

TASMAN DISTRICT COUNCIL

ANNUAL REPORT

30 JUNE 2010

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Directory

Tasman District Council is one of only five councils in New Zealand which have responsibility for both regional and territorial functions. Councils with this dual role are commonly known as “Unitary Authorities”.

District and regional responsibilities have been substantially integrated and are outlined in detail under Committees and Responsibilities.

Tasman District Council is the local government authority for this District. Its power is primarily derived from the Local Government Act 2002 and many other Acts and Statutory Regulations that are referred to throughout this document.

Council is responsible for ensuring that its various functions and activities are properly managed. It does this through a Chief Executive who is responsible for all Council staff.

Main Office

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e-mail: info@tasman.govt.nz

Motueka Office

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Postal Address: PO Box 123, Motueka 7143
Telephone: 03 528 2022
Fax: 03 528 9751

Golden Bay Office

Street Address: 78 Commercial Street, Takaka 7110
Postal Address: PO Box 74, Takaka 7142
Telephone: 03 525 0020
Fax: 03 525 9972

Murchison Office

Street Address: 92 Fairfax Street, Murchison 7077
Postal Address: 92 Fairfax Street, Murchison 7077
Telephone: 03 523 1013
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**Membership of Council
For the year ended 30 June 2010**

Membership of Council

<p>Tasman Mayor</p>  <p>Mayor Richard Kempthorne</p>	<p>Golden Bay Ward</p>  <p>Cr Stuart Borlase</p>	 <p>Cr Noel Riley</p>
<p>Moutere/Waimea Ward</p>  <p>Cr Brian Ensor</p>	 <p>Deputy Mayor Cr Tim King</p>	 <p>Cr Trevor Norriss</p>
<p>Motueka Ward</p>  <p>Cr Barry Dowler</p>	 <p>Cr Jack Inglis</p>	 <p>Cr Eileen Wilkins</p>
<p>Richmond Ward</p>  <p>Cr Gordon Currie</p>	 <p>Cr Judene Edgar</p>	 <p>Cr Glenys Glover</p>
 <p>Cr Michael Higgins</p>		<p>Lakes/Murchison Ward</p>  <p>Cr Stuart Bryant</p>

**Community Boards
For the year ended 30 June 2010**

Golden Bay Community Board

 Joe Bell (Chair)	 Karen Brookes	 Leigh Gamby	 Carolyn McLellan
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Motueka Community Board

 David Ogilvie (Chair)	 Duncan Eddy	 Tara Forde	 Paul Hawkes
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Lakes/Murchison, Richmond, and Moutere/Waimea Wards have established community associations which maintain a working relationship with Ward Councillors and Council staff in a manner that is proving to be mutually beneficial and cost effective.

Mayor's Introduction

Welcome to the 2009/2010 Annual Report. This report will be the last one for the current Council term. On behalf of my fellow councillors and myself, I would like to thank you for the privilege of representing you and the support we have received over the last three years. We have enjoyed our role and have appreciated the willingness of the community to work with us.

The Annual Report tells our residents and ratepayers whether we have delivered to you what we promised and it is an important part of our accountability back to you. I encourage you to read it.

The 2009/2010 year, like last year, has been extremely busy for Council. The key projects we have undertaken have included:

- Starting the Waimea Estuary Management Strategy
- Preparing the Mapua draft Tasman Resource Management Plan change
- Establishing the Urban Design Panel and successful outcomes being achieved from its work
- Constructed the Pohara seawall cycleway
- Built the Old Mill Walkway seawall at Ruby Bay
- Completed the water supply reservoir in Wakefield
- Worked with the Waimea Water Augmentation Committee to complete the feasibility study for the proposed Lee Valley Dam
- Sewerage main upgrades in High Street and stormwater upgrade along Old Wharf Road in Motueka
- Completed the Two Mile Walkway along Hotham and Chalgrave Streets in Murchison
- Completed the Railway Reserve cycle/walkway in Richmond
- Worked with the Nelson Cycle Trails Trust to successfully bid for central government funding for the Tasman section of the New Zealand Cycleway
- Completed the Motueka Recreation Centre redevelopment
- Completed the Takaka Library Sculpture project
- Completed the redevelopment of the District Library in Richmond
- Constructed the Learners Pool at the ASB Aquatic Centre
- Completed further developments at Saxton Field and the Saxton Stadium, in conjunction with Nelson City Council.

Many of you in the community have had input into or contributed to these projects during the year. I wish to thank you all for your various contributions.

All the above projects have been completed alongside Council's ongoing maintenance and renewal programmes.

The work could not have happened without the hard work of my fellow councillors and staff. I would like to pass on my personal thanks to them for their efforts and the contribution they have made to the Tasman community.

The work the Council does is designed to enhance this beautiful region we live in and the wellbeing of our communities.

Richard Kempthorne
Mayor

Chief Executive Officer's Overview

It is my pleasure to present the 2009/2010 Annual Report. Council had a robust plan in place for the year and we have delivered well against the planned projects and activities.

In financial terms, we have come through the year with a surplus of \$1.622 million. Council has net assets (or equity) of \$1,075 million. In other words, your community-owned Council is now worth over \$1 billion, in terms of its assets across the whole District.

Meeting the infrastructure needs of our communities continues to be an ongoing challenge for Council. We have 17 settlement areas spread throughout our District, all of which have infrastructure needs, such as basic services including roading, water and wastewater, and community infrastructure like sporting facilities and community halls. These services consume a large amount of Council's funding and time. Provision of these services in a manner that meets community needs at an affordable price is one of our biggest challenges. Keeping those services up to standard ensures we maintain the vibrancy of our communities across the District.

As noted by the Mayor in his message, 2009/2010 was a busy year and we achieved a number of significant planning, infrastructure, environmental and community projects. Some of the highlights of these are outlined in the Mayor's report.

Again this year Council contracted the National Research Bureau to undertake a survey of residents satisfaction with the services and activities we provide. Overall we have achieved good levels of satisfaction, which were either equal to or above the national average for councils across New Zealand in all activities except one. The survey is also useful to highlight areas where we can improve to ensure we deliver the levels of services our ratepayers and residents want. Thank you to those who participated in the survey.

We have continued to work collaboratively with Nelson City Council and other councils to achieve good outcomes for our communities. We currently have over 30 activities or services that we work on together for the benefit of the wider region.

As with last year, this year has been a very demanding year for Councillors and staff. I would like to thank the Mayor and Councillors of Tasman for the huge effort and commitment they have given to the Tasman community in order to ensure the best outcomes for the people living in our region.

Council staff have worked hard to deliver services and activities in the region for the benefit of ratepayers and residents. They are a team of enthusiastic professionals who are committed to doing a good job. I thank them for their efforts.

I would also like to thank the numerous members of our community and businesses who have contributed to the work of Council through submissions on our various planning documents, through contributions on working groups, through voluntary work, through sponsorship and in a variety of other ways. We could not achieve what we do for the wonderful region we live in without the contributions you make.

Paul Wylie
Chief Executive Officer

Tasman District Council Vision Statement

An interactive community living safely in the garden that is Tasman District

*He rohe Whakaarotahie
Noho ora ana I runga I te
Whenua ataahua
Ko te rohe o Tahimana*

Tasman District Council Mission Statement

To enhance community wellbeing and quality of life

- Objective 1 To implement policies and financial management strategies that will yield competitive advantage to the people of Tasman District.
- Objective 2 To ensure sustainable management of natural and physical resources, and security of environmental standards.
- Objective 3 To sustainably manage infrastructural assets relating to Tasman District.
- Objective 4 To enhance community development and the natural, cultural and recreational assets relating to Tasman District.
- Objective 5 To promote sustainable economic development in the Tasman District.

Community Outcomes

COMMUNITY OUTCOMES

Background

Community outcomes are the vision or goals of the community. They reflect what the community sees as important for its wellbeing and they help to build up a picture of the collective vision for the District's future – how members of the community would like Tasman District to look and feel in ten years and beyond. They are a guide to inform decision making and to provide a common understanding of what the community is seeking. The Council is not expected to achieve the outcomes on its own. The outcomes are community-owned and are goals that the Council and other organisations can work towards. The Council links its activities back to the outcomes.

Eight community outcomes were developed following extensive community involvement in 2005, for inclusion in the 2006-2016 Ten Year Plan. The process to develop the community outcomes is outlined fully in the 2006-2019 Ten Year Plan¹. Please refer to that document for details on the process should you require them.

The Council has decided not to amend the community outcomes for this 2009-2019 Ten Year Plan, as it considers the outcomes are still current and an adequate reflection of what the community wants. The Local Government Act 2002 requires the Council to facilitate a review of the outcomes with the community at least every six years. Therefore the community outcomes will be reviewed in 2011, prior to development of the 2012 Ten Year Plan.

Council's role in developing the outcomes was to:

- Facilitate a process that encouraged the community to identify outcomes for the future of the District in relation to the four dimensions of community wellbeing – environmental, social, economic, and cultural.
- Consider how it would promote the community outcomes when it prepared the Ten Year Plan. Council, as one of a range of agencies that is capable of promoting outcomes, needed to consider its role along with that of other agencies.
- Monitor the progress towards the achievement of community outcomes, together with other parties.

Our Place, Our Future

Tasman District has undergone a period of huge population and economic growth in the past decade. This growth is likely to continue into the future, even though we are facing a period of economic recession in the first year or two of the Ten Year Plan, during which the rate of population and economic growth in the District is likely to slow. The growth is resulting in changes in land use, increasing development pressures, and increasing demand for new infrastructure, which increases the need for forward planning to ensure the future wellbeing of our region.

As a result of the consultation undertaken on the community outcomes and during the preparation of this Ten Year Plan, the Council has taken the view that it should plan to accommodate the population and economic growth expected in the District. It plans to do so in a manner that it considers is consistent with the community outcomes.

It is clear that councils will play a key role in creating the type of environment in which our communities can prosper. Tasman District Council will directly influence the planning process and associated land use, provide much of the core infrastructure on which our businesses and communities depend, assist in the creation of meaningful employment opportunities, provide social support, promote various transport options, and encourage community participation. Overall Council's responsibility will be to create an environment in which people will thrive and be able to enjoy the lifestyle available in this wonderful District.

Reporting of progress towards achievement of outcomes

The Local Government Act 2002 requires Council to report on the progress towards their outcomes at least every three years. The Tasman District Council, Nelson City Council and Marlborough District Council, together with the Nelson Marlborough District Health Board, Ministry of Social Development, Department of Labour, Nelson Marlborough Institute of Technology and other partners have established a working party to develop a framework for monitoring these outcomes. The working party has decided on 29 indicators and these have been independently peer reviewed. The Community Outcomes report for the Top of the South has been finished and was available from Council offices in October 2009.

¹ Tasman District Council Long Term Council Community Plan 2009 Volume 1

Community Wellbeing	Community Outcomes	Council Objectives	Council Groups of Activities	Council Activities
Environmental Wellbeing	Our unique and special natural environment is bountiful, healthy, clean and protected.	To ensure sustainable management of natural and physical resources and security of environmental standards.	Environment and Planning	Environmental Education Advocacy and Operations Resource Information Resource Policy Resource Consents and Compliance Regulatory Services Rivers & flood management
	Our built urban and rural environments are functional, pleasant, safe, and sustainably managed.			
	Our transport and essential services are sufficient, efficient and sustainably managed.	To sustainably manage infrastructural assets relating to Tasman District.	Transportation Sanitation, Drainage and water supply	Land Transportation Coastal Structures Aerodromes Solid waste Wastewater Stormwater management Water Supply
Social and Cultural Wellbeing	Our vibrant community is safe, well, enjoys an excellent quality of life and supports those with special needs.	To enhance community development and the social, natural, cultural and recreational assets relating to Tasman District.	Cultural services and grants	Cultural services and community grants
	Our community understands regional history, heritage and culture.			
	Our diverse community enjoys access to a range of spiritual, cultural, social, educational and recreational services.		Recreation and leisure Community support services	Community recreation Camping grounds Libraries Parks and Reserves Community facilities Community housing
	Our participatory community contributes to District decision-making and development.			Governance
Economic Wellbeing	Our growing and sustainable economy provides opportunities for us all in the Tasman District	To implement policies and financial management strategies that advance and promote sustainable economic development in the Tasman District.	Council Enterprises	Forestry Property Council Controlled Organisations

(Source: Tasman District Council Long Term Council Community Plan 2009-2019, Volume 1)

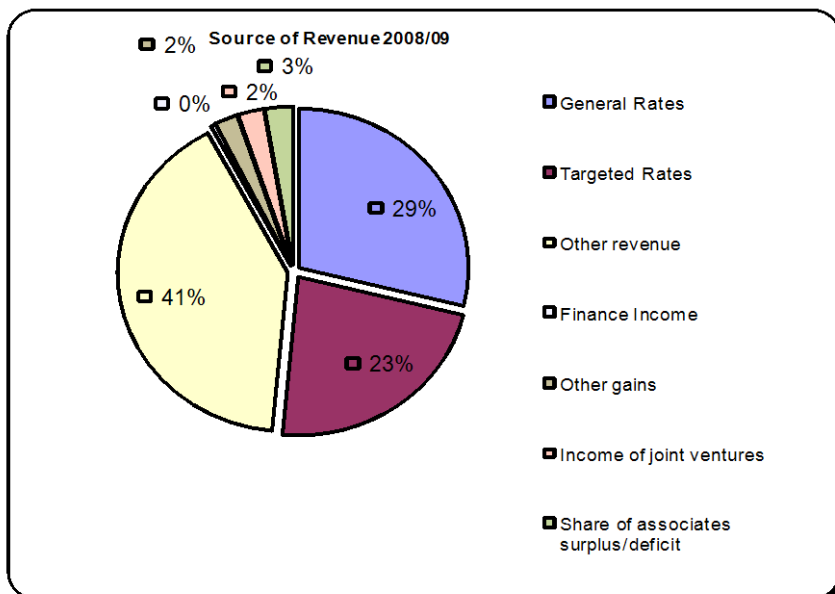
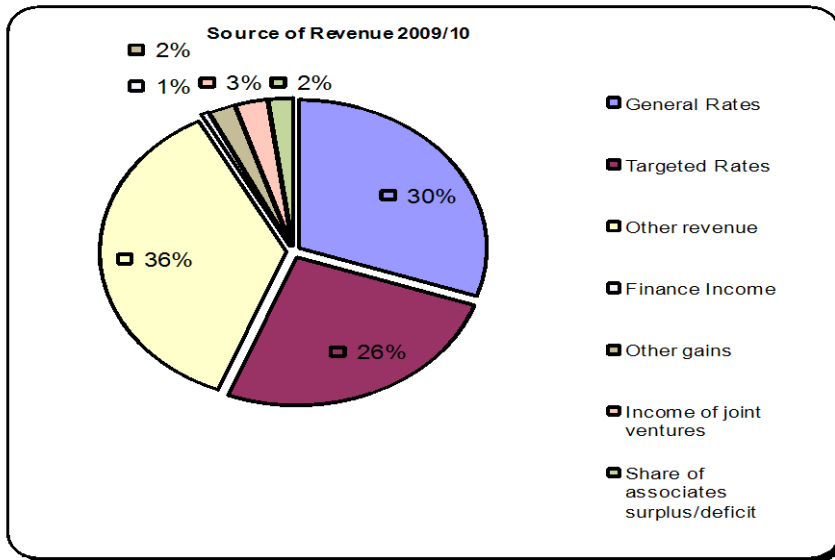
Tasman District Council

Financial Highlights

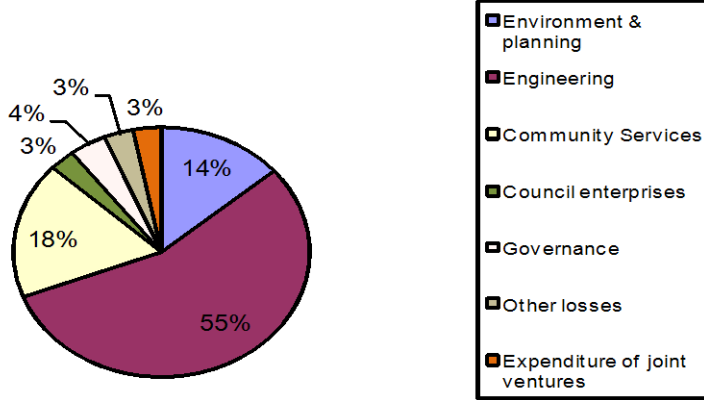
Council's Five Year Financial Performance Summary

	2010 \$(000's)	2009 \$(000's)	2008 \$(000's)	2007 \$(000's)	2006 \$(000's)
District General Rates	26,421	25,082	23,698	22,339	20,767
Net Surplus/Deficit	1,622	6,331	7,591	11,536	6,083
Working Capital	-67,372	-7,634	-10,088	4,986	-14,900
Public Debt	115,953	96,074	77,263	77,985	69,368
Current Ratio	0.20	0.71	0.57	1.24	0.42

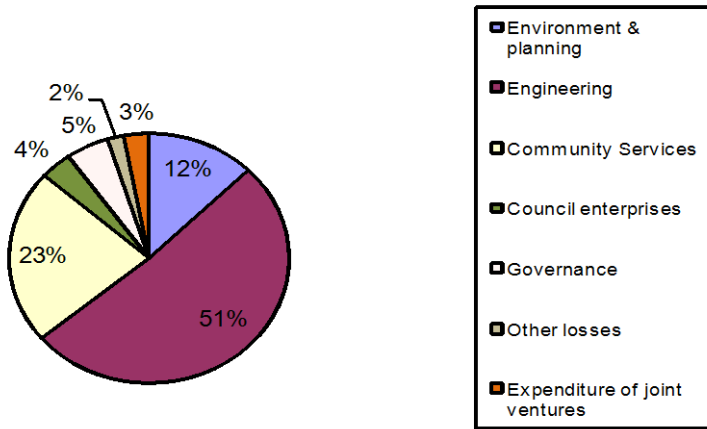
Under NZ IFRS Council must disclose the actual loans repayable during the above periods even if the loans may be 'rolled over'. However, if the entity expects, and has the discretion, to refinance and roll over these loans, then it can classify the obligation as non-current. TDC currently has two facility agreements in place (with sufficient limits) which we believe allow us to roll over those loans for those banks, at our discretion. However, we do not have a current facility in place with two other banks that we lend from and, therefore, any loans due for "roll over" next year under these two facilities must be shown as the current portion of term loans. This is the reason why our working capital for the 2010 financial year is significantly different to previous years.



**Council 2009/10
Operating Expenditure by Activity**



**Council 2008/09
Operating Expenditure by Activity**



Glossary of Terms

To further assist readers of these financial statements, the following definitions of other terms used in the document are set out below:

Operating Costs

These expenses, which are included in the surplus or deficit, are the regular costs of providing ongoing services and include salaries, maintaining assets, depreciation and interest. The benefit of the cost is received entirely in the year of expenditure.

Capital Expenditure

This expenditure relates to the purchase or creation of assets that are necessary to assist in the provision of services. They have useful lives in excess of one year and are therefore included in the Statement of Financial Position. Capital expenditure includes the creation of assets that did not previously exist, the improvement or enlargement of assets beyond their original size and capacity, or the replacement of assets/renewals.

Cost of Services

The cost of services relate to the activity, not the organisational departments. The Local Government Act 2002 requires the annual report to be expressed by activity. The cost of the activity includes the direct and the indirect costs that have been allocated to the activity. Indirect costs include interest on public debt, cost of support services and depreciation allowances.

Major Goals

These highlight specific significant outcomes of the activity and what is intended to be achieved. The objectives are, in some cases, encompassing more than just the current financial year but are considered important enough in terms of providing an overall picture to be included in the plan.

Performance Targets

These are the measures that will be used to assess whether the performance has been achieved.

Income

This includes fees and licences charged for Council's services and contributions towards services by outside parties.

Infrastructural Assets

These are those public facilities which provide for the delivery of services and a sustained standard of living. They primarily comprise the Council's fixed utility systems including roads and footpaths, the water and wastewater reticulation systems, the stormwater system, bridges and culverts.

Infrastructural assets are deemed to have the following attributes:

- They are large networks constructed over several generations.
- They have long useful economic lives.
- They have a high initial cost and a value which is difficult to determine.
- They provide a benefit and/or a social service rather than a commercial service, ie the assets are used by, or for, the community as a whole, servicing all the District's residents and visitors.
- The assets are not usually capable of subdivision for ready disposal because of legal or other restrictions, and consequently are not readily disposable within the commercial market place.

Depreciation

The decline in service potential of an asset spread over the useful life of the asset.

The role of the Annual Report and Financial Statements

The Tasman District Council is required to produce an Annual Report each year to account for the money provided to it by ratepayers, financial institutions and other government agencies.

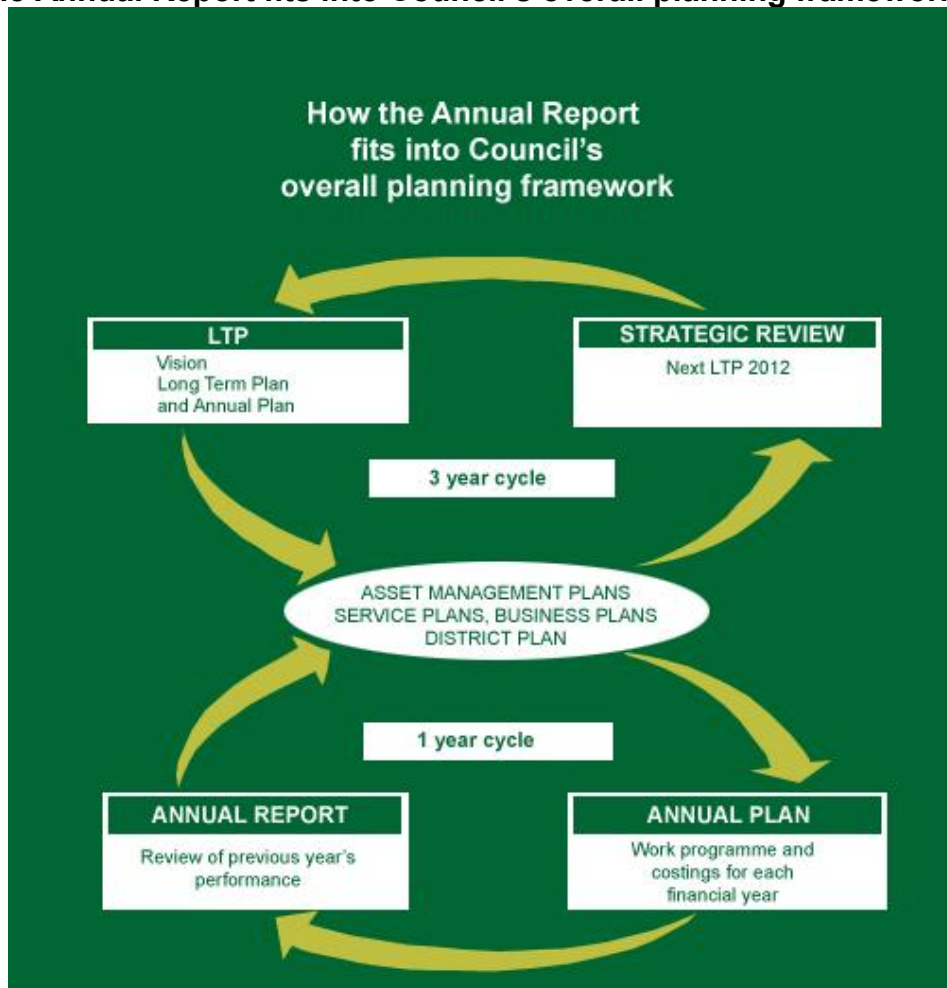
The Annual Report is also an important tool for showing how Tasman District Council's community goals are being achieved. This document, therefore, also represents an opportunity to provide interested parties with a range of additional information to give a more complete picture of the District's affairs.

The contents of this Annual Report will make reference to the District strategies and plans, including the 2009-19 Long Term Council Community Plan, which was adopted by Council on 30 June 2009, after considerable consultation with ratepayers and interested others. Many of the ways in which this information is presented are governed by legislation and standard accounting practices. However, the Tasman District Council recognises that the readers of this report are from diverse backgrounds and steps have been taken to present the information in an accessible and understandable form.

The reports from the Mayor and Chief Executive Officer provide commentary on some of the year's key strategies, objectives, highlights and challenges. The Financial Statements and Statements of Service Performance look at the District affairs in greater detail.

The Tasman District Council thanks you for your interest in its activities and its leadership role in developing Tasman District.

How the Annual Report fits into Council's overall planning framework



Statement of Compliance and Responsibility

Compliance

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

Responsibility

- 2 The Council and management of Tasman District Council accept responsibility for the preparation of the annual financial statements and the judgements used in them.
- 3 The Council and management of Tasman District Council accepts responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial and non-financial reporting.
- 4 In the opinion of the Council and management of Tasman District Council, the annual financial statements for the year ended 30 June 2010 fairly reflect the financial position, operations and service performance of Tasman District Council.



R G Kempthorne
Mayor



P Wylie
Chief Executive Officer



M W Staite
Corporate Services Manager

DATE: 28 October 2010

Audit Report

To the readers of Tasman District Council's financial statements and service provision information for the year ended 30 June 2010

The Auditor-General is the auditor of Tasman District Council (the Council). The Auditor-General has appointed me, Scott Tobin, using the staff and resources of Audit New Zealand, to carry out the audit on her behalf. The audit covers the financial statements, the service provision information and the Council's compliance with the other requirements of Schedule 10 of the Local Government Act 2002 that are included in the annual report of the Council for the year ended 30 June 2010.

Unqualified opinion

In our opinion:

- The financial statements of the Council on pages 18 to 186:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect:
 - the Council's financial position as at 30 June 2010; and
 - the results of operations and cash flows for the year ended on that date.
- The service provision information of the Council on pages 79 to 186:
 - complies with generally accepted accounting practice in New Zealand; and
 - fairly reflects the Council's levels of service provision for the year ended 30 June 2010, including:
 - the levels of service provision as measured against the intended levels of service provision adopted in the long-term council community plan; and
 - the reasons for any significant variances between the actual service provision and the expected service provision.
- The Council has complied with the other requirements of Schedule 10 of the Local Government Act 2002 that are applicable to the annual report, and that are included in the Council's financial statements and service provision information and in Appendix 5 on pages 194 and 195.

The audit was completed on 28 October 2010, and is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Council and the Auditor, and explain our independence.

Basis of opinion

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements, the service provision information and the other requirements did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements, the service provision information and the other requirements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

The audit involved performing procedures to test the information presented in the financial statements, the service provision information and the other requirements. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether the significant management and system controls are working and can be relied on to produce complete and accurate data;
- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported financial and service provision data;
- reviewing significant estimates and judgements made by the Council;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied;

- determining the appropriateness of the reported service provision information within the Council's framework for reporting performance; and
- determining whether all required disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements, the service provision information and the other requirements.

We evaluated the overall adequacy of the presentation of information in the financial statements, the service provision information and the other requirements. We obtained all the information and explanations we required to support our opinion above.

Responsibilities of the Council and the Auditor

The Council is responsible for preparing financial statements and service provision information in accordance with generally accepted accounting practice in New Zealand. The financial statements must fairly reflect the financial position of the Council as at 30 June 2010. They must also fairly reflect the results of operations and cash flows for the year ended on that date. The service provision information must fairly reflect the Council's levels of service provision for the year ended 30 June 2010.

The Council is also responsible for meeting the other requirements of Schedule 10 of the Local Government Act 2002 and including that information in the annual report. The Council's responsibilities arise from section 98 and Schedule 10 of the Local Government Act 2002.

We are responsible for expressing an independent opinion on the financial statements, the service provision information and the other requirements and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 99 of the Local Government Act 2002.

Independence

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the New Zealand Institute of Chartered Accountants.

Other than the audit and in carrying out the audit of the long-term council community plan (LTCCP), we have no relationship with or interests in the Council.



S M Tobin
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand

Matters Relating to the Electronic Presentation of the Audited Financial Statements, Performance Information and the Other Requirements

This audit report relates to the financial statements, performance information and the other requirements of Tasman District Council for the year ended 30 June 2010 included on Tasman District Council's website. Tasman District Council is responsible for the maintenance and integrity of Tasman District Council's website. We have not been engaged to report on the integrity of Tasman District Council's website. We accept no responsibility for any changes that may have occurred to the financial statements, performance information and the other requirements since they were initially presented on the website.

The audit report refers only to the financial statements, performance information and the other requirements named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements, performance information and the other requirements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements, performance information and the other requirements as well as the related audit report dated 28 October 2010 to confirm the information included in the audited financial statements, performance information and the other requirements presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

Financial Statements Introduction

- 1 The **Statement of Comprehensive Income** (page 30) summarises all income received including that from rates, the significant activities and Council's associates and joint ventures.

From the total of this income is deducted the gross cost of services brought forward from the statements of cost of service, together with expenditure not related to any of the significant activities.

Comprehensive income also summarises the change in equity of the Council from transactions and other events and circumstances from non-owner sources. It includes all changes in equity during a period except those resulting from investments by owners and distributions to owners. Therefore, it also includes such items as revaluations of property, plant and equipment.

- 2 The **Statement of Financial Position** (page 31) shows the assets and liabilities of the Tasman District Council.
- 3 The **Statement of Cashflow** (page 32) summarises the cashflow for the year.
- 4 The **Statement of Changes in Equity** (page 33) provides a breakdown of the movements in total equity.
- 5 The individual **Statements of Cost of Service** of Council's significant activities (pages 79 - 186) record Council's objectives, targets and achievements for the year, together with the costs associated with the provision of each service.
- 6 The **Financial Statements** should be read in conjunction with the "Notes to the Financial Statements".

Relationship to the 2009 – 2019 Long Term Council Community Plan (LTCCP)

Efforts have been made to structure this annual report to follow as closely as possible the assumptions, objectives, policies, measures and statements format used in the LTCCP.

Statement of Accounting Policies

Reporting Entity

Tasman District Council was formed in 1989 as a result of the Local Government Commission's Final Re-organisation Scheme. The resultant Tasman District Council is an amalgamation of the former Waimea County Council, Richmond Borough Council, Motueka Borough Council and Golden Bay County Council.

In 1992 Council assumed the responsibilities of the former Nelson Marlborough and West Coast Regional Councils within its boundaries to become a Unitary Authority.

Council's land area of jurisdiction covers 9,786 square kilometres with a normally resident population base of approximately 44,616 (2006 Census). Under our coastal jurisdiction, Council's area extends out to the 20 kilometre territorial waters boundary, covering 4,886 square kilometres.

Tasman District Council (TDC) is a unitary local authority governed by the Local Government Act 2002.

The primary objective of Tasman District Council is to provide goods or services for the community rather than making a financial return. Accordingly, TDC has designated itself as a public benefit entity for the New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements of TDC are for the year ended 30 June 2010. The financial statements were authorised for issue by Council on 28 October 2010.

Basis of preparation

The financial statements of TDC have been prepared in accordance with the requirements of the Local Government Act 2002: Part 6, Section 98 and Part 3 of Schedule 10, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

These financial statements have been prepared in accordance with NZ GAAP. They comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

The financial statements have been prepared on a historical cost basis, modified by the revaluation of land and buildings, certain infrastructural assets, investment property, forestry assets and certain financial instruments (including derivative instruments).

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest

thousand dollars (\$'000). The functional currency of TDC is New Zealand dollars.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the surplus or deficit.

Changes in accounting policies

There have been no changes in accounting policies during the financial year.

The Council has adopted the following revisions to accounting standards during the financial year, which have had only a presentational or disclosure effect:

NZ IAS 1 Presentation of Financial Statements (Revised 2007) replaces NZ IAS 1 Presentation of Financial Statements (Issued 2004). The revised standard requires information in financial statements to be aggregated on the basis of shared characteristics and introduces a statement of comprehensive income. The statement of comprehensive income will enable readers to analyse changes in equity resulting from non owner changes separately from transactions with owners. The Council and group has decided to prepare a single statement of comprehensive income for the year ended 30 June 2010 under the revised standard. Financial statement information for the year ended 30 June 2009 has been restated accordingly. Items of other comprehensive income presented in the statement of comprehensive income were previously recognised directly in the statement of changes in equity.

Amendments to NZ IFRS 7 Financial Instruments: Disclosures. The amendments introduce a three-level fair value disclosure hierarchy that distinguishes fair value measurements by the significance of valuation inputs used. A maturity analysis of financial assets is also required to be prepared if this information is necessary to enable users of the financial statements to evaluate the nature and extent of liquidity risk. The transitional provisions of the amendment do not require disclosure of comparative information in the first year of application. The Council has elected to disclose comparative information.

NZ IAS 24 Related Party Disclosures (Revised 2009) replaces NZ IAS 24 Related Party Disclosures (Issued 2004). The revised standard simplifies the definition of a related party, clarifying its intended meaning and eliminating inconsistencies from the definition. The Council and group has elected to adopt early the revised standard and its effect has been to disclose further information about commitments between related parties.

Standards and interpretation issued and not yet adopted

Standards, amendments and interpretations issued but not yet effective that have not been adopted early, and which are relevant to the TDC include:

NZ IFRS 9 Financial Instruments will eventually replace NZ IAS 39 Financial Instruments: Recognition and Measurement. NZ IAS 39 is being replaced through the following 3 main phases: Phase 1 Classification and Measurement, Phase 2 Impairment Methodology, and Phase 3 Hedge Accounting. Phase 1 on the classification and measurement of financial assets has been completed and has been published in the new financial instrument standard NZ IFRS 9. NZ IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in NZ IAS 39. The approach in NZ IFRS 9 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the many different impairment methods in NZ IAS 39. The new standard is required to be adopted for the year ended 30 June 2014. TDC has not yet assessed the effect of the new standard and expects it will not be early adopted.

Joint Ventures

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. For jointly controlled operations TDC recognises in its financial statements the assets it controls, the liabilities and expenses it incurs, and the share of income that it earns from the joint venture in accordance with NZ IAS 31 – Interests in Joint Ventures.

The entities disclosed below are treated as joint ventures.

Nelson Regional Sewerage Business Unit. Based on the terms of an agreement between Tasman District Council and Nelson City Council that was signed during the 1993/1994 financial year, Council has a 50% interest in this entity. The most recent unaudited financial statements (June 2010) have been used to determine Council's interest.

Nelson Tasman Combined Civil Defence Organisation.

Council has a 50% interest in this entity. The most recent unaudited financial statements (June 2010) have been used to determine Council's interest.

Associated Organisations

TDC accounts for an investment in an associate in the group financial statements using the equity method. An associate is an entity over which the TDC has significant influence and that is neither a subsidiary nor an interest in a joint venture. The investment in an associate is initially recognised at cost and the carrying

amount is increased or decreased to recognise TDC's share of the surplus or deficit of the associate after the date of acquisition. Distributions received from an associate reduce the carrying amount of the investment.

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

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

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

The entities disclosed below are treated as associates.

i) Port Nelson Ltd

Council was vested a 50% shareholding in this entity at the date of its inception (1 October 1988).

In accordance with NZ IAS 28, the equity method has been used for accounting purposes. To arrive at a fair value the most recent audited statement of financial position (June 2010) has been equity accounted.

ii) Nelson Airport Ltd

Council has a 50% shareholding in this Company which commenced trading on 1 April 1999.

In accordance with NZ IAS 28, the equity method has been used for accounting purposes. To arrive at a fair value, the most recent audited statement of financial position (June 2010) has been equity accounted.

iii) Tourism Nelson Tasman Ltd

Council has a 50% shareholding in this Company.

In accordance with NZ IAS 28, the equity method has been used for accounting purposes. To arrive at a fair value, the most recent unaudited statement of financial position (June 2010) has been equity accounted.

iv) Tasman Bays Heritage Trust Inc

The Tasman Bays Heritage Trust Inc commenced on 1 July 2000. Council has significant influence over the trust.

In accordance with NZ IAS 28, the equity method has been used for accounting purposes. To arrive at a fair value the most recent audited statement of financial position (June 2010) has been equity accounted. Council has equity accounted for 50% of this entity.

Revenue Recognition

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

The following particular policies apply:

- Rates are recognised on instalment notice and are set annually by a resolution from Council and relate to a financial year.
- Water billing revenue is recognised on an accrual basis with unread meters at year end accrued on an average usage basis.
- TDC receives government grants from the New Zealand Transport Agency, which subsidises part of TDC's costs in maintaining the local roading infrastructure. New Zealand Transport Agency revenue is recognised on entitlement when conditions pertaining to eligible expenditure are fulfilled.
- Development contributions and financial contributions are recognised as revenue when the Council provides, or is able to provide, the service that gave rise to the charging of the contribution. Otherwise development contributions and financial contributions are recognised as liabilities until such time as the Council provides, or is able to provide, the service.
- Interest is recognised using the effective interest method.
- Dividends are recognised when the right to receive payment has been established.
- Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as revenue. Assets vested in TDC are recognised as revenue when control over the asset is obtained.
- Government grants are recognised as revenue to the extent of eligibility for grants established by the grantor agency, or when the appropriate claims have been lodged.
- Infringements are recognised when the fine is issued.

Borrowing costs

The Council and group has elected to defer the adoption of NZ IAS 23 Borrowing Costs (Revised 2007) in accordance with its transitional provisions that are applicable to public benefit entities. Consequently, all borrowing costs are recognised as an expense in the period in which they are incurred.

Grant expenditure

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

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

Taxation

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

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

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

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

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination and at the time of the transaction affects neither accounting profit nor taxable profit.

Deferred tax is recognised on taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the entity can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

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

Leases

Finance leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred. At the commencement of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments. The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability. The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether the Council will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term or its useful life.

Operating lease

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

Cash and cash equivalents

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

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

Trade and other receivables

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Loans, including loans to community organisations made by TDC at nil, or below-market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar asset/investment. They are subsequently measured at amortised cost using the effective interest method. The difference between the face value and present value of expected future cash flows of the loan is recognised in the surplus or deficit as a grant.

A provision for impairment of receivables is established when there is objective evidence that TDC will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the effective interest method.

Inventories

Inventories are stated at the lower of cost, determined on a first-in first-out basis, and net realisable value.

Works in Progress

Valuation is on the basis of cost of work completed at 30 June. It includes the cost of direct materials, direct labour and overheads.

Financial Assets

TDC classifies its financial assets into the following four categories: financial assets at fair value through surplus or deficit, held-to-maturity investments, loans and receivables and financial assets at fair value through comprehensive income. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Financial assets and liabilities are initially measured at fair value plus transaction costs unless they are carried at fair value through profit or loss in which case the transaction costs are recognised in the surplus or deficit.

Purchases and sales of investments are recognised on trade-date, the date on which TDC commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the TDC has transferred substantially all the risks and rewards of ownership.

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

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

The four categories of financial assets are:

- Financial assets at fair value through surplus or deficit.
This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be

realised within 12 months of the Statement of Financial Position date.

After initial recognition they are measured at their fair values. Gains or losses on remeasurement are recognised in the surplus or deficit.

Currently, TDC holds interest rate swaps in this category.

- **Loans and receivables**
These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit. Loans and receivables are classified as "trade and other receivables" in the Statement of Financial Position.

TDC currently has trade and other receivables and other financial assets in this category.

- **Held to maturity investments**
Held to maturity investments are assets with fixed or determinable payments and fixed maturities that TDC has the positive intention and ability to hold to maturity.

After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

TDC currently has other financial assets in this category.

- **Financial assets at fair value through comprehensive income**
Financial assets at fair value through comprehensive income are those that are designated as fair value through comprehensive income or are not classified in any of the other categories above.

This category encompasses:

- Investments that TDC intends to hold long-term but which may be realised before maturity; and
- Shareholdings that it holds for strategic purposes.

After initial recognition these investments are measured at their fair value.

Gain and losses are recognised directly in comprehensive income except for impairment losses, which are recognised in the surplus or deficit. In the event of impairment, any cumulative losses previously recognised in comprehensive income will be removed from equity and recognised in surplus or deficit even though the asset has not been derecognised.

On derecognition the cumulative gain or loss previously recognised in equity is recognised in the surplus or deficit.

Impairment of financial assets

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

Loans and other Receivables

Impairment of a loan or a receivable is established when there is objective evidence that TDC will not be able to collect amounts due according to the original terms. Significant financial difficulties of the debtor/issuer, probability that the debtor/issuer will enter into bankruptcy, and default in payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible, it is written off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (ie not past due). For term deposits, local authority stock, government stock and community loans, impairment losses are recognised directly against the instruments carrying amount.

Impairment of term deposits, local authority, government stock, and related party and community loans is established when there is objective evidence that TDC will not be able to collect amounts due to the original terms of the instrument. Significant financial difficulties of the issuer, probability the issuer will enter into bankruptcy, and default in payments are considered indicators that the instrument is impaired.

Quoted and unquoted equity investments

For equity investments classified as fair value through equity, a significant or prolonged decline in the fair value of the investment below its cost is considered an indicator of impairment. If such evidence exists for investments at fair value through equity, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the surplus or deficit) is removed from equity and recognised in the surplus or deficit. Impairment losses recognised in the surplus or deficit on equity investments are not reversed through the surplus or deficit.

Accounting for derivative financial instruments and hedging activities

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

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

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

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

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

Certain derivatives designated as hedged derivatives can either be:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or
- hedges of highly probable forecast transactions (cash flow hedge).

The full fair value of a hedge accounted derivative is classified as non-current if the remaining maturity of the hedged item is more than 12 months, and as current if the remaining maturity of the hedged item is less than 12 months.

The full fair value of a non-hedge accounted foreign exchange derivative is classified as current if the contract is due for settlement within 12 months of balance date; otherwise, foreign exchange derivatives are classified as non-current. The portion of the fair value of a non-hedge accounted interest rate derivative that is expected to be realised within 12 months of the balance date is classified as current, with the remaining portion of the derivative classified as non-current.

Fair value hedge

The gain or loss from remeasuring the hedging instrument at fair value, along with the changes in the fair value on the hedged item attributable to the hedged risk, is recognised in the surplus or deficit. Fair value hedge accounting is only applied for hedging fixed interest risk on borrowings. If the hedge relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to the surplus or deficit over the period to maturity.

Cash flow hedge

The portion of the gain or loss on a hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income, and the

ineffective portion of the gain or loss on the hedging instrument is recognised in the surplus or deficit as part of finance costs. If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains or losses that were recognised in other comprehensive income are reclassified into the surplus or deficit in the same period or periods during which the asset acquired or liability assumed affects the surplus or deficit.

However, if it is expected that all or a portion of a loss recognised in other comprehensive income will not be recovered in one or more future periods, the amount that is not expected to be recovered is reclassified to the surplus or deficit.

When a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, or a forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the associated gains and losses that were recognised in other comprehensive income will be included in the initial cost or carrying amount of the asset or liability.

If a hedging instrument expires or is sold, terminated, exercised, or revoked, or it no longer meets the criteria for hedge accounting, the cumulative gain or loss on the hedging instrument that has been recognised in other comprehensive income from the period when the hedge was effective will remain separately recognised in equity until the forecast transaction occurs. When a forecast transaction is no longer expected to occur, any related cumulative gain or loss on the hedging instrument that has been recognised in other comprehensive income from the period when the hedge was effective is reclassified from equity to the surplus or deficit.

Non-current assets held for sale

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

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

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

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

Property, plant and equipment

It is Council's intention to revalue all assets with the exception of vehicles, computers, plant, libraries and office equipment, no more than every three years.

Property, plant and equipment consist of:

Operational Assets - These include land, buildings, computers and office equipment, building improvements, library books, plant and equipment, forestry and motor vehicles.

Restricted Assets - Assets owned or vested in Council which cannot be disposed of because of legal or other restrictions and provide a benefit or service to the community.

Infrastructural Assets - Infrastructural assets are the fixed utility systems owned by the Council. Each asset type includes all items that are required for the network to function, eg wastewater reticulation includes reticulation piping and wastewater pump stations.

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

Additions

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

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at its date of acquisition.

Disposals

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

Subsequent Costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to TDC and the cost of the item can be measured reliably.

Values included in respect of assets are as follows:

Vested Assets - Certain infrastructural assets and land have been vested in the Council as part of the subdivision consent process. Vested infrastructural assets have been valued by calculating the cost of providing identical quantities of infrastructural components.

i) Roads and Bridges

These have been categorised as urban/rural, sealed/metalled and valued at fair value using optimised depreciated replacement cost by MWH New Zealand Ltd as at 30 June 2010.

ii) Land under Roads

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

iii) Wastewater, Solid Waste, Water Supply, Stormwater, Ports and Wharves, and Airfields

Wastewater, solid waste, water supply, stormwater and port and wharves have been valued at optimised depreciated replacement cost by MWH New Zealand Ltd as at 30 June 2009. From 1 July 2008 TDC has ceased revaluing its airfield assets. These assets are now recorded at deemed cost, being the value at the point the decision was made to cease revaluing.

iv) River Protection Assets

River protection assets consist of stop banks, rock protection and riparian protection.

Stop bank assets were valued for inclusion in Council's financial statement at optimised depreciated replacement cost by MWH New Zealand Ltd as at 30 June 2009.

Depreciation

Depreciation is provided on a straight line basis on all assets at rates which will write off the cost (or valuation) of the assets to their estimated residual values, over their useful lives.

These assets have component lives that have been estimated as follows:

- Land Not Depreciated
- Buildings (including fit out) 10 – 100 years
- Plant and Equipment 5 – 10 years
- Motor Vehicles 5 – 10 years
- Library Books 5 – 10 years

Infrastructure Assets

- Bridges 50 – 100 years
- Roads 2 – 80 years
 - Formation Not Depreciated
 - Sub-base (sealed) Not Depreciated
 - Basecourse (sealed) 65 - 75 years
 - Surfaces 2 - 50 years
 - Car parks – formation Not Depreciated
 - Car parks –components 8 - 45 years
 - Footpaths 5 - 50 years
 - Pavement base(unsealed) Not Depreciated
 - Drainage 15 - 80 years
- Wastewater
 - Oxidation ponds Not Depreciated
 - Treatment 9 -100 years
 - Pipe 50 - 80 years
 - Pump stations 20 - 80 years
- Water
 - Wells and pumps 10 - 80 years
 - Pipes/valves/meters 15 - 80 years
- Stormwater
 - Channel/detention dams Not Depreciated
 - Pipe/manhole/sumps 80 - 120 years
- Ports and wharves 7 - 100 years
- Airfields 10 - 80 years
- Refuse 15 - 100 years
- Rivers
 - Stop banks Not Depreciated
 - Rock protection Not Depreciated
 - Willow plantings Not Depreciated
 - Gabion baskets 30 years
 - Railway irons 50 years
 - Outfalls 60 years

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

Revaluation of Assets

With the exception of vested assets at the initial point of recognition, all valuations are carried out or reviewed by the Council's Engineering Manager or by independent qualified valuers and it is intended that valuations be carried out on a two-yearly cycle. The carrying values of revalued items are reviewed at each balance date to ensure that these values are not materially different to fair value. Where materially different, Council will revalue at an earlier point. Revaluations are carried out

on an asset class basis. Forestry valuations are carried out annually.

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

Library Books

This asset is recorded at the latest valuation conducted by Duke and Cooke Ltd, registered valuers, as at 30 June 1999.

During the 2002 income year Council ceased further revaluations and adopted deemed cost.

Donated books are assigned a value based on current replacement cost, less an allowance for age and condition. Additions are valued at cost less depreciation.

Library books are depreciated on a straight-line basis over the following estimated life:

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

Furniture and Fittings

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

Land and Buildings

At fair value as determined by market-based evidence by an independent valuer. The most recent valuation was performed by QV Valuations and the valuation is effective 30 June 2010.

Heritage Assets

Heritage assets comprise Council assets that are subject to an Historic Places protection order and are identified as such in the Resource Management Plan.

Heritage assets were identified and introduced at 30 June 2002 at a fair market value as determined by QV Valuations, registered valuers. The fair market values have been adopted as deemed cost. Subsequent additions are at cost or independently determined fair market value which is adopted as deemed cost.

Intangible assets

Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

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

Easements

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

Amortisation

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

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Computer software 3 years 33%

Forestry Assets

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

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

The costs to maintain the forestry assets are included in the surplus or deficit when incurred.

Investment property

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

Investment property is measured initially at its cost, including transaction costs. After initial recognition, TDC measures all investment property at fair value as determined annually by an independent valuer.

