



TASMAN DISTRICT COUNCIL

ANNUAL REPORT SUMMARY 2021

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



Nau mai, haere mai

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

A WORD FROM OUR MAYOR AND CHIEF EXECUTIVE

Recovery from the economic and social impacts of the Covid-19 pandemic is ongoing. While the local economy has fared comparatively well with strong performance in some sectors such as construction and primary industries, the ongoing restrictions applied nationally and internationally continue to challenge many of our businesses and the entire community.

The reduction to visitors in the region has had clear impacts for business such as hospitality and tourism providers. Conversely we are also experiencing unprecedented growth which is being hampered by labour shortages and disruption to supply chains. It has been a year of high uncertainty but it has also been one of collaboration and innovation as we faced these challenges together. We are pleased to have been involved in Project Kōkiri which has helped the region recover from the impacts of Covid-19 by working with others on a recovery plan. Government funding for projects that generate local employment has created opportunity for new or earlier than planned projects, and we've introduced a fast-track process to award some construction contracts to help provide security of income to local contractors. Council also decided on a zero percent rates revenue rise to lessen the burden on the community.

Throughout the year we have completed some important projects such as the Salisbury Road / Champion Road roundabout upgrade, and made progress on some others such as the Waimea Community Dam. Several of our projects have supported housing growth 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. These projects support the wellbeing of our communities.

We have continued vital work on the Tasman Environment Plan, 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. 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. The Government is also carrying out reforms to the Resource Management Act and a review of local government. 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.



Tim King
Mayor



Janine Dowding
Chief Executive Officer



WHAT WE HAVE ACHIEVED

Here are some of the major events and achievements for the year to June 2021:



COVID-19 RECOVERY

To help relieve economic pressures on parts of our community due to Covid-19, the Council took a series of measures to stimulate and 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.

Among other things, we 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 income to local contractors and job security for their workers.

We were successful in attracting a total of \$37.5 million of Government funding over five years for 21 projects that help provide employment to local people. The projects also benefit the Council's infrastructure, the built environment, improve the District's natural environment and deliver positive community development outcomes.

DELIVERING OUR BUSINESS AS USUAL

In addition to all the projects and activities listed below, during 2020/2021 we have continued to deliver our everyday services. These underpin almost every aspect of people's daily lives in our District. 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.



PLANNING FOR THE FUTURE

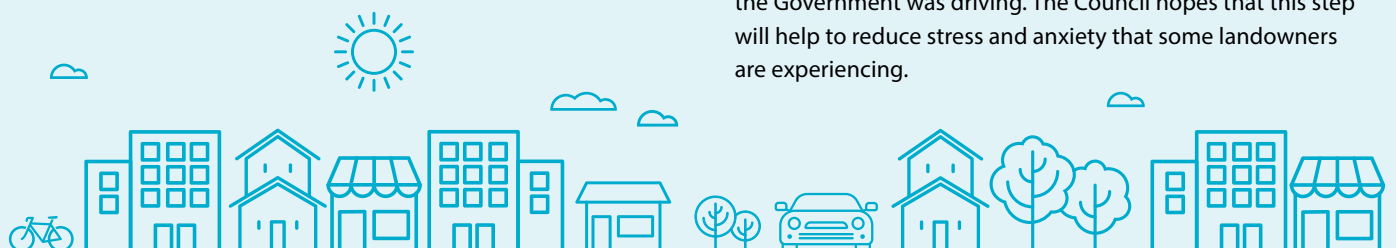
Tasman Environment Plan

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 – 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 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. 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. 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.

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.



WHAT WE HAVE ACHIEVED (CONT.)



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.

The Consultation Document published in March 2021 sought community feedback on options for funding the irrigators' share of the Waimea Community Dam cost overruns. Other major issues included were housing and growth, climate change, and a new proposed structure for the Port Nelson 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.

Other notable planning carried out in the year included:

- **Intensification Action Plan** – this sets out how the Council aims to encourage housing intensification around parts of the District, identified in the Future Development Strategy for smaller dwellings and denser urban form.
- **Saxton Field Reserve Management Plan** – this guides the management of this significant regional sport and recreation venue, managed jointly by Tasman District and Nelson City Councils. Following a public consultation process in 2020, a revised reserve management plan was adopted by both Councils.



