



TASMAN DISTRICT COUNCIL

ANNUAL REPORT 2021

 **tasman** | Te Kaunihera o
district council | **te tai o Aorere**



TASMAN DISTRICT COUNCIL

**ANNUAL
REPORT**

2021



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A MESSAGE FROM OUR MAYOR AND CHIEF EXECUTIVE OFFICER

Welcome to Te Kaunihera o te tai o Aorere/Tasman District Council's Annual Report for the 2020/2021 year.

Nau mai, haere mai, welcome to Council's Annual Report for the 2020/2021 year.

Together we've faced some huge challenges which have affected us all and will continue to do so for some time yet.

Recovery from the economic and social impacts of the Covid-19 pandemic are ongoing. These include the impact on jobs, income, health and well-being, the loss of international visitors to support our accommodation and hospitality businesses, labour shortages and ongoing supply chain problems. These impacts vary across the local economy with the strong performance in sectors such as our construction and primary industries continuing to support the region.

We are doing what we can to help the District recover from the impacts of Covid-19. Examples include:

- working with the Nelson Regional Development Agency to develop and implement an economic recovery plan – Project Kōkiri;
- accessing Government funding that generates employment through a range of local projects;
- providing rent relief to the Council's tenants whose businesses have been impacted;
- supporting community groups through community grants funding;
- using a fast-track process to award some construction contracts to help provide security of income to local contractors;
- a zero percent increase in rates revenue to lessen the burden to the community; and
- keeping the general business of Council on track.

Throughout the year, some important projects were completed including the Salisbury Road/Champion Road roundabout upgrade, a shared pathway in Māpua and the Brightwater town centre upgrade. Progress was also made on several key initiatives across the District, including the Waimea Community Dam and a strategy to protect and restore the natural world – the Tasman BioStrategy.

The projects described in the Annual Report illustrate the diverse range of work undertaken by the Council. A significant number of infrastructure projects to support housing growth have been completed, especially in Māpua. In addition, upgrades to our water, wastewater

and stormwater networks continue. We've also increased the safety of our drinking water network by introducing chlorination to several water supplies.

It's been great to see several recreation projects completed during the year, such as connecting Tapawera to Tasman's Great Taste Trail and completion of Ngaio Park on the Māpua waterfront. A new management plan for Saxton Field was completed with Nelson City Council and significant progress was made on the new Motueka Library and on a reserve management plan for Moutere Waimea.

Vital work on the Tasman Environment Plan has continued, a project to combine our various resource management tools into a single, comprehensive plan. Importantly, we also completed the next iteration of Tasman's 10-Year Plan. Major decisions – such as how to apportion funding for the projected cost over-runs for the Waimea Community Dam, and how we approach matters such as population growth, housing, the environment, and climate change – were made with the valuable input of our community. Engagement with our 10-Year Plan was the highest for several years, with more than 1700 submissions received. We thank all submitters for their input.

Significant change is ahead. The Government has decided to reform the way the three waters (drinking water, wastewater, and stormwater) are delivered, with a multi-region approach. Reforms to the Resource Management Act and a review of local government are also being carried out. Considerable detail is yet to be revealed. We will keep you informed of the Government's proposals and how they will affect Tasman and our communities.

We wish to express our appreciation to those who have worked with us to respond to the impacts of Covid-19, including iwi, community groups, volunteers, Nelson City Council, health responders and various government and non-government agencies.

As we put the 2020/2021 year behind us, we look forward to working with, and for, the community to enhance the well-being of the people and places of Tasman.



Tim King
Mayor



Janine Dowding
Chief Executive Officer

“

He rau ringa e oti au

With many hands the work will be done

”

OUR COUNCIL MEMBERS

Tasman Mayor



Mayor, Tim King

Motueka Ward



Cr David Ogilvie



Cr Trindi Walker



Cr Barry Dowler

Richmond Ward



Cr Mark Greening



Cr Kit Maling



Cr Trevor Tuffnell



Cr Dana Wensley

Moutere/Waimea Ward



Cr Christeen Mackenzie



Cr Dean McNamara

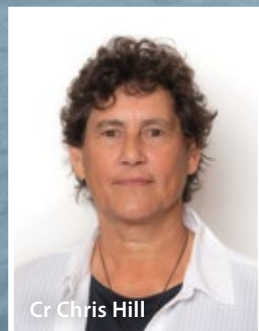


Cr Anne Turley

Golden Bay Ward



Cr Celia Butler



Cr Chris Hill

Lakes/Murchison Ward



Cr Stuart Bryant

PART ONE

OVERVIEW



2020/2021: OUR YEAR IN REVIEW

The 2020/2021 year was one where the Council attempted to stimulate the regional economy and support the community to meet the challenges of recovering from the impacts of the Covid-19 pandemic. We were able to attract significant Government funding that helped generate and deliver some important projects for the District, as well as generating employment.

Significant progress has been made on a wide range of planned projects and programmes designed to promote community well-being. However, we were not able to fully deliver the planned capital works programme with the completion of a number of projects being delayed.

The District continued to grow rapidly, with a record high of 618 new dwellings consented this year, and development of our infrastructure network to keep pace with this expansion. This growth, along with staff shortages driven by a strong labour market, meant we were not able to meet our targets for resource consent processing.

During the year important planning has been undertaken through the preparation of the Long Term Plan 2021 – 2031 and substantial progress reviewing the District's resource management plans.

As a result of the higher activity and growth, including the government grants Council's accounting surplus was \$69.5 million, which was \$47.1 million higher than budgeted, despite 0% rates increase. In addition, there were other gains from revaluations of \$102 million, bringing the total surplus plus gains to \$171.5 million. This surplus was largely due to vested asset income, development contributions and government grants. The revaluation gains were due to market value increases.

COVID-19 RECOVERY

Together with iwi, community groups, central government, Nelson City Council, health and other organisations, we've worked to support the District to maintain resilience and recover from the impacts of the ongoing Covid-19 pandemic.

To help relieve economic pressures, the Council took a series of measures to support the community and businesses. We supported Project Kōkiri – a Nelson

Tasman response, led by the Nelson Regional Development Agency, to revitalise the economy, create jobs, and stimulate the domestic visitor market.

The Council developed a new fast-track process for awarding some construction contracts which meant we could start work on several projects sooner than planned, giving security of work to local contractors and job security for their workers. The new process, developed in consultation with the Civil Contractors Federation, was used to award contracts worth less than \$2 million. The contracts were allocated fairly to local contractors that had the necessary capacity and skills, and who had a proven record on similar projects. Twenty contracts were awarded by this process, with a total value of \$17 million.

During the nationwide Covid-19 lockdown, councils were invited to bid for funds from central government for projects that could address the economic uncertainty of the ongoing pandemic. The Council was successful in attracting a total of \$37.5 million of funding over five years for 21 projects, and there is potential to apply for more funding over the next four years. The Council established a Programme Management Office to oversee the delivery of the associated projects.

These projects also benefit the Council's infrastructure and the built environment, improve the District's natural environment, and deliver positive community development outcomes.

The projects are as follows:

- Bringing forward water and wastewater projects across the district including the Pomona Road Reservoir (Māpua), Pōhara Water Treatment Plant upgrade (Golden Bay), Dovedale Source and Treatment Upgrade, Richmond South Water main, Motueka Thorp Street water main renewal and emergency storage tanks at wastewater pump stations. The total government contribution is



\$9.78 million towards a total cost of \$13.3 million (with the Council contributing the remaining \$3.52 million). All these projects are in construction and will be completed by March 2022.

- Improvements to community halls and centres, including Lower Moutere Hall, Motueka Recreation Centre, Spring Grove Hall and Collingwood Hall. The Council received \$329,654 in funding and successfully completed these projects.
- Improvements on local roads, such as removing dangerous trees and enhancing roadside drainage. The Council received \$1.5 million in funding for this project which has been successfully completed.
- Environmental projects including wilding conifer control in Mount Richmond Forest Park (\$1.625 million government funding for 2020/2021), native planting projects in the Waimea Estuary (\$1.58 million government funding), funding to wetland reinstatement and removal of barriers to fish passage (\$4.85 million government funding), restoration of native forest in Teapot Valley (government funding \$1 million) and a partnership with Kotahitanga mō te Taiao Alliance to undertake weed control in Significant Natural Areas (government funding \$2 million). The projects are ongoing with a mixture of three, four and five year timeframes and the Council will contribute a total of \$740,000.

- Refurbishment of 4km of stopbanks along the Motueka River to reduce the flood risk for Motueka (government funding \$7.5 million and Council funding of \$2.5 million). This is a three-year project which commenced in July 2020. The first section downstream from Whakarewa Street has now been completed and performed well during the flood in the Motueka River on 17 July 2021.
- Employment of two librarian secondments for 18 months to develop digital resources and community outreach activities (government funding \$352,000). This project also received additional funding to transition Kete Tasman (a digital site where the local community can share original photos, stories and other material) to a new software platform, additional e-content and staff professional development.

PLANNING FOR THE FUTURE

TASMAN ENVIRONMENT PLAN

The Council has continued to keep a focus on the long-term. We devoted considerable effort to continuing work on development of Aorere ki uta – Aorere ki tai (the Tasman Environment Plan). This is a review of the existing Tasman Resource Management Plan and the Regional Policy Statement.

In late 2020, the Council visited centres across the District to hear from our communities about their environmental

2020/2021: OUR YEAR IN REVIEW

and development issues and opportunities, and what makes our district special. Since then, work has focused on analysis of iwi and community feedback on high level matters, defining issues, commissioning further research where there are knowledge gaps and starting to develop policy options that may form the basis of the new Plan following public consultation.

In March and April 2021, the Council released draft maps identifying Tasman's Outstanding Natural Landscapes and Features, and Coastal Environment, as well as contacting affected landowners. Mapping these areas is a Government requirement and this work also responds to community feedback about how valued our landscapes and coastal environment are. The intention is that in a few years, the final areas identified will have extra protections to help preserve their unique features, histories, and access to the outdoors. This work is not about stopping existing, legally established activities, these can continue – it's about safeguarding our valued landscapes and coast from specific future activities that would impact what makes them so special. We commenced the process to hear from landowners and affected people about their future land aspirations and views on whether our draft boundaries are in the right place. To do this, we organised a series of feedback events across the District in May and June. There was a large amount of interest and feedback so the period for engagement was extended with further meetings with landowners scheduled for late spring.

The Tasman Environment Plan will implement many new requirements set down by the Government covering freshwater, managing stock grazing and keeping animals out of streams and rivers, biodiversity, protection of our productive land, and how we provide for new homes. A significant amount of background work was completed this year. This is an unprecedented amount of change and coupled with the Government's resource management law reforms it is creating a lot of uncertainty and stress for landowners. In May 2021, the Council decided to suspend mapping of Significant Natural Areas on private property unless landowners volunteered to have the mapping done. This was in response to concerns raised in the community about the amount of change the Government was driving. The Council hopes that this step will help to reduce stress and anxiety that some landowners are experiencing.

TASMAN'S 10-YEAR PLAN

The Council adopted Tasman's 10-Year Plan 2021 – 2031 (i.e. its Long-Term Plan). This document sets out the key projects and services planned for the Tasman District and how much the Council decided to invest in services and infrastructure, as well as how it will all be funded.

To reach this milestone a Consultation Document highlighting the issues facing the District and the Council's proposals was prepared and ready for publication in February 2021. However, the Council was made aware of significant changes in the estimated cost to complete the Waimea Community Dam. The Long-Term Plan consultation process was delayed while options to fund the additional costs were quickly investigated and a preferred option agreed for consultation. The revised Consultation Document was then published in March 2021.

In addition to the Waimea Community Dam cost overruns, other major issues included in the Consultation Document were housing and growth, climate change, and a new proposed structure for the Nelson Port and Nelson Airport companies. The Council also consulted on Long-Term Plan related changes to its Revenue and Funding Policy, Rates Remission Policy, Development and Financial Contributions Policy and its Schedule of Fees and Charges.

Public consultation took place in April and May 2021 with hearings and deliberations in May and June. After 1,719 public submissions, and two months of deliberations, Tasman's 10-Year Plan 2021 – 2031 was adopted in late June 2021.

INTENSIFICATION ACTION PLAN

The Council adopted an Intensification Action Plan that sets out how to encourage housing intensification around parts of the District, identified in the Future Development Strategy for smaller dwellings and denser urban form. The action plan identifies ways in which the Council can enable intensification and sets out specific actions with timescales. The four main areas where the Council can contribute are housing preferences, regulation, infrastructure and costs. Adopted by both Tasman District and Nelson City Councils in 2019, the Future Development Strategy provides a high level 30-year vision for where and how growth will be managed across the Nelson Tasman region.

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SAXTON FIELD RESERVE MANAGEMENT PLAN

Saxton Field is a significant regional sport and recreation venue managed jointly by Tasman District and Nelson City Councils on behalf of our communities. Many of our most important regional sports and recreation assets are located at Saxton Field. Following a public consultation process in 2020, a revised management plan was adopted by both Councils in May 2021.

MOUTERE-WAIMEA RESERVE MANAGEMENT PLAN

The Council has been progressing its plan for the management of the 156 parks, reserves and open spaces in the Moutere-Waimea Ward. During 2020/2021 we classified the reserves as many had not been properly classified under the Reserves Act 1977. We carried our public consultation about the principal purpose of each reserve: Scenic Reserve, Historic Reserve, Recreation Reserve or Local Purpose Reserve. The classification given to each reserve affects the Council's management and decision making about these properties. Council made its final decision to classify reserves at its meeting on 20 May 2021.

In 2021/2022 a draft plan for Moutere-Waimea will be completed and further consultation undertaken before the final Reserve Management Plan is adopted.

REGIONAL LAND TRANSPORT PLAN

The Te Taihū Regional Land Transport Plan (RLTP) 2021 – 2031 was adopted on 30 June 2021. We worked with Waka Kotahi/NZ Transport Agency, Marlborough District and Nelson City Councils in drafting the plan, which identifies the regional transport issues and strategic responses to address them.

The strategic objectives for Te Tau Ihu/Top of the South contained in the Regional Transport Plan include: mode choice, economic prosperity, resilience, network management and reducing the negative impact on the environment from transport activities. These strategic objectives are aligned the Ministry of Transport's outcomes and consider regional challenges facing Te Tau Ihu.

PROTECTING AND ENHANCING OUR NATURAL ENVIRONMENT

UNDERSTANDING AND ADAPTING TO COASTAL HAZARDS FROM CLIMATE CHANGE

We are looking to better prepare our communities for the effects of ongoing changes to weather patterns and rising sea levels. Many of the land use planning, asset and infrastructure decisions made today have long lifetimes.

During 2020/2021 we worked with Tasman Bay/Te Tai o Aorere and Golden Bay/Mohua communities to plan how to best respond to sea level rise and coastal hazards. The impacts of climate change affect us all, and in Tasman we continue to experience the effects of significant weather and storm events.

Following the 2019 release of our coastal hazards map viewer, our focus has been on developing a coastal risk assessment to understand Tasman and Golden Bays' vulnerability to coastal storm inundation and sea level rise.

In 2021 our focus shifted to working with our communities on what we can do about the effects of climate change, including identifying issues and options for coastal management and ways we can improve community resilience over the short and long term.

CLIMATE CHANGE ACTION PLAN AND PROGRESS

The Council adopted a Climate Action Plan in September 2019 to help mitigate and adapt to the effects of climate change. Over the last year the Council has made good progress on many of the actions in the Plan.

- We signed up to FutureFit which is a tool that enables individuals to compete and form teams to reduce their carbon footprint. Throughout the year, the Council encouraged Tasman residents to sign up to FutureFit.
- The Council has been working with Nelson City Council on options to divert organic material from landfill. This has included considering the results of a greenwaste diversion trial.



- The Council successfully attracted \$250,000 external funding for a solar photovoltaic system for the new Motueka Library.
- We carried out Streets for People and Neighbourhood Greenways trials. These are intended to make neighbourhoods safer, and more attractive for walking and cycling.
- Staff have contributed to the review of the New Zealand Building Code as part of the Building for Climate Change programme. The work aims to reduce emissions from buildings during their construction and operation and ensure New Zealand's buildings are resilient enough to withstand changing climate conditions.
- The Council contributed \$60,000 to Warmer Healthier Homes Trust, enabling more homes in Tasman to be insulated, thereby using less energy for heating.
- We released our Coastal Risk Assessment Report. This identifies the physical items (e.g. land and buildings) and intangible elements (e.g. community cohesion and historical sites) at risk that may be vulnerable to coastal hazards (e.g. number of buildings, length of roads etc). This report is part of our larger work programme on Coastal Management.

The Council engages and participates in the Nelson-Tasman Climate Forum. The Forum released its 'Climate Action Book – A Climate Action Plan for Nelson Tasman' in February 2021. The 24-page document contains a

summary of actions that the community, businesses, and governing bodies in the region could take to reduce greenhouse gas emissions.

A BIOSTRATEGY FOR TASMAN

The desire for the development of a BioStrategy – a strategy to protect and restore the natural world – for Tasman District was made clear in public submissions during 2020, and Council decided to proceed, using a “living document”.

A BioStrategy Working Group was established to assemble the available science and draft a strategy which will provide a strong regional response to Te Mana o te Taiao, the Aotearoa New Zealand Biodiversity Strategy 2020. This process will feed into both the Tasman Environment Plan and future long-term plan processes. The intention is to provide relevant guidance across a range of activities ranging from statutory plan provisions, through asset management and service delivery to advocacy and advice.

During 2020/2021 significant progress was made with developing this strategy. This is a community-led strategy, integrating with other agencies, conservation groups, the wider community and the conservation volunteer's network. This will help ensure that the strategy supports and gives both ecological priorities and community aspirations.

The BioStrategy governance committee identified a clear need for further consultation. As a result, the completion date for this work has been set back from the end of June and to the first quarter of 2022.

WORKING WITH IWI

The Council and Ngā Iwi of Te Tau Ihu have continued to engage in a more meaningful and collaborative manner supported by our Kaihautū and Kaumātua.

Our Mayor and Chief Executive Officer are committed to building a strong relationship with our region's eight Te Tau Ihu iwi and Ngāi Tahu. They initiated hui with Iwi chairs and general managers to discuss their input into the Council's strategic decision-making, and to explore ways that we could work more collaboratively at an operational level. These hui have included the Mayors and CEOs of the three councils across Te Tau Ihu.

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

Throughout the year, our Kaihautū, Te Waari Carkeek, supported the Council in strengthening our relationships with local iwi. Following Te Waari's resignation in June 2021, Kaumātua Harvey has covered the Kaihautū role in the meantime. In September 2021, Council appointed Jenna Neame as our new Kaihautū. The Kaihautū is a senior advisory role that provides cultural support to Council and ensures our decision-making and organisational culture incorporate Te Ao Māori (Māori world view).

There have been ongoing appointments of Iwi representatives to Council committees, boards and hearings panels. Both the Nelson Regional Sewerage Business Unit (NRSBU) and the Nelson-Tasman Regional Landfill Business Unit (NTRLBU) committees have iwi members with full voting rights, although the NRSBU role has been vacant in 2021. There is also an iwi representative on the Nelson Tasman Civil Defence Emergency Management Co-ordinating Executive Group.

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

- Tasman Environmental Policy Iwi Working Group: a group of staff and iwi representatives who meet regularly to work on and discuss the full review

of the Tasman Resource Management Plan and Regional Policy Statement, which will become the new Aorere ki uta – Aorere ki tai or Tasman Environment Plan, as well as other Plan Changes. A Mātauranga Māori (Māori world knowledge) expert was appointed to the Hearing Panel for Plan Change 71 Coastal Occupancy Charges and Plan Change 72 Moorings and Coastal Structures and the Mooring Areas Bylaw.

- Review of the Moutere-Waimea Reserve Management Plan: Two Mātauranga Māori experts were appointed to the hearing panel that considered Council's proposals to classify existing reserves in Moutere-Waimea Ward. Staff have also worked closely with iwi Taiao staff over the past year on development of content for the draft Moutere-Waimea Ward Reserve Management Plan.
- Kotahitanga Mō Te Taiao Alliance Strategy: an inter-generational strategy to deliver landscape scale conservation outcomes for the region, co-designed through a partnership between councils, iwi and the Department of Conservation. The Alliance aims to drive large-scale conservation projects with wider social, cultural and economic outcomes across the Buller, Tasman, Nelson, Marlborough and Kaikōura regions. The Strategy embraces the values of Mātauranga Māori, but also relies on science and empowered people, to achieve the strategic vision.
- Te Tauihu Intergenerational Strategy: a collaboration between Wakatū Incorporation, Tasman, Nelson and Marlborough Councils, Iwi, Chambers of Commerce, Nelson Regional Development Agency, Nelson Marlborough Institute of Technology (NMIT) and businesses, to develop an intergenerational growth strategy for Te Tau Ihu that looks at the long-term wellbeing of the region's people, economy and environment. The Strategy was officially launched in November 2020. We will continue to work collectively towards the Strategy's vision: for our communities to be good ancestors, Tūpuna Pono, caring for the health and wellbeing of our people and our places.
- Project Kōkiri: Nelson Tasman economic development collaboration setup to navigate and mitigate the economic impacts of the Covid-19 pandemic. In addition to the Council participants

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include Ngā Iwi of Te Tau Ihu, Nelson Regional Development Agency, Nelson Tasman Chamber of Commerce, regionally based government agencies and Nelson City Council. Project Kōkiri developed and co-ordinated implementation of the Nelson Tasman Economic Response and Regeneration Action Plan. During 2020/2021 attention also turned to a medium-term regeneration strategy.

- Wastewater Strategy for Motueka: staff have continued to work with iwi to seek their input on the development of a long-term wastewater strategy for Motueka, including the upgrade of the Motueka Wastewater Treatment Plant. The role of the working group is to gather community input, convey community needs/concerns, identify opportunities, and provide project guidance.
- Te Tau Ihu Regional Intersectoral Forum (RIF): Our CEO is the co-chair of the forum and staff contribute to the Cultural, Environmental, and Economic Pou.
- BioStrategy: this is a significant and collaborative piece of work to develop a Strategy for restoring and sustaining our natural biodiversity and ensuring biosecurity in Tasman. Iwi representatives are part of both the working group and governance group.
- Freshwater Improvement Fund (as part of Jobs for Nature programme): in May 2021 Council confirmed \$4.8 million from Ministry for the Environment for fish passage restoration and wetland enhancement projects. The wetlands project team includes a Māori liaison role within Council and aims to develop a Mātauranga Māori programme with iwi partners. There is also funding for increased capacity within iwi in relation to both fish passage and wetlands enhancement.
- Waimea Inlet Management Strategy and Action Plan: a co-ordination group involving both Nelson and Tasman Councils, Iwi, Department of Conservation and other stakeholders.

The Council's staff continue to grow their knowledge and use of tikanga and te reo Māori. A highlight is our waiata group which performs at many Council events and some community events. The Council's Te Ao Māori staff working group continues to meet regularly

to discuss and implement initiatives relating to iwi engagement and ways of improving awareness and understanding of Te Ao Māori.

DRINKING WATER SUPPLY AND QUALITY

PROGRESS WITH THE WAIMEA COMMUNITY DAM JOINT VENTURE

In August 2020, the completed diversion culvert at the Waimea Community Dam was blessed by Ngāti Koata, marking a significant milestone in the construction of the region's dam. This 165-metre-long diversion culvert was an important step in the project as it allowed the river to be diverted to create the dry construction site for the Concrete Face Rockfill Dam.

Since then, a starter dam and lower spillway bridge have been constructed, the plinths have almost been completed and the reinforced rockfill downstream face finished. Good progress is being made with the embankment and spillway.

By the end of June 2021, the construction was approximately 60% complete. In early August 2021, the embankment reached a height of 37 metres above the riverbed, leaving just 16 metres to go until the dam reaches its final height of approximately 53 metres.

The Dam coped well with flooding in April 2021 and faced the largest river flows peaking at over 180 cubic metres per second in July 2021. Construction of the Dam was temporarily held up by the latest Covid-19 restrictions but was allowed to resume under Level 4 alert on 23 August 2021.

In February 2021, the Council was informed by Waimea Water limited (the Board Managing the project) about significant cost overruns expected for the Dam. The updated range for completion of the project was between \$148 and \$164 million with a revised estimated cost of \$158.4 million. As part of the Tasman's 10-year Plan 2021 – 2031 the Council consulted and decided on the means to fund these cost overruns.

The Council decided to initiate an independent investigation into events leading up to and including the decision to proceed with the Dam joint venture.

2020/2021: OUR YEAR IN REVIEW

The review's focus is on the quality of the information and advice provided to the project governance board and the Council up until the Council made the final decision to proceed with the Dam joint venture project. The investigation will be undertaken under the oversight of the Council's Audit and Risk Committee. The results of the investigation are expected by the end of 2021.

SAFER DRINKING WATER FOR THE FUTURE

Safe drinking water for every household in Tasman is a big priority for us. A review of our water supplies identified a need for chlorination to ensure the future safety of residents. The investigations were prompted in the wake of a report into the 2016 Havelock North water contamination incident. As a water supplier, we need to provide multiple barriers to prevent contamination and ensure water remains safe for the community to drink. Residual disinfection using chlorine is one of several barriers. The main advantage chlorine provides is protection across the entire network – from treatment plant to tap. No other barrier provides this protection. Chlorine deactivates bacteria and some viruses that may be introduced to water as it flows through the reticulated network.

We began community consultation in early 2020 on a proposal to provide residual disinfection using chlorine in all Council's public water supplies. Following this, the Council agreed to permanently chlorinate the supplies, although the start date will differ for different supplies.

The Richmond water supply is currently chlorinated and chlorination of the Riwaka/Kaiteriteri supply came online on 1 June 2021. The Council water supply in Motueka will be chlorinated once the new Parker Street water treatment plant is operational in 2022. Permanent chlorination will come into effect for the other unchlorinated water supplies when treatment plants are upgraded over the next few years.

MĀPUA AND RUBY BAY/TE MAMAKU – WATER SUPPLY IMPROVEMENTS

A new major water supply line has been built for Māpua. Source water comes from bores on the Waimea Plains, into the Māpua water treatment plant in Lower Queen Street and is then piped across Moturoa/Rabbit Island and the Māpua channel into the Māpua settlement. We have completed a major water main upgrade along Aranui Road and Stafford Drive.

The Māpua Water Treatment Plant has been upgraded with the replacement of reticulation from the bores to the treatment plant. In addition, a new 2,500 cubic metre concrete water supply reservoir tank is being built at Pomona Road with a new network of pipes to feed it. The larger tank will improve the resilience of the water supply and cater for growth in the area. We installed water supply storage tanks at Stagecoach Road to provide great resilience for the rural water supply.

MANAGING OUR WASTEWATER AND STORMWATER

MĀPUA WASTEWATER OVERHAUL

Much of the entire Māpua wastewater system has been overhauled with a new wastewater pipe now running from Māpua Wharf to Te Mamaku/Ruby Bay. The overhaul addressed existing capacity constraints and also provides for future growth. The existing wastewater pump station at Stafford Drive has been refurbished and pump stations at Aranui Road, Higgs Road and Te Mamaku /Ruby Bay have been upgraded. Underground storage tanks and odour control systems have been installed at several sites. The underground tanks increase the storage capacity and resilience of the system in each location, to reduce the risk of wastewater overflow in the event of a pump failure, power outage, or storm.

The stormwater channel that serves properties on Stafford Drive adjacent to Broadsea Avenue in Te Mamaku/Ruby Bay has also been upgraded.

MOTUEKA WASTEWATER STRATEGY

Work has continued to develop a strategy for the future of the wastewater network and treatment for Kaiteriteri, Riwaka and Motueka, particularly to identify a short list of inland locations for a future Wastewater Treatment Plant.

RICHMOND STORMWATER CORRIDOR

In Richmond West we are working collaboratively with developers to create a green corridor along Borck Creek to convey stormwater and mitigate flood risks. Apart from stormwater, the green corridor will also provide ecological benefits to the stream, opportunities to recreate and linkages for walking and cycling.



In 2020/2021 the final channel of Borck Creek was formed and planted between the confluence of Eastern Hill Creek and Poutama Stream. A concrete and a gravel path were constructed with three bridges across the low flow channel. We also finalised construction of the final channel of upper Poutama Stream, including excavating of a future wetland area, in 2020/2021. In future years, this corridor will be extended towards development areas in Richmond South.

GETTING AROUND TASMAN

TASMAN'S GREAT TASTE TRAIL REACHES TAPAWERA

The Kohatu to Tapawera section of Tasman's Great Taste Trail was completed in November 2020 with the creation of a further eight kilometres of new trail. This represents another significant milestone toward the vision of Tasman's Great Taste Trail forming a loop around the Nelson Tasman region.

This latest section of the trail follows the path of the old railway that ran between Nelson and Glenhope until 1955. Many of the off-road sections of trail have been made possible by landowners generously allowing easements across their property.

The project was jointly funded by the Council and the Ministry of Business, Innovation and Employment. As well as bringing economic benefits to Tapawera businesses from visitors riding the trail, it's a great recreational asset for locals and will make it safer for children to cycle to school.

SALISBURY ROAD ROUNDABOUT UPGRADE READY AHEAD OF SCHEDULE

The upgrade of the Champion/Salisbury Roads roundabout was needed as this is the busiest roundabout in Tasman District. About 17,000 vehicles go through the roundabout each day and those numbers are predicted to grow. This creates congestion during peak hours and makes it very difficult for pedestrians and cyclists to cross the roundabout safely. The development of a new supermarket near this intersection was a catalyst for the timing of the project.

The aim of the upgrade is to balance the needs of all users, improve safety and make the roundabout easier to use while improving the capacity for vehicles. However, this upgrade was not expected to improve peak-hour congestion. Improvements to the roundabout included raised tables on the approach to the roundabout on Champion Road and Salisbury Road which include zebra crossings and priority cycle lanes. In addition, double lanes have been provided at the three busiest entry points.

The project was completed ahead of time and contractors Fulton Hogan won the Civil Contractors NZ Nelson Marlborough award for projects over \$1.5 million prize for its work on the project.

Construction of the new intersection created major disruption to road users, residents and businesses in the area. The Council would like to say a very big thank you to all those who were affected by this project. We appreciated your patience while we carried out this major upgrade.

2020/2021: OUR YEAR IN REVIEW

MĀPUA SHARED PATHWAY

In January 2021, Council completed construction on a new shared path along Māpua Drive to allow safer connection to the school bus stops and Dominion Flats area. The path was created by reallocating existing road space and providing a physical barrier between cars and pedestrians.

STREETS FOR PEOPLE PROJECT

We received funding from Waka Kotahi's Innovating Streets for People fund for two trial projects. This funding is to support communities to shape their towns and streets to allow more people to move around safely, as well as create interesting spaces to enjoy.

One project was the Croucher/D'Arcy neighbourhood in Richmond. Based on community feedback and two community co-design sessions, Council carried out trial changes to the streets, including closing Elizabeth Street at the Talbot Street intersection, narrowing a section of Florence Street, and installing speed humps and planter boxes as well as picnic tables and fruit trees in neighbourhood reserves. Following the trial and further community feedback, a decision was made to re-open Elizabeth Street but to install a speed table at the intersection to slow down the traffic, and to remove the Florence Street narrowing.

In Tākaka, the Streets for People project focused on the Rototai/Meihana intersection. The community expressed concerns about children's and cyclists' safety at this intersection which is close to two schools. Trial changes included closing the one-way link road between Commercial Street and Meihana Street to vehicles and installing raised pedestrian crossing and speed humps. Together with the Golden Bay Youth Council and High School students, we designed a pocket park, with road art and hammock chairs. Although the interventions increased the perception of safety and the number of cyclists and pedestrians doubled, some in the community disliked the intersection change due to a minor increase in traffic delays at afternoon peak and concerns about pedestrian safety. A decision on the permanent solution is pending.

BRIGHTWATER VILLAGE CENTRE

Brightwater's village centre upgrade was completed for Christmas 2020. The improvements to Ellis Street in the village centre, included adding a shared path, traffic calming islands to manage vehicle speeds and create safer places for people to cross, moving power lines underground, and some new kerb and channel to better handle stormwater. The most popular aspects of the upgrade are the new landscaping, planting, street furniture and lighting. Parts of the town's history are reflected in design elements throughout the street.

FACILITIES, SPACES AND PLACES

MOTUEKA'S NEW LIBRARY TAKING SHAPE

The new Motueka library is going to make a striking addition to the Motueka landscape and the facilities it brings will be a real asset for the community and visitors. The building, which sits next to the i-SITE Information Centre on Wallace Street, will replace the existing outdated library on Pah Street. The design, which combines timber and other environmentally friendly materials, was inspired by the functional, traditional forms of rural farm buildings in the area. The architects have followed universal design principles to ensure the building will be accessible for all residents, incorporating features such as step-free access, gentle ramps, wide corridors and colour to differentiate spaces.

The Council is funding the majority of the \$5 million project, but it has also attracted \$500,000 in external funding towards sustainable features and cultural design elements. Rata Foundation awarded \$250,000 for cultural design features, rainwater capture, low-carbon wooden flooring, landscape design and furniture for a Community Room in the library. The Lottery Grants Board also awarded \$250,000, to fund a photovoltaic (solar energy) system generating enough electricity to feed back in the national grid when there is excess above the library requirements. One further example of sustainable design is the screw-piles and the timber flooring, which has a lower carbon footprint than traditional concrete floors. This contributes to a low carbon rating for this building.

As well as meeting Library and Information Association of New Zealand standards for a community of Motueka's size, the new facility will include:



- connection with green space and indoor-outdoor flow
- social space for meetings, activities, performance and art
- soft, natural light and good ventilation
- a range of spaces for different activities – quiet space, research space, meeting rooms, spaces to socialise and collaborate, areas for families, children and young people
- an outdoor veranda space with wifi to limit competition for space inside the library, and
- a community meeting room with capacity for around 60 people which will be available for the public to run their own meetings, events and workshops.

The enlarged area of the new library will allow enough space to comfortably deliver a wide array of programmes and events. A larger library also offers more space to store and display collections, with 5,000 new items being added in time for the opening.

By March 2021, the large beams and trusses that will support the 1,200m² roof had been installed along with the cladding, marking a key milestone for the construction team. By the end of June 2021, the structure and roofing were completed and the installation of windows was about to begin. The project is on time and is due to be completed in late 2021, with the new library opening in February 2022.

NGĀIO RESERVE GROWS

Māpua Wharf's new Ngaio Park development was completed and opened on 18 July 2021. Ngāio Park is the area between the Golden Bear Brewery and the wharf, and the park is named after the prominent Ngāio tree on the site. This development has been a successful collaboration between the local community, local Iwi, the wharf tenant group and Council. Due to its significant archaeological status, the park was designed with a sympathetic approach to its cultural history, so as little digging as possible needed to be done on the site. The primary objective of the project working group has been to build on top of the land rather than disturb it with earthworks. The project involved resurfacing broken concrete, installing tables, seats and bike racks all made from recycled timber to fit in with the natural landscape of the wharf precinct. In addition, there are plantings of coastal native trees and shrubs that naturally occur in this coastal area. Realistic synthetic grass has also been used to overcome the dry sandy soils and high amounts of foot traffic to achieve a good year-round look to the open space area.

OTHER RESERVE IMPROVEMENTS

In addition to the work at Ngāio Reserve, several projects were completed at Saxton Field, including Stage 2 of the Champion Road – Saxton Drive link road and carpark, tree planting around Champion Green, and installation of velodrome lighting. The playground at Māpua Recreation Reserve was replaced and new toilets were installed at Tapu Bay Reserve and Moturoa/Rabbit Island.

LOOKING AFTER OUR SEAS

STRICKEN SHIP FOUND A SAFE HARBOUR IN TASMAN

A five-metre crack in the hull of the 290 metre long, 92,000 tonne sand carrier Taharoa EOS sent it into Tasman Harbour for repair in March 2021, creating a curious feature on the Nelson Tasman horizon for some time. The vessel sat outside the 12-mile limit until the necessary safety checks were made by independent experts and Tasman's Harbourmaster felt comfortable in letting her in to our harbour. Council had a duty to assist the ship in need and was very conscious of the responsibility to ensure it did not in any way pose a risk to our environment, either while anchored or through the repairs that needed to be made. Once the necessary repairs were completed, the Taharoa EOS continued its way to berth at the Taharoa iron sands buoy, south of Auckland.

HARBOURMASTER TEAM AWARDED FOR RESCUE

Tasman District's Harbourmaster team has received national recognition for its part in the high seas rescue of a stricken yacht and its crew north of Tasman Bay in March 2020. The 14-metre Ocean Gem was sailing from Hobart in Tasmania to Picton when the vessel with six people on board lost its steering. The skipper made a distress call and Nelson Coastguard, Police and Search and Rescue volunteers attempted to take the disabled vessel under tow. However, problems compounded and Tasman District Harbourmaster, Dan Cairney and his crew aboard 'Sentinel' were called in to assist. After more than nine hours under tow Ocean Gem finally made it safely to Nelson. Rescue Co-ordination Centre NZ Manager Paul Craven says this was a great example of search and rescue organisations and local harbourmasters coming together to rescue people in extremely high-pressure situations. The rescuers received a Certificate of Achievement at a formal awards ceremony at Parliament on 18 May 2021.

CELEBRATING OUR CREATIVITY

NEW MURALS FOR SALISBURY ROAD UNDERPASS

Two new murals were painted on the Salisbury Road underpass. A group of talented young artists created a mural celebrating youth as part of a Covid-19 affected National Youth Week. We worked with two final-year NMIT art students, Cris Rule and Stef Naldi, to create a mural design inspired by the young people's thoughts. The design features native seedlings to symbolise youth and growth and abstract trees symbolising the nurturing role of adults. It uses bright colours to represent the vibrancy we associate with youth and the diversity of our community.

Another new mural, in the Salisbury Road underpass, visualises a powerful whakataukī (proverb) for 2020. Local artist Nerys Ngaruhe, and nephew Eraia Matthews, transformed the underpass with the artwork 'Titiro whakamuri, kōkiri whakamua', which means 'look back and reflect so we can move forward'. The mural incorporates elements of graffiti previously painted on the underpass wall cursing 2020. It acknowledges that the year has been tough but it's important to look forward. The wahine featured in Nerys' work is intended to be a kaitiaki (guardian) for those passing through the underpass. Her whatu ma (white pupils) express her spiritual status. The blue werewere-kokako are a mushroom found in our native bush. Work on the mural commenced during Te Wiki o te Reo Māori and was finished at the end of September 2020.

WORKING TOGETHER WITH OUR COMMUNITY

Many of Council's activities and projects benefit from the contribution from the wider community. Many of the things we can achieve for the District rely on participation from the community, including individuals, businesses, government agencies, philanthropic trusts, and community organisations.

There are numerous volunteers and community groups, including iwi and churches, who support our community's welfare needs. Community-led transport services that help those in our rural communities to



stay connected and access services is just one example of this support.

Many Tasman residents also care deeply about our natural environment. There is a huge amount of work happening across the District to protect and restore the special places, landscapes, water bodies, native species and natural ecosystems of Tasman.

We are grateful to the many residents who help out with tree planting or maintaining community halls, walking tracks, and gardens.

These are just a few examples which demonstrate the collective and collaborative approach by the Tasman community to enhance Tasman's social, economic, environmental and cultural outcomes.

DELIVERING OUR BUSINESS AS USUAL

The services we provide underpin almost every aspect of people's daily lives. These services and facilities are funded by rates, user charges and subsidised by income from our commercial activities. They help to keep people safe, protect and improve the environment, provide essential infrastructure, and bring our community together to do the things they want, in the places they want. Every day our staff and contractors are working hard to:

- maintain roads, bridges, footpaths, cycleways and walkways, car parks, streetlights, traffic signs and culvert pipes;
- look after parks, reserves, playgrounds, libraries, public toilets and some of our District's historic sites
- provide regulatory services like animal and noise control, food safety, resource and building consents, and alcohol licensing
- maintain the water, wastewater and stormwater networks across our District
- engage with communities and create partnerships to undertake local projects
- monitor and manage the quality of our land, air, water, coasts and biodiversity
- collect and manage waste and recyclables
- maintain flood protection along 285km of our major rivers
- ensure new buildings are safe and healthy
- ensure our coastal waters are accessible and safe for boaties and swimmers
- make sure our popular places and activities can continue to be enjoyed, such as Richmond Aquatic Centre, Moturoa/Rabbit Island Reserve, and Tasman's Great Taste Trail
- provide Land Information Memorandums (LIMs) on request and respond to the multitude of enquiries from the public received by mail, email, telephone or in person
- register more than 11,000 dogs, and
- ensure that rates are collected to fund Council's activities and respond to rates queries from the public.

OUR NON-FINANCIAL PERFORMANCE AT A GLANCE

We measure our performance in delivering services to our community using a set of performance targets which are set out in the Long-Term Plan 2018 – 2028.

Reporting against these targets presents a high-level view of our performance. More results on other aspects of performance, such as environmental and regulatory monitoring can be found in the public reports held on our website or by contacting Council.

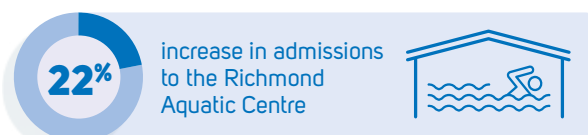
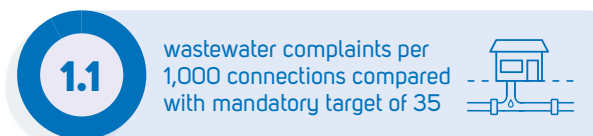
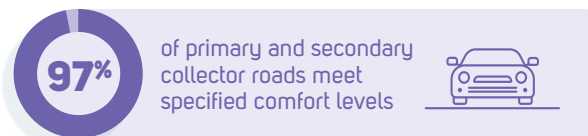
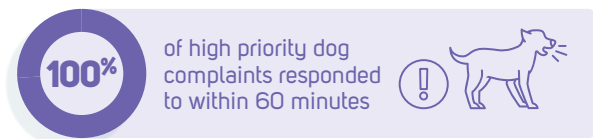
We have 121 targets that we report on through this Annual Report. We aim to report on most, but not all these targets each year. Full details on all the performance indicators are included in Part 4 of this Annual Report.

We achieved 75 of our targets fully and a further 10 were within 5% of the target. We did not achieve 31, and there were five that we either did not have the full information available to report on or were not due to be measured this year.

Overall, there was a lower level of achievement in 2020/2021 than in 2019/2020, with 75 targets achieved this year, compared with 85 last year.

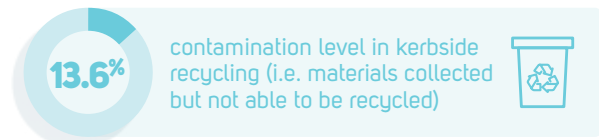
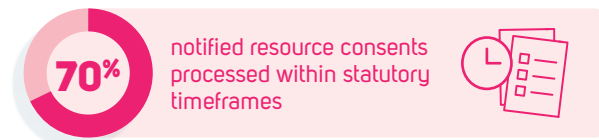
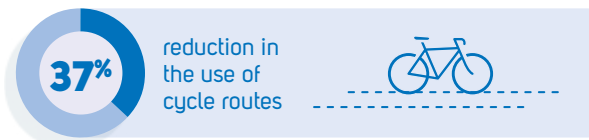
The Annual Report includes a set of Local Government Mandatory Performance Measures. Of these we fully achieved 11, a further two were within 5% of the target. We did not achieve five and did not measure one.

PERFORMANCE HIGHLIGHTS



OUR NON-FINANCIAL PERFORMANCE AT A GLANCE

AREAS FOR IMPROVEMENT



Covid-19 substantially affected the Council's achievement of its performance measures in 2019/2020. It had a lesser impact in the 2020/2021 year, however recovery from the Covid-19 pandemic and associated restrictions had an influence on the Council's performance during the year. The ongoing after-effects of the Covid-19 pandemic only had a minor impact on our performance measures across the board but had a substantial impact on some particular measures, e.g. the passenger numbers on public transport.

In addition to carrying out our work programmes, we have put substantial time and energy into participating in Government led processes to review and reform significant areas of the Council's activity. These processes included the three waters reform, major changes to the Resource Management Act and the review of local government.

There is a range of reasons for not achieving all of the performance targets this year. High numbers of resource consent applications, combined with a strong employment market – making recruitment difficult, have contributed to a drop in performance on resource consent processing times and satisfaction levels. These were difficulties noted in the 2019/2021 Annual Report and if anything, have become even more of a problem in 2020/2021. A very competitive labour market and a national shortage of planners is impacting our ability to recruit new planning staff. Advertising has continued since January 2021 but there are low numbers of candidates applying for roles. We have been working overtime and using contractors where possible to supplement staff to try to maintain the level of service to the community.

For several performance measures, there are specific circumstances that relate to the service that have affected our performance. For example, Waka Kotahi (NZTA) funding shortfalls and cost increases affected

our road sealing programme, and a reduction in the range of plastics we can recycle contributed to increased levels of contamination in kerbside recycling.

In some cases, further investigation and investment is required to address performance issues, such as compliance with the New Zealand Drinking Water Standards.

Residents Survey Data Analysis Scale: In 2021, the Council's residents survey changed from a three-point scale (very satisfied, fairly satisfied, not very satisfied) with a don't know option to a four-point scale (very satisfied, satisfied, dissatisfied, very dissatisfied) with a don't know option. This was predominately because the previous scale was positively skewed. That is, there were two opportunities for people to respond positively (i.e. very satisfied and fairly satisfied) and only one opportunity for them to respond negatively (i.e. not very satisfied). An evenly distributed scale was necessary to ensure that respondents were not being led to respond more positively than their true opinion. The four-point scale was also chosen to minimise the impact of the scale change and ensure results are comparable to past data when combining the top two and bottom two options.

As all the performance targets for residents' or users' satisfaction were set on the previous years' methodology, which gave more opportunities to respond positively than negatively, care should be taken when comparing the 2021 results with the targets and previous years' results. Nevertheless, the Council is taking the results seriously, and where 2021 results are lower than previously, we will try to understand what may have caused this change.

Details of our performance against all our targets and the impact of Covid-19 is provided in Part 4: Financial and Non-Financial Performance of this report.

KEY FINANCIAL INFORMATION

We have continued our positive financial trend from the previous year and recorded another surplus. The surplus for the 2020/2021 year was \$69.5 million, which was \$47.1 million higher than budgeted, despite 0% rates increase. In addition, there were other gains from revaluations of \$102 million, bringing the total surplus plus gains to \$171.5 million. The net debt position of \$168.9 million was well below the planned forecast debt of \$199.7 million, with rates revenue also remaining within the agreed cap of 3%.

The significant increase in the surplus compared to budget of \$47.1 million was due to additional vested asset income, Development Contributions, government grant funding and other non-cash gains. This is reflective of higher than budgeted activity and growth. A description of the financial variances from the Annual Plan 2020/2021 are contained in Note 36 to the Accounts in this Report.

The other gains, in addition to the surplus, include a \$16.3 million gain on revaluation of Nelson Airport Limited assets, and an \$84.8 million revaluation gain on the Council's Land and Building assets. This was due to significant land and property value increases in the Tasman District.

REPORTING AGAINST OUR FINANCIAL STRATEGY

The Financial Strategy in the LTP 2018–2028 provides an outline of our policy on financing capital works and managing debt. The LTP 2018–2028 provides for capital expenditure of between \$43 million and \$64 million per annum, and operating expenditure of between \$115 million and \$124 million per annum for the 2018/2019 to 2020/2021 years.

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

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

- providing for growth and changes in land use
- ensuring that the level of rates and borrowing is financially sustainable and is kept within our set limits

- being accountable for maintaining the assets that Council owns on behalf of the community
- funding network infrastructure and maintaining levels of service
- obtaining reasonable returns on investments, and
- meeting new central government standards for services such as drinking water.

NET EXTERNAL DEBT

Our net external debt at 30 June 2021 was \$168.92 million (after adjusting for liquid financial assets in joint operations), which is below our net external debt cap of \$200 million in our current Financial Strategy. This is also lower than the \$199.7 million forecast in the Annual Plan 2020/2021.

Debt is lower than forecast due to:

- direct savings from operational budgets;
- favourable interest and borrowing conditions;
- a lower opening debt position than budgeted;
- delays to some large capital works;
- higher than anticipated income due to things like higher population growth than forecast; and
- greater forestry income than planned.

See Figure 1 on page 24.

RATES AFFORDABILITY

To help manage rates affordability, we include a limit on rates revenue in our Financial Strategy. For the LTP 2018–2028 this limit was set at \$65 million for General Rates and \$60 million for Targeted Rates per annum over the life of the LTP, reflecting the work done to address rates affordability issues. This Annual Report shows our actual levels were below the limit, at \$40.6 million for General Rates and \$37.2 million for Targeted Rates.

KEY FINANCIAL INFORMATION

We also include a limit in our Financial Strategy on rates income increases. Increases are currently limited to a maximum 3% per annum, plus an allowance for annual growth in rateable properties. This was a new limit set as part of the LTP 2015-2025 (which is why the graph starts at 2015/2016) and retained in the LTP 2018–2028.

The green bars in Figure 2 show how we have performed against the 3% limit over the past three years. The 2020/2021 Annual Plan had a 0% rate rise (excluding growth) in response to Covid-19. The blue bars show the estimated rates revenue increases (excluding growth) for the next two years.

See Figure 2 on page 24.

DEBT AFFORDABILITY

See Table 1 on page 24.

FINANCIAL PERFORMANCE SUMMARY

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

Total Council net assets now total \$1.76 billion, which is an increase of \$171.5 million since 2020.

REVENUE AND SAVINGS

Total rates revenue for the year was \$77.9 million, and revenue from all other sources totalled \$139.4 million.

General rate revenue increased partially as a result of growth in the District being higher than expected for the year.

See Figures 3 and 4 on page 25.



