

ANNUAL REPORT PŪRONGO Ā-TAU 2023



SUMMARY



Te Kaunihera o
te tai o Aorere

A WORD FROM OUR MAYOR AND CHIEF EXECUTIVE OFFICER

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

The 2022/2023 year has 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. 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.

We are very happy to say that despite all those challenges, Council 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. The Walking and Cycling Strategy becoming a reality with projects in Richmond, Māpua and Motueka. 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.

Several key strategic plans were adopted, including the Future Development Strategy, a 30-year joint Nelson Tasman strategic plan for future housing and business growth, and the Biodiversity Strategy.

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.



Tim King
Mayor



Janine Dowding
Chief Executive Officer

LEGAL STATEMENT

This Summary Annual Report has been extracted from the full Annual Report, which was adopted by Council on 31 October 2023 and covers the year from 1 July 2022 to 30 June 2023.

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

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

The audit opinion included an emphasis of matter related to the water services reform programme.

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

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

Removed fines for overdue library items

Prepared for the rollout of the new bus services

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.

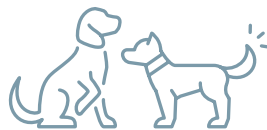
WHY WE DO IT

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.

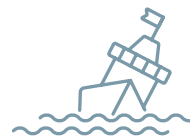
WHAT WE DELIVERED



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.

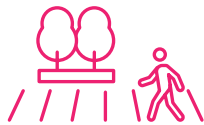
WHAT WE DO

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

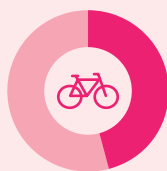


Started work on the **TRANSPORT CHOICES** programme in Richmond and Motueka



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.

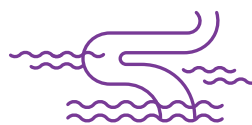
WHY WE DO IT

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**

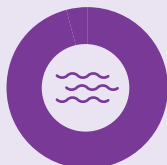


RIVER PROTECTION WORKS as a result of damage from the August floods



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.

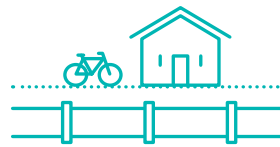
WHAT WE DELIVERED



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%

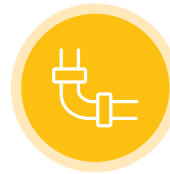


The average water consumption of residents per day was **232L**, below our target of 250L daily



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**

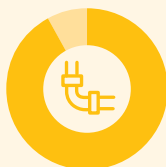


Construction began on a **NEW WASTEWATER RISING MAIN** from Grey Street to the Motueka bridge to cater for growth in Motueka West

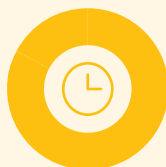


We progressed development of a **REGIONAL WASTEWATER PHILOSOPHY** with iwi, to support a strategy to relocate the Motueka Wastewater Treatment Plant

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

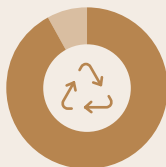


Supported engagement with schools through the **ENVIROSCHOOLS PROGRAMME**



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

LEVELS OF SERVICE



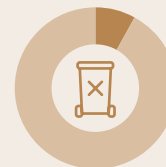
92% of recycling users were satisfied with our service, above our target of 90%



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.

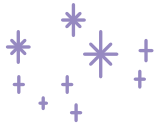
WHAT WE DO

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)

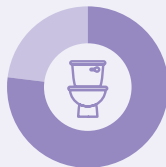


REMOVED FINES for overdue library items

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 Tākaka, 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%

OUR NON-FINANCIAL PERFORMANCE AT A GLANCE

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

We have 109 targets that we report on through this Annual Report. We achieved 71 of our targets fully 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 full 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.

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.

WORKING WITH IWI

The Council continues to enhance its relationships with iwi and Māori in the Tasman rohe.

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.

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

- Tasman Environmental Policy Iwi Working Group
- Kotahitanga Mō Te Taiao (KMTT) Alliance Strategy
- BioStrategy
- Freshwater Improvement Fund (as part of the Jobs for Nature programme)
- Wastewater Strategy for Motueka, including upgrading the Motueka Wastewater Treatment Plant
- Motueka Water Group
- Waimea Inlet Management Strategy and Action Plan.



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.

A description of the financial variances from the Annual Plan 2022/2023 are contained in Note 36 in the full Annual Report.

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 1 on page 17.