- **Moutere-Waimea Reserve Management Plan** – this guides the management of the 156 parks, reserves and open spaces in the Moutere-Waimea Ward. During 2020/2021 we classified reserves under the Reserves Act 1977. In 2021/2022 a draft plan for Moutere-Waimea will be completed and further consultation undertaken.
- **Regional Land Transport Plan** – this plan identifies the regional transport issues and strategic responses to address them. We worked with Waka Kotahi NZ Transport Agency, Marlborough District and Nelson City Councils to adopt this plan on 30 June 2021.

PROTECTING AND ENHANCING OUR NATURAL ENVIRONMENT

Understanding and adapting to coastal hazards from climate change

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. Our focus in 2021 was 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.



WHAT WE HAVE ACHIEVED (CONT.)



- 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 of 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 a 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 the 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. This report is part of our larger work programme on Coastal Management.

A BioStrategy for Tasman

During 2020/2021 we made significant progress developing a BioStrategy – a strategy to protect and restore the natural world. This is a community-led strategy, integrating with other agencies, conservation groups, the wider community and the conservation volunteers' network. 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.



MANAGING OUR WASTEWATER AND STORMWATER

Māpua wastewater overhaul

Much of the 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 provided for future growth. The 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. We installed underground storage tanks and odour control systems at several sites.

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. 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 excavation of a future wetland area, in 2020/2021.



WHAT WE HAVE ACHIEVED (CONT.)



DRINKING WATER SUPPLY AND QUALITY

Progress with the Waimea Community Dam joint venture

By the end of June 2021, construction of the Waimea Community Dam 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.

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. 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 results of the investigation are expected by the end of 2021.

Safer drinking water for the future

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.

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 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. 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 covered the Kaihautū role and in September 2021 Jenna Neame was appointed as our new Kaihautū.

The Mayor and Chief Executive Officer initiated hui with the chairs and general managers from our region's eight Te Tau Ihu iwi. These hui focused on iwi input into the Council's strategic decision-making, and to explore ways that we could work more collaboratively at an operational level.

Throughout the year, the Council and local iwi have been working closely on several projects such as the full review of the Tasman Resource Management Plan and Regional Policy Statement which will become the new Aorere ki uta, Aorere ki tai – Tasman Environment Plan. Amongst the other areas where iwi have worked with us are the review of the Moutere-Waimea Reserve Management Plan, the Kotahitanga Mō Te Taiao Alliance Strategy, the BioStrategy, and the Wastewater Strategy for Motueka.



WHAT WE HAVE ACHIEVED (CONT.)



The upgraded Salisbury /Champion roundabout

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.

Salisbury Road roundabout upgrade ready ahead of schedule

The upgrade of the Salisbury /Champion Road 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. The development of a new supermarket near this intersection was a catalyst for the timing of the project.

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.

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.

Streets for People project

We received funding from Waka Kotahi's Innovating Streets for People fund for two trial projects in the Croucher /D'Arcy neighbourhood in Richmond and the Rototai /Meihana intersection in Tākaka. 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. In both cases we engaged the community in the design process and trial changes were carried out allowing these to be evaluated before permanent modifications are made.



Trial closure of Elizabeth Street in Richmond as part of the Streets for People project

Brightwater village centre

Brightwater's village centre upgrade was completed in time 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 Council is funding most of the \$5 million project, but it has also attracted \$500,000 in external funding from the Rata Foundation and the Lottery Grants Board. The external funding was used to incorporate sustainable features and cultural design elements, rainwater capture, low-carbon wooden flooring, landscape design and furniture, and a photovoltaic (solar energy) system into the new library.

In addition to meeting Library and Information Association of New Zealand standards for a community of Motueka's size, the new facility will include:

- Social space for meetings, activities, performance and art;
- 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;

WHAT WE HAVE ACHIEVED (CONT.)



- 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.

