



Tasman District Council

# ANNUAL REPORT 2015

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# Membership of the Council

For the year ended 30 June 2015

## Tasman Mayor



Mayor Richard Kempthorne

## Moutere/Waimea Ward



Cr Brian Ensor



Deputy Mayor, Cr Tim King



Cr Trevor Norris

## Golden Bay Ward



Cr Martine Bouillir



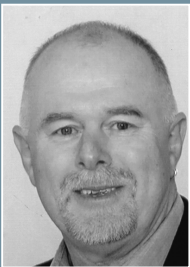
Cr Paul Sangster



Cr Stuart Bryant

## Lakes/Murchison Ward

## Motueka Ward



Cr Peter Canton



Cr Barry Dowler



Cr Jack Inglis

## Richmond Ward



Cr Judene Edgar



Cr Mark Greening



Cr Michael Higgins



Cr Zane Mirfin



# Mayor and Chief Executive Officer Overview

## Welcome to Tasman District Council's Annual Report for 2014/2015. This is our chance to tell you about our performance over the past year.

The last year has been a significant one for Council. As well as delivering our usual programme of activities and services to our communities, we've been planning for the future. The Long Term Plan for 2015-2025 took a huge effort by Councillors and staff. The new Long Term Plan takes a different approach to financial and asset management than previous ones. It has been great to be involved in delivering a plan that moves Council towards a more sustainable financial future.

Like previous years most of our budget is spent on maintaining and investing in essential infrastructure, looking after the environment and supporting community development. Much of this is not very exciting and it's taken for granted. But we've been actively making changes to improve the efficiency of our services, such as the roll out of the new recycling service that will deliver budget savings, and changing our streetlighting to LED lights to reduce electricity costs.

Service improvements in our building control team have also been a feature of the past year. A great effort by staff saw processing times reduce and service user satisfaction rates rise sharply in the last six months of the financial year.

Other achievements for the year include the upgrade of the Takaka wastewater treatment plant, which will result in environmental improvements; the construction of the Richmond water treatment plant to improve the quality of drinking water for many residents; the construction of the velodrome began at Saxton Field which will expand the sporting opportunities in our region; and, the extension of Tasman's Great Taste Trail. It is heartening to see how popular the cycle trail is becoming with locals and visitors alike.

The past year has also been busy with work continuing on the Waimea Community Dam and the initiative to manage solid waste with Nelson City Council. Both projects seek to secure long term solutions for delivering cost effective services to our communities.

Most residents will be aware that we released a proposal for funding and ownership of the Waimea Community Dam during 2014. Feedback from the community and potential investors triggered a rethink of the best way forward. There is still uncertainty around the size, cost and ownership of the Waimea Community Dam. However, the Dam remains our preferred option for improving water security and supporting regional economic development over the medium and longer term.

In terms of our finances, we are pleased to deliver an Annual Report that shows Council's finances are in a significantly better position than forecast in the Annual Plan 2014/2015. This strong financial position was a result of a number of factors, including higher than expected growth, low inflation, low interest rates, favourable weather, operational savings, increased forestry valuations and higher than expected dividends from Port Nelson.

As signalled in the Long Term Plan 2015-2025, we expect significant positive financial changes to continue over the coming years as Council repositions itself within new debt and income limits. Credit must be given to staff for the work taken to prepare Council for these changes, including for example finding new ways of managing our assets that avoids unnecessary spending.

The challenge for the future will be to maintain our focus on rates affordability, improve service performance and reduce delivery costs. We are building our reputation to be among the best performers in the local government sector so Tasman can thrive.

Finally, we would like to thank the community, councillors, community board members, staff, and contractors alike for the contributions everyone made to make Tasman District a great place to live over the past financial year.



**Richard Kempthorne**  
Mayor



**Lindsay McKenzie**  
Chief Executive Officer

# A Year in Review – the 2014/2015 year

## We use this Annual Report to measure progress towards achieving our goal – ‘thriving communities enjoying the Tasman lifestyle’.

We have a variety of ways to measure our performance – some are financial benchmarks, some are through customer surveys or feedback, others through public reports or internal monitoring. The results are independently audited by Audit New Zealand on behalf of the Office of the Auditor General.

Our non-financial performance is summarised on page 11 and then explained in more detail for each activity group. Overall, 82% of our performance targets were fully achieved, or significantly achieved. 12% were not achieved and 6% were not or could not be measured for the 2014/2015 financial year. The results are better than previous years.

Our performance results show that despite a busy year developing the Long Term Plan 2015-2025, we have continued to deliver many of our day-to-day activities to the standard expected of us. These activities include management and monitoring of the environment, maintenance and development of community facilities, management of solid waste, wastewater, water and stormwater networks, road networks, delivery of community events and grants, and delivery of public health services such as food and alcohol licensing and animal control.

In addition, we have focussed on delivering better value to Tasman’s ratepayers. This has included looking closely at the day-to-day services and facilities we already deliver (like our recycling services and street lighting expenses), and what we can do over the coming years to increase the efficiency of new and existing assets and services. The changes we intend to make are detailed in our Long Term Plan 2015-2025.

Key activities from the past financial year are detailed below.

## Looking after the health of our communities

Councils provides infrastructure and services that support healthy communities. We provide clean water to drink; safe roads, cycleways, and footpaths; manage wastewater and stormwater; and provide solid waste services (i.e. rubbish, recycling and greenwaste).

During the last financial year we have been busy developing activity management plans that detail the projects, investment, and risks that each activity group face over the coming 10 year period. Other significant achievements for the past year include:

- **Water:** A new water treatment plant was built on Lower Queen Street in Richmond. The plant meets both the New Zealand Drinking Water Standards and the increase in local water demand. Previously Richmond’s water was supplied through two networks, one from the Waimea borefield and the other directly from the Richmond borefield. The new treatment plant blends water from both borefields and treats the water with ultraviolet (UV) light before pumping the water to the reservoirs in Richmond. This means the water is the same quality across the network, and providing a greater security of supply to the area. We have also been researching options for improving security of supply of water in case the proposed Waimea Community Dam does not go ahead.
- **Stormwater:** Work on Poutama Drain and Borck Creek has increased the capacity for stormwater drainage from Richmond. As part of the construction process, work has also been undertaken to improve the ecological health of these waterways. A larger project addressing stormwater management in all urban drainage areas is underway and will result in catchment management plans for most settlements in Tasman District.

- **Wastewater:** After several years of consultation with many groups and people in Golden Bay, the Takaka wastewater treatment plant upgrade was completed this year. The upgrade uses a floating wetland which is at the forefront of technology for wastewater disposal. The result is an environmentally friendly plant protecting the Takaka River from any infiltration.

Year 9 students from Golden Bay High School were also involved in the project. The students designed a plan for the natural screening of the facility during 2014 and in early 2015 carried out planting of trees and shrubs at the site. The project provided an opportunity to bring the classroom on site and show the students the real world application of the science they are taught.

- In addition, de-sludging of the Motueka wastewater treatment plant commenced. This work is part of a wider programme of work for the Motueka plant, which will see the facility upgraded over the coming years.
- **Solid Waste:** An improved recycling service was introduced in June 2015. New 240 litre recycling bins were delivered to over 17,000 properties throughout the Tasman District. The service is designed to reduce waste to landfill and ultimately reduce costs to ratepayers.
- **Transportation:** The Ngatimoti community celebrated the opening of the new Bogie Creek Bridge in May 2015. The bridge which replaces the one-lane narrow bridge improves safety and overcomes the final stumbling block for high productivity motor vehicles (i.e. large trucks) being able to use the Motueka Valley Highway.
  - Council staff and contractors have been upgrading nearly 2,400 streetlights in the Tasman District. The current streetlights containing high pressure sodium lamps are being replaced with light emitting diodes (LEDs) – creating a cheaper, more efficient and safer lighting system that will last for over six times the life of the sodium lamps. By converting to LEDs the Council will save over \$500,000 over a 20 year period. The power saving benefits are up to 70% compared with the old lamps. Better still, LEDs light up a defined area with very little waste light and very little light overspill especially upwards into the night sky, making the stars clearer to the naked eye. They also result in a reduced carbon footprint.
  - Further improvements to Tasman's Great Taste Trail were undertaken throughout the year, with completion of Stage 2 to Kaiteriteri, and improvements to the Brightwater to Wakefield section.

- **Public Health and Safety:** To maintain public health and safety Council also provides advice and carries out statutory functions in the areas of public health, building control, environmental health (including liquor licensing and food safety), hazardous substances, animal control, civil defence and emergency management, rural fire, parking control and maritime safety.

Problems with the transition to an electronic building consent process in the previous financial year (2013/2014) were resolved, resulting in building consent processing times decreasing and service user satisfaction rates markedly increasing during 2014/2015. The number of building consents processed within statutory timeframes has risen to 100% in recent months.

## Providing Facilities and Recreation Services to Tasman Communities

Once again, the District's public libraries showed strong levels of support from our communities and continue to obtain very high satisfaction rates – 81% in 2014/2015, 82% in 2013/2014.

Community satisfaction with the District's parks also remains high, at 93%. *See graph page 7.*

### Other highlights from Parks and Facilities group include:

- An upgrade of the floor at the Motueka Recreation Centre was completed, thanks to a grant from the Canterbury Community Trust for \$50,000. Further work to install a lift in the facility will be completed by 31 August 2015.
- Ongoing development of the regional recreation facilities at Saxton Field, including commencement of construction of the velodrome, and development of Champion Green.
- The creation of four new reserves, being Pukekoiko Reserve, Newhaven Crescent Reserve, Concordia Drive walkway and Kaihoka Lakes Esplanade Reserve.
- Walking/cycling track extensions at Dellside Reserve, and Kahikatea Walkway in Murchison.
- Ongoing design input on the Golden Bay Community Recreation Facility.
- The revamp of the Collingwood Tennis Courts in conjunction with Tennis Club Trust.
- The planning and start of work for the Takaka Memorial Gardens redevelopment.
- The start of the redevelopment of Whitby Green in conjunction with Focus Wakefield.
- The playground upgrade at Tasman Memorial Recreation Reserve.



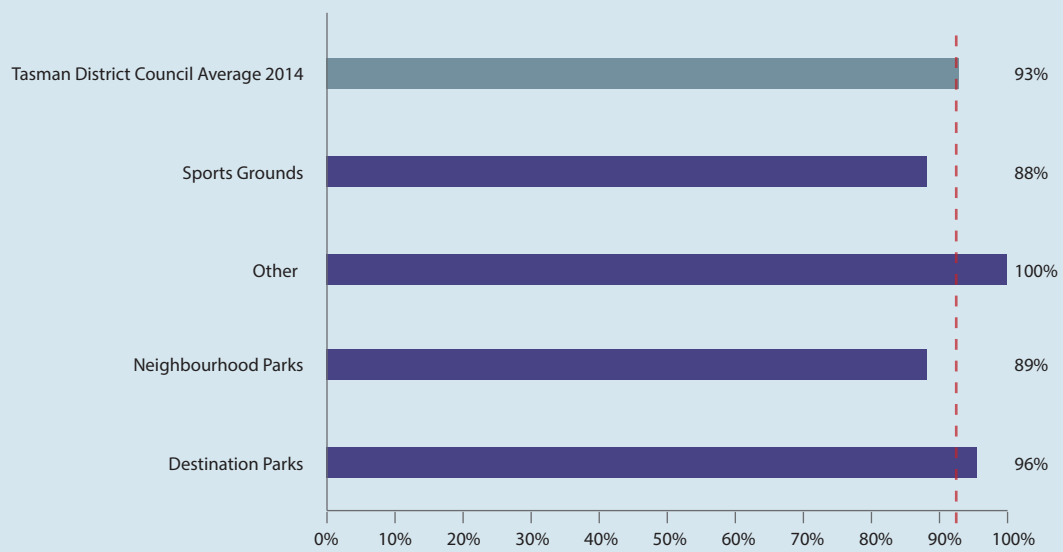


Supporting Richmond stormwater capacity upgrades: Borck Creek



Bund construction at Motueka's wastewater plant

Figure 1: Overall Satisfaction of Residents with Parks in Tasman District (Yardstick survey, 2015)



Satisfaction Scale: 1 – totally dissatisfied, 2 – somewhat dissatisfied, 3 – neither satisfied nor dissatisfied, 4 – somewhat satisfied, 5 – very satisfied





*Concept plan for the Saxton Field velodrome now under construction*

Every year the Council funds, supports or delivers a wide range of enjoyable, safe, and affordable community events. The events are intended to connect people and communities, enhance wellbeing and profile assets the Council has invested in. Events held throughout the year include Positive Ageing Expo, Children's Day, Tasman Skatepark Tour, Winterruption Festival and Get Moving Family Fun Rides.

Council provides community grants to a wide range of community groups and non profit organisations. These contribute to the rich fabric of the Tasman community. Over the past year \$32,000 was allocated for initiatives that support the preservation, profile and awareness of the District's history, arts and cultures. \$20,000 of grants were allocated for environment initiatives including the administration and materials related to projects such as plantings, landscaping, beautification and weed control in public places. Community and Economic Development Initiatives were granted \$30,000 to support job creation, employment opportunities, volunteer recruiting and the development of the governance structure of community organisations.

As a result of population growth, additional income from general rates in 2014/2015, has enabled Council to allocate an additional \$50,000 towards community grants.

## Looking after the Tasman Environment

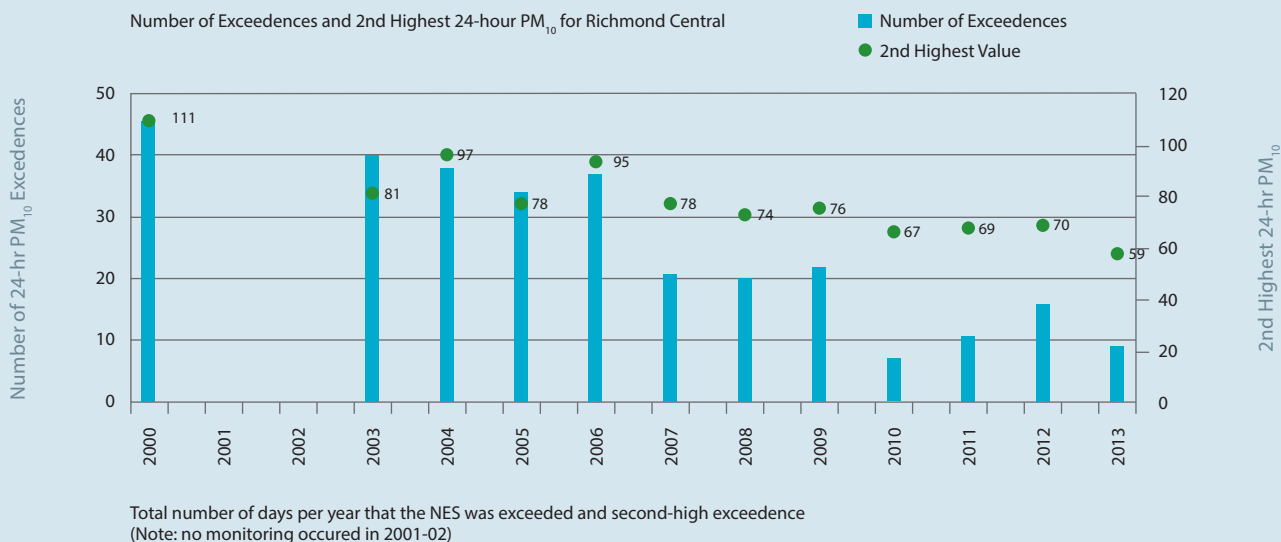
Council has an important role in managing and monitoring the health of the environment. This includes responsibilities for our rivers and streams, coasts, air, groundwater, soils, wetlands, flora and fauna.

Council regularly gathers data and monitors environmental results to ensure we understand what is happening to our environment and can intervene if required. Alongside routine monitoring of bathing water and drinking water quality, air quality, and contaminated land (to name a few), Council also conducted detailed assessments over the past year on the health of the Waimea Inlet, and recreational water quality; and a State of the Environment report on the land and soil within Tasman District.

Much of Council's work relating to environmental enhancement occurs in partnerships with community groups and trusts. For example, the Tasman Environmental Trust, for which Council provides administrative support, has been involved in the restoration of terrestrial, freshwater and coastal ecosystems on the Waimea Plains and in the Takaka catchment. Native Habitats Tasman has been surveying natural areas on private land, most recently in the hill country around the Waimea-Moutere basin. By March



Figure 2: Air Quality Monitoring Results – Richmond



2015, 454 sites had been inspected and landowners had signed off on 387 reports. Council also organises the Tasman Biodiversity Forum. During the past year, there were two well-attended meetings of the Tasman Biodiversity Forum that provided presentations on range of topical issues and an opportunity for community groups to report on their activities. In addition, another successful community beach clean-up was held in November 2014, in partnership with the Department of Conservation, Nelson City Council, NELMAC and community volunteers.

### Air Quality Monitoring Results – Richmond

Figure 2 (above) shows that there has been an improvement in air quality in Richmond, as the number of times air quality national environmental standards (NES) are breached has been declining since 2000. PM10 is a measure used in the national standards and relates to the concentration of very small particles in the air.

Further growth of Tasman District’s population is expected over the next 30 years. Accommodating growth and development is an important role of Council and decisions are made via the Resource Management Act and Tasman Resource Management Plan. During the year Council updated its growth model and produced 16 settlement

reports that indicate capacity for growth and development. A housing accord was also signed with central Government with the objective of enabling additional lots to be developed as a result of services such as water and wastewater becoming available earlier than previously planned.

Work has also been undertaken to update the Tasman Resource Management Plan to respond to local issues, such as development reviews for Brightwater and Wakefield, a rural land use and subdivision review, and ongoing work on the Golden Bay landscape project, among others. Plan changes continue for water allocation on the Waimea Plains and the Upper Motueka Valley.

Responding to complaints and seeking compliance with rules and environmental standards in relation to such things as public health (drinking water, food safety standards, hazardous substances, bathing water quality etc) and public safety (building safety, stock and dog control etc) remains a core component of Council activities. A total of 1,152 consents received a monitoring action in the 2014/2015 financial year. Where significant non compliance was recorded, 99% were resolved within 12 months.

National interest in sediment and erosion control work of Tasman District Council staff saw the Council receive a grant

from the Ministry for the Environment in September 2014 via the Community Environment Fund. The funding allows Council to develop the necessary science to support new erosion and sediment control best practice guidelines. This work is ongoing through the 2015/2016 financial year.

## Partnering with Tasman's Communities and Neighbours

During 2014/2015 Council has continued to engage with communities and iwi on several ongoing activities, including through the development of the Long Term Plan, the Freshwater and Land Advisory Groups (FLAG) for Waimea and Takaka; water allocation within the Waimea river catchment (Waimea Community Dam project); an application for Government funding for improved broadband and mobile services for Tasman District; draft guidelines for sediment and erosion control; and the Golden Bay outstanding natural landscape assessments. We received a large amount of feedback that has been used to inform and shape decisions.

In addition to the many existing shared services between Nelson City and Tasman District councils, 2014/2015 saw continued progress on the joint regional landfill proposal.

The previous Annual Report (2013/2014) noted that Council reviewed the relationship with Tourism Nelson Tasman Ltd (TNL) following the decision of TNL to withdraw funding for visitor information centres in Tasman District. Subsequently, Council transferred its shares in TNL to Nelson City Council, but continues to provide funding for regional tourism promotion through Nelson City Council.

Also in conjunction with Nelson City Council, Tasman District Council provided funding to the Nelson Regional Economic Development agency to promote economic growth in our region.

Council continues to provide substantial financial support to the Tasman Bays Heritage Trust, which manages the Provincial Museum in Nelson. The Museum provides a diverse range of exhibitions during the year. \$1.1 million was contributed towards the Museum, associated storage facility and loan repayments in 2014/2015. We also support the smaller district museums with annual funding to assist with their programmes.

Port Nelson and Nelson Regional Airport both returned dividends to Council – \$2,100,000 and \$225,000

respectively. Council also received additional special dividends of \$750,000 from Port Nelson. These dividends contributed to the positive financial position for 2014/2015.

The two community boards of Motueka and Golden Bay are supported by Council. These boards primarily represent, and act as advocates for, the interests of their communities. During the past financial year the Motueka Community Board received \$57,300 from rates, and \$10,700 from the community market, spending \$3,300 on special projects and \$8,000 on grants. The Golden Bay Community Board received \$45,900 from rates, and \$1,400 from the community market, spending \$1,200 on community donations.

## Providing Governance, Advocating and Supporting Tasman Communities

The laws and policies that central Government make affect us. Therefore it is important that the interests of our communities are heard when Government proposes changes. The Mayor, Councillors, Chief Executive Officer and staff are active at the national level representing our local interests. A list of formal representation is included in Appendix Two.

Council has made a number of submissions on potential changes to national legislation including Government's Rules Reduction Taskforce and the Productivity Commission's investigation into Urban Land for Housing.

Staff in their professional and technical roles have continued to represent the District's interests in the development of national planning tools such as the National Policy Statement on Freshwater Management, Plantation Forestry National Environmental Standard (NES), contaminated land NES and natural hazard planning.

Your health and safety, as well as our own, is a high priority for us. We already have robust health and safety systems in place. The Health and Safety Reform Bill has been passed by Parliament and this will provide more clarity on the roles and responsibilities that we have for our higher risk areas, including public, contractors, staff, and volunteers' safety. In May 2015 we again met the requirements for the ACC Workplace Safety Management at Tertiary level. Tasman and Nelson councils are also members of the World Health Organisation International Safe Cities structure (<http://safeatthetop.org.nz/>).

## Ratepayers' Views of Council Performance

Since 1996 Council has commissioned an annual survey of residents' views on a range of services delivered by the Council. The survey is undertaken by the National Research Bureau to ensure independence and impartiality. A total of 402 residents over 18 years of age were surveyed during May 2015.

Pleasingly, the results show generally high satisfaction levels among residents with the services and activities provided by Council. Despite the generally positive results there are some areas of Council activity that are slightly below the national average, including emergency management, public toilets and Council rubbish collection service. The lower score for emergency management may be attributed to a lack of emergency events during the year and the high percent of respondents indicating they 'did not know enough to answer'. Despite the residents' survey results, Council is confident of the quality of its emergency management services. An independent monitoring and evaluation review showed the Nelson Tasman Emergency Management Group to be the top performing group nationally.

The results also indicate dissatisfaction with some services and activities, such as roads, footpaths and stormwater management, as well as environment planning and policy activities. However, the number of people dissatisfied has dropped in the past year and we will continue to look for ways to improve our performance. These improvements are expected as Council undertakes its minor roading improvements programme, footpath condition rating programme and arterial road upgrade, and moves ahead on the Richmond Central project that will address some of the District's stormwater issues.

## Addressing the Risks from Natural Hazards

Council continues to work on improving the level of understanding on the nature and scale of natural hazards like floods, rising sea levels and drought. This work underpins our forward planning for development, services and activities.

We manage risk through a variety of mechanisms, including maintaining a General Disaster Fund. Council has a policy of gradually rebuilding this fund to \$6.5 million (inflation

adjusted each year) over a period of 10 years. The fund has grown from \$1.3 million in the 2013/2014 financial year to \$1.8 million. As a result of favourable weather the General Disaster Fund did not need to be drawn on during 2014/2015. Council also maintains a Rivers Protection Fund and as at 30 June 2015 the fund balance was \$745,000.

Legislation required Council to assess the ability of many public and corporate buildings to withstand earthquake shaking and meet specific building code requirements. As a result, tenders have been let to strengthen the Motueka and Richmond public halls and work will commence in the current financial year.

## Planning for the Future

A Long Term Plan is required to be produced every three years. The Plan must include projects, budgets and activities for a period of 10 years. In developing the Long Term Plan, Council also produced and consulted on a 'Consultation Document' which covered the major issues affecting Tasman District, a 30 year infrastructure strategy, and a financial strategy.

Preparing the Long Term Plan is one of the most important and complex processes Council undertakes and involves wide consultation with its communities. In total, Council received 544 submissions and held public meetings and hearings to listen to residents' concerns. The Long Term Plan and Consultation Document were independently audited, with both documents receiving clear audits from Audit New Zealand.

In addition, Council developed a statement of proposal for funding and governance of the Waimea Community Dam in September and October 2014. Feedback was used to inform subsequent decisions in the Long Term Plan.

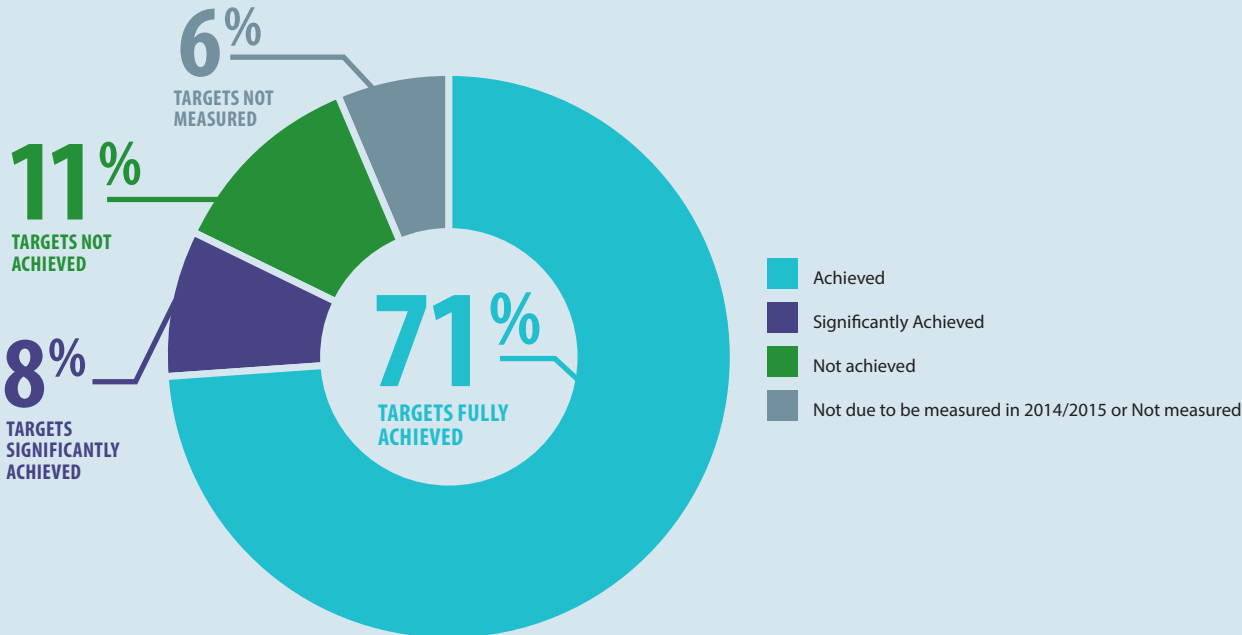


# Our Non-Financial Performance at a Glance

Council measures its performance each year using a core set of indicators that are determined through the Long Term Plan and Annual Plan. The results present a high level view of performance. More results from other performance, environmental and regulatory monitoring can be found in the public reports held on Council’s website or by contacting Council.

We have 96 measures that we report on through this Annual Report. We met 71 of these fully, eight were significantly achieved, 11 were not achieved, and there were six that we did not have the full information available to report on. We have set ourselves high targets and some we missed achieving by only a small margin.

Figure 3: Summary of Achievement:  
Number of performance measures for all Activities within Council for 2014/2015



Full details on all the performance indicators are included in this Annual Report however here are a few of the indicators to provide you with an overview of some of the activities that we measure and how well we performed. Table 1 compares our performance results with the last financial year. Overall, we see an improvement in results compared to last year.

The most notable improvement in performance scores was for Recreational and Cultural service activities. The result can be attributed to positive results from the three yearly survey that was conducted in 2015 (previously these performance targets were unable to be measured).

Environmental Management, Transport, Stormwater, Solid Waste, and Recreational and Cultural service activities also gained a higher number of 'achieved' performance measures than last year.

The remaining activities either stayed similar to the previous year or had a minor decline in the number of targets achieved. No activities performance declined significantly.

For Environmental Management, the performance targets that were not achieved related to satisfaction with Council's resource management and policy work. The level of dissatisfaction appears to be influenced by the Waimea Community Dam project and associated processes.

Bathing water standards were not met at Pohara Beach during the summer of 2014/2015 following identification of faecal contamination. While the source could not be identified during the last summer period, work will be undertaken with external research providers during the summer months of 2015/2016 to further investigate the cause of the contamination (if it continues to occur). Overall however Tasman District has good water quality standards and the performance target was met.

The number of performance targets not achieved for water activities also rose slightly. The performance targets not met related to bacterial contamination of water supplies and issue of boil water notices. A drinking water 'boil notice' was issued at Richmond following discovery of a dead bird in the treatment facility. The issue was resolved after the bird was removed and chlorinated water used to clean the system.

Table 1: Comparison of performance:

Comparison of performance: 2013/2014 compared to 2014/2015 achievement levels under each activity.

	Target Fully Achieved		Target Significantly		Not Achieved		Not due to be/ or not measured in 2013/2014	
	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15
Environmental Management	11	13	1	1	4	2		
Public Health and Safety	6	6	3	3	3	2		1
Transport	5	6	1				3	3
Coastal	2	2						
Water	4	4	2	1	1	2		
Wastewater	6	6						
Stormwater	3	4	1		1	1		
Solid Waste	4	5	2	1	1	1		
Flood Protection	5	5			1	1	1	1
Community Facilities	10	10	1	1		1	1	
Recreational and Cultural Services	2	5			1		2	
Governance	3	2			1	1		1
Council Enterprise	4	3		1				
TOTALS	65	71	11	8	13	11	7	6

# Financial Highlights

## The Finances

### The Big Picture

Council has recorded a positive financial outcome for 2014/2015. The surplus for the 2014/2015 year was significantly higher than budgeted. The underlying surplus was \$5.8 million<sup>1</sup>. This position reflects the ongoing operational savings achieved by Council and also a number of external factors which moved in Council's favour. These external factors include higher than anticipated growth, low inflation, low interest rates, and higher than budgeted dividends from Port Nelson.

We have again received an unmodified audit opinion from Audit New Zealand and a credit rating of 'AA- with a stable outlook' from Standard and Poor's<sup>2</sup>. This rating

reflects Council's strong financial management, budgetary flexibility, liquidity and low contingent liabilities; and enables Council to borrow funds at more favourable interest rates.

Council assets now total \$1.26 billion.

### Revenue and Savings

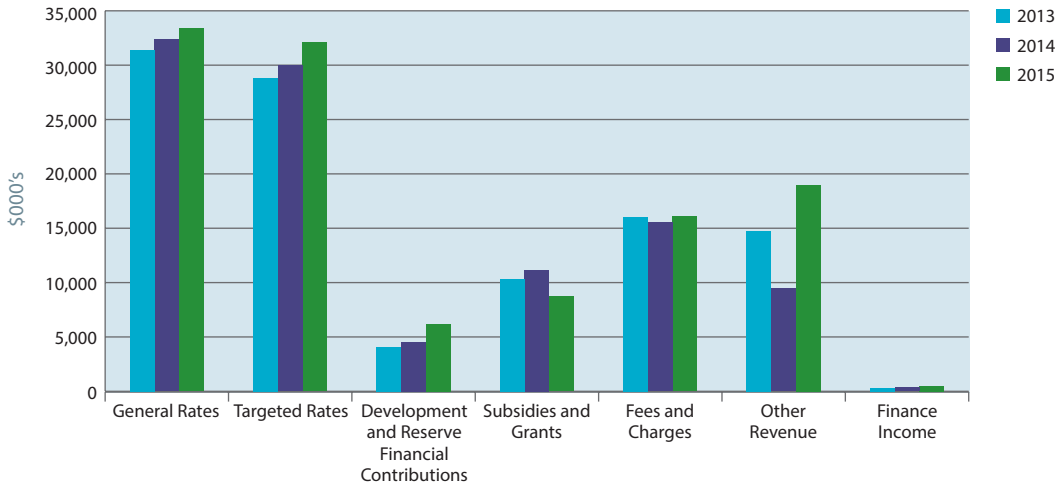
Total rates revenue for the year was \$65.1 million, and total revenue from all other sources totalled \$56.6 million.

