business Unit (NTRLBU) (a joint committee of Nelson City Council and Tasman District Council) took over as the operator of the York Valley from Nelson City Council and the Eves Valley landfill from Tasman District Council. The business unit has a legal obligation to provide ongoing maintenance and monitoring services after closure. The provision is calculated on the basis of discounting closure and post closure costs into present day value. This calculation assumes no change in the resource consent conditions for closure and post closure treatment.

30 JUNE 2022 \$000	PROVISIONS	30 JUNE 2023 \$000
	Term	Term
3,861	Opening balance	3,561
(500)	Change in provision	(126)
200	Unwinding of discount	175
3,561		3,512

NOTES TO FINANCIAL STATEMENTS

NOTE 24: EMPLOYEE BENEFIT LIABILITIES

EMPLOYEE ENTITLEMENTS

Employee benefit liabilities are measured based on accrued entitlements, at the employee's rate of pay at 30 June. These include:

- Accrued pay for salaries and wages worked, not paid, up to balance date.
- Annual leave accrued, but not yet taken at balance date.
- Long service leave when it has vested, which is when the employee has reached its entitlement date (e.g. five year anniversary). Long service leave is not accrued before the entitlement date or measured on an actuarial basis, unless the accounting difference would be material.
- Sick leave is recognised only where there is a significant present obligation relating to a past event. If significant, the Council recognises a liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that Council anticipates it will be used by staff to cover those future absences.
- Retirement gratuity is calculated based on the contractual entitlement, discounted by a probability that staff will the reach entitlement.

Employee entitlements, which are payable beyond 12 months, are classified as a non-current liability, and discounted to present value, only if significant.

30 JUNE 2022 \$000	EMPLOYEE BENEFIT LIABILITIES	30 JUNE 2023 \$000
1,098	Accrued pay	1,388
2,065	Annual leave	2,474
186	Retirement gratuities	214
384	Long service leave	276
3,733	Total employee benefit liabilities	4,352
	Comprising:	
3,342	Current	4,352
391	Non-current	-
3,733	Total employee benefit liabilities	4,352

NOTES TO FINANCIAL STATEMENTS

NOTE 25: BORROWINGS

Borrowing costs are recognised as an expense in the period in which they are incurred.

Borrowings are initially recognised at their amount borrowed 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 or group has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

A. SECURITY

All loans are secured by rates over the rateable properties of the Tasman District Council designated area except the investment property building which is secured by rent.

30 JUNE 2022 \$000	30 JUNE 2022 \$000	BORROWINGS	30 JUNE 2023 \$000	30 JUNE 2023 \$000
Term	Current		Term	Current
190,970	49,003	Tasman District Council	199,728	89,203
190,970	49,003		199,728	89,203

B. REFINANCING

Council manages its borrowings in accordance with its funding and financial policies, which includes a Liability Management policy.

C. INTEREST RATES

Interest rates payable on individual loans range from 1.47% to 6.31% with a weighted average cost of borrowings, including swap rates and bank facility fees of 4.38% (2022: 1.69% to 4.53% with a weighted average of 3.18%).

Council's secured loans are issued at floating and fixed rates of interest. For floating rate debt, the interest rate is reset quarterly based on the 90 day bank bill rate plus a margin for credit risk. Due to interest rates on debt resetting to the market rate every three months, the carrying amounts of secured loans approximates their fair value.

D. REPAYABLE PERIOD OF LOANS

30 JUNE 2022 \$000	REPAYABLE PERIOD OF LOANS	30 JUNE 2023 \$000
	Repayable:	
49,003	Within 1 year	89,203
49,003	Current portion	89,203
31,681	Within 1 – 2 years	39,101
89,500	Within 2 – 5 years	115,100
57,000	5+ years	39,976
22,000	Beyond 10 years	14,000
200,181	Non-current portion	208,177
(9,210)	Present value adjustment	(8,448)
239,973	Total loans	288,932

NOTES TO FINANCIAL STATEMENTS

NOTE 25: BORROWINGS (CONT.)

Under PBE standards, if Council expects and has the discretion to refinance or roll over an obligation for at least 12 months after balance date under an existing loan facility, this is classified as non-current, even if it would otherwise be due within a shorter period. If there is no such arrangement for refinancing in place then Council must disclose these obligations as current.

Council has six loans plus commercial paper maturing during the 2023/2024 financial year totalling \$89.2 million, classified as a current liability. It is probable that \$25.0 million of commercial paper will reduce to \$15.0 million, and \$64.2 million loans will be refinanced and extended within the 12 month period.

E. FINANCE LEASES

Council has no significant finance leases.

F. INTERNAL BORROWINGS

Internal borrowings are charged to activities and then eliminated on consolidation in Council's financial statements.

GROUP OF ACTIVITY 2023	30 JUNE 2022 \$000	LOANS RAISED \$000	LOANS REPAID \$000	30 JUNE 2023 \$000
Environmental Management	1,263	1,096	(179)	2,180
Public Health and Safety	670	(364)	(45)	260
Transportation, Roads and Footpaths	40,829	4,923	(4,826)	40,926
Coastal Structures	468	–	(60)	408
Water Supply	80,025	8,201	(4,278)	83,947
Wastewater	31,661	4,071	(1,956)	33,776
Stormwater	27,205	2,985	(2,097)	28,093
Solid Waste	9,830	4,726	(978)	13,580
Flood Protection and River Control Works	1,457	2,456	(147)	3,766
Community Development	30,841	1,107	(1,958)	29,990
Council Enterprises	7,607	1,764	(734)	8,637
Total internal loans	231,856	30,965	(17,258)	245,563

Interest on internal loans for each activity is disclosed as finance costs in the individual Funding Impact Statements.

G. COVENANT COMPLIANCE

Borrowings includes loans from the LGFA which require Council to meet its borrowing covenants. At the 30 June 2023 Council has complied with these covenants.

Council also complied with its Treasury Risk Management Policy 2023.

The policy and covenants relate to ratios related to debt, interest cost and revenue.

NOTES TO FINANCIAL STATEMENTS

NOTE 26: REVALUATION RESERVE

ASSET REVALUATION RESERVE

This reserve relates to the revaluation of property, plant and equipment and financial assets to fair value.

30 JUNE 2022 \$000		INCREASE/ (DECREASE) \$000	IMPAIRMENT ADJUSTMENT \$000	30 JUNE 2023 \$000
90,610	Port Nelson Limited	(1,071)	–	89,540
1,501	Port Tarakohe	–	–	1,501
24,328	Nelson Regional Sewerage Business Unit	3,016	–	27,343
455	Nelson Tasman Regional Landfill Business Unit	545	–	1,000
40,146	Nelson Airport Limited	187	–	40,333
6,839	NZ Local Government shares	83	–	6,922
8,510	Tasman Bay Heritage Trust	–	–	8,510
148,363	Land	60	(1,930)	146,493
14,027	Bridges	–	–	14,027
74,146	Buildings	22,647	–	96,793
528,669	Roads	–	–	528,669
602	Aerodromes	–	–	602
35,270	Rivers	–	–	35,270
1,778	Coastal structures and ports	–	–	1,778
1,236	Refuse	–	–	1,236
131,018	Wastewater	–	–	131,018
97,697	Stormwater	–	–	97,697
81,621	Water	–	–	81,621
1,286,815	Total	25,467	(1,930)	1,310,352

NOTES TO FINANCIAL STATEMENTS

NOTE 26: REVALUATION RESERVE (CONT.)

30 JUNE 2021 \$000		INCREASE/ (DECREASE) \$000	IMPAIRMENT ADJUSTMENT \$000	30 JUNE 2022 \$000
88,230	Port Nelson Limited	2,380	–	90,610
1,501	Port Tarkohe	–	–	1,501
19,898	Nelson Regional Sewerage Business Unit	4,430	–	24,328
142	Nelson Tasman Regional Landfill Business Unit	313	–	455
37,779	Nelson Airport Limited	2,367	–	40,146
6,032	NZ Local Government shares	807	–	6,839
3,328	Tasman Bay Heritage Trust	5,182	–	8,510
150,528	Land	–	(2,165)	148,363
2,042	Bridges	11,985	–	14,027
74,146	Buildings	–	–	74,146
402,491	Roads	126,178	–	528,669
602	Aerodromes	–	–	602
35,270	Rivers	–	–	35,270
1,778	Coastal structures and ports	–	–	1,778
1,236	Refuse	–	–	1,236
58,546	Wastewater	72,472	–	131,018
78,242	Stormwater	19,455	–	97,697
43,058	Water	38,563	–	81,621
1,004,848	Total	284,133	(2,165)	1,286,815

NOTE 27: ACCUMULATED 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.

2021/2022 \$000	ACCUMULATED EQUITY	2022/2023 \$000
718,956	Opening balance	811,537
92,609	Surplus	20,642
(29)	Net transfers (to)/from restricted reserves	2,115
811,537	Total accumulated equity	834,294

NOTES TO FINANCIAL STATEMENTS

NOTE 28: RESTRICTED AND COUNCIL CREATED RESERVES

Restricted reserves are those reserves subject to specific conditions accepted as binding by Council and which may not be revised by the Council without reference to the Courts or third party. Council created reserves are reserves established by Council decision. 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.

2021/2022 \$000	RESTRICTED AND COUNCIL CREATED RESERVES	2022/2023 \$000
39,456	At 1 July	39,485
	Transfers to:	
29	Net transfers to reserves	(2,115)
39,485	At 30 June	37,370
	Restricted funds consist of;	
39,485	Other funds (detailed below)	37,370
39,485	Total restricted and Council created reserves	37,370

RESTRICTED RESERVE REPORTING – OTHER FUNDS

Other funds consist of funds relating to donations and bequeaths provided to Council by various people for specific projects, along with funds relating to general disaster funds and funds set aside for specific purposes in the future.

2022/2023	ACTIVITY TO WHICH THE FUND RELATES	OPENING BALANCE 1 JULY 2022 \$000	TRANSFER INTO FUND \$000	TRANSFERS OUT OF FUND \$000	CLOSING BALANCE 30 JUNE 2023 \$000
Reserve Financial Contributions Reserve	Community Facilities & Parks	21,044	8,392	(5,626)	23,810
Rivers Disaster Fund	Rivers & Flood Protection	1	–	–	1
Rivers Reserve	Rivers & Flood Protection	(196)	9,460	(9,457)	(193)
Water Reserve	Water	(2,090)	13,106	(13,876)	(2,860)
Waimea Water Financing	Water	(641)	2,126	(988)	497
Wastewater Reserve	Wastewater	2,387	13,253	(14,424)	1,216
Self-Insurance Fund	Overall Council	1,156	46	–	1,202
Stormwater Reserve	Stormwater	1,334	7,560	(8,223)	671
Solid Waste Reserve	Solid Waste	(130)	14,687	(14,735)	(178)
Dog Control Reserve	Public Health & Safety	6	534	(568)	(28)
Community Facilities Rate Reserve	Community Facilities & Parks	(117)	2,662	(3,024)	(479)
Camping Ground Reserve	Council Enterprises & Property	203	1,212	(852)	563
Community Housing Reserve	Community Facilities & Parks	946	987	(964)	969
Development Contribution Reserve	Roading & Footpaths, Water, Wastewater, Stormwater	12,994	10,471	(11,427)	12,038
Disaster Fund	Governance, Roading & Footpaths, Water, Wastewater, Stormwater	2,588	(2,447)	–	141
Total		39,485	82,049	(84,164)	37,370

NOTES TO FINANCIAL STATEMENTS

NOTE 28: RESTRICTED AND COUNCIL CREATED RESERVES (CONT.)

2021/2022	ACTIVITY TO WHICH THE FUND RELATES	OPENING BALANCE 1 JULY 2021 \$000	TRANSFER INTO FUND \$000	TRANSFERS OUT OF FUND \$000	CLOSING BALANCE 30 JUNE 2022 \$000
Reserve Financial Contributions Reserve	Community Facilities & Parks	17,493	5,797	(2,246)	21,044
Rivers Disaster Fund	Rivers & Flood Protection	100	(99)	–	1
Rivers Reserve	Rivers & Flood Protection	(680)	8,652	(8,168)	(196)
Water Reserve	Water	(697)	26,952	(28,345)	(2,090)
Waimea Water Financing	Water	253	(895)	1	(641)
Wastewater Reserve	Wastewater	2,696	11,899	(12,208)	2,387
Self-Insurance Fund	Overall Council	1,147	9	–	1,156
Stormwater Reserve	Stormwater	1,191	9,853	(9,710)	1,334
Solid Waste Reserve	Solid Waste	173	11,649	(11,952)	(130)
Dog Control Reserve	Public Health & Safety	19	483	(496)	6
Community Facilities Rate Reserve	Community Facilities & Parks	97	3,716	(3,930)	(117)
Camping Ground Reserve	Council Enterprises & Property	580	1,695	(2,072)	203
Community Housing Reserve	Community Facilities & Parks	787	943	(784)	946
Development Contribution Reserve	Roading & Footpaths, Water, Wastewater, Stormwater	12,070	11,457	(10,533)	12,994
General Disaster Fund	Governance	4,227	(1,639)	–	2,588
Total		39,456	90,472	(90,443)	39,485

Dog Control Reserve

The dog control reserve is used to separate all funding and expenditure for the dog control activity.

Development Contribution Reserve

It is 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.

Water Reserve

The water reserve is used to separate all funding and expenditure for the water activity, excluding development contributions revenue and projects. Each year Council sets the proposed revenue, 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 28: RESTRICTED AND COUNCIL CREATED RESERVES (CONT.)

Wastewater Reserve

The wastewater reserve is used to separate all funding and expenditure for the wastewater activity, excluding development contributions revenue and projects. Each year Council sets the proposed revenue, 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.

Stormwater Reserve

The stormwater reserve is used to separate all funding and expenditure for the stormwater activity, excluding development contributions revenue and projects. Each year Council sets the revenue, expenditure and funding budgets for this activity. Any variations 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 revenue, expenditure and funding budgets for this activity. Any variations 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.

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).

Rivers Reserve

The rivers reserve is used to enable separate accounting for funding and expenditure for the rivers activity. Each year Council sets the revenue, 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.

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, and Richmond Ward). Strict criteria apply to the use of these funds.

Disaster Fund

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.

Self-Insurance Fund

The purpose of this fund is to provide cover for assets that are medium to low risk, but are uneconomic to insure.

Community Facilities Rate Reserve

The community facilities rate reserve is used to ring-fence all funding and expenditure on the community facilities activity. Each year in Council's Annual Plan revenue, expenditure and funding budgets are set for this activity. Any variations from these budgets (due to timing of projects, unplanned expenditure etc) are recorded in the community facilities rates reserve so that any surpluses/deficits can be ring-fenced.

NOTES TO FINANCIAL STATEMENTS

NOTE 28: RESTRICTED AND COUNCIL CREATED RESERVES (CONT.)

Camping Ground Reserve

The camping ground reserve is used to ring-fence all funding and expenditure on the camping ground activity. Each year in Council's Annual Plan revenue, expenditure and funding budgets are set for this activity. Any variations from these budgets (due to timing of projects, unplanned expenditure, etc.) are recorded in the camping ground reserve so that any surpluses/deficits can be ring-fenced.

Community Housing Reserve

The community housing reserve is used to ring-fence all funding and expenditure on the community housing activity. Each year in Council's Annual Plan revenue, expenditure and funding budgets are set for this activity. Any variations from these budgets (due to timing of projects, unplanned expenditure, etc.) are recorded in the community housing reserve so that any surpluses/deficits can be ring-fenced.

NOTE 29: CASHFLOW RECONCILIATION

Reconciliation of surplus/ (deficit) after income tax to net cash flow from operating activities

30 JUNE 2022 \$000	CASHFLOW RECONCILIATION	30 JUNE 2023 \$000
92,609	Opening surplus/(deficit)	20,642
	ADD NON-CASH EXPENSES/(LESS) NON-CASH REVENUE:	
30,959	Depreciation and amortisation	40,778
(3,987)	Share of joint venture's (surplus)/deficit net of dividend	(3,402)
5,415	Asset write down and disposal	3,792
(47,452)	Vested assets	(27,247)
345	Unrealised (gain)/loss on investment property	(629)
5,366	Fair value (gain)/loss of forestry assets	12,395
(12,779)	Unrealised (gain)/loss on interest rate derivatives	(2,593)
(6,784)	Unwinding of discount	762
-	Present value adjustments for shareholder advances	4,479
-	Change of share of interest in joint operation assets	(4,245)
	ADD/(LESS) MOVEMENTS IN WORKING CAPITAL ITEMS:	
613	(Increase)/decrease in receivables	(2,150)
5,280	Increase/(decrease) in payables and employee benefit liabilities	(46)
	ADD/(LESS) OTHER:	
(300)	Increase/(decrease) in provisions	(49)
(11)	(Gain)/loss on sale included in investing activities	(1,780)
2,581	(Increase)/decrease in capital amounts included in receivables and payables movement	(18)
22	Increase/(decrease) in non-current employee benefit liabilities	(391)
71,877	Net cash flow from operating	40,298

NOTES TO FINANCIAL STATEMENTS

NOTE 29: CASHFLOW RECONCILIATION (CONT.)

