



Tasman District Council

Annual Report

30 June 2013

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



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Directory

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

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

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

Main Office

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Golden Bay Office

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Telephone: 03 525 0020
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Murchison Office

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Telephone: 03 523 1013
Fax: 03 523 1012

**Membership of Council
For the year ended 30 June 2013**

Tasman Mayor



Mayor Richard Kempthorne

Moutere/Waimea Ward



Cr Brian Ensor



Deputy Mayor, Cr Tim King



Cr Trevor Norriss

Lakes/Murchison Ward



Cr Stuart Bryant

Golden Bay Ward



Cr Martine Bouillir



Cr Paul Sangster

Motueka Ward



Cr Barry Dowler



Cr Jack Inglis



Cr Eileen Wilkins

Richmond Ward



Cr Kit Maling



Cr Judene Edgar



Cr Glenys Glover



Cr Zane Mirfin

Mayor and Chief Executive Officer Overview

The last year has been very positive, financially and with a number of improvements to the facilities and services provided to Tasman residents and businesses. Two examples are the development of Tasman's Great Taste Trail, which is expected to bring an additional \$20 million per annum into our region once it is completed, and Council support for the redevelopment of the Mapua Hall.

During the year the Council has also been planning for the future and working with the community on meeting expected growth. Plan Changes such as those currently being consulted on for Motueka, and discussions with the community on the options for rural land use, and intensification of residential development in Richmond are some of the projects that we have been working on. Public feedback on these Plan Changes is important to create a District that meets growth and provides a range of living options for residents.

Extreme rainfall events have once again been the main challenge in the past year. In April 2013 residents and businesses in Richmond as well as in neighbouring Stoke were subjected to flooding when over 100mm of rain fell in just one hour. The community responded amazingly to this event and helped each other through. Following submissions to the Draft Annual Plan the Council allocated \$500,000 towards improving the stormwater systems in the Champion Road area. Work has already started on this project and the intention is that the stormwater system will be upgraded to manage a 1 in 100 year rainfall event.

It takes time to recover and rebuild from severe weather events. The rainfall in December 2011 required work to be undertaken in other parts of the District. The Council also brought forward work on the Pohara water treatment plant as a result of this storm. We are very mindful that the money that the Council spends comes from residents, ratepayers and businesses. An important project this year that will improve services and also reduce costs was bringing back in-house some of the Engineering Services that were previously provided by consultants. This project is already providing benefits with Council having improved access to information on its assets and better able to respond to customer needs. We have also retendered a number of contracts in other activity areas and achieved cost savings as a result.

The 2012/13 year was a good one in financial terms. The Council debt at the end of June 2013 was \$158 million (including joint venture share of borrowings), which was under budget. That is a good result because our borrowing was ahead of budget at the beginning of the year. During the year Council purchased \$23.7 million of additional assets and spent \$79.6 million on services. The Council continues to be in a strong financial position. Ratepayers' equity increased during the year from \$1.130 billion to \$1.185 billion. We have significant financial challenges ahead and work is underway to address them.

Tasman District Council's mission is to "enhance community well-being and quality of life", and the services that we have provided this year were focused on delivering on this promise. It is a pity that so much of what Council does and provides is unseen by the casual observer - the new pipes that are buried, the trees that are planted, the road resealed, the grants given, water and air measurements taken, the conflicts resolved and so on. If you would like to find out more about what we have achieved, please read on. Finally, thank you on behalf of councillors and the members of our staff for the contribution so many of you have made, directly as well as by supporting the work of Council, to help us achieve our vision for Tasman.



Richard Kempthorne
Mayor



Lindsay McKenzie
Chief Executive Officer

Summary of the 2012/2013 year

What did Council do over the last year?

This summary is one of the ways that the Council lets residents, ratepayers and businesses know what services and projects we provided during the year. As well as specific projects, the Council also provides a large number of “everyday” services that are needed for our District. Some examples of these services are:

- We issue over 700,000 books, magazines and CDs from our libraries each year, providing information, recreation and knowledge to residents of the District. There is strong demand from library users for access to material online and the Council provides access to 100’s of newspapers, songs and books through its library website.
- The Council receives more than 80,000 phone calls each year, with approximately 17,000 of these being requests for service. The requests cover everything from building consents, dog licensing information, wild bees nests, road potholes, and right through to what plastics can be recycled.
- Thousands of plants are planted each year, many by members of the public as part of Community Planting days. These plants play a major part in making our district more attractive, they provide food and nesting areas for birds, and coastal planting assists with the protection of sand dunes from erosion.
- Community events are held throughout Tasman District. Popular events are the Tasman Skate Park Tour, Family Fund Rides, Go by Bike day, and In Your Neighbourhood activities. On average 500 people enjoy each of these events.
- Enforcement of regulations is part of our work to protect the community and is a priority for Council. This work includes issuing of speeding notices for boats, and following up noise complaints.
- Council works to keep you safe through providing information on a wide range of subjects, such as wearing of lifejackets, food safety for restaurants and cafes, and how to reduce air pollution from fireplaces.
- Maintenance of over 1700 kilometres of roads, which are needed not just for people to get from one place to another, but also for businesses to move their products and supply goods to their customers.

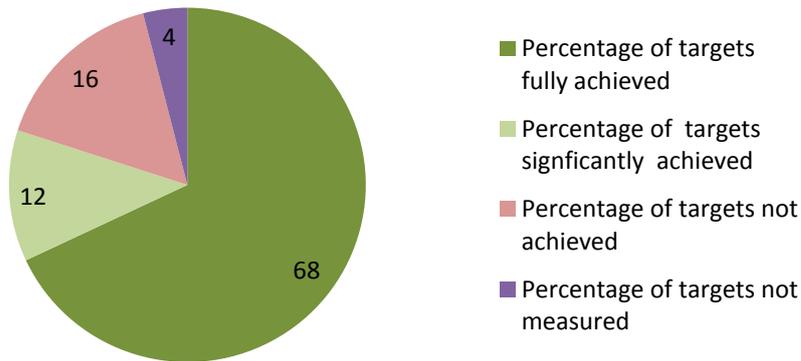
How well did Council perform?

We have 91 measures that we report on for our performance. We met 62 of these fully, 11 were significantly achieved, 14 were not achieved, and there were four that we did not have the full information available to report on. We have set ourselves high targets and some we missed achieving by only a small margin e.g our target for processing building consent applications was that we would complete 100% of these within the statutory time limits. We achieved 98%, this is therefore classified as significantly achieving the target.

	Target Fully Achieved	Target Significantly Achieved	Not Achieved	Not measured
Environmental Management	10	4	2	
Public Health and Safety	8	2	2	
Transport	9			
Coastal Structures	2			
Water	4	1	2	
Wastewater	5		1	
Stormwater	2		2	1
Solid waste	3	2	1	
Flood protection	5	0	1	1
Community Facilities	9	2	1	
Recreational and Cultural Services	3		2	
Governance	2		0	2
TOTAL	62	11	14	4

Summary of Targets

Council Key Performance Indicators 2012/2013



The following are a few of the indicators to provide you with an overview of some of the activities that we measure and how well we performed.

Community Outcomes.

Council has eight Community Outcomes - these are the outcomes Council and community are working towards to improve community well-being. They reflect what Council and the community see as important both now and to achieve in the future. Many of the activities of Council contribute to more than one Community Outcome, and the following sections provide examples of the work that Council has done over the last twelve months towards achieving these outcomes.

1. Protecting our environment

What did we do during the year?

Motueka West and Motueka Central plan changes publicly notified.

These plan changes are focused on the future development within Motueka West and Motueka Central to meet the growth in business and residences expected in the future.

Ecofest

Over 5000 people attended Ecofest in August 2012. The goal of Ecofest is to make it easier to be and act 'green'. The theme for 2012 was "Getting there is half the fun – active and sustainable transport" and featured the new cycle trails, car pooling, the N-Bus service, electric cars and bio-fuels, not to mention good old foot power.



Tasman's Great Taste Trail on Rabbit Island



Biodigester workshop at Motueka Community Gardens

Aorere River quality monitoring

For a number of years there has been concern about bacteriological contamination of the marine environment from the Aorere River. A survey was undertaken between November 2012 and April 2013 which included walking along every farm waterway and assessing all effluent disposal systems and soil profiles.

The key findings of the survey were:

- there were no obvious sources of contamination from a single point discharge found during the period of the survey.
- there are no non-compliant stock crossings remaining in the Aorere catchment, and 89% of those waterways requiring stock exclusion of the waterways are done, with further fencing completed following the survey.
- the extent to which the significant waterways have been bridged and fenced had reduced the likelihood of them being major contributors to any wider problem of stock contamination.

A bigger question is what effect the many small waterways and artificial watercourses not subject to regulation are having on water quality, particularly in times of high ground water.

It is the intention of the Council to undertake this full farm survey throughout the remaining parts of the Tasman District as it provides a useful benchmark. It is also envisaged that in future years the Aorere River will be resurveyed.

It is noted that this work was assisted by the agricultural community's willingness to enhance the wider relationships created by the use of common waterways and their place in the environment.

How well did we perform?

Reporting on Dairy Effluent Discharges - achieved

A report is required to be provided to Council each year on dairy effluent discharges. The report for the last financial year was submitted in September 2012. Each farm is assessed against Resource Consent conditions, and 94.4% were Fully Compliant, 4.2% were Non-Compliant, and 1.4% were significantly Non-Compliant.

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

What did we do during the year?

Release of higher density housing consultation

The Council began a discussion with Richmond residents about the need to develop a vision for the growth and development of the town. This discussion included asking for input on what opportunities are possible for higher density development. The reason why we have started this discussion is that demand for residential land in Richmond will continue over the next 20 years, and we need to provide for this growth.

Open day for Motueka Wastewater Treatment Plant

In April this year Motueka, Riwaka and Kaiteiteri residents and ratepayers were invited to attend open days about the future of the Motueka Wastewater Treatment Plant. Since 2005 the Tasman District Council has been working to find a sustainable disposal solution for treated wastewater from the Motueka Wastewater Treatment Plant (WWTP). As the Motueka WWTP is so close to the coast and the Motueka River, there are several risks affecting the longer term viability of the site including flooding, sea level rise and coastal erosion. A working party including members from Council and the community has been working on possible solutions to these issues and this work is continuing.

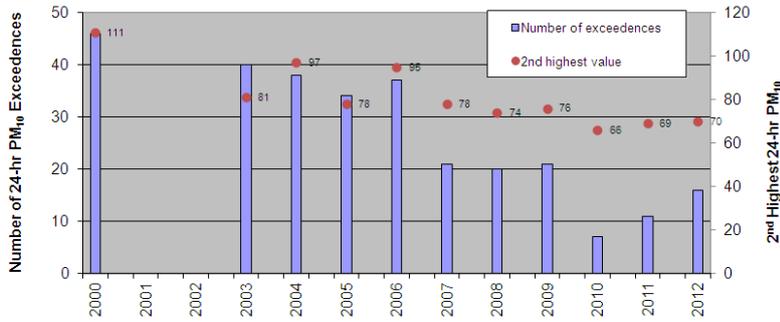
Other projects

Other work that commenced or was ongoing during the year ranged from large projects such as the Waimea Water Management Plan Change, through to smaller, but still very important work with the community to find and eliminate the Great White Butterfly.

How well did we perform?

Air Quality – not met

Council has the aim of meeting the Air Quality National Environmental Standard by 2020. During the 2012 winter there were 16 exceedances, five more than the previous winter. The maximum 24-hour concentration was also the highest for three years. We will continue to run the "Good Wood" programme to promote the use of dryer and cleaner burning wood, but rules and enforcement actions are also available to Council to meet this medium term objective. The following graph shows the number of exceedances each year.



3. Providing you with infrastructure that is safe and efficient

What did we do during the year?

Flood events

It was another difficult year as once again there were major flood events in our District, significantly effecting residents, businesses and Council. Overall there were 17 flood events that were actively monitored over the past year, with four of these escalating to levels that initiated flood warnings. The largest of these was the 21 April 2013 event in Richmond/Stoke where one rain gauge recorded over 100mm of rain in one hour. Residents and businesses were significantly effected by the severity of this rainfall. As part of its medium term response to this event Council provided an additional \$500,000 in its final Annual Plan 2013/2014 towards improving the stormwater systems in the Champion Road area.

The Council has also been working this year with the Golden Bay community on identifying solutions for flooding issues following the December 2011 flooding.



Wensley Road flooding

Matakitaki river project

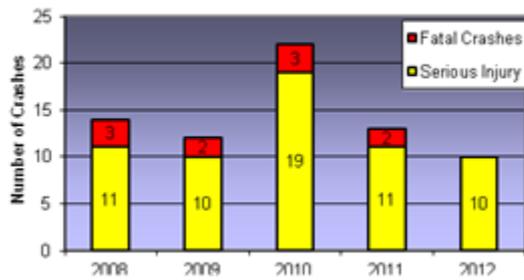
This was a joint project between the Council and the New Zealand Transport Agency. The objective was to remove a large gravel build up in the Matakitaki River to help alleviate flooding in Murchison and to protect the bridge going over the river. Over 85,000 cubic metres of gravel was removed and rock protection was constructed around the bridge together with groyne upstream to keep the river in a new channel. The photo shows work on the opening up of the new channel which is 4m below the existing river level.



How well did we perform?

Reduced the number of serious and fatal crashes – achieved

The Council works with the community and government agencies to reduce the number of fatal and serious injury crashes. Our objective is to reduce these and the measure that is used is the number of serious accidents on Council roads, not including State Highways. The trend shows a decrease over the last few years, although it is not statistically significant.



Work on the reestablishment of a two way road over the Wainui Hill. This is one of Council larger contracts worth over \$2.5 million. The photograph shows the extent of some of the cuts required on the hillside. The issue was the bottom side of the road slipped away in many places and to get a two lane road back big cuts are required that require some skilful work by operators.

The number of temporary boil water notices issued – not achieved.

The target for this is for there to be no temporary boil water notices, however during the year three had to be issued, one each for 88 Valley, Motueka and Richmond.

4. Helping our communities to be healthy and resilient

What did we do during the year?

Emergency Management exercises – New Zealand Shakeout

Over 21,000 people in Tasman, including those working at Tasman District Council, and an amazing 1.34 million people in New Zealand took part in the *New Zealand ShakeOut* earthquake drill at 9.26am on Wednesday 26 September 2012. The next campaign is likely to be in 2015/2016.

How well did we perform?

Residents satisfaction with Council's civil defence emergency management work – achieved.

In our Residents' survey 69% of respondents who had sufficient information to comment, stated that they were satisfied with the Council's civil defence emergency management work.

5. Respecting our history, heritage and culture.

What did we do during the year?

Natural Burial area at Rototai Cemetery.

Natural burial areas provide an alternative style of burial for those wanting a more natural and less formal style of interment. Following establishment of an area at the Motueka Cemetery in 2010, Council now provides a similar facility in Golden Bay at the Rototai Cemetery.

Iwi and Māori contributions to decision making

Council continues to provide funding and engage with iwi on a wide range of issues. Council held a Governance Hui in May 2013 with Māori, supported by Tiakina te Taiao. Council also held a number of meetings with iwi on a range of Council related projects. Support for Council cultural events was provided by the Council Kaumatua.

How well did we perform?

Funding for Museums and the Suter Art Gallery

Tasman Bay Heritage Trust received funding of \$807,221 for the year ended 30 June 2013. The Council also provides the Trust with free use of a storage facility, costing \$93,433. Local museums are also supported with \$42,000 going to the Motueka District Museum, and \$42,500 to Golden Bay Museum. Council has continued to provide the Suter Art Gallery annual funding of \$82,772.

6. Providing you with cultural, social, educational and recreational services

What did we do during the year?

Examples of events and facilities for the 2012/2013 year

As well as supporting cultural and recreational services under the history and cultural services Community Outcome, Council provides a wide range of other services for residents and visitors to use. During the year this included:

- Installation of a replacement floating pontoon jetty at Mapua
- Supporting the Age to Be Positive Ageing Forum, which had over 2000 visitors
- Carols by Candlelight in Washbourn Gardens, enjoyed by over 2000 people
- Skatepark Tour, held at eight locations with over 1500 people coming along
- Community Grants, there were a record 158 applications received, with applications totalling over \$400,000, compared to a funding pool of \$164,000
- Support for development of Mapua Hall - this wonderful community facility has recently reopened and was supported by just over \$800,000 of Council funding.
- Rebuild of Moutere Hills Community Centre - two fires broke out in this facility during the year and Council is working with the Centre Committee to get the Centre back up and running as quickly as possible.

How well did we perform?

Standards for library book stocks - achieved

We have a target of meeting 82% of the Library and Information Association New Zealand Aotearoa (LIANZA) standard for library book stock. Book stocks are currently at 85% of this standard.

7. Communicating with our communities

What did we do during the year?

Residents' Survey

Each year Council runs a telephone survey of 400 residents to find out your views on the services that we provide. Last year's survey was run in May 2013 and information from this survey helps the Council determine how well we are meeting the needs of the community.

Preparation for elections

During the year preparation for the 2013 election was undertaken - this included completion of the representation review, and decisions such as the order in which candidates were listed on voting papers, and the approval of early processing of votes.

How well did we perform?

Production of key financial documents - achieved

The Long Term Plan, Annual Plans and Annual Reports are key documents to ensure that the Council is accountable to the public for the money that it collects and spends. All three documents were produced within the statutory timeframes.

8. Provides economic opportunities to the community

What did we do during the year?

Tasman's Great Taste Cycle Trail

Stage one of Tasman's Great Taste Trial was completed during the year. This runs from Nelson, through Richmond and out to Mapua and Wakefield. The link through to Mapua included a bridge over the Waimea River and the trail has proven very popular with both locals and visitors. It is estimated that once the entire trail has been completed that it will attract 28,000 visitors per year and add \$20 million to the local economy.



Cycle Bridge over the Waimea River

Support for the Regional Economic Development Agency

One of the key economic contributions made by Council is its support of the Regional Economic Development Agency (EDA) which is jointly funded by both Tasman District and Nelson City Councils. Council contributes just over \$200,000 to the EDA each year to support its work on a wide range of economic development issues.

Commercial Sub-committee established

An important step towards improving returns on Council investments was achieved during the year with the establishment of a Commercial Sub-committee. The Commercial Subcommittee is responsible for monitoring and improving the performance of Council's commercial portfolio being Forestry, Camping Grounds, Aerodromes and Commercial Property.

How well did we perform?

Provision of funding for Economic Development – achieved

As noted above Council provided over \$200,000 to the Economic Development Agency.

Work with the Community

Council appreciates the support received from residents, businesses and community organisations who assist with working towards the Community Outcomes. Financial support is also received from a number of organisations, including the Canterbury Community Trust who provided funding for the following projects:

- Ecofest \$5,000
- Holiday programmes \$6,000
- Summer festival \$11,000
- Young people grant \$4,000

Without the support from these organisations some of these services and festivals would not be able to be provided.

Looking forward

Many of Council's projects don't end exactly on 30 June. Some of the projects that we are currently working on that contribute the Community Outcomes are:

New Richmond water treatment plant

The work on this plant is planned to occur from 2012 to 2015 at a total cost of \$9.4 million. The majority of this expenditure is required for the reticulation upgrade and the upgrade of the water pumps and bores.

Tasman's Great Taste Trail

Following on from the work that was undertaken last year, the Council is now working on an interim connecting trail loop from Motueka to Woodstock and through to Wakefield. Connections through to Motueka, Riwaka and to the Kaiteriteri Mountain Bike Park are also planned to be completed in the 2013/2014 year.

Community Facilities

Council is working with the Golden Bay Community on the development of a new multi-use facility. This year the planning for the facility is underway and Council has budgeted \$300,000 in 2013/2014 for this work.

Tasman District Council Vision Statement

Thriving communities enjoying the Tasman lifestyle

Tasman District Council Mission Statement

To enhance community wellbeing and quality of life

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 well being 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.

Changes made to the Local Government Act 2002 (the Act) at the end of 2010 changed the definition of Community Outcomes from being those that are developed and implemented in conjunction with the community to those that Council itself aims to achieve. Notwithstanding this change Council believes that the Community Outcomes can only be achieved through working in partnership with the whole community, including individuals, businesses, government agencies and community organisations. Everyone's views on describing how our District would look if we achieved these Outcomes will be slightly different, but we have put a description below each Outcome to help you understand what we are working towards.

The Community Outcomes

Outcome 1:

Our unique natural environment is healthy and protected.

Tasman's environment is important. Council's main objective for this Outcome is to ensure that our District's environment is maintained for the future and protected through mitigating the impacts of human activity on the environment.

Almost all our activities impact on this Outcome. Our progress towards this Outcome includes protecting the District's biodiversity, and managing air quality, freshwater and coastal waters, pests and waste. To determine whether we are progressing towards this Outcome we undertake an extensive monitoring programme of the environment, including air, water and soil health. Council also has a role in providing and monitoring resource consents and if necessary prosecuting any breaches. Council also recognises the important role that Tangata Whenua has in guardianship (kaitiakitanga) of the environment and of Tasman District.

Outcome 2:

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

This Outcome is important to ensure that our current and future urban and rural living environments provide the important features that we need to enjoy Tasman District.

Our progress towards this Outcome includes having a built environment that is well planned, and includes: affordable roading services that meet the needs of our communities and providing parks and reserves for urban residents to use. We also achieve this Outcome through good urban planning processes.

Outcome 3:

Our infrastructure is safe, efficient and sustainably managed.

Tasman District is widespread and covers 9654 km² of land, therefore it is important that our infrastructure of roads, cycleways, footpaths, water, wastewater and stormwater services are well managed and as efficient as practicable. Our objectives include providing these services in ways that do not significantly impact on the environment and that meet public health needs. Providing infrastructure services are expensive and this means that we cannot provide all services that residents would like (e.g. cycleways) to everyone.

One important priority for Council in this Plan is the upgrading of water supply services to new Government drinking water standards.

Outcome 4:

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

This Outcome reflects the importance of the 17 settlements and that Council's objective is to support the opportunities for residents to enjoy a good quality of life. Council contributes to this Outcome through the provision of a wide range of services, including environmental, infrastructure and community facilities. By the end of the 10 year term of this Plan Council aims to provide additional recreation facilities, upgraded drinking water services in many of our settlements and will continue to provide a Civil Defence service that supports residents and businesses being resilient in the event of an emergency.

Outcome 5:

Our communities respect regional history, heritage and culture.

The Tasman District has a unique history, heritage and culture. This Outcome is one where some residents would like Council to spend additional funds, but in the medium term this is not affordable. Our objective for this Outcome is that important heritage items, sites and stories of our District are protected for future generations. Achieving this objective includes providing residents and visitors with the opportunities to celebrate our heritage, support cultural diversity and create a strong cultural identity in our District.

Outcome 6:

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

Council provides facilities such as halls, parks, sport grounds and libraries throughout the District. Our objective is to provide residents and visitors access to a range of opportunities to be active and also to learn. Examples of how this Outcome might be different in the future is that there is likely to be more online information available from our libraries to enable everyone access to up-to-date information. Council also encourages the many festivals and events that are held throughout the year in Tasman. The two marae in Tasman are an important part of our District's cultural services and these are essential to our community identity.

Outcome 7:

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

Community engagement in decisions is crucial to ensuring that Council provides the services that meet residents and businesses needs. Our objective is to provide opportunities to the public for input into decision making processes. Online tools for the public to contribute to the decision-making process are changing all the time and Council will continue to implement new systems so that there are new and easy ways for you to have your say. Face to face discussions will, however, remain very important and even at the end of the term of the 2012-2022 LTP.

Outcome 8:

Our developing and sustainable economy provides opportunities for us all.

The population of Tasman District is continuing to increase, but is also changing in other ways, for example overall the population is ageing and is becoming more diverse. Our objective for this Outcome is to enable businesses to be established that complement the clean, green character of our District.

By the end of the 10 year period we expect that the Lee Valley Dam will be completed and that the water from this dam will support businesses located on the Waimea Plains. The Richmond West area would have continued to develop and this should provide more jobs to people living and working in the District.

Tasman District Council

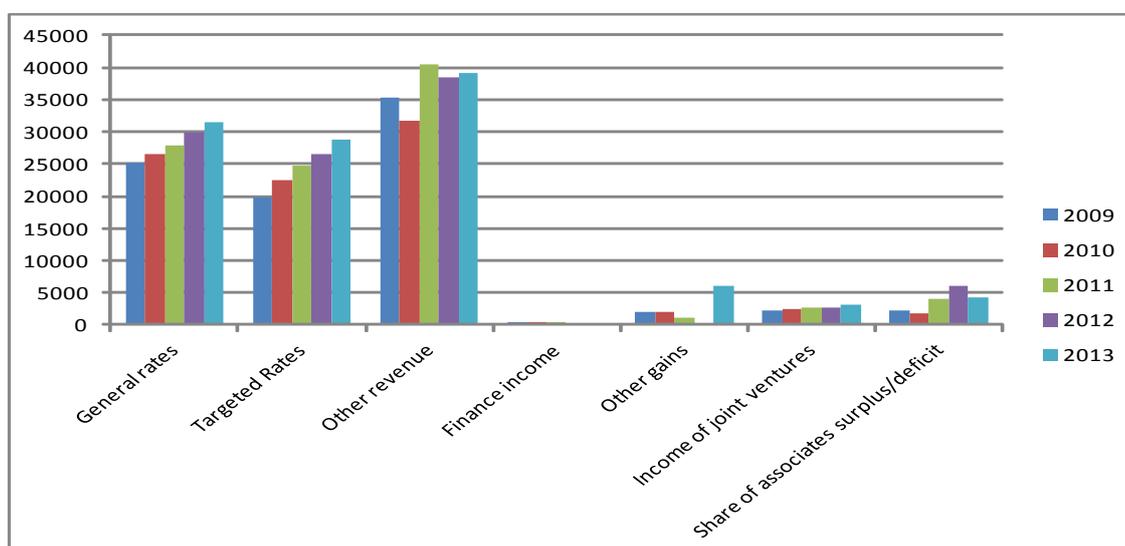
Financial Highlights

Council's Five Year Financial Performance Summary

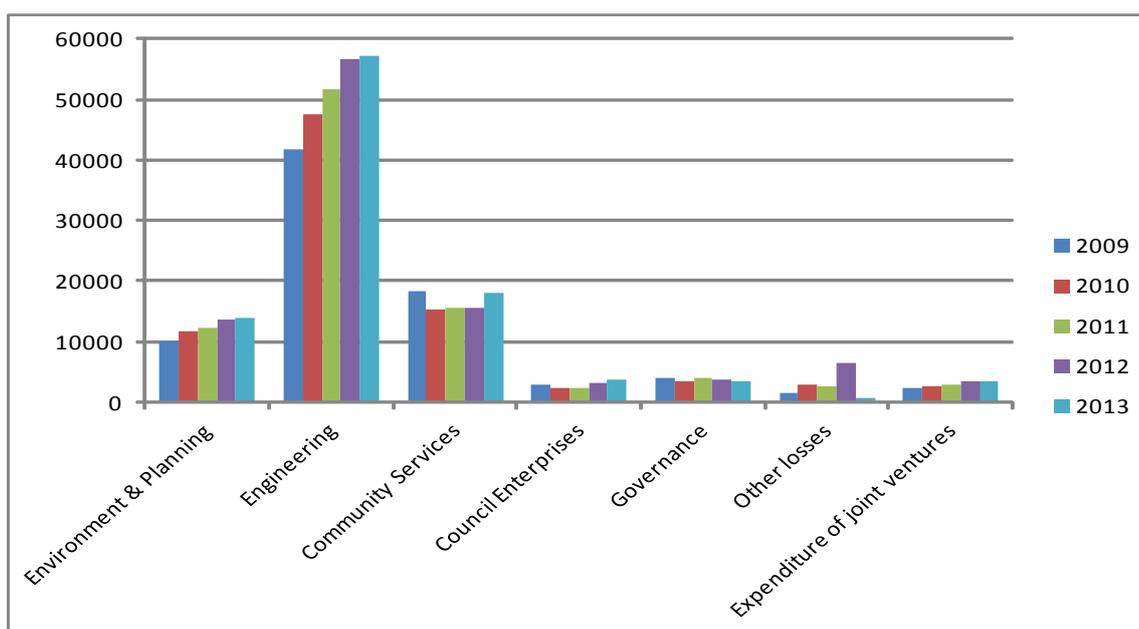
	2013 \$(000's)	2012 \$(000's)	2011 \$(000's)	2010 \$(000's)	2009 \$(000's)
District General Rates	31,398	29,985	27,835	26,421	25,082
Net Accounting Surplus	12,752	1,570	9,368	1,622	6,331
Working Capital	2,293	2,962	-42,064	-67,372	-7,634
Public Debt	158,015	155,612	139,587	115,953	96,074
Current Ratio	1.10	1.14	0.37	0.20	0.71

Under NZ IFRS if Council expects and has the discretion to refinance or roll over an obligation for at least 12 months after balance date under an existing loan facility this is classified as non-current, even if it would otherwise be due within a shorter period. If there is no such arrangement for refinancing in place then Council must disclose these obligations as current. This is the reason why our working capital for the financial years can be significantly different.

Source of Revenue



Council 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:

Annual Plan

A plan required by the Local Government Act 2002 to be produced by Council in the two intervening years between each three-yearly Long Term Plan (LTP). The main purpose of the Annual Plan is to identify any amendments and variations to the specific year of the base Long Term Plan.

Annual Report

Annual Reports are published following the end of each financial year which ends on 30 June. It is an audited account of whether Council completed its planned work programme. Any work not completed as planned is explained. The Annual Report is a key method for Council to be accountable to the community for its performance.

Activity Management Plans

Activity Management Plans (which are the 'new generation' of Asset Management Plans) describe the infrastructural assets and the activities undertaken by Council and outline the financial, management and technical practices to ensure the assets are maintained and developed to meet the requirements of the community over the long term. Activity Management Plans focus on the service that is delivered as well as the planned maintenance and replacement of physical assets.

Associate

An associate is an entity over which Tasman District Council has a significant influence and that is neither a subsidiary nor an interest in a joint venture.

Assumptions

Assumptions are the underlying premises made by Council that affect its financial planning for a specific activity, or for all Council activities. These are made clear so everyone can understand the basis for Council's financial planning, and form an opinion about how reasonable those assumptions are.

Capital Expenditure

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

Capital Value

Capital value is the value of the property including both the value of the land and any improvements (e.g. buildings) on the land.

Community

Community means everyone in Tasman District: individuals, businesses, local and central government, groups and organisations, Iwi, Māori, disabled, young, old, families, recent migrants and refugees, rural and urban residents.

Communitrak™ Survey

The Communitrak™ Survey is the survey of residents' opinions that the Council has undertaken annually by an independent research agency.

Community Outcomes

Community outcomes are the priorities and aspirations identified by the Council that it aims to achieve in order to promote the present and future social, economic, environmental and cultural wellbeing of the community.

Consultation

Consultation is the dialogue that comes before decision-making. Consultation is an exchange of information, points of view and options for decisions between affected and interested people and the decision makers.

Cost of Services

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

Council-Controlled Organisation

As defined by Section 6 of the Local Government Act 2002, a company under the control of local authorities through their:

- Shareholding of 50 percent or more.
- Voting rights of 50 percent or more; or
- Right to appoint 50 percent or more of the directors.

Depreciation

Depreciation is the wearing out, consumption or loss of value of an asset over time.

Financial Year

Council's financial year runs from 1 July to 30 June the following year.

General rate

A general rate is a district wide rate through which all ratepayers contribute to a range of council activities and is based on the capital value of ratepayers properties.

Groups of Activities

Groups of Activities are the services, projects or goods produced by Council. There are 13 broad groups of all of Council's services and facilities, each with common elements. For example Community Facilities and Parks is a group of activities and includes services such as Reserves, Libraries and Community Halls.

Income

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

Infrastructure

Networks that are essential to running a district, including the roading network, water supply and wastewater and stormwater networks.

Infrastructure Assets

These are assets required to provide essential services like water, stormwater, wastewater and roading. They also include associated assets such as pump stations, treatment plants, street lighting and bridges.

Levels of Services

The standard to which services are provided, such as speed of response times to information requests or the standard of the stormwater drainage system that prevent incidents of surface water flooding. It is what the Council will provide.

LiDAR (Light Detection and Ranging)

LiDAR is optical remote sensing technology that measures properties of scattered light to find range and/or other information of a distant target. The prevalent method to determine distance to an object or surface is to use laser pulses.

Long Term Plan (LTP)

The Local Government Act 2002 requires Council to adopt a Long Term Plan (LTP). The Long Term Plan outlines Council's intentions over a 10 year period. The Long Term Plan requires extensive community consultation, the identification of community outcomes and priorities, and the establishment of monitoring and review mechanisms. The LTP was previously called the Long Term Council Community Plan (LTCCP). The LTP referred to in this document is the 2012-2022 Long Term Plan.

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.

Network Infrastructure

See Infrastructure Assets.

Operating Costs

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

Park Check

Park Check is based on a nationally developed questionnaire which is implemented by participating councils. The questionnaire asks park users a range of questions about the parks and their experiences. The results of the questionnaires are collated at the national level and the information is then made available to the councils.

Performance Targets

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

Separately Used or Inhabited Parts of a Rating Unit

Where targeted rates are calculated on each separately used or inhabited part of a rating unit the following definition will apply:

Any portion of a rating unit used or inhabited by any person, other than the ratepayer or member of the ratepayer's household, having a right to use or inhabit that portion by virtue of a tenancy, lease, licence or other agreement.

Solid Waste

Waste products of non-liquid or gaseous nature (for example, building materials, used packaging, household rubbish).

Stormwater

Water that is discharged during rain and run-off from hard surfaces such as roads.

Sustainable Development

“Development which meets the needs of the present without compromising the ability of future generations to meet their own needs” (from the Sustainable Development for New Zealand Programme of Action, Department of Prime Minister and Cabinet, January 2003).

Targeted Rate

A targeted rate is designed to fund a specific function or activity. It can be levied on specific categories of property (e.g. determined by a particular use or location) and it can be calculated in a variety of ways. It may also cover a distinct area of beneficiaries.

Uniform Annual General Charge (UAGC)

A UAGC is a portion of the general rate collected as a fixed charge per rateable property. It is deemed that the properties receive equal benefit for services charged regardless of the rateable value of the properties, e.g. use of parks, reserves and libraries.

Unitary Authority

Tasman District Council is a unitary authority, which means we carry out the functions of both a regional council and a territorial authority.

Wastewater

Wastewater is the liquid waste from homes (including toilet, bathroom and kitchen wastewater products) and businesses.

Yardstick™

Yardstick™ is an international parks benchmarking initiative. It involves council parks departments participating in an annual self-assessment survey. Information collected includes levels of service, financial information, best practice, asset management and policy and planning. The information is collated at the national level and made available to the councils. Over half of the councils in New Zealand are members, as is the Department of Conservation.

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 governmental 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 2012-22 Long Term Plan, which was adopted by Council on 27 June 2012, 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 2013 fairly reflect the financial position, operations and service performance of Tasman District Council.



R G Kempthorne
Mayor



L McKenzie
Chief Executive Officer



M Drummond
Corporate Services Manager

DATE: 26 September 2013

**Independent Auditor's Report
To the readers of Tasman District Council's annual report
for the year ended 30 June 2013**

The Auditor-General is the auditor of Tasman District Council (the District Council). The Auditor-General has appointed me, Bede Kearney, using the staff and resources of Audit New Zealand to audit:

- the financial statements of the District Council that comprise:
 - the statement of financial position as at 30 June 2013 on page 40;
 - the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ending 30 June 2013 on pages 38, 41 and 42;
 - the funding impact statement of the District Council on page 43;
 - the statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on pages 120 to 153; and
 - the notes to the financial statements that include accounting policies and other explanatory information about the financial statements on pages 26 to 37 and pages 44 to 93;
- the statement of service provision (referred to as Statement of Objectives and Service Performance) of the District Council on pages 94 to 172 and the funding impact statements in relation to each group of activities of the District Council on pages 108 to 172.

In addition, the Auditor-General has appointed me to report on whether the District Council's annual report complies with the Other Requirements of schedule 10 of the Local Government Act 2002, where applicable, by including:

- information about:
 - reserve funds on pages 74 and 75;
 - each group of activities carried out by the District Council on pages 94 to 172;
 - remuneration paid to the elected members and certain employees of the District Council on pages 78 and 91;
 - employee staffing levels and remuneration on page 79; and
 - severance payments on page 79;
 - a report on the activities undertaken by the District Council to establish and maintain processes to provide opportunities for Maori to contribute to the Council's decision-making processes on pages 180 and 181; and
 - a statement of compliance signed by the Mayor of the Council, and by the District Council's chief executive on page 21.

Opinion

Audited information

In our opinion:

- the financial statements of the District Council on pages 26 to 38, pages 40 to 42 and pages 44 to 93:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect:
 - the District Council's financial position as at 30 June 2013; and
 - the results of its operations and cash flows for the year ended on that date.
- the funding impact statement of the District Council on page 43, fairly reflects the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan.
- the statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on pages 94 to 172, fairly reflect by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the District Council's long-term plan.

- the Statement of Objectives and Service Performance of the District Council on pages 94 to 172:
 - complies with generally accepted accounting practice in New Zealand; and
 - fairly reflects the District Council's levels of service for the year ended 30 June 2013, including:
 - the levels of service as measured against the intended levels of service adopted in the long-term plan; and
 - the reasons for any significant variances between the actual service and the expected service.
- the funding impact statements in relation to each group of activities of the District Council on pages 108 to 172, fairly reflect by each group of activities, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long-term plan.

Compliance with the other requirements of schedule 10

In our opinion, which is not an audit opinion, the District Council's annual report complies with the Other Requirements of schedule 10 that are applicable to the annual report.