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

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

Impairment of property, plant, equipment and intangible assets

Intangible assets that have an indefinite useful life, or are not yet available for use, are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for indicators of impairment at each balance date. When there is an indicator of impairment, the asset's recoverable amount is estimated. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the service potential of the asset is not primarily dependent on the asset's ability to generate net cash inflows and where the Council or group would, if deprived of the asset, replace its remaining service potential. The value in use for cash-generating assets and cash-generating units is the present value of expected future cash flows.

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

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

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit.

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

Properties intended for Resale/Investment Properties

Properties that fall within the accounting definition of investment properties are revalued annually at net current value by an independent registered valuer. The result of the revaluation is credited or debited to the surplus or deficit. There is no depreciation on investment properties.

Properties intended for resale are valued at the lower of cost or net realisable value.

Employee Entitlements

Short-term benefits

Employee benefits that TDC expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

TDC recognises a liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that TDC anticipates it will be used by staff to cover those future absences.

TDC recognises a liability and an expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

Long-term benefits

Long service leave and retirement leave

Entitlements that are payable beyond 12 months, such as long service leave and retiring leave have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information; and
- the present value of the estimated future cash flows.

Presentation of employee entitlements

Sick leave, annual leave, vested long service leave, and non-vested long service leave and retirement gratuities expected to be settled within 12 months of balance date, are classified as a current liability. All other employee entitlements are classified as a non-current liability.

Superannuation schemes

Defined contribution schemes

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the surplus or deficit as incurred.

Provisions

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

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

Creditors and other payables

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

Financial guarantee contracts

A financial guarantee contract is a contract that requires TDC to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are initially recognised at fair value. If a financial guarantee contract was issued in a stand-alone arm's length transaction to an unrelated party, its fair value at inception is equal to the consideration received. When no consideration is received a provision is recognised based on the probability TDC will be required to reimburse a holder for a loss incurred, discounted to present value. The portion of the guarantee that remains unrecognised, prior to discounting to fair value, is disclosed as a contingent liability.

Financial guarantees are subsequently measured at the initial recognition amount less any amortisation, however if TDC assesses that it is probable that expenditure will be required to settle a guarantee, then the provision for the guarantee is measured at the present value of the future expenditure.

Borrowings

Borrowings are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective-interest method.

Borrowings are classified as current liabilities unless the Council or group has an unconditional right to defer settlement of the liability for at least 12 months after balance date or if the borrowings are expected to be settled within 12 months of balance date.

Equity

Equity is the community's interest as measured by total assets less total liabilities. Public equity is disaggregated and classified into a number of reserves.

The components of equity are:

- Accumulated Funds
- Restricted Reserves and Council Created Reserves
- Asset Revaluation Reserve

Reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by Council.

Restricted and Council created reserves

Restricted reserves are those reserves subject to specific conditions accepted as binding by the Council and which may not be revised by the Council without reference to the Courts or third party. Council created reserves are reserves established by Council decision. The Council may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

GST

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

Contract Retentions

Certain contracts entitle Council to retain amounts to ensure the performance of contract obligations. These retentions are recognised as a liability and are then used to remedy contract performance or paid to the contractor at the end of the retention period.

Overheads

Indirect overheads have been apportioned on an activity basis, using labour cost of full-time staff employed in those specific output areas.

Indirect costs not directly charged to activities are allocated as overheads using appropriate cost drivers such as actual usage, staff numbers and floor area.

Budget Figures

The budget figures are those approved by the Council at the beginning of the year, after a period of consultation with the public as part of the annual plan process. The budget figures are those approved by the Council in its 2009-2019 Long Term Council Community Plan. The budget figures are consistent with the accounting policies adopted by the Council for the preparation of the financial statements at the time the budget was prepared.

Statement of Cash Flows

Cash and cash equivalents means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments in which Council invests, as part of its day-to-day cash management.

Operating activities include cash received from all income sources and record the cash payments made for the supply of goods and services.

Investing activities are those activities relating to the acquisition and disposal of non-current assets.

Financing activities comprise the change in equity and debt capital structure of the Council.

Cost of Service Statements

The Cost of Service Statements report the net cost of services for significant activities of the Council, and are represented by the costs of providing the service less all revenue that can be allocated to these activities.

TDC has derived the cost of service for each significant activity using the cost-allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs, which cannot be identified in an economically feasible manner, with a specific significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff numbers and floor area.

Critical accounting estimates and assumptions

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

Landfill aftercare costs

As operator of the Eves Valley and Murchison landfills, the Council has a legal obligation to provide ongoing maintenance and monitoring services at the landfill sites after closure. The landfill post-closure provision is recognised in accordance with NZ IFRS 37 Provisions, Contingent Liabilities and Contingent Assets. This provision is calculated on the basis of discounting closure and post-closure costs into present-day value.

The calculations assume no change in the legislative requirements for closure and post-closure treatment.

Infrastructural assets

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

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

Experienced independent valuers perform the Council's infrastructural asset revaluations.

Critical judgement in applying Council's accounting policies

Management have exercised the following critical judgement in applying the TDC's accounting policies for the period ended 30 June 2010.

Classification of property

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

Tasman District Council
Statement of Comprehensive Income
for the year ended 30 June 2010

June 09 Actual \$(000's)		Notes	June 10 Actual \$(000's)	June 10 Budget \$(000's)	% of Budget
	Income				
25,082	General Rates	1	26,421	26,300	100%
19,689	Targeted Rates	1	22,524	22,953	98%
35,349	Other revenue	2	31,674	30,376	104%
426	Finance Income	7	541	343	158%
1,915	Other gains	3	1,976	536	369%
2,145	Income of joint ventures	19	2,424	800	303%
2,339	Share of associates surplus/deficit	18	1,881	2,207	85%
86,945	Total Operating Income		87,441	83,515	105%
	Expenditure				
	Operating Costs of Activities				
10,105	Environment & planning		11,769	12,049	98%
41,728	Engineering		47,582	47,679	100%
18,439	Community Services		15,186	15,585	97%
2,968	Council enterprises		2,405	1,700	141%
4,030	Governance		3,463	3,598	96%
1,521	Other losses	3	2,756	-	-
2,356	Expenditure of joint ventures	19	2,658	-	-
81,147	Total Expenditure	4	85,819	80,611	106%
5,798	Surplus before Taxation		1,622	2,904	56%
(533)	Tax expense	8	-	-	-
6,331	Net Surplus	34	1,622	2,904	56%
	Other comprehensive Income				
59,590	Gain on asset revaluations	24	15,615	28,906	54%
(533)	Deferred Tax on asset revaluations		-	-	-
59,057	Total other comprehensive Income		15,615	28,906	54%
65,388	Total comprehensive Income		17,237	31,810	54%

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

Tasman District Council
Statement of Financial Position
as at 30 June 2010

June 09 Actual \$(000's)		Notes	June 10 Actual \$(000's)	June 10 Budget \$(000's)
	CURRENT ASSETS			
1,606	Cash and cash equivalents	9	731	7,787
10,861	Trade and other receivables	10	11,169	4,723
1,875	Derivative Financial Instruments	11	-	-
4,513	Other financial assets	12	4,708	5,564
-	Non current assets held for resale	13	-	-
18,855			16,608	18,074
	CURRENT LIABILITIES			
14,388	Trade and other payables	20	14,334	12,794
1,300	Employee Benefit Liabilities	22	1,415	1,322
-	Derivative Financial Instruments	11	706	-
10,801	Current portion of borrowings	23	67,525	8,133
26,489			83,980	22,249
(7,634)	WORKING CAPITAL		(67,372)	(4,175)
	NON CURRENT ASSETS			
80,454	Investments in associates	18	81,400	69,077
1,820	Other financial assets	12	1,994	1,958
566	Computer Software	15	814	405
143	Trade & other receivables	10	118	-
16,134	Forestry Assets	16	17,804	18,453
1,700	Investment property	17	1,790	1,786
1,051,301	Property, plant and equipment	14	1,088,440	1,071,272
1,152,118			1,192,360	1,162,951
	NON CURRENT LIABILITIES			
85,273	Term borrowings	23	48,428	116,014
536	Employee benefit liabilities	22	617	638
522	Provisions	21	553	-
86,331			49,598	116,652
1,058,153	TOTAL NET ASSETS		1,075,390	1,042,124
	EQUITY			
476,346	Accumulated equity	25	477,433	481,118
11,801	Reserve funds	26	12,450	6,714
570,006	Revaluation reserves	24	585,507	554,292
1,058,153	TOTAL EQUITY		1,075,390	1,042,124

Comment:

Under NZ IFRS Council must disclose the actual loans repayable during the above periods even if the loans may be 'rolled over'. However, if the entity expects, and has the discretion, to refinance and roll over these loans, then it can classify the obligation as non-current. TDC currently has two facility agreements in place (with sufficient limits) which we believe allow us to roll over those loans for those banks, at our discretion. However, we do not have a current facility in place with two other banks that we lend from and, therefore, any loans due for "roll over" next year under these two facilities must be shown as the current portion of term loans.

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

**Tasman District Council
Statement of Cashflows
for the year ended 30 June 2010**

June 09 Actual \$(000's)		Notes	June 10 Actual \$(000's)	June 10 Budget \$(000's)
	Cashflow From Operating Activities			
	Cash was Provided From:			
30,373	Fees and charges		29,920	30,675
44,519	Rates revenue		48,886	49,253
1,903	Dividends received		2,236	2,207
424	Interest received		489	343
-	Net GST received		-	346
77,219			81,531	82,824
	Cash was Disbursed To:			
(57,221)	Payments to suppliers & employees		(58,678)	(54,255)
(5,578)	Interest paid		(7,154)	(7,948)
(41)	Net GST paid		(45)	-
(62,840)			(65,877)	(62,203)
14,379	Net Cashflow From Operating	27	15,654	20,621
	Cashflow From Investing Activities			
	Cash was Provided From:			
213	Proceeds from sale of assets		160	-
213			160	-
	Cash was Disbursed To:			
(33,343)	Purchase of assets		(36,285)	(37,136)
(128)	Purchase of investments		(283)	(160)
(33,471)			(36,568)	(37,296)
(33,258)	Net Cashflow From Investing		(36,408)	(37,296)
	Cashflow From Financing Activities			
	Cash was Provided From:			
22,836	Loans raised		25,621	27,374
	Cash was Disbursed To:			
(4,025)	Loan principal repayments		(5,742)	(6,797)
18,811	Net Cashflow From Financing		19,879	20,577
(68)	Total Net Cashflows		(875)	3,902
1,674	Opening Cash Held		1,606	3,885
1,606	Closing Cash Balance		731	7,787
	Represented By:			
1,606	Cash and cash equivalents		731	7,787
1,606			731	7,787

The GST (net) component of operating activities reflects the net GST paid and received with the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.

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

**Tasman District Council
Statement of Changes in Equity
for the year ended 30 June 2010**

June 09 Actual \$(000's)		Notes	June 10 Actual \$(000's)	June 10 Budget \$(000's)
992,765	Equity at the start of the year		1,058,153	1,010,314
65,388	Total comprehensive income		17,237	31,810
1,058,153	Equity at the end of the year		1,075,390	1,042,124

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

**Tasman District Council
Statement of Commitments
as at 30 June 2010**

Contractual Commitments

These are commitments for which a formal contract has been entered at 30 June 2010.

2008/09		2009/10
\$(000s)		\$(000s)
1,780	Stormwater	602
9,589	Road maintenance	12,495
3,610	Refuse operations	1,898
5,634	Water supply maintenance	3,299
2,915	Wastewater reticulation maintenance	3,322
2,799	River maintenance	1,184
-	Ports and wharves	136
391	Parks and Reserves programmed maintenance	309
104	ASB Bank Aquatic Centre	-
<u>3,155</u>	Parks and Reserves	<u>1,602</u>
<u>29,977</u>		<u>24,847</u>

Operating leases as lessee

TDC leases property, plant and equipment in the normal course of its business. The majority of these leases have a non-cancellable term of 36 months. The future aggregate minimum lease payments to be made under non-cancellable operating leases are as follows:

Non-cancellable Operating Lease Commitments

2008/09		2009/10
\$(000s)		\$(000s)
8	No later than one year	31
5	Later than one year, not later than two years	30
<u>5</u>	Later than two years, not later than five years	<u>50</u>
<u>18</u>		<u>111</u>

**Statement of Contingent Assets and Liabilities
As at 30 June 2010**

a) Guarantees

Council has agreed to act as guarantor for the following loan:

2008/09		2009/10
\$		\$
<u>20,000</u>	Motueka Promotions Association	<u>20,000</u>
<u>20,000</u>		<u>20,000</u>

This is in the form of a guarantee for the loan to Westpac. The probability of liability is considered remote and hence no estimate of possible liability has been made.

The value of guarantees disclosed as contingent liabilities reflects TDC's assessment of the undiscounted portion of financial guarantees that are not recognised in the statement of financial position.

b) Other Contingent Liabilities

Council has contingent liabilities of \$10,000 (30 June 2009 \$20,000). Council has no contingent claims against other parties (30 June 2009 Nil).

Four active claims have been lodged with the Weathertight Homes Resolution Service (WHRS) as at 30 June 2010. These claims relate to weather tightness issues of homes in the Tasman District and name Tasman District Council as well as other parties. It is not certain whether these claims are valid and who will be liable for any proven building defects, therefore, TDC is unable to assess its exposure to the claims lodged with the WHRS and has not allowed for any contingent liabilities relating to this. From 1 July 2009 Riskpool is no longer providing coverage for leaky homes. (Council had provided for two claims in 2009. The excess on the Council insurance is \$10,000 per claim.) Council has provided for one contingent liability claim in 2010. This claim is covered by Council's insurance and Council believes that they have discharged their responsibility with regards to the claim. However, we have allowed for a contingent liability for the claim at \$10,000 which is the amount of Council's insurance excess.

Council has signalled that they may become a signatory to the Government's leaky homes package, which may expose Council to up to 25% of any settlement costs.

The Council is also exposed to potential future claims which have not yet been advised until the statutory limitation period expires. The amount of potential future claims are not able to be reliably measured and is therefore unquantifiable. Claims must be made within 10 years of construction or alteration of the dwelling in order for the claim to be eligible under the Weathertight Homes Resolution Services (WHRS) Act 2006, but other statutory limitation periods could also affect claims. RiskPool provides public liability and professional indemnity insurance for its members. The Council is a member of RiskPool. The Trust Deed of RiskPool provides that, if there is shortfall (whereby claims exceed contributions of members and reinsurance recoveries) in any fund year, then the Board may make a call on members for that fund year. The Council received a notice during 2009 for a call for additional contributions in respect of the 2002/2003 and 2003/2004 fund years as those funds are exhibiting deficits due to the "leaky building" issue. This notice also highlighted that it is possible that further calls could be made in the future. A liability will be recognised for the future calls when there is more certainty over the amount of the calls.

c) Associates Contingent Liabilities and Contingent Assets

Council has a vested 50% shareholding in Port Nelson Ltd. Port Nelson has a contingent asset arising through its associate UNIMAR having a claim on the vessel Marsol Pride. This claim has been submitted against Marine Logistics Solutions (Marsol) LLC, the owner of the vessel Marsol Pride. This claim arises from defects to the vessel when delivered into the charter, and the Port Nelson's shares represent only 25% of a total \$962,052. Should this claim be disputed, provision is made in the charter between the two entities for arbitration in Singapore following the Lloyds Maritime Arbitration.

Port Nelson has an obligation to Stage 3 property owners to provide technical advice, where requested, and to consider providing financial assistance for mitigation works (50 percent of costs). These properties are in the residential zone adjacent to the Port which were affected by the Noise Variation within the Nelson City Resource Management Plan which was notified with effect on 14 July 2008. The decision on whether to provide financial assistance will be based on a recommendation made to Port Nelson by the Port Noise Liaison Committee. Port Nelson cannot currently quantify the cost of this obligation at 30 June 2010.

Council has a 50% shareholding in Tasman Bays Heritage Trust. TBHT has a potential liability in relation to gifted artwork that is equal to the conservation expenditure, plus the forfeiture of the asset.

**Tasman District Council
Notes to the Financial Statements
for the year ended 30 June 2010**

2008/09 Note 1	2009/10
\$(000's) RATES REVENUE	\$(000's)
25,082 General Rates	26,421
Targeted rates attributable to activities	
348 Environmental education, advocacy and operations	279
6 Land Transportation	6
1,956 Stormwater	1,970
1,538 Solid Waste	1,749
4,315 Water	4,994
6,778 Wastewater	7,907
2,330 Community Facilities	3,030
62 Coastal Structures	130
239 Governance	312
<u>2,117 Rivers</u>	<u>2,147</u>
<u>19,689</u>	<u>22,524</u>
<u>44,771</u>	<u>48,945</u>
44,898 Total rates revenue	49,083
<u>(127) Rates remissions</u>	<u>(138)</u>
<u>44,771 Rates revenue net of remissions</u>	<u>48,945</u>

Rates revenue is shown net of rates remissions. TDC's rates remission policy allows TDC to remit rates on condition of a ratepayer's extreme financial hardship, land used for sport, and land protected for historical or cultural purposes.

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

2008/09 Note 2		2009/10
\$(000's) OTHER REVENUE		\$(000's)
8,649	NZ Transport Agency government grants	7,461
115	Rental income from investment properties	136
86	Infringements & fines	95
291	Government subsidies	240
340	Petrol tax	341
4	Dividend income	2
3,397	Development contributions	2,257
2,304	Reserve Financial Contributions	1,751
2,020	Forestry Harvesting Income	1,755
3,973	Sales	4,687
6,250	Vested Assets	4,130
3,073	Application Fees	3,196
1,799	Sundry Fees & Recoveries	3,287
3,048	Other	2,336
<u>35,349</u>		<u>31,674</u>

There are no unfulfilled conditions and other contingencies attached to government grants recognised

2008/09 Note 3		2009/10
\$(000's) OTHER GAINS		\$(000's)
-	Gain on disposal of property plant and equipment	144
1,875	Unrealised gain on Interest Rate Derivatives	-
-	Gain on changes in fair value of forestry assets	1,742
40	Gain on changes in fair value of investment property	90
<u>1,915</u>		<u>1,976</u>

2008/09 OTHER LOSSES		2009/10
\$(000's)		\$(000's)
(1,517)	Loss on changes in fair value of forestry assets	-
-	Unrealised loss on Interest Rate Derivatives	(2,581)
(4)	Loss on disposal of property plant and equipment	(175)
<u>(1,521)</u>		<u>(2,756)</u>

2008/09 Note 4	2009/10
\$(000's) EXPENDITURE	\$(000's)
5,807 Finance Costs	6,496
12,683 Employee Benefit Expenses	13,804
15,386 Depreciation	17,136
43,394 Other Expenses	42,969
1,521 Other Losses	2,756
<u>2,356</u> Expenditure of joint venture	<u>2,658</u>
<u>81,147</u>	<u>85,819</u>

2008/09 Note 5	2009/10
\$(000's) EMPLOYEE BENEFIT EXPENSES	\$(000's)
12,080 Salary & Wages	13,097
446 Defined Contribution plan employer contributions	511
<u>157</u> Increase/(Decrease) in employee benefit liabilities	<u>196</u>
<u>12,683</u>	<u>13,804</u>

2008/09 Note 6	2009/10
\$(000's) OTHER EXPENSES	\$(000's)
2 Bad debts written off	23
22 Movement in Bad Debts Provision	10
98 Audit fees - Annual Report	95
79 Audit fees - LTCCP	-
9 Donations	10
201 Impairment of property plant & equipment	223
239 Minimum lease payments under operating leases	228
6,922 Consultants	8,289
20,116 Contractors/Maintenance	19,578
<u>15,706</u> Other Expenses	<u>14,513</u>
<u>43,394</u>	<u>42,969</u>

2008/09 Note 7	2009/10
\$(000's) FINANCE COSTS	\$(000's)
Interest expense	
5,839 Interest on bank borrowings	6,566
<u>(31) Provisions: discount unwinding</u>	<u>(70)</u>
<u>5,807 Total finance costs</u>	<u>6,496</u>

\$(000's) FINANCE INCOME	\$(000's)
Interest Income	
426 Interest income for financial assets not at fair value through surplus or deficit	541
<u>426 Total finance costs</u>	<u>541</u>

2008/09 Note 8	2009/10
\$(000's) TAX	\$(000's)
Relationship between tax expense & accounting profit	
5,798 Net surplus	1,622
1,739 Prima facie tax at 30%	487
(1,333) Non deductible expenditure	(622)
5 Loss not previously recognised(tax effect)	-
280 Tax loss not recognised	135
(686) Share of associates net surpluses(tax effect)	-
(5) Prior year adjustment	-
<u>(533) Tax loss benefit not previously recognised</u>	<u>-</u>
<u>(533) Tax expense</u>	<u>-</u>

Components of tax expense	
- Current tax expense	-
- Adjustments to current tax in prior years	-
(533) Deferred tax expense	-
- Income tax expense	-
<u>(533)</u>	<u>-</u>

Deferred tax assets/(liabilities)	Property, plant & equipment	Tax losses	Total
Balance at 1 July 2008	-	-	-
Charged to surplus or deficit	-	533	533
Charged to comprehensive income	(533)	-	(533)
Balance at 1 July 2009	<u>(533)</u>	<u>533</u>	<u>-</u>
Charged to surplus or deficit	-	-	-
Charged to comprehensive income	-	-	-
Balance at 1 July 2010	<u>(533)</u>	<u>533</u>	<u>-</u>

A deferred tax asset has not been recognised in relation to unused tax losses of \$2,773,963 (2009: \$2,324,572) with a tax effect at 28% of \$776,710 (2009: \$697,372 at 30%) which are available to carry forward.

2008/09 Note 9	2009/10
\$(000's) CASH AND CASH EQUIVALENTS	\$(000's)
1,606 Cash at bank and in hand	731
- Short term deposits maturing three months or less from date of acquisition	-
<u>1,606</u> Total cash and cash equivalents	<u>731</u>
Disclosed as:	
1,606 Cash and Cash Equivalents	731
- Bank overdrafts	-
<u>1,606</u>	<u>731</u>

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

2008/09 Note 10**2009/10****\$(000's) TRADE & OTHER RECEIVABLES****\$(000's)**

1,332	Rates receivables	1,398
9,909	Other receivables	10,149
<u>143</u>	Term Receivables (At fair value)	<u>118</u>
<u>11,384</u>		<u>11,665</u>
<u>(380)</u>	Less provision for doubtful debts	<u>(378)</u>
<u><u>11,004</u></u>		<u><u>11,287</u></u>

Comprising

10,861	Current portion	11,169
<u>143</u>	Non Current	<u>118</u>
<u><u>11,004</u></u>	Total Trade & Other Receivables	<u><u>11,287</u></u>

The carrying amount of trade and other receivables approximates their fair value.

There is no concentration of credit risk with respect to receivables.

TDC does not provide for any impairment on rates receivable as it has various powers under the Local Government (rating) Act 2002 to recover any outstanding debts. These powers allow the Council to commence legal proceedings to recover any rates that remain unpaid 4 months after the due date for payment. If payment has not been made within 3 months of the Court's judgement, then the Council can apply to the Registrar of the High Court to have the judgement enforced by sale or lease of the rating unit.

The status of other receivables as at 30 June 2010 and 2009 are detailed as below:

	2010		
	Gross	Impairment	Net
	\$(000's)	\$(000's)	\$(000's)
Current	8,188	-	8,188
30-60 days	521	-	521
61-90 days	58	-	58
90+days	1,382	(378)	1,004
	<u>10,149</u>	<u>(378)</u>	<u>9,771</u>

	2009		
	Gross	Impairment	Net
	\$(000's)	\$(000's)	\$(000's)
Current	8,166	-	8,166
30-60 days	259	-	259
61-90 days	95	-	95
90+days	1,389	(380)	1,009
	<u>9,909</u>	<u>(380)</u>	<u>9,529</u>

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

2008/09	2009/10
\$(000's)	\$(000's)
361 At 1 July	380
25 Additional provisions made during the year	11
(6) Recoverables written off during period	(13)
<u>380 At 30 June</u>	<u>378</u>

2008/09 Note 11

2009/10

\$(000's) DERIVATIVE FINANCIAL INSTRUMENTS

\$(000's)

1,875	Interest Rate Swaps	(706)
1,875	Total derivative financial instruments	(706)

Fair Value

The fair values of interest rate swaps have been determined using a discounted cash flows valuation technique based on quoted market prices. This valuation has been performed by Bancorp Treasury Services Limited - independent valuers.

Interest Rate Swaps

The notional principal amounts of the outstanding interest rate swap contracts for the Council were \$63.780m (2009: \$49.788m.) At 30 June 2010, the fixed interest rates of cash flow hedge interest rate swaps vary from 4.45% to 5.895%.

Unrealised gains and losses recognised on interest rate swap contracts as at 30 June 2010 are released to the surplus or deficit as interest is paid on the underlying debt.

2008/09 Note 12

2009/10

\$(000's) OTHER FINANCIAL ASSETS

\$(000's)

Current Portion*Loans and receivables*

183	Current portion of community loans	178
-----	------------------------------------	-----

Held to maturity

1,994	Disaster funds	2,083
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766	Self Insurance Fund	834
-----	---------------------	-----

1,570	Other short term deposits with maturities of 4-12 months	1,613
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<u>4,513</u>	Total Current Portion	<u>4,708</u>
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Non-current portion*Loans and receivables*

544	Community Loans	606
-----	-----------------	-----

953	Loans to Related Parties	1,029
-----	--------------------------	-------

Fair value through comprehensive income

81	Shares - NZ LG Insurance	82
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Held to maturity

242	Monies administered for organisations	277
-----	---------------------------------------	-----

<u>1,820</u>		<u>1,994</u>
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The fair value of the shares in the New Zealand Local Government Insurance Corporation Limited have been determined by calculating Tasman District Council's share of total equity based on shares held.

There were no impairment provisions for other financial assets.

The total value of other financial assets that can only be used for a specific purpose is \$3,194,000 (2009: \$3,002,000).

The loan to related parties is at a nil interest rate. (2009: Nil)

Interest rates receivable on community loans range from nil to 7.97%, with an average rate of 5.56% (2009: 6.0%)

2008/09 Note 13

2009/10

\$(000's) PROPERTY HELD FOR RESALE

\$(000's)

-	Buildings	-
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-	Land	-
---	------	---

<u>-</u>		<u>-</u>
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Note 14 Property, plant and equipment

2010	Cost / Revaluation 1 July 2009 \$(000's)	Acc Deprn & Impairment 1 July 2009 \$(000's)	*NBV 1 July 2009 \$(000's)	Current Year Additions \$(000's)	Current Year Disposal \$(000's)	Current Year Impairment \$(000's)	Current Year Depreciation \$(000's)	Revaluation Surplus \$(000's)	Cost / Revaluation 30 June 2010 \$(000's)	Acc Deprn & Impairment 30 June 2010 \$(000's)	*NBV 30 June 2010 \$(000's)
Fixed Assets											
Land	109,890	-	109,890	1,101	(21)	-	-	5,857	116,827	-	116,827
Buildings	49,091	(2,593)	46,498	5,625	(93)	-	(2,676)	4,053	53,410	-	53,410
Furniture and Fittings	2,276	(1,780)	496	397	-	-	(239)	-	2,673	(2,019)	654
Motor Vehicles	2,780	(2,113)	667	88	-	-	(187)	-	2,868	(2,300)	568
Plant	2,060	(948)	1,112	116	-	-	(129)	-	2,176	(1,077)	1,099
Office Equipment	4,749	(4,231)	518	291	-	-	(208)	-	5,040	(4,439)	601
Library Books	4,630	(3,660)	970	264	-	-	(236)	-	4,894	(3,896)	998
Heritage Assets	1,814	(246)	1,568	-	-	-	(36)	-	1,814	(282)	1,532
Finance Lease	58	(39)	19	-	-	-	(4)	-	58	(43)	15
	177,348	(15,610)	161,738	7,882	(114)	-	(3,715)	9,910	189,760	(14,056)	175,704
Infrastructural Assets											
Roading	442,815	(5,680)	437,135	9,987	-	-	(6,057)	5,519	447,962	(1,378)	446,584
Bridges	69,557	(1,162)	68,395	383	-	-	(1,193)	(2,769)	65,130	(314)	64,816
Land Under Roads	62,973	-	62,973	718	-	-	-	-	63,691	-	63,691
Stormwater	91,080	-	91,080	4,286	-	(48)	(1,047)	-	95,318	(1,047)	94,271
Wastewater	90,815	-	90,815	10,510	-	(180)	(2,356)	(1,092)	100,053	(2,356)	97,697
Refuse	3,905	-	3,905	703	-	-	(145)	-	4,608	(145)	4,463
Water	84,028	-	84,028	4,040	-	(74)	(2,246)	2,771	90,765	(2,246)	88,519
Rivers	38,064	-	38,064	664	-	-	(20)	-	38,728	(20)	38,708
Ports & Wharves	11,977	-	11,977	1,192	-	-	(284)	-	13,169	(284)	12,885
Aerodromes	1,333	(142)	1,191	0	(16)	-	(73)	-	1,317	(215)	1,102
	896,547	(6,984)	889,563	32,483	(16)	(302)	(13,421)	4,429	920,741	(8,005)	912,736
Total											
Fixed Assets	177,348	(15,610)	161,738	7,882	(114)	-	(3,715)	9,910	189,760	(14,056)	175,704
Infrastructure Assets	896,547	(6,984)	889,563	32,483	(16)	(302)	(13,421)	4,429	920,741	(8,005)	912,736
	1,073,895	(22,594)	1,051,301	40,365	(130)	(302)	(17,136)	14,339	1,110,501	(22,061)	1,088,440

* NBV - Net Book value

Included in current year additions is work in progress of \$9,705,000. These assets have not been depreciated.

Land revaluation includes the remediated land at Mapua which previously had a nil value.

The water revaluation movement relates to an adjustment to the value of the Champion Road reservoir. It was incorrectly valued last year due to having an incorrect volume.

2009	Cost / Revaluation 1 July 2008 \$(000's)	Acc Depn & Impairment 1 July 2008 \$(000's)	*NBV 1 July 2008 \$(000's)	Current Year Additions \$(000's)	Current Year Disposal \$(000's)	Current Year Impairment \$(000's)	Current Year Depreciation \$(000's)	Revaluation Surplus \$(000's)	Cost / Revaluation 30 June 2009 \$(000's)	Acc Depn & Impairment 30 June 2009 \$(000's)	*NBV 30 June 2009 \$(000's)
Fixed Assets											
Land	108,846	-	108,846	930	-	-	-	114	109,890	-	109,890
Buildings	45,204	-	45,204	3,870	-	-	(2,593)	17	49,091	(2,593)	46,498
Furniture and Fittings	2,089	(1,543)	546	187	-	-	(237)	-	2,276	(1,780)	496
Motor Vehicles	2,653	(1,906)	747	143	(16)	-	(207)	-	2,780	(2,113)	667
Plant	1,823	(829)	994	234	-	-	(119)	3	2,060	(948)	1,112
Office Equipment	4,493	(4,003)	490	256	-	-	(228)	-	4,749	(4,231)	518
Library Books	4,384	(3,454)	930	246	-	-	(206)	-	4,630	(3,660)	970
Heritage Assets	1,800	(211)	1,589	14	-	-	(35)	-	1,814	(246)	1,568
Finance Lease	38	(37)	1	20	-	-	(2)	-	58	(39)	19
	171,330	(11,983)	159,347	5,900	(16)	-	(3,627)	134	177,348	(15,610)	161,738
Infrastructural Assets											
Roading	431,109	-	431,109	11,706	-	-	(5,680)	-	442,815	(5,680)	437,135
Bridges	68,758	-	68,758	799	-	-	(1,162)	-	69,557	(1,162)	68,395
Land Under Roads	62,118	-	62,118	855	-	-	-	-	62,973	-	62,973
Stormwater	56,155	(588)	55,567	4,750	-	-	(608)	31,371	91,080	-	91,080
Wastewater	77,670	(1,833)	75,837	8,685	-	(201)	(1,919)	8,413	90,815	-	90,815
Refuse	3,067	(127)	2,941	784	-	-	(141)	321	3,905	-	3,905
Water	69,534	(1,898)	67,636	3,345	-	-	(1,957)	15,004	84,028	-	84,028
Rivers	32,653	(19)	32,633	737	-	-	(20)	4,714	38,064	-	38,064
Ports & Wharves	12,497	(199)	12,298	249	-	-	(202)	(368)	11,977	-	11,977
Aerodromes	1,304	(69)	1,235	29	-	-	(73)	-	1,333	(142)	1,191
	814,866	(4,733)	810,132	31,939	-	(201)	(11,762)	59,455	896,547	(6,984)	889,563
Total											
Fixed Assets	171,330	(11,983)	159,347	5,900	(16)	-	(3,627)	134	177,348	(15,610)	161,738
Infrastructure Assets	814,866	(4,733)	810,132	31,939	-	(201)	(11,762)	59,455	896,547	(6,984)	889,563
	986,196	(16,716)	969,479	37,839	(16)	(201)	(15,389)	59,589	1,073,895	(22,594)	1,051,301

* NBV - Net Book value

Included in current year additions is work in progress of \$6.030m. These assets have not been depreciated.

Valuation

Land (operational, restricted, and infrastructural)

Land is valued at fair value using market-based evidence based on its highest and best use with reference to comparable land values. Adjustments have been made to the “unencumbered” land value where there is a designation against the land or the use of the land is restricted because of reserve or endowment status. These adjustments are intended to reflect the negative effect on the value of the land where an owner is unable to use the land more intensely.

The most recent valuation was performed by GR Butterworth SPINZ, ANZIV of QV Valuations Limited, and the valuation is effective as at 30 June 2010.

Buildings (operational and restricted)

Specialised buildings are valued at fair value using depreciated replacement cost because no reliable market data is available for such buildings.

Depreciated replacement cost is determined using a number of significant assumptions. Significant assumptions include:

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

Non-specialised buildings (for example, residential buildings) are valued at fair value using market-based evidence. Market rents and capitalisation rates were applied to reflect market value.

Infrastructural asset classes: Roads and bridges, wastewater, solid waste, water supply, stormwater, ports and wharves, and river protection assets.

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

- Estimating any obsolescence or surplus capacity of the asset.
- Estimating the replacement cost of the asset. The replacement cost is derived from recent construction contracts in the region for similar assets.
- Estimates of the remaining useful life over which the asset will be depreciated. These estimates can be affected by the local conditions. For example, weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then the Council could be over-or underestimating the annual depreciation charge recognised as an expense in the statement of comprehensive income. To minimise this risk, infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration, and condition-modelling are also carried out regularly as part of asset management planning activities, which provides further assurance over useful life estimates.

Roads and bridges have been valued at fair value using optimised depreciated replacement cost by MWH New Zealand Ltd as at 31 March 2010.

Wastewater, solid waste, water supply, stormwater, ports and wharves, and river protection assets have been valued at optimised depreciated replacement cost by MWH New Zealand Ltd as at 30 June 2009.

Land under roads

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

Library collections

This asset is recorded at the latest valuation conducted by Duke and Cooke Ltd, registered valuers, as at 30 June 1999. During the 2002 income year Council ceased further revaluations and adopted deemed cost.

Airfields

From 1 July 2008 TDC has ceased revaluing its airfield assets. These assets are now recorded at deemed cost, being the value at the point the decision was made to cease revaluing.

Impairment

Impairment losses of \$302,000 have been recognised. (2009: \$201,000). The impairment losses relate to abandoned or decommissioned assets for stormwater, wastewater and water. The impairment loss has been recognised in other expenses.

Note 15				
COMPUTER SOFTWARE				
	2008/09		Amortisation	2009/10
	\$(000's)	Additions	charge	\$(000's)
Computer Software				
Cost	1,486	507		1,993
Accumulated amortisation and impairment	(920)		(259)	(1,179)
Carrying amount	566	507	(259)	814

Computer Software				
	2007/08		Amortisation	2008/09
	\$(000's)	Additions	charge	\$(000's)
Computer Software				
Cost	1,142	344		1,486
Accumulated amortisation and impairment	(737)		(183)	(920)
Carrying amount	405	344	(183)	566

Note 16

FORESTRY ASSETS

2008/09		2009/10
\$(000's)		\$(000's)
17,581	Balance at 1 July	16,134
80	Gains/(losses) arising from changes in fair value attributable to log price changes	720
(1,584)	Gains/(losses) arising from changes in fair value attributable to loss of stocked area to harvesting and replanting	620
(30)	Gains/(losses) arising from changes in fair value attributable to tending and harvest management costs	-
87	Physical purchase of forestry estate	-
-	Gains/(losses) arising from changes in tax rate	330
<u>16,134</u>		<u>17,804</u>

TDC owns 2,490 hectares of planted pinus radiata forest, which are at varying stages of maturity ranging from 1 to 33 years. TDC also owns 222 hectares of planted Douglas Fir, and 33 hectares of planted Cupressus Species trees.

Harvesting was centred at Rabbit Island forest. Total harvested volume during the period was 19,679 tonnes. (2009 28,413 tonnes harvested at Rabbit Island and Kingsland forests)

Independent registered valuers PF Olsen and Company Ltd have valued forestry assets as at 30 June 2010. The following valuation assumptions have been adopted in determining the fair value of forestry assets:

A post-tax discount rate of 7% has been used in discounting the present value of expected post-tax cash flows. (2009: A post-tax discount rate of 7% was used)

Notional land rental costs have been included for freehold land

The forests have been valued on a going concern basis and only includes the value of the existing crops on a single rotation basis

All costs and revenues are expressed in current dollar terms.

Log prices represent the average for the last 12 quarters to 30 June 2010

TDC also owns a small stand of timber through its share of the Nelson Regional Sewerage Business Unit joint venture. The movement in the value of this stand is included.

Financial risk management strategies

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

Sensitivity of Value to Changes in Log Prices and Discount Rate (\$millions)

Discount Rate	+10%	Price Base	-10%
6%	25.493	20.680	15.865
7%	21.987	17.804	13.618
8%	19.012	15.421	11.758

The above table show the effect on the tree crop value of varying both the discount rate and log prices. The value of the tree crop at TDC is relatively sensitive to changes in the discount rate and is also highly sensitive to changes which impact directly on stumpage (net revenue from harvesting). Thus any adjustments to harvest costs and log prices have an amplified effect on tree crop value.

2008/09 Note 17**2009/10****\$(000's) INVESTMENT PROPERTY****\$(000's)**

1,660	Balance at 1 July	1,700
40	Gain on changes in fair value of investment property	90
<u>1,700</u>	Balance at 30 June	<u>1,790</u>

TDC's investment property is valued annually at fair value effective 30 June based on open market evidence. The valuation was performed by Duke and Cooke Ltd, registered valuers. Duke & Cooke Ltd are an experienced valuer with extensive market knowledge in the types and location of investment properties owned by Council. The fair value of investment property has been determined using the capitalisation of net income and discounted cash flow methods. These methods are based upon assumptions including future rental income, anticipated maintenance costs, and appropriate discount rates.

Note 18 INVESTMENT IN ASSOCIATES	2008/09 Opening Book Value (\$000's)	2009/10 Share of Surplus (\$000's)	2009/10 Dividend Received (\$000's)	2009/10 Movement in Reserves (\$000's)	2009/10 Closing Book Value (\$000's)
Port Nelson Ltd	66,905	1,726	(2,050)	387	66,968
Nelson Airport Ltd	6,238	45	(160)	-	6,123
Tourism Tasman Nelson Ltd	-	6	-	-	6
Tasman Bays Heritage Trust Inc	7,311	104	-	888	8,303
	80,454	1,881	(2,210)	1,275	81,400

	2007/08 Opening Book Value (\$000's)	2008/09 Share of Surplus (\$000's)	2008/09 Dividend Received (\$000's)	2008/09 Movement in Reserves (\$000's)	2008/09 Closing Book Value (\$000's)
Port Nelson Ltd	67,167	1,738	(2,000)	-	66,905
Nelson Airport Ltd	5,754	621	(137)	-	6,238
Tourism Tasman Nelson Ltd	-	-	-	-	-
Tasman Bays Heritage Trust Inc	7,331	(20)	-	-	7,311
	80,252	2,339	(2,137)	-	80,454

In accordance with NZ IAS 28, Council discloses on an aggregate basis its share of the following in regard to its associates.

2008/09	2009/10
\$(000's)	\$(000's)
1,213 Capital Commitments	24
- Contingent Liabilities	-
- Contingent Assets	121
4,687 Operating Surpluses	5,922
1,554 Tax expense attributed to the operating surplus	4,053

Differences in Accounting Policies

With the exception of the policy noted below all policies adopted by Council's associates are consistent with the policies adopted by Council.

Assets

Council applies depreciation on a straight line whereas Nelson Airport Ltd has adopted the following policy in regard to certain classes of assets

- Furniture, fittings and floor coverings	Diminishing values
- Vehicles	Diminishing values
- Parking Meters	Diminishing values
- Equipment	Diminishing values

The effect of these differences in accounting policy are not significant in Council's Financial Statements

Under NZ IAS 28 Investments in Associates, the investors financial statements shall be prepared using uniform accounting policies for like transactions and events in similar circumstances. In prior years, TDC revalued its airport assets, while Nelson Airport Ltd did not. In line with Council's policy to report assets at their most current revaluation, the runway, taxiways, and apron at Nelson Airport Ltd had been brought into TDC's financial statements at a valuation which had been prepared as at 30 June 2006. Nelson Airport Ltd has not reported this revaluation in their financial statements. Council's portion of this increase in value was recorded in the Asset Revaluation Reserve (Note 24) and resulted in an increase to the revaluation reserve of \$3,001,000. That was the first time the assets had been revalued under IFRS rules.

As neither Nelson Airport Ltd or Nelson City Council revalue their airport assets TDC has decided to change its accounting policy for the airport assets class. TDC will no longer revalue airport assets, and these assets have been recognised at deemed cost from 1 July 2008.

It is important that readers note the very high level of the tax expense attributed to the operating expenses. This has resulted as a consequence of the 2010 Government Budget which removed the traditional ability to claim depreciation (against taxable income) on buildings with a useful life of 50 plus years. Under the International Financial Reporting Standards adopted by New Zealand (NZ-IFRS) the accounting treatment of this change requires a full provision be made now of the effect of this on the buildings owned by the company at balance date for the rest of their estimated life. That provision for future effect, which is recorded as a non current liability in the Balance Sheet, needs to be taken into account when assessing company value at any time.

List of Associates

Name of Entity:	i) Port Nelson Ltd	iii) Tourism Nelson Tasman Ltd
Principal Activity: Ownership: Owner:	Port Operator 50% (2008 50%) Nelson City Council and Tasman District Council	Tourism Promotion 50% (2008 50%) Nelson City Council and Tasman District Council
Control: Balance Date:	Self administered 30 June	Self administered 30 June
Name of Entity:	ii) Nelson Airport Ltd	iv) Tasman Bays Heritage Trust Inc
Principal Activity: Ownership: Owner:	Airport Operator 50% (2008 50%) Nelson City Council and Tasman District Council	Museum Operator. 50% (2008 50%) Nelson City Council and Tasman District Council
Control Balance Date:	Self administered 30 June	Self administered 30 June

Performance Measures

i) Port Nelson Ltd

	Target	2010	2009	2008	Target Met?
Lost Time Injury Frequency Rate *	<1.5	2.8	3.9	2.9	No
Debt Equity Ratio	<66.7%	27.1%	31.1%	30.5%	Yes
Dividend (includes 2005 Dividend Reserve)	\$4.1m	\$4.1m	\$4.0m	\$3.8m	Yes
Cargo Throughput (Cargo tonnes)	2.66m	2.75m	2.78m	2.68m	Yes
Shipping Tonnes (Gross tonnes)	8.6m	8.2m	8.3m	8.3m	No
Ships Visits	923	841	922	921	No
Revenue	\$37.9m	38.0m	38.0m	36.2m	Yes
Return on average Shareholders Funds	6.0%	2.6%	3.7%	6.1%	No
Return on Funds Employed	9.0%	7.2%	6.1%	8.6%	No
Capital Expenditure	<\$4.4m	\$3.2m	\$8.5m	\$10.1m	Yes
Incidents Leading to Pollution of Harbour	NIL	NIL	2	NIL	Yes
Compliance With All Resource Consent Conditions	FULL	FULL	FULL	FULL	Yes
Compliance with NZ Maritime Safety Standards	FULL	FULL	FULL	FULL	Yes

* Lost Time Injury Frequency Rate= $\frac{\text{Lost Time Injuries}}{\text{Hours Worked in Period}} \times 100,000$

ii) Nelson Airport Ltd

Target Measure	Actual Performance
To pass all Civil Aviation certification audits at a satisfactory standard.	All audits were passed with no findings. The continuous improvement model was achieved.
Achieve Financial Performance Targets.	Income and expenditure targets were met, however, the change in depreciation on buildings has a significant impact on the taxation expense under IFRS.
To hold regular meetings of the Nelson Airport Noise Environment Advisory Committee and provide this Committee with the appropriate monitoring information.	Regular meetings of the Nelson Airport Noise Environment Advisory Committee have been held and appropriate monitoring information has been recorded and provided.
Ensure Company complies with all Employment-related legislation.	The company continues to monitor employment legislation and reviews its contracts accordingly.
To ensure long term airport development requirements are identified as much as possible and advise shareholders of such plans and that an implementation timetable is developed.	Nelson Airport Ltd is developing a formal Long Term Development Plan for presentation to shareholders and other stakeholders. The plan is expected to be completed by June 2011.
To support the expansion of the Air Nelson engineering facilities to completion.	The expansion is now complete and functioning.
In completion with Air New Zealand to complete the office and administration extension on Hangar 2 in a timely manner.	The office and administration block was completed on time and on budget.
To encourage and maintain an aviation services cluster in order to attract and grow commercial activity at Nelson Airport.	The Nelson Airport Cluster continues to have Nelson Airport Ltd's support and commercial activity continues to grow at the airport with a number of significant advances having occurred over the last year.
To complete a review of traffic flow and parking facilities by October 2009.	A review was completed by October 2009. Planning is currently underway to develop and enhance the terminal access and parking areas and additional parking machinery has been installed.
To review maintenance and renewal expenditure requirements forecast for next 10 year period by December 2009.	The maintenance and renewal expenditure forecast review was completed in August 2009.
To complete the preparation of a Sustainability Action Plan for Nelson Airport Ltd by September 2009 that sets clear targets for reducing its impact on the environment.	The Sustainability Action Plan for Nelson Airport Ltd was completed in August 2009 and a number of actions and processes have been put in place.

iii) Tourism Nelson Tasman Ltd

Target Measure	Actual Performance
To increase the total economic value and total spend the region derives from tourism at a rate which at least matches the region's other economic driver industries.	Total economic value of tourism to the Nelson Tasman region (as reported by Nelson Regional Economic Development Agency) shows zero growth and net GDP\$128m. The other four driver industries all measured a decline in GDP growth over the same period. There has been no updated data available for total visitor expenditure in the Nelson Tasman region (2006 \$301.6m).
To increase the tourism sector investment in destination marketing by 3% annually.	Total tourism sector direct investment in Nelson Tasman Tourism programmes for 2010 declined by 39%. The decrease is due to the contracting out in 2010 of the Nelson Tasman Official Visitor Guide, the completion of the Sustainable Tourism project in 2009, the decision not to produce a Nelson Tasman Trade Directory in 2010 and the one-off funding received in 2009 from Tasman Bay Promotions for the Spring campaign.
To provide strategic direction to the region's tourism sector, working towards an agreed vision and goals.	A revision of Nelson Tasman Tourism Strategy was deferred until 2010/2011. Industry update workshops were held in Motueka, Murchison and Golden Bay in October 2009 and April 2010. Nelson only in April 2010. Meetings were held on 27 April with Tasman District Council and 6 May with Nelson City Council to present six month report to 31 December 2010.
To improve the region's extreme tourism seasonality pattern.	Negligible progress was made towards shifting 6% of the annual guest nights to the April/October period. In support of off-season tourism growth, a submission was made on the Performing Arts Conference Centre proposal in December 2009. A formal policy was developed on a future conference centre development in May 2010, stating our position in support of a publicly-owned regional convention centre.