General rate revenue increased around \$310,000, directly as a result of additional growth in the District.

The main fluctuation in other revenue is due to non cash movements such as unrealised gains on revaluation of interest rates swaps, forestry revaluations and vested assets.

	2015 \$(000's)	2014 \$(000's)	2013 \$(000's)	2012 \$(000's)	2011 \$(000's)
District General Rates	33,187	32,368	31,398	29,985	27,835
Targeted RatesNet	31,910	29,956	28,829	26,518	24,646
Accounting Surplus	21,416	14,512	12,752	1,570	9,368
Operating Surplus	5,802	2,386	293	N/A	N/A
Public Debt	145,011	149,036	158,015	155,612	139,587
Current Ratio	0.93	0.88	1.10	1.14	0.37

### Main Sources of Revenue (excluding income from associates and joint ventures)

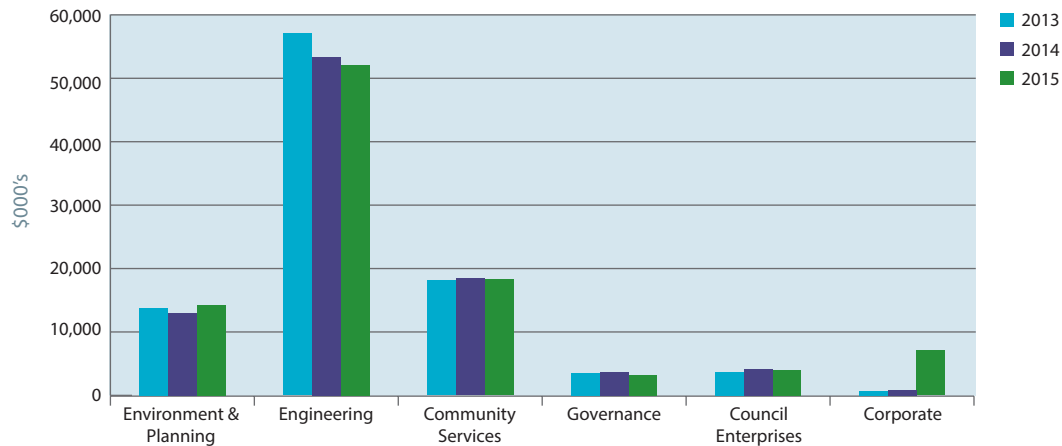


<sup>1</sup>Once the non cash items and capital funds were removed



## Expenditure

### Total Council Expenditure



The large spike in Corporate costs in 2015 is due to the revaluation of interest rate swaps.

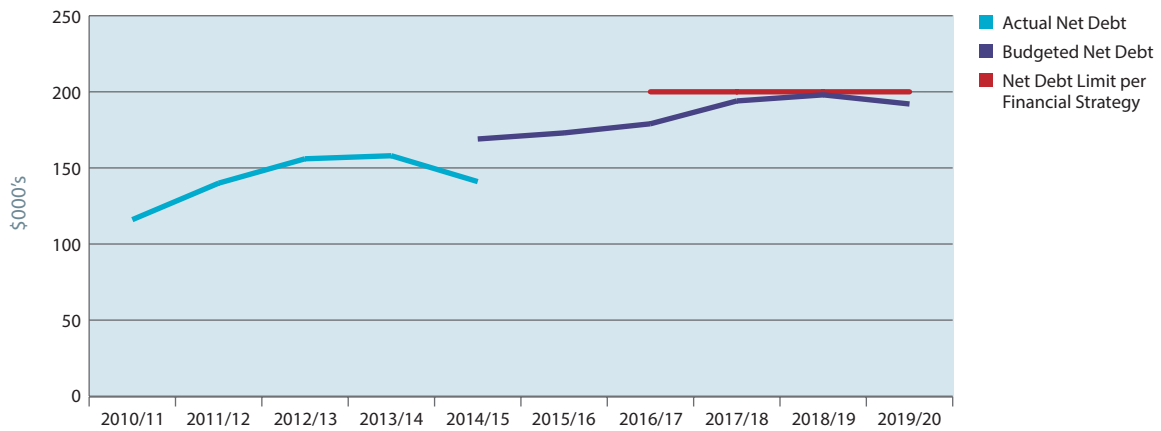
Expenditure on some large scale projects has been delayed due to such things as:

- Consent issues or conditions;
- Increased efficiency if projects were combined with other related projects; and
- Asset management improvements indicating assets were in better condition than expected so did not require immediate replacement.

This year has also seen an increased focus on the commercial activities of Council. We developed an Activity Management Plan for the next 10 years of Council's commercial activities, in association with the Long Term Plan. We are focused on improving the returns on commercial investments and reducing financial risks associated with them. As a result, Council has provided investment in infrastructure at our commercial campgrounds, progressed development of Shed 4 at Mapua Wharf and introduced a weighbridge at Port Taranaki.

## Debt

### Net Debt (\$m)



A better than expected budget position has enabled Council to also record a lower than anticipated Total Debt position, being \$145 million against a projected \$172 million. The primary drivers for this include:

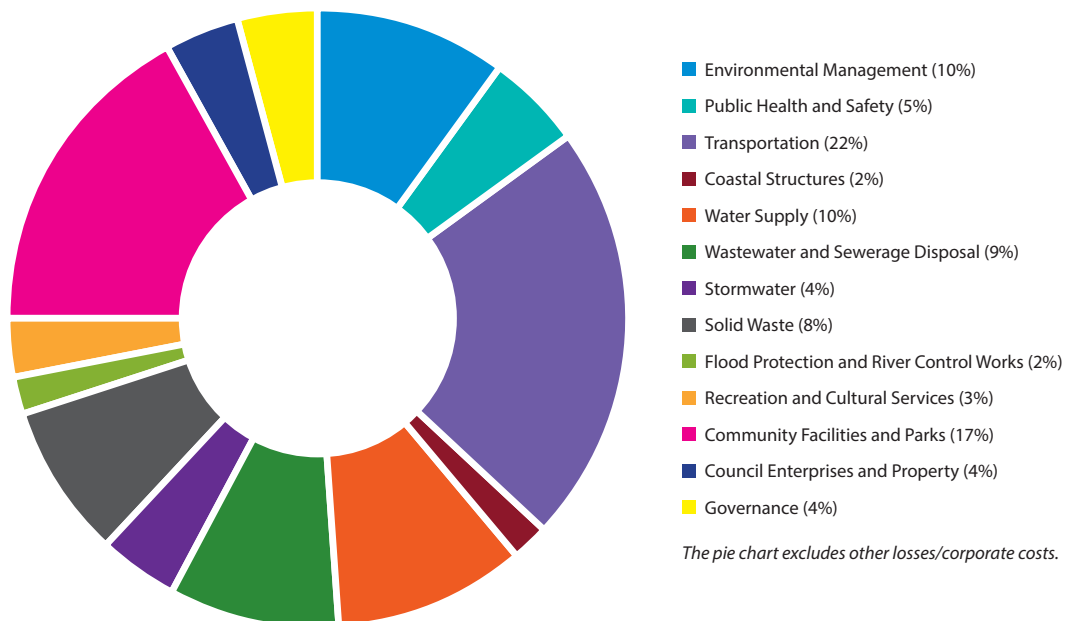
- Changing our internal policy so that we now use surplus money within Council to fund activities or projects before we look to borrow money from external sources.

- Changing the way we hold reserves for unplanned expenditure. We have now moved away from holding cash reserves. Instead we have used the reserves to pay off debt. Unplanned emergency expenditure will now be funded by loans, if necessary.
- Operational savings and deferred expenditure

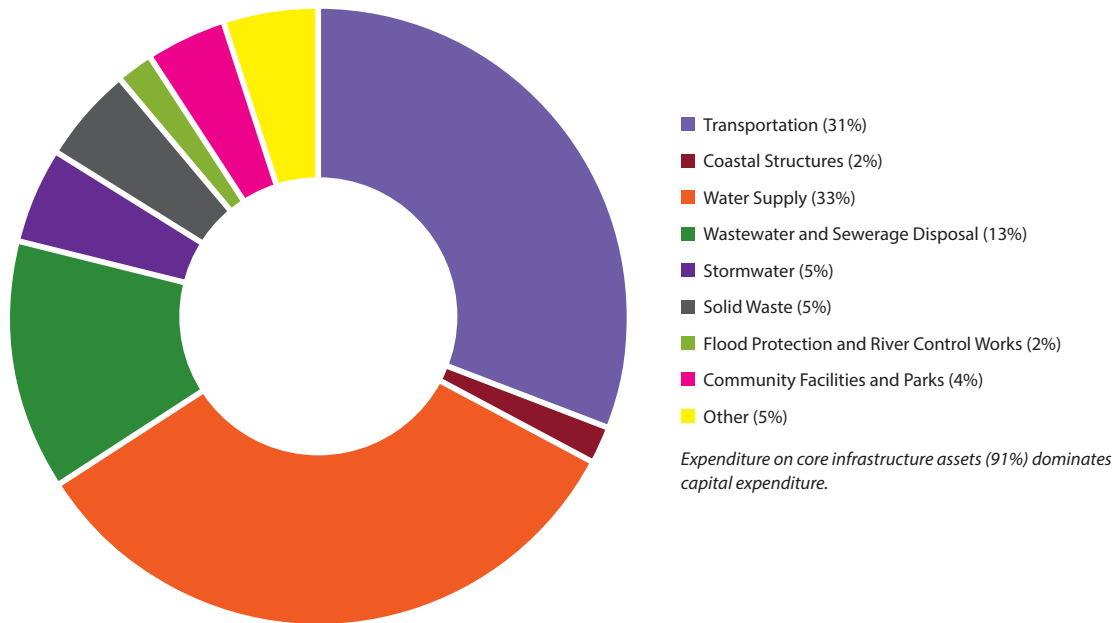
The lower Total Debt position also means that Council is now paying less interest than previously budgeted.

## Expenditure

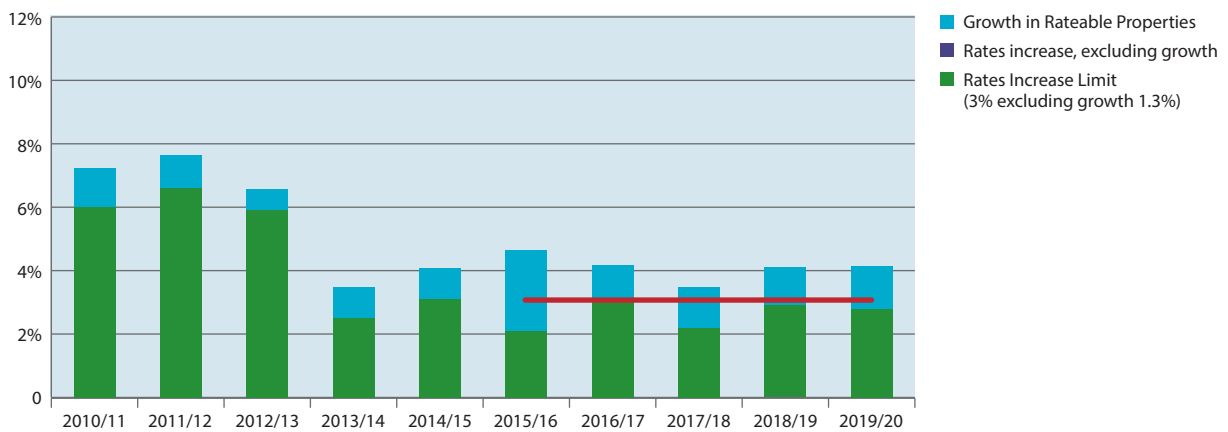
### Operating Expenditure by Activity



## Capital Expenditure by Activity



## Rating Income and Limits



A key focus in Council's Financial Strategy is to set limits on the quantum of rates collected from general rates and targeted rates over the life of the Long Term Plan 2015-2025. Total rates income increases will be limited to a maximum of 3%, plus an allowance for annual growth in rateable properties in any one year. The above graph shows the actual results for the years up to 30 June 2015, and the projections for the years 2015/2016 through to 2019/2020.



# Tasman District Council Vision Statement:

Thriving communities enjoying the Tasman lifestyle

# Tasman District Council Mission Statement:

To enhance community wellbeing and quality of life

## Community Outcomes

### Background

Community outcomes are the vision or goals of the community. They reflect what the community sees as important for its well being and they help to build up a picture of the collective vision for the District's future – how members of the community would like Tasman District to look and feel in 10 years and beyond. They are a guide to inform decision making and to provide a common understanding of what the community is seeking.

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

<p><b>Outcome 1:</b> Our unique natural environment is healthy and protected.</p>	<p>Tasman’s environment is important. Council’s main objective for this Outcome is to ensure that our District’s environment is maintained for the future and protected through mitigating the impacts of human activity on the environment.</p> <p>Almost all our activities impact on this Outcome. Our progress towards this Outcome includes protecting the District’s biodiversity, and managing air quality, freshwater and coastal waters, pests and waste. To determine whether we are progressing towards this Outcome we undertake an extensive monitoring programme of the environment, including air, water and soil health. Council also has a role in providing and monitoring resource consents and if necessary prosecuting any breaches. Council also recognises the important role that Tangata Whenua has in guardianship (kaitiakitanga) of the environment and of Tasman District.</p>
<p><b>Outcome 2:</b> Our urban and rural environments are pleasant, safe and sustainably managed.</p>	<p>This Outcome is important to ensure that our current and future urban and rural living environments provide the important features that we need to enjoy Tasman District. Our progress towards this Outcome includes having a built environment that is well planned, and includes: affordable roading services that meet the needs of our communities and providing parks and reserves for urban residents to use. We also achieve this Outcome through good urban planning processes.</p>
<p><b>Outcome 3:</b> Our infrastructure is safe, efficient and sustainably managed.</p>	<p>Tasman District is widespread and covers 9654 km<sup>2</sup> of land, therefore it is important that our infrastructure of roads, cycleways, footpaths, water, wastewater and stormwater services are well managed and as efficient as practicable. Our objectives include providing these services in ways that do not significantly impact on the environment and that meet public health needs. Providing infrastructure services is expensive and this means that we cannot provide all services that residents would like (e.g. cycleways) to everyone.</p>
<p><b>Outcome 4:</b> Our communities are healthy, resilient and enjoy their quality of life.</p>	<p>This Outcome reflects the importance of the 16 settlements and that Council’s objective is to support the opportunities for residents to enjoy a good quality of life. Council contributes to this Outcome through the provision of a wide range of services, including environmental, infrastructure and community facilities. By the end of the 10 year term of this Plan Council aims to provide additional recreation facilities, upgraded drinking water services in many of our settlements and will continue to provide a Civil Defence service that supports residents and businesses being resilient in the event of an emergency.</p>
<p><b>Outcome 5:</b> Our communities respect regional history, heritage and culture.</p>	<p>The Tasman District has a unique history, heritage and culture. This Outcome is one where some residents would like Council to spend additional funds, but in the medium term this is not affordable. Our objective for this Outcome is that important heritage items, sites and stories of our District are protected for future generations. Achieving this objective includes providing residents and visitors with the opportunities to celebrate our heritage, support cultural diversity and create a strong cultural identity in our District.</p>
<p><b>Outcome 6:</b> Our communities have access to a range of cultural, social, educational and recreational services.</p>	<p>Council provides facilities such as halls, parks, sport grounds and libraries throughout the District. Our objective is to provide residents and visitors access to a range of opportunities to be active and also to learn. An example of how this Outcome might be different in the future is that there is likely to be more online information available from our libraries to enable everyone access to up-to-date information. Council also encourages the many festivals and events that are held throughout the year in Tasman. The two marae in Tasman are an important part of our District’s cultural services and these are essential to our community identity.</p>
<p><b>Outcome 7:</b> Our communities engage with Council’s decision-making processes.</p>	<p>Community engagement in decisions is crucial to ensuring that Council provides the services that meet residents and businesses needs. Our objective is to provide opportunities to the public for input into decision making processes. Online tools for the public to contribute to the decision-making process are changing all the time and Council will continue to implement new systems so that there are new and easy ways for you to have your say. Face to face discussions will, however, remain very important.</p>
<p><b>Outcome 8:</b> Our developing and sustainable economy provides opportunities for us all.</p>	<p>The population of Tasman District is continuing to increase, but is also changing in other ways, for example overall the population is ageing and is becoming more diverse. Our objective for this Outcome is to enable businesses to be established that complement the clean, green character of our District.</p> <p>By the end of the 10 year period (2012-2022) we expect that the Waimea Community Dam will be completed and that the water from this dam will support businesses located on the Waimea Plains; provide security of water supply for urban expansion, and help improve the ecological health of our rivers.</p> <p>The Richmond West area would have continued to develop and this should provide more jobs to people living and working in the District.</p>

# The Role of the Annual Report and Financial Statements

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

The Annual Report is also an important tool for showing how Tasman District Council's community 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 strategies and plans, including the Long Term Plan 2012-2022. The Long Term Plan 2012-2022 was adopted by Council on 27 June 2012, after considerable consultation with

ratepayers and interested others. This is the last Annual Report to be prepared under the Long Term Plan 2012-2022.

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

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

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

## Statement of Compliance and Responsibility

### Compliance

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

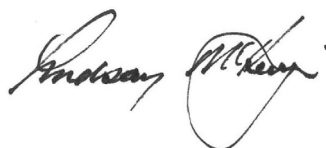
### Responsibility

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

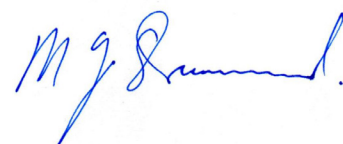
- 3 The Council and management of Tasman District Council accepts responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial and non-financial reporting.
- 4 In the opinion of the Council and management of Tasman District Council, the annual financial statements for the year ended 30 June 2015 fairly reflect the financial position, operations and service performance of Tasman District Council.



**R G Kempthorne**  
Mayor



**L McKenzie**  
Chief Executive Officer



**M Drummond, CA**  
Corporate Services Manager

**24 September 2015**

# 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 2015





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



## Statements of Objectives and Service Performance

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

Environment and Planning

Engineering Services

Community Development (formerly Community Services)

Corporate Services

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

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

Each significant activity area as a whole incorporates elements of quality, quantity, timeliness, cost and location (where applicable). Unless otherwise noted, all tasks are to be completed by 30 June 2015. Quality processes (which affect the quality of the output) are also a standard feature of the internal management control systems. In particular:

### **Preparation of Internal Report**

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

### **Capital Works**

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

### **Resource Management**

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

### **Maintenance Works**

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

### **Legislative and Financial Compliance**

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

### **Asset Management Planning**

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

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

### **Performance Measures**

In many cases in preparing its 2012-2022 Long Term Plan Council included survey measures as a measure of progress toward the achievement of Council objectives and checking residents' levels of satisfaction with the services Council provides. Council reports on these measures using data from the annual Communitrak Survey.

### **Funding Impact Statements (FIS)**

The following tables relate to Funding Impact Statements prepared for each activity. The Funding Impact Statements have been prepared in accordance with the Local Government (Financial Reporting 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").

The Council has early adopted The Local Government (Financial Reporting and Prudence) Regulation 2014 requirements for the format of the FISs for each activity. Therefore the Annual Plan and Long Term Plan presentation have been updated to include the targeted rates for water supply in the targeted rates line. The previous regulation required targeted rates from water supply to be included in the fees and charges line.

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 New Zealand Transport Agency subsidies projected to be received for road renewal works, development and reserve financial contributions and gains on sale of assets are recorded as capital funding sources. Under GAAP these are treated as revenue in the Comprehensive Revenue and Expense Statement.

## ENVIRONMENT AND PLANNING

### Policy and Objective

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

### Nature and Scope

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

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

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

### Expenditure

2013/2014 Long Term Plan Budget \$	2013/2014 Actual \$	Environment and Planning	2014/2015 Actual \$	2014/2015 Long Term Plan Budget \$	2014/2015 Annual Plan Budget \$	% of Annual Plan Budget
9,909,546	8,404,744	Environmental Management	9,145,304	9,413,976	9,570,364	96%
4,750,424	4,461,740	Public Health and Safety	4,983,465	4,856,787	4,732,142	105%
14,659,970	12,866,484	TOTAL COSTS	14,128,769	14,270,763	14,302,506	99%

## ENVIRONMENTAL MANAGEMENT

### What We Do

Council's environmental management functions and responsibilities include:

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

### Why We Do It

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

### Our Goal

The Environmental Management activity goal is to:

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

## ENVIRONMENT AND PLANNING

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

## ENVIRONMENT AND PLANNING

### How this activity contributes to the Council's Community Outcomes

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

### Our levels of service and how we measure progress against them

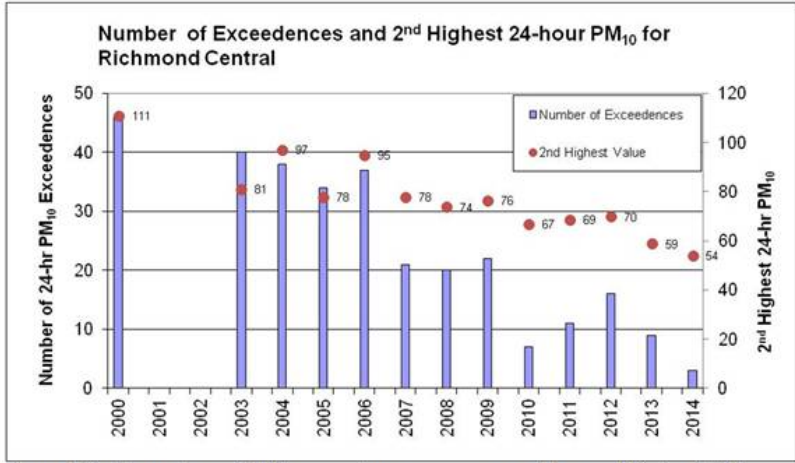
Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance
We will develop and maintain an appropriate policy framework	The level of community support for Council's resource management policy	Not achieved. 56% of residents surveyed were satisfied or very satisfied with Council's resource management policy and planning work. 22% of respondents did not know enough to comment, which means 72% of those with knowledge were



# ENVIRONMENT AND PLANNING

<p>which effectively promotes the sustainable management of the District's natural and physical resources by:</p> <ul style="list-style-type: none"> <li>identifying and responding to resource management policy issues; and</li> <li>providing a sound and appropriate policy planning framework that will protect and enhance our unique environment and promote healthy and safe communities.</li> </ul>	<p>and planning work is rated as fairly satisfied or better through community surveys. [Target: 75%]</p>	<p>satisfied or very satisfied (63%, 15% and 74% being the equivalent 2013/2014 figures). The results from people with knowledge of Council's resource management work provide Council with a more meaningful number and only falls slightly short of its target of 75%.</p> <p style="text-align: center;"><i>Environmental Planning And Policy</i></p> <table border="1"> <caption>Environmental Planning And Policy - Satisfaction Data</caption> <thead> <tr> <th>Year</th> <th>Very/fairly satisfied (%)</th> <th>Not very satisfied (%)</th> </tr> </thead> <tbody> <tr><td>2008</td><td>62</td><td>22</td></tr> <tr><td>2009</td><td>69</td><td>20</td></tr> <tr><td>2010</td><td>71</td><td>14</td></tr> <tr><td>2011</td><td>58</td><td>17</td></tr> <tr><td>2012</td><td>62</td><td>20</td></tr> <tr><td>2013</td><td>58</td><td>24</td></tr> <tr><td>2014</td><td>63</td><td>22</td></tr> <tr><td>2015</td><td>56</td><td>22</td></tr> </tbody> </table>	Year	Very/fairly satisfied (%)	Not very satisfied (%)	2008	62	22	2009	69	20	2010	71	14	2011	58	17	2012	62	20	2013	58	24	2014	63	22	2015	56	22
Year	Very/fairly satisfied (%)	Not very satisfied (%)																											
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<p>We will monitor environmental trends and conditions and have in place reporting systems which protect and inform the community about environmental conditions, changes and risks.</p>	<p>Council's telemetry system (Hydrotel) is available to provide real time rainfall, river and sea level information for regional hazard management. [Target: 99% fully operational]</p>	<p>Achieved. The network functioned very well throughout the year with the system being operational for 99.98% of the time. This equates to approximately one hour 19 minutes downtime over the whole year.</p> <p>Groundwater monitoring site upgrades have started and we are approximately 24% complete (11 out of 46) and expect to complete this by 2017/2018.</p> <p>As at this stage, seven additional sites are currently partially completed or prepared for upgrade in the coming two months. Some were held back until a hardware upgrade was available at the end of June to correct a logger issue. Other progress with non site specific work has also been achieved (including calibration of electronic plumb-bobs and checking power consumption).</p>																											
	<p>Council aims to meet the Air Quality National Environmental Standard by 2020 (no more than 1 day &gt; 50 µg/m3 PM10 per year) and will report on the website air quality breaches at the Richmond Central monitoring site of the limit of 50 µg/m3 PM10.</p>	<p>Achieved. The 2014 year report on Air Quality was released in November 2014.</p> <p>The winter of 2014 began as very mild and wet. During July 2014 rain eased and temperatures dropped but the weather remained windy and this helped to dissipate air pollution. By contrast the winter of 2015 began mild and dry with well above average wind. While temperatures fell and rain increased during late May and June, the wind continued to blow reducing the concentration of pollutants.</p> <p>At the Richmond air quality monitoring site there were two recorded exceedences of the Air Quality National Environmental Standard during the winter of 2014 and in 2013 there were nine. Overall the trend is reducing, with indications the low levels of exceedence will be maintained during 2015 with only two exceedences to 15 July 2015.</p>																											

**ENVIRONMENT AND PLANNING**

<p>[Target: PM 10 concentration at Richmond Central monitoring site (BAM) continue to reduce (as corrected for meteorology)]</p>	<p>The maximum concentration recorded so far this winter (15-7-2015) was 60 µg/m<sup>3</sup> which is the second lowest annual maximum since records began in 2000. Trends in the second highest value followed the same downward pattern and this year's result was also the lowest on record (52 µg/m<sup>3</sup>).</p> <p>For meaningful results the number of exceedences are reported for the winter period (June/July/early August) rather to the financial year. The calendar year is used for Environment and Planning Committee reporting purposes. The full 2015 air quality monitoring results will be reported to the Environment and Planning Committee in November.</p> <p>The Council website is continuously updated but requires manual update of the number of exceedences, which was no more than two days out of date at any given time.</p>  <table border="1"> <caption>Data for Figure 1: Total number of NES exceedences per year and second highest PM<sub>10</sub> concentration per year</caption> <thead> <tr> <th>Year</th> <th>Number of Exceedences</th> <th>2nd Highest 24-hr PM<sub>10</sub> (µg/m<sup>3</sup>)</th> </tr> </thead> <tbody> <tr><td>2000</td><td>111</td><td>111</td></tr> <tr><td>2001</td><td>0</td><td>0</td></tr> <tr><td>2002</td><td>0</td><td>0</td></tr> <tr><td>2003</td><td>40</td><td>81</td></tr> <tr><td>2004</td><td>38</td><td>97</td></tr> <tr><td>2005</td><td>32</td><td>78</td></tr> <tr><td>2006</td><td>37</td><td>95</td></tr> <tr><td>2007</td><td>21</td><td>78</td></tr> <tr><td>2008</td><td>20</td><td>74</td></tr> <tr><td>2009</td><td>22</td><td>76</td></tr> <tr><td>2010</td><td>7</td><td>67</td></tr> <tr><td>2011</td><td>11</td><td>69</td></tr> <tr><td>2012</td><td>16</td><td>70</td></tr> <tr><td>2013</td><td>9</td><td>59</td></tr> <tr><td>2014</td><td>4</td><td>54</td></tr> </tbody> </table> <p>Figure 1: Total number of NES exceedences per year and second highest PM<sub>10</sub> concentration per year</p>	Year	Number of Exceedences	2nd Highest 24-hr PM <sub>10</sub> (µg/m <sup>3</sup> )	2000	111	111	2001	0	0	2002	0	0	2003	40	81	2004	38	97	2005	32	78	2006	37	95	2007	21	78	2008	20	74	2009	22	76	2010	7	67	2011	11	69	2012	16	70	2013	9	59	2014	4	54
Year	Number of Exceedences	2nd Highest 24-hr PM <sub>10</sub> (µg/m <sup>3</sup> )																																															
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<p>One issue based State of the Environment (SOE) report to be released each year.</p>	<p>Achieved.</p> <p>The Health of the Waimea Inlet Broad-Scale Habitat Mapping and Fine-Scale Assessment was reported to Council and released October 2014.</p> <p>Ruataniwha Inlet Broadscale habitat mapping report was completed by 30 June 2015. This report will be reported to Council on 8 October 2015.</p> <p>Land and Soil 2014 SOE report was completed and summary reported to Council on 29 January 2015. Final release to the website is waiting a second internal peer review.</p>																																																
<p>An annual Recreational Bathing Water summary report is drafted and reported to Council or a Committee by 31 July each year.</p>	<p>Achieved.</p> <p>The Recreational and Bathing Water Report was presented to and adopted at the 16 July 2015 Environment and Planning Committee meeting.</p> <p>There were a total of 11 exceedences of national guidelines (eight "Amber" and three "Red"). Out of a total of 221 samples taken, this equates to approximately 5% of samples exceeding microbiological guidelines.</p> <p>All marine sites except Pohara were fully compliant this season in all weather. Pohara Beach exceeded four times in dry weather. Pohara Beach and Creek faecal contamination: despite a lot of work to try and find the source of faecal contamination at this popular beach, no source has been found. Genetic microbial source testing has not helped isolate the source either. Researchers from ESR have recently informed the regional council community that in situations like those existing at Pohara, the faecal indicator bacteria may not be disease-causing. Once water temperatures warm again we can resume investigations (faecal indicator bacteria are unlikely to be growing in this area at temperatures below 15°C) with support from research providers.</p> <p>Freshwater sites exceeded alert guidelines due to rain on five occasions, but in dry weather were fully compliant except Takaka River at Top Rocks. Cattle in</p>																																																