Reconciliation of liabilities arising from financing activities

	CASH MOVEMENTS \$000	NON-CASH MOVEMENT \$000	TOTAL \$000
BORROWINGS			
Balance at 1 July 2022	–	–	239,973
Proceeds from borrowings	97,200	–	97,200
Repayment of borrowings	(49,003)	–	(49,003)
Present value discount and amortisation of loans	–	762	762
Balance at 30 June 2023	48,197	762	288,932
DERIVATIVES			
Balance at 1 July 2022	–	–	1,318
Net (gain)/loss on change in fair value of derivative financial instrument	–	(2,593)	(2,593)
Derivative financial instruments (asset)/liability balance at 30 June 2023	–	(2,593)	(1,275)

	CASH MOVEMENTS \$000	NON-CASH MOVEMENT \$000	TOTAL \$000
BORROWINGS			
Balance at 1 July 2021	–	–	186,062
Proceeds from borrowings	102,694	–	102,695
Repayment of borrowings	(42,000)	–	(42,000)
Present value discount and amortisation of loans	–	(6,784)	(6,784)
Balance at 30 June 2022	60,694	(6,784)	239,973
DERIVATIVES			
Balance at 1 July 2021	–	–	14,097
Receipts from derivative financial instruments	–	–	–
Payments for derivative financial instruments	–	–	–
Net (gain)/loss on change in fair value of derivative financial instrument	–	(12,779)	(12,779)
Derivative financial instruments (asset)/liability balance at 30 June 2022	–	(12,779)	1,318

NOTE 30: RELATED PARTY TRANSACTIONS

2021/2022 \$000	RELATED PARTY TRANSACTIONS	2022/2023 \$000
A) PORT NELSON LIMITED		
2,280	Share of dividends – cash received	2,150
1,400	Share of dividends – accounts receivable	1,250
–	Services received	209
B) TASMAN BAYS HERITAGE TRUST		
906	Operational funding paid	1,084
425	Loan outstanding (face value)	325
100	Loan payments received	100
C) NELSON AIRPORT LIMITED		
Received from:		
500	Share of dividends – cash received	550
550	Share of dividends – accounts receivable	600
D) WAIMEA WATER LIMITED		
20,929	Loan outstanding (face value)	37,016

The loan from Council to Tasman Bays Heritage Trust is at a nil interest rate (2022: Nil). The loan has a face value of \$325,000 (2022: \$425,000). The loan has been recorded at cost as there is an immaterial difference between face value and fair value.

The loans receivable from Waimea Water Limited (WWL) are explained in detail in note 41, irrigator capacity advances. Council has external borrowings which are then passed to WWL as advances (Loan receivable). Waimea Irrigator Limited is responsible for servicing these loans. A portion of these borrowings and advances are interest free, therefore these are discounted to present value.

The book value at 30 June 2023 was \$32.5 million (2022: \$20.9 million). The loans have been discounted to present value, using average discount rate of 5.9%. The face value of these loans at 30 June 2023 was \$37.0 million (\$20.9 million). A present value adjustment of \$4.5 million was recognised in the year ended 30 June 2023. Refer to note 3, other gains and losses.

As all other transactions are deemed to have occurred within a normal supplier/client relationship on terms and conditions considered to be at arm's length, they are not required to be disclosed.

NOTES TO FINANCIAL STATEMENTS

NOTE 30: RELATED PARTY TRANSACTIONS (CONT.)

KEY MANAGEMENT PERSONNEL

During the year Councillors and key management, as part of a normal customer relationship, were involved in minor transactions with Council (such as rates, purchase of rubbish bags, etc.).

Key management personnel include the Mayor, Councillors, Chief Executive, and Executive Leadership Team.

2021/2022	KEY MANAGEMENT PERSONNEL REMUNERATION	2022/2023
EXECUTIVE LEADERSHIP TEAM, INCLUDING THE CHIEF EXECUTIVE		
1,853	Remuneration \$(000)	1,836
7	Number of full-time equivalent (FTE) Leadership Team	8
COUNCILLORS		
818	Remuneration \$(000)	881
14	Number of Councillors	14
2,671	Total remuneration \$(000) of key management personnel	2,717
22	Total Executive Leadership Team and Councillors	22

Due to the difficulty in determining the full-time equivalent for Councillors, the full-time equivalent figure is taken as the number of Councillors.

An analysis of leadership remuneration is provided in note 32 and Councillor remuneration is provided in note 38.

NOTE 31: SEVERANCE

In accordance with schedule 10, part 3, clause 33, Local Government Act 2002, there have been two severance payments to employees totalling \$41,084 (2022: one payment, \$22,065). The value of each of the severance payments in 2023 was \$18,500 and \$22,584.

NOTES TO FINANCIAL STATEMENTS

NOTE 32: REMUNERATION

CHIEF EXECUTIVE

2021/2022 \$000	CHIEF EXECUTIVE REMUNERATION	2022/2023 \$000
255	Janine Dowding	116
72	Leonie Rae	259
327	Total Chief Executive remuneration	375

Janine Dowding was on secondment from 14 March 2022 until 10 March 2023. Leonie Rae was acting Chief Executive during this time.

COUNCIL EMPLOYEES – HEAD COUNT

TOTAL ANNUAL REMUNERATION BY BAND FOR EMPLOYEES AS AT 30 JUNE	30 JUNE HEADCOUNT
30 JUNE 2023	
<\$60,000	89
\$60,000 – \$79,999	98
\$80,000 – \$99,999	74
\$100,000 – \$119,999	84
\$120,000 – \$139,999	33
\$140,000 – \$159,999	9
\$160,000 – \$179,999	10
\$180,000 – \$339,999	6
\$340,000 – \$359,000	1
Total employees at 30 June 2023	404
30 JUNE 2022	
<\$60,000	102
\$60,000 – \$79,999	100
\$80,000 – \$99,999	90
\$100,000 – \$119,999	58
\$120,000 – \$139,999	14
\$140,000 – \$159,999	15
\$160,000 – \$319,999	7
\$320,000 – \$340,000	–
Total employees at 30 June 2022	386

Total remuneration includes non-financial benefits provided to employees including the Chief Executive and Executive Leadership Team. This does not include elective representatives (note 38).

NOTES TO FINANCIAL STATEMENTS

NOTE 32: REMUNERATION (CONT.)

COUNCIL EMPLOYEES – FULL TIME EQUIVALENT

30 JUNE 2022 FTE	FULL-TIME EQUIVALENT STAFF NUMBERS	30 JUNE 2023 FTE
298	Full-time staff	313
56	Part-time staff, on full-time equivalent staff basis	58
354	Total full time equivalent staff numbers	371

A full-time employee is determined on the basis of a 40-hour working week. This includes the Chief Executive and Executive Leadership Team. This does not include elective representatives (note 38).

NOTE 33: FINANCIAL INSTRUMENTS

ADOPTION OF PBE IPSAS 41

In accordance with the transitional provisions in PBE IPSAS 41, the Council has elected not to restate the comparative information. The comparative information continues to be reported under PBE IPSAS 29. Adjustments arising from the adoption of PBE IPSAS 41 are recognised in opening equity at 1 July 2021 (the date of initial application).

The accounting policies for the year ended 30 June 2023 have been updated to comply with PBE IPSAS 41. The main changes to the Council's accounting policies are:

- **Note 11** – Trade and other receivables – This policy has been updated to reflect that the impairment of short-term receivables is now determined by applying the simplified expected credit loss model.
- **Note 13** – Financial assets – This policy has been updated to reflect:
 - » the new classification categories;
 - » the measurement and recognition of loss allowances based on the new expected credit loss (ECL) model; and
 - » the removal of impairment loss considerations for equity investments at FVTOCRE.

The derivatives accounting policies in note 12 – Derivatives remain unchanged as Council has not elected to apply the hedging requirements of PBE IPSAS 41.

PBE IPSAS 41 also significantly amended the financial instruments disclosures of PBE IPSAS 30. This has resulted in new or amended disclosures, mostly in relation to hedge accounting and credit risk.

On the date of initial application of PBE IPSAS 41, the classification and carrying amounts of financial assets under PBE IPSAS 41 and PBE IPSAS 29 is outlined in the tables below. Adjustments arising from the adoption of PBE IPSAS 41 are recognised in opening equity at 1 July 2021 (the date of initial application). However, the Council have not recorded any adoption adjustments for PBE IPSAS 41 as they are not material.

NOTES TO FINANCIAL STATEMENTS

NOTE 33: FINANCIAL INSTRUMENTS (CONT.)

FINANCIAL ASSETS	MEASUREMENT CLASSIFICATION		30 JUNE 2022 PBE IPSAS 29 \$000	01 JULY 2022 PBE IPSAS 41 \$000	ADOPTION ADJUSTMENT \$000
	PBE IPSAS 29	PBE IPSAS 41			
Unlisted shares	FVTOCRE	FVTOCRE	8,715	8,715	-
Derivatives	FVTSD/FVTOCRE	FVTSD/FVTOCRE	1,318	1,318	-
Cash and cash equivalents	Loans and receivables	Amortised cost	16,310	16,310	-
Receivables	Loans and receivables	Amortised cost	14,116	14,116	-
Term deposits	Held to maturity	Amortised cost	-	-	-
Community loans	Loans and receivables	Amortised cost	113	113	-
Loans to Tasman Bays Heritage Trust	Loans and receivables	Amortised cost	425	425	-
Other financial assets – loans receivable from joint operator partner Waimea Irrigators Limited	Loans and receivables	Amortised cost	20,929	20,929	-
NZ LGFA borrower notes	Held to maturity	FVTSD	3,938	3,938	-

FVTOCRE = Fair value through other comprehensive revenue and expense

FVTSD = Fair value through surplus or deficit

The measurement categories and carrying amounts for financial liabilities have not changed on transition to PBE IPSAS 41.

Additional information in relation to subsequent measurement classification assessment

PBE IPSAS 41 requires debt instruments to be subsequently measured at FVTSD, amortised cost, or FVTOCRE. This classification is based on the business model for managing the debt instruments, and whether the payments are for solely payments of principal or interest on the principal amount outstanding.

Council assessed the business model for its classes of financial assets at the date of initial application. Debt instruments are held mainly to collect, except for the Council's listed bond portfolio which are held to collect and sell in accordance with the Council's Treasury Management Policy to meet capital requirements.

Council's debt instruments are solely comprised of contractual cash flows solely for payments of principal and interest, in line with basic lending arrangements. This assessment was based on the facts and circumstances as at the initial recognition of the assets.

PBE IPSAS 41 requires equity instruments to be classified at FVTSD. However, it permits entities to make an irrevocable election on transition to PBE IPSAS 41 to subsequently measure at FVTOCRE if the shares are not held for trading. The Council has elected to subsequently measure all of its shares at FVTOCRE.

NOTES TO FINANCIAL STATEMENTS

NOTE 33: FINANCIAL INSTRUMENTS (CONT.)

FINANCIAL INSTRUMENT CATEGORIES

The following tables are comparisons of carrying amounts of the Group's financial assets and liabilities in each of the financial instrument categories:

30 JUNE 2022 \$000	FINANCIAL ASSETS	30 JUNE 2023 \$000
MANDATORILY MEASURED AT FVTSD (2022: HELD FOR TRADING)		
–	Derivative financial assets – not hedge accounted	1,275
3,937	Borrower Notes – NZ LG Funding Agency	5,437
3,937	Total at FVTSD	6,712
AMORTISED COST (2022: LOANS AND RECEIVABLES)		
16,310	Cash and cash equivalents	21,969
14,116	Receivables	16,555
25,000	Term deposits	16,730
113	Community loans	110
425	Loan to Tasman Bays Heritage Trust	325
20,929	Other financial assets – loans receivable from joint operator partner Waimea Irrigators Limited	32,537
76,893	Total at amortised cost	88,226
FVTOCRE		
8,715	Unlisted shares	8,798
8,715	Total at FVTOCRE	8,798
FINANCIAL LIABILITIES		
30 JUNE 2022 \$000		30 JUNE 2023 \$000
MANDATORILY MEASURED AT FVTSD (2022: HELD FOR TRADING)		
1,318	Derivative financial liabilities – not hedge accounted	–
AMORTISED COST		
25,026	Payables	26,531
239,973	Secured loans	288,931
264,999	Total at amortised cost	315,462

NOTES TO FINANCIAL STATEMENTS

NOTE 33: FINANCIAL INSTRUMENTS (CONT.)

FINANCIAL INSTRUMENTS RISKS

Council is party to financial instrument arrangements as part of its every day operations. Council is risk averse and seeks to minimise exposure arising from its treasury activities. Council has established a Treasury Policy specifying what transactions can be entered into. These financial instruments include bank balances, accounts receivable, accounts payable, loans, guarantees and investments.

Credit risk

Credit risk is the risk that a third party will default on its obligation to Council, causing Council to incur a loss. Due to the timing of its cash inflows and outflows, Council invests surplus cash into term deposits which gives rise to credit risk.

Receivables arise mainly from the Council's statutory functions. There are no procedures in place to monitor or report the credit quality of receivables. The Council has no significant concentrations of credit risk in relation to receivables as it has a large number of credit customers, mainly ratepayers, and the Council has powers under the Local Government (Rating) Act 2002 to recover outstanding rates from ratepayers.

Council's Treasury Management policy limits the amount of credit exposure to any one financial institution or organisation. Council only invests funds with registered banks that have a Standard and Poor's, or equivalent, credit rating of at least A+ for short term and AA- for long-term investments, or building societies.

Financial instruments which are potentially subject to credit risk consist of cash, bank balances, accounts receivable and short term deposits.

Maximum exposure to credit risk

30 JUNE 2022 \$000	MAXIMUM EXPOSURE TO CREDIT RISK	30 JUNE 2023 \$000
16,310	Cash at bank and in hand	21,969
25,000	Other short term deposits with maturities of 4 – 12 months	16,730
14,116	Receivables	16,555
21,467	Community and related party loans	32,972
–	Derivative financial instrument assets	1,275
29,000	Financial guarantee on Waimea Water Limited loan (note 41)	29,000
50,000	Compensation clause for Waimea Water Limited (note 41)	50,000
1,310,487	NZ LGFA guarantee for borrowings (note 41)	1,467,772
1,466,380	Total credit risk	1,636,273

The Council is exposed to credit risk as a guarantor of all of the LGFA's borrowings. Information about this exposure is explained in note 41.

NOTES TO FINANCIAL STATEMENTS

NOTE 33: FINANCIAL INSTRUMENTS (CONT.)

Credit risk exposure by credit risk rating grades, excluding receivables

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit ratings (if available) or to historical information about counterparty default rates:

30 JUNE 2022 \$000	COUNTERPARTIES WITH CREDIT RATINGS	30 JUNE 2023 \$000
CASH AND CASH EQUIVALENTS		
16,310	AA-	21,969
16,310	Total cash and cash equivalents	21,969
TERM DEPOSITS		
25,000	AA-	16,730
25,000	Total term deposits	16,730
DERIVATIVE FINANCIAL LIABILITIES		
1,318	AA-	-
1,318	Total derivative financial liabilities	-
COUNTERPARTIES WITHOUT CREDIT RATINGS		
COMMUNITY LOANS		
113	Existing counterparty with no defaults in the past	110
113	Total community loans	110
LOANS TO RELATED PARTIES		
21,354	Existing counterparty with no defaults in the past	32,862
21,354	Total loans to related parties	32,862
UNLISTED SHARES		
8,715	Existing counterparty with no defaults in the past	8,797
8,715	Total unlisted shares	8,797
BORROWER NOTES		
3,938	Existing counterparty with no defaults in the past	5,437
3,938	Total borrower notes	5,437

Debtors and other receivables mainly arise from Council's statutory functions, therefore there are no procedures in place to monitor or report the credit quality of debtors and other receivables with reference to internal or external credit ratings. Council has no significant concentrations of credit risk in relation to debtors and other receivables, as it has a large number of credit customers, mainly ratepayers and Council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

Council is exposed to credit risk as a guarantor of all of the NZ LGFA's borrowings.

NOTES TO FINANCIAL STATEMENTS

NOTE 33: FINANCIAL INSTRUMENTS (CONT.)

Cash flow interest rate risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings and investments issued at variable interest rates expose Council to cash flow interest rate risk.

Council raises some borrowings at floating rates and swaps them into fixed rates using interest rate swaps in order to manage the cash flow interest rate risk. Such interest rate swaps have the economic effect of converting borrowings at floating rates into fixed rates that are generally lower than those available if Council borrowed at fixed rates directly. Under the interest rate swaps, Council agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional principal amounts.

Sensitivity analysis

Council's interest rate swaps are sensitive to market movements. With all other variables held constant, based on Council's financial instrument exposures at balance date, a movement in interest rates of plus or minus 1% has an effect on the swap value of plus \$4.5 million or minus \$4.4 million.