To ensure that Nelson Tasman region is a leader in adopting environmentally-sustainable tourism practices.	Nelson Tasman Tourism is a member of the sustainability forum, which brings together diverse stakeholders to discuss sustainability issues. Nelson Tasman Tourism acknowledges through their newsletters sustainable awards received by tourism businesses in the Nelson Tasman region.
To improve the reputation of Nelson Tasman as a visitor- friendly destination.	No tourism questions were included in the 2010 ratepayers surveys carried out by Nelson City Council and Tasman District Council. Councils have agreed to reinstate tourism-related questions in their 2010/2011 surveys.
To take account of the priorities of Tangata Whenua in tourism issues and to encourage their involvement in the industry.	No specific new initiatives have been undertaken during the reporting period.
To provide comprehensive and objective information that meets visitors' expectations.	<p>The bi-annual Mystery Shopper Survey (new format) was completed March 2010. Nelson and Golden Bay i-SITEs met the following 100% pure welcome criteria:</p> <ol style="list-style-type: none"> 1. ADDED VALUE – unprompted, were you told of any “extra” activities or “must-do’s” in an engaging, encouraging manner (up sell) 2. ENTHUSIASM – Were the staff enthusiastic about promoting their town, their region, their local sights and activities 3. EDITED CHOICES – were you asked what your interests were, then suggestions made accordingly, customised for you 4. “FRESHLY BAKED” ideas – were you told about some activities which are “special” just to this area, any local secrets or “hidden gems” (for example when the farmers’ market is on, what the town is famous for or a special event.) 5. AN AUTHENTIC EXPERIENCE – did you get the feeling the staff here were genuinely wanting to help you 6. GOING THE EXTRA MILE – was an interest shown about where you were off to next or were you asked if there was anything else you needed 7. AND NOW THE ACID TEST – would you recommend visiting an i-SITE based on your experience here today <p>The official Visitor Information Qualmark assessment in February 2010 saw Nelson i-SITE and Golden Bay i-SITE achieve a Qualmark Enviro Bronze rating.</p>
To ensure that all publications and website information meet the needs of users and reach target audiences.	<p>The 2010 official visitor guide was distributed to an agreed plan; Nelson regional distribution, national distribution – all i-SITEs around NZ, selected inbound offices and through Jasons distributions (680 locations throughout NZ), and international – Tourism New Zealand offices, NZ Embassies and wholesalers on request.</p> <p>Visitor Guide print run 110,000 Budget (target): \$20,000 Revenue: \$22,555</p> <p>Number of unique visitors to www.NelsonNZ.com for the financial year ending June 2010 was 121,685. Due to a change in website hosting, comparative statistical data is not available for the 2009 financial year.</p> <p>NelsonNZ.com listings: 236 (2009 276). Reduced number of listings is due to the proliferation of competing online tourism distribution channels. This is a reflection of the ongoing evolution of the online environment. This will be addressed in 2010-11 year by offering free listings to all Nelson Tasman tourism businesses in order to increase content on www.NelsonNZ.com. A revenue strategy will also be implemented for the new website. Budget (target): \$30,000, Revenue: \$19,414</p>
Revenue from visitor information services meets or exceeds agreed targets.	Nelson i-SITE, Golden Bay i-SITE and Murchison Visitor Centre Budget (target) \$601,069 Revenue \$639,927
To operate within the budgets agreed with the shareholders.	Statement of comprehensive income shows a profit of \$16,703 against a budgeted profit of \$3,318.
The Company complies with all legislative requirements.	A legislative compliance review was completed by Nelson Tasman Tourism in June 2010 with all requirements being met.
The company operates as an environmentally responsible and sustainable business.	A sustainability action plan has been developed and implemented, ensuring that the Company considers environmental impacts in any decision-making and aiming to reduce environmental impacts and carbon emissions within internal operations.
To be a good employer.	The company met all legislative requirements of relevant employment legislation. A staff satisfaction survey was completed in July 2010, with 81% (2009 88%) of staff rating the company above average as an employer.

iv) Tasman Bays Heritage Trust Inc

Financial Performance

During the period the Museum encountered financial difficulties and was without a Chief Executive for five months.

Performance Measures

The 2009/2010 Strategic Plan contained 16 Objectives/KPIs as follows:

Performance Target	Result
1. To begin a second term of the Memorandum of Understanding (MOU) with our stakeholders, given financial commitments, enhanced communications and ongoing delivery of the museum's public services	Nelson City Council and Tasman District Council have been in negotiation to reach agreement on a second term of the MOU. This has been facilitated through the Joint Shareholders Committee (JSC). The Trust received a draft document in February and made amendments in relation to the long-term Council loans. The Trust has signalled to the JSC that repayment of these loans is not possible at the due date 2012. The MOU is going forward to the JSC in July.
2. To adhere to the Governance Charter adopted December 2008 and to evaluate Board performance against this charter	The Trustees have worked as a full board and in advisory committees. The workload is challenging. The Trust Board conducted a self-evaluation in March. The conclusions were that the Trust Board processes are good. The Trustees believe that the strategic issues facing the care of the collection of the Nelson Provincial Museum, Pupuri Taonga o Te Tai Ao require prioritisation and that a number of these represent critical risk management.
3. To commence a new term on the primary loan (mortgage) at competitive rates to enable financial planning by repayment and interest over a fixed term and a staged reduction in debt	The Trust Board reduced the principal in the first quarter and then signed a new agreement with NBS in November 2009. This placed a portion of the loan on a 15 year repayment term and at a fixed interest rate for 12 months. The balance remained on the 90 day bill rate. The Trust Board operated a 'parking arrangement' with reserves offset against the loan. This has proved to be prudent treasury practise.
4. To engage Councils in renegotiation of the capital structure or 'forgiveness' of the long-term loans	The Trust Board has informed the Councils that the call on the long-term loans cannot be met at the due date. The negotiations to consider alternative arrangements will continue after the signing of the MOU.
5. To expand awareness of the museum and extend audiences for the public services we provide	The public profile has been positive in the last 12 months. This is evidenced by the website front page news, publication of the e-newsletter and local media, in particular The Nelson Mail, and sponsorship by More FM and Classic Hits. The support of the Hon Dr N Smith MP and local school principals for retention of the Learning Experiences Outside The Classroom (LEOTC) education programme put the Nelson Provincial Museum into the headlines.
6. To initiate relocation of the assets in our museum collection to safe and secure long-term storage	The Trust Board commissioned two independent surveys, 1. OPUS, 2. Space & Storage Review (A Stuart) and completed the project tender of the feasibility study, with the appointment of OCTA in June 2010.
7. Continue the preservation and conservation of the Marsden Collection and install selected objects in Isele House for public display	We have a total of 70 objects on public display at Isele House including 11 recently-conserved paintings, and a selection of ceramics and furniture.
8. Enhance the standard of care of the photographic collection by relocating at-risk sections of it to custom- built storage and coolstore facilities	This is work in progress. The photographic collection remains in its existing storage. The Trust board have prioritised this as a critical risk management issue.
9. Review public access to the archives, library and photographic collection with a view to clarifying public expectations and certainty of service without unduly compromising staff ability to continue resource development	Over 350 visitors have been surveyed about access to the Isele Park Research Facility, archives, library, photographic and general collections, with a 40% response rate. The survey included questions about services and facilities. The report is being readied for publication.
10. Develop policy procedures and infrastructure to enable the museum to collect digital heritage items such as images, video and audio files from prospective donors	The policy is in place and we have the infrastructure and software necessary for delivering the product. The range of digital material available in our online collection has expanded considerably. Video and audio material in the collection is not currently in a form suitable for on-line delivery.
11. Enhance the permanent exhibition with planned refreshment designed to increase the attraction of first- time visitors and offer repeat visitors different experiences and opportunities such as interactive elements	A number of sensitive paper- and fabric-based objects have been replaced in the permanent exhibition. An important enhancement of the entry foyer was completed last July. The total visitor numbers for the year was close to 50,000. Of the non-school adult visitors surveyed in the last four months of the year 25-33% of respondents had visited previously, mostly inside the previous 12 months. The percentage varies significantly in the peak summer season.

<p>12. Deliver a programme including both internally- developed and externally-sourced exhibitions that seeks to meet the needs and interests of a broad audience, including concept development for a small scale touring exhibition</p>	<p>The mix of internal and external exhibitions has attracted a good range of visitors. Both NZ Fossils and Sounds Amazing achieved their targets as touring exhibitions and surveys indicate a strong uptake from local families – the 31-50 demographic with accompanying under 12s. This continued into 2010 with Butterflies Returning, Appo Hocton and Shelter from the Storm – all internally produced, and then Treaty2U from Te Papa. Visitor surveys indicate a broader demographic with stronger attendances from those 51-70 and also in the 19-30 age group. The Butterflies exhibition toured regionally to four other venues and we have three exhibitions on offer nationally.</p>
<p>13. Deliver education programmes under the LEOTC contract to school students to meet the Ministry of Education targets of 7,500 students from 60 regional schools</p>	<p>The targets have been met and exceeded in terms of totals. The total number of students in the last 12 months was over 10,800, a sure indication of the attracting power of the smaller exhibitions. Attracting secondary school groups remains an issue that we are currently unable to resolve. We have signed a new contract with the Ministry of Education for the provision of education services to schools in the region.</p>
<p>14. Complete the development of at least two new long- term education programmes that utilise existing resources and meet National curriculum needs</p>	<p>New programmes have been developed for classes working in te reo Maori. A sculpture walk is under development. Two new programmes have been added to our offering. Nga mahi a te rehia explores games and pastimes of early Maori designed to encourage physical and mental agility. Nga koiora a raranga makes use of the weave-stained glass window to explore legends and stories of animals special to Te Tai Ihu.</p>
<p>15. Continue the digitisation project by selecting projects of significant relevance and interest which add value to existing partnerships (such as The Prow and the Coming Home project)</p>	<p>Significant enhancement has continued on digital projects with major work on the Nelson Photo News, descriptions of portraits from the Fletcher Collection, the Art Collection, Nina Jones botanical drawings, the scans of the proof of Geoffrey C Wood, one of Nelson's prominent photographers. All these offer enhanced resources for staff, and searchable records for on-line and physical visitors. The cataloguing project has made a significant inroad into the art collection. Student migration stories developed alongside the Appo Hocton exhibition have been placed on the Prow.</p>
<p>16. Continue the development of a monthly email newsletter to interested parties and enhance the museum website with expanded digital content, an increased range of services, information on visitor programmes and links to other regional institutions</p>	<p>In 18 months we have built the enews up from zero to over 1700 email addresses monthly. The responses and feedback from visitors suggests that this is valuable work. We have added a new feature that will focus on an object or image each month. Links are in place that cross reference and cross link between the newsletter, the website and such resources as the Nelson ItsOn website. In the past year the enews has been responsible for driving a number of programmes such as the Hochstetter lecture and the Shackleton lecture with virtually no other marketing required</p>

Note 19**INTEREST IN JOINT VENTURE**

Council has a 50% interest in the Nelson Regional Sewerage Business Unit (NRSBU) and Nelson Tasman Combined Civil Defence Organisation (NTCCDO)

Financial performance

	2009/10 \$(000's)		
	NRSBU	NTCCDO	TOTAL
Net Income	2,308	116	2,424
Net Expenditure	2,463	195	2,658
Net surplus/(deficit)	(155)	(79)	(234)
Includes:			
Depreciation	678	20	698

Financial Position

The Council's share of assets and liabilities proportionately consolidated is:

	2009/10 \$(000's)		
	NRSBU	NTCCDO	TOTAL
Current Assets			
Cash at Bank	249	44	293
Receivables	53	-	53
	302	44	346
Non Current Assets			
Infrastructure-Wastewater	18,219		18,219
Forestry	39	-	39
Freehold Land	1,085	-	1,085
Buildings	119	-	119
Motor Vehicles	-	14	14
Plant & Equipment	14	16	30
Office Furniture and Equipment	-	13	13
	19,476	43	19,519
Current Liabilities			
Trade Creditors	1,125	1	1,126
Current Portion of Term Loans	500	-	500
	1,625	1	1,626
Non Current Liabilities			
Term Loans	4,500	-	4,500
Net Assets contributed by the Joint Venture	13,653	86	13,739

Comparative figures for 2008/09 are as follows:

Financial performance

	2008/09 \$(000's)		
	NRSBU	NTCCDO	TOTAL
Net Income	2,068	77	2,145
Net Expenditure	2,196	161	2,357
Net surplus/(deficit)	(128)	(84)	(212)
Includes:			
Depreciation	574	16	590

Financial Position

	2008/09 \$(000's)		
	NRSBU	NTCCDO	TOTAL
The Council's share of assets and liabilities proportionately consolidated is:			
Current Assets			
Cash at Bank	57	29	86
Receivables	117	-	117
	174	29	203
Non Current Assets			
Infrastructure-Wastewater	17,399	-	17,399
Forestry	111	-	111
Freehold Land	1,085	-	1,085
Buildings	130	1	131
Motor Vehicles	-	28	28
Plant & Equipment	19	20	39
Office Furniture and Equipment	-	8	8
	18,744	57	18,801
Current Liabilities			
Trade Creditors	656	1	657
Current Portion of Term Loans	-	-	-
	656	1	657
Non Current Liabilities			
Term Loans	4,000	-	4,000
Net Assets contributed by the Joint Venture	14,262	85	14,347

2008/09 Note 20	2009/10
\$(000's) TRADE AND OTHER PAYABLE	\$(000's)
10,394 Trade creditors	9,777
1,693 Sundry accruals	2,097
930 Sundry deposits	862
155 Mapua decontamination - Contract Retention	-
<u>1,216</u> Other	<u>1,598</u>
<u>14,388</u>	<u>14,334</u>
Comprising:	
14,388 Current	14,334
- Non-current	-
<u>14,388</u> Total trade and other payables	<u>14,334</u>

2008/09 Note 21	2009/10
\$(000's) PROVISIONS	\$(000's)
Term	Term
553 Opening Balance	522
31 Change in provision	-
<u>(62)</u> Unwinding of discount	<u>31</u>
<u>522</u>	<u>553</u>

Provision for landfill aftercare costs

TDC gained resource consents in 1989 to operate Eves Valley and Murchison Landfills. TDC has a responsibility under the resource consents to provide ongoing maintenance and monitoring of the landfills after the site is closed.

The management of the landfills will influence the timing of recognition of some liabilities - for example, the current Eves Valley landfill will operate in two stages. A liability relating to stage two will only be created when this stage is commissioned and when refuse begins to accumulate in this stage.

- The estimated remaining life is 42 years for the Eves Valley landfill.
- Council reassessed the estimated remaining life for the Murchison Landfill in the 2007/2008 financial year. It was decided that it was uneconomic to continue operating the Murchison Landfill and it ceased operations in that financial year. A transfer station was constructed at Murchison.
- Estimates of the life have been made by TDC's engineers based on historical volume information.

The cash outflows for landfill post-closure are expected to occur for 40 years after each site has been decommissioned. The long-term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and using a discount rate of 8% for Murchison [2009: 8%] and 8% for Eves Valley [2009: 8%].

The gross provision before discounting is \$3,888,612. (2009: \$3,898,812)

Note 22

EMPLOYEE BENEFIT LIABILITIES

2008/09	2009/10
\$(000's)	\$(000's)
370 Accrued pay	418
762 Annual leave	863
189 Long service leave	229
465 Retirement gratuities	472
50 Sick leave	50
1,837 Total employee benefit liabilities	2,032
Comprising:	
1,300 Current	1,415
536 Non-current	617
1,836 Total employee benefit liabilities	2,032

2008/09	2008/09 Note 23	2009/10	2009/10
\$(000's)	\$(000's) BORROWINGS	\$(000's)	\$(000's)

a) Security

All loans are secured by rates over the rateable properties of the Tasman District Council designated area except the investment property building which is secured by rent.

Term	Current		Term	Current
81,257	10,798	Tasman District Council	43,916	67,021
4,000	-	Joint Venture	4,500	500
16	3	Finance Lease	12	4
85,273	10,801		48,428	67,525

Tasman District Council also has a Multi Option Credit Line Facility with a limit of \$24,424,900.

b) Refinancing

TDC manages its borrowings in accordance with its funding and financial policies, which includes a Liability Management policy. These policies have been adopted as part of the TDC's Long Term Council Community Plan.

c) Interest Rates

Interest rates payable range from 3.070% to 8.38% with an average rate of 6.124% (2008/09 6.12%)

TDC 2008/09 \$(000's)	JV 2008/09 \$(000's)	d) Repayable Period of Loans	TDC 2009/10 \$(000's)	JV 2009/10 \$(000's)
10,798	-	Repayable: Within 1 year	67,021	500
51,515	-	Within 1-2 years	37,549	500
29,742	4,000	Within 2-5 years	6,367	4,000
81,257	4,000	Non Current Portion	43,916	4,500
92,055	4,000	Total Loans	110,937	5,000

The majority of Council's borrowings span over a 20 year term. However, the longest period that the banks will lend fixed term loans for is 5 years. Under NZ IFRS Council must disclose the actual loans repayable during the above periods even if the loans may be 'rolled over'. However, if the entity expects, and has the discretion, to refinance and roll over these loans, then it can classify the obligation as non-current. TDC currently has two facility agreements in place (with sufficient limits) which we believe allow us to roll over those loans for those banks, at our discretion. However, we do not have a current facility in place with two other banks that we lend from and, therefore, any loans due for "roll over" next year under these two facilities must be shown as the current portion of term loans. Therefore, the current portion of term loans disclosed is higher than what we physically intend repaying in the 2010/2011 financial year. (The amount of principal to be repaid as signalled in our Annual Plan 2010/2011 is \$7.608m). The ANZ/National Bank facility was signed on 13 September 2010 and is for a four year period. The ASB Bank facility has been extended by ASB for a further three months to the end of March 2011. It will be re-negotiated then.

2008/09 e) Finance Lease	2009/10
\$(000's) Repayable:	\$(000's)
3 Within 1 year	4
4 Within 1-2 years	4
12 Within 2-5 years	8
<u>16</u>	<u>12</u>
<u>19 Total Finance Leases</u>	<u>16</u>

2008/09 \$(000's)	Note 24 REVALUATION RESERVE	Inc (Dec) \$(000's)	Transfer to Accumulated Equity \$(000's)	2009/10 \$(000's)
46,120	Port Nelson Limited	387	-	46,507
6,762	Nelson Regional Sewerage Business Unit	(1,101)	-	5,661
3,001	Nelson Airport Limited	-	-	3,001
54	NZ Local Government Insurance Corporation	1	-	55
564	Tasman Bay Heritage Trust	888	-	1,452
73,351	Land	5,857	(21)	79,187
10,398	Buildings	4,062	(93)	14,367
299,631	Roads	2,750	-	302,381
151	Aerodromes	-	-	151
8,509	Rivers	-	-	8,509
3,354	Coastal Structures	-	-	3,354
645	Refuse	-	-	645
25,361	Wastewater	-	-	25,361
54,617	Stormwater	-	-	54,617
37,488	Water	2,771	-	40,259
570,006		15,615	(114)	585,507

2008/09 Note 25	2009/10
\$(000's) ACCUMULATED EQUITY	\$(000's)
470,113 Opening balance	476,346
6,331 Surplus	1,622
(2,412) Transfers to reserves	(2,748)
Transfers from	
- Revaluation reserve on disposal of property	114
2,314 Reserves	2,099
- Revaluation reserve	-
<u>476,346</u>	<u>477,433</u>

2008/09 Note 26	2009/10
\$(000's) RESERVE FUNDS	\$(000's)
11,703 Opening balance	11,801
Transfers to:	
(2,314) Accumulated funds	(2,099)
Transfers from:	
2,412 Accumulated funds	2,748
<u>11,801</u> Closing Balance	<u>12,450</u>

Restricted Funds consist of	
11,801 Other funds	12,450
<u>11,801</u>	<u>12,450</u>

Other funds consist of funds relating to donations and bequeaths provided to Council by various people for specific projects, along with funds relating to general disaster funds and funds set aside for specific purposes in the future.

2008/09 Note 27		2009/10
\$(000's) Cash Flow Reconciliation		\$(000's)
6,331	Operating (Surplus)/Deficit	1,622
	<i>Add Non Cash Items:</i>	
15,386	Depreciation	17,136
(202)	Share of associate	330
-	Asset writedown and disposal	416
(6,250)	Vested assets	(4,130)
(40)	Unrealised gain on investment property	(90)
1,517	Revaluation of forestry assets	(1,742)
(533)	Deferred tax charged/(credited) to income	-
(1,875)	Unrealised gain on Interest Rate Derivatives	2,581
-	Unwinding of IFRS discounts	(87)
	<i>Movements in Working Capital Items:</i>	
(1,839)	Accounts receivable	(268)
2,852	Accounts payable	(165)
	<i>Other</i>	
(31)	Movement in Term Provisions	31
4	Gain (loss) on sale included in Investing Activities	(144)
(880)	Movement in fixed asset related payables	128
(20)	Movement in Term Employee entitlements	81
(41)	Net GST	(45)
<hr/>		<hr/>
14,379	Net Cash In(Out)flow From Operating Activities	15,654

Note 28 Related Party Transactions

2008/09		2009/10
\$(000's)		\$(000's)
	a) Port Nelson Ltd	
	i) Received from:	
2,000	Share of Dividends	2,050
27	Directors Fees	28
1,500	ii) Accounts Receivable	1,550
	b) Nelson Regional Sewerage Business Unit	
	i) Received from:	
-	Treasury Services	7
42	Rates	33
-	Consent & Monitoring Fees	13
-	Owner Distribution	481
	ii) Paid to:	
1,962	Operational funding	2,019
89	iii) Accounts Receivable	665
358	iv) Accounts Payable	200
	c) Tasman Bays Heritage Trust	
	i) Paid to:	
720	Operational Funding	749
	d) Nelson Airport Ltd	
	i) Received from:	
138	Share of Dividends	161
13	Directors Fees	13
	ii) Paid to:	
10	Contribution to Bin Manufacture	-
138	iii) Accounts Receivable	64
11	iv) Accounts Payable	-

	e) Tourism Nelson Tasman Ltd	
	i) Received from:	
-	Loan Repayment	-
	ii) Paid to:	
390	Operational Funding	402
3	Grants	4
	f) Nelson Tasman Combined Civil Defence Organisation	
	i) Paid to:	
135	Operational Funding	213
-	ii) Accounts Payable	53

No provision has been required, nor any expense recognised for impairment of receivables, for any loans or receivables to related parties (2009 \$nil).

Key management personnel

During the year Councillors and key management, as part of a normal customer relationship, were involved in minor transactions with TDC (such as rates, purchase of rubbish bags etc).

Salaries and other short-term employee benefits paid to key management personnel for 2009/2010 was \$1,655,483 (2008/2009: \$1,628,568). Key management personnel include the Mayor, Councillors, Chief Executive and Management Team.

29 Severance Payments

In accordance with Schedule 10, Part 3, Clause 19, Local Government Act 2002, Council declares that there has been one individual severance payment made during this financial year totalling \$22,681. (2008/09 \$Nil).

30 Remuneration

Chief Executive

The Chief Executive of Tasman District Council, appointed under Section 42 of the Local Government Act 2002, received total remuneration of \$287,400 during the year ending 30 June 2010. (2008/09: \$277,700).

31 Financial Instruments

31a Financial Instrument categories

The accounting policies for financial instruments have been applied to the line items below:

Financial Instrument Categories

2008/09 \$(000's)		2009/10 \$(000's)
FINANCIAL ASSETS		
Loans and receivables		
1,606	Cash and cash equivalents	731
11,004	Debtors and other receivables	11,287
Other financial assets:		
727	- community loans	785
<u>953</u>	- loans to related parties	<u>1,029</u>
<u>14,290</u>	Total Loans and receivables	<u>13,832</u>
Held to maturity		
Other financial assets		
242	- monies held for other organisations	277
<u>4,330</u>	- Council reserve funds held	<u>4,530</u>
<u>4,572</u>	Total Held to maturity	<u>4,807</u>
Fair value through surplus or deficit		
<u>1,875</u>	Derivative financial instruments that are not hedge accounted	<u>(706)</u>
<u>1,875</u>	Total Fair value through profit and loss	<u>(706)</u>
Fair value through comprehensive income		
Other financial assets:		
<u>81</u>	- unlisted shares	<u>82</u>
<u>81</u>	Total Fair value through comprehensive income	<u>82</u>
FINANCIAL LIABILITIES		
Financial liabilities at amortised cost		
14,388	Creditors and other payables	14,334
Borrowings		
<u>96,055</u>	- secured loans	<u>115,937</u>
<u>110,443</u>	Total financial liabilities at amortised cost	<u>130,271</u>

31b Financial Instruments risks

TDC is party to financial instrument arrangements as part of its every day operations. The Council is risk averse and seeks to minimise exposure arising from its treasury activities. The Council has established a Treasury Policy specifying what transactions can be entered into. These financial instruments include bank balances, accounts receivable, accounts payable, loans, guarantees and investments.

a) Credit Risk

Credit risk is the risk that a third party will default on its obligation to TDC, causing TDC to incur a loss. Due to the timing of its cash inflows and outflows, the TDC invests surplus cash into term deposits which gives rise to credit risk. TDC's Treasury Management policy limits the amount of credit exposure to any one financial institution or organisation. TDC only invests funds with registered banks that have a Standard and Poor's credit rating of at least A+ for short term and AA – for long-term investments, or building societies.

Financial instruments which are potentially subject to credit risk consist of cash, bank balances, accounts receivable and short term deposits.

Maximum exposures to credit risk at balance date are:

2008/09		2009/10
\$(000's)		\$(000's)
1,606	Cash and cash equivalents	731
11,004	Trade and other receivables	11,287
6,333	Other financial assets	6,702
1,875	Derivative financial instruments	(706)

The above maximum exposures are net of any recognised provision for losses on these financial instruments. No collateral is held on the above accounts.

The credit quality of financial assets:

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit ratings (if available) or to historical information about counterparty default rates:

2008/09		2009/10
\$(000's)		\$(000's)
COUNTERPARTIES WITH CREDIT RATINGS		
Cash and cash equivalents		
<u>1,606</u>	AA	<u>731</u>
<u>1,606</u>	Total cash and cash equivalents	<u>731</u>
Other financial assets held to maturity		
<u>4,572</u>	AA	<u>4,807</u>
<u>4,572</u>	Total financial assets held to maturity	<u>4,807</u>
Derivative financial assets		
<u>1,875</u>	AA	<u>(706)</u>
<u>1,875</u>	Total financial assets held to maturity	<u>(706)</u>
COUNTERPARTIES WITHOUT CREDIT RATINGS		
Community loans		
728	Existing counterparty with no defaults in the past	785
<u>-</u>	Existing counterparty with defaults in the past	<u>-</u>
<u>728</u>	Total Community loans	<u>785</u>
Loans to related parties		
953	Existing counterparty with no defaults in the past	1,029
<u>-</u>	Existing counterparty with defaults in the past	<u>-</u>
<u>953</u>	Total Loans to related parties	<u>1,029</u>
Unlisted shares		
81	Existing counterparty with no defaults in the past	82
<u>-</u>	Existing counterparty with defaults in the past	<u>-</u>
<u>81</u>	Total unlisted shares	<u>82</u>

Debtors and other receivables mainly arise from TDC's statutory functions, therefore there are no procedures in place to monitor or report the credit quality of debtors and other receivables with reference to internal or external credit ratings. TDC has no significant concentrations of credit risk in relation to debtors and other receivables, as it has a large number of credit customers, mainly ratepayers, and TDC has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

b) Currency Risk

TDC has no currency risk as any financial instruments it deals with are all in New Zealand dollars. (2008/09 Nil).

c) Fair Value Interest Rate Risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowings and investments issued at fixed rates of interest expose the TDC to fair value interest rate risk. Council has exposure to interest rate risk to the extent that it borrows or invests for a fixed term at fixed rates. TDC currently borrows at fixed term rates.

d) Cash Flow Interest Rate Risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings and investments issued at variable interest rates expose TDC to cash flow interest rate risk.

TDC raises some borrowings at floating rates and swaps them into fixed rates using interest rate swaps in order to manage the cash flow interest rate risk. Such interest rate swaps have the economic effect of converting borrowings at floating rates into fixed rates that are generally lower than those available if TDC borrowed at fixed rates directly. Under the interest rate swaps, TDC agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional principal amounts.

e) Financial Guarantees

Council has guarantees to various organisations which may subject it to credit risk. Maximum exposure to credit risk at balance date was \$20,000 as detailed in the Statement of Contingent Liabilities. (2008/09 \$20,000).

It is not practical to estimate the fair value of the financial guarantees with an acceptable level of reliability.

f) Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. TDC is exposed to equity securities price risk on its investments, which are classified as financial assets held at fair value through comprehensive income.

g) Liquidity Risk

Liquidity risk is the risk that TDC will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. TDC aims to maintain flexibility in funding by keeping committed credit lines available.

TDC manages its borrowings in accordance with its funding and financial policies, which include a Treasury Management policy. These policies have been adopted as part of the TDC's Long Term Council Community Plan.

TDC has a maximum amount that can be drawn down against its overdraft facility of \$2,000,000 (2009 \$2,000,000). There are no restrictions on the use of this facility.

Contractual maturity analysis

Contractual maturity analysis of financial liabilities, excluding derivatives

The table below analyses the Council financial liabilities into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. Future interest payments are based on the average interest rate at balance date. The amounts disclosed are the contractual undiscounted cash flows and include interest payments

2010	Carrying amount \$(000's)	Contractual cash flows \$(000's)	Less than 1 year \$(000's)	1 -2 years \$(000's)	2 + years \$(000's)
Creditors and other payables	14,334	14,334	14,334	-	-
Secured loans	115,937	124,861	73,587	40,431	10,843
Finance Leases	16	19	5	5	9
Total	130,287	139,214	87,926	40,436	10,852

2009	Carrying amount \$(000's)	Contractual cash flows \$(000's)	Less than 1 year \$(000's)	1 -2 years \$(000's)	2 + years \$(000's)
Creditors and other payables	14,388	14,388	14,388	-	-
Secured loans	96,055	103,288	16,267	55,700	31,321
Finance Leases	19	24	5	5	14
Total	110,462	117,700	30,660	55,705	31,335

Contractual maturity analysis of financial assets, excluding derivatives

The table below analyses the Council financial assets into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. Future interest payments are based on the average interest rate at balance date. The amounts disclosed are the contractual undiscounted cash flows and include interest receipts.

2010	Carrying amount \$(000's)	Contractual cash flows \$(000's)	Less than 1 year \$(000's)	1 -2 years \$(000's)	2 + years \$(000's)
Cash and cash equivalents	731	731	731	-	-
Debtors and other receivables	11,287	11,287	11,287	-	-
Other financial assets:					
- community loans	785	1,077	255	154	668
- loans to related parties	1,029	1,200	-	1,200	-
Total	13,832	14,295	12,273	1,354	668

2009	Carrying amount \$(000's)	Contractual cash flows \$(000's)	Less than 1 year \$(000's)	1 -2 years \$(000's)	2 + years \$(000's)
Cash and cash equivalents	1,606	1,606	1,606	-	-
Debtors and other receivables	11,004	11,004	11,004	-	-
Other financial assets:					
- community loans	727	1,099	251	103	745
- loans to related parties	953	1,200	-	-	1,200
	14,290	14,909	12,861	103	1,945

h) Sensitivity Analysis

The table below illustrates the potential profit and loss and equity (excluding retained earnings) impact for reasonably possible market movements, with all other variables held constant, based on TDC's financial instrument exposures at the balance date.

Interest Rate Risk:

Sensitivity analysis

	2009/10			
	\$(000's)			
	-100 bps		+100 bps	
	Profit	Other Equity	Profit	Other Equity
Financial Assets				
Cash and cash equivalents	(7)	-	7	-
Community loans	-	-	-	-
Loans to related parties	-	-	-	-
Monies held for other organisations	-	-	-	-
Council reserve funds held	-	-	-	-
Derivative Financial Instruments	(3,251)	-	3,038	-
Financial Liabilities				
Secured loans	611	-	(611)	-
	2008/09			
	\$(000's)			
	-100 bps		+100 bps	
	Profit	Other Equity	Profit	Other Equity
Financial Assets				
Cash and cash equivalents	(16)	-	16	-
Community loans	-	-	-	-
Loans to related parties	-	-	-	-
Monies held for other organisations	-	-	-	-
Council reserve funds held	-	-	-	-
Derivative Financial Instruments	(2,798)	-	2,587	-
Financial Liabilities				
Secured loans	240	-	(240)	-

Explanation of sensitivity analysis:

1. Cash and cash equivalents include deposits at call on floating rates totalling \$731,000 (2009: \$1,606,000). A movement in interest rates of plus or minus 1% has an effect on interest income of \$7,310 (2008: \$16,060).
2. Community loans and loans to related parties are at fixed rates for the year. A movement in market interest rates on fixed rate investments does not have an impact because the investments are accounted for at fair value.

3. Monies held for other organisations and Council reserve funds held as deposits are at fixed investment rates. A movement in market interest rates on fixed rate investments does not have an impact because the investments are accounted for at fair value.
4. A portion of Council's secured loans are at fixed rates. A movement in market rate interest rates on fixed rate debt does not have an impact because secured loans are accounted for at amortised cost using the effective interest method. Council has \$61,107,622 worth of loans at 30 June 2010 at floating rates (2009: \$23,979,000). A movement in interest rates of plus or minus 1% has an effect on interest expense of \$611,076 (2009: \$239,790).
5. Derivatives – Interest rate swaps. Derivative financial assets not hedge accounted includes interest rate swaps with a fair value totalling \$(760,000) (2009: \$1,875,000). A movement in interest rates of plus or minus 1% has an effect on the swap value of plus \$3.038m and minus \$3.251m.

31c Financial Instruments Fair Value Hierarchy

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

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

The following table analyses the basis of the valuation of classes of financial instruments measured at fair value in the statement of financial position:

Financial Instrument Fair Value Hierarchy

2010	TOTAL \$(000's)	Valuation Technique		
		Quoted Market Price \$(000's)	Observable Inputs \$(000's)	Significant Non Observable Inputs \$(000's)
FINANCIAL ASSETS				
Fair value through profit and loss				
Derivative financial instruments that are not hedge accounted	(706)	-	(706)	-
Total Fair value through profit and loss	(706)	-	(706)	-
Fair value through comprehensive income				
Other financial assets:				
- unlisted shares	82	0	0	82
Total Fair value through comprehensive income	82	0	0	82

2009	TOTAL \$(000's)	Valuation Technique		
		Quoted Market Price \$(000's)	Observable Inputs \$(000's)	Significant Non Observable Inputs \$(000's)
FINANCIAL ASSETS				
Fair value through profit and loss				
Derivative financial instruments that are not hedge accounted	1,875	-	1,875	-
Total Fair value through profit and loss	1,875	-	1,875	-
Fair value through comprehensive income				
Other financial assets:				
- unlisted shares	81	0	0	81
Total Fair value through comprehensive income	81	0	0	81

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

Valuation techniques with significant non-observable inputs (level three).

The table below provides a reconciliation from the opening balance to the closing balance for the level three fair value measurements:

	2010	2009
Balance at 1 July	1	-
Gain and losses recognised in the surplus or deficit	-	-
Gain and losses recognised in other comprehensive income	1	1
Purchases	-	-
Sales	-	-
Transfers into level 3	-	-
Transfers out of level 3	-	-
Balance at 30 June	<u>2</u>	<u>1</u>

Changing a valuation assumption to a reasonable possible alternative assumption would not significantly change fair value.

32 Capital management

The Council's capital is its equity (or ratepayers' funds), which comprise retained earnings and reserves. Equity is represented by net assets.

The Local Government Act 2002 (the Act) requires the Council to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayers' funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets and not expecting them to meet the full cost of long term assets that will benefit ratepayers in future generations. Additionally, the Council has in place asset/activity management plans for major classes of assets detailing renewal and maintenance programmes, to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires the Council to make adequate and effective provision in its Long Term Council Community Plan (LTCCP) and in its annual plan (where applicable) to meet the expenditure needs identified in those plans. The Act sets out the factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in the Council's LTCCP.

TDC has the following Council-created reserves:

- Reserves for different areas of benefit;
- Self-insurance reserves; and
- Trust and bequest reserves.

Reserves for different areas of benefit are used where there is a discrete set of rate or levy payers as distinct from the general rate. Any surplus or deficit relating to these separate areas of benefit is applied to the specific reserves.

Self-insurance reserves are built up annually from general rates and are made available for specific unforeseen events. The release of these funds generally can only be approved by Council.

Trust and bequest reserves are set up where Council has been donated funds that are restricted for particular purposes. Interest is added to trust and bequest reserves where applicable and deductions are made where funds have been used for the purpose they were donated.

33 Urban Portions of the State Highway Network

The ownership of urban portions of the state highway network is unclear, although there is legal opinion indicating that the ownership rests with local authorities. Transit New Zealand maintains these highways in their entirety without any costs accruing to local authorities.

As a consequence, even if ownership resides with local authorities, in practice, Transit New Zealand controls the economic resources. Pending clarification of ownership and further consideration of the accounting issues which may arise, Tasman District Council has not recognised the urban portion of the state highway network as an asset in these financial statements. The estimated distance of highway involved is 16.7 kilometres.

34 Significant Variances compared to the Long Term Council Community Plan (LTCCP)

The Council made a net surplus of \$1.622 million (budgeted surplus of \$2.904 million).

Explanations for major variations from the budget are as follows:

Revenue and expenditure	\$(000's)
2009/2010 LTCCP surplus	2,904
<i>Increases/(reductions)</i>	
Targeted Rates	(429)
Other Revenue	1,298
Other Gains	1,440
Share of Associates surplus/deficit	(326)
Other increases in revenue	319
Environment and planning	280
Engineering	97
Community services	399
Council Enterprises	(705)
Other Expense variances	135
Other Losses	(2,756)
Joint ventures (Net)	(1,034)
	<u>(1,282)</u>
	<u>1,622</u>
2010 Annual Report Surplus	1,622

The major reasons for the variance between actual and estimated net surplus were:

Targeted rates are down on budget due to a decrease in water rates received. This is due to a water refund of \$163,000 given during the year due to overcharging over a number of years, as well as water rates being down on budget due to a daily charge being incorrectly incorporated into the budget for Motueka.

Other revenue is up on budget due to the following reasons:

- Assets vested in Council being \$730,000 higher than expected due to the timing of subdivisions;
- Reserve Financial Contributions being \$531,000 higher than expected due to an increase in building consents issued;
- A \$90,000 recovery from the Ministry for the Environment towards Mapua rehabilitation costs;

- Regulatory income being \$307,000 higher than expected due to increased work performed in the Building Control activity as well as Council receiving concession fees, which were not budgeted for, for the Abel Tasman Foreshore Reserve;
- Community facilities income being \$340,000 higher than expected due to community contributions towards the Murchison Sport Recreation and Cultural Centre and the Motueka Recreation Centre;
- Forestry income being \$612,000 higher than budgeted due to the budget netting of forestry harvesting income against harvesting cost.

Other gains are up on budget due to an increase in the forestry revaluation of \$1,723,000 which had not been budgeted for. Other losses are up on budget due to a loss on the revaluation of the interest rate swaps of \$2,581,000 which had not been budgeted for. TDC does not budget for gains and losses due to the inherent difficulties in forecasting market conditions.

The share of associate's income is down on budget mainly due to an accounting adjustment for deferred tax on buildings. This resulted from the Government announcing that the ability to claim tax depreciation deductions on buildings with an estimated useful life of 50 years or more will be removed from the start of the 2011/2012 income tax year.

Engineering expenditure increased due to emergency works undertaken being \$1m more than budgeted. (These have been partially offset by an increase in New Zealand Transport Agency subsidies). There has also been an increase in depreciation expense over budget resulting from revaluations.

Council enterprises expenditure is over budget due to the budget netting of harvesting cost against forestry harvesting income.

Joint Ventures net surplus is below budget. The budget had not allowed for the 50% elimination required on accounting for the joint venture.

Explanations for major variations from the budget are as follows:

Statement of Financial Position	Actual \$(000's)	LTCCP \$(000's)	Variance \$(000's)
The carrying values of the following items vary significantly from those forecast in the LTCCP			
Cash and cash equivalents	731	7,787	(7,056)
Trade and other receivables	11,169	4,723	6,446
Working Capital	(67,372)	(4,175)	(63,197)
Investment in Associates	81,400	69,077	12,323
Property, plant and equipment	1,088,440	1,071,272	17,168
Term Borrowings	(48,428)	(116,014)	67,586
Accumulated equity	(477,433)	(481,118)	3,685
Reserve funds	(12,450)	(6,714)	(5,736)
Revaluation reserves	(585,507)	(554,292)	(31,215)

The major reasons for the variance between actual and estimated Statement of Financial Position values were:

Cash and cash equivalents have decreased due to the timing of payments. This has affected Council's working capital position.

Trade and other receivables have increased due to the timing of Council's invoicing of debtors as well as an increase in overdue accounts which are being actively followed up by Council. This has affected Council's working capital position.

The main reason for the decrease in the working capital position is due to the current portion of term loans. This is due to the IFRS requirement to show term loans as current if a banking facility is not in place for those loans for the next 12 months.

Investment in Associates has increased due to the share of surplus and movements in revaluation reserves being higher than budgeted in the 2008/2009 financial year. This resulted in a higher opening balance in the current year which was not taken into account as it was unknown until after the 2009/2010 budgets had been set.

The property, plant and equipment asset increase is due to the actual opening balance at the beginning of the 2009/2010 year being higher than that estimated at the time of preparing the 2009/2010 Long Term Council Community Plan due to the utilities revaluations undertaken last year. These revaluation gains were higher than those projected.

Term borrowings are down on budget mainly due to the reclassification of term debt to current portion of term debt.

The Accumulated Equity increase is primarily due to the actual opening balance at the beginning of the 2009/2010 year being lower than that estimated at the time of preparing the 2009/2010 Long Term Council Community Plan.

Reserve funds have increased primarily due to actual opening balance at the beginning of the 2009/2010 year being \$2.5m higher than that estimated at the time of preparing the 2009/2010 Long Term Council Community Plan. There was also an increase in the amount transferred to reserves during the year due to more reserve financial contributions being received than budgeted. The timing of engineering projects can also affect the balance of the reserve funds at year end.

Revaluation reserves are up due to the actual opening balance at the beginning of the 2009/2010 year being higher than that estimated at the time of preparing the 2009/2010 Long Term Council Community Plan due to the utilities revaluations undertaken last year. These revaluation gains were higher than those projected.

35 Events Occurring after Balance Date

No significant events have occurred since balance date that affect these financial statements.

36 Elected Representatives

In accordance with Schedule 10, Part 3, section 18 of the Local Government Act 2002, the total remuneration and value of other non-financial benefits received by, or payable to the Mayor, and Councillors for the year were as follows:

	SALARY	CONSENT HEARINGS	TOTAL COST	DIRECTOR FEES	TOTAL
	\$	\$	\$	\$	\$
KEMPTHORNE R G	92,393	-	92,393	-	92,393
KING T B	35,826	2,112	37,938	28,000	65,938
BORLASE S J	26,869	2,601	29,470	-	29,470
BRYANT S G	35,826	4,854	40,680	-	40,680
CURRIE R G	26,869	2,176	29,045	-	29,045
DOWLER B F	26,869	306	27,175	-	27,175
EDGAR J	26,869	2,312	29,181	-	29,181
ENSOR B	26,869	3,621	30,490	-	30,490
GLOVER G	26,869	2,363	29,232	-	29,232
HIGGINS M J	35,826	2,414	38,240	12,500	50,740
INGLIS J L	26,869	-	26,869	-	26,869
NORRISS T E	35,826	901	36,727	-	36,727
RILEY N	26,869	6,966	33,835	-	33,835
WILKINS E J	26,869	1,666	28,535	-	28,535
	477,518	32,292	509,810	40,500	550,310

Mr M J Higgins is a Director of Nelson Airport Limited and received director fees from Nelson Airport Limited of \$12,500. (2009: \$12,500)

Mr T B King is a Director of Port Nelson Limited and received director fees from Port Nelson of \$28,000 during the year. (2009: \$26,750).

37 Acquisitions and Replacements of Assets.

Under the Local Government Act 2002 [Schedule 10, Part 3, Clause 15(f)], Council is required to describe any significant acquisitions or replacements undertaken during the financial year. Council has not made any acquisitions or replacements during the year which would be deemed significant. The Statements of Objectives and Service Performance for each of Council's significant activities provide details of acquisitions and replacements made during the year. These statements also detail projects not undertaken during the year and the reasons.

STATEMENTS OF OBJECTIVES AND SERVICE PERFORMANCE

Introduction

The service goals and objectives form the basis of Council's operations in the provision of works and services for the District. Council departments reporting to the Chief Executive for servicing the Tasman District may be broadly categorised as follows:

	Page
Environment and Planning	80
Engineering	103
Community Services	145
Governance	178
Council Enterprises	181

The service goals, objectives and performance indicators have been listed for each of Council's significant activities (where applicable). These are followed by a statement of the level of achievement.

Each significant activity area as a whole incorporates elements of quality, quantity, timeliness, cost and location (where applicable). Unless otherwise noted, all tasks are to be completed by 30 June 2010. Quality processes (which affect the quality of the output) are also a standard feature of the internal management control systems. In particular:

- **Preparation of Internal Report**

Internal reports are prepared by suitably qualified and experienced staff. Significant reports are subject to peer review process/consultation review.

- **Capital Works**

Capital works are constructed to design specifications. Inspections of works are undertaken by suitably qualified and experienced engineers.

- **Resource Management**

These functions are performed by appropriately qualified staff and/or accredited hearing commissioners. This is one mechanism by which Council assures the quality of service given to the public. In relation to policy investigations and the development of regional and district plans, the Council follows processes outlined in legislation and established public consultation procedures.

- **Maintenance Works**

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

- **Legislative and Financial Compliance**

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

- **Asset Management Planning**

A common process we undertake for all outputs is the development of asset/activity management plans for Council's activities and infrastructural assets, including asset identification, valuation, condition rating, service levels, performance measures and future maintenance and development plans, as appropriate.

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

- **Performance Measures**

In many cases in preparing its 2000-2019 LTCCP Council included survey measures as a measure of progress towards the achievement of Council objectives and checking residents levels of satisfaction with the services Council provides. Council reports on these measures using data from the annual Communitrak survey.

A Communitrak residents survey was undertaken in June 2010 by National Research Bureau Ltd (NRB). Where measures within this annual report include information from the Communitrak survey the latest survey information has been used.

Note: A total of 400 people were surveyed by telephone. The margin of error for this survey is plus or minus 4.9 percent.

A separate survey was undertaken in July/August 2010 by NRB which focused on consents only. A random selection of people who had applied for consents during the year were contacted by telephone to answer the survey.

ENVIRONMENT AND PLANNING

Policy and Objective

To promote the sustainable management of natural and physical resources and to safeguard the District's environmental qualities.

Nature and Scope

These output classes involve the development of resource policy and plans under the Resource Management Act and related legislation, the associated processing and monitoring of resource consents, improving the understanding of the District's environment through investigations and promoting improved environmental performance by resource users, and undertaking Council's regulatory responsibilities.

There are five significant areas under which this activity is performed by Council.

- a) Resource Policy – The analysis and development of resource policy and plans to satisfy the Council's responsibilities under the Resource Management Act and related legislation.
- b) Environmental Information – Establishing and maintaining an efficient resource database to allow Council to properly discharge its resource management functions and to provide advice to the public on environmental issues affecting the District. Investigating, monitoring and analysis of significant environmental issues affecting, or likely to affect, the District.
- c) Resource Consents and Compliance – The assessment and processing of resource consent applications for the development and use of land, air, water or coastal space, and related monitoring and enforcement.
- d) Environmental Education, Advocacy and Operations – Encouraging good environmental outcomes through education and advocacy and other non-regulatory methods and also undertaking of works and services in conjunction with land owners.
- e) Regulatory Services - Provision of advice and discharging statutory functions in the areas of public health, building, sale of liquor, hazardous substances, animal and parking control, and maritime administration. Assessing and processing permit and registration applications, the administration of bylaws, and associated monitoring and enforcement action.

ENVIRONMENT AND PLANNING

Activities

The Council Activities within this Group are:

- Resource Policy
- Environmental Information
- Resource Consents and Compliance
- Environmental Education, Advocacy and Operations
- Regulatory Services

It is important to note that while policy development is a separate activity, its implementation often appears as a cost under one of the other activities. For instance, Council has a policy framework for managing air quality determined by legislation and its own Tasman Resource Management Plan (TRMP). Monitoring air quality is a cost against Resource Information, discharges to air and monitoring air discharge consents are a cost against Resource Consents and Compliance and education initiatives are a cost against Environmental Education, Advocacy and Operations.