KEY FINANCIAL INFORMATION

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

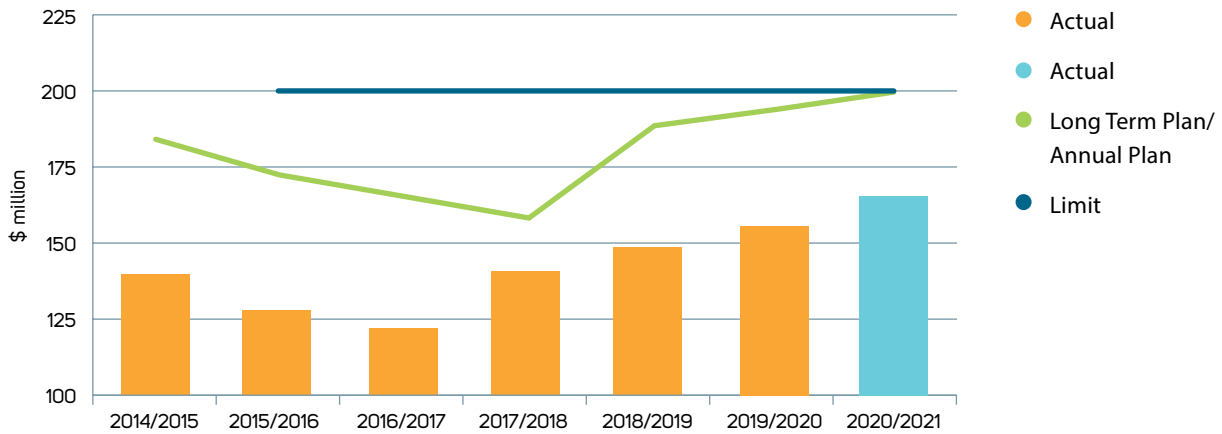


FIGURE 2. Rates Income Increases (Excluding Growth)

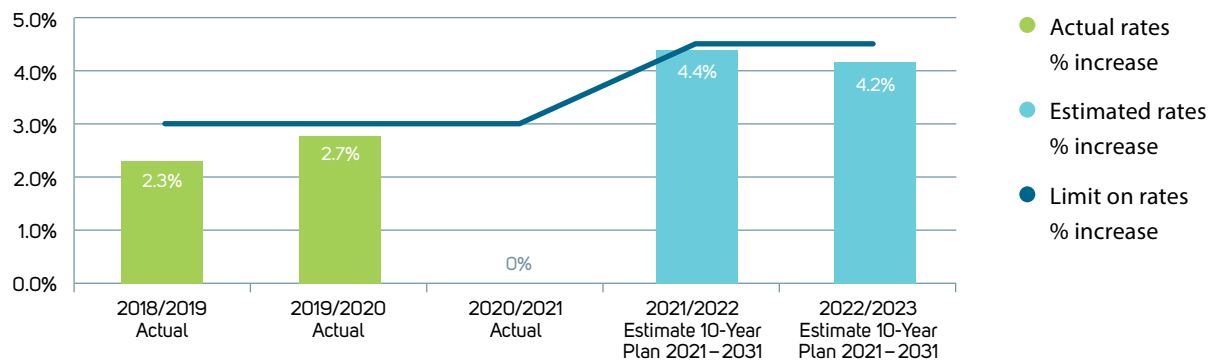


TABLE 1. Debt / Affordability Limits

MEASURE	LIMIT	2017/2018 ACTUAL	2018/2019 ACTUAL	2019/2020 ACTUAL	2020/2021 ACTUAL	ANNUAL PLAN 2021/2022 (ESTIMATE)
Net external debt ¹ / Total operating income ²	<225%	109%	115%	109%	102%	146%
Net external debt / Equity	<20%	9%	10%	10%	10%	12%
Net interest on external debt / Total operating income	<15%	6%	5%	3%	5%	7%
Net interest on external debt / Annual rates income	<25%	10%	9%	5%	10%	12%

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

² Total Operating Income = cash earnings from rates, government grants and subsidies, user charges, interest, dividends, financial and other revenue and excludes non-government capital contributions (e.g. developer contributions and vested assets).

The definitions contained in our Financial Strategy differ from those applied to the Financial Regulations Benchmarks reported in our Annual Reports. The Benchmark reporting is prepared in line with the Local Government (Financial Reporting and Prudence) Regulations 2014.

KEY FINANCIAL INFORMATION

FIGURE 3. Main Sources of Revenue (Excluding Joint Arrangements and Fair Value Gains)

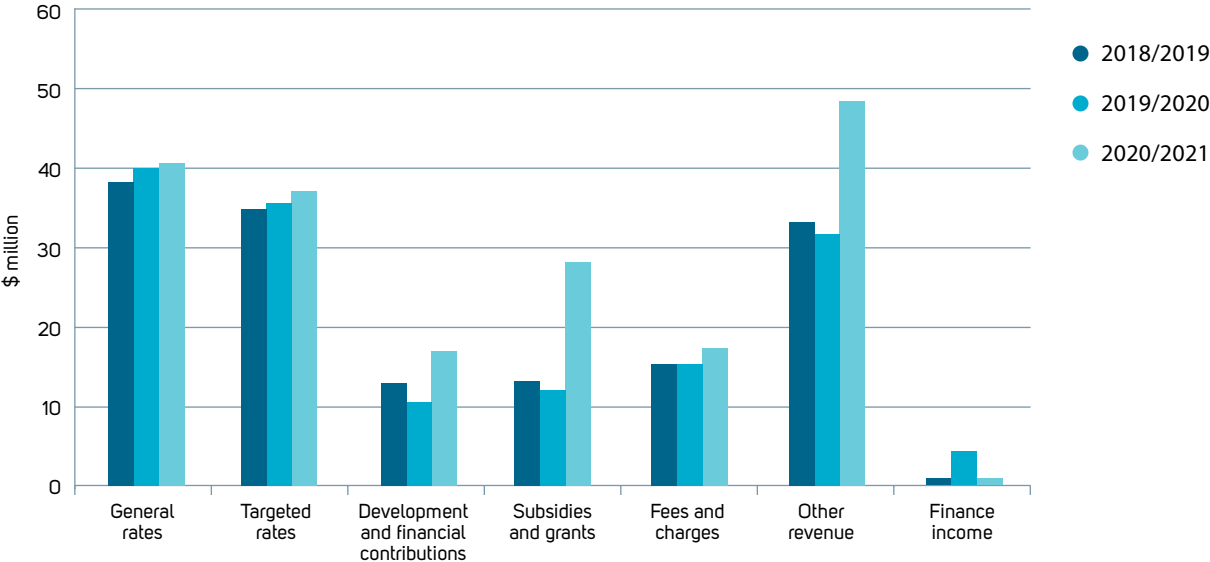
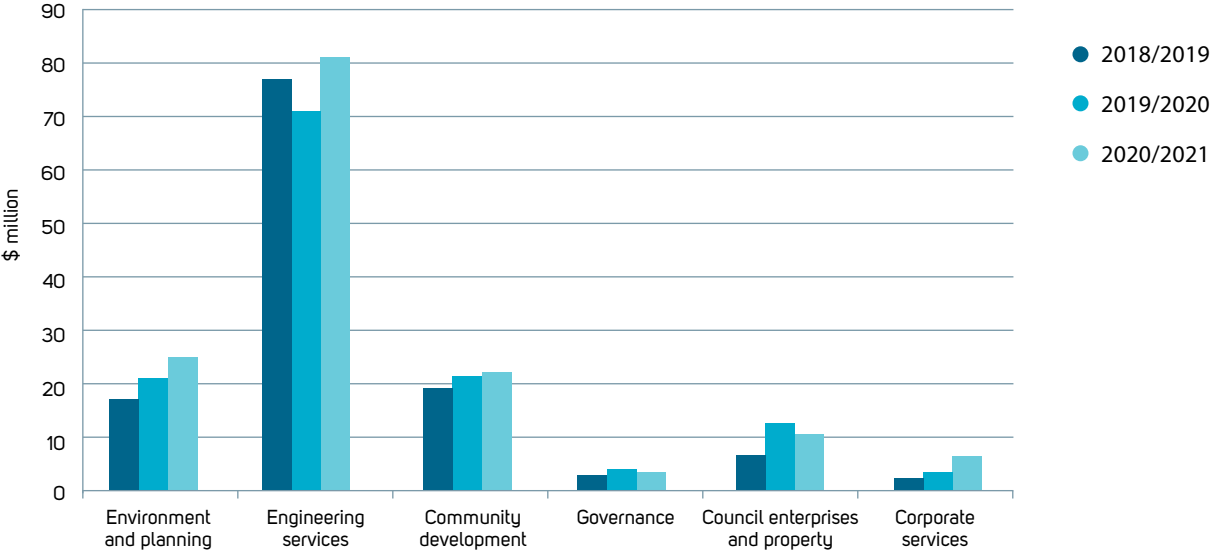


FIGURE 4. Total Council Expenditure by Department



KEY FINANCIAL INFORMATION

FIGURE 5. Operating Expenditure by Activity

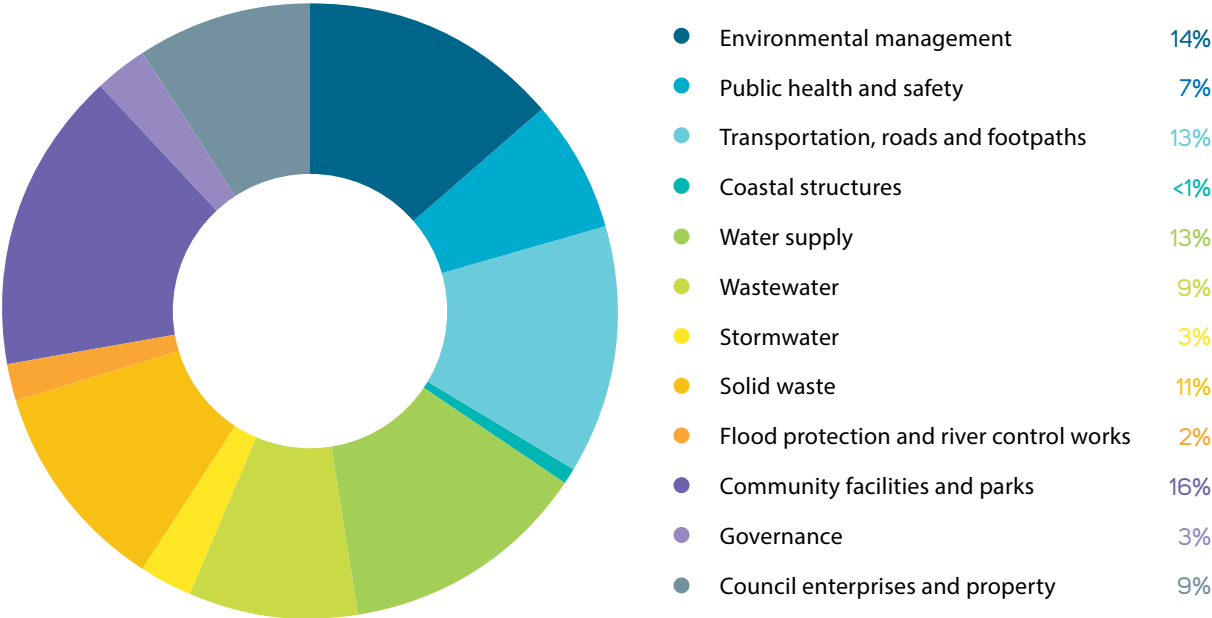
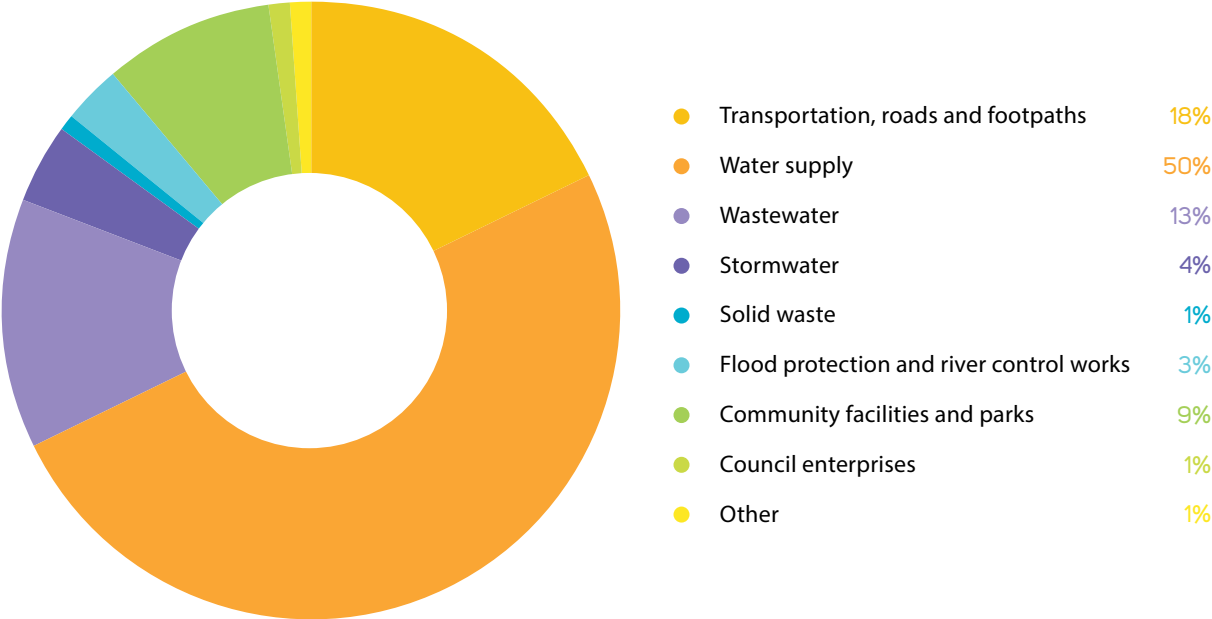


FIGURE 6. Capital Expenditure by Activity



PART TWO

COUNCIL VISION
AND COMMUNITY
OUTCOMES



COUNCIL VISION AND COMMUNITY OUTCOMES

OUR VISION

Thriving communities enjoying the Tasman lifestyle

OUR MISSION STATEMENT

To enhance community wellbeing and quality of life

VISION AND MISSION STATEMENT

In the Long Term Plan 2018 – 2028 Council retained the same Vision and Mission that was included in the Long Term Plan 2015 – 2025.

The vision recognises that there are many different communities within our District, not just geographic communities, but non-profit organisations, environmental communities, art communities, church

communities, sporting communities, to name just a few. We would like all these communities to succeed and to benefit from the many opportunities that our District provides.

COMMUNITY OUTCOMES

BACKGROUND

Community Outcomes are the outcomes Council is working towards in order to promote the social, economic, environmental, and cultural well-being of our community. They reflect what Council sees as important for our community's well-being and they help to build up a picture of the collective vision for the District's future – how we would like Tasman District to look and feel in 10 years and beyond. They also inform Council decision-making and the setting of priorities.

Council believes that achievement of Community Outcomes relies on 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. These full descriptions are available in the LTP 2018 – 2028.

COMMUNITY OUTCOME STATEMENTS

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

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

PART THREE

ROLES, COMPLIANCE
AND AUDIT
STATEMENT



THE ROLE OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

The contents of this Annual Report will make reference to the District's strategies and plans, including the Long-Term Plan (LTP) 2018 – 2028. The LTP 2018 – 2028 was adopted by Council on 28 June 2018, after considerable consultation with ratepayers and interested others. This is the third Annual Report prepared under the LTP 2018 – 2028.

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

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

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

STATEMENT OF COMPLIANCE AND RESPONSIBILITY

COMPLIANCE

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

RESPONSIBILITY

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

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

In the opinion of Council and management of Tasman District Council, the annual financial statements for the year ended 30 June 2021 fairly reflect the financial position, operations and service performance of Tasman District Council.



T B King
Mayor



J W Dowding
Chief Executive Officer

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



INDEPENDENT AUDITOR'S REPORT

To the readers of Tasman District Council's annual report for the year ended 30 June 2021

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

We are also required to report on:

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

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

We completed our work on 16 December 2021. This is the date at which we give our report.

OPINION ON THE AUDITED INFORMATION

In our opinion:

- the financial statements on pages 131 to 195 and pages 205 to 216:
 - » present fairly, in all material respects:
 - › the District Council's financial position as at 30 June 2021;
 - › the results of its operations and cash flows for the year ended on that date; and
 - » comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards; and
- the funding impact statement on page 138, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan;

- the statement of service provision on pages 36 to 129:
 - » present fairly, in all material respects, the District Council's levels of service for each group of activities for the year ended 30 June 2021, including:
 - › the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved; and
 - › the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
 - » complies with generally accepted accounting practice in New Zealand; and
- the statement about capital expenditure for each group of activities on pages 51 to 124, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council's annual plan; and
- the funding impact statement for each group of activities on pages 51 to 124, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long-term plan.

REPORT ON THE DISCLOSURE REQUIREMENTS

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence) Regulations 2014) on pages 196 to 204, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council's audited information and, where applicable, the District Council's long-term plan and annual plans.

INDEPENDENT AUDITOR'S DRAFT REPORT

EMPHASIS OF MATTER – THE GOVERNMENT'S THREE WATERS REFORM PROGRAMME ANNOUNCEMENT

Without modifying our opinion, we draw attention to note 37 on page 194, which outlines that subsequent to year-end, the Government announced it will introduce legislation to establish four publicly owned water services entities to take over responsibilities for service delivery and infrastructure from local authorities from 1 July 2024. The impact of these reforms, once legislated, will mean that the District Council will no longer deliver three waters services.

BASIS FOR OUR OPINION ON THE AUDITED INFORMATION

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

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

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

RESPONSIBILITIES OF THE COUNCIL FOR THE AUDITED INFORMATION

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

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

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

In preparing the information we audit the Council is responsible for assessing its ability to continue

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

RESPONSIBILITIES OF THE AUDITOR FOR THE AUDITED INFORMATION

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

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

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

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

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

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITOR'S DRAFT REPORT

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the statement of service provision, as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the District Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the District Council to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

OTHER INFORMATION

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 4 to 31 and 217 to 228, but does not include the audited information, the disclosure requirements, and our auditor's report thereon.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information.

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

INDEPENDENCE

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

In addition to our audit and the report on the disclosure requirements, we have audited the District Council's 2021 – 2031 long-term plan, and carried out a limited assurance engagement related to the District Council's debenture trust deed. Other than these engagements, we have no relationship with, or interests in, the District Council.



John Mackey
Audit New Zealand

On behalf of the Auditor-General
Christchurch, New Zealand

PART FOUR

FINANCIAL AND
NON-FINANCIAL
PERFORMANCE



STATEMENTS OF OBJECTIVES AND SERVICE PERFORMANCE

The service goals and objectives form the basis of our operations in the provision of works and services for the District. Council's groups of activities may be broadly categorised as follows:

- **ENVIRONMENT AND PLANNING**
- **ENGINEERING**
- **COMMUNITY DEVELOPMENT**
- **GOVERNANCE**
- **COUNCIL ENTERPRISES**

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

The mandatory activities are all in the Engineering area:

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

Council also reports on the following Groups of Activities:

- Solid Waste
- Coastal Structures
- Environmental Management
- Public Health and Safety
- Community Development
- Governance
- Council Enterprises

Within each group of activities there may be several smaller activities, for example Public Health and Safety includes Building Assurance, Environmental Health, Animal Control, Civil Defence Emergency Management (CDEM), Maritime Safety and Parking Control.

We have also reported on the performance of Support Services, but this is not a separate group of activities.

We have listed the service goals, objectives and performance indicators for each of Council's significant activities (where applicable). These are followed by a statement on the level of achievement for the year ended June 2021.

Each significant activity area, as a whole, incorporates elements of quality, quantity, timeliness, cost and location (where applicable). Unless otherwise noted, all tasks were completed by 30 June 2021. 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 REPORTS

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, consultants 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, we follow processes outlined in legislation and established public consultation procedures.

MAINTENANCE WORKS

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

LEGISLATIVE AND FINANCIAL COMPLIANCE

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

ACTIVITY MANAGEMENT PLANNING

A 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 our LTP 2018–2028, we included survey measures as a measure of progress toward the achievement of our objectives, as well as checking residents' levels of satisfaction with the services we provide. We report on these measures using data from the annual survey of residents undertaken independently by a research company.

FUNDING IMPACT STATEMENTS (FIS)

A FIS has been prepared for each activity in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014. This is a reporting requirement unique to local government and the disclosures contained within and the presentation of this statement 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 Revenue and Expense Statement as required under GAAP. These items include but are not limited to Council's depreciation, gain and/or losses on revaluation and vested assets.

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

ENVIRONMENT AND PLANNING

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

- Environmental Management
- Public Health and Safety

ENVIRONMENTAL MANAGEMENT

WHAT WE DO

Council's environmental management functions and responsibilities include:

- The provision of policy advice, including responses to national environmental initiatives;
- The development, review and implementation of resource management policies and plans;
- Investigating significant environmental issues affecting or likely to affect the District, and maintaining an efficient resource information base to respond to environmental hazards, providing advice on environmental conditions and issues affecting the District;
- Assessing and processing resource consent applications and related compliance monitoring and enforcement;
- Processing development contributions assessments; and
- Undertaking biosecurity (pest management) responsibilities and control work in the District and maintaining indigenous biological diversity.

WHY WE DO IT

Council undertakes its environmental management responsibilities 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;
- Help target planning controls;

- Apply consent conditions and provide education programmes;
- Identify new issues; and
- 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. Council's biosecurity activities help protect the environment from unwanted plant and animal pests.

CONTRIBUTION TO COMMUNITY OUTCOMES

The Environmental Management activity primarily contributes to the following community outcomes:

- Our unique natural environment is healthy, protected and sustainably managed.
- Our urban and rural environments are people-friendly, well-planned, accessible and sustainably managed.
- Our communities are healthy, safe, inclusive and resilient.

OUR GOAL

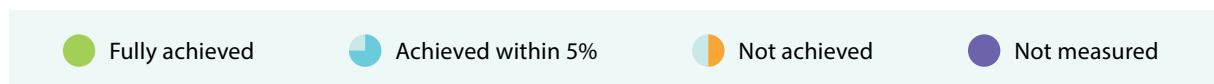
The Environmental Management activity goal is to effectively promote the sustainable management of the District's natural and physical resources by:

- Identifying and responding to resource management policy issues and biosecurity risks in a manner that is effective, proportionate and supported by the community generally.
- 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.
- Providing a sound and appropriate policy planning framework that will protect and enhance our unique environment, promote healthy and safe communities, and support business and enterprise.

ENVIRONMENT AND PLANNING – ENVIRONMENTAL MANAGEMENT

- Ensuring that plan development systems are administered in a way which meets the expected environmental outcomes identified in policy statements and plans.
- Managing the statutory processes involved in a way that is fair, lawful, timely and efficient, and meets the expected environmental outcomes identified in policy statements and plans.
- Improving use, development and protection of the District’s resources and minimising damage to the environment through minimising inappropriate practices or the incidence of pests and other threats to the quality of the environment we enjoy.
- Providing environmental information to enable sustainable, resilient and productive communities within the District.






OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS



OUTCOME	2021 TARGET	2021 RESULT	2020 RESULT	HOW DID WE PERFORM
<p>We provide an appropriate policy framework that effectively promotes the sustainable management of the District’s natural and physical resources by:</p> <ul style="list-style-type: none"> • Identifying and responding to resource management policy issues; and • Providing a sound and appropriate policy planning framework that is responsive to our changing environment and will protect and enhance our unique environment and promote healthy and safe communities 				
Residents’ satisfaction for those residents who are aware of the Council’s role in resource management policy and planning work	70%	55%	69%	2021 result reflects sentiment resulting from new environmental regulation introduced by Central Government that local government is required to implement. This is in addition to community engagement on a number of controversial topics related to development of the Tasman Environment Plan that the council is required through legislation to implement. Scores are likely to be similar in future years due to the requirement to implement existing and further new environmental legislation and regulation through the Tasman Environment Plan.

ENVIRONMENT AND PLANNING – ENVIRONMENTAL MANAGEMENT

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS (CONT.)

OUTCOME	2021 TARGET	2021 RESULT	2020 RESULT	HOW DID WE PERFORM
Council meets the Air Quality National Environmental Standard (NES) by 2020 (i.e. no more than one day per year when air quality is > 50 µg/m ³ PM ₁₀). ¹	 No more than 1 day	4	1 days	In Richmond, there were four exceedance days of the daily threshold concentration of 50 µg/m ³ (24-hour average) over the period 1 July 2020 to 30 June 2021. A work programme to include review of the discharges to air section of the Tasman Environment Plan is underway, whilst awaiting the outcome of the national review of the air quality regulations.
One issue-based State of the Environment report to be released each year	 By 30 June	4	More than one	Several reports released and presented to Operations Committee 10 December 2020 <ul style="list-style-type: none"> • Fine scale assessment for Motupipi • Broad-scale habitat mapping for the Moutere • Broad-scale habitat mapping for the Motueka-Riuwaka • Broad-scale habitat mapping for the Waimea
An annual Recreational Bathing Water summary report is drafted and reported to Council or a Committee	 By 31 July	24 June	18 June 2020	The report was reported to the Operations Committee, 24 June 2021. Water quality at swimming sites over the 2020/2021 season was the best on record, even with the high-risk site of Collingwood Boat ramp included.
Swimming beaches and rivers are suitable for contact recreation, all or most of the time, as measured by:				
Fine weather samples	 98%	99%	99%	For the few samples that exceeded water quality guidelines, the bacteria may be of natural source.
All weather samples	 92%	95%	97%	The improvement in water quality this year was partly due to fewer rain-affected samples.

1. Air quality at the Richmond Central monitoring site will be reported on Council's website, including any air quality breaches.

ENVIRONMENT AND PLANNING – ENVIRONMENTAL MANAGEMENT

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS (CONT.)

OUTCOME	2021 TARGET	2021 RESULT	2020 RESULT	HOW DID WE PERFORM
We provide a responsive and efficient process for assessing resource consent applications and ensuring compliance obligations are fairly and appropriately enforced				
Customer satisfaction with Council's resource consent processing work	85%	56%	74.0%	Overall satisfaction dropped from the 2020 year. Severe shortage of consenting staff in January-June period coincided with a fall in customer satisfaction with the time taken for consent processing from 70% (2020) to 45%. Satisfaction with the reasonableness of costs increased from 46% (2020) to 65% and satisfaction with the helpfulness and courtesy of staff has remained high at 80%.
Consent applications are processed within statutory timeframes (where they exist):				
Notified consents	100%	70%	100%	In 2020/2021, we processed 70% of ten publicly notified applications within statutory timeframes.
Non-notified consents	100%	83.5%	95.5%	We processed 83.5% of the 1027 consent applications in the 2020/2021 year within statutory timeframes. The severe shortage of consent planning staff in the January – June period impacted our ability to meet timeframes.
Limited notified consents	100%	43%	100%	We processed 43% of 51 limited notified consents in 2020/2021 within statutory timeframes. A bundle of 20 consents processed in a single bundle impacted these results.

ENVIRONMENT AND PLANNING – ENVIRONMENTAL MANAGEMENT

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS (CONT.)

OUTCOME	2021 TARGET	2021 RESULT	2020 RESULT	HOW DID WE PERFORM
<p>We undertake monitoring of environmental trends and conditions and maintain reporting systems that protect and inform the community about environmental conditions, changes and risks</p>				
<p>An annual report is prepared and presented to Council or a Council committee each year. This report details the level of compliance with consent conditions or plan rules for those undertaking activities under resource consents or permitted activities, as described under tailored monitoring programmes.</p>	<p>●</p> <p>By 30 September</p>	<p>9 September 2021</p>	<p>3 September 2020</p>	<p>The Annual Compliance and Enforcement summary report was presented to the Regulatory Committee on 9 September 2021.</p> <p>Over the 2020/2021 year, we achieved our objectives through active monitoring and reporting on 3,091 resource consents and targeted permitted activities occurring in our District.</p> <p>Overall, the outcome of the wide range of activities we monitored was high with 73% achieving full compliance at time of inspection. Of the remainder, nearly half were minor breaches that required no action. The others required some form of corrective action, ranging from education and advice right through to direct enforcement action.</p>
<p>Where significant non-compliance is recorded, that resolution is achieved within appropriate timeframes:</p>				
<p>Percentage resolved within nine months</p>	<p>●</p> <p>80%</p>	<p>100%</p>	<p>100%</p>	<p>For the resource consents and targeted permitted activities that were monitored during this 12-month period, 16 received a grade of significant non-compliance that required direct enforcement action.</p> <p>All of these were associated with consented water takes. Of the 16 all (100%) were resolved within the nine-month period using a range of enforcement options.</p> <p>As all these matters were resolved within the nine-month period, this meant that all (100%) were also resolved within 12 months.</p>
<p>Percentage resolved within 12 months</p>	<p>●</p> <p>95%</p>	<p>100%</p>	<p>100%</p>	

ENVIRONMENT AND PLANNING – ENVIRONMENTAL MANAGEMENT

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS (CONT.)

OUTCOME	2021 TARGET	2021 RESULT	2020 RESULT	HOW DID WE PERFORM
An annual report is prepared and presented to a Council committee or a Council meeting on Water Metering Compliance detailing the performance of consented and permitted activity ground and surface water abstractions requiring monitoring as defined in the Tasman Resource Management Plan.	By 31 October	29 July 2021	23 July 2020	<p>We presented the 2020/2021 Water Metering Compliance Monitoring report to the 29 July 2021 Regulatory Committee.</p> <p>The Council did not encounter any significant non-compliance in respect to water use over the year. There were instances of overtakes however, the total number was lower than last season and the majority were identified as technical (administrative) breaches Actual overtakes were dealt with through a range of enforcement. The greatest non-compliance continued to be the number of weekly water usage readings missed even after reminders. While only a small number, these consent holders were consistently poor at meeting compliance. The result was a number of warnings, infringement fines and abatement notices issued.</p>
An annual Dairy Monitoring report is prepared detailing the performance of the District's dairy farms against the Council's dairy effluent discharge rules and relevant national legislation (percentage of farms fully compliant)	100%	98%	99%	<p>We presented the 2020/2021 Dairy Farm Compliance report to the 29 July 2021 Regulatory Committee.</p> <p>All 124 dairy farms received inspections and were assessed for their discharge of treated dairy effluent.</p> <p>The final compliance results were:</p> <ul style="list-style-type: none"> • 98% fully compliant – (122 farms) • 1% non-compliant – (1 farm) • 1% significantly non-compliant – (1 farm) <p>The results were very pleasing with a very high level of compliance maintained across the districts farms. Of the two identified non-compliances, one was minor in nature and not requiring further action and the other while deemed significant was resolved with a fine and system upgrades.</p>

ENVIRONMENT AND PLANNING – ENVIRONMENTAL MANAGEMENT

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS (CONT.)

OUTCOME	2021 TARGET	2021 RESULT	2020 RESULT	HOW DID WE PERFORM
The Operational Plan outlines the objectives and activities to be undertaken in implementing the Tasman-Nelson Regional Pest Management Plan for the present financial year (date reported to Council or a Council committee)	By 30 November	26 November 2020	28 November 2019	The new Regional Pest Management Plan 2019-2029 took effect on 1 July 2019, so this is the second year of delivery. With changes in staffing the team has not been at full capacity this year, however they have delivered well on the plan with all eradication programme and progressive containment work completed along with service requests.
Timely reporting of pest management operations for the previous financial year, in accordance with requirements of the Biosecurity Act (date of annual reports to Council or a Council committee)	By 30 November	26 November 2020	28 November 2019	An annual report on the activities undertaken in 2019/2020 was reported to the Regulatory Committee on 26 November 2020.

FIGURE 7: Resident Satisfaction with Environmental Information



ENVIRONMENT AND PLANNING – ENVIRONMENTAL MANAGEMENT

MAJOR ACTIVITIES

PLANNED	ACTUAL 2020/2021
<p>Implementing the Environmental Policy work programme, including:</p> <ul style="list-style-type: none"> • Reviews of, and changes to, the Tasman Resource Management Plan. • Review of the Tasman Regional Policy Statement and combining it with the TRMP. • Development plans for various settlements within the District. 	<p>The main priority for the Environmental Policy Team is the review of the Tasman Regional Policy Statement and Tasman Resource Management Plan. This is a significant undertaking for the Council and community that will culminate in a single new “Tasman Environment Plan”. This year was year 2 of the project and involved community engagement to identify the big environmental issues for Tasman’s communities and identify the special places and things that make Tasman a great place to live, work and play. This was followed by initial consultation on identifying the Outstanding Natural Features and Landscapes in Tasman and refining the Coastal Environment areas.</p>
<p>Implementation of the National Policy Statement for Urban Development Capacity and planning for and responding to urban growth pressures.</p>	<p>The National Policy Statement for Urban Development Capacity 2016 was replaced by the National Policy Statement for Urban Development 2020. The key changes are further reporting requirements and making it compulsory for Tasman to work with Nelson on a future development strategy. This year the Council adopted the Intensification Action Plan. The Intensification Action Plan is a sub strategy of the Future Development Strategy. The action plan examines ways in which Council can enable intensification and sets out specific actions with timescales and departmental owners.</p> <p>In preparation for the review of the Future Development Strategy we commissioned a housing preferences survey. The study contributes to understanding the demand side of the housing equation. This study collected the views of more than 600 residents across the Nelson and Tasman regions to understand what is important to them in choosing a place to live, and it has explored what types of housing they would choose to buy or to rent, if it were available, within their current income and financial constraints.</p> <p>Urban growth pressures continued to progress unabated, and Tasman ended the year as the second least affordable place to buy a house in NZ behind only Auckland. The Future Development Strategy has been central to how we plan for and finance growth. It was used to inform our growth model, Infrastructure Strategy and Long-Term Plan 2021 – 2031.</p>
<p>Implementation of the National Policy Statement for Freshwater Management.</p>	<p>Implementation is on-going. Changes to the Resource Management Act in June 2020 brought forward the deadline for implementing the National Policy Statement for Freshwater Management by seven years. Councils are now required to notify plan changes to implement fully the National Policy Statement no later than December 2024. The Government has since released a new National Policy Statement for Freshwater Management and a number of new regulations that took effect from 3 September 2020. We are working toward notifying our freshwater plan changes as part of the new Tasman Environment Plan in December 2024.</p>

ENVIRONMENT AND PLANNING – ENVIRONMENTAL MANAGEMENT

MAJOR ACTIVITIES (CONT.)

PLANNED	ACTUAL 2020/2021
Natural hazards strategic policy review.	Review of our natural hazards policy is on track and progressing well. The work remains a priority for Council. The hazards work covers coastal hazards and sea level rise, liquefaction, land stability, faults, seismic risk, tsunami, flooding and wildfires. We are working toward notifying our natural hazards plan changes as part of the new Tasman Environment Plan in December 2024.
Provision of policy advice.	Policy advice is a core Council function and includes advice to the public, developers, iwi, and central government. This is ongoing and the high rates of urban growth has meant ongoing discussions and policy advice to developers. Advice to central government included advice on resource management reform and feedback on policy papers that are helping to inform the development of legislation to replace the Resource Management Act.
Undertake compliance activities to enforce planning rules, bylaws and resource consent conditions, and undertaking enforcement action when needed.	Council staff continue to carry out consent monitoring in accordance with the monitoring strategy, which targets activities in accordance with their risk to the environment. Council spends a lot of time working with users of natural resources and monitoring compliance with their consents. A lot of effort is put into ensuring activities do not create adverse effects on our waterways, air quality, and amenity. When activities are found to be non-complying, Council uses a range of tools to gain compliance, from education right through to prosecution before the Court for serious cases, in accordance with our Enforcement Policy. A summary of the Councils activities in compliance and enforcement are published each year. <i>Continued on next page.</i>



ENVIRONMENT AND PLANNING – ENVIRONMENTAL MANAGEMENT

MAJOR ACTIVITIES (CONT.)

PLANNED	ACTUAL 2020/2021																																													
Undertake compliance activities to enforce planning rules, bylaws and resource consent conditions, and undertaking enforcement action when needed (cont.).	Staff also provide a 24-hour, seven day a week service responding to public complaints. All complaints are recorded and actioned accordingly. The following breakdown records the type of complaints received over the year.																																													
	<table border="1"> <thead> <tr> <th>TYPE OF COMPLAINT/ SERVICE REQUEST</th> <th>NUMBER OF COMPLAINTS/ SERVICE REQUEST 2019/2020</th> <th>NUMBER OF COMPLAINTS/ SERVICE REQUEST 2020/2021</th> </tr> </thead> <tbody> <tr> <td>Noise</td> <td>883</td> <td>981</td> </tr> <tr> <td>Land-use</td> <td>193</td> <td>219</td> </tr> <tr> <td>Discharges – Air</td> <td>417</td> <td>334</td> </tr> <tr> <td>Discharges – Water</td> <td>62</td> <td>59</td> </tr> <tr> <td>Discharges – Land</td> <td>74</td> <td>102</td> </tr> <tr> <td>Water takes</td> <td>23</td> <td>57</td> </tr> <tr> <td>Rivers</td> <td>47</td> <td>39</td> </tr> <tr> <td>Coastal</td> <td>22</td> <td>26</td> </tr> <tr> <td>Rubbish Enforcement</td> <td>29</td> <td>12</td> </tr> <tr> <td>Abandoned Vehicles</td> <td>262</td> <td>194</td> </tr> <tr> <td>Forestry (NES)</td> <td>6</td> <td>10</td> </tr> <tr> <td>Freshwater (NES)</td> <td>Not collected</td> <td>5</td> </tr> <tr> <td>Other enquiries</td> <td>876</td> <td>337</td> </tr> <tr> <td>Total</td> <td>2,894</td> <td>2,375*</td> </tr> </tbody> </table>	TYPE OF COMPLAINT/ SERVICE REQUEST	NUMBER OF COMPLAINTS/ SERVICE REQUEST 2019/2020	NUMBER OF COMPLAINTS/ SERVICE REQUEST 2020/2021	Noise	883	981	Land-use	193	219	Discharges – Air	417	334	Discharges – Water	62	59	Discharges – Land	74	102	Water takes	23	57	Rivers	47	39	Coastal	22	26	Rubbish Enforcement	29	12	Abandoned Vehicles	262	194	Forestry (NES)	6	10	Freshwater (NES)	Not collected	5	Other enquiries	876	337	Total	2,894	2,375*
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	<p>*This year's total shows an 18% decrease from the previous year. This is not however, the result of an actual decrease in complaints or service requests over this period but is the result of improved data analytics that has allowed public enquiry counts to be refined and reported in the appropriate areas.</p> <p>For the specific complaint categories (water use, noise and discharges to land) we did see some noticeable increases in complaint numbers over the period, however, this was offset somewhat by equally noticeable decreases in others. Abandoned vehicles, rubbish enforcement and discharges to air were examples. The decline in complaints around air was driven principally by a lower level of outdoor burning over the early winter. This was thought to be because of a reduction in orchard replacements as well as alternative methods of disposal being employed. The decrease in the other categories is more difficult to quantify.</p> <p>After comparing this year to an amended set of last year's data to reflect the reporting change, there was an overall increase in environmental complaints up from 2,245 to 2,375.</p>																																													

ENVIRONMENT AND PLANNING – ENVIRONMENTAL MANAGEMENT

MAJOR ACTIVITIES (CONT.)

PLANNED	ACTUAL 2020/2021
<p>Undertaking environmental monitoring of the District's resources, state of the environment reporting, hydrology and flood warning monitoring, and provision of environmental information.</p>	<p>Council operates an extensive Hydrological network for a wide variety of high values uses, the more obvious ones being water resources, flood warning engineering design, compliance, water quality, and wide industry and other public use. Monitoring was largely undertaken as planned, as were rolling upgrades at monitoring sites. The flood warning operated successfully for 16 flood events and timely advice was provided to CDEM and others. Contracted support was provided to Waimea Water Ltd for the Waimea Community Dam project and to Nelson City Council.</p> <p>A range of key water resource monitoring/investigation work was also undertaken to support various catchment water management needs of for catchment (Freshwater Management Unit) National Policy Statement Freshwater Management water management plan updates/development.</p> <p>More focussed Upper Motueka river flow, temperature and dissolved oxygen data collection work was also completed.</p> <p>The Cawthron/Landcare review of the Upper Motueka allocation information needs was completed. The technical report has been provided to Councillors and Fish & Game. The implementation strategy is to be accommodated within our data collection programme over the next three years.</p> <p>The updated Motueka/Riwaka Plains river aquifer model was completed and reported to Council. Additionally, the Motueka/Riwaka Plains summer survey for groundwater quality was completed and is pending reporting to Council.</p> <p>The Waimea River/Aquifer model work is ongoing. The model was updated to include the latest land use cover data.</p> <p>Bore/well survey to identify these in the Aorere Valley was undertaken and data captured. The first ever surface water/groundwater synoptic survey in the Aorere was also undertaken and completed – information to be reported in the 2021/2022 year.</p> <p>Three new monitoring bores were also drilled and completed in the Aorere Valley and these are to be instrumented with groundwater monitoring sensors. Other work in the Aorere Valley and West coast catchments undertaken last year is collecting flow data over a range of flows to better understand river flows and groundwater/river connections. Both the groundwater data from the bores and river flow data are information that we would need for developing a water management plan for the Aorere/West Coast Freshwater Management Unit.</p> <p>The Te Tau Ihu Forestry Management Advisor role is still very active and continues to focus on improving sedimentation and erosion control following harvesting and supporting the planting of exotic and indigenous forests, working together with iwi to achieve improved environmental outcomes and options for alternative land use for erosion prone land.</p> <p><i>Continued on next page.</i></p>

ENVIRONMENT AND PLANNING – ENVIRONMENTAL MANAGEMENT

MAJOR ACTIVITIES (CONT.)

PLANNED	ACTUAL 2020/2021
<p>Undertaking environmental monitoring of the District's resources, state of the environment reporting, hydrology and flood warning monitoring, and provision of environmental information (cont.).</p>	<p>Field surveys with the primary goal of more-accurately delineating/mapping wetlands in the Golden Bay/Mohua area continued, although there was some delay in the project due to unavailability of staff. The target for desk top mapping of wetlands in catchments draining to Tasman Bay (the Moutere, Motueka, Bryant, Arthur and Totaranui ecological districts) last financial year was not achieved.</p> <p>The estuarine fish monitoring project in the Waimea Inlet was completed in February-March 2021.</p> <p>Catchment Enhancement Fund: Stream habitat rehabilitation work on the Motupipi River downstream of the Tākaka Dairy Factory was completed in March 2021. Farm environmental plans for most farms in the Sherry River were delivered to the landowners and a catchment group meeting held to discuss the results and related matters. Individual follow-up will occur. The Mārahau-Otuwhero ex-cyclone Gita slope stabilisation project progressed.</p> <p>Freshwater Improvement Fund: \$5 million in funding was awarded to the Council for the restoration and construction of wetlands (\$3M) and remediation of in-stream structures for fish passage (\$1.75M). A comprehensive work programme and budget was developed, and the Deed of Funding was signed in May 2021. A report on the achievements of Quarter One in the programme was produced in July 2021. Highlights include: Work on the Berkett constructed wetland and stream restoration on the Reilly property, both in the Berkett Creek catchment (tributary of the Motupipi River), were completed in April 2021. An iwi steering group has been set up for the project.</p> <p>Waimea Inlet Enhancement Fund and Waimea One Billion Trees fund: Progress includes large-scale planting at Rough Island wetland, producing a concept plan for the Waimea Delta wetland, as well as saltmarsh rehabilitation at the Sandeman-Borck site and Best Island.</p> <p>Fieldwork was completed for coastal breeding birds, but reports on this and 'Threats and Opportunities for Coastal Birds' were delayed due to the capacity of the consultant.</p> <p>Staff had significant input into a "Biodiversity Metrics Report" for the Kōtahitanga mō te Taiao Alliance.</p> <p>Annual freshwater fish surveys occurred in January-February 2021 in the following catchments: Little Kaituna, Wai-iti (at the Waimea West weir), Gardner Valley Stream, unnamed tributary of the Waingaro River (downstream of the Little Waingaro River), Motupipi River, Tadmor River, Sherry River. Report and photos yet to be delivered.</p> <p>Detailed soil -mapping is to be carried out for key areas in the district (2020 – 2023). The Council leveraged funding with Ministry of Primary Industries to conduct more detailed and up to date s-mapping for the key areas in the district by Land Care Research. 2020/2021 was the first year of the three-year project and consisted of gathering existing datasets from which new data will be extrapolated. On the ground soil testing and ground truthing of models will begin in the summer 2021.</p>

ENVIRONMENT AND PLANNING – ENVIRONMENTAL MANAGEMENT

MAJOR ACTIVITIES (CONT.)

PLANNED	ACTUAL 2020/2021
<p>Providing advice to potential applicants for resource consents and processing resource consent applications and development contribution notices.</p>	<p>Advice was provided by way of Duty Planner appointments at Council’s Richmond, Motueka and Tākaka offices and by way of customer service requests (CSRs) responded to by email or phone calls.</p> <p>During 2020/2021, Council completed 1,572 applications for resource consents and related permissions (see Appendix 1 for further details).</p> <p>The Development Contributions Administrator provided advice to developers and builders on Development Contributions (DCs).</p>
<p>Undertaking plant and animal pest management planning and operations, including in Nelson City through a contractual arrangement with Nelson City Council.</p>	<p>Tasman continued to provide Biosecurity Services to Nelson City Council as part of an annual contract for services until May 2021. Nelson City Council has now appointed its own biosecurity officer, so Tasman District Council officers will move to a support role for Nelson City Council work when required and will continue to deliver on the joint Regional Pest Management Plan.</p>

ENVIRONMENT AND PLANNING – ENVIRONMENTAL MANAGEMENT

FUNDING IMPACT STATEMENT For the year ended 30 June 2021

BUDGET 2019/2020 \$000	ACTUAL 2019/2020 \$000	ENVIRONMENTAL MANAGEMENT	ACTUAL 2020/2021 \$000	BUDGET 2020/2021 \$000	% OF BUDGET
		SOURCES OF OPERATING FUNDING			
9,080	9,080	General rates, uniform annual general charges, rates penalties	10,185	10,501	97%
164	167	Targeted rates	154	149	103%
21	217	Subsidies and grants for operating purposes	2,277	311	732%
2,607	2,779	Fees and charges	3,292	2,560	129%
-	-	Internal charges and overheads recovered	-	-	-
462	641	Local authorities fuel tax, fines, infringement fees, and other receipts	611	461	133%
12,334	12,884	Total operating funding	16,519	13,982	118%
		APPLICATIONS OF OPERATING FUNDING			
7,276	7,558	Payments to staff and suppliers	10,323	8,343	124%
24	23	Finance costs	19	19	100%
4,611	4,907	Internal charges and overheads applied	5,771	5,351	108%
-	-	Other operating funding applications	-	-	-
11,911	12,488	Total applications of operating funding	16,113	13,713	118%
423	396	Surplus/(deficit) of operating funding	406	269	151%
		SOURCES OF CAPITAL FUNDING			
-	-	Subsidies and grants for capital expenditure	-	-	-
-	-	Development and financial contributions	-	-	-
(84)	(84)	Increase/(decrease) in debt	(84)	(84)	100%
-	-	Gross proceeds from sale of assets	-	-	-
-	-	Lump sum contributions	-	-	-
-	-	Other dedicated capital funding	-	-	-
(84)	(84)	Total sources of capital funding	(84)	(84)	100%
		APPLICATIONS OF CAPITAL FUNDING			
		Capital expenditure			
-	-	• to meet additional demand	-	-	-
212	132	• to improve the level of service	162	174	93%
133	120	• to replace existing assets	462	64	722%
(6)	60	Increase/(decrease) in reserves	(302)	(53)	570%
-	-	Increase/(decrease) in investments	-	-	-
339	312	Total applications of capital funding	322	185	174%
(423)	(396)	Surplus/(deficit) of capital funding	(406)	(269)	151%
-	-	Funding balance	-	-	0%

ENVIRONMENT AND PLANNING (CONT.)

PUBLIC HEALTH AND SAFETY

WHAT WE DO

This activity involves the provision of advice and discharging statutory functions in the areas of public health, building, environmental health (including liquor licensing, food safety), hazardous substances, animal control, CDEM, 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 Council (and so Council continues to provide the service).
2. Council already provides the service, and changing the mode of delivery would be more costly and less effective.
3. The community expects Council to provide the service.
4. Council considers that it can contribute to and/or enhance community well-being by providing the service.

CONTRIBUTION TO COMMUNITY OUTCOMES

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

- Our unique natural environment is healthy, protected and sustainably managed.
- Our urban and rural environments are people-friendly, well-planned, accessible and sustainably managed.
- Our communities are healthy, safe, inclusive and resilient.

OUR GOAL

The Public Health and Safety activity goal is to:

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




ENVIRONMENT AND PLANNING – PUBLIC HEALTH AND SAFETY

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS

OUTCOME	2021 TARGET	2021 RESULT	2020 RESULT	HOW DID WE PERFORM
<p> ● Fully achieved ● Achieved within 5% ● Not achieved ● Not measured </p>				
<p>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>				
All applications for building consents (BC) are processed within statutory timeframes	● 100%	99.1%	99.4%	We have maintained excellent timeframes 2020/2021 in very constrained circumstances
Percentage of applications for code compliance certificates (CCC) which are processed within statutory timeframes	● 100%	99%	99.3%	Achieved within 5%. Responsiveness continues to be at a good level.
The average time taken to process a Building Consent	● 10 working days	10.61 days	9.4 working days	Not achieved due to increased workload and several resignations.
We maintain Building Consent Authority Accreditation	● Accreditation maintained	Accreditation maintained	Accreditation maintained	Currently accredited with next Audit due in October 2021
Satisfaction with Council's building control work	● 85%	73%	68%	<p>73% is the 'overall level of satisfaction with Council service result' (building) and driven down mainly due to dissatisfaction with costs of the process.</p> <p>Staff courteous and helpful: 84% respondents agreed.</p> <p>Time taken reasonable. 60% respondents agreed.</p> <p>Costs were reasonable. -36% respondents agreed.</p>





ENVIRONMENT AND PLANNING – PUBLIC HEALTH AND SAFETY

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS (CONT.)

OUTCOME	2021 TARGET	2021 RESULT	2020 RESULT	HOW DID WE PERFORM
We will provide an environmental health service that in association with other agencies, fosters the responsible sale and consumption of liquor				
<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>At least 75% of CPOs with no offences detected</p>	<p>50%</p>	<p>Not measured</p>	<p>Due to limited agency availability only two CPOs were carried out, one in October the other in March. In total 23 premises were visited, and one sale was registered. Action against that premises is being taken by NZ Police.</p>
We will provide an environmental health service that ensures that food provided for sale is safe, free from contamination and prepared in suitable premises				
<p>All food premises are verified in accordance with the frequency required by the Ministry of Primary Industries (MPI). All food premises are registered following a complete application being submitted.</p>	 <p>100%</p>	<p>Achieved</p>	<p>Not measured</p>	<p>To achieve this, employment of a contractor was required in order to cover approximately 15 inspections that were going overtime due to Covid-19 restrictions.</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 or otherwise accounted for annually by 30 June</p>	 <p>100%</p>	<p>100%</p>	<p>100%</p>	
<p>We respond to high priority dog complaints within 60 minutes, 24 hours a day, seven days a week.</p>	 <p>100%</p>	<p>100%</p>	<p>100%</p>	<p>This service was maintained at the level indicated; some responses are in the form of telephone conversations if no attendance is required.</p>

ENVIRONMENT AND PLANNING – PUBLIC HEALTH AND SAFETY

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS (CONT.)

OUTCOME	2021 TARGET	2021 RESULT	2020 RESULT	HOW DID WE PERFORM
A civil defence and emergency management system that is designed to promote the safety of people and a resilient community in the event that emergencies occur				
The level of community support for Council's civil defence emergency management (CDEM) activity (residents' satisfaction)	 70%	77%	78%	CDEM operated in support of the Covid-19 response. An Incident Management Team (IMT) was also available to respond to other CDEM events.
The Nelson Tasman CDEM Group Plan is reviewed and kept up to date	 Plan is reviewed and kept up to date	Achieved	Achieved	Plan is current. The next review is due in 2023.
We will provide Maritime Administration services to ensure Tasman's regional waters are safe and accessible and that all known commercial vehicle operators are licensed				
All known commercial vessel operators are licensed	 100%	100%	100%	All commercial vessels were registered even though vessel numbers were reduced because of Covid-19.
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 vehicles parking in time-controlled areas within the Traffic Bylaw, based on an annual snap survey.	 85%	79%	82%	Survey undertaken on 2 February 2021. This survey was carried out at peak season, whereas in previous years it has been in the preceding November. There is limited all-day parking in the Richmond CBD and some people disregard time limitations at the risk of being infringed.