The sensitivity analysis relating to Tasman District Council's (Council's) interest rate exposures as at 30 June 2023 is as follows:

PBE IPSAS 30 SENSITIVITY ANALYSIS ON BORROWING			30 JUNE 2023	
INTEREST RATE RISK			POTENTIAL IMPACT ON SURPLUS AND DEFICIT	
DETAILS	CURRENCY	AMOUNT \$'000	PLUS 100BPS \$'000	MINUS 100BPS \$'000
Variable rate borrowings	NZD	164,200	(4,180)	4,180
Interest rate derivatives	NZD	111,000	2,507	(2,640)
Fixed rate borrowings	NZD	133,200	(2,821)	2,821
Grand total		408,400	(4,494)	4,361

Explanation of interest rate risk sensitivity

The interest rate sensitivity is based on a reasonable possible movement in interest rates, with all other variables held constant, measured as a basis points (bps) movement. For example, a decrease in 100 bps is equivalent to a decrease in interest rates of 1%.

The sensitivity for derivatives (interest rate swaps) has been calculated using a derivative valuation model based on a parallel shift in interest rates of +100bps (2022: 100bps/+100bps).

Notes:

1. Council had \$164.2 million of variable rate borrowings at 30 June 2023. The variable rate borrowings are made up of \$139.2 million of floating rate notes and \$25.0 million of commercial paper (which is treated as floating rate borrowings). Change in market interest rates only applies to remaining payment periods where interest rates had not been fixed as at 30 June 2023.
2. \$78.0 million of interest rate swaps were held as at 30 June 2023. The sensitivity analysis represents the change in fair value based on a change in the market swap curve.
3. The interest rate impact for fixed rate borrowing is zero, as a change in market interest rates will not change interest cash flow amounts. The fair value change of fixed rate borrowing, shown in the table above, is provided for background information purposes only.

NOTES TO FINANCIAL STATEMENTS

NOTE 33: FINANCIAL INSTRUMENTS (CONT.)

Contractual maturity analysis of financial liabilities, excluding derivatives

The table below analyses the Council and group's financial liabilities (excluding derivatives) into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. Future interest payments on floating rate debt are based on the floating rate on the instrument at balance date. The amounts disclosed are the contractual undiscounted cash flows and include interest payments.

The undiscounted cash flows relating to Council's borrowings and interest rate swap portfolios as at 30 June 2023 is as follows:

PBE IPSAS 30 – DEBT – CONTRACTUAL MATURITY ANALYSIS 30 JUNE 2023 \$'000						
PERIOD	CARRYING AMOUNT	CONTRACTUAL CASH FLOWS (UNDISCOUNTED)	BANK STANDBY FACILITY	CROWN IRRIGATION INVESTMENTS LIMITED	LGFA	PAYABLES
Less than 1 year	115,733	119,371	–	2,500	90,340	26,531
1 to 2 years	39,101	43,385	–	–	43,385	–
2 to 5 years	115,100	138,414	–	4,500	133,914	–
More than 5 years	45,528	62,341	–	21,000	41,341	–
Grand total	315,462	363,511	–	28,000	308,980	26,531

The undiscounted cash flows relating to Council's borrowings and interest rate swap portfolios as at 30 June 2022 is as follows:

PBE IPSAS 30 – DEBT – CONTRACTUAL MATURITY ANALYSIS 30 JUNE 2022 \$'000						
PERIOD	CARRYING AMOUNT	CONTRACTUAL CASH FLOWS (UNDISCOUNTED)	BANK STANDBY FACILITY	CROWN IRRIGATION INVESTMENTS LIMITED	LGFA	PAYABLES
Less than 1 year	74,028	75,033	–	–	50,007	25,026
1 to 2 years	31,681	33,328	–	2,500	30,828	–
2 to 5 years	89,500	99,093	–	4,500	94,593	–
More than 5 years	69,790	89,985	–	21,000	68,985	–
Grand total	264,999	297,439	–	28,000	244,413	25,026

Note that the above table analyses the debt borrowing amounts based on the remaining period at balance date, 30 June 2022, through to the contracted maturity date.

This analysis includes the cash flows associated with interest payment amounts and the terminal principal payment amount at the contracted maturity date on an undiscounted cash flow basis.

NOTES TO FINANCIAL STATEMENTS

NOTE 33: FINANCIAL INSTRUMENTS (CONT.)

Contractual maturity analysis of financial assets

The table below analyses the Council and group's financial assets (excluding derivatives) into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows and include interest receipts.

PBE IPSAS 30 – FINANCIAL ASSETS – CONTRACTUAL MATURITY ANALYSIS 30 JUNE 2023 \$'000						
PERIOD	CARRYING AMOUNT	CONTRACTUAL CASH FLOWS	LESS THAN 1 YEAR	1 TO 2 YEARS	2 TO 5 YEARS	MORE THAN 5 YEARS
Cash and cash equivalents	21,969	21,969	21,969	–	–	–
Receivables	16,555	16,555	16,555	–	–	–
Net settled derivative assets	1,275	1,275	573	74	261	366
Other financial assets:						
• Term deposits	16,730	16,730	16,730	–	–	–
• Community and related party loans	32,972	32,972	128	–	307	32,537
Unlisted shares	8,798	8,798	–	–	–	8,798
Borrower notes – NZ LG Funding Agency Limited	5,437	5,437	1,455	825	2,484	673
Grand total	103,736	103,736	57,410	899	3,053	42,374

INTEREST RATE SWAPS

The notional principal amounts of the outstanding interest rate swap contracts for Council at 30 June 2023 were \$111.0 million of which \$78.0 million was 'live' at balance date (2022: \$128.0 million of which \$95.0 million was 'live' at balance date). At 30 June 2023, the fixed interest rates of cash flow hedge interest rate swaps vary from 3.86% to 4.92% (2022: 2.76% to 4.92%).

PBE IPSAS 30 – INTEREST RATE SWAPS – CONTRACTUAL MATURITY ANALYSIS 30 JUNE 2023 \$'000		
PERIOD	CARRYING AMOUNT (FAIR VALUE)	CONTRACTUAL CASH FLOWS (UNDISCOUNTED)
Less than 1 year	28,000	(176)
1 to 2 years	23,000	(317)
2 to 5 years	40,000	(411)
More than 5 years	20,000	(371)
Grand total	111,000	(1,275)

NOTE 33: FINANCIAL INSTRUMENTS (CONT.)

FINANCIAL GUARANTEE CONTRACTS

A financial guarantee contract requires the Council to make specified payments to reimburse the holder of the contract for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are initially recognised at fair value. If a financial guarantee contract was issued in a stand-alone arm's-length transaction to an unrelated party, its fair value at inception is equal to the consideration received. When no consideration is received, the fair value of the liability is initially measured using a valuation technique, such as considering the credit enhancement arising from the guarantee or the probability that the Council will be required to reimburse a holder for a loss incurred discounted to present value. If the fair value of a guarantee cannot be reliably determined at initial recognition, a liability is recognised at the amount of the loss allowance determined in accordance with the expected credit loss (ECL) model described in note 13.

Financial guarantees are subsequently measured at the higher of:

- the amount determined in accordance with the ECL model described in note 13; and
- the amount initially recognised less, when appropriate, cumulative amortisation as revenue.

Council has guarantees in place in relation to Waimea Water Limited, these are disclosed in note 41, Commitments and Contingencies.

Council has guarantees to various other organisations which may subject it to credit risk. The assessed exposure to credit risk at balance date was \$Nil as detailed in the Statement of Contingent Liabilities (2022: \$Nil).

It is not practical to estimate the fair value of the financial guarantees with an acceptable level of reliability.

Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. Council is exposed to equity securities price risk on its investments, which are classified as financial assets held at fair value through comprehensive revenue and expense.

Liquidity risk

Liquidity risk is the risk that Council will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Council aims to maintain flexibility in funding by keeping committed credit lines available.

Council manages its borrowings in accordance with its funding and financial policies, which include a Treasury Management policy. These policies have been adopted as part of the Council's Long Term Plan.

Council has a maximum amount that can be drawn down against its overdraft facility of \$100,000 (2022: \$100,000). There are no restrictions on the use of this facility.

Council has an undrawn loan facility of \$30 million with Westpac, and \$10 million with ASB.

Council is exposed to liquidity risk as a guarantor of all of the NZ LGFA's borrowings. This guarantee becomes callable in the event of the LGFA failing to pay its borrowings when they fall due. Further information is included in the contingencies note.

NOTES TO FINANCIAL STATEMENTS

NOTE 34: CAPITAL MANAGEMENT

Council's capital is its equity (or ratepayers' funds), which comprise retained earnings and reserves. Equity is represented by net assets.

The Local Government Act 2002 requires Council to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayers' funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising Council's assets and not expecting them to meet the full cost of long term assets that will benefit ratepayers in future generations. Additionally, the Council has in place asset/activity management plans for major classes of assets detailing renewal and maintenance programmes, to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires Council to make adequate and effective provision in its Long Term Plan and in its Annual Plan (where applicable) to meet the expenditure needs identified in those plans. The Act sets out the factors that Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in the Council's Long Term Plan.

Council has the following Council created reserves:

- Reserves for different areas of benefit; and
- Self-insurance reserves.

Reserves for different areas of benefit are used where there is a discrete set of rate or levy payers as distinct from the general rate. Any surplus or deficit relating to these separate areas of benefit is applied to the specific reserves.

Self-insurance reserves were built up from general rates and are made available for specific unforeseen events. The release of these funds generally can only be approved by Council.

Trust and bequest reserves are set up where Council has been donated funds that are restricted for particular purposes. Interest is added to trust and bequest reserves where applicable and deductions are made where funds have been used for the purpose they were donated.

NOTE 35: URBAN PORTIONS OF THE STATE HIGHWAY NETWORK

The ownership of urban portions of the state highway network is unclear, although there is legal opinion indicating that the ownership rests with local authorities. The Waka Kotahi (NZ Transport Agency) maintains these highways in their entirety without any costs accruing to local authorities.

As a consequence, even if ownership resides with local authorities, in practice, Waka Kotahi (NZ Transport Agency) controls the economic resources. Pending clarification of ownership and further consideration of the accounting issues which may arise, Council has not recognised the urban portion of the state highway network as an asset in these financial statements. The estimated distance of highway involved is 16.7 kilometres.

NOTE 36: SIGNIFICANT VARIANCES COMPARED TO THE ANNUAL PLAN

SUMMARY OF VARIANCES TO BUDGET

The Statement of Comprehensive Revenue and Expense shows surplus before other comprehensive income of \$20.6 million (2022: \$92.6 million) compared with a budgeted accounting surplus of \$23.3 million (2022: \$24.1 million). This equates to a surplus variance of \$2.7 million. Explanations for major variations from the budget are summarised as follows:

ACTUAL 2022 \$000		ACTUAL 2023 \$000	BUDGET 2023 \$000	VARIANCE TO BUDGET \$000	SUMMARY OF MAJOR VARIANCES:
252,711	Revenue	221,664	185,799	35,865	The total revenue exceeded the budget by \$35.9 million. This increase was mainly due to: <ul style="list-style-type: none"> • \$19.6 million higher than budgeted non-cash vested asset income, driven by growth. • Other revenue was \$11.2 million greater than the budget, mainly due to higher forestry harvest volumes, which generated an additional \$14.0 million of revenue. See table below for further detail on revenue variances.
160,102	Expense	201,022	162,452	38,570	The total expenses exceeded the budget by \$38.6 million. This increase was mainly due to: <ul style="list-style-type: none"> • \$12.0 million increased forestry expenses. • \$11.7 million increased maintenance costs. • \$7.9 million increased depreciation. See table below for further detail on expense variances.
92,609	Surplus / (deficit) before other comprehensive income	20,642	23,347	(2,705)	Refer below.
2,417,159	Assets	2,508,493	2,188,894	319,599	
279,322	Liabilities	326,477	306,766	19,711	
2,137,837	Net assets	2,182,016	1,882,128	299,888	

The net assets exceeded the budget by \$299.9 million mostly due to:

- Property plant and equipment \$253.3 million above budget due to revaluations and assets vesting from subdivisions.
- Investment in joint ventures \$16.8 million higher than budget both mostly due to revaluation gains.
- Interest rate swap net increase to budget of \$14.4 million.
- Borrowings \$8.5 million less than budget due fair value adjustment on loan not included in budget.
- \$3.2 million gain from change of WWL loan arrangements.
- Other net assets \$3.7 million due to a combination of factors explained below.

See table below for further detail on asset and liability variances.

NOTES TO FINANCIAL STATEMENTS

NOTE 36: SIGNIFICANT VARIANCES COMPARED TO THE ANNUAL PLAN (CONT.)

	VARIANCE GREATER/ (LESS) THAN BUDGET \$'000	REASONS FOR VARIANCES INCLUDE:
REVENUE		
General rates	358	1% increase due to growth.
Targeted rates	912	2% increase due to growth.
Development and financial contributions	5,248	Growth activity in the district created demand for more subdivisions, and therefore greater volume of contributions charged than expected for the developments and reserves, and increased revenue for capital expenditure, including reserve land purchases.
Operating subsidies and grants	8,389	<p>Waka Kotahi (NZ Transport Agency) operating subsidies \$5.5 million greater than budget. Of this \$4.5 million was due to the unanticipated August 2022 severe storms. This helped to fund the associated clean-up and repair costs of Council infrastructural assets.</p> <p>Other subsidies and grants \$3.0 million greater than budget due to grant funding received for a range of projects including Freshwater Improvement funds \$1.0 million and \$0.8 million Better off Funding not included in the operating subsidies and grants budget.</p>
Capital subsidies and grants	(6,801)	Lower than budget to due to \$5 million over estimating three waters stimulus funding (related capex did also not occur), and timing of \$1.0 million FIF funding for Waimea Water Ltd now expected to be received in future years, but was included in 2022/2023 budget.
Fees and charges	114	Not significant.
Other revenue	11,231	\$11.2 million greater than budget mainly due to higher forestry harvest volumes, which generated an additional \$14.0 million of revenue. Total harvested volume during the year ended 30 June 2023 was 242,546 tonnes (2022: 170,087). This also resulted in a decrease to the book value of forestry assets (note 18) and an increase in forestry expenses (note 7).
Vested asset income	19,631	Vested asset income represents the book value of assets vesting to Council, mostly as a result of subdivisions. Growth activity in the district created demand for more subdivisions, and therefore an increase in land under roads, roading and three waters assets vesting to Council.
Fair value gain/(loss) on revaluation	(10,896)	<p>\$14.0 million greater loss on revaluation due to actual \$12.5 million decrease in the book value of forestry assets (note 18) compared to a budget increase of 1.5 million. This was mostly due to harvest volumes being greater than budget, which also resulted in increased forestry revenue (note 4) and expenses (note 7).</p> <p>\$2.6 million gain in interest rate swaps caused by increase in interest rates (note 3). Interest rate swaps lock in an interest rate, so when rates go up the market value of our swaps increases. This gain partially offsets the increased finance expense (note 8).</p>
Other gains/ (losses)	(2,761)	<p>Other gains and losses comprised:</p> <ul style="list-style-type: none"> Gain of \$1.7 million as a result of on settlement of ETS through fixed price option (note 16 and 18), which resulted in unencumbered units; and Loss \$4.5 million. Non-cash present value adjustment related to debt that was passed onto Waimea Water Limited, through the irrigator capacity shareholder advances. These advances are recognised as other financial assets (note 13). The advances are discounted to present value on inception. The adjustment of \$4.5 million is the difference between the face value of the loan, \$37 million, and the present value \$32.5 million, which has been recorded in 2023.

NOTES TO FINANCIAL STATEMENTS

NOTE 36: SIGNIFICANT VARIANCES COMPARED TO THE ANNUAL PLAN (CONT.)