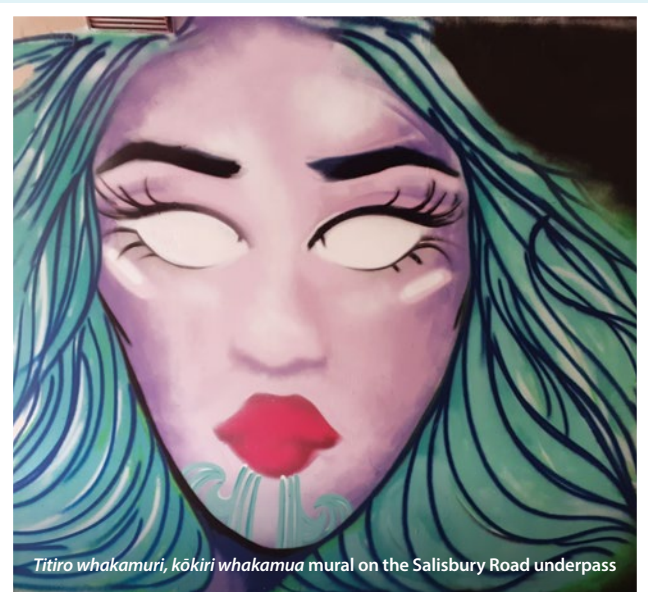
By the end of June 2021, the structure and roofing were completed, and the installation of windows was about to begin. The project is on time and is due to be completed in late 2021, with the new library opening in February 2022.

Ngāio Reserve grows

Māpua Wharf's new Ngaio Reserve (the area between the Golden Bear Brewery and the wharf) development was completed and opened on 18 July 2021. 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, minimising digging on the site. 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.



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. The design features native seedlings to symbolise youth and growth and abstract trees symbolising the nurturing role of adults.

The other new mural visualises a powerful whakataukī (proverb) for 2020 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.

LOOKING AFTER OUR SEAS

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. The vessel sat outside the 12-mile limit until the necessary safety checks were made by independent experts and Tasman's Harbourmaster felt comfortable letting her in to our harbour. Council carried out its 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. Once the necessary repairs were completed, the *Taharoa EOS* continued on its way.

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* lost its steering and the skipper made a distress call. Tasman District Harbourmaster Dan Cairney and his crew aboard *Sentinel* were called in to assist Nelson Coastguard, Police and Search and Rescue volunteers. After more than nine hours under tow, *Ocean Gem* finally made it safely to Nelson.

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 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.

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.

There are a range of reasons for not achieving all 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. 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.

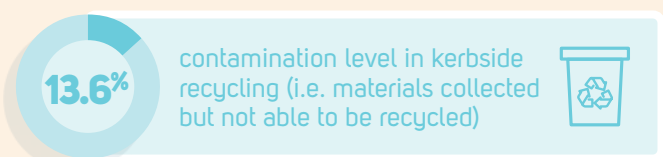
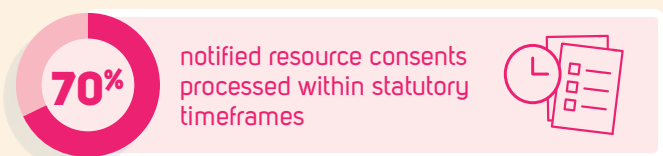
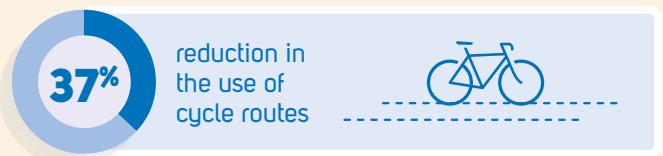
See our areas for improvement below and our performance highlights on the following page.

RESIDENTS SURVEY DATA ANALYSIS SCALE

In 2021, the Council changed the scale used to rate satisfaction to a more evenly distributed scale in the residents' survey. Due to the change in methodology, care should be taken when comparing the 2021 results with the targets and previous years' results.

