

Newsline



Keeping you informed about news and events in Tasman District



Tasman District Council

Summary Draft Annual Plan 2014/2015

Schedule of Charges And Statements of Proposal for:

- Policy on Remission on Low Value Properties (those valued at less than \$4,500)
- Policy on Remission of Rates for Sporting, Recreation or Community Organisations
- Policy for Early Payment of Rates in the Current Financial Year
- Policy on Remission of Rates on Land Protected for Natural Conservation Purposes

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

Mayor's and Chief Executive's Message

Welcome to the Council's Draft Annual Plan Summary for the 2014/2015 year.

Thank you for taking the time to have a look at this Draft Annual Plan 2014/2015 Summary. We invite you to read on and find out more about what is proposed for the year ahead.

The Draft Annual Plan has been prepared by the Council based on Year 3 of our Long Term Plan 2012-2022. A lot has changed since the Long Term Plan 2012-2022 was adopted so we have had to change also. Because Councils are limited in the changes that they can make through a Draft Annual Plan, without incurring expensive auditing costs, some of the more significant changes we are contemplating will have to wait until the Long Term Plan in 2015. That way everyone has time to carefully consider options.

The focus this year has been to keep our capital and operating costs as low as possible. We are proposing a General Rate increase of 1.56%. The proposed increase will contribute to an increase in our total General Rates revenue of 2.86%, with the total figure including a growth component of 1.3%. Most of this year's forecast rates increase is planned to be used to reduce the increase in debt. The Council is continuing its path of reducing reliance on debt which started two years ago and has had strong community support.

We have attempted to balance achieving as much as we can over the year while keeping costs to a reasonable level for ratepayers. We have set ourselves the challenge to work faster, better and more cost effectively to add the most value to the District. The challenges we face as an organisation are the same as for the whole District. At the top of the list is providing services to you, our residents and ratepayers, in a financially sustainable way while grappling with the challenges of growth, natural hazards and our legal requirements. Building effective partnerships is another strategy that is important to us.

We want to focus on providing the essentials that bring the greatest benefits to the District as a whole. Some work will have to wait, but we think the proposed mix finds the right balance between affordability and essential projects and services.

There is more detail in the key issues and activity sections, but we particularly want you to consider the following issues and let us know what you think. The recently-signalled change in tourism funding is one that needs your feedback to assist the Council to make an informed decision on the best way forward.

The Council proposes to directly fund visitor information centres and reduce funding to Tourism Nelson Tasman Limited (TNTL) as a result, capping funding for tourism at \$405,000 in 2014/2015. The Council is signalling an intention to cease funding tourism from rates beyond 1 July 2015 as it considers that it is inappropriate to use ratepayer funds for activities that primarily benefit businesses providing services to visitors. Council considers these activities should be funded by business operators who benefit from visitor spending. Community

input on the proposal to cease tourism funding will be sought as part of the Long Term Plan 2015-2025 consultation process.

Motueka has benefited from the Council contributing towards putting power lines underground. The cost for the 2014/2015 year would be \$175,000. The question here is how important is it to finish that work when a delay or removing the project would help improve the Council's debt levels.

We are delighted with progress on Tasman's Great Taste Trail, which is proving to be extremely popular with locals and visitors. The highest use sections are already completed. The connecting route linking Wakefield to Woodstock via Pigeon Valley Road and then down West Bank Road to Brooklyn is finished and sign posted. With all this in place, the Council has indicated that the section from Wakefield to Spooners Tunnel could be delayed until the 2015 Long Term Plan.

It is still important to continue investment in our key infrastructure and assets that underpin the lifestyle enjoyed in our District. The need for sound water, wastewater and stormwater systems is directly related to our growth drivers.

Council has questioned its commitment to funding the Golden Bay recreational facility in order to borrow less, and would like to hear the community's views on this before it makes a final decision. We would continue design work and preparing costings this year to assist that decision. The same drive to manage debt responsibly underpins the move to ensure Port Tarakohe is self-funding rather than supported by general rates. The Takaka Service Centre remains on the to-do list for the year ahead so local residents can continue to access good quality services.

Working with Nelson on a shared solid waste facility is also proposed. If the proposal goes ahead, we would share first the York Valley facility and then Eves Valley. We will only go ahead if both Councils can make significant savings and if it we can produce a better outcome for the wider region than going our separate ways.

The proposed Waimea Dam is a solution to provide water for the Waimea Plains and surrounding urban areas and to address the problem of low flows in the Waimea River. The Council will be leading a major consultation in mid-2014 on funding options. There is a range of options for sharing costs across the District, water users and land owners in the area and we will need your feedback to decide on the best choice. A final decision on this project will be made as part of the Long Term Plan 2015-2025 process.

That project, if it proceeds, along with many other demands for Council investment in infrastructure and community facilities as well as other goods and services, is likely to place pressure on the Council's debt and rates. We are therefore reviewing our financial strategy. We think it is time to pause and reflect on what we need to do to be in a better financial position in ten years time. That also

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means deciding how best to invest the resources that we do have to make Tasman an even better place than it is today.

This year's approach to the budget and rates signals we are on the path towards an improved financial position that will be built upon in next year's Long Term Plan. This Draft Annual Plan is your opportunity to look at what the Council plans to spend on key projects and in total.

We encourage you to provide feedback through the submission process to this year's Draft Annual Plan.



Richard Kempthorne
Mayor



Lindsay McKenzie
Chief Executive Officer

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Introduction

Welcome to Tasman District Council's Draft Annual Plan 2014/2015 Summary and Summary of Information for changes, removals and additions to Council's Rates Remission Policies

This Summary highlights the key points contained in the Draft Annual Plan 2014/2015 and changes, additions and deletions to the Council's Rating Remissions Policies. It covers the vision for Tasman District's future and summarises the key activities and projects we are planning for the 2014/2015 year, and the changes from what we'd planned to do in the Long Term Plan 2012-2022. If you would like more detail, copies of the full document are available from all Council offices, libraries or on CD or on the website (www.tasman.govt.nz). Tell us your views on what we have put in the Draft Annual Plan and the rating policies by making a submission.

About the Draft Annual Plan

A Draft Annual Plan is a document put together by Council outlining what we are proposing to do during a particular year – in this case 2014/2015. The Draft Annual Plan is then made available for public consultation and feedback, and the final Annual Plan is adopted in June 2014. The Draft Annual Plan brings together all the different activities of Council. It links into one overall guiding document the:

- Vision and community outcomes for the District
- Services and activities Council is planning to undertake
- Likely costs of Council providing those services and activities over the 2014/2015 year.

An Annual Plan is produced each year between the three-yearly review of Council's Long Term Plan.

This document also includes consultation on a Statement of Proposal to make changes, additions and deletions to parts of Council's rating policies

- Policy on Remission on Low Value Properties (those valued at less than \$4,500)
- Policy on Remission of Rates for Sporting, Recreation or Community Organisations
- Policy for Early Payment of Rates in the Current Financial Year
- Policy on Remission of Rates on Land Protected for Natural Conservation Purposes
- Changes to the delegations to approve Rating Remissions

Summaries of Information on these proposed policies are found on page 21. Consultation on these proposed policies is being undertaken as part of the Draft Annual Plan process and submitters can comment on the proposed rating policies and/or the Draft Annual Plan.

Community outcomes

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

Eight community outcomes were included in the Long Term Plan 2012-2022. The outcomes are:

Our unique natural environment is healthy and protected.

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

Our infrastructure is safe, efficient and sustainably managed.

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

Our communities respect regional history, heritage and culture.

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

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

Our developing and sustainable economy provides opportunities for us all

For further details on the community outcomes please refer to pages 72-75 of Volume 1 of the Long Term Plan 2012-2022.

Tasman District Council's Vision Statement

Thriving communities enjoying the Tasman lifestyle.

Tasman District Council's Mission Statement

To enhance community well-being and quality of life.

Council's Draft Annual Plan financial performance summary

We are proposing a general rates increase of 1.56% in the 2014/2015 year. Most properties will have a total rates rise, including targeted rates, of between 2.04% and 3.53%. If you would like more information on the proposed rates for a particular property these can be found on the Council website www.tasman.govt.nz or you can contact your local Council Service Centre.

Examples of Total Rate Changes for Properties

To further clarify the rates rises between the 2013/2014 year to those for the 2014/2015 year, a selection of properties from throughout the District have been summarised to provide a guide. It is important to note that these properties are a sample of the total properties and do not cover all situations for ratepayers in the District.

The following table is GST inclusive. It covers the total rates increases, incorporating the increase in the general rate of 1.56% and targeted rates.