	VARIANCE GREATER/ (LESS) THAN BUDGET \$'000	REASONS FOR VARIANCES INCLUDE:
Finance income	1,862	Greater than budget due to higher interest rates than expected, and prefunding of future investments and debt repayments. This is offset by the increased finance expense.
Revenue of joint operations	2,676	\$3.2 million revenue greater than budget due to a advance from Council to WWL that was not previously convertible to voting shares (in 2021, a consolidation loss was recognised). New agreements mean that this funding is now convertible to voting shares, resulting in a net gain to Council, reversing the previous loss.
Share of joint ventures surplus/(deficit)	5,902	The share of joint ventures surplus is not included in the budget.
Total revenue greater than budget	35,865	
Finance expense	3,872	\$3.9 million higher than budget, due to higher interest rates than budget. This is offset by the \$2.6 million gain on interest rate swaps and the \$1.9 million increase in finance income compared to budget.
Employee related expense	1,094	Employee benefits 3% greater than budget mostly due to increased staff benefits KiwiSaver/ superannuation contributions.
Other expenses	9,030	<p>\$12.0 million greater than budget as a result of additional forestry expenses – due to greater harvest volumes than budgeted which also resulted in \$14.0 million greater harvesting revenue (note 4).</p> <p>\$2.0 million increase in consultancy – Growth activity in the district created additional resource demand, and an increase in consultancy fee's including land subdivision and building consultancy fees.</p> <p>Offset by \$5.0 million decrease in other operating expenses mostly related to a classification difference between other expenses and expenditure of joint operations.</p>
Maintenance	11,688	<p>\$6.8 million greater than budget due to August 2022 repair costs from the extreme weather event, this was partially funded through increased NZTA operating subsidies.</p> <p>Other maintenance greater than expected due to a combination of increased costs and more repairs required than included in the budget.</p>
Depreciation and amortisation	7,929	Greater than budget due to revaluation of infrastructure assets at 30 June 2022, which resulted in decreased estimated useful life's of some assets and increased replacement costs due to inflation.
Expenditure of joint operations	4,957	Greater than budget mostly due to a classification difference between joint operation expenditure and other expenses. No material differences in actual and budget in the underlying results of the joint operations, or impact on net surplus.
Total revenue greater than budget	38,570	
Total impact on surplus	(2,705)	

NOTES TO FINANCIAL STATEMENTS

NOTE 36: SIGNIFICANT VARIANCES COMPARED TO THE ANNUAL PLAN (CONT.)

Asset and liability detailed variances

	VARIANCE GREATER/ (LESS) THAN BUDGET \$'000	REASONS FOR VARIANCES INCLUDE:
Cash and cash equivalents	7,209	<p>\$7.2 million higher than budget due to timing of cashflows (mostly due to \$3.1 million higher payables and \$2.0 million higher receivables).</p> <p>Council holds more funds in its cash account (as opposed to longer term investments), due to the favourable interest rate achieved through all-of-government banking.</p>
Other financial assets (current)	18,514	Greater than budget mostly due to pre-funding LGFA loan repayments.
Other financial assets (non-current)	42,411	Greater than budget mostly due to: \$32.8 million due to Council borrowings and Waimea Irrigator Advances (within other financial assets) being presented as net in the Annual Plan. (Nil impact on net assets).
Intangible assets	1,318	No material difference to budget.
Forestry assets	(22,891)	Less than budget due to higher than planned harvesting.
Investments in joint ventures	16,533	\$16.5 million greater than budget mostly due to revaluation gains recognised within other comprehensive income in 2022.
Property, plant and equipment	254,000	Greater than budget due to revaluation of assets in 2022 and 2023, inflation was higher than expected.
Derivative financial instrument liability (current and non-current)	(14,096)	Interest rates were higher than expected. This caused the value of the swaps to change from being a liability in the budget of \$14.1 million to an \$1.3 million asset included in other financial assets, which offset the increased interest costs. The majority of the gain on the swaps was recognised in the year ended 30 June 2022, however the budgets were set before those results were finalised.
Borrowings (current and non-current)	30,618	<p>Total borrowings was \$30.6 million higher than budget, mostly due to WWL shareholder advances being netted against external borrowings in the budget.</p> <p>The current portion of borrowings was greater than budget due to timing of loan maturities which will be refinanced through the LGFA.</p> <p>Overall the net external debt position of \$201.2 million which was lower than the budget \$238.6 million. The major reason for this is that we prepare the Annual Plan prior to the completion of the 2021/2022 financial year. As a result of the underspend in capital in the 2021/2022 year we overstated the net debt opening position and therefore the net debt year end position in the 2022/2023 Annual Plan.</p>

NOTE 37: EVENTS AFTER THE REPORTING DATE

WATER SERVICES REFORM PROGRAMME

The New Zealand Government is implementing a water services reform programme that is intended to ensure all New Zealanders have safe, clean and affordable water services. The Government believes this will be achieved by establishing new public entities to take on the delivery of drinking water, wastewater and stormwater services across New Zealand. The reform will be enacted by three pieces of legislation:

The Water Services Entities Act 2022, which (as amended by the Water Services Entities Amendment Act 2023 on 23 August 2023) establishes ten publicly owned water services entities and sets out their ownership, governance and accountability arrangements. A water services entity is established (for transitional purposes) on the date on which the appointment of the entity's establishment board takes effect, and its establishment date (operational date) will be a date between 1 July 2024 and 1 July 2026.

The Water Services Legislation Act 2023, which amended the Water Services Entities Act 2022 on 31 August 2023 to provide for the transfer of water services assets and liabilities to the water services entities.

The Water Services Economic Efficiency and Consumer Protection Act 2023, which provides the economic regulation and consumer protection framework for water services. The consumer protection framework will come into force on 1 July 2024 and the rest of the Act came into force on 31 August 2023.

The National Transition Unit within the Department of Internal Affairs issued draft transfer principles and associated guidance in December 2022. These principles may be amended with the passing of the three acts mentioned above. Due to the timing of these legislative changes, the lack of clarity of which assets and functions will transfer and a range of decisions still to be made under the new legislation the financial impact of the transfers cannot be determined with certainty.

INFRASTRUCTURE HOLDINGS LIMITED AND SHAREHOLDING CHANGE

On 1 July 2023 Council transferred its shares in Port Nelson Limited and Nelson Airport Limited to Infrastructure Holdings Limited (IHL). IHL was incorporated in January 2023 and is intended to act as a holding company for Tasman District Council and Nelson City Council (its two shareholders). IHL issued Tasman District Council its own shares as consideration for the transfer of the shares in Port Nelson Limited and Nelson Airport Limited, known as a share for share exchange. Tasman District Council expects that this transaction will result in a derecognition of its interest in Port Nelson Limited and Nelson Airport Limited and the recognition of an interest in IHL.

RESIGNATION OF THE CHIEF EXECUTIVE

On 4 October 2023 the Chief Executive, Janine Dowding announced her resignation effective end of January 2024.

NOTES TO FINANCIAL STATEMENTS

NOTE 38: ELECTED REPRESENTATIVES

In accordance with Schedule 10, Part 3, section 32 of the Local Government Act 2002, the total remuneration and value of other non-financial benefits received by, or payable to the Mayor and Councillors for the year were as follows:

2021/2022 TOTAL COST \$		2022/2023 REMUNERATION \$	2022/2023 ALLOWANCES, EXPENSES AND ADJUSTMENTS \$	2022/2023 TOTAL COST \$
145,585	King T B, Mayor*	156,156	455	156,611
75,776	Bryant S, Deputy Mayor	62,892	8,576	71,468
COUNCILLORS				
58,340	Maling K, Standing Committee Chair	59,184	4,902	64,086
–	Kininmonth M (from 9 October 2022)	34,150	4,327	38,477
45,874	Greening M	47,434	1,300	48,734
–	Maru B (from 9 October 2022)	34,150	10,238	44,388
–	Daikee G (from 9 October 2022)	34,150	1,529	35,679
–	Ellis J (from 9 October 2022)	34,150	1,840	35,990
–	Shallcrass D (from 9 October 2022)	34,150	944	35,094
53,618	Hill C, Standing Committee Chair	59,184	11,730	70,914
45,874	Butler C	47,434	1,300	48,734
49,284	Mackenzie C, Standing Committee Chair	56,706	7,417	64,123
47,966	Walker T	47,428	7,226	54,654
49,624	Dowler B	47,568	6,269	53,837
PREVIOUS COUNCILLORS				
52,116	Wensley D, Standing Committee Chair (to 5 May 2022)	–	–	–
47,532	McNamara D (to 7 October 2022)	13,284	1,278	14,562
45,874	Tuffnell T (to 7 October 2022)	13,284	353	13,637
53,350	Ogilvie D (to 7 October 2022)	13,284	2,723	16,007
47,236	Turley A (to 7 October 2022)	13,284	736	14,020
818,052	Total councillors	807,872	73,143	881,015

*THE MAYOR'S REMUNERATION

Remuneration includes any non-financial benefits provided. The Mayor has full private use of a vehicle to undertake his civic duties. The Remuneration Authority calculation has been used to value this full private use at an annual benefit amount of \$3,990 (2022: \$3,990).

The Mayor's salary set by the Remuneration Authority, is \$156,156, and is paid to the mayor after deducting the car allowance.

COUNCILLORS' ALLOWANCES, EXPENSES AND ADJUSTMENTS

Allowances and expenses include mileage expenses, communication, travel and childcare allowances.

NOTE 39: FINANCIAL PERFORMANCE IN RELATION TO REGULATIONS BENCHMARKS

ANNUAL REPORT DISCLOSURE STATEMENT FOR YEAR ENDING 30 JUNE 2023

What is the purpose of this statement?

The purpose of this statement is to disclose Council’s 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 annual report 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

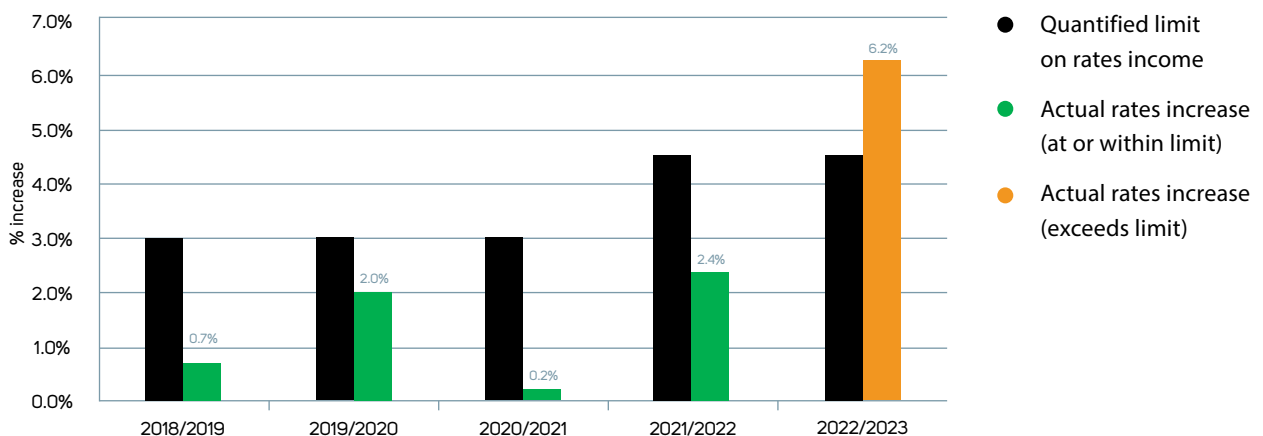
Council meets the rates affordability benchmark if its actual rates increases equals, or are less than, each quantified limit on rates increases.

Rates (increases) affordability

Figure 9 compares Council’s actual rate increases with a quantified limit on rates increases contained in the financial strategy in Council’s Long Term Plan.

The quantified limit is 3% excluding growth per annum for each year covered by the Long Term Plan 2018 – 2028 and 4.5% excluding growth per annum for each year covered by the Long Term Plan 2021 – 2031.

Figure 9. Rates (Income) Affordability



NOTE 39: FINANCIAL PERFORMANCE IN RELATION TO REGULATIONS BENCHMARKS (CONT.)
DEBT AFFORDABILITY BENCHMARK

Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing.

The definitions contained in the regulations differ from those used in Council’s financial strategy contained in the Long Term Plan. The main departure between these two documents relates to the definition of net debt in the regulations compared to net external debt in the financial strategy. The quantified limits on borrowings contained in the benchmark graphs were taken from the financial strategy, and as such were formulated in relation to the definition of net external debt. Actual results are reported using both the prescribed definitions contained in the regulations, and the definition intended by the financial strategy, explained below.

Net external debt is defined in the financial strategy of the Long Term Plan 2021 – 2031 as total external debt less liquid financial assets and investments.

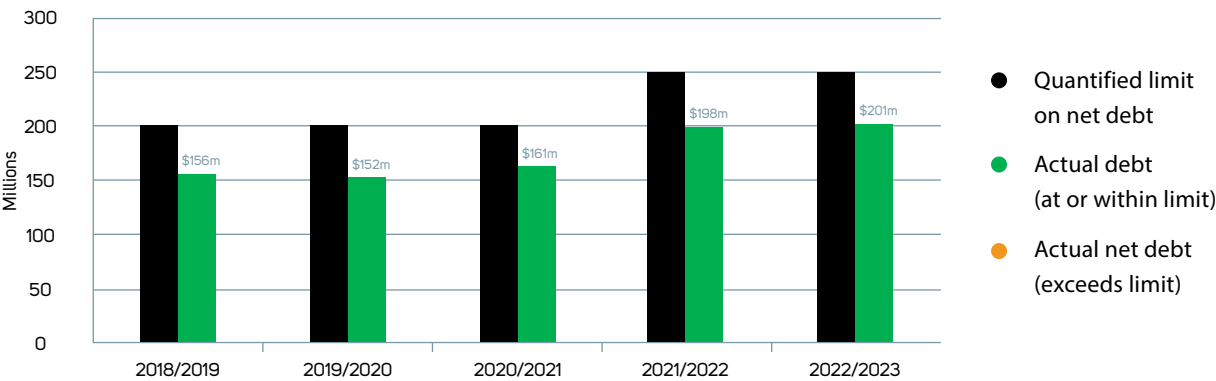
Net debt is defined in the regulations as financial liabilities less financial assets (excluding trade and other receivables). Financial liabilities as defined by GAAP include, gross external debt (aggregate and financial guarantees provided to third parties) plus trade payables and derivative financial 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 CCOs.

External debt limit

Figure 10 compares Council’s actual borrowing with a quantified limit on borrowing stated in the financial strategy contained in Council’s Long Term Plan.

The quantified limit is net external debt not to exceed \$200 million per annum for each year covered by the Long Term Plan 2018 – 2028 and net external debt not to exceed \$250 million per annum for each year covered by the Long Term Plan 2021 – 2031.

Figure 10. Debt Affordability – External Debt Limit



NOTE 39: FINANCIAL PERFORMANCE IN RELATION TO REGULATIONS BENCHMARKS (CONT.)

Net debt to equity

Figure 11 compares Council’s actual net debt with a quantified limit on borrowing stated in the financial strategy contained in Council’s Long Term Plan.

The quantified limit is net external debt to not exceed 20% of equity.

The following graph represents the actual results based on the prescribed definitions in the regulations.

Figure 11. Debt Affordability – Net Debt to Equity

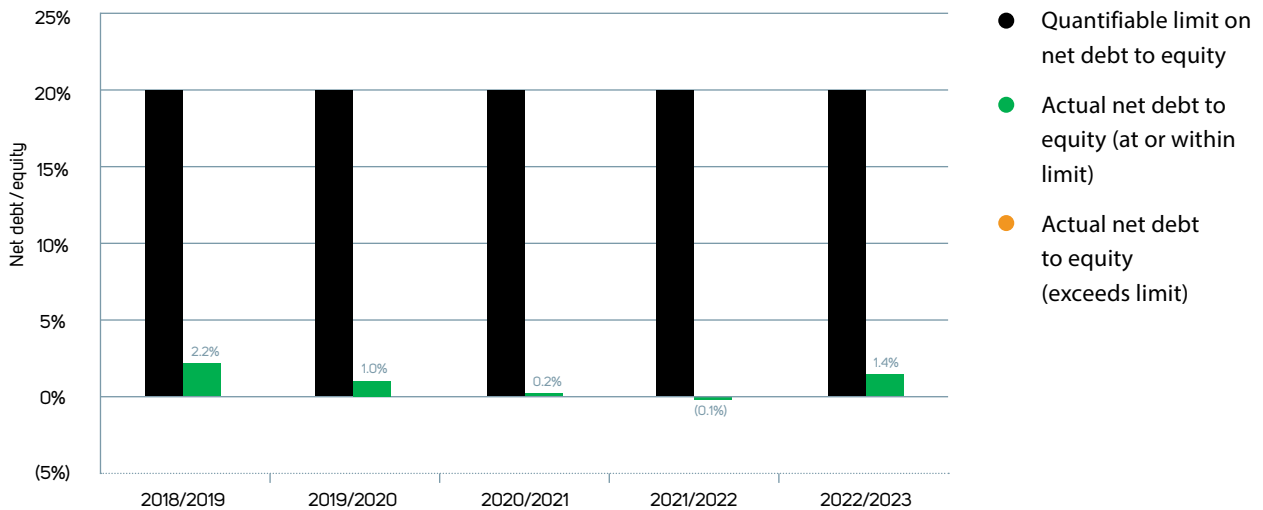
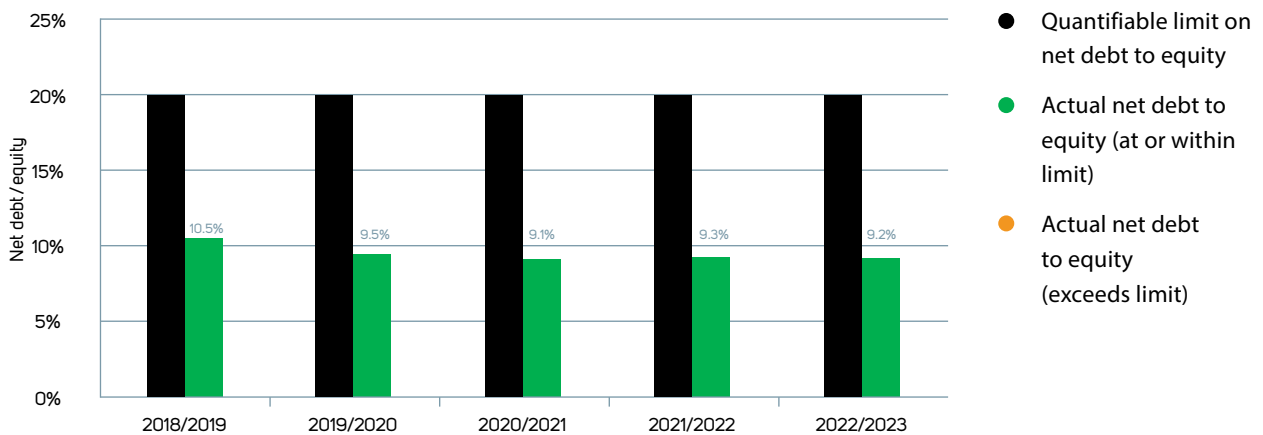


Figure 12 represents the actual results based on the intended definitions contained in the financial strategy.