ENVIRONMENT AND PLANNING – PUBLIC HEALTH AND SAFETY

FIGURE 8. Resident Satisfaction with Emergency Management



MAJOR ACTIVITIES

PLANNED	ACTUAL 2020/2021
Respond to enquiries, process permits and consents, and undertake inspectorial responsibilities under the Health Act, Building Act, Sale and Supply of Alcohol Act, Food Act, Gambling Act, Dog Control Act, Land Transport Act, Maritime Transport Act, the Hazardous Substances and New Organisms Act, and associated regulations and Council bylaws.	<p>Inspectorial responsibilities under the Health, Building, and Sale and Supply of Alcohol Acts and Council bylaws continue to be carried out by professionally-trained and qualified staff and contractors (see Appendix 1 for details).</p> <p>We processed 99% of 1,543 building consents within the statutory processing time limit, with an average processing time of 10.6 days.</p> <p>We issued 577 consents for 619 new dwellings (44 consents were dwellings combined).</p> <p>1,265 Code Compliance Certificates were issued in 99% of the statutory timeframe of 20 days.</p> <p>8,624 site inspections were undertaken in 99% of the statutory timeframe.</p> <p>In addition, 142 Schedule 1(2) exemptions from requiring a building consent were approved.</p> <p>Public Health licensing has been busy. Overall customer satisfaction levels were 85% being satisfied or more than satisfied with the Council service.</p> <p>The Local Alcohol Policy was reviewed by the Council in November 2020 and no changes made after public consultation.</p> <p>Freedom camping control continued and saw a 10% rise in fines issued. Aggressive behaviour against officers also increased unfortunately. In December 2020, the Council responded to public concerns and amended the Freedom Camping Bylaw. The amendments introduced more restrictions on where people can freedom camp. Staff have submitted on government proposals and met with the Government departments reviewing the current Act.</p>

ENVIRONMENT AND PLANNING – PUBLIC HEALTH AND SAFETY

MAJOR ACTIVITIES (CONT.)

PLANNED	ACTUAL 2020/2021
Carry out navigation and safety functions including implementation of the Joint Oil Spill Contingency Plan (with Nelson City Council).	<p>The Harbourmasters have done lots of work with recreational boat users and marine farmers. Aides to navigation have been appropriately maintained and improved where possible with Port Motueka under constant review because of changing conditions. Good relationships between the Council and all maritime operators have been maintained at a high level. Seven infringement notices were issued over the period due to excessive speed close to shore.</p> <p>The Oil Spill response capability was maintained at 100% and exercised twice. Four council staff are also members of the National Response Team.</p>
Carry out animal control responsibilities.	Dog and stock control was effective throughout the year. Dog numbers in the District have risen by nearly 400, with 11,780 registered dogs as at 30 June 2021. All known dogs were accounted for before 30 June and the customer satisfaction survey indicates that the public is very supportive of our service at 95%.
Carry out civil defence and emergency management responsibilities.	The Civil Defence and Emergency Management team assisted with the Covid-19 outbreak. An on-call Incident Management Team (IMT) is regularly exercised and available.
Carry out parking control responsibilities under Council's Parking Bylaw.	Parking control continued at a high rate with several new patrol areas being added under the Traffic Control Bylaw. New handheld meters have been provided to wardens to make the process of issuing and uploading tickets easier and faster. Parking wardens issued 5,530 tickets over the year, an increase of 1,145 over the previous year. This increase is the result of lower ticketing levels in the previous year during the Covid-19 lockdown.

ENVIRONMENT AND PLANNING – PUBLIC HEALTH AND SAFETY

FUNDING IMPACT STATEMENT For the year ended 30 June 2021

BUDGET 2019/2020 \$000	ACTUAL 2019/2020 \$000	PUBLIC HEALTH AND SAFETY	ACTUAL 2020/2021 \$000	BUDGET 2020/2021 \$000	% OF BUDGET
SOURCES OF OPERATING FUNDING					
2,093	2,093	General rates, uniform annual general charges, rates penalties	1,793	2,091	86%
-	-	Targeted rates	-	-	-
-	198	Subsidies and grants for operating purposes	105	-	100%
4,481	5,249	Fees and charges	6,037	4,731	128%
-	-	Internal charges and overheads recovered	-	-	-
350	1,232	Local authorities fuel tax, fines, infringement fees, and other receipts	724	613	118%
6,924	8,772	Total operating funding	8,659	7,435	116%
APPLICATIONS OF OPERATING FUNDING					
4,183	5,613	Payments to staff and suppliers	5,309	4,586	116%
11	13	Finance costs	26	9	289%
2,680	2,754	Internal charges and overheads applied	2,839	2,823	101%
-	-	Other operating funding applications	-	-	-
6,874	8,380	Total applications of operating funding	8,174	7,418	110%
50	392	Surplus/(deficit) of operating funding	485	17	2,853%
SOURCES OF CAPITAL FUNDING					
-	-	Subsidies and grants for capital expenditure	-	-	-
-	-	Development and financial contributions	-	-	-
(28)	460	Increase/(decrease) in debt	(46)	(24)	192%
-	-	Gross proceeds from sale of assets	-	-	-
-	-	Lump sum contributions	-	-	-
-	-	Other dedicated capital funding	-	-	-
(28)	460	Total sources of capital funding	(46)	(24)	192%
APPLICATIONS OF CAPITAL FUNDING					
Capital expenditure					
-	-	• to meet additional demand	-	-	-
-	-	• to improve the level of service	-	-	-
3	514	• to replace existing assets	36	-	100%
19	338	Increase/(decrease) in reserves	403	(7)	-5,757%
-	-	Increase/(decrease) in investments	-	-	-
22	852	Total applications of capital funding	439	(7)	-6,271%
(50)	(392)	Surplus/(deficit) of capital funding	(485)	(17)	2,853%
-	-	Funding balance	-	-	0%

ENGINEERING

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

- Transportation, Roads and Footpaths
- Coastal Structures
- Water Supply
- Wastewater
- Stormwater
- Solid Waste
- Flood Protection and River Control Works

TRANSPORTATION, ROADS AND FOOTPATHS

WHAT WE DO

Council manages a transportation network that comprises approximately 1,741km of roads, (967km sealed and 784km unsealed), 494 bridges (including footbridges), 423km of footpaths, walkways and cycleways, 22 off street car park areas, on street car parking, streetlights, traffic signs, culverts and Tasman's Great Taste Trail. Each road in the transportation network has been categorised into a transportation hierarchy based on the road's purpose and level of use.

This activity also includes other transportation related services, for example transport planning, road safety and public transport services like the Total Mobility Scheme. These activities are included because they help to enable the movement of people and goods throughout the District and are consistent with the objectives of the Regional Land Transport Plan.

WHY WE DO IT

By providing a 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 a public good and as such it is a core function of local government.

CONTRIBUTION TO COMMUNITY OUTCOMES

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

- Our urban and rural environments are people-friendly, well-planned, accessible and sustainably managed.
- Our infrastructure is efficient, cost effective and meets current and future needs.
- Our communities are healthy, safe, inclusive and resilient.
- Our region is supported by an innovative and sustainable economy.

OUR GOAL

Council will manage transportation activities to facilitate movement of people and goods within communities and around the District.

ENGINEERING – TRANSPORTATION, ROADS AND FOOTPATHS

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS

● Fully achieved
 ● Achieved within 5%
 ● Not achieved
 ● Not measured

OUTCOME	2021 TARGET	2021 RESULT	2020 RESULT	HOW DID WE PERFORM
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Safety: Our transportation network is becoming safer for its users




There is a downward trend in the number of serious and fatal injury crashes occurring on our road network.	●	Decreasing	Decreasing	Decreasing	The latest five years of crash data shows a downward trend. See Figure 9 (on page 63) All Crash Types, Tasman District Council roads only, fatal and serious crashes
The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number. Mandatory measure 1.	●	≤ 0	Increase of 6	Decrease of 7	There were more fatal and serious crashes in 2020/2021 (16) than the previous year (10).

Accessibility: Our transportation network enables the community to choose from various modes of travel

The Council constructs a minimum length of new footpath each financial year to meet population growth plus an additional proportion to reduce the gaps in the existing footpath network over 30 years.	●	≥500m	935m	560m	The following paths were constructed: <ul style="list-style-type: none"> • Māpua Drive 635m • Motueka River West Bank Road 300m
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ENGINEERING – TRANSPORTATION, ROADS AND FOOTPATHS

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS (CONT.)

OUTCOME	2021 TARGET	2021 RESULT	2020 RESULT	HOW DID WE PERFORM
<p>The annual growth in use of cycle routes exceeds specified levels.</p>	 <p>≥1%</p>	-37%	Not measured	<p>The on-street cycle count in 2021 was undertaken in April, whereas previous years the counts were undertaken in February. There is traditionally a greater number of cyclists in February due to warmer weather. This result does not account for the increases in recreation use on the Tasman's Great Taste Trail of around 15%. We have changed the process to ensure that on-street cycle counting is undertaken in February every year.</p>
<p>The annual growth in use of passenger transport exceeds specified levels. Measured using yet to be implemented integrated ticketing service data for people travelling to, from or within Richmond.</p>	 <p>≥1%</p>	-11.4%	Not measured	<p>Public transport is continuing to show some reduced patronage compared to the previous financial year due to Covid-19. This reduction in passenger numbers follows a similar trend around New Zealand, but this Council's result is better than most other bus services in New Zealand which have experienced greater decreases in patronage.</p>
<p>Value for money: Our transportation network is maintained cost effectively and whole of life costs are optimised</p>				
<p>The percentage of sealed local road that is resurfaced each financial year.</p> <p>Mandatory measure 3.</p>	 <p>5% – 7%</p>	3.7%	4.5%	<p>Resurfacing completed was 36.6km (centreline) which equates to 3.7% of the network (based on 993km of maintained sealed network). The percentage is less than the target due to reduced Waka Kotahi/NZ Transport Agency funding and escalating costs of resurfacing.</p>

ENGINEERING – TRANSPORTATION, ROADS AND FOOTPATHS

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS (CONT.)

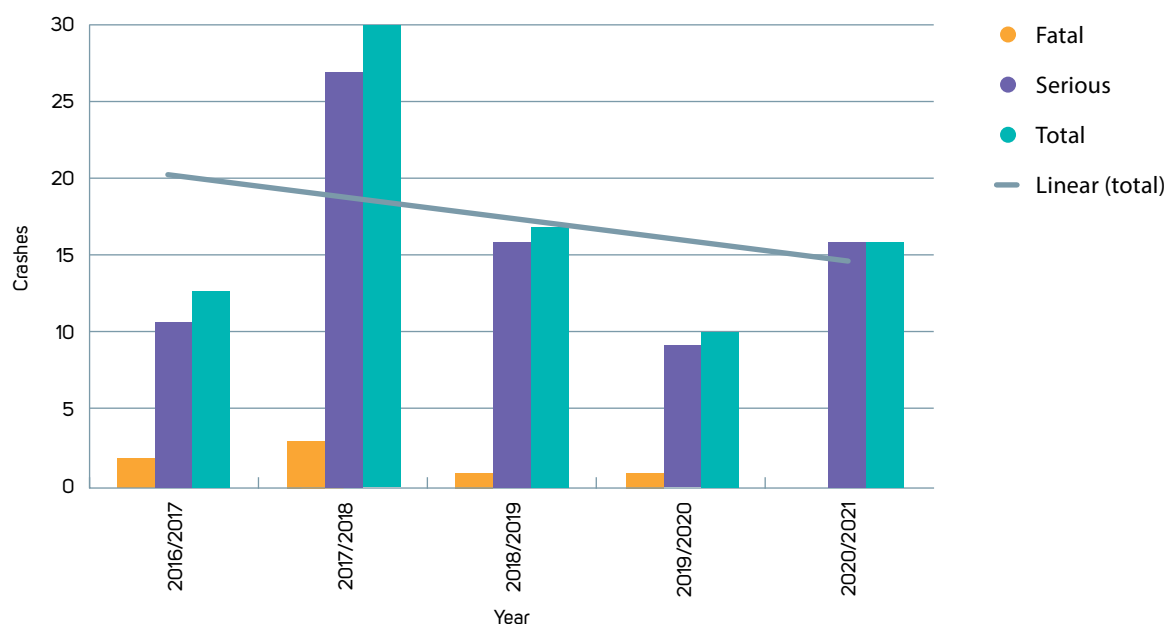
OUTCOME	2021 TARGET	2021 RESULT	2020 RESULT	HOW DID WE PERFORM	
<p>Amenity: The travel quality and aesthetics of our transportation network is managed at a level appropriate to the importance of the road and satisfies the community's expectations</p>					
<p>The percentage of footpaths within the Tasman district that are maintained to a condition of average or better, as measured through the triennial footpath condition rating survey.</p> <p>Mandatory measure 4.</p>		No survey planned	Not surveyed	95.8%	Next survey due April 2023.
<p>The proportion of travel undertaken on the sealed road network meets the specified comfort levels (known as Smooth Travel Exposure). Smooth travel exposure (STE) is defined as the proportion of vehicle kilometres travelled on roads with roughness below the following thresholds. Mandatory measure 2.</p>					
Arterial Roads		≥95%	87.1%	89.5%	<p>Roughness of Lower Queen Street has been increasing due to ongoing trenching for services as part of growth in the area. Some interim smoothing work has occurred subsequent to 2021 measurement, and further work will be carried out in future years as per LTP.</p> <p><i>Note: includes Urban and Rural figures</i></p>
Primary Collector Roads		≥95%	97.1%	95.1%	
Secondary Collector Roads		≥95%	97.5%	94.9%	
Access Roads		≥90%	95.2%	93.1%	
Access (Low Volume) Roads		≥90%	96.8%	94.4%	

ENGINEERING – TRANSPORTATION, ROADS AND FOOTPATHS

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS (CONT.)

OUTCOME	2021 TARGET	2021 RESULT	2020 RESULT	HOW DID WE PERFORM
Residents are satisfied with Council's roads and footpaths in the District.				
Footpaths	≥70%	63%	74%	2021 survey scoring system different from previous years. Lower satisfaction largely relates to unmet demand for additional and improved footpaths. See Figure 10 (on page 64).
Roads	≥70%	44%	72%	2021 survey scoring system different from previous years. Lower satisfaction largely relates to effects of high urban growth and traffic, and desire for higher quality roads. See Figure 11 (on page 64).
Customer Service Requests relating to the transportation network and activities are completed on time. ONRC Safety – PM7. Mandatory Measure 5.	≥90%	87.5%	86%	A constrained road maintenance budget in 2020/2021 meant some works were not able to meet timeframes.

FIGURE 9. All Crash Types, Tasman District Council Roads Only, Fatal and Serious Crashes



ENGINEERING – TRANSPORTATION, ROADS AND FOOTPATHS

FIGURE 10. Resident Satisfaction with Footpaths

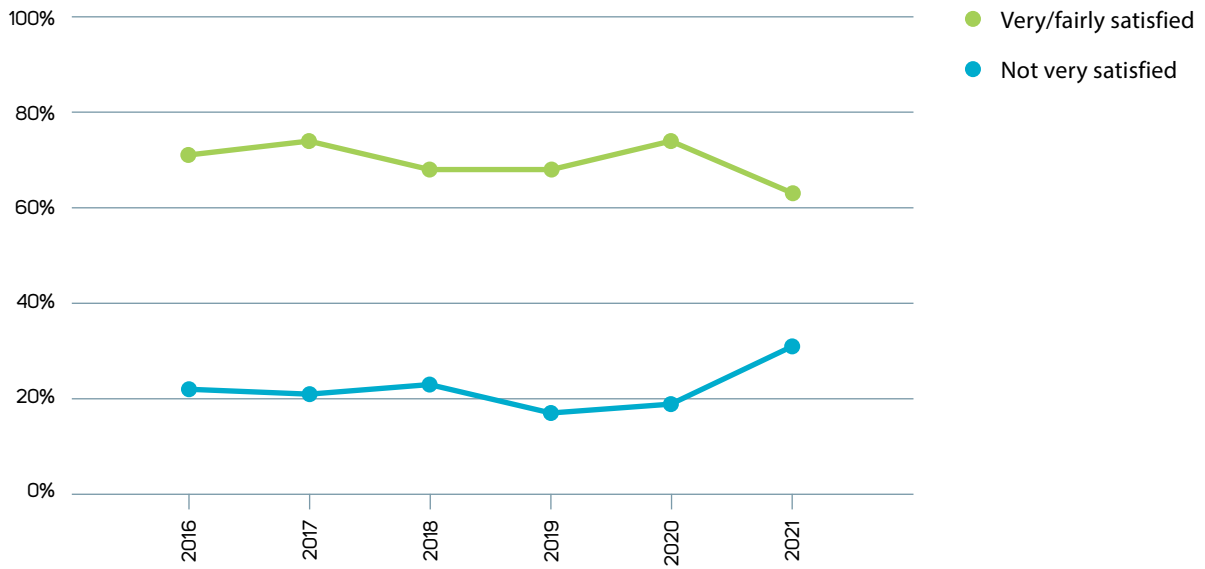
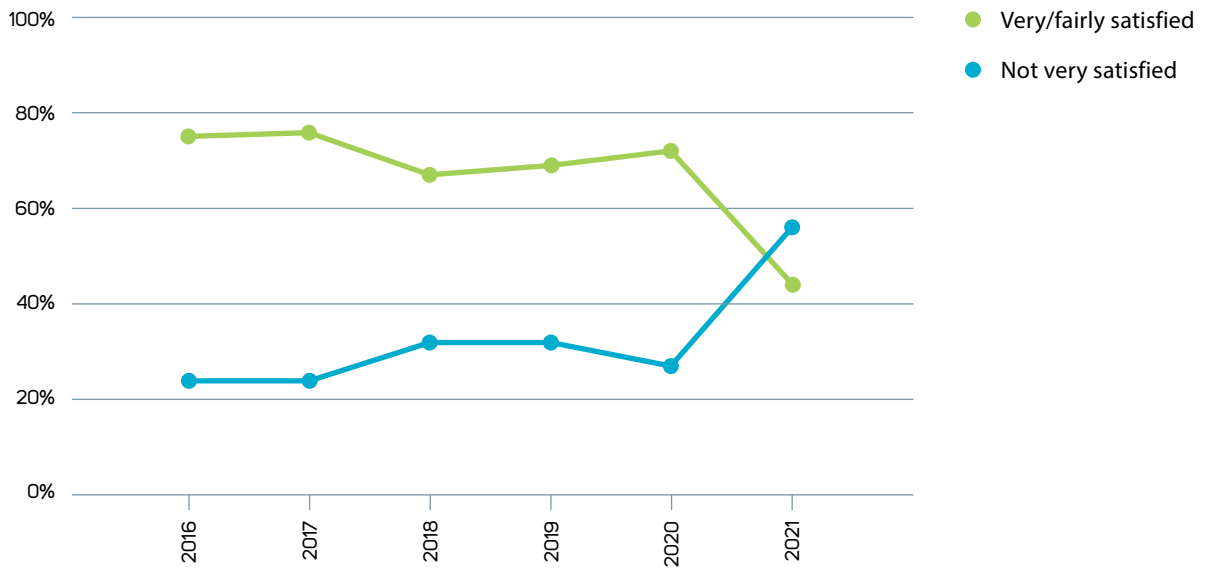


FIGURE 11. Resident Satisfaction with Roads



ENGINEERING – TRANSPORTATION, ROADS AND FOOTPATHS

MAJOR ACTIVITIES

We undertake ongoing management, maintenance and renewal of Council's transportation network. The network is comprised of roads, bridges (including footbridges), footpaths, carparks, streetlights, traffic signs, culvert pipes, and other associated assets.

Council has an approved Regional Land Transport Plan which is a high-level plan to guide the management of the Transportation, Roads and Footpaths group of activities. It outlines the key issues and direction for the activities in accordance with current national strategies and policies.

NEW CAPITAL EXPENDITURE

The following table details the major capital and renewal work for the year 2020/2021. A full list of projects and programmes for work that was planned to be completed is included in Appendix F of the Transportation Activity Management Plan. The Council did not receive all the expected Waka Kotahi/New Zealand Transport Agency funding in 2020/2021 so some renewals expenditure was reduced. The renewals programme is also managed at a 'bottom line' level, for example, additional streetlight pole renewal expenditure was offset by less bridge renewal expenditure.

PROJECT	LTP BUDGET (YEARS EXPENDITURE PLANNED)	2020/2021 BUDGET	ACTUAL 2020/2021
Road Renewals – Replacement or renewal of road surface and structure	\$48,000,000 (Y1 – 10)	\$4,505,767	Council spent \$3,774,759 in the 2020/2021 year. Budget of \$168,058 was carried forward from the 2019/2020 year into 2020/2021 year.
Bridge Renewals – Renewal or replacements of bridges and structural components	\$5,600,000 (Y1 – 10)	\$404,172	Council spent \$286,837 in the 2020/2021 year. Budget of \$352,484 was carried forward from the 2019/2020 year into 2020/2021 year. Expenditure was below budget due to the Council receiving less funding than expected from Waka Kotahi/ NZ Transport Agency.
Traffic Services Renewals – Replacement of road signs and streetlights	\$4,600,000 (Y1 – 10)	\$392,403	Council spent \$458,844 in the 2020/2021 year due to additional streetlight pole replacements being required based on condition.
Drainage Renewals – Renewal or replacement of culverts and surface water channels	\$10,100,000 (Y1 – 10)	\$853,133	Council spent \$697,817 in the 2020/2021 year.

ENGINEERING – TRANSPORTATION, ROADS AND FOOTPATHS

NEW CAPITAL EXPENDITURE (CONT.)

PROJECT	LTP BUDGET (YEARS EXPENDITURE PLANNED)	2020/2021 BUDGET	ACTUAL 2020/2021
Town Centre Upgrades – Upgrading of town centre areas to provide improved shared spaces	\$3,750,000 (Y2 – 10)	\$1,038,659	Council spent \$1,497,458 in the 2020/2021 year. Budget of \$120,767 was carried forward from the 2019/2020 year into 2020/2021 year. The Brightwater Town Centre project was affected by the Covid-19 lockdown.
New Cycle Facilities – Construction of new cycle paths and crossing facilities including extension of Tasman's Great Taste Trail	\$4,300,000 (Y1 – 8)	\$1,023,000	Council spent \$548,185 in the 2020/2021 year. Budget of \$148,952 was carried forward from the 2019/2020 year into 2020/2021 year. This included the extension of the Great Taste Trail to Tapawera.
New and Renewed Footpaths – Construction of new footpaths and replacement of existing footpaths in poor condition	\$3,600,000 (Y1 – 10)	\$362,581	Council spent \$512,529 in the 2020/2021 year. Budget of \$159,835 was carried forward from the 2019/2020 year into 2020/2021 year.
Champion Road Roundabout and Underpass	\$3,300,000 (Y2)	\$702,802	Council spent \$1,249,043 in the 2020/2021 year. Budget of \$193,816 was carried forward from the 2019/2020 year into the 2020/2021 year. This project was delivered ahead of schedule.

ENGINEERING – TRANSPORTATION, ROADS AND FOOTPATHS

FUNDING IMPACT STATEMENT For the year ended 30 June 2021

BUDGET 2019/2020 \$000	ACTUAL 2019/2020 \$000	TRANSPORTATION, ROADS AND FOOTPATHS	ACTUAL 2020/2021 \$000	BUDGET 2020/2021 \$000	% OF BUDGET
		SOURCES OF OPERATING FUNDING			
12,312	12,312	General rates, uniform annual general charges, rates penalties	12,941	12,100	107%
-	-	Targeted rates	-	-	-
3,602	4,729	Subsidies and grants for operating purposes	5,918	3,803	156%
161	255	Fees and charges	112	165	68%
-	-	Internal charges and overheads recovered	-	-	-
1,015	1,095	Local authorities fuel tax, fines, infringement fees, and other receipts	959	1,044	92%
17,090	18,391	Total operating funding	19,930	17,112	116%
		APPLICATIONS OF OPERATING FUNDING			
7,702	9,600	Payments to staff and suppliers	10,363	6,899	150%
1,530	1,413	Finance costs	1,410	1,387	102%
2,204	2,368	Internal charges and overheads applied	2,669	2,517	106%
-	-	Other operating funding applications	-	-	-
11,436	13,381	Total applications of operating funding	14,442	10,803	134%
5,654	5,010	Surplus/(deficit) of operating funding	5,488	6,309	87%
		SOURCES OF CAPITAL FUNDING			
7,585	5,889	Subsidies and grants for capital expenditure	5,891	4,287	137%
433	639	Development and financial contributions	476	477	100%
2,164	2,244	Increase/(decrease) in debt	(367)	58	-633%
-	-	Gross proceeds from sale of assets	-	-	-
-	-	Lump sum contributions	-	-	-
-	-	Other dedicated capital funding	-	-	-
10,182	8,772	Total sources of capital funding	6,000	4,822	124%
		APPLICATIONS OF CAPITAL FUNDING			
		Capital expenditure			
-	-	• to meet additional demand	-	-	-
4,484	3,231	• to improve the level of service	2,821	3,346	84%
10,319	8,980	• to replace existing assets	9,498	6,777	140%
1,033	1,571	Increase/(decrease) in reserves	(832)	1,008	-83%
-	-	Increase/(decrease) in investments	-	-	-
15,836	13,782	Total applications of capital funding	11,488	11,131	103%
(5,654)	(5,010)	Surplus/(deficit) of capital funding	(5,488)	(6,309)	87%
-	-	Funding balance	-	-	0%

Debt was lower than budget as a direct result of the capital spend being lower than budget.

ENGINEERING (CONT.)

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; and
- Protection of Council property and working with the community on private property.

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

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

WHY WE DO IT

Coastal structures have significant public value in 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.

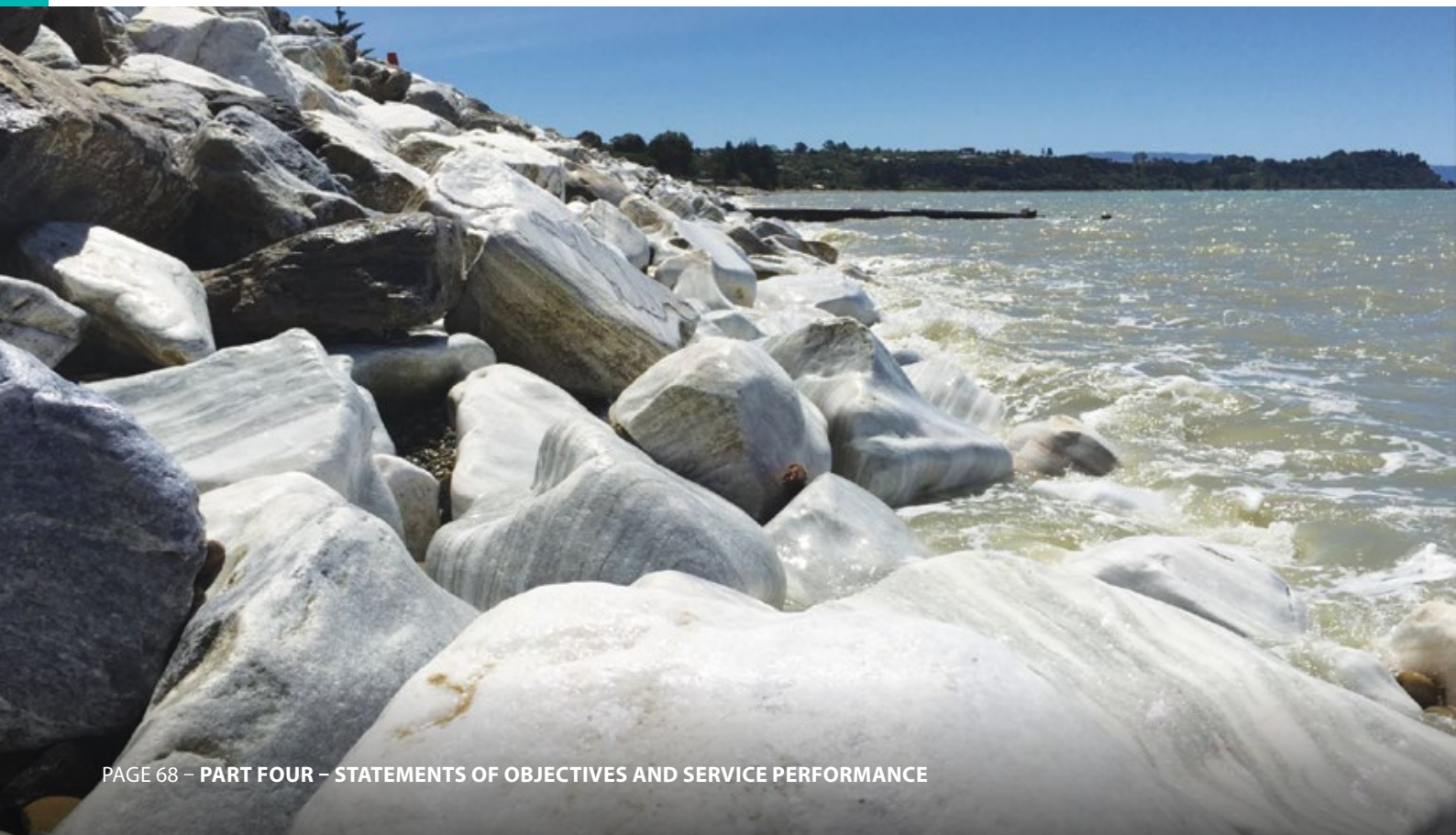
CONTRIBUTION TO COMMUNITY OUTCOMES

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

- Our infrastructure is efficient, cost effective and meets current and future needs.
- Our communities have access to a range of social, cultural, educational and recreational facilities and activities.
- Our communities are healthy, safe, inclusive and resilient.

OUR GOAL

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



ENGINEERING – COASTAL STRUCTURES

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS

● Fully achieved
 ● Achieved within 5%
 ● Not achieved
 ● Not measured

OUTCOME	2021 TARGET	2021 RESULT	2020 RESULT	HOW DID WE PERFORM
Protection: Our communities are protected from natural hazard events				
Council owned coastal protection is maintained to its original constructed standard. Council has a detailed inventory of coastal assets and condition, as measured by routine inspections after storm events.	● 100%	100%	97%	The revised list of coastal assets was inspected, and the condition rating was assessed as being good or better. There has been a review of the assets register and some of the original coastal assets have now been recorded as private landowner assets and roading assets.
Safety: Our structures are safe for the public to use				
Council structures are maintained to a safe level to allow general public to use. Measure percentage of structures deemed 'safe' through annual safety audit.	● 100%	100%	100%	One concrete step structure was determined as being very poor condition during a routine inspection. This asset has been reassessed as a roading assets and will be reviewed accordingly. All other coastal assets for public use were assessed as being in a good or better state.

ENGINEERING – COASTAL STRUCTURES

FUNDING IMPACT STATEMENT For the year ended 30 June 2021

BUDGET 2019/2020 \$000	ACTUAL 2019/2020 \$000	COASTAL STRUCTURES	ACTUAL 2020/2021 \$000	BUDGET 2020/2021 \$000	% OF BUDGET
		SOURCES OF OPERATING FUNDING			
517	517	General rates, uniform annual general charges, rates penalties	299	339	88%
85	84	Targeted rates	82	82	100%
–	–	Subsidies and grants for operating purposes	–	–	–
–	10	Fees and charges	10	–	100%
–	–	Internal charges and overheads recovered	–	–	–
15	15	Local authorities fuel tax, fines, infringement fees, and other receipts	12	15	80%
617	626	Total operating funding	403	436	92%
		APPLICATIONS OF OPERATING FUNDING			
407	100	Payments to staff and suppliers	180	314	57%
22	22	Finance costs	19	19	100%
65	62	Internal charges and overheads applied	79	83	95%
–	–	Other operating funding applications	–	–	–
494	184	Total applications of operating funding	278	416	67%
123	442	Surplus/(deficit) of operating funding	125	20	625%
		SOURCES OF CAPITAL FUNDING			
–	–	Subsidies and grants for capital expenditure	–	–	–
–	–	Development and financial contributions	–	–	–
(81)	(66)	Increase/(decrease) in debt	(66)	(85)	78%
–	–	Gross proceeds from sale of assets	–	–	–
–	–	Lump sum contributions	–	–	–
–	–	Other dedicated capital funding	–	–	–
(81)	(66)	Total sources of capital funding	(66)	(85)	78%
		APPLICATIONS OF CAPITAL FUNDING			
		Capital expenditure			
–	–	• to meet additional demand	–	–	–
–	–	• to improve the level of service	–	–	–
–	–	• to replace existing assets	–	–	–
42	376	Increase/(decrease) in reserves	59	(65)	-91%
–	–	Increase/(decrease) in investments	–	–	–
42	376	Total applications of capital funding	59	(65)	-91%
(123)	(442)	Surplus/(deficit) of capital funding	(125)	(20)	625%
–	–	Funding balance	–	–	0%

Increase (decrease) in Reserves – the movement in reserves reflects underspend in the activity which has increased the surplus.

Payments on direct expenditure were under budget.

Reserves were more than budget as a result of less spend in the supplier costs.

ENGINEERING (CONT.)

WATER SUPPLY

WHAT WE DO

This activity comprises the provision of potable water (i.e. water suitable for use and consumption by people) to properties within 18 supply schemes. This consists of 11 urban water supply schemes (known as the Urban Water Club), Motueka water supply scheme, four rural supply schemes (Dovedale, Eighty-Eight Valley, Redwood Valley 1 and 2) and the Hamama neighbourhood scheme. The Māpua Rise Water Scheme was transferred to Council in May 2017. In addition, the Tākaka Firefighting Scheme supplies the central Tākaka area with a non-potable firefighting supply.

Council's existing network is extensive and continues to grow. At present, the network comprises of 15 water treatment plants, 21 pump stations, 756km of reticulation pipeline, 61 reservoirs, 32 bores, 11,200 metered connections and 1,520 rural restrictors. 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.

Council aims to provide a continuous supply of water to its users but this cannot always be guaranteed.

WHY WE DO IT

Clean and safe drinking water is fundamental to public health. Council provides ready access to high quality drinking water in the urban areas to enhance the health of Tasman's communities. Ready access to

water also facilitates economic growth and enables the protection of property through the provision of water at a pressure adequate for firefighting needs. The service provides many public benefits and Council considers it necessary and beneficial to the community to undertake the planning, implementation and maintenance of water supply services in the District.

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

CONTRIBUTION TO COMMUNITY OUTCOMES

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

- Our urban and rural environments are people-friendly, well-planned, accessible and sustainably managed.
- Our infrastructure is efficient, cost effective and meets current and future needs.
- Our communities are healthy, safe, inclusive and resilient.
- Our region is supported by an innovative and sustainable economy.

OUR GOAL

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

ENGINEERING – WATER SUPPLY

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS



● Fully achieved
 ◐ Achieved within 5%
 ◑ Not achieved
 ● Not measured

OUTCOME	2021 TARGET	2021 RESULT	2020 RESULT	HOW DID WE PERFORM
Our water takes are sustainable				
Compliance with resource consent is achieved, measured by the number of:				
Abatement notices	0	0	0	Compliance was achieved with all consents.
Infringement notices	0	0	0	
Enforcement orders	0	0	0	
Convictions	0	0	0	
The volume and percentage of real water loss ² from the network is less than the target. Mandatory measure 2.	≤25%	26%	25%	The calculated losses are marginally higher than in 2020.
The average urban consumption of drinking water per day per resident is less than the target. Mandatory measure 5.	<250 Litres	223 Litres	219 Litres	The target was achieved with a similar consumption to 2020.

2. Total real loss = total water provided – water metered – non revenue water.
 % = L real loss divided by average L usage per connection as yearly average.

ENGINEERING – WATER SUPPLY


OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS (CONT.)

OUTCOME	2021 TARGET	2021 RESULT	2020 RESULT	HOW DID WE PERFORM
Our water is safe to drink				
Minimise the number of temporary advisory notices issued to customers to boil water 	0	1	1	<p>A boil water notice was issued for Brightwater. A heavy rain event caused an increase in turbidity at the Water Treatment Plant which caused it to shut down, however the reservoirs were only at 30% capacity. Water was brought through from Richmond to recover the reservoir levels and Water Treatment Plant restarted. The boil water notice was precautionary until good levels of residual chlorine could be detected throughout the network.</p> <p>There is a permanent boil water notice in place in Dovedale.</p>
<p>We comply with Part 4 (bacterial compliance criteria) of the Drinking Water Standards, as determined by the Drinking Water Assessor. Mandatory measure 1. Measured by the number of schemes with:</p>				
Plant compliance 	16/17	11/14 ³	10/14	<p>In 2020/2021, we did not achieve this target, with three scheme treatment plants failing to comply.</p> <p>In 2020/2021, there were 14 plants which required compliance with Part 4 of the Drinking Water Standards.</p> <p>Of the water schemes which must comply with Part 4 of the Drinking Water Standard, three schemes, consisting of three plants did not comply:</p> <ul style="list-style-type: none"> Dovedale Plant: This scheme has a permanent boil water notice in place. The source water is generally too dirty to effectively treat with chlorination. Ongoing issues with turbidity. <p><i>Continued on next page.</i></p>

3. Note only 14 of the plants are included in the annual drinking water survey.


ENGINEERING – WATER SUPPLY

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS (CONT.)

OUTCOME	2021 TARGET	2021 RESULT	2020 RESULT	HOW DID WE PERFORM
Plant compliance (cont.)				<ul style="list-style-type: none"> Eighty-Eight Valley Plant: There were turbidity events. The scheme is chlorinated. Richmond Plant: A turbidity event occurred 25 to 27 January 2021. <p>There are two other schemes (Upper Tākaka and Tapawera) identified in the target under the LTP 2018 – 2028 which are small water supplies. Upper Tākaka (population of 50) is not included in the MOH annual drinking water survey because of population size. Tapawera achieved compliance with Section 10 (DWSNZ2005/18).</p>
Zone compliance 	16/17	14/15	12/15	<p>In 2020/2021, there were 15 zones which required compliance with Part 4 of the Drinking Water Standards.</p> <p>Of the water schemes which must comply with Part 4 of the Drinking Water Standard, one zone did not comply</p> <ul style="list-style-type: none"> Pōhara Zone: Insufficient number of samples for <i>E.coli</i> monitoring in the Pōhara zone between 29 December and 29 January 2021. <p>In 2020 /2021, we did achieve the target in the zone, with one scheme zone only failing to comply.</p>


ENGINEERING – WATER SUPPLY

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS (CONT.)

OUTCOME	2021 TARGET	2021 RESULT	2020 RESULT	HOW DID WE PERFORM
<p>We comply with Part 5 (protozoal compliance criteria) of the Drinking Water Standards, as measured by the number of schemes with compliant protozoa treatment determined by the Drinking Water Assessor.</p> <p>Mandatory measure 1.</p>	 7/15	2/14	2/14	<p>Two schemes (Kaiteriteri and Tapawera) complied with part 5 (protozoa compliance criteria) in 2020/2021.</p> <p>Five treatment plants have protozoa treatment installed (Richmond, Kaiteriteri, Tapawera, Collingwood, and Murchison). Upper Tākaka has UV but is not included in the annual survey</p> <ul style="list-style-type: none"> • Kaiteriteri and Tapawera did comply with the requirements for protozoa compliance • Richmond Plant did not comply with the requirements for protozoa compliance due to turbidity 25 to 26 January 2021 • The Murchison plant did not comply with the requirements for protozoa compliance. • UV treatment was installed at the Collingwood plant in March part way through the compliance year and there was insufficient data for 2020/2021 assessment of compliance. <p>The Tapawera scheme was identified in this target under the LTP 2018 – 2028. Tapawera is a small water supply (under 500 people) and require compliance with Section 10 of the Drinking Water Standards, instead of Parts 4 and 5.</p> <p>The Māpua Rise plant is not currently in use.</p>

ENGINEERING – WATER SUPPLY

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS (CONT.)

OUTCOME	2021 TARGET	2021 RESULT	2020 RESULT	HOW DID WE PERFORM
Our water supply systems provide fire protection to a level that is consistent with the national standard				
<p>Compliance with FW2 standards, for not less than five randomly selected fire hydrants tested annually in urban supplies.</p> <p>*15 hydrants for Richmond.</p>	 <p>95%</p>	90%	87%	<p>Of the 62 hydrants randomly selected, 6 were found to be below the requirements. 3 of those cannot be remedied due to low pressure in the area, the remaining 3 were repaired with retesting showing they now meet requirements.</p>
Our water supply systems are built, operated and maintained so that failures can be managed and responded to quickly				
<p>Planned service interruptions do not exceed eight hours as required under the Health Act 1956.</p>	 <p><8 hours</p>	<p>Longest interruption 9 hours and 25 minutes</p>	<p>8 hours and 12 minutes</p>	<p>Of the 53 planned water shutdowns, 4 exceeded the targeted timeframe with the longest taking 9 hours and 25 minutes. The exceedances were due to technical difficulties with the work.</p>
Our water supply activities are managed at a level that the community is satisfied with				
<p>Percentage of customers (who receive a service) are satisfied with the water supply.</p>	 <p>≥80%</p>	86%	81%	
<p>Complaints per 1,000 connections are less than the target – relates to clarity, taste, odour, pressure or flow, continuity of supply and Council response to these issues.</p>	 <p><20</p>	18.4	25	<p>This is a substantial improvement on the previous year to fully achieve the target.</p>

ENGINEERING – WATER SUPPLY

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS (CONT.)

	OUTCOME	2021 TARGET	2021 RESULT	2020 RESULT	HOW DID WE PERFORM
	●	<2 hours	1.5 hours	1.6 hours	The median response time of 1.5 hours is a slight improvement on 2019/2020.
	●	<48 hours	3.0 hours	3.4 hours	The median response time of 3.0 hours for non-urgent callouts are an improvement from 2019/2020.
	●	<24 hours	7.0 hours	6.8 hours	Achieved well within target.
	●	<8 working days	22.2 hours	22.1 hours	This pleasing result is similar to the previous year.

FIGURE 12. Resident Satisfaction with Water Supply Services



ENGINEERING – WATER SUPPLY

MAJOR ACTIVITIES

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

NEW CAPITAL EXPENDITURE

The following table details the major capital and renewal work for 2020/2021.

PROJECT	LTP BUDGET (YEARS EXPENDITURE PLANNED)	2020/2021 BUDGET	ACTUAL 2020/2021
Water Treatment Plant upgrades – upgrade of existing water treatment plants to meet Drinking Water Standards NZ and increase water supply capacity	\$9,950,000 (Y1 – 7)	\$4,540,951	Council spent \$3,733,706 in the 2020/2021 year. Budget of \$1,216,489 was carried forward from the 2019/2020 year into 2020/2021 year. The upgrade at Collingwood water treatment plant is complete and the Māpua water treatment plant is well underway. In addition, upgrades have been designed for Dovedale, Pōhara, Wakefield and Brightwater water treatment plants. These are all in progress, to be completed in 2021/2022.
New Water Treatment Plants – construction of new water treatment plants to improve water security, water quality and water supply capacity	\$14,000,000 (Y1 – 7)	\$2,838,228	Council spent \$397,487 in the 2020/2021 year. Budget of \$18,325 was carried forward from the 2019/2020 year into 2020/2021 year. A contract for the new Motueka water treatment plant has been awarded with the works due to be completed by April 2022.
Waimea Community Dam – community water supply's contribution to the Waimea Dam joint venture.	\$23,244,000*	\$8,500,000	Council spent \$18,264,804 in the 2020/2021 year. The variance to budget was driven by delays in the dam construction and projected cost overruns largely due to a lack of suitable drainage rock on site. Additional funding was approved in the 2021 – 2031 Long Term Plan with project now expected to cost \$158.5m in total.

* This is the full LTP budget for councils share of the Waimea Community Dam joint venture. This differs from the \$9,580,000 recorded in the Water Supply section of the LTP 2018 – 2028 which was referring to the share of the budget funded by the Urban Water Account. The budget was also funded by targeted rates, the CIL loan, and reserves and dividends.

ENGINEERING – WATER SUPPLY

NEW CAPITAL EXPENDITURE (CONT.)

PROJECT	LTP BUDGET (YEARS EXPENDITURE PLANNED)	2020/2021 BUDGET	ACTUAL 2020/2021
Richmond South Trunk Main and Storage – construction of a new Trunk Main between Richmond Water Treatment Plant and Richmond South, and construction of new Water Reservoirs	\$6,600,000 (Y1 – 4)	\$501,673	<p>Council spent \$1,555,012 in the 2020/2021 year. Budget of \$1,139,698 was carried forward from the 2019/2020 year into 2020/2021 year.</p> <p>The pipeline is proceeding in line with development progress in Richmond West. Work has started on the section of pipe linking Richmond West with Richmond South, which will add greater resilience to the water supply network. Work has started on the section of pipe linking Richmond West with Richmond South, which will add greater resilience to the water supply network.</p>
Māpua Pipe Renewal and Storage – upgrade and replacement of Water Mains and Storage Reservoirs	\$8,200,000 (Y1 – 4)	\$5,071,956	<p>Council spent \$5,955,638 in the 2020/2021 year. Budget of \$13,551 was carried forward from the 2019/2020 year into 2020/2021 year.</p> <p>Work along Aranui Road and Stafford Drive is almost complete, and a new line has been laid across Rabbit Island. Construction of a new reservoir at Pomona Road is well underway with completion due by the end of 2021.</p>
Water Main renewals – replacement of existing Water Mains	\$24,000,000 (Y1 – 10)	\$2,110,011	<p>Council spent \$868,596 in the 2020/2021 year. Budget of \$160,598 was carried forward from the 2019/2020 year into 2020/2021 year.</p>
Motueka West Water Main – construction of a new Water Main to supply water to Motueka West	\$1,000,000 (Y2 – 3)	\$957,642	<p>Council spent \$6,443 in the 2020/2021 year.</p> <p>This work is in early design phase.</p>
New and Upgraded Pipes – install new pipes to improve network connectivity and capacity	\$8,000,000 (Y1 – 10)	\$0	<p>Council spent \$2,210 in the 2020/2021 year. Budget of \$260,133 was carried forward from the 2019/2020 year into 2020/2021 year.</p>

ENGINEERING – WATER SUPPLY

FUNDING IMPACT STATEMENT For the year ended 30 June 2021

BUDGET 2019/2020 \$000	ACTUAL 2019/2020 \$000	WATER SUPPLY	ACTUAL 2020/2021 \$000	BUDGET 2020/2021 \$000	% OF BUDGET
SOURCES OF OPERATING FUNDING					
56	56	General rates, uniform annual general charges, rates penalties	56	56	100%
10,284	10,194	Targeted rates	11,361	11,463	99%
–	10	Subsidies and grants for operating purposes	–	–	–
1,553	1,401	Fees and charges	842	1,134	74%
–	–	Internal charges and overheads recovered	–	–	–
334	1,103	Local authorities fuel tax, fines, infringement fees, and other receipts	890	673	132%
12,227	12,764	Total operating funding	13,149	13,326	99%
APPLICATIONS OF OPERATING FUNDING					
5,506	6,267	Payments to staff and suppliers	9,925	5,640	176%
2,193	2,259	Finance costs	2,541	2,592	98%
1,720	1,707	Internal charges and overheads applied	1,918	1,696	113%
–	–	Other operating funding applications	–	–	–
9,419	10,233	Total applications of operating funding	14,384	9,928	145%
2,808	2,531	Surplus/(deficit) of operating funding	(1,235)	3,398	-36%
SOURCES OF CAPITAL FUNDING					
–	–	Subsidies and grants for capital expenditure	10,436	–	100%
1,697	1,945	Development and financial contributions	2,855	1,866	153%
15,019	12,716	Increase/(decrease) in debt	19,000	8,935	213%
–	–	Gross proceeds from sale of assets	–	–	–
–	–	Lump sum contributions	–	–	–
–	–	Other dedicated capital funding	–	–	–
16,716	14,661	Total sources of capital funding	32,291	10,801	299%
APPLICATIONS OF CAPITAL FUNDING					
Capital expenditure					
737	383	• to meet additional demand	128	1,459	9%
2,635	15,561	• to improve the level of service	25,000	7,352	340%
3,261	3,766	• to replace existing assets	9,294	7,927	117%
991	3,664	Increase/(decrease) in reserves	(3,530)	(4,481)	79%
11,900	(6,182)	Increase/(decrease) in investments	165	1,942	8%
19,524	17,192	Total applications of capital funding	31,056	14,199	219%
(2,808)	(2,531)	Surplus/(deficit) of capital funding	1,235	(3,398)	-36%
–	–	Funding balance	–	–	0%

Capital grants and capital expenditure were greater than budget due to government stimulus grants.

ENGINEERING (CONT.)

WASTEWATER

WHAT WE DO

Council provides and manages wastewater collection, treatment and disposal facilities for residents connected to Council's nine wastewater networks. These networks convey wastewater to nine treatment plants, eight of which are owned and managed by Council. The largest treatment plant (Bell Island) is owned by both Nelson and Tasman Councils on a 50:50 share basis and is managed by the Nelson Regional Sewerage Business Unit.

WHY WE DO IT

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

For Council a key duty required by the Health Act 1956 is to improve, promote, and protect public health within the District. Providing wastewater services helps to achieve this.

CONTRIBUTION TO COMMUNITY OUTCOMES

The Wastewater activity primarily contributes to the following community outcomes:



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

OUR GOAL

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

ENGINEERING – WASTEWATER

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS

 Fully achieved	 Achieved within 5%	 Not achieved	 Not measured
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OUTCOME	2021 TARGET	2021 RESULT	2020 RESULT	HOW DID WE PERFORM
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Our wastewater systems do not adversely affect the receiving environment

<p>Compliance with resource consents for discharges from wastewater systems is achieved.</p> <p>Measured by the number of:</p> <ul style="list-style-type: none"> • abatement notices • infringement notices • enforcement orders • convictions <p>received in relation to those resource consents.</p> <p>Mandatory measure 2.</p>		0	0	0	In 2020/2021, there were no notices or enforcement orders issued or convictions received.
<p>The number of times temporary wastewater overflow signs are erected at waterways is minimised.</p>		<5	4	4	We continue to use social media to advise of widespread overflows along with use of signs. Signs are good for localised overflows only. Two of the overflows in 2020/2021 were caused by rain, one by a leaking pressure main and another was caused by a blockage.

ENGINEERING – WASTEWATER

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS (CONT.)