Contribution of these activities to the Community Outcomes

- Our unique and special natural environment is bountiful, healthy, clean and protected.
- Our built urban and rural environments are functional, pleasant, safe and sustainably managed.
- Our transport and essential services are sufficient, efficient and sustainably managed.
- Our vibrant community is safe, well, enjoys an excellent quality of life and supports those with special needs.
- Our community understands regional history, heritage and culture.
- Our participatory community contributes to district-decision-making and development.
- Our growing and sustainable economy provides opportunities for us all.
- Our diverse community enjoys access to a range of spiritual, cultural, social, educational and recreational services.

Assets required by the group of activities

The assets required for this group of activities primarily include skilled staff, vehicles, office buildings and information technology.

Jun-09 Actual \$	ENVIRONMENT & PLANNING	Jun-10 Actual \$	Jun-10 Budget \$	% of Budget
1,127,811	Resource Policy	1,010,086	1,143,024	88%
1,599,252	Environmental Information	1,859,228	2,461,147	76%
2,699,408	Resource Consents & Compliance	3,028,726	3,143,929	96%
1,527,877	Environmental Education, Advocacy and Operations	1,952,526	1,806,898	108%
3,150,246	Regulatory Services	3,918,482	3,494,324	112%
10,104,594	TOTAL COSTS	11,769,048	12,049,322	98%

ENVIRONMENT AND PLANNING

RESOURCE POLICY

What We Do

This activity involves the analysis and development of policy and plans required under the Resource Management Act and the Biosecurity Act and the provision of policy advice on matters of national importance affecting Tasman District. It involves responding to new environmental issues that emerge from time to time and where Council considers a policy response is warranted, including where a response is needed to information received through monitoring undertaken in the Environmental Information Activity.

Why We Do It

Council is required by law and community expectation to manage the environment of Tasman District and the consequences of human activity. The Tasman communities have told us that planning for the future is important. This is so we can meet the needs of communities and manage those activities which might otherwise undermine the character and resource values which are special to Tasman.

Our Goal

We aim to provide an appropriate policy framework for identifying and responding to resource management policy issues which lead to sustainably managing the District's natural and physical resources including biosecurity risks.

How this activity contributes to the Community Outcomes

- Having in place policies and plans that promote sustainable management of natural and physical resources and, where necessary, regulating activities which would over time degrade the environment or place resources under pressure, keeps Tasman District special.
- The activity ensures that living environments are pleasant, safe, and that the activities of others do not adversely impact on citizens' lives. By ensuring resources are well managed, the activity contributes to the development of the district in appropriate locations and scale.
- Effective resource policy planning ensures infrastructure needs are appropriate, efficient, and available to meet the demands of the community.
- This activity safeguards the community's health and wellbeing by ensuring resource use and human activities affecting resources do not adversely affect quality of life or community wellbeing.
- This activity identifies heritage values of significance to the district and has in place a framework for protecting and enhancing these values, including sites which are important to iwi.
- Public participation is provided for in the processes of development of policies and plans under the Resource Management and Biosecurity Acts.
- Policies and plans identify opportunities for economic development and potential hazards and constraints affecting such opportunities.

Our levels of service

We will develop and maintain an appropriate policy framework which effectively promotes the sustainable management of the District's natural and physical resources by:

- identifying and responding to resource management policy issues and biosecurity risks; and
- providing a sound and appropriate policy planning framework that will protect and enhance our unique environment and promote healthy and safe communities; and
- ensuring that plan development systems are administered in a way which meets the expected environmental outcomes identified in policy statements and plans.

ENVIRONMENT AND PLANNING

How We Measure Progress

The level of community support for Council's resource management policy and planning work is rated as fairly satisfied or better through community surveys. [Target 75%]	71% of residents surveyed fairly satisfied or better with 15% of respondents unable to comment, which means 83% of those with knowledge were happy with Council actions. (Corresponding figures for 2008/2009 were 69%, 11%, and 77%).
Having in place an operative Regional Pest Management Strategy, which is kept up-to-date and relevant. [Strategy to be reviewed in 2012].	Have maintained an operative Regional Pest Management Strategy. An Operational Plan is produced annually and is reviewed annually. The Strategy to set down for review in 2012.
Having in place an operative Tasman Resource Management Plan, which is kept up-to-date and relevant. Parts V and VI are expected to be made operative in 2009/2010 and Part IV will be notified in 2009.	Part IV notified February 2010. Parts V and VI on track to be made operative September 2010.

Major Activities

To undertake strategic development planning for urban and rural areas in the District and process associated plan changes and resolve any appeals, including for Richmond West (current to 2010), Richmond East (current to 2010), Richmond CBD (2009 to 2011), Motueka West (current to 2011), Mapua (current to 2010), Eastern Golden Bay (current to 2010), Western Golden Bay (current to 2011), Wakefield/Brightwater (2010 to 2012).	Released decisions on Richmond West rezoning package in September 2009 – eight appeals lodged, court-assisted mediation has commenced. Advanced work on Richmond East, Motueka West, Mapua Ruby Bay and South Takaka Structure Plans. Work on Western Golden Bay recommenced July 2010 when extra resources became available.
To complete Part IV of the Tasman Resource Management Plan - Rivers and Lakes.	Part IV notified 27 February 2010 with 23 submissions received. The hearings are scheduled to commence after the 2010 Council elections.
To review water management provisions, process associated plan changes, and resolve any appeals, including for the Moutere Water Management Zone (2009), Motueka Water Management Zone (current to 2010), Takaka Water Management Zone (2010 to 2012), Waimea Water Management Zone (2012 to 2013).	Released decisions on the Moutere and Motueka water management regime (Variations 65 and 66) in December 2009. Three appeals lodged, court-assisted mediation has commenced.
To respond to any plan change requests and to administer other parts of the Tasman Resource Management Plan as required including Rural Policy Review (2009 to 2011), Natural Hazards Assessment (2009–2010).	Notified Change 16 to the TRMP in September 2009 concerning cultural heritage matters. For the Natural Hazards Assessment undertook work on Active Fault Rupture and Slope Instability Risk leading to notified changes in August 2010. Council agreed to defer the Rural Policy Review in July 2010 in light of other priorities. This is unlikely to commence before the end of 2011.
To review issues and options for managing activities and impacts on the Waimea Estuary (2009/2010) in conjunction with Nelson City Council, Department of Conservation, iwi and stakeholders.	Commenced an investigation into management of the Waimea Estuary in November 2009. Community consultation process carried out, draft strategy has been considered by steering group in June 2010
To investigate the merger of the Tasman Regional Policy Statement with the Tasman Resource Management Plan (2009–2010).	Council has agreed to merge the TRMP and TRPS but work on this will now be deferred until the end of 2011.
To provide policy advice to Council on legislative and other significant resource management initiatives requiring Council response.	Responded to proposed aquaculture reforms and the review of the Air Quality National Environmental Standard (NES), a proposed NES on Water Measuring Device, Soil Contamination, Electricity Transmission.
To review and administer the Regional Pest Management Strategy in conjunction with Nelson City Council.	Have submitted on the Government's Review of the Future of Pest Management. Involved in a Joint Marine Biosecurity Partnership with Nelson City and Marlborough District Councils, Biosecurity New Zealand, iwi and industry representatives.

ENVIRONMENT AND PLANNING

Jun-09 Actual \$	Resource Policy	Jun-10 Actual \$	Jun-10 Budget \$	% of Budget
	INCOME			
967,330	General Rates	1,015,528	1,010,652	100%
26,252	Fees and Recoveries	34,118	17,595	194%
104,681	Sundry Income	115,374	111,573	103%
1,098,263	TOTAL INCOME	1,165,020	1,139,820	102%
	OPERATING COSTS			
1,413	Regional Policy Statement	2,028	16,861	12%
998,388	TRMP	864,243	1,027,614	84%
83,700	Policy Advice	81,158	55,972	145%
29,037	Pest Management Strategy	58,964	39,373	150%
15,273	Depreciation	3,693	3,204	115%
1,127,811	TOTAL OPERATING COST	1,010,086	1,143,024	88%
29,548	NET COST OF SERVICE (SURPLUS)	(154,934)	3,204	-4836%
	TOTAL FUNDS REQUIRED			
29,548	Net Cost of Service (Surplus)	(154,934)	3,204	-4836%
5,490	Capital	-	-	-
35,038		(154,934)	3,204	-4836%
	SOURCE OF FUNDS			
19,765	General Funds	(158,627)	-	-
19,765		(158,627)	-	-
	NON- FUNDED DEPRECIATION			
15,273	Depreciation to be funded at income statement level	3,693	3,204	115%
35,038		(154,934)	3,204	-4836%

Comment:

TRMP costs are down on budget mainly due to less staff hours available because of sickness and a job vacancy. There was also a decrease in consultancy costs due to not being able to advance expected work because of these staffing issues. Legal fees are also down on budget.

ENVIRONMENT AND PLANNING

ENVIRONMENTAL INFORMATION

What We Do

This activity involves establishing and maintaining an efficient resource information base to allow Council to properly discharge its resource management functions and to provide advice to the public on environmental conditions and issues affecting the District. It also involves investigation, monitoring and analysis of significant environmental issues affecting or likely to affect the District.

Why We Do It

Council is required by law and community expectation to monitor the state of the environment of Tasman District and to undertake resource investigations that allow us to better understand and manage the effects of resource use and changes in the quality and quantity of our land, water, air, and coastal resources.

Our Goal

We aim to achieve a robust and cost effective approach to environmental monitoring and resource investigations that will provide a good understanding of the District's resources and the ability to assess environmental trends and manage risks to the environment.

How this activity contributes to the Community Outcomes

- By monitoring and investigating the state of the environment and the trends, risks, and pressures it faces, we can make better decisions and have in place policies and plans that promote sustainable management of natural and physical resources, and where necessary, that regulate activities which over time would degrade the environment or place resources under pressure.
- By monitoring and investigating the state of the environment and the trends, risks, and pressures it faces, we can make better decisions and have in place policies and plans that contribute to this outcome.
- Our flood warning system and work to identify contamination risks are designed to promote safety of people and community well-being.
- We make environmental information available and work with groups in the community to help them make environmentally sound decisions.
- Resource information identifies opportunities for economic development in the use and development of resources of benefit to current and future generations, and potential hazards and constraints affecting such opportunities.

Our levels of Service

We will provide environmental monitoring and resource investigations services in a professional and scientifically valid manner to ensure our natural and physical resources are sustainably managed

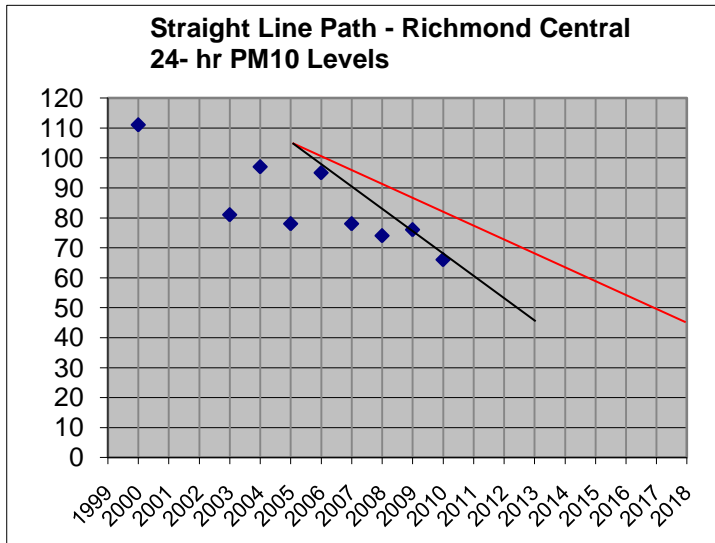
How We Measure Progress

The level of community support for Council's environmental information and monitoring work is rated as fairly satisfied or better through community surveys. [Target 75%]	72% fairly satisfied or better, with 20% unable to comment. [2009: 75% fairly satisfied or better, with 16% unable to comment].
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ENVIRONMENT AND PLANNING

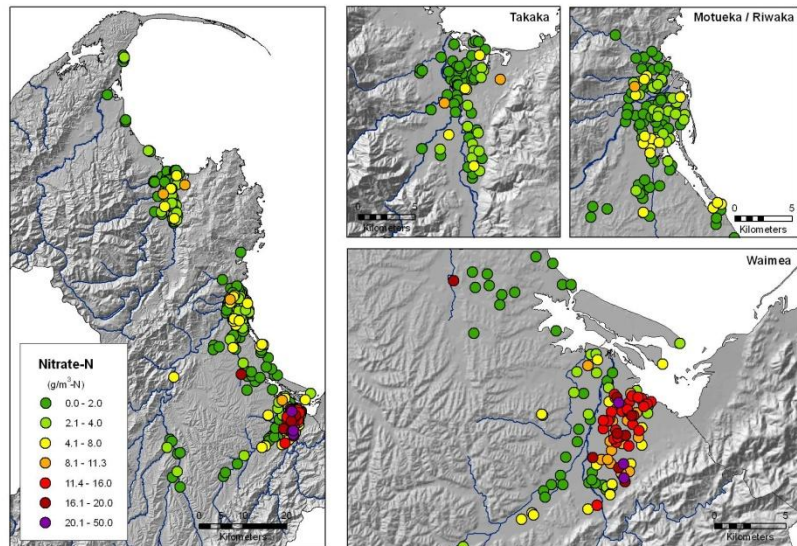
We report air quality data through our website and provide an annual report with the aim of having no more than one PM10 exceedence of the National Environmental Standard by 2013.

21 exceedences were measured in the Richmond airshed, the same number as the previous winter.



We release at least one issue based State of the Environment (SOE) report annually.

Failed to release groundwater quality report due to staff workload in other areas. However the draft was completed on time and will be released in October 2010. The report assesses a wide range of attributes. Where elevated levels exist, they are accompanied by a downward trend. While there are some issues, overall the condition of the groundwater resource is good to very good.



ENVIRONMENT AND PLANNING

<p>Undertake targeted investigations of resource issues with the findings released via the Environment and Planning Committee (EPC) and via the Council's website.</p>	<p>Investigation into stormwater quality and sediment quality in streams near Richmond was presented to Council's Environment and Planning Committee on 1 July 2010.</p> <p>Have set up work programmes to monitor river and stream health, checking for faecal contamination and monitoring water temperature.</p> <p>Unable to complete investigations into fine sediment loadings due to weather. Reprogrammed for 2011.</p>
<p>We ensure our hydrometric network is available for regional hazard management. [Target 99%]</p>	<p>Council met this target. The network functioned well throughout the year with the system operating continuously with only one individual site interruption on one occasion due to telemetry issues.</p> <p>Telemetry sites are currently being upgraded to modern loggers and communication equipment, and this task is 95% completed</p>

Major Activities

<p>To revise and continue implementing the State of the Environment Monitoring and Reporting Strategy.</p>	<p>Council continues to implement the State of the Environment Monitoring and Reporting Strategy.</p>
<p>To prepare and distribute annually issue-based reports (Surface Water, Air, Groundwater, Coastal, Land) on the State of the Environment.</p>	<p>Groundwater Quality report drafted and awaiting release. Presented results of air quality monitoring 20 October 2009 and again 1 July 2010. Presented Annual Bathing Water Quality Report to Council in May 2010. The results of a Soil Health monitoring report were presented to Council 1 July 2010. All these reports are available on Council's website or from Council.</p> <p>Natural hazards risk assessment completed as a contribution to the Nelson Tasman Civil Defence Emergency Management plan review.</p>
<p>To monitor, collect and maintain resource data/records and report on environmental resources condition and trends as provided for in Council's State of the Environment Monitoring Strategy.</p>	<p>The monitoring, collection and maintenance of resource data/records in relation to water (quantity/quality), land, air and coast is ongoing. The data is reported in real-time and, in some cases, is available on-line.</p>

ENVIRONMENT AND PLANNING

<p>To initiate and respond to flood warnings and continue water resource investigations in the Waimea, Buller, Golden Bay, Moutere and Motueka catchments.</p>	<p>Hydrology:</p> <ul style="list-style-type: none"> - Flood warnings were issued on a number of occasions, the most significant being in May 2010 which resulted in landslip problems in the Tapawera area. - Rainfall-runoff models were refined for the Takaka, Riwaka, Motueka and Waimea Rivers. These are due for completion late 2010. - The telemetry system continues to perform well during all weather alerts. - Contract hydrology services are provided to Nelson City Council. - The TDC 'Flowphone' and web page continue to be widely used by anglers, canoeists and others. <p>Targeted Water Resource Investigations:</p> <ul style="list-style-type: none"> - Major effort has continued into the Waimea Water Augmentation project in relation to the Lee Valley Community Augmentation Dam. - New deep monitoring bore for the Moutere Eastern Groundwater Zone for future refinement and ongoing monitoring of the aquifer in this zone - New groundwater and salinity monitoring sites for the Motueka/Riwaka Plains for future refinement of water allocation - Response evaluation and management of water releases from the Wai-iti at Kainui water augmentation dam - Working in partnership with the Motueka ICM study to develop a river aquifer interaction model for water allocation - Developed a Takaka Flood Model
<p>To conduct investigations into pollution and contamination related issues.</p>	<p>Maintained and updated Council's Site Contamination Register which records known or potential contamination risks resulting from past or present land use practices. Provided advice to landowners with contamination issues. Arranged disposal of 10 tonnes of unwanted agrichemicals July 2009. Repeated 5 yearly monitoring of quality of Richmond estuary sediments; general improvement except for zinc. Monitored contamination from retail storage of treated timber.</p>

ENVIRONMENT AND PLANNING

Jun-09 Actual \$	Environmental Information	Jun-10 Actual \$	Jun-10 Budget \$	% of Budget
	INCOME			
1,471,271	General Rates	1,958,866	1,949,460	100%
416,889	Fees and Recoveries	335,912	468,855	72%
80,388	Sundry Income	91,532	85,682	107%
1,968,548	TOTAL INCOME	2,386,310	2,503,997	95%
	OPERATING COSTS			
397,641	Water Resource Investigations	551,984	619,058	89%
903,611	Environmental Monitoring	1,098,077	1,512,140	73%
75,966	Flood Management	84,606	108,535	78%
169,200	Pollution Investigations	102,734	192,170	53%
2,875	Loan Interest	9,749	14,121	69%
49,959	Depreciation	12,078	15,123	80%
1,599,252	TOTAL OPERATING COST	1,859,228	2,461,147	76%
(369,296)	NET COST OF SERVICE (SURPLUS)	(527,082)	(42,850)	1230%
	TOTAL FUNDS REQUIRED			
(369,296)	Net Cost of Service (Surplus)	(527,082)	(42,850)	1230%
139,393	Capital	168,177	46,446	362%
1,920	Loan Principal Repaid	9,391	11,527	81%
(227,983)		(349,514)	15,123	-2311%
	SOURCE OF FUNDS			
-	Loans Raised	122,599	-	-
(277,942)	General Funds	(484,191)	-	-
(277,942)		(361,592)	-	-
	NON- FUNDED DEPRECIATION			
49,959	Depreciation to be funded at income statement level	12,078	15,123	80%
(227,983)		(349,514)	15,123	-2311%

Comment:

Capital costs include the flood model works carried forward from last year (Budget carried forward of \$148,486. Actual spend for the year was \$131,389) as well as some technical equipment purchases.

Fees and recoveries are down on budget due to a decrease in Pollution Investigations recoveries. Operating costs for Pollution Investigations is also down due to Government assistance being received to dispose of unwanted agrichemicals, the cost of which would have been partly met through user charges.

Staff costs have been less than budgeted in this activity due to staff time being required for other Environment and Planning activities.

Consultancy fees are down on budget due to four projects not being completed in the 2009/2010 financial year. These projects were carried forward to the 2010/2011 financial year and this was approved by the Environment and Planning Committee on 1 July 2010.

ENVIRONMENT AND PLANNING

RESOURCE CONSENTS & COMPLIANCE

What We Do

This activity involves the assessment and processing of resource consent applications for the development and use of land, air, water or coastal resources, and related compliance monitoring and enforcement.

Why We Do It

Council is required by law to receive and process resource consent applications and to monitor and enforce compliance with plan rules and conditions of consent in order to achieve sustainable management of natural and physical resources. There is also an expectation from the community that we will respond to, and resolve, environmental and nuisance complaints.

Our Goal

We aim to see development of the District's resources that achieves high standards within sustainable limits set by Council's plans and with minimum environmental impact and to provide excellent customer service in processing consents.

How this activity contributes to the Community Outcomes

- The consent process seeks to ensure that the development and use of the environment promotes sustainable management of natural and physical resources. Where necessary, conditions can be imposed (and monitored) that regulate activities which over time would degrade the environment or place resources under pressure.
- The activity ensures that living environments are pleasant, safe, and that the activities of others do not negatively impact on citizens' lives. By ensuring resources are well managed and adverse effects of resource use properly considered, the activity contributes to the development of the District in appropriate locations and scale.
- Effective planning ensures infrastructure needs are appropriate, efficient, and available to meet the demands of the community.
- This activity safeguards the community's health and wellbeing by ensuring resource use and human activities affecting resources do not adversely affect quality of life or community wellbeing.
- This activity can identify and protect heritage values of significance to the district, including sites which are important to iwi.
- Public participation is provided for in the consent process under the Resource Management Act. This can be either by way of consultation by resource consent applicants or full public notification of applications whereby the public have the opportunity to lodge submissions and appear in front of hearings committees.
- Resource consents can facilitate economic development opportunities and compliance monitoring can ensure fair and equal opportunities for all.

Our levels of service

We will process resource consent applications in a professional and timely manner to ensure our natural and physical resources are sustainably managed.

We will monitor and enforce compliance with consent conditions in a firm and fair manner and respond to complaints about activities adversely affecting people or the environment.

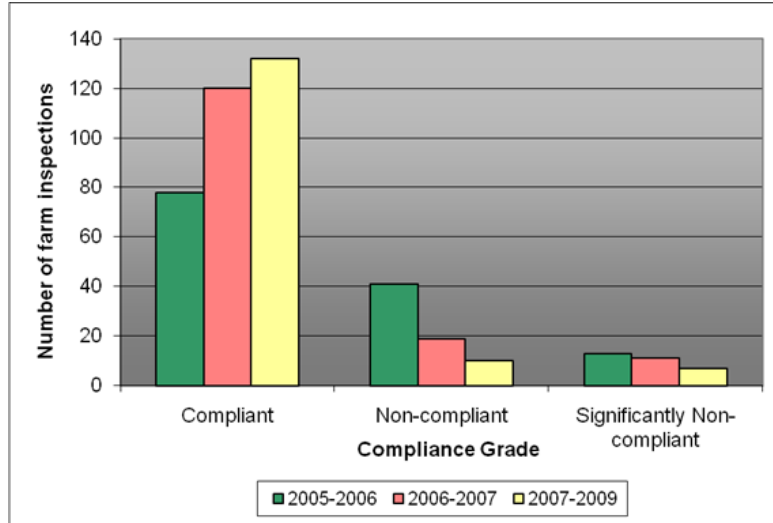
How We Measure Progress

The level of support for Council's resource management consent from applicants and compliance work is rated as fairly satisfied or better through community surveys. [Target 75%]	Reported satisfaction level of 88.7% with 0% unable to answer (66% and 4% respectively in 2008/2009). 11.3% not very satisfied for reasons which include time delays and inflexible rules and regulations (cf 30% in 2008/2009).
Consent applications are processed within statutory timeframes (where they exist). [Target 100%]	96.5% of non-notified applications processed within timeframe and 87% for notified, and 73% for limited notified applications (cf 90% for notified, and 16% for notified and limited notified combined in 2008/2009)

ENVIRONMENT AND PLANNING

We monitor compliance with resource consent conditions and plan rules, and report at least annually on one compliance investigation.

The annual Dairy Effluent Discharge Report was submitted in July 2009 and the Water Metering Report in August 2009. The annual Compliance and Enforcement Summary report was presented in October 2009. All these reports are viewable on Council website or available from Council.



We respond to all complaints, depending on urgency and effect, within 15 working days. [Target 100%]

74% of complaints were resolved within the 15 working days timeframe. The system does not currently record initial response time. The system records when the file has been closed and Council believes that the completion time is more appropriate in measuring Council's level of service.

ENVIRONMENT AND PLANNING

Major Activities

<p>To respond to enquiries and undertake the necessary consultation, analysis and processing of resource consent applications related to Council's resource management functions.</p>	<p>Council continues to respond to enquiries and all other aspects of resource consent applications on an ongoing basis. As at 30 June 2010 had processed 866 non-notified applications with 96.5% complying with statutory timeframes, and 94 notified or limited applications with 80% complying with statutory timeframes. As at 30 June 13 appeals to the Environment Court await resolution.</p>																																							
<p>To implement monitoring programmes on resource consents that have potentially significant resource and environmental impacts, and to undertake post-consent and rule compliance monitoring and necessary enforcement, including responding to environmental nuisance complaints. To ensure that this monitoring is fed back into the policy development process.</p>	<p>The compliance monitoring team continues to carry out consent compliance monitoring in accordance with the Compliance Monitoring Strategy. Staff also responded to written and verbal complaints and maintained a file of complaints with a record of actions taken. Compliance continued to provide 3-monthly reports to the Environment and Planning Committee on monitored performance of individual targeted programmes, complaint summaries and enforcement actions undertaken during the reporting period. During the year the annual dairy effluent compliance programme and report was completed as was the water metering compliance programme. At the end of the year the Annual Report on Compliance Monitoring of Resource Consents and Permitted Activities was released.</p> <p>Received and responded to complaints. The following breakdown records the type of complaints received over the year.</p> <table border="1" data-bbox="759 1039 1452 1621"> <thead> <tr> <th></th> <th style="text-align: right;">2010</th> <th style="text-align: right;">2009</th> </tr> </thead> <tbody> <tr> <td>Noise</td> <td style="text-align: right;">903</td> <td style="text-align: right;">802</td> </tr> <tr> <td>Land Use</td> <td style="text-align: right;">228</td> <td style="text-align: right;">221</td> </tr> <tr> <td>Discharges – Air</td> <td style="text-align: right;">307</td> <td style="text-align: right;">220</td> </tr> <tr> <td>Discharges – Water</td> <td style="text-align: right;">53</td> <td style="text-align: right;">49</td> </tr> <tr> <td>Discharges -Land</td> <td style="text-align: right;">96</td> <td style="text-align: right;">153</td> </tr> <tr> <td>Water takes</td> <td style="text-align: right;">33</td> <td style="text-align: right;">44</td> </tr> <tr> <td>Rivers</td> <td style="text-align: right;">15</td> <td style="text-align: right;">-</td> </tr> <tr> <td>Coastal</td> <td style="text-align: right;">16</td> <td style="text-align: right;">29</td> </tr> <tr> <td>Rubbish</td> <td style="text-align: right;">101</td> <td style="text-align: right;">93</td> </tr> <tr> <td>Abandoned vehicles</td> <td style="text-align: right;">154</td> <td style="text-align: right;">160</td> </tr> <tr> <td>Other</td> <td style="text-align: right;">225</td> <td style="text-align: right;">190</td> </tr> <tr> <td></td> <td style="text-align: right;">2,131</td> <td style="text-align: right;">1,969</td> </tr> </tbody> </table> <p>The annual Dairy Effluent Discharge Report was submitted in July 2009 and the Water Metering Report in August 2009.</p>		2010	2009	Noise	903	802	Land Use	228	221	Discharges – Air	307	220	Discharges – Water	53	49	Discharges -Land	96	153	Water takes	33	44	Rivers	15	-	Coastal	16	29	Rubbish	101	93	Abandoned vehicles	154	160	Other	225	190		2,131	1,969
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ENVIRONMENT AND PLANNING

Jun-09 Actual \$	Resource Consents & Compliance	Jun-10 Actual \$	Jun-10 Budget \$	% of Budget
	INCOME			
1,220,321	General Rates	1,414,343	1,407,552	100%
1,403,545	Fees and Recoveries	1,496,085	1,645,133	91%
78,831	Sundry Income	86,886	84,024	103%
2,702,697	TOTAL INCOME	2,997,314	3,136,709	96%
	OPERATING COSTS			
1,887,136	Resource Consent Processing	2,156,285	2,055,188	105%
777,849	Compliance Monitoring	864,119	1,081,521	80%
34,423	Depreciation	8,322	7,220	115%
2,699,408	TOTAL OPERATING COST	3,028,726	3,143,929	96%
(3,289)	NET COST OF SERVICE (SURPLUS)	31,412	7,220	435%
(3,289)	TOTAL FUNDS REQUIRED	31,412	7,220	435%
	SOURCE OF FUNDS			
(37,712)	General Funds	23,090	-	-
(37,712)		23,090	-	-
	NON- FUNDED DEPRECIATION			
34,423	Depreciation to be funded at income statement level	8,322	7,220	115%
(3,289)		31,412	7,220	435%

ENVIRONMENT AND PLANNING

ENVIRONMENTAL EDUCATION, ADVOCACY AND OPERATIONS

What We Do

This activity involves those Council activities that seek to encourage good environmental outcomes through education and advocacy and other non-regulatory methods and also the undertaking of works and services in conjunction with land owners. In particular, undertake catchment stabilisation, riparian protection, and habitat enhancement work and pest management operations. This activity also involves follow-up monitoring at the former Fruitgrowers Chemical Company site at Mapua and civil defence and emergency management functions.

Why We Do It

Council is keen to promote good environmental outcomes by non-regulatory means where this is cost effective and in those situations where active involvement in work programmes yields community support and involvement. Council undertakes civil defence responsibilities as required by the Civil Defence Emergency Management Act 2002 in conjunction with Nelson City Council to ensure community awareness of, and preparedness to respond to, emergency events.

Our Goal

The Environmental Education, Advocacy and Operations activity goals are to:

1. See improved practices in the use, development, and protection of the District's resources and to minimise damage to the environment through inappropriate practices or the incidence of pests and other threats to the quality of the environment we enjoy.
2. Build a resilient community where the potential effects of "all hazards" have been minimised and the community is ready to respond in the face of natural hazard events and emergencies.

How this activity contributes to the Community Outcomes

- By managing animal and plant pests, working with landowners and others to protect biodiversity, soil and water sustainability, and encouraging responsible environmental behaviours, we seek to ensure Tasman remains special.
- By encouraging and working with industries, community groups, and the public we seek to manage risks to, and effects on, Tasman's urban and rural environments.
- By promoting best practice and efficiency measures in the design and use of important utility services.
- Our civil defence and emergency management system is designed to promote safety of people and a resilient community.
- By promoting an appreciation of culture and heritage through the annual Environment Awards and targeted funding to heritage and waimaori projects.
- Participation in headline activities like Sea Week, EnviroSchools and Ecofest allows different sections of the community to participate, learn and teach each other about matters relating to community wellbeing.
- We encourage people to be involved in making preparations in the event of a civil emergency and work with landowners to take responsibility for their actions that might have negative environmental consequences.
- We encourage people to adopt best practice in relation to their use of resources such as land, water, air, and the coast.

Our levels of service

We will work with resource users, stakeholder groups and the public to promote environmentally responsible behaviour, to encourage soil conservation and riparian planting, to maintain and enhance biodiversity.

We will contribute the regional share of funding to support the efforts of the Animal Health Board in managing the spread of Bovine Tb in the District.

We will provide pest management services in Tasman, and under contract to Nelson City, to ensure the incidence of pests does not threaten the economic performance of our productive sector or place at risk the quality of the environment we enjoy.

We will have in place a civil defence and emergency management system that is designed to promote safety of people and a resilient community in the event that emergencies may occur.

ENVIRONMENT AND PLANNING

How We Measure Progress

<p>The level of community support for Council's environmental education projects and events is rated as fairly satisfied or better through community surveys. [Target 75%]</p>	<p>74% fairly satisfied or better with 22% unable to comment. [2009: 75% fairly satisfied or better with 21% unable to comment].</p>
<p>That the number of cattle and deer herds infected with bovine Tb or on movement control reduces each successive year. [Target: Annual reduction from previous year]</p>	<p>Two herds under movement control as at 30 June 2010 (compared to three as at 30 June 2009)</p>
<p>Timely reporting of pest management operations in accordance with requirements of the Biosecurity Act. [Target: Annual report by November each year]</p>	<p>Annual report on Pest Management Operations reported to Council 19 November 2009.</p>
<p>The level of community support for Council's civil defence emergency management system is rated as fairly satisfied or better through community survey. [Target: 75%]</p>	<p>56% of residents fairly satisfied or better with 37% unable to comment (56 % and 32% being the equivalent 2008/2009 figures).</p> <p>Council will endeavour to reduce the number of people unable to comment on its emergency management function during the 2010/2011 year by raising awareness of the function. However, the Council's figures are consistent with the national average of 57% of residents fairly or very satisfied and 37% unable to comment.</p>

Major Activities

<p>To identify and promote opportunities for achieving sustainable management of natural and physical resources through implementing Council's Environmental Education Strategy including sector codes of compliance, and education and advocacy for sustainable environmental management practices, including working with EnviroSchools and other community groups.</p>	<p>Completed a wide-range of education and advocacy initiatives including:</p> <p>A successful Environmental Festival "Ecofest" was held in August 2009 with approximately 8,000 people attending the two day main event. Planning underway for the 2010 event which is the 10th anniversary.</p> <p>The annual Environmental Awards programme was run in November 2009. The record 87 entries were of a high standard and well over 100 people attended the awards ceremony. Planning for the 2010 Awards is now underway.</p> <p>The EnviroSchools programme is achieving great results with 20 schools and early childhood centres signed up so far, with two having achieved Green-Gold Standard.</p> <p>Waimaori Streamcare Programme – both TDC and NCC support this programme that has worked with schools and local people to actively monitor the health of streams through practical, hands-on workshops from a Māori perspective</p> <p>Conservation Week – activities and kids competitions were held</p> <p>Seaweek – a day of activities in Golden Bay with 150 students</p> <p>Waste Education Services – has been working with schools, businesses and communities to minimise waste</p> <p>General environmental publicity through Newsline, Ecobuzz (schools) and a weekly radio slot, and published various articles and brochures to targeted audiences. Continued collaborative work with Nelson City.</p>
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ENVIRONMENT AND PLANNING

<p>To undertake soil conservation, land management, biodiversity and stream protection works in conjunction with affected landowners.</p>	<p>Soil conservation, land management and stream protection works in conjunction with affected landowners continues in accordance with the approved programme. As well as advice to landowners, financial assistance is offered for approved riparian and wetland management and enhancement programmes. A nursery is operated to provide poplar and willow planting material for land, stream and river stability where required.</p> <p>Provided ongoing assistance to the Tasman Environmental Trust and the Tasman Natural Areas Enhancement Group.</p>
<p>To undertake pest management operations including control of designated plants in sites of high public value in accordance with criteria in the Regional Pest Management Strategy and to contribute towards the Animal Health Board bovine Tb vector control programme.</p>	<p>Pest management operations were carried out on an ongoing basis in accordance with the Operational Plan prepared under the Nelson Tasman Regional Pest Management Strategy. A separate and more detailed annual report is available for review (released November 2009).</p> <p>Council continues to provide funds as a contribution to the Animal Health Board's Bovine TB Vector Management programme.</p>
<p>To monitor the environment around the former Fruitgrowers Chemical Company site at Mapua</p>	<p>Ongoing monitoring following the Site Audit Report has been conducted with residual contaminant levels continuing to reduce.</p>
<p>To review and implement the Nelson Tasman Civil Defence Emergency Management Group Plan.</p>	<p>Civil Defence responded to a heavy rainfall event in Tapawera in May 2010 and a major rural fire in Tadmor in November 2009, both involving evacuation of homes and provision of emergency welfare support. Ongoing work developing community plans in the areas of Golden Bay, St Arnaud, Murchison and Mapua. A full review of the joint civil defence arrangements with Nelson City Council was undertaken by Government in early 2010. The resulting report was very positive, with the Director of Civil Defence and Emergency Management stating that there is a "very solid foundation, with some impressive work having been done over the last few years". The recommendations from this review will be incorporated into a five-yearly update of the regional civil defence plan, which is now underway.</p>

ENVIRONMENT AND PLANNING

Jun-09 Actual \$	Environmental Education, Advocacy and Operations	Jun-10 Actual \$	Jun-10 Budget \$	% of Budget
	INCOME			
976,494	General Rates	1,268,212	1,262,123	100%
347,864	Targeted Rates	279,131	316,665	88%
447,032	Fees and Recoveries	404,682	154,319	262%
6,476	Interest Received	-	-	-
161,541	Sundry Income	178,044	172,179	103%
1,939,407	TOTAL INCOME	2,130,069	1,905,286	112%
	OPERATING COSTS			
164,957	Land Management	170,755	226,805	75%
448,490	Promotion of Good Practice	559,409	409,246	137%
448,633	Plant Pest Management	518,276	432,329	120%
182,815	Animal Pest Management	230,267	234,728	98%
188,245	Emergency Management	286,404	286,700	100%
(67,475)	less share of NTCCDO Joint Venture income	(106,500)	-	-
61,464	Loan Interest	120,107	136,438	88%
82,588	Mapua	169,417	76,843	220%
18,161	Depreciation	4,391	3,809	115%
1,527,878	TOTAL OPERATING COST	1,952,526	1,806,898	108%
(411,529)	NET COST OF SERVICE (SURPLUS)	(177,543)	(98,388)	180%
	TOTAL FUNDS REQUIRED			
(411,529)	Net Cost of Service (Surplus)	(177,543)	(98,388)	180%
40,202	Capital	5,400	-	-
111,035	Loan Principal Repaid	107,383	116,111	92%
(260,292)		(64,760)	17,723	-365%
	SOURCE OF FUNDS			
1,325,456	Loans Raised	-	-	-
(1,603,909)	General Funds	(69,151)	13,914	-497%
(278,453)		(69,151)	13,914	-497%
	NON- FUNDED DEPRECIATION			
18,161	Depreciation to be funded at income statement level	4,391	3,809	115%
(260,292)		(64,760)	17,723	-365%

Comment:

Fees and recoveries are up on budget due to a \$90,000 recovery from the Ministry for the Environment towards Mapua rehabilitation costs. Mapua costs are also up on budget due to ongoing monitoring and reviews.

Fees and recoveries are up on budget due to increased recoveries in plant pest management due to work being required on the argentine ants and didymo infestations. Council was able to secure a biodiversity grant towards natural habitats as well as undertake a workshop on sediment and erosion control.

Targeted rates are down on budget due to a decrease in the transfer from the Rivers activity towards land management projects of \$40,000. These funds were not required in the current year.

ENVIRONMENT AND PLANNING

REGULATORY SERVICES

What We Do

This activity involves the provision of advice and discharging statutory functions in the areas of public health, building, sale of liquor, hazardous substances, animal control, rural fire, parking and maritime administration. It involves assessing and processing permit and registration applications, the administration of bylaws, and associated monitoring and enforcement action.

Why We Do It

Council is required by law to receive and process licence applications and statutory registration systems, to inspect, monitor and enforce compliance with these statutory requirements. There is also an expectation from the community that we will uphold and administer these requirements in the interests of health and safety.

Our Goal

We aim to see development of the District that achieves high standards of safety, design and operation with minimum impact and public nuisance and to provide excellent customer service in providing information on development opportunities and in processing permits and licences.

How this activity contributes to the Community Outcomes

- Managing risk from use of hazardous substances in public areas, rural fire and ensuring recreational boating is safe keeps Tasman special.
- The activity ensures that living environments are safe, and that the activities of others do not negatively impact on citizens' lives. Through ensuring buildings are well constructed, safe and weather tight, the activity contributes to the development of the District, and also ensures that the resale value of the community's assets are protected.
- Parking control ensures parking facilities are available to ensure public access to urban retailers and services.
- This activity safeguards the community's health and wellbeing by ensuring standards of construction, food safety, and registered premises operation are met and that liquor consumption and nuisances from dogs and stock, and risk from fire do not adversely affect quality of life.
- Safe boating and providing such things as ski lanes ensures community access to the coastal waters of Tasman.

Our levels of service

We will manage the storage and use of Hazardous Substances to ensure, to the extent possible, that risks from hazardous substances are properly minimised and managed.

We will provide building control services in a professional and timely manner to ensure building work is safe and in accordance with the NZ Building Code.

We will provide parking control services to facilitate the public's access to urban retailers and services, respond to any misuse of disabled parking, and remove reported abandoned vehicles.

We will provide Maritime administration services to ensure Tasman's harbour waters are safe and accessible and that all known commercial operators are registered.

We will provide a sale of liquor regulatory service in association with other agencies to foster the responsible sale and consumption of liquor.

We will provide public health services to ensure that food provided for sale is safe, free from contamination and prepared in suitable premises; that other public health risks are managed through the appropriate licensing of premises and operations; and to reduce, where possible, the occurrence and spread of communicable diseases.

We will develop and administer appropriate bylaws designed to ensure that certain activities are administered in a timely and proficient manner with the aim of safeguarding health and safety.

We will provide Animal Control services to minimise the danger, distress, and nuisance caused by dogs and wandering stock and ensure all known dogs are recorded and registered.

For Rural Fire, to safeguard life and property by the prevention, detection, restriction and control of fire in forest and rural areas.

ENVIRONMENT AND PLANNING

How We Measure Progress

<p>Building Control:</p> <p>Applications for building consent and code compliance certificates (CCC) are processed within statutory timeframes. [Target: 100%]</p> <p>We maintain Building Consent Authority Accreditation.</p>	<p>92.5% of building consent applications were processed within statutory time frames (cf 88% in 2008/2009).</p> <p>Reaccreditation as a Building Consent Authority was achieved in March 2010</p>
<p>Parking Control:</p> <p>Compliance by not less than 80 out of every 100 vehicles parking in time controlled areas within the Traffic Bylaw, based on an annual snap survey. [Target: 80%]</p>	<p>Survey undertaken in January 2010 with 85% compliance – target achieved.</p>
<p>Maritime Responsibilities:</p> <p>All known commercial maritime operators are appropriately registered. [Target: 100%]</p> <p>Residents rate their satisfaction with this activity as “fairly satisfied” or better in annual surveys. [Target: 80%]</p>	<p>All 30 known commercial operators appropriately registered</p> <p>50% of respondents were fairly satisfied or better, although 49% stated they did not know enough to comment which might not be unexpected given that not everyone has a boat.</p>
<p>Liquor Licensing:</p> <p>All applications are processed in accordance with the Sale of Liquor Act. [Target: 100%]</p> <p>In conjunction with NZ Police, we detect no sale of liquor to minors through random controlled purchase operations(CPO's) run annually. [Target: At least two annual operations with no offences detected]</p>	<p>All 543 applications were processed in accordance with the Sale of Liquor Act. Two were referred to the Liquor Licensing Authority for determination.</p> <p>Conducted CPOs in October, December 2009, March and June 2010. Offences detected in October, March, and June and managers and license holders dealt with in conjunction with NZ Police.</p>

ENVIRONMENT AND PLANNING

<p>Public Health:</p> <p>All registered food premises are inspected at least once annually for compliance and appropriately licensed. [Target: 100%]</p> <p>All registered food premises failing to comply with standards are re-inspected within a two month period. [Target: 100%]</p> <p>All other registered premises are inspected at least once annually for compliance and appropriately licensed. [Target: 100%]</p>	<p>47% of premises have been inspected. The reason for the low inspection rate was due to Council not having enough staff to undertake the inspections. An additional resource commenced in June 2010 to help clear the build up of compliance issues to deal with.</p> <p>Of the premises identified with significant non-compliance, 100% have been re-inspected within the two-month timeframe.</p> <p>36% of other registered premises have been inspected as at 30 June 2010. The additional resource mentioned above will help clear this backlog in the next financial year.</p>
<p>Hazardous Substances:</p> <p>We respond to any reported incidents relating to hazardous substances within 2 hours. [Target: 100%]</p>	<p>No incidents reported</p>
<p>Bylaw Administration:</p> <p>Ensure all known operators of certain activities are appropriately licensed. [Target: 100%]</p>	<p>All known operators appropriately licensed.</p>
<p>Animal Control:</p> <p>All known dogs are registered annually by 30 September. [Target: 97%]</p> <p>We respond to high priority dog complaints within 60 minutes, 24 hours a day, seven days a week. [Target: 100%]</p>	<p>96.7% of the 10,109 known dogs were registered as at 30 September 2009</p> <p>Response times were achieved although in some cases this was via a telephone call rather than on-site presence</p>
<p>Rural Fire:</p> <p>The area of forest lost through fire annually does not exceed 20 hectares.</p>	<p>Three fires this year resulted in approximately 551 hectares of damage to production forest, 541 hectares from one fire in Glenhope on 26 November 2009.</p>

ENVIRONMENT AND PLANNING

Major Activities

<p>To respond to enquiries and discharge inspectorial responsibilities under the Health Act, Building Act, Sale of Liquor Act, and the Hazardous Substances and New Organisms Act, and associated Council bylaws.</p>	<p>Plan checking and inspectorial responsibilities under the Health, Building, and Sale of Liquor Acts and Council bylaws were discharged using professionally trained and qualified staff and contractors.</p> <p>92.5% of 1,499 building consents were processed within the statutory processing time limit (cf 88% in 2008/2009). The average processing time was 13 days (cf 13 in 2008/2009).</p> <p>Council was reaccredited as a Building Consent Authority in March 2010.</p> <p>The Trading in Public Places Bylaw was reviewed and updated and adopted in May 2010. Commenced a review of the Council's Gambling Policy in May 2010 with 23 submissions received.</p>
<p>To carry out Harbour Board functions including implementation of the Joint Oil Spill Contingency Plan (with Nelson City Council).</p>	<p>Harbourmaster functions were undertaken over the busy summer period with no major incidents being reported. Reported to Council 3 July 2010. Registered 30 commercial operators to operate within Tasman District harbour limits (cf 39 in 2008/2009).</p> <p>No oil spills reported.</p>
<p>To carry out animal control responsibilities.</p>	<p>The Council continues to administer the Dog Control Bylaw with service delivery being undertaken by Control Services (Nelson) Ltd. There were 5,758 rural and 4,428 urban dogs registered in Tasman District as at 30 June 2010. Council's contractors responded to complaints regarding wandering stock and dogs and impounded animals as required. 81 Dog Control Infringement Notices were issued, 66 of which were for unregistered dogs. (cf 150 in 2008/2009). Council's Dog Control Policy and Bylaw took effect as from 1 September 2009. A separate annual report to the Secretary of Local Government is available for further details.</p>
<p>To carry out parking control responsibilities under Council's Parking Bylaw.</p>	<p>Parking Enforcement responsibilities were contracted out to Control Services (Nelson) Ltd. 1569 infringement notices were issued (cf 960 in 2008/2009) during the year along with other advisory warnings concerning parking. The increase resulted in extra surveillance hours in Richmond. Public assistance continues to be offered while wardens are on duty.</p>
<p>To ensure fire risk in the District is effectively managed through supporting rural fire parties.</p>	<p>Fire risk in the District is being effectively managed by the Waimea Rural Fire Authority through a contract with Rural Fire Network and the ongoing support of rural fire parties.</p>

ENVIRONMENT AND PLANNING

Jun-09 Actual \$	Regulatory Services	Jun-10 Actual \$	Jun-10 Budget \$	% of Budget
	INCOME			
511,832	General Rates	887,810	883,547	100%
2,710,827	Fees and Recoveries	2,876,253	2,569,388	112%
-	Interest Received	814	-	-
71,852	Sundry Income	81,939	76,583	107%
3,294,511	TOTAL INCOME	3,846,816	3,529,518	109%
	OPERATING COSTS			
1,967,492	Building Control	2,248,856	2,002,684	112%
258,742	Liquor/Health/Registered Premises	434,789	430,548	101%
314,315	Animal Control	353,662	355,925	99%
305,830	Rural Fire	490,359	352,480	139%
215,156	Maritime, Parking & Hazardous Substances	352,867	315,863	112%
21,491	Loan Interest	21,480	21,813	98%
67,222	Depreciation	16,469	15,011	110%
3,150,248	TOTAL OPERATING COST	3,918,482	3,494,324	112%
(144,263)	NET COST OF SERVICE (SURPLUS)	71,666	(35,194)	-204%
	TOTAL FUNDS REQUIRED			
(144,263)	Net Cost of Service (Surplus)	71,666	(35,194)	-204%
190,807	Capital	228,842	36,124	633%
106,027	Transfer to Restricted Reserves	74,979	1,378	5441%
2,471	Loan Principal Repaid	18,562	17,495	106%
155,042		394,049	19,803	1990%
	SOURCE OF FUNDS			
16,310	Restricted Reserves Applied	24,586	4,792	513%
190,807	Loans Raised	159,193	-	-
(119,297)	General Funds	193,801	-	-
87,820		377,580	4,792	7879%
	NON- FUNDED DEPRECIATION			
67,222	Depreciation to be funded at income statement level	16,469	15,011	110%
155,042		394,049	19,803	1990%

Comment:

The capital costs relate mainly to the completion of the new Richmond dog pound, and the replacement motors on the Harbourmaster's vessel. These budgets were carried forward from the 2009/2010 financial year.