## ENVIRONMENT AND PLANNING

		<p>the swimming hole were most likely responsible for the exceedence at Top Rocks. Of the 11 exceedences, six were associated with rainfall events. Compliance with guidelines during dry weather (including Pohara) was 97.8%. This is still in line with the average compliance rate of 97% over the last 10 years. Without the Pohara site included, the compliance rate was 99.5%.</p>									
<p>We will provide a responsive and efficient process for assessing resource consent applications and ensuring compliance obligations are fairly and appropriately enforced.</p>	<p>The level of community support for Council's resource management consent and compliance work is rated as fairly satisfied or better through community survey. [Target: 75%]</p>	<p>Achieved.</p> <p>Reported satisfaction level of 84.3% (cf 82.4% 2013/2014). 15.7% of respondents were not very satisfied for reasons which include time delays, expense, and too much red-tape (cf 17.65% in 2013/2014).</p>									
	<p>Consent applications are processed within statutory timeframes (where they exist)</p> <p>[Target: 100%]</p>	<p>2014/2015 – percent of applications processed within timeframe:</p> <ul style="list-style-type: none"> <li>• Notified consents 100%: Target achieved</li> <li>• Non-notified consents 98.9%: Target significantly achieved</li> <li>• Limited notified consents 100%: Target achieved</li> </ul> <p>(cf 100%, 99.3% and 100% respectively in 2013/2014).</p>									
	<p>An annual report is prepared and presented to Council or a Council committee each year which details:</p> <ul style="list-style-type: none"> <li>– 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.</li> </ul> <p>[Target: Annual report table to Council or a Council committee by 31 October, showing that all resource consents that are monitored</p>	<p>Achieved.</p> <p>Over the 2014/2015 year resource consents and targeted permitted activities (water metered consents excluded) were monitored and reported on. The Annual Compliance and Enforcement report will be released on 27 August 2015.</p> <p>Compliance levels are shown in the following table.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Compliance Rating</th> <th style="text-align: center;">2014/15</th> </tr> </thead> <tbody> <tr> <td>1. Fully complying</td> <td style="text-align: center;">772</td> </tr> <tr> <td>2. Non-compliance. Nil or minor adverse effect</td> <td style="text-align: center;">219</td> </tr> <tr> <td>3. Non-compliance. Moderate adverse effect</td> <td style="text-align: center;">152</td> </tr> <tr> <td>4. Non-compliance. Significant adverse effect</td> <td style="text-align: center;">47</td> </tr> </tbody> </table> <p>A total of 1,351 consents received a monitoring action in the 2014/2015 financial year (note that 161 consents (12%) did not receive a compliance grade due to factors such as not being given effect to or not operational at the time of the compliance visit or a partial monitoring event). Where non-compliance was detected proportionate action was taken in accordance with Council's Enforcement Protocol ranging from advice to consent holder through to enforcement action.</p>	Compliance Rating	2014/15	1. Fully complying	772	2. Non-compliance. Nil or minor adverse effect	219	3. Non-compliance. Moderate adverse effect	152	4. Non-compliance. Significant adverse effect
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## ENVIRONMENT AND PLANNING

	<p>are assigned appropriate compliance performance grades]</p>																							
	<p>– Where significant non-compliance is recorded, that resolution is achieved within appropriate timeframes.</p> <p>[Target: 80% are resolved within nine months and 95% within 12 months]</p>	<p>Resolved within nine months: Target achieved.</p> <p>Resolved within 12 months: Target achieved.</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 15%;">Number of actions</th> <th style="width: 15%;">Resolved (nine months)</th> <th style="width: 10%;">Resolved (12 months)</th> </tr> </thead> <tbody> <tr> <td>Non compliances recorded and resolved this current period</td> <td style="text-align: center;">35</td> <td style="text-align: center;">33</td> <td style="text-align: center;">2</td> </tr> <tr> <td>Non compliances carried over from the previous year subject to measure*</td> <td style="text-align: center;">44</td> <td style="text-align: center;">41</td> <td style="text-align: center;">2</td> </tr> <tr> <td>Non compliances with nine and 12 month deadline beyond this reporting period**</td> <td style="text-align: center;">12</td> <td style="text-align: center;">N/A</td> <td style="text-align: center;">N/A</td> </tr> <tr> <td><b>Total</b></td> <td style="text-align: center;"><b>79</b></td> <td style="text-align: center;"><b>94%</b></td> <td style="text-align: center;"><b>99%</b></td> </tr> </tbody> </table> <p><b>NOTES</b></p> <p>*Significant non-compliances carried over from the previous year report where those non compliances were identified in that period but resolution dates fell beyond.</p> <p>**Represents significant non compliances recorded in the reporting period, not yet resolved and where the nine and 12 month measures fall beyond this current reporting period. These will be reported on in the next annual report.</p> <p><b>Note:</b> For the purpose of clarity resolution of non-compliances is considered achieved when the outstanding matters are addressed, formal enforcement action such as warnings, abatement or infringement notices are issued or when the Council decides no further action is required due to specific circumstances.</p>				Number of actions	Resolved (nine months)	Resolved (12 months)	Non compliances recorded and resolved this current period	35	33	2	Non compliances carried over from the previous year subject to measure*	44	41	2	Non compliances with nine and 12 month deadline beyond this reporting period**	12	N/A	N/A	<b>Total</b>	<b>79</b>	<b>94%</b>	<b>99%</b>
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	<p>An annual report is prepared and presented to Council committee or a Council meeting on Water Metering Compliance detailing the performance of consented and permitted activity ground and surface water abstractions requiring monitoring as defined in the Tasman Resource Management Plan. [Target: Annual</p>	<p>Achieved.</p> <p>The 2014/2015 water metering report will be presented at the 27 August 2015 Environment and Planning Committee meeting.</p> <p>Prevailing dry weather patterns occurring in the summer prompted the Dry Weather Taskforce to convene on eight occasions to impose restrictions under Section 329 of the Resource Management Act 1991.</p> <p>The number of consents administered under the water metering project in the 2014/2015 season increased from 1,125 to 1,483. There are now 60.5% of water meter readings being received electronically. Of those filing electronically, 79.5% are now filing via the web page service provided by Council, 16.5% are filing via email and 4% are filing via telemetry.</p> <p>A total of 642 or 54% of all meters received an audit during the season using summer student assistance to undertake this critical task.</p> <p>Overall compliance this water year was very good, however, a small number of enforcement actions were required. There were six infringement notices issued</p>																						

## ENVIRONMENT AND PLANNING

	<p>report tabled to Council or a Council committee by 31 October]</p>	<p>for overtakes deemed less than minor, down from seven last year. There were also 13 missing reading invoices issued, up from six last year.</p> <p>Implementation of the Reporting of Water Takes Regulation 2010 continues. There were 361 consented takes 10 l/s or greater that were required to install a complying water meter by November 2014 and have that meter verified by June 2015. Currently the compliance team is following up on 18 non complying consent holders and five failed verifications.</p>																																
	<p>An annual Dairy Monitoring report is prepared detailing the performance of the District's dairy farms against the Council's dairy effluent discharge rules and Clean Streams Accord targets.</p> <p>[Target: 95% fully compliant]</p>	<p>Achieved.</p> <p>The 2014/2015 Annual Dairy Effluent Discharge report has been presented to the 27 August 2015 Environment and Planning Committee.</p> <p>The report disclosed that in the 2014/2015 season a total of 143 dairy sheds had active discharges in the Tasman District. Of those 137 farm dairies operated as permitted activities and the remaining six held resource consents to discharge treated effluent to water.</p> <p>At these inspections each farm was assessed against resource consent conditions for the discharge of treated dairy effluent to water, or against the Permitted Activity rule 36.1.2.3 (the discharge of animal effluent to land). The final compliance results for all 143 farms were reported as:</p> <ul style="list-style-type: none"> <li>• 96% - Fully Compliant</li> <li>• 4% - Non- Compliant</li> <li>• 0% - Significantly Non-Compliant</li> </ul> <div data-bbox="576 1032 1366 1444" data-label="Figure"> <table border="1"> <caption>Compliance Rates by Survey Period</caption> <thead> <tr> <th>Survey Period</th> <th>Compliant (%)</th> <th>Non-compliant (%)</th> <th>Significantly Non-compliant (%)</th> </tr> </thead> <tbody> <tr> <td>2005-2006</td> <td>65</td> <td>30</td> <td>5</td> </tr> <tr> <td>2006-2007</td> <td>85</td> <td>10</td> <td>5</td> </tr> <tr> <td>2007-2009</td> <td>90</td> <td>5</td> <td>5</td> </tr> <tr> <td>2010-2011</td> <td>90</td> <td>5</td> <td>5</td> </tr> <tr> <td>2011-2012</td> <td>95</td> <td>2</td> <td>3</td> </tr> <tr> <td>2013-2014</td> <td>90</td> <td>5</td> <td>5</td> </tr> <tr> <td>2014-2015</td> <td>96</td> <td>4</td> <td>0</td> </tr> </tbody> </table> </div> <p>The figure shows a comparison of the compliance rates from the surveys held in 2005/2006, 2006/2007, 2007/2008-2008/2009, 2010/2011, 2013/2014. Due to the interrupted surveys of 2009/2010 (just 37 farms surveyed) and the more recent 2012/2013 (34 farms) those statistics are not included in the figure.</p>	Survey Period	Compliant (%)	Non-compliant (%)	Significantly Non-compliant (%)	2005-2006	65	30	5	2006-2007	85	10	5	2007-2009	90	5	5	2010-2011	90	5	5	2011-2012	95	2	3	2013-2014	90	5	5	2014-2015	96	4	0
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<p>We will work with resource users, stakeholder groups and the public to promote environmentally responsible behaviour, to encourage soil conservation and riparian</p>	<p>The level of community support for Council's environmental education projects and events is rated as fairly satisfied or better through community survey. [Target: 65%]</p>	<p>Not achieved.</p> <p>The community survey found 51% of people were satisfied or better; with 41% not knowing enough to comment (65% and 28% being the equivalent 2013/2014 figures). In line with previous years only a small number (7%) of people were not satisfied. The results mean that 86% of those who were able to comment were satisfied, or better, with Council's environmental education activities (7% and 90% respectively in 2013/2014). The overall decline in satisfaction rates is not unexpected given Council has reduced resources for this activity. In addition, the survey question was altered from previous years which resulted in a higher number of responses for 'do not know'. Council plans to review the question format in the 2016 survey in an effort to provide more meaningful results.</p>																																



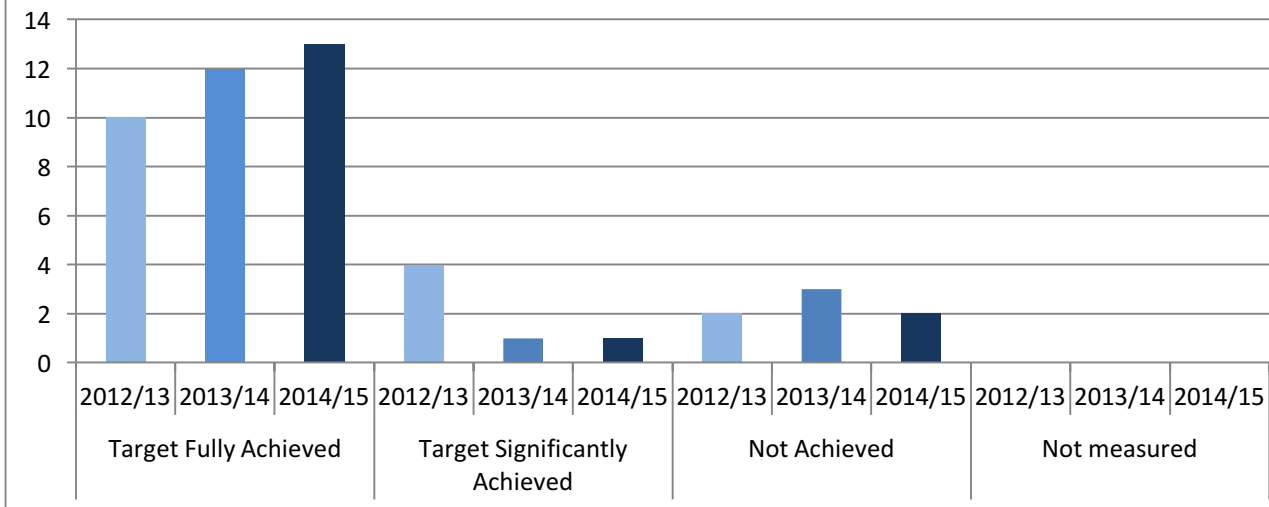
# ENVIRONMENT AND PLANNING

<p>planting, to maintain and enhance biodiversity</p>		<p style="text-align: center;"><i>Education For Sustainability</i></p> <table border="1"> <caption>Education For Sustainability Satisfaction Data</caption> <thead> <tr> <th>Year</th> <th>Very/fairly satisfied (%)</th> <th>Not very satisfied (%)</th> </tr> </thead> <tbody> <tr> <td>2009</td> <td>75</td> <td>4</td> </tr> <tr> <td>2010</td> <td>74</td> <td>4</td> </tr> <tr> <td>2011</td> <td>68</td> <td>5</td> </tr> <tr> <td>2012</td> <td>66</td> <td>5</td> </tr> <tr> <td>2013</td> <td>62</td> <td>6</td> </tr> <tr> <td>2014</td> <td>65</td> <td>7</td> </tr> <tr> <td>2015</td> <td>51</td> <td>7</td> </tr> </tbody> </table>	Year	Very/fairly satisfied (%)	Not very satisfied (%)	2009	75	4	2010	74	4	2011	68	5	2012	66	5	2013	62	6	2014	65	7	2015	51	7
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<p>We will implement the provisions of the Regional Pest Management Strategy in Tasman and in Nelson to ensure that pests included in the Strategy are managed to minimise their impact on our productive sector and our natural areas.</p>	<p>Timely reporting of pest management operations in accordance with requirements of the Biosecurity Act. [Target: Annual report tabled to Council or a Council committee by 30 November]</p>	<p>Achieved.</p> <p>The Annual report on Pest Management Operations was reported to the 2 October 2014 Environment and Planning Committee Meeting. The current year's Annual Report will be presented to the October 2015 meeting.</p>																								

Comparison of performance over three years

## ENVIRONMENT AND PLANNING

### Environmental Management



### Major Activities

Planned	Actual
Undertake environmental monitoring of the District's resources, state of the environment reporting, hydrology and flood warning monitoring, and provision of environmental information.	<p>Council continues to implement the State of the Environment Monitoring and Reporting Strategy. The monitoring, collection and maintenance of resource data/records is ongoing. The data is reported in real-time and, in some cases, is available online. Council carried out maintenance and upgrade of telemetry system.</p> <p>Thirteen flood events were monitored with two requiring warnings to be issued. Council reviewed flood warning procedures and manual. Nelson City Council's hydrology programme was carried out under contract.</p> <p>Water resource information on the Tasman District Council's 'Flowphone' and web page continue to be widely used by anglers, canoeists and others. 274 data requests answered. Council also contributed data to the Land and Water Aotearoa website, a federated environmental data website where all regional councils are participating.</p> <p>Resource investigation and environmental monitoring programmes continue. These included investigation and monitoring of bathing water quality and toxic algae, river water quality, freshwater fish, freshwater wetlands, estuary health, groundwater quality, contaminated land, soil survey, gravel availability, air quality. Specific issue-investigations included faecal source tracking at both Pohara Creek and Tukurua Stream; quarterly monitoring of groundwater and river water quality throughout region, and monthly water quality monitoring of lower Waimea and Motueka Rivers; weekly salinity monitoring of Waimea and Motueka bores from December to mid April for water resource management.</p> <p>Staff report on the wetland mapping and database project to Council in August 2014. The work in the Buller catchment is progressing well with most of the Matakaitaki, Matiriand Mangles valleys complete, over half the Maruia Valley and many sites around the Tophouse area. The rate of wetland drainage in the Buller seems to have reduced significantly. Staff anticipate moving the work programme to Golden Bay in 2016.</p> <p>Work was undertaken to improve the health of freshwater fish communities (including whitebait) – about 60 significant barriers to fish migration (mostly culverts) were remediated within one week in November 2014.</p> <p>Murchison (Neds) Creek Catchment Group – work is underway with the</p>

## ENVIRONMENT AND PLANNING

	<p>Murchison community to try and find the source(s) of faecal contamination to this creek (one of the worst in the district).</p> <p>Staff implemented the next round of the 'Measuring and Reporting of Water Takes' (the 10–20 l/s takes). Approximately 85% of the required consent holders installed and verified their water meter within the given timeframe. Seven new telemetered irrigation water meters were added to our system (total is now 30).</p> <p>Council released the following State of the Environment Reports during the year:</p> <ul style="list-style-type: none"> <li>• Contact Recreation Water Quality report for the 2013/2014 year released June 2014, and for 2014/2015 released 16 July 2015.</li> <li>• The Health of the Waimea Inlet Broad-Scale Habitat Mapping and Fine-Scale Assessment 2013/2014.</li> </ul>																								
<p>Provide advice to potential applicants for resource consents and processing resource consent applications.</p>	<p>Council continues to respond to enquiries and all other aspects of resource consent applications on an ongoing basis. As at 30 June 2015 we had completed the processing of 1,012 non-notified applications, with 98.8% complying with statutory timeframes (in 2014 the figure was 847 at 99.3%); and 68 notified or limited applications with 100% complying with statutory timeframes (in 2014 the figure was 21 at 100%). As at 30 June 2015, two appeals to the Environment Court await resolution (cf 1 in 2014).</p>																								
<p>Undertake compliance activities to enforce planning rules, bylaws and resource consent conditions, and undertaking enforcement action when needed.</p>	<p>The compliance monitoring team continues to carry out consent compliance monitoring in accordance with the Compliance Monitoring Strategy. The Annual Water Metering; and Annual Compliance and Enforcement reports were submitted to Council in August 2014 and the Annual Farm Dairy Effluent Discharge report in July 2014.</p> <p>Staff also responded to written and verbal complaints and maintained a file of complaints with record of actions taken which ranges from informal intervention through to enforcement actions. The following breakdown records the type of complaints received over the year:</p> <table data-bbox="730 1346 1062 1720"> <tbody> <tr> <td>Noise</td> <td>573</td> </tr> <tr> <td>Land Use</td> <td>197</td> </tr> <tr> <td>Discharges – Air</td> <td>256</td> </tr> <tr> <td>Discharges – Water</td> <td>85</td> </tr> <tr> <td>Discharges - Land</td> <td>89</td> </tr> <tr> <td>Water takes</td> <td>43</td> </tr> <tr> <td>Rivers</td> <td>16</td> </tr> <tr> <td>Coastal</td> <td>6</td> </tr> <tr> <td>Rubbish Enforcement</td> <td>23</td> </tr> <tr> <td>Abandoned vehicles</td> <td>115</td> </tr> <tr> <td>Other</td> <td><u>457</u></td> </tr> <tr> <td></td> <td>1,860</td> </tr> </tbody> </table> <p>(cf 1,897 in 2014/2015)</p>	Noise	573	Land Use	197	Discharges – Air	256	Discharges – Water	85	Discharges - Land	89	Water takes	43	Rivers	16	Coastal	6	Rubbish Enforcement	23	Abandoned vehicles	115	Other	<u>457</u>		1,860
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<p>Undertake plant and animal pest management planning and operations, including in Nelson City through a contractual arrangement with Nelson City Council, and funding the Animal Health Board to undertake its Tb Vector control programme in the District.</p>	<p>Pest management operations were carried out on an ongoing basis in accordance with the Operational Plan prepared under the Nelson Tasman Regional Pest Management Strategy. A separate and more detailed annual report was presented to the Environment and Planning Committee at their October 2014 meeting (REP14-10-01). Staff are working with Land Care Research to establish the distribution of a mite that has been found on both species of wasps. Early results suggest that it could play a role as a biocontrol agent.</p>																								

## ENVIRONMENT AND PLANNING

	<p>The Top of the South Marine Biosecurity Partnership, co-funded by Council, has been working with stakeholders on reducing marine biosecurity risks and has coordinated local input to assist Ministry of Primary Industries in its assessment of risk and management of incidents that included drilling rigs, fouled vessels and new organism finds.</p> <p>Council continues to provide funds as a contribution to OSPRI's (successor to the Animal Health Board) bovine Tb Vector Management programme. This funding will finish on 30 June 2016 when funding becomes the responsibility of central Government and the beneficial industry groups.</p>
<p>Undertake environmental education and advocacy activities, including working with landowners to achieve sustainable land management objectives, school and business education programmes, and running educational events.</p>	<p>Native Habitats Tasman: the survey of natural areas on private land has continued in the hill country that borders the eastern and western boundaries of Waimea-Moutere basin. As at 30 September 2014, 420 sites had been inspected and landowners had signed off on 353 reports.</p> <p>The Motueka Ecological District has been completed. The Moutere Ecological District report has been substantively completed and will be published in the 2015/2016 period.</p> <p>There were two well-attended meetings of the Tasman Biodiversity Forum that provided presentations on a range of topical issues and an opportunity for community groups to report on their activities.</p> <p>Another successful community beach clean-up was held in November 2014.</p> <p>Council works with a range of schools throughout the District on environmental education and currently has 26 schools involved in the EnviroSchools programme.</p> <ul style="list-style-type: none"> <li>• 23 of the 26 EnviroSchools and two non-EnviroSchools (schools and early childhood centres) are continuing, or have recently made the decision, to adopt a section of waterway or native bush to monitor and enhance over time in partnership with Tasman District Council, or the Department of Conservation and their community.</li> <li>• Results from a recent survey of EnviroSchools:             <ul style="list-style-type: none"> <li>○ 1,538 trees planted in 2014 of which 1,456 were native trees – some of the spaces were developed especially to protect biodiversity, e.g. birds, lizards, weta and butterflies</li> <li>○ 44% have systems in place to reduce water use e.g. rainwater tanks</li> <li>○ 95% have food production – vegetable gardens and fruit trees, with four rearing chickens for eggs</li> <li>○ 64% foster energy conservation</li> <li>○ 73% always looking at options to support sustainable transport.</li> </ul> </li> <li>• Waimaori Programme and Tamariki Wai worked with 16 classes in eight schools (eight sites) in the last year and the focus has been to support schools willing to adopt areas over the long term.</li> <li>• Moturoa Mission (130 students and 14 community groups and agencies involved, plus PF Olsen's) and the Golden Bay Battle for our Birds education day (80 students and four partners) are examples of working in partnership to meet our sustainable land management objectives through education.</li> <li>• Project Killarney – working with students to gather data about the local small lakes and how to remediate Lake Killarney</li> </ul>

## ENVIRONMENT AND PLANNING

	<p>itself.</p> <ul style="list-style-type: none"> <li>• Project Predator this year had 23 secondary students in Tasman making stoat/rat traps and undertaking trapping lines for 10 weeks (at least). Some students have continued running possum trap lines after Project Possum last year.</li> <li>• Show us your culvert – working with landowners to remove barriers to fish passage.</li> <li>• Numerous school environment clean ups – beaches, Farewell Spit, roadsides, estuaries etc.</li> </ul> <p>Staff also undertake work to help improve air quality (e.g. Good Wood Programme), water quality (e.g. Tamariki Wai programme, stream planting) and waste reduction and recycling.</p> <p>Council maintains its own poplar and willow nursery and is able to supply free pole plants (poles/wands) to landowners for use in riparian efforts to stabilise and shade waterways and for us in stabilising areas of unstable ground. A small number of plants are sold for amenity planting also.</p>
<p>Implement the Environmental Policy work programme, including:</p> <ul style="list-style-type: none"> <li>- reviews of, and changes to, the Tasman Resource Management Plan (TRMP);</li> <li>- development plans for various settlements within the District;</li> <li>- rural policy reviews (including subdivision and rural land use, landscape protection);</li> <li>- land disturbance review;</li> <li>- network services rules and design guidance development;</li> <li>- water allocation reviews;</li> <li>- riparian land management strategy;</li> <li>- natural hazards strategic policy review;</li> <li>- review of the Tasman Regional Policy Statement and consideration of combining it with the TRMP; and</li> <li>- provision of policy advice.</li> </ul>	<p>Council continued to work on the Rural Land Use and Subdivision policy review (draft change open for feedback November 2014 to March 2015), Golden Bay Landscapes (report submitted July 2015), Richmond Urban Density investigations in Richmond, Coastal Hazards Project, and Moorings Review. Discussion papers on the Brightwater and Wakefield Development Reviews released in April 2015.</p> <p>Three plan changes were notified; the water management provisions in the Upper Motueka were updated; heritage and tree protection provisions updated; and notified amended deferred zoning rules. Nine plan changes were made operative including significant changes for the Mapua-Ruby Bay development area, Motueka west and central, and two private plan changes.</p> <p>Two collaborative community groups were established to advise Council on water quantity and water quality management regimes in the Takaka catchment and on water quality issues in the Waimea catchment.</p> <p>Responded to Government's Rules Reduction Taskforce and the Productivity Commission's investigation into Urban Land for Housing.</p> <p>The review of the Tasman Regional Policy Statement continues to be on hold pending clearer outcomes arising from changes to the Resource Management Act 1991 but a scoping of this possible review project is in progress.</p>



## ENVIRONMENT AND PLANNING

2013/2014 Long Term Plan Budget \$	2013/2014 Actual \$	Environmental Management	2014/2015 Actual \$	2014/2015 Long Term Plan Budget \$	2014/2015 Annual Plan Budget \$	% of Annual Plan Budget
		<b>SOURCES OF OPERATING FUNDING</b>				
6,370,925	6,013,865	General rates, uniform annual general charges, rates penalties	6,695,879	6,654,421	6,695,879	100%
335,877	350,091	Targeted rates	370,821	219,450	338,811	109%
52,633	158,463	Subsidies and grants for operating purposes	120,000	-	120,000	100%
-	2,267,438	Fees and charges	2,417,216	-	2,350,107	103%
-	-	Internal charges and overheads recovered	-	-	-	-
2,643,248	324,812	Local authorities fuel tax, fines, infringement fees, and other receipts	568,173	2,714,935	344,481	165%
9,402,683	9,114,669	<b>TOTAL OPERATING FUNDING</b>	10,172,089	9,588,806	9,849,278	103%
		<b>APPLICATIONS OF OPERATING FUNDING</b>				
6,512,929	5,569,102	Payments to staff and suppliers	5,527,550	5,924,728	5,872,214	94%
91,343	113,525	Finance costs	122,370	75,239	114,216	107%
3,305,274	2,722,117	Internal charges and overheads applied	3,495,384	3,414,009	3,583,934	98%
-	-	Other operating funding applications	-	-	-	-
9,909,546	8,404,744	<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	9,145,304	9,413,976	9,570,364	96%
(506,863)	709,925	<b>SURPLUS (DEFICIT) OF OPERATING FUNDING</b>	1,026,785	174,830	278,914	368%
		<b>SOURCES OF CAPITAL FUNDING</b>				
-	-	Subsidies and grants for capital expenditure	-	-	-	-
-	-	Development and financial contributions	-	-	-	-
(123,108)	(145,845)	Increase (decrease) in debt	(145,846)	(483,201)	(145,845)	100%
750,000	-	Gross proceeds from sale of assets	-	500,000	-	-
-	-	Lump sum contributions	-	-	-	-
626,892	(145,845)	<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	(145,846)	16,799	(145,845)	100%
		<b>APPLICATIONS OF CAPITAL FUNDING</b>				
		Capital expenditure				
53,821	-	- to meet additional demand	-	55,597	-	-
12,917	650	- to improve the level of service	-	46,701	33,000	0%
58,664	103,096	- to replace existing assets	116,762	88,956	95,000	123%
(5,373)	460,334	Increase (decrease) in reserves	764,177	375	5,069	15075%
-	-	Increase (decrease) in investments	-	-	-	-
120,029	564,080	<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	880,939	191,629	133,069	662%
506,863	(709,925)	<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING</b>	(1,026,785)	(174,830)	(278,914)	368%
-	-	<b>FUNDING BALANCE</b>	-	-	-	-

**Comment:**

**Environmental Management**

Fees and Charges are significantly higher than budget expectations due to increased revenue associated with compliance monitoring and resource consents. Increased revenue for water permits and subdivisions income also contributed to the positive variance, along with some deferred expenditure.