OUTCOME	2021 TARGET	2021 RESULT	2020 RESULT	HOW DID WE PERFORM
Our wastewater systems reliably take out wastewater with a minimum of odours, overflows or disturbance to the public				
<p>The total number of complaints (per 1,000 connections) received about:</p> <ul style="list-style-type: none"> • odour • system faults • system blockages • Council's response to issues within its systems <p>Mandatory measure 4.</p>	 <35	1.1	1.5	We received 16 complaints, slightly less than in 2019/2020. All but one related to odour. Most issues were resolved quickly, except for the Nyhane Drive odour filter. Work is underway to resolve the Nyhane Drive odour issue.
Our wastewater systems are built, operated and maintained so that failures can be managed and responded to quickly				
<p>The number of dry weather⁴ overflows from Council wastewater system (expressed per 1,000 connections to wastewater system).</p>	 <5	1.6	2.2	Most dry weather overflows were the result of blockages within the gravity reticulation.
Overflows resulting from a blockage or other fault in the wastewater system are attended and resolved within the target timeframes. Mandatory measure 3.				
<p>Attendance time⁵ (median)</p>	 ≤60 mins	75 mins	59 mins	The target was missed by 15 minutes. The most common reason from the contractor for not achieving this timeframe was having to complete the previous job before moving on to the next one.
<p>Resolution time⁶ (median)</p>	 ≤9 hours	4.1 hours	4 hours	It is pleasing that the resolution of these faults is well within target.

4. Dry weather is defined as a continuous 96 hours with less than 1mm of rain within each 24-hour period.

5. Attendance time – from the time Council receives notification to the time that service personnel reach the site.

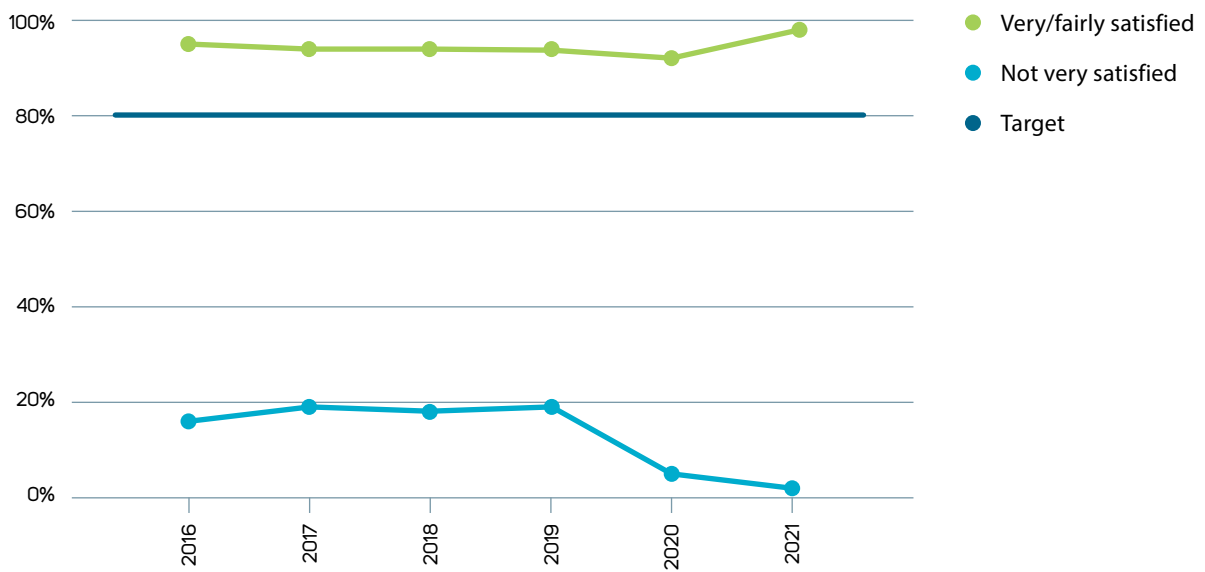
6. Resolution time – from the time Council receives notification to the time that the service personnel confirm resolution of the blockage or other fault.

ENGINEERING – WASTEWATER

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS (CONT.)

OUTCOME	2021 TARGET	2021 RESULT	2020 RESULT	HOW DID WE PERFORM
Our wastewater activities are managed at a level that satisfies the community				
Percentage of customers (who receive a service) who are satisfied with the wastewater service.	>80%	98%	92%	

FIGURE 13. Resident Satisfaction with Wastewater Services



ENGINEERING – WASTEWATER

MAJOR ACTIVITIES

This group of activities involves ongoing management, maintenance and renewal of Council’s wastewater network, comprising wastewater collection, treatment and disposal systems.

NEW CAPITAL EXPENDITURE

The following table details the major capital and renewal work for 2020/2021.

PROJECT	LTP BUDGET (YEARS EXPENDITURE PLANNED)	2020/2021 BUDGET	ACTUAL 2020/2021
Motueka West Pumping and Reticulation – construction of new Wastewater Main and Pump Station to serve Motueka West area	\$5,300,000 (Y2 – 5)	\$0	Council spent \$38,144 in the 2020/2021 year. Budget of \$285,000 was carried forward from the 2019/2020 year into 2020/2021 year. Design and construction of a section of rising main in Grey Street is planned for 2021/2022. The site for the pumping station is yet to be confirmed, with construction anticipated in 2023/2024 along with the remaining portions of rising main between Grey Street and Motueka bridge.
Pōhara/Ligar Bay Capacity Improvements – Wastewater Main and Pump Station capacity upgrades	\$7,000,000 (Y1 – 8)	\$0	Council spent \$86,666 in the 2020/2021 year. Budget of \$104,187 was carried forward from the 2019/2020 year into 2020/2021 year. Pōhara Valley Wastewater Pump Station upgrade is complete. The next phase of the programme includes an upgrade of the Port Tarakohe WWPS and replacement of 2.5km of pressure main. We are currently in the design phase and expect to start construction in 2022.
Māpua Reticulation and Pump Station Improvements – construction of a new Wastewater Main and Pump Station, and adjoining pump station capacity upgrades	\$4,500,000 (Y1 – 6)	\$417,663	Council spent \$1,601,452 in the 2020/2021 year. Budget of \$893,777 was carried forward from the 2019/2020 year into 2020/2021 year. We have completed the main renewal along Aranui Road and Stafford Drive including connections to pump stations. We also completed wastewater pump stations: Tait Street Pump Station, Higgs/Aranui and 102 Aranui Pump Stations.

ENGINEERING – WASTEWATER

NEW CAPITAL EXPENDITURE (CONT.)

PROJECT	LTP BUDGET (YEARS EXPENDITURE PLANNED)	2020/2021 BUDGET	ACTUAL 2020/2021
Brightwater and Wakefield Trunk Main Upgrade – secure easement for the trunk main and increase capacity	\$9,300,000 (Y1 – 6)	\$1,165,580	Council spent \$0 in the 2020/2021 year. This project was deferred while staff undertook a strategic review in parallel with other water supply upgrades. A decision was made to align the wastewater main upgrades with water trunk main upgrades to minimise disruption and cost.
Network Resilience Improvements – purchase new mobile generators and install emergency storage tanks at pump stations	\$1,600,000 (Y1 – 9)	\$883,053	Council spent \$1,450,377 in the 2020/2021 year. Two emergency storage tanks were installed at pump stations at Aranui Road, Māpua and Everett Street, Motueka in 2020/2021. A third tank install was underway at Riwaka main pump station at the end of June 2021. The funding for construction was spread over two financial years 2020/2021 and 2021/2022. Work was advanced ahead of planned budget timing as per direction of Crown Infrastructure Partners, who are part-funders, to spend funds promptly.
Pipe and Component Renewals – replacement of existing pipes, and mechanical and electrical components	\$24,600,000 (Y1 – 10)	\$3,726,770	Council spent \$1,008,867 in the 2020/2021 year. Budget of \$139,647 was carried forward from the 2019/2020 year into 2020/2021 year. About \$870,000 was spent on mechanical and electrical components in wastewater pump stations and treatment plants and about \$31,000 was carried over. There was about \$140,000 spent on pipe renewals throughout the District with about \$90,000 carried over to the 2021/2022 year.
Headingly Lane Pump Station and Rising Main Upgrade – wastewater main and pump station upgrade to provide increased capacity	\$2,000,000 (Y1 – 3)	\$1,987,116	Council spent \$1,073,261 in the 2020/2021 year but put the project on hold due to very wet ground conditions. We expect to resume work in December 2021 and complete the project in March 2022.

ENGINEERING – WASTEWATER

FUNDING IMPACT STATEMENT For the year ended 30 June 2021

BUDGET 2019/2020 \$000	ACTUAL 2019/2020 \$000	WASTEWATER	ACTUAL 2020/2021 \$000	BUDGET 2020/2021 \$000	% OF BUDGET
SOURCES OF OPERATING FUNDING					
–	(24)	General rates, uniform annual general charges, rates penalties	(24)	–	100%
10,557	10,396	Targeted rates	9,987	10,103	99%
–	–	Subsidies and grants for operating purposes	–	–	–
230	222	Fees and charges	341	236	144%
–	–	Internal charges and overheads recovered	–	–	0%
3,423	3,282	Local authorities fuel tax, fines, infringement fees, and other receipts	3,265	3,316	98%
14,210	13,876	Total operating funding	13,569	13,655	99%
APPLICATIONS OF OPERATING FUNDING					
7,019	7,910	Payments to staff and suppliers	7,978	6,278	127%
1,362	1,021	Finance costs	1,039	1,419	73%
1,421	1,397	Internal charges and overheads applied	1,422	1,241	115%
–	–	Other operating funding applications	–	–	–
9,802	10,328	Total applications of operating funding	10,439	8,938	117%
4,408	3,548	Surplus/(deficit) of operating funding	3,130	4,717	66%
SOURCES OF CAPITAL FUNDING					
–	38	Subsidies and grants for capital expenditure	1,281	–	100%
2,322	2,834	Development and financial contributions	3,978	2,554	156%
889	1,683	Increase/(decrease) in debt	1,680	831	202%
–	–	Gross proceeds from sale of assets	–	–	–
–	–	Lump sum contributions	–	–	–
–	–	Other dedicated capital funding	–	–	–
3,211	4,555	Total sources of capital funding	6,939	3,385	205%
APPLICATIONS OF CAPITAL FUNDING					
Capital expenditure					
792	275	• to meet additional demand	1,111	3,010	37%
2,886	6,770	• to improve the level of service	7,215	4,228	171%
2,885	1,099	• to replace existing assets	1,820	2,106	87%
1,056	(41)	Increase/(decrease) in reserves	(77)	(1,242)	6%
–	–	Increase/(decrease) in investments	–	–	–
7,619	8,103	Total applications of capital funding	10,069	8,102	124%
(4,408)	(3,548)	Surplus/(deficit) of capital funding	(3,130)	(4,717)	66%
–	–	Funding balance	–	–	0%

Capital grants and capital expenditure were greater than budget due to government stimulus grants. Development contributions were also higher which reflects the growth in the district.

ENGINEERING (CONT.)

STORMWATER

WHAT WE DO

The stormwater 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, discharge structures and quality treatment assets.

The stormwater sumps and road culvert assets are generally owned and managed by Council's transportation activity or by Waka Kotahi, 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 Rivers activity. Nor does it cover stormwater systems in private ownership.

Council manages its stormwater activities primarily within 15 Urban Drainage Areas (UDAs). Systems that are outside the UDAs 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 and small urban streams. Council enables the safe and efficient conveyance and disposal of stormwater from the urban drainage areas; this 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 the effects of any run-off from its own properties is remedied or mitigated. Because most of its property is mainly in the form of impermeable roads in developed areas, this generally means that some level of reticulation system is constructed. The presence of this system means it also becomes the logical network for dealing with private stormwater disposal.

CONTRIBUTION TO COMMUNITY OUTCOMES

The Stormwater activity primarily contributes to the following community outcomes:

- Our unique natural environment is healthy, protected and sustainably managed.
- Our infrastructure is efficient, cost effective and meets current and future needs.
- Our urban and rural environments are people-friendly, well-planned, accessible and sustainably managed.
- Our communities are healthy, safe, inclusive and resilient.

OUR GOAL

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

ENGINEERING – STORMWATER

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS



OUTCOME	2021 TARGET	2021 RESULT	2020 RESULT	HOW DID WE PERFORM
Stormwater flooding: We have measures in place to respond to and reduce flood damage from stormwater to property and risk to the community				
For each flooding event ⁷ , the number of habitable floors ⁸ flooded per event (expressed per 1,000 properties connected). Mandatory measure 1.	<1	0	0.07	There were no flooding events in 2020/2021 that caused flooding to habitable floor levels. There was one habitable floor flooded in 2019/2020.
The median response time to attend a flooding event, measured from the time that Council receives notification to the time that service personnel reach the site. Mandatory measure 3.	<2 hours	60 minutes	35 minutes	Achieved well within target.
The number of complaints received by Council about the performance of its stormwater system, expressed per 1,000 properties connected to the stormwater system. Mandatory measure 4.	<20	5.2	4.4	There were very few intensive or continuous rainfall events in 2020/2021 which contributed to the low number of complaints received.

7. A flooding event means an overflow of stormwater from Council's stormwater system that enters a habitable floor.

8. Habitable floor refers to a floor of a building (including a basement) but does not include ancillary structures such as stand-alone garden sheds or garages.

ENGINEERING – STORMWATER

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS (CONT.)

OUTCOME	2021 TARGET	2021 RESULT	2020 RESULT	HOW DID WE PERFORM
Customer satisfaction: Our stormwater activities are managed at a level which satisfies the community				
Percentage of customers satisfied with the stormwater service.	80%	93%	84%	This is an excellent result and was influenced by the lack of extreme storm events.
The environment: Our stormwater systems do not adversely affect or degrade the receiving environment				
Compliance with Councils resource consents for discharge from its stormwater system, measured by the number of:				
Abatement notices	≤1	0	0	Compliance was achieved over the 2020/2021 year.
Infringement notices	0	0	0	
Enforcement orders	0	0	0	
Successful prosecutions	0	0	0	

FIGURE 14. Resident Satisfaction with Stormwater Services



ENGINEERING – STORMWATER

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, discharge structures and quality treatment assets.

NEW CAPITAL EXPENDITURE

The following table details the major capital and renewal work for 2020/2021.

PROJECT	LTP BUDGET (YEARS EXPENDITURE PLANNED)	2020/2021 BUDGET	ACTUAL 2020/2021
Richmond Central Secondary Flow Improvements – capacity improvements within Central Richmond to improve mitigation of secondary stormwater flows	\$11,500,000 (Y1 – 10)	\$0	Council spent \$0 in the 2020/2021 year. Further work this year included district wide overland flowpath mapping with some field verification which identified some potential site fixes. We are now in process of identifying main flowpaths that will require protection. The 2021/2031 LTP now has a reduced budget of \$3,425,705 starting in the 2022/2023 financial year.
Borck Creek land acquisition and widening – projects related to development in Richmond South and West	\$15,800,000 (Y1 – 10)	\$1,457,775	Council spent \$1,468,631 in the 2020/2021 year. Budget of \$1,957,668 was carried forward from the 2019/2020 year into 2020/2021 year. This is an ongoing project and progressing well, but land purchases can involve lengthy negotiations with the landowners.

ENGINEERING – STORMWATER

NEW CAPITAL EXPENDITURE (CONT.)

PROJECT	LTP BUDGET (YEARS EXPENDITURE PLANNED)	2020/2021 BUDGET	ACTUAL 2020/2021
Reactive Stormwater Improvements – funding to mitigate emerging stormwater issues	\$1,100,000 (Y1 – 10)	\$106,642	<p>Council spent \$196,740 in the 2020/2021 year. Budget of \$181,083 was carried forward from the 2019/2020 year into 2020/2021 year.</p> <p>From the total budget for the year (with carry forward) of \$287,725 a total of \$287,060 was spent. Some of the more significant works undertaken were part contribution towards the Champion Road roundabout upgrade of \$90,320, \$52,440 for improvements to sea surge intakes in Ruby Bay and \$13,225 to increase ground soakage in Thomason Avenue, Motueka.</p> <p>A further \$91,675 was required late in the financial year to remediate an undermined services trench diverted in Pohutukawa Place, Pōhara. The drain had been diverted into an existing open tomo⁹ following the 2011 storm event. Unfortunately, the open drain had eroded back and exposed telecommunication and power ducts which required immediate protection works. The drain is still to be piped across the services trench and the area reinstated, including the overland flowpath.</p>
Richmond South Stormwater Improvements – culvert capacity upgrades and stream improvements to enable growth and address existing flood issues in Richmond South	\$2,300,000 (Y3 – 10)	\$0	<p>Council spent \$4,300 in the 2020/2021 year.</p> <p>Richmond South stormwater improvement projects are being accelerated due to the high rate of growth that is occurring. Modelling and design work has been progressing during the 2020/2021 year.</p>

9. Tomo – Te reo Māori word for the entrance to a sinkhole or cave.

ENGINEERING – STORMWATER

FUNDING IMPACT STATEMENT For the year ended 30 June 2021

BUDGET 2019/2020 \$000	ACTUAL 2019/2020 \$000	STORMWATER	ACTUAL 2020/2021 \$000	BUDGET 2020/2021 \$000	% OF BUDGET
SOURCES OF OPERATING FUNDING					
–	–	General rates, uniform annual general charges, rates penalties	–	–	–
4,698	4,746	Targeted rates	5,098	5,050	101%
–	–	Subsidies and grants for operating purposes	–	–	–
–	–	Fees and charges	15	–	100%
–	–	Internal charges and overheads recovered	–	–	–
178	206	Local authorities fuel tax, fines, infringement fees, and other receipts	219	185	118%
4,876	4,952	Total operating funding	5,332	5,235	102%
APPLICATIONS OF OPERATING FUNDING					
1,408	1,639	Payments to staff and suppliers	1,322	1,504	88%
852	870	Finance costs	845	869	97%
634	630	Internal charges and overheads applied	802	715	112%
–	–	Other operating funding applications	–	–	–
2,894	3,139	Total applications of operating funding	2,969	3,088	96%
1,982	1,813	Surplus/(deficit) of operating funding	2,363	2,147	110%
SOURCES OF CAPITAL FUNDING					
–	–	Subsidies and grants for capital expenditure	–	–	–
1,525	1,635	Development and financial contributions	2,456	1,677	146%
744	1,842	Increase/(decrease) in debt	(22)	123	-18%
–	–	Gross proceeds from sale of assets	–	–	–
–	–	Lump sum contributions	–	–	–
–	–	Other dedicated capital funding	–	–	–
2,269	3,477	Total sources of capital funding	2,434	1,800	135%
APPLICATIONS OF CAPITAL FUNDING					
Capital expenditure					
26	226	• to meet additional demand	1	179	–
3,307	1,251	• to improve the level of service	986	199	495%
(199)	3,245	• to replace existing assets	1,551	1,927	80%
1,117	568	Increase/(decrease) in reserves	2,260	1,642	138%
–	–	Increase/(decrease) in investments	–	–	–
4,251	5,290	Total applications of capital funding	4,797	3,947	122%
(1,982)	(1,813)	Surplus/(deficit) of capital funding	(2,363)	(2,147)	110%
–	–	Funding balance	–	–	0%

Development contributions were higher than budget which reflects the growth in the district.

ENGINEERING (CONT.)

SOLID WASTE

WHAT WE DO

Council provides a comprehensive range of waste management and minimisation services. We do this by providing:

- Kerbside recycling and waste collection services;
- Five Resource Recovery Centres – at Richmond, Māriiri, Tākaka, Collingwood and Murchison;
- Processing facilities for recycling;
- Contracting a greenwaste processor;
- Transport services to move these materials around the District; and
- A range of waste minimisation initiatives to reduce the production of waste and minimise harm.

All public and commercial waste disposal is through the Resource Recovery Centres. Waste from these sites is transferred to landfill. Recyclable materials, greenwaste and cleanfill are diverted away from landfill and they are processed and on-sold by Council's contractors. We also recover hazardous materials at these sites, and ensure that they are processed safely.

Council promotes waste minimisation through kerbside collection of recyclable materials, ongoing engagement programmes, grants and other support of waste minimisation initiatives, and drop off facilities for green waste, reusable and recyclable materials.

Council also maintains 22 closed landfills around the District. Landfills in the region are now provided regionally through the Nelson-Tasman Regional Landfill Business Unit, which is a joint committee of the Nelson City Council and Tasman District Council. This business unit commenced operations on 1 July 2017. From this date the Eves Valley Landfill (which we previously managed) stopped receiving waste and all waste is now directed to the York Valley Landfill (located in Nelson City).

WHY WE DO IT

We provide waste management and minimisation services to protect our public's health and our natural environment. Our waste minimisation activities promote efficient use of resources, reduces waste for businesses and households and extends the life of the region's landfill assets.

The Waste Minimisation Act 2008 requires councils to promote effective and efficient waste management and minimisation within their district. 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 prepare a Waste Management and Minimisation Plan (WMMP). This Plan sets the strategic direction of Council for solid waste management. Council has elected to do this jointly with Nelson City Council. The goals of the Councils' Joint Waste Management and Minimisation Plan are to:

- Avoid the creation of waste;
- Improve the efficiency of resource use; and
- Reduce the harmful effects of waste.

CONTRIBUTION TO COMMUNITY OUTCOMES

The Solid Waste activity primarily contributes to the following community outcomes:

- Our infrastructure is efficient, cost effective and meets current and future needs.
- Our urban and rural environments are people-friendly, well-planned, accessible and sustainably managed.
- Our unique natural environment is healthy, protected and sustainably managed.

OUR GOAL

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

- Avoid the creation of waste;
- Improve the efficiency of resource use; and
- Reduce the harmful effects of waste.

ENGINEERING – SOLID WASTE

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS

● Fully achieved
 ● Achieved within 5%
 ● Not achieved
 ● Not measured

OUTCOME	2021 TARGET	2021 RESULT	2020 RESULT	HOW DID WE PERFORM
We provide effective waste minimisation activities and services				
There is an increase in resources diverted from landfill by Council services (on a per capita basis).	>181 kg	112.7 kg	117 kg	<p>A total of 6,357 tonnes of material was diverted from landfill, with an estimated population of 56,400 in June 2020.</p> <p>The principal reason that Council did not meet the target was that greenwaste accepted at a private facility in Richmond is no longer diverted through a Council contract. We estimate that around 4,000 tonnes are diverted annually at this site (73kg per capita for the District), and if this were included this target would be met.</p> <p>Greenwaste at Council sites increased substantially this year (up 36%) while glass reduced to pre-Covid-19 levels (down 25%) and non-glass recycling also reduced 2%.</p>
There is a reduction in waste per capita going to landfill.	<682 kg	678 kg	630kg	<p>A total of 75,360 tonnes from the Nelson Tasman region was landfilled this year, with an estimated regional population of 111,000 in June 2020. Of this waste to landfill 615kg per capita was municipal waste, and 64kg per capita special waste (hazardous waste, contaminated soil, and waste such as bio-solids and sawdust). While this is an increase on 2019/2020 (when lockdown reduced waste to landfill) waste to landfill, it is lower than in 2018/2019 (741kg per capita).</p>

ENGINEERING – SOLID WASTE

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS (CONT.)

OUTCOME	2021 TARGET	2021 RESULT	2020 RESULT	HOW DID WE PERFORM
<p>There are high levels of participation in our kerbside recycling service, as measured through annual residents’ survey of those provided with Council’s kerbside recycling collection services who use it three times or more per annum.</p>	 >95%	77%	94%	<p>In the 2021 annual resident’s survey 77% of those that reported they received the service said that they used it 3 times or more that year, and 86% reported that they used it once or twice. This is a significant reduction on a 94% participation reported last year.</p> <p>We changed our survey provider and methodology this year, and we will need to investigate in the coming year whether this reported change is reflecting a change in behaviour or a reflection of a different survey methodology. As an example, in our previous survey in 2020, 87% of residents reported that they received the recycling service, compared with 81% this year, but there has been no decrease in service provided.</p>
<p>Contamination levels in our kerbside recycling are low.</p>	 <5%	13.6%	10.3%	<p>Contamination (materials collected but not able to be recycled) continued to increase this year, and we expect that this was largely due to increasing quality standards from recyclers leading to more materials being rejected from recycling. From July 2020 we reduced the range of plastics to only accept Polyethylene Terephthalate (PET), High Density Polyethylene (HDPE) and polypropylene (plastics 1,2,5) and this will have contributed to the increased contamination. We increased our education and auditing of recycling bins and from April 2021 the long-term average contamination level has been trending down.</p> <p>When measured as a fraction of all materials collected (including glass), the contamination is 7.1%, which is very low by comparison with other kerbside recycling collections.</p>

ENGINEERING – SOLID WASTE

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS (CONT.)

OUTCOME	2021 TARGET	2021 RESULT	2020 RESULT	HOW DID WE PERFORM
Our kerbside recycling and bag collection services are reliable, easy to use				
Percentage of customer satisfaction with kerbside recycling services.	90%	93%	92%	This measure has been consistently high over the past five years.
Percentage of customer satisfaction with kerbside bag collection services.	70%	82%	62%	Satisfaction with Council's official rubbish bag service has increased significantly this year, which appears to be driven by a decrease in residents who "don't know" or didn't give an opinion when asked about our service. This year 12% of residents who receive this service gave a "don't know" response compared to 32% in 2020.
Customer Service Requests relating to waste management activities are completed on time.	95%	96.3%	96.5%	This measure was fully achieved this year.
Our resource recovery centres are easy to use and operated in a reliable manner				
Percentage of customer satisfaction, as measured by annual customer on-site surveys	95%	98%	97%	This measure has been consistently high over the past five years.

ENGINEERING – SOLID WASTE

FIGURE 15. Resident Satisfaction with Kerbside Recycling



FIGURE 16. Resident Satisfaction with Pre-Paid Rubbish Bag Collection Service



ENGINEERING – SOLID WASTE

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 closed landfills.

NEW CAPITAL EXPENDITURE

The following table details the major capital and renewal work for 2020/2021.

PROJECT	LTP BUDGET (YEARS EXPENDITURE PLANNED)	2020/2021 BUDGET	ACTUAL 2020/2021
Richmond Resource Recovery Centre – hazardous goods store and upgrade to the Waste Tipping Pit	\$176,000 (Y2)	\$0	While there was \$20,000 of carry forwards from 2019/2020 into 2020/2021, no further work occurred this year. A modified scope of work has been included in the 2021 – 2031 Long Term Plan.
Tākaka Resource Recovery Centre – replacement of the Waste Compactor and Tipping Pit, installation of a Weighbridge and improvements to the recycling area	\$1,200,000 (Y1 – 2)	\$0	Council spent \$226,627 in the 2020/2021 year. There was \$194,000 of carry forwards from 2019/20 into 2020/2021. Stage 2 of the work was delayed by the Covid-19 lockdown and was completed in January 2021.
Minor improvements at Resource Recovery Centres and closed landfills	\$550,000 (Y1 – 10)	\$42,656	Council spent \$69,478 in the 2020/2021 year. Expenditure this year included safety improvements, including additional CCTV cameras and safety improvements to the Murchison Resource Recovery Centre leachate pump station.
Public place recycling and other waste minimisation infrastructure (funded by the waste levy)	\$594,000 (Y1 – 10)	\$46,922	Council spent \$0 in the 2020/2021 year. This budget was intended for additional public place recycling bins, but work was suspended to enable a review of the effectiveness of the existing bins and evaluate the effect of a central government proposal for container return schemes.
Resource Recovery Centre Renewals – routine asset renewal programme	\$2,600,000 (Y1 – 10)	\$53,033	Council spent \$262,740 in the 2020/2021 year. There was \$134,469 of carry forwards from 2019/2020 into 2020/2021. The work completed in this year included pavement renewals at Tākaka and Māiri Resource Recovery Centres, a kiosk renewal at Tākaka Resource Recovery Centre and a pump renewal.

ENGINEERING – SOLID WASTE

FUNDING IMPACT STATEMENT For the year ended 30 June 2021

BUDGET 2019/2020 \$000	ACTUAL 2019/2020 \$000	SOLID WASTE	ACTUAL 2020/2021 \$000	BUDGET 2020/2021 \$000	% OF BUDGET
SOURCES OF OPERATING FUNDING					
1,000	1,000	General rates, uniform annual general charges, rates penalties	1,162	1,041	112%
2,371	2,379	Targeted rates	2,511	2,484	101%
–	–	Subsidies and grants for operating purposes	–	–	–
4,644	3,785	Fees and charges	4,798	4,940	97%
–	–	Internal charges and overheads recovered	–	–	–
5,071	5,146	Local authorities fuel tax, fines, infringement fees, and other receipts	5,737	5,156	111%
13,086	12,310	Total operating funding	14,208	13,621	104%
APPLICATIONS OF OPERATING FUNDING					
10,520	11,282	Payments to staff and suppliers	11,291	10,973	103%
321	389	Finance costs	372	293	127%
899	929	Internal charges and overheads applied	1,067	1,052	101%
–	–	Other operating funding applications	–	–	–
11,740	12,600	Total applications of operating funding	12,730	12,318	103%
1,346	(290)	Surplus/(deficit) of operating funding	1,478	1,303	113%
SOURCES OF CAPITAL FUNDING					
–	–	Subsidies and grants for capital expenditure	–	–	0%
–	–	Development and financial contributions	–	–	–
(599)	820	Increase/(decrease) in debt	(602)	(1,070)	56%
–	–	Gross proceeds from sale of assets	–	–	–
–	–	Lump sum contributions	–	–	–
–	–	Other dedicated capital funding	–	–	–
(599)	820	Total sources of capital funding	(602)	(1,070)	56%
APPLICATIONS OF CAPITAL FUNDING					
Capital expenditure					
–	–	• to meet additional demand	–	–	–
414	1,259	• to improve the level of service	734	74	992%
288	609	• to replace existing assets	271	101	268%
21	(1,338)	Increase/(decrease) in reserves	(129)	34	–
24	–	Increase/(decrease) in investments	–	24	–
747	530	Total applications of capital funding	876	233	376%
(1,346)	290	Surplus/(deficit) of capital funding	(1,478)	(1,303)	113%
–	–	Funding balance	–	–	0%

ENGINEERING (CONT.)

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 river works in the classified rivers, such as stopbanks, are predominantly 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. These are typically owned and maintained by private property owners and may be partly funded by Council.

The approach to river management places emphasis on channel management through gravel relocation/repositioning, and vegetation and land buffers on the river's edge. The aim is to manage the river channel and catchment so that there is less need to use hard engineering methods to prevent erosion.

This activity does not include stormwater or coastal structures, which are covered as individual activities and have their own Activity Management Plans.

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 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.

CONTRIBUTION TO COMMUNITY OUTCOMES

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

- Our unique natural environment is healthy, protected and sustainably managed.
- Our infrastructure is efficient, cost effective and meets current and future needs.
- Our communities are healthy, safe, inclusive and resilient.
- Our urban and rural environments are people-friendly, well-planned, accessible and sustainably managed.

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 services to a level acceptable to that community, taking into account affordability.

ENGINEERING – FLOOD PROTECTION AND RIVER CONTROL WORKS

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS

● Fully achieved
 ● Achieved within 5%
 ● Not achieved
 ● Not measured

OUTCOME	2021 TARGET	2021 RESULT	2020 RESULT	HOW DID WE PERFORM
Protection: Our communities are protected from natural hazard events				
The major flood protection and control works that are maintained, repaired and renewed to their original constructed standard: <ul style="list-style-type: none"> • Riuwaka River = 1 in 10 year flood return in 1950 • Lower Motueka River = 1 in 50 year flood return in 1950 • Waimea River = 1 in 50 year flood return in 1950 	● 100%	100%	100%	No flood events tested these flood protection systems for the period. Inspections, stopbank mowing, flap gate repairs and maintenance undertaken as required.
Amenity: Our river environments are attractive and enjoyed by our communities				
We maintain existing native riparian planting sites and develop new sites.	● >13,000 plants	11,686 plants	13,881 plants	We have a larger planting programme than usual in 2021 (20,000 vs 15,000 plants). However, the bulk of the planting will occur in July and August so is outside the 2020/2021 financial year.
Complaints about illegal dumping in the X and Y classified rivers and on adjacent beaches on public land are actioned within five working days.	● 100%	95%	93%	39 of 41 rubbish pickups were picked up within 5 working days.

ENGINEERING – FLOOD PROTECTION AND RIVER CONTROL WORKS

MAJOR ACTIVITIES

This group of activities includes ongoing management, maintenance and renewal of Council’s flood protection and river control assets, including promoting soil conservation and mitigating damage caused by floods.

NEW CAPITAL EXPENDITURE

The following table details the major capital and renewal work for 2020/2021.

PROJECT	LTP BUDGET (YEARS EXPENDITURE PLANNED)	2020/2021 BUDGET	ACTUAL 2020/2021
Riwaka Flood Mitigation Works – assist affected properties to improve individual flood resilience.	\$725,000 (Y3 – 6)	\$63,985	Council spent \$0 in the 2020/2021 year. The highest priority sites to fund from the Motueka/Riwaka flood risk study were all on the Motueka River.
Rivers Y capital works – routine rock placement works	\$7,800,000 (Y1 – 10)	\$730,495	Council spent \$1,191,969 in the 2020/2021 financial year. Works were accelerated to repair damage from the November 2020 10% AEP flood in the Wai-iti River in a timely manner.
Rivers X capital works – routine rock placement works	\$1,400,000 (Y1 – 10)	\$127,970	Council spent \$124,371 in the 2020/2021 financial year. No significant floods in the Riuwaka, Lower Motueka and Waimea Rivers so on budget.



ENGINEERING – FLOOD PROTECTION AND RIVER CONTROL WORKS

FUNDING IMPACT STATEMENT For the year ended 30 June 2021

BUDGET 2019/2020 \$000	ACTUAL 2019/2020 \$000	FLOOD PROTECTION AND RIVER CONTROL WORKS	ACTUAL 2020/2021 \$000	BUDGET 2020/2021 \$000	% OF BUDGET
		SOURCES OF OPERATING FUNDING			
27	27	General rates, uniform annual general charges, rates penalties	–	–	–
2,973	2,968	Targeted rates	3,029	3,022	100%
–	–	Subsidies and grants for operating purposes	–	–	–
21	40	Fees and charges	115	124	93%
–	–	Internal charges and overheads recovered	–	–	–
530	559	Local authorities fuel tax, fines, infringement fees, and other receipts	391	616	63%
3,551	3,594	Total operating funding	3,535	3,762	94%
		APPLICATIONS OF OPERATING FUNDING			
1,958	2,063	Payments to staff and suppliers	1,623	2,049	79%
2	2	Finance costs	–	–	–
563	597	Internal charges and overheads applied	747	690	108%
–	–	Other operating funding applications	–	–	–
2,523	2,662	Total applications of operating funding	2,370	2,739	87%
1,028	932	Surplus/(deficit) of operating funding	1,165	1,023	114%
		SOURCES OF CAPITAL FUNDING			
–	–	Subsidies and grants for capital expenditure	671	–	100%
–	–	Development and financial contributions	–	–	–
(89)	(89)	Increase/(decrease) in debt	–	–	–
–	–	Gross proceeds from sale of assets	–	–	–
–	–	Lump sum contributions	–	–	–
–	–	Other dedicated capital funding	–	–	–
(89)	(89)	Total sources of capital funding	671	–	100%
		APPLICATIONS OF CAPITAL FUNDING			
		Capital expenditure			
–	–	• to meet additional demand	–	–	–
839	1,313	• to improve the level of service	2,185	922	237%
–	–	• to replace existing assets	–	–	–
100	(470)	Increase/(decrease) in reserves	(349)	101	-346%
–	–	Increase/(decrease) in investments	–	–	–
939	843	Total applications of capital funding	1,836	1,023	179%
(1,028)	(932)	Surplus/(deficit) of capital funding	(1,165)	(1,023)	114%
–	–	Funding balance	–	–	0%

COMMUNITY DEVELOPMENT

WHAT WE DO

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

- 815 hectares of parks and reserves (including 239 hectares at Moturoa/Rabbit Island, 13 formal gardens, 14 special interest sites, 20 sports grounds, 103 urban open space/amenity reserves, 46 walkways, 217 rural recreation and esplanade reserves, seven sports facilities and three non-commercial camping grounds);
- 115 hectares of land vested as esplanade strip;
- 12 operating and two closed cemeteries;
- 55 playgrounds;
- 102 public toilet facilities;
- Four libraries;
- Funding for District and Shared Facilities such as the Saxton Field complex;
- 18 community halls;
- Five multi-use community recreation centres;
- Two community centres;
- Three museums;
- Miscellaneous community buildings (eg Plunket rooms, former church);
- Eight community housing complexes (101 separate units in total); and
- The Richmond Aquatic Centre and three outdoor community swimming pools.

We also deliver Council's communications and community partnership responsibilities in order to build a sense of community and pride of place in Tasman and to build capacity within Tasman community groups. We achieve this through engaging with community groups, providing community recreation opportunities and events, providing grant funding, and educating and facilitating partnerships between Council and its communities. Our Community Relations activities include:

- The provision of funding and advice for community initiatives and community organisations to enable them to achieve their objectives. Grants are predominately for 'not for profit' community and voluntary groups working for the benefit of Tasman District communities;
- Community engagement – where we provide information to our community, enable debate and conversation, and seek their views on Council's proposals;
- The promotion and celebration of our history and diverse cultures through the support of organisations that preserve and display our region's heritage;
- Delivery of community and recreation activities and events funded either through rates or external sources, to promote a pride of place and community well-being; and
- Providing an awareness of environmental and sustainability opportunities through environmental education programmes, to influence community behaviours and to meet Council's Resource Management Act obligations in this field.

WHY WE DO IT

We directly provide and manage community and recreational facilities, for the people of Tasman District to use.

Community facilities are meeting points providing indoor space for community gatherings, events, and recreational, educational and social activities. They enable community-led development, with local people working together and bringing about changes in their environment. They help build neighbourhoods and settlements with strong identities. Our facilities offer Tasman residents the opportunity to engage socially in the places they live and work.

Libraries develop an informed community whose members are literate and inspired. By providing a quality library service, Council supports the community's cultural, social, learning and leisure needs, while also providing a collective resource that is greater than local families or individuals can afford.

COMMUNITY DEVELOPMENT

Council provides the Richmond Aquatic Centre and community swimming pools to enable people to learn to swim, for physical recreation and leisure to promote community health and well-being.

Central Government previously granted Council subsidies and low-cost loans to meet a specific need for low-cost, community-based housing for people on low incomes. Although Government support ended in 1992, Council has continued to provide housing for older adults to help meet this need. Council provides community housing for older adults on low incomes that is affordable, accessible and fit for purpose.

We also provide public toilets throughout the District to meet community and visitor needs.

The provision of open spaces and recreational facilities contributes to the development of healthy, active, functioning communities. Council recognises that it plays a key role in creating the environment in which communities can prosper and enjoy improved health and well-being. We therefore aim to ensure that adequate parks and reserves are provided for the community and that these are managed and maintained in a way that meets community expectations and encourages community involvement.

Council provides cemeteries that create an attractive, peaceful and respectful environment for the memorial and remembrance of the deceased. Council is legally required to provide cemeteries to ensure the burial and cremation needs of our District are met now, and in the future. Cemeteries are also provided for public health reasons and to provide a location for bereavement within close proximity to communities.

The Community Relations activities help promote the well-being of our community so that our communities:

- are informed about Council's activities and have the opportunity to express their views on Council's proposals. The decisions local authorities make affect their communities on a daily basis. Effective community engagement builds trust and understanding in Council's decision making, while also increasing Council's awareness of issues in the community;

- are aware of what actions they can undertake to reduce their impact on the environment and to live in a more sustainable manner;
- are fit and healthy through the provision of recreation activities and programmes;
- have access to and support the protection of the District's culture and heritage values and artefacts for the education and enjoyment of current and future generations; and
- receive funding and advice to assist and support the development of communities and the work voluntary organisations undertake within our communities.

CONTRIBUTION TO COMMUNITY OUTCOMES

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

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

COMMUNITY DEVELOPMENT

OUR GOALS

OUR GOALS	WE AIM TO PROVIDE ...
Parks and reserves	Parks, reserves and recreational facilities that promote the physical, psychological, environmental and social well-being of communities in Tasman District and to also provide amenities that meet the needs of residents and visitors.
Cemeteries	An attractive and peaceful environment for the burial, memorial and remembrance of the deceased.
Public toilets	Clean public toilet facilities to meet community and visitor needs, in appropriate locations.
Community facilities	Community facilities that assist in meeting the community demand for indoor activities and recreation spaces.
Community housing	Community housing for older adults on low incomes that is affordable, accessible and fit for purpose.
Libraries	Quality services which enrich the life of the community by promoting lifelong learning and the creative use of leisure.
Richmond Aquatic Centre and outdoor swimming pools	An Aquatic Centre facility and outdoor swimming pools that assist in meeting the community demand for aquatic activities and provide the level of service that the customers want and are prepared to pay for.
Community relations	To lead, manage and facilitate the effective management, planning and delivery of Council's community engagement, communications, recreation, events, community grants, partnerships and environmental education responsibilities to build a sense of place and community well-being in support of the community outcomes and enhancement of Council's reputation and role within the community it serves.

COMMUNITY DEVELOPMENT

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS

● Fully achieved
 ● Achieved within 5%
 ● Not achieved
 ● Not measured

OUTCOME	2021 TARGET	2021 RESULT	2020 RESULT	HOW DID WE PERFORM
An interconnected open space network and recreation facilities that provide a range of leisure opportunities and meet the needs of users and the community				
Residents' satisfaction with recreational facilities (which include playing fields and neighbourhood reserves)	85%	87%	90%	Satisfaction with Council's recreational facilities remains high at 87%, although lower than in 2020. This variation in the result could be because of a change in the service provider for this survey, as there has been a general percentage change across a number of activities. Satisfaction increased to 92% amongst service users.
Percentage of properties zoned 'Residential' which are located within 500 metres of open space	85%	92%	92%	The percentage of residential property located within 500 metres of open space is 92% which is the same as the 2020 result.
Public toilets at appropriate locations that meet the needs of users and are pleasant to use and maintained to a high standard of cleanliness				
Satisfaction of residents who have used the District's public toilets within the past year	70%	78%	81%	We have had a slight decrease (3%) in the levels of satisfaction of users of our public toilets over the last year. Council continues to undertake toilet upgrades and has constructed new toilets over the last two years. We have also increased the service level to several of our toilets.






COMMUNITY DEVELOPMENT

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS (CONT.)

OUTCOME	2021 TARGET	2021 RESULT	2020 RESULT	HOW DID WE PERFORM
A network of public halls and community buildings (including multi-purpose community and recreation facilities in major centres and local halls) that provide reasonable access to indoor activities, and recreation space				
A community building is available within a 15 minute drive for 95% of the population (i.e. 20 km radius catchment)	95%	99%	99%	The availability of community buildings at 99% is unchanged from 2020.
Accessible and affordable housing to eligible people within the community				
Tenants' overall satisfaction with community housing	Not measured this year	Not measured this year	83%	This measure was not due to be measured this year. Council last measured community housing tenant satisfaction in the 2019/2020 year, where 83% of tenants were satisfied with community housing.
The provision of access to a wide range of information relevant to the community's recreation and learning needs				
The number of lending/reference items available at Tasman libraries (per resident). Measured using information available from e-resource vendors and the Library Management System software	3.0	2.9	2.9	Items available at 30 June 2021 totalled 163,623, comprising 144,092 physical items and 19,531 electronic items.
Satisfaction of library users with the public libraries. Measured through the annual Residents Survey	83%	96%	91%	There was a high level of satisfaction from residents who have used library services. There was a 5% increase in library users' satisfaction levels over the last year.

COMMUNITY DEVELOPMENT

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS (CONT.)

OUTCOME	2021 TARGET	2021 RESULT	2020 RESULT	HOW DID WE PERFORM
The provision of safe, welcoming, attractive and accessible library facilities for customers to access library services				
Tasman District Council library buildings provide adequate spaces to enable the delivery of quality library services as measured against the Library and Information Association of New Zealand Aotearoa (LIANZA) standard:				
The Richmond, Tākaka and Murchison libraries (floor areas)	 Maintain current size	Achieved target	Maintained current size	No building work was undertaken in 2020/2021. The Richmond, Tākaka and Murchison buildings were maintained at their current size.
The Motueka Library	 Funding for construction for redevelopment ¹⁰ of the library.	Achieved target	Achieved target	Construction of the new library commenced in October 2020 and is on target for completion in December 2021.
The number of visits to our libraries (is equivalent to at least nine visits per resident per year), measured using data from door counters at the Richmond, Motueka and Tākaka libraries.	 9 visits	Not measured	7.9	Ongoing issues with data collection mean that the data we have obtained is unreliable. Reliable data recorded in July–August 2020 showed that the number of visitors for that two-month period was 1.5 per resident.
There is a high level of satisfaction reported from users of the Richmond Aquatic Centre facility				
Users' satisfaction with Aquatic Centre facilities	 80%	87%	90%	There was a high level of satisfaction from residents who have used the Aquatic Centre, although satisfaction was slightly down on the previous year.
The Richmond Aquatic Centre facility is well used				
Admissions to the Aquatic Centre pool facility increases over time	 234,000	314,197	256,916	The target was achieved with admissions significantly higher than the target level.

10. Following the redevelopment the floor area of the Motueka Library will meet the LIANZA standard.

COMMUNITY DEVELOPMENT

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS (CONT.)

OUTCOME	2021 TARGET	2021 RESULT	2020 RESULT	HOW DID WE PERFORM
Promotion and delivery of community events and recreational services				
Satisfaction of residents attending a range of Council-organised community events	75%	Not measured	74%	The question asked in the residents' survey was overall satisfaction with Council events. It did not ask only those who had attended the events. 66% of all residents were satisfied with the community programmes and events. There were 11% of respondents not satisfied with the community events. However, a quarter of people were unable to comment (23%). Satisfaction increases (85%) when looking at residents who provided a rating.
We provide a range of communication channels that enhance Council's ability to engage and connect with the communities it serves				
Residents are informed and engage with Council:				
Percentage of residents who consider the information supplied by Council to be sufficient	80%	75%	74%	The target of 80% satisfaction is fairly ambitious. Satisfaction levels are similar to last year. We are always looking to improve our engagement processes to ensure as many people as possible have input into Council's decision-making processes.
Increase in the usage of Council's online information sources (i.e. website and social media channels)	5%	9.03%	Not achieved	<p>The number of website users increased from 228,717 in 2019/2020 to 249,365 in 2020/2021. There was a 10.34% increase in new users (first visit to the site).</p> <p>Council's Facebook followers have increased from 5,786 to 7,530 between 2019/2020 and 2020/2021.</p> <p>Antenno, a two-way SMS platform, was added in August 2020.</p>

COMMUNITY DEVELOPMENT

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS (CONT.)

OUTCOME	2021 TARGET	2021 RESULT	2020 RESULT	HOW DID WE PERFORM
Leadership and coordination to schools and early childhood centres, to protect and enhance our local environment through education				
The number of schools and early childhood centres developing and maintaining environmental care practices is sustained	28	29	Achieved	In 2020/2021 nine early childhood centres (working in partnership with Nelson Tasman Kindergarten Association) and 20 schools (Area, Secondary and Primary) were involved in the EnviroSchools process with us. 15 schools are also Friends of EnviroSchools.

FIGURE 17. Resident Satisfaction with Recreation Facilities



COMMUNITY DEVELOPMENT

FIGURE 18. User Satisfaction with Public Toilets

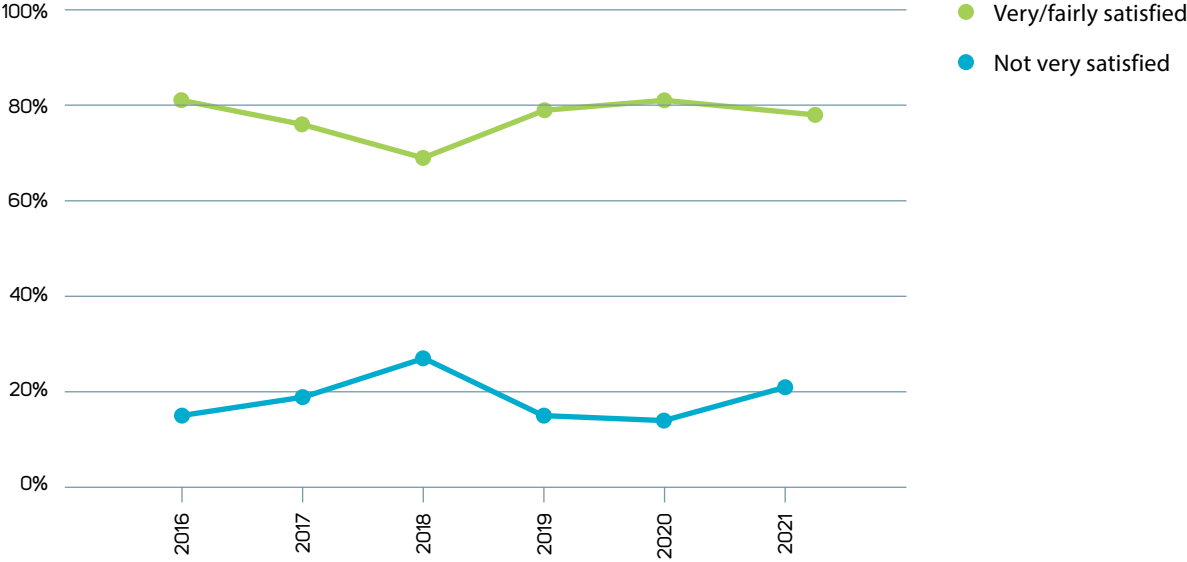
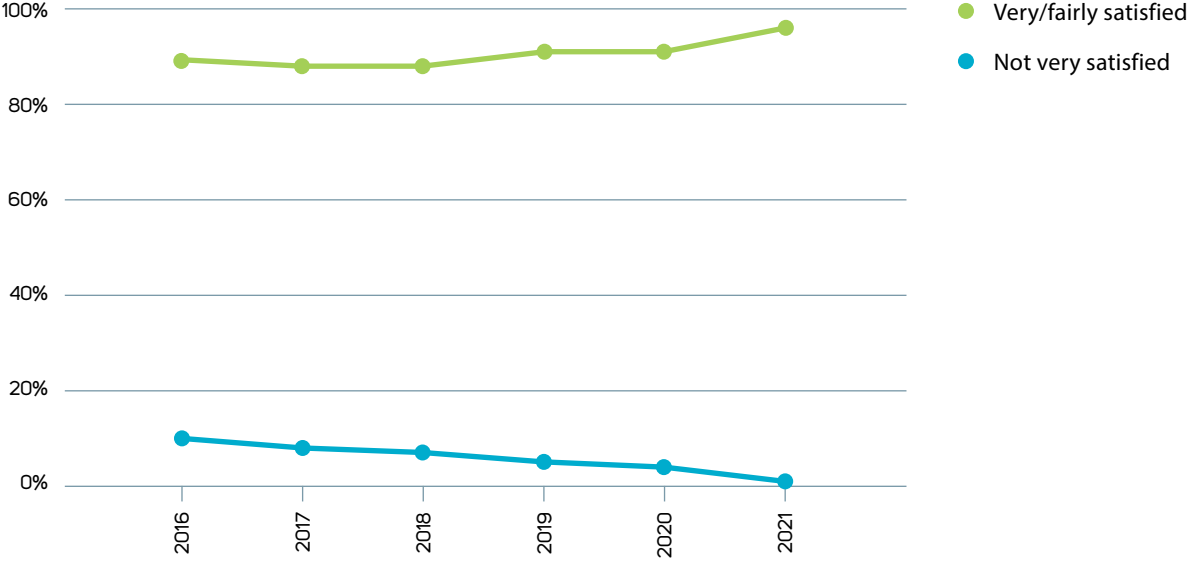


FIGURE 19. User Satisfaction with Public Libraries



COMMUNITY DEVELOPMENT

FIGURE 20. User Satisfaction with Richmond Aquatic Centre

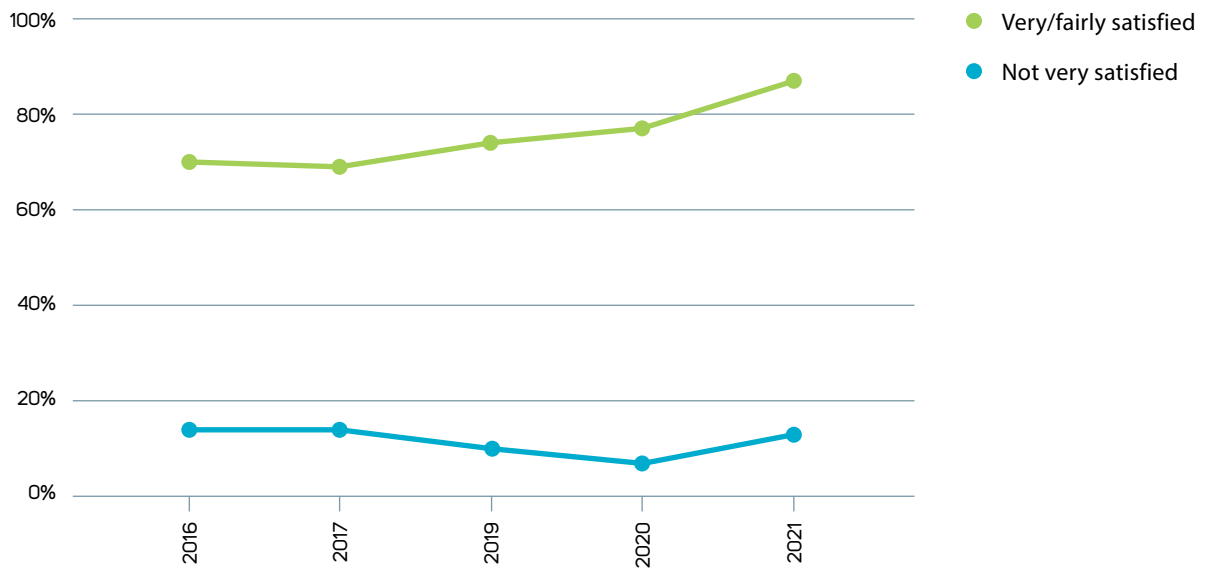


FIGURE 21. Resident Satisfaction with Level of Information Provided by Council



COMMUNITY DEVELOPMENT

MAJOR ACTIVITIES

The Community Development group of activities involves the ongoing management, maintenance and renewal of Council's parks and reserves, cemeteries, playgrounds, libraries, museums, halls, recreation centres, other district and shared facilities, public toilets, community housing, non-commercial campgrounds, Richmond Aquatic Centre and swimming pools. The Community Relations component of this activity, major activities include the provision of funding and advice for community initiatives and community organisations, community engagement (where we provide information to our community, enable debate and conversation and seek their views on Council's proposals), the support of organisations that preserve and display our region's heritage, the delivery of community and recreation activities and events, and the provision of environmental and sustainability opportunities through environmental education programmes.