Our audit was completed on 26 September 2013. This 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 our responsibilities, and we explain our independence.

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the information we audited is free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and Statement of Objectives and Service Performance. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the information we audited. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the information we audited, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the District Council's preparation of the information we audited that fairly reflect the matters to which they relate. We consider internal control in order to design procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the District Council's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Council;
- the adequacy of all disclosures in the information we audited;
- determining the appropriateness of the reported Statement of Objectives and Service Performance within the Council's framework for reporting performance; and
- the overall presentation of the information we audited.

We did not examine every transaction, nor do we guarantee complete accuracy of the information we audited.

When reporting on whether the annual report complies with the Other Requirements of schedule 10 of the Local Government Act 2002, our procedures were limited to making sure the information required by schedule 10 was included in the annual report, where relevant, and identifying material inconsistencies, if any, with the information we audited. This work was carried out in accordance with International Standard on Auditing (New Zealand) 720; The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements. As a result we do not express an audit opinion on the District Council's compliance with the requirements of schedule 10.

We did not evaluate the security and controls over the electronic publication of the information we are required to audit and report on. We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate evidence to provide a basis for our opinion.

Responsibilities of the Council

The Council is responsible for preparing:

- financial statements and Statement of Objectives and Service Performance that:
 - comply with generally accepted accounting practice in New Zealand;
 - fairly reflect the District Council's financial position, financial performance and cash flows;
 - fairly reflect its service performance, including achievements compared to forecast;
- a funding impact statement that fairly reflects the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan;
- funding impact statements in relation to each group of activities that fairly reflects by each group of activities the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long-term plan;
- statements about budgeted and actual capital expenditure in relation to each group of activities that fairly reflects by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the District Council's long-term plan or annual plan; and
- the other information in accordance with the requirements of schedule 10 of the Local Government Act 2002.

The Council is responsible for such internal control as it determines is necessary to ensure that the annual report is free from material misstatement, whether due to fraud or error. The Council is also responsible for the publication of the annual report, whether in printed or electronic form.

The Council's responsibilities arise under the Local Government Act 2002.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on, the information we are required to audit, and whether the Council has complied with the Other Requirements of schedule 10, and reporting that opinion to you. Our responsibility arises under section 15 of the Public Audit Act 2001 and section 99 of the Local Government Act 2002.

Independence

When carrying out this audit, which includes our report on the Other Requirements, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board. Other than this audit, which includes our report on the Other Requirements, we have no relationship with, or interests, in the District Council.



Bede Kearney

Audit New Zealand

On behalf of the Auditor-General

Christchurch, New Zealand

Financial Statements Introduction

- 1 The **Statement of Comprehensive Income** (page 38) 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 **Balanced Budget Statement of Financial Performance** (page 39). Council is required under the provisions of the LGA 2002 (s.101) to manage its revenues, expenses, assets, liabilities, investments and general dealings prudently and in a manner that promotes the current and future interests of its community. The LGA 2002 (s.100) requires that local authorities "balance the books". This means Council must ensure that each year's projected operating revenues are set at a level sufficient to meet that year's projected operating expenses (break even).
- 3 The **Statement of Financial Position** (page 40) shows the assets and liabilities of the Tasman District Council.
- 4 The **Statement of Cashflows** (page 41) summarises the cashflows for the year ended 30 June 2013.
- 5 The **Statement of Changes in Equity** (page 42) provides a breakdown of the movements in total equity.
- 6 The **Council Funding Impact Statement** (page 43) provides a breakdown of the net cost of services for significant groups of activities of the Council.
- 7 The individual **Funding Impact Statements** of Council's significant activities (pages 94 – 172) record Council's objectives, and achievements for the year ended 30 June 2013, together with the costs associated with the provision of each service.
- 8 The **Financial Statements** should be read in conjunction with the "Notes to the Financial Statements".

Relationship to the 2012 – 2022 Long Term Plan (LTP)

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

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, Council has designated itself as a public benefit entity for the New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements of Council are for the year ended 30 June 2013. The financial statements were authorised for issue by Council on 26 September 2013.

The financial statements of Council 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 Council 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.

Standards and interpretation issued and not yet adopted

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

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 financial liability requirements are the same as those of NZ IAS 39, except for when an entity elects to designate a financial liability at fair value through the surplus/deficit. The new standard is required to be adopted for the year ended 30 June 2016. However, as a new Accounting Standards Framework will apply before this date, there is no certainty when an equivalent standard to NZ IFRS 9 will be applied by public benefit entities.

The Minister of Commerce has approved a new Accounting Standards Framework (incorporating a Tier Strategy) developed by the External Reporting Board (XRB). Under this Accounting Standards Framework, the Council is classified as a Tier 1 reporting entity and it will be required to apply full Public Benefit Entity Accounting Standards (PAS). These standards are being developed by the XRB based on current International Public Sector Accounting Standards. The effective date for the new standards for public sector entities is expected to be for reporting periods beginning on or after 1 July 2014. This means the Council expects to transition to the new standards in preparing its 30 June 2015 financial statements. As the PAS are still under development, the Council is unable to assess the implications of the new Accounting Standards Framework at this time.

Due to the change in the Accounting Standards Framework for public benefit entities, it is expected that all new NZ IFRS and amendments to existing NZ IFRS will not be applicable to public benefit entities.

Therefore, the XRB has effectively frozen the financial reporting requirements for public benefit entities up until the new Accounting Standard Framework is effective. Accordingly, no disclosure has been made about new or amended NZ IFRS that exclude public benefit entities from their scope.

Joint Ventures

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. For jointly controlled operations Council recognises in its financial statements the assets it controls, the liabilities and expenses it incurs, and the share of income that it earns from the joint venture in accordance with 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 2013) 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 2013) have been used to determine Council's interest.

Associated Organisations

Council accounts for an investment in an associate in the financial statements using the equity method. An associate is an entity over which the Council has significant influence and that is neither a subsidiary nor an interest in a joint venture. The investment in an associate is initially recognised at cost and the carrying amount is increased or decreased to recognise Council's share of the surplus or deficit of the associate after the date of acquisition. Distributions received from an associate reduce the carrying amount of the investment.

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

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

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

The entities disclosed below are treated as associates.

i) **Port Nelson Ltd**

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

To arrive at a fair value the most recent audited statement of financial position (June 2013) has been equity accounted.

ii) **Nelson Airport Ltd**

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

To arrive at a fair value, the most recent audited statement of financial position (June 2013) has been equity accounted.

iii) **Tourism Nelson Tasman Ltd**

Council has a 50% shareholding in this Company.

To arrive at a fair value, the most recent unaudited statement of financial position (June 2013) has been equity accounted.

iv) **Tasman Bays Heritage Trust**

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

To arrive at a fair value the most recent unaudited statement of financial position (June 2013) 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.
- Council receives government grants from the New Zealand Transport Agency, which subsidises part of Council'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 reserve 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 Council 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 Council has no obligation to award on receipt of the grant application. Council recognises these grants as expenditure when a successful applicant has been notified.

Taxation

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 and 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 Council 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 Council 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

Council 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 surplus or deficit 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 Council 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 Council 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 is determined using valuation techniques. Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

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 surplus or deficit at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. 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, Council 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.

Loans to community organisations made 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 financial instrument. The loans are subsequently measured at amortised cost using the effective interest method. The difference between the face value and present value of the expected future cash flows of the loan is recognised in the surplus or deficit as a grant.

Council 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 Council 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.

Council currently has disaster funds, self insurance fund, and short term deposits 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 Council 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 other 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 Council assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the surplus or deficit.

Loans and other Receivables

Impairment of a loan or a receivable is established when there is objective evidence that Council 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 (i.e. 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 Council 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 comprehensive income, 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 comprehensive income, 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) recognised in other comprehensive income is reclassified from equity to 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

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

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

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

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

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 sewer reticulation includes reticulation piping and sewer pump stations.

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

Additions

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

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 Council 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 2013.

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 Council has elected to use the fair value of land under roads as at 1 July 2003 as deemed cost. Land under roads is no longer revalued.

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 2012. From 1 July 2008 Council 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 2012.

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 three-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
CD's 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 2013.

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 Council, are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Carbon credits

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

Easements

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

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 5 years 20%

Forestry Assets

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

Gains or losses arising on initial recognition of forestry assets at fair value less estimated point-of-sale costs 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, Council measures all investment property at fair value as determined annually by an independent valuer.

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

Impairment of property, plant, and equipment and intangible assets

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

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.

Employee Entitlements

Short-term benefits

Employee benefits that Council 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.

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

Council 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

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

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

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 Council 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 Council will be required to reimburse a holder for a loss incurred, discounted to present value. The portion of the guarantee that remains unrecognised, prior to discounting to fair value, is disclosed as a contingent liability.

Financial guarantees are subsequently measured at the initial recognition amount less any amortisation, however if Council assesses that it is probable that expenditure will be required to settle a guarantee, then 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 in its Long Term Plan 2012-2022. 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.

Funding Impact Statements

The Funding Impact Statements ("FIS") have been prepared in accordance with the Local Government (Financial Reporting) Regulations 2011. This is a reporting requirement unique to Local Government and the disclosures contained within and the presentation of these statements is not prepared in accordance with generally accepted accounting practices ("GAAP").

The purpose of these statements is to report the net cost of services for significant groups of activities ("GOA") of the Council, and are represented by the revenue that can be allocated to these activities less the costs of providing the service. They contain all funding sources for these activities and all applications of this funding by these activities. The GOA FIS include internal transactions between activities such as internal overheads and charges applied, and or recovered. A FIS is also prepared at the whole of Council level summarising the transactions contained within the GOA FIS, eliminating internal transactions, and adding in other transactions not reported in the GOA statements.

These statements are based on cash transactions prepared on an accrual basis and as such do not include non cash/accounting transactions that are included within the Comprehensive Income Statement as required under GAAP. These items include, but are not limited to, Council's depreciation, gain and/or losses on revaluation and vested assets.

They also depart from GAAP as funding sources are disclosed within the FIS as being either for operational or capital purposes. Income such as subsidies received for capital projects, development and financial contributions and gains on sale of assets are recorded as capital funding sources. Under GAAP these are treated as income in the Comprehensive Income Statement.

Critical accounting estimates and assumptions

In preparing these financial statements Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgments are continually evaluated and are based on

historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Landfill 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 DRC 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 Council could be over or under estimating the annual depreciation charge recognised as an expense in the surplus or deficit. To minimise this risk Council's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of 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 Council's accounting policies.

Classification of property

Council 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 2013

June 12 Actual \$(000's)		Notes	June 13 Actual \$(000's)	June 13 Budget \$(000's)	% of Budget
	Income				
29,985	General rates	1	31,398	31,248	100%
21,465	Targeted rates (other than for water supply)	1	23,286	23,459	99%
5,053	Targeted rates for a water supply	1	5,543	5,447	102%
4,789	Development and financial contributions		4,051	3,089	131%
14,361	Subsidies and grants	3	10,330	8,232	125%
19,357	Other revenue	2	24,642	22,297	111%
317	Finance income	8	311	291	107%
26	Other gains	4	6,129	693	884%
2,741	Income of joint ventures	21	3,052	4,213	72%
6,129	Share of associates surplus/deficit	20	4,268	2,440	175%
104,223	Total Operating Income		113,010	101,409	111%
	Expenditure				
	Operating Costs of Activities				
13,669	Environment & Planning		13,785	13,409	103%
56,458	Engineering		57,074	53,720	106%
15,088	Community Services		18,105	18,597	97%
3,806	Council Enterprises		3,738	3,219	116%
3,818	Governance		3,490	3,744	93%
6,494	Other losses	4	728	-	-
3,320	Expenditure of joint ventures	21	3,338	3,320	101%
102,653	Total Expenditure	5	100,258	96,009	104%
1,570	Surplus/(Deficit) before Taxation		12,752	5,400	236%
(327)	Tax expense	9	-	-	-
1,897	Net Surplus/(Deficit)	36	12,752	5,400	236%
	Other comprehensive Income				
44,986	Gain on asset revaluations	26	42,957	28,833	149%
(2,349)	Asset Impairment Loss		(501)	-	-
-	Opening Assets Restatement		(578)	-	-
(22)	Movement in NZLG Insurance Corp shares	26	-	-	-
(182)	Opening Equity Restatement - JV		(23)	-	-
(327)	Tax on other comprehensive income		-	-	-
(150)	Other comprehensive Income - Associates		565	-	-
41,956	Total other comprehensive Income		42,420	28,833	147%
43,853	Total comprehensive Income		55,172	34,233	161%

(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
Balanced Budget Statement of Financial Performance
For the Year ended 30 June 2013

June 12 Actual \$(000's)		Notes	June 13 Actual \$(000's)	June 13 Budget \$(000's)
104,223	Operating Income		113,010	101,409
102,653	Operating Expenditure		100,258	96,009
1,570	Accounting Operating Surplus		12,752	5,400
	less			
5,550	Share of JV & Associates (Net)		3,982	3,333
1,768	Vested Assets		4,990	5,250
5,742	Capital Grants and Subsidies		4,926	4,368
4,790	Development & Financial Contributions		4,051	3,089
(6,468)	Other Gains/losses		5,401	693
11,466	Principal Repaid (excl JV) - see note below		11,097	9,001
22,848			34,447	25,734
	plus			
18,606	Depreciation not funded		19,638	18,796
6,513	Dividends from Associates		2,350	2,440
25,119			21,988	21,236
3,841	Underlying Operating Surplus		293	902
(3,841)	Net transfers from reserves and equity		(293)	(902)
0	Balanced Budget - Operating Income agrees to operating expenditure		0	0

Note: Repayment of principal on loans is treated as an operating expense as Council chooses to loan fund renewals rather than to cash fund depreciation.

(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 2013

June 12 Actual \$(000's)		Notes	June 13 Actual \$(000's)	June 13 Budget \$(000's)
	CURRENT ASSETS			
3,870	Cash and cash equivalents	10	1,752	1,202
13,906	Trade and other receivables	11	15,612	9,459
5,570	Other financial assets	13	5,583	5,373
1,000	Non current assets held for resale	14	1,866	-
24,346			24,813	16,034
	CURRENT LIABILITIES			
13,968	Trade and other payables	22	12,646	12,103
1,853	Employee Benefit Liabilities	24	1,671	1,615
5,563	Current portion of borrowings	25	8,203	9,758
21,384			22,520	23,476
2,962	WORKING CAPITAL		2,293	(7,442)
	NON CURRENT ASSETS			
82,929	Investments in associates	20	88,098	83,463
4,309	Other financial assets	13	3,790	1,957
952	Intangible Assets	16	915	941
62	Trade & other receivables	11	31	95
18,535	Forestry Assets	18	20,356	19,765
3,260	Investment property	19	3,460	4,039
1,176,356	Property, plant and equipment	15	1,221,139	1,203,688
1,286,403			1,337,789	1,313,948
	NON CURRENT LIABILITIES			
150,049	Term borrowings	25	149,812	149,268
7,416	Derivative Financial Instruments	12	3,197	-
611	Employee benefit liabilities	24	545	669
974	Provisions	23	1,041	587
159,050			154,595	150,524
1,130,315	TOTAL NET ASSETS		1,185,487	1,155,982
	EQUITY			
486,496	Accumulated equity	27	502,052	504,054
16,092	Reserve funds	28	13,984	9,485
627,727	Revaluation reserves	26	669,451	642,443
1,130,315	TOTAL EQUITY		1,185,487	1,155,982

(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 2013**

June 12 Actual \$(000's)		Notes	June 13 Actual \$(000's)	June 13 Budget \$(000's)
	Cashflow From Operating Activities			
	Cash was Provided From:			
38,018	Fees and charges		35,513	29,669
56,045	Rates revenue, excluding targeted water supply rates		59,964	60,317
6,512	Dividends received		2,350	2,440
322	Interest received		320	291
-	Net GST received			428
100,897			98,147	93,145
	Cash was Disbursed To:			
(69,915)	Payments to suppliers & employees		(71,255)	(64,353)
(7,675)	Interest paid		(8,293)	(8,871)
29	Net GST paid		(26)	-
(77,561)			(79,574)	(73,224)
23,336	Net Cashflow From Operating	29	18,573	19,921
	Cashflow From Investing Activities			
	Cash was Provided From:			
5	Proceeds from sale of assets		302	418
33	Proceeds from sale of investments		309	671
38			611	1,089
	Cash was Disbursed To:			
(37,681)	Purchase of assets		(23,299)	(25,826)
(3,661)	Purchase of investments		(406)	(1,010)
(41,342)			(23,705)	(26,836)
(41,304)	Net Cashflow From Investing		(23,094)	(25,747)
	Cashflow From Financing Activities			
	Cash was Provided From:			
27,491	Loans raised		13,500	16,409
	Cash was Disbursed To:			
(11,466)	Loan principal repayments		(11,097)	(10,639)
16,025	Net Cashflow From Financing		2,403	5,770
(1,943)	Total Net Cashflows		(2,118)	(56)
5,813	Opening Cash Held		3,870	1,258
3,870	Closing Cash Balance		1,752	1,202
	Represented By:			
3,870	Cash and cash equivalents		1,752	1,202
3,870			1,752	1,202

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 2013**

June 12 Actual \$(000's)		Notes	June 13 Actual \$ (000's)	June 13 Budget \$ (000's)
1,086,462	Equity at the start of the year		1,130,315	1,121,749
43,853	Total comprehensive income		55,172	34,233
1,130,315	Equity at the end of the year		1,185,487	1,155,982

(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
Council Funding Impact Statement
For the Year ended 30 June 2013**

2011/2012 Budget \$	2011/2012 Actual \$	Funding Impact Statement	2012/2013 Actual \$	2012/2013 Budget \$	% of Budget
		SOURCES OF OPERATING FUNDING			
30,039	30,236	General rates, uniform annual general charges, rates penalties	31,660	31,514	100%
21,414	21,465	Targeted rates (other than a targeted rate for water supply)	23,286	23,459	99%
3,719	8,619	Subsidies and grants for operating purposes	5,404	3,864	140%
5,695	5,536	Fees, charges and targeted rates for water supply	7,186	5,811	124%
2,706	6,832	Interest and dividends from investments	2,669	2,731	97%
18,047	18,395	Local authorities fuel tax, fines, infringement fees, and other receipts	19,734	20,549	86%
81,620	91,083	TOTAL OPERATING FUNDING	89,939	87,928	100%
		APPLICATIONS OF OPERATING FUNDING			
64,795	67,820	Payments to staff and suppliers	69,666	68,871	100%
9,113	8,420	Finance costs	9,061	8,343	104%
-	-	Other operating funding applications	-	-	-
73,908	76,240	TOTAL APPLICATIONS OF OPERATING FUNDING	78,727	77,214	101%
7,712	14,843	SURPLUS (DEFICIT) OF OPERATING FUNDING	11,212	10,714	95%
		SOURCES OF CAPITAL FUNDING			
7,327	5,742	Subsidies and grants for capital expenditure	4,926	4,368	113%
3,618	4,790	Development and financial contributions	4,051	3,089	131%
12,938	16,025	Increase (decrease) in debt	2,404	5,666	48%
-	41	Gross proceeds from sale of assets	301	500	60%
-	100	Lump sum contributions	-	-	-
23,883	26,698	TOTAL SOURCES OF CAPITAL FUNDING	11,682	13,623	88%
		APPLICATIONS OF CAPITAL FUNDING			
		Capital expenditure			
3,993	11,808	- to meet additional demand	4,455	2,435	163%
11,689	8,843	- to improve the level of service	9,173	10,177	81%
15,789	19,291	- to replace existing assets	8,532	10,997	86%
4	(1,581)	Increase (decrease) in reserves	630	728	-46%
120	3,180	Increase (decrease) in investments	104	-	-
31,595	41,541	TOTAL APPLICATIONS OF CAPITAL FUNDING	22,894	24,337	88%
(7,712)	(14,843)	SURPLUS (DEFICIT) OF CAPITAL FUNDING	(11,212)	(10,714)	88%
-	-	FUNDING BALANCE	-	-	0%

(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 2013**

Contractual Commitments

These are commitments for which a formal contract has been entered at 30 June 2013.

2011/12 \$(000's)		2012/13 \$(000's)
-	Utilities Maintenance	14,418
270	Stormwater	431
13,984	Road Maintenance	15,848
3,656	Refuse Operations	4,073
2,204	Water Supply Maintenance	194
1,273	Wastewater Reticulation Maintenance	244
3,358	River Maintenance	531
545	Parks and Reserves Programmed Maintenance	429
965	ASB Bank Aquatic Centre	739
<u>1,714</u>	Parks and Reserves	<u>10,644</u>
 <u>27,969</u>		 <u>47,551</u>

Operating leases as lessee

Council 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

2011/12 \$(000's)		2012/13 \$(000's)
39	No later than one year	37
30	Later than one year, not later than two years	8
1	Later than two years, not later than five years	<u>10</u>
 <u>70</u>		 <u>55</u>

**Statement of Contingent Assets and Liabilities
As at 30 June 2013**

a) Guarantees

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

2011/12		2012/13
\$		\$
<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 Council's assessment of the undiscounted portion of financial guarantees that are not recognised in the statement of financial position.

b) Guarantee – New Zealand Local Government Funding Agency Limited

Tasman District Council is a guarantor of the New Zealand Local Government Funding Agency Limited (NZLGFA). The NZLGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand and it has a current credit rating from Standard and Poor's of AA+.

Tasman District Council is one of 30 local authority shareholders and 8 local authority guarantors of the NZLGFA. In that regard it has uncalled capital of \$1.866m. When aggregated with the uncalled capital of other shareholders, \$20m is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, Tasman District Council is a guarantor of all of NZLGFA's borrowings. At 30 June 2013, NZLGFA had borrowings totalling \$2.5 billion (2012: \$835m).

Financial reporting standards require Tasman District Council to recognise the guarantee liability at fair value. However, the Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. The Council considers the risk of NZLGFA defaulting on repayment of interest or capital to be very low on the basis that:

- We are not aware of any local authority debt default events in New Zealand; and
- local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required.

c) Other Contingent Liabilities

Council has contingent liabilities of \$Nil (30 June 2012 \$Nil). Council has no contingent claims against other parties (30 June 2012 Nil).

Three active claims have been lodged with the Weathertight Homes Resolution Service (WHRS) as at 30 June 2013 (June 2012: Six active claims). 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 all of these claims are valid. Council is unable to assess its exposure to the claims lodged with the WHRS and has not allowed for any contingent liabilities relating to this. RiskPool from 1 July 2009 is no longer providing coverage for leaky homes. Council has provided for no contingent liability claims in 2013 (2012: Nil).

Council is 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 July 2012 for a call for additional contributions in respect of the 2002/03 and 2003/04 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.

The Supreme Court decision in October 2012 on a Council's liability for non-residential buildings may affect the liability of the Council for weathertightness claims for non-residential buildings. The impact of the decision is yet to be quantified by Council. The Council is yet to receive any claims as a result of this ruling.

Council is aware of two claims brought against Council. One is to proceed to a Defended Hearing trial in October 2013 and it is too early to estimate the outcome and effect on Council.

The second claim relates to an Environment Court ruling against Council and will proceed to a further Hearing in October 2013. However no decision on final costs has been made. Council's maximum exposure to this second claim is approximately \$580,000, of which \$189,000 has already been paid.

Council is also aware of one pending claim regarding a subdivision and building consent. Any liability for this claim will be covered by RiskPool (Council have paid for the \$10,000 excess).

Council is required to undertake seismic assessments of its buildings under its Earthquake Prone Buildings Policy prepared under the Building Act 2004. These assessments are in two parts, firstly Initial Evaluation Procedures (IEPs) are made and if the results show that a building may be earthquake prone, then a further Detailed Engineering Assessment (DEA) is made. Currently public buildings are required to be improved over time to meet 67% of new building standards. IEPs have been undertaken on 17 Council buildings and DEA's have been completed on seven Council buildings. DEAs are being obtained on three additional buildings in priority order as funding and resources are available. The Golden Bay Service Centre has been vacated as it is considered unsafe and the value of the building has been written down to \$Nil. No decisions have been made as to whether to strengthen any buildings or whether any buildings under standard will be demolished if necessary. The costs to bring buildings up to standard are not known therefore Council is unable to assess its exposure and has not allowed for any provisions or contingent liabilities relating to this.

d) Other Contingent Assets

A Council owned building in Takaka was destroyed by fire in October 2010. Council has accrued the insurance proceeds from the indemnity value of this building. Council will receive an additional \$145,300 from its insurance policy if this building is re-built. Council has recently confirmed that a rebuild will be undertaken.

For the flood events that occurred in December 2010 and December 2011, Council is able to recover a portion of its costs from a number of sources, including insurance, New Zealand Transport Agency subsidies and Central Government subsidies. For the December 2011 event, Council has recognised a Central Government subsidy for the welfare claim and a preliminary Ministry of Civil Defence and Emergency Management claim for the event. Council expects that it is probable that these claims will be accepted. Further Ministry of Civil Defence and Emergency Management claims will be prepared as further costs are received.

An insurance claim was submitted relating to an Environment Court ruling against Council, and was rejected. Council has received legal advice that the claim appears valid and have notified their insurer and resubmitted the claim. At this stage, Council is awaiting the outcome of the resubmitted claim, and the quantum of any insurance proceeds, if any.

e) Associates Contingent Liabilities and Contingent Assets

Port Nelson reviews its Noise Liability provision each year as the mitigation work is undertaken. The year end provision balance of \$596,000 is for Stages One, Two and Three. Under the Noise Variation which is now operative, Port Nelson has an obligation to Stage Three property owners to provide technical advice, where requested, and to consider providing financial assistance for mitigation works (up to 50 percent of costs). The decision on whether to provide financial assistance will be based on a recommendation made to Port Nelson by the Port Noise Liaison Committee on a case by case basis. Port Nelson has now quantified the costs of this obligation as at 30 June 2013.

Port Nelson has an obligation to assist with noise mitigation works for noise affected properties adjacent to the Port. Noise migration costs may include building work, any professional fees, building consents, preparation of drawings and project management. Noise affected properties are separated into three stages based on the level of Port Noise received. In Stage One (these are houses that are exposed to night time Ldn from port generated noise of 65 dBa or more) Port Nelson is required to make offers to either fully fund noise mitigation work or to purchase the eleven Stage One properties and at 30 June 2013. Nine of these eleven properties have had this obligation met. For properties in the 60 to 64.9 dBa areas (Stage Two), offers have been made by Port Nelson to owners in these areas to cover 50 percent of the noise mitigation cost. For properties in the 55 to 59.9 dBa area (Stage Three) the owners can request Port Nelson to provide technical advice and a contribution of up to 50 percent of the noise mitigation cost. There is no obligation on Port Nelson to make offers for the purchase of either Stage Two or Stage Three properties.

The Calwell Slipway basin contains contaminated seabed sediments. Port Nelson has title to this area of seabed. While the marine engineering and vessel coating industries in and around the slipway area are now controlled, the historical contamination still persists in the sediments. The on-going sedimentation of the basin now requires dredging to allow for the on-going operation of the slipway. Port Nelson, together with the Nelson City Council, has obtained funding from the Ministry for the Environment (MFE) to undertake Remediation Planning (Phase Three) work to establish a preferred approach for remediation of the contaminated sediments. It is hoped that once Phase Three is successfully completed funding from MFE for Site Remediation (Phase Four) will also be obtained. The work required under Phase Three was not completed in the 2013 financial year and is now expected to be completed in the 2014 financial year. At that stage Port Nelson hopes to be able to quantify any liability associated with the eventual remediation works.

Council controls 50% of Tasman Bays Heritage Trust via its ability to appoint the Trustees. The Trust has no contingent liabilities (2012 – Nil). Contingent asset – The Elms Street property was damaged in April 2013. As at balance date an insurance claim has been lodged, but the actual value has not been determined. (In 2011, The Trust received a Feathered Cloak, Musical Instruments and a Diary. During 2012, values for the Musical Instruments and Diary cannot be reliably determined.)

**Tasman District Council
Notes to the Financial Statements
For the year ended 30 June 2013**

2011/12 Note 1	2012/13
\$(000's) RATES, EXCLUDING TARGETED WATER SUPPLY RATES	\$(000's)
29,985 General Rates	31,398
Targeted rates attributable to activities	
318 Environmental Management	334
6 Transportation, Roads & Footpaths	6
132 Coastal Structures	135
1,434 Water Supply	1,605
8,332 Wastewater & Sewerage Disposal	9,236
2,589 Stormwater	2,678
1,996 Solid Waste	2,043
2,801 Flood Protection and River Control Works	2,922
2,468 Community Facilities & Parks	2,539
1,056 Recreation and Cultural Services	1,103
333 Governance	685
21,465	23,286
51,450 Total rates, excluding targeted water supply rates	54,684

The Council is required by the LGFA Guarantee and Indemnity Deed to disclose in its financial statements (or notes) its annual rates income. That Deed defines annual rates income as an amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating Act) 2002 together with any revenue received by the Council from other local authorities for services provided by that Council for which those other Local Authorities rate. The annual rates income of the Council for the year ended 30 June 2013 for the purposes of the LGFA Guarantee and Indemnity Deed disclosure is shown below:

51,450 Rates, excluding targeted water supply rates	54,684
5,053 Targeted water supply rates	5,543
100 Lump sum contributions	-
56,603	60,227

51,634	Total rates revenue	54,936
(184)	Rates remissions	(252)
<u>51,450</u>	Rates revenue net of remissions	<u>54,684</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.

Rates Validation

It has come to the attention of the Tasman District Council that a number of irregularities occurred in the setting of rates in the financial years 2003/2004 to 2008/2009 (inclusive). This has raised concerns about the validity of those rates. The irregularities related to the way in which the council purported to comply with certain provisions of the Local Government (Rating) Act 2002.

The council considers that it is desirable to address these irregularities and legislation is the only means by which all rates that were purported to be set by the Council can be validated.

The Rates Validation Bill is still before the Local Government and Environment (LG&E) Select Committee. It is expected that the Bill will be reported back to Parliament for its Second Reading and Committee Stages in November. The Bill will then proceed to its Third Reading before enactment and receiving the Royal Assent.

2011/12 Note 2		2012/13
\$(000's) OTHER REVENUE		\$(000's)
239	Rental income from investment properties	157
88	Infringements & fines	106
327	Petrol tax	340
-	Bad Debts Recovered	-
-	Dividend income	-
2,435	Forestry Harvesting Income	1,867
5,049	Sales	6,596
1,768	Vested Assets	4,990
2,943	Application Fees	3,159
3,390	Sundry Fees & Recoveries	4,252
<u>3,118</u>	Other	<u>3,175</u>
<u>19,357</u>		<u>24,642</u>

2011/12 Note 3		2012/13
\$(000's) SUBSIDIES & GRANTS		\$(000's)
10,772	NZ Transport Agency government grants	7,846
1,963	Government Grants	1,957
1,626	Government subsidies	527
14,361		10,330

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

2011/12 Note 4		2012/13
\$(000's) OTHER GAINS		\$(000's)
26	Gain on disposal of property plant and equipment	60
-	Unrealised gain on Interest Rate Derivatives	4,050
-	Gain on changes in fair value of forestry assets	1,819
-	Gain on changes in fair value of investment property	200
26		6,129

2011/12 OTHER LOSSES		2012/13
\$(000's)		\$(000's)
(475)	Loss on changes in fair value of investment property	-
(5,099)	Unrealised loss on Interest Rate Derivatives	-
(211)	Loss on changes in fair value of forestry assets	-
(190)	Loss on disposal of property plant and equipment	(728)
(519)	Revaluation decrease greater than revaluation reserve	-
(6,494)		(728)

2011/12 Note 5		2012/13
\$(000's) EXPENDITURE		\$(000's)
7,634	Finance Costs	7,998
15,739	Employee Benefit Expenses	16,009
18,606	Depreciation	19,638
50,860	Other Expenses	52,547
6,494	Other Losses	728
3,320	Expenditure of joint venture	3,338
102,653		100,258

2011/12 Note 6	2012/13
\$(000's) EMPLOYEE BENEFIT EXPENSES	\$(000's)
14,940 Salary & Wages	15,584
619 Kiwisaver/Superannuation Schemes employer contributions	673
180 Increase/(Decrease) in employee benefit liabilities	(248)
<u>15,739</u>	<u>16,009</u>

2011/12 Note 7	2012/13
\$(000's) OTHER EXPENSES	\$(000's)
46 Bad debts written off	-
17 Movement in Bad Debts Provision	81
98 Audit fees - Annual Report	103
3 Audit fees - Other	2
81 Audit fees - LTP	-
8 Donations	7
228 Minimum lease payments under operating leases	162
9,480 Consultants	7,505
24,619 Contractors/Maintenance	25,266
16,280 Other Expenses	19,421
<u>50,860</u>	<u>52,547</u>

2011/12 Note 8	2012/13
\$(000's) FINANCE COSTS	\$(000's)
Interest expense	
7,358 Interest on bank borrowings	7,943
276 Provisions: discount unwinding	55
<u>7,634</u> Total finance costs	<u>7,998</u>

\$(000's) FINANCE INCOME	\$(000's)
Interest Income	
317 Interest income for financial assets not at fair value through surplus or deficit	311
<u>317</u> Total finance costs	<u>311</u>

2011/12 Note 9

2012/13

\$(000's) TAX

\$(000's)

Relationship between tax expense & accounting profit

1,570	Net surplus	12,752
440	Prima facie tax at 28%	3,571
(440)	Loss not previously recognised (tax effect)	(3,554)
327	Deferred tax adjustment	(17)
327	Tax expense	-

Components of tax expense

-	Current tax expense	-
-	Adjustments to current tax in prior years	-
(327)	Deferred tax expense	-
-	Income tax expense	-
(327)		-

Deferred tax assets/(liabilities)	Property, plant & equipment	Tax losses	Total
Balance at 1 July 2011	(438)	438	-
Charged to surplus or deficit	(25)	352	327
Charged to comprehensive income	(327)	-	(327)
Balance at 1 July 2012	(790)	790	-
Charged to surplus or deficit	17	(17)	-
Charged to comprehensive income	-	-	-
Balance at 1 July 2013	(773)	773	-

A deferred tax asset has not been recognised in relation to unused tax losses of \$7,140,066 (2012: \$6,114,105) with a tax effect at 28% of \$1,999,218 (2012: \$1,711,949) which are available to carry forward.

2011/12 Note 10	2012/13
\$(000's) CASH AND CASH EQUIVALENTS	\$(000's)
3,870 Cash at bank and in hand	1,752
- Short term deposits maturing three months or less from date of acquisition	-
<u>3,870</u> Total cash and cash equivalents	<u>1,752</u>

Disclosed as:

3,870 Cash and Cash Equivalents	1,752
- Bank overdrafts	-
<u>3,870</u>	<u>1,752</u>

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

2011/12 Note 11	2012/13
\$(000's) TRADE & OTHER RECEIVABLES	\$(000's)
1,860 Rates receivables	2,493
12,430 Other receivables	13,305
135 Prepayments	237
62 Term Receivables (At fair value)	31
<u>14,487</u>	<u>16,066</u>
(519) Less provision for doubtful debts	(423)
<u>13,968</u>	<u>15,643</u>

Comprising

13,906 Current portion	15,612
62 Non Current	31
<u>13,968</u> Total Trade & Other Receivables	<u>15,643</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.

	2013		
	Gross	Impairment	Net
	\$(000's)	\$(000's)	\$(000's)
Current	10,438	-	10,438
30-60 days	394	-	394
61-90 days	395	-	395
90+days	2,078	(423)	1,655
	<u>13,305</u>	<u>(423)</u>	<u>12,882</u>

	2012		
	Gross	Impairment	Net
	\$(000's)	\$(000's)	\$(000's)
Current	6,594	-	6,594
30-60 days	361	-	361
61-90 days	135	-	135
90+days	5,340	(519)	4,821
	<u>12,430</u>	<u>(519)</u>	<u>11,911</u>

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

2011/12	2012/13
\$(000's)	\$(000's)
502 At 1 July	519
63 Additional provisions made during the year	81
<u>(46) Recoverables written off during period</u>	<u>(177)</u>
<u>519 At 30 June</u>	<u>423</u>

2011/12 Note 12	2012/13
\$(000's) DERIVATIVE FINANCIAL INSTRUMENTS	\$(000's)
(7,416) Interest Rate Swaps	(3,197)
<u>(7,416) Total derivative financial instruments</u>	<u>(3,197)</u>

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 \$121.78m (2012: \$114.78m.) At 30 June 2013, the fixed interest rates of cash flow hedge interest rate swaps vary from 2.77% to 5.895% .

Unrealised gains and losses recognised on interest rate swap contracts as at 30 June 2013 are released to the surplus or deficit as interest is paid on the underlying debt.

2011/12 Note 13	2012/13
\$(000's) OTHER FINANCIAL ASSETS	\$(000's)
Current Portion	
<i>Loans and receivables</i>	
179 Current portion of community loans	189
<i>Held to maturity</i>	
2,904 Disaster funds	2,870
903 Self Insurance Fund	935
<u>1,584 Other short term deposits with maturities of 4-12 months</u>	<u>1,589</u>
<u>5,570 Total Current Portion</u>	<u>5,583</u>
Non-current portion	
<i>Loans and receivables</i>	
438 Community Loans	348
1,200 Loans to Related Parties	560
<i>Fair value through comprehensive income</i>	
77 Unlisted shares - NZ LG Insurance	77
2,000 Unlisted shares - NZ LG Funding Agency	1,866
257 Borrower Notes - NZ LG Funding Agency	590
<i>Held to maturity</i>	
<u>337 Monies administered for organisations</u>	<u>349</u>
<u>4,309</u>	<u>3,790</u>

Due to the immaterial size and nature of the Council's investments, the fair value of the unlisted 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, and the New Zealand Local Government Funding Agency shares and borrower notes are stated at cost.