Summary of Proposed Rates Increases for Sample Properties in the District	CV (2011)	2013/2014 Rates*	2014/2015 Proposed Rates*	Proposed % Increase on 2013/2014	Proposed \$ Increase from 2013/2014*
Golden Bay Farm	\$7,250,000	\$22,428.40	\$22,885.39	2.04%	\$456.99
East Takaka Lifestyle Block	\$495,000	\$1,895.40	\$1,954.31	3.11%	\$58.91
Takaka Residential	\$270,000	\$2,391.80	\$2,470.11	3.27%	\$78.31
Murchison Residential	\$160,000	\$1,741.80	\$1,799.05	3.29%	\$57.25
Kaiteriteri Residential	\$660,000	\$3,671.70	\$3,787.48	3.15%	\$115.78
Motueka Commercial	\$1,300,000	\$7,076.10	\$7,254.54	2.52%	\$178.44
Motueka Residential	\$350,000	\$2,539.90	\$2,622.67	3.26%	\$82.77
Ngatimoti Horticultural	\$640,000	\$2,346.50	\$2,413.50	2.86%	\$67.00
Wairoa Forestry	\$5,100,000	\$15,086.90	\$15,411.99	2.15%	\$325.09
Hope Horticultural	\$1,210,000	\$4,092.00	\$4,201.77	2.68%	\$109.77
Brightwater Residential	\$360,000	\$2,698.70	\$2,786.21	3.24%	\$87.51
Richmond Industrial	\$630,000	\$3,373.70	\$3,486.32	3.34%	\$112.62
Richmond Commercial	\$1,200,000	\$7,998.10	\$8,213.72	2.70%	\$215.62
Waimea Village Residential	\$185,000	\$1,961.30	\$2,030.54	3.53%	\$69.24
Richmond Residential	\$485,000	\$2,922.80	\$3,021.32	3.37%	\$98.52

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

Council's proposed overall financial summary:

Prospective Comprehensive Income Statement	2013/2014 Budget \$ (\$000s)	2014/2015 LTP \$ (\$000s)	2014/2015 Proposed Budget \$ (\$000s)
General Rates	32,087	34,258	33,005
Targeted rates	29,968	33,116	32,019
Total Debt	173,204	192,806	174,934
Cash & Cash Equivalents	3,228	2,321	5,908

Please refer to the full Draft Annual Plan 2014/2015 for Council's full prospective income statement, prospective balance sheet, prospective cash flow statement, prospective statement changes in equity, prospective cash flow reconciliation, projected revenue by activity and summary funding impact statement.

The proposed General Rate increase for ratepayers is 1.56% with the total General Rate income proposed to increase from \$32.087 million in 2013/2014 to \$33.005 million in 2014/2015. This is a 2.86% increase, however 1.3% is deducted for growth.

The proposed General Rate income of \$33.005 million includes the Uniform Annual General Charge (UAGC) of \$5.459 million. The UAGC is proposed to remain at last year's figure of \$290 per rateable property.

Key Issues

The Key Issues section is an important part of this document. We encourage you to read it to give you an overview of what is planned for 2014/2015.

The Council is continuing its path of reducing reliance on debt, which started two years ago and has strong community support. This priority is to take steps towards reducing reliance on debt and to strengthen its financial position. At the same time, the Council aims to continue with its objective of keeping rates as low as possible. Therefore any new expenditure has been balanced through savings or increased fees and charges. The Council proposes to delay or remove some spending that was originally planned for 2014/2015. These projects will be reconsidered when developing the Long Term Plan 2015-2025. We know that the delay or removal of particular projects and increases in some charges could disappoint residents. Your views on the right priorities for the proposed work programme, bearing in mind that overarching priority, are important to enable Council to make decisions on the final Plan.

Read on to find out about the key issues and proposed changes for 2014/2015 from what was scheduled in the 2012-2022 Long Term Plan. Generally the issues are grouped in related topic order.

1. Reducing Reliance on Debt

As mentioned in the introduction to the Key Issues section we are proposing to re-prioritise our work programme to keep debt at a lower level. Depending on what the interest rates are for new loans, Council's rates and charges need to increase by approximately \$555,000 for every additional \$5 million of borrowing for interest and loan repayments. Council debt as at 31 December 2013 was \$157 million and the Long Term Plan 2012-2022 forecast debt to increase to \$193 million by 30 June 2015. Council proposes to shift priorities toward debt repayment so most of the proposed rates increase for 2014/2015 would be used to repay debt. The Council is also proposing a reduced capital programme. The net effect of these actions would be that Council debt is now forecast to be \$174 million as at 30 June 2015.

Balanced against this is the need for a programme of capital upgrades to refurbish infrastructure and to meet the demands of growth. The projects that are proposed to be retained are those that Council considers to be the most critical.

a. Funding asset renewals

Many of the operational savings identified through the Draft Annual Plan process, particularly those flowing from the decision to provide some professional engineering services in-house, are proposed to be used to reduce the increase in the Council's debt level. This would be achieved through using

these savings to partly fund the money required to renew Council assets as they wear out. Currently most of the money required to renew assets is borrowed. This year the savings within each Council activity are proposed to partly fund that activity's renewal programme.

b. District and Shared Facilities Rates

Council has worked with the District's communities over the last ten years to improve or provide new facilities. Most of the money contributed by Council was borrowed for terms of up to 40 years. Having long term loans increases the amount of interest that Council and therefore ratepayers pay over the term of the loans. The Council proposes to increase the District Facilities Rate by an additional \$10 to repay these loans more quickly and therefore save money over time. This would enable an extra \$220,000 to be repaid off debt in 2014/2015 and slightly more in following years as the number of properties in the District increase.

c. Review of other projects

Projects throughout the District have been put on hold to enable debt and rates to be kept more affordable. The Council noted in the Long Term Plan 2012-2022 that it would review the scope and timing of the Lower Motueka Flood Control Project and other water projects with a view to reducing costs. These reviews will be completed as part of the next Long Term Plan in 2015. Other projects that the Council proposes to delete or defer in 2014/2015 are set out in the activities information in this key issues section.

2. Proposed Waimea Dam (also known as the Lee Valley Dam)

The Council, with the Waimea Water Augmentation Committee (WWAC), proposed in the Long Term Plan 2012-2022 to build a dam in Lee Valley. The rationale for the dam was because water from the Waimea Plains is over-allocated. The purpose of the proposed dam is to store water for release during periods of low river flow in order to:

- 1 deal with the over-allocation of the groundwater resources of the Waimea Plains;
- 2 provide security of supply;
- 3 provide for demand growth including from urban and industrial users; and
- 4 provide for minimum recreational and environmental flows in the river.

Without a dam, water allocations on the Waimea Plains will need to be reduced and the frequency of water restrictions will increase. These outcomes would have a significant impact on residents and

businesses that depend on the provision of water from the Wairoa/ Waimea Rivers and the aquifers underlying the area. Reducing water allocations could reduce the value of agriculture to our region by an estimated \$440 million over 25 years. In addition to the need for higher water flows for irrigation and the environment, the Council also needs to ensure that there is a secure water supply for current and projected population increases in Richmond, Brightwater, Wakefield and Mapua.

Submissions on the Draft Long Term Plan 2012-2022 raised a number of issues including:

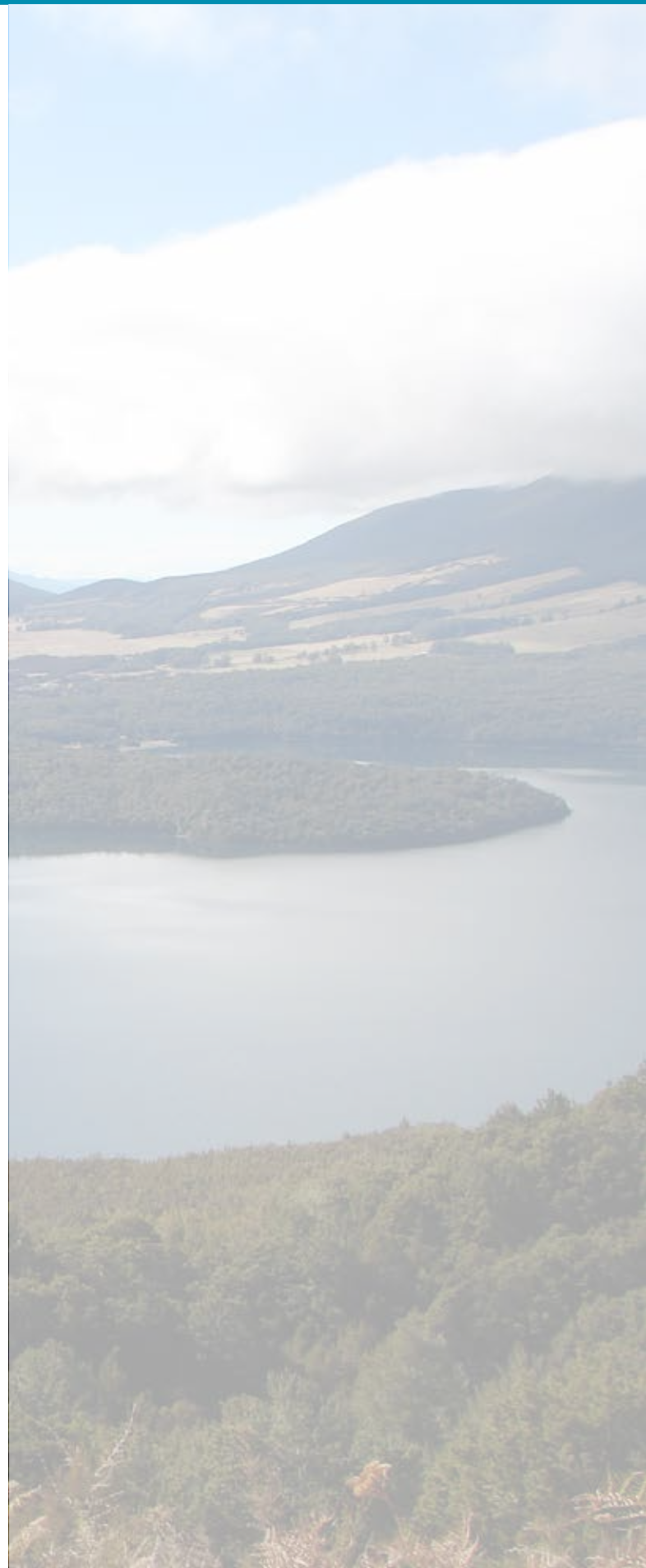
- Affordability and the likely cost per hectare
- The mandatory nature of using rates, with some submitters requesting more user pays
- Support for the dam to address the over-allocation of water and improve water quality in the Waimea River
- Proposals for greater use of water conservation measures.

The Council considered all the submissions on the proposal and resolved to include \$6.2 million in total in 2015/2016 and 2016/2017 towards the Council's share of the environmental benefits attributed to the dam. This money is currently budgeted through the Governance Activity until details of the project are further developed. The Council signalled in the Long Term Plan that further work was needed on design, resource consents, securing land and to explore other options for covering the costs of the dam. Funding of \$380,000, with half in 2013/2014 and half in 2014/2015 has been budgeted for this work.

In 2013/2014 the Council, in conjunction with WWAC contracted a project manager, and has undertaken further planning work, including preparing and applying for resource consent, securing land access and purchase agreements, tendering the cost of the dam, and establishing a funding model. In 2014/2015 Council will consult the public on the different funding options for the dam and conclude the water management plan process and any associated consenting requirements prior to making any decision to construct a dam.

3. Review of Tourism Services Funding

Tourism Nelson Tasman Limited (TNTL) recently reviewed its business activities and decided not to run the Golden Bay i-SITE and Murchison Visitor Information Centre. The Council has also completed a strategic review of the funding of tourism and proposes that the budget for TNTL, visitor information centre support and tourism related costs for 2014/2015 be capped at \$405,000. This funding is proposed to be split between Council directly funding visitor information centres in the District while reducing the funding to TNTL.



Key Issues (cont.)



Council's funding for TNTL would be reduced to \$170,000, being the district promotions budget, with a further fund of up to \$100,000 proposed for funding visitor information centres in the District. The Council would pay this funding directly to the centres. Up to \$50,000 is available for Motueka, \$30,000 for Golden Bay, \$12,000 for Murchison and \$8,000 for Richmond. In addition, \$135,000 is proposed to be retained in the budget to meet any transition costs TNTL incurs as a result of these proposed changes.

The Council proposes to set up a working group with Nelson City Council and TNTL to consider issues arising from these funding changes. It also plans to meet with industry sector representatives to discuss the proposal to reduce rates funding of TNTL activities, as well as including consideration of any proposals put forward by the community for visitor information centres in the District.

The Council will consult the public as part of the Long Term Plan 2015-2025 process on a proposal not to include any tourism funding from rates. The reason for this is that the Council questions whether rates sourced from all ratepayers should be used to directly fund one industry. The Council believes that the best method of supporting the tourism industry is through providing good quality facilities and infrastructure that not only bring visitors to the region, but are also available to residents and ratepayers. Some examples are the District's roading network, the sporting facilities at Saxton Field, the beach and parks at Rabbit Island, and Tasman's Great Taste Trail. These facilities bring visitors and tourists into Tasman, and are also very popular with locals.

4. Golden Bay Facilities

a. Golden Bay Community Facility

The Council carefully considered the request for a new community recreation facility in Golden Bay. This would be a significant new facility and cost over \$4 million. Similar facilities have been built in other parts of the District. The Council's contribution was proposed in the LTP 2012-2022 to be around \$3.5 million, with the community raising at least 20% of the project's cost. In order to keep debt as low as possible and manage the Council's overall capital programme, the Council is proposing not to construct this facility in the 2014/2015 year as was planned, but instead to reconsider it as part of the Long Term Plan process against all other priorities for expenditure over the ten years. The Council still proposes to undertake further design work and prepare costs this year.

b. Golden Bay Service Centre

The former Golden Bay Service Centre on Commercial Street, Takaka was assessed as being high risk in the event of a major earthquake. To ensure the safety of residents, visitors and staff, Council shifted its operations to a temporary building in Junction Street, Takaka. A new multi-use building is proposed and this

Draft Plan provides for up to \$1.0 million to be spent on this project in the 2014/2015 year. The \$1.0 million funding includes a \$390,000 payment from the Council's insurers for the former Commercial Street library building that burnt down. This facility is needed so that residents and ratepayers can continue to access Council services in the Bay from appropriate premises.

5. Port Tarakohe Charges

The Council ran a separate consultation process on proposed changes to Port Tarakohe charges, details are in the full Draft Annual Plan 2014/2015 on pages 176–178. Costs per marina berth there are comparatively high as it is a small facility. Significant increases in charges for wharf users were also implemented. Previously these charges were subsidised from general rates so the Council is moving towards full user pays over the next five years so the facility breaks even. The Council seeks to retain the mix of commercial and recreational users of the port.

6. Proposed Rating Changes

The Council is proposing a number of changes to its rating policies. These are set out below and on page 21.

a. Proposal to change the due date of rates.

Rates instalments are currently due on the last working day of the months of August, November, February, and May. The Council is proposing to change the date that the instalment is due from the last working day of these months to the 20th of the month. However, if the 20th of the month is a weekend or public holiday then the rates instalment would be due the next business day. This change is in line with generally accepted business practice, and most companies require payment on the 20th of the month. The Council will continue to ensure that it meets the legal requirement of delivering Rates invoices to the ratepayer at least 14 days before the due date.

b. Torrent Bay Replenishment Rate

The Council sets a targeted rate to partially meet the costs of reinstating and maintaining the beach at Torrent Bay. This rate is based on where land is situated and is set on each rating unit in the Torrent Bay Replenishment Rating Areas A and B. The rate in dollars per rating unit for Area A in 2013/2014 was \$1,573.30. The rate in dollars per rating unit for Area B in 2013/2014 was \$496.83.

When this rate was established, it was proposed that when the fund had built up to a sufficient level to cover at least one sand replenishment, then the rate would be reduced. This was expected to be by the 2014/2015 financial year. A submission was received on last year's Draft Annual Plan asking that the

rate be reduced by 50%. At that stage the balance was not considered sufficient to cover any emergency works that might have been required.

Sand replenishment work after a major storm could cost up to \$150,000. The balance of the account is estimated to reach just over \$170,000 by the end of June 2014. The balance of the account should then cover at least one sand replenishment event and so the Council proposes to reduce the Torrent Bay Replenishment rate by 50% for the 2014/2015 year. The proposed lower rate in dollars per rating unit for Area A would be \$786.65 and for Area B it would be \$248.41.

There is always the risk that several storms could occur in quick succession, in which case there would not be sufficient funds for repair work. If this occurred, then the rate would need to be increased in later years.