The major projects for Community Development for 2020/2021 have included:

PROJECT	LTP BUDGET (YEARS EXPENDITURE PLANNED)	2020/2021 BUDGET	ACTUAL 2020/2021
Purchase of new reserves	\$18,213,000 (Y1 – 10)	\$809,051	<p>Council spent \$478,094 in the 2020/2021 year on the purchase of new reserves throughout the District. In addition, reserves have been acquired as a result of subdivision. We anticipate Council will carry forward unspent funds to 2021/2022.</p> <p>New reserves acquired in 2020/2021 totaling 6,931m² in area were:</p> <ul style="list-style-type: none"> • Langdale Reserve • Rana Place Esplanade Reserve (new section) • Central Park • Dublin Road Walkway • Black Valley Stream Esplanade Reserve • Teapot Valley Esplanade Reserve
Playgrounds and public toilets	\$4,418,000 (Y1 – 10)	\$583,110	<p>Council spent \$507,954 in the 2020/2021 year.</p> <p>Development Projects included:</p> <ul style="list-style-type: none"> • New toilets at Tapu Bay Reserve and Moturoa/Rabbit Island • Replacement playground at Māpua Recreation Reserve

COMMUNITY DEVELOPMENT

MAJOR ACTIVITIES (CONT.)

PROJECT	LTP BUDGET (YEARS EXPENDITURE PLANNED)	2020/2021 BUDGET	ACTUAL 2020/2021
Saxton Field development*	\$3,600,000 (Y1 – 10)	\$1,886,889	<p>Council spent \$810,066 in the 2020/2021 year.</p> <p>The projects completed include:</p> <ul style="list-style-type: none"> • Stage 2 of Champion Road-Saxton Drive link road and carpark • Tree planting around Champion Green • Installation of velodrome lighting <p>We anticipate Council will carry forward unspent funds to 2020/2021.</p>
Development of new and existing community facilities, parks and reserves.	\$4,921,000 (Y1 – 10)	\$1,109,600	<p>Council spent \$596,799 in the 2020/2021 year.</p> <p>Development projects included:</p> <ul style="list-style-type: none"> • The extension of the driveway and additional parking at Richmond Cemetery • Carpark developments at Robson Reserve and Easby Park • The commencement of developments at Sunbelt Crescent Esplanade Reserve, Ruataniwha Ngapiko Place, Tana Pukekohatu and Hart Reserves • Development of Ngaio Reserve in Māpua • Installed artificial cricket blocks in Jubilee Park and Golden Bay Rec Park • Resealed the footpaths at Golden Bay Rec Park • Plantings throughout the District • Maintenance and various renewals of community halls.

*Nelson City Council, sports codes and other funders also contribute funding to the development of Saxton Field.

COMMUNITY DEVELOPMENT

MAJOR ACTIVITIES (CONT.)

PROJECT	LTP BUDGET (YEARS EXPENDITURE PLANNED)	2020/2021 BUDGET	ACTUAL 2020/2021
Motueka Library	\$3,940,000 (Y2 – 3)	\$4,142,647	<p>Council spent \$2,708,050 in the 2020/2021 year.</p> <p>By the end of June 2021 all structural work and 90% of the exterior cladding on the new building had been completed and installation of building services and windows was well underway.</p>
Library collection renewal	\$3,074,000 (Y1 – 10)	\$299,739	<p>Council spent \$277,706 in the 2020/2021 year.</p> <p>We purchased 13,128 items for our lending/reference collections in 2020/2021. The number of items in these collections now totals 144,092.</p>
Richmond Aquatic Centre renewals	\$1,451,455 (Y1 – 10)	\$149,358	<p>Council spent \$431,412 in the 2020/2021 year, including funding carried forward from the 2019/2020 year. Upgrades occurred to changing areas and showers.</p>
Digital Strategy	\$1,343,000 (Y1 – 10)	\$101,100	<p>Council spent \$373,951 in the 2020/2021 year. Budget of \$201,586 was carried forward from the 2019/2020 year into 2020/2021 year.</p> <p>The Council has produced a Digital Strategy (a blueprint for Tasman's Digital Future, 2021 – 2031) and a supporting Roadmap for Change (Tasman's Digital Innovation Programme). The blueprint has been shared with Councillors, and at Community Board meetings in Motueka and Golden Bay.</p> <p>The LTP 2021 – 2031 includes funding to support a transformation of our technology landscape.</p>

COMMUNITY DEVELOPMENT

FUNDING IMPACT STATEMENT For the year ended 30 June 2021

BUDGET 2019/2020 \$000	ACTUAL 2019/2020 \$000	COMMUNITY DEVELOPMENT	ACTUAL 2020/2021 \$000	BUDGET 2020/2021 \$000	% OF BUDGET
SOURCES OF OPERATING FUNDING					
11,181	11,154	General rates, uniform annual general charges, rates penalties	11,442	11,664	98%
4,486	4,487	Targeted rates	4,674	4,644	101%
42	134	Subsidies and grants for operating purposes	712	971	73%
545	544	Fees and charges	596	552	108%
515	515	Internal charges and overheads recovered	518	518	100%
1,558	1,742	Local authorities fuel tax, fines, infringement fees, and other receipts	1,647	1,589	104%
18,327	18,576	Total operating funding	19,589	19,938	98%
APPLICATIONS OF OPERATING FUNDING					
11,899	12,112	Payments to staff and suppliers	12,016	12,097	99%
960	908	Finance costs	869	957	91%
4,238	4,327	Internal charges and overheads applied	4,870	4,682	104%
-	-	Other operating funding applications	-	-	-
17,097	17,347	Total applications of operating funding	17,755	17,736	100%
1,230	1,229	Surplus/(deficit) of operating funding	1,834	2,202	83%
SOURCES OF CAPITAL FUNDING					
-	31	Subsidies and grants for capital expenditure	158	-	100%
4,159	3,474	Development and financial contributions	7,067	3,736	189%
319	63	Increase/(decrease) in debt	2,301	3,380	68%
-	-	Gross proceeds from sale of assets	-	-	-
-	-	Lump sum contributions	-	-	-
-	-	Other dedicated capital funding	-	-	-
4,478	3,568	Total sources of capital funding	9,526	7,116	134%
APPLICATIONS OF CAPITAL FUNDING					
Capital expenditure					
-	-	• to meet additional demand	1,640	-	-
407	47	• to improve the level of service	2,846	336	847%
4,094	1,865	• to replace existing assets	3,515	9,176	38%
1,315	2,939	Increase/(decrease) in reserves	3,468	(86)	-4,033%
(108)	(54)	Increase/(decrease) in investments	(109)	(108)	101%
5,708	4,797	Total applications of capital funding	11,360	9,318	122%
(1,230)	(1,229)	Surplus/(deficit) of capital funding	(1,834)	(2,202)	83%
-	-	Funding balance	-	-	0%

Debt was lower than budget as a result of the increased development contributions. Development contributions were also higher which reflects the growth in the district.

GOVERNANCE

WHAT WE DO

These activities involve running the electoral process (under the direction of the Electoral Officer) to provide the District with a democratically elected Mayor, Councillors and Community Board members and the governance of the District by its elected representatives. It also involves:

- Organising and preparation for Council meetings;
- Organising civic ceremonies, such as citizenship ceremonies and Anzac Day services;
- Support for Councillors, Council and Community Boards and any other assistance required by the Mayor;
- Running elections and democratic processes, including community consultation; and
- Making appointments to Council Controlled Trading Organisations (CCTOs) and Council Controlled Organisations (CCOs).

Council has a shareholding in a number of CCO and CCTOs, including:

- Nelson Airport Ltd;
- New Zealand Local Government Funding Agency Limited (LGFA);
- Tasman Bays Heritage Trust (Nelson Provincial Museum);
- Civic Financial Services Ltd; and
- Waimea Water Ltd.

In addition, Council owns a 50% share in Port Nelson Ltd. Port Nelson is not a CCO under the Local Government Act (LGA). It is covered by the Port Companies Act 1988, which imposes similar obligations on port companies as those that would apply if the port was a CCO under the LGA.

WHY WE DO IT

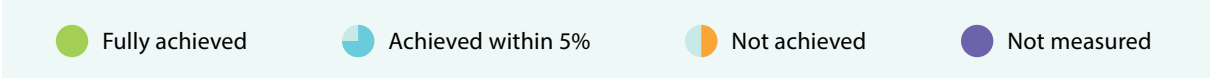
We undertake this function to support democratic processes and Council decision-making, while meeting our statutory functions and requirements, and to provide economic benefits to our community.

CONTRIBUTION TO COMMUNITY OUTCOMES

The Governance activity primarily contributes to the following community outcomes:

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

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS



OUTCOME	2021 TARGET	2021 RESULT	2020 RESULT	HOW DID WE PERFORM	
We effectively run election processes					
Electoral processes are carried out within statutory timeframes and there are no successful challenges.	Fully achieved	No successful challenges	No successful challenges	No successful challenges	There were no elections/by-elections or polls between 1 July 2020 and 30 June 2021.

GOVERNANCE

FUNDING IMPACT STATEMENT For the year ended 30 June 2021

BUDGET 2019/2020 \$000	ACTUAL 2019/2020 \$000	GOVERNANCE	ACTUAL 2020/2021 \$000	BUDGET 2020/2021 \$000	% OF BUDGET
SOURCES OF OPERATING FUNDING					
3,328	3,328	General rates, uniform annual general charges, rates penalties	3,022	1,940	156%
320	319	Targeted rates	325	326	100%
-	369	Subsidies and grants for operating purposes	40	-	100%
8	-	Fees and charges	-	8	-
-	-	Internal charges and overheads recovered	-	-	-
181	169	Local authorities fuel tax, fines, infringement fees, and other receipts	100	121	83%
3,837	4,185	Total operating funding	3,487	2,395	146%
APPLICATIONS OF OPERATING FUNDING					
2,258	2,868	Payments to staff and suppliers	2,086	846	247%
-	-	Finance costs	1	-	100%
1,008	1,110	Internal charges and overheads applied	1,062	1,031	103%
-	-	Other operating funding applications	-	-	-
3,266	3,978	Total applications of operating funding	3,149	1,877	168%
571	207	Surplus/(deficit) of operating funding	338	518	65%
SOURCES OF CAPITAL FUNDING					
-	-	Subsidies and grants for capital expenditure	-	-	-
-	-	Development and financial contributions	-	-	-
(11)	30	Increase/(decrease) in debt	33	(11)	-300%
-	9	Gross proceeds from sale of assets	-	-	-
-	-	Lump sum contributions	-	-	-
-	-	Other dedicated capital funding	-	-	-
(11)	39	Total sources of capital funding	33	(11)	-300%
APPLICATIONS OF CAPITAL FUNDING					
Capital expenditure					
-	-	• to meet additional demand	-	-	-
-	-	• to improve the level of service	-	-	-
-	33	• to replace existing assets	42	-	100%
560	213	Increase/(decrease) in reserves	329	507	65%
-	-	Increase/(decrease) in investments	-	-	-
560	246	Total applications of capital funding	371	507	73%
(571)	(207)	Surplus/(deficit) of capital funding	(338)	(518)	65%
-	-	Funding balance	-	-	0%

Rates and payments to staff and suppliers were higher than budget as Council realigned the approved budget in order to achieve the 0% rates increase. Overall the business was in a surplus position.

COUNCIL ENTERPRISES

WHAT WE DO

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

WHY WE DO IT

Council’s ownership and management of commercial assets provide benefits to all users, via employment and development for the wider community. Their economic development and strategic importance are critical to all ratepayers and facility users. Income streams from commercial activities and commercial investments provide additional income to Council. This additional income reduces Council’s reliance on rates to fund its activities.

CONTRIBUTION TO COMMUNITY OUTCOMES

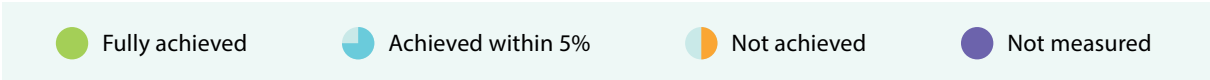
The Council Enterprises activity primarily contributes to the following community outcomes:

- Our communities have access to a range of social, cultural, educational and recreational facilities and activities.
- Our region is supported by an innovative and sustainable economy.

OUR GOAL

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



OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS



	OUTCOME	2021 TARGET	2021 RESULT	2020 RESULT	HOW DID WE PERFORM
Commercial assets are managed prudently to provide a financial return for the benefit of the District’s ratepayers					
	Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA) for Port Tarohe will provide adequate funding cover	0.8	0.9	-0.1	Despite lower than anticipated revenue (\$658,000 compared with \$713,000 budgeted), Port Tarohe has had a positive EBITDA due to lower costs although this was helped by a contribution from government. Wharfage income from mussels and rock continues to be significantly lower than budget.
	EBITDA for holiday parks and campgrounds will provide for increasing funding cover	1.5	1.4	0.6	Holiday parks are significantly ahead of budget for revenue. The budget in the Annual Plan 2020/2021 was insufficient to achieve the EBITDA target.

COUNCIL ENTERPRISES

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS (CONT.)

	OUTCOME	2021 TARGET	2021 RESULT	2020 RESULT	HOW DID WE PERFORM
EBITDA for commercial properties will provide adequate funding cover		1.0	1.2	1.0	EBITDA for the year-to-date is \$426,000, with a positive variance of \$58,000 (16%) compared to budget, due to lower costs.
Net return on forestry assets provide a commercial outcome		9%	8.8%	9.1%	The return from forestry was below the target despite additional harvesting and higher than budgeted average log prices. This is because the forestry assets were revalued during the year and this increased their value substantially.

MAJOR ACTIVITIES

The Council Enterprises group of activities involves the management, maintenance and renewals of Council's investments in forestry, Port Tarakohe and Māpua, Motueka and Tākaka aerodromes, four holiday parks and various commercial property.

The major projects for Council Enterprises for 2020/2021 have included:

PROJECT	LTP BUDGET (YEARS EXPENDITURE PLANNED)	2020/2021 BUDGET	ACTUAL 2020/2021
Port Tarakohe New Wharf Construction	\$2,220,000 (Y1 & Y8)	\$10,171,600	Council's Provincial Growth Fund application to Government was unsuccessful. Council spent \$15,376 in the 2020/2021 year. Budget of \$1,456,346 was carried forward from the 2019/2020 year into 2020/2021 year.
Māpua Wharf Capital Works	\$0	\$102,300	Council spent \$270,070 in the 2020/2021 year. Budget of \$297,789 was carried forward from the 2019/2020 year into 2020/2021 year. Costs were primarily for Smokehouse facility improvements.

COUNCIL ENTERPRISES

MAJOR ACTIVITIES (CONT.)

PROJECT	LTP BUDGET (YEARS EXPENDITURE PLANNED)	2020/2021 BUDGET	ACTUAL 2020/2021
Collingwood Holiday Park Renewals	\$566,000 (Y1 – 10)	\$25,575	Council spent \$1,840 in the 2020/2021 year. A project to upgrade the shower facilities commenced in the 2020/2021 off season and will be completed in August-September 2021.
Pōhara Holiday Park Renewals	\$680,000 (Y1 – 10)	\$76,725	Council spent \$63,366 in the 2020/2021 year. A project to upgrade Block A and Block C bathroom facilities commenced in the 2020/2021 off season and will be completed in August-September 2021.
Murchison Riverside Holiday Park Upgrade	\$167,000 (Y2)	\$51,150	Council spent \$250,000 in the 2020/2021 year. Budget of \$269,912 was carried forward from the 2019/2020 year into 2020/2021 year. The expenditure in 2020/2021 was on asset buy back from the tenant.
Murchison Riverside Holiday Park Renewals	\$556,000 (Y1 – 10)	\$25,575	Council spent \$0 in the 20120/2021 year. Off season works including minor repairs to flooring and an upgraded power supply are in progress early in the 2021/2022 year and will be completed by October 2021.
Motueka Holiday Park Renewals	\$1,133,000 (Y1 – 10)	\$102,300	Council spent \$120,353 in the 2020/2021 year. Budget of \$83,588 was carried forward from the 2019/2020 year into 2020/2021 year. Tree maintenance and repairs to carpark seal and bathroom renovations were the principal costs.

COUNCIL ENTERPRISES

FUNDING IMPACT STATEMENT For the year ended 30 June 2021

BUDGET 2019/2020 \$000	ACTUAL 2019/2020 \$000	COUNCIL ENTERPRISES	ACTUAL 2020/2021 \$000	BUDGET 2020/2021 \$000	% OF BUDGET
SOURCES OF OPERATING FUNDING					
(215)	(218)	General rates, uniform annual general charges, rates penalties	(230)	(151)	152%
-	-	Targeted rates	-	-	-
-	50	Subsidies and grants for operating purposes	400	-	100%
1,015	769	Fees and charges	1,001	1,133	88%
-	-	Internal charges and overheads recovered	-	-	-
8,903	15,083	Local authorities fuel tax, fines, infringement fees, and other receipts	13,550	10,688	127%
9,703	15,684	Total operating funding	14,721	11,670	126%
APPLICATIONS OF OPERATING FUNDING					
6,511	10,985	Payments to staff and suppliers	8,745	8,229	106%
349	265	Finance costs	252	358	70%
944	905	Internal charges and overheads applied	1,076	1,011	106%
-	-	Other operating funding applications	-	-	-
7,804	12,155	Total applications of operating funding	10,073	9,598	105%
1,899	3,529	Surplus/(deficit) of operating funding	4,648	2,072	224%
SOURCES OF CAPITAL FUNDING					
-	-	Subsidies and grants for capital expenditure	-	8,828	-
-	-	Development and financial contributions	-	-	-
(31)	467	Increase/(decrease) in debt	79	950	8%
-	-	Gross proceeds from sale of assets	-	-	-
-	-	Lump sum contributions	-	-	-
-	-	Other dedicated capital funding	-	-	-
(31)	467	Total sources of capital funding	79	9,778	1%
APPLICATIONS OF CAPITAL FUNDING					
Capital expenditure					
-	-	• to meet additional demand	-	-	-
167	1,286	• to improve the level of service	252	51	494%
621	430	• to replace existing assets	481	10,811	4%
1,080	2,280	Increase/(decrease) in reserves	3,994	988	404%
-	-	Increase/(decrease) in investments	-	-	-
1,868	3,996	Total applications of capital funding	4,727	11,850	40%
(1,899)	(3,529)	Surplus/(deficit) of capital funding	(4,648)	(2,072)	224%
-	-	Funding balance	-	-	0%

Debt was lower than budget as a direct result of the capital spend being lower than budget. The increase in reserves was a result of higher forestry net income. Subsidies and grants for capital expenditure and capital expenditure was less than budget due to Port Tarakohe capital work not going ahead.

SUPPORT SERVICES

This section covers strategic planning, customer services, finance, human resources, information management, and health and safety.

Support Services are the internal teams that help Council operate efficiently. Support Services are an essential part of ensuring we operate in an effective and efficient manner, meeting our statutory obligations, and working towards the achievement of community outcomes. These activities are internally focused and do not generally have a direct output to the community, rather they are internal support systems for those activities that do. The Support Service activities have their own business plans which outline the strategic focus for the activity and the major projects proposed.

This group is not classed as a 'group of activities' for LTP purposes and no funding impact statement is produced for these activities. However, we set and report against levels of service.

STRATEGIC PLANNING

We engage the community in the development of our key documents. The LTP is our 10-year business plan that provides the vision and direction for the District; we prepare this once every three years. The Annual Plan is prepared in the years between LTPs. The Annual Report is produced every year to ensure that we are doing what we said we would in the LTP/Annual Plan.

We are responsible for other cross-Council policy work (e.g. Growth Strategy, Pre-Election Report); for reserves planning; for monitoring and reporting on performance; and for guidance on legislative processes (e.g. bylaws, consultation requirements).

CUSTOMER SERVICES

The customer services team provide a 'one stop shop', offering various contact options to customers through phone, email or face to face contact. Service centres are based in Richmond, Motueka, Tākaka and Murchison.

Internal departments also rely on customer services to answer customer enquiries and process certain applications on their behalf.

FINANCE

The Finance team is responsible for offering financial advice and services to all our other activities. All of our operations have some financial aspect to them and require support in areas such as revenue gathering, capital funding, meeting financial and tax obligations, monitoring of expenditure, and corporate reporting.

This activity provides a cost effective financial and accounting service that enhances the achievement of our goals and meets the needs of the organisation. It also provides a payroll service.

HUMAN RESOURCES

The human resources activity works in partnership with managers to ensure that we recruit, train, and support our staff to perform in their roles competently. This activity provides training and development, performance management, remuneration, and related policy development and planning.

INFORMATION SERVICES AND RECORDS MANAGEMENT

The primary roles of the information services and records management teams are to support and assist other activities to meet their goals and objectives through the provision of practical technological solutions and effective management of data and records. Services provided include information technology, records management, land administration, data integrity and geographical information systems.

HEALTH AND SAFETY

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




SUPPORT SERVICES

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS

OUTCOME	2021 TARGET	2021 RESULT	2020 RESULT	HOW DID WE PERFORM
<p> ● Fully achieved ● Achieved within 5% ● Not achieved ● Not measured </p>				
We respond to customer requests in a timely and professional manner				
At least 85% of respondents are either fairly satisfied or very satisfied with the service they receive when they contact Council	● 88%	82%	88%	Three-quarters of the residents' survey respondents had contacted Council in the last year, which was significantly higher than the 57% of residents who had contacted Council offices in the previous year. Satisfaction levels have tended to fluctuate over time.
Percentage of general enquiries that are responded to by Council staff within three working days of receipt of enquiry	● 95%	86%	85%	Response times have been impacted by the lack of staff resources in some areas of Council to answer queries within three working days.
We produce high quality, fit for purpose and accessible Long Term Plan (LTP), Annual Plans (AP) and Annual Reports (AR)				
The Long-Term Plan, Annual Plans and Annual Reports are prepared within statutory timeframes and there are no successful challenges to these processes	● Statutory timeframes met	Statutory timeframes met	Fully achieved	<p>The Annual Report for 2019/2020 was adopted on 18 December 2020, within statutory timeframes. In 2020, the Covid-19 (Further Management Measures) Act extended the statutory deadline to 31 December 2020 for Local Government to adopt Annual Reports (section 98A of the Local Government Act 2002).</p> <p>The Long Term Plan 2021 – 2031 was adopted on 30 June 2021, within statutory timeframes.</p>




SUPPORT SERVICES

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS (CONT.)

OUTCOME	2021 TARGET	2021 RESULT	2020 RESULT	HOW DID WE PERFORM
We consult effectively with the public in our decision-making processes				
50% of residents are either very satisfied or satisfied with the way Council consults the public in the decisions it makes	 ≥50%	58%	48%	<p>Overall satisfaction has continued an upward trend over the last three years.</p> <p>The scale used in the residents’ survey in 2021 was a four-point scale with a don’t know option compared with a five-point point scale with a don’t know option in 2020. The 2020 scale included a ‘neither’ option, which was not included in 2021. This change in methodology may have contributed to the higher result in 2021.</p>
We provide resolution of most customer phone enquiries during the initial conversation with a Customer Services Officer				
80% of customer phone calls are resolved at first point of contact (i.e. without the need to transfer the call to another staff member)	 ≥80%	80%	85%	
We provide Land Information Memorandums (LIMs) to customers within 10 working days				
100% of LIM applications are processed within the statutory timeframes (i.e. 10 working days)	 100%	100%	100%	<p>Council processed 100% of LIMs within 10 working days. We processed 827 applications in an average of six working days. There were 13% more applications processed than the previous year.</p>

SUPPORT SERVICES

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS (CONT.)

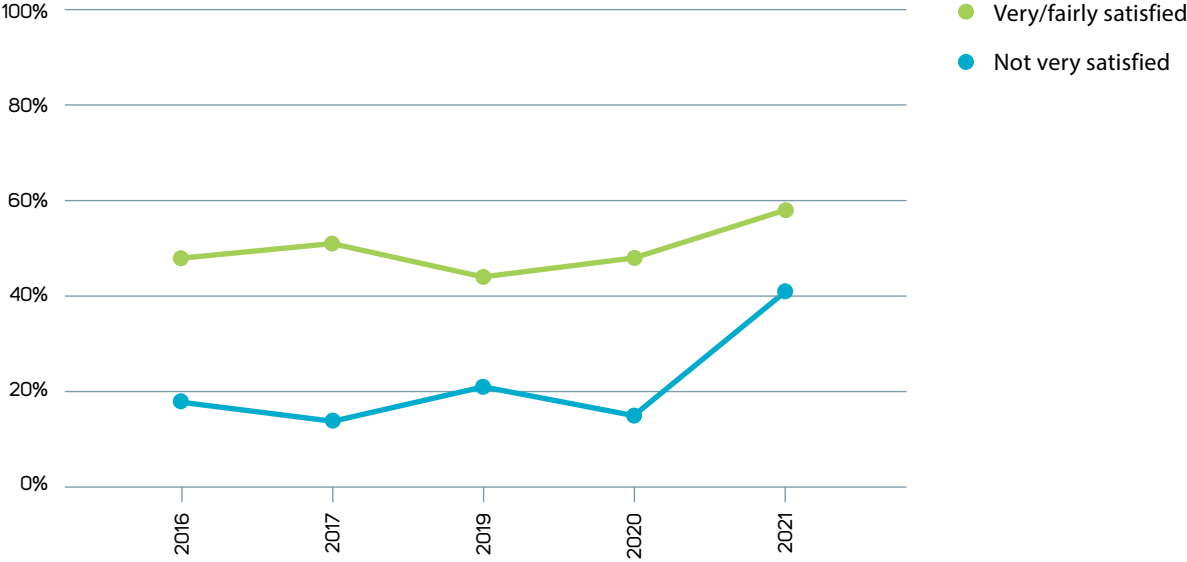
OUTCOME	2021 TARGET	2021 RESULT	2020 RESULT	HOW DID WE PERFORM
All Council-owned buildings are safe				
All operational buildings (offices and libraries) comply with resource and building consents and any other legislative requirements	 100% compliance	100%	100%	
Property and building assets that are functionality appropriate and meet the needs of users and customers				
Customers and users are satisfied with the buildings that they occupy and the level of service provided	 75%	Not measured (three yearly survey)	Not measured (three yearly survey)	This is measured on a three-yearly basis. According to the 2019 residents' survey, between 87% and 94% of customers were satisfied with various aspects of libraries and service centres (physical access, layout, ambience and maintenance).
Leases and licenses for Council properties are current and reviewed on time				
The percentage of leases and licenses for Council properties that are not current is reducing on an annual basis.	 90% of leases and licenses are current	78%	76%	A number of outstanding leases have proved quite challenging to agree terms. In many of the cases where terms are proving challenging to agree, termination is not a viable option.

SUPPORT SERVICES

FIGURE 22. Resident Satisfaction with the Service Received When Contacting Council



FIGURE 23. Resident Satisfaction with Public Consultation



PART FIVE

FINANCIAL STATEMENTS



STATEMENT OF ACCOUNTING POLICIES

REPORTING ENTITY

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

Council provides local infrastructure, local public services, and performs regulatory functions to the community. Council does not operate to make a financial return.

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

The financial statements of Council are for the year ended 30 June 2021. The financial statements were authorised for issue by Council on 16 December 2021.

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

The financial statements of Council have been prepared in accordance with the requirements of the LGA which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

These financial statements have been prepared in accordance with Tier 1 PBE accounting standards.

These financial statements comply with PBE Standards.

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000).

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.

OVERHEADS

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

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

BUDGET FIGURES

The budget figures are those approved by Council in its Annual Plan the 2020/2021 year unless shown otherwise. The budget figures are consistent with the accounting policies adopted by Council for the preparation of the financial statements at the time the budget was prepared.

FUNDING IMPACT STATEMENTS

The Funding Impact Statements ("FIS") have been prepared in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014. This is a reporting requirement unique to Local Government and the disclosures contained within and the presentation of these statements is not prepared in accordance with generally accepted accounting practices ("GAAP").

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

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

STATEMENT OF ACCOUNTING POLICIES

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

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

In preparing these financial statements 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 PBE IPSAS 19 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

Infrastructural asset valuations are carried out on a three-yearly cycle, on a depreciated replacement cost basis. The carrying values of revalued items are reviewed at each balance date to ensure that these values are not materially different to fair value.

The most recent revaluation was performed as at 30 June 2020 for Roading, Bridges, Refuse and Three Waters assets. Where materially different,

Council will revalue at an earlier point. There are a number of assumptions and estimates used when performing depreciated replacement cost basis valuations over Infrastructural assets. These include:

- The physical deterioration and condition of an asset, for example 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 according to best practice guides, and have been tailored to based on our assessment of the specific assets in question. Asset inspections, deterioration and condition modelling are also carried out regularly as part of Council's asset management planning activities, which gives Council further assurance over its useful life estimates.

Valuations are carried out by independent qualified valuers.

OPERATIONAL ASSETS

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

STATEMENT OF ACCOUNTING POLICIES

- The replacement cost is derived from recent construction contracts of similar assets and Property Institute of New Zealand cost information.
- The remaining useful life of assets is estimated.
- Straight-line depreciation has been applied in determining the depreciated replacement cost value of the asset.

Non-specialised buildings (for example, residential buildings) are valued at fair value using market-based evidence. Market rents and capitalisation rates were applied to reflect market value. The most recent valuation was performed by QV Valuations Limited, and the valuation is effective as at 30 June 2021.

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 2021. Land includes land related to Three Waters assets, such as land under treatment plants, sewerage and drainage reserves. Land does not include Land under Roads, or Port land which is held in the respective class.

CRITICAL JUDGEMENT IN APPLYING COUNCIL'S ACCOUNTING POLICIES

Management have exercised the following critical judgement in applying Council's accounting policies.

CLASSIFICATION OF PROPERTY

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

THREE WATERS REFORM

Following the announcement by the Local Government Minister on 27 October 2021 regarding central government proceeding with the three waters service delivery reforms using a legislated “all in” approach, Council continues to recognise its three waters assets at 30 June 2021 in accordance the accounting policies set out on pages 154 to 158. There has been no adjustment in these financial statements to reflect the expected future transfer of assets to the new water entity. It is expected central government will develop details around the mechanism for the transfer of the water assets and this will be completed prior to 1 July 2024. As further details are established this may require adjustments to Council's three water assets either in respect of disclosure or measurement

TAUĀKI Ā-MONI WHIWHI, Ā-WHAKAPAUNGA PŪTEA

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the year ended 30 June 2021

ACTUAL 2020 \$000		NOTES	ACTUAL 2021 \$000	BUDGET 2021 \$000
	REVENUE			
40,300	General rates	2	40,640	40,287
35,739	Targeted rates	2	37,222	37,140
10,527	Development and financial contributions		16,830	10,310
5,708	Operating subsidies and grants	4	9,767	3,848
6,143	Capital subsidies and grants	4	18,438	14,629
15,196	Fees and charges	4	17,266	15,652
31,798	Other revenue	3	48,430	21,413
(1,552)	Fair value gain/(loss) on revaluation	3	12,779	-
16	Other gains	3	172	62
4,411	Finance income	8	910	446
7,192	Revenue of joint operations	21	7,365	7,658
5,053	Share of joint ventures surplus/(deficit)	20	7,417	-
160,531	Total revenue	1	217,236	151,445
	EXPENSE			
7,936	Finance expense	8	8,321	8,558
25,627	Employee related expense	6	27,221	27,276
43,104	Other expenses	7	46,584	37,642
22,047	Maintenance	7	23,539	21,704
25,418	Depreciation and amortisation	17	29,971	29,984
9,500	Expenditure of joint operations	21	12,122	3,921
133,632	Total expense	1	147,758	129,085
26,899	Surplus/(deficit) before taxation		69,478	22,360
-	Income tax expense	9	-	-
26,899	Surplus/(deficit) after tax		69,478	22,360
	OTHER COMPREHENSIVE REVENUE			
44,161	Gain on Council property, plant and equipment revaluations	26	84,747	-
-	Deferred tax on asset revaluations	9	-	-
781	Movement in NZLG shares value	26	926	-
-	Asset impairment, disposal gain/(loss)	15, 26	-	-
31,137	Share of joint ventures and joint operations other comprehensive revenue	20, 21, 26	16,319	-
76,079	Total other comprehensive revenue and expense	26	101,992	-
102,978	Total comprehensive revenue and expense		171,470	22,360

The table above shows surplus before other comprehensive income of \$69.5 million (2020: \$26.9 million) compared with a budgeted accounting surplus of \$22.4 million (2020: \$17.3 million). This equates to a surplus or favourable variance of \$47.1 million. Variances are explained in note 36.

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

TAUĀKI MŌ TE TŪĀHUA TAHUA PŪTEA

STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

ACTUAL 2020 \$000		NOTES	ACTUAL 2021 \$000	BUDGET 2021 \$000
	CURRENT ASSETS			
28,709	Cash and cash equivalents	10	15,106	10,128
16,684	Trade and other receivables	11	15,398	16,434
43,684	Other financial assets	13	9,653	1,371
–	Non current assets held for resale	14	–	–
89,077	Total current assets		40,157	27,933
	CURRENT LIABILITIES			
26,114	Trade and other payables	22	25,909	20,429
2,888	Employee benefit liabilities	24	2,890	2,219
66,003	Current portion of borrowings	25	42,000	16,636
4,387	Current portion of derivative financial instruments	12	334	3,625
99,392	Total current liabilities		71,133	42,909
(10,315)	Working capital		(30,976)	(14,976)
	NON-CURRENT ASSETS			
169,652	Investments in joint ventures	20	189,043	137,599
19,159	Other financial assets	13	12,451	22,296
2,345	Intangible assets	16	2,851	2,376
47,058	Forestry assets	18	50,212	44,722
5,350	Investment property	19	5,820	5,279
1,539,778	Property, plant and equipment	15	1,695,914	1,625,736
1,783,342	Total non-current assets		1,956,291	1,838,008
	NON-CURRENT LIABILITIES			
158,181	Term borrowings	25	144,062	191,409
19,011	Derivative financial instruments	12	13,763	15,511
316	Employee benefit liabilities	24	369	406
3,729	Provisions	23	3,861	2,296
181,237	Total non current liabilities		162,055	209,622
1,591,790	Total net assets		1,763,260	1,613,410
	EQUITY			
655,633	Accumulated equity	27	718,956	670,121
33,301	Restricted reserves	28	39,456	24,272
902,856	Revaluation reserves	26	1,004,848	919,017
1,591,790	Total equity		1,763,260	1,613,410

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

TAUĀKI MŌ NGĀ MONI UTU, WHIWHINGA RĀNEI

STATEMENT OF CASHFLOWS

As at 30 June 2021

ACTUAL 2020 \$000		NOTES	ACTUAL 2021 \$000	BUDGET 2021 \$000
	CASHFLOW FROM OPERATING ACTIVITIES			
	Cash was provided from:			
65,127	Fees and charges and other revenue		85,368	65,580
75,913	Rates revenue		78,214	77,486
3,636	Dividends received		2,491	2,955
3,880	Interest received		809	446
148,556			166,882	146,467
	Cash was disbursed to:			
(91,865)	Payments to suppliers and employees		(101,393)	(90,542)
(8,376)	Interest paid		(8,448)	(8,558)
347	Net GST (paid)/received		(645)	-
(99,894)			(110,486)	(99,100)
48,662	Net cash flow from operating	29	56,396	47,367
	CASHFLOW FROM INVESTING ACTIVITIES			
	Cash was provided from:			
16	Proceeds from sale of assets		172	62
1,371	Proceeds from sale of investments		43,684	25
1,387			43,856	87
	Cash was disbursed to:			
(53,554)	Purchase of assets		(73,714)	(64,142)
(34,378)	Purchase of investments		(2,019)	(24)
(87,932)			(75,733)	(64,166)
(86,545)	Net cash flow from investing		(31,877)	(64,079)
	CASHFLOW FROM FINANCING ACTIVITIES			
	Cash was provided from:			
86,322	Loans raised		27,881	33,435
	Cash was disbursed to:			
(35,003)	Loan principal repayments		(66,003)	(16,636)
51,319	Net cash flow from financing		(38,122)	16,799
13,436	Total net cash flows		(13,603)	87
15,273	Opening cash held		28,709	10,041
28,709	Closing cash and cash equivalents balance	10	15,106	10,128

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

TAUĀKI MŌ NGĀ PANONITANGA O NGĀ HUA UARA

STATEMENT OF CHANGES IN EQUITY

As at 30 June 2021

ACTUAL 2020 \$000		ACTUAL 2021 \$000	BUDGET 2021 \$000
1,488,812	Equity at start of year	1,591,790	1,591,050
102,978	Total comprehensive revenue and expense	171,470	22,360
1,591,790	Total equity	1,763,260	1,613,410

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



TE TAUĀKĪ WHAKAAWEAWENGA TUKU PŪTEA A TE RŌPŪ

COUNCIL FUNDING IMPACT STATEMENT

As at 30 June 2021

ACTUAL 2020 \$000	BUDGET 2020 \$000	FUNDING IMPACT STATEMENT	ACTUAL 2021 \$000	BUDGET 2021 \$000
SOURCES OF OPERATING FUNDING				
40,605	40,602	General rates, uniform annual general charges, rates penalties	40,821	40,825
35,739	35,936	Targeted rates	37,222	37,324
5,708	3,664	Subsidies and grants for operating purposes	9,767	5,383
15,196	15,284	Fees and charges	17,266	15,652
3,857	3,208	Interest and dividends from investments	3,427	3,452
27,130	18,999	Local authorities fuel tax, fines, infringement fees, and other receipts	25,345	21,239
128,235	117,693	Total operating funding	133,848	123,875
APPLICATIONS OF OPERATING FUNDING				
100,277	88,135	Payments to staff and suppliers	105,359	90,912
7,938	8,137	Finance costs	7,438	8,558
–	–	Other operating funding applications	–	–
108,215	96,272	Total applications of operating funding	112,797	99,470
20,020	21,421	Surplus/(deficit) of operating funding	21,051	24,405
SOURCES OF CAPITAL FUNDING				
6,143	7,585	Subsidies and grants for capital expenditure	18,438	13,115
10,527	10,135	Development and financial contributions	16,832	10,310
54,634	11,322	Increase/(decrease) in debt	(39,000)	16,799
16	62	Gross proceeds from sale of assets	172	62
–	–	Lump sum contributions	–	–
–	–	Other dedicated capital funding	–	–
71,320	29,104	Total sources of capital funding	(3,558)	40,286
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
884	1,556	• to meet additional demand	2,880	4,648
30,860	15,351	• to improve the level of service	42,203	16,682
22,247	22,758	• to replace existing assets	28,944	42,366
(1,896)	(915)	Increase/(decrease) in reserves	(7,098)	(842)
39,245	11,775	Increase/(decrease) in investments	(49,436)	1,837
91,340	50,525	Total applications of capital funding	17,493	64,691
(20,020)	(21,421)	Surplus/(deficit) of capital funding	(21,051)	(24,405)

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.

PART SIX

NOTES TO
FINANCIAL
STATEMENTS



NOTES TO FINANCIAL STATEMENTS

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

2019/2020 \$'000		2020/2021 \$'000
REVENUE		
12,883	Environmental Management	16,519
8,771	Public Health and Safety	8,659
24,919	Transportation, Roads and Footpaths	26,298
626	Coastal Structures	403
18,017	Water Supply	26,440
16,748	Wastewater	18,828
6,587	Stormwater	7,789
12,310	Solid Waste	14,208
3,595	Flood Protection and River Control Works	4,206
21,951	Community Development	26,680
18,008	Council Enterprises	17,690
4,194	Governance	3,487
11,922	Overhead activities including treasury, joint operations and ventures	46,029
160,531	Total revenue	217,236
EXPENSE		
12,624	Environmental Management	16,297
8,473	Public Health and Safety	8,302
23,302	Transportation, Roads and Footpaths	25,075
224	Coastal Structures	317
13,662	Water	19,869
13,328	Wastewater	15,459
4,705	Stormwater	4,784
13,042	Solid Waste	13,280
2,701	Flood Protection and River Control Works	2,409
21,529	Community Development	22,006
12,586	Council Enterprises	10,542
3,978	Governance	3,150
3,478	Overhead activities including treasury, joint operations and ventures	6,268
133,632	Total expense	147,758

NOTES TO FINANCIAL STATEMENTS

NOTE 2: RATES

RATES RECOGNITION

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

The following particular policies apply:

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

2019/2020 \$000	RATES	2020/2021 \$000
40,300	Total general rates	40,640
TARGETED RATES ATTRIBUTABLE TO ACTIVITIES		
167	Environmental Management	154
–	Transportation, Roads and Footpaths	–
84	Coastal Structures	82
2,743	Water Supply – excluding metered	2,962
7,450	Water Supply – metered	8,399
10,396	Wastewater	9,987
4,746	Stormwater	5,098
2,379	Solid Waste	2,511
2,968	Flood Protection and River Control Works	3,029
4,487	Community Development	4,674
319	Governance	326
35,739	Total targeted rates attributable to activities	37,222
76,039	Total rates net of remissions	77,862
265	Rates remissions	221
76,304	Total rates gross of remissions	78,083

NOTES TO FINANCIAL STATEMENTS

NOTE 2: RATES (CONT.)

The annual rates revenue of Council for the year ended 30 June 2021 and 30 June 2020 for the purposes of the LGFA Guarantee and Indemnity Deed disclosure is shown above.

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

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

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

NOTE 3: OTHER REVENUE

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

- Development contributions and reserve financial contributions are recognised as revenue when Council has rights to the contribution and has provided, or is able to provide, the service that gave rise to the charging of the contribution. Otherwise development contributions and financial contributions are recognised as liabilities until such time as Council provides, or is able to provide, the service.
- Interest is recognised using the effective interest method.
- Dividends are recognised when the right to receive payment has been established.
- 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 (for roading and water assets, this is when S224 is approved). The fair value of vested or donated assets is usually determined by reference to the cost of constructing the asset. For assets received from property developments, the fair value is based on construction price information provided from the most recent revaluation.
- Infringements are recognised when the fine is issued.

2019/2020 \$000	OTHER REVENUE	2020/2021 \$000
13,638	Forestry harvesting revenue	11,807
86	Dividend revenue	66
345	Infringements and fines	378
364	Petrol tax	389
245	Rental revenue from investment properties	283
11,634	Vested assets	30,253
5,486	Other	5,254
31,798	Total other revenue	48,430

NOTES TO FINANCIAL STATEMENTS

NOTE 3: OTHER REVENUE (CONT.)

2019/2020 \$000	FAIR VALUE MOVEMENT ON REVALUATION	2020/2021 \$000
(4,261)	Unrealised gain/(loss) on interest rate derivatives	9,301
2,957	Gain on changes in fair value of forestry assets and other fair value movements	3,278
(248)	Investment property revaluation movement	200
(1,552)	Total fair value movement on revaluation	12,779

2019/2020 \$000	OTHER GAINS	2020/2021 \$000
16	Gain on disposal of property, plant and equipment	172
16	Total other gains	172

NOTE 4: SUBSIDIES AND GRANTS

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

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

2019/2020 \$000	OPERATING SUBSIDIES AND GRANTS	2020/2021 \$000
4,662	Waka Kotahi (NZ Transport Agency) roading subsidies	3,975
–	Mt Richmond Forest Park wilding conifer programme	1,816
–	Provincial Growth Fund hazardous trees and drainage	1,499
1,046	Other subsidies, grants and donations	2,477
5,708	Total operating subsidies and grants	9,767

2019/2020 \$000	CAPITAL SUBSIDIES AND GRANTS	2020/2021 \$000
5,180	Waka Kotahi (NZ Transport Agency) roading subsidies	4,938
–	Three waters stimulus funding	3,717
–	Grants received for Waimea Community Dam	8,000
963	Other subsidies and grants	1,783
6,143	Total capital subsidies and grants	18,438

NOTES TO FINANCIAL STATEMENTS

NOTE 4: SUBSIDIES AND GRANTS (CONT.)

There are no unfulfilled conditions or other contingencies attached to government grants and subsidies recognised as revenue. Amounts received with unfulfilled conditions as at 30 June, are recognised as a liability in note 22.

Council receives government grants from the 'three water stimulus package'. This revenue is recognised on entitlement when conditions pertaining to eligible expenditure are fulfilled. The arrangement stipulates that "contributions" from Councils toward expenditure programme are required. At 30 June the unspent balance, excluding expenditure that Council is funding, is recognised as a deferred liability.

Council received \$4.9 million in year ended 30 June 2021 Government Three Waters Stimulus Funding (2020: Nil), and had spent \$3.7 million of this capital funding (included in note 15, additions). \$3.7 million is recognised as revenue. The unspent amount, \$1.2 million is included in current liabilities as deferred revenue.

Council received \$2.2 million in year ended 30 June 2021 Government Stimulus Funding, Mt Richmond Forest Park wilding conifer programme (2020: Nil), and had spent \$1.8 million of this operational funding (included in note 7, project expenditure). \$1.8 million is recognised as revenue. The unspent amount, \$0.4 million is included in current liabilities as deferred revenue.

NOTE 5: FEES AND CHARGES

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

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

2019/2020 \$000	FEES AND CHARGES	2020/2021 \$000
5,585	Building, resource consent, public health and liquor licensing charges	6,692
3,785	Landfill/resource recovery centre charges	4,798
3,368	Sales	3,865
430	Sundry fees and recoveries	550
2,028	Other fees and charges	1,361
15,196	Total fees and charges	17,266

NOTE 6: EMPLOYEE BENEFIT EXPENSES

2019/2020 \$000	EMPLOYEE BENEFIT EXPENSES	2020/2021 \$000
24,323	Salary and wages	26,258
970	Kiwi saver/superannuation schemes employer contributions	1,021
334	Increase/(decrease) in employee benefit liabilities	(58)
25,627	Total employee benefit expenses	27,221

NOTES TO FINANCIAL STATEMENTS

NOTE 7: OTHER EXPENSES

GRANT EXPENDITURE

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

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.

2019/2020 \$000	OTHER EXPENSES	2020/2021 \$000
8,993	Forestry harvesting expenses	6,192
1,186	Projects	3,239
2,501	Grants paid	1,059
1,550	Rates and water	1,520
1,158	Levies paid	1,269
1,102	Electricity	1,283
818	Elected representatives salary (including community board)	864
7,834	Consultants	7,223
67	Impairment and bad debt write offs	170
601	Legal fees	793
109	Movement in bad debts provision	(104)
127	Audit fees – Annual Report	139
–	Audit fees – Long Term Plan	149
4	Audit fees – debenture trust deed	4
12	Audit fees – fee recovery from the prior year	28
8	Donations	12
17,034	Other operating expenses	22,744
43,104	Total other expenses	46,584

NOTES TO FINANCIAL STATEMENTS

NOTE 7: OTHER EXPENSES (CONT.)

MAINTENANCE

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

2019/2020 \$000	MAINTENANCE	2020/2021 \$000
19,767	Operational maintenance	22,155
2,280	Other maintenance	1,384
22,047	Total maintenance	23,539

NOTE 8: FINANCE EXPENSE AND FINANCE INCOME

Interest revenue is recognised using the effective interest method.

2019/2020 \$000	FINANCE EXPENSE	2020/2021 \$000
INTEREST EXPENSE		
7,936	Interest on borrowings	7,438
-	Loan fair value adjustment	883
7,936	Total finance costs	8,321

2019/2020 \$000	FINANCE INCOME	2020/2021 \$000
INTEREST REVENUE		
3,309	Loan fair value adjustment	-
1,054	Interest on bank deposits	907
37	Interest on related party loans	-
11	Interest on community loans	3
4,411	Total finance revenue	910

NOTES TO FINANCIAL STATEMENTS

NOTE 9: TAX

Council is exempt from income tax except in relation to distributions from its CCO's and its port operations.