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 \$4,026,000 (2012: \$4,144,000).

The loan to related parties is at a nil interest rate. (2012: Nil)

Interest rates receivable on community loans range from nil to 7.97%, with an average rate of 5.56% (2012: 6.49%)

2011/12 Note 14

\$(000's) PROPERTY HELD FOR RESALE

2012/13

\$(000's)

-	Buildings	470
1,000	Land	1,396
<u>1,000</u>		<u>1,866</u>

Note 15 Property, plant and equipment

2013	Cost / Revaluation 1 July 2012 \$(000's)	Acc Depn & Impairment 1 July 2012 \$(000's)	*NBV 1 July 2012 \$(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 2013 \$(000's)	Acc Depn & Impairment 30 June 2013 \$(000's)	*NBV 30 June 2013 \$(000's)
Fixed Assets											
Land	117,179	-	117,179	1,855	(2,167)	-	-	(3,646)	113,221	-	113,221
Buildings	61,073	(6,002)	55,071	2,428	(470)	(340)	(3,174)	6,632	60,147	-	60,147
Furniture and Fittings	3,076	(2,440)	636	209	-	-	(219)	-	3,285	(2,659)	626
Motor Vehicles	3,121	(2,648)	473	662	(242)	-	(157)	-	3,541	(2,805)	736
Plant	2,587	(1,376)	1,211	102	-	-	(168)	6	2,695	(1,544)	1,151
Office Equipment	5,656	(4,918)	738	284	-	-	(259)	-	5,940	(5,177)	763
Library Books	5,494	(4,409)	1,085	328	-	-	(260)	-	5,822	(4,669)	1,153
Heritage Assets	1,819	(354)	1,465	-	-	-	(36)	-	1,819	(390)	1,429
Finance Lease	58	(51)	7	-	-	-	(4)	-	58	(55)	3
	200,063	(22,198)	177,865	5,868	(2,879)	(340)	(4,277)	2,992	196,528	(17,299)	179,229
Infrastructural Assets											
Roading	475,420	(13,702)	461,718	8,338	-	1,356	(6,650)	34,818	499,580	-	499,580
Bridges	67,132	(2,871)	64,261	727	-	-	(1,309)	3,714	67,393	-	67,393
Land Under Roads	65,407	-	65,407	734	-	-	-	-	66,141	-	66,141
Stormwater	113,499	-	113,499	2,972	(228)	(41)	(1,306)	-	116,202	(1,306)	114,896
Wastewater	132,216	-	132,216	3,214	(202)	-	(3,063)	(1,276)	133,952	(3,063)	130,889
Refuse	7,388	-	7,388	357	-	-	(231)	-	7,745	(231)	7,514
Water	96,042	-	96,042	3,426	(253)	-	(2,414)	-	99,215	(2,414)	96,801
Rivers	42,786	-	42,786	1,054	-	-	(24)	-	43,840	(24)	43,816
Ports & Wharves	14,208	-	14,208	77	(7)	-	(309)	-	14,278	(309)	13,969
Aerodromes	1,323	(357)	966	0	-	-	(55)	-	1,323	(412)	911
	1,015,421	(16,930)	998,491	20,899	(690)	1,315	(15,361)	37,256	1,049,669	(7,759)	1,041,910
Total											
Fixed Assets	200,063	(22,198)	177,865	5,868	(2,879)	(340)	(4,277)	2,992	196,528	(17,299)	179,229
Infrastructure Assets	1,015,421	(16,930)	998,491	20,899	(690)	1,315	(15,361)	37,256	1,049,669	(7,759)	1,041,910
	1,215,484	(39,128)	1,176,356	26,767	(3,569)	975	(19,638)	40,248	1,246,197	(25,058)	1,221,139

* NBV - Net Book value

Included in current year additions is work in progress of \$3,696,000. These assets have not been depreciated.

2012	Cost / Revaluation 1 July 2011 \$(000's)	Acc Depn & Impairment 1 July 2011 \$(000's)	*NBV 1 July 2011 \$(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 2012 \$(000's)	Acc Depn & Impairment 30 June 2012 \$(000's)	*NBV 30 June 2012 \$(000's)
Fixed Assets											
Land	115,995	-	115,995	2,184	(1,000)	-	-	-	117,179	-	117,179
Buildings	57,712	(2,918)	54,794	3,348	-	-	(3,084)	13	61,073	(6,002)	55,071
Furniture and Fittings	2,808	(2,240)	568	268	-	-	(200)	-	3,076	(2,440)	636
Motor Vehicles	3,049	(2,487)	562	88	(16)	-	(161)	-	3,121	(2,648)	473
Plant	2,462	(1,217)	1,245	114	(2)	-	(159)	13	2,587	(1,376)	1,211
Office Equipment	5,379	(4,680)	699	277	-	-	(238)	-	5,656	(4,918)	738
Library Books	5,200	(4,153)	1,047	294	-	-	(256)	-	5,494	(4,409)	1,085
Heritage Assets	1,814	(318)	1,496	5	-	-	(36)	-	1,819	(354)	1,465
Finance Lease	58	(47)	11	-	-	-	(4)	-	58	(51)	7
	194,477	(18,060)	176,417	6,578	(1,018)	-	(4,138)	26	200,063	(22,198)	177,865
Infrastructural Assets											
Roading	463,626	(7,239)	456,387	14,019	-	(2,225)	(6,463)	-	475,420	(13,702)	461,718
Bridges	65,416	(1,580)	63,836	1,750	(34)	-	(1,291)	-	67,132	(2,871)	64,261
Land Under Roads	65,052	-	65,052	355	-	-	-	-	65,407	-	65,407
Stormwater	98,094	(2,119)	95,975	1,817	-	(23)	(1,094)	16,824	113,499	-	113,499
Wastewater	109,563	(4,129)	105,434	7,358	(77)	(57)	(2,637)	22,195	132,216	-	132,216
Refuse	7,292	(326)	6,966	1,862	-	-	(276)	(1,164)	7,388	-	7,388
Water	96,472	(4,548)	91,924	3,174	-	(44)	(2,298)	3,286	96,042	-	96,042
Rivers	39,293	(40)	39,253	1,705	-	-	(20)	1,848	42,786	-	42,786
Ports & Wharves	13,372	(603)	12,769	329	(41)	-	(320)	1,471	14,208	-	14,208
Aerodromes	1,317	(288)	1,029	6	-	-	(69)	-	1,323	(357)	966
	959,497	(20,872)	938,625	32,375	(152)	(2,349)	(14,468)	44,460	1,015,421	(16,930)	998,491
Total											
Fixed Assets	194,477	(18,060)	176,417	6,578	(1,018)	-	(4,138)	26	200,063	(22,198)	177,865
Infrastructure Assets	959,497	(20,872)	938,625	32,375	(152)	(2,349)	(14,468)	44,460	1,015,421	(16,930)	998,491
	1,153,974	(38,932)	1,115,042	38,953	(1,170)	(2,349)	(18,606)	44,486	1,215,484	(39,128)	1,176,356

* NBV - Net Book value

Included in current year additions is work in progress of \$11,458,000. 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 2013.

Buildings (operational and restricted)

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

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

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

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

The most recent valuation was performed by GR Butterworth SPINZ, ANZIV of QV Valuations Limited, and the valuation is effective as at 30 June 2013.

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

Roads & 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 30 June 2013.

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 2012.

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 Council has elected to use the fair value of land under roads as at 1 July 2003 as deemed cost. Land under roads is no longer revalued.

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 Council 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

Council assets were damaged during flood events in December 2010, December 2011, April 2013 and June 2013. Impairment losses of \$501,000 have been recognised in Other Comprehensive Income in the Statement of Comprehensive Income. (2012: \$2,349,000). For further details refer Note 40.

Note 16				
INTANGIBLE ASSETS				
	2011/12		Amortisation	2012/13
	\$(000's)	Additions	charge	\$(000's)
<u>Computer Software</u>				
Cost	2,725	296		3,021
Accumulated amortisation and impairment	(1,773)		(333)	(2,106)
Carrying amount	952	296	(333)	915

Council has received 293,109 New Zealand Units (NZU's) from MAF for their Post-1989 and Pre-1990 forests. These have been valued at cost (\$Nil). Subsequent to year end 174,895 NZU's have been sold, replaced with Emission Reduction Units (as they can be used in the NZ Emissions Trading Scheme until at least the end of 2014), and then subsequently surrendered.

Carbon Credits Held

	2012/13	2011/12
	Units Held	Units Held
Balance at 1 July	114,005	-
NZU's allocated during the year	116,814	-
NZU's entitlement from forestry activity	62,290	114,005
Balance at 30 June	293,109	114,005

Computer Software				
	2010/11		Amortisation	2011/12
	\$(000's)	Additions	charge	\$(000's)
<u>Computer Software</u>				
Cost	2,402	323		2,725
Accumulated amortisation and impairment	(1,461)		(312)	(1,773)
Carrying amount	941	323	(312)	952

2011/12 Note 17	2012/13
\$(000's)	\$(000's)
DEPRECIATION EXPENSE BY GROUP OF ACTIVITY	
37 Environment & Planning	261
16,899 Engineering	15,307
770 Community Services	2,931
244 Council Enterprises	476
6 Governance	59
<hr/>	
Total Directly attributable depreciation and amortisation by group of activity	19,034
17,956	<hr/>
Depreciation And Amortisation Expense not directly related to group of activities	
650	604
<hr/>	
18,606 Total depreciation and amortisation expense	19,638
<hr/>	

Note 18

FORESTRY ASSETS

2011/12	2012/13
\$(000's)	\$(000's)
18,740 Balance at 1 July	18,535
(901) Gains/(losses) arising from changes in fair value attributable to log price changes	1,728
150 Gains/(losses) arising from changes in fair value attributable to loss of stocked area to harvesting, and replanting and forest maturity	2,606
546 Gains/(losses) arising from changes in fair value attributable to tending and harvest management costs	(2,513)
<hr/>	
18,535	20,356
<hr/>	

TDC owns 2,478 hectares of planted pinus radiata forest, which are at varying stages of maturity ranging from 1 to 26 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, and Borlase forest. Total harvested volume during the period was 18,168 tonnes. (2012: 25,742 tonnes harvested at Rabbit Island and Borlase forests)

Independent registered valuers PF Olsen and Company Ltd have valued forestry assets as at 30 June 2013. 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. (2012: 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 2013

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%	17.361	22.962	28.560
7%	15.390	20.356	25.319
8%	13.731	18.162	22.591

The above table shows 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.

2011/12 Note 19**2012/13****\$(000's) INVESTMENT PROPERTY****\$(000's)**

1,730	Balance at 1 July	3,260
2,005	Purchase of investment property	-
(475)	Gain/(loss) on changes in fair value of investment property	200
<u>3,260</u>	Balance at 30 June	<u>3,460</u>

TDC's investment properties are 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 20 INVESTMENT IN ASSOCIATES	2011/12 Opening Book Value (\$000's)	2012/13 Share of Surplus (\$000's)	2012/13 Dividend Received (\$000's)	2012/13 Other Comprehensive Income (\$000's)	2012/13 Closing Book Value (\$000's)
Port Nelson Ltd	66,939	3,542	(2,100)	3,278	71,659
Nelson Airport Ltd	7,223	712	(250)	-	7,685
Tourism Tasman Nelson Ltd	40	26	-	-	66
Tasman Bays Heritage Trust Inc	8,727	(12)	-	(27)	8,688
	82,929	4,268	(2,350)	3,251	88,098

Note 20 INVESTMENT IN ASSOCIATES	2010/11 Opening Book Value (\$000's)	2011/12 Share of Surplus (\$000's)	2011/12 Dividend Received (\$000's)	2011/12 Other Comprehensive Income (\$000's)	2011/12 Share Purchase (\$000's)	2011/12 Closing Book Value (\$000's)
Port Nelson Ltd	68,377	5,183	(6,100)	(521)	-	66,939
Nelson Airport Ltd	6,754	882	(413)	-	-	7,223
Tourism Tasman Nelson Ltd	20	(5)	-	-	25	40
Tasman Bays Heritage Trust Inc	8,287	69	-	371	-	8,727
	83,438	6,129	(6,513)	(150)	25	82,929

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

2011/12	2012/13
\$(000's)	\$(000's)
4 Capital Commitments	36
- Contingent Liabilities	-
- Contingent Assets	-
6,129 Operating Surpluses	4,268
(150) Other comprehensive income/Reserve Movements	3,251
1,031 Tax expense attributed to the operating surplus	1,614

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 26) 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 Council has decided to change its accounting policy for the airport assets class. Council will no longer revalue airport assets, and these assets have been recognised at deemed cost from 1 July 2008.

List of Associates

Name of Entity:	i) Port Nelson Ltd	iii) Tourism Nelson Tasman Ltd
Principal Activity:	Port Operator	Tourism Promotion
Ownership:	50% (2012 50%)	50% (2012 50%)
Owner:	Nelson City Council and Tasman District Council	Nelson City Council and Tasman District Council
Control:	Self administered	Self administered
Balance Date:	30 June	30 June
Name of Entity:	ii) Nelson Airport Ltd	iv) Tasman Bays Heritage Trust Inc
Principal Activity:	Airport Operator	Museum Operator.
Ownership:	50% (2012 50%)	50% (2012 50%)
Owner:	Nelson City Council and Tasman District Council	Nelson City Council and Tasman District Council
Control:	Self administered	Self administered
Balance Date:	30 June	30 June

Performance Measures

i) Port Nelson Ltd

	Target	2013	2012	2011	Target Met?
Lost Time Injury Frequency Rate *	<2.5	4.95	2.5	3.9	No
Debt Equity Ratio	<45.0%	24.2%	29.8%	28.4%	Yes
Dividend (includes 2005 Dividend Reserve)	\$4.2m	\$4.2m	\$12.2m	\$4.2m	Yes
Cargo Throughput (Cargo tonnes)	2.6m	2.6m	2.65m	2.71m	Yes
Shipping Tonnes (Gross tonnes)	7.5m	7.8 m	6.9m	7.8m	Yes
Ships Visits	699	730	732	850	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.
To achieve financial performance targets as represented in the annual plan.	Income and Expenditure targets were met.
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 the Company complies with all employment related legislation.	The company continues to monitor employment legislation and reviews its contracts accordingly. No breaches have been identified.

iii) Tourism Nelson Tasman Ltd

Target Measure	Actual Performance
Increase tourism sector investment in destination marketing by 3% per annum.	Total tourism sector direct investment in Nelson Tasman Tourism programmes for 2012/2013 was \$407,213 compared to an investment level of \$446,889 in 2011/2012. Not achieved -8.7% (2011/2012: +12.6%).
Achieve growth in international and domestic guest nights to our region: - Increase total guest nights to perform better than national average - International guest nights by 3% - Domestic guest nights by 2%	- Not achieved -2.3% (2011/2012: -0.2%) - Not achieved -3.2% (2011/2012: -2.3%) - Not achieved -1.9% (2011/2012: +1.2%)
Visitor length of stay is extended from 2.16 to 2.17 nights.	Achieved 2.17 (2011/2012 2.16)
Improve region's performance as a conference and meeting destination	Improve ranking from 12 th NZ Convention Bureau ranking to 11 th . Achieved – Nelson Convention Bureau ranked 9 th out of 13 regions for # single day events and 10 th out of 13 regions for multi-day events.

iv) Tasman Bays Heritage Trust

Performance Measures

The 2012/13 Strategic Plan contained 26 Objectives/KPIs. Council has reported against five.

Performance Target	Result
Secure the financial future of Tasman Bays Heritage Trust by settlement of a debt : equity ratio with the Council stakeholders	TBHT has renegotiated its financing arrangements which provide a saving of \$25,000p.a. TBHT has agreed a repayment plan with both Councils.
Develop the strategic framework and funding structure for the Nelson Provincial Museum educational program (to be effective at the end of the Ministry of Education contract 2013)	TBHT has agreed to an LEOTC Contract variation Ministry of Education that provides funding certainty for a further year to end of June 2014.
Review the TBHT properties to enhance storage and reduce risk to the collections held at the Nelson Provincial Museum for the medium term (5-7 years) and in line with the Trust intent to upgrade the collection and research facility.	TBHT is working on enhancing storage and reducing risk to its Collections. Remedial work is being done as a result of the earthquake prone assessment of the Research Facility. Work carried by staff in the off-site store at Elm Street proved to be invaluable in the flood event at the end of April.
Use the Visitor Survey as a means of ascertaining levels of Visitor Satisfaction with Services, Exhibition and Programmes [target 80% or better rate their experience as 8, 9, 10 on a 10 point scale] and the success of campaigns to attract repeat visits from the regional population. Report six monthly and compare annually with data obtained by NCC surveys.	A Data Dashboard is presented to the Trust Board on a monthly basis. The Satisfaction levels are surveyed from 1 in 20 adult visitors and they are consistently well over 90% in terms of Services & Facilities. The exhibitions rate very highly also. The level of repeat visitation by local is very good.
Develop a reporting system based on a 'dashboard' of metrics suitable for public notice and stakeholder reporting.	The Data Dashboard is presented on a monthly basis to the Trust Board.

Note 21

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

	2012/13 \$(000's)		
	NRSBU	NTCCDO	TOTAL
Net Income	2,839	213	3,052
Net Expenditure	3,072	266	3,338
Net surplus/(deficit)	<u>(233)</u>	<u>(53)</u>	<u>(286)</u>
Includes:			
Depreciation	<u>910</u>	<u>32</u>	<u>942</u>

Financial Position

The Council's share of assets and liabilities proportionately consolidated is:	2012/13 \$(000's)		TOTAL
	NRSBU	NTCCDO	
Current Assets			
Cash at Bank	26	222	248
Receivables	99	-	99
	<u>125</u>	<u>222</u>	<u>347</u>
Non Current Assets			
Derivative Financial Instruments	130	-	130
Infrastructure-Wastewater	26,074	-	26,074
Forestry	8	-	8
Freehold Land	1,182	-	1,182
Buildings	118	2	120
Motor Vehicles	-	37	37
Plant & Equipment	15	34	49
Office Furniture and Equipment	-	57	57
	<u>27,527</u>	<u>130</u>	<u>27,657</u>
Current Liabilities			
Trade Creditors	980	2	982
Current Portion of Term Loans	8,200	-	8,200
	<u>9,180</u>	<u>2</u>	<u>9,182</u>
Non Current Liabilities			
Term Loans	-	-	0
Net Assets contributed by the Joint Venture	<u>18,472</u>	<u>350</u>	<u>18,822</u>

Comparative figures for 2011/12 are as follows:

Financial performance

	2011/12 \$(000's)		
	NRSBU	NTCCDO	TOTAL
Net Income	2,584	157	2,741
Net Expenditure	3,116	204	3,320
Net surplus/(deficit)	(532)	(47)	(579)
Includes:			
Depreciation	949	24	973

Financial Position

	2011/12 \$(000's)		
	NRSBU	NTCCDO	TOTAL
The Council's share of assets and liabilities proportionately consolidated is:			
Current Assets			
Cash at Bank	38	144	182
Receivables	29	18	47
	67	162	229
Non Current Assets			
Infrastructure-Wastewater	27,844	-	27,844
Forestry	5	-	5
Freehold Land	1,085	-	1,085
Buildings	118	1	119
Motor Vehicles	-	18	18
Plant & Equipment	16	22	38
Office Furniture and Equipment	-	49	49
	29,068	90	29,158
Current Liabilities			
Trade Creditors	1,015	2	1,017
Current Portion of Term Loans	-	-	-
	1,015	2	1,017
Non Current Liabilities			
Term Loans	8,525	-	8,525
Derivative Financial Instruments	38	-	38
Net Assets contributed by the Joint Venture	19,557	250	19,807

2011/12 Note 22	2012/13
\$(000's) TRADE AND OTHER PAYABLE	\$(000's)
7,580 Trade creditors	7,142
3,170 Sundry accruals	2,134
1,365 Sundry deposits	1,427
1,853 Other	1,943
<u>13,968</u>	<u>12,646</u>
Comprising:	
13,968 Current	12,646
- Non-current	-
<u>13,968</u> Total trade and other payables	<u>12,646</u>

2011/12 Note 23	2012/13
\$(000's) PROVISIONS	\$(000's)
Term	Term
587 Opening Balance	974
340 Change in provision	60
47 Unwinding of discount	7
<u>974</u>	<u>1,041</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 41 years for the Eves Valley landfill. In 2012 the remaining life for Stage Two was reassessed and Stage Two is now estimated to be closed in 2017. The provision has been adjusted for the latest estimated capping and monitoring costs.

- 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 [2012: 8%] and 8% for Eves Valley [2012: 8%].

The gross provision before discounting is \$2,823,855. (2012: \$2,834,380)

Note 24

EMPLOYEE BENEFIT LIABILITIES

2011/12		2012/13
\$(000's)		\$(000's)
575	Accrued pay	448
1,047	Annual leave	1,016
447	Retirement gratuities	351
345	Long Service Leave	351
50	Sick leave	50
2,464	Total employee benefit liabilities	2,216
	Comprising:	
1,853	Current	1,671
611	Non-current	545
2,464	Total employee benefit liabilities	2,216

2011/12	2011/12 Note 25		2012/13	2012/13
\$(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
141,520	5,558	Tasman District Council	149,812	-
8,525	-	Joint Venture	-	8,200
4	5	Finance Lease	-	3
150,049	5,563		149,812	8,203

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 Plan.

c) Interest Rates

Interest rates payable on individual loans range from 3.41% to 4.0175% with a weighted average cost of borrowings, including swap rates and bank commitment fees of 5.349% (2012: 5.2%)

TDC 2011/12 \$(000's)	JV 2011/12 \$(000's)	d) Repayable Period of Loans	TDC 2012/13 \$(000's)	JV 2012/13 \$(000's)
5,558	-	Repayable: Within 1 year	-	8,200
-	8,525	Within 1-2 years	31,368	-
141,520	-	Within 2-5 years	118,444	-
141,520	8,525	Non Current Portion	149,812	-
147,078	8,525	Total Loans	149,812	8,200

Under NZ IFRS if Council expects and has the discretion to refinance or roll over an obligation for at least 12 months after balance date under an existing loan facility this is classified as non-current, even if it would otherwise be due within a shorter period. If there is no such arrangement for refinancing in place then Council must disclose these obligations as current.

Council's facility agreement for the Regional Sewerage Business matures 30 June 2014, as such the full \$8.2 million drawn under this facility is classified as a current liability. This is despite an expectation that this facility will be renegotiated and extended within the 12 month period. Council's own facility agreements all have terms beyond 30 June 2014, as such these are classified as non current.

Council has signalled an intention to repay \$13,032,000 in its 2013/2014 Annual Plan, including its share of the Regional Sewerage Business Unit repayments.

2011/12 e) Finance Lease \$(000's) Repayable:	2012/13 \$(000's)
5 Within 1 year	3
4 Within 1-2 years	-
- Within 2-5 years	-
<u>4</u>	<u>-</u>
<u>9 Total Finance Leases</u>	<u>3</u>

2011/12 \$(000's)	Note 26 REVALUATION RESERVE	Inc (Dec) \$(000's)	Transfer to Accumulated Equity \$(000's)	Impairment Adjustment	2012/13 \$(000's)
46,186	Port Nelson Limited	2,689	-	-	48,875
11,303	Nelson Regional Sewerage Business Unit	(1,241)	-	-	10,062
3,001	Nelson Airport Limited	-	-	-	3,001
16	NZ Local Government Insurance Corporation	-	-	-	16
1,452	Tasman Bay Heritage Trust	-	-	-	1,452
77,997	Land	(3,646)	(732)	-	73,619
14,367	Buildings	6,623	-	(340)	20,650
300,090	Roads	38,532	-	(120)	338,502
151	Aerodromes	-	-	-	151
9,705	Rivers	-	-	-	9,705
4,498	Coastal Structures	-	-	-	4,498
44,042	Wastewater	-	-	-	44,042
71,418	Stormwater	-	-	(41)	71,377
43,501	Water	-	-	-	43,501
627,727		42,957	(732)	(501)	669,451

2011/12 Note 27

\$(000's) ACCUMULATED EQUITY

487,952 Opening balance

1,897 Surplus

(5,882) Transfers to reserves

Transfers from

- Opening Assets Restatement

16 Revaluation reserve on disposal of property

2,845 Reserves

(150) Share of Other Comprehensive Income - Associates

(182) Equity Restatement - JV/Associates

486,496

2012/13

\$(000's)

486,496

12,752

(3,623)

(578)

732

5,731

565

(23)

502,052

2011/12 Note 28
\$(000's) RESERVE FUNDS
 13,055 **Opening balance**

2012/13
\$(000's)
 16,092

Transfers to:
 (2,845) Accumulated funds

(5,731)

Transfers from:

5,882 Accumulated funds

3,623

16,092 **Closing Balance**

13,984

Restricted Funds consist of

16,092 Other funds

13,984

16,092

13,984

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.

Reserve Reporting	Activity to which the fund relates	Opening Balance 1 July 2012 (000's)	Transfer into fund (000's)	Transfers out of fund (000's)	Closing Balance 30 June 2013 (000's)
Pinegrove Trust Reserve	Heritage & Culture Services	198		(198)	-
Reserve Financial Contributions	Community Facilities & Parks	2,718	3,022	(2,548)	3,192
Rivers Disaster Fund	Rivers & Flood Protection	664	65	-	729
Rivers Reserve	Rivers & Flood Protection	564	4,192	(4,769)	(13)
Water Reserve	Water	(510)	11,494	(10,839)	145
Wastewater Reserve	Wastewater	1,194	12,040	(11,174)	2,060
Self Insurance Fund	Overall Council	903	63	(47)	919
Stormwater Reserve	Stormwater	645	3,691	(4,445)	(109)
Solid Waste Reserve	Solid Waste	65	8,355	(8,075)	345
Dog Control Reserve	Public Health & Safety	30	429	(386)	73
Community Facilities Rate Reserve	Community Facilities & Parks	889	3,709	(4,064)	534
Community Board Reserves	Governance	70		(70)	-
Other	Overall Council	16		(16)	-
Camping Ground Reserve	Council Enterprises & Property	(28)	709	(702)	(21)
Community Housing Reserve	Community Facilities & Parks	(15)	681	(686)	(20)
Abel Tasman Foreshore Reserve	Public Health & Safety	238		(238)	-
Torrent Bay Committee Reserve	Overall Council	1		(1)	-
Coastal Reserve	Coastal Assets	616		(616)	-
Development Contribution Reserve	Roading & Footpaths, Water, Wastewater, Stormwater	5,152	2,226	(3,122)	4,256
Museums	Lifestyle & Culture	(1,150)	1,150		-
General Reserve	Overall Council	1,569		(1,569)	-
Warm Homes	Environmental Management	(100)	100		-
General Disaster Fund	Governance	2,363	977	(1,446)	1,894
TOTAL		16,092	52,903	(55,011)	13,984

Note:

During the 2013 financial year, the following reserves have been transferred out of Restricted Reserves into General Reserves (Equity) as they do not meet the definition of a Restricted Reserve. These accounts are still monitored by Council.

- Pinegrove Trust Reserve
- Community Board Reserves
- Other Reserves
- Abel Tasman Foreshore Reserve
- Torrent Bay Committee Reserve
- Coastal Reserve
- Museums
- General Reserve
- Warm Homes

Reserve Reporting	Activity to which the fund relates	Opening Balance 1 July 2011 (000's)	Transfer into fund (000's)	Transfers out of fund (000's)	Closing Balance 30 June 2012 (000's)
Pinegrove Trust Reserve	Heritage & Culture Services	197	7	(6)	198
Reserve Financial Contributions Re	Community Facilities & Parks	3,092	2,062	(2,436)	2,718
Rivers Disaster Fund	Rivers & Flood Protection	1,258	45	(639)	664
Rivers Reserve	Rivers & Flood Protection	(72)	5,584	(4,948)	564
Water Reserve	Water	(692)	9,732	(9,550)	(510)
Wastewater Reserve	Wastewater	273	13,705	(12,784)	1,194
Self Insurance Fund	Overall Council	848	55	-	903
Stormwater Reserve	Stormwater	627	5,660	(5,642)	645
Solid Waste Reserve	Solid Waste	(264)	9,127	(8,798)	65
Dog Control Reserve	Public Health & Safety	25	402	(397)	30
Community Facilities Rate Reserve	Community Facilities & Parks	350	4,003	(3,464)	889
Community Board Reserves	Governance	47	168	(145)	70
Other	Overall Council	15	1	-	16
Camping Ground Reserve	Council Enterprises & Property	(54)	705	(679)	(28)
Community Housing Reserve	Community Facilities & Parks	290	670	(975)	(15)
Abel Tasman Foreshore Reserve	Public Health & Safety	230	116	(108)	238
Torrent Bay Committee Reserve	Overall Council	(51)	52	-	1
Coastal Reserve	Coastal Assets	1,537	248	(1,169)	616
Development Contribution Reserve	Roading & Footpaths, Water, Wastewater, Stormwater	4,513	4,474	(3,835)	5,152
Museums	Lifestyle & Culture	(1,203)	1,149	(1,096)	(1,150)
General Reserve	Overall Council	1,569			1,569
Warm Homes	Environmental Management	-	9	(109)	(100)
General Disaster Fund	Governance	516	3,576	(1,729)	2,363
TOTAL		13,051	61,550	(58,509)	16,092

Dog Control Reserve

The dog control reserve is used to separate all funding and expenditure for the dog control activity.

Abel Tasman Foreshore Reserve

The Abel Tasman Foreshore Scenic Reserve was gazetted as a scenic reserve in January 2007. It is managed under delegated authority from the Minister of Conservation and the Director-General of Conservation by an Administration Committee, which consists of the Chief Executive Officer of Tasman District Council and the Conservator of the Nelson/Marlborough Conservancy of the Department of Conservation. Council collects the funds on behalf of the Administration Committee and these funds are used for Council or Department of Conservation projects in the scenic reserve. The Abel Tasman Foreshore reserve is used to separate all funding and expenditure on this activity. Any income received during a year is expected to be matched by expenditure.

Development Contribution Reserve

It is Tasman District Council's intention that developers should bear the cost of the increased demand that development places on the District's infrastructure. Population growth in the District places a strain on network and community

infrastructure. That infrastructure will need to expand and be further developed in order to cope with the demands of population growth. This includes additional demand on services such as roading, water supply, wastewater and stormwater management. All development contributions must be separately accountable and the Council keeps development contributions received in four separate accounts; roading, wastewater, stormwater and water. Strict criteria apply to the use of these funds. Any budgeted surpluses/deficits for these funds in any given year are funded through borrowing or repaying development contribution loans.

Water Reserve

The water reserve is used to separate all funding and expenditure for the water activity, excluding development contributions income and projects. Each year Council sets the proposed income, expenditure and funding budgets for this activity. Variations from these budgets, as a result of timing of projects and/or unplanned expenditure are recorded in the water reserve to keep any surpluses/deficits separate from other activities.

Wastewater Reserve

The wastewater reserve is used to separate all funding and expenditure for the wastewater activity, excluding development contributions income and projects. Each year Council sets the proposed income, expenditure and funding budgets for this activity. Variations from these budgets, as a result of timing of projects and/or unplanned expenditure are recorded in the wastewater reserve to keep any surpluses/deficits separate from other activities.

Stormwater Reserve

The stormwater reserve is used to separate all funding and expenditure for the stormwater activity, excluding development contributions income and projects. Each year Council sets the income, expenditure and funding budgets for this activity. Any variations from these budgets for example as a result of timing of projects or unplanned expenditure are recorded in the stormwater reserve to keep any surpluses/deficits separate from other activities.

Solid Waste Reserve

The solid waste reserve is used to separate all funding and expenditure for the solid waste activity. Each year Council sets the income, expenditure and funding budgets set for this activity. Any variations from these budgets for example timing of projects or unplanned expenditure are recorded in the solid waste reserve to keep any surpluses/deficits separate from other activities.

Rivers Disaster Fund

The rivers disaster fund (The Classified Rivers Protection Fund) covers the excess for river protection assets insured under the Local Authority Protection Programme (LAPP).

Rivers Reserve

The rivers reserve is used to enable separate accounting for the funding and expenditure for the rivers activity. Each year Council sets the income, expenditure and funding budgets. Variations from these budgets, as a result of timing of projects or unplanned expenditure are recorded in the rivers fund to keep any surpluses/deficits separate from other activities.

Reserve Financial Contributions Reserve

Reserve financial contributions are paid as a percentage of the land value of new allotments, and are applied to the acquisition and development of land for reserves, and to the development and upgrading of community services. All reserve financial contributions must be separately accountable and the Council keeps reserve financial contributions received in four separate accounts (Golden Bay ward, Motueka ward, Moutere/Waimea/Lakes/Murchison wards, Richmond ward). Strict criteria apply to the use of these funds.

Pinegrove Trust Reserve

Council administers these funds on behalf of the Pinegrove Trust. The trustees of the Pinegrove Trust decide who receives grants each year. Grants paid are roughly equivalent to the interest received on the funds for the year so as to not deplete the fund.

General Disaster Fund

The General Disaster Fund is to cover uninsurable assets like roads and bridges. Council usually receives a subsidy from NZ Transport Agency to cover part of the costs of any roads and bridges damaged in a disaster but Council needs to fund any remaining costs.

Self Insurance Fund

The purpose of this fund is to provide cover for assets that are medium to low risk, but are uneconomic to insure.

2011/12 Note 29	2012/13
\$(000's) Cash Flow Reconciliation	\$(000's)
1,897 Operating (Surplus)/Deficit	12,752
<i>Add Non Cash Items:</i>	
18,606 Depreciation	19,971
384 Share of associate	(1,918)
2,469 Asset writedown and disposal	690
(1,768) Vested assets	(4,990)
475 Unrealised loss on investment property	(200)
211 Revaluation of forestry assets	(1,821)
5,099 Unrealised Loss/(Gain) on Interest Rate Derivatives	(4,050)
276 Unwinding of IFRS discounts	603
(327) Deferred Tax	0
<i>Movements in Working Capital Items:</i>	
(1,562) Accounts receivable	(1,197)
(781) Accounts payable	(1,987)
<i>Other</i>	
387 Movement in Term Provisions	67
10 Gain (loss) on sale included in Investing Activities	(22)
(503) Movement in fixed asset related payables	736
(19) Movement in Term Employee entitlements	(66)
- Movement in Term Debtors	31
(2,005) Movement in Prepayments classified as investing	-
- Net GST	(26)
(182) NRSBU Equity Adjustment	-
519 Revaluation loss exceed revaluation reserve	-
150 Share of associates other comprehensive income	-
23,336 Net Cash In(Out)flow From Operating Activities	18,573

Note 30 Related Party Transactions

2011/12 \$(000's)		2012/13 \$(000's)
	a) Port Nelson Ltd	
	i) Received from:	
6,100	Share of Dividends	2,100
32	Directors Fees	32
1,600	ii) Accounts Receivable	1,600
	b) Nelson Regional Sewerage Business Unit	
	i) Received from:	
25	Rates	48
6	Consent & Monitoring Fees	4
560	Owner Distribution	868
	ii) Paid to:	
2,537	Operational funding	2,585
146	2009/2010 overcharging error	-
643	iii) Accounts Receivable	613
-	iv) Accounts Payable	-
	c) Tasman Bays Heritage Trust	
	i) Paid to:	
793	Operational Funding	807
	d) Nelson Airport Ltd	
	i) Received from:	
413	Share of Dividends	250
14	Directors Fees	14
-	ii) Accounts Receivable	-
	e) Tourism Nelson Tasman Ltd	
	i) Paid to:	
412	Operational Funding	421
6	Grants	-
	f) Nelson Tasman Combined Civil Defence Organisation	
	i) Paid to:	
270	Operational Funding	297
90	ii) Accounts Payable	-

No provision has been required, nor any expense recognised for impairment of receivables, for any loans or receivables to related parties (2012 \$nil).

Key management personnel

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

Salaries and other short-term employee benefits paid to key management personnel for 2012/2013 was \$1,886,621. (2011/2012: \$1,731,379 and \$15,000). Key management personnel include the Mayor, Councillors, Chief Executive, and Management Team.

31 Severance Payments

In accordance with Schedule 10, Part 3, Clause 19, Local Government Act 2002, Council declares that there has been one individual severance payments made to employees during this financial year totalling \$28,711. (2011/2012: \$60,000).

32 Remuneration

Chief Executive

The Chief Executive of Tasman District Council, appointed under Section 42 of the Local Government Act 2002, received total remuneration of \$282,435 during the year ending 30 June 2013.

[2012: Current CEO commenced 14 May 2012, received total remuneration of \$36,592. Former CEO finished on 30 September 2011. During this time the former Chief Executive received total remuneration of \$204,143. An Acting Chief Executive was appointed from 13 October 2011 until the new Chief Executive commenced on 14 May 2012. During this time the Acting Chief Executive received total remuneration of \$172,727.]

Total annual remuneration by band for employees as at 30 June	2012/13	2011/12
< \$60,000	112	108
\$60,000 - \$79,999	77	75
\$80,000 - \$99,999	35	28
\$100,000 - \$119,999	6	5
\$120,000 - \$139,999	7	7
\$140,000 - \$199,999	6	7
\$280,000 - \$299,999	1	1
Total employees	<u>244</u>	<u>231</u>

Total remuneration includes non-financial benefits provided to employees.

At balance date, the Council employed 184 (2012: 167) full time employees, with the balance of staff representing 31 full time equivalents employees (2012: 35 full time equivalents). A full-time employee is determined on the basis of a 40-hour working week.