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 rateable properties. This was a new limit set as part of the LTP 2021 – 2031.

The green bars in Figure 2 (on page 17) 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 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.

DEBT AFFORDABILITY

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

See Table 1 on page 17.



KEY FINANCIAL INFORMATION

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

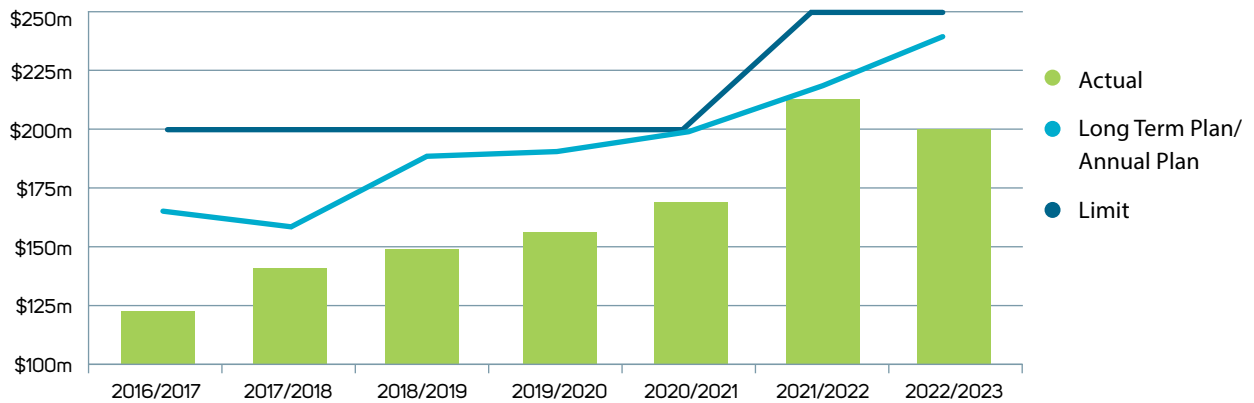


Figure 2. Rates Revenue Increases (excluding growth)

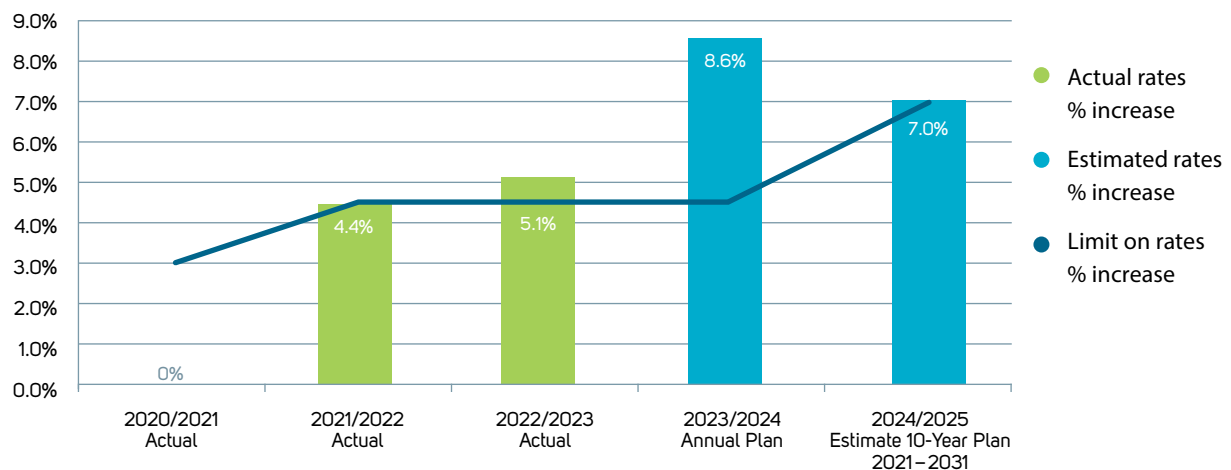


Table 1. Debt Affordability Limits

MEASURE	LIMIT	ANNUAL PLAN				
		2019/2020 ACTUAL	2020/2021 ACTUAL	2021/2022 ACTUAL	2022/2023 ACTUAL	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 3. Operating Expenditure by Activity