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

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

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

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

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

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

2019/2020 \$000		2020/2021 \$000
RELATIONSHIP BETWEEN TAX EXPENSE AND ACCOUNTING PROFIT		
26,899	Net surplus	69,478
7,532	Tax at 28%	19,454
(7,532)	Less non-taxable income	(19,454)
–	Deferred tax adjustment	–
–	Tax expense	–

	PROPERTY, PLANT AND EQUIPMENT \$000	TAX LOSSES \$000	TOTAL \$000
DEFERRED TAX ASSETS/(LIABILITIES)			
Balance at 1 July 2019	(481)	481	–
Charged to surplus or deficit	(16)	16	–
Charged to other comprehensive revenue and expense	(67)	67	–
Balance at 1 July 2020	(564)	564	–
Charged to surplus or deficit	25	(25)	–
Charged to other comprehensive revenue and expense	–	–	–
Balance at 30 June 2021	539	(539)	–

A deferred tax asset has not been recognised in relation to tax losses of \$11,544,681 (2020: \$12,114,498).

NOTES TO FINANCIAL STATEMENTS

NOTE 10: CASH AND CASH EQUIVALENTS

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

30 JUNE 2020 \$000	CASH AND CASH EQUIVALENTS	30 JUNE 2021 \$000
28,709	Cash at bank and in hand	15,106
-	Short term deposits maturing three months or less from date of acquisition	-
28,709	Total cash and cash equivalents	15,106

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

NOTE 11: TRADE AND OTHER RECEIVABLES

Receivables are recorded at their face value, less any provision for impairment.

30 JUNE 2020 \$000	TRADE AND OTHER RECEIVABLES	30 JUNE 2021 \$000
1,376	Rates receivables	1,154
15,580	Other receivables	14,206
337	Prepayments	543
17,293		15,903
(609)	Less provision for doubtful debts	(505)
16,684		15,398
	Comprising	
16,684	Current portion	15,398
-	Non-current	-
16,684	Total trade and other receivables	15,398

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

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

The impairment provision has been calculated based on a review of specific overdue receivables. There has been no collective impairment based on an analysis of past collection history and debt write-offs. Council holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.

NOTES TO FINANCIAL STATEMENTS

NOTE 11: TRADE AND OTHER RECEIVABLES (CONT.)

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

2019/2020 \$000	TRADE AND OTHER RECEIVABLES	2020/2021 \$000
(499)	At 1 July	(609)
(241)	Additional provisions made during the year	(401)
51	Written off during period	140
80	Provisions reversed in year	365
(609)	At 30 June	(505)

The status of rates and other receivables as at 30 June 2021 are detailed as below:

2021 CURRENT AND NON-CURRENT	GROSS \$000	IMPAIRMENT \$000	NET \$000
< 30 days	13,303	–	13,303
30 – 60 days	452	–	452
61 – 90 days	181	–	181
90+ days	1,424	(505)	919
Total rates and other receivables	15,360	(505)	14,855
Prepayments	543	–	543
Total trade and other receivables	15,903	(505)	15,398

The status of other receivables as at 30 June 2020 are detailed as below:

2020 CURRENT AND NON-CURRENT	GROSS \$000	IMPAIRMENT \$000	NET \$000
< 30 days	15,079	(1)	15,078
30 – 60 days	156	–	156
61 – 90 days	309	–	309
90+ days	1,413	(608)	805
Total other receivables	16,957	(609)	16,348

NOTES TO FINANCIAL STATEMENTS

NOTE 12: DERIVATIVE FINANCIAL INSTRUMENTS

ACCOUNTING FOR DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

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

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

The associated gains or losses of derivatives that are not hedge accounted are recognised in the surplus or deficit. Council has elected not to hedge account for its interest rate swaps.

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

30 JUNE 2020 \$000	DERIVATIVE FINANCIAL INSTRUMENTS	30 JUNE 2021 \$000
23,398	Interest rate swaps	14,097
23,398	Total derivative financial instruments	14,097
	Comprising:	
4,387	Current portion	334
19,011	Non-current	13,763
23,398	Total derivative financial instruments liability	14,097

FAIR VALUE

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

Fair value hierarchy

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 13: 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 revenue and expense. The classification depends on the purpose for which the investments were acquired.

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 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 include financial assets held for trading**

A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of short-term profit-taking. Derivatives are also categorised as held for trading unless they are designated into a hedge accounting relationship for which hedge accounting is applied.

After initial recognition, financial assets in this category are measured at their fair values with gains or losses on re-measurement 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. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 13: FINANCIAL ASSETS (CONT.)

- **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 fund and short term deposits in this category.

- **Financial assets at fair value through comprehensive revenue and expense**

Financial assets at fair value through comprehensive revenue and expense are those that are designated as fair value through comprehensive revenue and expense 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.

IMPAIRMENT OF FINANCIAL ASSETS

At each balance 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. 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).

Financial assets at fair value through other comprehensive revenue and expense

For equity investments classified as fair value through comprehensive revenue and expense, 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 revenue and expense, 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 revenue and expense 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.

Fair value hierarchy

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 13: FINANCIAL ASSETS (CONT.)

30 JUNE 2020 \$000	OTHER FINANCIAL ASSETS	FAIR VALUE HIERARCHY LEVEL	30 JUNE 2021 \$000
CURRENT PORTION			
Loans and receivables			
29	Current portion of community loans		29
100	Current portion of related party loans		100
Fair value through comprehensive revenue and expense			
401	Borrower Notes – NZ LG Funding Agency	2	242
Held to maturity			
1,200	Disaster funds		–
41,919	Other short term deposits with maturities of 4–12 months		9,282
35	Monies administered for organisations		–
43,684	Total current portion		9,653
NON-CURRENT PORTION			
Loans and receivables			
137	Community loans		100
400	Related party loans and receivables		2,104
Fair value through comprehensive revenue and expense			
52	Unlisted shares – Civic Financial Services Ltd	3	52
6,930	Unlisted shares – NZ LG Funding Agency	3	7,832
2,640	Borrower Notes – NZ LG Funding Agency	2	2,363
Held to maturity			
9,000	Other long term deposits with maturities greater than 12 months		–
19,159	Total non-current portion		12,451

Council does not hold any material cash bonds subject to retentions (2020: \$35,000).

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

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

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 \$Nil (2020: \$1,200,000).

The related party loans and receivables includes an interest free loan of \$425,000, which has not been discounted in these financial statements to present value as it is not material (2020: 6.5% discount rate). The interest rate receivable on the remaining loan has been calculated at 2.2%.

Interest rates receivable on community loans range from 3.90% to 9.00%, with an average rate of 6.76% (2020: 3.90% to 9.00%, with an average rate of 6.76%).

NOTES TO FINANCIAL STATEMENTS

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

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

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

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

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

As at 30 June 2021 Council did not hold any of its property for sale (2020: Nil).

NOTE 15: PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of:

- **Operational assets** – These include land, buildings, computers and office equipment, building improvements, library books, plant, equipment, wharves and motor vehicles.
- **Restricted assets** – Assets owned or vested in Council which cannot easily be disposed of because of legal or other restrictions and provide a benefit or service to the community.
- **Infrastructural assets** – Infrastructural assets are the fixed utility systems owned by Council. Each asset type includes all items that are required for the network to function, e.g. sewer reticulation includes reticulation piping and sewer pump stations.

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

Additions: The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to Council and the cost of the item can be measured reliably. Work in progress is recognised at cost less impairment and is not depreciated. In most instances, an item of property, plant, and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

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 Council as part of the subdivision consent process. Vested infrastructural assets have been valued by calculating the cost of providing identical quantities of infrastructural components. Vested assets are recognised as revenue when control over the asset is obtained.

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

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

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

NOTES TO FINANCIAL STATEMENTS

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

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

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

• Land	Not depreciated
• Buildings (including fit out)	2 – 100 years
• Plant and equipment	5 – 10 years
• Motor vehicles	5 – 10 years
• Library books	2 – 10 years

Infrastructure assets

• Bridges	100 years
• Formation and sub-base (sealed)	Not depreciated
• Drainage	25 – 120 years
• Footpaths	25 – 75 years
• Roads – other components	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
• Pipes	80 – 120 years
• Manholes	80 – 120 years
• 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 for Roading, Three waters, Refuse, land and Buildings are carried out or reviewed by independent qualified valuers and it is intended that valuations be carried out on a three-yearly cycle. Other assets are not revalued. The carrying values of revalued items are reviewed at each balance date to ensure that these values are not materially different to fair value. Where materially different, Council will revalue at an earlier point. Revaluations are carried out on an asset class basis. The net revaluation results are credited or debited to other comprehensive revenue and expenses and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expenses but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expenses.

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

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

These include:

- Estimating any obsolescence or surplus capacity of the asset.

NOTES TO FINANCIAL STATEMENTS

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

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

Roads and bridges have been valued at fair value using optimised depreciated replacement cost by Marsh & McLennan Companies as at 30 June 2020.

Wastewater, solid waste, water supply, stormwater and coastal assets have been valued at fair value using optimised depreciated replacement cost by Marsh & McLennan Companies as at 30 June 2020.

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

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

previous three yearly cycle in order for the specialist valuation to be undertaken.

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

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

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

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

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

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

Land (operational, restricted, and infrastructural) – Land is valued at fair value using market-based evidence based on its highest and best use with reference to comparable land values. Adjustments have been made to the "unencumbered" land value where

NOTES TO FINANCIAL STATEMENTS

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

there is a designation against the land or the use of the land is restricted because of reserve or endowment status. These adjustments are intended to reflect the negative effect on the value of the land where an owner is unable to use the land more intensely. The most recent valuation was performed by QV Valuations Limited, and the valuation is effective as at 30 June 2021. Land includes land related to Three Waters assets, including Joint Operation land, land under treatment plants, sewerage and drainage reserves. Land does not include Land under Roads, or Port land which is held in the respective class.

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

Buildings (operational and restricted) – Specialised buildings are valued at fair value using depreciated replacement cost because no reliable market data is

available for such buildings. Depreciated replacement cost is determined using a number of significant assumptions. Significant assumptions include:

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

Non-specialised buildings (for example, residential buildings) are valued at fair value using market-based evidence. Market rents and capitalisation rates were applied to reflect market value. The most recent valuation was performed by QV Valuations Limited, and the valuation is effective as at 30 June 2021.

Reconciliation to carrying value of buildings from revalued building assets using depreciated replacement cost and buildings valued using market-based evidence is as follows:

	30 JUNE 2021 \$000
OPERATIONAL BUILDINGS	
Depreciated replacement cost	69,848
Market-based evidence	30,789
Total revaluation of operational buildings	100,637
Add: Work in progress	3,477
Add: Reserves and walkways excluded from revaluation	988
Add: Joint operations	287
Total carrying value of operational buildings	105,389

NOTES TO FINANCIAL STATEMENTS

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

IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

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

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

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

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

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

Value in use for non-cash-generating assets

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

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

Value in use for cash-generating assets

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

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



NOTES TO FINANCIAL STATEMENTS

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

2020/2021 \$000	COST/REVALUATION					
	COST/REVAL ¹ 1 JULY 2020 \$000	CURRENT YEAR ADDITIONS \$000	CURRENT YEAR VESTED ASSETS \$000	CURRENT YEAR DISPOSALS \$000	CURRENT YEAR IMPAIRMENT \$000	REVAL ¹ SURPLUS \$000
FIXED ASSETS						
Land*	146,220	1,932	732	(100)	-	59,376
Buildings	88,308	6,395	-	-	-	25,725
Furniture and fittings	4,316	219	-	-	-	-
Motor vehicles	5,135	244	-	(377)	-	-
Plant	4,574	304	-	-	-	(23)
Office equipment	9,146	764	-	-	-	-
Library books	7,843	278	-	-	-	-
Heritage assets	1,843	-	-	-	-	-
Finance lease	-	-	-	-	-	-
	267,385	10,136	732	(477)	-	85,078
INFRASTRUCTURAL ASSETS						
Roading	575,072	13,165	6,341	-	-	-
Bridges	81,241	286	-	-	-	-
Land under roads*	72,202	72	8,889	-	-	-
Stormwater	149,914	2,272	7,438	-	-	-
Wastewater	175,325	10,078	4,688	(882)	-	403
Refuse	14,419	998	-	-	(132)	(104)
Water	152,243	35,618	2,164	(2,924)	(665)	-
Rivers	76,213	2,185	-	-	-	-
Coastal structures	5,612	-	-	-	-	-
Ports*	6,808	15	-	-	-	-
Aerodromes	1,355	9	-	-	-	-
	1,310,405	64,700	29,521	(3,806)	(797)	298
Total	1,577,789	74,836	30,253	(4,282)	(797)	85,376

*A transfer of \$650,000 was made from land to land under roads in the opening cost at 1 July 2020.

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

NOTES TO FINANCIAL STATEMENTS

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

	DEPRECIATION					NET BOOK VALUE		
	REVAL ¹ DEPN ² WRITE BACK \$000	COST/ REVAL ¹ 30 JUNE 2021 \$000	ACC DEPN ² & IMPAIRMENT 01 JULY 2020 \$000	CURRENT YEAR DEPN ² \$000	WRITE BACK REVAL ¹ ON DEPN ² AND DISPOSAL \$000	ACC DEPN ² & IMPAIRMENT 30 JUNE 2021 \$000	NBV ³ 01 JULY 2020 \$000	NBV ³ 30 JUNE 2021 \$000
	-	208,160	-	-	-	-	146,220	208,160
	-	120,428	(9,883)	(5,167)	11	(15,039)	78,424	105,389
	-	4,535	(3,881)	(192)	-	(4,073)	435	462
	-	5,002	(4,148)	(334)	348	(4,134)	987	868
	-	4,855	(2,887)	(272)	23	(3,137)	1,686	1,718
	-	9,910	(8,016)	(465)	-	(8,481)	1,130	1,429
	-	8,120	(6,773)	(315)	-	(7,087)	1,070	1,033
	-	1,843	(619)	(31)	-	(650)	1,224	1,193
	-	-	-	-	-	-	-	-
	-	362,854	(36,208)	(6,775)	382	(42,602)	231,177	320,252
	-	594,579	-	(9,003)	-	(9,003)	575,072	585,576
	-	81,528	-	(1,551)	-	(1,551)	81,241	79,977
	-	81,163	-	-	-	-	72,202	81,163
	-	159,625	-	(1,815)	-	(1,815)	149,914	157,810
	-	189,612	(973)	(6,217)	1,263	(5,926)	174,352	183,686
	-	15,180	(63)	(648)	104	(607)	14,356	14,573
	-	186,437	(48)	(4,602)	-	(4,650)	152,195	181,787
	-	78,398	(123)	(38)	-	(161)	76,090	78,238
	-	5,612	(318)	(39)	-	(357)	5,294	5,255
	-	6,824	(74)	(242)	-	(316)	6,734	6,508
	-	1,364	(205)	(69)	-	(274)	1,150	1,090
	-	1,400,321	(1,804)	(24,223)	1,368	(24,660)	1,308,601	1,375,662
	-	1,763,175	(38,012)	(30,999)	1,749	(67,261)	1,539,778	1,695,914

NOTES TO FINANCIAL STATEMENTS

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

2019 / 2020 \$000	COST/REVALUATION					
	COST / REVAL ¹ 1 JULY 2019 \$000	CURRENT YEAR ADDITIONS \$000	CURRENT YEAR VESTED ASSETS \$000	CURRENT YEAR DISPOSAL \$000	CURRENT YEAR IMPAIRMENT \$000	REVAL ¹ SURPLUS \$000
FIXED ASSETS						
Land*	142,784	3,918	168	-	-	-
Buildings	85,213	3,113	-	-	-	(18)
Furniture and fittings	4,132	184	-	-	-	-
Motor vehicles	4,732	476	-	(73)	-	-
Plant	4,363	235	-	-	-	(25)
Office equipment	8,730	416	-	-	-	-
Library books	7,559	284	-	-	-	-
Heritage assets	1,843	-	-	-	-	-
Finance lease	-	-	-	-	-	-
	259,356	8,626	168	(73)	-	(43)
INFRASTRUCTURAL ASSETS						
Roading	573,975	11,199	5,063	-	-	11,903
Bridges	83,420	803	-	-	-	2,042
Land under roads	70,383	220	950	-	-	-
Stormwater	141,488	2,611	2,411	-	-	8,252
Wastewater	159,975	6,550	2,275	-	-	15,672
Refuse	12,811	1,895	-	-	-	989
Water	138,490	19,682	766	-	-	3,908
Rivers	74,900	1,313	-	-	-	-
Coastal structures	5,612	-	-	-	-	-
Ports*	5,722	-	-	-	-	1,501
Aerodromes	1,197	158	-	-	-	-
	1,267,973	44,430	11,463	-	-	44,266
Total	1,527,329	53,056	11,631	(73)	-	44,223

*\$627,000 of opening cost was reclassified from land to ports. \$230,000 of opening cost was reclassified from ports to coastal.

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

NOTES TO FINANCIAL STATEMENTS

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

	DEPRECIATION					NET BOOK VALUE		
	REVAL ¹ DEPN ² WRITE BACK \$000	COST/ REVAL ¹ 30 JUNE 2020 \$000	ACC DEPN ² & IMPAIRMENT 01 JULY 2019 \$000	CURRENT YEAR DEPN ² \$000	WRITE BACK REVAL ¹ ON DEPN ² AND DISPOSAL \$000	ACC DEPN ² & IMPAIRMENT 30 JUNE 2020 \$000	NBV ³ 01 JULY 2019 \$000	NBV ³ 30 JUNE 2020 \$000
	-	146,870	-	-	-	-	142,784	146,870
	-	88,308	(4,866)	(5,025)	8	(9,883)	80,347	78,424
	-	4,316	(3,708)	(173)	-	(3,881)	424	435
	-	5,135	(3,891)	(328)	71	(4,148)	841	988
	-	4,574	(2,648)	(258)	18	(2,887)	1,715	1,685
	-	9,146	(7,649)	(367)	-	(8,016)	1,081	1,130
	-	7,843	(6,418)	(355)	-	(6,773)	1,141	1,070
	-	1,843	(588)	(31)	-	(619)	1,255	1,224
	-	-	-	-	-	-	-	-
	-	268,034	(29,768)	(6,537)	97	(36,208)	229,588	231,827
	(27,068)	575,072	(18,786)	(8,282)	27,068	-	555,189	575,072
	(5,024)	81,241	(3,464)	(1,560)	5,024	-	79,956	81,241
	-	71,553	-	-	-	-	70,383	71,553
	(4,847)	149,914	(3,281)	(1,565)	4,846	-	138,207	149,914
	(9,147)	175,325	(7,119)	(4,020)	10,166	(973)	152,856	174,352
	(1,275)	14,419	(857)	(481)	1,275	(63)	11,954	14,356
	(10,602)	152,243	(7,179)	(3,471)	10,602	(48)	131,310	152,195
	-	76,213	(85)	(38)	-	(123)	74,814	76,090
	-	5,612	(318)	-	-	(318)	5,294	5,294
	(415)	6,808	(207)	(282)	415	(74)	5,515	6,734
	-	1,355	(137)	(68)	-	(205)	1,060	1,150
	(58,377)	1,309,755	(41,433)	(19,766)	59,395	(1,804)	1,226,538	1,307,952
	(58,377)	1,577,789	(71,201)	(26,303)	59,492	(38,012)	1,456,126	1,539,778

NOTES TO FINANCIAL STATEMENTS

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

CORE ASSETS	CLOSING BOOK VALUE AT 30 JUNE 2021 \$000	ASSETS CONSTRUCTED FOR THE YEAR ENDING 30 JUNE 2021 \$000	ASSETS TRANSFERRED FOR THE YEAR ENDING 30 JUNE 2021 \$000	REPLACEMENT COSTS AS AT 30 JUNE 2021 \$000
Water supply treatment plants	13,652	3,965	–	14,328
Water supply reticulation	168,805	31,653	2,164	217,167
Total water supply	182,451	35,618	2,164	231,495
Wastewater treatment plants	14,302	1,773	–	2,697
Wastewater reticulation	169,382	8,305	4,688	256,113
Total wastewater	183,685	10,078	4,688	258,810
Stormwater	157,809	2,272	7,438	201,785
Flood protection and control works	78,237	2,185	–	79,507
Transportation, roads and footpaths	746,068	13,526	15,230	937,150

CORE ASSETS	CLOSING BOOK VALUE AT 30 JUNE 2020 \$000	ASSETS CONSTRUCTED FOR THE YEAR ENDING 30 JUNE 2020 \$000	ASSETS TRANSFERRED FOR THE YEAR ENDING 30 JUNE 2020 \$000	REPLACEMENT COSTS AS AT 30 JUNE 2020 \$000
Water supply treatment plants	10,349	7	–	10,712
Water supply reticulation	141,846	2,396	766	185,925
Total water supply	152,195	2,403	766	196,637
Wastewater treatment plants	12,993	221	–	924
Wastewater reticulation	161,359	3,893	2,275	244,002
Total wastewater	174,352	4,114	2,275	244,926
Stormwater	149,914	7,918	2,411	192,075
Flood protection and control works	76,090	1,313	–	77,322
Transportation, roads and footpaths	727,866	5,900	5,063	908,394

NOTES TO FINANCIAL STATEMENTS

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

WORK IN PROGRESS

Included in net book value is work in progress. These assets have not been depreciated. Work in progress includes Councils share of joint operations assets.

2019/2020 \$000	WORK IN PROGRESS	2020/2021 \$000
1,688	Refuse	261
510	Bridges	-
2,209	Roading	1,624
32,571	Water	55,988
2,688	Stormwater	1,826
5,189	Wastewater	6,174
-	Land	502
367	Buildings	3,477
45,222	Total work in progress	69,852

NOTE 16: INTANGIBLE ASSETS

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

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

Forestry Emissions Trading Scheme (ETS) Credits – ETS credits accumulated through growth of trees are not recognised. The number of units held by Council increases as the plantation forestry grows, and are surrendered when the trees are harvested. These carbon credits are not available for sale, they are held to be surrendered upon harvest of trees. Therefore these credits have no future economic benefit, has any benefit is met with an equal liability.

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.

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

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%

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

NOTES TO FINANCIAL STATEMENTS

NOTE 16: INTANGIBLE ASSETS (CONT.)

IMPAIRMENT

Emissions Trading Scheme (ETS) Credits – Council considers there is no impairment of carbon credits held as they are expected to be fully utilised in satisfying carbon obligations from its landfill and forestry operations. Carbon units have been assessed as having an indefinite useful life because they have no expiry date and will continue to have economic benefit as long as the Emissions Trading Scheme is in place.

2020/2021	COMPUTER SOFTWARE \$000	CARBON CREDITS \$000	TOTAL \$000
COST			
Cost at 1 July 2020	5,320	1,300	6,620
Additions	181	1,014	1,195
Disposals	(1,536)	–	(1,536)
Cost at 30 June 2021	3,965	2,314	6,279
ACCUMULATED AMORTISATION AND IMPAIRMENT			
Accumulated amortisation at 1 July 2020	(4,275)	–	(4,275)
Amortisation expense	(383)	–	(383)
Disposals	1,231	–	1,231
Accumulated amortisation at 30 June 2021	(3,427)	–	(3,427)
Net book value at 30 June 2021	538	2,314	2,852

ETS credits are comprised:

- Forestry ETS credits: \$310,000, 325,997 units
- Landfill ETS credits: Council's share in the Nelson Tasman Regional Landfill Business Unit (NTRLBU): \$2,004,000, 70,455 units

The market value of a ETS credit unit at 30 June 2021 was \$43.47.

2019/2020	COMPUTER SOFTWARE \$000	CARBON CREDITS \$000	TOTAL \$000
COST			
Cost at 1 July 2019	4,733	1,602	6,335
Additions	587	–	587
Disposals	–	(302)	(302)
Cost at 30 June 2020	5,320	1,300	6,620
ACCUMULATED AMORTISATION AND IMPAIRMENT			
Accumulated amortisation at 1 July 2019	(3,959)	–	(3,959)
Amortisation expense	(316)	–	(316)
Disposals	–	–	–
Accumulated amortisation at 30 June 2020	(4,275)	–	(4,275)
Net book value at 30 June 2020	1,045	1,300	2,345

NOTES TO FINANCIAL STATEMENTS

NOTE 17: DEPRECIATION BY GROUP OF ACTIVITY

2019/2020 \$'000	DEPRECIATION EXPENSE BY GROUP OF ACTIVITY	2020/2021 \$'000
230	Environment and Planning	313
18,440	Engineering	22,698
4,312	Community Development	4,384
816	Council Enterprises	853
–	Governance	–
23,798	Total directly attributable depreciation by group of activity	28,248
1,304	Depreciation expense not directly related to group of activities	1,340
25,102	Total depreciation (excluding amortisation expense)	29,588
1,201	Plus depreciation from joint operations	1,411
26,303	Total depreciation per property, plant and equipment note (note 15)	30,999
316	Plus amortisation expense	383
(1,201)	Less depreciation from joint operations	(1,411)
25,418	Total depreciation and amortisation per statement of comprehensive revenue and income	29,971



NOTES TO FINANCIAL STATEMENTS

NOTE 18: FORESTRY ASSETS

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

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

The costs to maintain the forestry assets, and revenues from harvest, are included in the surplus or deficit when incurred.

30 JUNE 2020 \$000	FORESTRY ASSETS	30 JUNE 2021 \$000
44,101	Balance at 1 July	47,058
	Gain/(loss) attributable to:	
(5,300)	1. Decrease due to harvest	(5,180)
3,700	2. Advance due to 30 June	5,370
1,100	3. Update area data and harvest schedule	300
9,800	4. Update crop types and yield tables	(300)
(900)	5. Update costs	(700)
(5,300)	6. Log price assumption	2,820
–	7. Discount rate	890
(46)	8. Movement in cost to sell	(50)
(47)	9. Howard forest JO block	(132)
(50)	10. Other	136
2,957	Net gain/(loss)	3,154
47,058	Balance at 30 June	50,212

NATURE OF FORESTRY ASSETS

Council owns 2,561 hectares of planted *Pinus radiata* forest, which are at varying stages of maturity ranging from one to 39 years. Council also owns 207 hectares of planted Douglas fir and 28 hectares of planted *Cupressus* Species trees.

ANNUAL REVALUATION

Registered valuers PF Olsen Ltd have valued forestry assets as at 30 June 2021. PF Olsen also provides Council with forest management services. To preserve independence, the valuation presented by PF Olsen Ltd was peer reviewed by Woodlands Pacific Consulting Limited. The recommendations of the peer review were taken in to account when determining the fair value of forestry assets.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 18: FORESTRY ASSETS (CONT.)

EXPLANATION OF SIGNIFICANT ASSUMPTIONS AND MOVEMENTS

1. Removal of areas harvested since 30 June 2020 reduced the tree crop value by \$5.2 million (10.9%). Total harvested volume during the year ended 30 June 2021 was 94,512 tonnes (2020: 120,057 tonnes harvested).
2. Advancing forest maturity by one year adds physical growth to the crops, reduces the present value of future costs, increases present value of future revenues.
3. Updating the harvest schedule to match the current ten-year operational plan.
4. No updates were made to the generic crop type yield tables this year, but any new inventory was run and new stand-based yield tables were included for nine stands in Howard Forest. Further the final values were adjusted as per the recommendations made from peer review by Woodlands Pacific Consulting Limited.
5. Marginal changes to Annual costs, Harvest costs and Cartage costs reduced the valuation by 1.5%.
6. Recent three-month (March 2021 – May 2021) log prices are applied to the 2021 harvest and three-year average prices are applied from 2025. Interpolated prices are applied for years 2022 – 2024. Based on market evidence analysed, the log prices assumed in this valuation represent a fair and reasonable view of long-term prices by log grade as demonstrated by log prices implied in recent sales of mature forests; including stumpage sales. The net impact is an increase in the valuation of 5.9%.
7. A pre-tax discount rate of 7.3% has been used in discounting the present value of expected pre-tax cash flows (2020: post-tax discount rate of 6.0% was used). This is the average discount rate used by the Manley survey respondents (2019) for forests >1000ha.
8. The increases in value due to advancing the forest maturity one year, updating costs and updating log prices were offset by the recent harvesting reducing the crop value. This resulted in a net 76% reduction in the Howard Joint Operation crop valuation.
9. Council also owns a small stand of timber through its share of the Nelson Regional Sewerage Business Unit Joint Operation. The movement in the value of this stand is included.

RISK MANAGEMENT

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

NOTES TO FINANCIAL STATEMENTS

NOTE 19: INVESTMENT PROPERTY

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

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

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

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

30 JUNE 2020 \$000	INVESTMENT PROPERTY	30 JUNE 2021 \$000
5,250	Balance at 1 July	5,350
348	Addition (transfer from property, plant and equipment)	270
(248)	Gain/(loss) on changes in fair value of investment property	200
5,350	Balance at 30 June	5,820

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

COVID 19 Impact: The real estate market that the subject property is transacted in is being impacted by the uncertainty that the Covid-19 outbreak has caused. As at the date of valuation there is some long term uncertainty for properties having a reliance on travel and tourism. The valuations are based on the current information and factors known at 30 June.

NOTE 20: INVESTMENT IN JOINT VENTURES

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

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

Council has recognised its interest, according to the entities audited financial statements (30 June 2021) using the equity method for its joint ventures:

Port Nelson Ltd – Council was vested a 50% shareholding, and interest, in this entity.

Nelson Airport Ltd – Council has a 50% shareholding, and interest, in this entity.

Tasman Bays Heritage Trust – Council has a 50% interest in this Trust.

NOTES TO FINANCIAL STATEMENTS

NOTE 20: INVESTMENT IN JOINT VENTURES (CONT.)

INVESTMENT IN JOINT VENTURES 2020/2021	PORT NELSON LTD \$000	NELSON AIRPORT LTD \$000	TASMAN BAYS HERITAGE TRUST INC. \$000	TOTAL \$000
Current assets excluding cash and cash equivalents	10,796	846	274	11,916
Cash and cash equivalents	374	41	409	824
Non current – assets	360,201	140,969	21,957	523,127
Current liabilities	(11,729)	(2,460)	(539)	(14,728)
Non-current liabilities	(97,826)	(44,460)	(767)	(143,053)
Net assets	261,816	94,936	21,334	378,086
Revenue	73,510	13,628	2,340	89,478
Expense – excluding depreciation and amortisation	(44,749)	(5,206)	(1,708)	(51,663)
Expense – depreciation and amortisation	(9,300)	(5,522)	(326)	(15,148)
Expense – finance expense	(2,598)	(196)	–	(2,794)
Tax expense	(3,714)	(596)	–	(4,310)
Surplus	13,149	2,108	306	15,563
Other comprehensive revenue and expense	2,307	26,368	1,699	30,374
Total comprehensive revenue and expense	15,456	28,476	2,005	45,937

EQUITY ACCOUNTED SHARE OF ENTITY'S FINANCIAL INFORMATION

Joint venture's net asset	261,816	94,936	21,334	378,086
Council's share before any eliminations or adjustments	130,908	47,468	10,667	189,043
Eliminations and adjustments	–	–	–	–
Councils share of net assets	130,908	47,468	10,667	189,043
Joint venture's surplus	13,149	2,108	306	15,563
Council's share before any eliminations or adjustments	6,575	1,054	153	7,782
Eliminations and adjustments	–	(365)	–	(365)
Councils share of surplus	6,575	689	153	7,417
Joint venture's other comprehensive revenue and expense	2,307	26,368	1,699	30,374
Council's share before any eliminations or adjustments	1,154	13,184	850	15,187
Eliminations and adjustments	(1,518)	801	–	(717)
Councils share of other comprehensive revenue and expense	(365)	13,985	850	14,470

OTHER DISCLOSURES

Share of contingent liabilities incurred jointly with other investors	–	–	–	–
Capital commitments	5,904	1,631	15	7,550
Councils share of capital commitments	2,952	816	8	3,775
Dividends received or receivable from joint ventures	2,000	500	–	2,500

NOTES TO FINANCIAL STATEMENTS

NOTE 20: INVESTMENT IN JOINT VENTURES (CONT.)

INVESTMENT IN JOINT VENTURES 2019/2020	PORT NELSON LTD \$000	NELSON AIRPORT LTD \$000	TASMAN BAYS HERITAGE TRUST INC. \$000	TOTAL \$000
Opening book value 1 July 2019	95,147	32,770	9,682	137,599
2019/2020:				
Share of surplus	4,065	1,003	(15)	5,053
Dividend received	(2,400)	(435)	–	(2,835)
Movement in other comprehensive revenue	29,885	(50)	–	29,835
Impairment of investment	–	–	–	–
Closing book value 30 June 2020	126,697	33,288	9,667	169,652

2019/2020 \$000		2020/2021 \$000
7,646	Capital commitments	3,775
–	Contingent liabilities	–
–	Contingent assets	–
5,053	Operating surplus after tax	7,417
1,210	Tax expense attributed to the operating surplus	2,155
29,835	Other comprehensive revenue and expense	14,470
5,492	Tax expense attributed to the other comprehensive revenue and expense	4,179

With the exception of the policies noted below all policies adopted by Council's joint ventures are consistent with the policies adopted by Council. Figures in the tables above are based on draft joint venture figures, which may immaterially differ from final published results. The Financial Statements of the joint ventures are published on the publicly available websites of the entities.

ASSETS

Council applies depreciation on a straight line basis, 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.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 20: INVESTMENT IN JOINT VENTURES (CONT.)

PERFORMANCE MEASURES

Actual and target returns on joint ventures

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

	TARGET RETURN	2018/2019	2019/2020	2020/2021
Port Nelson Limited	Annual dividend of not less than \$5.5 million.	Achieved a total dividend \$7 million [net profit after tax \$15.3 million]. Council's dividend share was \$3.5 million.	Achieved a total dividend \$4.8 million [net profit after tax \$8 million]. Council's dividend share was \$2.4 million.	Achieved a total dividend \$4.0 million [net profit after tax \$13.1 million]. Council's dividend share was \$2.0 million.
Nelson Airport Limited	To deliver dividend growth in excess of CPI movement.	Achieved. Dividend growth 4%. A total dividend of \$780,000 was declared related to the 2018/19 year. Council's dividend share was \$390,000.	Achieved. Dividend growth 9%. A total dividend of \$850,000 was declared related to the 2019/2020 year. Council's dividend share was \$425,000.	Achieved. Dividend growth 18%. A total dividend of \$1,000,000 was declared related to the 2020/2021 year. Council's dividend share was \$500,000.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 21: INTEREST IN JOINT OPERATIONS

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint operations also include operations where their activities primarily aim to provide the joint arrangement parties with an output (i.e. the parties have rights to substantially all of the service potential or economic benefits of the assets).

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

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

The entities disclosed below are joint operations.

NELSON REGIONAL SEWERAGE BUSINESS UNIT (NRSBU)

Council has a 50% interest in this entity. The most recent unaudited financial statements (30 June 2021) have been used to determine Council's interest.

NELSON TASMAN CIVIL DEFENCE AND EMERGENCY MANAGEMENT (NTCDEM)

Council has a 50% interest in this entity. The most recent unaudited financial statements (30 June 2021) have been used to determine Council's interest.

NELSON TASMAN REGIONAL LANDFILL BUSINESS UNIT (NTRLBU)

Council has a 50% interest in this entity. The most recent unaudited financial statements (30 June 2021) have been used to determine Council's interest.

WAIMEA WATER LIMITED (WWL)

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

As at 30 June 2021, Council guarantees a loan between WWL and Crown Irrigation Investments Ltd (CIIL). As the loan is repaid and Council's credit support is reduced, WIL's voting shares will increase. This will result in Council voting shares reduce, as it will no longer be guarantor for the loan.

- Waimea Water Ltd. Council has a minimum 51% shareholding in this entity, however the accounting interest differs according to the nature and agreements regarding the balances:
- Expenses– The Wholesale Water Augmentation Agreement section 5, provides that Council is responsible for 51% of the operating costs of WWL.
- WWL borrowings to be serviced by WIL – Council is not responsible for borrowings to be serviced by WIL, therefore these borrowings are not recognised in Council's financial statements.
- Other assets and liabilities: Council recognises its accounting interest as the proportion of Council's paid up equity and convertible shareholder advances divided by total equity and convertible shareholder advances. The difference between Council's investment and advances, and the accounting interest, is recognised in Revenue or Expense. At 30 June 2021 the interest is 50.19% (2020: 48%).

NOTES TO FINANCIAL STATEMENTS

NOTE 21: INTEREST IN JOINT OPERATIONS (CONT.)

Council's interest in the assets and liabilities recognised is:

YEAR ENDED 30 JUNE 2021	NRSBU \$000	NTCDEM \$000	NTRLBU \$000	WWL \$000	TOTAL \$000
FINANCIAL RESULTS AFTER INTER-ENTITY ELIMINATIONS					
Net revenue	2,996	145	3,993	232	7,365
Net expenditure	(3,542)	(459)	(4,381)	(3,741)	(12,122)
Net surplus/(deficit)	(546)	(314)	(388)	(3,509)	(4,757)
Includes depreciation of	(1,230)	(36)	(110)	(10)	(1,386)
Other comprehensive income/(expense)	1,765	-	79	-	1,844
Total comprehensive income/(expense)	1,219	(314)	(309)	(3,509)	(2,913)
Current assets	142	172	704	5,093	6,111
Current liabilities	(1,420)	-	(981)	(2,310)	(4,711)
Non-current assets	39,297	141	4,970	44,895	89,303
Non-current liabilities	-	-	(2,078)	-	(2,078)
Net assets	38,019	313	2,615	47,678	88,625

YEAR ENDED 30 JUNE 2020	NRSBU \$000	NTCDEM \$000	NTRLBU \$000	WWL \$000	TOTAL \$000
FINANCIAL RESULTS AFTER INTER-ENTITY ELIMINATIONS					
Net revenue	2,813	573	3,398	408	7,192
Net expenditure	(3,280)	(824)	(4,729)	(667)	(9,500)
Net surplus/(deficit)	(467)	(251)	(1,331)	(259)	(2,308)
Includes depreciation of	(1,045)	(28)	(147)	(53)	(1,273)
Other comprehensive income/(expense)	1,327	-	(25)	-	1,302
Total comprehensive income/(expense)	860	(251)	(1,356)	(259)	(1,006)
Current assets	286	331	1,457	10,617	12,691
Current liabilities	(1,348)	-	(1,008)	(2,320)	(4,676)
Non-current assets	35,406	128	3,677	24,601	63,812
Non-current liabilities	-	-	(1,946)	-	(1,946)
Net assets	34,344	459	2,180	32,898	69,881

NOTES TO FINANCIAL STATEMENTS

NOTE 22: TRADE AND OTHER PAYABLES

Creditors and other payables are recorded at their face value.

30 JUNE 2020 \$000	TRADE AND OTHER PAYABLES	30 JUNE 2021 \$000
8,309	Trade payables	11,451
8,765	Sundry accruals	8,794
1,761	Other liabilities, bonds and deposits	1,874
7,279	Revenue in advance	3,790
26,114	Total trade and other payables	25,909

Revenue in advance includes \$1.2 million (2020: Nil) related to Three Waters Stimulus unspent grant funding, refer to Note 4.

Reclassification of 2020 Trade and Other Payables

Per 2020 Annual Report: Sundry Accruals \$8,782,000, Sundry deposits \$6,267,000, Other \$2,756,000.

NOTE 23: PROVISIONS

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

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

PROVISION FOR LANDFILL AFTERCARE COSTS

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

30 JUNE 2020 \$000	PROVISIONS	30 JUNE 2021 \$000
	Term	Term
2,349	Opening balance	3,729
1,180	Change in provision	(68)
200	Unwinding of discount	200
3,729		3,861

RESTRUCTURING

A restructure was announced on 24/02/2021, effective 1 July 2021. No redundancies are to occur as a result of the restructure, and no onerous contracts. Therefore no provision has been recorded.

NOTES TO FINANCIAL STATEMENTS

NOTE 24: EMPLOYEE BENEFIT LIABILITIES

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. [Note: Retirement leave has not been discounted to present value.]

Presentation of employee entitlements

Sick leave, annual leave, vested long service leave, 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.

30 JUNE 2020 \$000	EMPLOYEE BENEFIT LIABILITIES	30 JUNE 2021 \$000
707	Accrued pay	870
1,849	Annual leave	1,794
247	Retirement gratuities	170
401	Long service leave	425
–	Sick leave	–
3,204	Total employee benefit liabilities	3,259
	Comprising:	
2,888	Current	2,890
316	Non-current	369
3,204	Total employee benefit liabilities	3,259

NOTES TO FINANCIAL STATEMENTS

NOTE 25: BORROWINGS (CONT.)

D. REPAYABLE PERIOD OF LOANS

30 JUNE 2020 \$'000	REPAYABLE PERIOD OF LOANS	30 JUNE 2021 \$'000
	Repayable:	
66,003	Within 1 year	42,000
66,003	Current portion	42,000
15,000	Within 1 – 2 years	24,988
42,500	Within 2 – 5 years	52,000
86,000	5+ years	56,500
17,990	Beyond 10 years	13,000
161,490	Non-current portion	146,488
(3,309)	Present value adjustment	(2,426)
224,184	Total loans	186,062

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

Council has three loans maturing during the 2021 – 2022 financial year totalling \$42 million, classified as a current liability. It is probable that \$27 million of these loans will be refinanced and extended within the 12 month period.

E. FINANCE LEASES

Council has no significant finance leases.

F. INTERNAL BORROWINGS

Internal borrowings are charged to activities and then eliminated on consolidation in Council's financial statements.

GROUP OF ACTIVITY 2021	30 JUNE 2020 \$'000	LOANS RAISED \$'000	LOANS REPAID \$'000	30 JUNE 2021 \$'000
Environmental Management	613	–	(85)	528
Public Health and Safety	760	–	(46)	714
Transportation, Roads and Footpaths	41,420	3,823	(4,191)	41,052
Coastal Structures	606	–	(66)	540
Water Supply	56,652	22,025	(3,024)	75,653
Wastewater	30,294	3,351	(1,672)	31,973
Stormwater	25,334	1,788	(1,809)	25,313
Solid Waste	11,237	562	(1,164)	10,635
Flood Protection and River Control Works	–	–	–	–
Community Development	26,220	3,925	(1,624)	28,521
Council Enterprises	7,356	723	(645)	7,434
Total internal loans	200,492	36,197	(14,326)	222,363

Interest on internal loans for each activity is disclosed as finance costs in the individual Funding Impact Statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 25: BORROWINGS (CONT.)

F. COVENANT COMPLIANCE

Borrowings includes loans from the LGFA which require Council to meet its borrowing covenants. At the 30 June 2021 the Council has complied with these covenants. The Council also complied with its Treasury Risk Management Policy 2019. The policy and covenants relate to ratios related to debt, interest cost and revenue.

NOTE 26: REVALUATION RESERVE

ASSET REVALUATION RESERVE

This reserve relates to the revaluation of property, plant and equipment and financial assets to fair value.

30 JUNE 2020 \$000	REVALUATION RESERVE	INCREASE/ (DECREASE) \$000	IMPAIRMENT ADJUSTMENT \$000	30 JUNE 2021 \$000
88,595	Port Nelson Limited	(365)	–	88,230
1,501	Port Tarohe	–	–	1,501
–	Waimea Water Limited	–	–	–
18,133	Nelson Regional Sewerage Business Unit	1,765	–	19,898
63	Nelson Tasman Regional Landfill Business Unit	79	–	142
23,795	Nelson Airport Limited	13,984	–	37,779
5,106	NZ Local Government Shares	926	–	6,032
2,473	Tasman Bay Heritage Trust	855	–	3,328
91,513	Land	59,015	–	150,528
2,042	Bridges	–	–	2,042
48,412	Buildings	25,733	–	74,146
402,491	Roads	–	–	402,491
602	Aerodromes	–	–	602
35,270	Rivers	–	–	35,270
1,778	Coastal Structures and Ports	–	–	1,778
1,236	Refuse	–	–	1,236
58,546	Wastewater	–	–	58,546
78,242	Stormwater	–	–	78,242
43,058	Water	–	–	43,058
902,856		101,992	–	1,004,848

NOTES TO FINANCIAL STATEMENTS

NOTE 26: REVALUATION RESERVE (CONT.)

30 JUNE 2019 \$000	REVALUATION RESERVE	INCREASE/ (DECREASE) \$000	IMPAIRMENT ADJUSTMENT \$000	30 JUNE 2020 \$000
58,710	Port Nelson Limited	29,885	–	88,595
–	Port Tarohe	1,501	–	1,501
–	Waimea Water Limited	–	–	–
16,806	Nelson Regional Sewerage Business Unit	1,327	–	18,133
88	Nelson Tasman Regional Landfill Business Unit	(25)	–	63
23,846	Nelson Airport Limited	(51)	–	23,795
4,325	NZ Local Government Shares	781	–	5,106
2,473	Tasman Bay Heritage Trust	–	–	2,473
91,513	Land	–	–	91,513
–	Bridges	2,042	–	2,042
48,412	Buildings	–	–	48,412
390,588	Roads	11,903	–	402,491
602	Aerodromes	–	–	602
35,270	Rivers	–	–	35,270
1,778	Coastal Structures and Ports	–	–	1,778
53	Refuse	1,183	–	1,236
43,173	Wastewater	15,373	–	58,546
69,990	Stormwater	8,252	–	78,242
39,150	Water	3,908	–	43,058
826,777		76,079	–	902,856

NOTE 27: ACCUMULATED EQUITY

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

- Accumulated funds
- Restricted reserves and Council created reserves
- Asset revaluation reserve.

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

2019/2020 \$000	ACCUMULATED EQUITY	2020/2021 \$000
634,288	Opening balance	655,633
26,899	Surplus	69,478
(5,554)	Net transfers (to)/from restricted reserves	(6,155)
–	– Net transfers (to)/from revaluation reserve	–
–	– Equity restatement	–
655,633		718,956

NOTES TO FINANCIAL STATEMENTS

NOTE 28: RESTRICTED AND COUNCIL CREATED RESERVES

Restricted reserves are those reserves subject to specific conditions accepted as binding by Council and which may not be revised by the Council without reference to the Courts or third party. Council created reserves are reserves established by Council decision. 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 Council.

2019/2020 \$000	RESTRICTED AND COUNCIL CREATED RESERVES	2020/2021 \$000
27,747	At 1 July	33,301
	Transfers to:	
5,554	Net transfers to reserves	6,155
33,301	At 30 June	39,456
	Restricted funds consist of:	
33,301	Other funds (detailed below)	39,456
33,301		39,456

RESTRICTED RESERVE REPORTING – OTHER FUNDS

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

2020/2021	ACTIVITY TO WHICH THE FUND RELATES	OPENING BALANCE 1 JULY 2020 \$000	TRANSFER INTO FUND \$000	TRANSFERS OUT OF FUND \$000	CLOSING BALANCE 30 JUNE 2021 \$000
Reserve Financial Contributions Reserve	Community Facilities & Parks	14,120	6,370	(2,997)	17,493
Rivers Disaster Fund	Rivers & Flood Protection	97	3	–	100
Rivers Reserve	Rivers & Flood Protection	(496)	4,355	(4,539)	(680)
Water Reserve	Water	(77)	22,247	(22,867)	(697)
Waimea Water Financing	Water	1,879	(655)	(971)	253
Wastewater Reserve	Wastewater	2,070	14,468	(13,842)	2,696
Self-Insurance Fund	Overall Council	1,144	3	–	1,147
Stormwater Reserve	Stormwater	734	5,105	(4,648)	1,191
Solid Waste Reserve	Solid Waste	237	11,432	(11,496)	173
Dog Control Reserve	Public Health & Safety	41	480	(502)	19
Community Facilities Rate Reserve	Community Facilities & Parks	118	3,577	(3,598)	97
Camping Ground Reserve	Council Enterprises & Property	176	1,278	(874)	580
Community Housing Reserve	Community Facilities & Parks	630	842	(685)	787
Development Contribution Reserve	Roading & Footpaths, Water, Wastewater, Stormwater	8,711	9,670	(6,311)	12,070
General Disaster Fund	Governance	3,917	310	–	4,227
Total		33,301	79,485	(73,330)	39,456

NOTES TO FINANCIAL STATEMENTS

NOTE 28: RESTRICTED AND COUNCIL CREATED RESERVES (CONT.)

2019/2020	ACTIVITY TO WHICH THE FUND RELATES	OPENING BALANCE 1 JULY 2019 \$'000	TRANSFER INTO FUND \$'000	TRANSFERS OUT OF FUND \$'000	CLOSING BALANCE 30 JUNE 2020 \$'000
Reserve Financial Contributions Reserve	Community Facilities & Parks	11,637	3,474	(991)	14,120
Rivers Disaster Fund	Rivers & Flood Protection	(3)	100	–	97
Rivers Reserve	Rivers & Flood Protection	7	3,505	(4,008)	(496)
Water Reserve	Water	345	14,851	(15,273)	(77)
Waimea Water Financing	Water	913	990	(24)	1,879
Wastewater Reserve	Wastewater	1,632	13,747	(13,309)	2,070
Self-Insurance Fund	Overall Council	1,092	52	–	1,144
Stormwater Reserve	Stormwater	939	7,289	(7,494)	734
Solid Waste Reserve	Solid Waste	672	11,325	(11,760)	237
Dog Control Reserve	Public Health & Safety	79	453	(491)	41
Community Facilities Rate Reserve	Community Facilities & Parks	863	2,458	(3,203)	118
Camping Ground Reserve	Council Enterprises & Property	287	1,663	(1,774)	176
Community Housing Reserve	Community Facilities & Parks	348	887	(605)	630
Development Contribution Reserve	Roading & Footpaths, Water, Wastewater, Stormwater	5,130	6,996	(3,415)	8,711
General Disaster Fund	Governance	3,806	502	(391)	3,917
Total		27,747	68,292	(62,738)	33,301

Dog Control Reserve

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

Development Contribution Reserve

It is Council's intention that developers should bear the cost of the increased demand that development places on the District's infrastructure. Population growth in the District places a strain on network and community infrastructure. That infrastructure will need to expand and be further developed in order to cope with the demands of population growth. This includes additional demand on services such as roading, water supply, wastewater and stormwater management. All development contributions must be separately accountable and Council keeps development contributions received in four separate accounts; roading, wastewater, stormwater and water. Strict criteria apply to the use of these funds.

Water Reserve

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

NOTES TO FINANCIAL STATEMENTS

NOTE 28: RESTRICTED AND COUNCIL CREATED RESERVES (CONT.)

Wastewater Reserve

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

Stormwater Reserve

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

Solid Waste Reserve

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

Rivers Disaster Fund

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

Rivers Reserve

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

Reserve Financial Contributions Reserve

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

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.

Community Facilities Rate Reserve

The community facilities rate reserve is used to ring-fence all funding and expenditure on the community facilities activity. Each year in Council's Annual Plan revenue, expenditure and funding budgets are set for this activity. Any variations from these budgets (due to timing of projects, unplanned expenditure etc) are recorded in the community facilities rates reserve so that any surpluses/deficits can be ring-fenced.

NOTES TO FINANCIAL STATEMENTS

NOTE 28: RESTRICTED AND COUNCIL CREATED RESERVES (CONT.)