33 Financial Instruments

33a Financial Instrument categories

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

2011/12 \$(000's)		2012/13 \$(000's)
FINANCIAL ASSETS		
Loans and receivables		
3,870	Cash and cash equivalents	1,752
13,968	Debtors and other receivables	15,643
Other financial assets:		
617	- community loans	537
1,200	- loans to related parties	560
19,655	Total Loans and receivables	18,492
Held to maturity		
Other financial assets		
337	- monies held for other organisations	349
5,391	- Council reserve funds held	5,394
5,728	Total Held to maturity	5,743
Fair value through surplus or deficit		
(7,416)	Derivative financial instruments that are not hedge accounted	(3,197)
(7,416)	Total Fair value through profit and loss	(3,197)
Fair value through comprehensive income		
Other financial assets:		
2,334	- unlisted shares	2,533
2,334	Total Fair value through comprehensive income	2,533
FINANCIAL LIABILITIES		
Financial liabilities at amortised cost		
13,968	Creditors and other payables	12,646
Borrowings		
155,603	- secured loans	158,012
169,571	Total financial liabilities at amortised cost	170,658

33b Financial Instruments risks

Council 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 Council, causing Council to incur a loss. Due to the timing of its cash inflows and outflows, the Council invests surplus cash into term deposits which gives rise to credit risk.

Council's Treasury Management policy limits the amount of credit exposure to any one financial institution or organisation. Council only invests funds with registered banks that have a Standard and Poor's 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:

2011/12 \$(000's)		2012/13 \$(000's)
3,870	Cash and cash equivalents	1,752
13,968	Trade and other receivables	15,643
9,879	Other financial assets	9,373
(7,416)	Derivative financial instruments	(3,197)

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:

2011/12 \$(000's)		2012/13 \$(000's)
COUNTERPARTIES WITH CREDIT RATINGS		
Cash and cash equivalents		
3,870	AA	1,752
<u>3,870</u>	Total cash and cash equivalents	<u>1,752</u>
Other financial assets held to maturity		
5,728	AA	5,743
<u>5,728</u>	Total financial assets held to maturity	<u>5,743</u>
Derivative financial assets		
(7,416)	AA	(3,197)
<u>(7,416)</u>	Total financial assets held to maturity	<u>(3,197)</u>

COUNTERPARTIES WITHOUT CREDIT RATINGS

Community loans

617	Existing counterparty with no defaults in the past	537
-	Existing counterparty with defaults in the past	-
<u>617</u>	<u>Total Community loans</u>	<u>537</u>

Loans to related parties

1,200	Existing counterparty with no defaults in the past	560
-	Existing counterparty with defaults in the past	-
<u>1,200</u>	<u>Total Loans to related parties</u>	<u>560</u>

Unlisted shares

2,334	Existing counterparty with no defaults in the past	2,533
-	Existing counterparty with defaults in the past	-
<u>2,334</u>	<u>Total unlisted shares</u>	<u>2,533</u>

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

Council is exposed to credit risk as a guarantor of all of the NZ LGFA's borrowings. Information about this exposure is explained on page 45.

b) Currency Risk

Council has no currency risk as any financial instruments it deals with are all in New Zealand dollars. (2012: 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 Council 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. Council 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 Council to cash flow interest rate risk.

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

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. (2011: \$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. Council 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 Council will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Council aims to maintain flexibility in funding by keeping committed credit lines available.

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

Council has a maximum amount that can be drawn down against its overdraft facility of \$2,000,000 (2012: \$2,000,000). There are no restrictions on the use of this facility.

Council is exposed to liquidity risk as a guarantor of all of the NZ LGFA's borrowings. This guarantee becomes callable in the event of the LGFA failing to pay its borrowings when they fall due. Information about this exposure is explained on page 45.

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

	Carrying amount	Contractual cash flows	Less than 1 year	1 -2 years	2 + years
2013	\$(000's)	\$(000's)	\$(000's)	\$(000's)	\$(000's)
Creditors and other payables	12,646	12,646	12,646	-	-
Secured loans	158,012	187,992	16,542	38,966	132,484
Finance Leases	3	5	5	0	0
Total	170,661	200,643	29,193	38,966	132,484

	Carrying amount	Contractual cash flows	Less than 1 year	1 -2 years	2 + years
2012	\$(000's)	\$(000's)	\$(000's)	\$(000's)	\$(000's)
Creditors and other payables	13,968	13,968	13,968	-	-
Secured loans	155,603	170,749	13,577	131,691	25,481
Finance Leases	9	10	5	5	0
Total	169,580	184,727	27,550	131,696	25,481

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.

	Carrying amount	Contractual cash flows	Less than 1 year	1 -2 years	2 + years
	\$(000's)	\$(000's)	\$(000's)	\$(000's)	\$(000's)
2013					
Cash and cash equivalents	1,752	1,752	1,752	-	
Debtors and other receivables	15,643	15,651	15,612	39	
Other financial assets:					
- community loans	537	693	222	81	390
- loans to related parties	560	1,200	25	25	1,150
Total	18,492	19,296	17,611	145	1,540
	Carrying amount	Contractual cash flows	Less than 1 year	1 -2 years	2 + years
	\$(000's)	\$(000's)	\$(000's)	\$(000's)	\$(000's)
2012					
Cash and cash equivalents	3,870	3,870	3,870	-	-
Debtors and other receivables	13,968	13,984	13,906	39	39
Other financial assets:					
- community loans	618	776	222	83	471
- loans to related parties	1,200	1,200	1,200	0	-
Total	19,656	19,830	19,198	122	510

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 Council's financial instrument exposures at the balance date.

Interest Rate Risk:

	2012/13			
	\$(000's)			
	-100 bps		+100 bps	
	Profit	Other Equity	Profit	Other Equity
Financial Assets				
Cash and cash equivalents	(18)	-	18	-
Community loans	-	-	-	-
Loans to related parties	-	-	-	-
Monies held for other organisations	-	-	-	-
Council reserve funds held	-	-	-	-
Derivative Financial Instruments	(5,169)	-	4,878	-
Financial Liabilities				
Secured loans	1,580	-	(1,580)	-

	2011/12			
	\$(000's)			
	-100 bps		+100 bps	
	Profit	Other Equity	Profit	Other Equity
Financial Assets				
Cash and cash equivalents	(37)	-	37	-
Community loans	-	-	-	-
Loans to related parties	-	-	-	-
Monies held for other organisations	-	-	-	-
Council reserve funds held	-	-	-	-
Derivative Financial Instruments	(4,582)	-	4,330	-
Financial Liabilities				
Secured loans	1,412	-	(1,412)	-

Explanation of sensitivity analysis:

1. Cash and cash equivalents include deposits at call on floating rates totalling \$1,752,000 (2012: \$3,697,000). A movement in interest rates of plus or minus 1% has an effect on interest income of \$17,520 (2012: \$36,970).
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. Council has \$158,012,354 worth of loan at 30 June 2013 at floating rates (2012: \$141,211,652). A movement in interest rates of plus or minus 1% has an effect on interest expense of \$1,580,124 (2012: \$1,412,117).
5. Derivatives – Interest rate swaps. Derivative financial assets not hedge accounted includes interest rate swaps with a fair value totalling (\$3,197,000) (2012: -\$7,416,000). A movement in interest rates of plus or minus 1% has an effect on the swap value of plus \$4.878m and minus \$5.169m.

33c 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:

	TOTAL	Valuation Technique		
		Quoted Market Price	Observable Inputs	Significant Non Observable Inputs
2013	\$(000's)	\$(000's)	\$(000's)	\$(000's)
FINANCIAL ASSETS				
Fair value through surplus or deficit				
Derivative financial instruments that are not hedge accounted	(3,197)		(3,197)	-
Total Fair value through profit and loss	(3,197)	-	(3,197)	-
Fair value through comprehensive income				
Other financial assets:				
- unlisted shares	2,533			2,533
Total Fair value through comprehensive income	2,533	0	0	2,533

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

2012	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 surplus or deficit				
Derivative financial instruments that are not hedge accounted	(7,416)	-	(7,416)	-
Total Fair value through profit and loss	(7,416)	-	(7,416)	-
Fair value through comprehensive income				
Other financial assets:				
- unlisted shares	2,334	0	0	2,334
Total Fair value through comprehensive income	2,334	0	0	2,334

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:

	2012/13 \$(000's)	2011/12 \$(000's)
Balance at 1 July	2,334	22
Gain and losses recognised in the surplus or deficit	-	-
Gain and losses recognised in other comprehensive income	-	(22)
Purchases	333	2,334
Sales	(134)	-
Transfers into level 3	-	-
Transfers out of level 3	-	-
Balance at 30 June	2,533	2,334

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

34 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.

Council 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.

35 Urban Portions of the State Highway Network

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

As a consequence, even if ownership resides with local authorities, in practice, New Zealand Transport Agency 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.

36 Significant Variances compared to the Annual Plan

The Council made a net surplus of \$12.752 million (budgeted surplus of \$5.4 million).

Explanations for major variations from the budget are as follows:

Revenue and expenditure	\$(000's)
2012/2013 Long Term Plan surplus	5,400
<i>Increases/(reductions)</i>	
Development and financial contributions	962
Subsidies and grants	2,098
Other revenue	2,345
Other gains	5,436
Other increases in revenue	760
Engineering	(3,354)
Council Enterprises	(519)
Other Expense variances	(376)
	<hr/>
	7,352
	<hr/>
2013 Annual Report Surplus	<hr/> 12,752 <hr/>

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

Development contributions being \$677,000 higher than expected. This is a timing issue dependent on when new subdivisions and building developments are liable for development contributions. Reserve Financial Contributions being \$285,000 higher than expected due to an increase in building consents issued over budgeted.

Subsidies and Grants are up on budget mainly due to NZTA subsidies are \$1,853,000 higher than expected due to emergency works expenditure on which we received 55% subsidy for the roading expenditure. [Note: This includes \$589,000 received from NZTA towards the December 2011 flood event damage, and \$970,000 subsidy for other emergency events]. We also received government subsidies of \$314,000 towards work undertaken on the December 2011 flood event, and a government subsidy of \$220,000 towards the Takaka sewerage scheme. These were not budgeted for in the current financial year.

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

- River Z recoveries are \$923,000 higher than expected due to recoveries received from NZTA towards the Matakītaki River channel improvements and bank protection of \$825,000. This was emergency works which was unbudgeted for.
- Cycleway income is up \$1,134,000 due to the timing of the construction of the Tasman Cycle Loop.

Other gains are up on budget mainly due to the forestry revaluation (the budgeted gain was \$538,000, and the actual result was a gain of \$1,819,000) and the unrealised gain on the interest rate swaps of \$4,050,000 (not budgeted for due to inherent difficulties in forecasting market conditions).

Other increases in revenue are up on budget due to the share of associate's income results being \$2,393,000 better than expected, and the share of our joint ventures income results being \$1,161,000 worse than expected.

Engineering expenditure increased due to subsidised roading emergency works undertaken being \$2.194m more than budgeted. (These have been partially offset by an increase in New Zealand Transport Agency subsidies). Rivers Operations and Maintenance was \$1.661m over budget. This was mainly due to River Z work being \$1.318m over budget due to the Matakītaki River channel improvements and bank protection work of \$507,000 undertaken in the current year, and River Z work undertaken due to recent and prior year flood damage of which one major project cost \$697,000. This expenditure is partially offset by recoveries. Expenditure in the wastewater and solid waste activities were down on budget.

Explanations for major variations from the budget are as follows:

Statement of Financial Position	Actual Long Term Plan		Variance
	\$(000's)	\$(000's)	\$(000's)
The carrying values of the following items vary significantly from those forecast in the LTP			
Trade and other receivables	15,612	9,459	6,153
Working Capital	2,293	(7,442)	9,735
Investment in Associates	88,098	83,463	4,635
Property, plant and equipment	1,221,139	1,203,688	17,451
Reserve funds	(13,984)	(9,485)	(4,499)
Revaluation reserves	(669,451)	(642,443)	(27,008)

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

Trade & 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.

Investment in Associates is up on budget due to the associates results being better than budgeted.

The property, plant and equipment asset increase is due to an asset revaluation being required at the end of the financial year for land, buildings and roading assets. These revaluations were \$12,676,000 higher than budgeted.

Reserve funds have increased primarily due to opening balance for the year being higher than budgeted due to prior year transactions. The timing of engineering and community projects can also affect the balance of the reserve funds at year end.

Revaluation reserves are down due to an asset revaluation being required at the end of the financial year for land, buildings and roading assets. These revaluations were \$12,676,000 higher than budgeted. The previous year asset revaluation was also higher than expected which resulted in the opening revaluation reserve balance being understated when preparing the Annual Plan.

37 Events Occurring after Balance Date

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

38 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	114,540	-	114,540	-	114,540
KING T B	36,724	1,560	38,284	32,200	70,484
BOULLIR M	27,543	700	28,243	-	28,243
BRYANT S G	36,724	2,685	39,409	-	39,409
DOWLER B F	27,543	0	27,543	-	27,543
EDGAR J	36,724	2,205	38,929	-	38,929
ENSOR B	27,543	4,835	32,378	-	32,378
GLOVER G	27,543	360	27,903	-	27,903
INGLIS J L	27,543	0	27,543	-	27,543
MALING C	27,543	2,240	29,783	-	29,783
MIRFIN Z	27,543	0	27,543	-	27,543
NORRIS T E	36,724	0	36,724	-	36,724
SANGSTER P	27,543	0	27,543	-	27,543
WILKINS E J	27,543	320	27,863	-	27,863
	509,323	14,905	524,228	32,200	556,428

Deputy Mayor T B King is a Director of Port Nelson Limited and received director fees from Port Nelson of \$32,200 during the year. (2012: \$32,200).

39 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.

40 Impact of Disaster Events on Council's Financial Statements.

The purpose of this note is to disclose the:

- impact of the December 2010, December 2011, April 2013 and June 2013 flood events on the Council's 30 June 2013 financial statements
- contingent assets that exist at balance date
- significant areas of estimation and assumption.

The impact of these events on the Council's financial statements is summarised below.

December 2011 Rain Event

The most significant event for Council during recent history was the heavy rainfall experienced in parts of Golden Bay and Richmond in December 2011. There was widespread damage and a State of Emergency was declared.

For the flood events that occurred in December 2010 and December 2011, Council is able to recover a portion of its costs from a number of sources, including insurance, New Zealand Transport Agency subsidies and Central Government subsidies. For the December 2011 event, Council has recognised a Central Government subsidy for the welfare claim and a preliminary Ministry of Civil Defence and Emergency Management claim for the event. Council expects that it is probable that these claims will be accepted. Further Ministry of Civil Defence and Emergency Management claims will be prepared as further costs are received.

The impact of the December 2011 Rain Event on the Council's financial statements is summarised below.

<u>Impact on other comprehensive income</u>	\$000's
Impairment of property plant and equipment	1,476

<u>Impact on capital expenditure</u>	\$000's
Roading repairs	(1,476)

Local roads have been repaired during the year. Last year an impairment for local roads of \$1.476m was made. This provision has been reversed out in the current year. Council has received a 55% subsidy from the NZ Transport Agency towards the repairs undertaken in the current year.

Council still has an impairment provision of \$750,000 relating to Wainui Road. The repairs to Wainui Road are scheduled to be completed by November 2013. The impairment provision will be reversed once the repairs are completed.

Council's utility assets were impaired for \$124,000 last year relating to the December 2011 event. No reversal of this impairment has occurred in the current year. This is still a significant magnitude of work before recovery is complete. This work has been prioritised and further consideration will be given in the preparation of the next Activity Management Plans and Long Term Plan.

April 2013 and June 2013 Rain Events

The rain events in the 2013 financial year caused major damage to commercial and residential properties in the Richmond area, but minimal damage to Council infrastructure.

The impact of the 2013 Rain Events on the Council's financial statements is summarised below.

<u>Impact on other comprehensive income</u>	\$000's
Impairment of property plant and equipment	(161)

In accounting for the impact of the events, the Council has made estimates and assumptions based on the best information available at the time the financial statements were prepared.

The key estimates are:

- the cost of damage where repairs have not yet been undertaken
- the value of sections /components of Council assets damaged

The key assumptions are that:

- the full extent of the damage has been identified through the inspection and assessment procedures undertaken to date and that any unidentified damage is unlikely to be significant

- there has been no impact on the useful life of assets, including underground assets that cannot be readily inspected for damage.

41 Reclassification.

The Council has changed the presentation of items within income to comply with the new presentation requirements of the Local Government (Financial Reporting) Regulations 2011.

The effect of the changes to income are shown in the table below:

The Effect of the changes to income are shown in the table below.

	Before reclassification \$000	Actual 2012 Reclassification \$000	After Reclassification \$000
Council			
Income			
General rates	29,985	-	29,985
Targeted Rates	26,518	(26,518)	-
Targeted rates (other than for a water supply)	-	21,465	21,465
Targeted rates for a water supply	-	5,053	5,053
Development and financial contributions	-	4,789	4,789
Subsidies and grants	-	14,361	14,361
Other revenue	38,507	(19,150)	19,357
Finance income	317	-	317
Other gains	26	-	26
Income of joint ventures	2,741	-	2,741
Share of associates surplus/deficit	6,129	-	6,129
Total income	104,223	-	104,223

STATEMENT 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	96
Engineering	115
Community Services	148
Governance	166
Council Enterprises & Property	170

The grouping of activities is slightly different to previous reports and reflects changes to the Local Government Act in 2010. These changes required councils to report on a number of mandatory activities. The intention is to enable performance comparisons between councils performance for these mandatory activities. The mandatory activities are:

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

Council also reports on the following groups of activities:

- Solid Waste
- Coastal Structures
- Environmental Management
- Public Health and Safety
- Recreation and Cultural Services
- Community Facilities and Parks
- Council Enterprises and Property
- Governance

Within each group of activities there may be a number of smaller activities, for example Public Health and Safety includes Building Control, Environmental Health, Animal Control, Civil Defence Emergency Management, Rural Fire Support Services, Maritime Safety and Parking Control.

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 on 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 2013. 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 a 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 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 2012-2022 LTP Council included survey measures as a measure of progress toward 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.

Funding Impact Statements (FIS)

The following tables relate to Funding Impact Statements prepared for each activity. The Funding Impact Statements have been prepared in accordance with the Local Government (Financial Reporting) Regulations 2011. This is a reporting requirement unique to local government and the disclosures contained within and the presentation of this statement is not prepared in accordance with generally accepted accounting practices ("GAAP").

This statement is based on cash transactions prepared on an accrual basis and as such does not include non cash/accounting transactions that are included within the Comprehensive Income Statement as required under GAAP. These items include but are not limited to Council's depreciation, gain and/or losses on revaluation and vested assets.

It also departs from GAAP as funding sources are disclosed based on whether they are deemed for operational or capital purposes. Income such as subsidies for capital projects, for example New Zealand Transport Agency subsidies projected to be received for road renewal works, development and reserve financial contributions and gains on sale of assets are recorded as capital funding sources. Under GAAP these are treated as income in the Comprehensive Income Statement.

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 two significant areas under which this activity is performed by Council.

- a) Environmental Management
- b) Public Health and Safety

2011/2012 Budget \$	Environment and Planning	2012/2013 Actual \$	2012/2013 Budget \$	% of Budget
9,020,013	Environmental Management	9,275,191	8,882,607	104%
4,367,854	Public Health and Safety	4,401,952	4,560,035	97%
13,387,867	TOTAL COSTS	13,677,143	13,442,642	102%

ENVIRONMENT AND PLANNING

ENVIRONMENTAL MANAGEMENT

What We Do

Council's environmental management functions and responsibilities include:

- The provision of policy advice, including responses to Government environmental requirements.
- The development and implementation of resource management policies and plans.
- Investigating significant environmental issues affecting or likely to affect the District.
- Maintaining an efficient resource information base to provide advice on environmental conditions and issues affecting the District.
- Assessing and processing resource consent applications and related compliance monitoring and enforcement.
- Undertaking biosecurity (plant and animal pest management) responsibilities including contributing to the Animal Health Board Bovine Tb vector control work in the District.
- Promoting environmental education and advocacy programmes and running environmental events to positively influence community behaviours.

Why We Do It

Council undertakes its environmental management responsibilities in order to promote the sustainable management of Tasman District's resources and to manage the consequences of human activity on the environment. Many of Council's policies and plans are statutory documents required under legislation. Council's state of the environment monitoring and information work is undertaken to monitor progress to achieve environmental outcomes, to help target planning controls, consent conditions and education programmes, to identify new issues, and to provide information of use to farmers, businesses and the public. Council processes resource consent applications and undertakes compliance activities to reduce the impact of human activity on other people and the environment. Environmental education and advocacy activities provide non-regulatory means of encouraging good environmental practices and outcomes. Council's biosecurity activities help protect the environment from unwanted plant and animal pests.

Our Goal

The Environmental Management activity goal is to:

Effectively promote sustainable management of the District's natural and physical resources by:

1. Identifying and responding to resource management policy issues and biosecurity risks in a manner that is effective, appropriate to the risks and opportunities, and is supported by the community generally.
2. Achieving a robust and cost effective approach to environmental monitoring and resource investigations that will provide a good understanding of the District's resources and the ability to assess environmental trends and manage risks to the environment.
3. Providing a sound and appropriate policy planning framework that will protect and enhance our unique environment and promote healthy and safe communities.
4. Managing the statutory processes involved in a way that is fair, lawful, timely and efficient, and which meets the expected environmental outcomes identified in policy statements and plans.
5. Improving practices in the use, development, and protection of the District's resources and minimising damage to the environment through inappropriate practices or the incidence of pests and other threats to the quality of the environment we enjoy.
6. Educating communities and providing information to enable sustainable, resilient and productive communities within the District.

How this activity contributes to the Community Outcomes

- Council has 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.

ENVIRONMENT AND PLANNING

- 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, plans and consent conditions that promote sustainable management of natural and physical resources while enabling development. Where necessary, conditions can be imposed (and monitored) that regulate activities which overtime would degrade the environment or place resources under pressure.
- By managing animal and plant pests, working with landowners and others to protect biodiversity, soil and water sustainability, and educating and encouraging responsible environmental behaviours.
- By ensuring that living and productive environments are pleasant and safe, and that the activities of others do not adversely impact on citizens' lives and are appropriate in location and scale.
- By monitoring and investigating the state of the environment and the trends, risks, and pressures it faces, we can make better decisions and have in place policies and plans that contribute to this outcome.
- By educating people and providing them with information to enable them to live more sustainably and to be more resilient.
- By having in place effective resource planning processes which ensure infrastructure provision is appropriate, efficient, and available to meet the demands of the community.
- By promoting best practice and efficiency measures in the design and use of important utility services.
- By having in place processes which safeguard the community's health and wellbeing and which ensure resource use and human activities affecting resources do not adversely affect quality of life or community wellbeing.
- By maintaining an effective flood warning system and working to identify contamination risks which are designed to promote safety of people and community wellbeing.
- By identifying heritage values of significance to the District and having in place a framework for protecting and enhancing these values, including sites which are important to Iwi.
- By promoting an appreciation of culture and heritage through running an Environment Awards programme and targeted funding to heritage and related projects.
- By promoting involvement in activities like Sea Week, Enviroschools, and Ecofest, which allow different sections of the community to participate, learn and teach each other about matters relating to community well-being.
- By encouraging participation in the processes of developing and administering policies and plans.
- By encouraging participation in the Enviroschools programme and events, like Ecofest, and making environmental information available and working with community groups to help them make environmentally sound decisions.
- By encouraging people to adopt best practice in relation to their use of resources such as land, water, air, and the coast.
- By helping to provide resource information that enables development of opportunities for economic development and helps to identify potential hazards and constraints affecting such opportunities.
- By processing resource consents that can facilitate economic development opportunities and compliance monitoring that can ensure fair and equal opportunities for all.

Our levels of service and how we measure progress against them

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance
<p>We will develop and maintain an appropriate policy framework which effectively promotes the sustainable management of the District's natural and physical resources by:</p> <ul style="list-style-type: none"> • identifying and responding to resource management 	<p>The level of community support for Council's resource management policy and planning work is rated as fairly satisfied or better through community surveys.</p>	<p>58% of residents surveyed were satisfied with Council's resource management policy and planning work, with 18% of respondents not knowing enough to comment, which means 71% of those with knowledge were satisfied or very satisfied. (62%, 18% and 77% being the equivalent 2011/2012 figures).</p>

ENVIRONMENT AND PLANNING

<p>Levels of Service (We provide)</p>	<p>We will know we are meeting the Level of Service if...</p>	<p>Current Performance</p>																																													
<p>policy issues; and</p> <ul style="list-style-type: none"> providing a sound and appropriate policy planning framework that will protect and enhance our unique environment and promote healthy and safe communities. 																																															
<p>We will monitor environmental trends and conditions and have in place reporting systems which protect and inform the community about environmental conditions, changes and risks.</p>	<p>Council's telemetry system (Hydrotel) is available to provide real time rainfall, river and sea level information for regional hazard management.</p>	<p>The network functioned well throughout the year with the system being operational for 99.42% of the time. River sites have been upgraded to modern loggers and communication equipment, and this task is now completed. Upgrades to rainfall recorders are 95% complete. Next year will see the start of groundwater monitoring site improvement.</p>																																													
	<p>Council aims to meet the Air Quality National Environmental Standard by 2020 (no more than 1 day > 50 µg/m³ PM₁₀ per year) and will report on the website air quality breaches at the Richmond Central monitoring site of the limit of 50 µg/m³ PM₁₀.</p>	<p>The winter of 2013 was mild. At the Richmond air quality monitoring site There were nine exceedences of the NES 24 compared to 16 the previous year. The maximum concentration recorded was 66 µg/m³ which is the lowest annual maximum since records began in 2000. The second highest value followed the same pattern and was also the lowest on record. The 2013 air quality monitoring results will be reported to the Environment and Planning committee of Council later this year.</p> <p>Website continuously updated and required manual update of the number of exceedences, which was no more than 2 days out of date at any given time. 16 exceedences were measured in the Richmond airshed for the 2012 winter period, 5 more than the entire previous winter. The maximum 24-hour concentration for 2012 was 87 µg/m³ which was also the highest for the preceeding three years. The "Good Wood" programme was run through Council's environmental education activity to promote the use of dryer and cleaner burning wood.</p> <div data-bbox="673 1518 1417 1881"> <table border="1"> <caption>Number of Exceedences and 2nd Highest 24-hour PM₁₀ for Richmond Central</caption> <thead> <tr> <th>Year</th> <th>Number of 24-hr PM₁₀ Exceedences</th> <th>2nd Highest 24-hr PM₁₀</th> </tr> </thead> <tbody> <tr><td>2000</td><td>46</td><td>111</td></tr> <tr><td>2001</td><td>0</td><td>0</td></tr> <tr><td>2002</td><td>0</td><td>0</td></tr> <tr><td>2003</td><td>40</td><td>81</td></tr> <tr><td>2004</td><td>38</td><td>97</td></tr> <tr><td>2005</td><td>33</td><td>78</td></tr> <tr><td>2006</td><td>37</td><td>95</td></tr> <tr><td>2007</td><td>21</td><td>78</td></tr> <tr><td>2008</td><td>20</td><td>74</td></tr> <tr><td>2009</td><td>22</td><td>76</td></tr> <tr><td>2010</td><td>7</td><td>67</td></tr> <tr><td>2011</td><td>11</td><td>69</td></tr> <tr><td>2012</td><td>16</td><td>70</td></tr> <tr><td>2013</td><td>9</td><td>56</td></tr> </tbody> </table> </div> <p>Graph shows the total number of days per year that the NES levels were exceeded and second-highest exceedence (Note: no monitoring occurred in 2001/2002).</p>	Year	Number of 24-hr PM ₁₀ Exceedences	2nd Highest 24-hr PM ₁₀	2000	46	111	2001	0	0	2002	0	0	2003	40	81	2004	38	97	2005	33	78	2006	37	95	2007	21	78	2008	20	74	2009	22	76	2010	7	67	2011	11	69	2012	16	70	2013	9	56
Year	Number of 24-hr PM ₁₀ Exceedences	2nd Highest 24-hr PM ₁₀																																													
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Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance
	One issue based State of the Environment (SOE) report to be released each year.	<p>Tasman Coastal Habitat Mapping, Ecological Risk Assessment and Monitoring Recommendations completed in August 2012 and presented to the community (Takaka and Motueka) in November, 2012.</p> <p>Moutere Inlet SOE report completed by June 2013. The release has been delayed due to format changes being requested to better reflect the distinction between state of the estuary (what condition is it in) and Council's response to that state.</p>
	An annual Recreational Bathing Water summary report is drafted and reported to Council or a Committee by 31 July each year.	<p>Report presented to and adopted at the 4 July 2013 Environment and Planning Committee meeting.</p> <p>Overall compliance with the microbial water quality (contact recreation) guideline at base flows was similar to previous years (97%). Tukuru Stream at Camp Playground was the least compliant and Rabbit Island Main Beach was fully compliant. Rainfall events were attributed to about half of the total non-compliances (~3%). Buller at Riverview Campground was sampled for the first time in many years and recorded very good water quality during base flows.</p> <p>Flood-flow sampling in the Buller catchment found concentrations of faecal indicator bacteria in the lower half of the range found to be in Tasman District. As is the case in most rivers in the district, all the sites returned to compliance within 24 hours of the non-compliance being recorded.</p> <p>The sampling programme is on-track for re-running a predictive model for water quality at beaches in the Kaiteriteri area influenced by the Motueka River plume.</p> <p>Ponded water at Rabbit Island main beach reserve (following heavy rain) was above guidelines for contact recreation and the contamination was of human origin. Toxic algae has been found to be an issue in the Waimea/Lower Wai-iti and Sherry Rivers and generally at low coverage elsewhere.</p>
We will provide a responsive and efficient process for assessing resource consent applications and ensuring compliance obligations are fairly and appropriately enforced.	The level of community support for Council's resource management consent and compliance work is rated as fairly satisfied or better through community survey.	Reported satisfaction level of 92.5% with 0% unable to answer (76.5% and 2% respectively in 2011/2012). 7.5% not very satisfied for reasons which include time delays, expense, and too much red-tape (cf 21.6% in 2011/2012).
	Consent applications are processed within statutory timeframes (where they exist)	99.4% of non-notified applications processed within timeframe, 94% for publicly notified and limited notified applications (cf 98% and 91% respectively in 2011/2012).
	<p>An annual report is prepared and presented to Council or a Council committee each year which details:</p> <ul style="list-style-type: none"> - The level of compliance with consent conditions or plan rules for those 	Over the 2012/2013 year resource consents and targeted permitted activities (water metered consents excluded) were monitored and reported on. Annual Compliance and Enforcement report released August 2013.

ENVIRONMENT AND PLANNING

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance																				
	undertaking activities under resource consents or permitted activities as described under tailored monitoring programmes.	<p>Compliance levels are shown in the following table</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Compliance rating</th> <th style="text-align: center;">Y12/13</th> <th style="text-align: center;">Y11/12</th> </tr> </thead> <tbody> <tr> <td>1. Fully complying</td> <td style="text-align: center;">992</td> <td style="text-align: center;">913</td> </tr> <tr> <td>2. Non - compliance. Nil or minor adverse effect</td> <td style="text-align: center;">253</td> <td style="text-align: center;">202</td> </tr> <tr> <td>3. Non - compliance. Moderate adverse effect</td> <td style="text-align: center;">61</td> <td style="text-align: center;">33</td> </tr> <tr> <td>4. Non - compliance. Significant adverse effect</td> <td style="text-align: center;">64</td> <td style="text-align: center;">20</td> </tr> </tbody> </table> <p>An additional 202 consents were monitored in the 2012/2013 financial year.</p>	Compliance rating	Y12/13	Y11/12	1. Fully complying	992	913	2. Non - compliance. Nil or minor adverse effect	253	202	3. Non - compliance. Moderate adverse effect	61	33	4. Non - compliance. Significant adverse effect	64	20					
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	– Where significant non-compliance is recorded, that resolution is achieved within appropriate timeframes.	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">Number</th> <th style="text-align: center;">Resolved (9 months)</th> <th style="text-align: center;">Resolved (12 months)</th> </tr> </thead> <tbody> <tr> <td>Formal actions such as warning, directions,</td> <td style="text-align: center;">57</td> <td style="text-align: center;">57</td> <td style="text-align: center;">NA</td> </tr> <tr> <td>Formal action such as abatement notices and fines</td> <td style="text-align: center;">7</td> <td style="text-align: center;">5</td> <td style="text-align: center;">3</td> </tr> <tr> <td>Prosecution</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> <td style="text-align: center;">N/A</td> </tr> <tr> <td style="text-align: right;">Total</td> <td style="text-align: center;">64</td> <td style="text-align: center;">61 (97%)</td> <td style="text-align: center;">64 (100%)</td> </tr> </tbody> </table>		Number	Resolved (9 months)	Resolved (12 months)	Formal actions such as warning, directions,	57	57	NA	Formal action such as abatement notices and fines	7	5	3	Prosecution	0	0	N/A	Total	64	61 (97%)	64 (100%)
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Total	64	61 (97%)	64 (100%)																			
	An annual report is prepared and presented to Council committee or a Council meeting on Water Metering Compliance detailing the performance of consented and permitted activity ground and surface water abstractions requiring monitoring as defined in the Tasman Resource Management Plan.	<p>The 2012/2013 water metering report was presented at the 15 August 2013 meeting.</p> <p>Prevailing dry weather patterns occurring in the summer prompted the Dry Weather Taskforce to convene on six occasions to impose restrictions under Section 329 of the Resource Management Act 1991. The number of consents administered under the water metering project in the 2012 / 2013 season increased substantially from 866 to 1018. There are now 71% of water meter readings being received electronically. Of those filing electronically a significant proportion (83%) are now using the web page service offered by Council. A total of 671 or 84% of meters received an audit during the season using summer student assistance to undertake this critical task. Overall compliance was very good however a range of enforcement actions were required predominantly for overtakes. There were 14 Infringement Notices issued for overtakes deemed less than minor up from seven last year. One overtake with aggravating circumstances is now the subject of an elevated enforcement response.</p> <p>The 2011/12 water metering report was presented to Council at the 9 August 2012 meeting. River level trigger points for water rationing (and rostering) were not reached during this summer season.</p> <p>The number of consents administered under the water metering project in the 2011 / 2012 season increased to 866 up from 852. 80% (up from 75%) of water meter readings are received electronically.</p>																				

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Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance								
		<p>Council staff continue to encourage electronic means for readings. Enforcement action was required in the 2011 / 2012 season. Six (17) consent holders, covering 14 consents, were subject to formal enforcement action regarding missing returns. All excessive water use situations were investigated. A number of informal warnings were given and in general, future compliance was the result. Two (1) written warnings were issued. Two (7) Infringement Notices were issued. Some reading discrepancies continue to be identified and where necessary are discussed with the consent holder. No formal enforcement action was taken during the 2011 / 2012 season.</p> <p>89% (52%) of meters were audited during the 2011 / 2012 season.</p> <p>Implementation of the Reporting of Water Takes Regulation 2010 continues. The first implementation stage of the Reporting of Water Takes Regulation 2010 was November 2012 when consented takes \geq 20 l/s (220) were required to install a complying water meter and subsequently have that meter verified. Council wrote to the affected consent holders in February 2012 and a reminder letter was sent in July 2012. Meetings with industry (accredited service providers) were held in December 2011 and June 2012 to assist their understanding of Council's application and implementation of the Regulations. In addition to the \geq 20 l/s consents, there are approx 60 consent holders in the Moutere surface water zone (various l/s rates) that have a November 2012 water meter requirement and this is an example of a consent requirement superseding the Regulations.</p> <p>The second stage implementation requires the >10 litres/second but < 20 litres/second takes to comply by November 2014. At present 402 water takes in this district will be subject to this stage.</p>								
	<p>An annual Dairy Monitoring report is prepared detailing the performance of the District's dairy farms against the Council's dairy effluent discharge rules and Clean Streams Accord targets.</p>	<p>Due to the requirement to undertake the Aorere full farm survey in response to a significant issue the 2012/2013 monitoring programme was severely disrupted with the district wide all farm survey not being achieved.</p> <p>Of the 44 farms that underwent a survey performance statistics were.</p> <div data-bbox="675 1406 1412 1899"> <table border="1"> <caption>2012/2013 Farm Dairy Compliance</caption> <thead> <tr> <th>Compliance Category</th> <th>% of farms inspected</th> </tr> </thead> <tbody> <tr> <td>Full Compliance</td> <td>89%</td> </tr> <tr> <td>Non-Compliance</td> <td>9%</td> </tr> <tr> <td>Significant Non-Compliance</td> <td>2%</td> </tr> </tbody> </table> </div> <p>The Aorere River Catchment received a focused programme during the 2012/13 summer and the report for this was presented to Council on 23 May 2013. The report concluded that by the end of</p>	Compliance Category	% of farms inspected	Full Compliance	89%	Non-Compliance	9%	Significant Non-Compliance	2%
Compliance Category	% of farms inspected									
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Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance																								
		<p>the survey there were no non-complying stock crossings in operation. Additionally 89% of all the required fencing was completed and that the focus for further work should go on the smaller waterways that were presently falling outside any TRMP or supply agreement rules.</p> <p>The 2011/2012 annual Dairy Effluent Discharge Report was submitted in September 2012.</p> <p>A total of 143 dairy sheds had active discharges in the Tasman District. Of those 136 farm dairies operated as Permitted Activities and the remaining seven held Resource Consents to discharge treated effluent to water.</p> <p>Each farm was assessed against Resource Consent conditions for the discharge of treated dairy effluent to water, or against the Permitted Activity Rule 36.1.2.3 (the discharge of animal to land). Results for all 143 farms were:</p> <ul style="list-style-type: none"> • 94.4% - Fully Compliant • 4.2% - Non- Compliant • 1.4% - Significantly Non-Compliant <p>Tasman District had 133 farms subject to the national targets of the Clean Streams Accord. The 2011/2012 Accord performance statistics were:</p> <ul style="list-style-type: none"> • 95% of streams have stock excluded from them. • 100% of estuaries and lakes have stock excluded from them. • 96% of regular crossings have bridges or culverts. • 100% of farms have a nutrient budget. • 94% of Fonterra farms fully comply with their consent conditions and/or regional rules. <div data-bbox="683 1350 1426 1787"> <table border="1"> <caption>Data for Figure 2: Comparison of Compliance</caption> <thead> <tr> <th>Season</th> <th>Compliant (%)</th> <th>Non-compliant (%)</th> <th>Significantly Non-compliant (%)</th> </tr> </thead> <tbody> <tr> <td>2005-2006</td> <td>59.1%</td> <td>31.1%</td> <td>9.8%</td> </tr> <tr> <td>2006-2007</td> <td>80.0%</td> <td>12.7%</td> <td>7.0%</td> </tr> <tr> <td>2007-2009</td> <td>88.6%</td> <td>6.7%</td> <td>4.7%</td> </tr> <tr> <td>2010-2011</td> <td>89.6%</td> <td>7.5%</td> <td>2.7%</td> </tr> <tr> <td>2011-2012</td> <td>94.4%</td> <td>4.2%</td> <td>1.4%</td> </tr> </tbody> </table> </div>	Season	Compliant (%)	Non-compliant (%)	Significantly Non-compliant (%)	2005-2006	59.1%	31.1%	9.8%	2006-2007	80.0%	12.7%	7.0%	2007-2009	88.6%	6.7%	4.7%	2010-2011	89.6%	7.5%	2.7%	2011-2012	94.4%	4.2%	1.4%
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We will work with resource users, stakeholder groups and the public to promote environmentally	The level of community support for Council's environmental education projects and events is rated as fairly satisfied or better	62% satisfied or better with 33% not knowing enough to comment (66% and 28% being the equivalent 2011/2012 figures). 6% were not satisfied, which means that 93% of those who were able to comment were satisfied or better with Council's environmental education activities (5% and 92% respectively in 2011/2012).																								