Building Control fees and recoveries and operating costs are both up on budget due to an increase in work required in this area.

Rural fire operating costs are up on budget mainly due to the relocation of the Marahau fire station.

Fees and recoveries are also up on budget due to Council receiving concession fees relating to the Abel Tasman Foreshore Reserve. These funds are collected on behalf of the Department of Conservation and Council and are to be used for specified purposes. Any unspent funds are held as monies administered for organisations.

ENGINEERING

Policy and Objective

The objective of Engineering activities is to maintain and enhance the Council-owned roading, aerodrome, harbour, water, wastewater, stormwater, solid waste and river infrastructure of the District.

Nature and Scope

There are eight significant areas under which this activity is performed by Council.

a) Land Transportation

Subsidised Land Transportation – maintenance and improvement of the roading network in the Tasman District Council area which is subsidised by New Zealand Transport Agency.

Non Subsidised Land Transportation – maintenance and development of the roading, footpath and car park infrastructure which is not subsidised by New Zealand Transport Agency.

b) Coastal Structures – covers the maintenance and development of ports and wharves under Council control within the Tasman District.

c) Aerodromes – operation of aerodromes under Council control within the Tasman District.

d) Water Supply - operate and maintain 16 urban and rural water supply schemes throughout the District, the main ones being located in Waimea, Richmond, Brightwater/Hope and Wakefield. Council meters its urban water supply.

e) Wastewater – maintenance and development of a wastewater disposal and treatment infrastructure within the Tasman District.

f) Stormwater – maintenance and development of stormwater infrastructure within the Tasman District.

g) Solid Waste – operation of collection services, transfer stations and landfill sites. The development of landfill sites to a minimum District standard.

h) Rivers – establishment and maintenance of river and flood management within the Tasman District.

Contribution of Activities to Community Outcomes

This group of activities primarily contributes to the following Community Outcomes:

- Our built urban and rural environments are functional, pleasant, safe and sustainably managed.
- Our unique and special natural environment is bountiful, healthy, clean and protected.
- Our transport and essential services are sufficient, efficient and sustainably managed.

Jun-09 Actual \$	ENGINEERING	Jun-10 Actual \$	Jun-10 Budget \$	% of Budget
12,095,362	Subsidised Land Transportation	13,382,418	12,339,269	108%
5,468,605	Non Subsidised Land Transportation	6,651,623	6,491,697	102%
1,098,842	Coastal Structures	1,076,098	1,055,144	102%
139,425	Aerodromes	157,195	197,953	79%
7,084,790	Water Supply	8,211,629	7,403,090	111%
6,948,425	Wastewater	7,935,448	9,065,243	88%
2,126,726	Stormwater	2,948,680	2,554,888	115%
4,754,328	Solid Waste	5,189,279	6,612,028	78%
2,011,780	Rivers	2,030,028	1,960,158	104%
41,728,283	TOTAL COSTS	47,582,398	47,679,470	100%

ENGINEERING

LAND TRANSPORTATION

What We Do

Tasman District Council is responsible for the management of a transportation network that comprises approximately 1,680km of roads, (915km sealed and 765km unsealed), 467 bridges (including footbridges), 184km of footpaths, 21 carparks providing 1,100 spaces and 3,735 streetlights, traffic signs and culvert pipes. Each road in the transportation network has been categorised into a transportation hierarchy based on the road's purpose and level of use.

The Tasman District transportation network encompasses and requires:

- Ownership or authority to use the land under roads.
- Road pavements and surfacings to provide a carriageway for the safe movement of people and goods.
- Culverts, water tables and a stormwater system to provide drainage.
- Signs, barriers and pavement markings to provide road user information and safe transport.
- Bridges to carry traffic over waterways.
- Footpaths, walkways and cycleways to provide for the needs of pedestrians and cyclists.
- Street lighting to provide safe and comfortable movement of vehicular and pedestrian traffic at night.
- Carparking facilities where on-road carparking is not able to be provided adjacent to traffic lanes.

Why We Do It

The provision of transport services is considered to be a core function of local government and is something that the Council has done historically. The service provides many public benefits and it is considered necessary and beneficial to the community that the Council undertakes the planning, implementation and maintenance of the Transportation to assist in promoting the economic, social, environmental and cultural wellbeing of the District's communities, by helping to facilitate the safe and efficient movement of people and goods throughout the District.

Our Goal

Council will progressively move towards managing all of its transportation responsibilities in a more holistic, integrated way.

The vision for the land transport network of the Tasman District is:

"To maintain and enhance a safe and efficient land transport system while avoiding, remedying and mitigating the adverse effects on the environment."

How this activity contributes to the Community Outcomes

- All road construction activities use best practice in the use of the District's natural resources.
- Our network of roads, footpaths, cycleways and carparks are safe, uncongested and maintained cost-effectively.
- Our urban communities have a means of travel for pedestrians, cyclists and commuters that is safe and efficient.
- Our rural communities have safe and effective access to our transportation network.

Subsidised and non-subsidised transport activities

The Government provides funding assistance for many of Council's roading activities, referred to as a 'subsidy', through the New Zealand Transport Agency (NZTA).

Qualifying activities include: road safety education, road maintenance, reseals, pavement rehabilitation, minor improvements (such as corner improvements), installation of right-turn bays and pedestrian refuges. Major projects, such as seal extensions, significant intersection upgrades or cycleways may also qualify for a subsidy if certain criteria are met. The provision and maintenance of footpaths are not included.

The financial assistance subsidy rate for Tasman is 49% for most activities with an increase to 59% for approved major works. The subsidy rate depends on the size of the overall programme of work and the assessed ability to pay, which is related to the capital value of the District. Council has, therefore, shown the programme of works as a 'subsidised programme' and 'non-subsidised programme'.

Our Levels of Service

- Our transportation activities use best sustainable practices.
- Our network of roads, bridges, footpaths, cycleways and carparks are safe, uncongested and maintained cost-effectively.
- Our transportation network services those that should be serviced.
- Our transportation activities are managed at a level that satisfies the community.
- Faults in the transportation network are responded to and fixed promptly.
- Our systems are built so that failures can be prevented before they occur as much as possible, and if they do occur, can be quickly responded to.

ENGINEERING

How we measure progress

<p>All road construction and maintenance activities comply with any required resource consents. [Target: 100%]</p>	<p>Actual = 100 %</p> <p>Consents are held for all maintenance and current capital works</p> <p>There have not been any non-compliances this year</p>
<p>Council keeps its Surface Condition Index (SCI) at or above 97.5%. The SCI is a nationally used index to represent surface condition and keeping it at this level will demonstrate Council is maximising the life of the sealed surfaces.</p>	<p>Actual = 96.1% as reported by NZTA at the end of June</p> <p>This figure is a composite index derived from tables in Council's road asset (RAMM) database. There are some road sections that require updating of the actual seal life performance and this has resulted in the lower than expected figure. Therefore this is not a deterioration issue with the road network, but rather a data improvement activity.</p>
<p>Council achieves 10km of seal extension within 10 years. Sealing eliminates dust for adjacent properties and is the lowest long term cost option. [Target: 3km sealed in Year 1]</p>	<p>Actual = 2.88 km</p> <p>88 Valley Road seal extension was undertaken in 2009/2010. The original length was to be 3.13km. The project resulted in the shortening of the route by 235m (to 2.88km) due to the removal of a hairpin bend.</p>
<p>We receive less than 35 complaints per year relating to the maintenance of footpaths.</p>	<p>Actual = 96</p> <p>Complaints varied, the most common issue being uneven surface, followed by hazards from tree roots and damage at vehicle crossings.</p>
<p>Bend – lost control/head-on crashes on rural roads are equal to the national average by 2018. [Target: 5% above national average by 2011/2012]</p>	<p>Actual = the loss of control crashes was measured as 1% above the national average.</p> <p>The national average was recorded as 57% for local authority roads and Tasman District Council measured 58% of crashes involved lost of control/head on.</p> <p>This crash data relates to the 2009 calendar year. Measures to be undertaken to address crashes include better delineation and road safety education programmes.</p>
<p>Road maintenance reseals and pavement rehabilitation budgets are managed to within the range $\pm 2\%$.</p>	<p>Actual = + 0.42%</p> <p>Variance of + 0.42% across the maintenance, reseals and pavement rehabilitation budgets.</p>
<p>We can reduce the number of speed or weight restricted bridges by 1 per year for the next 10 years until only 18 remain. [Target: Restricted bridges remaining: Year 1=27]</p>	<p>Actual = 27</p> <p>The McCullum Road bridge was replaced with a box culvert in June 2010, allowing removal from the list.</p>
<p>The average quality of the ride experienced by motorists, as measured by the Smooth Travel Exposure index (STE), is maintained at current levels. [Target: 94%]</p>	<p>Actual = 95%</p> <p>This information is taken from the NZTA report and covers all roads urban/rural.</p> <p>A higher STE index indicates less wear and tear on vehicles, better fuel efficiency and a more comfortable ride experienced.</p>
<p>All dwellings within the District are able to access the Council's transportation network at all times unless subject to planned closures. [Target: 100%]</p>	<p>Actual = It is impossible to avoid all emergency road closures in the event of natural hazards. TDC aim to keep the numbers and duration of emergency closures to a minimum.</p> <p>This measure will be reviewed as part of the next annual plan process to provide a measureable performance target.</p>

ENGINEERING

<p>An annual programme of new footpaths as agreed with the communities is constructed to Council standards. [Target: 100%]</p>	<p>Actual = 100%</p> <p>A new footpath has been constructed in Murchison (Hotham – Chalgrave) and new shared paths constructed along the Pohara Seawall and the Railway Reserve.</p>
<p>Capital projects are completed on time, within budget and to Council Engineering Standards and policies. [Target: 90%]</p>	<p>Actual = 96%</p> <p>Only three of the capital projects programmed for completion in this financial year will not be completed on time, accounting for 4% of the capital project expenditure. The three projects are as follows:-</p> <ul style="list-style-type: none"> • Gladstone Road power undergrounding • Mapua - Aranui Road kerb and channel • Cycle/pedestrian facility at Champion Road
<p>Council increases the network of walking and cycling paths by 8km by 2019. [Target: 1km in Year 1]</p>	<p>Actual = 1.820km</p> <p>1.5km cycleway from Lower Queen Street to the Appleby Highway 320m shared path along the Pohara Seawall</p>
<p>Our surveys show that 70% of customers are satisfied with the transportation service they receive. [Target: 70%]</p>	<p>Actual = 64%</p> <p>The Communitrak survey shows that 64% (June 2010) of users of the service were found to be satisfied with the service they receive (2009: 73%). The main reasons for not being satisfied are that roadworks are ongoing, take too long, poor quality of work/patching/don't clean up afterwards, and potholes/uneven/rough/bumpy.</p> <p>It should be noted however that there were a significant number of comments on the High Street (State Highway) roadworks in Motueka. State Highway works are under the jurisdiction of NZTA not Council. Therefore, the results do not accurately reflect the level of satisfaction with Council controlled roads, which would be higher than the 64% achieved.</p>
<p>Council has adopted a Passenger Transport Plan after consultation with the community. [Target: Completed in Year 1]</p>	<p>Actual = Passenger Transport Strategy in place and has been adopted</p> <p>It should be noted that the funding from NZTA for this work activity area has been reallocated to other metropolitan areas within NZ. This will significantly affect Council's ability to fund this activity area.</p>
<p>We are able to respond to and fix faults within the timeframes we have specified within our operations and maintenance contracts. [Target: 90%]</p>	<p>Actual = 81.4% of Customer Service Requests were completed within the specified timeframes</p> <p>The new roading maintenance contractor in Tasman and Waimea areas, which started on 1 July 2009, has taken time to establish and resource responses to Customer Service Request requirements.</p>
<p>We have a facility for receiving and handling emergency calls after office hours.</p>	<p>Actual = In place</p> <p>Council has an after-hours call centre that receives calls out of regular office hours. Contractors and system duty managers have duty staff who are contactable to respond to emergencies</p>
<p>We have operative risk management processes in place and planned mitigation measures completed.</p>	<p>Actual = Framework in development.</p> <p>TDC has adopted an Integrated Risk Management approach to it's asset management and organisational decision making.</p>
<p>All Council's contractors have adequate resources available in case of a road failure.</p>	<p>Actual = All Council's contractors have adequate resources available in case of a road failure. This has been tested and the contractor was able to meet the expected level of service.</p>

ENGINEERING

<p>There are no loss-of-control crashes for all known frost potential sites.</p>	<p>Actual = There were four loss of control crashes occurring on ice/snow during 2009. All four occurred at known frost potential sites. This reporting runs from January 2009 – December 2009 so does not match the TDC reporting year.</p> <p>2009 was a harsh winter with many frost sites being new to the area and the change in maintenance contracts resulted in some gaps with regard to known frost sites.</p> <p>These issues have been addressed with better management of this matter.</p>
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Major Activities

	Budget \$	
<p>Sealed Roads Rehabilitation approximately 6km per year.</p>	<p>1,326,249</p>	<p>There has been \$932,327 spent on this project to 30 June 2010. Projects undertaken include Umukuri Road, Sandy Bay – Marahau Road, Packard Road Golden Bay, Korere-Tophouse Road and Motueka Valley Highway. The total length of pavement rehabilitation that was carried out was around 4.5 km on the sealed road network. The expected length of rehabilitation works is between six and eight kilometres per year. The funding criteria for this work activity, as set by NZTA, makes it difficult for Tasman District Council to meet. This is due to the low volume roads.</p>
<p>Seal extension on Eighty-Eight Valley Road.</p>	<p>560,430</p>	<p>This project was completed in May 2010. There has been \$457,494 spent on this project to 30 June 2010.</p>
<p>Minor Safety Improvements</p>	<p>881,826</p>	<p>This activity is complete. Projects undertaken include:</p> <ul style="list-style-type: none"> • The design of the Motueka Valley Highway shoulder widening at Peninsula Bridge. • Eighty Eight Valley Road • The shared use path along the southern side of Waimea West Road. • Umukuri/Old Mill Safety Footpath <p>In total there has been \$835,328 spent on these activities to 30 June 2010.</p>
<p>Carparks – Murchison and Takaka Fire Station.</p>	<p>236,248</p>	<p>The Murchison carpark resurfacing has been completed. There was \$34,919 spent on this activity to 30 June 2010.</p> <p>The Takaka Fire Station carpark was completed in January. There was \$82,263 spent on this activity to 30 June 2010.</p>
<p>Kerb, Channel and Footpaths</p>	<p>170,709</p>	<p>To 30 June 2010 there has been:</p> <ul style="list-style-type: none"> • \$68,558 spent on District Wide Footpath Rehabilitation • \$76,246 spent on Murchison's Hotham to Chalgrave footpath • \$40,430 spent on District Wide Kerb and Channelling. <p>Work was undertaken on D'Arcy Street, Hotham Street, Whakarewa Street, Aranui Road, Bateup Road and Talbot/Salisbury intersection.</p>

ENGINEERING

	Budget \$	
Stringer Road – upgrade, seal extension and new road construction.	895,656	The upgrade is progressing well though there were delays due to the wet May/June period. Dust Diggers and Tasman Construction have combined forces to undertake the work. The work also involves upgrading the intersection of the Coastal Highway SH 60 with Stringer Road. There has been \$274,907 spent on this project to 30 June 2010. [Total budget for this project is \$1,819,976 spread over the 2009/2010 and 2010/2011 financial years].
Road construction.	91,857	Talbot/Salisbury traffic lights completed with \$159,476 being spent in the current year. Kaiteriteri upgrade stage 3 funds have been reallocated back from the Turners Bluffs works due to the latter being unable to proceed. This budget is for design. Actual construction work will progress in 2010/2011.
TDC's share of Network Tasman's undergrounding policy for Gladstone Road.	123,852	There have been some delays in construction. Tenders were recently advertised and some of the initial discussions are suggesting that the costs are above the budget which Network Tasman has for this project. This work is to be carried forward to the 2010/2011 year and the surplus is to be funded out of the minor improvement budget.
TDC/NCC new bus services.	62,082	This project has been cancelled with the funds being reallocated to cover the budgeting shortfall in consultancy services.
Pedestrian and cycle facilities:	642,153	Mapua cycleways in Harley Road, Gardner/ Seaton Valley and Dominion Road were all completed in April 2010. Council's contribution towards these was \$82,060 (Part of Ruby Bay Bypass) The Pohara Seawall cycleway (budget \$380,567) was almost complete at 30 June 2010. There had been \$160,715 spent on this to 30 June 2010. The Railway Reserve was completed during the year. There had been \$161,794 spent on this to 30 June 2010.
Bridge Renewals	371,556	McCullum and Baxter bridge replacements to be completed in July/August 2010. There was \$291,405 spent on this activity to 30 June 2010.
New Footpath construction district-wide	28,589	The funds budgeted for this activity are being applied to the Pohara Seawall project as NZTA did not approve their share of funding for that project.

ENGINEERING

Jun-09 Actual \$	Subsidised Land Transportation	Jun-10 Actual \$	Jun-10 Budget \$	% of Budget
	INCOME			
5,867,780	General Rates	5,715,804	5,688,636	100%
-	Development Contributions	199,930	116,305	172%
8,506,556	New Zealand Transport Agency Subsidy	7,318,930	7,478,620	98%
339,978	Petrol Tax	340,985	323,000	106%
173,536	Fees and Recoveries	79,606	34,688	229%
408,775	Sundry Income	491,922	435,693	113%
15,296,625	TOTAL INCOME	14,147,177	14,076,942	100%
	OPERATING COSTS			
7,805,190	Maintenance	7,795,492	6,493,586	120%
664,450	Loan Interest	738,530	858,075	86%
3,625,722	Depreciation	4,848,396	4,987,608	97%
12,095,362	TOTAL OPERATING COST	13,382,418	12,339,269	108%
(3,201,263)	NET COST OF SERVICE (SURPLUS)	(764,759)	(1,737,673)	44%
	TOTAL FUNDS REQUIRED			
(3,201,263)	Net Cost of Service (Surplus)	(764,759)	(1,737,673)	44%
9,528,528	Capital	7,588,740	9,697,194	78%
-	Transfer to Restricted Reserves	156,572	-	-
458,102	Loan Principal Repaid	708,380	764,798	93%
6,785,367		7,688,933	8,724,319	-
	SOURCE OF FUNDS			
2,135,717	Loans Raised	2,707,074	3,736,711	72%
498,000	Restricted Reserves Applied	-	-	-
525,928	General Funds	133,463	-	-
3,159,645		2,840,537	3,736,711	76%
	NON- FUNDED DEPRECIATION			
3,625,722	Depreciation to be funded at income statement level	4,848,396	4,987,608	97%
6,785,367		7,688,933	8,724,319	88%

Comment:

Development contributions are up on budget. This is a timing issue dependent on when new subdivisions and building development is liable for development contributions.

Fees and recoveries are up on budget due to recoveries from New Zealand Transport Agency for street lighting and street cleaning. These had not been budgeted for.

Maintenance costs are up on budget due to \$1.7m of emergency works being undertaken during the year against a budget of \$0.723m. The programme for emergency works extends back to events in 2008/2009. There has been a strong focus to have all emergency works completed as soon as possible. The delays to date have occurred as a result of land negotiations, discussions with the Department of Conservation and investigating the extent of the damage. There was \$942,000 spent on emergency works relating to flood damage in 2008/2009, and \$826,000 spent on current year events (mainly the heavy rain event in Tapawera in May 2010).

Under accounting rules Council is able to accrue June invoices which are received in July back into expenditure for June. However, if some of this expenditure relates to capital expenditure which was to be funded by bank loans then we are unable to accrue this loan funding. There is \$348,000 of loan funding which has not been taken up at year end.

ENGINEERING

Jun-09 Actual \$	Non Subsidised Land Transportation	Jun-10 Actual \$	Jun-10 Budget \$	% of Budget
	INCOME			
2,443,213	General Rates	2,254,072	2,243,247	100%
5,733	Targeted Rates	5,733	5,733	100%
1,128,003	Development Contributions	987,625	574,531	172%
375,855	Fees and Recoveries	447,536	265,045	169%
727	Interest Received	493	-	-
198,162	Sundry Income	238,470	211,212	113%
4,151,693	TOTAL INCOME	3,933,929	3,299,768	119%
	OPERATING COSTS			
1,911,534	Maintenance	2,090,352	1,817,602	115%
306,942	Loan Interest	337,565	355,223	95%
3,250,129	Depreciation	4,223,706	4,318,872	98%
5,468,605	TOTAL OPERATING COST	6,651,623	6,491,697	102%
1,316,912	NET COST OF SERVICE (SURPLUS)	2,717,694	3,191,929	85%
	TOTAL FUNDS REQUIRED			
1,316,912	Net Cost of Service (Surplus)	2,717,694	3,191,929	85%
1,471,060	Capital	2,319,023	2,477,761	94%
251,312	Loan Principal Repaid	368,942	360,733	102%
971,354	Transfer to Restricted Reserves	526,944	-	-
4,010,638		5,932,603	6,030,423	98%
	SOURCE OF FUNDS			
1,027,170	Loans Raised	1,279,297	1,711,551	75%
(266,661)	General Funds	429,600	-	-
760,509		1,708,897	1,711,551	100%
	NON- FUNDED DEPRECIATION			
3,250,129	Depreciation to be funded at income statement level	4,223,706	4,318,872	98%
4,010,638		5,932,603	6,030,423	98%

Comment:

Development contributions are up on budget. This is a timing issue dependent on when new subdivisions and building development are liable for development contributions.

Fees and recoveries are up on budget due to increase in recoveries from the public for Council projects.

Under accounting rules Council is able to accrue June invoices which are received in July back into expenditure for June. However, if some of this expenditure relates to capital expenditure which was to be funded by bank loans then we are unable to accrue this loan funding. There is \$203,000 of loan funding which has not been taken up at year end.

ENGINEERING

COASTAL STRUCTURES

What We Do

This activity comprises the provision and maintenance of some wharves, jetties and associated buildings, along with navigational aids, boat ramps, road access and parking to provide safe access to significant parts of the District coastal facilities for recreation and commercial use. The provision of some of the coastal protection structures also forms part of this activity.

Assets currently in this activity include:

- Ownership of wharves at Mapua and Riwaka.
- Responsibility for the port at Motueka.
- Jetties (such as at Torrent Bay), boat ramps, navigational aids and moorings.
- Coastal protection works at Ruby Bay and Marahau.
- The navigation aids associated with harbour management
- Port Tarakohe is reported on separately through Council's Enterprises Subcommittee, but is included in this activity for ease of reporting.

Why We Do It

Council has responsibility as a Regional Authority to manage coastal structures that they own or that have no other identifiable owner/operator. Council has further responsibilities as a Harbour Authority.

Council considers its involvement in the continued ownership and responsibility for the coastal assets is justified because they have a public value. The community preference is for Council to retain management of assets that are important to them. In addition, Council has access to more favourable financing options for this particular activity. The provision of coastal assets and services which have a high community value is considered to be a core function of local government.

Our goal

Coastal infrastructure is developed to achieve the visions of both Council and the community.

How this activity contributes to the Community Outcomes

- All coastal structures can be managed so their impact does not affect the health and cleanliness of the receiving environment.
- The coastal structures activity ensures our built environments are functional, pleasant and safe by ensuring the coastal structures are operated without causing public health hazards and by providing attractive recreational and commercial facilities.
- The coastal structures activity provides commercial and recreational facilities to meet the community needs at an affordable level. The facilities are also managed sustainably.

Our Levels of Service

- Our coastal systems are sustainable.
- Our coastal activities are managed at a level that satisfies the community.
- Faults in the coastal assets are responded to and fixed promptly.
- Our navigation aid systems are built so that failures can be prevented. If failures do occur they can be responded to quickly.
- Our coastal structures are built so that failures can be prevented. If failures do occur they can be responded to quickly.

How We Measure Progress

All coastal protection systems have resource consent with appropriate conditions which we consistently meet. [Target: 100%]	There have been no abatement notices issued for breach of resource consent conditions.
Our three-yearly surveys show that 80% of customers are satisfied with the service of the coastal activity they receive. [Target: 70% for first three years of Ten Year Plan.	The Communitrak survey shows that 60% of people surveyed are satisfied with the management of coastal structures, with 34% unable to comment. (2009: Not surveyed)

ENGINEERING

The marina at Tarakohe is operating at 90% capacity or greater. [Target: 95%]	The marina is currently oversubscribed (110% of capacity).
We are able to respond to and fix faults (eg localised damage to rock protection works, damage to navigational aids) within the timeframes we have agreed with our suppliers and operators. [Target: 90%]	All Council's contractors have adequate resources available in case of asset failures. This has been tested and the contractors are able to meet the expected level of service.
We have a facility for receiving and handling emergency calls after office hours.	Council has an after-hours call centre that receives calls out of regular office hours. Contractors and system duty managers have duty staff who are contactable to respond to emergencies.
Our access and navigational systems meet the appropriate Maritime Transport standards and guidelines. [Target: 100%]	This target has not been measured and the appropriateness of the performance measure will be assessed in the next Long Term Plan.
We have operative risk management processes in place and planned mitigation measures completed.	Council is currently working through a risk management process.

Major Activities

<i>Capital Works</i>		
During the 2009/2010 financial year Council proposes to undertake the following capital works.		
Activity	Budget \$	
Port Tarakohe Marina	547,013	This project is still at the conceptual design and financial viability assessment stage. At the Council Enterprises Subcommittee meeting in May 2010 it was recommended that the project proceed to the developed concept drawings stage. It was also recommended to bring forward the planned expenditure so that there is \$3.55m available in the 2010/2011 Annual Plan for this project. There has been \$88,904 spent on this project to 30 June 2010.
Port Tarakohe Wharf Replacement	1,238,520	This project has yet to commence. The risk associated with recovering expenditure on a wharf replacement is an issue which has resulted in the Council Enterprises Subcommittee resolving at its August 2010 meeting not to proceed but instead to look at utilising the existing 250 tonne concrete wharf. There has been \$3,305 spent on this project to 30 June 2010.

ENGINEERING

Jun-09 Actual \$	Coastal Structures	Jun-10 Actual \$	Jun-10 Budget \$	% of Budget
	INCOME			
289,525	General Rates	352,284	350,592	100%
61,958	Targeted Rates	129,643	131,204	99%
525,093	Fees and Recoveries	655,216	658,987	99%
31,792	Sundry Income	38,258	33,885	113%
908,368	TOTAL INCOME	1,175,401	1,174,668	100%
	OPERATING COSTS			
134,465	Motueka	120,881	41,876	289%
97,977	Tarakohe	137,380	164,846	83%
218,144	District Wharves & Boat Ramps	87,754	94,427	93%
374,392	Loan Interest	376,192	461,544	82%
273,864	Depreciation	353,891	292,451	121%
1,098,842	TOTAL OPERATING COST	1,076,098	1,055,144	102%
190,474	NET COST OF SERVICE (SURPLUS)	(99,303)	(119,524)	83%
	TOTAL FUNDS REQUIRED			
190,474	Net Cost of Service (Surplus)	(99,303)	(119,524)	83%
667,271	Capital	989,619	1,826,817	54%
175,245	Loan Principal Repaid	247,106	399,478	62%
-	Transfer to Restricted Reserves	48,909	14,725	332%
1,032,990		1,186,331	2,121,496	56%
	SOURCE OF FUNDS			
672,795	Loans Raised	833,863	1,826,817	46%
201,332	Restricted Reserves Applied	65,016	2,228	2918%
(115,001)	General Funds	(66,439)	-	-
759,126		832,440	1,829,045	46%
	NON- FUNDED DEPRECIATION			
273,864	Depreciation to be funded at income statement level	353,891	292,451	121%
1,032,990		1,186,331	2,121,496	56%

Comment:

Motueka operating costs are up on budget due to increase in legal fees related to the Port Motueka endowment properties. Council took Wakatu Incorporation to the High Court to remove caveats from properties owned at Port Motueka. The outcome was successful for Council and has enabled agreements to be entered into for the sale of these properties.

Capital works are down on budget due to Tarakohe wharf replacement not going ahead (Budget \$1.2m) and due to the timing of the Tarakohe Marina project (\$89,000 spent for year against a budget of \$547,000).

Included in capital works are costs for the Old Mill Walkway project. This had a budget which was carried forward from the 2008/2009 financial year of \$980,000. There was \$889,000 spent against this in the current year.

ENGINEERING

AERODROMES

What We Do

Tasman District Council's Aerodromes activity comprises the provision and maintenance of the following assets at Motueka and Takaka:

- Ownership and authority to use the land under the runways.
- Runway pavements and surfaces for safe landing, takeoff and taxiing of aircraft.
- Ancillary buildings for administration and housing of associated activities.
- Navigational aids.
- Security fencing and other arrangements for protection of the assets and safety of the users.

Why We Do It

Council has no statutory obligation to provide this service. However Council considers that its involvement is justified because aerodromes have a public value, and the community preference is for Council to retain management of assets that are important to the community.

Our Goal

We aim to provide the level of service that the customer wants and is prepared to pay for and in a manner that minimises conflict with the community.

How this activity contributes to the Community Outcomes

- All aerodromes can be managed so the impact of the discharges does not affect the health and cleanliness of the receiving environment.
- The aerodromes activity ensures our built urban environments are functional, pleasant and safe by ensuring the aerodromes are operated without causing public health hazards and by providing attractive recreational and commercial facilities.
- The aerodromes provide commercial and recreational facilities to meet the community needs at an affordable level and are available to the whole community. The facilities are also sustainably managed.

Our Levels of Service

- Our aerodromes do not pollute or degrade the receiving environment.
- Our aerodromes operate with a minimum of disturbance to the public and adjacent landowners.
- Our aerodromes serve those that should be served.
- Our aerodromes activities are managed at a level that satisfies the community.
- Faults in the aerodromes facilities are responded to and fixed promptly.
- Our systems are built so that failures can be prevented. If failures do occur they can be responded to quickly.

How We Measure Progress

All associated facilities are required to connect to the community wastewater system where available. [Target: 100%]	All associated facilities are connected to community wastewater systems where available.
Activities are controlled so as to minimise noise pollution to an acceptable level. [Target: 100%]	An Operations and Safety Committee has been formed which met in May/June 2010. It will monitor this activity and it has a role in encouraging best practice for aerodrome users.
We receive less than five complaints per year relating to noise from our aerodromes.	We receive noise complaints about operational aircraft. However, there are no noise standards for aircraft before takeoff, during takeoff and after landing. The Civil Aviation Authority is the only organisation able to deal with aircraft noise complaints. We are of the view that this performance measure is not appropriate and it will be reviewed at the next review of the Long Term Plan.
The height for structures on adjacent properties within the flight paths is not increased beyond that currently required. [Target: 100%]	There have been no breaches for these requirements.

ENGINEERING

<p>The community and stakeholders are consulted over aerodrome development plans. [Target: 100%]</p>	<p>A review of the Motueka Aerodrome Development Plan has commenced and a draft plan is expected to go before Council Enterprises Subcommittee in December 2010. Public consultation will follow.</p>
<p>Notification (via NOTAMS) to all aviation aerodrome users is provided as required through the Civil Aviation Authority. [Target: 100%]</p>	<p>All notifications (via NOTAMS) to all aviation aerodrome users is provided as required through the Civil Aviation Authority.</p>
<p>We are able to respond to and fix faults within the timeframes we have specified with our operations and maintenance contracts and in accordance with the Civil Aviation Authority requirements. [Target: 100%]</p>	<p>We are able to respond to and fix all faults within the timeframes we have specified with our operations and maintenance contracts and in accordance with the Civil Aviation Authority requirements.</p>
<p>We have a facility for receiving and handling emergency calls after office hours.</p>	<p>Council has an after-hours call centre that receives calls out of regular office hours. Contractors and system duty managers have duty staff who are contactable to respond to emergencies.</p>
<p>We have operative risk management processes in place and planned mitigation measures completed.</p>	<p>Operative risk management processes planned mitigation measures will be included as part of future plans. Council is currently working through a risk management process.</p>
<p>Except for planned maintenance, the facilities comply with Civil Aviation Authority requirements at all times.</p>	<p>The facilities comply with Civil Aviation Authority requirements at all times.</p>
<p>Spare equipment is held for navigational aids.</p>	<p>There is spare equipment held for navigational aids.</p>

ENGINEERING

Jun-09 Actual \$	Aerodromes	Jun-10 Actual \$	Jun-10 Budget \$	% of Budget
	INCOME			
66,160	General Rates	4,775	4,752	100%
60,314	Fees and Recoveries	79,735	104,277	76%
4,134	Sundry Income	4,975	4,406	113%
130,608	TOTAL INCOME	89,485	113,435	79%
	OPERATING COSTS			
5,584	Takaka	3,908	19,534	20%
48,519	Motueka	53,169	80,556	66%
7,464	Loan Interest	6,484	6,483	100%
77,858	Depreciation	93,634	91,380	102%
139,425	TOTAL OPERATING COST	157,195	197,953	79%
8,817	NET COST OF SERVICE (SURPLUS)	67,710	84,518	80%
	TOTAL FUNDS REQUIRED			
8,817	Net Cost of Service (Surplus)	67,710	84,518	80%
26,910	Capital	-	-	-
5,605	Loan Principal Repaid	7,151	6,862	104%
41,332		74,861	91,380	82%
	SOURCE OF FUNDS			
(36,526)	General Funds	(18,773)	-	-
(36,526)		(18,773)	-	-
	NON- FUNDED DEPRECIATION			
77,858	Depreciation to be funded at income statement level	93,634	91,380	102%
41,332		74,861	91,380	82%

ENGINEERING

WATER SUPPLY

What We Do

This activity comprises the provision of potable water (ie water suitable for use and consumption by people) to properties within 16 existing water supply areas in the Tasman District. The Council's network is extensive and growing rapidly. At present the network comprises approximately 659km of pipeline, 34 pumping stations, 11,387 domestic connections and 43 reservoirs and break-pressure tanks with a capacity of approximately 18,330 cubic metres of water. In addition Council manages the Wai-iti water storage dam to provide supplementary water into the Lower Wai-iti River and aquifer. Water is supplemented at times of low river flows to allow a sustained water take for land irrigation.

Tasman District Council owns, operates and maintains ten urban water supply schemes, three rural supply schemes, and three community schemes.

Why We Do It

The provision of water supply services is considered to be a core public health function of local government and is something that the Council has always provided. The service provides many public benefits and it is considered necessary and beneficial to the community that the Council undertakes the planning, implementation and maintenance of water supply services in the District.

Territorial authorities have numerous responsibilities relating to the supply of water. One such responsibility is the duty under the Health Act 1956 to improve, promote, and protect public health within the District. This implies that, in the case of the provision of potable water, councils have an obligation to identify where such a service is required, and to either provide it directly themselves, or to maintain an overview of the supply if it is provided by others.

Our Goal

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

How this activity contributes to the Community Outcomes

- All water in the Council-owned schemes is taken from the environment. This activity can be managed so the impact of the water take does not prove detrimental to the surrounding environment.
- The water supply activity is a service to the community providing water that is safe to drink and is efficiently delivered to meet customer needs. It also provides a means for fire fighting consistent with the national fire fighting standards.
- The water activity is considered an essential service that should be provided to all properties within water supply network areas in sufficient capacity and pressure. This service should also be efficient and sustainably managed.

Our Levels of Service

- Our water takes are sustainable.
- Our water is safe and pleasant to drink.
- Our water is efficiently delivered to meet customer needs.
- Our water supply systems provide fire protection to a level that is consistent with the national standard.
- Our water supply systems serve those that should be serviced.
- Our water supply activities are managed at a level that the community is satisfied with.
- Our systems are built so that failures can be prevented. If failures do occur they can be responded to quickly.

ENGINEERING

How We Measure Progress

<p>All water takes have resource consents with appropriate conditions which we consistently meet. [Target: 100%]</p>	<p>Actual = 100%</p> <p>A current resource consent is in place for each water take.</p> <p>The resource consent for the 88 Valley Rural Water Scheme expired in 2005, but is being legally operated under the expired consent until the application for renewal of the consent is approved.</p>
<p>No advisory notices are issued to boil water.</p>	<p>No “boil water” notices were issued for Council’s public water supply. A “boil water” notice was issued for five properties at Faraday Rise following contamination of their private reticulation.</p>
<p>Our water supplies have a Public Health Risk Management Plan (PHRMP) in place. [Target: 10%]</p>	<p>Actual = 19% (3 out of 16 schemes approved)</p> <p>Council needs to have 16 PHRMPs. We have three completed and approved, these being for Tapawera, Upper Takaka and Motueka.</p>
<p>Grading of water supplies meets Drinking Water Standards for New Zealand (DWSNZ). For Richmond that means a grading of Bb. All other communities will aim for a Cc. [Target: 2/16 schemes comply]</p>	<p>Actual = 2 out of 16 schemes comply.</p> <p>Since compliance with DWSNZ has become mandatory, the grading process has been considered to be a lower priority by the Ministry of Health. The key grade now is whether the supply complies with DWSNZ or not. With an extensive programme of treatment plant upgrades in place already, it is unlikely that Tasman District Council will carry out the grading process.</p> <p>The PHRMPs highlight the upgrades needed to ensure a supply meets DWSNZ. Therefore, if the recommendations made in the PHRMP have been implemented, the supply can be deemed to meet the standards.</p> <p>Treatment upgrades identified in the PHRMPs have been implemented at Tapawera and Upper Takaka after receiving Ministry of Health funding. We now have full compliance with the DWSNZ at Upper Takaka and Tapawera.</p>
<p>Testing of water supplies confirms that water meets DWSNZ.</p>	<p>Actual = 100% follow up of non compliances</p> <p>Council carries out water compliance testing on all of its public water supplies to DWSNZ:2005. If a transgression occurs, further samples are taken and an investigation begins.</p> <p>Reticulation Zone – 646 samples were taken over the year. Of these, six transgressions were recorded for E.coli and 19 transgressions recorded in Richmond for nitrate = 96.1%</p> <p>Treatment Plant – 691 samples were taken over the year. Of these, two transgressions were recorded for E.coli and ten transgressions at Richmond for nitrate. = 98.3%</p>
<p>Water pressure to all urban and rural supply customers meets minimum pressure requirements as stipulated in the TDC Engineering Standards [Target: 95% of area covered by schemes meet the Standards].</p>	<p>Actual = >95% of area covered by schemes meet the Standards</p> <p>All supplies meet the minimum pressure requirements as a whole, but there are some isolated areas of exception. These are:</p> <p>Richmond – small area at high level above Hill Street; Cropp Place and Hillplough Heights (less than 20 properties in total).</p> <p>Wakefield – top of Hunt Terrace (5 properties)</p> <p>Mapua/Ruby Bay – top of Crusader Drive</p> <p>Collingwood – two properties in Swiftsure Street adjacent to the reservoir.</p>

ENGINEERING

<p>Acceptable water losses are identified for each water supply and a water loss reduction programme is in place to achieve those targets. [Target: 3 out of 16 supplies will have water loss programmes in place]</p>	<p>Actual = 3 of out 16 water supplies</p> <p>Leak detection has been undertaken at Brightwater, Tapawera, Murchison, Wakefield, and Mapua. Significant leaks have been fixed as a result, but the programme will be ongoing.</p>
<p>Urban water supply systems are able to meet W3 standard Code of Practice for Fire Fighting Water Supplies [Target: 90%].</p>	<p>Actual = 90%</p> <p>Nine out of ten urban systems fully comply with the fire fighting capability. The vast majority of Richmond complies, with the exception of Cropp Place and the top end of Hillplough Heights.</p> <p>Rural water supplies and community supplies don't provide fire fighting capacity. Takaka and Motueka have a network of fire wells which provide a limited fire fighting service.</p>
<p>Our urban water supply systems are able to service new water supply connections from properties inside Council water supply areas. [Target: By 2012, 9 out of 10 urban supplies will be able to accept new connections]</p>	<p>Actual = 9 out of 10 Urban schemes are able to service new connections to the system. New connections are not presently being accepted in Mapua/Ruby Bay. This issue will be resolved with the construction of the Coastal Tasman Area (CTA) water supply pipeline from Motueka.</p>
<p>Council's Water and Sanitary Service Assessments (WSSA) identifies communities which could benefit from a new Council-owned water supply scheme and makes a decision on whether to plan for a new scheme to be developed. The WSSA will be reviewed in 2010/2011</p>	<p>Actual = The initial WSSA was produced in 2005. It identified Motueka as a Priority 1 community for water supply. The communities of Marahau/Sandy Bay, Tasman/Kina, Pohara, Ligar Bay, Tata Beach, Takaka and Patons Rock were identified as Priority 2 communities.</p> <p>The WSSA was originally scheduled to be updated in this financial year, but has been deferred in light of the July 2009 amendment to the Local Government Act 2002 (LGA). The next revision of the Asset Management Plan (AMP) will review the timing and scope of the next WSSA update.</p>
<p>Our surveys show that 80% of customers are satisfied with the water supply service they receive.</p>	<p>Actual = 90%</p> <p>The Communitrak survey undertaken shows that 90% of receivers of the service were found to be satisfied with the service they receive. (2009: 88% satisfied)</p>
<p>We are able to respond to and fix faults within the timeframes specified in our operations and maintenance contracts. [Target: 90%]</p>	<p>Actual = 98%</p> <p>The operations and maintenance contractor is required to meet a target of 90% of faults to be responded to and fixed within specified timeframes. The figure reported here relates to completion within the required response timeframe.</p>
<p>We have a facility for receiving and handling emergency calls after hours.</p>	<p>Actual = In place</p> <p>Council has an after-hours call centre that receives calls out of regular office hours. Contractors and system duty managers have duty staff who are contactable to respond to emergencies.</p>
<p>We have an operative risk management framework in place and have planned mitigation measures. [Target: Plan developed in Year 1 and in place and operating by Year 3]</p>	<p>Actual = Framework in development.</p> <p>TDC has adopted an Integrated Risk Management approach to its asset management and organisational decision making.</p>

ENGINEERING

<p>We have the following water storage in the water supply systems: <i>Urban</i>: - one day at average annual demand. <i>Rural</i>: - six hours at average annual demand. [Target: 12 of 13 schemes]</p>	<p>Actual = 11 of the 13 schemes have the required storage. All three rural schemes meet storage requirements. 8 of the 10 urban supplies meet the required storage. Richmond fails to meet the requirement. Projects are identified within the AMP to construct new reservoirs in this area. Tapawera also fails to meet the required storage volume. However, this year has seen significant reduction in water loss through leaks in this system, so it is anticipated that the scheme does satisfy storage requirements.</p>
<p>We have constructed and maintain hydraulic models of our water supply systems to ensure we have the best knowledge and understanding of each system. [Target: 40%]</p>	<p>Actual = 37.5% Hydraulic models have been constructed and are maintained for 5 of our 16 water supplies – Richmond, Waimea, Mapua, Brightwater and Wakefield. A model is currently being constructed for Motueka.</p>

Major Activities

<p><i>Capital Works</i></p>		
<p>During the 2009/2010 financial year Council proposes to undertake the following capital works.</p>		
Activity	Budget \$	
<p>Richmond Major Projects:</p> <ul style="list-style-type: none"> • Reticulation renewals or upgrades • Re-zoning • Richmond East • Treatment Plant • New Groundwater Source • Lee Valley Dam Contribution 	<p>246,324</p> <p>45,309</p> <p>500,672</p> <p>212,074</p> <p>130,333</p> <p>250,000</p>	<p>Work is ongoing. Tenders for the Richmond water renewals contract for 2009/2010 and 2010/2011 are currently being evaluated. There has been \$25,277 spent on this activity to 30 June 2010.</p> <p>Work is ongoing. There has been \$50,613 spent on this activity to 30 June 2010.</p> <p>Design of the reservoir is ongoing with land acquisition issues close to being resolved. There has been \$290,875 spent on this activity to 30 June 2010.</p> <p>Design work was completed in June 2010, with land acquisition commencing in the next financial year.</p> <p>Investigations only just commencing in the fourth quarter. There has been \$Nil spent on this activity to 30 June 2010.</p> <p>Council continues to support the Waimea Water Augmentation Committee. There has been \$250,000 allocated to this activity to 30 June 2010.</p>
<p>Takaka Fire Fighting Improvements:</p>	<p>1,099,496</p>	<p>All design work is now complete. Project now awaiting on Central Government to make a decision on a subsidy and approval from Council to tender. There has been \$125,296 spent on this activity to 30 June 2010.</p>

ENGINEERING

Jun-09 Actual \$	Water Supply	Jun-10 Actual \$	Jun-10 Budget \$	% of Budget
	INCOME			
91,270	General Rates	102,140	101,650	100%
4,315,183	Targeted Rates	4,993,733	5,349,134	93%
763,933	Development Contributions	304,431	708,978	43%
570,803	Fees and Recoveries	434,414	230,817	188%
121,388	Sundry Income	146,078	129,381	113%
5,862,577	TOTAL INCOME	5,980,796	6,519,960	92%
	OPERATING COSTS			
3,263,083	Urban Water	3,633,052	3,332,462	109%
900	Takaka	1,118	31,607	4%
148,272	Motueka	294,247	157,189	187%
69,030	88 Valley	92,318	50,156	184%
191,615	Dovedale	241,431	130,807	185%
126,799	Redwood Valley	135,971	110,773	123%
6,580	Hamama	191	6,198	3%
16,158	Pohara	19,740	28,512	69%
995,490	Loan Interest	956,490	1,154,487	83%
2,266,864	Depreciation	2,837,071	2,400,899	118%
7,084,791	TOTAL OPERATING COST	8,211,629	7,403,090	111%
1,222,214	NET COST OF SERVICE (SURPLUS)	2,230,833	883,130	253%
	TOTAL FUNDS REQUIRED			
1,222,214	Net Cost of Service (Surplus)	2,230,833	883,130	253%
2,899,680	Capital	3,520,165	4,612,084	76%
-	Transfer to Restricted Reserves	-	273,766	0%
694,826	Loan Principal Repaid	926,764	1,084,154	85%
4,816,720		6,677,762	6,853,134	97%
	SOURCE OF FUNDS			
194,223	Restricted Reserves Applied	393,456	460,215	85%
2,355,633	Loans Raised	3,373,275	3,992,020	85%
-	General Funds	73,960	-	-
2,549,856		3,840,691	4,452,235	86%
	NON- FUNDED DEPRECIATION			
2,266,864	Depreciation to be funded at income statement level	2,837,071	2,400,899	118%
4,816,720		6,677,762	6,853,134	97%

Comment:

Development contributions are down on budget. This is a timing issue dependent on when new subdivisions and building development are liable for development contributions.

Fees and recoveries are up on budget due to increase in the number of properties connecting to Council's water supplies.

Under accounting rules Council is able to accrue June invoices which are received in July back into expenditure for June. However, if some of this expenditure relates to capital expenditure which was to be funded by bank loans then we are unable to accrue this loan funding. There is \$126,000 of loan funding which has not been taken up at year end.

Targeted rates are down on budget due to a daily charge being incorrectly incorporated into the budget for Motueka. There was also a refund of \$163,000 given during the year due to overcharging over a number of years.

ENGINEERING

Operating costs are over budget due to the Council's contribution to the Waimea Water Augmentation Committee for the Lee Valley investigation being budgeted for as capital instead of operating costs. There is also an asset write-off of \$73,963 due to abandoned pipes. Maintenance costs were also up on budget due to increased maintenance work required in Brightwater/Hope, increased water modelling costs mainly around Richmond water, increased maintenance costs for the Dovedale scheme due to pipe breakages, and the costs involved in preparing the Motueka Public Health Risk Management Plan (PHRMP).

Included in capital works are costs for projects which had budget which were carried forward from the 2008/2009 financial year. There was \$1,450,210 spent against these carried forward budgets totalling \$2.538m in the current year. Work undertaken included the new reservoir at Wakefield, Mapua augmentation and the coastal pipeline.

Depreciation is up on budget due to the utilities revaluation last year, additions this year and the reallocation of fixed asset depreciation across the activities.