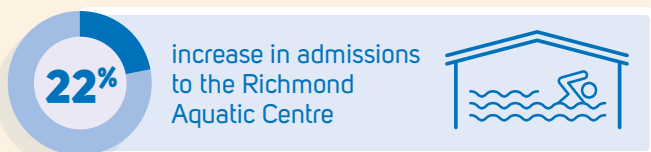
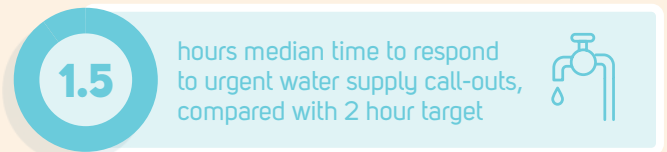
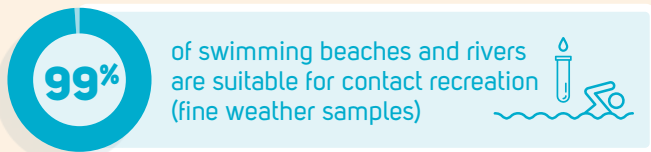
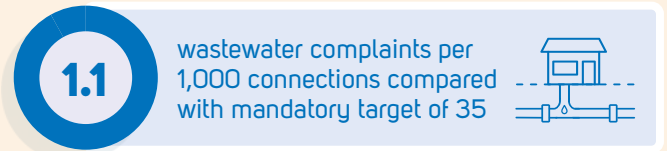
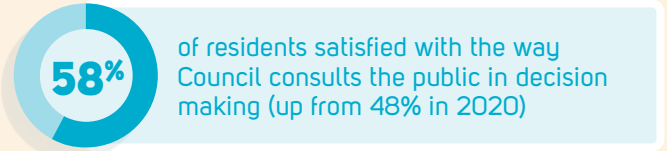
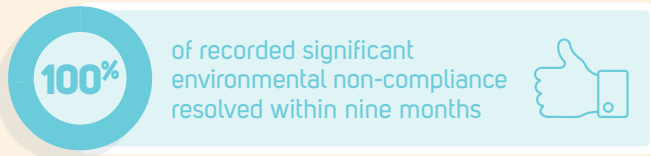


AREAS FOR IMPROVEMENT



OUR NON-FINANCIAL PERFORMANCE AT A GLANCE (CONT.)

PERFORMANCE HIGHLIGHTS



New information boards and landscaping features reflect Brightwater's heritage

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 the 0% rates increase (excluding growth). 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, and the 0% rates revenue increase was well under the agreed cap of 3%.

The significant increase in the surplus compared to budget of \$47.1 million was due to additional vested asset¹ 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 the Annual 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.

1. Vested assets are 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.

NET EXTERNAL DEBT

Our net external debt at 30 June 2021 was \$168.9 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.

RATES AFFORDABILITY

To help manage rates affordability, we include a limit in our Financial Strategy on rates income increases. Increases were limited to a maximum 3% per annum, plus an allowance for annual growth in rateable properties.

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

FIGURE 1: HOW ARE WE TRACKING AGAINST PLANNED NET DEBT?