ENVIRONMENT AND PLANNING

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance
responsible behaviour, to encourage soil conservation and riparian planting, to maintain and enhance biodiversity	through community survey	
We will implement the provisions of the Regional Pest Management Strategy in Tasman and in Nelson to ensure that pests included in the Strategy are managed to minimise their impact on our productive sector and our natural areas.	Timely reporting of pest management operations in accordance with requirements of the Biosecurity Act.	Annual report on Pest Management Operations reported to the 28 February 2013 Environment and Planning Meeting – delay due to Council work programming issues. The current years Pest Management Annual Report is to be released in September 2013.

Major Activities

Undertaking environmental monitoring of the District's resources, state of the environment reporting, hydrology and flood warning monitoring, and provision of environmental information.	<p>Council continues to implement the State of the Environment Monitoring and Reporting Strategy. The monitoring, collection and maintenance of resource data/records is ongoing. The data is reported in real-time and, in some cases, is available on-line.</p> <p>Hydrology:</p> <ul style="list-style-type: none"> - 17 Flood events were monitored with three requiring warnings to be issued. - During all flood events telemetry systems were 100% operational. - Contract hydrology services are provided to Nelson City Council with a 20% increase in service being provided to NCC under the contract. - Water resource information on the Council's 'Flowphone' and web page continue to be widely used by anglers, canoeists and others. - 200 data requests received. <p>Resource investigation and environmental monitoring programmes continue including bathing water quality, river water quality, contaminated land, gravel availability, and air quality.</p> <p>Released State of the Environment Report on Tasman's Coastal Ecology in September 2012 with public meetings held November 2012 in Takaka and Motueka.</p> <p>Released a report on air quality in September 2012.</p> <p>Submitted Biodiversity Report in November 2012.</p>
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<p>Providing advice to potential applicants for resource consents and processing resource consent applications.</p>	<p>Council continues to respond to enquiries and all other aspects of resource consent applications on an ongoing basis. As at 30 June 2013 we had completed the processing of 854 non-notified applications with 99.4% complying with statutory timeframes (in 2012 the figure was 950 at 98%), and 51 notified or limited applications with 94% complying with statutory timeframes (in 2011 the figure was 64 at 91%). As at 30 June 2013, nine appeals to the Environment Court await resolution (cf seven in 2012).</p> <p>Reviewed Council's Development Contributions Policy and contributed to an Office of the Auditor General's and a Government review of development contributions.</p>																								
<p>Undertaking compliance activities to enforce planning rules, bylaws and resource consent conditions, and undertaking enforcement action when needed.</p>	<p>The compliance monitoring team continues to carry out consent compliance monitoring in accordance with the Compliance Monitoring Strategy. Water Metering Reports were submitted in August 2013 and the Annual Farm Dairy Effluent Discharge Report was submitted in September 2012. A catchment specific investigation in the Aorere into faecal contamination risks to the marine environment was conducted and reported to Council in May 2013.</p> <p>Staff also responded to written and verbal complaints and maintained a file of complaints with a record of actions taken. The following breakdown records the type of complaints received over the year.</p> <table data-bbox="718 974 1069 1456"> <tr> <td>Noise</td> <td>718</td> </tr> <tr> <td>Land Use</td> <td>267</td> </tr> <tr> <td>Discharges – Air</td> <td>319</td> </tr> <tr> <td>Discharges – Water</td> <td>53</td> </tr> <tr> <td>Discharges - Land</td> <td>106</td> </tr> <tr> <td>Water takes</td> <td>18</td> </tr> <tr> <td>Rivers</td> <td>53</td> </tr> <tr> <td>Coastal</td> <td>14</td> </tr> <tr> <td>Rubbish Enforcement</td> <td>18</td> </tr> <tr> <td>Abandoned vehicles</td> <td>77</td> </tr> <tr> <td>Other</td> <td><u>177</u></td> </tr> <tr> <td></td> <td>1,820</td> </tr> </table> <p>(cf 1,731 in 2011/2012)</p>	Noise	718	Land Use	267	Discharges – Air	319	Discharges – Water	53	Discharges - Land	106	Water takes	18	Rivers	53	Coastal	14	Rubbish Enforcement	18	Abandoned vehicles	77	Other	<u>177</u>		1,820
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<p>Undertaking plant and animal pest management planning and operations, including in Nelson City through a contractual arrangement with Nelson City Council, and funding the Animal Health Board to undertake its Tb Vector control programme in the District.</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 February 2013).</p> <p>Adopted a revised Tasman-Nelson Regional Pest Management Strategy 2012-2017 in November 2012.</p> <p>Council continues to provide funds to the Animal Health Board's Bovine Tb Vector Management programme.</p>																								
<p>Undertaking environmental education and advocacy activities, including working with land owners to achieve sustainable land management objectives, school and business education programmes, and running educational events.</p>	<p>A very successful environmental festival "Ecofest" was held in August 2012. The combined NCC-TDC stand had a river health theme and was voted as a top stand. A successful community beach clean-up was held in November 2012. Council works with a range of schools throughout the District on environmental education and currently has 23 schools involved in the Enviroschools programme.</p>																								

ENVIRONMENT AND PLANNING

<p>Implementing the Resource Policy work programme, including:</p> <ul style="list-style-type: none"> - reviews of, and changes to, the Tasman Resource Management Plan (TRMP) - development plans for various settlements within the District - rural policy reviews (including subdivision and rural land use, landscape protection) - land disturbance review - network services rules and design guidance development - water allocation reviews - riparian land management strategy - natural hazards strategic policy review - review of the Tasman Regional Policy Statement and consideration of combining it with the TRMP - provision of policy advice. 	<p>A number of plan changes were made operative in August 2012 and April 2013 including Richmond East rezoning, cultural heritage provisions, frost protection devices and water metering. Notified amendments to earthquake, heritage and height provisions in the TRMP in December 2012 (Changes 40-42). On 27 April 2013 notified the Motueka West and Motueka Central Plan Changes (Changes 43 and 44) and the Waimea Water Management and Augmentation Plan Changes (Changes 45-48). Continued to advance work on Golden Bay Landscapes, Rural Policy Review, Urban Density investigation, Brightwater and Wakefield Development Review, and Coastal Hazards Project.</p> <p>Received and notified two private plan change requests.</p> <p>Responded to Government's National Policy Statement for Freshwater Management and notified progressive implementation programme in November 2012.</p> <p>Responded to the Heritage Protection Pouhere Taonga Bill, Resource Management Reform Bill, the Marine Legislation Bill and a report on local regulation by the Productivity Commission, and participated in the Government's land and water programme.</p>
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Report on progressive implementation of the 2011 National Policy Statement for Freshwater Management

Implementation Requirements

In accordance with Policy E1 of the National Policy Statement: Freshwater Management 2011 (NPS-FW) the Council must publicly report every year on the extent to which a programme of staged implementation of the NPS-FW has been implemented.

The Council approved a Staged Implementation Programme for the NPS-FW for public notification at the 1st November 2012 Environment and Planning Committee meeting. The Programme outlines the key activities that the Council will undertake to fully implement the NPS-FW by 2030.

Below is an outline of Council's key implementation achievements during the 2012-13 period.

Key achievements of NPSFM implementation during 2012-13

During 2012-13 the Council:

1. Completed the policy development and public notification of Plan Changes 45-48 for the review of water quantity management plus water quality management in part for the Waimea Plains water management zones.
2. In April 2013 added two more quarterly river water quality monitoring sites in spring-fed creeks draining the Waimea Plains to support the effects assessment of potential land use changes in the Waimea Plains following increased irrigation availability.
3. Completed a water resource inventory and catchment description for the Takaka River Catchment and adjacent coastal catchments. The report was released to the public in August 2013.
4. Made plan provisions to ensure compliance with the Resource Management (Measurement and Reporting of Water Takes) Regulations 2010 operative in April 2013.

ENVIRONMENT AND PLANNING

5. Completed a significant update to the wetland inventory. All landowners with recorded wetlands will be notified of the inventory results and implications for them in the 2013-14 year.
6. Mayors and iwi leaders met to discuss relationships and engagement between top of the south councils and iwi in May 2013.
7. Provided expert input from two staff into the development of National Environmental Monitoring Standards (NEMS) and began implementing them into Council's environmental monitoring programme. Further progress is limited due to the limited scope of NEMS at this stage.
8. Completed site upgrades on rainfall monitoring network.
9. Carried out resource investigation work into ground and surface water connections in the Upper Motueka River catchment to develop further improved water allocation methodologies for the area.
10. In August 2013 began monthly sampling at four more sites making a total of nine sites in the region (this includes the three National Water Quality Network sites). These sites are all on larger rivers and most sites are just upstream of the coastal management area.

Continued collecting data to support model development to predict the effects of faecal indicator bacteria loads from the Motueka River (ongoing for the next year).

ENVIRONMENT AND PLANNING

2011/2012 Budget \$	Environmental Management	2012/2013 Actual \$	2012/2013 Budget \$	% of Budget
	SOURCES OF OPERATING FUNDING			
5,775,153	General rates, uniform annual general charges, rates penalties	6,140,658	6,110,050	101%
306,485	Targeted rates (other than a targeted rate for water supply)	333,711	332,897	100%
30,000	Subsidies and grants for operating purposes	170,326	107,915	158%
-	Fees, charges and targeted rates for water supply	-	-	-
-	Internal charges and overheads recovered	-	-	-
3,169,665	Local authorities fuel tax, fines, infringement fees, and other receipts	2,518,396	2,556,401	99%
9,281,303	TOTAL OPERATING FUNDING	9,163,091	9,107,263	101%
	APPLICATIONS OF OPERATING FUNDING			
5,621,752	Payments to staff and suppliers	5,640,837	5,566,106	101%
109,705	Finance costs	90,507	94,680	96%
3,288,556	Internal charges and overheads applied	3,543,847	3,221,821	110%
-	Other operating funding applications	-	-	-
9,020,013	TOTAL APPLICATIONS OF OPERATING FUNDING	9,275,191	8,882,607	104%
261,290	SURPLUS (DEFICIT) OF OPERATING FUNDING	(112,100)	224,656	-50%
	SOURCES OF CAPITAL FUNDING			
-	Subsidies and grants for capital expenditure	-	-	-
-	Development and financial contributions	-	-	-
(119,221)	Increase (decrease) in debt	418,068	(37,992)	-1100%
-	Gross proceeds from sale of assets	-	-	-
-	Lump sum contributions	-	-	-
(119,221)	TOTAL SOURCES OF CAPITAL FUNDING	418,068	(37,992)	-1100%
	APPLICATIONS OF CAPITAL FUNDING			
	Capital expenditure			
-	- to meet additional demand	-	10,380	0%
82,281	- to improve the level of service	49,160	98,091	50%
39,495	- to replace existing assets	64,236	48,267	133%
20,293	Increase (decrease) in reserves	192,572	29,926	643%
-	Increase (decrease) in investments	-	-	-
142,069	TOTAL APPLICATIONS OF CAPITAL FUNDING	305,968	186,664	164%
(261,290)	SURPLUS (DEFICIT) OF CAPITAL FUNDING	112,100	(224,656)	-50%
-	FUNDING BALANCE	-	-	-

Comments:

Subsidies and grants for operating purposes are over budget due to funds from the Ministry for the Environment of \$150,000 for the Mapua Decontamination being carried forward into 2012/2013 against a budget of \$51,650.

Payments to staff and suppliers includes an unbudgeted payment of \$638,613 to the Ministry for the Environment in line with Council's contract with the Ministry for remediation works at Mapua.

The above payment was partly funded by loan putting debt out of line with budget for 2012/2013.

Internal charges and overheads applied are 110% of budget. Overall Council overheads, not including Department specific overheads, are at 110% or \$742,540 over budget. This is due to rates remissions being \$100,000 over budget, and approximately \$600,000 in non cash accounting adjustments required under IFRS that were not budgeted for. Department overheads are allocated on the basis of staff time and as Environmental Management is more staff intensive than Public Health and Safety it has picked up a larger share proportionately.

ENVIRONMENT AND PLANNING

PUBLIC HEALTH AND SAFETY

What We Do

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

Why We Do It

The activity contributes to the sustainable development of the Tasman District and the well-being of the community by ensuring that actions, or non-actions, taken by people in Tasman District are lawful, sustainable and safe.

Much of the work done within the activity is to protect public health and safety, and in response to central government legislation.

While Council does not have a choice about providing the services, there is some discretion over the manner and degree to which the functions are delivered. In the past, the rationale for Council's involvement has been influenced by whether:

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

Our Goal

The goal of the Public Health and Safety activity is to:

1. See that development of the District achieves high standards of safety, design, and operation with minimum impact and public nuisance.
2. Offer excellent customer service in providing information on development and other opportunities.
3. Ensure permit and licensing systems are administered fairly and efficiently and in a way that will protect and enhance our unique environment and promote healthy and safe communities.

How this activity contributes to the Community Outcomes

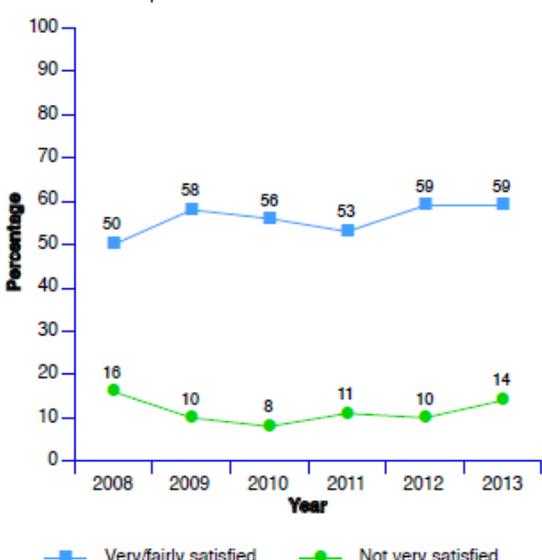
- Managing risk from rural fire and ensuring recreational boating is safe keeps Tasman special.
- The activity ensures that living environments are safe, and that the activities of others do not negatively impact on citizen's lives. Through ensuring buildings are well constructed, safe and weather tight, the activity contributes to the development of the District, and also ensures that the resale value of the community's assets are protected.
- Parking control ensures parking facilities are available to ensure public access to urban retailers and services.
- This activity safeguards the community's health and well-being by ensuring standards of construction, food safety, and registered premises operation are met and that liquor consumption and nuisances from dogs and stock, and risk from fire do not adversely affect quality of life.
- Our civil defence and emergency management system is designed to promote the safety of people and a resilient community.
- Safe boating and providing such things as ski lanes ensures public access to the coastal waters of Tasman.
- We encourage people to make preparations for civil emergencies.

ENVIRONMENT AND PLANNING

Our levels of service and how we measure progress against them

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance
We will provide building control services in a professional and timely manner to ensure building work is safe and in accordance with the New Zealand Building Code.	<p>Applications for building consent and code compliance certificates (CCC) are processed within statutory timeframes.</p> <p>We maintain Building Consent Authority Accreditation.</p>	<p>97.67% of building consent applications were processed within statutory time frames (cf 96.8% in 2011/2012).</p> <p>92.94% of CCC applications were processed within the statutory timeframe ((cf 87.5% in 2011/2012)). Progress is slow but we continue to carry out consent compliance checks on historical building consents.</p> <p>Reaccreditation as a Building Consent Authority was achieved in March 2012 – Target met. Next review is October 2013.</p>
<p>We will provide an environmental health service that:</p> <p>a. In association with other agencies, fosters the responsible sale and consumption of liquor.</p> <p>b. Ensures that food provided for sale is safe, free from contamination and prepared in suitable premises.</p>	<p>In conjunction with the New Zealand Police, we detect no sale of liquor to minors through random controlled purchase operations (CPOs) run annually.</p> <p>All food premises are inspected at least once annually for compliance and appropriately licensed.</p>	<p>Six CPOs were conducted in the period – 14 July 2012, 14 September 2012, 26 October 2012, 8 December 2012, 12 April 2013 and 23 May 2013. A total of 87 premises were tested with offences detected in 7 different premises. CPOs conducted on 14 July 2012 and 12 April 2013 did not detect any breaches therefore targets were met for those operations.</p> <p>218 food premises out of a total of 309 were inspected over the period. 70.6% of food premises were inspected as at 30 June 2013. This shortfall was due to resignation of a critical staff member, difficulty in recruiting a replacement and prioritisation of the team activities to prepare for new legislation.</p>
We will provide animal control services to minimise the danger, distress, and nuisance caused by dogs and wandering stock and to ensure all known dogs are recorded and registered.	<p>All known dogs are registered annually by 30 September.</p> <p>We respond to high priority dog complaints within 60 minutes, 24 hours a day, seven days a week.</p>	<p>96.2% of the 10,291 known dogs were registered as at 30 September 2012.</p> <p>Response times were achieved although in some cases this was via a telephone call rather than on-site presence.</p>
We will have in place a civil defence and emergency management system that is designed to promote the safety of people and a resilient community in the event that emergencies occur.	The level of community support for Council's civil defence emergency management activity is rated as fairly satisfied or better through community survey.	59% of residents are fairly satisfied or better with 27% not knowing enough to comment (59% and 32% being the equivalent 2011/2012 figures). 14% were not satisfied, which means that 69% of those who were able to comment were satisfied or better with Council's civil defence emergency management activities. 14% were not satisfied as they felt that civil defence was insufficiently prepared and organised with delays in response and follow up, and lack of information/publicity.

ENVIRONMENT AND PLANNING

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance																					
		<p style="text-align: center;"><i>Emergency Management</i></p>  <table border="1" style="margin-left: auto; margin-right: auto;"> <caption>Emergency Management Satisfaction Data</caption> <thead> <tr> <th>Year</th> <th>Very/fairly satisfied (%)</th> <th>Not very satisfied (%)</th> </tr> </thead> <tbody> <tr> <td>2008</td> <td>50</td> <td>16</td> </tr> <tr> <td>2009</td> <td>58</td> <td>10</td> </tr> <tr> <td>2010</td> <td>56</td> <td>8</td> </tr> <tr> <td>2011</td> <td>53</td> <td>11</td> </tr> <tr> <td>2012</td> <td>59</td> <td>10</td> </tr> <tr> <td>2013</td> <td>59</td> <td>14</td> </tr> </tbody> </table>	Year	Very/fairly satisfied (%)	Not very satisfied (%)	2008	50	16	2009	58	10	2010	56	8	2011	53	11	2012	59	10	2013	59	14
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To safeguard life and property by the prevention, detection, restriction and control of fire in forest and rural areas.	The area of forest lost through fire annually does not exceed 20 hectares.	6.3ha hectares of damage to production forest from rural fires.																					
We will provide Maritime Administration services to ensure Tasman's harbour waters are safe and accessible and that all known commercial vehicle operators are licensed.	Residents with an understanding of Maritime Administration rate their satisfaction with this activity as "fairly satisfied" or better in annual surveys. All known commercial vessel operators are licensed.	48% of residents surveyed are satisfied with Council's harbour management work, with 47% of respondents not knowing enough to comment, which means 91% of those with knowledge were satisfied or very satisfied. (37%, 57% and 86% being the equivalent 2011/2012 figures). Target met. 42 of 44 known commercial operators licensed (37) or registered as exempt (five). The other two have lodged applications but are still working on safety plans (100%). River rafting, commercial non-passenger and commercial fishing vessels are not presently required to hold a licence.																					
We will provide parking control services to facilitate the public's access to urban retailers and services, respond to any misuse of disabled parking, and remove reported abandoned vehicles.	Compliance by not less than 80 out of every 100 vehicles parking in time controlled areas within the Traffic Bylaw, based on an annual snap survey.	Survey undertaken in November 2012 – 79 out of 100 vehicles complied - (83% in 2011/2012).																					

ENVIRONMENT AND PLANNING

Major Activities

<p>Respond to enquiries, process permits and consents, and undertake inspectorial responsibilities under the Health Act, Building Act, Sale of Liquor Act, Food Act, Dog Control Act, Forests and Rural Fires Act, Transport Act, Maritime Transport Act, the Hazardous Substances and New Organisms Act, and associated regulations and Council bylaws.</p>	<p>Inspectorial responsibilities under the Health, Building, and Sale of Liquor Acts and Council bylaws continue to be carried out by professionally-trained and qualified staff and contractors.</p> <p>97.67% of 1500 building consents were processed within the statutory processing time limit (cf 1,321 at 96.8% in 2011/2012). The average processing time was nine days (cf 10.5 in 2011/2012).</p> <p>Reviewed the Control of Liquor in Public Places Bylaw, adopted by Council in October 2012.</p> <p>Responded to the Sale and Supply of Alcohol Bill and once enacted several discussion papers on proposed regulations.</p>																					
<p>Carry out Harbour Board functions including implementation of the Joint Oil Spill Contingency Plan (with Nelson City Council).</p>	<p>Four marine oil spill reports were investigated. No clean up responses necessary.</p> <p>Council staff involved in two regional oil spill exercises and an equipment familiarisation session.</p> <p>Two new Tier-1 oil transfer site plans approved. Three known Tier-1 sites lack current approved plans.</p> <p>No oil spills reported.</p>																					
<p>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 5746 rural and 4574 urban dogs registered in Tasman District. Council's contractors responded to complaints regarding wandering stock and dogs and impounded animals as required. 289 Dog Control Infringement Notices were issued, 162 of which were for unregistered dogs. (cf 70 in 2011/2012). And 108 for failing to implant a microchip. A separate annual report to the Secretary of Local Government is available for further details.</p> <p>81% of residents were satisfied with the Council's efforts in controlling dogs, with 9% unable to comment. (cf 78% and 8% in 2011/2012).</p> <div data-bbox="571 1400 1125 2016" style="text-align: center;"> <p><i>Dog Control</i></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Very/fairly satisfied (%)</th> <th>Not very satisfied (%)</th> </tr> </thead> <tbody> <tr> <td>2005</td> <td>73</td> <td>12</td> </tr> <tr> <td>2008</td> <td>75</td> <td>12</td> </tr> <tr> <td>2009</td> <td>80</td> <td>12</td> </tr> <tr> <td>2010</td> <td>77</td> <td>9</td> </tr> <tr> <td>2012*</td> <td>78</td> <td>14</td> </tr> <tr> <td>2013</td> <td>81</td> <td>10</td> </tr> </tbody> </table> </div>	Year	Very/fairly satisfied (%)	Not very satisfied (%)	2005	73	12	2008	75	12	2009	80	12	2010	77	9	2012*	78	14	2013	81	10
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ENVIRONMENT AND PLANNING

<p>Carry out navigation safety functions under the Maritime Transport Act 1994, Local Government Act 1974 and associated Maritime Rules and Bylaws.</p>	<p>All three vessels under Council ownership or control are maintained in a fit for purpose state and met all regulatory requirements under Maritime Rules. LEGATO operated on 52 days (344 engine hours), HYDRO on 20 days (21 engine hours) and WARDEN on 44 days (224 engine hours).</p> <p>Launch Warden and Enforcement Officer warrants reissued (30).</p> <p>Council's skipper certification scheme under Maritime Rule Part 35 passed MaritimeNZ audit.</p> <p>Seven Infringement Notices issued for breaches of Navigation Safety Bylaws, two of which were cancelled when agreed corrective actions undertaken. 36 formal Warning Notices issued. 335 navigation safety incidents recorded as actioned, reported or observed.</p> <p>25 Local Navigation Warnings or Notices were issued. Three written Special Directions were issued.</p> <p>10 reservations or speed limit upliftings were granted for special events.</p> <p>All district Aids to Navigation inspected at least quarterly. All outages responded to and rectified or notified within 24 hours. All applications pursuant to s200 of MTA for Aids to Navigation either lodged or countersigned as required within timeframe. Seasonal buoys and signs installed and retrieved within timeframe.</p> <p>Boat ramp user safety survey undertaken (211 boats at 8 ramps).</p>
<p>Carry out civil defence and emergency management responsibilities.</p>	<p>Council staff responded to two civil defence (CD) emergencies caused by flooding events. Staff also took part in the nationwide CD exercise Te Ripahapa.</p> <p>Search and Rescue (SAR) national asset database updated for Tasman maritime SAR resources.</p>
<p>Carry out parking control responsibilities under Council's Parking Bylaw.</p>	<p>Parking enforcement responsibilities are carried out under contract by Control Services (Nelson) Ltd. 1,248 infringement notices were issued (cf 1,372 in 2011/2012) during the year along with other advisory warnings concerning parking. Public assistance continues to be offered while wardens are on duty.</p>
<p>Ensure fire risk in the District is effectively managed through supporting rural fire parties and the Waimea Rural Fire Committee.</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

2011/2012 Budget \$	Public Health and Safety	2012/2013 Actual \$	2012/2013 Budget \$	% of Budget
	SOURCES OF OPERATING FUNDING			
1,416,703	General rates, uniform annual general charges, rates penalties	1,582,714	1,574,825	101%
-	Targeted rates (other than a targeted rate for water supply)	-	-	-
-	Subsidies and grants for operating purposes	293,743	-	-
-	Fees, charges and targeted rates for water supply	-	-	-
-	Internal charges and overheads recovered	-	-	-
2,991,299	Local authorities fuel tax, fines, infringement fees, and other receipts	3,462,663	3,051,713	113%
4,408,002	TOTAL OPERATING FUNDING	5,339,120	4,626,538	115%
	APPLICATIONS OF OPERATING FUNDING			
2,660,472	Payments to staff and suppliers	2,806,454	2,830,942	99%
20,051	Finance costs	16,352	16,392	100%
1,687,331	Internal charges and overheads applied	1,579,146	1,712,701	92%
-	Other operating funding applications	-	-	-
4,367,854	TOTAL APPLICATIONS OF OPERATING FUNDING	4,401,952	4,560,035	97%
40,148	SURPLUS (DEFICIT) OF OPERATING FUNDING	937,168	66,503	1409%
	SOURCES OF CAPITAL FUNDING			
-	Subsidies and grants for capital expenditure	-	-	-
-	Development and financial contributions	-	-	-
(18,745)	Increase (decrease) in debt	(19,961)	(19,645)	102%
-	Gross proceeds from sale of assets	-	-	-
-	Lump sum contributions	-	-	-
(18,745)	TOTAL SOURCES OF CAPITAL FUNDING	(19,961)	(19,645)	102%
	APPLICATIONS OF CAPITAL FUNDING			
	Capital expenditure			
-	- to meet additional demand	-	-	-
-	- to improve the level of service	10,704	-	-
35,398	- to replace existing assets	15,881	36,330	44%
(13,995)	Increase (decrease) in reserves	890,622	10,528	8460%
-	Increase (decrease) in investments	-	-	-
21,403	TOTAL APPLICATIONS OF CAPITAL FUNDING	917,207	46,858	1957%
(40,148)	SURPLUS (DEFICIT) OF CAPITAL FUNDING	(937,168)	(66,503)	1409%
-	FUNDING BALANCE	-	-	-

Comment:

The subsidies and grants for operating purposes are for claims to the Ministry of Civil Defence and Emergency Management in relation to the December 2011 flood event not budgeted for.

Other receipts include a payment from Nelson City Council of \$314,137 for their share of costs in relation to the flood event also not budgeted for.

These recoveries related primarily to costs incurred in the previous financial year, which is why this activity is showing a surplus over budget.

ENGINEERING

Policy and Objective

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

Nature and Scope

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

- a) **Transportation, Roads and Footpaths**
- b) **Coastal Structures**
- c) **Water Supply**
- d) **Wastewater and Sewage Disposal**
- e) **Stormwater**
- f) **Solid Waste**
- g) **Flood Protection and River Control Works**

2011/2012 Budget \$	Engineering	2012/2013 Actual \$	2012/2013 Budget \$	% of Budget
11,419,272	Transportation, Roads and Footpaths	13,504,658	11,377,977	119%
902,210	Coastal Structures	1,766,163	1,574,046	112%
6,062,735	Water Supply	7,894,287	6,111,726	129%
7,978,839	Wastewater and Sewage Disposal	8,116,260	8,570,831	95%
2,194,369	Stormwater	2,314,291	1,873,515	124%
6,189,320	Solid Waste	5,859,071	6,996,203	84%
2,110,204	Flood Protection and River Control Works	3,605,755	1,969,055	183%
36,856,949	TOTAL COSTS	43,060,485	38,473,353	112%

TRANSPORTATION, ROADS AND FOOTPATHS

What We Do

Tasman District Council is responsible for the management of a transportation network that comprises approximately 1,700km of roads, (944km sealed and 757km unsealed), 475 bridges (including footbridges), 234km of footpaths, cycleways and walkways, 23 carparks, 2,723 streetlights, 9,241 traffic signs and 8,771 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.

This group of activities includes:

- Ownership or authority to use the land under roads.
- Road carriageways for the safe movement of people and goods.
- Culverts, water tables and a stormwater system to provide drainage for roads.
- Signs, barriers and pavement markings to provide road user information and safe transport.
- Bridges to carry road users over waterways.
- Footpaths, walkways and cycleways to provide for the needs of pedestrians and cyclists.
- Street lighting to provide safe movement for road users at night.
- Carparking facilities.

This group of activities also includes other transportation related services, for example transport planning, road safety, cycleways and public transport services like the Total Mobility Scheme. These activities are included because they are part of managing the roading and footpath network (such as transport planning and road safety) or they can utilise the roading assets (such as cycleways and public transport). These activities are also of a small scale and do not materially impact on the overall budgets of the roading and footpaths activities and it is not efficient to deal with them as a separate group of activities.

Why We Do It

By providing a high quality transportation network, Council enables the safe and efficient movement of people and goods which improves the economic and social well-being of the District. The provision of transport services, roads and footpaths is considered a core function of local government and is something that the Council has done historically. The service provides many public benefits. It is considered necessary and beneficial to the community that the Council undertakes the planning, implementation and maintenance of the transportation network.

Our Goal

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

How this activity contributes to the Community Outcomes

- 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.

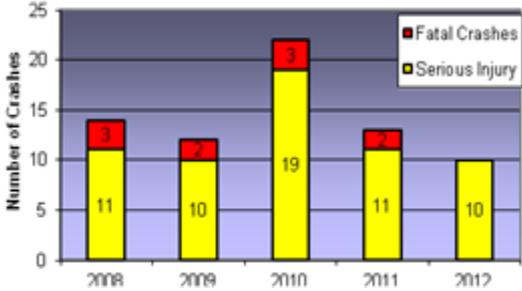
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The financial assistance subsidy rate for Tasman is 49% for most activities with an increase to 59% for approved major works. The subsidy rate depends on the size of the overall programme of work and the assessed ability to pay, which is related to the capital value of the District.

Reduced levels of Government funding

The New Zealand Transport Agency (NZTA) has not provided Council with an inflation adjustment for its share of the funding for local roads over the last three years. This has effectively reduced NZTA's contribution towards funding Tasman's local roads. NZTA has continued with this approach to road funding and will not provide inflation adjustments for the next three years (2012-2015). This will have the effect of reducing the funds available to manage roads and other transportation activities. Council has decided to inflation adjust its share of funding local roads, even though NZTA has not done so. Council has and will continue to develop innovative ways to manage the challenges in the reduced funding environment.

Our levels of service and how we measure progress against them

Levels of Service (We provide)	We will know we are meeting the Level of	Current Performance
1. Our network of roads, bridges, footpaths, cycleways and car parks are safe, uncongested and maintained cost effectively.	Number of customer service request complaints relating to the maintenance of footpaths - as measured through records held in Council's databases. [Target: <70]	Actual = 64 [2012: 67]
	There is a downward trend in the number of serious and fatal crashes (excludes state highways) - as analysed by interrogating the New Zealand Transport Agency crash database. [Target: Downward trend in serious and fatal crashes]	Actual = 0 fatal and 10 serious injury, decreasing trend although not statistically significant. 
	The average quality of the ride on sealed roads experienced by motorists is maintained at current levels - as measured by the Smooth Travel Exposure Index (STE). (Note: STE is a key national indicator of the effectiveness of road maintenance expenditure. It represents the proportion of travel undertaken each year on all sealed roads with acceptable surface roughness that provides comfortable travel conditions for passenger car users.) [Target: 94%]	Actual = 96% [2012: 96%] A higher percentage of travel is undertaken on smooth sealed roads than per the target of 94%. This information is taken from the New Zealand Transport Agency's RAMM report and covers all sealed roads urban/rural.

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2. Our roads and footpaths are managed at a level that satisfies the community.

Residents are satisfied with Council's roads and footpaths in the District - as is measured through the annual residents' survey. [Targets:

Footpaths = 70%

Roads = 75%

Parking = 85%

Walkways and cycleways = 80%]

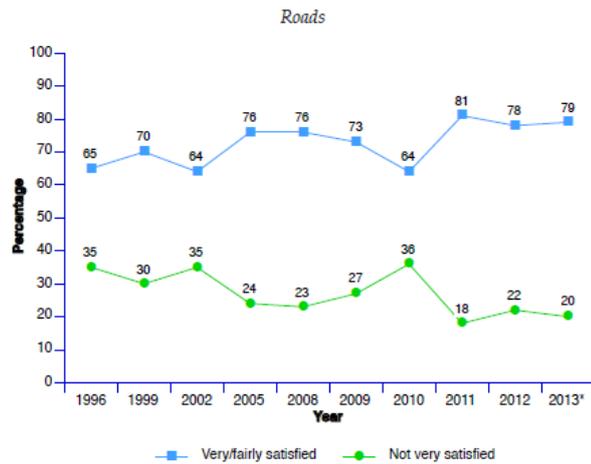
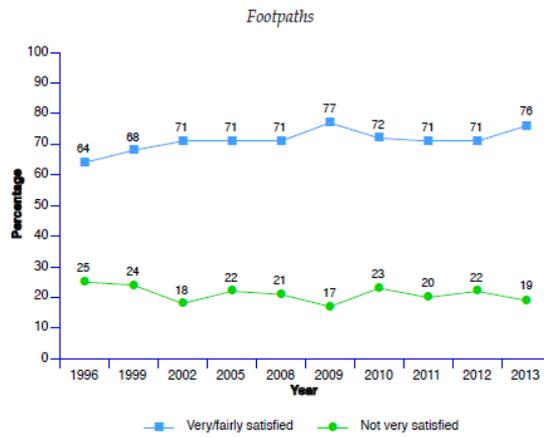
Actual from the Communitrak™ residents' survey undertaken in May 2013:

Footpath = 76% [2012: 71%]

Roads = 79% [2012: 78%. Note: 2013 readings exclude State Highways]

Parking = 88% [2012: 93%]

Walk/cycleways = Not measured in survey.