7. Motueka Library

The upgrade of the Motueka Library was scheduled in the 2013/2014 year of the Long Term Plan at a cost of \$1.1 million, to be loan funded and paid for through general rates. Last year the Council moved the Motueka Library upgrade to the 2014/2015 year. This delay enabled alternative sites and options to be further investigated, including the possible co-location with other facilities, but the costs for these alternatives proved to be considerably more than had been budgeted. The main alternatives that were considered were:

- Expansion of the service on the current library site. This option is estimated to cost \$1.8 million and would require the removal of the Senior Citizens building to enable space for the development. Concerns with this site included limited future expansion into a community hub and the lack of carparking.
- Co-location with the Council's service centre in Hickmott Place. This option is estimated to cost \$2.6 million and would provide benefits from both activities being located on the same site. It would also be the easiest site to build on, having no reserve status and has Council-owned parking adjacent to the site. Hickmott Place would provide better space for meetings including Community Board meetings, but there is little space for future expansion into a community hub.
- Decks Reserve, adjacent to the Information Centre. This option is estimated to cost \$3.75 million, but would be partly offset by the sale of the existing Service Centre. The Decks Reserve proposal provides for a new building which could include both the library and Service Centre, and has future potential for a hub proposal. The site would allow for co-location of Council services and provide good meeting spaces, although there are some site constraints including reserve status of some of the land and loss of some open space.

Key Issues (cont.)

As none of these options are able to be delivered within the budget of \$1.1 million, and given the financial constraints that we wish to work within, the Council is proposing not to proceed with the upgrade of the Motueka Library. A portion of this money would be used to undertake seismic strengthening work and some limited improvements to the existing building.

8. Proposed fees and charges changes

Council proposes to increase most fees by 3.3%, except for some Corporate charges and dog registration charges which remain the same as in 2013/2014. Some fees such as the Sale of Liquor fees are set by Government Regulation. Exceptions to the 3.3% increase to fees and charges in this Draft Annual Plan are outlined below.

a. Library charges

Library borrowing charges for new adult books which is used as a contribution towards the purchasing of new books has been set at \$1 per book for a number of years. This plan proposes to increase this charge to \$1.50. This increase includes a catch-up on the years that no increase had been made.

b. Review of Commercial Activities

The Council will be also be undertaking a review of its commercial activities including aerodromes during 2014/2015. These reviews will be along the line of the review of Port Tarakohe. The emphasis will be on ensuring that these activities are financially self sustaining. This is likely to result in an increase in fees and charges for some activities as these businesses move to funding depreciation and any rates funding is removed. These reviews will not be completed in time for the publishing of the final Annual Plan 2014/2015. Any changes in fees and charges will not be levied retrospectively but may come into effect during the 2014/2015 year.

c. New connection fees for water and wastewater services

When new homes are connected to water and wastewater services they are charged a connection fee plus the actual cost of connecting the pipe work. The cost of these works varies widely. Because several contractors undertake this work, and the Council cannot invoice residents until it is billed, there are delays and uncertainty about the amount that residents have to pay. The Council therefore proposes a standard charge for physical works in addition to the connection fee for domestic properties, as set out in this table:

	Current Connection Fee	Proposed Connection Fee Urban and Commercial	Proposed Physical Works Urban (Domestic)	Proposed Physical Works Commercial
Water	\$1,553	\$1,600	\$1,230	Actual physical works and administration costs
Wastewater	\$1,545	\$1,591	\$1,150	

Because commercial properties vary considerably in the scale of physical works to connect to water and wastewater services, it is proposed that these charges continue to reflect actual costs for each commercial property.

9. Transportation, Roads and Footpaths

a. Tasman's Great Taste Trail

The full Tasman's Great Taste Trail (TGTT) is proposed to go from Richmond to Wakefield and then through Spooners Tunnel, Kohatu, Tapawera to Woodstock, then to Motueka and back through to Richmond. The work was scheduled in the Long Term Plan 2012-2022 to be completed between 2014 to 2019 at a cost of \$2.4 million. The trail so far has been completed from Richmond to Wakefield to the south and through to Motueka to the west, with an extension to Kaiteriteri. The interim connecting trail that links Wakefield via Pigeon Valley Road through to Woodstock and then down West Bank Road to Brooklyn has also been completed. The amount spent to date is \$4.03 million, with \$1.74 million of this contributed by the Council. Surveys of the users of the trail show that the sections that are already in place are proving to be extremely popular and well-used, particularly by locals.

The work originally scheduled in the Long Term Plan for 2014/2015 aimed to complete the section from Wakefield to Spooners Tunnel, costing up to \$600,000. The work programme was subject to Annual Plan reviews and, to make the project affordable, contributions from Central Government and the community were also required. As part of the re-prioritisation of projects to keep debt at an affordable level, the Council proposes to delay this next stage until contributions from non-Council sources are confirmed and more information is available on maintenance costs. Council has budgeted for \$75,000 for 2014/2015 for maintenance of the existing trail. A more detailed review and subsequent consultation on the full capital work programme and ongoing maintenance will be included as part of the Long Term Plan 2015-2025.

b. Undergrounding of Power Lines in High Street, Motueka

The Council proposed in last year's Annual Plan that it would contribute towards a Network Tasman-led project to underground the power lines along High Street in Motueka. The total cost to Council was initially thought to be approximately \$1.2 million over three years but Network Tasman Limited has now advised that the cost should only be around half that amount. The Council's contribution would be approximately \$180,000 for the 2013/2014 year, and \$175,000 in 2014/2015. This compares to the original budget of \$358,660 in 2013/2014 and \$370,495 for 2014/2015. The Council is seeking public input on the importance of this project and whether remaining funds from 2013/2014 should be used to complete the second stage in 2014/2015.



Key Issues (cont.)

c. Transport funding

The Long Term Plan 2012-2022 included information on the decision by the New Zealand Transport Agency (NZTA) to not inflation adjust its share of the funding for local roads, not only for the last few years but also for the next few years. This has reduced the NZTA contribution towards funding Tasman District's local roads and reduced the funds available to manage roads and other transportation activities in real terms. The Council decided as part of the Long Term Plan 2012-2022 process to maintain its inflation adjustment for its share of the cost of local roads. The Government is currently reviewing the Financial Assistance Rate (FAR) for Councils and this might impact on the amount of funding available in future years.

The Council has already made a number of changes to improve the management of expenditure for this activity. The most significant is savings in professional fees which have reduced from \$1.62 million for 2014/2015 to around \$600,000 in this Draft Annual Plan. Savings have also been made in sealed and unsealed roads maintenance costs.

10. Proposed Shared Solid Waste Facility

The Council is currently exploring the option of sharing solid waste disposal facilities with Nelson City Council from July 2014. What is proposed is that the Tasman District landfill at Eves Valley will be mothballed, and that Tasman's waste would go to Nelson City Council's York Valley landfill. This arrangement would continue until the current stage of the York Valley facility is filled up, in approximately 16 years. The new arrangements would result in substantial reduction in the amount of money required to develop the next stage of the Eves Valley landfill, which had been budgeted over this period.

For the full period of this arrangement Tasman District would maintain the Eves Valley landfill in a state of readiness so that waste could be diverted for two years in the event that York Valley landfill was unavailable (for example in the event of a fire, earthquake or other emergency). Towards the end of the life of the current stage at York Valley both Councils would consider the most appropriate site for landfill activities in the future, and this consideration would likely include the Eves Valley site. In the event that agreement is reached between the Councils there would be no noticeable effect for most residents and commercial customers. The exception would be of "Special Waste" customers, who currently take materials for disposal direct to Eves Valley. These customers will need to either apply for permission to take their waste to York Valley, or some other facility.

The budgets in this Draft Annual Plan are based on the change not going ahead, as Nelson City Council needs to undertake consultation with their community on the proposed arrangement. If agreement is reached between the two Councils, then budgets in the final Annual Plan would be updated.



11. Solid Waste Project Changes

a. Richmond Re-use Centre

A re-use centre was previously run from Council-owned buildings in Fittal Street, Richmond. The community organisation that provided this service decided not to renew the lease on the building and therefore the building is now empty. The Council is proposing to dispose of the land and building at this site and use the money to repay debt in the Solid Waste Account. There are now many opportunities for the public to pass on or resell goods through other means, such as other second hand stores in Richmond, internet services and social media, which has changed re-use patterns. Another re-use centre is also available in Pascoe Street, Tahunanui.

If in the future a viable business case for a new re-use centre was put to the Council then it would consider whether to provide this service within the Resource Recovery Centre at Richmond. The proposal to dispose of the site does not prevent reuse services being provided on a commercial basis, now or in the future.

Most solid waste charges remain unchanged while some others are proposed to increase by a greater amount than inflation to reflect the expected higher costs of providing those services, for example the charge for mixed refuse at the resource recovery centres is proposed to increase by close to 8%. Details of these charges are on pages 170–171 of the full Annual Plan.