### PUBLIC HEALTH AND SAFETY

#### What We Do

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

#### Why We Do It

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

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

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

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

#### Our Goal

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

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

#### How this activity contributes to the Council's Community Outcomes

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

#### Our levels of service and how we measure progress against them

## ENVIRONMENT AND PLANNING

Levels of Service (We provide)	We will know we are meeting the Level of	Current Performance
<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>	<p>Applications for building consent and code compliance certificates (CCC) are processed within statutory timeframes. [Target: Building Consents 100%, CCC's 98%]</p> <p>We maintain Building Consent Authority Accreditation. [Target: Accreditation maintained]</p>	<p>Not achieved.</p> <p>87.3% of building consent applications processed within statutory timeframes (cf 84.8% in 2013/2014).</p> <p>Not achieved.</p> <p>91.8% of CCC applications processed within the statutory timeframe (cf 92.1% in 2013/2014).</p> <p>Transition problems experienced with the move to electronic consent processing and insufficient staff resources meant for the first half of the financial year we fell well short of performance standard at 68.5% of applications processed on time. The second half, with a full complement of staff resource and system improvement, we improved performance to 95.3%, with two of the last three months at 100%.</p> <p>Achieved.</p> <p>Reaccreditation as a Building Consent Authority was achieved in February 2014. The next reaccreditation is due in October 2015.</p>
<p>We will provide an environmental health service that:</p> <p>(a) In association with other agencies, fosters the responsible sale and consumption of liquor.</p> <p>(b) Ensures that food provided for sale is safe, free from contamination and prepared in suitable premises.</p>	<p>In conjunction with the New Zealand Police, we detect no sale of liquor to minors through random controlled purchase operations (CPOs) run annually. [Target: At least two annual operations with no offences detected]</p> <p>All food premises are inspected at least once annually for compliance and appropriately licensed. [Target: 100%]</p>	<p>Achieved.</p> <p>Three CPOs were conducted in the period – 7 August 2014, 25 March 2015 and 3 June 2015. A total of 49 premises were tested with offences detected in four different premises (eight offences in 2013/14). The CPOs conducted on 7 August 2014 and 3 June 2015 did not result in any breaches.</p> <p>Significantly achieved.</p> <p>402 licensed premises (97.6%) out of a total of 412 were inspected over the period to 30 June 2015. All complied and retained their license to operate. Those not inspected were seasonal premises that only operate over a narrow timeframe. They will be inspected as a priority in the summer.</p>
<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>	<p>All known dogs are registered annually by 30 September. [Target: 100%]</p> <p>We respond to high priority dog complaints within 60 minutes, 24 hours a day, seven days a week. [Target: 100%]</p>	<p>Significantly achieved. 99.8% (10,299) of the 10,319 known dogs were registered as at 30 September 2013.</p> <p>Achieved.</p> <p>Response times were achieved via phone calls or onsite presence.</p>
<p>We will have in place a civil defence and emergency management system that is designed to promote the safety of</p>	<p>The level of community support for Council's civil defence emergency management activity is rated as fairly satisfied or better through</p>	<p>Achieved.</p> <p>60% of residents are fairly satisfied or better. 30% do not know enough to comment (69% and 19% being the equivalent 2013/2014 figures). 10% were not satisfied, which means that 86% of those who were able to comment were satisfied or better with Council's civil</p>

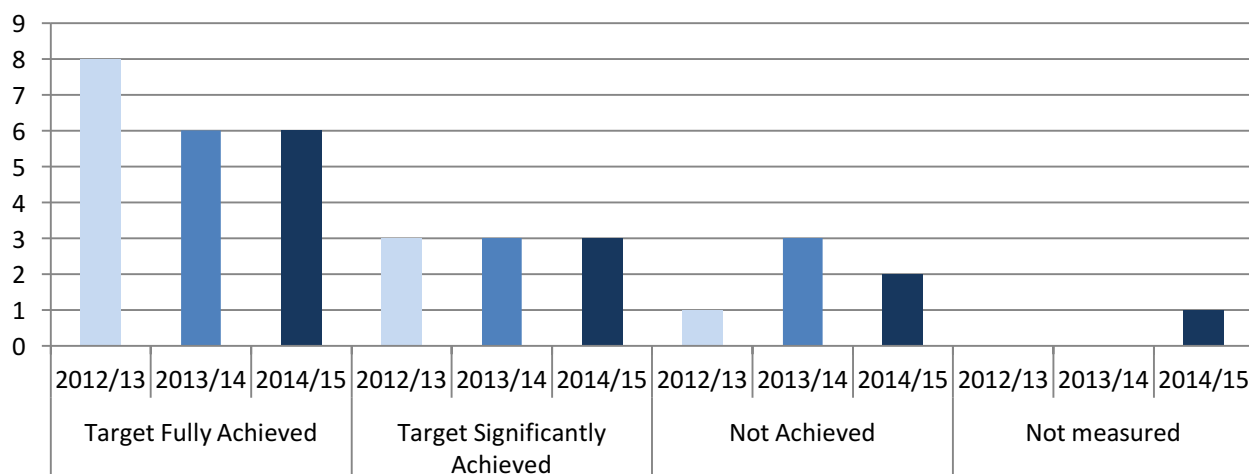
## ENVIRONMENT AND PLANNING

Levels of Service (We provide)	We will know we are meeting the Level of	Current Performance																											
people and a resilient community in the event that emergencies occur.	community survey. [Target: 50%]	<p>defence emergency management activities.</p> <p><i>Emergency Management</i></p> <table border="1"> <caption>Emergency Management Satisfaction Data</caption> <thead> <tr> <th>Year</th> <th>Very/fairly satisfied (%)</th> <th>Not very satisfied (%)</th> </tr> </thead> <tbody> <tr><td>2008</td><td>50</td><td>16</td></tr> <tr><td>2009</td><td>58</td><td>10</td></tr> <tr><td>2010</td><td>56</td><td>8</td></tr> <tr><td>2011</td><td>53</td><td>11</td></tr> <tr><td>2012</td><td>59</td><td>10</td></tr> <tr><td>2013</td><td>59</td><td>14</td></tr> <tr><td>2014</td><td>69</td><td>12</td></tr> <tr><td>2015</td><td>60</td><td>10</td></tr> </tbody> </table>	Year	Very/fairly satisfied (%)	Not very satisfied (%)	2008	50	16	2009	58	10	2010	56	8	2011	53	11	2012	59	10	2013	59	14	2014	69	12	2015	60	10
Year	Very/fairly satisfied (%)	Not very satisfied (%)																											
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To safeguard life and property by the prevention, detection, restriction and control of fire in forest and rural areas.	The area of forest lost through fire annually does not exceed 20 hectares. [Target: No more than 20 ha lost through fire annually]	<p>Achieved.</p> <p>1.1 ha of damage to production forest from rural fires (cf 8.21 ha in 2013/2014).</p>																											
We will provide Maritime Administration services to ensure Tasman's harbour waters are safe and accessible and that all known commercial vehicle operators are licensed.	<p>Residents with an understanding of Maritime Administration rate their satisfaction with this activity as "fairly satisfied" or better in annual surveys. [Target: 90%]</p> <p>All known commercial vessel operators are licensed. [Target: 100%]</p>	<p>Target not measured in 2014/2015.</p> <p>However, 52% of residents surveyed in 2013/2014 were satisfied with Council's navigation safety work, with 43% of respondents not knowing enough to comment, which means 91% of those with knowledge were satisfied or very satisfied.</p> <p>Achieved.</p> <p>All 46 known commercial operators are registered i.e. either licensed (38) or registered as exempt (eight). River rafting, commercial non-passenger and commercial fishing vessels are not presently required to hold a licence.</p>																											
We will provide parking control services to facilitate the public's access to urban retailers and services, respond to any misuse of disabled parking, and remove reported abandoned vehicles.	Compliance by not less than 80 out of every 100 vehicles parking in time controlled areas within the Traffic Bylaw, based on an annual snap survey. [Target: 85%]	<p>Significantly achieved.</p> <p>Survey undertaken in November 2014 – 84% out of the vehicles complied (80% in 2013/2014).</p>																											

Comparison of performance over three years

## ENVIRONMENT AND PLANNING

### Public Health and Safety



### Major Activities

Planned	Actual
Respond to enquiries, process permits and consents, and undertake inspectorial responsibilities under the Health Act, Building Act, Sale of Liquor Act, Food Act, Dog Control Act, Forests and Rural Fires Act, Transport Act, Maritime Transport Act, the Hazardous Substances and New Organisms Act, and associated regulations and Council bylaws.	<p>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.</p> <p>87.3% of 1,471 building consents were processed within the statutory processing time limit (cf 1,405 at 84.8% in 2013/2014). The average processing time was 14 days (cf 14 in 2013/2014). The 274 consents issued for new dwellings actually resulted in 299 new houses being built in the district (i.e. some building consents were issued for multiple dwellings).</p> <p>All technical building staff are engaged in training to meet legal requirements of the Building Act Accreditation Regulations.</p> <p>Council implemented a new Local Alcohol Policy following changes to the legislation. Challenges to the our Local Alcohol Policy by large food retailers were successfully defended and the policy is now in place. The training requirements of staff and committee members have been met and the new processes are working well.</p> <p>New bylaws on navigation safety have been produced to meet the requirements of the amendments to the Maritime Transport Act. Hearings have been carried out and submissions workshopped by Councillors. Maritime NZ has indicated the need for some changes and the new bylaw will be presented to Council for assessment and adoption in September 2015.</p> <p>A reviewed Dog Control Bylaw and Policy were released for submission. Subsequent decisions by Council led to the Bylaw and Policy being adopted by Council in September 2014.</p>
Carry out Harbour Board functions including implementation of the Joint Oil Spill Contingency Plan (with Nelson City Council).	<p>Despite several sinkings none involved the discharge of oil of any quantity that has to be investigated.</p> <p>Council has two trained Regional On Scene Commanders (ROSC) and can call on a number of trained oil spill responders.</p>
Carry out animal control responsibilities.	<p>The Council continues to administer the Dog Control Bylaw with service delivery being undertaken by Control Services (Nelson) Ltd. There were 5,663 rural and 4,738 urban dogs registered in Tasman District during the year. Council's contractors responded to complaints regarding wandering stock and dogs and</p>

## ENVIRONMENT AND PLANNING

	<p>impounded animals as required. 116 Dog Control Infringement Notices were issued, 107 of which were for unregistered dogs (cf 176 in 2013/2014). 1,058 complaints were also dealt with. A separate annual report to the Secretary of Local Government is available for further details.</p> <p>96.1% of residents were satisfied with the Council's efforts in controlling dogs (cf 96.1% in 2013/2014).</p>
Carry out civil defence and emergency management responsibilities.	<p>The Emergency Operations Centre was activated on one occasion and Council participated in multi-agency exercises.</p> <p>Council continued training and preparedness.</p>
Carry out parking control responsibilities under Council's Parking Bylaw.	<p>Parking enforcement responsibilities are carried out under contract by Control Services (Nelson) Ltd. 2,076 infringement notices were issued (cf 1,569 in 2013/2014) during the year along with other advisory warnings concerning parking.</p>
Ensure fire risk in the District is effectively managed through supporting rural fire parties and the Waimea Rural Fire Committee.	<p>Fire risk in the District is being effectively managed by the Waimea Rural Fire Authority through a contract with Rural Fire Network and the ongoing support of rural fire parties. There were 370 callouts within Tasman District, 188 of which were attended by Volunteer Rural Fire Forces.</p>

2013/2014 Long Term Plan Budget \$	2013/2014 Actual \$	Public Health and Safety	2014/2015 Actual \$	2014/2015 Long Term Plan Budget \$	2014/2015 Annual Plan Budget \$	% of Annual Plan Budget
1,665,245	1,440,476	SOURCES OF OPERATING FUNDING				
-	-	General rates, uniform annual general charges, rates penalties	1,402,639	1,691,562	1,402,639	100%
-	-	Targeted rates	-	-	-	-
-	-	Subsidies and grants for operating purposes	-	-	-	-
-	3,342,896	Fees and charges	3,422,490	-	3,239,783	106%
-	-	Internal charges and overheads recovered	-	-	-	-
3,165,791	(66,876)	Local authorities fuel tax, fines, infringement fees, and other receipts	6,826	3,266,115	224,051	3%
4,831,036	4,716,496	TOTAL OPERATING FUNDING	4,831,955	4,957,677	4,866,473	99%
		APPLICATIONS OF OPERATING FUNDING				
2,976,707	2,981,826	Payments to staff and suppliers	3,203,122	3,025,410	3,016,249	106%
15,467	15,541	Finance costs	13,501	14,738	15,643	86%
1,758,250	1,464,373	Internal charges and overheads applied	1,766,842	1,816,639	1,700,250	104%
-	-	Other operating funding applications	-	-	-	-
4,750,424	4,461,740	TOTAL APPLICATIONS OF OPERATING FUNDING	4,983,465	4,856,787	4,732,142	105%
80,612	254,756	SURPLUS (DEFICIT) OF OPERATING FUNDING	(151,510)	100,890	134,331	- 113%
		SOURCES OF CAPITAL FUNDING				
-	-	Subsidies and grants for capital expenditure	-	-	-	-
-	-	Development and financial contributions	-	-	-	-
(19,645)	(49,645)	Increase (decrease) in debt	(49,645)	(19,645)	(19,645)	253%
-	-	Gross proceeds from sale of assets	11,304	-	-	-
-	-	Lump sum contributions	-	-	-	-
(19,645)	(49,645)	TOTAL SOURCES OF CAPITAL FUNDING	(38,341)	(19,645)	(19,645)	195%
		APPLICATIONS OF CAPITAL FUNDING				
-	-	Capital expenditure	-	-	-	-
-	-	- to meet additional demand	-	-	-	-
9,688	7,299	- to improve the level of service	2,845	-	-	-
37,674	35,790	- to replace existing assets	13,903	72,276	106,358	124%
13,605	162,022	Increase (decrease) in reserves	(324,599)	8,969	8,328	- 3898%
-	-	Increase (decrease) in investments	-	-	-	-
60,967	205,111	TOTAL APPLICATIONS OF CAPITAL FUNDING	(189,851)	81,245	114,686	- 166%
(80,612)	(254,756)	SURPLUS (DEFICIT) OF CAPITAL FUNDING	15,510	(100,890)	(134,331)	- 113%
-	-	FUNDING BALANCE	-	-	-	-



## ENVIRONMENT AND PLANNING

### **Comment:**

#### **Public Health and Safety**

Additional consultant expenditure was incurred in order to meet statutory timeframes in the building area, and fees and charges did not meet budget expectations. The result was an overspend in this activity.

## ENGINEERING SERVICES

### Policy and Objective

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

### Nature and Scope

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

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

### Expenditure

2013/2014 Long Term Plan Budget \$	2013/2014 Actual \$	Engineering	2014/2015 Actual \$	2014/2015 Long Term Plan Budget \$	2014/2015 Annual Plan Budget \$	% of Annual Plan Budget
12,086,814	13,013,617	Transportation, Roads and Footpaths	10,469,997	12,467,624	11,457,795	91%
926,664	1,536,153	Coastal Structures	985,104	1,265,271	1,403,893	70%
6,581,463	5,918,417	Water Supply	6,321,483	7,129,104	6,614,795	96%
8,912,894	7,397,836	Wastewater and Sewage Disposal	7,416,154	9,396,569	8,586,611	86%
2,050,188	2,704,346	Stormwater	1,845,312	2,138,046	2,271,899	81%
7,738,125	5,853,763	Solid Waste	5,928,892	8,050,096	7,247,406	82%
2,025,069	2,438,199	Flood Protection and River Control Works	2,238,780	2,108,200	2,031,541	110%
40,321,217	38,862,331	TOTAL COSTS	35,205,722	42,554,910	39,613,940	89%

### TRANSPORTATION, ROADS AND FOOTPATHS

#### What We Do

Tasman District Council is responsible for the management of a transportation network that comprises approximately 1,700 km of roads, (944 km sealed and 757 km unsealed), 475 bridges (including footbridges), 250 km of footpaths, cycleways and walkways, 23 carparks, 2,400 streetlights, 10,700 traffic signs and 10,500 culvert pipes. Each road in the transportation network has been categorised into a transportation hierarchy based on the road's purpose and level of use.

This group of activities includes:

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

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

#### Why We Do It

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

#### Our Goal

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

#### How this activity contributes to the Council's Community Outcomes

- Our network of roads, footpaths, cycleways and carparks are safe, uncongested and maintained cost-effectively.
- Our urban communities have a means of travel for pedestrians, cyclists and commuters that is safe and efficient.
- Our rural communities have safe and effective access to our transportation network.

#### Subsidised and non-subsidised transport activities

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

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

## ENGINEERING SERVICES

The financial assistance subsidy rate for Tasman in 2014/2015 was 49% for most activities with an increase to 59% for approved major works. The subsidy rate depends on the size of the overall programme of work and the assessed ability to pay, which is related to the capital value of the District. Changes to the way NZTA set the financial assistance rates in 2015/2016 will mean Tasman receive 52% for all activities, dropping to 51% in 2016/2017.

### Our levels of service and how we measure progress against them

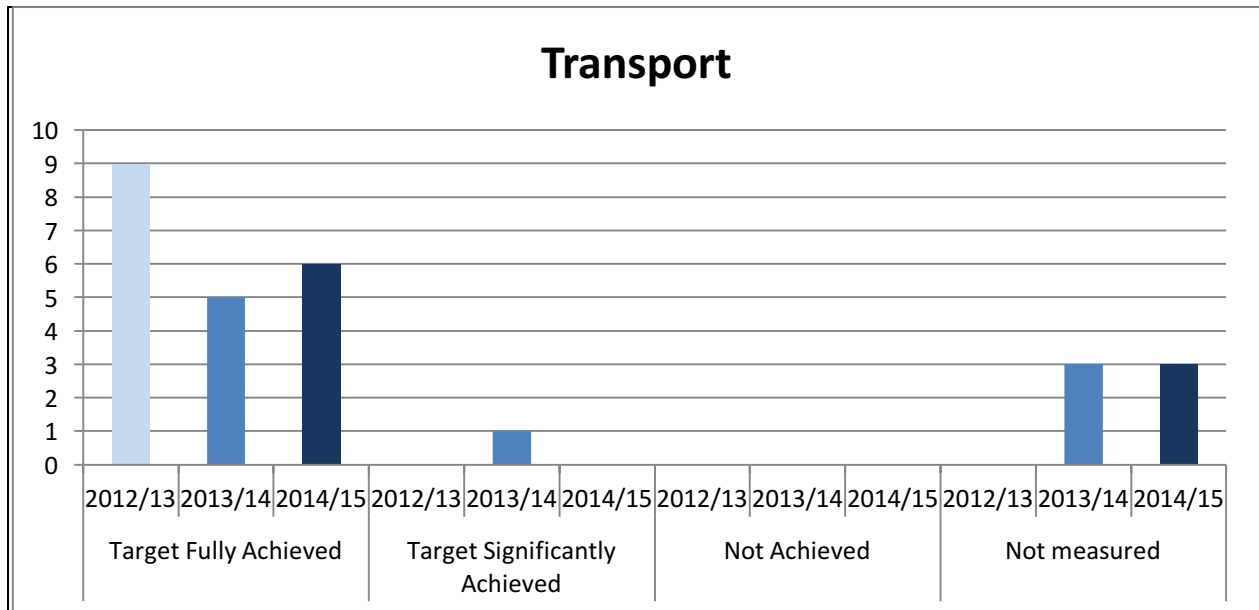
Levels of Service (We provide)	We will know we are meeting the Level of	Current Performance																		
1. Our network of roads, bridges, footpaths, cycleways and car parks are safe, uncongested and maintained cost effectively.	Number of customer service request complaints relating to the maintenance of footpaths - as measured through records held in Council's databases. [Target: <80]	Achieved. Complaints: 56 (2014: 39) Council have a limited footpath maintenance budget and work is prioritised.																		
	There is a downward trend in the number of serious and fatal crashes (excludes state highways) - as analysed by interrogating the New Zealand Transport Agency crash database. [Target: Downward trend in serious and fatal crashes]	Achieved. Actual = three fatal and five serious injury, decreasing trend over five years.   <table border="1"> <caption>Tasman District Council Roads - Number of Fatal and Serious Crashes</caption> <thead> <tr> <th>Year</th> <th>Serious</th> <th>Fatal</th> </tr> </thead> <tbody> <tr> <td>2010</td> <td>19</td> <td>3</td> </tr> <tr> <td>2011</td> <td>11</td> <td>2</td> </tr> <tr> <td>2012</td> <td>10</td> <td>0</td> </tr> <tr> <td>2013</td> <td>10</td> <td>1</td> </tr> <tr> <td>2014</td> <td>5</td> <td>3</td> </tr> </tbody> </table>	Year	Serious	Fatal	2010	19	3	2011	11	2	2012	10	0	2013	10	1	2014	5	3
	Year	Serious	Fatal																	
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The average quality of the ride on sealed roads experienced by motorists is maintained at current levels - as measured by the Smooth Travel Exposure Index (STE). [Target: 94%]	Achieved. 95% (2014: 96%) This information is taken from the New Zealand Transport Agency's RAMM report and covers all sealed urban/rural roads. Overall Smooth Travel Exposure is within target but has reduced on high volume urban roads including Lower Queen Street. The Forward Works Programme includes work which will address this. (Note: STE is a key national indicator of the effectiveness of road maintenance expenditure. It represents the proportion of travel undertaken each year on all sealed roads with acceptable surface roughness that provides comfortable travel conditions for passenger car users.)																			
2. Our roads and footpaths are managed at a level that satisfies the community.	Residents are satisfied with Council's roads and footpaths in the District - as is measured through the annual residents' survey. [Targets: Footpaths = 65% Roads = 70%	From the Communitrak™ residents' survey undertaken in May 2015: Footpath = 73% (2014: 70%): Target Achieved Roads = 75% (2014: 70%). Note these readings exclude State Highways: Target Achieved Parking = Target not measured in survey. Walk/cycleways = Target not measured in survey.																		

# ENGINEERING SERVICES

	<p>Parking = 80%</p> <p>Walkways and cycleways = 80%]</p>	<table border="1"> <caption>Satisfaction with Roads and Footpaths</caption> <thead> <tr> <th>Year</th> <th>Footpaths (%)</th> <th>Roads (%)</th> </tr> </thead> <tbody> <tr> <td>2009</td> <td>78</td> <td>73</td> </tr> <tr> <td>2010</td> <td>72</td> <td>64</td> </tr> <tr> <td>2011</td> <td>71</td> <td>81</td> </tr> <tr> <td>2012</td> <td>71</td> <td>78</td> </tr> <tr> <td>2013</td> <td>76</td> <td>79</td> </tr> <tr> <td>2014</td> <td>71</td> <td>70</td> </tr> <tr> <td>2015</td> <td>74</td> <td>75</td> </tr> </tbody> </table>	Year	Footpaths (%)	Roads (%)	2009	78	73	2010	72	64	2011	71	81	2012	71	78	2013	76	79	2014	71	70	2015	74	75
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<p>3. Faults in the transportation network are responded to and fixed promptly.</p>	<p>Customer service request complaints relating to the maintenance of roads, footpaths and related activities are completed on time and in accordance with the requirements in Council's road maintenance contracts - as measured through contract audits. [Target: &gt;90%]</p>	<p>Achieved. 94% of customer service requests were completed within the specified time frames. (2014: 94%)</p> <p>Actual numbers – On Time Completion Rates for 2014/2015 (comparative figures with 2013/2014 are shown in brackets):</p> <table border="1"> <thead> <tr> <th></th> <th>On Time</th> <th>Late</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>C871 Urban</td> <td>256</td> <td>11</td> <td>96% (96%)</td> </tr> <tr> <td>C875 Rural</td> <td>231</td> <td>18</td> <td>93% (94%)</td> </tr> <tr> <td>C787 Murchison</td> <td>11</td> <td>3</td> <td>79% (100%)</td> </tr> <tr> <td>C788 Golden Bay</td> <td>130</td> <td>8</td> <td>94% (89%)</td> </tr> <tr> <td><b>Total</b></td> <td><b>628 (836)</b></td> <td><b>40 (55)</b></td> <td><b>94% (94%)</b></td> </tr> </tbody> </table>		On Time	Late	%	C871 Urban	256	11	96% (96%)	C875 Rural	231	18	93% (94%)	C787 Murchison	11	3	79% (100%)	C788 Golden Bay	130	8	94% (89%)	<b>Total</b>	<b>628 (836)</b>	<b>40 (55)</b>	<b>94% (94%)</b>
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C787 Murchison	11	3	79% (100%)																							
C788 Golden Bay	130	8	94% (89%)																							
<b>Total</b>	<b>628 (836)</b>	<b>40 (55)</b>	<b>94% (94%)</b>																							
<p>4. Following emergency events our community is provided with a road network that is accessible.</p>	<p>All unplanned road closures are responded to as outlined in Council's emergency procedures manual - as reported in the contract operations report. [Target: 100%]</p>	<p>Not measured in 2014/2015 due to inherent difficulty in monitoring this performance measure. A new measure was developed for the Long Term Plan 2015-2025. (2014: Not measured)</p>																								

## ENGINEERING SERVICES

### Comparison of performance over three years



### Major Activities

Ongoing management, maintenance and renewal of Council's transportation network was undertaken. The network is comprised of roads, bridges (including footbridges), footpaths, carparks, streetlights, traffic signs and culvert pipes.

Council has an approved Regional Land Transport Strategy called "Connecting Tasman". This document is used as a high level plan to guide the management of the Transportation, Roads and Footpaths group of activities and 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 2014/2015. 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.

Activity	2014/2015 Budget \$	Actual
Sealed roads pavement rehabilitation	265,000	\$197,577 at McShane Road, Wai-iti Valley Road, and Kerr Hill Road were the only justified sites. Note individual sites must meet NZTA economic criteria for funding.
Sealed roads resurfacing	2,190,000	\$1,837,265 actual spend. Costs were reduced as seal life was able to be extended at some sites. Bitumen price also dropped significantly during 2014/2015.
Unsealed road metalling	911,000	\$802,418 actual spend. Some sites deferred due to unfavourable weather.
Drainage renewals	1,250,900	\$969,848 actual spend. Fewer renewals required based on condition, and lower cost treatments at some sites.
Minor improvements	1,965,808	\$2,046,904 actual spend. The amount is above budget as there were some cost increases at several sites.



## ENGINEERING SERVICES

Tasman's Great Taste Trail	933,859	\$677,660 actual spend. Land agreements have delayed construction of some sections. Under-spend carried over.
Bridge repairs	1,521,547	\$1,611,482 actual spend. Unplanned repairs required to Young's Bridge \$230,000.
Traffic Services Renewals	1,697,709	\$1,831,493. LED streetlight upgrade underway, purchase of new lights completed.
High Street Motueka, undergrounding of powerlines	73,251	\$0 actual spend. This is a Network Tasman project and the timeframe is controlled by them.

### Notes:

1. Some projects are undertaken over several years and therefore the amount noted in the table above might not be the full cost of the project. Refer to the relevant Activity Management Plan on Council's website for financial information on projects across the full 10 years of the Long Term Plan 2012-2022.
2. Renewals work is managed based on network needs and condition rather than 'spending to budget'. The Long Term Plan reduces renewals budgets for 2015/2016 to 2017/2018 by approximately 20% from 2014/2015 budgets.
3. There is no carryover of subsidised renewals budgets from 2014/2015 to 2015/2016. Overall expenditure was \$6,394,635 against budget of \$6,419,201.

## ENGINEERING SERVICES

2013/2014 Long Term Plan Budget \$	2013/2014 Actual \$	Transportation, Roads and Footpaths	2014/2015 Actual \$	2014/2015 Long Term Plan Budget \$	2014/2015 Annual Plan Budget \$	% of Annual Plan Budget
		<b>SOURCES OF OPERATING FUNDING</b>				
9,793,236	9,612,778	General rates, uniform annual general charges, rates penalties	9,929,824	10,558,441	9,929,824	100%
5,733	5,733	Targeted rates	5,734	5,733	5,733	100%
3,478,018	3,951,526	Subsidies and grants for operating purposes	3,122,719	3,441,048	3,655,441	85%
-	393,682	Fees and charges	545,452	-	145,887	374%
-	-	Internal charges and overheads recovered	-	-	-	-
1,175,895	1,072,647	Local authorities fuel tax, fines, infringement fees, and other receipts	1,139,757	1,279,782	965,476	118%
14,452,882	15,036,366	<b>TOTAL OPERATING FUNDING</b>	14,743,486	15,285,004	14,702,361	100%
		<b>APPLICATIONS OF OPERATING FUNDING</b>				
8,362,880	9,310,087	Payments to staff and suppliers	6,735,888	8,396,637	7,460,067	90%
1,861,020	1,671,911	Finance costs	2,019,143	2,148,170	2,043,385	99%
1,862,914	2,031,619	Internal charges and overheads applied	1,714,966	1,922,817	1,954,343	88%
-	-	Other operating funding applications	-	-	-	-
12,086,814	13,013,617	<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	10,469,997	12,467,624	11,457,795	91%
2,366,068	2,022,749	<b>SURPLUS (DEFICIT) OF OPERATING FUNDING</b>	4,273,489	2,817,380	3,244,566	132%
		<b>SOURCES OF CAPITAL FUNDING</b>				
4,295,735	6,049,924	Subsidies and grants for capital expenditure	4,980,266	4,693,685	4,760,255	105%
135,265	235,285	Development and financial contributions	366,340	132,407	109,446	335%
3,840,856	2,818,187	Increase (decrease) in debt	3,134,919	3,337,918	1,909,049	164%
-	-	Gross proceeds from sale of assets	-	-	-	-
-	-	Lump sum contributions	-	-	-	-
8,271,856	9,103,396	<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	8,481,525	8,164,010	6,778,750	125%
		<b>APPLICATIONS OF CAPITAL FUNDING</b>				
-	459	Capital expenditure				
		- to meet additional demand	540	-	66,031	1%
3,407,874	2,678,515	- to improve the level of service	4,924,704	3,410,135	2,311,383	213%
7,374,120	9,158,789	- to replace existing assets	5,939,580	7,743,417	7,315,367	81%
(144,070)	(711,618)	Increase (decrease) in reserves	1,890,190	(172,162)	330,535	572%
-	-	Increase (decrease) in investments	-	-	-	-
10,637,924	11,126,145	<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	12,755,014	10,981,390	10,023,316	127%
(2,366,068)	(2,022,749)	<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING</b>	(4,273,489)	(2,817,380)	(3,244,566)	132%
-	-	<b>FUNDING BALANCE</b>	-	-	-	-

**Comment:**

**Transportation, Roads and Footpaths**

There were no emergency events in the 2014/2015 financial year so emergency maintenance budgets were not spent. This, along with the delay in some projects, resulted in operational savings.

## ENGINEERING SERVICES

### COASTAL STRUCTURES

#### What We Do

This group of activities comprises:

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

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

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

#### Why We Do It

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

#### Our Goal

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

#### How this activity contributes to the Council's Community Outcomes

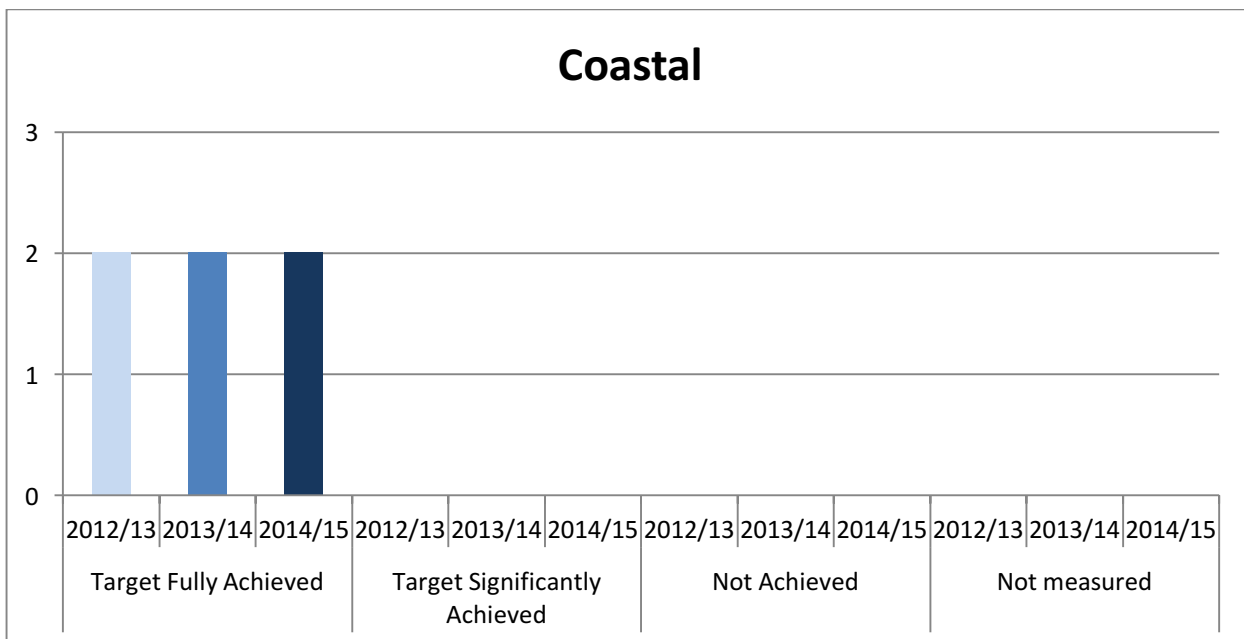
- Coastal structures can be managed so their impact does not affect the health and cleanliness of the receiving environment.
- The coastal structures activity ensures our built environments are functional, pleasant and safe by ensuring the coastal structures are operated without causing public health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

#### Our levels of service and how we measure progress against them

## ENGINEERING SERVICES

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance
1. Our works are carried out so that the impacts on the natural coastal environment are minimised to a practical but sustainable level.	Resource consents are held and complied with for works undertaken by Council or its contractors on Council owned coastal protection - as measured by the number of abatement notices issued to Council. [Target: No abatement notices issued]	Achieved. There have been no abatement notices issued for breach of resource consent conditions. (2014: No breaches)
2. Faults in the coastal assets are responded to and fixed promptly.	We are able to respond to customer service requests relating to our coastal assets within the timeframes we have agreed with our suppliers and operators, and within the available funding. [Target: 90%]	Achieved. Actual = 100% (2014: 100%)

### Comparison of performance over three years



### Major Activities

## ENGINEERING SERVICES

This group of activities involves ongoing management, maintenance and renewal of Council's coastal structures. The following table includes major activities completed in the 2014/2015 year.