WASTEWATER

What We Do

This activity encompasses the provision of wastewater treatment facilities and wastewater collection systems to the residents of 14 Urban Drainage Areas (UDAs) within the Tasman District. The assets used to provide this service include approximately 323km of pipelines, 2,250 manholes, 75 wastewater pump stations, seven wastewater treatment plants and the relevant resource consents to operate these assets.

Tasman District Council owns, operates and maintains 12 wastewater systems conveying wastewater to eight wastewater treatment and disposal plants (WWTPs).

Why We Do It

The provision of wastewater management services is considered to be a core public health function of local government and is something that the Council has always provided. The service provides many public benefits and it is considered necessary and beneficial to the community that the Council undertakes the planning, implementation, and maintenance of wastewater services in the District.

Territorial Authorities have numerous responsibilities relating to wastewater. One such responsibility is the duty under the Health Act 1956 to improve, promote and protect public health within the District. This implies that, in the case of the provision of wastewater services, councils have the obligation to identify where such a service is required, and to either provide it directly themselves, or to maintain an overview of the supply if it is provided by others.

Our Goal

We aim to provide cost-effective and sustainable wastewater systems in a manner that meets environmental standards and agreed levels of service.

How this activity contributes to the Community Outcomes

- All wastewater in the Council-owned schemes is treated and discharged into the environment. This activity can be managed so the impact of the discharges does not adversely affect the health and cleanliness of the receiving environment.
- The wastewater activity ensures our built urban environments are functional, pleasant and safe by ensuring wastewater is collected and treated without causing a hazard to public health, unpleasant odours and unattractive visual impacts.
- The wastewater activity is considered an essential service that should be provided to all properties within the urban drainage areas in sufficient size and capacity. This service should also be efficient and sustainably managed.

Our Levels of Service

- Our wastewater systems do not adversely pollute or degrade the receiving environment.
- Our wastewater systems reliably take our wastewater with a minimum of odours, overflows or disturbance to the public.
- Our wastewater systems serve those who should be serviced.
- Our wastewater activities are managed at a level that satisfies the community.
- Our systems are built so that failures can be prevented. If failures do occur, they can be responded to quickly.

ENGINEERING

How We Measure Progress

All wastewater treatment plants (WWTP's) hold all necessary resource consents. [Target: 100%]	Actual = 100% All WWTPs hold all necessary consents
All wastewater treatment plants meet the minimum compliance levels in the resource consents. [Target: 75%]	Actual = 91% Collingwood 95% Motueka 92% Murchison 100% St. Arnaud 96% Takaka 75% Tapawera 97% Upper Takaka 86% Takaka WWTP compliance levels are expected to increase significantly once the upgrade is complete. This measure covers those consent conditions requiring laboratory testing only.
We can limit the number of overflows that cause beach closures or shellfish gathering bans to less than five per year.	Actual = 1 This was in Collingwood due to the leak from the break in pipework at the Collingwood WWTP into Burton Ale Creek.
We can limit the number of overflows on private property due to Council system fault to less than five per year.	Actual = 9 All overflows on private property are recorded, but only those resulting from Council system fault are reported here.
We can limit the number of overflows from the sewer in a year to less than one per kilometre of sewer.	Actual = 0.108 / km A total of 37 overflows have occurred over the year. With a total network of 344km, this equates to 0.108 overflows per km of sewer.
We can limit the number of overflows from pump stations per year to less than 10.	Actual = 3 These occurred at Kaiteriteri-Riwaka, Murchison, and Takaka/Pohara pump stations.
We receive less than 30 complaints per year relating to odour or noise from our wastewater systems.	Actual = 47 These were mostly around Christmas 2009 at Pohara.
95% of properties within the Urban Drainage Areas are able to be connected to the Council's reticulation system at their boundary if they so choose.	Actual = 97.3% of properties within the UDAs are either connected or have been exempt from having to connect.
Our Water and Sanitary Services Assessment (WSSA) identifies communities that we don't serve but that may benefit from having a Council-owned community scheme, and plans are in place in the AMP to consult with these communities. [Target: 100%]	Actual = The initial WSSA was produced in 2005. It identified Marahau/Sandy Bay, Tasman/Kina and Pakawau as Priority 1 communities for benefitting from a Council-owned community service. The WSSA was originally scheduled to be updated in this financial year, but has been deferred in light of the July 2009 amendment to the Local Government Act 2002 (LGA). The next revision of the Asset Management Plans (AMP) will review the timing and scope of the next WSSA update.

ENGINEERING

<p>Our surveys show that 80% of customers are satisfied with the wastewater service they receive.</p>	<p>Actual = 93% The Communitrak survey undertaken shows that 93% of receivers of the service were found to be satisfied with the service they receive. (2009: 95%)</p>
<p>We are able to respond to and fix faults within the timeframes we have specified within our operations and maintenance contracts. [Target: 90%]</p>	<p>Actual = 99.5% The operations and maintenance contractor is required to meet a target of 90% of faults to be responded to and fixed within specified timeframes. The figure reported here relates to completion within the final completion timeframe. Detailed responses are monitored through Council's Utilities Maintenance Contract Number 688.</p>
<p>We have a facility for receiving and handling emergency calls after office hours.</p>	<p>Actual = In place Council has an after-hours call centre that receives calls out of regular office hours. Contractors and system duty managers have duty staff who are contactable to respond to emergencies.</p>
<p>We have operative risk management process in place and planned mitigation measures completed.</p>	<p>Actual = Framework in development. TDC has adopted an Integrated Risk Management approach to its asset management and organisational decision making.</p>
<p>All pump stations have standby pumps in case of mechanical failure. [Target: 100%]</p>	<p>Actual = 100% All pump stations have stand-by pumps.</p>
<p>Our pump stations have storage or standby electrical generation in case of power failure. [Target: 25%]</p>	<p>Actual = 16% of pump stations have either storage or on-site standby electrical generation. However, there are two portable generators available which are able to serve up to 53% of pump stations.</p>
<p>Our pump stations have telemetry to allow automatic communication of failures. [Target: 55%]</p>	<p>Actual = 59% 44 of the 75 pump stations have telemetry.</p>

ENGINEERING

Major Activities

Capital Works

During the 2009/2010 financial year Council proposes to undertake the following capital works.

Activity/project	Budget \$	
Treatment Plant Upgrades: • Takaka	114,816	The detailed design is being revised to address potential increasing levels of nitrates. The resource consent is being finalised. Council is negotiating with the adjacent landowner to purchase 1.8 hectares of land which will potentially be used for effluent treatment and disposal. The project will be tendered once the land and resource consent issues have been resolved. There has been \$166,106 spent on this activity to 30 June 2010.
Continue to progress pipeline replacements across all schemes where pipes are failing.	928,890	Richmond and other regions renewals are continuing. Some funding from the Richmond budget has been transferred to Motueka to complete extra work in Motueka. Motueka renewals have been tendered and work commenced. Investigation work is continuing in Richmond. There has been \$344,934 spent on this activity to 30 June 2010.
Improve capacity issues within Mapua/Ruby Bay. This includes upgrading or replacing five pump stations and associated rising mains.	162,609	Work is ongoing. Currently designing the new pumping station at Mapua Wharf. There has been \$100,482 spent on this activity to 30 June 2010.
Upgrade trunk main from Rabbit Island to Bell Island.	2,121,791	Ching Contracting continue to make steady progress installing the new polyethylene rising main, with the section along Rabbit Island complete and work continues on Bell Island. Junction chambers have been installed in sequence with the pipeline and the demanding estuary crossing between Rabbit and Bell Islands was successfully completed. The expected project completion date is late August 2010. There has been \$989,644 spent on this activity to 30 June 2010.
The Pohara /Tata Beach reticulation, pump station upgrade and associated pipelines are to be undertaken in stages over the next 12 year period.	180,731	Work is being undertaken in conjunction with the replacement of the Delaney's pump station which is now complete and in maintenance period. There has been \$29,252 spent on this activity to 30 June 2010.
Upgrade of Richmond reticulation: • Headingly Lane pump station	722,470 + carry forward budget of \$2,387,978 = \$3,110,978	Tenders closed 26 May. A contract has been awarded to Fulton Hogan Ltd for \$1,442,077. Easement negotiations with landowners for the rising main are being finalised. Construction is planned to start mid-July 2010. There has been \$261,481 spent on this activity to 30 June 2010.

ENGINEERING

Jun-09 Actual \$	Wastewater	Jun-10 Actual \$	Jun-10 Budget \$	% of Budget
	INCOME			
6,777,553	Targeted Rates	7,907,398	7,990,212	99%
1,054,452	Development Contributions	547,172	586,240	93%
63,850	Fees and Recoveries	686,469	520,649	132%
-	less share of NRSBU Owners Distribution	(480,800)	-	-
326,446	Sundry Income	392,847	347,943	113%
8,222,301	TOTAL INCOME	9,053,086	9,445,044	96%
	OPERATING COSTS			
5,116,070	Maintenance	5,466,226	5,260,738	104%
(981,164)	less share of NRSBU JV income	(1,009,338)	-	-
1,412,490	Loan Interest	1,442,939	1,989,935	73%
1,401,029	Depreciation	2,035,621	1,814,570	112%
6,948,425	TOTAL OPERATING COST	7,935,448	9,065,243	88%
(1,273,876)	NET COST OF SERVICE (SURPLUS)	(1,117,638)	(379,801)	294%
	TOTAL FUNDS REQUIRED			
(1,273,876)	Net Cost of Service (Surplus)	(1,117,638)	(379,801)	294%
5,675,080	Capital	6,998,173	5,726,677	122%
1,017,745	Loan Principal Repaid	1,495,281	1,846,375	81%
-	Transfer to Restricted Reserves	704,366	-	-
5,418,949		8,080,182	7,193,251	112%
	SOURCE OF FUNDS			
257,697	Restricted Reserves Applied	-	365,216	0%
5,063,387	Loans Raised	6,472,760	5,013,465	129%
(1,303,164)	General Funds	(428,199)	-	-
4,017,920		6,044,561	5,378,681	112%
	NON- FUNDED DEPRECIATION			
1,401,029	Depreciation to be funded at income statement level	2,035,621	1,814,570	112%
5,418,949		8,080,182	7,193,251	112%

Comment:

Fees and recoveries are up on budget due to the \$480,000 distribution from the Nelson Regional Sewerage Business Unit (a joint venture with Nelson City Council). The anticipated growth in the number of properties connecting to Council's wastewater schemes did not eventuate and this resulted in a reduction in connection charges received for the year. Fees and recoveries also includes an electricity refund of \$88,000 due to overcharging on a particular supply over a number of years.

Under accounting rules Council is able to accrue June invoices which are received in July back into expenditure for June. However, if some of this expenditure relates to capital expenditure which was to be funded by bank loans then we are unable to accrue this loan funding. There is \$90,000 of loan funding which has not been taken up at year end.

Operating costs are over budget due to asset write-offs of \$100,000 (due to abandoned pipes or decommissioned pump stations) and wastewater remissions of \$102,000. Neither of these were budgeted for.

Included in capital works are costs for projects which had budgets which were carried forward from the 2008/2009 financial year. There was \$4,668,000 spent against these carried forward budgets totalling \$8.275m in the current year. Projects undertaken include the Motueka Wastewater Treatment Plant upgrade, the Pohara Delaney pumpstation, and the Mapua reticulation upgrade.

ENGINEERING

STORMWATER

What We Do

This activity encompasses the provision of stormwater collection, reticulation, and discharge systems in Tasman District. The assets used to provide this service include drainage channels, piped reticulation networks, tide gates, detention or ponding areas, inlet structures and discharge structures.

The stormwater sumps and road culvert assets are generally owned and managed by Council's Transportation Group or by the New Zealand Transport Agency, depending upon whether they are located on local roads or state highways.

Council manages its stormwater activities under 15 Urban Drainage Areas (UDAs) and one General District Area. The General District Area covers the entire District outside the UDAs. Typically these systems include small communities with stormwater systems that primarily collect and convey road run-off to suitable discharge points. It does not include land drains or river/stream systems. These are either the responsibility of Council under the Rivers Activity Management area or the responsibility of the landowners under the Tasman Resource Management Plan (TRMP).

Why We Do It

The Council has no statutory obligation to provide for private stormwater runoff, just as it has no obligation to provide protection against wind or other natural events. This is clear in the Local Government Act 2002 (LGA) where it states that councils do not have to take responsibility for stormwater systems which service only private properties.

However, Council does have a duty of care to ensure that any run-off from its own properties is remedied or mitigated. Because most of its property is mainly in the form of impermeable roads in developed areas, this generally means that some level of reticulation system is constructed. The presence of this system then becomes the logical network for private stormwater disposal.

The provision of stormwater drainage to urban areas is something that the Council has always provided. The service provides many public benefits and it is considered necessary and beneficial to the community that the Council undertakes the planning, implementation and maintenance of the stormwater services within the urban areas.

Our Goal

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

How this activity contributes to the Community Outcomes

- Stormwater arising within urban development areas is controlled, collected, conveyed and discharged safely to the receiving environment. This activity can be managed so the impact of the discharges does not adversely affect the health and cleanliness of the receiving environment.
- Our stormwater activity ensures our built urban and rural environments are functional, pleasant and safe by ensuring stormwater is conveyed without putting the public at risk or damaging property, businesses or essential infrastructure.
- The stormwater activity is considered an essential service that should be provided to all properties within urban drainage areas in sufficient size and capacity. This service should also be efficient and sustainably managed.

Our Levels of Service

- Our stormwater systems do not adversely pollute or degrade but sustain and nurture the receiving environment.
- Our stormwater systems collect and convey stormwater safely through urban environments, reducing the adverse effects of flooding on people and property.
- Our stormwater activities are managed at a level which satisfies the community.
- We have measures in place to prevent flood damage to property and risk to the community.

ENGINEERING

How We Measure Progress

<p>We have stormwater quality catchment management plans (SQMPs) for each urban drainage area which identify environmental values and set sustainable improvement targets to improve environmental values and amenity value to the community. [Target: Complete SQMP's for Richmond, Motueka and Mapua within the first three years.]</p>	<p>Actual = Work will start on the SQMP for Richmond in 2010/11</p>
<p>We have discharge consents in place for each major urban stormwater discharge (controlling stormwater quality). [Target: Discharge consents in place for Richmond UDA within the first three years.]</p>	<p>Actual = Provision is made in the Asset Management Plan (AMP) to comply with the discharge consents by end of year 3.</p>
<p>We control the discharge of pollutants from our stormwater systems to sustainable levels so there is minimal adverse impact on the quality of our natural freshwater and marine habitats. [Target: Improvement action plan to be determined within the first three years.]</p>	<p>Actual = This performance measure cannot be implemented at this stage. Provision is made in the AMP to develop an action plan by the end of year 3. This plan will identify where to target expenditure.</p>
<p>We apply a sustainable design approach to all stormwater system upgrades. The primary aim in the design of open channels will be to nurture and provide environmental values in keeping with the surrounding environment and in providing and enhancing amenity value to the community.</p>	<p>Actual = Stormwater upgrades have been carried out in accordance with the TDC Engineering Standards at Jeffries Creek.</p> <p>Key elements of the project included the engagement of a fish expert. The design was tailored to include fish pools, planting and a low flow channel to mimic nature. Eels were also relocated during construction.</p>
<p>Stormwater drainage facilities are provided to service all urban drainage areas.</p>	<p>Actual = All 15 urban drainage areas have stormwater facilities</p>
<p>Inlets, outlets, floodgates, detention dams and watercourses are kept open at all times through a proactive maintenance programme.</p>	<p>Actual = The maintenance contractor undertakes a schedule of routine maintenance on stormwater assets.</p>
<p>Work that is considered a priority to clear obstructions reported within the stormwater system is attended to within one working day of receiving notice, 90% of the time.</p>	<p>Actual = 100%</p> <p>The operations and maintenance contractor is required to meet a target of 90% of faults to be responded to and fixed within specified timeframes. This is monitored through Council's Utilities Maintenance Contract Number 688.</p>
<p>New primary stormwater systems (comprising a combination of open channels and/or pipes) are capable of containing a 1-in-20 year storm event.</p>	<p>Actual = All new primary stormwater systems are designed to TDC Engineering Standards which are aligned with this performance measure.</p> <p>Primary stormwater systems constructed this year include new pipework at Salisbury Road and Seaton Valley, comprising a culvert under the Mapua causeway.</p>
<p>New secondary stormwater systems are provided to accommodate stormwater flows from a 1-in-50 year storm event so that there is no damage to or nuisance effects on people or property.</p>	<p>Actual = All new secondary stormwater systems are designed to TDC Engineering Standards which are aligned with this performance measure.</p> <p>No new secondary stormwater systems have been constructed this year.</p>

ENGINEERING

<p>New open channels for major streams are capable of accommodating stormwater flows from a 1-in-100 year storm event so that there is no damage to or nuisance effects on people or property.</p>	<p>Actual = All new open channel systems are designed to TDC Engineering Standards which are aligned with this performance measure.</p> <p>One open channel project was completed this year at Jeffries Creek</p>																																																																				
<p>Existing stormwater systems are capable of containing a 1-in-5 year storm event.</p> <p>Strategic upgrade work is programmed over the next 20 years, which will reduce the areas currently served with a 1-in-5 year level of service</p>	<p>Typical levels of service within each stormwater UDA showing percentage of systems capable of coping with specified flood events</p> <table border="1" data-bbox="708 577 1321 1151"> <thead> <tr> <th colspan="4">% Compliance</th> </tr> <tr> <th>UDA</th> <th>1 in 2 Yr Storm</th> <th>1 in 5 Yr Storm</th> <th>1 in 10 Yr Storm</th> </tr> </thead> <tbody> <tr><td>Richmond</td><td>20%</td><td>50%</td><td>30%</td></tr> <tr><td>Brightwater</td><td>30%</td><td>50%</td><td>20%</td></tr> <tr><td>Wakefield</td><td>40%</td><td>40%</td><td>20%</td></tr> <tr><td>Murchison</td><td>60%</td><td>20%</td><td>20%</td></tr> <tr><td>St Arnaud</td><td>20%</td><td>60%</td><td>20%</td></tr> <tr><td>Tapawera</td><td>10%</td><td>40%</td><td>50%</td></tr> <tr><td>Motueka</td><td>20%</td><td>60%</td><td>20%</td></tr> <tr><td>Mapua/ Ruby Bay</td><td>10%</td><td>40%</td><td>50%</td></tr> <tr><td>Tasman</td><td>40%</td><td>40%</td><td>20%</td></tr> <tr><td>Kaiteriteri</td><td>20%</td><td>60%</td><td>20%</td></tr> <tr><td>Takaka</td><td>30%</td><td>60%</td><td>10%</td></tr> <tr><td>Pohara</td><td>60%</td><td>30%</td><td>10%</td></tr> <tr><td>Ligar Bay/ Tata Beach</td><td>30%</td><td>60%</td><td>10%</td></tr> <tr><td>Collingwood</td><td>30%</td><td>40%</td><td>30%</td></tr> <tr><td>Patons Rock</td><td>70%</td><td>20%</td><td>10%</td></tr> </tbody> </table> <p>Upgrade work is programmed over the AMP period to reduce the areas currently served with a less than 1 in 5 year level of service.</p>	% Compliance				UDA	1 in 2 Yr Storm	1 in 5 Yr Storm	1 in 10 Yr Storm	Richmond	20%	50%	30%	Brightwater	30%	50%	20%	Wakefield	40%	40%	20%	Murchison	60%	20%	20%	St Arnaud	20%	60%	20%	Tapawera	10%	40%	50%	Motueka	20%	60%	20%	Mapua/ Ruby Bay	10%	40%	50%	Tasman	40%	40%	20%	Kaiteriteri	20%	60%	20%	Takaka	30%	60%	10%	Pohara	60%	30%	10%	Ligar Bay/ Tata Beach	30%	60%	10%	Collingwood	30%	40%	30%	Patons Rock	70%	20%	10%
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<p>Our surveys show that at least 80% of customers are satisfied with the stormwater service they receive.</p>	<p>Actual = 83%</p> <p>The Communitrak survey undertaken shows that 83% of receivers of the service were found to be satisfied with the service they receive. (2009: 85%)</p>																																																																				
<p>We receive less than ten complaints per year regarding health nuisance (noise, smells, mosquitoes, etc). This level of service is not measured but will be for the next AMP review. The recording and measuring will be developed over Years 1 and 2 and reportable by the end of Year 3.</p>	<p>Actual = 0</p> <p>Recording and reporting of this performance measure has been developed and implemented. No complaints were received regarding health nuisance resulting from the stormwater activity.</p>																																																																				
<p>We have a customer service facility for receiving and handling emergency calls 24 hours per day, 7 days per week.</p>	<p>Actual = In place</p> <p>Council has an after-hours call centre that receives calls out of regular office hours. Contractors and system duty managers have duty staff who are contactable to respond to emergencies</p>																																																																				

ENGINEERING

Council's contractor guarantees emergency response times to attend a site in the event of an immediate flooding risk to property, including the deployment of sandbags where required.	Actual = Current service maintained
A response to repair/reinstate open watercourses from flood damage is completed within 24 hours 90% of the time. This level of service is not measured although this is a contractual requirement for the maintenance contractor. The recording and measurement of this will be developed over Years 1 and 2 and reportable by the end of Year 3.	Actual = this performance measure is not yet being measured.

Major Activities

<i>Capital Works</i>		
During the 2009/2010 financial year Council proposes to undertake the following capital works.		
Activity	Budget \$	
Jeffries Creek, Brightwater	234,699	The stream widening work has been completed. There has been \$350,425 spent on this activity to 30 June 2010.
Stormwater system improvements, Ruby Bay	203,633	Detailed design has commenced and a consent application is being prepared for construction of two new stormwater outfalls to the coast at Tait Street and stormwater improvements on Stafford Drive. Funding for this work is spread across three years. It is expected that construction will commence in the 2010/2011 financial year. There has been \$73,546 spent on this activity to 30 June 2010.
Seaton Valley Stream, Mapua	359,223	Construction of a new 1350mm diameter culvert through the Toru Street causeway (Contract 762) is now largely complete. The works have significantly increased the discharge capacity through the causeway and improved flushing of the inner estuary above. Full reinstatement of the road surface will be completed in spring when warmer conditions will permit. Construction of a box culvert on the Seaton Valley Stream (Contract 777) commenced in early June and is progressing well. The work has been programmed to minimise environmental impact and during construction stream flows have been pumped around the work site. Further culvert construction and stream widening works are programmed for the 2010/2011 financial year. There has been \$208,973 spent on this activity to 30 June 2010.

ENGINEERING

Activity	Budget \$	
Poole Street/ High Street, Motueka	53,168	Design work for this project is still ongoing and will be tendered in the 2010/2011 financial year. There has been \$13,803 spent on this activity to 30 June 2010.
Old Wharf Road, Motueka	218,909	Construction of these works (Contract 780) is now complete. The new pipe provides additional stormwater capacity from the local industrial area to the Woodlands Drain. There has been \$238,745 spent on this activity to 30 June 2010.
Pohara Main	231,190	Work is ongoing. There has been \$149,205 spent on this activity to 30 June 2010.
Reservoir Creek, Richmond	177,623	Following the emergency remedial works undertaken in June, Council has finalised a resource consent application for construction of a new spillway and for improvements to the dam structure. This consent application was submitted in late July. Council has also submitted an application to the Historic Places Trust to gain authority for work on the dam, parts of which are approximately 120 years old. Detailed design for the improvements is complete, and tender documents are being prepared for the proposed work. In parallel with this work negotiations for land purchase are continuing with the landowner of the property immediately downstream of the reservoir and on which the dam sits. There has been \$92,942 spent on this activity to 30 June 2010.

ENGINEERING

Jun-09 Actual \$	Stormwater	Jun-10 Actual \$	Jun-10 Budget \$	% of Budget
	INCOME			
1,956,380	Targeted Rates	1,969,710	1,970,544	100%
404,696	Development Contributions	166,674	288,565	58%
14,696	Fees and Recoveries	13,867	5,259	264%
111,791	Sundry Income	134,529	119,152	113%
2,487,563	TOTAL INCOME	2,284,780	2,383,520	96%
	OPERATING COSTS			
469,320	Richmond	580,748	533,245	109%
159,491	Motueka	168,695	130,056	130%
79,354	Mapua/Ruby Bay	79,893	54,165	147%
58,173	Brightwater	48,744	33,967	144%
49,485	Wakefield	52,431	33,529	156%
30,298	Takaka	33,398	33,650	99%
11,586	Murchison	34,579	15,363	225%
149,319	General District	153,123	234,208	65%
434,373	Loan Interest	570,525	670,947	85%
685,326	Depreciation	1,226,544	815,758	150%
2,126,725	TOTAL OPERATING COST	2,948,680	2,554,888	115%
(360,838)	NET COST OF SERVICE (SURPLUS)	663,900	171,368	387%
	TOTAL FUNDS REQUIRED			
(360,838)	Net Cost of Service (Surplus)	663,900	171,368	387%
3,040,527	Capital	3,237,734	1,492,069	217%
-	Transfer to Restricted Reserves	210,468	131,806	160%
372,390	Loan Principal Repaid	605,649	681,749	89%
3,052,079		4,717,751	2,476,992	190%
	SOURCE OF FUNDS			
2,237,435	Loans raised	3,443,009	1,322,095	260%
129,318	Restricted Reserves Applied	-	339,139	0%
-	General Funds	48,198	-	-
2,366,753		3,491,207	1,661,234	210%
	NON- FUNDED DEPRECIATION			
685,326	Depreciation to be funded at income statement level	1,226,544	815,758	150%
3,052,079		4,717,751	2,476,992	190%

Comment:

Development contributions are down on budget. This is a timing issue dependent on when new subdivisions and building development are liable for development contributions.

Included in capital works are costs for projects which had budget which were carried forward from the 2008/2009 financial year. There was \$1,839,000 spent against these carried forward budgets totalling \$1.936m in the current year, of which \$1,749,000 was loan funded. These carried forward projects included the Bird/Elizabeth Street reticulation upgrade, causeway and stream improvements in Mapua/Ruby Bay, and the Salisbury Road stormwater upgrade.

Included in capital were works undertaken as part of a Wensley Road subdivision. These works were undertaken now as it was more efficient and cost-effective to undertake the work now than to dig up the development to undertake the work as budgeted in 2014/2015 as part of the Middlebank Drive project.

Depreciation is up on budget due to the utilities revaluation last year, additions this year and the reallocation of fixed asset depreciation across the activities.

ENGINEERING

SOLID WASTE

What We Do

The Solid Waste activity encompasses the provision and control of waste management services to residents in the Tasman District by providing:

- Education and promotion of waste minimisation.
- Kerbside recycling and solid waste collection services.
- Drop-off facilities for solid waste, greenwaste, reusable and recyclable materials.
- Bulk transport services for solid waste and greenwaste.
- Greenwaste and recyclable processing.
- Management of operational and closed landfills.

There are five Resource Recovery Centres (RRC), one operational landfill and 22 closed landfills located throughout the District.

Why We Do It

The Local Government Act 2002 requires Council to promote effective and efficient waste management within Tasman District. The LGA also gives the Council the legal authority to be involved in the provision of solid waste services.

The Waste Minimisation Act 2008 has transferred some of the provisions of the LGA1974 and 2002 relating to waste management and has increased the requirement for consideration of waste minimisation in Council's planning. The Act aims to protect the environment from harm by encouraging the efficient use of materials and a reduction in waste – with consequential environmental, social, cultural and economic benefits.

Under this legislation Council is required to carry out a waste assessment and to prepare a Waste Management and Minimisation Plan (WMMP) by 2012. This WMMP will supersede the existing Waste Management Plan.

Our Goal

Council's long-term goal for solid waste management is to achieve zero waste to landfill or other disposal.

How this activity contributes to the Community Outcomes

- All material that is collected by the Council's operators or delivered to Council-owned facilities is processed or disposed of in an appropriate and sustainable manner. These activities will be managed to minimise the impact on the receiving environment.
- Our kerbside collections ensure our built urban and rural environments are functional, pleasant and safe by receiving materials from the community and recycling, reusing or disposing of them with a minimum of nuisance and public complaint.
- Solid waste activities are operated in a safe and efficient manner to provide waste and recycling services that the community is satisfied with and which promote the sustainable use of resources.

Our Levels of Service

- Our solid waste activities use best sustainable practices.
- Our kerbside services are reliable, easy to use and collection areas are kept free of litter.
- Our operations are managed in a safe manner.
- We provide and promote waste minimisation activities and progress within the community.
- Our sites are consistent, reliable and operated in a sustainable manner.

ENGINEERING

How We Measure Progress

<p>All sites have all required resource consents. [Target: 100%]</p>	<p>Actual = 100%</p>																																																																														
<p>All solid waste activities comply with any required resource consent conditions and site management plans [Target: 100%].</p>	<p>Actual = Average 94%</p> <table border="0"> <tr> <td>Eves Valley Landfill:</td> <td>96%</td> </tr> <tr> <td>Murchison RRC:</td> <td>79%</td> </tr> <tr> <td>Richmond RRC:</td> <td>84%</td> </tr> <tr> <td>Collingwood RRC:</td> <td>94%</td> </tr> <tr> <td>Takaka RRC:</td> <td>97%</td> </tr> <tr> <td>Mariri RRC:</td> <td>93%</td> </tr> <tr> <td>Rototai:</td> <td>100%</td> </tr> <tr> <td>Closed Landfills</td> <td>100%</td> </tr> </table>	Eves Valley Landfill:	96%	Murchison RRC:	79%	Richmond RRC:	84%	Collingwood RRC:	94%	Takaka RRC:	97%	Mariri RRC:	93%	Rototai:	100%	Closed Landfills	100%																																																														
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<p>We sustainably recover waste products and increase the amount of these products recovered over time. [Target: Increasing trend in materials sustainably recovered]</p>	<p>Actual = Waste recovery figures have generally declined in 2009/2010 from last year's results. Most figures however continue to show an increasing trend since 2005.</p> <p>Mixed Recyclables and Glass</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Mixed recyclable collected at kerbside</th> <th>Total mixed recyclables processed (excluding glass)</th> <th>Glass collected at kerbside</th> <th>Total recyclables (mixed & glass) diverted</th> </tr> </thead> <tbody> <tr> <td>2005/06</td> <td>1,100</td> <td>1,100</td> <td>1,000</td> <td>2,800</td> </tr> <tr> <td>2006/07</td> <td>1,300</td> <td>1,400</td> <td>1,200</td> <td>2,600</td> </tr> <tr> <td>2007/08</td> <td>1,200</td> <td>1,100</td> <td>1,400</td> <td>2,500</td> </tr> <tr> <td>2008/09</td> <td>1,700</td> <td>1,800</td> <td>1,800</td> <td>4,000</td> </tr> <tr> <td>2009/10</td> <td>1,000</td> <td>1,600</td> <td>1,900</td> <td>3,700</td> </tr> </tbody> </table> <p>Other recyclables collected at Resource Recovery Centres</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Total Whiteware</th> <th>Total Car Bodies</th> <th>Linear (Light gauge steel)</th> <th>Linear (Heavy gauge steel)</th> <th>Linear (Non ferrous metals)</th> </tr> </thead> <tbody> <tr> <td>2005/06</td> <td>1,000</td> <td>400</td> <td>450</td> <td>100</td> <td>100</td> </tr> <tr> <td>2006/07</td> <td>1,300</td> <td>380</td> <td>400</td> <td>100</td> <td>100</td> </tr> <tr> <td>2007/08</td> <td>1,250</td> <td>200</td> <td>350</td> <td>100</td> <td>100</td> </tr> <tr> <td>2008/09</td> <td>1,200</td> <td>100</td> <td>300</td> <td>100</td> <td>100</td> </tr> <tr> <td>2009/10</td> <td>1,350</td> <td>80</td> <td>250</td> <td>100</td> <td>100</td> </tr> </tbody> </table> <p>Material Processed at Greenwaste to Zero</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Greenwaste (m3)</th> </tr> </thead> <tbody> <tr> <td>2005/06</td> <td>12,000</td> </tr> <tr> <td>2006/07</td> <td>13,500</td> </tr> <tr> <td>2007/08</td> <td>9,000</td> </tr> <tr> <td>2008/09</td> <td>14,500</td> </tr> <tr> <td>2009/10</td> <td>14,000</td> </tr> </tbody> </table>	Year	Mixed recyclable collected at kerbside	Total mixed recyclables processed (excluding glass)	Glass collected at kerbside	Total recyclables (mixed & glass) diverted	2005/06	1,100	1,100	1,000	2,800	2006/07	1,300	1,400	1,200	2,600	2007/08	1,200	1,100	1,400	2,500	2008/09	1,700	1,800	1,800	4,000	2009/10	1,000	1,600	1,900	3,700	Year	Total Whiteware	Total Car Bodies	Linear (Light gauge steel)	Linear (Heavy gauge steel)	Linear (Non ferrous metals)	2005/06	1,000	400	450	100	100	2006/07	1,300	380	400	100	100	2007/08	1,250	200	350	100	100	2008/09	1,200	100	300	100	100	2009/10	1,350	80	250	100	100	Year	Greenwaste (m3)	2005/06	12,000	2006/07	13,500	2007/08	9,000	2008/09	14,500	2009/10	14,000
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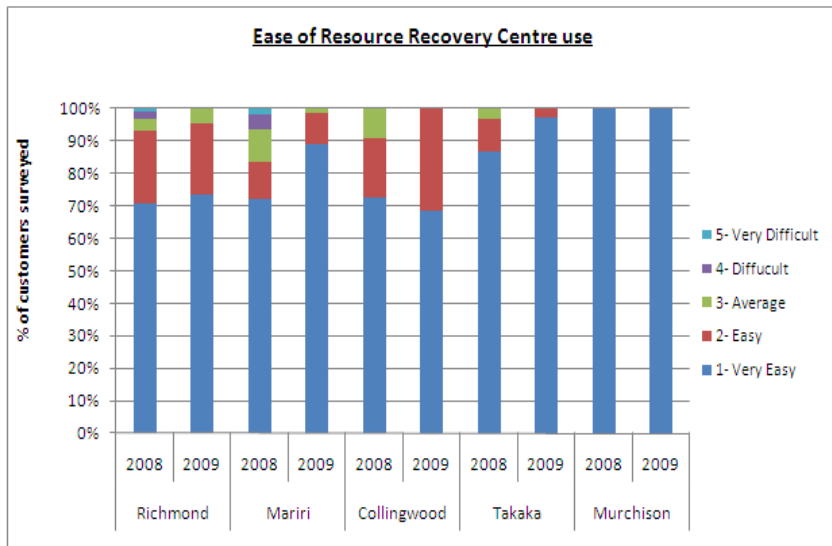
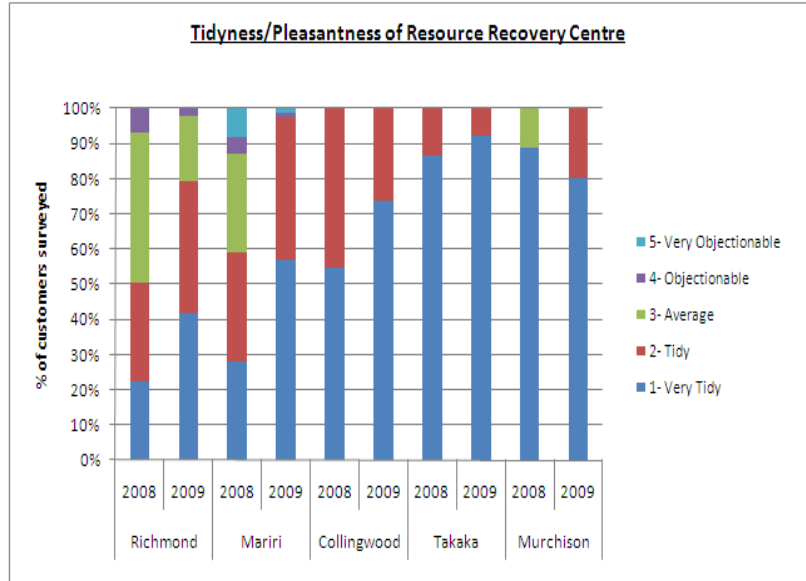
ENGINEERING

<p>We survey the community annually and see an ongoing improvement in satisfaction levels in our kerbside service. [Target: ≥ 70% of customers are satisfied with the services they receive]</p>	<p>Actual = 84%</p> <p>The Communitrak survey undertaken shows that 84% of receivers of the kerbside service were found to be satisfied with the service they receive. (2009: 85%)</p> <p>The Communitrak survey undertaken also shows that 85% of receivers of the regular refuse collection service were found to be satisfied with the service they receive. (2009: 82%)</p>																		
<p>We receive less than 30 instructions to resolve a complaint per year relating to recycling collection, refuse bag collection or other solid waste issues.</p>	<p>Actual = 321</p> <p>The method of reporting instructions was altered during April to put similar enquiries related to a single site or incident into single instructions. A large proportion of the 321 incidents recorded relates to individual recycle bin collections being missed and each being recorded as an incident.</p>																		
<p>We are able to respond to 95% of instructions to resolve a complaint within the timeframes we have specified within our operations and maintenance contracts.</p>	<p>Actual = 86%</p> <p>The method of documenting and responding to service requests has been altered over the past six months.</p> <p>While contractor performance was poor over the Christmas/summer period, improvements to the service request system have resulted in improved response times by the contractor.</p>																		
<p>We have no serious harm incidents caused as a result of Council's actions.</p>	<p>Actual = No serious harm incidents</p>																		
<p>We provide schools with access to an annual visit from a Waste Education officer and access to up-to-date resources. [Target: 100% of schools are contacted annually]</p>	<p>Actual = 100%</p> <p>All schools have been contacted to offer Waste Education Services (WES) for 2010. Of the 25 schools WES are contracted to contact, 30 schools have received visits so far this year (60 visits). 12 early childhood education have also been visited.</p>																		
<p>We report waste minimisation and recycling progress to the community on a quarterly basis through feature articles and community notices.</p>	<p>Actual = Seven articles have been published in the Nelson Mail, Newsline or Ecobuzz.</p>																		
<p>We provide waste minimisation services to the business community. [Target: 100% of queries from businesses are actioned]</p>	<p>Actual = 100%</p> <p>28 businesses have been visited in person or by phone/email and 67 have been contacted multiple times on region-wide information mail outs.</p>																		
<p>90% of site inspections score greater than or equal to "Acceptable". [Target: 95%]</p>	<p>Actual = 72%</p> <table border="1"> <caption>Site Inspection Scores (July 09- June 10)</caption> <thead> <tr> <th>Region</th> <th>% of months site meets "Acceptable" KPI standard</th> </tr> </thead> <tbody> <tr> <td>Richmond Processing</td> <td>58%</td> </tr> <tr> <td>Richmond RRC</td> <td>33%</td> </tr> <tr> <td>Mariri RRC</td> <td>90%</td> </tr> <tr> <td>Takaka RRC</td> <td>100%</td> </tr> <tr> <td>Collingwood RRC</td> <td>72%</td> </tr> <tr> <td>Murchison RRC</td> <td>90%</td> </tr> <tr> <td>Average</td> <td>72%</td> </tr> <tr> <td>Target</td> <td>90%</td> </tr> </tbody> </table>	Region	% of months site meets "Acceptable" KPI standard	Richmond Processing	58%	Richmond RRC	33%	Mariri RRC	90%	Takaka RRC	100%	Collingwood RRC	72%	Murchison RRC	90%	Average	72%	Target	90%
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ENGINEERING

We survey customers at Resource Recovery Centre (RRC) sites on an annual basis and see an ongoing improvement in satisfaction levels.

Actual = Surveys have been undertaken at the RRCs annually since 2008. The results from the two surveys to date show an increase in the level of satisfaction of users of the RRCs.



ENGINEERING

Major Activities

<i>Capital Works</i>		
During the 2009/2010 financial year Council proposes to undertake the following capital works.		
Activity	Budget \$	
Kerbside recycling and rubbish collection	569,513	The design of the materials processing facility is complete with a reduced scope of works. Construction has been delayed to the 2010/2011 financial year. The provision of additional street recycling bins has not been implemented this financial year.
Resource Recovery Centres • Richmond	856,681	Design stage is complete but construction has been delayed pending the award of an operations contract. There has been \$36,800 spent on this project to 30 June 2010. The loan for the Fittal Street property acquisition has been transferred from property to refuse this financial year.
• Mariri	209,930	Design of an improved layout (including recycling facilities) is currently being finalised. Construction of works is likely in the following financial year in conjunction with associated work budgeted for in 2010/2011.
• Takaka	37,156	Improvements to the reuse area were made in the second quarter. Additional sealing works were completed in the third quarter. There has been \$21,480 spent on this project to 30 June 2010.
• Collingwood	42,729	Improvements to the trailer park are designed but construction has been delayed to the 2010/2011 financial year. There has been \$17,703 spent on this project to 30 June 2010.
• Murchison	147,056	Site improvements including oil storage, pavement works and landscaping were completed in the third and fourth quarters. Some pavement sealing has been delayed to the next financial year due to seasonal conditions. There has been \$89,022 spent on this project to 30 June 2010.
Eves Valley Landfill	257,007	Road improvements are complete. Investigations for preparation of a consent application for stage three of the landfill commenced in the fourth quarter. Preparation of a landscaping plan commenced in May. There has been \$191,232 spent on this project to 30 June 2010.
Closed landfills	46,445	Additional capping of the Rototai landfill commenced in the third quarter and was completed in the fourth quarter, in conjunction with roading work. There has been \$64,394 spent on this project to 30 June 2010. (There had also been an unspent budget of \$14,129 carried forward from the 2008/2009 financial year).

ENGINEERING

Jun-09 Actual \$	Solid Waste	Jun-10 Actual \$	Jun-10 Budget \$	% of Budget
	INCOME			
601,533	General Rates	400,560	398,637	100%
1,538,248	Targeted Rates	1,748,647	1,770,689	99%
2,432,213	Fees and Recoveries	3,790,685	4,555,776	83%
-	less internal charges	(1,002,087)	-	-
179,894	Sundry Income	216,487	191,741	113%
4,751,888	TOTAL INCOME	5,154,292	6,916,843	75%
	OPERATING COSTS			
1,669,362	Kerbside Collection	1,823,807	1,912,380	95%
163,077	Waste Minimisation	179,774	292,540	61%
959,647	Landfills	1,091,170	1,037,960	105%
1,633,236	Resource Recovery Parks	2,704,347	2,910,182	93%
139,062	Loan Interest	200,089	229,974	87%
-	less internal charges	(1,002,087)	-	-
189,944	Depreciation	192,179	228,992	84%
4,754,328	TOTAL OPERATING COST	5,189,279	6,612,028	78%
2,440	NET COST OF SERVICE (SURPLUS)	34,987	(304,815)	-11%
	TOTAL FUNDS REQUIRED			
2,440	Net Cost of Service (Surplus)	34,987	(304,815)	-11%
1,014,178	Capital	732,268	2,211,104	33%
-	Transfer to Restricted Reserves	-	98,014	0%
173,984	Loan Principal Repaid	285,045	369,058	77%
1,190,602		1,052,300	2,373,361	44%
	SOURCE OF FUNDS			
173,584	Restricted Reserves Applied	226,114	155,787	145%
858,623	Loans Raised	602,473	1,988,582	30%
(31,549)	General Funds	31,534	-	-
1,000,658		860,121	2,144,369	40%
	NON- FUNDED DEPRECIATION			
189,944	Depreciation to be funded at income statement level	192,179	228,992	84%
1,190,602		1,052,300	2,373,361	44%

Comment:

Fees and recoveries are down on budget. This is due to lower volumes received than budgeted for. Volume-based operating costs are also down for this reason.

Included in capital works are costs for projects which had budget which were carried forward from the 2008/2009 financial year. There was \$253,000 of carried forward budgets which were fully expended in the current year.

Capital works are down on budget due to some works not being undertaken due to the reduction in waste volumes (and subsequent loss of income).

ENGINEERING

RIVERS

What We Do

Tasman District Council maintains 285 kilometres of the region's rivers in order to carry out its statutory roles to promote soil conservation and mitigate damage caused by floods. These rivers are "classified" and funded by a differential river rating system. The rivers are on private, Council and Crown (Department of Conservation, Land Information New Zealand) lands. The associated river protection works such as stopbanks, rock and willows are owned, maintained and improved by Council.

Council involvement in rivers outside the classification scheme is limited to carrying out river and soil conservation works, which have some defined community benefit. These are not Council-owned assets as the landowner takes over ongoing responsibility to maintain the asset. However these works are an integral part of the river control system.

Why We Do It

The provision of river management services is considered to be a core function of local government. Prior to 1992 rivers were managed by the Nelson Catchment Board followed by the Nelson Marlborough Regional Council. In 1992 the functions of a catchment board under the Soil Conservation and Rivers Control Act 1941 were transferred to Tasman District Council.

The service provides many public benefits such as a level of flood protection to dwellings in the flood plain for selected rivers, river management and river maintenance. It is considered necessary and beneficial to the community that the Council undertakes the planning, implementation, and maintenance of these river services in the District in accordance with their respective legislative requirements and responsibilities.

Our Goal

We aim to maintain river systems in a cost-effective manner in such a way that the community and individual landowners are provided with protection and management systems to a level acceptable to that community, taking into account affordability.

How this activity contributes to the Community Outcomes

- Our river protection and flood mitigation activities are carried out so that the impacts on the natural river environments are minimised to a practical but sustainable level, and use best practices in the use of the District's natural resources.
- Our river protection works and flood control structures protect our most "at risk" communities and rural areas from flooding and are maintained in a safe and cost-effective manner.
- Our river protection and flood mitigation structures are maintained in an environmentally-sustainable manner to a level supported by the community.

Our Levels of Service

- Our river protection and flood mitigation activities are carried out so that the impacts on the natural river environments are minimised to a practical but sustainable level, and use best practices in the use of the District's natural resources.
- We provide flood protection to a level that the community is prepared to fund.
- We manage the river alignment to minimise bank erosion up to an annual event in the X and Y rating areas.
- In River Z rating areas we provide technical support and funding assistance when available.
- Existing access to the rivers are maintained in a safe and efficient manner.
- River works are planned with community input and professionally implemented.
- Enquires relating to our river systems are responded to promptly.
- There are adequate measures in place to know when flooding may occur and to provide a limited response during a flood event.