12. Mapua Wharf New Building

The Mapua Aquarium, which was technically a coastal structure on Council land, burnt down in September 2011 due to arson. As well as the loss to the community and the business, the space has not produced a rental return for the Council, resulting in a loss of income. A business case for a new commercial building of around 550m² and estimated to cost \$1.2 million will be considered by the Commercial Sub-Committee and the Council. If the business case demonstrates that the building will make a positive return to Council and ratepayers and is approved it is hoped to have the building completed and tenanted late in 2014.

13. The Council Disaster Fund

Repeated intense storms and heavy localised rain in recent years have caused damaging floods, debris and slips that affected Council infrastructure and private property and depleted Council disaster recovery funds. The Council policy is to gradually rebuild its General Disaster Fund to \$6.5 million, inflation adjusted each year over a period of eleven years. The cost of repairing the

damage over the last few years meant most of the contributions to this fund were spent and the balance of both the General Disaster Fund and the Rivers Protection Fund were down to around \$670,000 as at 31 December 2013. The Council will review its policy on building up these funds through the next Long Term Plan process in 2015. In the meantime, the Council proposes to provide \$415,000 into the General Disaster Fund in 2014/2015.

14. Water Supply

a. New Richmond Water Treatment Plant

Richmond is one of the last large settlements in the country that still does not have a safe and reliable treated water supply, which legislation requires Council to provide. While there might be a perception that the current water supply is fine, closer analysis shows that there are considerable risks, particularly for the very young and elderly through high nitrate levels and the lack of treatment to prevent protozoa-borne illness. Council has therefore designed a cost effective solution that protects public health, complies with the higher drinking water quality required by Central Government and provides greater security of supply to meet resident and business demand.

Richmond's water is currently supplied from two water sources: the Waimea bores adjacent to the Waimea River and the lower confined aquifer in Lower Queen Street. Council has programmed the construction of a new water treatment plant in Richmond, where water from both sources will be blended and UV treated. The blending is needed to meet the new drinking water standards, as the Richmond supply does not currently meet the acceptable nitrate content under the standard. Combining higher quality water with water that has higher nitrate levels brings the blended supply to desirable levels. As well as being a public health requirement, there are considerable costs to the community and businesses from ongoing boil water notices if this facility was not built.

Construction of the treatment plant is expected to be completed in 2015. The total cost of the project, including supporting new pipes, is in the order of \$9.8 million. The contract for this work has been let, and the building of the water treatment plant is scheduled to start mid-2014 at a cost of \$4,344,866 in 2014/2015. This work is funded through the water rates.

Key Issues (cont.)

b. Other water supply project changes

In order to keep rates and charges as affordable as possible Council proposes to remove or delay a large number of Water Supply projects that were included for the 2014/2015 year in the Long Term Plan 2012-2022. Changes include:

- The Queen Street, Richmond water main budget has been reduced from \$209,210 in the Long Term Plan to \$146,447 due to savings at the design work stage.
- The \$853,295 project to renew the water reticulation for William and Gilbert Streets has been deferred for reconsideration in the 2015 Long Term Plan.
- The Motueka Water Treatment upgrade project has been reduced in 2014/2015 from \$1.1 million to \$350,000.
- The \$282,152 Upper Takaka pipeline, valve and hydrant renewals project has been removed from 2014/2015 and will be reconsidered in the Long Term Plan 2015-2025.
- The Wakefield pipeline renewals project will be reconsidered in the Long Term Plan 2015-2025, with a saving of \$252,488 in 2014/2015.
- Overall, the water supply budgets are proposed to total \$6.0 million in 2014/2015, compared to a total of \$8.2 million that was planned in Year 3 of the Long Term Plan 2012-2022.

15. Wastewater Project Changes

Overall, the wastewater budgets are proposed to total \$4.5 million in 2014/2015, compared to a total of \$5.4 million that was planned for Year 3 of the Long Term Plan 2012-2022.

In order to keep rates and charges as affordable as possible Council also proposes to remove or delay a number of wastewater projects, including:

- The Takaka wastewater treatment plant upgrade budget has been reduced from \$58,297 to \$5,247 to allow for testing and the review of options.
- The work on upgrading the Wensley Road pipeline which is proposed to be deferred for one year, reducing the budget in 2014/2015 by \$105,611.
- The Motueka Bridge to Motueka Ponds pumping main upgrade has been deferred to better align with the wastewater treatment plant upgrade budgets in the next Long Term Plan, giving a reduction of \$588,833 in 2014/2015.
- The Mapua / Ruby Bay pump station replacement will be aligned with another project and included in the Long Term Plan 2015-2025, reducing the 2014/2015 budget by \$243,696.

16. Nelson Regional Sewerage Business Unit Budget

Tasman District Council is a 50 percent owner of the Nelson Regional Sewerage Business Unit (NRSBU) with Nelson City Council owning the other 50 percent. The NRSBU operates the Bells Island facility, which treats wastewater from most of Nelson City, Richmond, Mapua, Brightwater, Hope and Wakefield. Indicative budgets for 2014/2015 for the NRSBU indicate that the Council's contribution towards the scheme will be \$300,000 less than was budgeted in the Long Term Plan and accordingly the wastewater charges have increased less than what was forecasted in the Long Term Plan 2012-2022.

The wastewater charge for the first toilet pan, which is what most residential properties connected to the Council wastewater services pay, is proposed to be \$714.14. This is \$11.29 higher than in 2013/2014. This charge includes costs for all Council wastewater schemes.

17. Stormwater Project Changes

Overall, stormwater budgets are proposed to reduce from \$5.2 million that was included in Year 3 of the Long Term Plan 2012-2022 to \$3.2 million in 2014/2015. In order to keep rates and charges as affordable as possible the Council proposes to remove or delay a number of stormwater projects, which will reduce expenditure in 2013/2014, including:

- The Commercial Street, Takaka stormwater upgrade project has been deferred for reconsideration in the Long Term Plan 2015-2025, reducing the budget by \$364,935 in 2014/2015.
- Part of the \$3.7 million Middlebank Drive, Richmond stormwater upgrade has been delayed a year, giving a saving of \$206,853 in 2014/2015.
- The purchase of land to use for stormwater discharges in 2014/2015. It now proposes to defer that funding of \$509,542 for one year.
- The Poutama Drain which Council planned to construct several years ago to help avoid flooding in Poutama Street. Landowner approval has now been secured. The total budget for this work was \$2.7 million and has been reviewed and lowered to \$1.7 m, giving a reduction in the budget of \$924,559 in 2014/2015.

Council has started work this year to model stormwater flows in Richmond so that improvements can be considered as part of the development of the Long Term Plan 2015-2025.

18. Lower Motueka Flood Control Project

The Council reduced funding for the Lower Motueka Flood Control project to \$5 million in the LTP 2012-2022 and signalled that it would review the scope and timing of this project as part of its decisions to reduce costs when the Long Term Plan 2012-2022 was finalised. Significant work has been done to model and assess the effects of flooding in the Lower Motueka Valley and on Motueka township. Results of the most recent modelling suggest that in a major flood event the main street of the township might have up to 10 cm of water. This is significantly lower than originally expected. There are also risks to parts of the township from heavy rain events coinciding with high tides, and from projected sea level rise. Funding for the Lower Motueka Flood Control Project has been removed from 2014/2015 and a final decision on this proposed project will be made following consultation on the Long Term Plan 2015-2025.

19. Tasman Bays Heritage Trust Museum Services Review

The Tasman Bays Heritage Trust (TBHT) provides high-quality exhibition, storage, education and research facilities that collect and show-case our region's history. The Nelson Provincial Museum is in Trafalgar Street, Nelson, the main research facility is in Isel Park, Stoke and there are storage facilities at the Wakatu Industrial Estate.

The Council proposed a strategic review of the Museum's long term operations, facilities and governance during the first three years of the Long Term Plan 2012-2022, including a review of storage facilities and the Museum's running costs. This review has started and will continue with involvement of the TBHT and Tasman and Nelson Councils.

20. Jackett Island

An Environment Court ruling on the long term solution to erosion on Jackett Island was received by the Council on 9 January 2014. The judgement stated that there was no sustainable or practicable solution to the erosion issue. Council is no longer obliged to investigate a long term solution or invest in the development of a physical solution as the cost of doing so for the benefits that may accrue does not make economic sense.

The Council is, however, obliged to maintain the sand bag wall on the affected property until 9 January 2017 to continue "holding the line" and it is required to repair the wall after any storm damage. The Council has therefore included budgets in both this Draft Annual Plan and the Long Term Plan 2015-2025 through to 2016/2017 to provide for these maintenance works and monitoring.