Activity	2014/2015 Budget \$	Actual
Jackett Island Remediation work	\$100,000	Actual spend - \$133,100. This work was carried out in response to storm damage on the geotextile sand bag wall. As a result of an Environment Court decision, Council is required to 'hold the line' at 209 Jackett Island. Council also conducts quarterly surveys monitoring erosion on Motueka spit and Jackett Island. \$54,500 was spent on legal fees and expenses regarding settlement of legacy issues from the Environment Court enforcement order.
Mapua Wharf building and seawall	31,000	Planned maintenance to the piles under the wharf structure did not occur as this work was carried out earlier in 2013/2014 as a result of fire damage. Construction on the seawall has occurred in 2015/2016. Actual spend - \$7,000. Works on the floating pontoon were completed in 2014/2015. This work had not been identified in the Annual Plan and this work was a response to damage. From 2015/2016 financial year Mapua Wharf buildings are included in the Commercial Activity Management Plan.

# ENGINEERING SERVICES

2013/2014 Long Term Plan Budget \$	2013/2014 Actual \$	Coastal Structures	2014/2015 Actual \$	2014/2015 Long Term Plan Budget \$	2014/2015 Annual Plan Budget \$	% of Annual Plan Budget
		<b>SOURCES OF OPERATING FUNDING</b>				
444,340	444,428	General rates, uniform annual general charges, rates penalties	988,001	724,017	988,001	100%
136,042	135,237	Targeted rates	118,976	123,773	113,155	105%
-	-	Subsidies and grants for operating purposes	-	-	390,000	0%
-	477,680	Fees and charges	542,811	-	750,726	72%
-	-	Internal charges and overheads recovered	-	-	-	-
870,566	239,639	Local authorities fuel tax, fines, infringement fees, and other receipts	269,466	898,093	288,766	93%
1,450,948	1,296,984	<b>TOTAL OPERATING FUNDING</b>	1,919,254	1,745,883	2,530,648	76%
		<b>APPLICATIONS OF OPERATING FUNDING</b>				
401,105	1,032,902	Payments to staff and suppliers	593,754	647,502	825,745	72%
365,339	305,578	Finance costs	312,242	441,877	394,092	79%
160,220	197,673	Internal charges and overheads applied	79,108	175,892	184,056	43%
-	-	Other operating funding applications	-	-	-	-
926,664	1,536,153	<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	985,104	1,265,271	1,403,893	70%
524,284	(239,169)	<b>SURPLUS (DEFICIT) OF OPERATING FUNDING</b>	934,150	480,612	1,126,755	83%
		<b>SOURCES OF CAPITAL FUNDING</b>				
-	-	Subsidies and grants for capital expenditure	-	-	-	-
-	-	Development and financial contributions	-	-	-	-
1,022,838	(592,039)	Increase (decrease) in debt	(290,652)	1,026,676	(318,626)	91%
-	-	Gross proceeds from sale of assets	-	-	-	-
-	-	Lump sum contributions	-	-	-	-
1,022,838	(592,039)	<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	(290,652)	1,026,676	(318,626)	91%
		<b>APPLICATIONS OF CAPITAL FUNDING</b>				
		Capital expenditure				
-	-	- to meet additional demand	-	-	-	-
1,426,243	263,407	- to improve the level of service	448,821	1,473,307	1,222,239	37%
5,382	9,197	- to replace existing assets	93,472	5,560	260,560	36%
115,497	(1,103,812)	Increase (decrease) in reserves	101,205	28,421	(674,670)	-15%
-	-	Increase (decrease) in investments	-	-	-	-
1,547,122	(831,208)	<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	643,498	1,507,288	808,129	80%
(524,284)	239,169	<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING</b>	(934,150)	(480,612)	(1,126,755)	83%
-	-	<b>FUNDING BALANCE</b>	-	-	-	-

## Comment:

### Coastal Structures

The Mapua Precinct building work did not start in 2014/2015 as anticipated. This resulted in a significant capital underspend for the year. Budgeted insurance proceeds were also not received as a result in the delay in the building development.



## ENGINEERING SERVICES

### WATER SUPPLY

#### What We Do

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

The Council's network is extensive and growing rapidly. At present the network comprises approximately 756 km of pipeline, 36 pumping stations, 11,400 domestic connections and 98 reservoirs and break pressure tanks with a capacity of approximately 20,000 cubic metres of water. In addition, Council manages the Wai-iti water storage dam to provide supplementary water into the Lower Wai-iti River and aquifer. This enables sustained water extraction for land irrigation at times of low river flows.

#### Why We Do It

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

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

#### Our Goal

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

#### How this activity contributes to the Council's Community Outcomes

- All water in the Council-owned schemes is taken from the environment. This activity can be managed so the impact of the water take does not prove detrimental to the surrounding environment.
- The water supply activity is a service to the community providing water that is safe to drink and is efficiently delivered to meet customer needs. It also provides a means for fire fighting consistent with the national fire fighting standards.

#### Our levels of service and how we measure progress against them

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance
1. Our water takes are sustainable.	All water takes have resource consents. All resource consents are held in Confirm. [Target: 100%]	Achieved. Actual = 100% Current resource consents are in place for each water take. (2014: 100%)
2. Our use of the water resource is efficient.	Water demand management plans are in place for each water scheme - as measured by having a Demand	Not achieved. Actual = eight out of 16 Demand Management Plans are in place for the following zones: Richmond, Brightwater/Hope, Wakefield, Mapua/Ruby Bay, Waimea Industrial, Kaiteriteri,

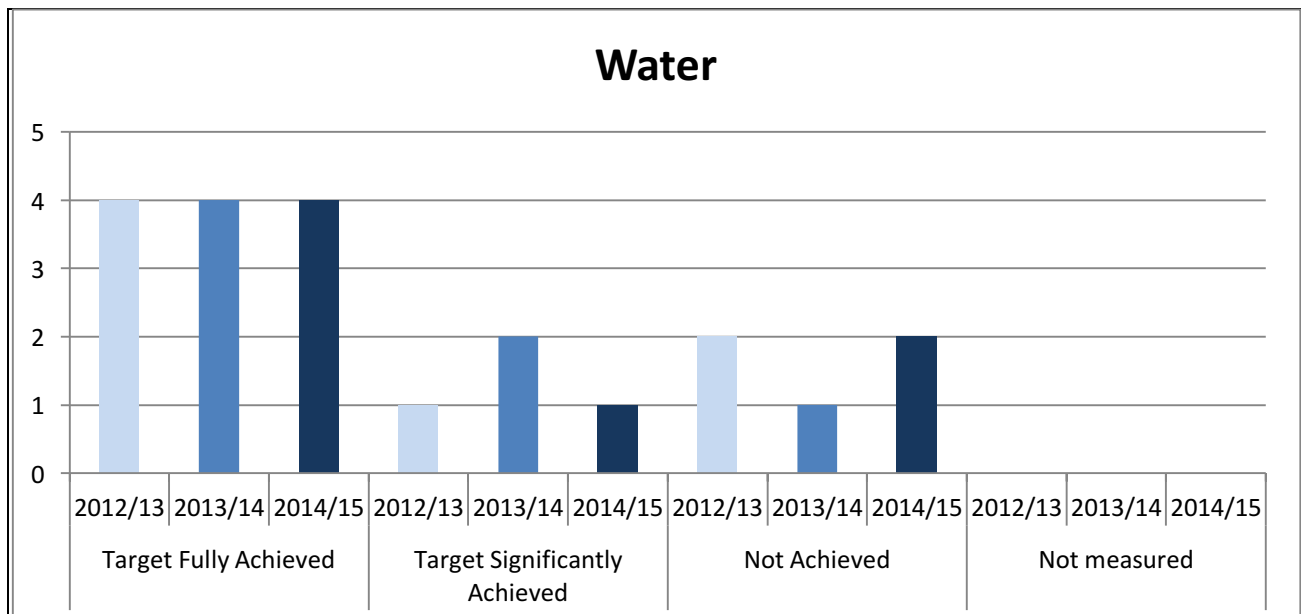
## ENGINEERING SERVICES

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance
	Management Plan. [Target: 10 out of 16]	Collingwood and Murchison (2014: six out of 16) Six of the plans are in place for locations with high water volume schemes. The remaining schemes have lower demand. Basic checks are undertaken on the remaining schemes, comparing water sold through water meters with what was pumped. This helps determine the quantity of water leakage.
3. Our water is safe to drink.	Number of temporary advisory notices issued to boil water - as issued in consultation with the Medical Officer of Health. [Target: Nil]	Target significantly achieved. Actual = one (2014: 0) A boil water notice was issued in Richmond in relation to an incident where a bird entered the new Richmond Water Treatment Plant Storage – this was quickly remedied.  There is a permanent boil water notice in place at Dovedale, which is not covered in the targets as it is permanently in place.
	There are no bacterial non-compliances for water supplies - as measured by water sampling and analysis to meet DWSNZ, recorded in Water Information New Zealand. [Target: Nil]	Not achieved. Actual = three separate events, 16 samples in total. One event related to the boil water notice being issued where a bird entered a tank. One related to a reservoir in Waimea, cause unknown, but suspected to be a result of unsealed roof. One related to the Dovedale Water Scheme, when the chlorination failed. All issues have been followed up with remedial work.  (Total <i>E.coli</i> samples taken, 1,334 resulting in 98.8% compliance)  Council carries out water compliance testing on all of its supplies in accordance with DWSNZ 2005 (revised 2008). (2014:1)
4. Our water supply systems provide fire protection to a level that is consistent with the national standard.	Our water supply systems provide fire protection to a level that is consistent with the national standard. Urban water supply systems are able to meet FW2 standard Code of Practice for Fire Fighting Water Supplies - as measured through hydraulic modelling, revised biennially. [Target: 90%]	Achieved. Actual = 90%. Nine out of 10 urban systems fully comply with fire fighting capability. The vast majority of Richmond complies, with the exception of Cropp Place. Rural water supplies and community supplies do not provide fire fighting capacity, so are not covered by this measure. (2014: 90%)

# ENGINEERING SERVICES

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance
5. Our water supply activities are managed at a level that the community is satisfied with.	% of customers are satisfied with the water supply service - as measured through the annual residents' survey. [Target: 80%]	<p>Achieved. Actual = 81%</p> <p>The Communitrak™ survey was undertaken in May 2015. 81% of receivers of the service were found to be satisfied with the service they receive. (2014: 77%)</p> <p>Recommended Satisfaction Measure For Reporting Purposes:                      Total District = 54%                      Receivers of Service = 81%</p>
6. Our water supply systems are built, operated and maintained so that failures can be managed and responded to quickly.	% of faults remedied to within contract timeframes (e.g. Emergency = service restoration in four hours. Urgent = service restoration in one working day) - as recorded through Council's Confirm database. [Target: >90%]	<p>Achieved. Actual = 2,000 faults recorded, 1,964 or 98% completed on time. (2014: 2,095 faults and 99% completed on time).</p> <p>The operations and maintenance contractor is required to meet a target of 90% of faults to be responded to and fixed within specified timeframes. The figure reported here relates to completion within the final completion timeframe. More detailed response timeframes are monitored through Council's contract with service providers (contract number 688).</p>

## Comparison of performance over three years



## ENGINEERING SERVICES

### Major Activities

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

Activity	2014/2015 Budget \$	Actual
Richmond Water treatment plant	7,726,730 (\$4,344,866 plus \$3,381,864 carried forward from 2013/14)	Construction work concluded in mid-March and the treatment plant is now in the trial operations period and practical completion is expected in mid-August 2015.  There has been \$7,348,035 spent on this project for the year ended 30 June 2015.
Richmond East – High level reservoir and pipelines	2,123,298 (carried forward from 2013/14)	Construction was complete at end of June. Additional expenditure was due to difficulty in securing land and additional works.  There has been \$2,210,000 spent on this project for the year ended 30 June 2015.
Motueka water treatment upgrade	350,000	There has been \$2,271 spent on this project for the year ended 30 June 2015. The remaining budget was allocated to upgrade the larger, centralised Parker Street water treatment plant.  Minor work only at this site is proposed in the Fearon Street facility during the 2015/2016 year.
Richmond re-zoning <ul style="list-style-type: none"> <li>High level at Valhalla Drive (carried forward)</li> <li>Talbot Street (carried forward)</li> </ul>	133,660 (carried forward from 2013/14)  225,898 (carried forward from 2013/14)	This project included the upgrading of existing water supply mains. Works were completed in March 2015. There has been \$116,939 spent on this project for the year ended 30 June 2015.  This project included the upgrading of existing water supply mains and meters. Works were completed in April 2015.  There has been \$153,618 spent on this project for the year ended 30 June 2015.
Water telemetry	187,195	The Riwaka-Kaiteriteri water supply has been upgraded to digital telemetry.  There has been \$204,512 spent on this project for the year ended 30 June 2015.

## ENGINEERING SERVICES

2013/2014 Long Term Plan Budget \$	2013/2014 Actual \$	Water Supply	2014/2015 Actual \$	2014/2015 Long Term Plan Budget \$	2014/2015 Annual Plan Budget \$	% of Annual Plan Budget
		<b>SOURCES OF OPERATING FUNDING</b>				
101,650	102,531	General rates, uniform annual general charges, rates penalties	101,650	101,650	101,650	100%
1,724,148	7,165,581	Targeted rates	8,060,074	1,776,657	7,864,990	102%
-	-	Subsidies and grants for operating purposes	-	-	-	-
6,949,738	1,014,302	Fees and charges	1,277,756	7,182,712	947,578	135%
-	-	Internal charges and overheads recovered	-	-	-	-
338,531	407,081	Local authorities fuel tax, fines, infringement fees, and other receipts	333,877	339,349	333,877	100%
9,114,067	8,689,495	<b>TOTAL OPERATING FUNDING</b>	9,773,357	9,400,368	9,248,095	106%
		<b>APPLICATIONS OF OPERATING FUNDING</b>				
4,089,710	3,422,654	Payments to staff and suppliers	3,532,537	4,217,053	3,735,495	95%
1,508,295	1,247,101	Finance costs	1,698,810	1,896,897	1,685,987	101%
983,458	1,248,662	Internal charges and overheads applied	1,090,136	1,015,154	1,193,313	91%
-	-	Other operating funding applications	-	-	-	-
6,581,463	5,918,417	<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	6,321,483	7,129,104	6,614,795	96%
2,532,604	2,771,078	<b>SURPLUS (DEFICIT) OF OPERATING FUNDING</b>	3,451,874	2,271,264	2,633,300	131%
		<b>SOURCES OF CAPITAL FUNDING</b>				
-	-	Subsidies and grants for capital expenditure	-	-	-	-
505,191	839,633	Development and financial contributions	272,670	486,709	459,484	59%
4,962,410	973,203	Increase (decrease) in debt	7,538,975	5,804,446	3,683,943	205%
-	-	Gross proceeds from sale of assets	-	-	-	-
-	-	Lump sum contributions	16,734	-	-	-
5,467,601	1,812,836	<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	7,828,379	6,291,155	4,143,427	189%
		<b>APPLICATIONS OF CAPITAL FUNDING</b>				
		Capital expenditure				
168,997	1,055,594	- to meet additional demand	2,251,818	-	904,252	249%
5,854,326	1,969,618	- to improve the level of service	8,982,898	7,063,384	4,447,021	202%
1,285,729	610,381	- to replace existing assets	426,502	1,375,932	745,100	57%
691,153	948,321	Increase (decrease) in reserves	(380,965)	123,103	680,354	-56%
-	-	Increase (decrease) in investments	-	-	-	-
8,000,205	4,583,914	<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	11,280,253	8,562,419	6,776,727	166%
(2,532,604)	(2,771,078)	<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING</b>	(3,451,874)	(2,271,264)	(2,633,300)	131%
-	-	<b>FUNDING BALANCE</b>	-	-	-	-

**Note:** Due to the reclassification of targeted rates, fees and charges and other receipts under the new PBE standards the Annual Plan budgets have been adjusted. No adjustments have been made for the Long Term Plan budgets.

**Comment:**

**Water Supply**

The Richmond Water Treatment Plant was carried over from 2013/2014 resulting in an overspend against budget in the 2014/2015 year.

## ENGINEERING SERVICES

### WASTEWATER

#### What We Do

Tasman District Council provides and manages wastewater collection, treatment and disposal facilities for ratepayers connected to the Council's 12 wastewater networks. These networks convey wastewater to eight treatment plants, seven of which are owned and managed by the Council. The largest treatment plant, Bells Island, is owned by both Nelson and Tasman councils on a 50:50 basis but is managed by the Nelson Regional Sewerage Business Unit. Wastewater from settlements in the Waimea Basin (Richmond, Brightwater, Hope and Wakefield) and Mapua/Ruby Bay is treated at Bells Island.

#### Why We Do It

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

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

#### Our Goal

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

#### How this activity contributes to the Council's Community Outcomes

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



## ENGINEERING SERVICES

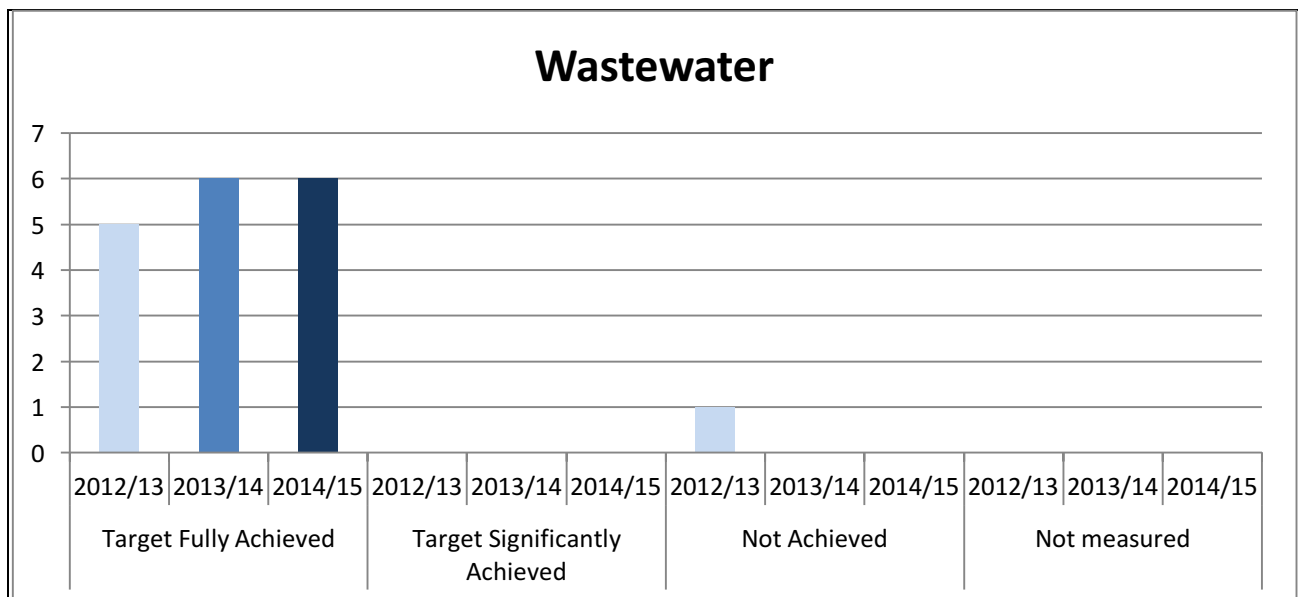
### Our levels of service and how we measure progress against them

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance
1. Our wastewater systems do not adversely affect the receiving environment.	All necessary resource consents are held. Resource consent information is held in Council's Confirm database. [Target: In place]	Achieved. Actual = 100% As far as Council is aware, all necessary consents are held. Compliance with consent conditions is monitored by Council's Engineering Services department. Engineering Services have received no notices requiring additional consents, abatement notices, or enforcement orders relating to its activities during the 2014/2015 period. (2014:100%)
	Number of beach closures or shellfish gathering bans caused by sewer overflows - as recorded in Council's Confirm database. [Target: <5]	Achieved. Actual = four The four incidents were a result of two system blockages, and two broken rising mains.  The four incidents did not result in beaches being closed but signs were erected warning of an overflow and not to collect shellfish (2014: 2). Despite the slight upward trend in numbers from last year, the result is a substantial improvement from Council historic performance. The improvements are a result of Council's programme of asset renewal and upgrading the capacity of the network.
2. Our wastewater systems reliably take our wastewater with a minimum of odours, overflows or disturbance to the public.	Number of complaints relating to our wastewater systems - as recorded in Council's Confirm database. [Target: <30]	Achieved. Actual = 29 Generally overflows or blockages have been treated as requests for service. 29 complaints were received, 25 for smells from WWTPs or pump stations. (2014: 21) The increase in complaints from the previous year is due to the biological failure of the Motueka oxidation pond in September 2014, which took over two weeks to resolve.
	Number of overflows resulting from faults in Council's wastewater systems. [Target: <1 per km]	Achieved. Actual – 20 overflows (0.05 per km) With a total of 400km, this equates to 0.05 overflows per km of sewer. (2014: 42 overflows 0.11/km)
3. Our wastewater activities are managed at a level that satisfies the community.	% of customers satisfied with the wastewater service - as measured through the annual residents' survey. [Target: 80%]	Achieved. Actual = 95% The Communitrak™ residents survey was undertaken in May 2015. 95% of receivers of the service were found to be satisfied with the service they received. (2014: 89%)

# ENGINEERING SERVICES

		<p style="text-align: center;">Sewerage System</p> <table border="1"> <caption>Sewerage System Satisfaction Data (2002-2015)</caption> <thead> <tr> <th>Year</th> <th>Very fairly satisfied (%)</th> <th>Not very satisfied (%)</th> </tr> </thead> <tbody> <tr><td>2002</td><td>61</td><td>7</td></tr> <tr><td>2005</td><td>66</td><td>9</td></tr> <tr><td>2008</td><td>66</td><td>6</td></tr> <tr><td>2009</td><td>73</td><td>5</td></tr> <tr><td>2010</td><td>70</td><td>5</td></tr> <tr><td>2011</td><td>64</td><td>5</td></tr> <tr><td>2012</td><td>74</td><td>3</td></tr> <tr><td>2013</td><td>66</td><td>6</td></tr> <tr><td>2014</td><td>67</td><td>7</td></tr> <tr><td>2015</td><td>65</td><td>2</td></tr> </tbody> </table> <p>Recommended Satisfaction Measure For Reporting Purposes:          Total District = 65%          Receivers of Service = 95%</p>	Year	Very fairly satisfied (%)	Not very satisfied (%)	2002	61	7	2005	66	9	2008	66	6	2009	73	5	2010	70	5	2011	64	5	2012	74	3	2013	66	6	2014	67	7	2015	65	2
Year	Very fairly satisfied (%)	Not very satisfied (%)																																	
2002	61	7																																	
2005	66	9																																	
2008	66	6																																	
2009	73	5																																	
2010	70	5																																	
2011	64	5																																	
2012	74	3																																	
2013	66	6																																	
2014	67	7																																	
2015	65	2																																	
<p>4. Our wastewater systems are built, operated and maintained so that failures can be managed and responded to quickly.</p>	<p>% of faults responded to within contract timeframes e.g. Emergency = service restoration in four hours. Urgent = service restoration in one working day – as recorded through Council’s Confirm database. [Target: ≥ 90%]</p>	<p>Achieved. Actual = 409 faults recorded, 396 (97%) completed on time.                  The operations and maintenance contractor is required to meet a target of 90% of faults to be responded to and fixed within specified timeframes. The figure reported here relates to completion within the final completion timeframe. More detailed response times are monitored through contract number 688. (2014: 99%)</p>																																	

## Comparison of performance over three years



## ENGINEERING SERVICES

### Major Activities

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

Activity	Budget \$	Actual
Motueka wastewater treatment plant	6,040,840 (\$2,997,471 plus \$3,043,369 carried forward from 2013/14)	A final upgrade option was adopted by Council in August 2014, followed by public consultation and submissions on a resource consent application in December. Detailed design was completed and membrane filtration plant tendered in May. The oxidation pond was de-sludged in April. Rock bund work commenced in late June. Further work is scheduled in the 2015/2016 year.  There has been \$1,264,493 spent on this project for the year ended 30 June 2015.
Takaka wastewater treatment plant	2,930,639 (\$10,494 plus \$2,920,145 carried forward from 2013/14)	Detailed design and construction works have been implemented in stages. A new floating wetland was constructed in October 2014 and rapid infiltration basins in May 2015. The upgraded treatment plant is now discharging via the basins, providing protection to the river. Improvements to the inlet works are scheduled for completion in September 2015.  There has been \$2,417,439 spent on this project for the year ended 30 June 2015. The unspent budget will be carried forward to 2015/2016.
Motueka pipeline renewals and manholes	676,894	Approximately 600 metres of sewer pipes were lined with a new PVC pipe in Motueka.  There has been \$211,339 spent on this project for the year ended 30 June 2015.
Richmond pipeline renewals	323,989	Work in William Street and Churchill Avenue is now complete and was completed under budget.  There has been \$148,743 spent on this project for the year ended 30 June 2015.
Wastewater telemetry	250,852	A total of eight wastewater pumping stations were upgraded to digital telemetry.  There has been \$220,643 spent on this project for the year ended 30 June 2015. The project is ongoing with additional funds allocated in the Annual Plan 2015/2016.

# ENGINEERING SERVICES

2013/2014 Long Term Plan Budget \$	2013/2014 Actual \$	Wastewater and Sewage Disposal	2014/2015 Actual \$	2014/2015 Long Term Plan Budget \$	2014/2015 Annual Plan Budget \$	% of Annual Plan Budget
-	-	SOURCES OF OPERATING FUNDING	-	-	-	-
9,789,801	9,443,577	General rates, uniform annual general charges, rates penalties	-	-	-	-
-	-	Targeted rates	9,851,035	10,402,075	9,849,853	100%
-	196,622	Subsidies and grants for operating purposes	-	-	-	-
-	-	Fees and charges	15,662	-	166,535	91%
-	-	Internal charges and overheads recovered	-	-	-	-
721,670	1,485,754	Local authorities fuel tax, fines, infringement fees, and other receipts	1,596,895	717,232	422,063	378%
10,511,471	11,125,953	TOTAL OPERATING FUNDING	11,599,592	11,119,307	10,438,451	111%
-	-	APPLICATIONS OF OPERATING FUNDING	-	-	-	-
6,009,249	4,493,718	Payments to staff and suppliers	4,301,740	6,159,511	5,409,701	80%
1,749,300	1,612,662	Finance costs	2,130,845	2,046,149	1,982,525	107%
1,154,345	1,291,456	Internal charges and overheads applied	983,568	1,190,909	1,194,385	82%
-	-	Other operating funding applications	-	-	-	-
8,912,894	7,397,836	TOTAL APPLICATIONS OF OPERATING FUNDING	7,416,154	9,396,569	8,586,611	86%
1,598,577	3,728,117	SURPLUS (DEFICIT) OF OPERATING FUNDING	4,183,438	1,722,738	1,851,840	226%
-	686	SOURCES OF CAPITAL FUNDING	-	-	-	-
654,168	819,891	Subsidies and grants for capital expenditure	5,623	-	-	-
6,868,206	(1,808,158)	Development and financial contributions	1,722,590	629,636	628,494	274%
-	-	Increase (decrease) in debt	(3,563,095)	2,999,914	2,188,654	-163%
-	-	Gross proceeds from sale of assets	-	-	-	-
-	-	Lump sum contributions	-	-	-	-
7,522,374	(987,581)	TOTAL SOURCES OF CAPITAL FUNDING	(1,834,882)	3,629,550	2,817,148	-65%
-	-	APPLICATIONS OF CAPITAL FUNDING	-	-	-	-
107,641	18,821	Capital expenditure	-	-	-	-
6,353,306	1,239,505	- to meet additional demand	6,196	56,130	467,660	1%
2,660,004	690,765	- to improve the level of service	3,369,300	3,735,927	2,787,483	121%
-	791,445	- to replace existing assets	1,096,108	1,560,231	1,233,152	89%
-	-	Increase (decrease) in reserves	(2,123,048)	-	180,693	-1175%
-	-	Increase (decrease) in investments	-	-	-	-
9,120,951	2,740,536	TOTAL APPLICATIONS OF CAPITAL FUNDING	2,348,556	5,352,288	4,668,988	50%
(1,598,577)	(3,728,117)	SURPLUS (DEFICIT) OF CAPITAL FUNDING	(4,183,438)	(1,722,738)	(1,851,840)	226%
-	-	FUNDING BALANCE	-	-	-	-

## Comment:

### Wastewater and Sewerage Disposal

The Motueka Wastewater Treatment Plant was carried over from 2013/2014 resulting in an overspend against budget in the 2014/2015 year.