Figure 12. Debt Affordability – Net Debt to Equity



NOTE 39: FINANCIAL PERFORMANCE IN RELATION TO REGULATIONS BENCHMARKS (CONT.)

Net debt to total operating revenue

Figure 13 compares Council’s actual net debt with a quantified limit on borrowing stated in the financial strategy contained in Council’s Long Term Plan.

The quantified limit is net external debt to net not exceed 225% of total operating revenue.

Total operating revenue is defined in the financial strategy 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. developer contributions and vested assets).

The following graph represents the actual results based on the prescribed definitions in the regulations.

Figure 13. Debt Affordability – Net Debt to Operating Revenue

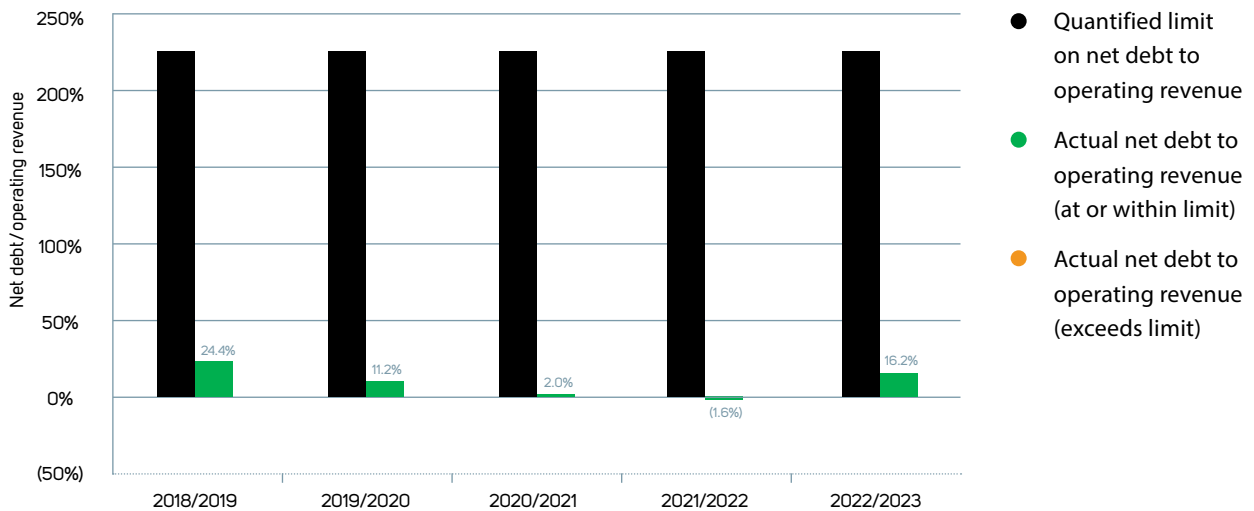
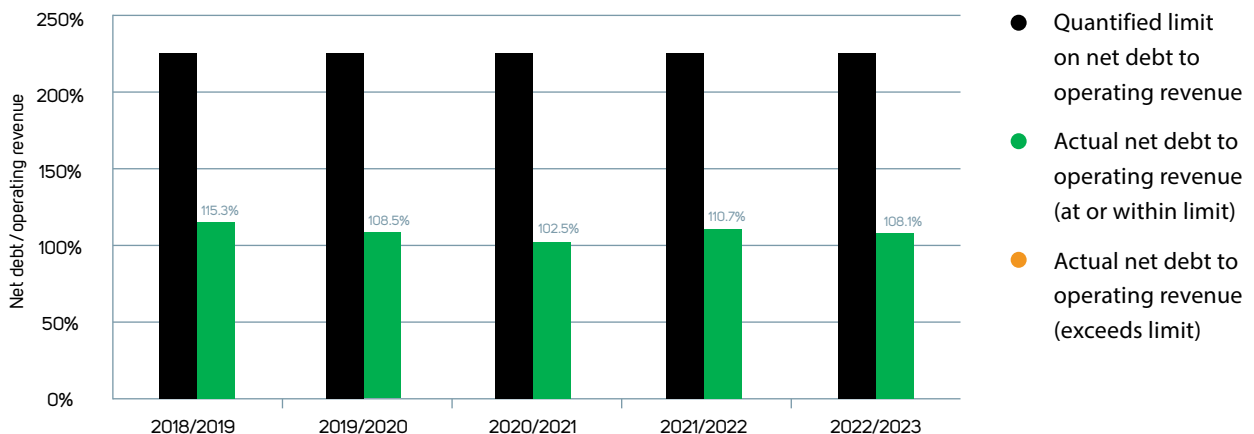


Figure 14 represents the actual results based on the intended definitions contained in the financial strategy.

Figure 14. Debt Affordability – Net Debt to Operating Revenue



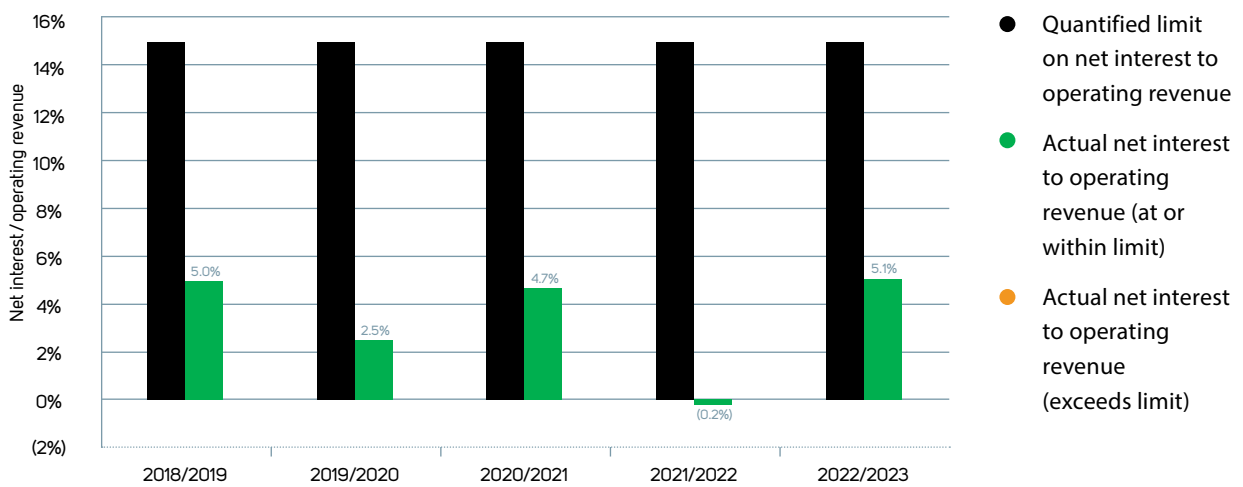
NOTE 39: FINANCIAL PERFORMANCE IN RELATION TO REGULATIONS BENCHMARKS (CONT.)

Net interest to total revenue

Figure 15 compares Council’s actual net interest expense with a quantified limit on borrowing stated in the financial strategy contained in Council’s Long Term Plan.

The quantified limit is net interest on external debt to not exceed 15% of total operating revenue for each year covered by the Long Term Plan 2018 – 2028 and the Long Term Plan 2021 – 2031.

Figure 15. Debt Affordability – Net Interest to Operating Revenue

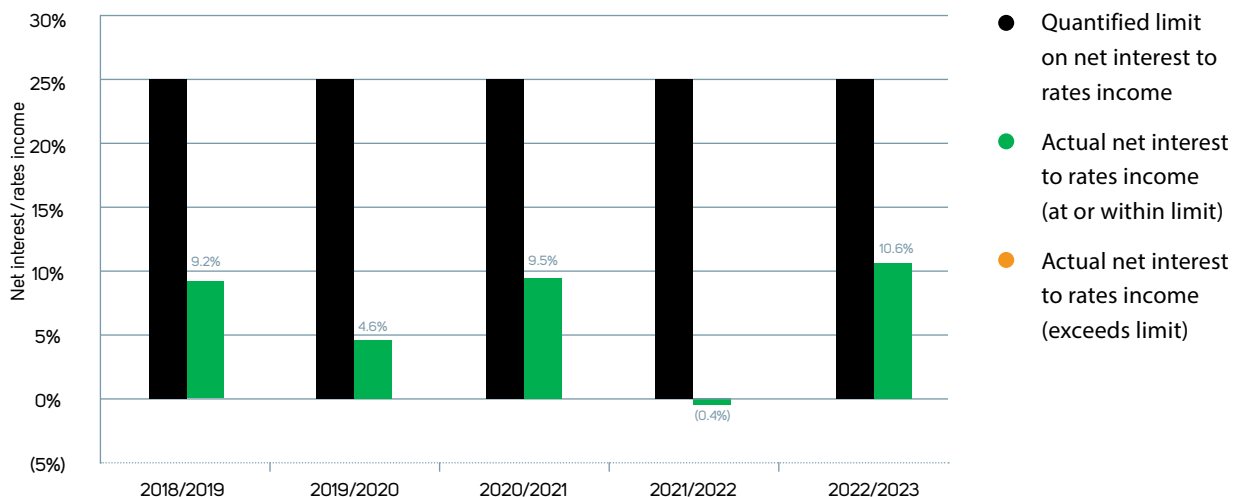


Net interest to total rates revenue

Figure 16 compares Council’s actual net interest expense with a quantified limit on borrowing stated in the financial strategy contained in Council’s Long Term Plan.

The quantified limit is net interest expense on net external debt to not exceed 25% of annual rates revenue.

Figure 16. Debt Affordability – Net Interest to Annual Rates Income



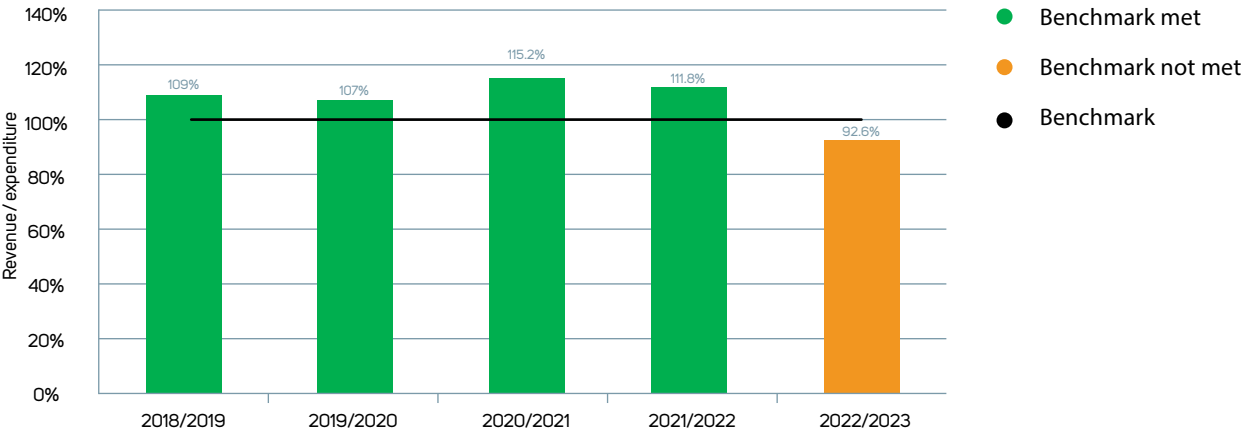
NOTES TO FINANCIAL STATEMENTS

NOTE 39: FINANCIAL PERFORMANCE IN RELATION TO REGULATIONS BENCHMARKS (CONT.)
BALANCED BUDGET BENCHMARK

Figure 17 displays Council's 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 this benchmark if its revenue equals or is greater than its operating expenses.

Figure 17. Balanced Budget Benchmark



NOTE 39: FINANCIAL PERFORMANCE IN RELATION TO REGULATIONS BENCHMARKS (CONT.)
ESSENTIAL SERVICES BENCHMARK

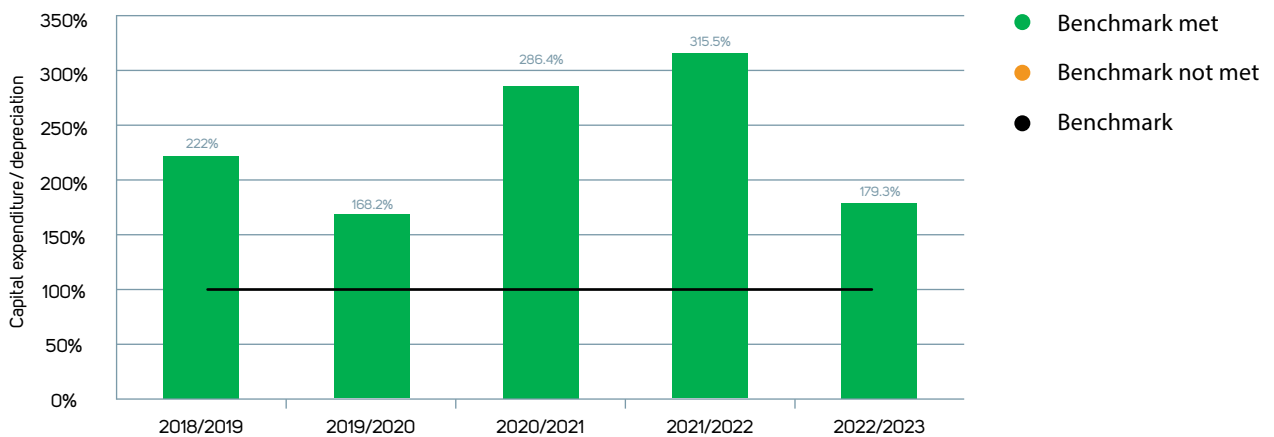
Figure 18 displays Council's capital expenditure on network services as a proportion of depreciation on network services.

The regulations define network services as infrastructure related to water supply, sewerage and the treatment and disposal of sewage, stormwater drainage, flood protection and control works, and the provision of roads and footpaths. Therefore infrastructure related to solid waste, coastal structures, and aerodromes and fixed assets have been excluded from this benchmark.

Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services. Capital expenditure excludes vested assets.

The increase in 2020/21 and 2021/22 is due to capital expenditure for the Waimea Dam through Council's joint operation, Waimea Water Limited.

Figure 18. Essential Services Benchmark



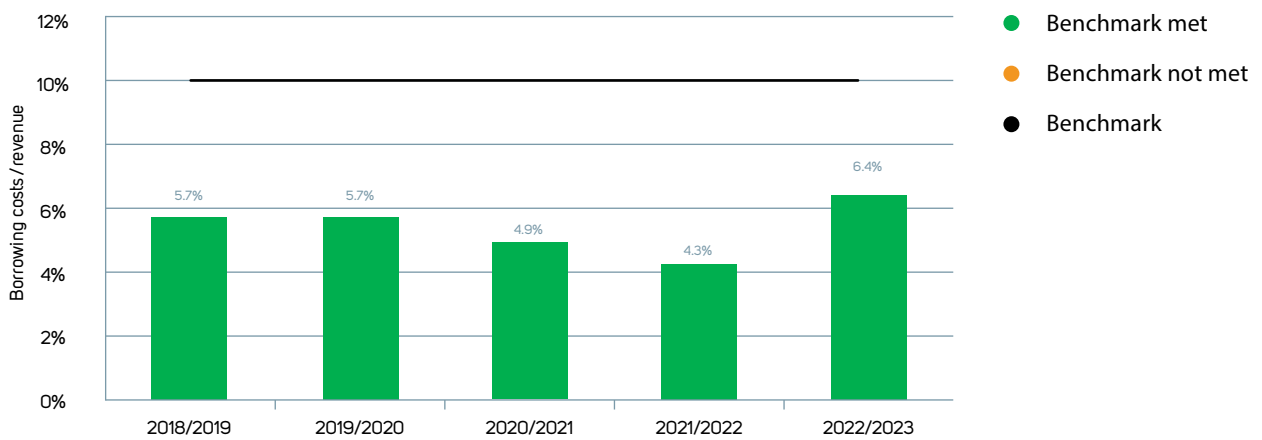
NOTE 39: FINANCIAL PERFORMANCE IN RELATION TO REGULATIONS BENCHMARKS (CONT.)