Key Issues (cont.)

21. Regional and District Facilities

a. Saxton Field, libraries

Council considered priorities for funding contributions for regional and district facilities when it prepared the Long Term Plan 2012-2022. The Council has included in the Long Term Plan 2012-2022 funding for Tasman's Great Taste Trail, various Saxton Field projects and the Brook Sanctuary, which are regional facilities. It has also provided funding for the District's facilities, including the Mapua Hall and Motueka Recreation Centre. Council proposes several changes to the budgets for the 2014/2015 year compared to those in the Long Term Plan 2012-2022, including:

- Saxton Field - Council has reduced the work programme for Saxton Field, which was to cost \$600,442 and instead proposes to spend \$350,000 on this facility in 2014/2015 to enable preparing the land purchased from the Sutton family. Additional funding of \$60,000 is proposed for the velodrome to replace the facility at Trafalgar Park. Construction is due to begin later this year.
- Libraries – book purchase money has been transferred from Reserve Financial Contributions and small operational savings have been made.

b. Reserve Financial Contributions

The Council receives around \$1.6 million each year when property is sub-divided. That money meets the cost of providing the growth component of community reserves and facilities. The current system is that the Council tries to forecast the amount of subdivision income it expects to receive in the coming year and bases budgets on those estimates. Rather than spending the money based on estimates in the year it is received, the Council proposes that it waits until after the income is received before committing it to funding projects. This proposed change would mean that fewer projects can be carried out in 2014/2015 than in previous years, but has a significant advantage in the future as the Council would only spend any funds once they were received and no longer have the potential of not receiving enough income to meet the planned work programme or incur debt in this area. Details on proposed community facilities projects funded through Reserve Fund Contributions for 2014/2015 are on pages 130–136 of the full Draft Annual Plan 2014/2015.

The Council has also proposed to establish a \$35,000 fund as part of the Community Grants budget which is available to sports and recreation organisations to apply for funding of projects that had previously been funded through the Reserve Financial Contributions budget. Applications for this fund would close on 31 August each year and sports and recreation organisations that have previously applied for funding through the Annual Plan process would apply as part of Council's existing Grants from Rates fund for grants through this new fund.

22. Seismic Assessment of Council Buildings

The Council is required to complete seismic assessments of its buildings under its Earthquake Prone Buildings Policy, which was prepared according to the Building Act 2004. These assessments are in two parts: first there are Initial Evaluation Procedures (IEPs) and, if the results show that a building might be earthquake prone, then a further Detailed Engineering Assessment (DEA) is done. IEPs have been done on 13 Council buildings and DEAs have been completed on 12 buildings. The Council is proposing to spend up to \$1 million on a new multi-use Service Centre in Golden Bay to replace the former Service Centre on Commercial Street which has been assessed as being high risk in the event of a major earthquake. The \$1 million includes \$390,000 insurance from the old Takaka Library building. A further \$500,000 is proposed to be provided for in 2014/2015 for other high priority upgrades. Once detailed assessments of Council buildings have been received they will be reviewed and reported to the Council for a decision on any further action that might be needed. These decisions are expected to be considered as part of the process to develop the Long Term Plan 2015-2025. Central Government is currently reviewing the building standards for public buildings and has indicated that meeting 33% of the new building standards would be acceptable, rather than the current policy of 67%.

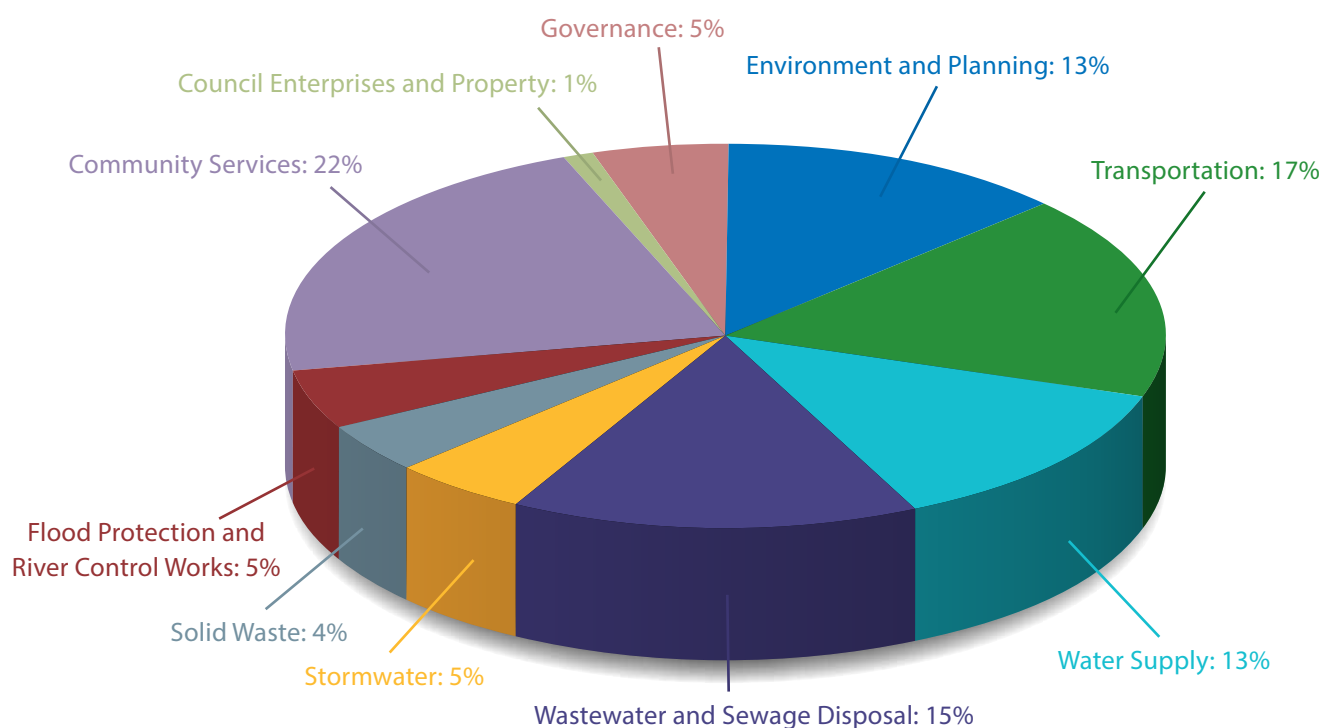
23. Interest Rates

Economic conditions in New Zealand appear to be improving since the Global Financial Crisis that began in 2009. The Reserve Bank has indicated that 2014 interest rates are likely to increase from the previous low rates experienced since the Global Financial Crisis and the Christchurch earthquakes. The Council is mindful of the increasing cost of interest payments on loans and this is another reason to keep debt as low as possible. The average cost of loans for 2014/2015 is expected to be 6.1%, which is slightly higher than the budgeted interest rate of 5.8% in 2013/2014, but lower than the 6.3% that was originally forecast for 2014/2015 in the Long Term Plan 2012-2022. The Council's Liability Management Policy provides for the use of interest rate hedging instruments to smooth out the highs and lows of interest rate movements. Using interest rate hedging has enabled Council to budget for a lower increase in interest rates than we might have otherwise had to pay.

Where your rates go

The Council provides a wide range of services and facilities to residents and ratepayers. The pie graphs below shows the percentage proportion of rates, operating and capital expenditure proposed to be spent on each activity in 2014/2015.

Rates expenditure by activity



Rates per Activity	2014/2015
Environment & Planning	13%
Transportation	17%
Water Supply	13%
Wastewater and Sewage Disposal	15%
Stormwater	5%
Solid Waste	4%
Flood Protection and River Control Works	5%
Community Services	22%
Council Enterprises and Property	1%
Governance	5%
	100%



Where your rates go:

This graph shows the proportion of General Rates and Targeted Rates funding for each group of activities. Approximately 60% of Council's income comes from rates.

Where your rates go (cont.)

Services provided by the Council

Environment and Planning 13%

- Resource Policy.
- Resource and Environmental Information.
- Resource Consents.
- Environmental Monitoring.
- Regulatory Services – animal control, building consents, health and liquor licensing and inspections, noise control, parking control, maritime safety.
- Land Information.
- Civil Defence Emergency Management.
- Rural Fire.
- Environmental Education.
- Biosecurity – pest plant and animal management.

Transportation 17%

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

Water Supply 13%

- Water – 16 water supply areas, 660km of pipelines, 34 pumping stations, 11,400 domestic connections, 44 reservoirs, Wai-iti Dam.