## ENGINEERING SERVICES

### STORMWATER

#### What We Do

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

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

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

#### Why We Do It

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

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

#### Our Goal

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

#### How this activity contributes to the Council's Community Outcomes

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

## ENGINEERING SERVICES

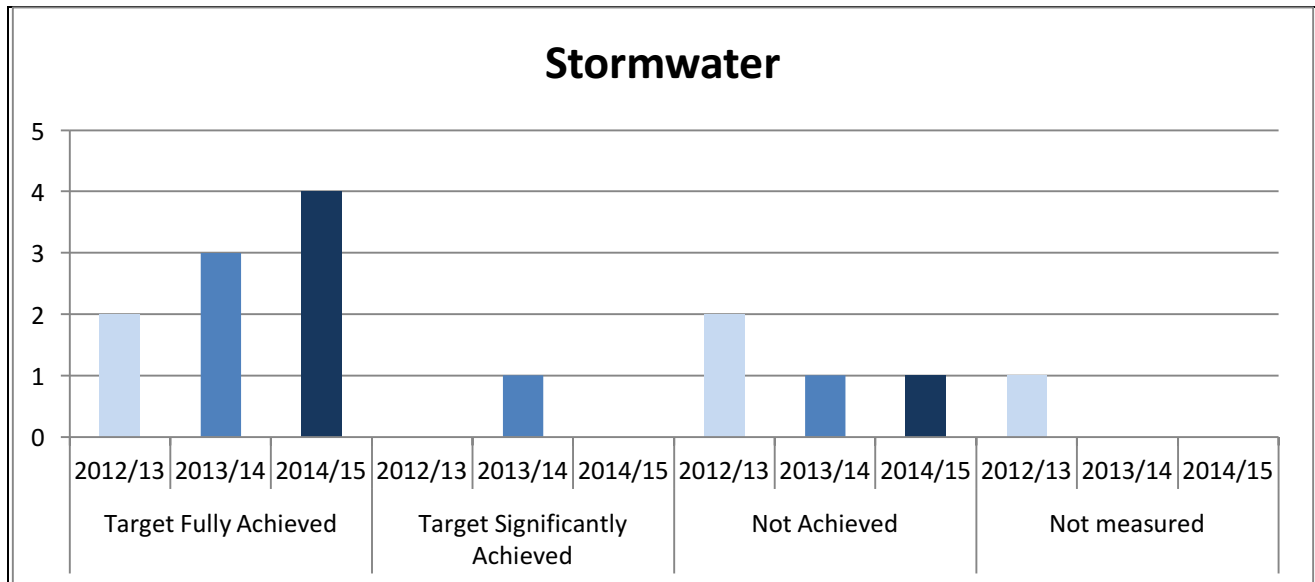
### Our levels of service and how we measure progress against them

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance										
1. Our stormwater systems do not adversely effect or degrade the receiving environment.	Council has resource consents in place for each of the 16 stormwater UDAs. Resource consents are held in Council's Confirm database. [Target: One out of 16 (Richmond)]	Not achieved. Catchment Management Plan in process of being drafted for Richmond. Further Catchment Management Plans will be developed over the next 10 years.										
2. Our stormwater systems collect and convey stormwater safely through urban environments, reducing the adverse effects of flooding on people and residential and commercial buildings.	There are no public complaints to Council of residential or commercial buildings being flooded as a result of failure of Council stormwater systems to cope with the current design capacity (this excludes capacity from rivers and private drainage failure) - as measured through complaints received through Council's customer services and recorded in the Confirm database. [Target: Nil]	Achieved. Despite a small number of complaints about stormwater entering people's land, there were no complaints to Council relating to flooding of residential or commercial buildings in 2014/2015 as a result of Council stormwater infrastructure failure.  The performance measure is specific to flooding of buildings arising from failure of Council stormwater systems. Council's complaints records show no evidence of failure of the stormwater system causing flooding of buildings. It is noted there was no major rain event in the 2014/2015 financial year.  (2014: 17 calls; either about floodgates or flooding or potential flooding on land but not in buildings).										
3. Our stormwater activities are managed at a level which satisfies the community.	% of customers satisfied with the stormwater service - as measured through the annual residents' survey. [Target: 80%]	Achieved. Actual = 83%  The Communitrak™ residents' survey was undertaken in May 2015. 83% of receivers of the service were found to be satisfied with the service they received, with 23% of receivers unsatisfied. (2014: 76%)  <div style="text-align: center;"> <p><i>Service Provided</i></p> <table border="1"> <caption>Service Satisfaction Data</caption> <thead> <tr> <th>Satisfaction Level</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Very satisfied</td> <td>45%</td> </tr> <tr> <td>Fairly satisfied</td> <td>38%</td> </tr> <tr> <td>Not very satisfied</td> <td>15%</td> </tr> <tr> <td>Don't know</td> <td>2%</td> </tr> </tbody> </table> <p>Base = 227</p> </div>	Satisfaction Level	Percentage	Very satisfied	45%	Fairly satisfied	38%	Not very satisfied	15%	Don't know	2%
	Satisfaction Level	Percentage										
Very satisfied	45%											
Fairly satisfied	38%											
Not very satisfied	15%											
Don't know	2%											
Number of complaints relating to health nuisance (odour, mosquitoes, noise, etc) - as measured through complaints received through Council's customer services and recorded in the Confirm database. [Target: < 10 complaints]	Achieved. There were no complaints relating to health nuisance from our stormwater network. (2014: 2)											

## ENGINEERING SERVICES

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance
4. We have measures in place to respond to and reduce flood damage to property and risk to the community within stormwater UDAs.	% of faults responded to within contract timeframes (e.g. priority = clear obstructions in stormwater system in one working day) - as recorded through Council's Confirm database. [Target: >90%]	Achieved. Actual = 132 faults recorded, 131 (99%) completed on time. (2014: 194 faults recorded, 98% completed on time)

### Comparison of performance over three years



## ENGINEERING SERVICES

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

Activity	Budget \$	Actual
Seaton Valley Stream – Stage 1	388,114	A contract for this work was awarded in June. Work is scheduled to commence in September 2015 so resource consent requirements can be met for works in a waterway.  There has been \$67,582 spent on this project for the year ended 30 June 2015, with remaining funds carried forward to the next financial year.
Borck Creek (Queen Street to SH6) and Poutama Drain	2,088,121	Resource consent was sought and granted and design completed for the Headingly Lane – Water Treatment Plant sections of Borck Creek and Poutama Drain. Earthworks for the Borck Creek sections were substantially completed by June 2015. Further land purchase negotiations were initiated during the period.  There has been \$660,518 spent on this project for the year ended 30 June 2015. Further work on this project is ongoing with unspent budget rolling into the 2015/2016 year.
Champion Road Culvert Upgrade	424,921 (carried over from the 2013/2014 year).	Resource consent was sought and granted and design completed for this project. Contract was awarded in late 2014, but put on hold due to land negotiations. Enabling works and some off-site construction commenced in early 2015. Physical works on site is scheduled to commence in mid July 2015.  There has been \$412,970 spent on this project for the year ended 30 June 2015.
Queen Street	274,412	Preliminary design for this project was completed in June 2015. Further detailed design is scheduled for the 2015/2016 year.  There has been \$227,419 spent on this project for the year ended 30 June 2015.
Ranzau, Paton and White Roads	160,309	Preliminary work on this project commenced in 2014. Further work is scheduled for the 2015/2016 year, as the project has been rolled into a wider flood management programme. The wider programme is expected to start in 2015/2016.  There has been \$24,103 spent on this project for the year ended 30 June 2015. Unspent budget will be carried forward to 2015/2016.
Wensley Road/Hart Road detention pond	240,000	This project is a Council contribution towards a detention pond constructed as part of subdivision works.  There has been \$121,417 spent on this project for the year ended 30 June 2015. The remaining funds will be used in 2015/2016.



# ENGINEERING SERVICES

2013/2014 Long Term Plan Budget \$	2013/2014 Actual \$	Stormwater	2014/2015 Actual \$	2014/2015 Long Term Plan Budget \$	2014/2015 Annual Plan Budget \$	% of Annual Plan Budget
-	-	SOURCES OF OPERATING FUNDING				
2,935,692	2,891,124	General rates, uniform annual general charges, rates penalties	-	-	-	-
-	-	Targeted rates	3,330,621	3,056,692	3,299,237	101%
-	44,549	Subsidies and grants for operating purposes	-	-	-	-
-	-	Fees and charges	42,305	-	11,023	384%
83,541	87,621	Internal charges and overheads recovered	-	-	-	-
		Local authorities fuel tax, fines, infringement fees, and other receipts	71,874	84,070	71,873	100%
3,019,233	3,023,294	TOTAL OPERATING FUNDING	3,444,800	3,140,762	3,382,133	102%
		APPLICATIONS OF OPERATING FUNDING				
964,714	1,555,372	Payments to staff and suppliers	612,311	929,036	777,751	79%
694,321	727,538	Finance costs	887,660	806,920	975,273	91%
391,153	421,436	Internal charges and overheads applied	345,342	402,090	518,875	67%
-	-	Other operating funding applications	-	-	-	-
2,050,188	2,704,346	TOTAL APPLICATIONS OF OPERATING FUNDING	1,845,312	2,138,046	2,271,899	81%
969,045	318,948	SURPLUS (DEFICIT) OF OPERATING FUNDING	1,599,488	1,002,716	1,110,234	144%
		SOURCES OF CAPITAL FUNDING				
-	-	Subsidies and grants for capital expenditure	-	-	-	-
437,940	818,052	Development and financial contributions	1,260,473	421,517	421,517	299%
(373,581)	1,256,143	Increase (decrease) in debt	98,905	3,225,429	1,863,961	5%
-	-	Gross proceeds from sale of assets	-	-	-	-
-	-	Lump sum contributions	-	-	-	-
64,359	2,074,195	TOTAL SOURCES OF CAPITAL FUNDING	1,359,378	3,646,946	2,285,478	59%
		APPLICATIONS OF CAPITAL FUNDING				
		Capital expenditure				
41,739	1,499,982	- to meet additional demand	278,520	966,233	737,424	38%
550,135	283,171	- to improve the level of service	1,351,262	3,918,892	2,449,295	55%
57,464	549,364	- to replace existing assets	45,512	240,001	44,477	102%
384,066	60,626	Increase (decrease) in reserves	1,283,572	(475,464)	164,516	780%
-	-	Increase (decrease) in investments	-	-	-	-
1,033,404	2,393,143	TOTAL APPLICATIONS OF CAPITAL FUNDING	2,958,866	4,649,662	3,395,712	87%
(969,045)	(318,948)	SURPLUS (DEFICIT) OF CAPITAL FUNDING	(1,599,488)	(1,002,716)	(1,110,234)	144%
-	-	FUNDING BALANCE	-	-	-	-

**Comment:**

**Stormwater**

No emergency events during the 2014/2015 year resulted in operational savings.

### SOLID WASTE

#### What We Do

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

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

Council manages 22 closed landfills located throughout the District.

#### Why We Do It

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

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

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

#### Our Goal

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

They are to:

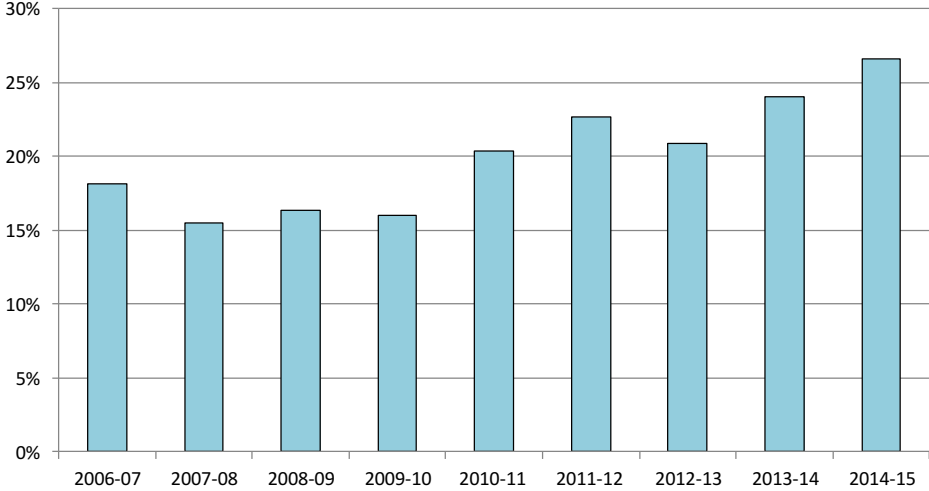
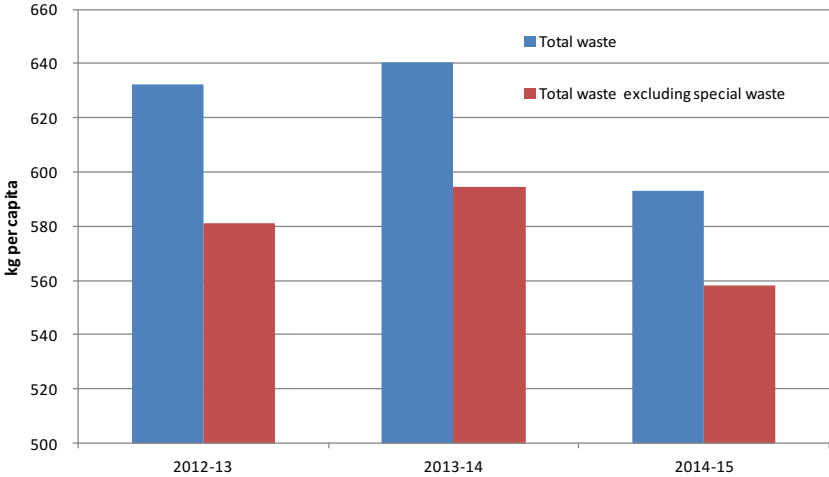
1. Avoid the creation of waste.
2. Improve the efficiency of resource use.
3. Reduce the harmful effects of waste.

#### How this activity contributes to the Council's Community Outcomes

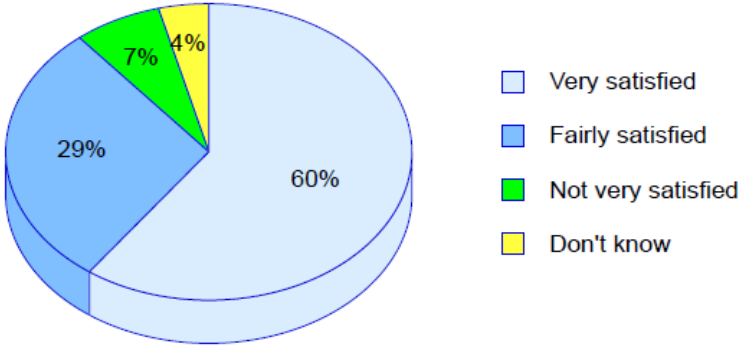
- All material that is collected by the Council's operators or delivered to Council-owned facilities is processed or disposed of in an appropriate and sustainable manner. These activities will be managed to minimise the impact on the receiving environment.
- Our kerbside collections ensure our built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

# ENGINEERING SERVICES

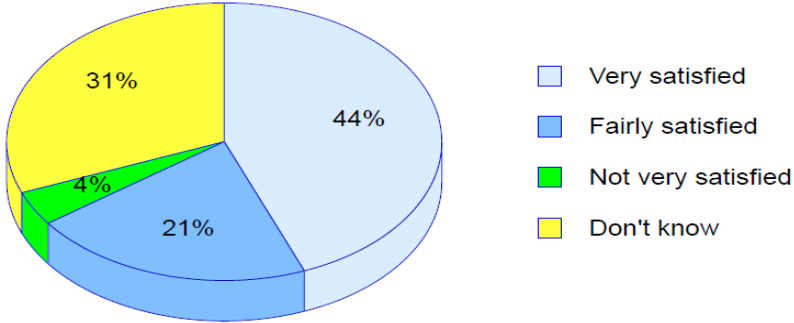
## Our levels of service and how we measure progress against them

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance																				
<p>1. We provide effective waste minimisation activities and services.</p>	<p>% of waste diverted from landfills is maintained or increased - as measured monthly and reported annually.</p> <p><b>[Target: 25%]</b></p>	<p>Achieved. This year 26.6% of waste was diverted from landfill by Council services. The increase in diverted waste to landfill from last year was driven by more paper and cardboard being recycled and by reductions in overall waste generated. (2014: 24.4%)</p> <p style="text-align: center;"><b>Percentage of total arisings recovered</b></p>  <table border="1"> <caption>Percentage of total arisings recovered</caption> <thead> <tr> <th>Year</th> <th>Percentage</th> </tr> </thead> <tbody> <tr><td>2006-07</td><td>18.0%</td></tr> <tr><td>2007-08</td><td>15.5%</td></tr> <tr><td>2008-09</td><td>16.5%</td></tr> <tr><td>2009-10</td><td>16.0%</td></tr> <tr><td>2010-11</td><td>20.0%</td></tr> <tr><td>2011-12</td><td>22.5%</td></tr> <tr><td>2012-13</td><td>20.8%</td></tr> <tr><td>2013-14</td><td>24.0%</td></tr> <tr><td>2014-15</td><td>26.6%</td></tr> </tbody> </table>	Year	Percentage	2006-07	18.0%	2007-08	15.5%	2008-09	16.5%	2009-10	16.0%	2010-11	20.0%	2011-12	22.5%	2012-13	20.8%	2013-14	24.0%	2014-15	26.6%
Year	Percentage																					
2006-07	18.0%																					
2007-08	15.5%																					
2008-09	16.5%																					
2009-10	16.0%																					
2010-11	20.0%																					
2011-12	22.5%																					
2012-13	20.8%																					
2013-14	24.0%																					
2014-15	26.6%																					
	<p>There is a reduction in waste per capita going to landfill - as measured by tonnage recorded at landfill.</p> <p><b>[Target: 390kg/capita]</b></p>	<p>Not achieved.</p> <p>This year waste to landfill was 593 kg per capita (including special waste) and 558 kg per capita (excluding special waste). Despite the target not being achieved, the results are a decrease on last year (640 and 595 kg respectively) and 2012/2013 (632 and 581 kg).</p> <p>The target for waste to landfill has been revised upward for future years (i.e. in the LTP 2015-2025) to better reflect actual and achievable waste volumes.</p> <p style="text-align: center;"><b>Waste to landfill per capita</b></p>  <table border="1"> <caption>Waste to landfill per capita</caption> <thead> <tr> <th>Year</th> <th>Total waste (kg per capita)</th> <th>Total waste excluding special waste (kg per capita)</th> </tr> </thead> <tbody> <tr><td>2012-13</td><td>632</td><td>581</td></tr> <tr><td>2013-14</td><td>640</td><td>595</td></tr> <tr><td>2014-15</td><td>593</td><td>558</td></tr> </tbody> </table> <p>Special wastes are wastes that cause particular management or disposal problems</p>	Year	Total waste (kg per capita)	Total waste excluding special waste (kg per capita)	2012-13	632	581	2013-14	640	595	2014-15	593	558								
Year	Total waste (kg per capita)	Total waste excluding special waste (kg per capita)																				
2012-13	632	581																				
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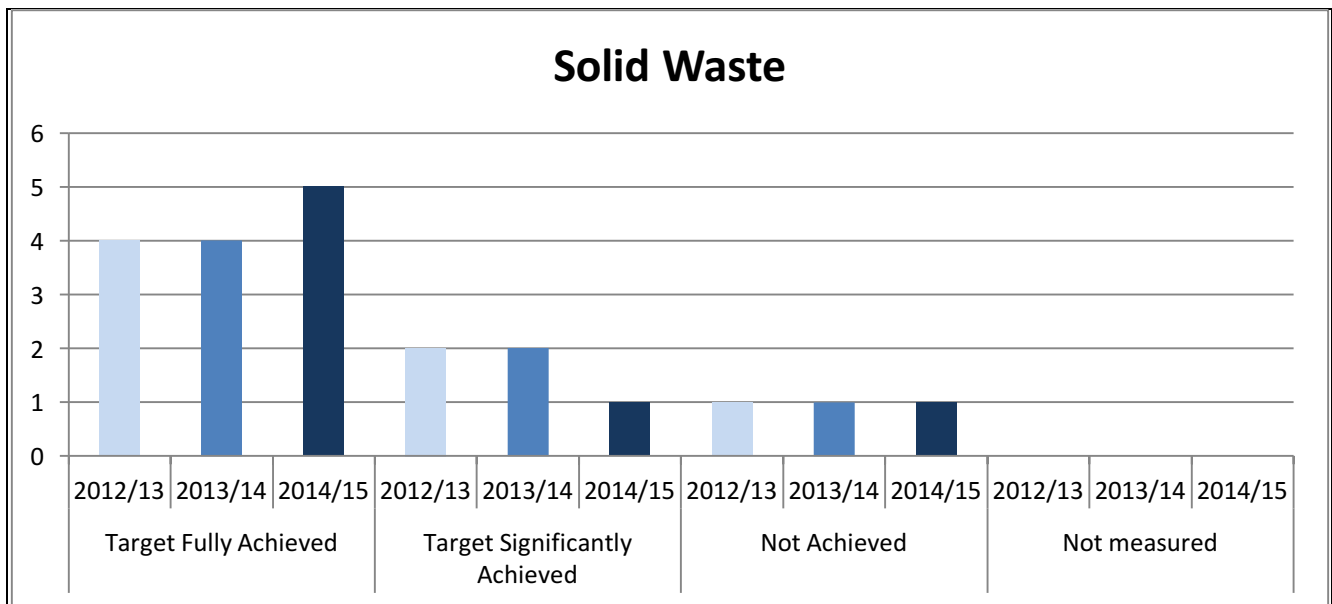
# ENGINEERING SERVICES

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance
	<p>Participation in Council's waste minimisation services increases - as measured on a three yearly basis through residents' survey of those people provided with the opportunity to use kerbside recycling services.</p> <p><b>[Target: 80%]</b></p>	<p>and need special care. Examples at the Eves Valley landfill include contaminated soils, certain industrial and chemical wastes, biosolids (e.g. sewage sludge), odorous food waste, asbestos and treated timber wastes. These waste streams are less predictable and at times distort other waste to landfill figures.</p> <p>Achieved. Actual = 93%</p> <p>The Communitrak™ survey was undertaken in May/June 2015. This survey showed that 88% of these residents were provided with Council's kerbside recycling services; and that 82% had used the service in the last 12 months. This means that 93% of people used the service, where it was available to them. (2014: 96%)</p>
<p>2. Our kerbside recycling and bag collection services are reliable and easy to use.</p>	<p>% of enquiries resolved within 24 hours - as measured through Confirm.</p> <p><b>[Target: 95%]</b></p>	<p>Achieved. 95% of all enquiries were resolved on time. (2014: 95%)</p>
	<p>% of customers satisfied with kerbside recycling and bag collection services - as measured through the annual residents' survey of those provided with Council's kerbside waste collection services.</p> <p><b>[Targets: Rubbish bag collection 70%, Kerbside recycling 85%]</b></p>	<p>Achieved. Kerbside Recycling <b>89%</b> (2014 89%) Significantly achieved. Rubbish Bag Collection <b>65%</b> (2014 69%)</p> <p style="text-align: center;"><i>Receivers Of Service</i></p>  <p style="text-align: center;">Base = 349</p>

## ENGINEERING SERVICES

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance
		<p>Rubbish Bag Collection:</p> <p style="text-align: center;"><i>Service Provided</i></p>  <p style="text-align: center;">Base = 319</p> <p>The Communitrak™ Survey was undertaken in May/June 2015. 65% of receivers of Council's kerbside rubbish bag service were found to be satisfied or very satisfied with the service they receive. 89% of receivers of Council's kerbside recycling service were found to be satisfied or very satisfied with the service they receive.</p>
<p>3. Our resource recovery centres are easy to use and operated in a reliable manner.</p>	<p>% customer satisfaction based on-site surveys - as measured by annual customer surveys at the resource recovery centres.</p> <p><b>[Target: 75%]</b></p>	<p>Achieved. Surveys have been undertaken at the Resource Recovery Centres annually since 2008. The surveys question users on their satisfaction of "ease of use" and "tidiness and pleasantness".</p> <p>The results from the 2014/2015 survey showed a small overall increase in the level of satisfaction of users ("fairly satisfied" and "very satisfied") from 96% in 2013/2014 to <b>98%</b> in 2014/2015.</p>

## ENGINEERING SERVICES



### Major Activities

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

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

Activity	Budget \$	Actual
Richmond Resource Recovery Centre	843,421 (carried forward from 2013/14)	A new materials recovery facility at the Richmond RRC was funded from funds carried forward from 2013/2014. The construction contract and additional pavement works exceeded the original budget due to unfavourable ground conditions and a higher quality of building than originally budgeted. This has been funded by an underspend in other solid waste capital accounts.  To the year ended 30 June 2015 \$1,500,402 was spent on this work.
Mariri Resource Recovery Centre	700,473 (carried forward from 2013/2014)	This budget was for the completion of closed landfill remedial works and for the installation of a new compactor and other works at the Mariri RRC. Closed landfill works were completed and design work commenced in the year to June 2015, but physical works have been delayed due to overspend at the Richmond RRC site. The work is now proposed to commence in the 2015/2016 year with a mixture of new funding and carry-over of unspent funds from 2014/2015.  To the year ended 30 June 2015 \$130,224 was spent on this work.
Takaka Resource Recovery Centre	397,873 (\$366,825 plus)	This budget was for the improvement of the site layout and renewal of existing pavement and other assets. The work

## ENGINEERING SERVICES

	\$31,048 carried forward from 2013/2014)	<p>was delayed by the negotiation of a new operations contract and by works on the Richmond RRC site.</p> <p>To the year ended 30 June 2015 \$16,981 was spent on this work.</p>
Eves Valley Landfill	357,135 (\$255,246 plus \$101,889 carried forward from 2013/2014)	<p>Worked commenced on the closure of the Eves Valley landfill this year, with plans to divert waste to the York Valley landfill (in Nelson) from July 2015. This work stopped in May 2015 when the councils were unable to reach a consensus on the agreement for regional landfill activities.</p> <p>Resource consents for the landfill expire on 1 October 2015 and an application for new consents was lodged on 31 March 2015. The consent is currently being processed by the consenting authority.</p> <p>To the year ended 30 June 2015 \$195,728 was spent on this work.</p>

## ENGINEERING SERVICES

2013/2014 Long Term Plan Budget \$	2013/2014 Actual \$	Solid Waste	2014/2015 Actual \$	2014/2015 Long Term Plan Budget \$	2014/2015 Annual Plan Budget \$	% of Annual Plan Budget
611,220	582,815	SOURCES OF OPERATING FUNDING				
2,091,568	1,999,738	General rates, uniform annual general charges, rates penalties	340,793	631,245	340,793	100%
-	-	Targeted rates	2,169,004	2,104,362	2,170,440	100%
-	3,890,902	Subsidies and grants for operating purposes	-	-	-	-
-	-	Fees and charges	4,052,928	-	5,112,598	79%
5,824,507	446,292	Internal charges and overheads recovered	-	-	-	-
		Local authorities fuel tax, fines, infringement fees, and other receipts	413,772	6,076,752	397,296	104%
8,527,295	6,919,747	TOTAL OPERATING FUNDING	6,976,497	8,812,359	8,021,127	87%
		APPLICATIONS OF OPERATING FUNDING				
6,696,177	4,580,213	Payments to staff and suppliers	4,816,067	6,956,337	6,083,596	79%
392,497	462,353	Finance costs	421,902	421,809	432,277	98%
649,451	811,197	Internal charges and overheads applied	690,924	671,950	731,533	94%
-	-	Other operating funding applications	-	-	-	-
7,738,125	5,853,763	TOTAL APPLICATIONS OF OPERATING FUNDING	5,928,892	8,050,096	7,247,406	82%
789,170	1,065,984	SURPLUS (DEFICIT) OF OPERATING FUNDING	1,047,605	762,263	773,721	135%
		SOURCES OF CAPITAL FUNDING				
-	-	Subsidies and grants for capital expenditure	-	-	-	-
-	-	Development and financial contributions	-	-	-	-
429,770	(393,980)	Increase (decrease) in debt	1,212,747	105,729	(142,215)	-853%
-	-	Gross proceeds from sale of assets	-	-	-	-
-	-	Lump sum contributions	-	-	-	-
429,770	(393,980)	TOTAL SOURCES OF CAPITAL FUNDING	1,212,747	105,729	(142,215)	-853%
		APPLICATIONS OF CAPITAL FUNDING				
		Capital expenditure				
-	-	- to meet additional demand	-	-	-	-
936,952	68,398	- to improve the level of service	1,681,085	807,992	395,148	425%
181,988	177,329	- to replace existing assets	169,281	-	146,730	115%
100,000	426,277	Increase (decrease) in reserves	409,986	60,000	89,628	457%
-	-	Increase (decrease) in investments	-	-	-	-
1,218,940	672,004	TOTAL APPLICATIONS OF CAPITAL FUNDING	2,260,352	867,992	631,506	358%
(789,170)	(1,065,984)	SURPLUS (DEFICIT) OF CAPITAL FUNDING	(1,047,605)	(762,263)	(773,721)	135%
-	-	FUNDING BALANCE	-	-	-	-

**Comment:**  
**Solid Waste**

Extra revenue was received as a result of accepting Buller District's waste into Council's solid waste facilities. No emergency events resulted in operational savings in 2014/2015.



## ENGINEERING SERVICES

### FLOOD PROTECTION AND RIVER CONTROL WORKS

#### What We Do

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

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

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

#### Why We Do It

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

#### Our Goal

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

#### How this activity contributes to the Council's Community Outcomes

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

## ENGINEERING SERVICES

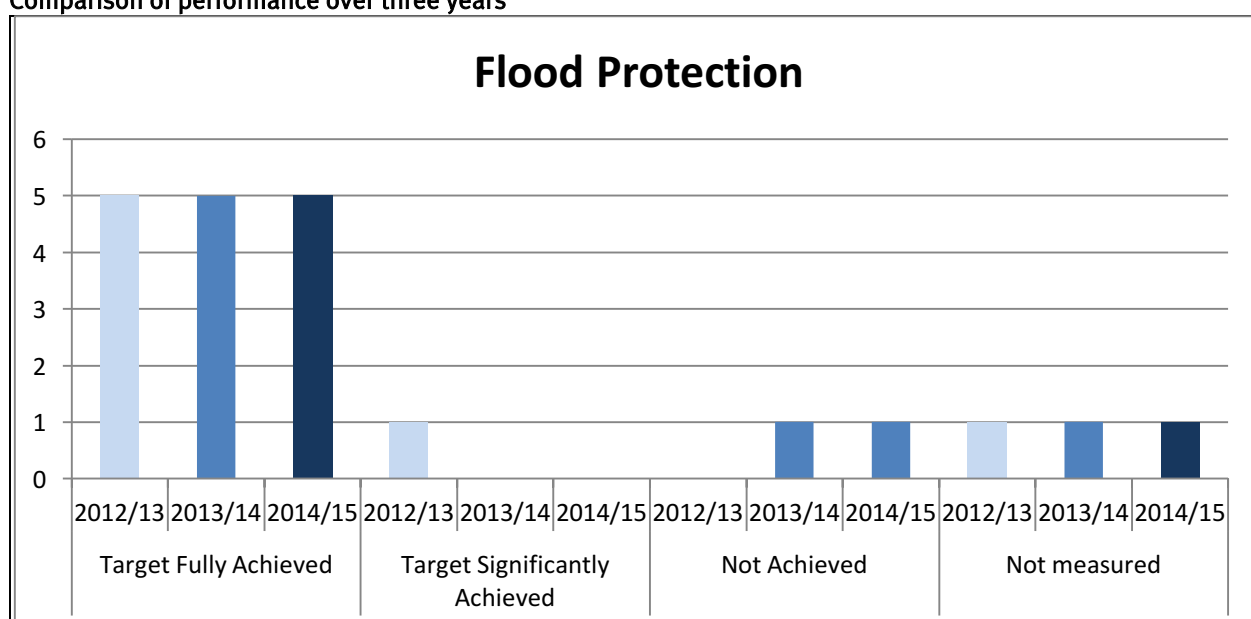
### Our levels of service and how we measure progress against them

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance
1. Our works are carried out so that the impacts on the natural river environments are minimised to a practical but sustainable level.	Resource consents are held and complied with for works undertaken by Council or its contractors in the rivers within the District - as measured by the number of abatement notices issued to Council's flood protection and rivers control activity. [Target: No abatement notices issued.]	Achieved. Actual = No abatement notices issued. Council, or its contractor, have not received any non-compliance with respect to the resource consents or any abatement notices.
	Over time Council manages crack willow from banks and berm areas – as measured by kilometres of riverbank cleared of crack willow per year. [Target: 15km/yr]	<p>Not achieved. 2014/2015 - &lt;500m</p> <p>2010/2011 – 14.9 km 2011/2012 – 15.4 km 2012/2013 - &lt; 1 km 2013/2014 - &lt; 1 km</p> <p>Large scale removal of crack willow was stopped in mid 2012 in response to community concerns over increased erosion that was occurring in some areas where willows had been removed.</p> <p>Crack willow is controlled from spreading in the classified river system through the annual fairway spraying programme.</p> <p>Isolated crack willow trees or stands are now only removed where they are causing or contributing to erosion or flooding, rather than a total eradication policy for biosecurity reasons.</p> <p>The Rivers Activity Management Plan (2015-2025) now reflects the changed performance targets for this activity.</p>
2. We manage waste/rubbish in the river system.	Complaints about illegal dumping in the X and Y classified rivers and on adjacent beaches on public land are responded to within 10 days - as measured through customer service requests in Council's database. [Target: 90%]	<p>Achieved. Actual = 96% (2014: 100%)</p> <p>Two out of 47 jobs for removal of illegal dumping were not able to be confirmed as being completed.</p>
3. We maintain Council's stop bank assets in River X classified areas to deliver flood protection to the level that the stopbanks were originally constructed.	<p>Our stop banks are maintained to the original constructed standard.</p> <p>(Riwaka River = 1 in 10 yr flood return, Lower Motueka = 1 in 50 yr flood return, Waimea River = 1 in 50 yr flood return) - as measured by their performance in flood events and/or flood modelling (where this has been undertaken). [Targets:</p> <p>Riwaka River = 88% Motueka River = 100% Waimea River - 100%]</p>	<p>Actual:</p> <p>Riwaka River = 100% (2014: 100%) Target achieved.</p> <p>Motueka River = 100% (2014: 100%) Target achieved.</p> <p>Waimea River = 100% (2014: 100%) Target achieved.</p>

## ENGINEERING SERVICES

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance
4. In River Y classified areas Council manages the rivers to minimise bank erosion up to an annual event.	Maintenance work in River Y classified areas is undertaken to rectify or minimise bank erosion as identified through annual river care group meetings and incorporated in the Annual Operating Maintenance Programme (AOMP) - as measured through completion of scheduled works detailed in the AOMP. [Target: 100%]	Actual – this target can no longer be measured as we no longer have an Annual Operating Maintenance Programme. Work has been scheduled on a reactive basis and all tasks issued to the contractor were completed by the end of the financial year. Expenditure during 2014/2015 has decreased by \$500,000 as there have been no flood events.