DEBT SERVICING BENCHMARK

Figure 19 displays Council's borrowing costs as a proportion of 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 Council's population will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if its' borrowing costs equal or are less than 10% of its revenue.

Figure 19. Debt Servicing Benchmark

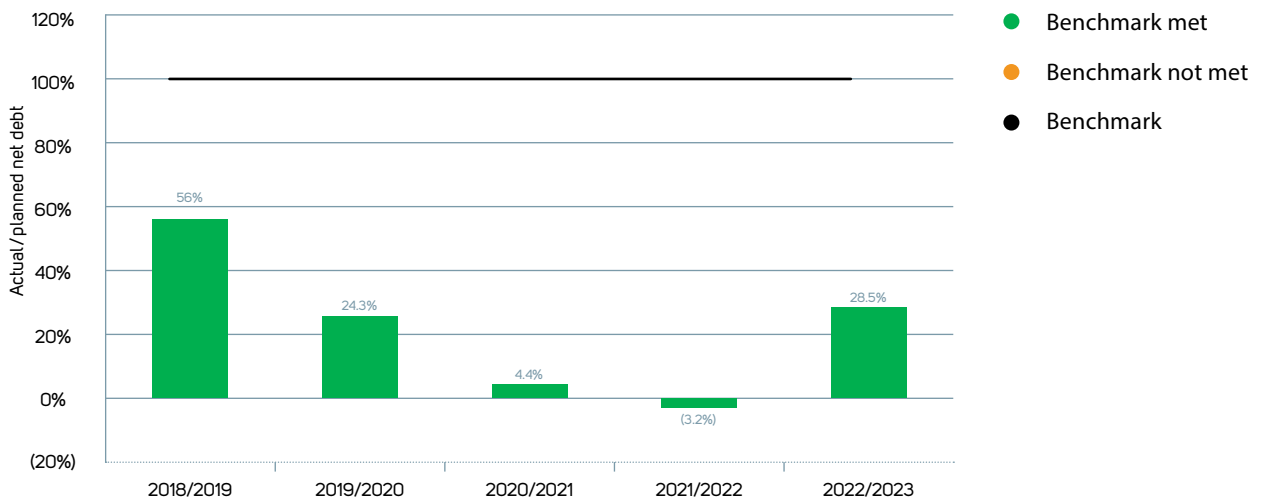


DEBT CONTROL BENCHMARK

Figure 20 displays Council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables).

Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.

Figure 20. Debt Control – Actual Net Debt/Planned Net Debt

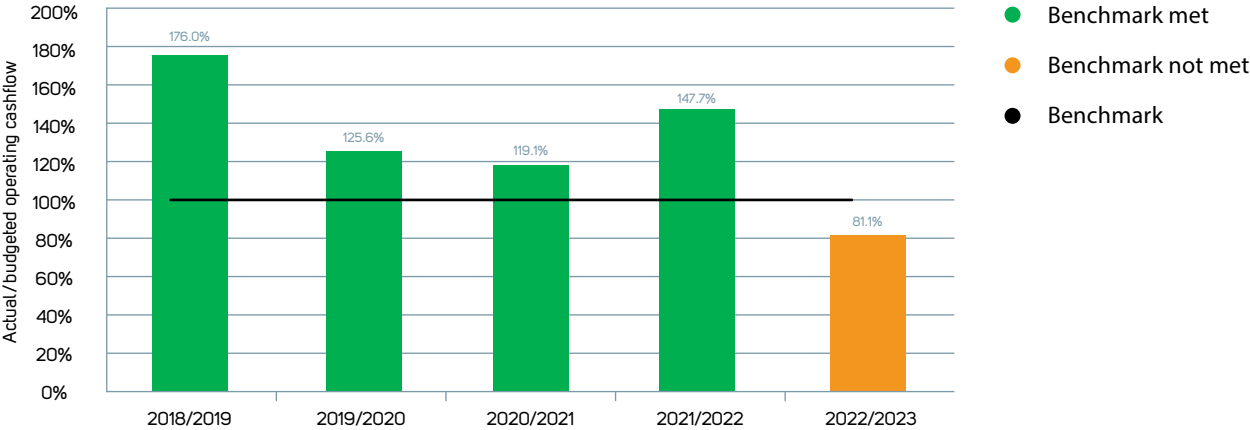


NOTE 39: FINANCIAL PERFORMANCE IN RELATION TO REGULATIONS BENCHMARKS (CONT.)
OPERATIONS CONTROL BENCHMARK

Figure 21 displays Council’s actual net cash flow from operations as a proportion of its planned net cash flow from operations.

Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.

Figure 21. Operations Control – Actual / Budgeted Operating Cashflow



NOTES TO FINANCIAL STATEMENTS

NOTE 40: RATING BASE AND INSURANCE OF ASSETS

The Local Government Act 2002 was amended in early August 2014 and requires information on Council's rating base and insurance of assets.

RATING BASE INFORMATION

With regards to Clause 30A of the Local Government Act 2002 we disclose the following information regarding the rating base as at 30 June 2022 (the preceding year as required by the Act).

Rating unit info as at 30 June 2022:

	COUNT	LAND VALUE	CAPITAL VALUE
Non-rateable 100%	1,100	536,618,650	579,964,650
Non-rateable – services only	265	193,549,102	461,828,366
Total non-rateable	1,365	730,167,752	1,041,793,016
Rateable	25,910	12,512,020,398	23,185,799,434
Total rating units	27,275	13,242,188,150	24,227,592,450

Rating unit info as at 30 June 2021:

	COUNT	LAND VALUE	CAPITAL VALUE
Non-rateable 100%	1,084	533,836,150	576,294,150
Non-rateable – services only	283	194,485,302	457,780,066
Total non-rateable	1,367	728,321,452	1,034,074,216
Rateable	25,378	12,332,464,898	22,514,253,934
Total rating units	26,745	13,060,786,350	23,548,328,150

INSURANCE OF ASSETS

With regards to Clause 31A of the Local Government Act 2002 we disclose the following information regarding the insurance of assets as at 30 June 2023.

The cost of the Canterbury and Kaikōura earthquakes has highlighted the importance of good risk management and the part insurance and/or risk financing plays when it comes to rebuilding public assets. In many instances, councils can provide services in the future only through the continuing use of their assets. Public entities have had to think carefully about how they are managing their risks and how they are using the insurance and risk finance options available to them.

WATER, WASTEWATER, STORMWATER, RIVERS, REFUSE, AERODROMES, PORTS AND COASTAL ASSETS

These activities have a total book value of \$872,420,000 (2022: \$823,347,000). Repairs to these assets following a significant event are covered 40% through Aon collective with a large deductible, with the remaining 60% being funded by central government. Council currently has insurance cover for a \$100 million catastrophic disaster event. Council has a rivers disaster fund and a general disaster fund to contribute the deductible or Council's 40% share if the event is lower than the deductible.

The value of the general disaster fund as at 30 June 2023 is \$141,000 (2022: \$2,588,000).

NOTES TO FINANCIAL STATEMENTS

NOTE 40: RATING BASE AND INSURANCE OF ASSETS (CONT.)

ROADING AND FOOTPATH ASSETS

These activities have a total book value of \$926,871,000 (2022: \$916,711,000) (including land under roads). For this activity of assets, Council would however receive a minimum of 51% subsidy from the Waka Kotahi (NZ Transport Agency) for subsidised roading assets, with the remaining portion of the loss, and non-subsidised assets, to be funded through the general disaster fund and loan funding.

BUILDINGS, PLANT AND EQUIPMENT, AND OTHER ASSETS

This activity has a total asset book value of \$135,037,000 (2022: \$113,541,000) (Land is excluded as is not insured). Total insurance value at 30 June 2023 is \$378,057,000 plus capital additions (2022: \$259,517,000 plus capital additions).

Assets are insured for reinstatement value or indemnity value as per the most current valuation for assets listed in the Statement of Property Insured, with limits of indemnity of \$500,000 (2022: \$2,000,000) for subsidence.

Residential property (material damage) at most recent valuation for assets listed in the Statement of Property Insured, with limits of indemnity of \$2,000,000 for capital additions, construction/alterations of \$2,000,000 (2022: as per 2023) and landslip/subsidence of \$500,000 (2022: \$2,000,000).

The harbourmaster boat is insured for \$365,000 (2022: \$370,767).

VEHICLES

This activity has a total asset book value for insurance purposes of \$501,000 (2022: \$618,000). All vehicles are insured for market value or replacement value (if vehicle is less than 12 months old).

SELF-INSURANCE FUND

Council has a self-insurance fund for assets that are uneconomic to insure. The value of this fund as at 30 June 2023 is \$1,202,000 (2022: \$1,156,000) and is used to cover deductibles, excesses, and small assets not on the material damage.

NOTE 41: COMMITMENTS AND CONTINGENCIES

CONTRACTUAL CAPITAL COMMITMENTS

These are capital commitments for which a formal contract has been entered at 30 June 2023.

CONTRACTUAL CAPITAL COMMITMENTS	30 JUNE 2023 \$000
Transportation	802
Three waters	7,828
Refuse	126
Share of joint operation – (WWL, NRSBU, NTRLBU)	9,757
Land and buildings	368
Rivers	2,295
Others	4,116
Total capital commitments 30 June 2023	25,292

NOTES TO FINANCIAL STATEMENTS

NOTE 41: COMMITMENTS AND CONTINGENCIES (CONT.)

These are capital commitments for which a formal contract has been entered at 30 June 2022.

CONTRACTUAL CAPITAL COMMITMENTS	30 JUNE 2022 \$000
Transportation	653
Three waters	2,916
Refuse	–
Share of joint operation – (WWL, NRSBU, NTRLBU)	9,716
Land and buildings	512
Rivers	2,953
Others	79
Total capital commitments 30 June 2022	16,829

These commitments are based on the legal commitment outstanding under contracts. They do not take into account any additional work required due to emergency events or any adjustments to costs based inflation.

OPERATING LEASES AS LESSEE

Council has no material operating leases as lessee.

GUARANTEE – NEW ZEALAND LOCAL GOVERNMENT FUNDING AGENCY LIMITED

Tasman District Council is a guarantor of the New Zealand Local Government Funding Agency Ltd. The New Zealand Local Government Funding Agency Ltd was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand and it has a current credit rating from Standard and Poor's of AAA for domestic currency and AA+ for foreign currency.

Tasman District Council is one of 30 local authority shareholders and 68 local authority guarantors of the NZLGFA. In that regard, it has uncalled capital of \$1.866 million. When aggregated with the uncalled capital of other shareholders, \$20 million is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, Tasman District Council is a guarantor of all of NZLGFA's borrowings. At 30 June 2023, NZLGFA had borrowings totalling \$17.684 billion (2022: \$15.789 billion). Council is 8.3% shareholder (2022:8.3%).

PBE Accounting Standards require the Council to initially recognise the guarantee liability by applying the 12-month expected credit loss (ECL) model (as fair value could not be reliably measured at initial recognition), and subsequently at the higher of the provision for impairment at balance date determined by the ECL model and the amount initially recognised. The Council has assessed the 12-month ECL of the guarantee liability, based on market information of the underlying assets held by the LGFA. The estimated 12-month expected credit losses are immaterial due to the very low probability of default by the LGFA in the next 12 months. Therefore, the Council has not recognised a liability.

Financial reporting standards require the Council to recognise the guarantee liability at fair value.

However, the Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. The Council considers the risk of NZLGFA defaulting on repayment of interest or capital to be very low on the basis that:

- it is not aware of any local authority debt default events in New Zealand; and
- local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required.

NOTES TO FINANCIAL STATEMENTS

NOTE 41: COMMITMENTS AND CONTINGENCIES (CONT.)

WAIMEA WATER LIMITED JOINT OPERATION

The joint venture between the Council and Waimea Irrigators Ltd (WIL) to create Waimea Water Ltd (WWL) for the construction and operation of the Waimea Community Dam is a significant project with multiple purposes and benefits:

- Providing the community with water security and supporting a growing population, particularly in the face of a changing climate.
- Healthy Lee and Waimea rivers for swimming, fishing and other recreational activities.
- Healthier rivers for aquatic life to thrive.
- A robust and more resilient economy strengthened by the success of horticulture and farming industries and the subsequent growth of associated secondary and tertiary industries.
- Enabling residential, commercial and industrial investment and development, which brings jobs and associated economic activity now and for future generations.

Project status

The key milestone this year was the completion of the dam's main features and the closure of the culvert so the reservoir could start to fill naturally over the winter months.

Mechanical and electrical works started in June 2023, with completion and final commissioning expected by April 2024.

Project risks

Project risks, particularly those related to geology and weather, largely dissipated with closure of the diversion culvert and reservoir in May 2023. Mechanical and electrical costs are also now largely known with procurement completed.

Key significant residual risks, not valued, and mitigation plans are shown below.

RISK	PLANNED MITIGATION ACTIVITIES
Greater embankment settlement than expected could put dam face mechanical systems out of alignment. Greater than expected seepage.	Contingency plan to lower reservoir after 2023/2024 season to re-install rails and address any issues with seepage.
Unexpected outcome from Contractor-initiated arbitration that is contrary to engineer and adjudication decisions.	Continue preparing with independent experts.
Design release flows not sufficient due to increased losses and demand (climate change impacts).	Feasibility study into gates.

NOTES TO FINANCIAL STATEMENTS

NOTE 41: COMMITMENTS AND CONTINGENCIES (CONT.)

Project cost and funding

Since the decision to proceed with the construction of the Dam was made in 2018, the estimated expenses for the construction of the Dam have increased, from the initial estimate of \$104.5 million to \$198.2 million at 30 June 2023 (2022: \$158.5 million). The increased cost was due to:

- Encountered geology more challenging than expected, \$43 million;
- Mechanical and electrical costs, \$22 million; and
- Other project costs, \$39.5 million.

WWL is fully funded by its shareholders, TDC and WIL, to the expected project cost of \$198.2 million.

Funding is sourced from irrigator equity contributions, loans from Crown Irrigation Investments Ltd (CIIL), TDC reserves, grants from the Ministry for the Environment and Nelson City Council (NCC), and loans from the Local Government Funding Agency (LGFA). Interest has also been earned by WWL from term deposits. Financing costs are shared between shareholders via water charges.

TOTAL WWL AGREED FUNDING AGREEMENTS AS AT 30 JUNE 2023:

Council equity contributions, \$72.3 million (2022: \$72.3 million)

This equity payment, primarily results in voting shares to the Council and is included in the Council's accounting interest. This accounting interest is used to calculate Council's share of assets in the Dam. \$1.5 million of the equity contributions do not result in voting shares and are excluded in the accounting interest calculation. The total equity contributions are funded mostly through \$25.3 million LGFA borrowings (rate funded debt), \$5.0 million Nelson City Council grant, \$7.0 million Crown FIF grant, \$3.0 million Council's enterprise reserves (forestry), \$10.0 million interest free CIIL environmental loan, \$9.6 million development contributions.

Equity contributions made by Council to 30 June 2023: \$67.3 million (2022: \$55.0 million).

WIL equity contributions, \$26.0 million (2022: \$26.0 million)

WIL equity contributions results in voting shares to the WIL and therefore reduce Council's accounting interest.

Contributions made by WIL 30 June 2023: \$26.0 million (2022: \$26.0 million).

Council capacity shareholder advance \$28.0 million (2022: \$11.6 million convertible advance and \$8.75 million non-convertible advance)

This loan is the Council's responsibility, and it can now be fully converted to voting shares, this is included in the Council's accounting interest.

Interest cost of up to \$376,000 p.a for the period up to 30 June 2026 are recovered from WIL through the WWL water charges.

The remaining interest costs of the Council's portion of the shareholder advances and its additional equity contribution will be funded through the Council's Urban Water account for extractive capacity and through the Zone of Benefit rate and District-wide fixed charge for the environmental and public benefits.

Draw down to 30 June 2023: \$26.2 million (2022: 10.7 million).

NOTES TO FINANCIAL STATEMENTS

NOTE 41: COMMITMENTS AND CONTINGENCIES (CONT.)

Irrigator extractive capacity shareholder advance \$45.0 million (2022: \$24.8 million)

This shareholder advance is funded through external borrowings (note 25), that the Council will draw down through Crown Irrigation Investments Limited (CIL) (interest free loans) and the Local Government Funding Agency (interest at Council's borrowing rates).

These funds are then passed to Waimea Water Limited as shareholder advances, and recorded in Council's other financial assets (note 13). The advances are recorded at amortised cost using the discounted cashflow method, the present value of future payments of interest and principal.

Waimea Irrigators Limited is servicing the majority of this debt, because this advance relates to irrigator extractive capacity.