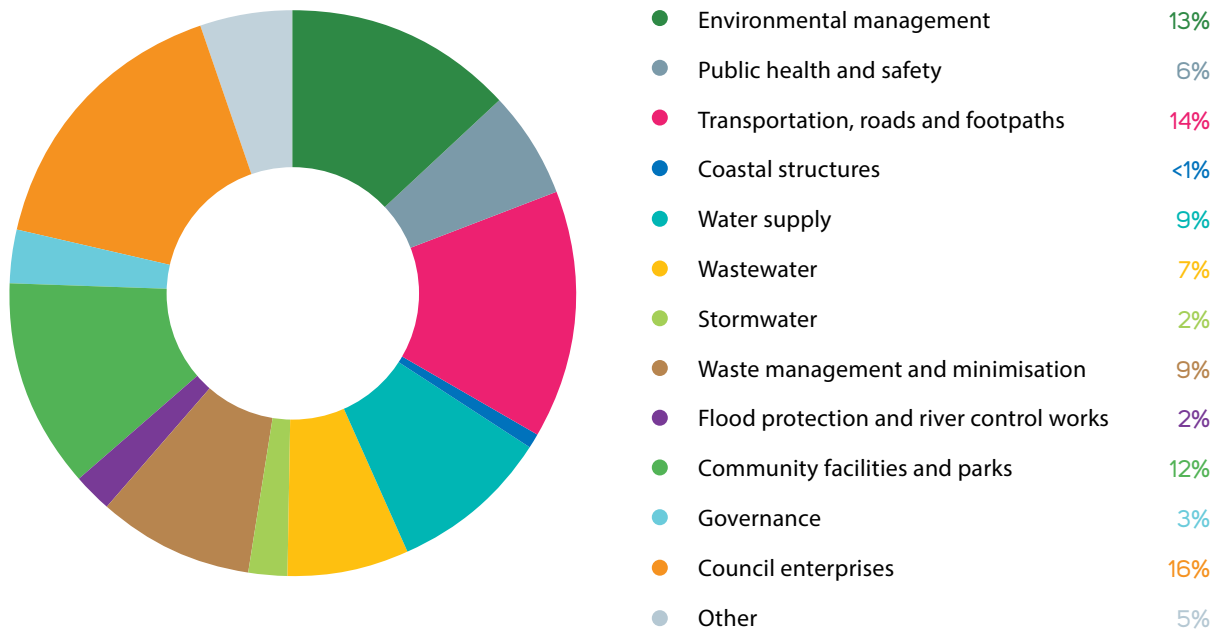
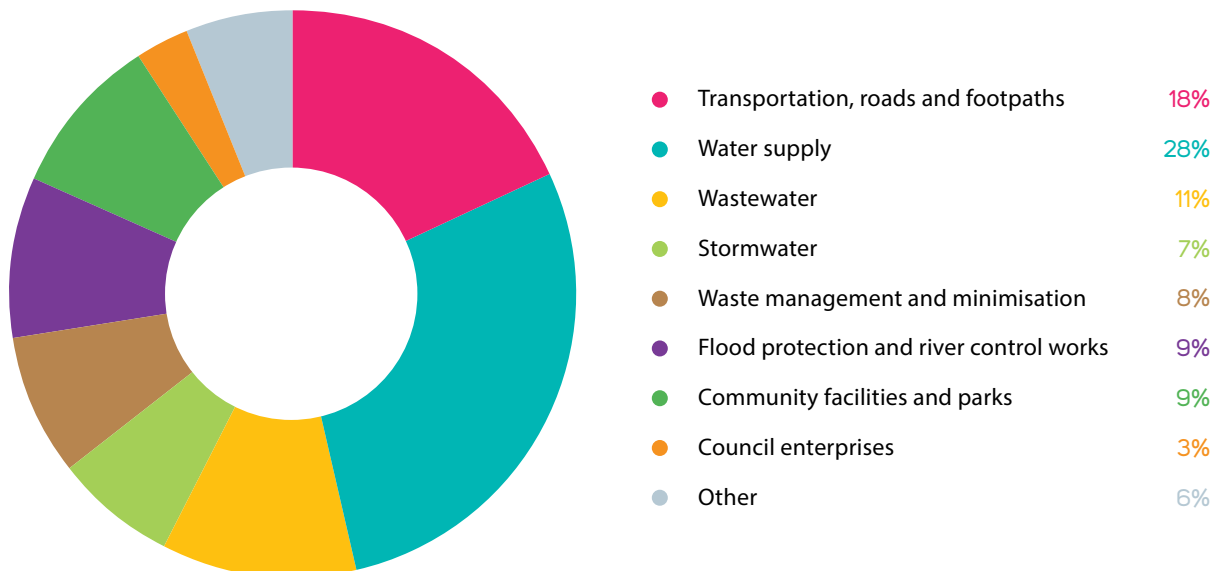