### Comparison of performance over three years



### 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.

The following table details the major capital and renewal work undertaken for the year 2014/2015.

Activity	2014/2015 Budget \$	Actual
Waimea River	165,145	\$140,600 spent on renewals and maintenance.
Takaka River capital	217,583	Reduced spending of \$157,000 due to lower frequency of flood events than anticipated.
Upper Motueka Catchment Rivers: Upper Motueka Capital	305,636	Reduced spending of \$94,400 due to lower frequency of flood events than anticipated.
Lower Motueka Catchment Rivers: Lower Motueka Capital	283,654	Reduced spending of \$167,900 due to lower frequency of flood events than anticipated.
Borlase Catchment Project (carried over from 2013/2014)	200,000	\$140,000. Project completed.

Note: some projects are undertaken over several years and therefore the amount noted in the table above financial information on projects across the full 10 years of the Long Term Plan 2012-2022.

# ENGINEERING SERVICES

2013/2014 Long Term Plan Budget \$	2013/2014 Actual \$	Flood Protection and River Control Works	2014/2015 Actual \$	2014/2015 Long Term Plan Budget \$	2014/2015 Annual Plan Budget \$	% of Annual Plan Budget
		<b>SOURCES OF OPERATING FUNDING</b>				
35,424	32,653	General rates, uniform annual general charges, rates penalties	32,372	46,868	32,372	100%
3,016,295	2,971,153	Targeted rates	2,996,306	3,176,859	3,005,972	100%
-	-	Subsidies and grants for operating purposes	-	-	-	-
-	256,346	Fees and charges	154,688	-	-	-
-	-	Internal charges and overheads recovered	-	-	-	-
392,826	393,194	Local authorities fuel tax, fines, infringement fees, and other receipts	323,402	403,589	402,137	80%
3,444,545	3,653,346	<b>TOTAL OPERATING FUNDING</b>	3,506,768	3,627,316	3,440,481	102%
		<b>APPLICATIONS OF OPERATING FUNDING</b>				
1,581,458	1,915,041	Payments to staff and suppliers	1,820,509	1,594,196	1,553,924	117%
117,714	34,448	Finance costs	37,380	177,640	48,580	77%
325,897	488,710	Internal charges and overheads applied	380,891	336,364	429,037	89%
-	-	Other operating funding applications	-	-	-	-
2,025,069	2,438,199	<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	2,238,780	2,108,200	2,031,541	110%
1,419,476	1,215,147	<b>SURPLUS (DEFICIT) OF OPERATING FUNDING</b>	1,267,988	1,519,116	1,408,940	90%
		<b>SOURCES OF CAPITAL FUNDING</b>				
-	-	Subsidies and grants for capital expenditure	-	-	-	-
-	-	Development and financial contributions	-	-	-	-
1,284,047	(17,039)	Increase (decrease) in debt	(23,804)	495,817	(27,039)	88%
-	-	Gross proceeds from sale of assets	-	-	-	-
-	-	Lump sum contributions	-	-	-	-
1,284,047	(17,039)	<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	(23,804)	495,817	(27,039)	88%
		<b>APPLICATIONS OF CAPITAL FUNDING</b>				
		Capital expenditure				
-	-	- to meet additional demand	-	-	-	-
2,645,925	1,052,359	- to improve the level of service	710,733	1,954,886	1,068,122	67%
-	9,958	- to replace existing assets	1,043	-	-	-
57,598	135,791	Increase (decrease) in reserves	532,408	60,047	313,779	170%
-	-	Increase (decrease) in investments	-	-	-	-
2,703,523	1,198,108	<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	1,244,184	2,014,933	1,381,901	90%
(1,419,476)	(1,215,147)	<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING</b>	(1,267,988)	(1,519,116)	(1,408,940)	90%
-	-	<b>FUNDING BALANCE</b>	-	-	-	-

**Comment:**

**Flood Protection and River Control Work**

The activity is within budget and there have been no notable unplanned works or events that have affected revenue or expenditure.

# COMMUNITY DEVELOPMENT

## Policy and Objective

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

## Nature and Scope

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

- (a) Community Facilities and Parks
- (b) Recreation and Cultural Services

2013/2014 Long Term Plan Budget \$	2013/2014 Actual \$	Community	2014/2015 Actual \$	2014/2015 Long Term Plan Budget \$	2014/2015 Annual Plan Budget \$	% of Annual Plan Budget
12,694,239	11,161,250	Community Facilities and Parks	12,023,975	13,101,847	12,915,281	93%
2,594,396	2,985,105	Recreation and Cultural Services	2,486,559	2,691,502	2,626,341	95%
15,288,635	14,146,355	TOTAL COSTS	14,510,534	15,793,349	15,541,622	93%

# COMMUNITY DEVELOPMENT

## COMMUNITY FACILITIES AND PARKS

### What We Do

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

- 804 hectares of parks and reserves
- 12 operating cemeteries
- 52 playgrounds
- 4 libraries
- Funding for District and Shared Facilities such as the Saxton Field complex
- 24 public halls and community buildings
- 91 public toilets
- 101 Council cottages
- The Richmond Aquatic Centre

### Why We Do It

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

Council recognises it plays a key role in creating the environment in which communities can prosper and enjoy improved health and wellbeing. The provision of open spaces and recreational facilities influences the way in which people can take part in the life of the community. Such facilities also enable people to be more active in a convenient, easy, safe and enjoyable manner.

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

### Our Goal

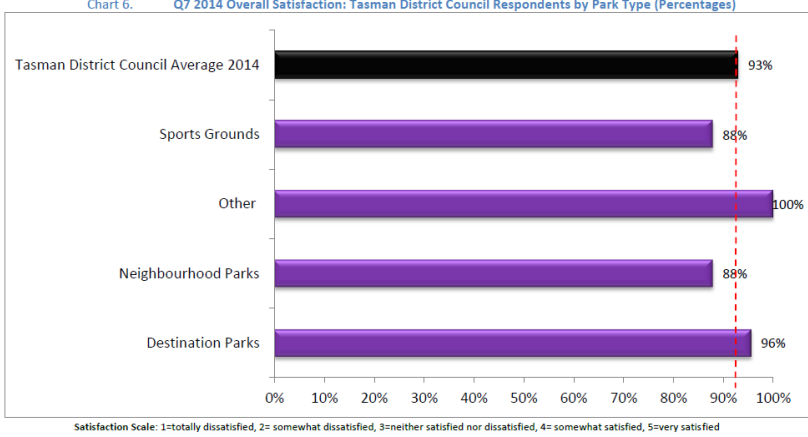
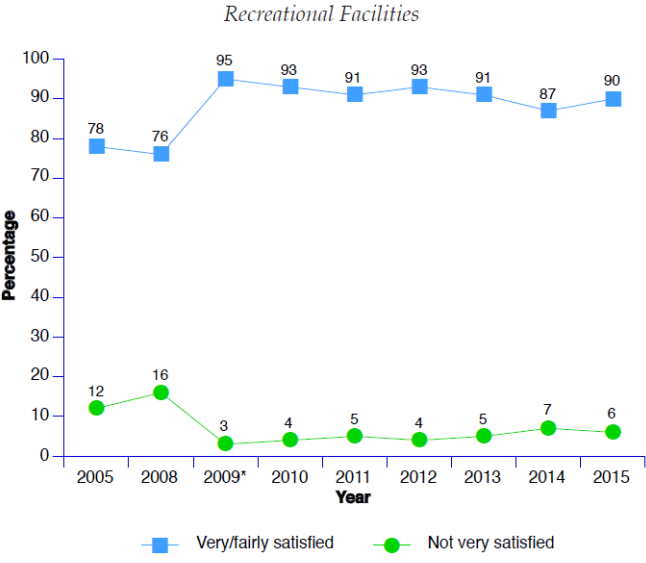
We aim to provide parks, reserves and recreational facilities that promote the physical, psychological, environmental and social wellbeing of communities in Tasman District and to also provide amenities that meet the needs of residents and visitors.

### How this activity contributes to the Council's Community Outcomes

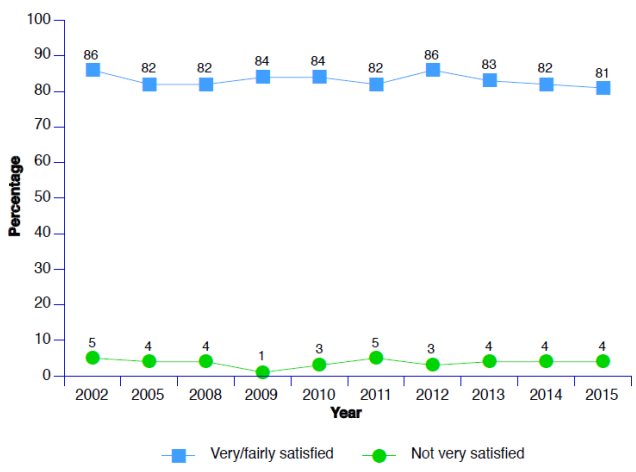
- Protection of the natural environment and ecologically significant areas.
- Provision and enhancement of open space.
- Vegetation enhancement and awareness.
- Enhanced community involvement in conservation and restoration work.
- Protection and enhancement of coastal and riparian areas.
- Provision and enhancement of open space and an interconnected open space network.
- Provision of neighbourhood and community parks within walking distance of homes.
- Provision of open space and recreation facilities that cater for and promote active lifestyles. This includes casual activities such as walking and cycling, and organised sports and recreation activities.
- Reserves and facilities are designed and managed to ensure users safety and cater for the needs of the whole community.
- Provision of high quality open space, recreation and cultural facilities such as libraries and community halls that provide a range of leisure, cultural and amenity services to the public.

# COMMUNITY DEVELOPMENT

## Our levels of service and how we measure progress against them

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance																														
<p>1. A network of multi-purpose community and recreation facilities in major centres supported by local halls, that provide reasonable access to indoor activities, libraries and recreation space</p>	<p>Customer satisfaction with parks and reserves score above 80% - as measured by ParkCheck Visitor Measures. [Target: Satisfaction target above 85%]</p>	<p>Achieved. The Yardstick ParkCheck 2014 Parks and Reserves Survey shows an overall satisfaction level of 93% (2013: 91%) for Council against an average satisfaction level of 92% (nine local authorities participated in this survey).</p> <p>The Yardstick ParkCheck Parks and Reserves Survey is usually undertaken every three years; however this period was extended in an endeavour to align and feed into the Long Term Plan 2015-2025.</p>  <p><b>Chart 6. Q7 2014 Overall Satisfaction: Tasman District Council Respondents by Park Type (Percentages)</b></p> <table border="1"> <thead> <tr> <th>Park Type</th> <th>Satisfaction Percentage</th> </tr> </thead> <tbody> <tr> <td>Tasman District Council Average 2014</td> <td>93%</td> </tr> <tr> <td>Sports Grounds</td> <td>88%</td> </tr> <tr> <td>Other</td> <td>100%</td> </tr> <tr> <td>Neighbourhood Parks</td> <td>88%</td> </tr> <tr> <td>Destination Parks</td> <td>96%</td> </tr> </tbody> </table> <p><small>Satisfaction Scale: 1=totally dissatisfied, 2=somewhat dissatisfied, 3=neither satisfied nor dissatisfied, 4=somewhat satisfied, 5=very satisfied</small></p>	Park Type	Satisfaction Percentage	Tasman District Council Average 2014	93%	Sports Grounds	88%	Other	100%	Neighbourhood Parks	88%	Destination Parks	96%																		
Park Type	Satisfaction Percentage																															
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Destination Parks	96%																															
	<p>Residents rate their satisfaction with the parks and reserves activity as “fairly satisfied” or better in annual surveys. [Targets: Satisfaction target above 85% for parks and reserves;</p> <p>83% of Tasman residents are fairly or very satisfied with the public libraries]</p>	<p>Achieved. The Communitrak survey shows that 90% of residents overall are satisfied with the District's recreational facilities – which includes playing fields and neighbourhood reserves. (2014: 87% satisfied).</p>  <p><b>Recreational Facilities</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Very/fairly satisfied (%)</th> <th>Not very satisfied (%)</th> </tr> </thead> <tbody> <tr> <td>2005</td> <td>78</td> <td>12</td> </tr> <tr> <td>2008</td> <td>76</td> <td>16</td> </tr> <tr> <td>2009*</td> <td>95</td> <td>3</td> </tr> <tr> <td>2010</td> <td>93</td> <td>4</td> </tr> <tr> <td>2011</td> <td>91</td> <td>5</td> </tr> <tr> <td>2012</td> <td>93</td> <td>4</td> </tr> <tr> <td>2013</td> <td>91</td> <td>5</td> </tr> <tr> <td>2014</td> <td>87</td> <td>7</td> </tr> <tr> <td>2015</td> <td>90</td> <td>6</td> </tr> </tbody> </table> <p>Legend: <span style="color: blue;">■</span> Very/fairly satisfied <span style="color: green;">●</span> Not very satisfied</p> <p>Significantly achieved.</p> <p>The Communitrak survey shows that 81% of residents are satisfied with the District's public libraries (2014: 81%), and that 92% of library users are satisfied with the libraries (2013: 91%).</p>	Year	Very/fairly satisfied (%)	Not very satisfied (%)	2005	78	12	2008	76	16	2009*	95	3	2010	93	4	2011	91	5	2012	93	4	2013	91	5	2014	87	7	2015	90	6
Year	Very/fairly satisfied (%)	Not very satisfied (%)																														
2005	78	12																														
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# COMMUNITY DEVELOPMENT

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance																																	
		<p style="text-align: center;"><i>Public Libraries</i></p>  <table border="1" style="margin-left: auto; margin-right: auto;"> <caption>Public Libraries Performance Data</caption> <thead> <tr> <th>Year</th> <th>Very/fairly satisfied (%)</th> <th>Not very satisfied (%)</th> </tr> </thead> <tbody> <tr><td>2002</td><td>86</td><td>5</td></tr> <tr><td>2005</td><td>82</td><td>4</td></tr> <tr><td>2008</td><td>82</td><td>4</td></tr> <tr><td>2009</td><td>84</td><td>1</td></tr> <tr><td>2010</td><td>84</td><td>3</td></tr> <tr><td>2011</td><td>82</td><td>5</td></tr> <tr><td>2012</td><td>86</td><td>3</td></tr> <tr><td>2013</td><td>83</td><td>4</td></tr> <tr><td>2014</td><td>82</td><td>4</td></tr> <tr><td>2015</td><td>81</td><td>4</td></tr> </tbody> </table>	Year	Very/fairly satisfied (%)	Not very satisfied (%)	2002	86	5	2005	82	4	2008	82	4	2009	84	1	2010	84	3	2011	82	5	2012	86	3	2013	83	4	2014	82	4	2015	81	4
Year	Very/fairly satisfied (%)	Not very satisfied (%)																																	
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	Percentage of parks and reserves contract service standards met (based on exception reporting). [Target: 85%]	<p>Achieved. The measure of combined wards is 96% of those audited. (2014: 90.2%)</p> <p>The value is obtained through an independent auditor carrying out a routine maintenance inspection on a percentage of assets every two months.</p>																																	
	A community building* is available within a 15-minute drive for 80% of the population. (20km radius catchment) [Target: 90%]	<p>Achieved. A community building* is available within a 15 minute drive for 99.3% of the population. (2013: 99.8%).</p> <p>*community building is a recreation centre, public hall or community house.</p>																																	
2. Cemeteries that offer a range of burial options and adequate space for future burial demand.	Percentage of cemeteries contract service standards met (based on exception reporting) [Target: 90%]	<p>Achieved. 96% of cemeteries contract service standards were met. (2014: 95%)</p> <p>This measure is reliant upon the contractor updating the status of jobs in Council's Confirm Asset Management system. New contracts emphasise the requirement that the Council's database (Confirm) is updated at the time of completion.</p>																																	
3. Swimming pools that meet the needs of users and provide opportunity for aquatic based recreation activities and learn to swim programmes.	For the Richmond Aquatic Centre, admissions per m <sup>2</sup> of pool swimming per annum within 10% of average of peer group as measured by Yardstick. [Target: Admissions per m <sup>2</sup> per annum above average of peer group as measured by Yardstick]	<p>Achieved.</p> <p>164 swims per m<sup>2</sup> of swimming pool, as surveyed in 2014. (2013/2014: 168 swims per m<sup>2</sup> of swimming pool). The next Yardstick survey will be undertaken during September 2015.</p> <p>Median for peer group aquatic admissions by m<sup>2</sup> of water area is 152.6.</p>																																	

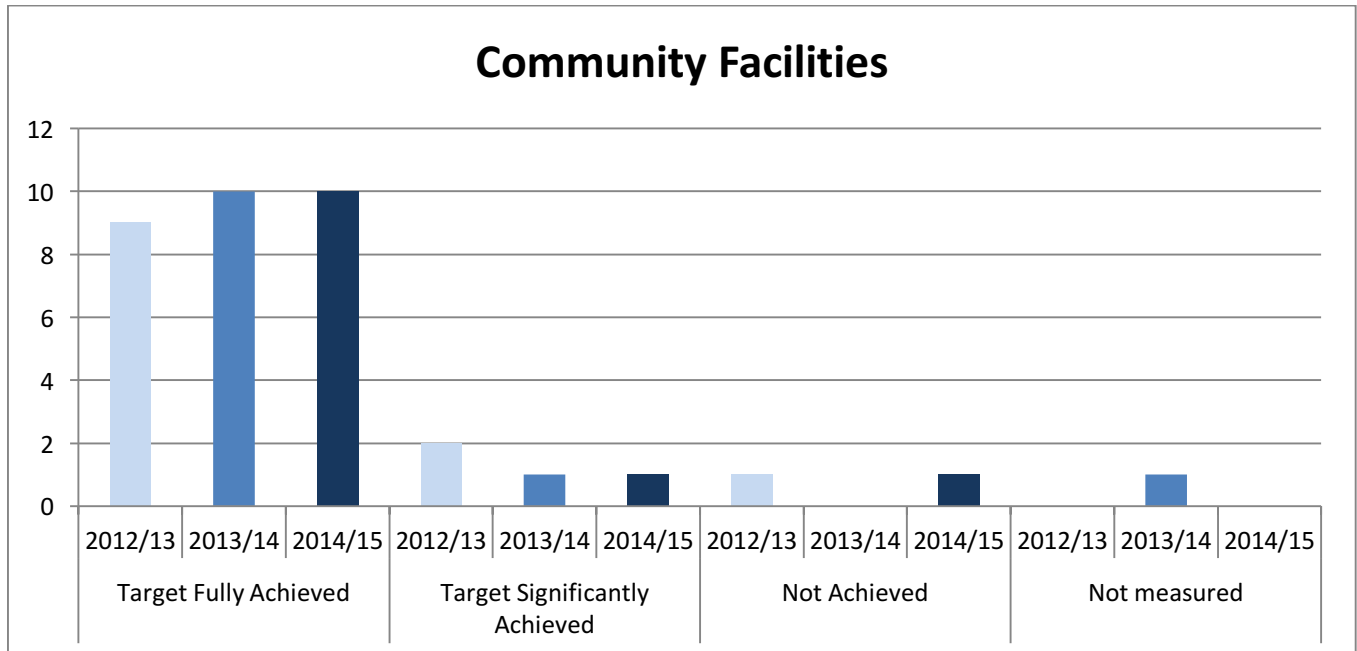


## COMMUNITY DEVELOPMENT

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance
4. Public Conveniences at appropriate locations that meet the needs of users and are pleasant to use and maintained to a high standard of cleanliness.	Our toilets are cleaned and maintained to 90% compliance with the appropriate contract specification as measured in the bi-monthly sample contract audit. [Target: 90%]	Achieved. Our toilets are cleaned and maintained to 96% compliance (92% 2014) with the appropriate contract specification as measured in the bi-monthly sample contract audit.
5. Council cottages that help meet the needs of the elderly and people with disabilities.	Tenant satisfaction with standard, quality and management of cottages is 80% as measured through a biennial survey. [Target: 85%]	Achieved. In November 2013 there were 104 surveys sent out, with 85 completed and returned. Of the completed surveys returned, 100% were satisfied with how their tenancy is managed. There was also an overall 91% satisfaction with the condition of the cottages, and 98% satisfaction with how their enquiries are dealt with when they contact Council.  Next survey will be undertaken in November 2015.
6. Access to information and leisure sources that satisfy the needs of the community, delivered within the libraries and through outreach programming.	Tasman District Council collections compare favourably when measured against the Library and Information Association New Zealand Aotearoa (LIANZA) standard for library book stocks. Stock numbers will be measured quarterly using information available for the Library Management System software. [Target: Book stocks achieve 84% of the LIANZA standard.]	Achieved. Tasman District Libraries purchased 19,476 new items for the libraries during 2014/2015. At the end of June 2015 the libraries held 146,320 items. This achieves 88% of the LIANZA standard for library book stocks (based on 2013 census figures).  (2014: 90%)
7. Access to a variety of information, leisure, social resources and services to support those with special needs through the libraries in Richmond, Motueka, Takaka and Murchison.	Tasman District Council library buildings provide adequate spaces to enable the delivery of quality library services as measured against the LIANZA standard.  [Targets: The Richmond, Takaka and Murchison libraries floor areas are maintained at the current size.  Council will redevelop the Motueka Library to achieve 100% of the LIANZA standard. Work will commence in 2013.	Achieved. Richmond, Takaka and Murchison Libraries floor areas have been maintained.  The floor space of the Richmond and Takaka Libraries meet the LIANZA standard. The Murchison Library building at 160 m <sup>2</sup> is less than the 210 m <sup>2</sup> recommended in the LIANZA standard.  Target not achieved.  Space issues in Motueka are causing difficulties with service delivery. The Motueka Library building at 453 m <sup>2</sup> achieves 46% of the LIANZA standard. Funding for redevelopment of the Motueka library in 2019-2021 has been included in the Long Term Plan 2015-2025.

## COMMUNITY DEVELOPMENT

### Comparison of performance over three years



### Major Activities

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

Specifically, in 2014/2015 major activities included:

- Walking/cycling track extensions at Dellside Reserve
- Native plantings along Wai-iti/Waimea River banks
- The revamp of the Collingwood tennis courts in conjunction with Tennis Club Trust
- The planning and start of work for the Takaka Memorial Gardens redevelopment
- The continuation of coastcare plantings on Council reserve areas in Tasman and Golden Bays
- Installation of drainage pipes in Memorial Park along with the fence improvements
- The walkway extension for Kahikatea Walkway in Murchison
- The start of the redevelopment of Whitby Green in conjunction with Focus Wakefield
- Saxton Field projects - the commencement of the Velodrome construction and development of the Champion Green area
- The playground upgrade at Tasman Memorial Recreation Reserve

Activity	Budget \$	Actual
Saxton Field – Velodrome	504,000	<ul style="list-style-type: none"> <li>• Commencement of velodrome construction at Saxton Field \$230,754. Construction was delayed due to weather conditions. Unspent budget has been carried forward to 2015/2016. \$4440,000 was carried over from previous Annual Plans.</li> <li>• Commencement of Champion Green development \$70,000.</li> </ul>
Saxton Field – Champion Green	350,000	
Saxton Field – Building operation and		

## COMMUNITY DEVELOPMENT

maintenance of grounds	150,000	Operational expenditure of \$160,000 on maintenance and operation of buildings within Saxton Field complex.
Golden Bay multi-use facility	1,267,000	The project has been delayed while the design is finalised. \$33,500 was spent on this activity during the year ended 30 June 2015. The project is ongoing and remaining budget has been carried forward to 2015/2016. \$267,000 was carried over from 2013/2014.
Brook Sanctuary	155,046	\$155,046 paid to Brook Sanctuary.
Library Renewals	326,439	From July 2014-June 2015 19,476 new items were purchased for the libraries. Items held at 30 June 2015 totalled 145,846. This achieves 88% of the current recommended standard for New Zealand Libraries.  \$272,838 was spent on this activity in the year ended 30 June 2015. The budget under-spend arose primarily because a large number of outstanding book orders were not received before the end of the financial year.

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

### Richmond Aquatic Centre

Sponsorship of the aquatic centre by ASB Bank lapsed on 31 August 2014. ASB Bank chose not to renew their sponsorship.

### New Reserves

During the year new reserves have been brought into this activity, including: Pukekoikoi Reserve, Newhaven Crescent Reserve, Concordia Drive walkway and Kaihoka Lakes Esplanade Reserve.

## COMMUNITY DEVELOPMENT

### Reserve Financial Contributions

#### How funds are received

All new subdivisions, from one new lot up to hundreds of new lots, are required to pay Reserve Financial Contributions for reserves and other community services. Reserve Financial Contributions are based on 5.62% of the value of all new allotments (the valuation is based on the area of the allotment or a notional building site on an allotment of 2500 m<sup>2</sup>, whichever is the lesser), less the value of any land vested or easements created for reserves or walkways. Credits are also given in some cases for additional work that is carried out by the developer over and above what is required by the Engineering Standards. Examples of such credits would be the formation of paths and amenity plantings.

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

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

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

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

#### What the Reserve Financial Contributions can be used for

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

- Land purchase for reserves
- Capital improvements to reserves
- Other capital works for community services.

#### Allocation of Funds

Each year as part of the Council's Long Term Plan review or Annual Plan process, a list of works in each of the four Reserve Financial Contributions accounts is produced. The list includes requests received from other relevant organisations.

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

Note: Some of the following Reserve Financial Contribution accounts have large surpluses. However, the majority of these funds are either committed, or have been allocated to projects which have not yet commenced.

## COMMUNITY DEVELOPMENT

District Wide Reserve Financial Contributions 2015-2025	2014/2015 Actual \$	2014/2015 Budget \$
<b>PROJECTS</b>		
Staff costs	11,215	-
Valuation costs	37,570	10,842
Consultant Fees	-	21,685
Library Books	10,000	10,000
Loan Principal	34,217	-
<b>GOLDEN BAY WARD</b>		
Halls and Reserves	-	2,500
<b>MOTUEKA WARD</b>		
Halls and Reserves	-	2,500
<b>WAIMEA/LAKES WARD</b>		
Halls and Reserves	-	2,500
<b>RICHMOND WARD</b>		
Halls and Reserves	-	2,500
<b>TOTAL EXPENDITURE</b>	<b>93,002</b>	<b>52,527</b>
Opening Balance	31,532	(37,596)
General Rate Allocation	23,508	-
Internal Interest Received	1,151	-
Transfer from Ward Accounts	81,318	90,123
	137,509	52,527
Expenditure	93,002	52,527
<b>CLOSING BALANCE</b>	<b>44,507</b>	<b>-</b>

## COMMUNITY DEVELOPMENT

Richmond Ward Reserve Financial Contributions 2015-2025	2014/2015 Actual \$	2014/2015 Budget \$
<b>PROJECTS</b>		
<b>Walkways/Cycleways</b>		
General	10,727	25,000
Dellside Reserve	11,498	27,500
Estuary	820	25,000
Tasman's Great Taste Trail	50,618	-
<b>Picnic Areas</b>		
Waimea River Park	6,354	22,239
<b>Miscellaneous</b>		
Future Planning/Valuations	-	5,963
Loan Interest		
Loan Principal	144,380	127,713
Transfer to District Wide Contributions	27,106	27,106
<b>TOTAL EXPENDITURE</b>	<b>251,503</b>	<b>260,521</b>
Opening Balance	1,172,241	569,925
Income	1,117,101	250,000
Internal Interest Received	42,787	-
	2,332,129	819,925
Expenditure	251,503	260,521
Carried Forward	-	226,916
<b>CLOSING BALANCE</b>	<b>2,080,626</b>	<b>332,488</b>

## COMMUNITY DEVELOPMENT

Waimea/Moutere & Lakes Ward Reserve Financial Contributions 2015-2025	2014/2015 Actual \$	2014/2015 Budget \$
<b>PROJECTS</b>		
<b>Walkways/Cycleways</b>		
General	11,585	35,000
Rural 3	6,770	20,000
Waimea Inlet		10,000
Tasman's Great Taste Trail	50,000	-
<b>Picnic Areas</b>		
General	5,474	10,980
Waimea River Park	9,051	11,119
<b>Gardens</b>		
General	1,000	10,980
<b>Picnic Areas</b>		
General	5,000	-
<b>Artwork</b>		
General	1,203	-
<b>Playgrounds</b>		
General - new reserves etc	17,281	25,000
<b>Coastcare</b>	22,130	21,961
<b>Miscellaneous</b>		
Equestrian Park	18,522	-
Hall trusts	1,675	5,560
Transfer to District Wide Contributions	27,106	27,106
Loan Interest		
Loan Principal	151,558	94,890
<b>TOTAL EXPENDITURE</b>	<b>328,355</b>	<b>272,596</b>
Opening Balance	739,369	93,373
Income	1,205,424	200,000
Internal Interest Received	26,987	-
	1,971,780	293,373
Expenditure	328,355	272,596
Carried Forward	-	5,382
<b>CLOSING BALANCE</b>	<b>1,643,425</b>	<b>15,395</b>

## COMMUNITY DEVELOPMENT

Motueka Ward Reserve Financial Contributions 2015-2025	2014/2015 Actual \$	2014/2015 Budget \$
<b>PROJECTS</b>		
<b>Walkways/Cycleways</b>		
General	119,015	50,000
Tasman's Great Taste Trail	-	25,000
Stephens Bay Development	-	21,961
<b>Sportsfields</b>		
Memorial Park / General	31,856	-
Sports Park - new field development	-	83,395
<b>Gardens</b>		
Goodman Ponds	-	8,784
<b>Playgrounds</b>		
Old Wharf Road Youth Park	10,832	-
Decks Reserve	4,324	-
<b>Cemeteries</b>		
General	40,750	-
<b>Coastcare</b>		
General	3,625	17,569
<b>Miscellaneous</b>		
General	627	-
Motueka Recreation Centre	244,470	-
Purchase New Reserve	152,000	-
Valuation Fees/Future Planning	-	11,500
Keep Motueka Beautiful	8,173	10,000
Motueka Clock Tower Trust	7,000	7,000
Imagine Theatre	1,454	-
Transfer to District Wide Contributions	18,432	27,106
<b>TOTAL EXPENDITURE</b>	<b>642,558</b>	<b>262,315</b>
Opening Balance	1,237,560	1,124,505
Income	235,323	430,000
Internal Interest Received	45,171	-
	1,518,054	1,554,505
Expenditure	642,558	262,315
Carried Forward	-	781,331
<b>CLOSING BALANCE</b>	<b>875,496</b>	<b>510,859</b>



## COMMUNITY DEVELOPMENT

Golden Bay Ward Reserve Financial Contributions 2015-2025	2014/2015 Actual \$	2014/2015 Budget \$
<b>PROJECTS</b>		
<b>Walkways/Cycleways</b>		
General	4,670	20,000
<b>Picnic Areas</b>		
General	-	21,961
<b>Playgrounds</b>		
General - new reserves etc	48,644	-
<b>Coastcare</b>		
General	12,203	20,000
<b>Miscellaneous</b>	139	-
Golden Bay Tennis Courts	86,532	-
Transfer to District Wide Contributions	8,674	8,805
<b>TOTAL EXPENDITURE</b>	<b>160,862</b>	<b>70,766</b>
Opening Balance	604,771	335,645
Income	104,997	40,000
Internal Interest Received	22,074	-
	731,842	375,645
Expenditure	160,862	70,766
Carried Forward	-	379,125
<b>CLOSING BALANCE</b>	<b>570,980</b>	<b>(74,246)</b>

# COMMUNITY DEVELOPMENT

2013/2014 Long Term Plan Budget \$	2013/2014 Actual \$	Community Facilities and Parks	2014/2015 Actual \$	2014/2015 Long Term Plan Budget \$	2014/2015 Annual Plan Budget \$	% of Annual Plan Budget
		<b>SOURCES OF OPERATING FUNDING</b>				
8,169,261	8,045,381	General rates, uniform annual general charges, rates penalties	8,530,010	8,513,953	8,530,010	100%
2,865,277	2,736,278	Targeted rates	3,322,264	3,229,499	3,321,567	100%
108,706	117,764	Subsidies and grants for operating purposes	214,660	112,296	112,296	191%
-	1,296,775	Fees and charges	1,374,706	-	1,309,563	105%
-	-	Internal charges and overheads recovered	-	-	-	-
1,736,068	583,545	Local authorities fuel tax, fines, infringement fees, and other receipts	447,079	1,809,734	434,858	103%
12,879,312	12,779,743	<b>TOTAL OPERATING FUNDING</b>	13,888,719	13,665,482	13,708,294	101%
		<b>APPLICATIONS OF OPERATING FUNDING</b>				
8,473,935	6,073,834	Payments to staff and suppliers	7,624,751	8,575,952	8,362,788	91%
1,556,014	1,304,883	Finance costs	1,417,847	1,756,410	1,482,730	96%
2,664,290	3,782,533	Internal charges and overheads applied	2,981,377	2,769,485	3,069,763	97%
-	-	Other operating funding applications	-	-	-	-
12,694,239	11,161,250	<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	12,023,975	13,101,847	12,915,281	93%
185,073	1,618,493	<b>SURPLUS (DEFICIT) OF OPERATING FUNDING</b>	1,864,744	563,635	793,013	235%
		<b>SOURCES OF CAPITAL FUNDING</b>				
-	463,531	Subsidies and grants for capital expenditure	-	-	-	-
1,259,167	1,799,503	Development and financial contributions	2,630,144	1,300,714	1,300,714	202%
2,740,733	(859,502)	Increase (decrease) in debt	(789,659)	1,471,625	432,667	-183%
-	-	Gross proceeds from sale of assets	-	-	-	-
-	-	Lump sum contributions	-	-	-	-
3,999,900	1,403,532	<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	1,840,485	2,772,339	1,733,381	106%
		<b>APPLICATIONS OF CAPITAL FUNDING</b>				
		Capital expenditure				
645,846	956,992	- to meet additional demand	705,293	1,585,612	925,965	76%
3,487,568	551,558	- to improve the level of service	596,149	1,473,307	1,006,679	59%
468,782	211,139	- to replace existing assets	115,372	512,608	523,534	22%
(417,223)	1,307,336	Increase (decrease) in reserves	2,293,415	(235,553)	70,216	3266%
-	(5,000)	Increase (decrease) in investments	(5,000)	-	-	-
4,184,973	3,022,025	<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	3,705,229	3,335,974	2,526,394	147%
(185,073)	(1,618,493)	<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING</b>	(1,864,744)	(563,635)	(793,013)	235%
-	-	<b>FUNDING BALANCE</b>	-	-	-	-

**Comment:**  
**Community Facilities and Parks**

Maintenance costs are down across the activity. Subsidies and grants for capital expenditure is made up of a grant from Canterbury Community Trust and a contribution from Reserve Financial Contributions towards the upgrade at the Motueka Recreation Centre. Capital expenditure is down on budget due to the Golden Bay Community Facility delay. These have contributed to the increase in reserves.