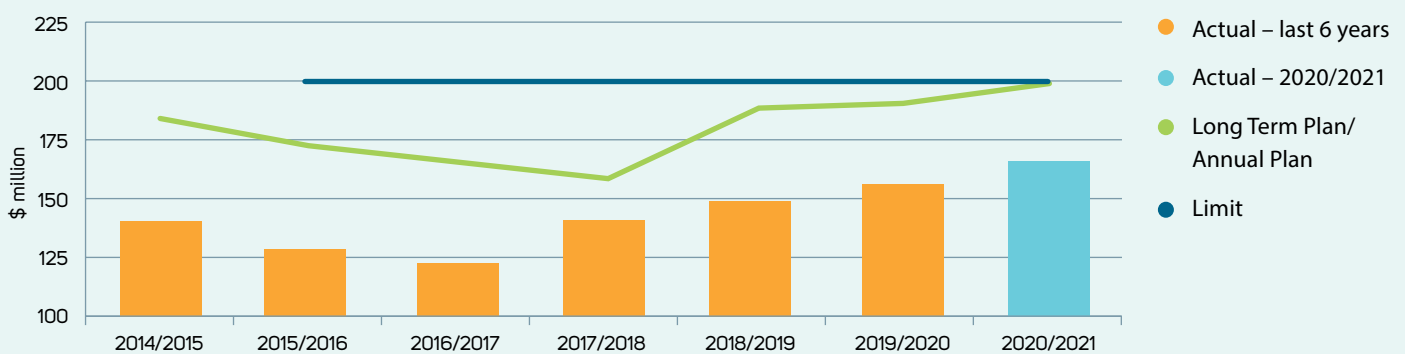
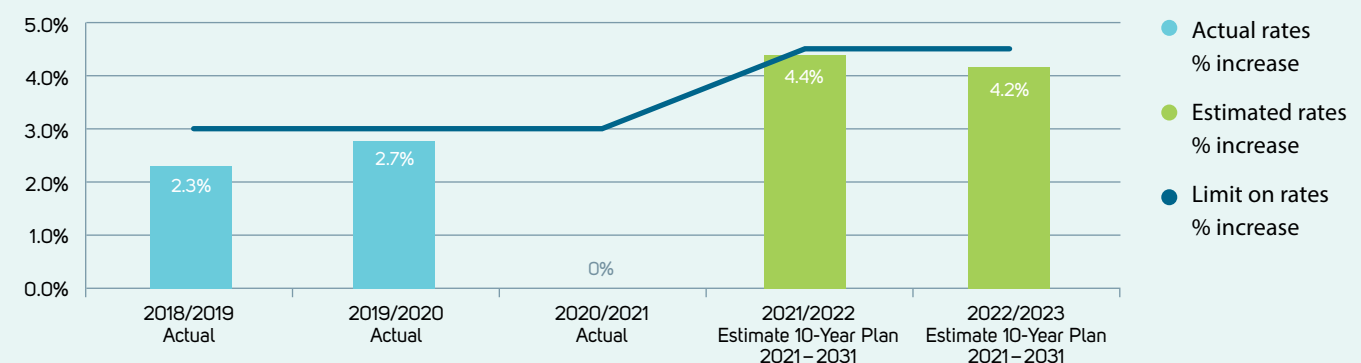


FIGURE 2: RATES INCOME INCREASES



FINANCIAL POSITION AND STATEMENTS

SUMMARY STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

ACTUAL 2020 \$000		ACTUAL 2021 \$000	BUDGET 2021 \$000
152,619	Revenue	196,130	150,999
(1,552)	Fair value gain/(loss) on revaluation	12,779	–
4,411	Finance income	910	446
5,053	Share of joint ventures surplus/(deficit)	7,417	–
160,531	Total revenue	217,236	151,445
125,696	Expenditure	139,437	120,527
7,936	Finance expense	8,321	8,558
133,632	Total expense	147,758	129,085
26,899	Surplus/(deficit) before taxation	69,478	22,360
–	Income tax expense	–	–
26,899	Surplus/(deficit) after tax	69,478	22,360
	OTHER COMPREHENSIVE REVENUE		
44,161	Gain on Council property, plant and equipment revaluations	84,747	–
–	Deferred tax on asset revaluations	–	–
781	Movement in NZLG shares value	926	–
–	Asset impairment disposal gain/(loss)	–	–
31,137	Other comprehensive income including share of joint ventures and operations	16,319	–
76,079	Total other comprehensive revenue and expense	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 in the Annual Report.

SUMMARY STATEMENT OF FINANCIAL POSITION

ACTUAL 2020 \$000		ACTUAL 2021 \$000	BUDGET 2021 \$000
89,077	Current assets	40,157	27,933
(99,392)	Current liabilities	(71,133)	(42,909)
(10,315)	Working capital	(30,976)	(14,976)
1,783,342	Non-current assets	1,956,291	1,838,008
(181,237)	Non-current liabilities	(162,055)	(209,622)
1,591,790	Total net assets	1,763,260	1,613,410
1,591,790	Total equity	1,763,260	1,613,410

FINANCIAL POSITION AND STATEMENTS (CONT.)