Camping Ground Reserve

The camping ground reserve is used to ring-fence all funding and expenditure on the camping ground activity. Each year in Council's Annual Plan revenue, expenditure and funding budgets are set for this activity. Any variations from these budgets (due to timing of projects, unplanned expenditure, etc.) are recorded in the camping ground reserve so that any surpluses/deficits can be ring-fenced.

Community Housing Reserve

The community housing reserve is used to ring-fence all funding and expenditure on the community housing activity. Each year in Council's Annual Plan revenue, expenditure and funding budgets are set for this activity. Any variations from these budgets (due to timing of projects, unplanned expenditure, etc.) are recorded in the community housing reserve so that any surpluses/deficits can be ring-fenced.

NOTE 29: CASHFLOW RECONCILIATION

30 JUNE 2020 \$'000	CASHFLOW RECONCILIATION	30 JUNE 2021 \$'000
26,899	Opening surplus/(deficit)	69,478
	ADD NON-CASH EXPENSES/(LESS) NON CASH REVENUE:	
25,418	Depreciation and amortisation	31,382
(2,933)	Share of joint venture's (surplus)/deficit net of dividend	(4,842)
–	Asset write down and disposal	4,904
(11,634)	Vested assets	(30,253)
248	Unrealised (gain)/loss on investment property	(200)
(2,957)	Fair value (gain)/loss of forestry assets	(3,278)
4,261	Unrealised (gain)/loss on interest rate derivatives	(9,301)
–	Unwinding of discount	–
–	Change of share of interest in Joint Operation assets	(1,208)
	ADD/(LESS) MOVEMENTS IN WORKING CAPITAL ITEMS:	
250	(Increase)/decrease in receivables	1,286
6,354	Increase/(decrease) in payables and employee benefit liabilities	(203)
	OTHER	
1,380	Increase/(decrease) in provisions	132
16	(Gain)/loss on sale included in investing activities	(172)
1,451	(Increase)/decrease in capital amounts included in receivables and payables movement	(1,382)
(91)	Increase/(decrease) in non-current employee benefit liabilities	53
48,662	Net cash flow from operating	56,396

NOTES TO FINANCIAL STATEMENTS

NOTE 30: RELATED PARTY TRANSACTIONS

2019/2020 \$000	RELATED PARTY TRANSACTIONS	2020/2021 \$000
A. PORT NELSON LIMITED		
2,400	Share of dividends	2,000
1,250	Accounts receivable	1,250
B. TASMAN BAYS HERITAGE TRUST		
859	Operational funding paid	892
625	Loan outstanding (face value)	525
100	Loan payments received	100
C. NELSON AIRPORT LIMITED		
Received from:		
435	Share of dividends	500
425	Accounts receivable	500

The loan from Council to Tasman Bays Heritage Trust is at a nil interest rate (2020: Nil). The loan has a face value of \$525,000 (2020: \$625,000). The loan has been recorded at cost as there is an immaterial difference between face value and amortised cost.

As all other transactions are deemed to have occurred within a normal supplier/client relationship on terms and conditions considered to be at arm's length, they are not required to be disclosed.

No provision has been required, nor any expense recognised for impairment of receivables, for any loans or receivables to related parties (2020: 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.).

Key management personnel include the Mayor, Councillors, Chief Executive, and Leadership Team.

2019/2020	KEY MANAGEMENT PERSONNEL REMUNERATION	2020/2021
LEADERSHIP TEAM, INCLUDING THE CHIEF EXECUTIVE		
1,363	Remuneration \$(000)	1,430
5.6	Number of full-time equivalent (FTE) Leadership Team	6
COUNCILLORS		
837	Remuneration \$(000)	849
14	Number of Councillors	14
2,200	Total remuneration \$(000) of key management personnel	2,279
19.6	Total Leadership Team and Councillors	20

Due to the difficulty in determining the full-time equivalent for Councillors, the full-time equivalent figure is taken as the number of Councillors.

An analysis of leadership remuneration is provided in note 32 and Councillor remuneration is provided in note 38.

NOTES TO FINANCIAL STATEMENTS

NOTE 31: SEVERANCE

In accordance with Schedule 10, Part 3, Clause 19, Local Government Act 2002, Council declares that there have been no individual severance payments made to employees during this financial year. (2020: Nil).

NOTE 32: REMUNERATION

CHIEF EXECUTIVE

2019/2020 \$000	CHIEF EXECUTIVE REMUNERATION	2020/2021 \$000
328	Dowding Janine	327
328	Total Chief Executive remuneration	327

COUNCIL EMPLOYEES – HEAD COUNT

TOTAL ANNUAL REMUNERATION BY BAND FOR EMPLOYEES AS AT 30 JUNE	30 JUNE HEADCOUNT
30 JUNE 2021	
<60,000	103
\$60,000 – \$79,999	97
\$80,000 – \$99,999	80
\$100,000 – \$119,999	52
\$120,000 – \$139,999	10
\$140,000 – \$159,999	12
\$160,000 – \$319,999	5
\$320,000 – \$340,000	1
Total employees at 30 June 2021	360
30 JUNE 2020	
<60,000	101
\$60,000 – \$79,999	86
\$80,000 – \$99,999	73
\$100,000 – \$119,999	47
\$120,000 – \$139,999	9
\$140,000 – \$159,999	13
\$160,000 – \$319,999	5
>\$320,000	1
Total employees at 30 June 2020	335

Total remuneration includes non-financial benefits provided to employees including the Chief Executive and Senior Leadership Team. This does not include elective representatives (note 38).

NOTES TO FINANCIAL STATEMENTS

NOTE 32: REMUNERATION (CONT.)

COUNCIL EMPLOYEES – FULL TIME EQUIVALENT

30 JUNE 2020 FTE	FULL-TIME EQUIVALENT STAFF NUMBERS	30 JUNE 2021 FTE
250	Full-time staff	271
57	Part-time staff, on full-time equivalent staff basis	59
307	Total full time equivalent staff numbers	330

A full-time employee is determined on the basis of a 40-hour working week. This includes the Chief Executive and Senior Leadership Team. This does not include elective representatives (note 38).

NOTE 33: FINANCIAL INSTRUMENTS

FINANCIAL INSTRUMENTS RISKS

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

Credit risk

Credit risk is the risk that a third party will default on its obligation to Council, causing Council to incur a loss. Due to the timing of its cash inflows and outflows, Council invests surplus cash into term deposits which gives rise to credit risk.

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.

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:

2019/2020 \$000	COUNTERPARTIES WITH CREDIT RATINGS	2020/2021 \$000
CASH AND CASH EQUIVALENTS		
28,709	AA-	15,106
28,709	Total cash and cash equivalents	15,106
OTHER FINANCIAL ASSETS HELD TO MATURITY		
52,254	AA-	9,280
52,254	Total financial assets held to maturity	9,280
DERIVATIVE FINANCIAL LIABILITIES		
23,397	AA-	14,097
23,397	Total derivative financial liabilities	14,097

NOTES TO FINANCIAL STATEMENTS

NOTE 33: FINANCIAL INSTRUMENTS (CONT.)

2019/2020 \$000	COUNTERPARTIES WITHOUT CREDIT RATINGS	2020/2021 \$000
COMMUNITY LOANS		
166	Existing counterparty with no defaults in the past	129
166	Total community loans	129
LOANS TO RELATED PARTIES		
499	Existing counterparty with no defaults in the past	2,204
499	Total loans to related parties	2,204
UNLISTED SHARES		
6,981	Existing counterparty with no defaults in the past	7,883
6,981	Total unlisted shares	7,883
BORROWER NOTES		
3,040	Existing counterparty with no defaults in the past	2,607
3,040	Total borrower notes	2,607

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

Council is exposed to credit risk as a guarantor of all of the NZ LGFA's borrowings.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 33: FINANCIAL INSTRUMENTS (CONT.)

SENSITIVITY ANALYSIS

Council's interest rate swaps are sensitive to market movements. With all other variables held constant, based on Council's financial instrument exposures at balance date, a movement in interest rates of plus or minus 1% has an effect on the swap value of plus \$4.8 million or minus \$5.2 million.

The sensitivity analysis relating to Tasman District Council's (Council's) interest rate exposures as at 30 June 2021 is as follows:

PBE IPSAS 30 SENSITIVITY ANALYSIS ON BORROWING			30 JUNE 2021	
INTEREST RATE RISK			POTENTIAL IMPACT ON SURPLUS AND DEFICIT	
DETAILS	CURRENCY	AMOUNT	PLUS 100BPS	MINUS 100BPS
Variable rate borrowings	NZD	\$117,500,000	\$(1,126,712)	\$1,126,712
Interest rate derivatives	NZD	\$140,000,000	\$4,928,308	\$(5,296,931)
Fixed rate borrowings	NZD	\$71,000,000	\$(4,278,790)	\$4,643,227

Notes:

1. Council had \$117.5 million of variable rate borrowings at 30 June 2021. The variable rate borrowings are made up of \$90.5 million of floating rate notes and \$27 million of commercial paper (which is treated as floating rate borrowings).
2. \$140 million of interest rate swaps were held as at 30 June 2021. The sensitivity analysis represents the change in fair value based on a change in the market swap curve.
3. The interest rate impact for fixed rate borrowing is zero, as a change in market interest rates will not change interest cash flow amounts. The fair value change of fixed rate borrowing, shown in the table above, is provided for background information purposes only.

CONTRACTUAL MATURITY ANALYSIS

The undiscounted cash flows relating to Council's borrowings and interest rate swap portfolios as at 30 June 2021 is as follows:

PBE IPSAS 30 SENSITIVITY ANALYSIS ON BORROWING					
PERIOD	CARRYING AMOUNT	CONTRACTUAL CASH FLOWS (UNDISCOUNTED)	BANK STANDBY FACILITY	CROWN IRRIGATION INVESTMENTS LIMITED	LGFA
Less than 1 year	\$42,000,000	\$45,098,793	–	–	\$45,098,793
1 to 2 years	\$25,000,000	\$28,152,409	–	–	\$28,152,409
2 to 5 years	\$51,922,823	\$59,517,072	–	\$2,500,000	\$57,017,072
More than 5 years	\$67,139,177	\$74,173,942	–	\$7,500,000	\$66,673,942
Grand total	\$186,062,000	\$206,942,216	–	\$10,000,000	\$196,942,216

Note that the above table analyses the debt borrowing amounts based on the remaining period at balance date, 30 June 2021, through to the contracted maturity date.

This analysis includes the cash flows associated with interest payment amounts and the terminal principal payment amount at the contracted maturity date on an undiscounted cash flow basis.

NOTES TO FINANCIAL STATEMENTS

NOTE 33: FINANCIAL INSTRUMENTS (CONT.)

INTEREST RATE SWAPS

The notional principal amounts of the outstanding interest rate swap contracts for Council at 30 June 2021 were \$140m of which \$98m is 'live' at balance date (2020: \$179m of which \$111m is 'live' at balance date). At 30 June 2021, the fixed interest rates of cash flow hedge interest rate swaps vary from 2.76% to 4.92% (2020: 2.76% to 5.53%).

PBE IPSAS 30 – INTEREST RATE SWAPS – CONTRACTUAL MATURITY ANALYSIS		
PERIOD	CARRYING AMOUNT (FAIR VALUE)	CONTRACTUAL CASH FLOWS (UNDISCOUNTED)
Less than 1 year	\$333,487	\$3,920,492
1 to 2 years	\$816,336	\$3,424,317
2 to 5 years	\$7,446,378	\$5,165,941
More than 5 years	\$5,500,392	\$1,585,843
Grand total	\$14,096,593	\$14,096,593

Financial guarantees

Council has guarantees in place in relation to Waimea Water Limited, these are disclosed in note 41, Commitments and Contingencies.

Council has guarantees to various other organisations which may subject it to credit risk. The assessed exposure to credit risk at balance date was \$nil as detailed in the Statement of Contingent Liabilities (2020: \$nil).

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

Price risk

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

Liquidity risk

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

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

Council has a maximum amount that can be drawn down against its overdraft facility of \$100,000 (2020: \$100,000). There are no restrictions on the use of this facility.

Council has an undrawn loan facility of \$20 million with Westpac, and \$10 million with ASB.

Council is exposed to liquidity risk as a guarantor of all of the NZ LGFA's borrowings. This guarantee becomes callable in the event of the LGFA failing to pay its borrowings when they fall due. Further information is included in the contingencies note.

NOTES TO FINANCIAL STATEMENTS

NOTE 34: CAPITAL MANAGEMENT

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

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

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

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

Council has the following Council created reserves:

- Reserves for different areas of benefit;
- 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.

NOTE 35: URBAN PORTIONS OF THE STATE HIGHWAY NETWORK

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 36: SIGNIFICANT VARIANCES COMPARED TO THE ANNUAL PLAN

The Statement of Comprehensive Income shows Council made a surplus before other comprehensive income of \$69.5 million (2020: \$26.9 million) compared with a budgeted accounting surplus of \$22.4 million (2020:\$17.3 million). This equates to a surplus or favourable variance of \$47.1 million. Explanations for major variations from the budget are as follows:

VARIANCES ACTUAL COMPARED TO BUDGET	INCREASE/ (DECREASE)	REASONS FOR VARIANCES INCLUDE:
Vested asset received	\$30.25 million	Growth activity in the district created demand for more subdivisions, and therefore an increase in roading and three waters assets vesting to Council, and contributions charged for the developments.
Development and financial contributions	\$6.52 million	
Fair value gain on derivatives	\$9.30 million	Since the prior year, the interest rate increased which increased the fair value of the swaps.
Operating subsidies and grants	\$5.92 million	Additional operational grants from the government stimulus package, including \$1.5 million for hazardous trees and drainage, and \$1.8 million for wilding conifer programme, and \$0.6 million for other stimulus projects.
Capital subsidies and grants	\$3.81 million	Government Three Waters Stimulus Package, Council recognised \$3.7 million of revenue related to this funding.
Unrealised gain on revaluation of forestry, and net surplus on forestry	\$5.80 million	The unrealised gain of \$3.15 million is a non-cash gain, and is explained in note 18. The remaining increase is a cash gain, due to increased harvest and favourable log prices.
Loss on disposal of water assets	(\$3.74 million)	Water assets disposed earlier than previous estimation of useful life.
Maintenance	(\$1.84 million)	More sealed pavement and environmental maintenance carried out than budgeted.
Share of Joint Operation expenses	(\$8.49 million)	Not included in the budget.
Other	(\$0.41 million)	
Total surplus increase compared to budget	\$47.12 million	

NOTES TO FINANCIAL STATEMENTS

NOTE 37: EVENTS AFTER THE REPORTING DATE

THREE WATERS REFORM

On 27 October 2021, the Local Government Minister announced that central government will proceed with the three waters service delivery reforms using a legislated “all in” approach. The three waters reform involves the creation of four statutory water services entities to be responsible for the service delivery and infrastructure from local authorities from 1 July 2024. There is still a number of uncertainties associated with the new three waters delivery model including the mechanism for how assets will be transferred to the newly established entities, and the control and governance of these entities. Notwithstanding the current uncertainty the announcement once legislated will mean Council is no longer responsible for the delivery and infrastructure of three water services from 1 July 2024.

Accounting policy – key judgement

Following the announcement by the Local Government Minister on 27 October 2021 regarding central government proceeding with the three waters service delivery reforms using a legislated “all in” approach, Council continues to recognise its three waters assets at 30 June 2021 in accordance the accounting policies set out on pages 154 to 158. There has been no adjustment in these financial statements to reflect the expected future transfer of assets to the new water entity. It is expected central government will develop details around the mechanism for the transfer of the water assets and this will be completed prior to 1 July 2024. As further details are established this may require adjustments to Council’s three water assets either in respect of disclosure or measurement.

HOLDING COMPANY

On 17 and 18 May 2021 Tasman District Council and Nelson City Council resolved to establish a Holding Company, to hold the two Council’s shareholdings in Port Nelson and Nelson Airport. The Holding Company will be established in 2022 and Port Nelson and Nelson Airport will be subsidiaries of the new company. No financial impact is expected on either subsidiary through the establishment of the Holding Company, however a number of benefits are expected including the potential for reduced borrowed cost through the use of the Local Government Funding Agency.

NOTES TO FINANCIAL STATEMENTS

NOTE 38: ELECTED REPRESENTATIVES

In accordance with Schedule 10, Part 3, section 32 of the Local Government Act 2002, the total remuneration and value of other non-financial benefits received by, or payable to the Mayor and Councillors for the year were as follows:

2019/2020 TOTAL \$		2020/2021 SALARY \$	2020/2021 ALLOWANCES, EXPENSES AND ADJUSTMENTS \$	2020/2021 TOTAL COST \$	2020/2021 DIRECTOR FEES \$	2020/2021 TOTAL \$
157,711	King T B, Mayor from 2019/2020	146,748	3,402	150,150	-	150,150
69,078	Bryant S – Deputy Mayor	67,395	9,887	77,282	-	77,282
COUNCILLORS						
53,163	Maling K, Standing Committee Chair	53,916	2,610	56,526	-	56,526
51,521	Wensley D, Standing Committee Chair	53,916	3,351	57,267	-	57,267
69,562	Greening M	44,930	(29)	44,901	13,677	58,578
48,734	McNamara D	44,930	4,588	49,518	-	49,518
52,987	Ogilvie D	44,930	(29)	44,901	-	44,901
45,196	Tuffnell T	44,930	9,898	54,828	-	54,828
46,794	Turley A	44,930	3,315	48,245	-	48,245
41,835	Hill C	44,930	10,282	55,212	-	55,212
36,837	Butler C	44,930	1,246	46,176	-	46,176
36,837	Mackenzie C	44,930	5,806	50,736	-	50,736
35,727	Walker T	44,930	4,289	49,219	-	49,219
5,971	Dowler B	44,930	5,787	50,717	-	50,717
PREVIOUS COUNCILLORS						
11,646	Hawkes P	-	-	-	-	-
15,128	Canton P	-	-	-	-	-
17,755	Brown S	-	-	-	-	-
17,336	Hutt C	-	-	-	-	-
18,680	Sangster P	-	-	-	-	-
43,839	Kempthorne R, Mayor	-	-	-	-	-
876,337	Total Councillors	771,275	64,401	835,676	13,677	849,353

THE MAYOR'S REMUNERATION

The Mayor's remuneration set by the Remuneration Authority, is \$154,000. However, this was reduced to \$146,300 for July to December 2020, due to the "Local Government Members (Temporary Reduction – COVID-19) Determination 2020".

The Mayor T B King has full private use of a vehicle to undertake his civic duties. The Remuneration Authority calculation has been used to value this full private use at an annual benefit amount, which has been deducted from the Mayor's salary above. The total value, of this benefit, for the year ended 30 June 2021 was \$3,402 (2020: \$3,158) shown in allowances and expenses above.

COUNCILLORS' ALLOWANCES, EXPENSES AND ADJUSTMENTS

Allowances and expenses include mileage expenses, communication, travel and childcare allowances.

Adjustments includes a correction to salary related to the prior year.

Councillor M Greening is a Director of Nelson Airport Limited and received director fees from Nelson Airport of \$13,677 during the year (2020: \$24,423).

NOTES TO FINANCIAL STATEMENTS

NOTE 39: FINANCIAL PERFORMANCE IN RELATION TO REGULATIONS BENCHMARKS

ANNUAL REPORT DISCLOSURE STATEMENT FOR YEAR ENDING 30 JUNE 2021

What is the purpose of this statement?

The purpose of this statement is to disclose Council's financial performance in relation to various benchmarks to enable the assessment of whether Council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

Council is required to include this statement in its annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

RATES AFFORDABILITY BENCHMARK

Council meets the rates affordability benchmark if:

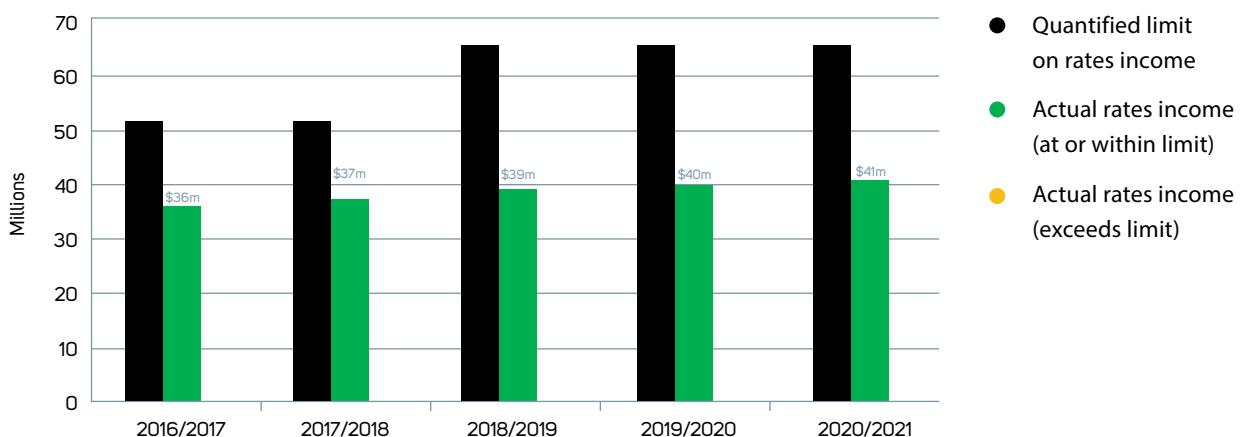
- Its actual rates revenue equals or is less than each quantified limit on rates; and
- Its actual rates increases equal or are less than each quantified limit on rates increases.

Rates (revenue) affordability

Figure 24 compares Council's actual general rates revenue with a quantified limit on general rates contained in the financial strategy included in Council's Long Term Plan.

The quantified limit for general rates is \$52 million per annum for each year covered by the Long Term Plan 2012 – 2022 and \$51 million per annum for each year covered by the Long Term Plan 2015 – 2025 and \$65 million per annum for each year covered by the Long Term Plan 2018 – 2028.

FIGURE 24. Rates (Income) Affordability – General Rates



NOTES TO FINANCIAL STATEMENTS

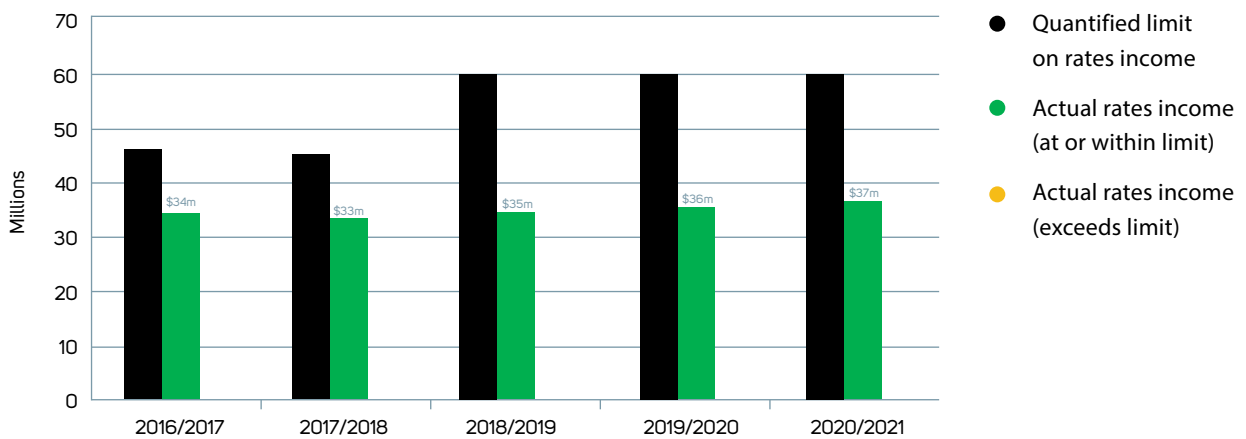
NOTE 39: FINANCIAL PERFORMANCE IN RELATION TO REGULATIONS BENCHMARKS (CONT.)

Figure 25 compares Council's actual targeted rates revenue with a quantified limit on targeted rates contained in the financial strategy in Council's Long Term Plan.

The quantified limit for targeted rates is \$53 million per annum for each year covered by the Long Term Plan 2012 – 2022 and \$46 million per annum for each year covered by the Long Term Plan 2015 – 2025 and \$60 million per annum for each year covered by the Long Term Plan 2018 – 2028.

*Quantified limit on rates income for 2017/2018 financial year was incorrectly reported as \$51 million in 2018/2019 published annual report. This has been corrected to \$46 million in 2019/2020.

FIGURE 25. Rates (Income) Affordability – Targeted Rates

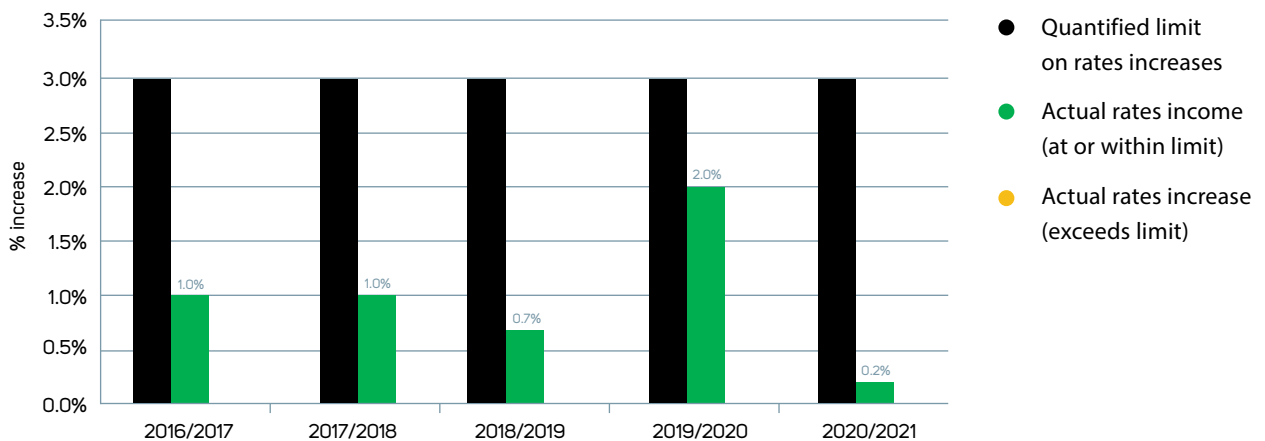


Rates (increases) affordability

Figure 26 compares Council's actual rate increases with a quantified limit on rates increases contained in the financial strategy in Council's Long Term Plan.

The quantified limit is 6.10% per annum for all rates for each year covered by the Long Term Plan 2012 – 2022 and 3% excluding growth per annum for each year covered by the Long Term Plan 2015 – 2025 and Long Term Plan 2018 – 2028.

FIGURE 26. Rates (Increases) Affordability



NOTES TO FINANCIAL STATEMENTS

NOTE 39: FINANCIAL PERFORMANCE IN RELATION TO REGULATIONS BENCHMARKS (CONT.)

DEBT AFFORDABILITY BENCHMARK

Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing.

The definitions contained in the regulations differ from those used in Council's financial strategy contained in the Long Term Plan. The main departure between these two documents relates to the definition of net debt in the regulations compared to net external debt in the financial strategy. The quantified limits on borrowings contained in the benchmark graphs were taken from the financial strategy, and as such were formulated in relation to the definition of net external debt. Actual results are reported using both the prescribed definitions contained in the regulations, and the definition intended by the financial strategy, explained below.

Net external debt is defined in the financial strategy of the Long Term Plan 2015 – 2025 as total external debt less liquid financial assets and investments.

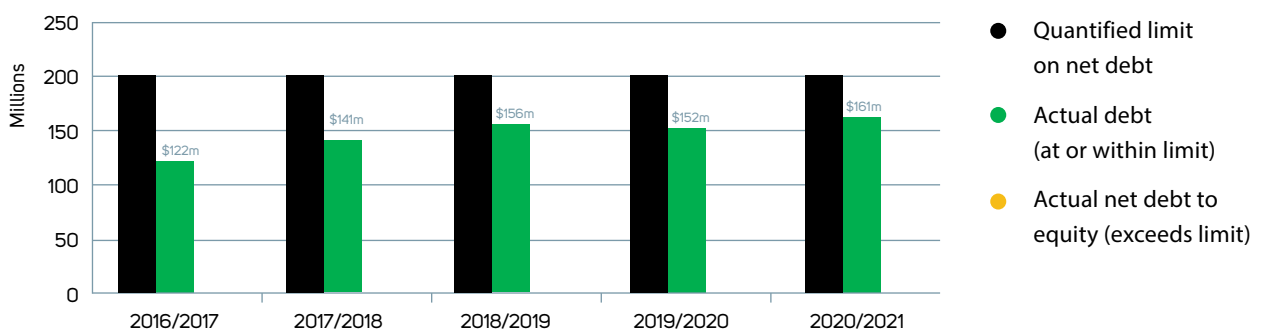
Net debt is defined in the regulations as financial liabilities less financial assets (excluding trade and other receivables). Financial liabilities as defined by GAAP include, gross external debt (aggregate and financial guarantees provided to third parties) plus trade payables and derivative financial instruments (interest rate swaps). Financial assets as defined by GAAP include cash or near cash treasury investments held from time to time, and equity instruments of other entities e.g. investments in CCOs.

External debt limit

Figure 27 compares Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy contained in Council's Long Term Plan.

The quantified limit is gross external debt not to exceed \$320 million per annum for each year covered by the Long Term Plan 2012 – 2022 and net external debt not to exceed \$200 million per annum for each year covered by the Long Term Plan 2015 – 2025 and Long Term Plan 2018 – 2028.

FIGURE 27. Debt Affordability – External Debt Limit



NOTES TO FINANCIAL STATEMENTS

NOTE 39: FINANCIAL PERFORMANCE IN RELATION TO REGULATIONS BENCHMARKS (CONT.)

Net debt to equity

Figure 28 compares Council's actual net debt with a quantified limit on borrowing stated in the financial strategy contained in Council's Long Term Plan.

The quantified limit is net external debt to not exceed 20% of equity.

The following graph represents the actual results based on the prescribed definitions in the regulations.

FIGURE 28. Debt Affordability – Net Debt to Equity

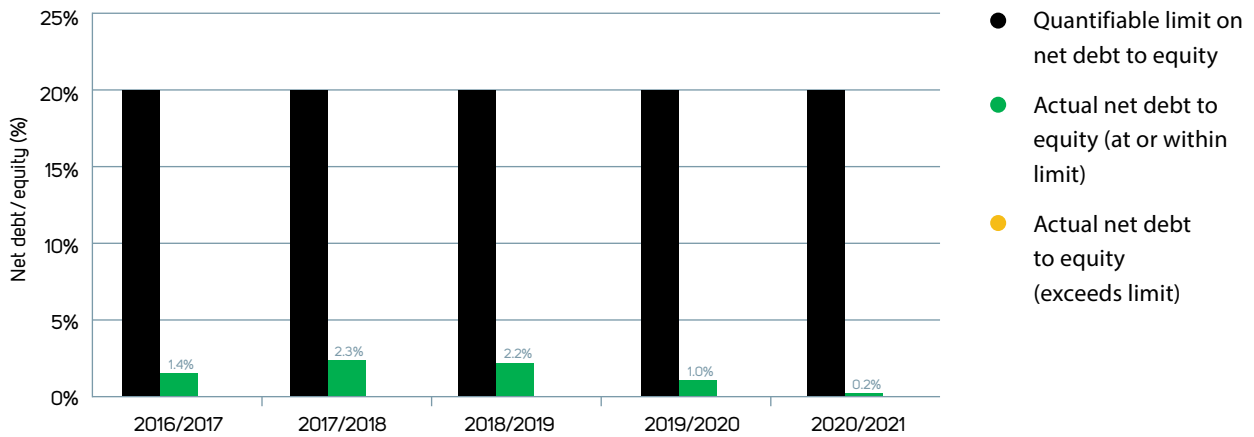
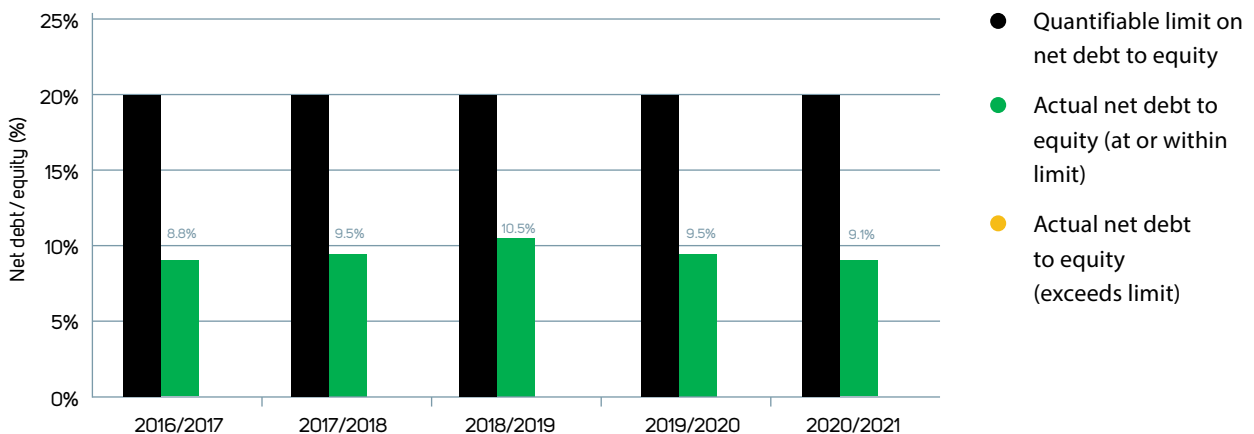


Figure 29 represents the actual results based on the intended definitions contained in the financial strategy.

FIGURE 29. Debt Affordability – Net Debt to Equity



NOTES TO FINANCIAL STATEMENTS

NOTE 39: FINANCIAL PERFORMANCE IN RELATION TO REGULATIONS BENCHMARKS (CONT.)

Net debt to total operating revenue

Figure 30 compares Council's actual net debt with a quantified limit on borrowing stated in the financial strategy contained in Council's Long Term Plan.

The quantified limit is net external debt to net exceed 225% of total operating revenue.

Total operating revenue is defined in the financial strategy as earnings from rates, government grants and subsidies, user charges, levies, interest, dividends, financial and other revenue, but excludes non-government capital contributions, (e.g. developer contributions and vested assets).

The following graph represents the actual results based on the prescribed definitions in the regulations.

FIGURE 30. Debt Affordability – Net Debt to Operating Revenue

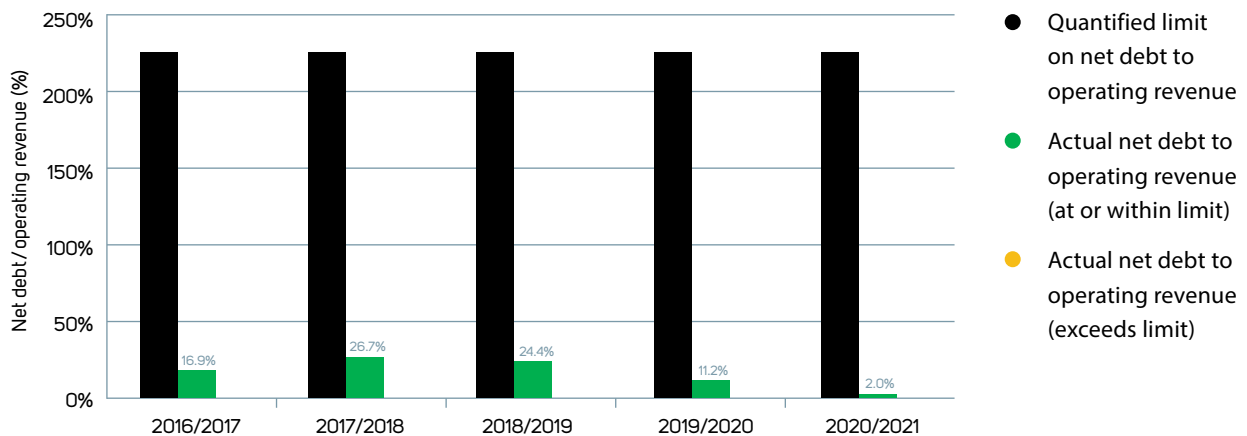
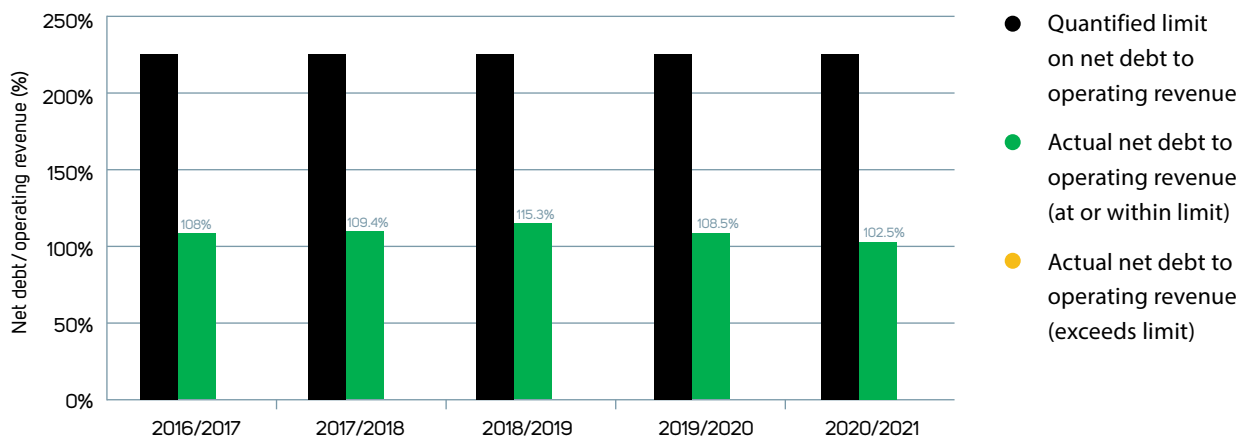


Figure 31 represents the actual results based on the intended definitions contained in the financial strategy.

FIGURE 31. Debt Affordability – Net Debt to Operating Revenue



NOTES TO FINANCIAL STATEMENTS

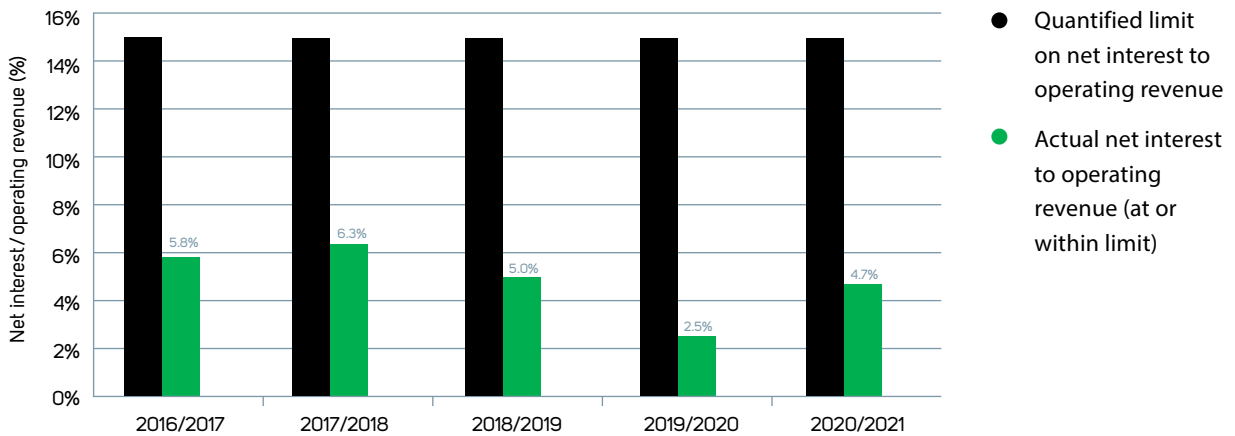
NOTE 39: FINANCIAL PERFORMANCE IN RELATION TO REGULATIONS BENCHMARKS (CONT.)

Net interest to total revenue

Figure 32 compares Council's actual net interest expense with a quantified limit on borrowing stated in the financial strategy contained in Council's Long Term Plan.

The quantified limit is net interest on external debt to not exceed 15% of total operating revenue for each year covered by the Long Term Plan 2015 – 2025 and the Long Term Plan 2018 – 2028. This measure replaces the quantified limit contained in the Long Term Plan 2012 – 2022 so has no comparatives.

FIGURE 32. Debt Affordability – Net Interest to Operating Revenue

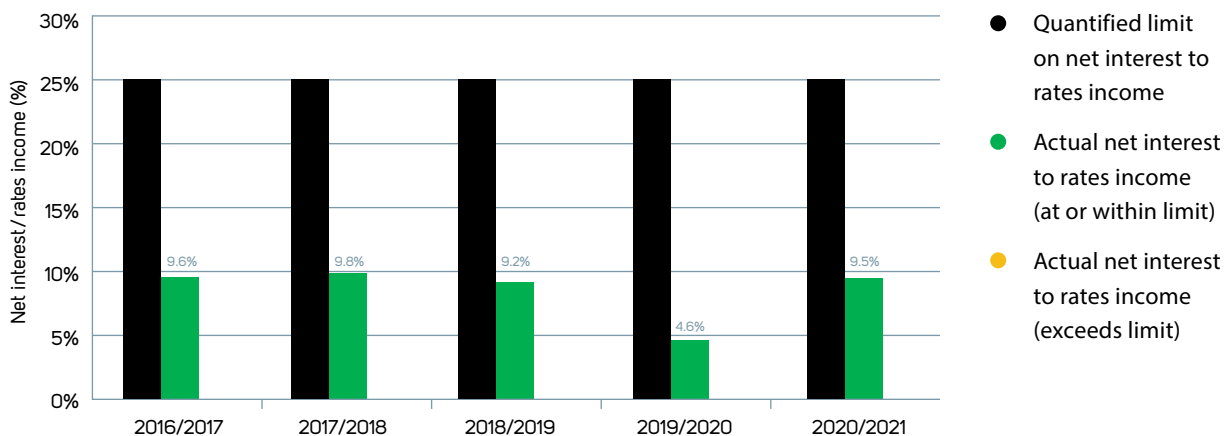


Net interest to total rates revenue

Figure 33 compares Council's actual net interest expense with a quantified limit on borrowing stated in the financial strategy contained in Council's Long Term Plan.

The quantified limit is net interest expense on net external debt to not exceed 25% of annual rates revenue.

FIGURE 33. Debt Affordability – Net Interest to Annual Rates Income



NOTES TO FINANCIAL STATEMENTS

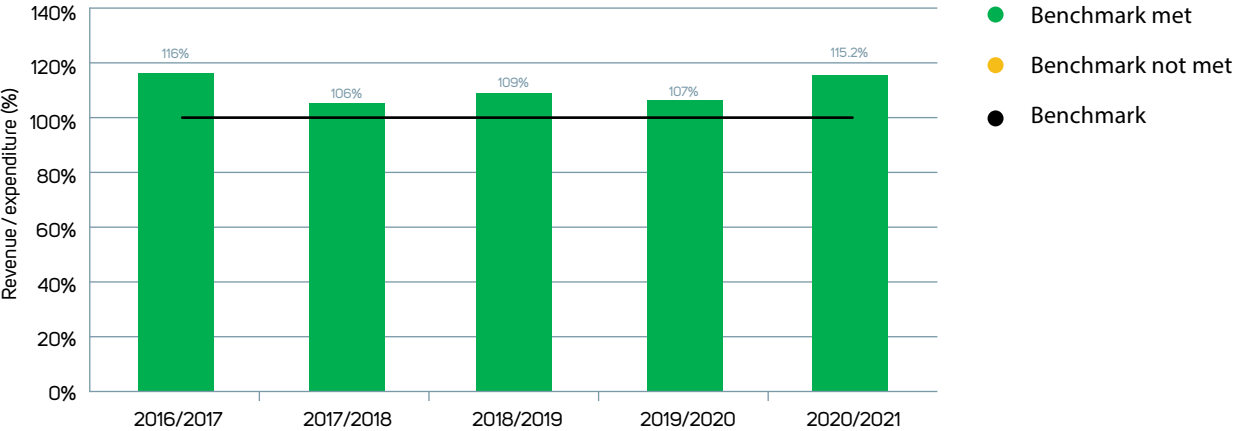
NOTE 39: FINANCIAL PERFORMANCE IN RELATION TO REGULATIONS BENCHMARKS (CONT.)

BALANCED BUDGET BENCHMARK

Figure 34 displays Council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

Council meets this benchmark if its revenue equals or is greater than its operating expenses.

FIGURE 34. Balanced Budget Benchmark



Note: Operating expenses include depreciation. Council decided not to fund depreciation but to fund principal repayments on debt instead, with depreciation being higher than principal repayments. This issue was addressed as part of Council's Long Term Plan 2015 – 2025 with funding of depreciation being phased in over the ten years covered by the plan.

NOTES TO FINANCIAL STATEMENTS

NOTE 39: FINANCIAL PERFORMANCE IN RELATION TO REGULATIONS BENCHMARKS (CONT.)

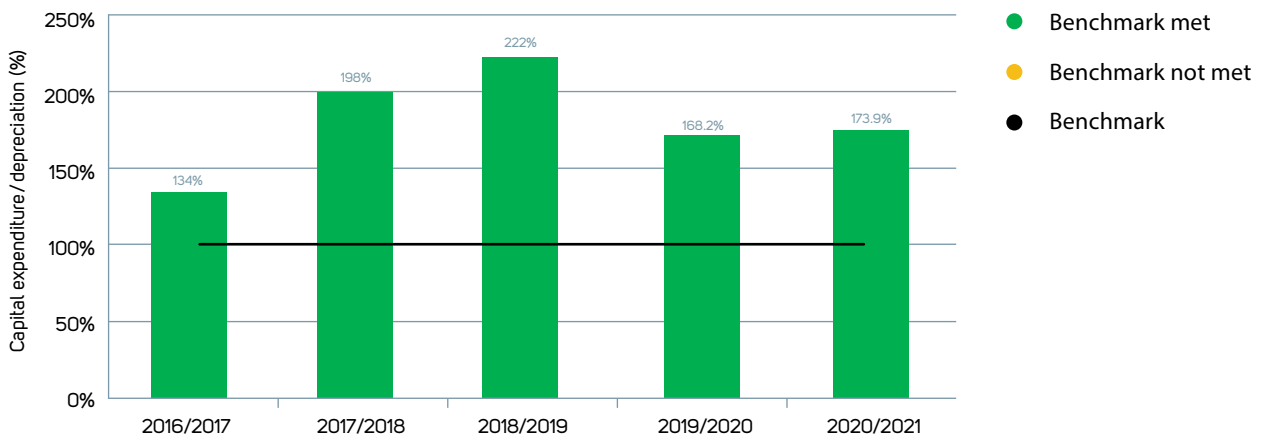
ESSENTIAL SERVICES BENCHMARK

Figure 35 displays Council's capital expenditure on network services as a proportion of depreciation on network services.

The regulations define network services as infrastructure related to water supply, sewerage and the treatment and disposal of sewage, stormwater drainage, flood protection and control works, and the provision of roads and footpaths. Therefore infrastructure related to solid waste, coastal structures, and aerodromes and fixed assets have been excluded from this benchmark.

Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services. Capital expenditure excludes vested assets.

FIGURE 35. Essential Services Benchmark

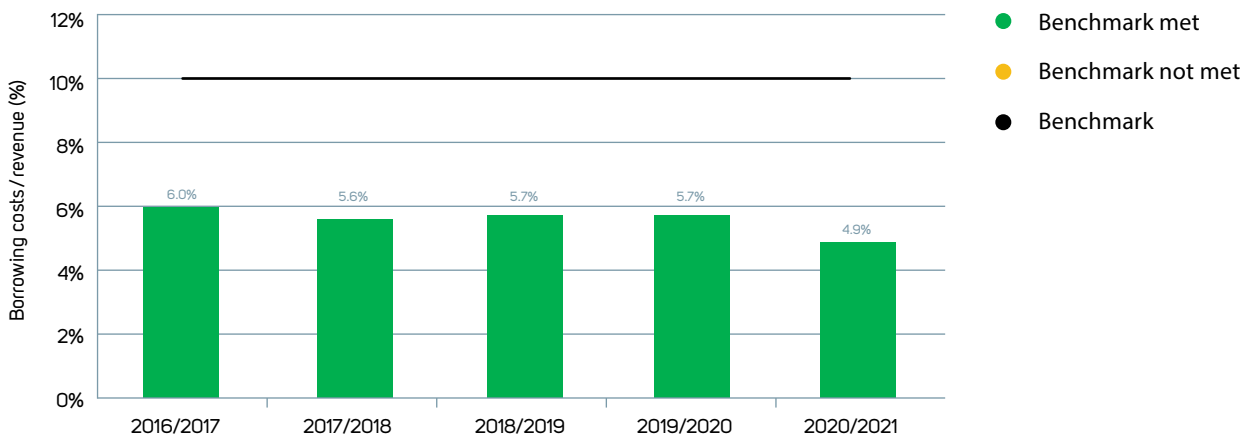


DEBT SERVICING BENCHMARK

Figure 36 displays Council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

Because Statistics New Zealand projects Council's population will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if its' borrowing costs equal or are less than 10% of its revenue.

FIGURE 36. Debt Servicing Benchmark



NOTES TO FINANCIAL STATEMENTS

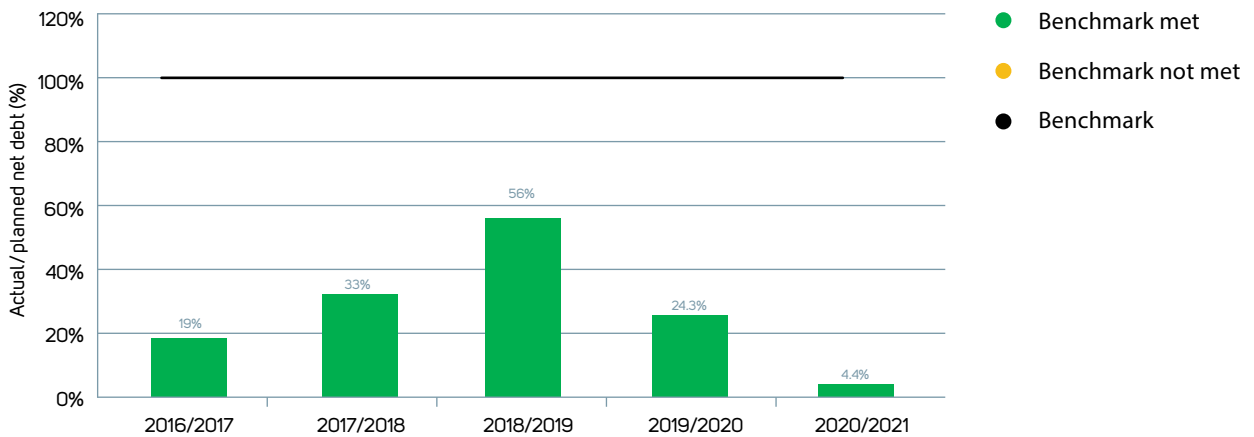
NOTE 39: FINANCIAL PERFORMANCE IN RELATION TO REGULATIONS BENCHMARKS (CONT.)