Figure 4. Capital Expenditure by Activity



SUMMARY FINANCIAL STATEMENTS

SUMMARY STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

ACTUAL 2022 \$'000		ACTUAL 2023 \$'000	BUDGET 2023 \$'000
230,477	Revenue	222,439	183,442
7,068	Fair value gain/(loss) on revaluation	(9,173)	1,723
7,999	Finance income	2,496	634
7,167	Share of joint ventures surplus/(deficit)	5,902	–
252,711	Total revenue	221,664	185,799
152,472	Expenditure	189,066	154,368
7,630	Finance expense	11,956	8,084
160,102	Total expense	201,022	162,452
92,609	Surplus/(deficit) before taxation	20,642	23,347
–	Income tax expense	–	–
92,609	Surplus/(deficit) after tax	20,642	23,347
	OTHER COMPREHENSIVE REVENUE		
(268,654)	Gain on Council property, plant and equipment revaluations	22,707	99,700
(807)	Movement in NZLG shares value	83	–
2,165	Asset impairment, disposal gain/(loss)	(1,930)	–
14,672	Other comprehensive income including share of joint ventures and operations	2,677	–
281,968	Total other comprehensive revenue and expense	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 of the full Annual Report.

FINANCIAL POSITION AND STATEMENTS

REVENUE AND EXPENDITURE



Revenue \$221.7M

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



Expenditure \$201.0M

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

FINANCIAL POSITION AND STATEMENTS

SUMMARY STATEMENT OF FINANCIAL POSITION

ACTUAL 2022 \$000		ACTUAL 2023 \$000	BUDGET 2023 \$000
56,697	Current assets	57,790	30,048
(83,622)	Current liabilities	(123,237)	(64,297)
2,360,462	Non-current assets	2,450,703	2,158,846
(195,700)	Non-current liabilities	(203,240)	(242,469)
2,137,837	Total net assets	2,182,016	1,882,128
2,137,837	Total equity	2,182,016	1,882,128

SUMMARY STATEMENT OF CASHFLOWS

ACTUAL 2022 \$000		ACTUAL 2023 \$000	BUDGET 2023 \$000
71,877	Net cash flow from operating	40,298	49,714
(131,367)	Net cash flow from investing	(82,836)	(83,286)
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	21,969	14,760

SUMMARY STATEMENT OF CHANGES IN EQUITY

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

FINANCIAL POSITION AND STATEMENTS

SIGNIFICANT ACCOUNTING MATTERS

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.

Holding Company

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.

COMMITMENTS

Waimea Water Ltd (WWL), a Council-Controlled Organisation, was established in November 2018 to manage the construction, operation and maintenance of the Waimea Community Dam. Contained in the project agreements are clauses related to the financing of cost over-runs, a loan guarantee and a compensation clause.

The 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 expected at the end of the 2023 calendar year and commissioning in early 2024.

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.

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

INDEPENDENT AUDITOR'S REPORT

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

The summary of the annual report was derived from the annual report of the Tasman District Council (the District Council) for the year ended 30 June 2023.

The summary of the annual report comprises the following information on pages 4 to 14, and 16 to 22:

- the summary statement of financial position as at 30 June 2023;
- the summaries of the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2023;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary statement of objectives and service performance.

OPINION

In our opinion:

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

SUMMARY OF THE ANNUAL REPORT

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

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

THE FULL ANNUAL REPORT AND OUR AUDIT REPORT THEREON

We expressed an unmodified audit opinion on the information we audited in the full annual report for the year ended 30 June 2023 in our auditor's report dated 31 October 2023.

EMPHASIS OF MATTER – UNCERTAINTY OVER THE WATER SERVICES REFORM PROGRAMME

Our auditor's report on the full annual report also includes an emphasis of matter paragraph drawing attention to the Government's three waters reform programme. 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 ten publicly owned water services entities to carry out responsibilities for the delivery of three waters services and 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 of the full annual report 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.

COUNCIL'S RESPONSIBILITY FOR THE SUMMARY OF THE ANNUAL REPORT

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

AUDITOR'S RESPONSIBILITY

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

Our opinion on the summary of the annual report is based on our procedures, which were carried out in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

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



John Mackey,
Audit New Zealand

On behalf of the Auditor-General
Christchurch, New Zealand



 **tasman**
district council

Te Kaunihera o
te tai o Aorere