Waimea Irrigators Limited is effectively servicing this debt indefinitely, except for the interest bearing portion in the first five years of \$10.1 million of the debt which is funded through Council's general rates. The remaining interest is on charged by Council to WWL. WIL pays WWL for the interest via water charges.

In addition to the \$45 million, there is a new facility of \$3m. This new facility is to refinance some irrigator costs to enable Waimea Irrigators Ltd to smooth the water charges to its shareholders.

Draw down to 30 June 2023: \$37.0 million (2022: \$21.0 million), face value of other financial assets (note 13, note 30).

Further detail regarding the irrigator extractive capacity shareholder advance:

After 40 years, according to the Shareholder Advance Agreement, Waimea Water Limited must seek to refinance this advance on commercial terms, subject to Council agreement. If the refinancing is agreed on commercial terms, the loan will be directly between Waimea Water Limited and a commercial entity. The decision related to the refinancing of the loan in 40 years, will be a shareholder reserve matter (requires agreement of Waimea Water Limited, Waimea Irrigators Limited and the Council).

If Waimea Water Limited does not succeed with this, or agreement between Council and Waimea Irrigators Limited is not reached, Council has a contractual option to roll over this loan, in five year terms. It is quite possible that irrigator capacity shareholder advances will be rolled over in perpetuity.

In either of the scenarios above, the Council will require Waimea Irrigators Limited to continue to be responsible for servicing this loan. If Waimea Irrigators Limited disagrees then there is a provision in the Council's Revenue and Financing Policy for a targeted rate to be charged to properties with affiliated consents to take water. Therefore, either way Waimea Irrigators Limited or their shareholders shall service the debt. This is because it is related to irrigator extractive capacity.

The Council could also decide to fund the repayment of the loan, which would result in the Council receiving ordinary shares with voting rights, so long as the Council still has less than 75% of voting rights, otherwise some shares would be non-voting. We have assumed that the Council will not take this option, as this would create interest costs in the Council, which contractually sit with Waimea Irrigators Limited. It is for this reason that the Council deems the accounting interest in this advance to sit with Waimea Irrigators Limited, not the Council. This assumption would be revisited if it became probable that the Council may convert the loan to equity. The likely accounting impact would be an increase to debt and property, plant and equipment. Although, this is not deemed likely.

Another possibility, which would need further agreement, is that the Council may allow Waimea Irrigators Limited to pay off the loan in return for ordinary shares with voting rights. This is deemed a possibility, given Waimea Irrigators Limited will be servicing the debt, without the benefit of obtaining future voting rights. In the unlikely event of a liquidation, the ordinary shares which have voting rights, give the right to the net assets of Waimea Water Limited.

NOTES TO FINANCIAL STATEMENTS

NOTE 41: COMMITMENTS AND CONTINGENCIES (CONT.)

CIL Loan \$25 million (2022: \$25 million)

Crown Irrigation Investments Ltd (CIIL) issued a loan of \$25 million to Council's joint operation WWL. WWL is responsible for the servicing and repayment of this loan. The repayments are funded through water charges paid by WIL. WIL is jointly and severally liable with WWL for the loan as co-obligor and guarantor of all of WWL's obligations under the loan. With the exception of \$1.5 million, as the loan is repaid, or if the Council credit support is released, WIL's Non-voting Shares will be converted into Ordinary Shares periodically. This loan is not recognised in Council's financial statements as a liability but is included in the calculation of its interest in WWL.

The Council has provided credit support for this loan to the value of \$29 million (includes capitalised interest and fees). This means that CIIL may call on the Council to satisfy the Company's obligations to CIIL in relation to repayment of the CIIL loan, in accordance with the Project Deed.

No liability has been recognised in relation to the Council's credit support for the CIIL loan. The risk of default of the CIIL loan is as low and as such the liability as nil. While there is a possibility that the liability will accrue a series of circumstances would have to occur which are considered unlikely.

Draw down to 30 June 2023: \$25.0 million (2022: \$25.0 million).

Interest income, \$2.3 million

Of the \$198.2 million project cost, funding is required for \$195.9 million as there is Interest Income in WWL \$1.4m and capitalised Interest CIIL from the CIL loan \$0.9 million.

Compensation clause

Under the terms of the Project Deed (the Deed), a compensation clause is in place.

If within 40 years, Council does not honour the specific provisions of the deed related to its statutory powers and knowingly takes a course of action that is not consistent with the partnership entered into then it may face liability for the economic losses to the irrigators. The Council's maximum exposure is limited to \$50 million in aggregate.

The Council remains committed to the joint operation and the Deed. There is no contingent liability or guarantee to be recognised as at 30 June 2023 (30 June 2022: Nil) in relation to the compensation clause.

CONTINGENT LIABILITIES

Council has contingent liabilities of \$Nil (30 June 2022: \$Nil). Council has no contingent claims against other parties (30 June 2022: Nil).

Council is a signatory to the Government's leaky homes package, which may expose Council to up to 25% of any settlement costs.

Council is also exposed to potential future claims which have not yet been advised until the statutory limitation period expires. The amount of potential future claims are not able to be reliably measured and is therefore unquantifiable.

Claims must be made within 10 years of construction, or alteration of the dwelling, in order for the claim to be eligible under the WHRS Act 2006, but other statutory limitation periods could also affect claims.

NOTES TO FINANCIAL STATEMENTS

NOTE 41: COMMITMENTS AND CONTINGENCIES (CONT.)

Risk Pool provides public liability and professional indemnity insurance for its members. Council was a member of Risk Pool until 1 July 2016. The Trust Deed of Risk Pool provides that, if there is shortfall (whereby claims exceed contributions of members and reinsurance recoveries) in any funding year, then the Board may make a call on members for that fund year. The Scheme is in wind down, however the Council has an ongoing obligation to contribute to the scheme should a call be made in respect of any historical claims (to the extent those claims are not covered by reinsurance), and to fund the ongoing operation of the scheme. The likelihood of any call in respect of historical claims diminishes with each year as limitation periods expire. However, as a result of the Supreme Court decision on 1 August 2023 in Napier City Council v Local Government Mutual Funds Trustee Limited, it has been clarified that Risk pool has a liability for that member's claim in relation to non-weathertight defects (in a mixed claim involving both weathertight and non-weathertight defects). Risk pool has advised that it is working through the implications of the Supreme Court decision. At this point any potential liability is unable to be quantified.

Council is required to undertake seismic assessments of some of its buildings in accordance with the Building Act and its own policies for Earthquake Prone, Dangerous and Insanitary Buildings. All required assessments have now been completed. Our offices and public buildings having either been upgraded or their maximum occupancies have been reclassified to meet the standards.

A detailed assessment of the Richmond office main building was completed in 2020/2021. This identified that the civic area was <20% of the New Building Standard (NBS), and this was strengthened in 2021. The balance of the complex has been assessed at <34% NBS, apart from a 2012 addition which is 35% of NBS. Structural Improvements commenced in 2022 and are due to be completed in 2024. As the complex is treated as one building, an earthquake prone building notice has been issued to Council. This provides that Council has until 4 June 2033 to strengthen the building.

Asbestos assessment reports were completed for Council's buildings in 2018. We have substantially progressed action on rectifying any building elements that were identified in the reports as Asbestos Containing Materials (ACM's) or with assumed ACM's and had a condition rating of "poor". We have also engaged a certified asbestos assessor to provide more detailed reports. Most of the identified issues have been addressed or are encapsulated and only require further inspection prior to any disturbance.

The Council is carrying out a condition assessment of Council owned buildings with an intention to produce reliable 20 year expenditure budgets.

OTHER CONTINGENT ASSETS

2023: \$Nil (2022: \$Nil).

JOINT VENTURES CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Port Nelson is a party to an investigation following an incident in January 2023. There is potential for charges to be filed against Port Nelson however, as of the balance date no charges have been laid. It is expected that any financial impact on Port Nelson will be not material (2022: \$Nil).

There are no other material contingent assets or liabilities to record as at the date of this Annual Report.



APPENDICES



APPENDIX ONE: APPLICATIONS PROCESS

RESOURCE MANAGEMENT ACT 1991

TYPE OF CONSENT	AVERAGE (2018 – 2022)	OUTCOME 2022	OUTCOME 2023
Land use	545	625	447
Water	191	125	71
Discharge	156	160	149
Coastal	19	12	31
Subdivision	132	142	99
Title plans	132	127	101
Completion Certificates	125	113	111
Certificates of Compliance	7	5	1
Deemed Permitted Boundary Notices	46	53	41
Marginal or Temporary Exemption Notices	19	20	10
Resource Consent (Permit) Transfers	156	77	233
Right of Way (s348 Local Govt. Act 1974)	8	7	10
Total	1536	1466	1304

BUILDING ACT 2004

TYPE OF CONSENT	AVERAGE NUMBER ISSUED 2018 – 2022	NUMBER ISSUED 2022	NUMBER ISSUED 2023	AVERAGE VALUE IN \$M 2018 – 2022	VALUE IN \$M 2022	VALUE IN \$M 2023
Dwelling	477	515	481	224.4	265.7	274.0
Commercial	43	39	39	44.5	58.0	49.6
Other	769	796	702	47.6	60.6	56.7
Total	1289	1350	1222	316.5	384.3	380.3

APPENDIX ONE: APPLICATIONS PROCESS

LICENCES

TYPE	AVERAGE (2018 – 2022)	OUTCOME 2022	OUTCOME 2023
Food premises/operators	343	371	392
Hairdressers	43	42	40
Campgrounds	40	43	39
Hawkers/mobile traders	43	34	37
Others	8	10	8
Commercial vessel operators	23	19	20

SALE OF ALCOHOL

TYPE	AVERAGE (2018 – 2022)	OUTCOME 2022	OUTCOME 2023
Manager's certificate	238	291	284
On/off licence	93	101	69
Club licence	10	13	10
Special licence	54	38	69
Temporary authority order	13	12	7

OTHER

TYPE	AVERAGE (2018 – 2022)	OUTCOME 2022	OUTCOME 2023
Land Information Memoranda	744	698	745
Complaints received	2686	2470	2254
Abatement notices issued	53	19	8
Infringement notices issued	59	41	57
Enforcement orders	1	–	–
Excessive noise directions	179	203	154

APPENDIX TWO: COUNCIL'S COMMITTEES, RESPONSIBILITIES, PORTFOLIOS AND MEETING ATTENDANCE

COUNCIL STANDING COMMITTEES

There are three standing committees of the Council, each with delegated powers. All Councillors and the Mayor are members of these committees, which meet every six weeks. There can also be an appointed iwi representative on each of these committees, as well as for Full Council, with voting powers but no representatives were appointed in 2022/2023.

COMMITTEE	PURPOSE	CHAIR
Strategy and Policy	<p>The Strategy and Policy Committee's purpose is to guide, approve, and oversee:</p> <ul style="list-style-type: none"> The Council's strategy and policy programmes, services, activities and associated projects, including public consultation. The development and growth of the district, land and resource use, and the provision of infrastructure. Any policies and plans required under the Resource Management Act 1991 (RMA). <p>The primary areas of responsibility of the Committee are:</p> <ul style="list-style-type: none"> electoral and democratic functions of local government in the Tasman District; Long Term Plans, Annual Plans, Activity Management Plans, Statutory Policies, and Annual Reports; and Resource Management Act Policies and Plans. 	Councillor Kit Maling
Environment and Regulatory	<p>The Environment and Regulatory Committee's purpose is to oversee the Council's regulatory programmes, services, and activities and provide governance oversight of Council's sustainable management of natural and physical resources within the Tasman Region.</p> <p>The primary areas of responsibility of the Committee are:</p> <ul style="list-style-type: none"> monitoring and enforcing Council's Resource Management Act functions; enforcing Council's other regulatory functions; and undertaking bylaw preparation processes. 	Councillor Chris Hill
Operations	<p>The Operations Committee's purpose is to oversee the Council's operational programmes, services, activities and projects.</p> <p>The primary areas of responsibility of the Committee are:</p> <ul style="list-style-type: none"> overseeing and monitoring and Council's operational functions; and overseeing and monitoring Council's capital works programme. 	Councillor Christeen Mackenzie

OTHER COUNCIL COMMITTEES

These committees include a smaller number of councillors alongside appointed members with expertise in a particular area.

COMMITTEE	PURPOSE	MEMBERS	CHAIR
Audit and Risk	<p>The Audit and Risk Committee's purpose is to assist and advise the Council and the Chief Executive in their governance, internal control and risk management responsibilities.</p> <p>The focus of the Committee is:</p> <ul style="list-style-type: none"> Ensuring that the Council has appropriate controls consistent with the public interest. Overseeing good financial and cultural governance. 	<p>Deputy Mayor Stuart Bryant</p> <p>Councillors Celia Butler, Christeen Mackenzie, and Trindi Walker</p> <p>Graeme McGlinn (appointed independent member)</p>	<p>Graham Naylor (appointed independent member)</p>
CEO Review	<p>The purpose of this Committee is to oversee matters associated with the employment of the Chief Executive Officer (CEO). It can:</p> <ul style="list-style-type: none"> Make recommendations to the Council on the initial employment, reemployment, remuneration, resignation or dismissal of the Chief Executive Officer. Negotiate, set objectives and review the performance and remuneration for the Chief Executive each year. Handle all routine CEO contract/employment matters not dealt with by the Mayor. 	<p>Deputy Mayor Stuart Bryant</p> <p>Councillor Christeen Mackenzie</p>	<p>Mayor Tim King</p>
Enterprise	<p>The Enterprise Committee helps develop, approve, implement and monitor management of Council's commercial activities.</p> <p>Commercial activities include:</p> <ul style="list-style-type: none"> Ports Forestry Aerodromes Campgrounds Council's commercial property portfolio 	<p>Councillors Chris Hill, Mike Kininmonth Christeen Mackenzie, and Kit Maling</p> <p>Independent members Maonli Aerakis, Kevin Armstrong, and Roger Taylor</p>	<p>Councillor Barry Dowler</p>

APPENDIX TWO: COUNCIL'S COMMITTEES, RESPONSIBILITIES, PORTFOLIOS AND MEETING ATTENDANCE

OTHER COUNCIL COMMITTEES (CONT.)

COMMITTEE	PURPOSE	MEMBERS	CHAIR
District Licensing	This Committee operates under the Sale and Supply of Alcohol Act 2012 and is responsible for determining applications for licences to sell alcohol.	Councillor Jo Ellis Independent members Michael Fitzsimons, Laurence Gabites, and David Lewis	Councillor Brent Maru
Tenders/ Procurement Panel	The purpose of the Tenders/Procurement Panel is to award tenders for contracts and land purchases which exceed \$1 million or that deviate from our existing Procurement policies.	Deputy Mayor Stuart Bryant Councillors Kit Maling, and Mike Kininmonth	N/A

COUNCIL SUBCOMMITTEES

In addition to the above committees, the Council has several special purpose subcommittees. These have delegated powers and only meet as required. Their level of autonomy varies depending on the specific delegations – some can make decisions in their own right while others make recommendations to their parent committee or Full Council.

The Mayor is a member of all subcommittees. The current subcommittees are:

COMMITTEE	PURPOSE	MEMBERS	CHAIR
Animal Control	The purpose of this subcommittee is to conduct hearings and make determinations under the Dog Control Act 1996. This subcommittee reports to the Environment and Regulatory Committee.	Deputy Mayor Stuart Bryant and Councillor Kit Maling	Councillor Chris Hill
Community Awards	The purpose of this Subcommittee is to evaluate Community Award nominees and their contributions to the community for outstanding service. This subcommittee reports to the Operations Committee.	Councillors Jo Ellis, Mike Kininmonth, and Brent Maru	Councillor Celia Butler
Community Grants	The purpose of this Subcommittee is to administer community grants. This subcommittee reports to the Operations Committee.	Deputy Mayor Stuart Bryant Councillors Glen Daikee, Chris Hill, and Dan Shallcrass	Councillor Trindi Walker
Creative Communities	The purpose of this Subcommittee is to consider local applications to the Creative Communities Scheme and provide grants. This subcommittee reports to the Operations Committee.	Councillor Trindi Walker Community representatives	Councillor Celia Butler
Golden Bay Recreation Park Management	The purpose of this Subcommittee is to oversee the management of land and buildings in the Golden Bay Recreation Park. This subcommittee reports to the Operations Committee.	Councillor Celia Butler Independent members Duncan McKenzie, Lorna Pomeroy, Wayne Packard, and Phil Smith	Councillor Chris Hill

JOINT COMMITTEES AND WORKING PARTIES

These are committees and working parties made up of representatives of both Tasman District Council and Nelson City Council. The Tasman District Council members of the committees are listed below.