DEBT CONTROL BENCHMARK

Figure 37 displays Council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables).

Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.

FIGURE 37. Debt Control – Actual Net Debt / Planned Net Debt

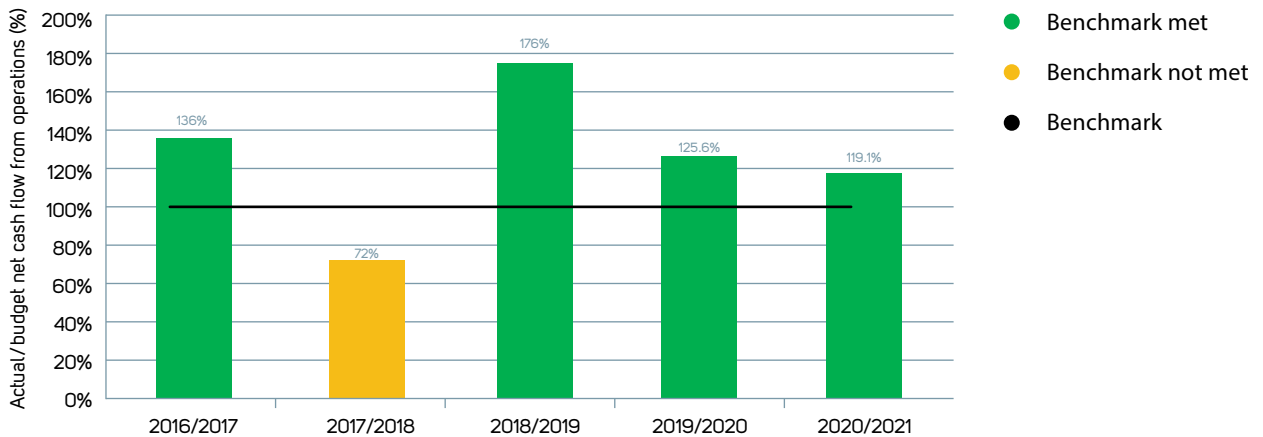


OPERATIONS CONTROL BENCHMARK

Figure 38 displays Council's actual net cash flow from operations as a proportion of its planned net cash flow from operations.

Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.

FIGURE 38. Operations Control – Actual / Budgeted Operating Cashflow



NOTES TO FINANCIAL STATEMENTS

NOTE 40: RATING BASE AND INSURANCE OF ASSETS

The Local Government Act 2002 was amended in early August 2014 and requires information on Council's rating base and insurance of assets.

RATING BASE INFORMATION

With regards to Clause 30A of the Local Government Act 2002 we disclose the following information regarding the rating base as at 30 June 2019 (the preceding year as required by the Act).

Rating unit info as at 30 June 2020:

	COUNT	LAND VALUE	CAPITAL VALUE
Non-rateable 100%	1,041	423,658,100	459,817,100
Non-rateable services only	259	141,343,700	376,105,200
Total non-rateable	1,300	565,001,800	835,922,300
Rateable	24,575	9,062,957,725	17,780,644,325
Total rating units	25,875	9,627,959,525	18,616,566,625

Rating unit info as at 30 June 2019:

	COUNT	LAND VALUE	CAPITAL VALUE
Non-rateable 100%	1,030	418,608,150	453,776,150
Non-rateable services only	250	139,380,000	370,106,500
Total non-rateable	1,280	557,988,150	823,882,650
Rateable	24,057	8,913,563,025	17,425,444,625
Total rating units	25,337	9,471,551,175	18,249,327,275

NOTES TO FINANCIAL STATEMENTS

NOTE 40: RATING BASE AND INSURANCE OF ASSETS (CONT.)

INSURANCE OF ASSETS

With regards to Clause 31A of the Local Government Act 2002 we disclose the following information regarding the insurance of assets as at 30 June 2021.

The cost of the Canterbury and Kaikoura earthquakes has highlighted the importance of good risk management and the part insurance and/or risk financing plays when it comes to rebuilding public assets. In many instances, councils can provide services in the future only through the continuing use of their assets. Public entities have had to think carefully about how they are managing their risks and how they are using the insurance and risk finance options available to them.

WATER, WASTEWATER, STORMWATER, RIVERS, REFUSE, AERODROMES, PORTS AND COASTAL ASSETS

These activities have a total book value of \$628,946,000. Repairs to these assets following a significant event are covered 40% through Aon with a large deductible, with the remaining 60% being funded by central government. Council currently has insurance cover for a \$100 million catastrophic disaster event. Council has a rivers disaster fund and a general disaster fund to cover the deductible or Council's 40% share if the event is lower than the deductible. The value of the general disaster fund as at 30 June 2021 is \$4,227,000 (2020: \$3,917,000).

ROADING AND FOOTPATH ASSETS

These activities have a total book value of \$746,716,000 (including land under roads). For this activity of assets, Council would however receive a minimum of 51% subsidy from the Waka Kotahi (NZ Transport Agency) for subsidised roading assets, with the remaining portion of the loss, and non-subsidised assets, to be funded through the general disaster fund and loan funding.

LAND, BUILDINGS, PLANT AND EQUIPMENT AND OTHER ASSETS

This activity has a total asset book value of \$319,384,000.

Assets are insured for reinstatement value or indemnity value as per the most current valuation for assets listed in the Statement of Property Insured, with limits of indemnity of \$2,000,000 for subsidence.

Residential property (material damage) at most recent valuation for assets listed in the Statement of Property Insured, with limits of indemnity of \$2,000,000 for capital additions, construction/alterations of \$2,000,000, landslip/subsidence of \$2,000,000.

The harbourmaster boat is insured for \$370,797.

VEHICLES

This activity has a total asset book value for insurance purposes of \$868,000 (2020: \$988,000). All vehicles are insured for market value or replacement value (if vehicle is less than 12 months old).

SELF-INSURANCE FUND

Council has a self-insurance fund for assets that are uneconomic to insure. However, under the new Top of the South collective, the deductibles have decreased dramatically. The value of this fund as at 30 June 2021 is \$1,147,000 (2020: \$1,144,000) and is now used to cover deductibles, excesses, and small assets not on the material damage.

NOTES TO FINANCIAL STATEMENTS

NOTE 41: COMMITMENTS AND CONTINGENCIES

CONTRACTUAL CAPITAL COMMITMENTS

These are capital commitments for which a formal contract has been entered at 30 June 2021.

CONTRACTUAL CAPITAL COMMITMENTS	30 JUNE 2021 \$000
Transportation	1,439
Three waters	15,937
Refuse	-
Share of joint operation – (Waimea Water, NRSBU, NTRLBU)	18,320
Land and buildings	3,477
Others	178
Total capital commitments 30 June 2021	39,351

These are capital commitments for which a formal contract has been entered at 30 June 2020.

CONTRACTUAL CAPITAL COMMITMENTS	30 JUNE 2020 \$000
Transportation	1,953
Three waters	5,767
Refuse	690
Share of joint operation – (Waimea Water, NRSBU, NTRLBU)	24,637
Land and buildings	3,937
Others	1,444
Total capital commitments 30 June 2020	38,428

These commitments are based on the legal commitment outstanding under contracts. They do not take into account any additional work required due to emergency events or any adjustments to costs based inflation.

NOTES TO FINANCIAL STATEMENTS

NOTE 41: COMMITMENTS AND CONTINGENCIES (CONT.)

OPERATING LEASES AS LESSEE

Council has no material operating leases as lessee.

GUARANTEE – NEW ZEALAND LOCAL GOVERNMENT FUNDING AGENCY LIMITED

Tasman District Council is a guarantor of the 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 15 local authority guarantors of the NZLGFA. In that regard, it has uncalled capital of \$1.866 million. When aggregated with the uncalled capital of other shareholders, \$20 million is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, Tasman District Council is a guarantor of all of NZLGFA's borrowings. At 30 June 2021, NZLGFA had borrowings totalling \$13.610 billion (2020: \$11.908 billion).

Financial reporting standards require the Council to recognise the guarantee liability at fair value.

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

- 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.

WAIMEA WATER LIMITED JOINT OPERATION

The Council and Waimea Irrigators Ltd entered into a Joint Operation partnership to build the Waimea Community Dam. The three-year construction project began in March 2019. The reservoir filling is likely to commence in mid 2022. The purpose of the Dam is to provide water security (the Lake will hold approximately 13 billion litres of water), resulting in increased economic prosperity for the region. The Nelson Tasman region is expected to see significant benefit in terms of jobs, general health and well-being, and future economic development. Aside from the share of water to be extracted, a major benefit of the Dam is regaining the river flow. A healthy river is critical for the sake of the environment, to protect the community's drinking water supplies, and so it can be enjoyed safely for fishing, swimming and other recreation.

Project cost

Since the decision to proceed was finalised in 2018, project costs to build the Dam have risen from the initial estimate of \$104.5 million to \$129.4 million in 2020. On 22 February 2021, Waimea Water Limited presented a revised cost estimate range of \$148 million to \$164 million to complete the Dam, with an expected cost of \$158.5 million. The company have now indicated that the final cost to complete is likely to be at the upper end of the estimate range. The cost is based on the best information currently available and makes some allowance for the cost uncertainty associated with the project. A lot of work has been completed to date, stage of completion as at 30 June 2021 was 60%. This means Waimea Water Limited has a good understanding of the project risks based on what it has experienced so far and how it has responded to unexpected geological conditions. Going forward, most of the work is above ground level reducing the likelihood of further geological risks. However, costs could be higher than the estimated range. Key risks are the costs associated with any further Covid-19 related delays, and the scale of work required on unexposed geological features.

We included a budget in the Long Term Plan 2021 – 2031 that provided for a total project cost of \$159 million. This amount covered the expected cost to complete of \$158.5 million and allowed for necessary work to provide for a future hydro power option. This reflected a total project budget increase of \$54.5 million since 2018.

NOTES TO FINANCIAL STATEMENTS

NOTE 41: COMMITMENTS AND CONTINGENCIES (CONT.)

Under the project agreements the first \$3 million of cost overruns are shared funded 50:50 between Waimea Irrigators Limited and the Council. The Council is contractually obliged to meet all cost overruns above the first \$3 million. The Joint Operation partners have subsequently agreed a funding approach, which shares the cost of the additional funding better between irrigators and the Council.

Project funding and shares

The original cost is \$104.5 million, and the new cost is \$158.5 million excluding hydro, therefore the total assumed cost overrun is \$54 million. The funding of the \$54 million cost overrun is split as follows:

- Share of first \$3 million Council: \$1.5 million
- Share of first \$3 million Irrigator: \$1.5 million
- Irrigator extractive capacity advance: \$24.8 million
- Advance Council capacity: \$11.6 million
- Equity contribution Council: \$14.3 million
- Calculation interest adjustment (already funded by Council): \$0.3 million.

The first \$3 million

The first \$3.0 million will be shared 50:50 between the Council and Waimea Irrigators Limited. This payment will not result in voting shares in either party, therefore is excluded from the accounting interest. However, this payment results in an increase in the net assets of Waimea Water Limited, which have the impact of increasing the Councils property, plant and equipment.

Irrigator extractive capacity advance \$24.8 million

This shareholder advance \$24.8 million is drawn by the Council through Crown Irrigation Investments Limited and the Local Government Funding Agency. These funds are then to be passed to Waimea Water Limited.

This is a back-to-back drawing. Waimea Irrigators Limited is effectively servicing this debt indefinitely, except for the interest bearing portion in the first 5 years. The reason for Waimea Irrigators Limited servicing the debt, is that this advance relates to irrigator extractive capacity.

It is primarily for this reason that we have assessed that the substance of this arrangement is that the Council is acting as an agent for Waimea Irrigators Limited in respect to this loan. We have therefore not included this in Councils accounting interest, nor have we recognised a liability for the loan.

Further detail regarding the arrangement

For the first five years of the Tasman 10 Year Plan the interest costs on \$10.14 million of this advance will be funded through the Council's General Rate. After the five-year period, this debt is serviced by Waimea Irrigators Limited. The interest on the remaining \$14.64 million of shareholder advances will be funded by Waimea Water Limited water charges paid by Waimea Irrigators Limited. The full advance is secured over Waimea Water Limited assets. In addition interest, on the full advance, is also secured over Waimea Irrigators Limited assets (both through a second ranking security after Crown Irrigation Investments Limited loans).

After 40 years, according to the Shareholder Advance Agreement, Waimea Water Limited must seek to refinance this advance on commercial terms, subject to Council agreement. If the refinancing is agreed on commercial terms, the loan will be directly between Waimea Water Limited and a commercial entity. The decision related to the refinancing of the loan in 40 years, will be a shareholder reserve matter (requires agreement of Waimea Water Limited, Waimea Irrigators Limited and the Council).

NOTES TO FINANCIAL STATEMENTS

NOTE 41: COMMITMENTS AND CONTINGENCIES (CONT.)

If Waimea Water Limited does not succeed with this, or agreement between Council and Waimea Irrigators Limited is not reached, Council has a contractual option to roll over this loan, in five year terms. It is quite possible that irrigator capacity shareholder advances will be rolled over in perpetuity.

In either of the scenarios above, the Council will require Waimea Irrigators Limited to continue to be responsible for servicing this loan. If Waimea Irrigators Limited disagrees then there is a provision in the Council's Revenue and Financing Policy for a targeted rate to be charged to properties with affiliated consents to take water. Waimea Irrigators Limited, therefore either way Waimea Irrigators Limited or their shareholders shall service the debt. This is because it is related to irrigator extractive capacity.

The Council could also decide to fund the repayment of the loan, which would result in the Council receiving ordinary shares with voting rights, so long as the Council still has less than 75% of voting rights, otherwise some shares would be non-voting. We have assumed that the Council will not take this option, as this would create interest costs in the Council, which contractually sit with Waimea Irrigators Limited. It is for this reason that the Council deems the accounting interest in this advance to sit with Waimea Irrigators Limited, not the Council. This assumption would be revisited if it became probable that the Council may convert the loan to equity. The likely accounting impact would be an increase to debt and property, plant and equipment. Although, this is not deemed likely.

Another possibility, which would need further agreement, is that the Council may allow Waimea Irrigators Limited to pay off the loan in return for ordinary shares with voting rights. This is deemed a possibility, given Waimea Irrigators Limited will be servicing the debt, without the benefit of obtaining future voting rights. In the unlikely event of a liquidation, the ordinary shares which have voting rights, give the right to the net assets of Waimea Water Limited.

Council capacity advance \$11.6 million

The interest costs of the Council's portion of the shareholder advances (\$11.6 million) and its additional equity contribution will be funded through the Council's Urban Water account for extractive capacity and through the Zone of Benefit rate and District-wide fixed charge for the environmental and public benefits. This loan is the Council's responsibility, and can be converted to voting shares, this is included in the Council's accounting interest.

Equity contribution Council: \$14.3 million

This equity payment results in voting shares to the Council, and is included in the Council's accounting interest, and there are no significant complexities.

Risk

The project continues to face cost pressures, but this risk is reducing as the project continues and ground works are completed. The project as at 30 June 2021 was 60% complete.

The building industry has seen unprecedented inflation since the global COVID-19 pandemic started, which has also caused procurement and supply chain disruptions both nationally and internationally.

The forecast cost to complete the dam, based on known conditions, is anticipated to be closer to and stress the upper end of the risk range of \$164 million presented in February 2021.

Compensation clause

Under the terms of the Project Deed (the Deed), a compensation clause is in place.

If within 40 years, Council does not honour the specific provisions of the deed related to its statutory powers and knowingly takes a course of action that is not consistent with the partnership entered into then it may face liability for the economic losses to the irrigators. The Council's maximum exposure is limited to \$50 million in aggregate.

The Council remains committed to the Joint Operation and the Deed. There is no contingent liability or guarantee to be recognised as at 30 June 2021 (30 June 2020: Nil) in relation to the compensation clause.

NOTES TO FINANCIAL STATEMENTS

NOTE 41: COMMITMENTS AND CONTINGENCIES (CONT.)

CIL Loan, guarantees and credit support

Crown Irrigation Investments Ltd (CIL) issued a loan up to \$25m to Council's Joint Operation WWL. WWL is responsible for the servicing and repayment of this loan. The repayments will be funded through water charges paid by WIL. WIL is jointly and severally liable with WWL for the loan as co-obligor and guarantor of all of WWL's obligations under the loan. As the loan is repaid, or if the Council credit support is released, WIL's Non-voting Shares will be converted into Ordinary Shares periodically. This loan is not recognised in Council's financial statements as a liability but is included in the calculation of its interest in WWL.

The Council has provided credit support for this loan to the value of \$29 million (includes capitalised interest and fees). This means that CIL may call on the Council to satisfy the Company's obligations to CIL in relation to repayment of the CIL loan, in accordance with the Project Deed. In return, Council currently holds a greater share of voting rights in the Joint Operation as at 30 June 2020.

No liability has been recognised in relation to the Council's credit support for the CIL loan. The risk of default of the CIL loan is as low and as such the liability as nil. While there is a possibility that the liability will accrue a series of circumstances would have to occur which are considered unlikely.

CONTINGENT LIABILITIES

Council has contingent liabilities of \$Nil (30 June 2020: \$Nil). Council has no contingent claims against other parties (30 June 2020: Nil).

Council is a signatory to the Government's leaky homes package, which may expose Council to up to 25% of any settlement costs.

Council is also exposed to potential future claims which have not yet been advised until the statutory limitation period expires. The amount of potential future claims are not able to be reliably measured and is therefore unquantifiable. Claims must be made within 10 years of construction, or alteration of the dwelling, in order for the claim to be eligible under the WHRS Act 2006, but other statutory limitation periods could also affect claims.

Risk Pool provides public liability and professional indemnity insurance for its members. Council was a member of Risk Pool until 1 July 2016. The Trust Deed of Risk Pool provides that, if there is shortfall (whereby claims exceed contributions of members and reinsurance recoveries) in any funding year, then the Board may make a call on members for that fund year.

Tasman District Council is required to undertake seismic assessments of some of its buildings in accordance with the Building Act and its own Policy for Earthquake Prone, Dangerous and Insanitary Buildings. All required assessments have now been completed. Our offices and public buildings having either been upgraded or their maximum occupancies have been reclassified to meet the standards.

A detailed assessment of the Richmond Office main building has been completed. This identified that the civic area was <20% of the New Building Standard (NBS). The balance of the complex has been assessed at <34% NBS apart from a 2012 addition which is 35% NBS. As the complex is treated as one building a Earthquake Prone Building Notice has been issued to Council. This provides that we have until 4 June 2033 to strengthen it.

We are in discussions regarding the sale of the 8 Ball Club building, Motueka with the buyer being responsible for upgrade works.

Asbestos Assessment reports were completed for Council's buildings in 2018. We have substantially progressed action on rectifying any building elements that were identified in the reports as Asbestos Containing Materials (ACM's) or with assumed ACM's and had a condition rating of "Poor". We have also engaged a certified asbestos assessor to provide more detailed reports. Most of the identified issues have been addressed or are encapsulated and only require further inspection prior to any disturbance.

NOTES TO FINANCIAL STATEMENTS

NOTE 41: COMMITMENTS AND CONTINGENCIES (CONT.)

OTHER CONTINGENT ASSETS

2021: \$Nil (2020: \$Nil.)

ASSOCIATES CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no material contingent assets or liabilities to record as at the date of this Annual Report.

NOTE 42: STANDARDS, AMENDMENTS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

Standards, amendments and interpretations issued that are not yet effective and have not been early adopted are:

STANDARD	EFFECTIVE DATE	BRIEF OUTLINE
<i>Going Concern Disclosures (Amendments to PBE IPSAS 1)</i>	Annual periods beginning on or after 30 September 2020 .	The amendments introduce more specific going concern disclosures in circumstances where an entity's going concern assessment has involved significant judgement and/or the consideration of material uncertainties.
<i>PBE Interest Rate Benchmark Reform – Phase 2</i>	Annual financial statements covering periods beginning on or after 1 January 2021 .	<p>The amendments address replacement issues that arise when interest rate benchmarks are replaced with alternative, nearly risk-free interest rates. The objective of the amendments is to assist entities in providing useful information to users of financial statements and to support preparers in applying PBE Standards when changes are made to contractual cash flows or hedging relationships because of the transition to alternative benchmark rates.</p> <p>The New Zealand Dollar (NZD) Bank Bill Benchmark Rate (BKBM) has been largely unaffected by the international reforms. However, some New Zealand entities will have loan agreements or derivative contracts that refer to other interest rate benchmarks (such as IBOR) and may encounter financial reporting issues associated with the reforms.</p> <p>PBE Interest Rate Benchmark Reform —Phase 2 amends various PBE Standards on financial instruments: PBE IPSAS 41 <i>Financial Instruments</i>, PBE IFRS 9 <i>Financial Instruments</i>, PBE IPSAS 29 <i>Financial Instruments: Recognition and Measurement</i> and PBE IPSAS 30 <i>Financial Instruments: Disclosures</i>.</p>
<i>2018 Omnibus Amendments to PBE Standards</i>	Annual financial statements covering periods beginning on or after 1 January 2021 .	This Omnibus includes amendment to PBE IPSAS 2 <i>Cash Flow Statements</i> . This amendment requires entities to provide disclosures to enable users of financial statements to evaluate changes in liabilities arising from financial assets.

NOTES TO FINANCIAL STATEMENTS

NOTE 42: STANDARDS, AMENDMENTS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE (CONT.)

STANDARD	EFFECTIVE DATE	BRIEF OUTLINE
<i>PBE IPSAS 40 PBE Combinations</i>	Annual financial statements covering periods beginning on or after 1 January 2021 .	<p>In general, PBE IPSAS 40 is to be applied prospectively to PBE combinations for which the amalgamation date or acquisition date is on or after 1 January 2021.</p> <p>This new PBE Standard will supersede PBE IFRS 3 <i>Business Combinations</i>, the current PBE Standard dealing with business combinations. PBE IFRS 3 is based on NZ IFRS 3 <i>Business Combinations</i>, which in turn is based on IFRS 3 <i>Business Combinations</i> issued by the International Accounting Standards Board.</p> <p>The key differences between PBE IPSAS 40 and PBE IFRS 3 are as follows.</p> <ul style="list-style-type: none"> • Broader scope – there are fewer scope exclusions. • Classify each combination as an amalgamation or an acquisition – all combinations under PBE IFRS 3 were accounted for as an acquisition. • Modified pooling of interests method used for amalgamations. • Acquisitions – additional restrictions on the recognition of goodwill.
<i>Withdrawal of PBE FRS 46 (Amendments to PBE FRS 47)</i>	Annual financial statements covering periods beginning on or after 1 January 2021 .	The New Zealand Accounting Standards Board has determined that there is no longer a need for two standards dealing with first-time adoption of PBE Standards. It will now allow all first-time adopters to determine their accounting policies in accordance with the existing requirements in PBE FRS 47. A related amendment has revoked PBE FRS 46.
<i>PBE IFRS 9 Financial Instruments</i>	An entity can elect to apply this Standard if its initial date of application is before 1 January 2020. If an entity has elected to apply this Standard then it will continue to do so until PBE IPSAS 41 becomes mandatory for annual periods beginning on or after 1 January 2022 . Note: PBE IPSAS 41 supersedes PBE IFRS 9 <i>Financial Instruments</i> , which was issued as an interim standard, and most of PBE IPSAS 29 <i>Financial Instruments: Recognition and Measurement</i> .	<p>PBE IFRS 9 introduces changes introduced by NZ IFRS in the for-profit sector. The Standard replaces most of the requirements of PBE IPSAS 29.</p> <p>Classification and measurement of financial assets</p> <p>These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of PBE IPSAS 29. The Standard introduces a number of changes to the accounting for financial assets, the most significant of which includes:</p> <ul style="list-style-type: none"> • Two categories for financial assets being amortised cost or fair value; • Removal of the requirement to separate embedded derivatives in financial assets; • Strict requirements to determine which financial assets can be classified as amortised cost or fair value. Financial assets can only be classified as amortised cost if (a) the contractual cash flows from the instrument represent principal and interest and (b) the entity's purpose for holding the instrument is to collect the contractual cash flows; • An option for investments in equity instruments which are not held for trading to recognise fair value changes through other comprehensive revenue and expense with no impairment testing and no recycling through surplus or deficit on derecognition; • Reclassifications between amortised cost and fair value no longer permitted unless the entity's business model for holding the asset changes; and • Changes to the accounting and additional disclosures for equity instruments classified as fair value through other comprehensive revenue and expense.

NOTES TO FINANCIAL STATEMENTS

NOTE 42: STANDARDS, AMENDMENTS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE (CONT.)

STANDARD	EFFECTIVE DATE	BRIEF OUTLINE
<i>PBE IFRS 9 Financial Instruments (cont.)</i>	<p><i>Effective Date of PBE IFRS 9 delays the effective date of PBE IFRS 9 by one year, from 1 January 2021 to 1 January 2022.</i></p> <p>This is to prevent PBE IFRS 9 from becoming mandatory before the effective date of PBE IPSAS 41.</p>	<p>Classification and measurement of financial liabilities</p> <p>For financial liabilities designated as fair value through surplus or deficit using the fair value option, the amount of change in fair value is accounted for as follows:</p> <ul style="list-style-type: none"> • The change attributable to changes in credit risk are presented in other comprehensive revenue and expense; and • The remaining change is presented in surplus or deficit. <p>If this approach creates or enlarges an accounting mismatch in the surplus or deficit, the effect of the changes in credit risk are also presented in surplus or deficit.</p> <p>Impairment</p> <p>The impairments requirements are based on expected credit loss (ECL) model that replaces the IAS 39 incurred cost model. The ECL model applies to debt instruments accounted for at amortised cost or at fair value through other comprehensive revenue and expense.</p> <p>Entities are generally required to recognise either 12 months or lifetime ECL, depending on whether there has been significant increase in credit risk since initial recognition. For some trade receivables, the simplified approach may be applied whereby the lifetime expected credit losses are always recognised.</p> <hr/> <p>Hedge accounting</p> <p>The Standard incorporates the following.</p> <ul style="list-style-type: none"> • An increase in the risks eligible for hedge accounting. • Increased eligibility of hedging instruments and reduced volatility. • The hedge effectiveness test has been replaced with an economic relationship principle and retrospective assessment is no longer required. • Greater disclosures regarding an entity's risk management activities. <p>When applying PBE IFRS 9 for the first time, entities will generally apply the Standard retrospectively and make adjustments to previous accounting periods, unless it is not practicable to do so. However, PBE IFRS 9 contains a number of exceptions to retrospective application.</p>
<i>2020 Amendments to PBE FRS 48</i>	<p>A change such it is now mandatory for annual financial reports covering periods beginning on or after 1 January 2022.</p>	<p>This Standard establishes new requirements for PBEs to select and present service performance information.</p> <p>The 2020 amendments to PBE FRS 48 defer the effective date of PBE FRS 48 <i>Service Performance Reporting</i> by one year, from 1 January 2021 to 1 January 2022. The amending standard also clarifies that explanations of variances are required only when an entity presents comparisons of actual versus prospective information.</p>

NOTES TO FINANCIAL STATEMENTS

NOTE 42: STANDARDS, AMENDMENTS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE (CONT.)

STANDARD	EFFECTIVE DATE	BRIEF OUTLINE
<i>PBE IPSAS 41 Financial Instruments</i>	Annual financial statements covering periods beginning on or after 1 January 2022 .	<p>PBE IPSAS 41 supersedes PBE IFRS 9 <i>Financial Instruments</i>, which was issued as an interim standard, and most of PBE IPSAS 29 <i>Financial Instruments: Recognition and Measurement</i>.</p> <p>PBE IPSAS 41 is almost identical to PBE IFRS 9. However, PBE IPSAS 41 includes PBE specific guidance and examples such as:</p> <ul style="list-style-type: none"> • Financial guarantees issued through non-exchange transactions; • Concessionary loans; • Equity instruments arising from non-exchange transactions; and • Fair value measurement. <p>Effective Date of PBE IFRS 9 delays the effective date of PBE IFRS 9 by one year, from 1 January 2021 to 1 January 2022.</p> <ul style="list-style-type: none"> • This is to prevent PBE IFRS 9 from becoming mandatory before the effective date of PBE IPSAS 41. <p>The transition requirements to PBE IPSAS 41 differ depending on whether an entity will be transitioning from PBE IPSAS 29 or from PBE IFRS 9.</p>

Impact on Council: The direct impact of the accounting standards on Council has not yet been assessed.

NOTE 43: COVID-19 IMPACT

During August and September 2020 and February and March 2021, Tasman District moved into Alert Level 2 along with other parts of the country. In all other parts of the year, Tasman District remained in Alert Level 1.

- At Alert Level 2, the Council enforced stronger social distancing practices and noted lowered visitor levels at community facilities such as the library, swimming pools, and use of community halls. There were no disruptions to infrastructure servicing. This did not materially affect the amount of user charges collected during the year, however due to Covid-19 restrictions, the Council incurred some income loss, mainly from; dividends, rent relief and campgrounds.
- At Alert Level 1, the Council continued to run business as usual. For the previous year’s revaluation of investment property at 30 June 2020, the Council’s external valuer included a statement in their valuation report that the assessed value was subject to “material valuation uncertainty” due to Covid-19. For the 30 June 2021 valuation, the valuer has noted that while some uncertainty about property values remain due to Covid-19, there was not a material valuation uncertainty at 30 June 2021.

There has been an impact on the Council’s achievement of its performance targets during the year. The impact on the performance targets are explained in the relevant activity sections of the annual report.

Council revalued its Forestry and Investment Property assets at 30 June 2021. The impact of Covid-19 for Investment Property is included in note 19. There were no significant Covid-19 impacts for the forestry valuation assumptions.

An impairment assessment has been completed for tangible and intangible assets. The result of this assessment was that there has been no material movement in asset values resulting from Covid-19.

NOTES TO FINANCIAL STATEMENTS

NOTE 43: COVID-19 IMPACT (CONT.)

IMPACT OF COVID ON COUNCIL'S JOINT VENTURE, PORT NELSON LTD

During the 2021 year, revenue continued to be impacted by the uncertainty in global supply chain, resulting in a reduction in both total cargo and container volumes. In addition, operational efficiency was severely impacted by ship omissions and delays.

At 30 June 2020 due to the market disruption and lack of transactional data during Level 4 lockdown, there was a heightened level of uncertainty concerning the valuations for assets held at fair value. This uncertainty decreased in 2021 and the valuation for assets held at fair value reflected a return to 'normal' long term growth rates of 1.75% (2020: 0.75%) and a reduction in Discount Rates to prior levels. Port Nelson's published Annual Report 2021 contains further details of valuation assumptions used in the valuation of property, plant and equipment.

There was no impairment in Council's interest in Port Nelson Ltd at 30 June 2021.

IMPACT OF COVID ON COUNCIL'S JOINT VENTURE, NELSON AIRPORT LTD

As at 30 June 2021, an impairment assessment was carried out to determine the appropriateness of the carrying values of Nelson Airport Limited's assets. Due to Covid-19, there is some additional uncertainty around forecast passenger numbers and consequently on Nelson Airport Limited's cash flows. Nelson Airport Limited's forecasts are based on its five-year financial forecast model, and a recovery in passenger numbers back to pre-Covid-19 levels after the 2025 financial year.

Nelson Airport Limited's estimates of passengers, recovery and growth rates remain uncertain and dependent on several factors with respect to Covid-19 including any remaining restrictions on domestic and international travel, public demand and behaviour with respect to travel and airline scheduling.

Material changes in any of these factors might have an impact on Nelson Airport Limited's estimates of income and cashflows used to support the valuations, fair value assessments and impairment considerations as at 30 June 2021.

The assessment, effective 30 June 2021, included the following major assumptions:

- Revenue is largely dependent on passenger numbers. Nelson Airport Limited has conservatively projected growth in passenger numbers, with a recovery to pre-Covid-19 levels projected only after the 2025 financial year. A growth rate of 2.5% has been applied to cashflows after the forecast period.
- Forecast free cashflows reflect agreed pricing with airlines following the company's 2021 Airline Pricing Consultation.
- The discount rate (Nelson Airport Limited's pre-taxation Weighted Average Cost of Capital) applied to the company's pre-taxation free cashflows was 8.5%.

The assessment concluded no impairment was required to the carrying value of property, plant and equipment. There was also no impairment in Council's interest in the Nelson Airport Ltd at 30 June 2021.

APPENDICES



APPENDIX ONE: APPLICATIONS PROCESSED

ENVIRONMENT AND PLANNING DEPARTMENT APPLICATIONS PROCESSED 1 JULY 2020 TO 30 JUNE 2021

Resource Management Act 1991

TYPE OF CONSENT	OUTCOME 2019/2020	OUTCOME 2020/2021
Land Use	521	529
Water	483	175
Discharge	129	178
Coastal	18	28
Subdivision	121	126
Title Plans	116	115
Completion Certificates	116	117
Certificates of Compliance	14	9
Deemed Permitted Boundary Notices	31	51
Marginal or Temporary Exemption Notices	22	19
Resource Consent (Permit) Transfers	195	213
Right of Way (s348 Local Govt. Act 1974)	6	11
Total	1,772	1,571

Building Act 2004

TYPE OF CONSENT	NUMBER ISSUED 2019/2020	VALUE 2019/2020 \$MILLION	NUMBER ISSUED 2020/2021	VALUE 2020/2021 \$MILLION
Dwelling	448	189.5	577	241.4
Commercial	46	34.9	35	42.7
Other	710	40.2	810	39.9
Total	1,204	264.8	1,422	324

APPENDIX ONE: APPLICATIONS PROCESS

ENVIRONMENT AND PLANNING DEPARTMENT APPLICATIONS PROCESSED 1 JULY 2020 TO 30 JUNE 2021 (CONT.)

Licences

TYPE	NUMBER OF CERTIFICATES ISSUED 2019/2020	NUMBER OF CERTIFICATES ISSUED 2020/2021
Food premises/Operators	361	399
Hairdressers	45	46
Campgrounds	42	43
Hawkers/Mobile traders	40	42
Others*	11	12
Commercial vessel operators	22	18

*As a result of law changes, food stalls are not being reported along with all food premises.

Sale of alcohol

TYPE OF LICENCE	NUMBER OF LICENCES ISSUED 2019/2020	NUMBER OF LICENCES ISSUED 2020/2021
Manager's certificate	290	302
On and off licences	106	117
Club licence	14	6
Special licence	52	49
Temporary authority order	13	23

Other

TYPE	2019/2020	2020/2021
Land Information Memoranda	718	827
Complaints received	2,894	2,953
Abatement Notices issued	54	36
Infringement Notices issued	69	31
Enforcement orders	0	1
Excessive noise directions	203	150

APPENDIX TWO: COUNCIL'S COMMITTEES, RESPONSIBILITIES, PORTFOLIOS AND MEETING ATTENDANCE

COUNCIL STANDING COMMITTEES

Following the triennial election, Mayor King established a new committee structure. There are three standing Committees of the Council, each having delegated powers to handle their affairs. All Councillors have membership on these committees. Mayor King is an ex officio member of all committees. Committees normally meet six-weekly.

STRATEGY AND POLICY COMMITTEE

The Strategy and Policy Committee's purpose is to provide governance oversight of, guidance on and approval of:

- Council's strategy and policy programmes, services, activities and their associated projects, including the processes to prepare them and public consultation processes;
- The physical development and growth of the Tasman District through a focus on land and resource use and the appropriate provision of infrastructure; and
- Any policies and plans required under the Resource Management Act 1991 (RMA).

The primary areas of responsibility of the Committee are:

- Electoral and democratic functions of local government in the Tasman District
- Long Term Plans, Annual Plans, Activity Management Plans, Statutory Policies, Annual Report; and
- Resource Management Act Policies and Plans.

This Committee is chaired by Cr C M Maling.

REGULATORY COMMITTEE

The Regulatory Committee's purpose is to provide governance oversight of Council's regulatory programmes, services, and activities, including bylaw development and implementation (noting Full Council only has the power to adopt bylaws) in relation to the Committee's areas of responsibility.

The primary areas of responsibility of the Committee are:

- Monitoring and enforcing Council's Resource Management Act functions;
- Enforcing Council's other regulatory functions; and
- Undertaking bylaw preparation processes.

This Committee is chaired by Cr D M A Wensley.

OPERATIONS COMMITTEE

The Operations Committee's purpose is to provide governance oversight of Council's operational programmes, services, activities and projects relating to Council's environmental monitoring programmes, and to Council's community facilities and infrastructural assets (excluding commercial enterprises covered by the Commercial Committee) in relation to the Committee's areas of responsibility.

The primary areas of responsibility of the Committee are:

- Overseeing and monitoring and Council's operational functions; and
- Overseeing and monitoring Council's capital works programme.

This Committee is chaired by Cr S G Bryant.

COUNCIL COMMITTEES

AUDIT & RISK

(Reporting to Council) – Mayor T B King, Crs D J Ogilvie, M J Greening, C P Hill, C J Mackenzie and T B Walker plus G Naylor (independent Chair) and G McGlenn (independent member)

CEO REVIEW

(Reporting to Council) – Mayor T B King (Chair), Crs S G Bryant and D M A Wensley

COMMERCIAL

(Reporting to Council) – Cr C J Mackenzie (Chair), Crs D J Ogilvie, C J Butler, C M Maling and C P Hill plus three appointed members – R N Taylor, A D Dunn and K Armstrong

COUNCIL SUBCOMMITTEES

In addition to the above 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. Their level of autonomy varies depending on the specific delegations with some able to make decisions in their own right whilst others make recommendations to their parent committee or Full Council. The Mayor is ex officio on all subcommittees. The current subcommittees are:

APPENDIX TWO: COUNCIL'S COMMITTEES, RESPONSIBILITIES AND PORTFOLIOS AND MEETING ATTENDANCE

COMMUNITY AWARDS

(Reporting to Operations Committee) – Mayor T B King, Crs D M A Wensley (Chair), C P Hill, A C Turley and B F Dowler

COMMUNITY GRANTS

(Reporting to Operations Committee) – Mayor T B King, Crs A C Turley (Chair), S G Bryant, C J Butler, T B Walker and D M A Wensley

CREATIVE COMMUNITIES

(Reporting to Operations Committee) – Crs C J Butler and T B Walker, plus community representatives

GOLDEN BAY RECREATION PARK MANAGEMENT

(Reporting to Operations Committee) – Crs C J Butler (Chair) and C P Hill, plus external representatives D McKenzie, W Packard, L Pomeroy and A Ejima

OTHER COMMITTEES

The following two committees operate under separate legislation, and their membership includes both Council and external members. The Mayor is not ex officio on either committee.

TASMAN REGIONAL TRANSPORT COMMITTEE

This Committee operates under the Land Transport Act 2003 and is responsible for preparing for Tasman District a regional land transport strategy, a regional land transport programme, a regional fuel tax scheme, and any advice and assistance Council may request in relation to its transport responsibilities. The Committee is chaired by Cr S G Bryant and members are Crs C J Butler, B F Dowler and A C Turley, and one Waka Kotahi/ NZTA representative.

DISTRICT LICENSING COMMITTEE

This Committee operates under the Sale and Supply of Alcohol Act 2012 and is responsible for determining applications for licences to sell alcohol. These could be On or Off Licences, Special Licences for events, Manager's Certificates for people working in licensed premises. The Committee is chaired by Cr D J Ogilvie, member Cr M J Greening, and list members are L Gabites, D Lewis, and M Fitzsimons.

JOINT COMMITTEES OF NELSON AND TASMAN COUNCILS

These are committees made up of representatives of both Tasman District Council and Nelson City Council. The Tasman District Council members of the committees are listed below.

Joint Committee

Mayor and all Councillors

Joint Shareholders

Mayor T B King, Crs S G Bryant, B F Dowler, C M Maling, C J Mackenzie and D J Ogilvie

Nelson Regional Sewerage Business Unit (NRSBU)

Crs C M Maling and T A Tuffnell, Independent member Brendon Silcock

Civil Defence Emergency Management

Mayor T B King and Deputy Mayor S G Bryant

Regional Pest Management

Crs S G Bryant, C M Maling and C J Butler

Saxton Field Committee

Crs T A Tuffnell and C M Maling

Nelson Tasman Regional Landfill Business Unit (NTRLBU)

Crs S G Bryant and T B Walker

COUNCIL REPRESENTATIVES AND APPOINTMENTS

Accessibility For All

Vacant

Friendly Towns

Richmond representative – Cr T A Tuffnell for Fujimi Machi
Motueka representative – Cr T B Walker for Kiyosato

Iwi Liaison

Mayor T B King and Chief Executive

Local Government New Zealand

Regional Sector Group representatives

Mayor T B King and Chief Executive

APPENDIX TWO: COUNCIL'S COMMITTEES, RESPONSIBILITIES AND PORTFOLIOS AND MEETING ATTENDANCE

Rural and Provincial Sector representatives

Mayor T B King and Deputy Mayor S G Bryant as alternate, Community Development Manager

Zone 5 representatives

Mayor T B King and Chief Executive

Māpua Waterfront Advisory Committee

Cr A C Turley

Motueka Airport Advisory Group

Cr B F Dowler / Cr D J Ogilvie (as alternate)

Native Habitats Tasman

Crs D J Ogilvie and C J Butler

Nelson Airport Limited

Council Director Cr M J Greening (until 10 January 2021)
Q Hall (from 12 February 2021)

Nelson Tasman Business Trust

C M Maling as an independent member

Nelson Tasman Climate Forum Coordination Group

Cr D M A Wensley (until April 2021)

Nelson Tasman Climate Forum Leadership Group

Crs T B Walker or D J Ogilvie (from April 2021)

Port Nelson Limited

Council Director Mr P Zealand

Port Tarakohe Advisory Group

Crs C J Butler and C P Hill

Positive Ageing Forum

Cr D M A Wensley

Regional TB Free

Cr S G Bryant

Richmond Bridge And Croquet

Cr M J Greening

Richmond Network Operating Framework – with Waka Kotahi

Crs S G Bryant, T A Tuffnell and D M A Wensley

Tākaka Airport Advisory Group

Cr C P Hill

Tasman Bays Heritage Trust Appointments Committee

Mayor T B King and Chief Executive

Tasman Biostrategy Governance Group

Crs C Butler, D J Ogilvie and T A Tuffnell

Tasman Environmental Trust Liaison

Cr C J Mackenzie

Tasman Youth Council

Crs T B Walker and C P Hill

Tenders Panel

Crs S G Bryant, C M Maling and T A Tuffnell, and Chief Executive

Waimea Inlet Working Group

Cr T A Tuffnell / Cr D M A Wensley (alternate)

COUNCIL MEETING ATTENDANCE

These figures represent attendance at Full Council and the three standing committees.

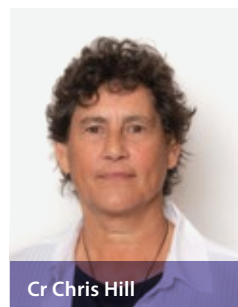
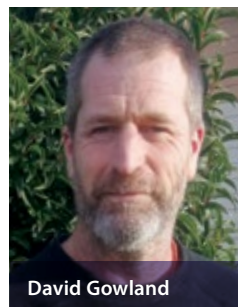
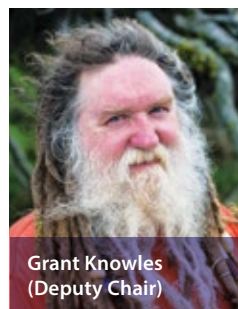
COUNCILLOR	MEETINGS ATTENDANCE
T B King	82%
S G Bryant	88%
C Butler	85%
B F Dowler	85%
M J Greening	29%
C P Hill	85%
C M Maling	88%
C J Mackenzie	91%
D E McNamara	91%
D J Ogilvie	91%
T A Tuffnell	88%
A C Turley	91%
T B Walker	88%
D M A Wensley	82%

APPENDIX THREE: COMMUNITY BOARDS

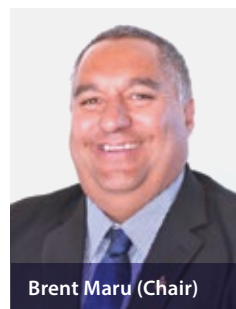
Community Boards are separately elected advisory bodies and are not Council Committees. Their main role is to represent, and act as an advocate for, the interests of their community.

There are two Community Boards in the Tasman District, 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.

GOLDEN BAY COMMUNITY BOARD MEMBERS



MOTUEKA COMMUNITY BOARD MEMBERS



APPENDIX FOUR: MANAGEMENT STAFF

CHIEF EXECUTIVE OFFICER

Janine Dowding

COMMUNITY DEVELOPMENT MANAGER

Susan Edwards

CORPORATE SERVICES MANAGER

Mike Drummond

ENGINEERING SERVICES MANAGER

Richard Kirby

ENVIRONMENT AND PLANNING MANAGER

Dennis Bush-King

CHIEF INFORMATION OFFICER

Steve Manners

OTHER

BANKERS

ASB Bank Ltd
Queen Street, Richmond

PANEL OF SOLICITORS

Fletcher Vautier Moore
Simpson Grierson
DLA Piper
Hamish Fletcher
Tasman Law

AUDITORS

Audit New Zealand, on behalf of the Auditor-General

APPENDIX FIVE: GLOSSARY OF TERMS

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

ANNUAL PLAN

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

ANNUAL REPORT

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

ACTIVITY MANAGEMENT PLANS

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

ASSOCIATE

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

ASSUMPTIONS

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

CAPITAL EXPENDITURE

This expenditure relates to the purchase or creation of assets that are necessary to assist in the provision of services. They have useful lives in excess of one year and are therefore included in the Statement of Financial Position. Capital expenditure includes the

creation of assets that did not previously exist or the improvement or enlargement of assets beyond their original size and capacity.

CAPITAL VALUE

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

COMMUNITY

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

COMMUNITY OUTCOMES

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

CONSULTATION

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

COST OF SERVICES

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

COUNCIL-CONTROLLED ORGANISATION

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

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

APPENDIX FIVE: GLOSSARY OF TERMS

DEPRECIATION

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

EXCHANGE REVENUE

An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value to the other party in exchange.

FINANCIAL YEAR

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

GENERAL RATE

The general rate funds activities which are deemed to provide a general benefit across the entire District or which are not economic to fund separately. It is charged to every rateable property in the District.

GROUPS OF ACTIVITIES

Groups of activities are the services, projects or goods produced by Council. These are 13 broad groups of all of Council's services and facilities, each with common elements. For example, Community Facilities and Parks is a group of activities and includes services such as reserves, libraries and community halls.

INCOME

Revenue received from external sources both cash and non-cash in nature.

INFRASTRUCTURE

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

INFRASTRUCTURE ASSETS

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

JOINT OPERATION

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint operations also

include operations where the activities primarily aim to provide the joint arrangement parties with an output (i.e. the parties have rights to substantially all of the service potential or economic benefits of the assets).

JOINT VENTURE

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

LEVELS OF SERVICE

This term describes what Council will deliver. Performance measures are specific indicators used to demonstrate how Council is doing regarding the delivery of services. The measures are described in each Activity Management Plan. Council reports on the levels of service it delivered, and on the performance measures each year through the Annual Report.

LIQUIDITY

The ability or ease with which assets can be converted into cash.

LONG TERM PLAN (LTP)

The Local Government Act 2002 requires Council to adopt a LTP. The LTP outlines Council's intentions over a 10-year period. The LTP requires extensive community consultation, the identification of community outcomes and priorities, and the establishment of monitoring and review mechanisms.

MAJOR GOALS

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

NET EXTERNAL DEBT (NET DEBT)

Net external debt means total external debt less liquid financial assets and investments.

NET INTEREST

Net interest is interest paid less interest income received.

NETWORK INFRASTRUCTURE

See Infrastructure Assets.

APPENDIX FIVE: GLOSSARY OF TERMS

OPERATING COSTS (OR OPERATING EXPENDITURE)

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

PERFORMANCE TARGETS

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

PRIMARY NETWORK

The network of pipes and open drains that manage stormwater for most rainfall events.

RATES INCOME

Income derived from setting and assessing general or targeted rates.

RENEWALS

The replacement of an asset or its component that has reached the end of its life, so as to provide a similar level of service or agreed alternative.

RESIDENT SATISFACTION SURVEY

This is the survey of residents' opinions that Council has undertaken annually by an independent research agency.

RETURN ON INVESTMENT APPROACH

Investments are managed to cover costs as well as return a surplus to Council. Investments with a higher return are favoured over those with a lower return.

REVENUE

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

SEPARATELY USED OR INHABITED PARTS OF A RATING UNIT

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

"Any portion of a rating unit used or inhabited by any person, other than the ratepayer or member of the

ratepayer's household, having a right to use or inhabit that portion by virtue of a tenancy, lease, licence or other agreement."

SECONDARY FLOW PATH

The locations that stormwater flows when the primary network is full or blocked.

SOLID WASTE

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

STORMWATER

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

SURPLUS

A surplus is the result of revenue being greater than operating costs for the year.

SUSTAINABLE DEVELOPMENT

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

TABLE LOAN

A loan where your regular repayments are the same each week, fortnight or month, unless your interest rate changes.

Every repayment includes a combination of interest and principal. At first, your repayments comprise mostly interest but as the amount you still owe begins to decrease, your regular repayment will include less interest and repay more of the principal (the amount you borrowed).

TARGETED RATES

A targeted rate is designed to fund a specific function or activity. It can be levied on specific categories of property (e.g. determined by a particular use or location) and it can be calculated in a variety of ways (e.g. based on capital value, as a fixed amount per rateable property etc.).

APPENDIX FIVE: GLOSSARY OF TERMS

TOTAL OPERATING INCOME

Total operating income is defined as earnings from rates, government grants and subsidies, user charges, levies, interest, dividends, financial and other revenue, but excludes non-government capital contributions, (e.g. development contributions and vested assets).

TRUNK SERVICES

The network elements that service larger segments of a community beyond a single street or subdivision.

UNCALLED CAPITAL

Capital that a company has raised by issuing shares or bonds but that the company has not collected because it has not requested payment.

UNIFORM ANNUAL GENERAL CHARGE (UAGC)

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

UNITARY AUTHORITY

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

URBAN WATER CLUB

Includes Council-owned urban reticulated water supplies (except Motueka). They are grouped together for the purpose of allocating the costs of urban water supplies. The charge is consistent across all members of the urban water club.

VESTED ASSETS

Assets such as transport, stormwater, wastewater and water supply infrastructure, and land (including land under roads) transferred to Council ownership as part of the subdivision process.

WASTEWATER

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

DIRECTORY

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

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

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

MAIN OFFICE

Street address	189 Queen Street, Richmond 7020
Postal address	Private Bag 4, Richmond 7050
Telephone	03 543 8400
Email	info@tasman.govt.nz

MOTUEKA OFFICE

Street address	7 Hickmott Place, Motueka 7120
Postal address	PO Box 123, Motueka 7143
Telephone	03 528 2022

GOLDEN BAY OFFICE

Street address	78 Commercial Street, Tākaka 7110
Postal address	PO Box 74, Tākaka 7142
Telephone	03 525 0020

MURCHISON OFFICE

Street address	92 Fairfax Street, Murchison 7007
Postal address	92 Fairfax Street, Murchison 7007
Telephone	03 523 1013



tasman
district council

Te Kaunihera o
te tai o Aorere