Wastewater and Sewage Disposal 15%

- Wastewater – 14 Urban Drainage Areas, 380km pipeline, 3,470 manholes, 74 sewerage pumping stations, 7 wastewater treatment plants.

Stormwater 5%

- 15 Urban stormwater drainage areas and 1 general district area, assets used include drainage channels, piped reticulation networks, tide gates, detention or ponding areas, inlet structures, discharge structures.

Solid Waste 4%

- 1 operational landfill and 22 closed landfills, 5 resource recovery centres.

Flood Protection and River Control Works 5%

- Rivers – Council maintains 285km of X and Y classified rivers, assets include river protection works such as stopbanks, rock protection and willow plantings and removals.

Community Services 22%

- Parks and Reserves – 614ha of reserve land and 47 playgrounds.
- Community Recreation.
- 24 Public Halls and Community Buildings.
- Community Facilities and Pools.
- Cultural Services and Community Grants.
- 4 Public Libraries.
- 1 Swimming Pool (ASB Aquatic Centre).
- 12 Cemeteries.
- 61 Public Conveniences.
- 4 Customer Service Centres.

Council Enterprises and Property 1%

- Forestry (approximately 2,800 hectares).
- Property.
- Motueka and Takaka Aerodromes.

Governance 5%

- Council Support.
- Elections.
- Representation reviews.
- Strategic Planning.
- Communication.
- Elected Representatives.
- Council Controlled Organisations – including Nelson Airport Ltd, Tourism Nelson Tasman Ltd, Tasman Bays Heritage Trust and Port Nelson Ltd.

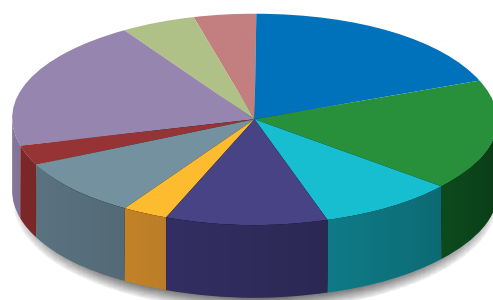
Note: The above tables and graph on page 19 shows the proportion of General Rates and Targeted Rates funding for each group of activities. Approximately 60% of the Council's income comes from rates, with the balance including user charges, government subsidies (mainly for the transportation activity) and investment income.

Operational expenditure by activity

Activity	2014/2015
Environment & Planning	19%
Transportation	17%
Water Supply	9%
Wastewater and Sewage Disposal	11%
Stormwater	3%
Solid Waste	9%
Flood Protection and River Control Works	3%
Community Services	20%
Council Enterprises and Property	5%
Governance	4%
	100%

Operational expenditure by activity:

This graph shows the proportion of all operating expenditure for each group of activities, excluding depreciation. Operational expenditure is funded from a variety of sources including but not limited to General Rates, Targeted Rates, User Charges, Subsidies, and Investment Income. This graph shows that those activities that receive a significant proportion of their income from user charges, for example Environment and Planning and Solid Waste, have a higher percentage of operating expenditure in this graph compared with their share of total rates in the Rates Graph on page 17.



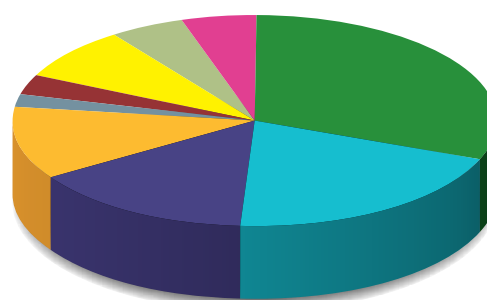
Note: Excludes depreciation.

Capital expenditure by activity

Activity	2014/2015
Transportation	31%
Water Supply	20%
Wastewater and Sewage Disposal	15%
Stormwater	11%
Solid Waste	2%
Flood Protection and River Control Works	3%
Community Facilities and Parks	8%
Council Enterprises and Property	5%
Other	5%
	100%

Capital expenditure by activity:

82% of Council's planned capital expenditure for 2014/2015 is spent by the Engineering activities of Transportation, Sanitation, Drainage and Water Supply. Activities such as Environment and Planning which are mainly operational in nature require little capital expenditure.



Note: Transportation includes capital expenditure subsidised by New Zealand Transport Agency.

The major capital projects we have planned in 2014/2015

Council is proposing to spend \$30.312 million on capital works during the next year. This is lower than what was forecast in the Long Term Plan as Council proposes to delay or remove some planned projects to keep rates as affordable as possible. Despite the restraint, ongoing investment in essential infrastructure needs to continue. The key projects are outlined in the following table.

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

Transportation, Roads and Footpaths	
Roading and Footpaths	
• Unsealed road metalling	\$773,600
• Sealed roads resurfacing	\$2,529,890
• Drainage renewals	\$1,415,700
• Sealed roads pavement rehabilitation	\$673,000
• Bridge repairs	\$555,965
• Minor safety improvements	\$1,102,919
• High Street Motueka, undergrounding of powerlines	\$170,000
Some of the projects noted above will occur subject to receipt of a satisfactory New Zealand Transport Agency subsidy	
Sanitation, Drainage and Water Supply	
Water supply	
• Richmond Water Treatment Plant	\$4,344,866
• Motueka water treatment upgrade	\$350,000
Wastewater and Sewage Disposal	
• Motueka wastewater treatment plant upgrade	\$2,997,471
• Motueka pipeline and manhole renewals	\$676,894
• Richmond pipeline renewals	\$323,989
Stormwater	
• Seaton Valley Stream – Stage 1	\$388,114
• Borck Creek – Queen Street to State Highway 6	\$284,900
• Poutama Drain	\$1,750,000
• Queen Street	\$274,412
• Ranzau, Paton and White Roads	\$160,309
• Wensley Road / Hart Road detention pond	\$240,000
Solid waste	
• Eves Valley Landfill	\$152,387
• Richmond Resource Recovery Centre upgrade	\$277,543
• Mariri Resource Recovery Centre upgrade	\$659,409
Flood Protection and River Control Works	
• Waimea River	\$165,145
• Takaka Capital	\$217,583
• Upper Motueka Catchment Rivers: Upper Motueka Capital	\$305,636
• Lower Motueka Catchment Rivers: Lower Motueka Capital	\$283,654
Community Services	
Community Facilities and Parks	
• Saxton Field developments (development of the Sutton land)	\$350,000
• Motueka Library	\$1,076,410
• Library collection renewals	\$326,439
• Brook Sanctuary Fence	\$155,046
Council Enterprises and Property	
• Earthquake strengthening work – any urgent work	\$500,000
• Golden Bay Service Centre	\$1,000,000
• Mapua Wharf – Commercial Building	\$1,200,000

Note: some projects are undertaken over several years and therefore the amount noted in the table above might not be the full cost of the project. Refer to the relevant Activity Management Plan on Council's website for financial information on projects across the full ten years of the Long Term Plan 2012-2022.

Proposed changes to Rates Remission Policies

STATEMENT OF PROPOSAL

SUMMARY OF INFORMATION FOR CHANGES, REMOVALS AND ADDITIONS TO TASMAN DISTRICT COUNCIL RATES REMISSION AND DISCOUNT POLICIES

1. Introduction

- 1.1. Changes are proposed to a number of current Rates Remission and Discount Policies. The following is a summary of the proposed rating policies and the full revised or new policies are detailed in full as part of the Council's Draft Annual Plan 2014/2015. They are also available on the Council's website, and at the Council's offices and libraries.
- 1.2. Policies proposed to be changed include Penalty Remissions, Early Payment of Rates in the Current Year and Remission of Rates for Sporting Recreation or Community Organisations.
- 1.3. Council proposes to remove the Policy on Remissions of Rates for Land Protected for Natural Conservation Purposes.
- 1.4. Council proposes to introduce a Policy on Remission of Rates on Low Value Land.
- 1.5. Wording changes are proposed on all rates remission policies around approval of those remissions. The changes to processes of approval of remissions have been recommended for increased efficiency and to reduce the turnaround time on applications. The other changes recommended either reflect changes in legislation, or have been recommended to create a fair and equitable rating collection system.

2. Proposed changes to rating policies

2.1 Policy for Early Payment of Rates

The Council proposes to remove the Policy for Early Payment of Rates in the Current Year.

The Council currently offers a 2% discount as an incentive to ratepayers to pay their total annual rates by 31 August each year. There is also an arrangement where penalties are not collected if the first rates instalment is not paid on time but the total annual rates are paid by 31 August each year.