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		<p style="text-align: center;"><i>Parking In Local Town</i></p> <table border="1"> <caption>Parking In Local Town - Satisfaction Data</caption> <thead> <tr> <th>Year</th> <th>Very/fairly satisfied (%)</th> <th>Not very satisfied (%)</th> </tr> </thead> <tbody> <tr><td>2005</td><td>85</td><td>14</td></tr> <tr><td>2008</td><td>89</td><td>10</td></tr> <tr><td>2009</td><td>92</td><td>8</td></tr> <tr><td>2010</td><td>88</td><td>11</td></tr> <tr><td>2011</td><td>91</td><td>7</td></tr> <tr><td>2012</td><td>93</td><td>6</td></tr> <tr><td>2013</td><td>88</td><td>12</td></tr> </tbody> </table>	Year	Very/fairly satisfied (%)	Not very satisfied (%)	2005	85	14	2008	89	10	2009	92	8	2010	88	11	2011	91	7	2012	93	6	2013	88	12
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<p>3. Faults in the transportation network are responded to and fixed promptly.</p>	<p>Customer service request complaints relating to the maintenance of roads, footpaths and related activities are completed on time and in accordance with the requirements in Council's road maintenance contracts - as measured through contract audits. [Target: >90%]</p>	<p>Actual = 95% of customer service requests were completed within the specified time frames.</p> <table border="1"> <caption>CSR On-Time Completion Rate by Contract - Summary</caption> <thead> <tr> <th>Contract</th> <th>Target</th> <th>Actual Range (Approx.)</th> </tr> </thead> <tbody> <tr><td>C871 Urban (FH)</td><td>90%</td><td>91% - 98%</td></tr> <tr><td>C875 Rural (FH)</td><td>90%</td><td>86% - 97%</td></tr> <tr><td>C787 Murchison (FH)</td><td>90%</td><td>90% - 100%</td></tr> <tr><td>C788 Golden Bay (FH)</td><td>90%</td><td>81% - 97%</td></tr> </tbody> </table>	Contract	Target	Actual Range (Approx.)	C871 Urban (FH)	90%	91% - 98%	C875 Rural (FH)	90%	86% - 97%	C787 Murchison (FH)	90%	90% - 100%	C788 Golden Bay (FH)	90%	81% - 97%									
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<p>4. Following emergency events our community is provided with a road network that is accessible.</p>	<p>All unplanned road closures are responded to as outlined in Council's emergency procedures manual - as reported in the contract operations report. [Target: 100%]</p>	<p>Actual = 100% [2012: not measured]</p>																								

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Major Activities

Activity	Budget \$	
Sealed roads pavement rehabilitation	560,900	4.8 lane-km completed (0.3% of sealed network). The sites were on Motueka Valley Highway, Moutere Highway, Main Road Lower Moutere, Tadmor Valley Road, and Mead Road. There has been \$610,417 spent on this project for the year ended 30 June 2013.
Sealed roads resurfacing	2,537,783	65km of reseals completed over various sites (7% of sealed network). There has been \$2,316,508 spent on this project for the year ended 30 June 2013.
Unsealed road metalling	773,600	28,660 m ³ metal placed over various sites. There has been \$941,446 spent on this project for the year ended 30 June 2013.
Drainage renewals	1,396,200	50.4km drainage channels improved. 95 culverts replaced (1.2% of network). Some significant drainage renewals were deferred due to workload from storm events. There has been \$982,171 spent on this project for the year ended 30 June 2013.
Minor improvements	1,063,638	Projects undertaken include Yellow Pine bridge approach realignments, Moutere Highway shoulder widening, Lower Queen Street/Sandeman flaglighting and Pukekoikoi (Turners Bluff) design & land acquisition. The Russ Corner design work was also undertaken. There has been \$492,957 spent on minor improvement projects for the year ended 30 June 2013. Other work has been delayed due to land acquisition issues and finalising preferred options.
Footpath rehabilitation	135,978	1,890m ² replaced (0.5% of network). Projects undertaken include Waitapu Road, Wadsworth Street, Monahan Street, Aranui Road and High Street. There has been \$115,395 spent on this project for the year ended 30 June 2013.
Traffic services renewals	384,500	524 signs replaced (5% of network). 230 posts replaced. There has been \$239,334 spent on this project for the year ended 30 June 2013.
Tasman's Great Taste Trail	1,441,782 [plus \$1,516,639 carry forward funding from 2011/2012]	Stage 1 (Richmond-Mapua and Richmond-Wakefield) completed. All central government allocation has now been spent. There has been \$2,007,736 spent on this project for the year ended 30 June 2013.
Bridge renewals	519,000	Yellow Pine bridge project completed. There has been \$725,332 spent on this project for the year ended 30 June 2013. A bond recovery from the initial contractor for Yellow Pine bridge is pending the outcome of the contract dispute resolution.

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2011/2012 Budget \$	Transportation, Roads and Footpaths	2012/2013 Actual \$	2012/2013 Budget \$	% of Budget
	SOURCES OF OPERATING FUNDING			
8,945,518	General rates, uniform annual general charges, rates penalties	8,933,446	8,893,954	100%
5,733	Targeted rates (other than a targeted rate for water supply)	5,733	5,733	100%
3,545,207	Subsidies and grants for operating purposes	4,581,058	3,320,720	138%
-	Fees, charges and targeted rates for water supply	-	-	-
-	Internal charges and overheads recovered	-	-	-
1,448,436	Local authorities fuel tax, fines, infringement fees, and other receipts	1,451,514	1,149,675	126%
13,944,894	TOTAL OPERATING FUNDING	14,971,751	13,370,082	112%
	APPLICATIONS OF OPERATING FUNDING			
7,986,088	Payments to staff and suppliers	9,918,593	7,899,654	126%
1,596,327	Finance costs	1,524,684	1,610,259	95%
1,836,857	Internal charges and overheads applied	2,061,381	1,868,064	110%
-	Other operating funding applications	-	-	-
11,419,272	TOTAL APPLICATIONS OF OPERATING FUNDING	13,504,658	11,377,977	119%
2,525,622	SURPLUS (DEFICIT) OF OPERATING FUNDING	1,467,093	1,992,105	74%
	SOURCES OF CAPITAL FUNDING			
7,034,566	Subsidies and grants for capital expenditure	4,668,520	4,367,802	107%
793,068	Development and financial contributions	165,722	128,597	129%
5,139,162	Increase (decrease) in debt	2,786,211	3,501,074	80%
-	Gross proceeds from sale of assets	-	-	-
-	Lump sum contributions	-	-	-
12,966,796	TOTAL SOURCES OF CAPITAL FUNDING	7,620,453	7,997,473	95%
	APPLICATIONS OF CAPITAL FUNDING			
	Capital expenditure			
528,250	- to meet additional demand	64,146	-	-
4,985,357	- to improve the level of service	3,403,787	2,971,337	115%
9,716,970	- to replace existing assets	6,211,358	7,158,448	87%
261,841	Increase (decrease) in reserves	(591,745)	(140,207)	422%
-	Increase (decrease) in investments	-	-	-
15,492,418	TOTAL APPLICATIONS OF CAPITAL FUNDING	9,087,546	9,989,578	91%
(2,525,622)	SURPLUS (DEFICIT) OF CAPITAL FUNDING	(1,467,093)	(1,992,105)	74%
-	FUNDING BALANCE	-	-	-

Comment:

Subsidies and grants for operating purposes are at 138% due to NZTA subsidies in relation to emergency works being approximately \$1 million over budget. This covered NZTA's share of costs in relation to the December 2011 flood event and other subsequent weather events.

Other receipts include a payment from the Department of Conservation for their share of costs in relation to the Graham Valley Road slip remedial works.

Payments to staff and suppliers are at 126% due to emergency works being approximately \$2.2 million over budget.

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COASTAL STRUCTURES

What We Do

This group of activities comprises:

- The provision and management of coastal structures (wharves, jetties, boat ramps, associated buildings and foreshore protection walls) owned by Council.
- The provision of navigational aids to help safe use of the coastal waters.

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

- Ownership and management of wharves at Mapua and Riwaka.
- Responsibility for Port Motueka.
- Jetties, boat ramps, navigational aids and moorings.
- Coastal protection works at Ruby Bay and Marahau.
- Navigational aids associated with harbour management.
- Port Tarakohe at Golden Bay is reported on separately through the Corporate Services Committee of the Council, but is included in this group of activities for ease of reporting. The aim over time is for Port Tarakohe to operate on a commercial basis, but it will also provide social and recreational benefits.

Why We Do It

Coastal structures have significant public value, enabling access to and use of coastal areas for commercial, cultural and recreational purposes. Council ownership and management of coastal assets ensures they are retained for the community.

Our goal

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

How this activity contributes to the Community Outcomes

- 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.

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Our levels of service and how we measure progress against them

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance
1. Our works are carried out so that the impacts on the natural coastal environment are minimised to a practical but sustainable level.	Resource consents are held and complied with for works undertaken by Council or its contractors on Council owned coastal protection - as measured by the number of abatement notices issued to Council. [Target: No abatement notices issued]	For those coastal protection systems with a resource consent, there have been no abatement notices issued for breach of resource consent conditions. [2012: No breaches].
2. Faults in the coastal assets are responded to and fixed promptly.	We are able to respond to customer service requests relating to our coastal assets within the timeframes we have agreed with our suppliers and operators, and within the available funding. [Target: 90%]	100% [2012: 100%]. 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.

Major Activities

<i>Capital Works</i>		
Activity	Budget \$	
Port Tarakohe developments including new weighbridge and wharf crane	311,400	Pending the outcome of the financial review of Port Tarakohe, these projects are on hold.

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2011/2012 Budget \$	Coastal Structures	2012/2013 Actual \$	2012/2013 Budget \$	% of Budget
	SOURCES OF OPERATING FUNDING			
416,045	General rates, uniform annual general charges, rates penalties	550,007	547,814	100%
131,204	Targeted rates (other than a targeted rate for water supply)	135,047	134,129	101%
-	Subsidies and grants for operating purposes	-	-	-
-	Fees, charges and targeted rates for water supply	-	-	-
-	Internal charges and overheads recovered	-	-	-
797,430	Local authorities fuel tax, fines, infringement fees, and other receipts	610,579	784,100	78%
1,344,679	TOTAL OPERATING FUNDING	1,295,633	1,466,043	88%
	APPLICATIONS OF OPERATING FUNDING			
311,930	Payments to staff and suppliers	1,235,381	1,086,358	114%
499,485	Finance costs	316,622	330,027	96%
90,795	Internal charges and overheads applied	214,160	157,661	136%
-	Other operating funding applications	-	-	-
902,210	TOTAL APPLICATIONS OF OPERATING FUNDING	1,766,163	1,574,046	112%
442,469	SURPLUS (DEFICIT) OF OPERATING FUNDING	(470,530)	(108,003)	436%
	SOURCES OF CAPITAL FUNDING			
-	Subsidies and grants for capital expenditure	-	-	-
-	Development and financial contributions	-	-	-
(135,325)	Increase (decrease) in debt	(253,750)	(45,467)	558%
-	Gross proceeds from sale of assets	-	-	-
-	Lump sum contributions	-	-	-
(135,325)	TOTAL SOURCES OF CAPITAL FUNDING	(253,750)	(45,467)	558%
	APPLICATIONS OF CAPITAL FUNDING			
-	Capital expenditure			
-	- to meet additional demand	-	-	-
89,495	- to improve the level of service	154,059	378,870	41%
340,000	- to replace existing assets	70,970	41,520	171%
(122,351)	Increase (decrease) in reserves	(949,309)	(573,860)	165%
-	Increase (decrease) in investments	-	-	-
307,144	TOTAL APPLICATIONS OF CAPITAL FUNDING	(724,280)	(153,470)	472%
(442,469)	SURPLUS (DEFICIT) OF CAPITAL FUNDING	470,530	108,003	436%
-	FUNDING BALANCE	-	-	-

Comment:

Other receipts are down due to: lease income being down as a property became vacant from 30 September 2012, and budgeted rents on new property purchases that did not eventuate; and Port Tarakohe wharfage income being down due to the decision to not proceed with installing a weighbridge.

Payments to staff and suppliers are at 114% due to costs in relation to the Jackett Island dispute including the removal of the groyne and other related costs, totalling approximately \$940,000.

Debt is down from budget due to capital works in relation to Port Tarakohe that were planned to be loan funded not proceeding. This also relates to capital expenditure to improve level of service being down.

Internal charges and overheads applied are up at 136% primarily due to departmental overheads being up on budget due to the restructure, and staff hours charged to this activity being up due to work relating to Jackett Island and a review of the Port Tarakohe operations.

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WATER SUPPLY

What We Do

This group of activities comprises the provision of potable water (i.e. water suitable for use and consumption by people) to properties within 16 existing water supply areas (known as the urban water club) in the Tasman District. The 16 water supply areas, which Council owns operates and maintains, consists of 11 urban water supply schemes, three rural supply schemes and two community schemes.

The Council's network is extensive and growing rapidly. At present the network comprises approximately 660km of pipeline, 34 pumping stations, 11,400 domestic connections and 44 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. This enables sustained water extraction for land irrigation at times of low river flows.

Why We Do It

By providing ready access to high quality drinking water, Council is primarily protecting public health. It is also facilitating economic growth and enabling the protection of property through the provision of an adequate fire fighting water supply. The service provides many public benefits and it is considered necessary and beneficial to the community that 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.

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.

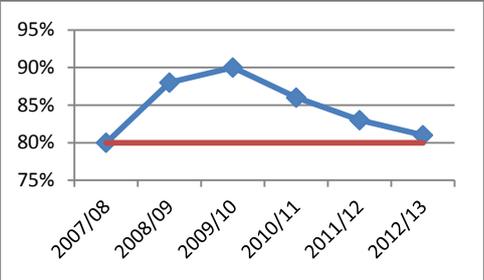
Our levels of service and how we measure progress against them

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance
1. Our water takes are sustainable.	All water takes have resource consents. All resource consents are held in Confirm. [Target: 100%]	Actual = 100% A current resource consent is in place for each water take. No abatement notices had been received for breach of resource consent conditions.
2. Our use of the water resource is efficient.	Water demand management plans are in place for each water scheme - as measured by having a Demand Management Plan. [Target: Six out of 16]	Actual = 5/16 Demand Management Plans are in place for Richmond, Brightwater/Hope, Wakefield, Mapua/Ruby Bay and for Waimea. The Demand Management Plan for Kaiteriteri has been completed and is due to be approved shortly.

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Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance
<p>3. Our water is safe to drink.</p>	<p>Number of temporary advisory notices issued to boil water - as issued in consultation with the Medical Officer of Health. [Target: Nil]</p>	<p>Actual = 3</p> <p>Eighty-Eight Valley – due to heavy rain in the catchment on 11 June 2013, a Boil Water notice was issued due to the chlorination unit not being effective in treating the water.</p> <p>Motueka – due to flooding of the bore site on 22 April 2013 and a small amount of surface water entering the bore a Boil Water notice was issued on 22 April 2013. Following further testing this Boil Water notice was lifted on the 26 April 2013.</p> <p>Richmond – Due to flooding of the bore site on 24 January 2013 and the possibility that water entered the bore a Boil Water notice was issued on 24 January 2013. Following testing of the reticulation the Boil Water notice was lifted on 28 January 2013.</p> <p>There is a permanent notice in place at Dovedale, which is not covered in the targets as it is permanently in place.</p>
	<p>There are no bacterial non-compliances for water supplies - as measured by water sampling and analysis to meet DWSNZ, recorded in Water Information New Zealand. [Target: Nil]</p>	<p>Actual = 9 events</p> <p>Bacterial contamination - three of these nine transgressions were recorded at Dovedale, which has a permanent boil water notice in place. This scheme is operated, however, under the same compliance regulations as other schemes.</p> <p>Three were recorded at Richmond, due to problems with a contaminated bore and an issue with an unsealed reservoir.</p> <p>Bacterial contamination also occurred on the following water schemes due to the flood event of April 2013:</p> <ul style="list-style-type: none"> - Motueka Water Supply, - Eighty-Eight Valley Rural water scheme, and - Tapawera Water Supply. <p>Council carries out water compliance testing on all of its public water supplies to DWSNZ: 2005 (revised 2008). If a transgression occurs, further samples are taken and an investigation begins.</p>
<p>4. Our water supply systems provide fire protection to a level that is consistent with the national standard.</p>	<p>Our water supply system's provide fire protection to a level that is consistent with the national standard. Urban water supply systems are able to meet FW2 standard Code of Practice for Fire Fighting Water Supplies - as measured through hydraulic modelling, revised biennially. [Target: 90%]</p>	<p>Actual = 90%</p> <p>9 out of 10 urban systems fully comply with fire fighting capability. The vast majority of Richmond complies, with the exception of Cropp Place. Rural water supplies and community supplies do not provide fire fighting capacity so are not covered by this performance measure, however, a reticulated fire fighting scheme for the central business district in Takaka was completed in 2011 and Motueka has a network of fire wells which provide a limited fire fighting service.</p>

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Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance														
5. Our water supply activities are managed at a level that the community is satisfied with.	% of customers are satisfied with the water supply service - as measured through the annual residents' survey. [Target: 80%]	<p>Actual = 81%</p> <p>The Communitrak™ survey was undertaken in May/June 2013. 86% of receivers of the service were found to be satisfied with the service they receive.</p>  <table border="1"> <caption>Customer Satisfaction Data (2007/08 - 2012/13)</caption> <thead> <tr> <th>Year</th> <th>Satisfaction %</th> </tr> </thead> <tbody> <tr> <td>2007/08</td> <td>80%</td> </tr> <tr> <td>2008/09</td> <td>88%</td> </tr> <tr> <td>2009/10</td> <td>90%</td> </tr> <tr> <td>2010/11</td> <td>86%</td> </tr> <tr> <td>2011/12</td> <td>83%</td> </tr> <tr> <td>2012/13</td> <td>81%</td> </tr> </tbody> </table>	Year	Satisfaction %	2007/08	80%	2008/09	88%	2009/10	90%	2010/11	86%	2011/12	83%	2012/13	81%
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6. Our water supply systems are built, operated and maintained so that failures can be managed and responded to quickly.	% of faults remedied to within contract timeframes (e.g. Emergency = service restoration and four hours. Urgent = service restoration in one working day) - as recorded through Council's Confirm database. [Target: >90%]	<p>Actual = 98.2%</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 final completion timeframe.</p>														

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Major Activities

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

<i>Capital Works</i>		
Activity	Budget \$	
Kaiteriteri/Riwaka water treatment plant upgrade to meet DWSNZ (2015-2017).	56,905	Testing has been undertaken throughout the year. The project has been undertaken in part. The LTP Year Two project for upgrade has been deferred to the 2014/2015 financial year. There has been \$9,711 spent on this project for the year ended 30 June 2013.
Murchison water treatment plant upgrade to meet DWSNZ (2012-2014).	60,661	Testing has been undertaken throughout the year. The LTP Year Two project for upgrade has been deferred to the 2014/2015 financial year. There has been \$23,231 spent on this project for the year ended 30 June 2013.
Richmond Major Projects:		
<ul style="list-style-type: none"> Water treatment plant upgrade to meet DWSNZ (2012-2015). 	882,300	This multi-year project is on schedule. Detailed design continued on the treatment process and the detail of the treatment plant. The project is due for tendering in December 2013. There has been \$851,111 spent on this project for the year ended 30 June 2013.
<ul style="list-style-type: none"> New ground water source, well field & main to treatment plant throughout 10 years. 	10,200	Bores have been constructed and testing is ongoing. There has been \$45,423 spent on this project for the year ended 30 June 2013.
<ul style="list-style-type: none"> Seismic strengthening of reservoirs (2012/2013). 	269,880	Design work is currently underway, physical work will progress once design work is completed. The physical works will be completed in the 2013/2014 year. There has been \$49,934 spent on this project for the year ended 30 June 2013.
<ul style="list-style-type: none"> Richmond East reservoir and pipeline (2012/2013). 	1,245,600	The access road is completed. Tenders for the construction of the reservoir and pipework will be publicly available before Christmas 2013. The project was delayed due to a slip on the site from the April rain event which required a further land purchase to mitigate the slip. There has been \$107,376 spent on this project for the year ended 30 June 2013.
Pohara water treatment plant upgrade to meet DWSNZ (2015/2016).	84,836	This capital work has been brought forward due to the storm damage of December 2011. Work on improving the Pohara Valley water supply including the new tanks and pipe installation is complete. There has been \$204,486 spent on this project for the year ended 30 June 2013.
Wakefield - new water source and treatment plant (2015-2017).	90,690	Testing and design will be completed by June 2014. No funding has been spent on this project for the year ended 30 June 2013. Land acquisition is still being negotiated.

ENGINEERING

2011/2012 Budget \$	Water Supply	2012/2013 Actual \$	2012/2013 Budget \$	% of Budget
	SOURCES OF OPERATING FUNDING			
101,650	General rates, uniform annual general charges, rates penalties	102,159	101,650	101%
1,223,676	Targeted rates (other than a targeted rate for water supply)	1,604,656	1,681,603	95%
-	Subsidies and grants for operating purposes	-	-	-
5,695,116	Fees, charges and targeted rates for water supply	7,186,134	5,811,294	124%
-	Internal charges and overheads recovered	-	-	-
150,935	Local authorities fuel tax, fines, infringement fees, and other receipts	337,943	334,094	101%
7,171,377	TOTAL OPERATING FUNDING	9,230,892	7,928,641	116%
	APPLICATIONS OF OPERATING FUNDING			
4,093,431	Payments to staff and suppliers	5,522,773	3,844,880	144%
1,460,608	Finance costs	1,184,664	1,288,184	92%
508,696	Internal charges and overheads applied	1,186,850	978,662	121%
-	Other operating funding applications	-	-	-
6,062,735	TOTAL APPLICATIONS OF OPERATING FUNDING	7,894,287	6,111,726	129%
1,108,642	SURPLUS (DEFICIT) OF OPERATING FUNDING	1,336,605	1,816,915	74%
	SOURCES OF CAPITAL FUNDING			
292,701	Subsidies and grants for capital expenditure	-	-	-
807,028	Development and financial contributions	696,372	474,387	147%
2,567,018	Increase (decrease) in debt	813,614	1,550,368	52%
-	Gross proceeds from sale of assets	-	-	-
-	Lump sum contributions	-	-	-
3,666,747	TOTAL SOURCES OF CAPITAL FUNDING	1,509,986	2,024,755	75%
	APPLICATIONS OF CAPITAL FUNDING			
312,801	Capital expenditure			
	- to meet additional demand	1,304,957	1,245,600	105%
2,638,809	- to improve the level of service	1,108,550	2,063,020	54%
1,265,180	- to replace existing assets	363,378	526,947	69%
558,599	Increase (decrease) in reserves	69,706	6,103	1142%
-	Increase (decrease) in investments	-	-	-
4,775,389	TOTAL APPLICATIONS OF CAPITAL FUNDING	2,846,591	3,841,670	74%
(1,108,642)	SURPLUS (DEFICIT) OF CAPITAL FUNDING	(1,336,605)	(1,816,915)	74%
-	FUNDING BALANCE	-	-	-

Comment:

Targeted rates for water supply are at 124% of budget due to the arbitration with the Industrial Water Users being settled and invoicing for recovery of back charges along with a higher rate being applied for the remainder of the year than was budgeted for.

Payments to staff and suppliers are 122% of budget due to costs in relation to the Industrial Water Users arbitration and a \$150,000 contribution to the Lee Valley Dam both not budgeted for.

Internal charges and overheads applied are up at 121% of budget primarily due to departmental overheads being up on budget due to the restructure, and staff hours charged to this activity being up due to work relating to the Industrial Water Users arbitration.

WASTEWATER AND SEWAGE DISPOSAL

What We Do

Tasman District Council is responsible for the provision and management of wastewater treatment facilities and sewage collection and disposal to the residents of 14 Wastewater Urban Drainage Areas (UDA's). The assets used to provide this service include approximately 380km of pipelines, 3,470 manholes, 74 sewage pump stations, seven wastewater treatment plants and the relevant resource consents to operate these assets (plus Council's 50 percent ownership of the Bell's Island plant, with Nelson City Council).

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

Tasman District Council owns 50 percent of the Nelson Regional Sewerage Business Unit (NRSBU). Nelson City Council owns the remaining 50 percent. The NRSBU operates the Bells Island treatment plant which treats wastewater from most of Nelson City, Richmond, Mapua, Brightwater, Hope and Wakefield.

Why We Do It

The provision of wastewater services is a core public health function of local government and is something that the Council has always provided. By undertaking the planning, implementation and maintenance of wastewater and sewage disposal services Council promotes and protects public health within the District.

Territorial authorities have numerous responsibilities relating to wastewater. One such responsibility is the duty under the Health Act 1956 to improve, promote, and protect public health within the District.

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.

ENGINEERING

Our levels of service and how we measure progress against them

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance																								
1. Our wastewater systems do not adversely affect the receiving environment.	All necessary resource consents are held. Resource consent information is held in Council's Confirm database. [Target: In place]	<p>Actual = 100%</p> <p>All WWTPs hold all necessary consents. Council operates 7 wastewater treatment plants and holds 59 consents for the operation total operation of all facilities as follows:-</p> <ul style="list-style-type: none"> Collingwood WWTP 9 consents. Motueka WWTP 7 Consents. Murchison WWTP 7 consents. St Arnaud WWTP 3 consents Takaka WWTP 8 consents. Tapawera WWTP 6 consents Upper Takaka WWTP 2 consents Mapua Pumping 7 consents Waimea Pumping 6 consents Pohara Pumping 2 consents 																								
	Number of beach closures or shellfish gathering bans caused by sewer overflows - as recorded in Council's Confirm database. [Target: <5]	<p>Actual = 3</p> <p>Pohara Valley – 1 following flooding event</p> <p>Motueka WWTP – 2 following flooding events</p>																								
2. Our wastewater systems reliably take our wastewater with a minimum of odours, overflows or disturbance to the public.	Number of complaints relating to our wastewater systems - as recorded in Council's Confirm database. [Target: <30]	<p>Actual = 52 (45 odour, 4 workmanship, 3 other) 11 odour complaints were for Motueka WWTP and nine were for the Bryant Road pump station in Brightwater.</p>																								
	Number of overflows resulting from faults in Council's wastewater systems. [Target: <1 per km]	<p>Actual = 40 overflows (0.103/km)</p> <p>With a total of 390 km this equates to 0.103 overflows per km of sewer. Overflow caused by Councils Wastewater network were:-</p> <ul style="list-style-type: none"> 15 overflows occurred on private property, 21 overflows occurred from Council reticulation, 4 overflows occurred from Council pumping stations 																								
3. Our wastewater activities are managed at a level that satisfies the community.	% of customers satisfied with the wastewater service - as measured through the annual residents' survey. [Target: 80%]	<p>Actual = 92%</p> <p>The Communitrak™ residents survey was undertaken in May 2013. 92% of receivers of the service were found to be satisfied with the service they received.</p> <table border="1"> <caption>Customer Satisfaction Data (2006/07 to 2012/13)</caption> <thead> <tr> <th>Year</th> <th>Actual Satisfaction (%)</th> <th>Target (%)</th> </tr> </thead> <tbody> <tr> <td>2006/07</td> <td>85%</td> <td>80%</td> </tr> <tr> <td>2007/08</td> <td>95%</td> <td>80%</td> </tr> <tr> <td>2008/09</td> <td>95%</td> <td>80%</td> </tr> <tr> <td>2009/10</td> <td>92%</td> <td>80%</td> </tr> <tr> <td>2010/11</td> <td>92%</td> <td>80%</td> </tr> <tr> <td>2011/12</td> <td>95%</td> <td>80%</td> </tr> <tr> <td>2012/13</td> <td>92%</td> <td>80%</td> </tr> </tbody> </table>	Year	Actual Satisfaction (%)	Target (%)	2006/07	85%	80%	2007/08	95%	80%	2008/09	95%	80%	2009/10	92%	80%	2010/11	92%	80%	2011/12	95%	80%	2012/13	92%	80%
Year	Actual Satisfaction (%)	Target (%)																								
2006/07	85%	80%																								
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2009/10	92%	80%																								
2010/11	92%	80%																								
2011/12	95%	80%																								
2012/13	92%	80%																								
4. Our wastewater systems are built, operated and maintained so that failures can be managed and responded to quickly.	% of faults responded to within contract timeframes e.g. Emergency = service restoration in four hours. Urgent = service restoration in one working day – as recorded through Council's Confirm database. [Target: ≥ 90%]	<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 final completion timeframe.</p>																								

ENGINEERING

Major Activities

This group of activities involves ongoing management, maintenance and renewal of Council's wastewater and sewage disposal network, comprising wastewater treatment plants and sewerage collection systems (made up of pipelines, manholes and sewage pump stations).

<i>Capital Works</i>		
Activity/project	Budget \$	
Treatment Plant Upgrades:		
<ul style="list-style-type: none"> Motueka (2012-2016) 	777,270	Investigations into ground conditions are ongoing. A treatment and discharge options report has been prepared. Open days were held in May 2013. A summary of the public feedback was provided to the Motueka WWTP Working Party in June 2013. The majority of the submissions were in support of the recommended option. A peer review of the options report is currently being undertaken. There has been \$661,306 spent on this project for the year ended 30 June 2013.
<ul style="list-style-type: none"> Takaka (2012-2015) 	583,081	Resource Consent has been granted. Final design is nearing completion with tendering scheduled for early 2014. There has been \$464,216 spent on this project for the year ended 30 June 2013.
Continue to progress pipeline replacements across all schemes where pipes are failing.		
<ul style="list-style-type: none"> Motueka pipeline renewals (throughout 10 years) 	53,732	Pipeline renewals investigations are ongoing. There has been \$69,978 spent on this project for the year ended 30 June 2013.
<ul style="list-style-type: none"> Richmond pipeline renewals (throughout 10 years) 	31,140	Pipeline renewals investigations are ongoing. There has been \$3,646 spent on this project for the year ended 30 June 2013.
Richmond telemetry renewals and improvements to services (throughout 10 years)	234,173	The tender has been awarded and work will be completed in the 2013/2014 financial year. There has been \$1,049 spent on this project for the year ended 30 June 2013.
Pump Stations		
<ul style="list-style-type: none"> Martin Farm Road pump station upgrade (2012/2013 & 2017/2018) 	55,139	This review has been completed. There has been \$15,636 spent on this project for the year ended 30 June 2013.
Pohara/Tata Beach upgrade (2012-2014 & 2016-2018)	61,674 [plus \$16,504 carry over funding from 2011/12]	The design for this million dollar project has been completed. There has been \$76,293 spent on this project for the year ended 30 June 2013.

ENGINEERING

2011/2012 Budget \$	Wastewater and Sewage Disposal	2012/2013 Actual \$	2012/2013 Budget \$	% of Budget
	SOURCES OF OPERATING FUNDING			
-	General rates, uniform annual general charges, rates penalties	-	-	-
8,593,832	Targeted rates (other than a targeted rate for water supply)	9,236,147	9,328,103	99%
-	Subsidies and grants for operating purposes	-	-	-
-	Fees, charges and targeted rates for water supply	-	-	-
-	Internal charges and overheads recovered	-	-	-
975,167	Local authorities fuel tax, fines, infringement fees, and other receipts	1,418,831	673,954	211%
9,568,999	TOTAL OPERATING FUNDING	10,654,978	10,002,057	107%
	APPLICATIONS OF OPERATING FUNDING			
5,297,804	Payments to staff and suppliers	5,254,255	5,846,404	90%
1,753,887	Finance costs	1,603,590	1,578,161	102%
927,148	Internal charges and overheads applied	1,258,415	1,146,266	110%
-	Other operating funding applications	-	-	-
7,978,839	TOTAL APPLICATIONS OF OPERATING FUNDING	8,116,260	8,570,831	95%
1,590,160	SURPLUS (DEFICIT) OF OPERATING FUNDING	2,538,718	1,431,226	177%
	SOURCES OF CAPITAL FUNDING			
-	Subsidies and grants for capital expenditure	237,185	-	-
707,130	Development and financial contributions	982,428	613,282	160%
417,609	Increase (decrease) in debt	(2,011,668)	(95,921)	2097%
-	Gross proceeds from sale of assets	-	-	-
-	Lump sum contributions	-	-	-
1,124,739	TOTAL SOURCES OF CAPITAL FUNDING	(792,055)	517,361	-153%
	APPLICATIONS OF CAPITAL FUNDING			
	Capital expenditure			
-	- to meet additional demand	677,486	-	-
44,541	- to improve the level of service	788,682	1,753,463	45%
2,676,124	- to replace existing assets	253,529	195,124	130%
(5,766)	Increase (decrease) in reserves	26,966	-	-
-	Increase (decrease) in investments	-	-	-
2,714,899	TOTAL APPLICATIONS OF CAPITAL FUNDING	1,746,663	1,948,587	90%
(1,590,160)	SURPLUS (DEFICIT) OF CAPITAL FUNDING	(2,538,718)	(1,431,226)	177%
-	FUNDING BALANCE	-	-	-

Comment:

Other receipts include Council's owner's distribution from the NRSBU of \$868,112 not included in the budget for the activity FIS.

Payments to staff and suppliers are down due to Council's actual contribution to the NRSBU being \$664,179 less than budgeted for.

The decrease in debt is significantly larger than what was budgeted for due to approximately \$1.3 million in debt being repaid out of prior years owner's distributions from the NRSBU not included in the budget, and total loans raised for capital being some \$600,000 less than planned.

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 under Council's Transportation activity or by the New Zealand Transport Agency, depending upon whether they are located on local roads or state highways. This stormwater activity does not include land drains or river systems, which are covered under Council's Flood Protection and River Control Works activity. Nor does it cover stormwater systems in private ownership.

Council manages its stormwater activities in 16 Urban Drainage Areas (UDA) and one General District Area. The General District Area covers the entire District outside the UDA. Typically these systems include small communities with stormwater systems that primarily collect and convey road run-off to suitable discharge points.

Why We Do It

Council undertakes the stormwater activity to minimise the risk of flooding of buildings and property from surface runoff, as opposed to flooding from rivers and streams which is dealt with under the Flood Protection and River Control Works activity. By providing a high-quality stormwater network, Council enables the safe and efficient conveyance and disposal of stormwater from the urban drainage areas, which improves the economic and social well-being of the District by protecting people and property from surface flooding.

Council has a duty of care to ensure that any runoff from its own properties is remedied or mitigated. Because most of its property is mainly in the form of impermeable roads in developed areas, this generally means that some level of reticulation system is constructed. The presence of this system means it also becomes the logical network for dealing with private stormwater disposal.

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.

ENGINEERING

Our levels of service and how we measure progress against them

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance																
1. Our stormwater systems do not adversely effect or degrade the receiving environment.	Council has resource consents in place for each of the 16 stormwater UDAs. Resource consents are held in Council's Confirm database. [Target: Nil]	Actual = Resource consents will be obtained once a Stormwater Catchment Management Plan has been developed for each UDA.																
2. Our stormwater systems collect and convey stormwater safely through urban environments, reducing the adverse effects of flooding on people and residential and commercial buildings.	There are no public complaints to Council of residential or commercial buildings being flooded as a result of failure of Council stormwater systems to cope with the current design capacity (this excludes capacity from rivers and private drainage failure) - as measured through complaints received through Council's customer services and recorded in the Confirm database. [Target: Nil]	Actual = This is a new measure. Data relating to customers contacting Council is now captured in Confirm. <ul style="list-style-type: none"> - A total of 96 recorded calls came into Council over the period. - 53 calls were received over 21-22 April 2013 and related to a very large storm event. - Unable to determine if property or building being flooded from the details provided by the callers. - The level of service needs to be defined to reflect the customer's concerns. 																
3. Our stormwater activities are managed at a level which satisfies the community.	% of customers satisfied with the stormwater service - as measured through the annual residents' survey. [Target: 80%]	Actual = 55% The Communitrak™ residents survey was undertaken in May/June 2013. 55% of receivers of the service were found to be satisfied with the service they receive. <table border="1"> <caption>Customer Satisfaction Data</caption> <thead> <tr> <th>Fiscal Year</th> <th>Satisfaction %</th> </tr> </thead> <tbody> <tr><td>2006/07</td><td>85%</td></tr> <tr><td>2007/08</td><td>85%</td></tr> <tr><td>2008/09</td><td>85%</td></tr> <tr><td>2009/10</td><td>82%</td></tr> <tr><td>2010/11</td><td>80%</td></tr> <tr><td>2011/12</td><td>85%</td></tr> <tr><td>2012/13</td><td>70%</td></tr> </tbody> </table>	Fiscal Year	Satisfaction %	2006/07	85%	2007/08	85%	2008/09	85%	2009/10	82%	2010/11	80%	2011/12	85%	2012/13	70%
	Fiscal Year	Satisfaction %																
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2011/12	85%																	
2012/13	70%																	
Number of complaints relating to health nuisance (odour, mosquitoes, noise, etc) - as measured through complaints received through Council's customer services and recorded in the Confirm database. [Target: < 10 complaints]	Actual = 2																	
4. We have measures in place to respond to and reduce flood damage to property and risk to the community within stormwater UDAs.	% of faults responded to within contract timeframes (e.g. priority = clear obstructions in stormwater system in one working day) - as recorded through Council's Confirm database. [Target: >90%]	Actual = 91% The operations and maintenance contractor is required to meet a target of 90% of faults to be responded to and fixed within specified timeframes.																

ENGINEERING

Major Activities

This group of activities involves ongoing management, maintenance and renewal of Council's stormwater network, encompassing the provision of stormwater collection, reticulation and discharge systems. The assets used to provide this service include drainage channels, pipelines, tide gates, detention ponds, inlet structures and discharge structures.

<i>Capital Works</i>		
Activity	Budget \$	
Mapua - Seaton Valley Stream stage 1 (2012-2016)	15,491	Investigations are ongoing. Construction project scheduled in Year Two of the LTP has been moved to the 2014/2015 financial year. There has been \$4,793 spent on this project for the year ended 30 June 2013.
Richmond - Poutama Drain (2012-2016)	146,867	Design work and land acquisition is due for completion at the end of December 2013. There has been \$70,494 spent on this project for the year ended 30 June 2013.
Richmond - Queen Street upgrade and Queen Street/Salisbury Road intersection improvements (2012-2018)	76,554	Investigation/potholing and preliminary design work for this multi-year project is ongoing. There has been \$18,388 spent on this project for the year ended 30 June 2013.
Richmond - upgrade to White/Ranzau/Paton Roads intersection	50,312	Scoping options report has been completed. Unspent funds are proposed to be carried forward to the 2013/2014 year. Remainder of multi-year project has been moved out to commence in 2014/2015. There has been \$5,387 spent on this project for the year ended 30 June 2013.
Richmond - Reservoir Creek Dam - new Spillway (2012/2013)	777,125	A contract has been awarded with construction to commence in the next financial year. The project was delayed due to the requirement to obtain Historic Places Trust approval. There has been \$98,663 spent on this project for the year ended 30 June 2013.
Takaka - Commercial Street stormwater pipe upgrade (2012-2016)	22,711	Scoping options report has been completed. Unspent funds are proposed to be carried forward to the 2013/2014 year. Full budget has been moved out to 2014/2015. There has been \$10,290 spent on this project for the year ended 30 June 2013.
Wakefield - Pitfure Road (2012-2016)	7,936	Investigation work for this multi-year project is ongoing. There has been \$3,558 spent on this project for the year ended 30 June 2013.