ENGINEERING

How we measure progress

<p>All river maintenance and construction activities comply with any required resource consents. [Target: 100%]</p>	<p>Actual = 100%</p> <p>Resource consents held are:</p> <p>Global – for works in rivers and some gravel extraction; and Vegetation spraying</p> <p>Contracts include the conditions of the consents and performance measures include requirements to meet the Resource Consents.</p> <p>The Council has not received any non-compliance with respect to the resource consents by Council’s consultants nor the Environment & Planning Department.</p>
<p>The 285km of X and Y classified rivers are cleared of crack willow (pest tree species) at a rate of 15km of river length per year.</p>	<p>Actual = 18.5 km</p> <p>The clearing of crack willow occurred in classified rivers all over the district. Only small sections of a river are being undertaken at a time as Council does not wish to remove large sections as there will then be no protection in the event of flooding. The crack willow is being replaced with Bitter Willow and native plants with vigorous root structures.</p>
<p>Council prepares and investigates new schemes in line with the community needs [Target: 100%].</p>	<p>Actual = 100%</p> <p>New schemes are investigated and designed in line with community expectations, needs and desired level of service.</p>
<p>The Riwaka River stopbanks are maintained to a 1-in-20 year flood return standard. [Target: 30% of stopbank maintained]</p>	<p>Actual = 30%</p> <p>Council completed an audit of the flood capacity and condition of the Riwaka flood banks in 2006. During the Ten Year Plan process, Council proposed upgrading the Riwaka flood protection system. This resulted from the 2006 audit, which identified some potential deficiencies in the existing stopbank system. The project is not starting until the end of the Ten Year period, at which stage Council will undertake further investigation on the existing system and consultation with the community on the scope and design of any proposal to upgrade the system.</p> <p>This target has not been re-measured and the appropriateness of the target will be assessed in the next Long Term Plan.</p>
<p>The Lower Motueka River stopbanks are maintained to a 1-in-100 year flood return standard. [Target: 30% of stopbank maintained]</p>	<p>Actual = 30%</p> <p>Council completed an initial modelling for flood capacity and completed a walk-over condition survey in 2006. During the Ten Year Plan process, Council proposed upgrading the Motueka flood protection system. This resulted from the 2006 audit, which identified some potential deficiencies in the existing stopbank system. Council decided, through the Ten Year Plan process, to consult further with the affected communities prior to making any final decisions on the proposed upgrade. During the last year Council has undertaken an extensive consultative process on the Motueka stopbanks, along with detailed investigations and cost estimates. Council will be undertaking further consultation on the options for the stopbanks, to provide a proposal to take back to the community through the next review of the Ten Year Plan.</p> <p>This target has not been measured and the appropriateness of the target will be assessed in the next Long Term Plan.</p>

ENGINEERING

<p>The Waimea River stopbanks are maintained to a 1-in-50 year flood return standard. [Target: 100% of stopbank maintained]</p>	<p>Actual = 100%</p> <p>The stopbanks are recorded as being designed to a 1 in 50 year flood return standard. Council's maintenance activities are programmed to maintain the level of service at a 1-in-50 year flood return standard.</p> <p>To date, works associated with the banks has substantially been the placement and renewal of erosion protection.</p>
<p>Rivers are maintained within the X and Y classification area to the annual allocated budget.</p> <p>Capital projects are carried out on time, within budget and to the appropriate standard. [Target: 100%]</p>	<p>Actual = 100%</p> <p>The capital expenditure budget was \$860,254 with an actual spend of \$650,705. All programmed rock work was completed in accordance with the annual operating maintenance programme and the specifications outlined in the contract documentation.</p>
<p>All River Z rating enquires will be responded to within 10 working days. [Target: 100%]</p>	<p>Actual = 100%</p> <p>There were 23 enquiries for subsidy assistance. All were responded to within the timeframe.</p>
<p>The public are able to access the Council's rivers systems, unless for safety reasons they are restricted by the undertaking of the annual river maintenance works programme. [Target: 100%]</p>	<p>Actual = 100%</p>
<p>An annual rivers maintenance programme as agreed with the communities is constructed to Council standards.</p>	<p>Actual = In place and operating</p>
<p>River Care Groups, iwi, Fish and Game and DoC are consulted annually on the rivers annual maintenance programme.</p>	<p>Actual = Council regularly consults with the River Care groups, iwi, Fish & Game and DoC on its annual maintenance programmes.</p>
<p>We are able to respond to enquiries within timeframes specified in our operations and maintenance contracts.</p>	<p>Actual = 100%</p> <p>There were 52 general enquiries. All were responded to within the timeframes.</p>
<p>We receive less than 12 complaints per year relating to the maintenance of river works. [Target: 100%]</p>	<p>Actual = 11</p> <p>This figure is the number of complaints regarding a stretch of maintained river. The majority of complaints are regarding non-scheduled maintenance items such as the illegal dumping of rubbish by members of the public.</p>
<p>We have a facility for receiving and handling emergency calls after office hours. [Target: 100%]</p>	<p>Actual = In place</p> <p>Council has an after-hours call centre that receives calls out of regular office hours. Contractors and system duty managers have duty staff who are contactable to respond to emergencies</p>
<p>We have a monitoring system in place to provide information of the key river flows. [Target: 100%]</p>	<p>Actual = Council has recently developed a new rainfall and riverflow data system. This is capable of supplying up-to-date information 24 hours a day through the internet</p>

ENGINEERING

The Council's rivers maintenance contractor has adequate resources available in case of major flood damage. The rivers maintenance contractor is available to respond to emergencies. [Target: 100%]

Actual = 100%

Council's river maintenance contractor is Ferguson Brothers Limited. The contract documentation requires the contractor to retain sufficient resources to be able to respond in emergencies on a 24-hour basis. The evidence is that the contractor has always responded to events, as required.

Major Activities

Activity	Budget \$	
Lower Motueka Stopbank	268,346	The Motueka Flood Control Project is progressing well with significant amounts of work in modelling the river to test various scenarios. Consultation has been carried out with the community in an attempt to engage all sections of the Motueka Ward so as to understand all of the different views. Newsletter One has been sent to the community to provide information about the process. It provided information about the facts relating to the reasons for the need to better manage floods and some historical information about the river. Newsletter Two is due out in the 2010/2011 financial year and within this document will be the results of some of the river modelling, structural issues with the current stopbank, and where to from here. There has been \$210,636 spent on this activity to 30 June 2010.

ENGINEERING

Jun-09 Actual \$	Rivers	Jun-10 Actual \$	Jun-10 Budget \$	% of Budget
	INCOME			
-	General Rates	1,295	1,289	100%
2,117,061	Targeted Rates	2,147,133	2,103,592	102%
226,532	Fees and Recoveries	307,578	157,320	196%
104,821	Interest Received	58,197	62,100	94%
71,017	Sundry Income	85,225	75,483	113%
2,519,431	TOTAL INCOME	2,599,428	2,399,784	108%
	OPERATING COSTS			
1,971,961	Classified/General District	1,999,156	1,922,348	104%
-	Loan Interest	939	9,540	10%
39,819	Depreciation	29,933	28,270	106%
2,011,780	TOTAL OPERATING COST	2,030,028	1,960,158	104%
(507,651)	NET COST OF SERVICE (SURPLUS)	(569,400)	(439,626)	130%
	TOTAL FUNDS REQUIRED			
(507,651)	Net Cost of Service (Surplus)	(569,400)	(439,626)	130%
806,699	Capital	650,705	860,254	76%
-	Loan Principal Repaid	338	3,355	10%
78,030	Transfer to Environment & Planning	38,030	-	-
104,040	Transfer to Rivers Disaster Fund	103,500	103,500	100%
104,821	Transfer to Restricted Reserves	15,390	-	-
585,939		238,563	527,483	45%
	SOURCE OF FUNDS			
546,121	Restricted Reserves Applied	-	230,867	0%
-	Loans raised	208,630	268,346	78%
546,120		208,630	499,213	42%
	NON- FUNDED DEPRECIATION			
39,819	Depreciation to be funded at income statement level	29,933	28,270	106%
585,939		238,563	527,483	45%

Comment:

Fees and recoveries are up on budget due to berm rentals and recoveries being higher than budgeted.

The transfer to the Environment and Planning Department is down on budget due to a decrease in the transfer towards land management projects. These funds were not required in the current year.

COMMUNITY SERVICES

Policy and Objective

The objective of Community Services activities is to fund projects which are aimed at enhancing and enriching the education and cultural environment of the District, and enhance and enrich the recreational environment of the District,

Nature and Scope

There are five significant areas under which this activity is performed by Council.

- a) **Library Services** – the provision of library services to all residents of the Tasman District, through a District Library in Richmond, Branch Libraries in Motueka, Murchison and Takaka, and Link Libraries in Collingwood, Dovedale, Mapua, Tapawera and Wakefield. Library services contribute towards the intellectual and commercial development of the District by assisting people in the process of life-long learning through the use of lending and information services. Reading library books is also a leading recreational activity for all ages.
- b) **Cultural Services and Community Grants** – Council will allocate funds from its annual general rate income by way of grants to organisations which predominantly provide community services for the cultural enrichment of residents of the District. In addition, Council also acts as an agent for the distribution of the Creative New Zealand Grants.
- c) **Community Recreation** – provision of an advisory service for recreation and community development which facilitates opportunities for people throughout the District to increase their participation in those activities.
- d) **Community Facilities, Parks and Reserves, and Camping Grounds**

Camping Grounds – leasing of four major camping grounds at Motueka (Fearon Bush), Collingwood, Pohara and Murchison (Riverview Reserve) for the enjoyment of visitors and residents of the District.

Parks and Reserves – maintenance and enhancement of sports grounds, parks and gardens, cemeteries, public toilets and other facilities not under the control of locally-elected management committees.

Community Facilities – Council has established a Community Facilities Rate for the purpose of meeting part of the costs of capital funding for new, large, community, recreational, sporting or cultural District or regional projects which have met the relevant criteria and will provide benefit to the citizens of Tasman District.

- e) **Community Housing** – provision of rental accommodation for elderly and disabled persons.

Contribution of Activities to Community Outcomes

This group of activities primarily contributes to the following outcomes:

- Our vibrant community is safe, well, enjoys an excellent quality of life and supports those with special needs.
- Our community understands regional history, heritage and culture.
- Our diverse community enjoys access to a range of spiritual, cultural, social, educational and recreational services.
- Our participatory community contributes to District decision making and development.
- Our built urban and rural environments are functional, pleasant, safe and sustainably managed.
- Our transport and essential services are sufficient, efficient and sustainably managed.
- Our unique and special natural environment is bountiful, healthy, clean and protected.
- Our growing and sustainable economy provides opportunities for us all.

COMMUNITY SERVICES

Jun-09 Actual \$	COMMUNITY SERVICES	Jun-10 Actual \$	Jun-10 Budget \$	% of Budget
2,103,518	Libraries	2,274,859	2,079,156	109%
419,172	Cultural Services and Community Grants	601,972	539,266	112%
699,096	Community Recreation	804,557	659,102	122%
6,794,128	Parks and Reserves	6,536,658	6,688,958	98%
7,228,191	Community Facilities Rate	4,167,386	4,691,344	89%
507,663	Camping Grounds	380,591	415,919	92%
687,070	Community Housing	420,203	510,492	82%
18,438,838	TOTAL COSTS	15,186,226	15,584,237	97%

LIBRARIES

What We Do

Tasman District Libraries provide quality services to the community, promoting lifelong learning and creative use of leisure. The libraries provide access to information and leisure as well as space for our communities to interact. Access to information is in a variety of formats including books, electronic databases and other media. An information service is available during all opening hours with qualified staff to help users to find the information they are seeking. Children's services include a variety of activities in all the libraries. Outreach services to the homebound as well as to preschools, and other organisations are provided by the libraries.

Service is to all residents of the District through libraries in Richmond, Motueka, Takaka and Murchison. Electronic resources are provided via the Council Libraries website and in the libraries. The Richmond Library is also the District library, providing services throughout the District.

Link libraries provide limited book stock only. These operate in Wakefield, Tapawera, Mapua, Collingwood and Dovedale.

Why We Do It

The Council is required by law and community expectation to promote the wellbeing of the community. Libraries develop an informed community whose members are literate and inspired.

Our Goal

- We provide access to information and leisure through a variety of media.
- We create social capital by providing safe public space for the use of the community in a variety of ways.
- We connect users to the world at large through traditional (print) and newer information technologies.

How this activity contributes to the Community Outcomes

- Libraries provide safe space for our community to interact. Libraries provide resources which enrich quality of life for all.
- Libraries collect and preserve local heritage materials. Libraries are involved in regional history/heritage projects which will increase access to the local historical/cultural information and materials.
- Libraries provide access to a wide-range of materials in a variety of formats to support the recreational, educational, cultural, social, and business needs of the community.
- Libraries are open to all in the community and freely provide unbiased access to all information. As such, libraries are an integral part of a strong democracy at local and national levels.

Our Level of Service

- Access to information and leisure sources that satisfy the needs of the community, delivered within the libraries and through outreach programming.
- Access to special collections, and other media as well as professional help to find regional and heritage information.
- Access to a variety of information, leisure, social resources, and services to support those with special needs, via the libraries in Richmond, Motueka, Takaka and Murchison.

COMMUNITY SERVICES

How we measure progress

<p>TDC collections compare favourably measured against the LIANZA standard for library book stocks. The annual Council book budget will increase by \$20,694 in 2009/2010 and a further \$67,035 in 2010/2011, and these figures will be inflation-adjusted over future years. This will achieve 75% of the LIANZA standard for book stocks by 2012.</p>	<p>The book budget increased by \$28,160 in 2009/2010. At the end of June 2010 collection numbers are achieving 81% of the LIANZA standard.</p>
<p>TDC runs modern software with sufficient capacity and functionality to enable public access to the collection. TDC libraries will install new library management software in 2011/2012 with increased capacity and functionality to allow better access to the collections, and TDC will fund ongoing support for the new software.</p>	<p>TDC has signed a letter of intent to join the Kōtui consortium (formerly LSyncNZ). The consortium will supply its members with fully supported and updated library management software. The consortium's Request for Proposal was released in July 2010. TDC will be in the first group of libraries to transfer to the new library management software. The first library will transfer to the selected library software in April 2011.</p>
<p>Residents can participate in the digital world via well connected computers in the libraries, measured against the recommended number of computers in the LIANZA standard. [Target: 100%]</p>	<p>This is achieved through our ongoing membership of the Aotearoa Peoples Network Kaharoa (APNK). The libraries provide 20 public access internet computers, this achieves 100% of the LIANZA standard.</p>
<p>Tasman District residents are fairly or very satisfied with the public libraries, as measured through the annual residents' survey. [Target: 85% of Tasman residents are fairly or very satisfied with the public libraries by 2012.]</p>	<p>The Communitrak survey undertaken shows that 84% of residents are satisfied with the District's public libraries. (2009: 84% satisfied), and that 94% of library users are satisfied with the libraries.</p>
<p>A postal delivery service is implemented throughout the District on a cost recovery basis. [Target: service in place by 2009/2010]</p>	<p>Our Library@yrdoor delivery service was launched in December 2009 with a leaflet drop in Golden Bay and Murchison. A leaflet drop is planned for the Wakefield area in July 2010. Full postage costs are recovered from users of the service. There were no registered users of the service at the end of June 2010.</p>

COMMUNITY SERVICES

<p>Users have easy access to the wealth of materials available. If external funding can be secured, we will digitise artefacts and load them onto the regional history website</p>	<p>Items from the Waimea South Local history collection are being progressively digitised and stored on the library's kete. The kete is a digital repository hosted by Aotearoa People's Network Kaharoa. The kete is accessible via the internet.</p>
<p>TDC library buildings provide adequate spaces to enable the delivery of quality library services as measured against the LIANZA standard.</p>	<p>The extension of the Richmond Library was opened on 3 July 2010</p> <p>The Murchison library building at 160m² is less than the 210m² recommended in the LIANZA standard.</p> <p>Space issues in Motueka are causing difficulties with service delivery as it is around 50% of the LIANZA standard. The Motueka Library building at 453m² achieves 50% of the LIANZA standard. Limited space has an impact on collection size. The collection size currently meets 67% of the LIANZA standard.</p> <p>The floor space of the Takaka Library meets the LIANZA standard.</p>

Major Activities

<p>Renovation of the library at Richmond which will positively impact major services at the Richmond library site. These services are: provision of library service to Richmond and surrounding area, and district services – activities which support library services across the district. The first phase of work is scheduled for completion in December 2009.</p>	<p>The first phase was completed as at the end of January 2010. The second and final stage was completed in June 2010. There has been \$2,141,208 spent in the current year on this project to 30 June 2010.</p>
<p>Growth of collections – district wide</p>	<p>Tasman District Libraries purchased 14,281 new items for the libraries from July 2009 – June 2010.</p> <p>Stock figures to 30 June 2010 include 91,567 unique titles and 126,364 holdings (which includes multiple copies). This is 81% of the current recommended standard for New Zealand Libraries.</p>

COMMUNITY SERVICES

<p>New Services years 1–3 to include: postal delivery service, increased digital collections (eg digital editions of newspapers, digital downloadable audio books, premium lending collection).</p>	<p>A postal delivery service was begun with a leaflet drop in the Golden Bay and Murchison areas in December 2009. Development of the service is hindered by system limitations. A further leaflet drop is planned for the Wakefield community in July 2010.</p> <p>A premium lending collection is hindered by poor system performance of the Library Management software. The establishment of the collection has been postponed until the Library Management software upgrade has been completed.</p> <p>Digital downloadable items are being considered in conjunction with a national initiative as currently our financial budget does not accommodate an individual subscription. Some technical and copyright issues will need to be overcome before we can offer these services.</p>
<p>Complete renovation of the website so it can function as the fifth branch – with e-commerce enabled and functionality to allow for the delivery of digital services.</p>	<p>Council has employed a webmaster and we have formed a library website working party. This project will be progressed throughout 2010 /2011.</p>
<p>Growth of services in line with population-driven demand.</p>	<p>Space has been most often commented on, as demand outstrips physical premises. The Richmond Library renovations cater well for differing activity needs of customers, from a news area, to a meeting space, a research room and digital creation space.</p> <p>Investigation is ongoing into solving Motueka Library's chronic lack of space, and an option is being looked at for Murchison Library's future.</p> <p>A German collection has been set up within Takaka Library, and a new DVD rental collection began in Motueka.</p>

COMMUNITY SERVICES

Jun-09 Actual \$	Libraries	Jun-10 Actual \$	Jun-10 Budget \$	% of Budget
	INCOME			
1,544,795	General Rates	1,915,153	1,905,957	100%
288,145	Fees and Recoveries	252,928	282,449	90%
96,152	Sundry Income	105,976	102,485	103%
1,929,092	TOTAL INCOME	2,274,057	2,290,891	99%
	OPERATING COSTS			
259,394	District Operations	315,407	222,608	142%
685,054	District Library	896,404	1,039,478	86%
455,958	Motueka Library	415,812	451,885	92%
220,697	Takaka Library	296,946	255,510	116%
6,606	Murchison Library	32,173	7,967	404%
1,185	Link Libraries	1,488	2,620	57%
18,949	Tapawera Library	14,987	16,674	90%
455,676	Depreciation	301,642	82,414	366%
2,103,519	TOTAL OPERATING COST	2,274,859	2,079,156	109%
174,427	NET COST OF SERVICE (SURPLUS)	802	(211,735)	0%
	TOTAL FUNDS REQUIRED			
174,427	Net Cost of Service (Surplus)	802	(211,735)	0%
280,674	Capital	302,112	294,149	103%
455,101		302,914	82,414	368%
	SOURCE OF FUNDS			
(575)	General Funds	1,272	-	-
(575)		1,272	-	-
	NON- FUNDED DEPRECIATION			
455,676	Depreciation to be funded at income statement level	301,642	82,414	366%
455,101		302,914	82,414	368%

Comment:

Total operating cost is over budget due to depreciation. Depreciation on library books has been included in the actual depreciation cost for the year. When the budget was set, depreciation on library books had been amalgamated with depreciation on fixed assets and therefore, allocated across all the activities.

COMMUNITY SERVICES

CULTURAL SERVICES AND COMMUNITY GRANTS

What We Do

The role of this activity is strengthening communities by providing the resources for community initiatives and community organisations to enable them to achieve their objectives by way of grants. Grants are predominately for 'not for profit' community and voluntary groups working for the benefit of Tasman District communities.

These are the various contestable funding streams provided by Council in 2009/2010: School Swimming Pool Subsidy (\$55,874), Community Grants (\$170,726), Tasman \$200 Ships (\$3,104), Mature Person Scholarships (\$5,174), Creative Communities (\$31,041) on behalf of Creative NZ and the SPARC Rural Travel Fund (\$17,590) on behalf of SPARC. These are inflation-adjusted each year.

In addition to the contestable funds the Council allocates annual grants to various cultural services including: the Provincial Museum, Motueka and Golden Bay Museums and The Suter art gallery.

The community is invited to apply for grants subject to eligibility criteria. Application forms are available from Council offices, libraries and on-line. A special Council Committee considers applications.

Why We Do It

Council is required by community expectation to promote the wellbeing of the communities in its District. This requires community growth and participation. Community organisations are often staffed by volunteers, but provide a key service throughout the region. These services require support to remain sustainable.

Our Goal

Our aim is to support quality cultural and community services that enable participation in suitable, relevant, and enjoyable activities and environments, and to enable communities to lead initiatives to help themselves.

How this activity contributes to the Community Outcomes

- Supports and funds 'not for profit' organisations and individuals who deliver services in our district that contribute to Council's Community Outcomes.
- Assists community-led facilities, projects and initiatives to deliver benefits across the broader community.
- Enabling organisations to work with Council to deliver benefits across the community.

Our Level of Service

- Provide grants to community groups to deliver services and facilities that enhance community well-being.

How we measure progress

Grants are fully allocated to groups and individuals who meet our funding criteria. [Target: 100% of grant funding is allocated.]	83% of Council's grants have been allocated as at 30 June 2010. The target was for 100% of these grants to be allocated by year end. However, this is dependent on the value of the grants submitted as this is more important than ensuring that all funds are allocated.
Groups are delivering the services outlined in their applications and that they receive grant money to provide services to the community. [Target: 90% of accountability forms are returned completed.]	Council is very strident on receiving completed accountability forms. Reminders are sent for non-received accountability forms and if not received then Council may even request the funds are returned. We have 98% of accountabilities received from grants at year end.

COMMUNITY SERVICES

Major Activities

Allocation of contestable grants.	All scheduled grant rounds have been held and promotion via Council publications and other media is now complete. All funding rounds completed and held successfully.
Ongoing allocation of funding to cultural services, eg Museums and The Suter art gallery.	The Suter art gallery annual funding of \$76,542 has been paid. Tasman Bays Heritage Trust has received four quarterly instalments to 30 June 2010 totalling \$748,700. Local museum funding allocated to 30 June 2010 includes \$37,500 going to Golden Bay museum and \$37,500 to Motueka District museum.
Annual review of grants funding criteria and process.	An informal discussion was held in June 2010. A formal meeting to review the grants funding criteria and processes will be held after the Council elections.
Implementing new Community Development Fund.	The new Community Development Fund has been instigated as a new initiative in the 2009/2010 financial year with funds being targeted towards smaller communities across the District. The first round to take place closed in February 2010. There were two successful applications, with eight declined.

COMMUNITY SERVICES

Jun-09 Actual \$	Cultural Services & Community Grants	Jun-10 Actual \$	Jun-10 Budget \$	% of Budget
	INCOME			
354,067	General Rates	388,272	386,408	100%
40,533	Sport & Recreation NZ	182,979	87,000	210%
59,180	Fees and Recoveries	56,741	48,778	116%
3,569	Interest Received	3,358	-	-
22,485	Sundry Income	17,662	17,080	103%
479,834	TOTAL INCOME	649,012	539,266	120%
	OPERATING COSTS			
261,361	Council Grants	303,543	326,549	93%
40,823	Sport & Recreation NZ Grants	182,980	87,000	210%
39,553	Creative NZ Grants	33,907	31,041	109%
3,460	Community Sports Fund	5,000	5,174	97%
73,975	Museums	76,542	76,542	100%
-	Loan Interest	-	12,960	0%
419,172	TOTAL OPERATING COST	601,972	539,266	112%
(60,662)	NET COST OF SERVICE (SURPLUS)	(47,040)	-	-
	TOTAL FUNDS REQUIRED			
(60,662)	Net Cost of Service (Surplus)	(47,040)	-	-
-	Advances to community organisations	-	120,000	0%
(60,662)		(47,040)	120,000	-39%
	SOURCE OF FUNDS			
3,874	Advances Repaid	4,085	-	-
-	Loans raised	-	120,000	0%
(64,536)	General Funds	(51,125)	-	-
(60,662)		(47,040)	120,000	-39%

Comment:

The advance to community organisations budget of \$120,000 relates to the Motueka Community Hospital. This advance has yet to be requested, therefore, the corresponding loan to be raised has not been drawn down.

Sport and Recreation NZ grants are for ongoing projects usually over a number of financial years. The grant funds are received in instalments and are included in income as monies are expended against the project. Any funds received but not yet spent are held as a current liability as grants received in advance.

COMMUNITY SERVICES

COMMUNITY RECREATION

What We Do

The Community Recreation activity provides for the recreational and cultural needs of the communities of the Tasman District. This is done via projects that support and develop the community engagement with recreation, sports, arts and heritage. The activity requires working collaboratively with community and government agencies to ensure sustainability of programmes. Where gaps exist in services that should be provided, there is a role to advocate and work on behalf of the community.

Why We Do It

Active and involved communities are sustainable and healthy communities. Recreation and leisure activities contribute to the region's prosperity and identity. The Community Recreation activity is an essential component of Council's business in terms of:

- How it relates to the communities.
- How it strengthens its communities.
- How it supports its communities.
- How it maintains an accurate picture of community opportunities and challenges.

Our Goal

Council's aim is to enhance the quality of life of the community by providing and supporting quality recreational services which enable participation in suitable, relevant and enjoyable activities and environments lifelong.

How this activity contributes to the Community Outcomes

- Encouraging low impact engagement with and enjoyment of the natural environment.
- The activity provides information to encourage safe use of the environment with activities that do not cause negative impact.
- Advising planners to ensure active transport is included in Council's provision of transport services.
- Providing and supporting quality recreational services which enable participation in suitable relevant and enjoyable activities lifelong.
- Promotion and celebration of our history and diverse cultures.
- Promotion and delivery of recreational services that reflect the diversity of the Tasman District.
- Ensuring communication to communities encourages engagement.
- Working in partnership with community, business, government and professional groups to strengthen and grow the economy.

Our Level of Service

- The activity provides information to encourage use of our environment and that the activities of others do not cause negative impact.
- Work with user groups and advocates to ensure active transport is included in Council's provision of transport services.
- Providing and supporting quality recreational services which enable participation in suitable, relevant, and enjoyable activities and environments lifelong.
- Promotion and celebration of our history and cultures.
- Support of facilities and services that house our region's stories, artefacts and arts.
- Promotion and delivery of events and recreational services that reflect the diversity of the District.
- Community development is supported with staff advice and funding support.

COMMUNITY SERVICES

How we measure progress

<p>The community can access the information to enable safe and positive interaction with our environment. [Target: 60% of residents have seen or read Walk or Bike Tasman, as measured by Communitrak Survey undertaken at least three yearly.]</p>	<p>This measure was not surveyed in the 2009/2010 year. (61% of residents have seen or read Walk or Bike Tasman, as measured by the Communitrak Survey undertaken in 2009).</p> <p>This performance measure will be measured again in 2012.</p>
<p>We have more people getting to work/school walking or cycling. [Target: Raise the rates of walking and cycling consistent with the Tasman Walking and Cycling Strategy.]</p>	<p>Council contractor MWH New Zealand Ltd has recently commenced cycle counts in Richmond along Salisbury Road, Wensley Road, the underpasses and the ASB path. These counts are undertaken in February and July of each year. This measure will be reported on in 2010/2011 as there will be sufficient history to comment on trends. Regular cycle counts are not undertaken in other areas.</p>
<p>Residents are informed of and participating in relevant safe leisure activities. [Target: 75% of the community is either fairly or very satisfied with Council recreation programmes as measured by Communitrak Survey undertaken at least three yearly.]</p>	<p>This measure was not surveyed in the 2009/2010 year. (75% of the community is either fairly or very satisfied with Council recreation programmes as measured by Communitrak Survey undertaken in 2009).</p> <p>This performance measure will be measured again in 2012.</p>
<p>Residents are satisfied with the information available in publications and the experiences and access to the region's arts, culture and heritage. [Target: 90% of residents who have seen at least one of the recreation publications are fairly or very satisfied with them as measured by Communitrak Survey undertaken at least three yearly.]</p>	<p>This measure was not surveyed in the 2009/2010 year. (95% of residents who have seen at least one of the recreation publications are fairly or very satisfied with them as measured by Communitrak Survey undertaken in 2009).</p> <p>This performance measure will be measured again in 2012.</p>
<p>Residents attending a range of Council organised and supported activities and events are satisfied. [Target: 80% of the community is very or fairly satisfied with Council activities or events as measured by Communitrak Survey undertaken at least three yearly.]</p>	<p>This measure was not surveyed in the 2009/2010 year. (80% of the community is very or fairly satisfied with Council activities or events as measured by Communitrak Survey undertaken in 2009).</p> <p>This performance measure will be measured again in 2012.</p>
<p>Information to support communities is accessible and relevant. Information about grants assistance is accessible and appropriate. The administration of funding is clear and transparent. [Target: 70% of the community is very or fairly satisfied with the community assistance as measured by Communitrak Survey undertaken at least three yearly.]</p>	<p>This measure was not surveyed in the 2009/2010 year. (70% of the community is very or fairly satisfied with the community assistance as measured by Communitrak Survey undertaken in 2009).</p> <p>This performance measure will be measured again in 2012.</p>

COMMUNITY SERVICES

Major Activities

<p>Support of community development via advice, grants and partnership arrangements, particularly Way2Go, a Nelson Tasman Active Communities project. The aim of the Way2Go programme is to break down barriers to physical activity by providing programmes and information about achievable physical activity and/or active recreation opportunities in local communities.</p>	<p>The activity has been achieved. Co-ordinators are set up across the District. Council is currently in discussions with Tapawera and Wakefield to expand the Way2Go programme. The Wakefield Way2Go hub is now operating. There has been a range of regional and local initiatives under the Way2Go banner. The Funding Expo held in May 2010 was also well attended.</p>
<p>Support of regional recreation programmes.</p>	<p>Events have been co-ordinated across the region for the community to participate in. These include the annual In Your Neighbourhood programme, the Tasman Skatepark Tour in December 2009 through January 2010, and Bike Wise in February 2010.</p>
<p>Provision of community events and activities including promotion via website, Mudcakes and Roses, Boredom Busters, JAM Magazine, Newline, Found Directory, Bike/Walk Tasman, Hummin in Tasman and other media.</p>	<p>This is ongoing and is being achieved to target. These include Tiny Tots and Teddy's, Golden Bay Mardi Gras, Tasman Skatepark Tour, Jazz Festival, and Summer Sounds Series.</p>
<p>Facilitate the Youth Council with regional Recreation Co-ordinators.</p>	<p>Murchison, Motueka, Richmond and Golden Bay Youth Councils operating contracts are in place with regional recreation co-ordinators in Richmond, Moutere, Motueka, Golden Bay and Murchison.</p>
<p>Consider implementing actions identified as priorities in the Nelson Tasman Regional Arts Strategy.</p>	<p>Some funding has been allocated to Richmond, Golden Bay and Motueka Wards for the purchase of public art.</p> <p>The Council has commissioned a piece of art – the Kaka Beak Sculpture by sculptor Bruce Mitchell.</p> <p>Work is being done with the Library to incorporate artworks in the redevelopment process currently being undertaken at the District Library in Richmond.</p> <p>Space is being allocated in the Richmond Main Office foyer for display of artworks.</p> <p>A stocktake of public art throughout the District has been completed.</p> <p>Continuing to roll out the murals on public toilets programme.</p>
<p>Preparation of a youth strategy.</p>	<p>Some initial work has been done with consultation involving young people in Richmond, Wakefield and Motueka, and the Street Ambassadors. There has been some work with the Youth Council in 2010 as to how they want the strategy to progress. The intention is that this will be a youth-led strategy facilitated with the assistance of Council staff. A targeted study has been undertaken in Richmond and Motueka by an independent entity. A draft Youth Strategy is scheduled for completion in December 2010. It will then be put out for consultation with a final strategy being adopted in July 2011.</p>

COMMUNITY SERVICES

Jun-09 Actual \$	Community Recreation	Jun-10 Actual \$	Jun-10 Budget \$	% of Budget
	INCOME			
476,136	General Rates	541,086	538,488	100%
123,997	Fees and Recoveries	153,066	96,256	159%
22,486	Sundry Income	24,785	23,969	103%
622,619	TOTAL INCOME	718,937	658,713	109%
	OPERATING COSTS			
577,075	Community Advisory Service	719,479	565,590	127%
68,283	Boredom Busters	30,321	29,489	103%
46,850	School Swimming Pool Subsidies	54,308	55,874	97%
5,031	Walk Tasman Booklets	-	7,760	0%
1,857	Depreciation	449	389	115%
699,096	TOTAL OPERATING COST	804,557	659,102	122%
76,477	NET COST OF SERVICE (SURPLUS)	85,620	389	22010%
	TOTAL FUNDS REQUIRED			
76,477	Net Cost of Service (Surplus)	85,620	389	22010%
76,477		85,620	389	22010%
	SOURCE OF FUNDS			
74,620	General Funds	85,171	-	-
74,620		85,171	-	-
	NON- FUNDED DEPRECIATION			
1,857	Depreciation to be funded at income statement level	449	389	115%
76,477		85,620	389	22010%

Comment:

Fees and Recoveries are higher than budgeted as Council managed to successfully apply for increased government and community funding for specific projects.

Community Advisory Services operating costs are higher than budgeted as this activity is now absorbing 100% of the costs relating to Council's publication such as Mudcakes and Roses, Boredom Busters and Hummin in Tasman.

COMMUNITY SERVICES

PARKS & RESERVES

What We Do

Tasman District Council manages 595 hectares of reserve land comprising a range of parks, reserves, open spaces and recreational facilities (including 41 playgrounds) for and on behalf of the community. Easily accessible parks and open spaces provide active recreation, play and social opportunities for both residents and visitors. Council's activities in this area aim to assist in the development of healthy, active, functioning communities.

Parks and reserves includes the provision of:

- Urban open spaces and amenity reserves.
- Formal parks and gardens.
- Trees, plots and verges.
- Sports grounds.
- Rabbit Island.
- Rural recreation and esplanade reserves.
- Walkway reserves.
- Scenic and special interest parks.

Why We Do It

Council is required by law and community expectation to manage the use, development and protection of land and natural resources in a way that protects environmental standards and promotes community wellbeing.

Council recognises it plays a key role in creating the environment in which communities can prosper and enjoy improved health and wellbeing. The provision of open spaces and recreational facilities influences the way in which people can take part in the life of the community and makes the choice for people to be more active more convenient, easy, safe and enjoyable.

Our Goal

We aim to provide parks, reserves and recreational facilities that promote the physical, psychological, environmental and social wellbeing of communities in Tasman District.

How this activity contributes to the Community Outcomes

- Protection of the natural environment and ecologically significant areas.
- Provision and enhancement of open space.
- Vegetation enhancement and awareness.
- Enhanced community involvement in conservation and restoration work.
- Protection and enhancement of coastal and riparian areas.
- Provision and enhancement of open space and an interconnected open space network.
- Provision of neighbourhood and community parks within walking distance of homes.
- Provision of open space and recreation facilities that cater for and promote active lifestyles. This includes casual activities such as walking and cycling, and organised sports and recreation activities.
- Reserves and facilities are designed and managed to ensure users safety and cater for the needs of the whole community.
- Provision of high quality open space, recreation and cultural facilities that provides a range of leisure and cultural opportunities.

Our Level of Service

- Interconnected open space network and recreation facilities that provide a range of leisure opportunities and meet the needs of users and the community.

COMMUNITY SERVICES

How We Measure Progress

<p>Area of actively maintained reserve land above 4ha/1000 residents as measured by Yardstick. [Target: Future performance to be amended from current stated target of 4ha/1000 residents to 10ha/1000 residents.]</p>	<p>Current level of service of 10.3ha/1000 residents. The TRMP states 4ha/1000 residents and this will need to be amended to 10ha/1000 residents at some stage. The Yardstick Park Check 2009/10 Parks and Reserves Survey published in April 2010 showed an overall satisfaction level of 89.9% for TDC against an average satisfaction level of 86% (16 local authorities participated in this survey).</p>
<p>We have a minimum of four playgrounds per 1000 children under 15 years old. [Target: 100% compliance with standard.]</p>	<p>Currently we have 4.3 playgrounds per 1000 children under 15. An independent auditor is coming in July/August 2010 to peer review the work that was undertaken.</p>
<p>Resident satisfaction with reserves score above 80% - as measured by Communitrak surveys undertaken at least 3 yearly. [Target: 80% satisfaction.]</p>	<p>The 2009/2010 Communitrak survey shows that 93% of residents overall are satisfied with the District's recreational facilities - which includes playing fields and neighbourhood reserves. (2009: 95% satisfied).</p>
<p>We have a current reserves strategy in place. [Target: Reserves strategy to be completed by June 2010.]</p>	<p>The consultant to be used for this strategy has been used to work on other Council priorities. Work on this strategy commenced in July 2010.</p>
<p>Parks, reserves, playgrounds and sportsfields are maintained in accordance with contractual standards. [Target: 90% compliance with contractual standards.]</p>	<p>This target has not yet been measured as some system changes are required to quantify the actual compliance level. There have been no issues with contractual standards.</p> <p>The system changes will be undertaken when the contract comes up for renewal.</p>
<p>Maintenance and safety queries and faults are dealt with promptly as per contractual standards (eg within 3 working days, unless specified as urgent when it will be done within 24 hours. [Target: 85% compliance with contractual standards.]</p>	<p>This target has not yet been measured as some system changes are required to quantify the actual compliance level. There have been no issues with contractual standards.</p> <p>The system changes will be undertaken when the contract comes up for renewal.</p>

COMMUNITY SERVICES

Major Activities

	Budget \$	
Designing and constructing township entrance signage.	20,660	This project has not commenced and the first Council project group meeting has yet to occur.
Treasured Pathway – upgrading signage and promotional materials (working with other agencies).	5,165	This project is expected to commence in July 2010. Work is underway on the most appropriate governance arrangements for the Pathway, which crosses three Council territories.
Amenity planting in Tasman District.	10,330	A work group has been organised to start work on this project.
Rabbit Island – new walkways and cycleways.	5,165	This project is waiting on the wastewater pipe upgrade to be completed. The wastewater project has nearly finished. A consultant has been appointed for the project and work is scheduled to commence in late July 2010.
Waimea River Park – enhancing walking, cycling, swimming and native replanting.	20,660	This project is underway and the management plan for the park is expected to be adopted at the August 2010 meeting of the Community Services Committee. There has been \$7,929 spent on this project to 30 June 2010.
Prepare a Reserves Strategy.	N/A	The consultant to be used for this strategy has been used to work on other Council priorities. This strategy is now scheduled to start in July 2010.
Review reserve management plans that are 10 years old and have not had an interim review.	N/A	A consultant has been appointed and work on this is expected to commence once the Reserves Strategy is complete.

COMMUNITY SERVICES

CEMETERIES

What we do

A total of 12 cemeteries are provided across the District in the following locations:

- Richmond
- Bainham, Collingwood
- Collingwood
- Fletts Road, Lower Moutere
- Kotinga
- Motueka
- Murchison
- Rototai, Takaka
- Spring Grove
- Waimea West, Brightwater
- Marawera, Tapawera
- Foxhill

Most burial activity occurs at the main cemeteries located in Richmond, Motueka and Takaka. Tasman District Council manages cemeteries throughout the District providing accessible and appropriate sites for burial. Natural burials will be provided for in some cemeteries during 2009.

All these cemeteries have a significant number of plots available and, at current burial rates, there is no demand for additional land within the next 20 years, except for Richmond.

Long term there is a requirement to provide land for an alternative to the existing Richmond Cemetery. Due to social issues and the time it takes to develop cemeteries, it is preferable to purchase suitable land and to publicise the intended use well before any actual need.

We provide a small amount of funding for maintenance of privately-managed cemeteries (eg Urupa and trustee cemeteries).

Why we do it

Cemeteries are provided for the following reasons:

- Public health.
- Comply with the requirements of the Burial and Cremation Act 1964.

Our goal

We aim to provide an attractive and peaceful environment for the burial, memorial and remembrance of the deceased.

How this activity contributes to the Community Outcomes

- Provision of attractive and functional cemeteries.

Our levels of service

- Cemeteries that offer a range of burial options and adequate space for future burial demand.

COMMUNITY SERVICES

How we measure progress

Planning assessment of future burial demands predicts adequate space available for at least 20 years. [Target: Future acquisition of additional land is investigated in the Richmond area.]	Proposed to investigate during the 2010/2011 financial year.
Cemeteries are maintained in accordance with the contractual standards in the Parks and Reserves Asset Management Contracts. [Target: 90% compliance with the contractual standards.]	This target has not yet been measured as some system changes are required to quantify the actual compliance level. There have been no issues with contractual standards. The system changes are expected to be undertaken by 1 July 2011.

Major Activities

No projects have been identified, although opportunities for the purchase of land for a new cemetery in Richmond need to be considered.	Community staff are currently investigating options.
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Comment:

The Communitrak survey shows that 74% of residents are satisfied with the Cemeteries in the District, with 24% unable to comment. (2009: 78% satisfied, with 20% unable to comment).
Visitors to the cemetery expressed a high level of satisfaction, with 93% of visitors satisfied or very satisfied.

COMMUNITY SERVICES

PUBLIC CONVENIENCES

What we do

Council provides and maintains public conveniences throughout the District to meet community and visitor needs.

Currently there are a total of 61 toilet buildings located throughout the district. This includes seven in Richmond, 16 in Moutere/Waimea, 17 in Motueka, six in Lakes/Murchison, and 15 in Golden Bay. Most of the toilets have modern sanitary systems with a mix of reticulation, septic tank or containment systems.

Public conveniences have been divided into three categories as outlined in the Sanitary Services Assessment 2005:

- Toilet facilities in townships, predominantly to serve local shoppers.
- Toilet facilities in parks and reserves, predominantly to serve local users of the sport and recreational facilities.
- Toilet facilities on main visitor routes or at visitor attractions, predominantly to serve visitor groups.

Existing toilets appear to be meeting current demand and most are in good to excellent condition.

Why we do it

Public conveniences are provided for the following reasons:

- To comply with the Health Act 1956 to provide sanitary conveniences for use by the public.
- For users of parks and reserves.
- For visitors to town centres.
- For the travelling public.

The private sector provides limited numbers of public conveniences, therefore provision by local government, as a public good, is required.

Our goal

We aim to provide clean public toilet facilities to meet community and visitor needs, in appropriate locations.

How this activity contributes to the Community Outcomes

- Provision of attractive well maintained and functional toilet facilities.
- Facilities are designed and managed to ensure public safety.

Our levels of service

- Public conveniences at appropriate locations that meet the needs of users and are pleasant to use and maintained to a high standard of cleanliness.

COMMUNITY SERVICES

How we measure progress

<p>Customers are satisfied with our public toilets as measured by the Communitrak Survey undertaken at least three yearly. [Target: Customer satisfaction with public conveniences is 70% or above.]</p>	<p>81% of users were satisfied or very satisfied with the public conveniences as measured by Communitrak Survey undertaken in 2010.</p>
<p>Our toilets are cleaned and maintained to the appropriate contract specification as measured in the bi-monthly sample contract audit. [Target: At least 90% compliant with contract cleaning specifications.]</p>	<p>This target has not yet been measured as some system changes are required to quantify the actual compliance level. There have been no issues with contractual standards. The system changes are expected to be undertaken by 1 July 2011.</p>
<p>New toilets are provided where there is a demonstrated need. [Target: New toilets will be built at:</p> <ul style="list-style-type: none"> • Rabbit Island • Labyrinth Rock • Edward Baigent Reserve 	<p>The Rabbit Island new facility development is currently on hold until the septic tank and drainage field upgrade is completed. This is scheduled to go out for tender in August 2010.</p> <p>The Labyrinth Rock facility has been completed with Council purchasing the temporary portaloo as the new permanent toilet.</p> <p>A replacement toilet facility has been built at the Edward Baigent Reserve.</p>

Major Activities

<p>Development of new facilities at</p> <ul style="list-style-type: none"> • Rabbit Island (Conifer Park mountain bike area) • Labyrinth Rock (Golden Bay) • Edward Baigent Reserve 	<p>The Rabbit Island new facility development is currently on hold until the septic tank and drainage field upgrade is completed. This is scheduled to go out for tender in August 2010.</p> <p>The Labyrinth Rock facility has been completed with Council purchasing the temporary portaloo as the new permanent toilet.</p> <p>A replacement toilet facility has been built at the Edward Baigent Reserve.</p>
<p>To finalise Building Maintenance Plan.</p>	<p>Information has been gathered and inputted into Council's Confirm Asset Management System. This information will be used as a basis for setting next year's budgets. The Building Maintenance Plan is scheduled to be completed in December 2010.</p>

COMMUNITY SERVICES

SWIMMING POOLS

What we do

The Council owns and contracts out the management of the ASB Aquatic Centre in Richmond which is a modern, all-year operation, indoor 25-metre pool with additional leisure features.

Two other small community outdoor pools are provided at Rockville and Upper Takaka, which are managed by the local communities. Funding assistance is also provided by Council to secure community access to some school pools.

Why we do it

Public swimming pool provision provides recreation facilities with wide-ranging benefits:

- Learn to swim programmes which are considered a vital public service given our coastal and river environment and high rate of accidental drowning in New Zealand.
- Physical recreation activity to promote health and wellbeing.
- Sports and competitive activity.
- Leisure and play activity beneficial to families and children.
- A recreation activity available to all ages, gender and ability.

Our goal

We aim to provide swimming pools that assist in meeting the community demand for aquatic activities.

How this activity contributes to the Community Outcomes

- Provision of recreation facilities that cater for and promote healthy communities through social and recreation activity.
- Facilities are designed and managed to ensure their safety and cater for the needs of the whole community.
- Provision of high quality, recreation and cultural facilities that provides a range of leisure and cultural opportunities.

Our levels of service

- Swimming pools that meet the needs of users and provide opportunity for aquatic based recreation activities and learn to swim programmes.

How We Measure Progress

<p>Provision of one indoor facility serving the needs of the district at Richmond and assistance with the provision of outdoor pools in other communities, to provide basic access to a swimming facility at a local level. [Targets: In 2009/2010 a learn-to-swim pool will be constructed at the ASB Aquatic Centre.</p> <p>Council will continue to fund the school swimming pools to ensure public access.]</p>	<p>The learners pool is due for completion in September 2010 and is expected to be slightly under budget. (The total budget for the project is \$2m plus inflation spread over 2 years.)</p> <p>Council continues to fund school swimming pool subsidises with 97% of the budget paid out as at 30 June 2010.</p>
<p>Customers are satisfied with the ASB Aquatic Centre, score above 80% as measured by Communitrak Survey undertaken at least three yearly. [Target: Customer satisfaction with the ASB Aquatic Centre is 80% or above, as measured by Communitrak Survey, undertaken at least three yearly.]</p>	<p>Not currently measured. This will be measured in the 2011 Communitrak Survey.</p> <p>However, the 2009 survey asked about overall satisfaction with swimming pools. The overall level of satisfaction was 54%, with 32% unable to comment, whereas the satisfaction of users was 76%.</p>
<p>Council undertakes an annual assessment of the ASB Aquatic Centre compliance with the NZ Swimming Pool Water Standards. [Target: Annual assessment is undertaken.]</p>	<p>The annual Swimming Pool Audit was undertaken on 27 October 2009 and all areas of the operation complied with the New Zealand Swimming Pool Water Standards.</p>

COMMUNITY SERVICES

Major Activities

ASB Aquatic Centre, Learn to Swim Pool extension. Budget \$1.032m	<p>The tender from IMB Construction was accepted in December 2009. Work commenced 11 January 2010 and the expected completion date is September 2010. Additional funding has been allocated in the 2010/2011 Annual Plan.</p> <p>There has been \$1,256,000 spent on this project to 30 June 2010, with the final cost being approximately \$1,850,000.</p>
Continue to provide funding for the ASB Aquatic Centre.	The ongoing running is covered by funding from the Facilities Operating rate paid to CLM for management of the ASB Aquatic Centre.
Continue to provide funding for school pools to ensure public access.	The Council has contracts with 17 pools this summer for public access, and contracts with Collingwood, Golden Bay and Motueka High School for supervised swimming.

COMMUNITY SERVICES

Community Buildings

What we do

Council provides buildings that assist in meeting the community demand for indoor meeting and recreation spaces. Our current list of public halls and community buildings includes 24 halls around the District. We provide multi-purpose halls in most small settlements throughout the District. This is a result of historic development and past community needs. In most cases the halls are well used, performing an important community function and are valued assets in the communities.

The quality of public halls varies dependent on their age and past maintenance and improvement history. In most cases they are maintained to a good standard with the assistance of volunteer hall management committees.

The financial data for this activity also incorporates all the projects funded by the Facilities Rate.

Why we do it

Public halls and community buildings are provided to deliver a range of benefits including:

- Meeting space for community organisations.
- Meeting space for community gatherings.
- Indoor space for community events.
- Indoor space for recreation and arts activities.

The benefits of community buildings are specifically, or generally, believed to enhance the community's health and wellbeing.

Our goal

We aim to provide buildings that assist in meeting the community demand for indoor activities and recreation spaces.

How this activity contributes to the Community Outcomes

- Provision of recreation facilities that caters for and promotes healthy communities through social and recreation activity.
- Facilities are designed and managed to ensure users safety and cater for the needs of the whole community.
- Provision of high quality recreation and cultural facilities that provide a range of leisure and cultural opportunities.

Our levels of service

- Buildings that assist in meeting the community demand for indoor activities and recreation spaces.