In the past it was considered that the 2% discount was financially advantageous or neutral to the Council. That was because it was calculated against the average financial costs of Council borrowing. It has since been clarified that this was the incorrect way to calculate the effect of the discounts. The correct comparison is to use the current short term interest rate and take into account the value to the Council, and hence ratepayers generally, of receiving the cash early. The administrative cost of providing the discounts also needs to be considered. Using a short term interest rate of 2.5%, the net interest saving to the Council of receiving rates payments early is only 0.94% per year. Council considered reducing the discount for early payment to 1% but this is not likely to provide sufficient net benefit to ratepayers and still results in significant cost for Council to administer the scheme. By discontinuing the 2% discount and the waiving of penalties the Council will save approximately \$270,000 each year.

2.2 Policy on Remission of Rates for Sporting Recreation or Community Organisations

The Council proposes to amend its Policy on Remission of Rates for Sporting Recreation or Community Organisations. The reason for this change is to make the administration of policy more efficient, and align it with the Local Government (Rating) Act 2002 which automatically provides for a 50% discount for land owned by societies or associations for agricultural and pastoral association purposes, games or sports, and for any branch of the arts. The current Policy on Remissions provides for up to 100% remission of rates. The amendment of this policy will effect approximately 18 organisations who would have a reduction in their rates remissions, and Council has written to each of these explaining the change.

2.3 Policy on Remission of Rates on Land Protected for Natural Conservation Purposes

The Council proposes to remove its Policy on Remission of Rates on Land Protected for Natural Conservation Purposes. The reason for this change is that the policy allows for rating relief for QEII and Section 77 (Reserves Act 1977) Covenant Land. The current policy provides that land covenanted by equivalent mechanisms may also be considered. The Local Government Rating Act 2002 provides for QEII and Section 77 (Reserves Act 1977) Covenant Land to be non-rateable under the Act. Therefore no remissions policy is needed for QEII and Section 77 Covenant Land.

2.4 Remission of Rates on Low Value Properties

A new Remission of Rates on Low Value Properties Policy is proposed. The introduction of the Local Government (Rating) Act 2002 required each separate title to have a separate valuation/rating assessment. In some cases this resulted in low valued land assessments being created as parcels of land that have not always aligned perfectly with rating units. There is currently no policy that permits the Council to remit rates on these properties. It is proposed to remit rates on the few properties that have a value of less than \$4,500.

2.5 Delegation to Staff

There is also a proposed wording change for all rates remission policies to enable further delegation to staff and to simplify and streamline the approval process of those remissions.

3. Period for Submissions

- 3.1 Consultation on this Statement of Proposal will take place as part of the consultation on the Council's Draft Annual Plan 2014/2015.
- 3.2 Consultation on this Statement of Proposal opens on 15 March 2014 and closes on 15 April 2014.
- 3.3 Submissions in response to this Statement of Proposal can be made in writing, online at www.tasman.govt.nz, or at any Tasman District Council Library or Council office.
- 3.4 Submitters who ask to speak to the Council about the proposal will be invited to a public hearing at a time to be determined.

Consultation and Submissions

We encourage everyone interested in the future of Tasman District to provide comment on this Draft Annual Plan and the proposed changes, removals and additions to Rating Policies.

Submissions can be in the form of a letter or on the submission form contained at the back of this document or on the submission form on the website (www.tasman.govt.nz).

Council will provide the opportunity for people to present their submissions to it, should they wish to do so (please refer below for the dates when the Council will be hearing submissions). If you wish to present your submission to Council, please indicate your preferred first and second choice date and venue.

Discussion sessions and meetings to hear more about the Draft Annual Plan.

We are running a series of consultation discussions and presentations on the Draft Annual Plan and changes to the Rates Remissions Policies around the District. The location and timing of the consultation sessions are outlined in the following table. The “chat” sessions will be in the afternoon. We will have some displays and a number of Councillors and staff available to answer your questions about the Draft Plan. These sessions will be very informal. We are also proposing to do formal presentations and have question and answer sessions at the meetings in the evenings. Some of these meetings will be run in association with the meetings of local community associations. Please come along to the sessions.

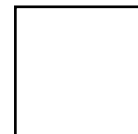
Date	Venue	Time
Monday 24 March 2014	Murchison Sport Recreation & Cultural Centre	3.00 pm – 4.00 pm drop in session
	Tapawera and Districts Community Council, Tapawera Community Centre	7.00 pm presentation
Wednesday 26 March 2014	St John Hall, 15 Courtney Street, Motueka	4.00 pm – 5.30 pm drop in session
		7.00 pm presentation
Monday 31 March 2014	Collingwood Sunday School Hall, Elizabeth Street, Collingwood	4.00 pm – 5.00 pm drop in session
	Takaka Fire Station Hall, 6 Motupipi Street, Takaka	7.00 pm presentation
Tuesday 1 April 2014	Brightwater Community Association (Brightwater School Hall)	7.30 pm presentation
Tuesday 8 April 2014	Wakefield Village Hall, Whitby Road, Wakefield	4.30 pm – 5.30 pm drop in session
	Wakefield Community Association (Wakefield Worship Centre, 120 Edward Street, Wakefield)	7.30 pm presentation
Wednesday 9 April 2014	Council Chamber Tasman District Council, Queen Street, Richmond	4.30 pm – 5.30 pm drop in session
		7.30 pm presentation
Monday 14 April 2014	Mapua Hall	4.00 pm – 5.30 pm drop in session
	Mapua & Districts Community Association (Mapua Community Hall)	7.00 pm presentation

Dates for Council hearing the submissions

Date	Venue	Time
Wednesday 30 April 2014	Murchison Sport Recreation & Cultural Centre, Waller Street, Murchison. If required	10-30 am – 12-30 pm
Thursday 1 May 2014	Motueka Memorial Hall, 12 Pah Street, Motueka	9.30 am – 4.30 pm
Friday 2 May 2014	Richmond – Council Chamber	9.30 am – 4.30 pm
Monday 5 May 2014	Takaka Fire Station Hall, 6 Motupipi Street, Takaka	10 am – 4.30 pm
Tuesday 6 May 2014	Reserve hearing date if required	
Wednesday 7 May 2014	Richmond – Council Chamber	9.30 am – 4.30 pm

Submission form to:

- Draft Annual Plan 2014/2015
- Schedule of Charges
- And Statements of Proposal for:



- Policy on Remission on Low Value Properties (those valued at less than \$4,500)
- Policy on Remission of Rates for Sporting, Recreation or Community Organisations
- Policy for Early Payment of Rates in the Current Financial Year
- Policy on Remission of Rates on Land Protected for Natural Conservation Purposes
- Changes to the delegations to approve Rating Remissions.

Submitter details (please print clearly):

Your name: _____

Your postal address: Street: _____

Suburb: _____

Town: _____ Postcode: _____

Your daytime phone number: _____

Your email address: _____

Would you like to speak to your submission at a Council meeting held for this purpose?

YES NO

If yes, please indicate your preferred location with a "1" and your second preference with a "2":

Richmond Motueka Takaka Murchison (depending on number of submitters wishing to be heard)

Would you like to speak to your submission at a Council meeting held for this purpose?

Morning Afternoon Either

Are you writing this submission as: an individual or on behalf of an organisation

If an organisation, please name the organisation and your position: _____

Place for your comment on the Draft Annual Plan 2014/2015 and / or rating policies overleaf.

Please note: All written submissions will be made available to Councillors and the public. Please write clearly, as all submissions are photocopied.

Please send your submission to:

Submissions on Draft Annual Plan 2014/2015

Tasman District Council

Private Bag 4

Richmond 7050

Or drop your submission into Council at 189 Queen Street, Richmond, or your local library or service centre. Alternatively email your submission to: annualplan@tasman.govt.nz or fax to 03 543 8560. Submission forms are available for download from Council's website (www.tasman.govt.nz).

We need to receive your submission by 4.30 pm, Tuesday 15 April 2014.

Copies of the final Annual Plan 2014/2015 will be available at Council offices/service centres, libraries and on the Council website (www.tasman.govt.nz).

Would you like to be sent a CD of the final document? YES NO

Tape here

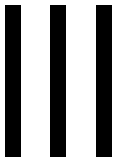
Your comment on the Draft Annual Plan 2014/2015 and/or rating policies:

Horizontal lines for writing comments.

(please continue on a separate page if needed).

2. Fold here

Freepost Authority 172255



Tasman District Council
Private Bag 4
Richmond 7050



Please fold both ends of this form inwards along the dotted lines in order and fasten with tape where indicated above.

1. Fold here



5346 HotHouse Communications

Feel free to contact us:



Tasman District Council
Email info@tasman.govt.nz
Website www.tasman.govt.nz
24 hour assistance

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