ENGINEERING

2011/2012 Budget \$	Stormwater	2012/2013 Actual \$	2012/2013 Budget \$	% of Budget
	SOURCES OF OPERATING FUNDING			
-	General rates, uniform annual general charges, rates penalties	-	-	-
2,547,610	Targeted rates (other than a targeted rate for water supply)	2,678,329	2,709,817	99%
-	Subsidies and grants for operating purposes	-	-	-
-	Fees, charges and targeted rates for water supply	-	-	-
-	Internal charges and overheads recovered	-	-	-
133,022	Local authorities fuel tax, fines, infringement fees, and other receipts	89,200	82,247	108%
2,680,632	TOTAL OPERATING FUNDING	2,767,529	2,792,064	99%
	APPLICATIONS OF OPERATING FUNDING			
1,061,206	Payments to staff and suppliers	1,174,221	798,001	147%
752,569	Finance costs	720,707	681,327	106%
380,594	Internal charges and overheads applied	419,363	394,187	106%
-	Other operating funding applications	-	-	-
2,194,369	TOTAL APPLICATIONS OF OPERATING FUNDING	2,314,291	1,873,515	124%
486,263	SURPLUS (DEFICIT) OF OPERATING FUNDING	453,238	918,549	49%
	SOURCES OF CAPITAL FUNDING			
-	Subsidies and grants for capital expenditure	-	-	-
341,187	Development and financial contributions	459,376	410,568	112%
700,047	Increase (decrease) in debt	(10,261)	427,357	-2%
-	Gross proceeds from sale of assets	-	-	-
-	Lump sum contributions	-	-	-
1,041,234	TOTAL SOURCES OF CAPITAL FUNDING	449,115	837,925	54%
	APPLICATIONS OF CAPITAL FUNDING			
	Capital expenditure			
-	- to meet additional demand	101,692	50,312	202%
1,604,447	- to improve the level of service	1,261,601	741,958	170%
-	- to replace existing assets	107,387	785,061	14%
(76,950)	Increase (decrease) in reserves	(568,327)	179,143	-317%
-	Increase (decrease) in investments	-	-	-
1,527,497	TOTAL APPLICATIONS OF CAPITAL FUNDING	902,353	1,756,474	51%
(486,263)	SURPLUS (DEFICIT) OF CAPITAL FUNDING	(453,238)	(918,549)	49%
-	FUNDING BALANCE	-	-	-

Comment:

Payments to staff and suppliers are at 164% of budget due to maintenance costs being \$323,899 over budget with \$188,652 in emergency works not budgeted for, and consulting fees being \$170,501 over budget with \$83,788 unplanned consulting in relation to Ellis Creek in Pohara and Richmond consulting fees being \$87,697 over budget.

Debt has decreased slightly rather than the budgeted increase due to loans raised for capital works being some \$378,000 less than planned.

Capital for improving levels of service is up at 152% of budget due to a number of carried forward projects from 2011/12 being completed in 2012/13. Renewal capital works is only at 14% of budget due to the Reservoir Creek Dam progress.

SOLID WASTE

What We Do

Council provides comprehensive waste management and minimisation services. It achieves this through the provision of kerbside recycling and waste collection services, and operating five resource recovery centres - at Richmond, Mariri, Takaka, Collingwood and Murchison. Waste disposal from these sites is transferred to a Council owned landfill at Eves Valley and recyclable material is processed and on sold by Council contractors. All public and commercial waste disposal is through the resource recovery centres with special waste disposed of directly to Eves Valley.

Council promotes waste minimisation through kerbside collection of recyclable materials, ongoing educational programmes, and drop-off facilities for green waste, reusable and recyclable materials.

Council manages 22 closed landfills located throughout the District.

Why We Do It

The efficient and effective collection and disposal of waste protects both public health and the environment. Waste minimisation activities promote efficient use of resources and extend the life of Council's landfill assets.

The Waste Minimisation Act 2008 has increased the requirement for consideration of waste minimisation in Council's planning. The Act aims to protect the environment from harm by encouraging the efficient use of materials and a reduction in waste.

Under this legislation Council is required to carry out a waste assessment and to prepare a Waste Management and Minimisation Plan (WMMP) by 2012. A Draft WMMP, prepared jointly with Nelson City Council, was circulated for public consultation during December 2011 and January 2012. This WMMP was adopted by both Councils in April 2012. This solid waste activity section is based on the WMMP.

Our Goal

Council's long-term goals for solid waste management are contained in the Waste Management and Minimisation Plan.

They are to:

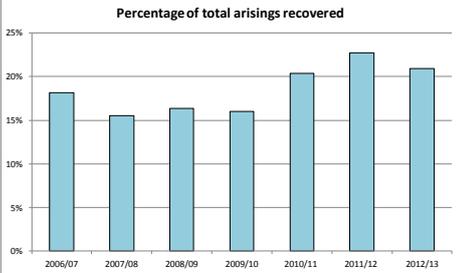
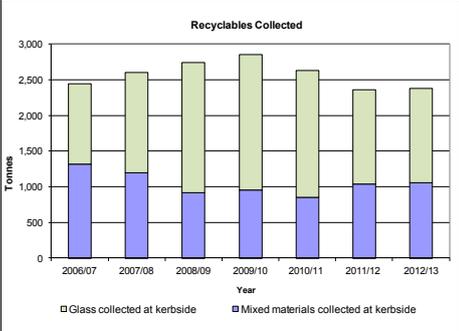
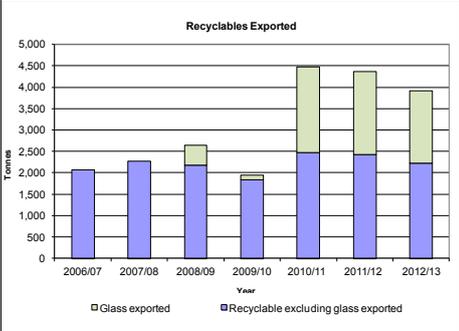
1. Avoid the creation of waste.
2. Improve the efficiency of resource use.
3. Reduce the harmful effects of waste.

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.

ENGINEERING

Our levels of service and how we measure progress against them

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance
<p>1. We provide effective waste minimisation activities and services.</p>	<p>% of waste diverted from landfills is maintained or increased - as measured monthly and reported annually. [Target: 23%]</p>	<p>Actual = 20.9%</p> <p>The decrease in waste diverted from landfill this year was driven by a combination of falling recycling volumes and an increase in waste to landfill, particularly in April to June. Over the next year there will be additional focus on diversion of cardboard from landfill through a joint project with Nelson City Council.</p>  <p>Recyclable materials collected at kerbside increased from 2362 to 2380 tonnes this year.</p>  <p>Recyclable materials processed and exported from site this year decreased from 4371 to 3924 tonnes this year.</p> 

ENGINEERING

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance																
		<p>Greenwaste received decreased from 15,155 to 15,079 cubic metres.</p>  <table border="1"> <caption>Material Processed at Greenwaste to Zero</caption> <thead> <tr> <th>Year</th> <th>Cubic Metres</th> </tr> </thead> <tbody> <tr> <td>2006/07</td> <td>13,500</td> </tr> <tr> <td>2007/08</td> <td>12,500</td> </tr> <tr> <td>2008/09</td> <td>14,500</td> </tr> <tr> <td>2009/10</td> <td>14,000</td> </tr> <tr> <td>2010/11</td> <td>12,500</td> </tr> <tr> <td>2011/12</td> <td>15,000</td> </tr> <tr> <td>2012/13</td> <td>15,000</td> </tr> </tbody> </table>	Year	Cubic Metres	2006/07	13,500	2007/08	12,500	2008/09	14,500	2009/10	14,000	2010/11	12,500	2011/12	15,000	2012/13	15,000
Year	Cubic Metres																	
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2012/13	15,000																	
	<p>There is a reduction in waste per capita going to landfill - as measured by tonnage recorded at landfill. [Target: 400kg/capita]</p>	<p>Actual = 632kg / capita (incl. special waste) Actual = 531kg / capita (excl. special waste)</p> <p>Special wastes are wastes that cause particular management or disposal problems and need special care; examples at the Eves Valley landfill include contaminated soils, certain industrial and chemical wastes, biosolids (eg, sewage sludge), odorous food waste, asbestos and treated timber wastes. These waste streams are less predictable and at times distort other waste to landfill figures.</p>																
	<p>Participation in Council's waste minimisation services increases - as measured on a three yearly basis through residents' survey of those people provided with the opportunity to use kerbside recycling services. [Target: 80%]</p>	<p>Actual = 95%</p> <p>The Communitrak™ survey was undertaken in May/June 2013. This survey showed that 87% of residents were provided with Council's kerbside recycling services and that 83% surveyed had used the service in the last 12 months. This implies 95% of potential users have used the service in the last year.</p>																
<p>2. Our kerbside recycling and bag collection services are reliable and easy to use.</p>	<p>% of enquiries resolved within 24 hours - as measured through Confirm. [Target: 95%]</p>	<p>Actual = 95%</p>																
	<p>% of customers satisfied with kerbside recycling and bag collection services - as measured through the annual residents' survey of those provided with Council's kerbside waste collection services. [Targets: Rubbish bag collection 70%, Kerbside recycling 85%]</p>	<p>Actual = 79%</p> <p>Rubbish bag collection = 67% Kerbside recycling = 91%</p> <p>The Communitrak™ survey was undertaken in May/June 2013. 67% of receivers of Council's kerbside rubbish bag service were found to be satisfied or very satisfied with the service they receive. 91% of receivers of Council's kerbside recycling service were found to be satisfied or very satisfied with the service they receive.</p>																

ENGINEERING

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance
3. Our resource recovery centres are easy to use and operated in a reliable manner.	% customer satisfaction based on-site surveys - as measured by annual customer surveys at the resource recovery centres. [Target: 75%]	<p>Actual = 95% overall</p> <p>Richmond: 96% Mariri: 94% Takaka: 95% Collingwood: 97% Murchison: 95%</p> <p>Surveys have been undertaken at the RRCs annually since 2008. The results from the 2012/13 survey showed an overall increase in the level of satisfaction of users ("fairly satisfied" and "very satisfied") from 86% to 95%. Improved levels of satisfaction at Richmond, Mariri and Takaka drove these results.</p>

Major Activities

The Solid Waste group of activities involves the ongoing management, maintenance and renewal of Council's solid waste services, including waste minimisation education, kerbside recycling and solid waste collection services, operation of transfer stations, greenwaste and recyclable processing, and management of operational and closed landfills.

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

<i>Capital Works</i>		
Activity	Budget \$	
Resource Recovery Centres		
• Richmond	116,244	Two additional waste compactor bins have been commissioned at the site. Landscaping activities and design of a bin change-out area have been deferred. There has been \$110,530 spent on this project for the year ended 30 June 2013.
• Mariri	209,074	Remediation of the front face of the closed landfill has commenced, with clearance of vegetation and surveying complete. The remediation of the front face will be combined with other site works scheduled next financial year and will commence in September 2013. There has been \$128,142 spent on this project for the year ended 30 June 2013.
• Takaka	21,715	Work at the Takaka site has been deferred as the Resource Consent requirements are evaluated. Some work was undertaken in the third quarter with improvements to stormwater control and renewal of pavement scheduled. There has been \$6,747 spent on this project for the year ended 30 June 2013.
• Collingwood	12,373	Some work at this site occurred in the fourth quarter of the financial year with the remainder delayed while the long term use of the site is evaluated. There has been \$8,955 spent on this project for the year ended 30 June 2013.

ENGINEERING

• Murchison	58,659	Preliminary work has commenced for improvements to the refuse storage pit, recycling handling and for fencing at the site. The work commenced in the fourth quarter. There has been \$22,572 spent on this project for the year ended 30 June 2013.
Eves Valley Landfill	595,101	Earthworks to enlarge the current area at the landfill site are complete. Detailed consent work for Stage 3 is on hold. A reduced scope of consenting work is likely to commence in September 2013. There has been \$128,039 spent on this project for the year ended 30 June 2013.

ENGINEERING

2011/2012 Budget \$	Solid Waste	2012/2013 Actual \$	2012/2013 Budget \$	% of Budget
	SOURCES OF OPERATING FUNDING			
208,152	General rates, uniform annual general charges, rates penalties	512,428	509,874	101%
1,989,748	Targeted rates (other than a targeted rate for water supply)	2,043,514	2,048,814	100%
-	Subsidies and grants for operating purposes	-	-	-
-	Fees, charges and targeted rates for water supply	-	-	-
-	Internal charges and overheads recovered	-	-	-
4,599,631	Local authorities fuel tax, fines, infringement fees, and other receipts	4,193,672	5,232,109	80%
6,797,531	TOTAL OPERATING FUNDING	6,749,614	7,790,797	87%
	APPLICATIONS OF OPERATING FUNDING			
5,335,156	Payments to staff and suppliers	4,702,472	5,990,787	78%
403,762	Finance costs	434,414	364,148	119%
450,402	Internal charges and overheads applied	722,185	641,268	113%
-	Other operating funding applications	-	-	-
6,189,320	TOTAL APPLICATIONS OF OPERATING FUNDING	5,859,071	6,996,203	84%
608,211	SURPLUS (DEFICIT) OF OPERATING FUNDING	890,543	794,594	112%
	SOURCES OF CAPITAL FUNDING			
-	Subsidies and grants for capital expenditure	-	-	-
-	Development and financial contributions	-	-	-
1,032,726	Increase (decrease) in debt	(316,179)	318,572	-99%
-	Gross proceeds from sale of assets	-	-	-
-	Lump sum contributions	-	-	-
1,032,726	TOTAL SOURCES OF CAPITAL FUNDING	(316,179)	318,572	-99%
	APPLICATIONS OF CAPITAL FUNDING			
-	Capital expenditure			
-	- to meet additional demand	-	-	-
1,016,041	- to improve the level of service	62,696	110,713	57%
620,567	- to replace existing assets	298,944	902,453	33%
4,329	Increase (decrease) in reserves	212,724	100,000	213%
-	Increase (decrease) in investments	-	-	-
1,640,937	TOTAL APPLICATIONS OF CAPITAL FUNDING	574,364	1,113,166	52%
(608,211)	SURPLUS (DEFICIT) OF CAPITAL FUNDING	(890,543)	(794,594)	112%
-	FUNDING BALANCE	-	-	-

Comment:

The budgets for other receipts and payments to staff and suppliers include internal charges totalling \$1.32 million from the landfill to the Resource Recovery Centres for dumping. Under accounting standards for the actual results these are net off. Adjusting these off the budgets brings other receipts to \$280,645 over budget and payments to staff and suppliers almost exactly on budget.

Finance costs are at 119% of budget due to projected opening loans for this activity being understated in the Long Term Plan.

Debt and capital are both down primarily to the Eves Valley Landfill planned works not proceeding this year.

FLOOD PROTECTION AND RIVER CONTROL WORKS

What We Do

Tasman District Council maintains 285 kilometres of the District's X and Y classified rivers in order to carry out its statutory roles to promote soil conservation and mitigate damage caused by floods and riverbank erosion. These classified rivers are funded by a differential river rating system based on land value. The rivers works in the classified rivers, such as stopbanks and willow planting, are owned, maintained and improved by Council.

There are many more rivers, streams and creeks that are on private, Council and Crown (Department of Conservation, Land Information New Zealand) lands, which are not classified. These unclassified rivers have associated river protection works such as rock walls, groynes and river training works that form part of the river system. They are typically owned and maintained by private property owners and may be partly funded by Council.

This group of activities does not include stormwater or coastal structures, which are covered in other groups of activities.

Why We Do It

By implementing and maintaining quality river control and flood protection schemes, Council improves protection to neighbouring properties and mitigates the damage caused during the flood events. In 1992 river control functions under the Soil Conservation and Rivers Control Act 1941 for the Tasman District were transferred to Tasman District Council.

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

ENGINEERING

Our levels of service and how we measure progress against them

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance
1. Our works are carried out so that the impacts on the natural river environments are minimised to a practical but sustainable level.	Resource consents are held and complied with for works undertaken by Council or its contractors in the rivers within the District - as measured by the number of abatement notices issued to Council's flood protection and rivers control activity. [Target: No abatement notices issued.]	<p>Actual = No abatement notices issued</p> <p><i>Resource consents held are:</i></p> <p><i>Global</i> – for works in rivers and some gravel extraction; and <i>vegetation spraying</i>.</p> <p>Contracts include the conditions of the consents and performance measures include requirements to meet the Resource Consent conditions.</p> <p>The Council or its contractor have not received any non-compliance or abatement notices.</p>
	Over time Council manages crack willow from banks and berm areas - as measured by kilometres of riverbank cleared of crack willow per year. [Target: 15 km/yr]	<p>Actual = 2009/10 - 18.5 km Actual = 2010/11 - 14.9 km Actual = 2011/12 - 15.4 km Actual = 2012/13 - <1 km</p> <p>Large scale removal of crack willow was stopped in mid 2012 in response to community concerns over increased erosion that was occurring in some areas where willows had been removed.</p> <p>The Activity Management Plan (AMP) future performance targets will be adjusted to reflect this at the next review.</p> <p>Crack willow is controlled from spreading in the classified river system through the annual fairway spraying programme.</p> <p>Isolated crack willow trees or stands are now only removed where they are causing or contributing to erosion or flooding, rather than a total eradication policy for biosecurity reasons.</p> <p>The Rivers AMP will be updated in due course to reflect this.</p>
2. We manage waste/rubbish in the river system.	Complaints about illegal dumping in the X and Y classified rivers and on adjacent beaches on public land are responded to within 10 days - as measured through customer service requests in Council's database. [Target: 90%]	<p>Actual = 95%</p> <p>The contractor is proactive in responding to actioning rubbish pick-ups, nearly all complaints have been attended to within a five day working period.</p> <p>Will be measured via Council's asset management system Confirm in future years.</p>

ENGINEERING

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance
3. We maintain Council's stop bank assets in River X classified areas to deliver flood protection to the level that the stopbanks were originally constructed.	Our stop banks are maintained to the original constructed standard. (Riwaka River = 1 in 10 yr flood return, Lower Motueka = 1 in 50 yr flood return, Waimea River = 1 In 50 yr flood return) - as measured by their performance in flood events and/or flood modelling (where this has been undertaken). [Targets: Riwaka River = 88% Motueka River = 100% Waimea River - 100%]	Actual Riwaka River = 88% Motueka River = 100% Waimea River = 100% The Riwaka left bank spilled water not far upstream of the State Highway on 16 June 2013 which was close to a Q20 event. Reinstatement of substandard or low areas of the Riwaka banks, is planned over the next few years as part of the Asset Operations and Maintenance Plan (AOMP). The lower Motueka and Waimea rivers have not had any significant floods in the reporting period.
4. In River Y classified areas Council manages the rivers to minimise bank erosion up to an annual event.	Maintenance work in River Y classified areas is undertaken to rectify or minimise bank erosion as identified through annual river care group meetings and incorporated in the Annual Operating Maintenance Programme (AOMP) - as measured through completion of scheduled works detailed in the AOMP. [Target: 100%]	Actual = 92% of scheduled works Performance target not realistic. 180 unscheduled tasks were also completed (not included in above figure). Immediate flood response work in the Tadmor and Waimea rivers meant ground conditions in the Tadmor were too wet to get trucks in to complete scheduled tasks there.

Major Activities

Activity	Budget \$	
Borlase catchment project	216,942	Council met with a local working group to define the problem. Further investigation work is planned along with a meeting to provide solutions. There has been \$4,897 spent on this project for the year ended 30 June 2013.
Lower Motueka River flood control project	311,400	A council workshop is planned for 29 August 2013 to discuss options around a \$5m project and the risks involved. There has been \$4,990 spent on this project for the year ended 30 June 2013.

ENGINEERING

2011/2012 Budget \$	Flood Protection and River Control Works	2012/2013 Actual \$	2012/2013 Budget \$	% of Budget
	SOURCES OF OPERATING FUNDING			
5,272	General rates, uniform annual general charges, rates penalties	22,077	21,967	101%
2,784,451	Targeted rates (other than a targeted rate for water supply)	2,921,670	2,917,523	100%
-	Subsidies and grants for operating purposes	-	-	-
-	Fees, charges and targeted rates for water supply	-	-	-
-	Internal charges and overheads recovered	-	-	-
289,757	Local authorities fuel tax, fines, infringement fees, and other receipts	1,262,460	381,460	331%
3,079,480	TOTAL OPERATING FUNDING	4,206,207	3,320,950	127%
	APPLICATIONS OF OPERATING FUNDING			
1,788,791	Payments to staff and suppliers	2,968,297	1,529,639	194%
31,724	Finance costs	34,618	59,656	58%
289,689	Internal charges and overheads applied	602,840	379,760	159%
-	Other operating funding applications	-	-	-
2,110,204	TOTAL APPLICATIONS OF OPERATING FUNDING	3,605,755	1,969,055	183%
969,276	SURPLUS (DEFICIT) OF OPERATING FUNDING	600,452	1,351,895	44%
	SOURCES OF CAPITAL FUNDING			
-	Subsidies and grants for capital expenditure	-	-	-
-	Development and financial contributions	-	-	-
141,079	Increase (decrease) in debt	(12,542)	586,909	-2%
-	Gross proceeds from sale of assets	-	-	-
-	Lump sum contributions	-	-	-
141,079	TOTAL SOURCES OF CAPITAL FUNDING	(12,542)	586,909	-2%
	APPLICATIONS OF CAPITAL FUNDING			
	Capital expenditure			
-	- to meet additional demand	-	-	-
586,825	- to improve the level of service	1,053,618	1,883,555	56%
540,448	- to replace existing assets	-	-	-
(16,918)	Increase (decrease) in reserves	(465,708)	55,249	-843%
-	Increase (decrease) in investments	-	-	-
1,110,355	TOTAL APPLICATIONS OF CAPITAL FUNDING	587,910	1,938,804	30%
(969,276)	SURPLUS (DEFICIT) OF CAPITAL FUNDING	(600,452)	(1,351,895)	44%
-	FUNDING BALANCE	-	-	-

Comment:

River Z works are budgeted for Council's share of costs only but actual results capture the full cost and associated recoveries. As such other receipts are at 331% of budget due to River Z works recoveries of \$923,295 and payments to staff and suppliers are at 194% of budget due to River Z works being \$1,318,354 over budget.

Internal charges and overheads are at 159% of budget due to staff time, and therefore share of departmental overheads, being larger than budgeted for.

Capital works are down on budget due to progress of the Borlase catchment and Lower Motueka River Flood Control projects.

COMMUNITY SERVICES

Policy and Objective

The objective of Community Services activities is to provide services and assets that support aspects of the community's social, cultural and recreational needs, while also enhancing environmental values in the District. The services also provide a place where connections are made between the Council and the community.

Nature and Scope

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

a) Community Facilities and Parks

b) Recreational and Cultural Services

2011/2012 Budget \$	Community	2012/2013 Actual \$	2012/2013 Budget \$	% of Budget
13,443,020	Community Facilities and Parks	12,759,051	13,259,815	96%
2,552,718	Recreation and Cultural Services	2,414,472	2,659,942	91%
15,995,738	TOTAL COSTS	15,173,523	15,919,757	95%

COMMUNITY SERVICES

COMMUNITY FACILITIES AND PARKS

What We Do

This group of activities includes the wide range of community facilities and amenities provided throughout the District for the public including:

- 595 hectares of Parks and Reserves
- 12 Cemeteries
- 41 Playgrounds
- 4 Libraries
- Funding for District and Shared Facilities such as the Saxton Field complex
- 24 Public Halls and Community Buildings
- 61 Public Toilets
- 101 Council Cottages
- The ASB Aquatic Centre

Why We Do It

Council provides community and recreational facilities to promote community wellbeing and to meet community expectations.

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. Such facilities also enable people to be more active in a convenient, easy, safe and enjoyable manner.

Cemeteries are provided for public health purposes and to comply with the requirements of the Burial and Cremation Act 1964.

Our Goal

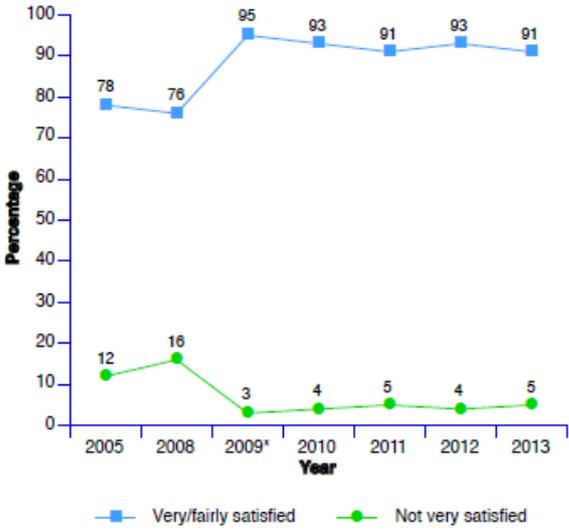
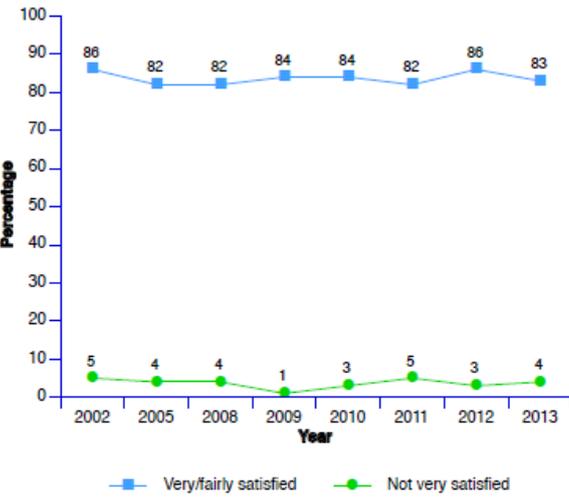
We aim to provide parks, reserves and recreational facilities that promote the physical, psychological, environmental and social wellbeing of communities in Tasman District and to also provide amenities that meet the needs of residents and visitors.

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 such as Libraries and Community Halls that provide a range of leisure, cultural and amenity services to the public.

COMMUNITY SERVICES

Our levels of service and how we measure progress against them

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance																																																		
<p>1. A network of multi-purpose community and recreation facilities in major centres supported by local halls, that provide reasonable access to indoor activities, libraries and recreation space</p>	<p>Customer satisfaction with parks and reserves score above 80% - as measured by ParkCheck Visitor Measures. [Target: Satisfaction target above 85%]</p>	<p>The Yardstick ParkCheck 2013/2014 Parks and Reserves Survey shows an overall satisfaction level of 91% for Council against an average satisfaction level of 88% (40 local authorities participated in this survey). The Yardstick ParkCheck Parks and Reserves Survey is undertaken every three years. [2010 ParkCheck 89.9%]</p>																																																		
	<p>Residents rate their satisfaction with this activity as "fairly satisfied" or better in annual surveys. [Targets: Satisfaction target above 85% for parks and reserves]</p> <p>83% of Tasman residents are fairly or very satisfied with the public libraries</p>	<p>The Communitrak survey shows that 91% of residents overall are satisfied with the District's recreational facilities - which includes playing fields and neighbourhood reserves. (2012: 93% satisfied).</p> <p style="text-align: center;"><i>Recreational Facilities</i></p>  <table border="1" data-bbox="683 779 1252 1310"> <caption>Recreational Facilities Satisfaction Data</caption> <thead> <tr> <th>Year</th> <th>Very/fairly satisfied (%)</th> <th>Not very satisfied (%)</th> </tr> </thead> <tbody> <tr> <td>2005</td> <td>78</td> <td>12</td> </tr> <tr> <td>2008</td> <td>76</td> <td>16</td> </tr> <tr> <td>2009*</td> <td>95</td> <td>3</td> </tr> <tr> <td>2010</td> <td>93</td> <td>4</td> </tr> <tr> <td>2011</td> <td>91</td> <td>5</td> </tr> <tr> <td>2012</td> <td>93</td> <td>4</td> </tr> <tr> <td>2013</td> <td>91</td> <td>5</td> </tr> </tbody> </table> <p>The Communitrak survey shows that 83% of residents are satisfied with the District's public libraries [2012: 86%], and that 93% of library users are satisfied with the libraries. [2012: 94%]</p> <p style="text-align: center;"><i>Public Libraries</i></p>  <table border="1" data-bbox="683 1500 1252 2004"> <caption>Public Libraries Satisfaction Data</caption> <thead> <tr> <th>Year</th> <th>Very/fairly satisfied (%)</th> <th>Not very satisfied (%)</th> </tr> </thead> <tbody> <tr> <td>2002</td> <td>86</td> <td>5</td> </tr> <tr> <td>2005</td> <td>82</td> <td>4</td> </tr> <tr> <td>2008</td> <td>82</td> <td>4</td> </tr> <tr> <td>2009</td> <td>84</td> <td>1</td> </tr> <tr> <td>2010</td> <td>84</td> <td>3</td> </tr> <tr> <td>2011</td> <td>82</td> <td>5</td> </tr> <tr> <td>2012</td> <td>86</td> <td>3</td> </tr> <tr> <td>2013</td> <td>83</td> <td>4</td> </tr> </tbody> </table>	Year	Very/fairly satisfied (%)	Not very satisfied (%)	2005	78	12	2008	76	16	2009*	95	3	2010	93	4	2011	91	5	2012	93	4	2013	91	5	Year	Very/fairly satisfied (%)	Not very satisfied (%)	2002	86	5	2005	82	4	2008	82	4	2009	84	1	2010	84	3	2011	82	5	2012	86	3	2013	83
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COMMUNITY SERVICES

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance
	Percentage of parks and reserves contract service standards met (based on exception reporting). [Target: 85%]	This measure is reliant upon the contractor updating the status of jobs in Council's Confirm asset management system. New contracts emphasise the requirement that Confirm is updated at the time of completion. The measure was undertaken for the first time this financial year with an 84% rating.
	A community building* is available within a 15-minute drive for 80% of the population. (20km radius catchment) [Target: 90%]	The measure was undertaken for the first time this financial year. A community building* is available within a 15-minute drive for 99.8% of the population. *community building is a recreation centre, public hall or community house.
2. Cemeteries that offer a range of burial options and adequate space for future burial demand.	Percentage of cemeteries contract service standards met (based on exception reporting) [Target: 90%]	This measure is reliant upon the contractor updating the status of jobs in Council's Confirm Asset Management system. New contracts emphasise the requirement that Confirm is updated at the time of completion. The measure was undertaken for the first time this financial year with a 93% rating.
3. Swimming pools that meet the needs of users and provide opportunity for aquatic based recreation activities and learn to swim programmes.	For the ASB Aquatic Centre, admissions per m2 of pool swimming per annum within 10% of average of peer group as measured by Yardstick. [Target: Admissions per m2 per annum above average of peer group as measured by Yardstick]	204 swims per m2 of swimming pool [2012: 173 swims per m2 of swimming pool (4% lower than the peer group average)]
4. Public Conveniences at appropriate locations that meet the needs of users and are pleasant to use and maintained to a high standard of cleanliness.	Our toilets are cleaned and maintained to 90% compliance with the appropriate contract specification as measured in the bi-monthly sample contract audit. [Target: 90%]	Our toilets are cleaned and maintained to 84% compliance with the appropriate contract specification as measured in the bi-monthly sample contract audit. All issues are rectified. [2012: non-compliance is recorded but not analysed.]
5. Council cottages that help meet the needs of the elderly and people with disabilities.	Tenant satisfaction with standard, quality and management of cottages is 80% as measured through a biennial survey. [Target: 85%]	In November 2011, there were 95 surveys sent out, with 84 completed and returned. Of the completed surveys returned, 100% were satisfied with how their tenancy is managed. There was also an overall 91% satisfaction with the condition of the cottages, and 98% satisfaction with how their enquiries are dealt with when they contact Council.

COMMUNITY SERVICES

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance
<p>6. Access to information and leisure sources that satisfy the needs of the community, delivered within the libraries and through outreach programming.</p>	<p>Tasman District Council collections compare favourably when measured against the Library and Information Association New Zealand Aotearoa (LIANZA) standard for library book stocks. Stock numbers will be measured quarterly using information available for the Library Management System software. [Target: Book stocks achieve 82% of the LIANZA standard.]</p>	<p>Book stocks are currently at 85% of the LIANZA standard. [2012: 85%]</p>
<p>7. Access to a variety of information, leisure, social resources and services to support those with special needs through the libraries in Richmond, Motueka, Takaka and Murchison.</p>	<p>Tasman District Council library buildings provide adequate spaces to enable the delivery of quality library services as measured against the LIANZA standard.</p> <p>[Targets:</p> <p>The Richmond, Takaka and Murchison libraries floor areas are maintained at the current size.</p> <p>Council will redevelop the Motueka Library to achieve 100% of the LIANZA standard. Work will commence in 2013.</p>	<p>The Richmond and Takaka libraries floor areas currently meet the LIANZA standard. The Murchison floor area is currently 75% of the LIANZA standard.</p> <p>The Motueka Library floor area is currently around 50% of the LIANZA standard. The library will need to increase by 617m² to allow for population growth through to 2031. Redevelopment of the Motueka Library to achieve 100% of the LIANZA standard was deferred to 2014/2015 through the Annual Plan 2013/2014 process.</p>

COMMUNITY SERVICES

Major Activities

Ongoing management, maintenance and renewal of Council's parks and reserves, cemeteries, playgrounds, libraries, district and shared facilities, public toilets, Council cottages, and swimming pools.

Activity	Budget \$	
Saxton Field developments (land purchases, walkways, roads)	452,160	The road entrance from Main Road Stoke has been completed. There has also been work undertaken at the complex to repair damage from the April 2013 rainfall event. There has been \$365,607 spent on this project for the year ended 30 June 2013.
Cycle Track – Saxton Field	204,400	The Saxton Velodrome Working Party met on 28 June 2013. Progress is being made with Transpower on relocating the powerlines which cross the site. The powerlines are due to be moved by February 2014. The site investigation report from Tonkin and Taylor is complete; the site contamination report has been favourable with the site deemed good. The design phase is continuing. There has been \$28,180 spent on this project for the year ended 30 June 2013.
Hockey Turf – Saxton Field	306,600	The Hockey Turf project has been completed subject to minor defects. There has been \$331,990 spent on this project for the year ended 30 June 2013.
Mapua Hall	827,820	Construction has commenced with an official opening scheduled for 23 August 2013. By the end of June 2013, Council had contributed \$750,000 towards the project and the Mapua Hall Society \$62,000. The Society will contribute the remainder of the 20% it is required to contribute during July 2013. Council will make its final payments during July and August 2013, with the Society funding the remainder of the project.
Library Renewals	365,382	From July 2012-June 2013 15,139 new items were purchased for the libraries. Items held at 30 June 2013 totalled 146,585. This is 85% of the current recommended standard for New Zealand Libraries. There has been \$327,500 spent on this project for the year ended 30 June 2013.
Purchase of new reserves land (Waimea)	155,700	Land has been purchased in Starveall Street for the Brightwater Village Green. There has been \$220,000 spent on this project for the year ended 30 June 2013. Council has approved a loan of \$110,000 as further funding.
Provision of new walkways throughout the District	145,320	This function is ongoing. Storm damage from the December 2011 and April 2013 rainfall events has taken priority and has resulted in a number of damaged walkways (like Dellside) being repaired.

(Note: the amounts in the table above are the Tasman District Council's contribution, some projects may include contributions from users of the facilities and/or Nelson City Council).

COMMUNITY SERVICES

Reserve Financial Contributions

How funds are received

All new subdivisions, from one new lot up to hundreds of new lots, are required to pay Reserve Financial Contributions for reserves and other Council facilities. Reserve Financial Contributions are based on 5.62 percent of the value of all new allotments, less the value of any land taken for reserves or walkways. Credits are also given in some cases for work that is carried out on these areas of land, over and above levelling and grassing. Examples of such credits would be children's play equipment and the formation of paths.

Reserve Financial Contributions are also payable as a percentage of the cost of some large constructions. For example, new factories and commercial premises.

All Reserve Financial Contributions received must be separately accounted for and the Council keeps Reserve Financial Contributions in four separate accounts as follows:

- Golden Bay Ward
- Motueka Ward
- Moutere/Waimea and Lakes/Murchison Wards
- Richmond Ward

Income in each of these accounts varies considerably from year to year, depending on the demand for new sections and the availability of land for development.

What the Reserve Financial Contributions can be used for

Strict criteria apply to the use of Reserve Financial Contributions with use being in the main restricted to:

- Land purchase for reserves
- Capital improvements to reserves
- Other capital works for recreation activities

Allocation of Funds

Each year as part of the Council's Long Term Plan review or Annual Plan process, a list of works in each of the four Reserve Financial Contributions accounts is produced and these include requests received from Council's Reserve and Hall Management Committees and other organisations that are recreation related.

These requests are considered by the Community Boards and Councillors in Golden Bay and Motueka, and the Ward Councillors for each of the remaining two ward groupings listed above. Recommendations are then forwarded to the Council's Community Services Committee or Full Council for approval before being included in the Long Term Plan or Annual Plan.