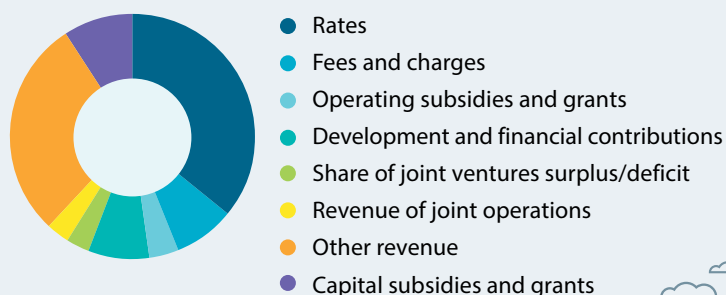
SUMMARY STATEMENT OF CASHFLOWS

ACTUAL 2020 \$000		ACTUAL 2021 \$000	BUDGET 2021 \$000
48,662	Net cash flow from operating	56,396	47,367
(86,545)	Net cash flow from investing	(31,877)	(64,079)
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	15,106	10,128

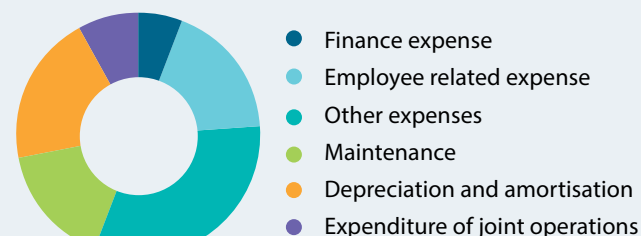
SUMMARY STATEMENT OF CHANGES IN EQUITY

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

REVENUE \$217.2M



EXPENDITURE \$147.8M



FINANCIAL POSITION AND STATEMENTS (CONT.)

SIGNIFICANT ACCOUNTING MATTERS

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. Impairment assessments have been completed for tangible and intangible assets. The result of these assessments was that there has been no material movement in asset values resulting from Covid-19.

Events after the reporting date – Three Waters

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. There has been no adjustment in these financial statements to reflect the expected future transfer of assets to the new water entity.



Events after the reporting date – 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.

Commitments

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

The 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.

Further details are provided in the Annual Report 2021 in Note 41.

LEGAL STATEMENT

This Summary Annual Report has been extracted from the full Annual Report, which was adopted by Council on 16 December 2021 and covers the year from 1 July 2020 to 30 June 2021.

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

The Council's full Annual Report has been audited by Audit New Zealand on behalf of the Office of the Auditor General and an unmodified opinion was issued. The audit opinion included an emphasis of matter related to the three water reform programme. This Summary report cannot be expected to provide as complete an understanding (of the financial and service performance, financial position and cashflows of the Council) as provided by the full Annual Report. The Financial Statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$'000).

This Summary was made publicly available five weeks after the adoption of the Annual Report, but was not available within the one month timeframe required by s98(4) of the Local Government Act. This timeframe was not met because Audit New Zealand was unable to complete the audit within this timeframe due to an auditor shortage and the consequential effects of Covid-19, including lockdowns.

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

The summary of the annual report was derived from the annual report of the Tasman District Council (the District Council) for the year ended 30 June 2021.

The summary of the annual report comprises the following summary statements on pages 3 to 14:

- the summary statement of financial position as at 30 June 2021;
- the summaries of the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2021;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary statement of objectives and service performance.

OPINION

In our opinion:

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

SUMMARY OF THE ANNUAL REPORT

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

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

THE FULL ANNUAL REPORT AND OUR AUDIT REPORT THEREON

We expressed an unmodified audit opinion on the information we audited in the full annual report for the year ended 30 June 2021 in our auditor's report dated 16 December 2021. Our auditor's report on the full annual report also includes an emphasis of matter paragraph drawing attention to the

disclosures about the Government's three waters reform programme announcement as set out in the full annual report in note 37 to the financial statements. 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. These matters are addressed in page 14 of the summary financial statements.

COUNCIL'S RESPONSIBILITY FOR THE SUMMARY OF THE ANNUAL REPORT

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

AUDITOR'S RESPONSIBILITY

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

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

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



John Mackey,
Audit New Zealand

On behalf of the Auditor-General
Christchurch, New Zealand
24 January 2022