How we measure progress

<p>Halls and other buildings provided at a local community level provide reasonable access to indoor activities and recreation space and a central focal facility for all significant communities</p> <p>Targets:</p> <p>Investigating the provision of a new facility in Golden Bay during the first three years.</p> <p>Contribute to a community facility in Richmond, subject to the outcome of a needs analysis and further public consultation.</p>	<p>A local organisation undertook a survey of residents to determine what was required. Results were inconclusive and a further study is proposed as well as a public meeting to be held in August 2010.</p> <p>A needs analysis was undertaken and results will be reported to Council in July/August 2010.</p>
<p>Residents satisfaction with community halls is 80% or above, as measured through the Communitrak Survey, at least three yearly.</p>	<p>Currently measured in the survey in conjunction with recreation facilities which achieve 93% satisfaction. (2009: 95% satisfied)</p>

COMMUNITY SERVICES

Major activities

To investigate the need for a community facility at Golden Bay.	A local organisation undertook a survey of residents to determine what was required. Results were inconclusive and a further study is proposed as well as a public meeting to be held in August 2010.
To finalise the Building Maintenance Plan.	Information has been gathered and included in Council's Confirm Asset Management System. This information will be used as a basis for setting next year's budgets. The Building Maintenance Plan is scheduled to be completed in December 2010.

COMMUNITY SERVICES

Jun-09 Actual \$	Parks and Reserves	Jun-10 Actual \$	Jun-10 Budget \$	% of Budget
	INCOME			
3,784,278	General rates	4,284,043	4,263,472	100%
2,304,414	Reserve Financial Contributions	1,750,791	1,220,000	144%
496,235	Fees and Recoveries	709,334	471,660	150%
248,903	Sundry Income	279,250	265,294	105%
6,833,830	TOTAL INCOME	7,023,418	6,220,426	113%
	OPERATING COSTS			
233,784	Cemeteries	242,451	301,666	80%
478,298	Public Conveniences	510,993	575,188	89%
689,760	Urban Open Space & Amenity Reserves	744,254	738,209	101%
-	Gateway Projects	-	36,155	0%
145,253	Trees, Plots and Verges	149,406	176,629	85%
144,992	Formal Parks & Gardens	161,850	168,379	96%
51,131	Special Interest sites	64,553	77,475	83%
445,878	Sports Grounds	509,297	517,388	98%
318,630	Rabbit Island	396,806	346,422	115%
299,694	Rural Recreation & Esplanade Reserves	339,210	372,815	91%
142,126	Walkways	170,385	166,837	102%
194,236	Miscellaneous	102,820	126,502	81%
905,087	Asset Management	1,171,979	975,786	120%
565,237	Special Purpose Committees	576,203	511,592	113%
76,396	Loan Interest	176,141	195,881	90%
1,152,780	Reserve Financial Contributions Maintenance	988,717	1,181,936	84%
950,845	Depreciation	231,593	220,098	105%
6,794,127	TOTAL OPERATING COST	6,536,658	6,688,958	98%
(39,703)	NET COST OF SERVICE (SURPLUS)	(486,760)	468,532	-104%
	TOTAL FUNDS REQUIRED			
(39,703)	Net Cost of Service (Surplus)	(486,760)	468,532	-104%
1,354,931	Capital	1,826,512	1,821,789	100%
37,532	Transfer to Restricted Reserves	-	-	-
191,719	Loan Principal Repaid	193,875	202,320	96%
1,544,479		1,533,627	2,492,641	62%
	SOURCE OF FUNDS			
178,203	General Funds	62,442	-	-
-	Loans raised	133,931	516,050	26%
405,432	Allocation from Camping, Comm Housing & Forestry	403,356	403,356	100%
-	Restricted Reserves Applied	692,305	1,353,137	51%
10,000	Advances Repaid	10,000	-	-
593,635		1,302,034	2,272,543	57%
	NON- FUNDED DEPRECIATION			
950,845	Depreciation to be funded at income statement level	231,593	220,098	105%
1,544,480		1,533,627	2,492,641	62%

COMMUNITY SERVICES

Comment:

Reserve Financial Contributions are up on budget. This is a timing issue dependent on when building development occurs.

Fees and recoveries are up on budget due to a gain on sale of property, as well as some forestry income from harvesting undertaken at Rabbit Island Domain.

Loans raised are down on budget. The loan funding relates to the work being undertaken at the Mapua Waterfront Park. Due to the timing of work there has been \$134,000 spent on this project for the year ended 30 June 2010 against a budget of \$516,050.

The net effect of reserve financial contribution transactions is a reduction in the overall balance of the Reserve Financial Contributions balance of \$692,305 for the year (against a budgeted reduction of \$1,353,137).

COMMUNITY SERVICES

COMMUNITY FACILITIES

Council introduced the concept of a Community Facilities Rate in the 2003/2004 financial year to provide a unique funding source for a wide range of community, recreational, sporting and cultural projects that were being proposed throughout the District, and for the benefit of residents of the District.

Completed projects that have been funded to date by the Community Facilities Rate include the Rotoiti Community Hall, the Moutere Hills Community Centre, ASB Aquatic Centre, the grandstand at Sports Park Motueka, the Murchison Sport, Recreation and Cultural Centre, the Tasman Tennis Centre upgrades and new courts, a contribution to the Maruia Hall, the purchase of 3000 temporary seats for use at various sporting and other events, contributions under an agreed funding formula for ongoing developments at Saxton Field, and contributions to the upgrade of the Theatre Royal and to the upgrade of the Trafalgar Centre.

In 2005 Council split the Community Facilities Rate into a District Facilities Rate and a Regional Facilities Rate to cover the wide range of projects both within the Tasman District and also in Nelson City. Council proposes to continue with the two Facilities Rates covering both the previous District and Regional Facilities. However the Regional Facilities will be renamed Shared Facilities as this recognises that most of the regional facilities are actually shared facilities that are used by many residents of both districts. Each of these rates is charged on all properties within Tasman District.

Note: All rate figures listed in this section include GST and inflation.

Proposed District Facilities Rate Funded Projects	
<p>Motueka Recreation Centre</p> <p>An \$800,000 capital works upgrade of the centre was approved in 2008/2009 funded from the Facilities Rate. Council has now increased this by \$412,840 to a total of \$1.2 million. The total cost of the project is estimated to be over \$2 million with other funding coming from Lotteries Grants and other funding sources. The project will be loan funded and the rating impact is \$4.96 per rateable property from 1 July 2009.</p>	<p>Tenders were called in 2009 with Wilkes Construction accepted in December 2009 and work commencing 11 January 2010.</p> <p>The anticipated completion date for this project was originally June/July 2010 with this now being pushed out to September 2010 due to work initially intended to be commenced in December 2009.</p> <p>It is expected this project will be completed within budget.</p> <p>There has been \$885,083 spent on this project to 30 June 2010.</p>
<p>Sports field land Motueka</p> <p>An allowance of up to \$335,000 has been made in 2009–2010 for the purchase of additional land for sports fields in Motueka (total project budget \$681,600). The project will be loan funded and the rating impact is \$1.38 per rateable property from 1 July 2009.</p>	<p>Property staff are in negotiations with the property owners and it is anticipated that this purchase will occur in the 2010/2011 financial year.</p> <p>There has been no money spent on this project to 30 June 2010.</p>
<p>Richmond community facility</p> <p>An allowance of \$776,000 has been made in 2009/2010 towards undertaking a needs analysis for a new community facility in Richmond (total project budget \$1.58 million). The project will be loan funded and the rating impact is \$3.21 per rateable property from 1 July 2009. Final decisions on whether to proceed with this project will be subject to a needs analysis and further public consultation.</p>	<p>Strategic NZ Leisure Ltd have undertaken a needs analysis, the findings of which will be presented to Council in July/August 2010.</p> <p>Funding of the facility is expected to occur within the 2010/2011 financial year.</p> <p>There has been \$10,440 spent on this project to 30 June 2010.</p>

COMMUNITY SERVICES

Proposed Shared Facilities Rate Funded Projects	
<p>Saxton Field continued development</p> <p>In conjunction with Nelson City Council, Saxton Field is continuing to be developed and this work is expected to continue over the next 10 years as new areas are developed and opened up for public use. The total cost to Tasman District of this work is expected to be approximately \$4.9 million by 2018/2019. The work will be loan funded and the rating impact in 2009/2010 is \$10.64 per rateable property.</p>	<p>Tasman District Council has been invoiced for its share of the following works:</p> <ul style="list-style-type: none"> - Cricket media/maintenance building has been completed and two 20/20 provincial games have been held since its completion. - New cricket practice strips have been completed. This was a requirement for holding first class games at the venue. - Two new all-weather softball diamonds have been completed and the under-19 championships were held at the venue. - General development ie drainage, roading and wastewater works have been ongoing. <p>There has been \$618,160 spent on this activity to 30 June 2010.</p>
<p>Motorsport Park</p> <p>An allowance of \$310,000 has been made in 2009/2010 towards the cost of providing a Motorsport facility within the District (total project budget \$630,000). This will be loan funded and the rating impact is \$1.31 per rateable property from 1 July 2009.</p>	<p>The Motor Sports Group have identified a site and are currently preparing the necessary resource consents for this.</p> <p>No money has been spent on this in this financial year.</p>
<p>Softball/hockey pavilion at Saxton Field</p> <p>An allowance of \$285,000 has been made in 2009/2010 towards the building of a joint pavilion for softball and hockey at Saxton Field (total project budget \$578,000). This will be loan funded and the rating impact is \$1.16 per rateable property from 1 July 2009.</p>	<p>Wilkes Construction were the successful tenderers for this project and construction is close to completion. The building is due to be completed for use in the 2010 hockey season. There has been \$508,444 spent on this project to 30 June 2010.</p>

COMMUNITY SERVICES

Jun-09 Actual \$	Community Facilities Rate	Jun-10 Actual \$	Jun-10 Budget \$	% of Budget
	INCOME			
-	General Rates	89,656	89,225	100%
2,330,163	Targeted Rates	3,029,764	2,995,244	101%
340,525	Fees and Recoveries	340,913	-	-
2,670,688	TOTAL INCOME	3,460,333	3,084,469	112%
	OPERATING COSTS			
5,767,124	Operational Expenses	2,822,525	3,099,947	91%
1,092,625	Loan Interest	1,259,074	1,506,687	84%
368,442	Depreciation	85,787	84,710	101%
7,228,191	TOTAL OPERATING COST	4,167,386	4,691,344	89%
4,557,503	Net Cost of Service (Surplus)	707,053	1,606,875	44%
	TOTAL FUNDS REQUIRED			
4,557,503	Net Cost of Service (Surplus)	707,053	1,606,875	44%
774,575	Capital	2,148,507	1,367,533	157%
127,209	Transfer to Restricted Reserves	-	-	-
394,131	Loan Principal Repaid	468,503	552,151	85%
5,853,418		3,324,063	3,526,559	94%
	SOURCE OF FUNDS			
-	Restricted Reserves Applied	579,264	279,419	207%
5,484,976	Loans raised	2,659,012	3,162,430	84%
5,484,976		3,238,276	3,441,849	94%
	NON- FUNDED DEPRECIATION			
368,442	Depreciation to be funded at income statement level	85,787	84,710	101%
5,853,418		3,324,063	3,526,559	94%

Comment:

Fees and recoveries relate to community contributions towards the Murchison Sport, Recreation and Cultural Centre and the Motueka Recreation Centre.

Under accounting rules Council is able to accrue June invoices which are received in July back into expenditure for June. However, if some of this expenditure relates to capital expenditure which was to be funded by bank loans then we are unable to accrue this loan funding. There is \$702,000 of loan funding which has not been taken up at year end.

Included in capital works are costs for projects which had budget which were carried forward from the 2008/2009 financial year. There was \$949,000 spent against these carried forward budgets totalling \$1.041m in the current year.

Capital works projects not undertaken during the year which were budgeted for include land for Sportspark Motueka , feasibility costs for the Motorsports park and the Richmond Community Facility.

COMMUNITY SERVICES

CAMPING GROUNDS

What We Do

Council owns four commercially-operated camping grounds on reserve land in Collingwood, Motueka, Pohara and Murchison. These camping grounds assist in meeting the demand for camping at popular holiday destinations in Tasman District for both visitors and residents.

Eventually all the camping grounds will be operated on long-term commercial lease arrangements.

Why Do We Do It

The camping grounds are located on reserve land at popular holiday destinations. They provide an opportunity for low-cost holiday and visitor accommodation and deliver a range of benefits including:

- Providing unique recreation and holiday experiences.
- Providing facilities to cater for local residents and visitors to the District.
- Providing low-cost access to riverside and coastal camping.

These reserves have historically been used as camping grounds – a permitted activity under the Reserves Act 1977. Council recognises that operating camping grounds is not core business and has endeavoured to enter into long-term lease arrangements to limit its involvement in the day-to-day running of these businesses.

Our Goal

Our aim is to ensure that Council-owned camping grounds provide holiday opportunities for visitors and residents and that they continue to be commercially viable and provide good financial returns to Council.

How this activity contributes to the Community Outcomes

- Provision of camping grounds that enable people to have affordable and enjoyable holidays in the outdoors.

Our Level of Service

- Camping grounds to provide the opportunity for people to have holidays in the outdoors.

How we measure progress

Camping grounds are well used, measured through annual dividends returned to Council. [Target: Dividend increased to \$227,700	Annual dividend of \$227,700 returned to Council.
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Major Activities

Upgrade of facilities at Murchison. Budget: \$51,605.	The project is now complete. There has been \$13,504 spent on this project to 30 June 2010.
Upgrade of facilities at Collingwood. Budget: \$30,963.	This project is underway and still ongoing. The cabin upgrades are now complete. There has been \$12,771 spent on this project to 30 June 2010.
Organise long-term leases for Collingwood and Murchison camping grounds.	The Collingwood lease has been deferred for another 12 months waiting on shifting of the tennis courts and completion of the facility upgrade. A new lease has been signed with the existing Murchison lessees.

COMMUNITY SERVICES

Jun-09 Actual \$	Camping Grounds	Jun-10 Actual \$	Jun-10 Budget \$	% of Budget
	INCOME			
688,015	Fees and Recoveries	639,665	618,931	103%
22,488	Sundry Income	27,061	23,968	113%
710,503	TOTAL INCOME	666,726	642,899	104%
	OPERATING COSTS			
14,682	Motueka Top 10 Holiday Park	24,697	38,688	64%
27,956	Pohara Beach Top 10 Holiday Park	37,173	51,999	71%
141,029	Collingwood Motor Camp	143,793	168,864	85%
30,432	Riverview Holiday Park	29,917	29,060	103%
25,894	General	35,162	40,719	86%
26,285	Loan Interest	51,239	34,722	148%
241,385	Depreciation	58,610	51,867	113%
507,663	TOTAL OPERATING COST	380,591	415,919	92%
(202,840)	NET COST OF SERVICE(SURPLUS)	(286,135)	(226,980)	126%
	TOTAL FUNDS REQUIRED			
(202,840)	Net Cost of Service (Surplus)	(286,135)	(226,980)	126%
852,573	Capital	437,132	82,568	529%
237,272	Transfer to Parks & Reserves Account	227,700	227,700	100%
24,614	Loan Principal Repaid	52,545	38,853	135%
911,619		431,242	122,141	353%
	SOURCE OF FUNDS			
584,917	Loans Raised	272,922	-	-
85,316	Restricted Reserves Applied	99,710	70,274	142%
670,234		372,632	70,274	530%
	NON- FUNDED DEPRECIATION			
241,385	Depreciation to be funded at income statement level	58,610	51,867	113%
911,619		431,242	122,141	353%

Comment:

Operating costs are down on budget mainly due to less maintenance work being required at the camping grounds.

Included in capital works are costs for projects which had budgets which were carried forward from the 2008/2009 financial year. These works related to capital projects at Pohara and Motueka camping grounds.

COMMUNITY SERVICES

COMMUNITY HOUSING

What we do

This activity involves providing housing predominantly for elderly and other people who comply with the Council's Policy on Pensioner Housing. Council owns 30 cottages in Richmond, seven each in Brightwater and Wakefield, 45 cottages in Motueka and four cottages each in Takaka and Murchison, giving a total of 97.

Housing allocation is carried out as per Tasman District Council's Policy on Pensioner Housing. This policy also sets income and asset limits and eligibility criteria.

This activity is provided for at no cost to the ratepayers, as rental income covers the total operating costs.

Why We Do It

Prior to 1992 Government provided subsidies and low-interest loans to local authorities to provide housing for the elderly. When these subsidies ceased Council resolved to continue with the provision of housing.

Council considers it has a social responsibility to provide affordable cottages for pensioners.

Our Goal

To provide housing for elderly and other people who meet the criteria of Council's Policy on Pensioner Housing that is affordable, accessible and appropriate.

How this activity contributes to the Community Outcomes

- By providing good quality, affordable housing for the elderly and others who meet the criteria of Council's Policy on Pensioner Housing.

Our Levels of Service

- Housing that helps meet the needs of the elderly and people with disabilities.

How We Measure Progress

The tenants are satisfied with the standard, quality and management of cottages.[Target: Tenant satisfaction with standard, quality and management of cottages is 80% as measured through a biennial survey]. Three new cottages may be built in 2009/2010	Not currently measured. The survey will be undertaken in the 2010/2011 financial year. Land has been purchased and planning is underway for three new cottages to be built in 2010/2011.
Our cottage rents do not exceed 80% of market rentals, as measured at least three yearly by a registered valuer.	Cottage rents do not exceed 80% of market rentals as measured by Duke & Cooke Ltd (Registered Valuers) in September 2007. A market rentals review will be undertaken in the 2010/2011 financial year.

COMMUNITY SERVICES

Major Activities

Investigation into provision of additional cottages in Richmond and Motueka	<p>Land has been purchased to build three new cottages in Richmond on adjoining land in Hill Street.</p> <p>Cottage construction is anticipated to commence in 2010/2011.</p> <p>There has been \$113,515 spent on this to 30 June 2010.</p>
Continue provision and management of existing housing.	This is an ongoing function being performed to target.

Jun-09 Actual \$	Community Housing	Jun-10 Actual \$	Jun-10 Budget \$	% of Budget
	INCOME			
475,369	Fees and Recoveries	488,070	497,421	98%
35,160	Sundry Income	41,893	37,475	112%
510,529	TOTAL INCOME	529,963	534,896	99%
	OPERATING COSTS			
357,923	General	324,225	427,375	76%
29,519	Loan Interest	23,186	18,905	123%
299,628	Depreciation	72,792	64,212	113%
687,070	TOTAL OPERATING COST	420,203	510,492	82%
176,541	NET COST OF SERVICE (SURPLUS)	(109,760)	(24,404)	450%
	TOTAL FUNDS REQUIRED			
176,541	Net Cost of Service (Surplus)	(109,760)	(24,404)	450%
16,402	Capital	128,953	382,393	34%
24,181	Transfer to Restricted Reserves	-	1,463	0%
22,504	Transfer to Parks & Reserves Account	24,871	24,871	100%
60,000	Loan Principal Repaid	76,543	73,443	104%
299,628		120,607	457,766	26%
	SOURCE OF FUNDS			
-	Restricted Reserves Applied	47,815	393,554	12%
-		47,815	393,554	12%
	NON- FUNDED DEPRECIATION			
299,628	Depreciation to be funded at income statement level	72,792	64,212	113%
299,628		120,607	457,766	26%

Comment:

Operating costs are down on budget mainly due to less staff time required in managing this activity.

Capital works are down on budget. The budget was mainly for building three new cottages. The land has been purchased and planning is underway for the new cottages to be built in 2010/2011.

GOVERNANCE

GOVERNANCE

What We Do

This activity involves running the electoral process to provide the District with a democratically-elected Mayor, Council and Community Boards and the governance of the District by its elected representatives. It also involves:

- Support for councillors.
- Organising and preparation for Council meetings.
- Preparing Council's strategic plans and annual financial reports.
- Running elections and democratic processes.

Why We Do It

We undertake this function to support democratic processes and Council decision-making, while meeting our statutory functions and requirements.

Electoral process

Tasman District is divided into five electoral wards – Golden Bay, Lakes/Murchison, Motueka, Moutere/Waimea and Richmond. Councillors are elected by ward. The Mayor is elected from across the District. We have Community Boards in Golden Bay and Motueka.

Elections are held every three years under the Local Electoral Act 2001.

Council comprises a Mayor and 13 Councillors elected as follows:

Ward	Councillors
Golden Bay	2
Lakes/Murchison	1
Motueka	3
Moutere/Waimea	3
Richmond	4

Friendly towns

Tasman District Council enjoys Friendly Town relationships with three cities, two in Japan and one in Holland. Motueka has a relationship with Kiyosato, Japan and Richmond with Fujimi-Machi, Japan. There are regular exchanges of students and adults between the towns. A District-wide friendly town arrangement exists between Grootegaast in Holland and Tasman District. Both parties are using this arrangement to encourage economic and cultural relations between our two districts.

How this activity contributes to the Community Outcomes

- The Governance activity contributes to the community outcomes by ensuring democratic processes and strategic planning are undertaken, and by supporting the work of elected members.

Our Levels of Service

- Support for Iwi to enable them to be consulted on Council statutory issues.
- Support for economic development in the Tasman District.
- Good strategic and annual planning for the Council.
- Effectively-run election processes.

GOVERNANCE

Jun-09 Actual \$	GOVERNANCE	Jun-10 Actual \$	Jun-10 Budget \$	% of Budget
4,030,146	Governance	3,462,605	3,598,455	96%
4,030,146	TOTAL COSTS	3,462,605	3,598,455	96%

How We Measure Progress

Funding is provided to enable iwi consultation with Council on a wide range of statutory issues. [Target: 90% of funding budgeted is allocated during any given year.]	Council continues to provide funding and engage with iwi on a wide range of issues. At 30 June 2010, 22% of funding budgeted for the year had been allocated. Funding had been allocated for preparation of an iwi management plan, however, this had not been commenced by iwi at 30 June 2010.
Funding is provided for economic development opportunities in Tasman District. [Target: 90% of funding budgeted is allocated during any given year.]	Council continues to provide funding for economic development. At 30 June 2010, 66% of funding budgeted for the year had been allocated.
The Ten Year Plan is prepared within statutory timeframes. Variations to this Ten Year Plan through the 2010/2011 draft Annual Plan process are well managed. [Target: All Ten Year Plan statutory timeframes are met. Variations are managed to meet statutory requirements.]	Council reviewed its LTCCP Year 2 and detailed the variations in its draft Annual Plan 2010/2011. All statutory requirements and timeframes were met.

GOVERNANCE

Jun-09 Actual \$	Governance	Jun-10 Actual \$	Jun-10 Budget \$	% of Budget
	INCOME			
3,589,990	General Rates	3,124,723	3,109,719	100%
238,722	Targeted Rates	312,445	319,644	98%
21,127	Fees and Recoveries	16,334	10,350	158%
144,485	Sundry Income	159,244	153,999	103%
3,994,324	TOTAL INCOME	3,612,746	3,593,712	101%
	OPERATING COSTS			
2,966,097	Council and Community Boards	3,013,948	3,057,478	99%
164,399	Community Assistance	270,288	317,380	85%
28,967	Elections	49,632	32,894	151%
246,009	Statutory Compliance	-	-	-
126,300	Economic Development	123,600	186,246	66%
477,595	Customer Service	-	-	-
20,779	Depreciation	5,137	4,457	115%
4,030,146	TOTAL OPERATING COST	3,462,605	3,598,455	96%
35,822	NET COST OF SERVICE (SURPLUS)	(150,141)	4,743	-3166%
	TOTAL FUNDS REQUIRED			
35,822	Net Cost of Service (Surplus)	(150,141)	4,743	-3166%
44,785	Transfers to Disaster Fund	41,400	41,400	100%
80,607		(108,741)	46,143	-236%
	SOURCE OF FUNDS			
59,828	General Funds	(113,878)	41,686	-273%
59,828		(113,878)	41,686	-273%
	NON- FUNDED DEPRECIATION			
20,779	Depreciation to be funded at income statement level	5,137	4,457	115%
80,607		(108,741)	46,143	-236%

Comment:

Community Assistance operating costs are down on budget mainly due to less staff time required in managing this area.

Targeted rates are down on budget due to the tourism levy received being less than anticipated.

COUNCIL ENTERPRISES

Policy and Objective

The activities encompassed within Council Enterprises are operated with a commercial focus, based on providing a desired level of return to Council on the assets employed.

Nature and Scope

There are two significant areas under which this activity is performed by Council.

- a) **Property** – administration of all Council-owned properties and buildings. Assistance and advice on acquisition, development or disposal of Council's property assets.
- b) **Forestry** – the management and development of forests owned by Council, principally as a commercial undertaking but with associated recreational and environmental benefits. The forest resource currently totals around 2,800 planted hectares in seven locations, namely Rabbit Island (Moturoa), Motupiko (Borlase), Wai-iti (Tunnickliff), Richmond Hills (Kingsland), Howard Valley, Sherry River and Eves Valley.

Contribution of Activities to Community Outcomes

This group of activities primarily contributes to the following outcomes:

- Our growing and sustainable economy provides opportunities for us all.
- Our vibrant community is safe, well, enjoys an excellent quality of life and supports those with special needs.
- Our community understands regional history, heritage and culture.

Jun-09 Actual \$	COUNCIL ENTERPRISES	Jun-10 Actual \$	Jun-10 Budget \$	% of Budget
1,295,131	Property	1,142,862	1,149,519	99%
1,672,443	Forestry	1,262,136	550,924	229%
2,967,574	TOTAL COSTS	2,404,998	1,700,443	141%

COUNCIL ENTERPRISES

PROPERTY

What We Do

This activity encompasses the provision of property related services to the Council. This includes:

- The provision of facilities for Council's properties (libraries and administration offices), their management, maintenance and development.
- The acquisition and disposal of property for Council purposes.
- The management, maintenance and development of Council's commercial property portfolio.
- The provision of property services to other activities of the Council including lease and rental services, property valuation services, property advisory services and the provision of a Council property register.
- Property associated with infrastructural assets.

Why We Do It

The Council is the owner or custodian of a substantial property portfolio and has identified the need for quality property services and professional expertise within the Council to meet its ongoing property requirements

Our Goal

We aim to provide quality and timely services for Council and Council facilities, which satisfy community needs and expectations.

How this activity contributes to the Community Outcomes

- We will support the development or sale of Council property where appropriate to provide business or employment opportunities.
- Our offices, libraries and other public facilities will be accessible for persons with disabilities, and will provide a safe and welcoming environment.
- The activity can be managed so the impact of any property development upon the environment is minimised and any future developments have environment sustainability as an expectation.

Our Levels of Service

- Effective management of Council property services to enable other council activities to carry out their functions.
- Buildings and property services that comply with legislative and resource and building consent requirements.

How We Measure Progress

Other departments reasonable expectations of the property services are delivered as measured by a three yearly survey of selected customers. [Target: 70% of customers surveyed are fairly or very satisfied.]	This target has not been measured. The target is scheduled to be measured for the 2010/2011 Annual Report.
All buildings meet all legislative, resource consent and building consent requirements. [Target: 100% compliance.]	100% compliance.

COUNCIL ENTERPRISES

Major Activities

Facilities management and maintenance of Council properties and buildings.	Scheduled and unscheduled maintenance is performed as required. Facility management contracts are in place for security, cleaning and painting. All properties needing building warrants of fitness have them.
Maintenance of leases and management of Council properties.	All leases are reviewed monthly. Inspections are undertaken at least on an annual basis.
Property acquisition for asset management.	Property staff meet regularly with asset managers and staff from MWH New Zealand Ltd to update each other on their property acquisition requirements. Individual files are maintained for each project and a separate database is maintained showing progress with each project.
The development, sale or leasing of Tourism Services-zoned land at Champion Road Richmond and land at Port Mapua.	The Champion Road site has been cleared but is waiting on the economy to improve before any development is to occur. Developer proposals for Port Mapua will go out once the economy has improved.
The proposal to sell the freehold of certain endowment lands at Port Motueka.	With the caveats lifted post the November 2009 Court hearing work is now underway with valuations for these properties finalised in February 2010. Currently there are six sales pending.
Complete the internal extensions and refurbishment of the District Library building at Richmond. Budget: \$1,857,780.	This project is completed. There has been \$2,141,208 spent on this project to 30 June 2010.
Expansion or refurbishment of the Main Office at Richmond to provide for growth. Budget \$1,032,100.	This allocation has been carried forward to 2010/2011 with work expected to be completed later in 2011.

COUNCIL ENTERPRISES

Jun-09 Actual \$	Property	Jun-10 Actual \$	Jun-10 Budget \$	% of Budget
	INCOME			
655,243	General Rates	530,440	527,893	100%
552,686	Fees and Recoveries	681,942	750,118	91%
26,881	Sundry Income	32,349	28,651	113%
1,234,810	TOTAL INCOME	1,244,731	1,306,662	95%
	OPERATING COSTS			
516,945	Operational Property	498,400	452,398	110%
348,947	Commercial Property	469,630	456,039	103%
50,900	Loan Interest	97,315	144,056	68%
378,339	Depreciation	77,517	97,026	80%
1,295,131	TOTAL OPERATING COST	1,142,862	1,149,519	99%
60,321	NET COST OF SERVICE (SURPLUS)	(101,869)	(157,143)	65%
	TOTAL FUNDS REQUIRED			
60,321	Net Cost of Service (Surplus)	(101,869)	(157,143)	65%
959,492	Capital	2,203,234	3,132,424	70%
32,148	Loan Principal Repaid	81,373	114,835	71%
1,051,961		2,182,738	3,090,116	71%
	SOURCE OF FUNDS			
823,668	Loans raised	1,881,732	2,993,090	63%
(150,046)	General Funds	223,489	-	-
673,622		2,105,221	2,993,090	70%
	NON- FUNDED DEPRECIATION			
378,339	Depreciation to be funded at income statement level	77,517	97,026	80%
1,051,961		2,182,738	3,090,116	71%

Comment:

Fees and recoveries are down on budget due to receiving less rental and lease income than budgeted.

Under accounting rules we are allowed to accrue June invoices which are received in July into expenditure for June. However, if some of this expenditure relates to capital expenditure which was to be funded by bank loans then we are unable to accrue this loan funding. There is \$270,000 of loan funding which has not been taken up at year end.

Capital works projects for the year included a budget of \$1.032m for the expansion or refurbishment of the main office at Richmond to provide for growth. This project is 100% loan funded. This allocation has been carried forward to 2010/2011 with work expected to be completed later in 2011.

COUNCIL ENTERPRISES

FORESTRY

What We Do

This activity involves the management of approximately 2,800 stocked hectares of commercial plantation forest. The current preferred species for the forests is Radiata Pine. Council forests are currently managed under contract by P F Olsen Ltd

Why We Do It

- To provide a steady income to offset rates.
- To provide recreational opportunities, where appropriate.

Our Goal

To provide a commercial forestry operation that will contribute towards the enhancement of Council's recreational assets and maximise net returns on a sustainable basis to provide a contribution to rates.

How this activity contributes to the Community Outcomes

- Our plantation forests assist in reducing the carbon footprint for Tasman District.
- We provide walkways and cycleways in our plantation forests, where appropriate.
- Plantation forestry assists in providing green space and the retention of rural character.
- We provide business opportunities for planting and tending of forests, plantation management and the logging and sale of logs.
- We endeavour to supply the majority of product to local markets, where financially appropriate.

Our Levels of Service

- We will responsibly manage liabilities for any carbon credits.
- We will endeavour to provide recreational access, where it is appropriate and does not interfere with forestry operations.
- A product which is saleable on local and international markets.
- Our forestry operations will be managed on a commercial basis recognising any component of public good.

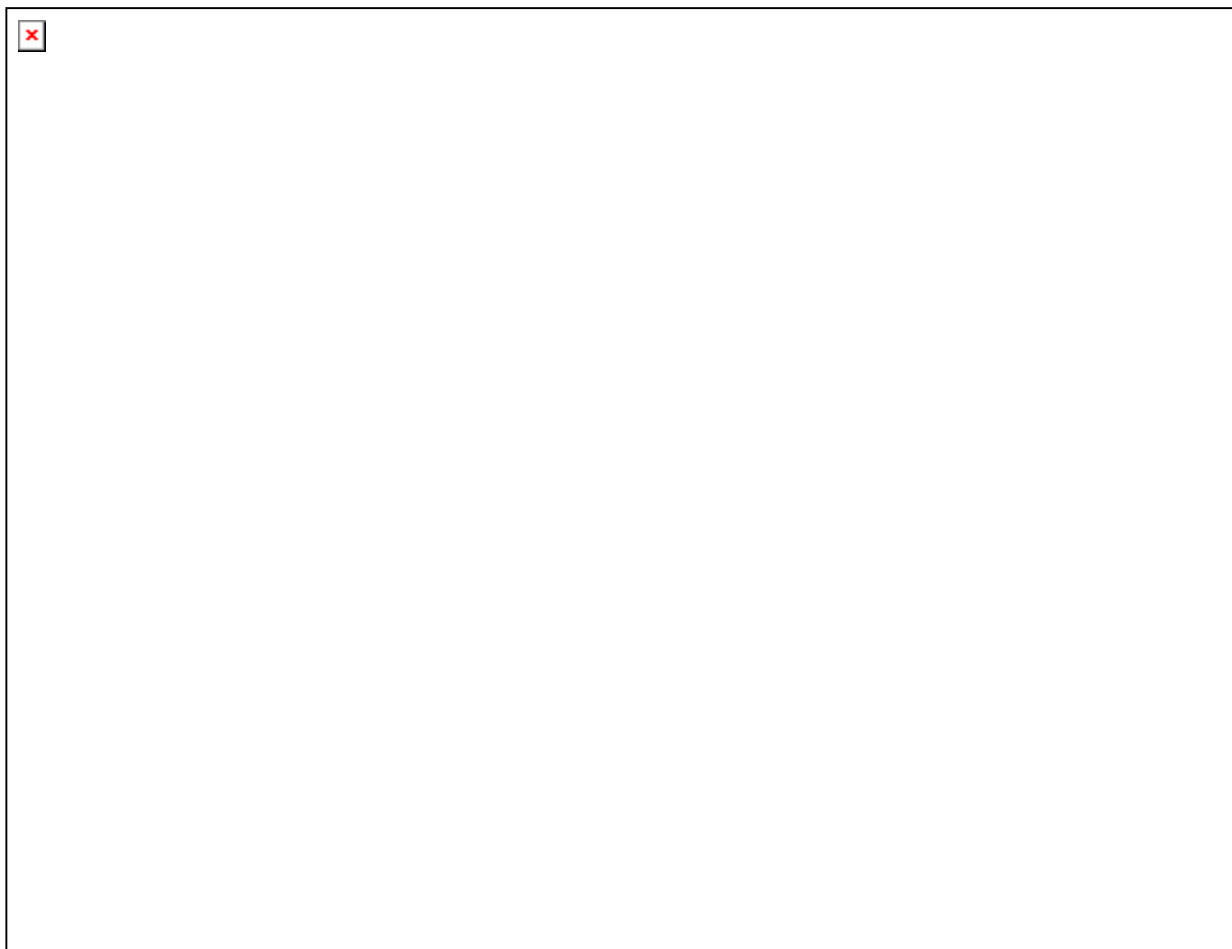
How We Measure Progress

We meet the requirements laid down by government. [Target: Will depend on the policies of the new government.]	Council has appointed PF Olsen Ltd in the interim to manage the Emissions Trading Scheme (ETS) on our behalf.
We develop and implement a policy on recreational access to our plantation forests. [Target: Reviewed as required.]	This is now scheduled to be completed by 31 December 2010.
Our projected annual harvesting targets are met within a tolerance of 15%.	This target was not achieved in the current year. An updated cut plan had revised the harvesting tonnage for the year to 19,000 tonnes (against an original budget of 23,000 tonnes). Harvesting was centred at Rabbit Island including a small job at Greenslade Park. Total harvested volume was 19,679 tonnes. The remaining tonnes are scheduled to be harvested in the 2010/2011 year.
A business plan for forestry has been approved and implemented by the Council. [Target: The plan will be reviewed as required.]	A business plan for forestry is scheduled for the near future.

COUNCIL ENTERPRISES

Major Activities

Planting, tending and harvesting of exotic forests.	An updated cut plan had revised the harvesting tonnage for the year to 19,000 tonnes (against an original budget of 23,000 tonnes). Harvesting was centred at Rabbit Island including a small job at Greenslade Park. Total harvested volume was 19,679 tonnes. The remaining tonnes are scheduled to be harvested in the 2010/2011 year.
Policy on recreational access to be adopted by June 2010.	This has yet to commence but is expected to be completed by 31 December 2010. The timeframe for this project has been pushed out due to delays in finalising contracts with foresters.



Comment:

Fees and recoveries are up on budget due to the budget netting off forestry harvesting income against harvesting costs. Rabbit Island operating costs are above budget for the same reason.

Forestry has enjoyed buoyant log prices which have in part masked the lower harvesting tonnage than budgeted for the year.

The value of Council's forestry estate has increased by \$1,741,599 in the current financial year. This is due to an increase in log prices, a change in the corporate tax rate, and the ageing of the trees.

APPENDIX ONE

**Environment and Planning Department
Applications Processed
1 July 2009 to 30 June 2010**

1. Resource Management Act				
Type of Consent	Outcomes 2008/09		Outcomes 2009/10	
Land Use	547		583	
Subdivision	180		170	
Title Plans	132		146	
Completion Certificates	144		133	
Certificates of Compliance	53		2	
Water	47		58	
Discharge	162		133	
Coastal	24		16	
Resource Consent Transfers	90		120	
2. Building Act				
Type of Consent	2008/09		2009/10	
	No. Issued	Value (\$)	No. Issued	Value (\$)
Dwelling	277	79.0M	275	78.6M
Commercial	91	13.0M	31	14.6M
Other	1,097	41.1M	1,193	45.8M
1.1 Totals	1,465	\$133M	1,499	\$139M
3. Licences				
Type	2008/09		2009/10	
	No. of Certificates Issued		No. of Certificates Issued	
Food Premises	287		304	
Hairdressers	33		37	
Camp Grounds	27		31	
Hawkers/Mobile Shops	37		46	
Others	49		16	
Commercial Vessel Operators	39		30	
4. Sale of Liquor				
Type of Licence	2008/09		2009/10	
	No. of Licences Issued		No. of Licences Issued	
Manager's Certificate	259		304	
On and Off Licence	95		90	
Club Licence	5		15	
Special Licence	90		95	
Temporary Authority Order	103		39	
5. Other				
Type	2008/09		2009/10	
Land Information Memoranda	530		483	
Complaints Received	1,969		2,131	
Abatement Notices Issued	45		70	
Infringement Notices Issued	29		45	
Enforcement Orders	3		3	
Excessive Noise Direction	15		51	

**Committees and Responsibilities
For the year ended 30 June 2010**

COMMITTEES AND RESPONSIBILITIES

There are four standing Committees of Council, each having delegated powers to handle their affairs. All Councillors have membership on these four committees. Mayor Kempthorne is an ex officio member of all committees. Committees normally meet six weekly.

Engineering Services Committee

This Committee has responsibility for roads, bridges, water supply, wastewater treatment and disposal, solid waste collection/disposal and waste minimisation, coastal protection, stormwater collection and disposal, ports/wharves and boat ramps (excludes Port Tarakohe), aerodromes (excludes Motueka Airport), rivers and waterways, public transport.

This Committee is chaired by Cr T E Norriss.

Community Services Committee

This Committee has responsibility for recreation and development, parks and reserves, sports grounds, public halls, libraries, walkways, camping grounds, cemeteries, community and cultural facilities, property management, public conveniences, rural fire, grants and community housing.

This Committee is chaired by Cr S Bryant.

Environment and Planning

This Committee has responsibility for resource management, policy, consents, environmental health, building control, sale of liquor, biosecurity, maritime safety, Council's response to climate change, animal control.

This Committee is chaired by Cr M J Higgins.

Corporate Services Committee

This Committee is responsible for providing financial and administrative services to the Council and other departments, including rate collection and financial management.

This Committee is chaired by Cr T B King

APPENDIX TWO

SUBCOMMITTEES

In addition to these standing committees, Council also has a number of special purpose subcommittees. These have delegated powers and only meet as required. Their function is to examine specific areas of Council operations and then make recommendations to their parent committee or full Council. The Mayor is ex-officio on all subcommittees.

The current subcommittees are:

Council Enterprises

(reporting to Corporate Services) – Crs M J Higgins (Chair), S G Bryant, J L Inglis, T E Norriss, N Riley.

Communications

(reporting to Corporate Services) – Crs E J Wilkins (Chair), J L Edgar, S J Borlase.

Creative Communities

(reporting to Community Services) – Crs S J Borlase (Chair), J L Edgar plus community representatives.

CEO Review

(reporting to Council) – Mayor R G Kempthorne (Chair), Crs S J Borlase, T B King.

Audit

(reporting to Corporate Services) – Crs S J Borlase (Chair), R G Currie, B F Dowler, B W Ensor, G A Glover, M J Higgins.

Grants and Community Facilities

(reporting to Community Services) – Crs S J Borlase (Chair), S G Bryant, B F Dowler, J L Edgar, T B King.

Community Awards

Crs N Riley, E J Wilkins

Mature Persons

Crs N Riley, E J Wilkins

Development Contributions

Crs M J Higgins, T E Norriss

APPENDIX TWO

Council Representatives For the year ended 30 June 2010

TASMAN DISTRICT COUNCIL REPRESENTATIVES AND APPOINTMENTS

Joint Shareholders

Mayor R G Kempthorne, Crs T B King, S G Bryant

Nelson Airport Limited

Council Director Cr M J Higgins

Port Nelson Limited

Council Director Cr T B King

Nelson Regional Sewerage Business Unit

Crs M J Higgins, G A Glover

Tasman Regional Sports Trust Board

Mayor R G Kempthorne

Nelson Tasman Business Trust

Cr B W Ensor

Appointments Committee (Tasman Bays Heritage Trust)

Mayor R G Kempthorne

Nelson Tasman Physical Activity Plan Steering Group

Crs B W Ensor, G A Glover

Positive Ageing Forum

Cr J L Edgar

Tasman Youth Council

Crs S G Bryant, G A Glover

Arts Strategy Working Group

Cr S J Borlase

Mayors' Taskforce for Jobs – Nelson Tasman Connections Steering Group

Mayor R G Kempthorne

Nelson Tasman Housing Forum

Crs S J Borlase, R G Currie.

Saxton Field Working Group

Crs J L Edgar, R G Currie

Tasman Regional Transport Committee

Crs T E Norriss (Chair), T B King, S G Bryant, B F Dowler, J L Edgar.

APPENDIX TWO

Councillor Portfolios For the year ended 30 June 2010

Aquaculture

Cr N Riley

Civil Defence/Emergency Management

Crs T B King and Mayor R G Kempthorne

Energy

Mayor R G Kempthorne

Friendly Towns

Cr E J Wilkins

Golden Bay Patriotic Welfare Committee

Cr N Riley

Health

Cr J L Inglis

Heritage

Cr E J Wilkins

LGNZ/Regional Affairs Committee

Mayor R G Kempthorne

Maori and Iwi Liaison

Mayor R G Kempthorne

Motorsport

Cr R G Currie

Patriotic Council

Cr J L Inglis

Port Nelson Trust

Cr T B King

Regional Animal Health

Cr S J Borlase

Rural Services

Cr T E Norriss

Strategic Water Resources

Mayor R G Kempthorne, Crs T B King, R G Currie, J L Inglis

Talking Heads

Mayor R G Kempthorne

Tenders

Crs S G Bryant, M J Higgins, T E Norriss

Total Mobility

Cr J L Edgar

APPENDIX THREE

Management Staff

Chief Executive Officer

P Wylie

Environment and Planning Manager

D C Bush-King

Corporate Services Manager

M W Staite

Engineering Services Manager

P W Thomson

Community Services Manager

L L Kennedy

Strategic Development Manager

S Edwards

Bankers

ASB Bank Ltd

Queen Street, Richmond

Solicitors

Fletcher Vautier Moore

2 Cambridge Street, Richmond

Auditors

Audit New Zealand, on behalf of the Office of the Auditor-General

Employment Policy Statement

Equal Employment Opportunities

Charter

In accordance with Schedule 7, Part 1, Clause 36 of the Local Government Act 2002, the Tasman District Council has a policy of Equal Employment Opportunity for all workers and regards the identification and elimination of any discrimination and the provision of equal opportunities as essential principles in the management of its staff resources.

The Council affirms this commitment through a policy of positive action by adopting constructive policies and practices for equal opportunities in all aspects of employment, including recruitment and selection, training and development, education, career path planning and promotions. The objective of this policy is to ensure that for any given position, the best available person gets the job.

Application

This Charter shall apply equally to all employees of the Tasman District Council. No employee, or potential employee, shall be discriminated against by reason of their race, colour, national or ethnic origin, union membership, age, sex, marital status, religious or political beliefs, physical disability where these are not related to the person's ability to carry out the job.

Executive Responsibility

It is the responsibility of the Chief Executive, through each manager and supervisor, to promote this policy. All employees are invited to contribute suggestions for ongoing action under this programme.

The various elements in this policy, while compiled to meet the requirements of the Local Government Act 2002, are all to be consistent with:

- Good personnel policy and practices
- Human Rights Act 1993
- Other legislation concerning employment
- Race Relations Act 1971
- Privacy Act 1993
- Health and Safety Act 1992
- Employment Relations Act 2000

During this financial year, Council encouraged staff to attend a series of training courses, both in-house and externally, with the specific intention of providing work place situations, and enhancing staff knowledge for the benefit of Council's customers. In many instances these course have been provided, and attended, in response to new legislative requests such as LTCCP preparation and the Rates Rebate Scheme.

APPENDIX FIVE

Maori participation in Decision-Making Processes

As required by Schedule 10, Part 3, Clause 21 of the Local Government Act 2002 Council reports on the process undertaken to provide Maori with opportunities to contribute to decision-making in the Council. Council recognises its obligations to Maori under various enactments, and has in place mechanisms to provide for Maori input into decision-making.

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

Ngati Rarua
Te Ati Awa
Ngati Koata
Ngati Kuia
Ngati Apa
Ngati Tama
Kati Waewae, Te Koti
Ngati Toa

Council attends regular liaison meetings with Maori groups in the community, including attendance at the Tiakina Te Taiao and Manawhenua ki Mohua meetings. These and other meeting attendances enable service delivery issues and other matters of concern to be identified and fed back into the organisation to be considered and addressed at the appropriate level.

Council also has a formal arrangement with iwi in regard to the review of resource management consent applications and actively works with the various iwi concerned in regard to planning issues.

In order to support its work, Council has within its workforce, policy and liaison expertise to enable it to respond to issues raised by the Maori community.

Council continues to liaise with iwi in regard to enhancing relationships and involvement in appropriate issues.

Statement on Fostering Maori Participation in Council Decision-Making

Purpose

This statement outlines the steps Council intends to take to foster Maori capacity to contribute to Council decision-making processes over the period of this LTCCP, as required by Schedule 10(5) of the Local Government Act 2002.

Background

For some time, Council has been increasingly aware of the importance of furthering a close working relationship between the District's Maori community and itself. The Council recognises the wealth of special values that the tangata whenua hold for the places, the resources, the history and the long-term sustainability of the District. Council further recognises that its activities and services impinge daily on these values and that in order to make appropriate decisions, Council must account for the values of Maori as a special set of community values. Council consults and engages with Maori on a regular basis. In certain cases, these are ongoing processes required by legislation such as the Resource Management Act 1991. Other cases are a way of recognising the spirit of partnership inherent in the Treaty of Waitangi.

APPENDIX FIVE

Steps Council is taking to foster Maori participation in Council decision-making:

The Local Government Act 2002 places a number of obligations and responsibilities on Council in regard to Maori. These include the need to establish and maintain processes to:

- provide opportunities for Maori to contribute to the decision-making processes of Council.
- consider ways in which we may foster the development of Maori capacity to contribute to the decision-making processes of Council.
- provide relevant information to Maori for the above purposes. There are a number of methods being put forward by Maori and local authorities around New Zealand to improve their relationships. The methods set out below are not exhaustive, but represent some of the steps that could be considered following meetings with each iwi and Maori, to improve our relationship:
 - a) Committing to regular hui/liaison meetings with iwi and Maori to develop the relationship further and to discuss specific and general issues of relevance to both parties.
 - b) Through the hui in a) above, working with iwi/Maori to identify how to gain input into issues of relevance to iwi and Maori, including the opportunity to be involved in relevant working groups.
 - c) Providing assistance to iwi to prepare an Iwi Management Plan.
 - d) Appointing a Councillor as a Maori/iwi portfolio holder.
 - e) In conjunction with iwi, continue providing some future structured training/ familiarisation courses to improve Councillors' and staff understanding of iwi perspectives.
 - f) Consulting with iwi on the formation of the Long Term Council Community Plan, the Annual Plan and on relevant changes to the Tasman Resource Management Plan.