COMMUNITY SERVICES

District Wide Reserve	2012/2013 Actual \$	Long Term Plan 2012/2013 Budget \$
PROJECTS		
Staff costs	62,970	82,624
Valuation costs	30,883	5,110
Management Plans	260	5,621
Consultant Fees	39,847	15,330
Library Books	61,890	61,320
Council Overhead costs	116,605	104,602
Loan Repayments	34,217	34,217
GOLDEN BAY WARD		
Halls and Reserves	6,575	24,482
Revegetation Work	22,723	10,330
MOTUEKA WARD		
Halls and Reserves	49,948	41,320
Revegetation Work	4,515	10,330
WAIMEA/LAKES WARD		
Halls and Reserves	11,166	56,815
Revegetation Work	9,327	10,330
RICHMOND WARD		
Halls and Reserves	3,044	10,330
Revegetation Work	12,535	10,330
TOTAL EXPENDITURE	466,505	483,091
Opening Balance	(104,647)	2,010
General Rate Allocation	342,598	340,890
Transfer from Ward Accounts	117,530	117,530
Sundry Income	29,785	29,446
CLOSING BALANCE	(81,239)	6,785

COMMUNITY SERVICES

Golden Bay Ward Reserve	2012/2013 Actual \$	Long Term Plan 2012/2013 Budget \$
PROJECTS		
Walkways/Cycleways		
General	-	36,155
East Takaka Walkway/Cycleway	549	-
Picnic Areas		
Picnic Table	2,000	-
Gardens		
General	663	10,000
Takaka Memorial Reserve - landscaping	-	67,475
Playgrounds		
General - new reserves etc	-	31,140
Cemeteries		
General	2,227	5,165
Rototai Cemetery Upgrade	14,432	-
Toilets		
Labyrinth Rocks	241	-
Rototai New Toilet	10,910	-
Coastcare		
General	27,081	30,660
Miscellaneous		
Land Purchase	60,870	-
Collingwood Boat Ramp Reclamation	24,529	-
Ligar Bay Beach Development	6,518	-
Pakawau Reserve Rockwork	900	-
Loan Principal Repayments	59,692	-
Transfer to District Wide Contributions	10,220	10,220
TOTAL EXPENDITURE	220,832	190,815
Estimated Opening Balance	696,760	329,000
Projected Income	133,662	134,290
	830,422	463,290
Expenditure	220,832	190,815
CLOSING BALANCE	609,590	272,475

COMMUNITY SERVICES

Motueka Ward Reserve	2012/2013 Actual \$	Long Term Plan 2012/2013 Budget \$
PROJECTS		
Walkways/Cycleways		
General	20,035	41,520
Wharf Road Walkway	5,067	-
Stephens Bay Development	-	12,396
Sportsfields		
Riwaka Rugby Grounds	1,614	-
Memorial Park / General	-	20,760
Memorial Park tennis courts	4,870	5,190
Goodman Recreation Reserve Carpark	-	83,040
Gardens		
General	-	10,380
Goodman Recreation Reserve Pond	2,529	-
Playgrounds		
Decks Reserve	28,850	51,900
Goodman Ledger Park New Playground	23,321	-
Toilets		
Tapu Bay	-	31,140
Sportspark Toilet Building	142,849	-
Cemeteries		
General	-	20,660
Coastcare		
General	16,937	16,528
Miscellaneous		
Future Planning	-	11,242
Keep Motueka Beautiful	3,059	12,264
Motueka Clock Tower Trust - loan	7,000	8,176
Security Cameras	-	6,228
Motueka Recreation Centre upgrade	-	103,800
Motueka Community House Carpet	2,348	-
Motueka Museum	948	-
Motueka Library Investigations & Concept Plan	8,158	-
Imagine Theatre	9,101	-
Transfer to District Wide Contributions	35,770	35,770
Loan Principal Repayments	144,892	-
TOTAL EXPENDITURE	457,348	470,994
Estimated Opening Balance	1,636,833	321,000
Projected Income	236,584	289,240
	1,873,417	610,240
Expenditure	457,348	470,994
CLOSING BALANCE	1,416,069	139,246

COMMUNITY SERVICES

Waimea/Moutere & Lakes Ward Reserve	2012/2013 Actual \$	Long Term Plan 2012/2013 Budget \$
PROJECTS		
Walkways/Cycleways		
General	10,643	15,570
Rural 3	-	25,950
Waimea Inlet	1,470	20,760
Mapua Walkway	5,296	-
Sportsfields		
General	6,988	20,760
Wakefield Domain Upgrade	6,675	-
Lord Rutherford Park - Lighting	22,500	-
Picnic Areas		
General	250	10,330
Waimea River Park	-	15,570
Gardens		
General	-	10,330
Playgrounds		
General - new reserves etc	7,900	62,280
Toilets		
Mapua Water Front Park Toilets	17,086	-
Coastcare		
General	22,280	20,660
Tennis Courts		
General	-	20,760
Miscellaneous		
Murchison Bowls	8,176	8,176
Equestrian Park	-	20,660
New reserves land	220,000	155,700
Hall trusts	10,310	5,190
Mapua Water Front Park	390,228	-
Mapua Skatepark	60,000	-
Tasman BMX Tracks	1,561	-
Tapawera Gateway Project	573	-
Tapawera Rugby Club Pavilion Heating	3,043	-
Higg Road Damages NZTA	11,741	-
Dominion Road Wetlands	8,346	-
Equipment Purchases	4,338	-
Transfer to District Wide Contributions	40,880	40,880
Loan Principal Repayments	113,600	145,293
TOTAL EXPENDITURE	973,884	598,869

COMMUNITY SERVICES

Estimated Opening Balance	74,907	5,000
Projected Income	567,872	676,615
Loans Raised	776,448	-
	1,419,227	681,615
Expenditure	973,884	598,869
CLOSING BALANCE	445,343	82,746

Richmond Ward Reserve	2012/2013 Actual \$	Long Term Plan 2012/2013 Budget \$
PROJECTS		
Walkways/Cycleways		
General	6,687	41,520
Dellside Reserve	660	51,650
Estuary	39,462	25,950
Sportsfields		
Jubilee Park Cricket Nets	3,310	-
Gardens		
Washbourne Gardens	7,457	-
Picnic Areas		
Waimea River Park	-	15,570
Miscellaneous		
Future Planning	9,238	5,621
Reservoir Creek Native Bush	20,125	20,660
Security Cameras	-	12,456
Croquet Carpark	-	7,154
New Reserve Purchase	176,703	-
A&P Historic Building Upgrade	2,300	-
Loan Principal	132,713	127,713
Transfer to District Wide Contributions	30,660	30,660
TOTAL EXPENDITURE	429,315	338,954
Estimated Opening Balance	414,090	50,000
Projected Income	817,055	361,550
	1,231,145	411,550
Expenditure	429,315	338,954
CLOSING BALANCE	801,830	72,596

COMMUNITY SERVICES

2011/2012 Budget \$	Community Facilities and Parks	2012/2013 Actual \$	2012/2013 Budget \$	% of Budget
	SOURCES OF OPERATING FUNDING			
7,064,690	General rates, uniform annual general charges, rates penalties	7,724,908	7,686,403	101%
2,446,549	Targeted rates (other than a targeted rate for water supply)	2,539,637	2,522,191	101%
-	Subsidies and grants for operating purposes	105,235	105,235	100%
-	Fees, charges and targeted rates for water supply	-	-	-
-	Internal charges and overheads recovered	-	-	-
1,741,518	Local authorities fuel tax, fines, infringement fees, and other receipts	1,846,799	1,684,413	110%
11,252,757	TOTAL OPERATING FUNDING	12,216,579	11,998,242	102%
	APPLICATIONS OF OPERATING FUNDING			
9,287,792	Payments to staff and suppliers	8,897,691	9,264,854	96%
1,617,268	Finance costs	1,273,409	1,408,850	90%
2,537,960	Internal charges and overheads applied	2,587,951	2,586,111	100%
-	Other operating funding applications	-	-	-
13,443,020	TOTAL APPLICATIONS OF OPERATING FUNDING	12,759,051	13,259,815	96%
(2,190,263)	SURPLUS (DEFICIT) OF OPERATING FUNDING	(542,472)	(1,261,573)	43%
	SOURCES OF CAPITAL FUNDING			
-	Subsidies and grants for capital expenditure	20,000	-	-
970,000	Development and financial contributions	1,746,999	1,461,695	120%
1,346,168	Increase (decrease) in debt	556,372	699,965	79%
-	Gross proceeds from sale of assets	-	-	-
-	Lump sum contributions	-	-	-
2,316,168	TOTAL SOURCES OF CAPITAL FUNDING	2,323,371	2,161,660	107%
	APPLICATIONS OF CAPITAL FUNDING			
	Capital expenditure			
650,230	- to meet additional demand	420,783	705,840	60%
589,598	- to improve the level of service	905,869	122,484	740%
71,310	- to replace existing assets	504,692	552,222	91%
(1,185,233)	Increase (decrease) in reserves	(45,445)	(480,459)	9%
-	Increase (decrease) in investments	(5,000)	-	-
125,905	TOTAL APPLICATIONS OF CAPITAL FUNDING	1,780,899	900,087	198%
2,190,263	SURPLUS (DEFICIT) OF CAPITAL FUNDING	542,472	1,261,573	43%
-	FUNDING BALANCE	-	-	-

Comment:

Capital works to improve levels of service are over budget as spending in the Reserve Financial Contributions accounts is \$707,760 over budget due to carried forward projects.

COMMUNITY SERVICES

RECREATION AND CULTURAL SERVICES

What We Do

These activities include provision and support of recreational and cultural needs of the communities of the Tasman District. This is done through provision of projects that support and develop the community engagement with recreation, sports, arts and heritage and publication of Council magazines, eg Mudcakes and Roses.

Council's services include the provision of resources for community initiatives and community organisations to enable them to achieve their objectives by way of grants. Grants are predominantly for 'not-for-profit' community and voluntary groups working for the benefit of Tasman District communities.

Funding from this group of activities also provides grants to the Suter Art Gallery and the Tasman Bays Heritage Trust, as well as support for District museums.

Why We Do It

By providing Recreation and Cultural Services Council meets community expectations to promote the wellbeing of the communities in its District. This requires providing and informing communities of opportunities to participate in recreation and leisure activities and supporting cultural and heritage organisations.

The Recreation and Cultural Services group of activities is an important 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.
- How it supports access to and protects the District's recreation, culture and heritage values.

Our Goal

Council's aim is to enhance the quality of life of the community by providing and supporting recreational, cultural and heritage services which enable participation in suitable, relevant and enjoyable activities and environments lifelong and to enable communities to lead initiatives to help themselves.

How this activity contributes to the Community Outcomes

- 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. Support of organisations that preserve and display our regions heritage and culture.
- Promotion and delivery of recreational services that reflect the diversity of the Tasman District. Assists community-led facilities, projects and initiatives to deliver benefits across the broader community.

COMMUNITY SERVICES

Our levels of service and how we measure progress against them

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance
<p>1. Promotion and celebration of our history and cultures.</p> <p>Support of facilities and services that house our regions stories, artefacts and arts.</p>	<p>Residents are satisfied with the information available in publications, as measured through the residents' survey undertaken at least three yearly. [Target: 90% of residents who have seen at least one of the recreation publications are fairly or very satisfied with them.]</p>	<p>95% of residents who have seen at least one of the recreation publications are fairly or very satisfied with them, as measured through the 2012 residents survey.</p>
<p>2. Promotion and delivery of events and recreational services that reflect the diversity of the District.</p>	<p>Residents attending a range of Council organised and supported activities and events are satisfied, as measured through user surveys. [Target: 90% of the community is very or fairly satisfied with Council activities or events.]</p>	<p>80% of the community is very or fairly satisfied with Council activities or events, from user surveys.</p>
<p>3. Community development is supported with staff advice and funding support.</p>	<p>Information to support communities is accessible and relevant, as measured through the residents' survey undertaken at least every three years.</p> <p>Information about grants assistance is accessible and appropriate. The administration of funding is clear and transparent, as measured through the residents' survey undertaken at least every three years.</p> <p>[Target: 70% of the community is very or fairly satisfied with the community assistance.]</p>	<p>70% of the community is very or fairly satisfied with the community assistance, as measured through the 2012 residents survey.</p>
<p>4. Provide grants to community groups to deliver services and facilities that enhance community well-being.</p>	<p>Grants are fully allocated to groups and individuals who meet our funding criteria.</p> <p>[Target: 100% of grant funding is allocated.]</p> <p>Groups are delivering the services outlined in their applications and that they receive grant money to provide services to the community.</p> <p>[Target: 90% of accountability forms are returned completed.]</p>	<p>100% of grant funding is allocated.</p> <p>98% of accountability forms are returned completed.</p>

COMMUNITY SERVICES

Major Activities

Support of community development through advice, grants and partnership arrangements.	The Community Recreation staff are actively involved in the provision of advice to individuals and community groups. This includes advice on funding, event management, project planning and implementation. There are also multiple project partnerships that involve Council staff, for example Get Moving walking cycling project, Safe at the Top, Speak Out Nelson Tasman - reporting racism and Connections Mayors Taskforce for jobs - youth training and employment project
Allocation of contestable grants.	The Tasman District Council Community Grants were fully allocated in 2012/2013. There are three accountabilities from 2011/2012 outstanding, this is less than 2% of the total number of applicants. Some funding has also been allocated to the Motueka Groyne shortfall.
Ongoing allocation of funding to cultural services, eg Museums and The Suter art gallery.	Annual Memoranda of Understandings have been received from the Museums and The Suter. The Suter art gallery annual funding of \$82,772 has been paid. Local museum funding allocated includes \$42,000 to the Motueka District museum, and \$42,500 to Golden Bay museum. Tasman Bays Heritage Trust has received cash funding of \$807,221 for the year ended 30 June 2013. In addition, Council provides the Trust with free use of a storage facility, which has cost the Council \$93,433 to provide in the current year.
Annual review of grants funding criteria and process.	The Grants and Community Facilities subcommittee met in October 2012. It was agreed that staff would begin work on an online application process and that a workshop would be held in August 2013 to review the grants criteria and process in light of changes to the local government purpose.
Support of regional recreation programmes.	Council supports recreation programmes held in Council facilities with Memoranda of Understandings with Golden Bay Community Workers, Motueka Recreation Centre, Moutere Hills Community Centre, Richmond Town Hall, and Murchison Sport, Recreation and Cultural Centre.
Provision of community events and activities.	A range of community events are run by the Community Recreation team. The focus is on encouraging community participation utilising Council's infrastructure - this includes Council's parks, halls, community centres and walk and bike paths.
Promotion of community events and activities through website, Mudcakes and Roses, Boredom Busters, JAM website, Newslite, Found Directory, Bike/Walk Tasman, Hummin in Tasman and other media.	The major promotion of events is via support for the "ItsOn" events database and production of the Hummin in Tasman Summer guide. All the publications cover events for their relevant target groups
Facilitate the Youth Council with regional recreation coordinators.	The Youth Council operates in Golden Bay, Motueka, Murchison and Richmond.
Facilitate the Positive Ageing Forum.	The Positive Ageing Forum meets four times per year and is attended by representatives of over 30 organisations.

COMMUNITY SERVICES

Consider implementation of actions identified as priorities in the Nelson Tasman Regional Arts Strategy	Public art is included in publications for example walking/cycling maps. Council facilities are used to exhibit local artists including service centres, libraries and halls.
Develop final draft of Tasman Youth Strategy for consideration and adoption. Implement those actions identified as priorities.	The strategy is currently on hold awaiting the availability of senior staff resources for final analysis and completion of the draft.

COMMUNITY SERVICES

2011/2012 Budget \$	Recreation and Cultural Services	2012/2013 Actual \$	2012/2013 Budget \$	% of Budget
	SOURCES OF OPERATING FUNDING			
1,211,800	General rates, uniform annual general charges, rates penalties	1,157,838	1,152,067	101%
1,041,204	Targeted rates (other than a targeted rate for water supply)	1,103,164	1,095,666	101%
143,432	Subsidies and grants for operating purposes	253,913	330,477	77%
-	Fees, charges and targeted rates for water supply	-	-	-
-	Internal charges and overheads recovered	-	-	-
173,773	Local authorities fuel tax, fines, infringement fees, and other receipts	109,235	142,510	77%
2,570,209	TOTAL OPERATING FUNDING	2,624,150	2,720,720	96%
	APPLICATIONS OF OPERATING FUNDING			
2,149,797	Payments to staff and suppliers	2,002,135	2,247,837	89%
159,426	Finance costs	112,503	119,086	94%
243,495	Internal charges and overheads applied	299,834	293,019	102%
-	Other operating funding applications	-	-	-
2,552,718	TOTAL APPLICATIONS OF OPERATING FUNDING	2,414,472	2,659,942	91%
17,491	SURPLUS (DEFICIT) OF OPERATING FUNDING	209,678	60,778	345%
	SOURCES OF CAPITAL FUNDING			
-	Subsidies and grants for capital expenditure	-	-	-
-	Development and financial contributions	-	-	-
109,222	Increase (decrease) in debt	(10,778)	(10,778)	100%
-	Gross proceeds from sale of assets	-	-	-
-	Lump sum contributions	-	-	-
109,222	TOTAL SOURCES OF CAPITAL FUNDING	(10,778)	(10,778)	100%
	APPLICATIONS OF CAPITAL FUNDING			
	Capital expenditure			
-	- to meet additional demand	-	-	-
-	- to improve the level of service	-	-	-
-	- to replace existing assets	-	-	-
6,713	Increase (decrease) in reserves	203,701	50,000	407%
120,000	Increase (decrease) in investments	(4,801)	-	-
126,713	TOTAL APPLICATIONS OF CAPITAL FUNDING	198,900	50,000	398%
(17,491)	SURPLUS (DEFICIT) OF CAPITAL FUNDING	(209,678)	(60,778)	345%
-	FUNDING BALANCE	-	-	-

Comment:

Subsidies and grants for operating purposes are down due to Sport NZ Get Moving Active Communities Grants being nil against a budget of \$134,290. Funding of \$100,000 was received in August 2013 for the 2013/2014 financial year.

GOVERNANCE

GOVERNANCE

What We Do

This activity involves managing 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, Council and Community Boards.
- Organising and preparation of material for Council meetings.
- Preparing Council's strategic plans and annual financial reports.
- Managing elections and democratic processes, including community consultation.
- Managing Council's investments in Council Controlled Trading Organisations (CCTO's).

Council invests in CCTOs to assist it to achieve its objectives. The CCTOs, listed below, independently manage facilities, deliver services, and undertake developments on behalf of Council:

- Nelson Airport Limited.
- Tourism Nelson Tasman Limited.
- Port Nelson Limited (note: although Port Nelson is a company half-owned by Council, it is not classed as a CCTO in legislation. However, performance monitoring requirements are similar to those of a CCTO).

Why We Do It

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

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

GOVERNANCE

Friendly towns

Tasman District Council enjoys Friendly Town/Community Relationships with three towns, two in Japan and one in Holland. Motueka has a friendly town relationship with Kiyosato in Japan, and Richmond has a friendly town relationship with Fujimi-Machi in Japan. There are regular exchanges of students and adults between the towns. Takaka has a friendly towns relationship with Grootegast in Holland, and the Tasman District Council has a friendly communities relationship with Grootegast Council. These relationships foster and encourage economic and cultural relations between the areas.

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.
- The governance activity contributes to the community outcomes by the CCTOs providing an economic return to Council and ratepayers and by providing employment opportunities.

2011/2012 Budget \$	Governance	2012/2013 Actual \$	2012/2013 Budget \$	% of Budget
3,908,407	Governance	3,410,569	3,697,561	92%
3,908,407	TOTAL COSTS	3,410,569	3,697,561	92%

Our levels of service and how we measure progress against them

Levels Of Service (We provide)	We will know we are meeting the Level Of Service if...	Current Performance
1. Support for Iwi to enable them to be consulted on Council statutory issues.	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. Council held a Governance Hui with Maori, supported by Tiakina te Taiao. Council also held a number of meetings with Iwi on a range of Council related projects. Support for Council cultural events was provided by the Council Kaumatua. 75% of allocated funds were spent in 2012/13.
2. Support for economic development in the Tasman District.	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, including financial support for the Economic Development Agency. 100% of this funding was allocated during the year.
3. Good strategic and annual planning for the Council.	The Long Term Plan, Annual Plans and Annual Reports are prepared within statutory timeframes. [Target: All Long Term Plan, Annual Plan and Annual Report statutory timeframes are met. Variations are managed to meet statutory requirements.]	Council prepared its Annual Plan 2013/2014. All statutory requirements and timeframes were met. The Annual Report has been prepared with statutory requirements, with an unmodified opinion.

GOVERNANCE

Levels Of Service (We provide)	We will know we are meeting the Level Of Service if...	Current Performance
4. Effectively run election processes.	The election process is carried out effectively and there are no successful challenges. [Target: There are no successful challenges to the 2013 election processes.]	Electoral rolls have been updated and preliminary documents prepared for the 12 October 2013 elections.

Major Activities

Preparation of the Annual Plan and Annual Report	The Annual Report 30 June 2012 was completed in October 2012 with an unmodified audit opinion. The Annual Plan 2013/2014 was prepared within statutory requirements and timeframes.
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GOVERNANCE

2011/2012 Budget \$	Governance	2012/2013 Actual \$	2012/2013 Budget \$	% of Budget
	SOURCES OF OPERATING FUNDING			
3,833,115	General rates, uniform annual general charges, rates penalties	3,581,739	3,563,886	101%
343,086	Targeted rates (other than a targeted rate for water supply)	684,853	682,264	100%
-	Subsidies and grants for operating purposes	-	-	-
-	Fees, charges and targeted rates for water supply	-	-	-
-	Internal charges and overheads recovered	-	-	-
255,687	Local authorities fuel tax, fines, infringement fees, and other receipts	298,066	348,474	86%
4,431,888	TOTAL OPERATING FUNDING	4,564,658	4,594,624	99%
	APPLICATIONS OF OPERATING FUNDING			
3,436,394	Payments to staff and suppliers	2,581,682	2,989,865	86%
60,100	Finance costs	139,406	180,100	77%
411,913	Internal charges and overheads applied	689,481	527,596	131%
-	Other operating funding applications	-	-	-
3,908,407	TOTAL APPLICATIONS OF OPERATING FUNDING	3,410,569	3,697,561	92%
523,481	SURPLUS (DEFICIT) OF OPERATING FUNDING	1,154,089	897,063	129%
	SOURCES OF CAPITAL FUNDING			
-	Subsidies and grants for capital expenditure	-	-	-
-	Development and financial contributions	-	-	-
-	Increase (decrease) in debt	-	-	-
-	Gross proceeds from sale of assets	-	-	-
-	Lump sum contributions	-	-	-
-	TOTAL SOURCES OF CAPITAL FUNDING	-	-	-
	APPLICATIONS OF CAPITAL FUNDING			
	Capital expenditure			
-	- to meet additional demand	-	-	-
-	- to improve the level of service	6,813	-	-
-	- to replace existing assets	29,156	2,076	1404%
523,481	Increase (decrease) in reserves	1,118,120	894,987	125%
-	Increase (decrease) in investments	-	-	-
523,481	TOTAL APPLICATIONS OF CAPITAL FUNDING	1,154,089	897,063	129%
(523,481)	SURPLUS (DEFICIT) OF CAPITAL FUNDING	(1,154,089)	(897,063)	129%
-	FUNDING BALANCE	-	-	-

COUNCIL ENTERPRISES & PROPERTY

Nature and Scope

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

- a) Forestry
- b) Aerodromes
- c) Camping Grounds
- d) Property Services

2011/2012 Budget \$	Council Enterprises and Property	2012/2013 Actual \$	2012/2013 Budget \$	% of Budget
3,767,316	Council Enterprises and Property	3,261,476	3,559,223	92%
3,767,316	TOTAL COSTS	3,261,476	3,559,223	92%

What We Do

This group of activities involves the management of approximately 2,800 stocked hectares of commercial plantation forest, aerodromes in Motueka and Takaka, the leasing of camping grounds in Motueka, Pohara and Murchison and provision of property related services to the Council.

Why We Do It

Council is the owner or custodian of substantial forestry and property portfolios and has identified the need for professional expertise within Council to meet its on-going management of these assets.

Our Goal

To provide property and business management of Council assets that contributes towards the enhancement of Council's recreational assets and maximise net returns on a sustainable basis to provide a contribution to off-set the need for additional rates income.

COUNCIL ENTERPRISES

How this activity contributes to the Community Outcomes

- Our plantation forests assist in reducing the carbon footprint for Tasman District.
- We provide business opportunities for planting and tending of forests, plantation management and the logging and sale of logs.
- The aerodromes and camping grounds provide business and tourism opportunities.
- Efficient management of Council's property assets reduces the amount of money required from rates.
- We own four camping grounds throughout the District which provide recreation and leisure opportunities for residents and visitors to the region.

Our levels of service and how we measure progress against them

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance
1. We will responsibly manage liabilities for any carbon credits.	We meet the requirements laid down by Government. [Target: Compliance with any emissions trading scheme.]	Council has appointed PF Olsens Ltd in the interim to manage the Emissions Trading Scheme (ETS) on our behalf. Council has complied with those requirements
2. Our forestry operations will be managed on a commercial basis recognising any component of public good.	A business plan for forestry has been approved and implemented by Council. [Target: The plan will be reviewed as required.]	A management plan has been approved by Council. With the formation of the Commercial Sub-committee the necessity and purpose of a business plan is to be reviewed. If a business plan is written it is expected to occur in the latter stages of 2013/ 2014.
3. Effective management of Council property services to enable other Council activities to carry out their functions.	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.]	A survey was undertaken in 2010 and will be repeated in September 2013. Customer Service requests are monitored .
4. Buildings and property services that comply with legislative and resource and building consent requirements.	All operational buildings (offices and libraries) meet all legislative, resource consent and building consent requirements. [Target: All requirements are met	All building warrant of fitness are current and comply with Building Consents. The Richmond Office car parking requirement for the recent extensions is outstanding but expected to be finalised by 30 November 2013.

Major Activities

The Council Enterprises and Property Group of Activities involves the management, maintenance and renewals of Council's investments in Forestry, Motueka and Takaka aerodromes, three camping grounds and provision of property management services.

COUNCIL ENTERPRISES

2011/2012 Budget \$	Council Enterprises and Property	2012/2013 Actual \$	2012/2013 Budget \$	% of Budget
	SOURCES OF OPERATING FUNDING			
276,491	General rates, uniform annual general charges, rates penalties	425,654	422,229	101%
-	Targeted rates (other than a targeted rate for water supply)	-	-	-
-	Subsidies and grants for operating purposes	-	-	-
-	Fees, charges and targeted rates for water supply	-	-	-
492,726	Internal charges and overheads recovered	794,269	791,769	100%
3,586,692	Local authorities fuel tax, fines, infringement fees, and other receipts	3,046,217	2,861,236	106%
4,355,909	TOTAL OPERATING FUNDING	4,266,140	4,075,234	105%
	APPLICATIONS OF OPERATING FUNDING			
2,790,647	Payments to staff and suppliers	2,431,949	2,716,152	90%
511,539	Finance costs	292,425	341,650	86%
465,130	Internal charges and overheads applied	537,102	501,421	107%
-	Other operating funding applications	-	-	-
3,767,316	TOTAL APPLICATIONS OF OPERATING FUNDING	3,261,476	3,559,223	92%
588,593	SURPLUS (DEFICIT) OF OPERATING FUNDING	1,004,664	516,011	195%
	SOURCES OF CAPITAL FUNDING			
-	Subsidies and grants for capital expenditure	-	-	-
-	Development and financial contributions	-	-	-
1,658,655	Increase (decrease) in debt	987,052	(178,851)	-552%
-	Gross proceeds from sale of assets	-	500,000	0%
-	Lump sum contributions	-	-	-
1,658,655	TOTAL SOURCES OF CAPITAL FUNDING	987,052	321,149	307%
	APPLICATIONS OF CAPITAL FUNDING			
	Capital expenditure			
2,163,354	- to meet additional demand	984,131	25,950	3792%
45,234	- to improve the level of service	365,984	51,900	705%
20,600	- to replace existing assets	55,037	162,966	34%
18,060	Increase (decrease) in reserves	586,564	596,344	98%
-	Increase (decrease) in investments	-	-	-
2,247,248	TOTAL APPLICATIONS OF CAPITAL FUNDING	1,991,716	837,160	238%
(588,593)	SURPLUS (DEFICIT) OF CAPITAL FUNDING	(1,004,664)	(516,011)	195%
-	FUNDING BALANCE	-	-	-

Comment:

Debt has increased and capital expenditure to meet additional demand and improving levels of service are over budget due to the remaining costs in relation to the main office extension and seismic strengthening totalling \$1,307,060 that were carried forward.

APPENDIX ONE

Environment and Planning Department Applications Processed 1 July 2012 to 30 June 2013

1. Resource Management Act				
Type of Consent	Outcomes 2011/12		Outcomes 2012/13	
Land Use	529		472	
Subdivision	109		117	
Title Plans	75		92	
Completion Certificates	86		97	
Certificates of Compliance	6		3	
Water	124		145	
Discharge	161		141	
Coastal	13		22	
Resource Consent Transfers	70		137	
2. Building Act				
Type of Consent	2011/12		2012/13	
	No. Issued	Value	No. Issued	Value
Dwelling	258	75.1m	337	94.8m
Commercial	79	25.6m	103	20.0m
Other	872	22.9m	966	25.1m
Totals	1,209	\$123.6m	1,406	\$139.9m
3. Licences				
Type	2011/12		2012/13	
	No. of Certificates Issued		No. of Certificates Issued	
Food Premises	296		313	
Hairdressers	36		39	
Camp Grounds	32		35	
Hawkers/Mobile Shops	43		51	
Others	70		66	
Commercial Vessel Operators	36		37	
4. Sale of Liquor				
Type of Licence	2011/12		2012/13	
	No. of Licences Issued		No. of Licences Issued	
Manager's Certificate	284		279	
On and Off Licence	84		76	
Club Licence	7		10	
Special Licence	106		111	
Temporary Authority Order	49		30	
5. Other				
Type	2011/12		2012/13	
Land Information Memoranda	554		685	
Complaints Received	1,731		1,820	
Abatement Notices Issued	62		54	
Infringement Notices Issued	34		53	
Enforcement Orders	3		2	
Excessive Noise Direction	122		125	

**Committees and Responsibilities
For the year ended 30 June 2013**

COMMITTEES AND RESPONSIBILITIES

There are five standing Committees of Council, each having delegated powers to handle their affairs. All Councillors have membership on all committees, except the Tasman Regional Transport Committee. Mayor Kempthorne is an ex officio member of all committees. Committees normally meet six-weekly.

Full Council

This Committee has responsibility for setting rates, making bylaws, adopting Long Term Plans, Annual Plans and Annual Reports, appointing a Chief Executive and funding and purchasing decisions, other than in accordance with the Long Term Plan.

This Committee is chaired by Mayor Kempthorne.

Engineering Services Committee

This Committee has responsibility for roads, bridges, water supply, sewerage treatment and disposal, solid waste collection/disposal and waste minimisation, coastal protection, stormwater collection and disposal, ports/wharves and boat ramps (excludes Port Tarohe), 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, community housing and customer services.

This Committee is chaired by Cr J L Edgar.

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 and compliance.

This Committee is chaired by Cr S G Bryant.

Corporate Services Committee

This Committee is responsible for providing financial and administrative services to the Council and other departments, including rate collection and financial management. It is also responsible for Council's business enterprises (e.g. Port Tarohe, aerodromes and forestry).

This Committee is chaired by Cr T B King.

APPENDIX TWO

Tasman Regional Transport Committee

This committee is responsible for preparing the Tasman District regional land transport strategy, regional land transport programme, and any advice and assistance Council may request in relation to its transport responsibilities.

This Committee is chaired by Cr T E Norriss, and its membership consists of four other councillors (Crs Dowler, Edgar, Mirfin and Sangster), an NZTA representative and five appointed members.

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:

Communications

(reporting to Corporate Services) – Crs E J Wilkins (Chair), M L Bouillir, J L Edgar, Z S Mirfin.

Creative Communities

(reporting to Community Services) – Crs J L Edgar (Chair), E J Wilkins plus community representatives.

CEO Review

(reporting to Council) – Mayor R G Kempthorne (Chair), Crs J L Edgar, B W Ensor.

Audit

(reporting to Corporate Services) – Crs G A Glover (Chair), J L Inglis, T B King, C M Maling, T E Norriss, P F Sangster.

Grants and Community Facilities

(reporting to Community Services) – Crs E J Wilkins (Chair), M L Bouillir, S G Bryant, J L Edgar, T B King.

Community Awards

Crs J L Edgar, E J Wilkins.

Development Contributions

T E Norriss (Chair), Cr S G Bryant.

APPENDIX TWO

Council Representatives For the year ended 30 June 2013

TASMAN DISTRICT COUNCIL REPRESENTATIVES & APPOINTMENTS

Joint Shareholders

Mayor R G Kempthorne, Crs T B King, and G A Glover.

Nelson Airport Limited

Council Director Mr M J Higgins.

Port Nelson Limited

Council Director Cr T B King.

Nelson Regional Sewerage Business Unit

Cr G A Glover and Mr M J Higgins.

Tasman Regional Sports Trust Board

Mayor R G Kempthorne.

Nelson Tasman Business Trust

Cr C M Maling.

Appointments Committee (Tasman Bays Heritage Trust)

Mayor R G Kempthorne and the Chief Executive.

Positive Ageing Forum

Cr J L Edgar.

Tasman Youth Council

Crs Z S Mirfin and G A Glover.

Mayors Taskforce for Jobs – Nelson Tasman Connections Steering Group

Mayor R G Kempthorne.

Saxton Field Working Group

Crs J L Edgar, B W Ensor and C M Maling.

Friendly Towns

Cr E J Wilkins.

Golden Bay Patriotic Welfare Committee

Cr P F Sangster

Nelson-Tasman Cycle Trust Working Group

Cr C M Maling

Civil Defence/Emergency Management

Mayor R G Kempthorne and Cr T B King.

Waste Management Working Party

Crs J L Edgar, S G Bryant and B F Dowler.

Local Government New Zealand (LGNZ) Regional Sector Group

Mayor R G Kempthorne and the Chief Executive.

APPENDIX TWO

LGNZ Zone 5 (top-half of South Island)

Mayor R G Kempthorne and the Chief Executive.

LGNZ Rural and Provincial Sector

Cr T B King and the Strategic Development Manager

Maori Liaison/Ethnic Affairs

Mayor R G Kempthorne.

Patriotic Council

Cr J L Inglis.

TB Free/Animal Health Board

Cr T E Norriss.

Talking Heads

Mayor R G Kempthorne and the Chief Executive.

Tenders

Crs S G Bryant, J L Edgar, T E Norriss and the Chief Executive.

Accessibility for All

Cr J L Edgar.

Native Tasman Habitats

Cr B W Ensor.

Regional Funding Forum

Crs T B King and J L Edgar.

Tasman Environmental Trust

Cr B W Ensor.

Economic Development Agency

Mayor R G Kempthorne and Cr T E Norriss.

Golden Bay Aerodrome Committee

Cr P F Sangster

APPENDIX THREE

Community Boards are separately elected advisory bodies and are not Council Committees. Their main role is to represent, and act as an advocate for, the interests of its community.

There are two Community Boards in the Tasman District, namely the Golden Bay Community Board serving the Golden Bay Ward and the Motueka Community Board serving the Motueka Ward. Both Community Boards have ward councillors appointed.

Membership of the Golden Bay Community Board:



Carolyn McLellan (Chair)



Leigh Gamby (Deputy Chair)



Karen Brookes



Mik Symmons



Cr Martine Bouillir



Cr Paul Sangster

Membership of the Motueka Community Board:



David Ogilvie (Chair)



Paul Hawkes (Deputy Chair)



Mark Chapman



Cliff Satherley



Cr Eileen Wilkins



Cr Jack Inglis



Cr Barry Dowler

APPENDIX FOUR

Management Staff

Chief Executive Officer

Lindsay McKenzie

Environment and Planning Manager

Dennis Bush-King

Corporate Services Manager

Mike Drummond

Engineering Services Manager

Peter Thomson

Community Development Manager

Susan Edwards

Bankers

ASB Bank Ltd
Queen Street, Richmond

Solicitors

Fletcher Vautier Moore
265a Queen Street, Richmond

Auditors

Audit New Zealand, on behalf of the Auditor-General

APPENDIX FIVE

Statement on Fostering Māori Participation in Council Decision Making

Purpose

This statement outlines the steps Council intends to take to foster Māori capacity to contribute to Council decision-making processes over the period of this Long Term Plan, as required by Schedule 10(5) of the Local Government Act 2002.

Background

Council is committed to further improving the close working relationship with the District's Māori community. 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 consider the values of Māori as a special set of community values. Council consults and engages with Māori 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.

Steps Council is taking to foster Māori participation in Council Decision Making

As well as Council's personal commitment to providing opportunities for Māori participation in its decision-making processes the Local Government Act 2002 also places a number of obligations and responsibilities on Council in regard to Māori. These include the need to establish and maintain processes to:

- Provide opportunities for Māori to contribute to the decision-making processes of Council.
- Consider ways in which we may foster the development of Māori capacity to contribute to the decision-making processes of Council.
- Provide relevant information to Māori for the above purposes.

There are a number of methods used by Māori 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 Council and iwi and Māori use to include Māori in the decision making processes:

- (a) Committing to regular hui/liaison meetings with iwi and Māori to develop the relationship further and to discuss specific and general issues of relevance to both parties.
- (b) Through hui working with iwi/Māori to identify how to gain input into issues of relevance to iwi and Māori, including the opportunity to be involved in relevant working groups.
- (c) Providing assistance to iwi to prepare iwi Management Plans.
- (d) Appointing a Councillor as a Māori/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 Plan, the Annual Plan and on relevant changes to the Tasman Resources Management Plan.
- (g) Appointing a Council kaumatua to assist the Mayor and Chief Executive.

Maori participation in Decision-Making Processes

As required by Schedule 10, Part 3, Clause 35 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.

Council attends regular liaison meetings with Maori groups in the community, including attendance at the Tiakina Te Taiao and Manawhenua ki Mohua meetings. This 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.