COMMITTEE	PURPOSE	TASMAN MEMBERS
Joint Committee	The purpose of this Committee is to determine matters relating to Port Nelson Ltd, Nelson Airport Ltd, and Tasman Bays Heritage Trust.	Mayor Tim King, Deputy Mayor Stuart Bryant, and all Councillors
Nelson Tasman Regional Transport Committee	This Committee operates under the Land Transport Act 2003 and is responsible for preparing a regional land transport strategy, regional land transport programme, regional fuel tax scheme, and any advice and assistance the Council may request about its transport responsibilities.	Deputy Mayor Stuart Bryant and Councillor Barry Dowler Alternate members – Councillors Celia Butler, Jo Ellis
Joint Shareholders Committee	The purpose of this Committee is to appoint and set remuneration for directors and other matters relating to jointly owned Council Controlled Organisations.	Mayor Tim King, Deputy Mayor Stuart Bryant Councillors Chris Hill, Kit Maling, Christeen Mackenzie, and Barry Dowler
Nelson Regional Sewerage Business Unit (NRSBU)	The purpose of this Committee is to look after the Regional Sewerage Scheme.	Councillors Barry Dowler and Kit Maling
Saxton Field Committee	The purpose of this Committee is to oversee Saxton Field and its facilities.	Councillors Jo Ellis and Brent Maru
Nelson Tasman Regional Landfill Business Unit (NTRLBU)	The purpose of this Committee is to look after the regional landfill unit.	Deputy Mayor Stuart Bryant and Councillor Trindi Walker
Civil Defence and Emergency Management Group	The purpose of this Committee is to look after matters relating to Civil Defence and Emergency Management.	Mayor Tim King and Deputy Mayor Stuart Bryant
Regional Pest Management Joint Committee	The purpose of this Committee is to oversee the development and delivery of regional pest management.	Deputy Mayor Bryant, Councillors Celia Butler, and Mike Kininmonth
Nelson Tasman Joint Waste Review Working Party	The purpose of this committee is to develop a work programme for reviewing and amending the Joint Waste Management and Minimisation Plan (the Waste Plan).	Councillors Glen Daikee, Brent Maru, and Christeen Mackenzie
Nelson Tasman Joint Cemetery Working Group	The purpose of this committee is to provide high level guidance and support to officers from both councils to develop a Memorandum of Understanding and a Business Case for a Regional Cemetery.	Councillors Kit Maling and Mike Kininmonth

COUNCIL REPRESENTATIVES AND APPOINTMENTS

The following are external groups and committees that elected members are appointed to.

APPOINTMENT	TASMAN MEMBERS
Local Government New Zealand – Zone 5	Mayor Tim King and Chief Executive
Regional Sector Group	Mayor Tim King and Chief Executive
Rural and Provincial Sector	Mayor Tim King or Deputy Mayor Stuart Bryant as alternate
Project Kōkiri Leadership Group	Mayor Tim King
Nelson Tasman Climate Forum	Councillor Trindi Walker (Councillor Celia Butler as alternate)
Accessibility 4 All (A4A) Forum	Councillor Glen Daikee
Friendly Towns	Councillors Jo Ellis (Richmond) and Trindi Walker (Motueka)
Iwi liaison	Mayor Tim King and Chief Executive
Māpua Waterfront Area Masterplan working group	Councillor Mike Kininmonth
Motueka Aerodrome Advisory Group	Councillor Barry Dowler (Councillor Trindi Walker as alternate) One Motueka Community Board member (appointed by the Motueka Community Board)
Native Habitats Trust	Councillors Celia Butler and Glen Daikee
Nelson Tasman Business Trust	Councillor Kit Maling (trustee in a personal capacity)
Positive Ageing	Councillor Mike Kininmonth
Port Tarakohe Advisory Group	Councillors Celia Butler (chair) and Chris Hill One member of the Enterprise Committee (appointed by the Enterprise Committee), one Golden Bay Community Board member (appointed by the Golden Bay Community Board)
Regional TB Free	Deputy Mayor Stuart Bryant
Richmond Bridge and Croquet	Councillor Jo Ellis
Streets for People	Deputy Mayor Stuart Bryant, Councillors Barry Dowler, Glen Daikee, Christeen Mackenzie, and Trindi Walker
Tākaka Aerodrome Advisory Group	Councillor Chris Hill
Tasman Bays Heritage Trust Appointments	Mayor Tim King and Chief Executive
Tasman Bio-strategy Governance Group	Councillors Celia Butler, Jo Ellis, and Brent Maru
Tasman Environmental Trust	Councillor Christeen Mackenzie

APPENDIX TWO: COUNCIL'S COMMITTEES, RESPONSIBILITIES, PORTFOLIOS AND MEETING ATTENDANCE

COUNCIL REPRESENTATIVES AND APPOINTMENTS (CONT.)

APPOINTMENT	TASMAN MEMBERS
Tasman Youth Council	Councillors Dan Shallcrass and Trindi Walker
Waimea Inlet Working Group	Councillors Jo Ellis and Mike Kininmonth (alternate)
Waimea South Community Facility Charitable Trust	Councillors Christeen Mackenzie and Dan Shallcrass

ASSOCIATION / COMMUNITY GROUP	LIAISON APPOINTEE
MOUTERE-WAIMEA WARD	
Brightwater Recreation Reserve Committee	Councillor Dan Shallcrass
Dovedale Recreation Reserve Committee	Councillor Christeen Mackenzie
Equestrian Trust Board	Councillor Jo Ellis
Māpua Health Centre Board	Councillor Mike Kininmonth
Moutere Hills Recreation Reserve/Community Centre Committee	Councillor Mike Kininmonth
Ngātīmoti Hall Management Committee	Councillor Mike Kininmonth
Ngātīmoti Recreation Reserve Committee	Councillor Mike Kininmonth
Spring Grove Recreation Reserve Committee	Councillor Dan Shallcrass
Waimea West Recreation Reserve Committee	Councillor Dan Shallcrass
Wakefield Recreation Reserve Management Committee	Councillor Dan Shallcrass
Wakefield Health Centre Board	Councillor Christeen Mackenzie
RICHMOND WARD	
Hope Recreation Reserve Committee	Councillor Kit Maling
Keep Richmond Beautiful Committee	Councillor Glen Daikee
Richmond Bridge and Croquet Club Committee	Councillor Jo Ellis
Richmond Unlimited Committee	Councillor Jo Ellis
LAKES-MURCHISON WARD	
Murchison Recreation Reserve Committee	Deputy Mayor Stuart Bryant
Stanley Brook Recreation Reserve Committee	Deputy Mayor Stuart Bryant
Tapawera Recreation Reserve Committee	Deputy Mayor Stuart Bryant
Lake Rotoiti Community Facility Committee	Deputy Mayor Stuart Bryant

MEETING ATTENDANCE

These figures represent attendance at Full Council and the three standing committees between 1 July 2022 and 30 June 2023.

2019 – 2022 Council – 10 meetings (1 July to 8 October 2022)

MEMBER	MEETING ATTENDANCE
Mayor Tim King	90%
Deputy Mayor Stuart Bryant	100%
Councillor Celia Butler	100%
Councillor Barry Dowler	100%
Councillor Mark Greening	20%
Councillor Chris Hill	100%
Councillor Kit Maling	100%
Councillor Christeen Mackenzie	100%
Councillor Dean McNamara	70%
Councillor David Ogilvie	90%
Councillor Trevor Tuffnell	100%
Councillor Anne Turley	100%
Councillor Trindi Walker	80%

2022 – 2023 Council – 24 meetings (9 November 2022 to 30 June 2023)

MEMBER	MEETING ATTENDANCE
Mayor Tim King	58%
Deputy Mayor Stuart Bryant	83%
Councillor Celia Butler	96%
Councillor Glen Daikee	100%
Councillor Barry Dowler	96%
Councillor Jo Ellis	100%
Councillor Mark Greening	42%
Councillor Chris Hill	96%
Councillor Mike Kininmonth	92%
Councillor Christeen Mackenzie	96%
Councillor Kit Maling	100%
Councillor Brent Maru	100%
Councillor Dan Shallcrass	88%
Councillor Trindi Walker	92%

REMUNERATION, ALLOWANCES, AND EXPENSES

These figures represent remuneration, allowances, and expenses paid to elected members of the Council between 1 July 2022 and 30 June 2023.

MEMBER	TERM	2021/2022 (\$)	2022/2023 (\$)
Mayor Tim King	2019 – 2022 and 2022 – 2025	145,585	156,611
Deputy Mayor Stuart Bryant	2019 – 2022 and 2022 – 2025	75,776	71,468
Councillor Barry Dowler	2019 – 2022 and 2022 – 2025	49,624	53,837
Councillor Celia Butler	2019 – 2022 and 2022 – 2025	45,874	48,734
Councillor Chris Hill	2019 – 2022 and 2022 – 2025	53,618	70,914
Councillor Christeen Mackenzie	2019 – 2022 and 2022 – 2025	49,284	64,123
Councillor Kit Maling	2019 – 2022 and 2022 – 2025	58,340	64,086
Councillor Mark Greening	2019 – 2022 and 2022 – 2025	45,874	48,734
Councillor Trindi Walker	2019 – 2022 and 2022 – 2025	47,966	54,654
Councillor Anne Turley	2019 – 2022	47,236	14,562
Councillor David Ogilvie	2019 – 2022	53,350	16,007
Councillor Dean McNamara	2019 – 2022	47,532	14,562
Councillor Trevor Tuffnell	2019 – 2022	45,874	13,637
Councillor Dan Shallcrass	2022 – 2025	–	35,094
Councillor Glen Daikee	2022 – 2025	–	35,679
Councillor Jo Ellis	2022 – 2025	–	35,990
Councillor Mike Kininmonth	2022 – 2025	–	38,477
Councillor Brent Maru	2022 – 2025	–	44,388
Total		818,052	881,015

APPENDIX THREE: COMMUNITY BOARDS

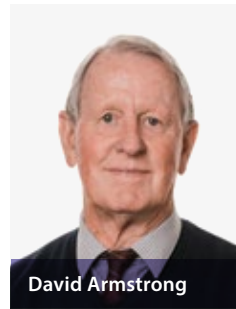
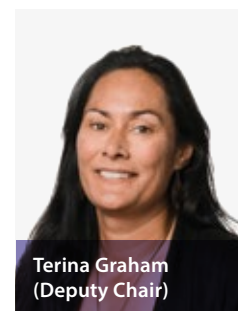
Community Boards are separately elected advisory bodies and are not Council Committees. Their main role is to represent, and act as an advocate for, the interests of their community.

There are two Community Boards in the Tasman District. The Golden Bay Community Board serves the Golden Bay Ward and the Motueka Community Board serves the Motueka Ward. Both Community Boards have ward councillors appointed.

GOLDEN BAY COMMUNITY BOARD



MOTUEKA COMMUNITY BOARD



APPENDIX FOUR: MANAGEMENT STAFF

CHIEF EXECUTIVE OFFICER

Leonie Rae (until 13 March 2023) then Janine Dowding

CHIEF OPERATING OFFICER

Jenna Neame (until 13 March 2023) then Leonie Rae

GROUP MANAGER – COMMUNITY INFRASTRUCTURE

Richard Kirby

GROUP MANAGER – ENVIRONMENTAL ASSURANCE

Kim Drummond

GROUP MANAGER – FINANCE

Mike Drummond

GROUP MANAGER – INFORMATION, SCIENCE, AND TECHNOLOGY

Steve Manners

GROUP MANAGER – SERVICE AND STRATEGY

Susan Edwards (until 8 July 2022) then John Ridd (from 15 August 2022)

OTHER

BANKERS

ASB Bank Ltd

PANEL OF SOLICITORS

Fletcher Vautier Moore

Simpson Grierson

DLA Piper

Tasman Law

AUDITORS

Audit New Zealand, on behalf of the Auditor-General

APPENDIX FIVE: 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 LTP. The main purpose of the Annual Plan is to identify any amendments and variations to the specific year of the base LTP.

ANNUAL REPORT

Annual Reports are published following the end of each financial year which ends on 30 June. It is an audited account of whether Council completed its planned work programme. Any work not completed as planned is explained. The Annual Report is a key method for Council to be accountable to the community for its performance.

ACTIVITY MANAGEMENT PLANS

Activity Management Plans (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.

ASSOCIATE

An associate is an entity over which Council has a significant influence and that is neither a subsidiary nor an interest in a joint venture.

ASSUMPTIONS

Assumptions are the underlying premises made by Council that affect its financial planning for a specific activity, or for all Council activities. These are made clear so everyone can understand the basis for Council's financial planning, and form an opinion about how reasonable those assumptions are.

CAPITAL EXPENDITURE

This expenditure relates to the purchase or creation of assets that are necessary to assist in the provision of services. They have useful lives in excess of one year and are therefore included in the Statement of Financial Position. Capital expenditure includes the

creation of assets that did not previously exist or the improvement or enlargement of assets beyond their original size and capacity.

CAPITAL VALUE

Capital value is the value of the property including both the value of the land and any improvements (e.g. buildings) on the land.

COMMUNITY

Community means everyone in Tasman District being individuals, businesses, local and central government, groups and organisations, iwi, Māori, disabled, young, old, families, recent migrants and refugees, rural and urban residents.

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 relates to the activity, not the organisational departments. The Local Government Act 2002 requires the LTP to be expressed by the activity. The cost of the activity includes the direct and the indirect costs that have been allocated to the activity. Indirect costs include interest on public debt, cost of support services and depreciation allowances.

COUNCIL-CONTROLLED ORGANISATION

As defined by Section 6 of the Local Government Act 2002, a company under the control of local authorities through their:

- shareholding of 50 percent or more;
- voting rights of 50 percent or more; or
- right to appoint 50 percent or more of the directors.

DEPRECIATION

Depreciation is an estimate of the wearing out, consumption or loss of value of an asset over time.

APPENDIX FIVE: GLOSSARY OF TERMS

EXCHANGE REVENUE

An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value to the other party in exchange.

FINANCIAL YEAR

Council's financial year runs from 1 July to 30 June the following year.

GENERAL RATE

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

Revenue received from external sources both cash and non-cash in nature.

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.

JOINT OPERATION

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint operations also include operations where the activities primarily aim to provide the joint arrangement parties with an output (i.e. the parties have rights to substantially all of the service potential or economic benefits of the assets).

JOINT VENTURE

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

LEVELS OF SERVICE

This term describes what Council will deliver. Performance measures are specific indicators used to demonstrate how Council is doing regarding the delivery of services. The measures are described in each Activity Management Plan. Council reports on the levels of service it delivered, and on the performance measures each year through the Annual Report.

LIQUIDITY

The ability or ease with which assets can be converted into cash.

LONG TERM PLAN (LTP)

The Local Government Act 2002 requires Council to adopt a LTP. The LTP outlines Council's intentions over a 10-year period. The LTP requires extensive community consultation, the identification of community outcomes and priorities, and the establishment of monitoring and review mechanisms.

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 (net debt) means total external debt less liquid financial assets and investments (after adjusting for liquid financial assets in joint operations, and pass through loans). External debt that is specifically borrowed for on-lending to a CCO/CCO is netted, with the corresponding loan asset (before consolidation) for LGFA covenant and Council imposed debt cap amount calculation purposes.

NET INTEREST

Net interest is interest paid less interest income received.

NETWORK INFRASTRUCTURE

See Infrastructure Assets.

APPENDIX FIVE: GLOSSARY OF TERMS

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.

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.

RESIDENT SATISFACTION SURVEY

This is the survey of residents' opinions that Council has undertaken annually by an independent research agency.

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.

REVENUE

This includes fees and licences charged for Council's services and contributions towards services by outside parties.

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."

SECONDARY FLOW PATH

The locations that stormwater flows when the primary network is full or blocked.

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.

SURPLUS

A surplus is the result of revenue being greater than operating costs for the year.

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).

APPENDIX FIVE: GLOSSARY OF TERMS

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 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.

VESTED ASSETS

Assets such as transport, stormwater, wastewater and water supply infrastructure, and land (including land under roads) transferred to Council ownership as part of the subdivision process.

WASTEWATER

Wastewater is the liquid waste from businesses and homes (including toilet, bathroom and kitchen wastewater products).

DIRECTORY

Tasman District Council is one of only six councils in New Zealand which have responsibility for both regional and territorial functions. Councils with this dual role are commonly known as "Unitary Authorities".

Tasman District Council is the local government authority for this District. Its power is primarily derived from the Local Government Act 2002 and many other Acts and Statutory Regulations that are referred to throughout this document.

Council is responsible for ensuring that its various functions and activities are properly managed. It does this through a Chief Executive who is responsible for all Council staff.

RICHMOND OFFICE

Street address	189 Queen Street, Richmond 7020
Postal address	Private Bag 4, Richmond 7050
Telephone	03 543 8400
Email	info@tasman.govt.nz

MOTUEKA OFFICE

Street address	7 Hickmott Place, Motueka 7120
Postal address	PO Box 123, Motueka 7143
Telephone	03 528 2022

GOLDEN BAY OFFICE

Street address	78 Commercial Street, Tākaka 7110
Postal address	PO Box 74, Tākaka 7142
Telephone	03 525 0020

MURCHISON OFFICE

Street address	92 Fairfax Street, Murchison 7007
Postal address	92 Fairfax Street, Murchison 7007
Telephone	03 523 1013



Te Kaunihera o
te tai o Aorere