# COMMUNITY DEVELOPMENT

## RECREATION AND CULTURAL SERVICES

### What We Do

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

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

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

### Why We Do It

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

The Recreation and Cultural Services group of activities is an important component of Council's business in terms of:

- How it relates to the communities.
- How it strengthens its communities.
- How it supports its communities.
- How it maintains an accurate picture of community opportunities and challenges.
- How it supports access to and protects the District's recreation, culture and heritage values.

### Our Goal

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

### How this activity contributes to the Community Outcomes

- Providing and supporting quality recreational services which enable participation in suitable relevant and enjoyable activities lifelong.
- Promotion and celebration of our history and diverse cultures. Support of organisations that preserve and display our region's heritage and culture.
- Promotion and delivery of recreational services that reflect the diversity of the Tasman District. Assists community-led facilities, projects and initiatives to deliver benefits across the broader community.

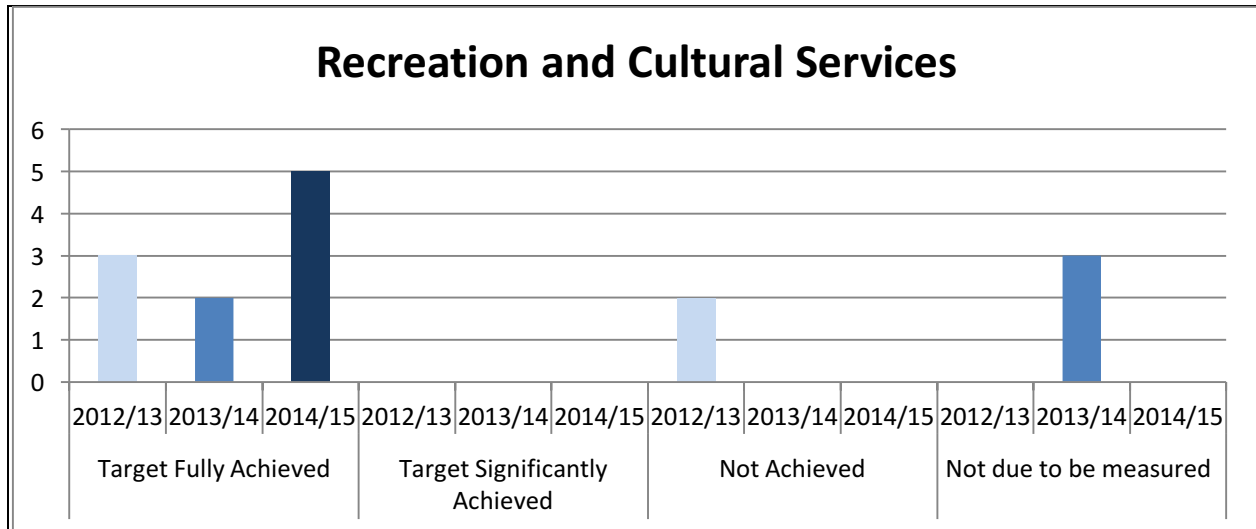
## COMMUNITY DEVELOPMENT

### Our levels of service and how we measure progress against them

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance
<p>1. Promotion and celebration of our history and cultures.</p> <p>Support of facilities and services that house our regions stories, artefacts and arts.</p>	<p>Residents are satisfied with the information available in publications, as measured through the residents' survey undertaken at least three yearly. [Target: 90% of residents who have seen at least one of the recreation publications are fairly or very satisfied with them.]</p>	<p>Achieved. 96% of residents who have seen a Council publication are satisfied or very satisfied as measured by the Communitrak Survey 2015. The results exclude those respondents who were unable to comment.</p> <p>(Last survey in 2012: 95% satisfied or very satisfied)</p>
<p>2. Promotion and delivery of events and recreational services that reflect the diversity of the District.</p>	<p>Residents attending a range of Council organised and supported activities and events are satisfied, as measured through user surveys. [Target: 90% of the community is very or fairly satisfied with Council activities or events.]</p>	<p>Achieved. 91% of the community were very or fairly satisfied with Council activities or events, as measured in the Communitrak Survey 2015. The results exclude those respondents who were unable to comment.</p> <p>(Last survey in 2012: 87%)</p>
<p>3. Community development is supported with staff advice and funding support.</p>	<p>Information to support communities is accessible and relevant, as measured through the residents' survey undertaken at least every three years.</p> <p>Information about grants assistance is accessible and appropriate. The administration of funding is clear and transparent, as measured through the residents' survey undertaken at least every three years.</p> <p>[Target: 70% of the community is very or fairly satisfied with the community assistance.]</p>	<p>Achieved. 87.5% of residents who received funding advice and/or support were satisfied or very satisfied, as measured in the Communitrak Survey 2015. The results exclude those respondents who were unable to comment.</p> <p>(Last survey in 2012: 70%)</p>
<p>4. Provide grants to community groups to deliver services and facilities that enhance community wellbeing.</p>	<p>Grants are fully allocated to groups and individuals who meet our funding criteria.</p> <p>[Target: 100% of grant funding is allocated.]</p> <p>Groups are delivering the services outlined in their applications and that they receive grant money to provide services to the community.</p> <p>[Target: 90% of accountability forms are returned completed.]</p>	<p>Achieved. Like the previous year the original budget for grant funding was reduced during the course of the year. 99% of the remaining budget was spent (94% of the original budget was allocated). (2014: 100%).</p> <p>Achieved. 95% of accountability forms for 2014/2015 year have been returned. 96% of accountability forms for 2013/2014 were returned completed.</p>

## COMMUNITY DEVELOPMENT

### Comparison of performance over three years



### Major Activities

Planned	Actual
Support of community development through advice, partnership arrangements, grants and awards.	Staff provided advice to the community on Council's grants as well as other funding options, event management, governance, project planning and implementation. There are multiple project partnerships, for example Get Moving walking cycling project, Positive Ageing Forum and Expo, and "Connections" Mayors Taskforce for jobs - youth training and employment project. In addition, the Positive Ageing Forum meets at least four times per year and is attended by representatives of over 67 organisations, including Council plus individual older adults.
Allocation of contestable grants.	The Tasman District Council Community Grants of \$207,246 from an available pool of \$209,000 were 99% allocated in 2014/2015. The other funding schemes were fully allocated. There are no outstanding accountabilities from 2012/2013; and 4% of accountabilities for 2013/2014 are outstanding.
Ongoing allocation of funding to cultural services, e.g. Museums and The Suter Art Gallery.	Annual agreement contracts have been signed with cultural facilities and funding allocations made. \$1,148,389 allocated.
Annual review of grants funding criteria and process.	The online application process for Community Grants has been completed. A review of the grants criteria and process was undertaken to ensure consistency with the changes to the local government purpose in the Local Government Act 2002.
Support of regional recreation programmes.	Council supports recreation programmes with an allocation of \$78,073 in 2014/2015. The programmes are held in Council facilities via service delivery agreements with Golden Bay Community Workers, Motueka Recreation Centre, Moutere Hills Community Centre, Richmond Town Hall, and Murchison Sport, Recreation and Cultural Centre.

## COMMUNITY DEVELOPMENT

<p>Provision of community events and activities.</p>	<p>A range of community events are run by the Community Relations team. The focus is on encouraging community participation utilising Council's infrastructure - this includes Council's parks, halls, community centres and walk and bike paths.</p>
<p>Promotion of community events and activities through website, Mudcakes and Roses, Boredom Busters, JAM website, Newslite, Found Directory, Bike/Walk Maps, Summer Events Guide and other media.</p>	<p>The primary promotion of events is via support for the "ItsOn" events database. All the publications cover events for their relevant target groups.</p>
<p>Facilitate the Youth Council with regional recreation coordinators.</p>	<p>The Youth Council operates in Golden Bay, Motueka, Murchison and Richmond. They undertake and support community projects/initiatives, based on identified needs ensuring the youth voice is heard. Highlights include: Murchison Adventurers Outdoor Youth Programme and Thorps Bush Community Consultation Project.</p>

## COMMUNITY DEVELOPMENT

2013/2014 Long Term Plan Budget \$	2013/2014 Actual \$	Recreation and Cultural Services	2014/2015 Actual \$	2014/2015 Long Term Plan Budget \$	2014/2015 Annual Plan Budget \$	% of Annual Plan Budget
		<b>SOURCES OF OPERATING FUNDING</b>				
1,178,270	1,107,960	General rates, uniform annual general charges, rates penalties	1,138,424	1,233,919	1,138,424	100%
1,151,771	1,118,841	Targeted rates	1,191,641	1,208,312	1,191,547	100%
203,979	150,368	Subsidies and grants for operating purposes	148,510	210,547	198,279	75%
-	62,906	Fees and charges	36,446	-	67,869	54%
-	-	Internal charges and overheads recovered	-	-	-	-
146,154	49,192	Local authorities fuel tax, fines, infringement fees, and other receipts	40,719	149,502	41,000	99%
2,680,174	2,489,267	<b>TOTAL OPERATING FUNDING</b>	2,555,740	2,802,280	2,637,119	97%
		<b>APPLICATIONS OF OPERATING FUNDING</b>				
2,168,852	2,438,539	Payments to staff and suppliers	1,995,271	2,245,866	2,195,470	91%
120,413	108,446	Finance costs	118,534	123,682	120,193	99%
305,131	438,120	Internal charges and overheads applied	372,754	321,954	310,678	120%
-	-	Other operating funding applications	-	-	-	-
2,594,396	2,985,105	<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	2,486,559	2,691,502	2,626,341	95%
85,778	(495,838)	<b>SURPLUS (DEFICIT) OF OPERATING FUNDING</b>	69,181	110,778	10,778	642%
		<b>SOURCES OF CAPITAL FUNDING</b>				
-	-	Subsidies and grants for capital expenditure	-	-	-	-
-	-	Development and financial contributions	-	-	-	-
(10,778)	(10,778)	Increase (decrease) in debt	(110,778)	(10,778)	(10,778)	1028%
-	-	Gross proceeds from sale of assets	-	-	-	-
-	-	Lump sum contributions	-	-	-	-
(10,778)	(10,778)	<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	(110,778)	(10,778)	(10,778)	1028%
		<b>APPLICATIONS OF CAPITAL FUNDING</b>				
		Capital expenditure				
-	-	- to meet additional demand	-	-	-	-
-	-	- to improve the level of service	-	-	-	-
-	24,150	- to replace existing assets	7,285	-	-	-
75,000	(526,276)	Increase (decrease) in reserves	(45,896)	100,000	-	-
-	(4,490)	Increase (decrease) in investments	(2,986)	-	-	-
75,000	(506,616)	<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	(41,597)	100,000	-	-
(85,778)	495,838	<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING</b>	(69,181)	(110,778)	(10,778)	642%
-	-	<b>FUNDING BALANCE</b>	-	-	-	-

**Comment:**

**Recreation and Cultural Services**

Grants and Levies paid to the community are less than budget. The decrease in debt is due to the lump sums received from the Tasman Bay Heritage Trust towards repaying the money advanced to them being used to repay debt.

# GOVERNANCE

## GOVERNANCE

### What We Do

This activity involves managing the electoral process to provide the District with a democratically elected Mayor, Council and Community Boards and the governance of the District by its elected representatives. It also involves:

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

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

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

### Why We Do It

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

### Electoral process

Tasman District is divided into five electoral wards – Golden Bay, Lakes/Murchison, Motueka, Moutere/Waimea and Richmond. Councillors are elected by ward. The Mayor is elected from across the District. We have Community Boards in Golden Bay and Motueka.

Elections are held every three years under the Local Electoral Act 2001.

Council comprises a Mayor and 13 Councillors elected as follows:

Ward	Councillors
Golden Bay	2
Lakes/Murchison	1
Motueka	3
Moutere/Waimea	3
Richmond	4



## GOVERNANCE

### Friendly Towns

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

### How this activity contributes to the Council's Community Outcomes

- The governance activity contributes to the community outcomes by ensuring democratic processes and strategic planning are undertaken, and by supporting the work of elected members.
- The governance activity contributes to the community outcomes by the CCTOs providing an economic return to Council and ratepayers and by providing employment opportunities.

2013/2014 Long Term Plan Budget \$	2013/2014 Actual \$	Governance	2014/2015 Actual \$	2014/2015 Long Term Plan Budget \$	2014/2015 Annual Plan Budget \$	% of Annual Plan Budget
3,982,268	3,762,370	Governance	3,222,934	3,898,441	3,172,724	102%
3,982,268	3,762,370	TOTAL COSTS	3,222,934	3,898,441	3,172,724	100%

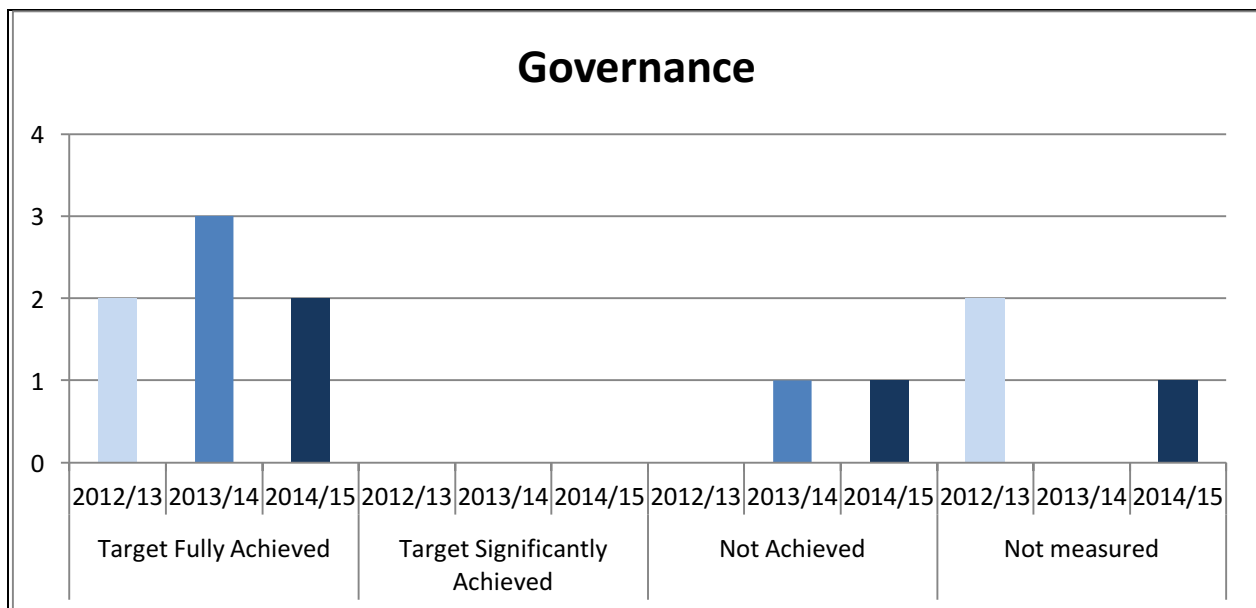
### Our levels of service and how we measure progress against them

Levels Of Service (We provide)	We will know we are meeting the Level Of Service if...	Current Performance
1. Support for Iwi to enable them to be consulted on Council statutory issues.	Funding is provided to enable Iwi consultation with Council on a wide range of statutory issues. [Target: 90% of funding budgeted is allocated during any given year.]	Council continues to provide funding and engage with Iwi on a wide range of issues, including working with Tiakina te Taio and the Manawhenua Ki Mohua Trust. Support for Council cultural events was provided by the Council Kaumatua.  Not achieved. 63% of the budget was allocated during the year. (2014: 42%)  Council expects to spend a higher proportion of the budget in 2015/2016 as it consults with Iwi during the review of two reserve management plans.
2. Support for economic development in the Tasman District.	Funding is provided for economic development opportunities in Tasman District. [Target: 90% of funding budgeted is allocated during any given year.]	Achieved. Council continues to provide funding for economic development, including financial support for the Economic Development Agency. 100% of this funding was allocated during the year. (2014: 100%)
3. Good strategic and annual planning for the Council.	The Long Term Plan, Annual Plans and Annual Reports are prepared within statutory timeframes. [Target: All Long Term Plan, Annual Plan and Annual Report statutory timeframes are met. Variations are managed to meet statutory requirements.]	Achieved. Council prepared the Long Term Plan 2015-2025. All statutory requirements and timeframes were met. The Annual Report 2013/2014 was prepared within statutory requirements, with an unmodified opinion.

## GOVERNANCE

Levels Of Service (We provide)	We will know we are meeting the Level Of Service if...	Current Performance
4. Effectively run election processes.	The election process is carried out effectively and there are no successful challenges. [Target: There are no successful challenges to the 2013 election processes.]	Not measured. No election in 2014/2015 year.

### Comparison of performance over three years



### Major Activities

Planned	Actual
Three yearly elections, with the next scheduled for October 2016	The last Council election was held on 13 October 2013. The election process ran smoothly and all legal requirements were met.

## GOVERNANCE

Preparation of the Long Term Plan 2015-2025, including Annual Plan 2015/2016 and Annual Report	The Long Term Plan 2015-2025 including Annual Plan 2015/2016 and the last year's Annual Report were produced in accordance with legislative requirements. 544 submissions were received on the Long Term Plan 2015-2025 including Annual Plan 2015/2016.
Friendly towns/communities relationships	Council continued to support the special relationship it has with: <ul style="list-style-type: none"> <li>• Grootegast, Netherlands</li> <li>• Motueka and Kiyosato, Japan</li> <li>• Richmond and Fujimi Machi, Japan</li> </ul>
Overseeing CCTO's	Statements of Intent and reporting on the Council's CCTOs, listed below, were produced during the year. For more information refer to pages 155 to 161. <ul style="list-style-type: none"> <li>• Nelson Airport Limited.</li> <li>• Tourism Nelson Tasman Limited (note: during the year the Council decided to sell its half share of Tourism Nelson Tasman Limited to Nelson City Council).</li> <li>• Port Nelson Limited (note: although Port Nelson is a company half-owned by Council, it is not classed as a CCTO in legislation. However, performance monitoring requirements are similar to those of a CCTO).</li> </ul>
Providing funding for the Nelson Regional Economic Development Agency	Council budgeted \$213,670 for a contribution to the EDA in the 2014/2015 year. The actual amount spent was \$207,447.

# GOVERNANCE

2013/2014 Long Term Plan Budget \$	2013/2014 Actual \$	Governance	2014/2015 Actual \$	2014/2015 Long Term Plan Budget \$	2014/2015 Annual Plan Budget \$	% of Annual Plan Budget
3,411,987	3,492,805	SOURCES OF OPERATING FUNDING				
728,907	718,663	General rates, uniform annual general charges, rates penalties	2,558,243	3,009,809	2,558,243	100%
-	-	Targeted rates	671,657	756,544	660,394	102%
-	132,982	Subsidies and grants for operating purposes	-	-	-	-
-	-	Fees and charges	106,993	-	80,214	133%
-	-	Internal charges and overheads recovered	-	-	-	-
448,154	386,560	Local authorities fuel tax, fines, infringement fees, and other receipts	206,751	497,378	360,376	57%
4,589,048	4,731,010	TOTAL OPERATING FUNDING	3,543,644	4,263,731	3,659,227	97%
		APPLICATIONS OF OPERATING FUNDING				
3,258,295	2,905,905	Payments to staff and suppliers	2,548,589	3,148,791	2,486,161	103%
182,100	109,237	Finance costs	-	186,100	122,000	0%
541,873	747,228	Internal charges and overheads applied	674,345	563,550	564,563	119%
-	-	Other operating funding applications	-	-	-	-
3,982,268	3,762,370	TOTAL APPLICATIONS OF OPERATING FUNDING	3,222,934	3,898,441	3,172,724	102%
606,780	968,640	SURPLUS (DEFICIT) OF OPERATING FUNDING	320,710	365,290	486,503	66%
		SOURCES OF CAPITAL FUNDING				
-	-	Subsidies and grants for capital expenditure	-	-	-	-
-	-	Development and financial contributions	-	-	-	-
-	(247,099)	Increase (decrease) in debt	-	-	-	-
-	6,957	Gross proceeds from sale of assets	-	-	-	-
-	-	Lump sum contributions	-	-	-	-
-	(240,142)	TOTAL SOURCES OF CAPITAL FUNDING	-	-	-	-
		APPLICATIONS OF CAPITAL FUNDING				
		Capital expenditure				
-	-	- to meet additional demand	-	-	-	-
-	13,127	- to improve the level of service	-	-	-	-
2,153	51,594	- to replace existing assets	-	2,224	2,000	0%
604,627	663,777	Increase (decrease) in reserves	320,710	363,066	484,503	66%
-	-	Increase (decrease) in investments	-	-	-	-
606,780	728,498	TOTAL APPLICATIONS OF CAPITAL FUNDING	320,710	365,290	486,503	66%
(606,780)	(968,640)	SURPLUS (DEFICIT) OF CAPITAL FUNDING	(320,710)	(365,290)	(486,503)	66%
-	-	FUNDING BALANCE	-	-	-	-

## Comment:

### Governance

The activity is within budget and there have been no notable unplanned changes or events that have affected revenue or expenditure.

# COUNCIL ENTERPRISES AND PROPERTY

## Nature and Scope

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

- a) Aerodromes
- b) Camping Grounds
- c) Commercial Property
- d) Forestry
- e) Ports
- f) Property Services

2013/2014 Long Term Plan Budget \$	2013/2014 Actual \$	Council Enterprises and Property	2014/2015 Actual \$	2014/2015 Long Term Plan Budget \$	2014/2015 Annual Plan Budget \$	% of Annual Plan Budget
3,666,289	3,568,371	Council Enterprises and Property	3,480,395	3,635,214	3,614,134	96%
3,666,289	3,568,371	TOTAL COSTS	3,480,395	3,635,214	3,614,134	96%

## What We Do

This group of activities involves the management and provision of:

- Aerodromes in Motueka and Takaka
- Leasing and management of camping grounds in Motueka, Pohara, Murchison and Collingwood
- Approximately 2,700 stocked hectares of commercial plantation forest
- Operation of port interests at Mapua, Motueka and Tarakohe
- Provision of property related services to the Council.

## Why We Do It

Council is the owner or custodian of substantial commercial and property portfolios and has identified the need for professional expertise within Council to meet the ongoing management of these assets.

## Our Goal

To provide commercial and property activities and services that meet user needs, a safe and compliant working environment that provides financial sustainability for Council whilst recognising the wider community benefits.

## How this activity contributes to the Council's Community Outcomes

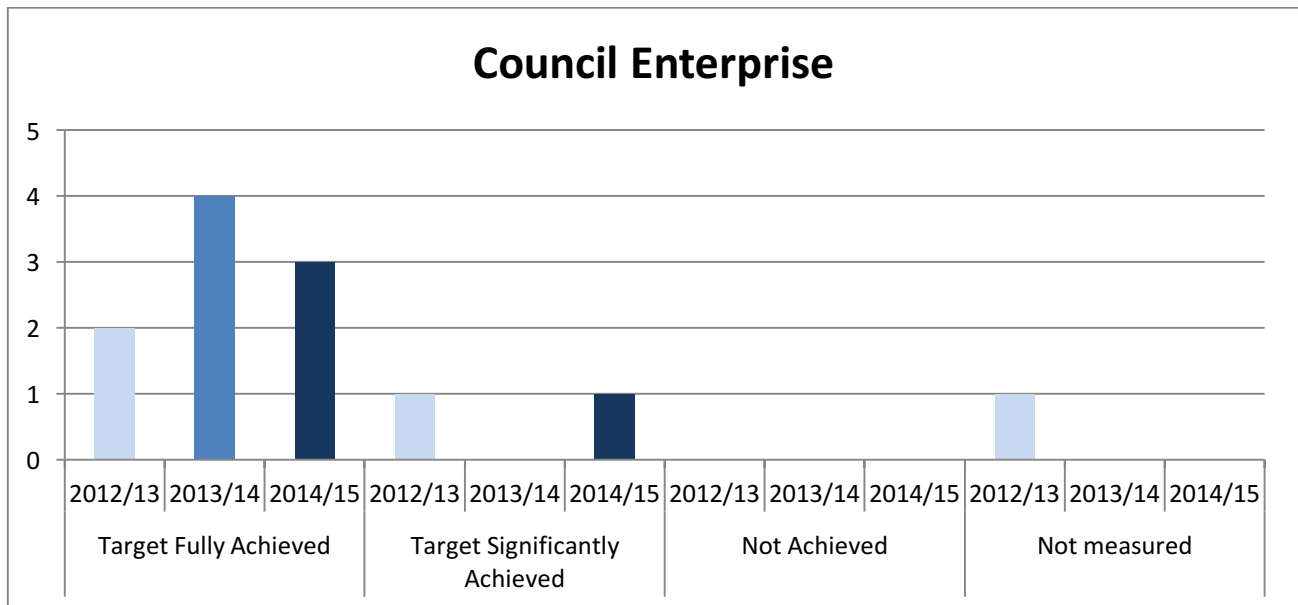
- The aerodromes provide business, employment and tourism opportunities and an alternative transport option during emergencies.
- Our plantation forests assist in reducing the carbon footprint for Tasman District. We provide employment opportunities for planting and tending of forests, plantation management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

## COUNCIL ENTERPRISES AND PROPERTY

### Our levels of service and how we measure progress against them

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance
1. We will responsibly manage liabilities for any carbon credits.	We meet the requirements laid down by Government. [Target: Compliance with any emissions trading scheme.]	Achieved. Council complies with the Emissions Trading Scheme and has engaged PF Olsen Ltd. to manage the scheme.
2. Our forestry operations will be managed on a commercial basis recognising any component of public good.	A business plan for forestry has been approved and implemented by Council. [Target: The plan will be reviewed as required.]	Achieved. The current forestry management plan was approved in 2009 and a new plan was written and approved in 2014.
3. Effective management of Council property services to enable other Council activities to carry out their functions.	Other department's reasonable expectations of the property services are delivered. As measured by a three yearly survey of selected customers. [Target: 70% of customers surveyed are fairly or very satisfied.]	Achieved. 75% of respondents were happy with their working environment. 73% of respondents were happy with property services provided. 79% of respondents were happy with facilities management. 82% of respondents were satisfied with management of vehicle fleet.
4. Buildings and property services that comply with legislative and resource and building consent requirements.	All operational buildings (offices and libraries) meet all legislative, resource consent and building consent requirements. [Target: All requirements are met.]	Target significantly achieved. All buildings have current Building WOF's and satisfy consent conditions. Closure of Golden Bay Service Centre because the building received a poor rating for seismic strength. Resource consent for car parking at the Main Office in Richmond was not satisfied by 30 June 2015.

## COUNCIL ENTERPRISES AND PROPERTY



### Major Activities

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

Activity	Budget \$	Actual
Earthquake strengthening	500,000	The money has been allocated to various projects (public halls and museum) with work carried out over a period of two-three years. The budget will be carried over to 2015/2016.
Mapua Wharf – Shed 4 (Commercial Building)	1,200,000	Investigations, design and consent work totalled \$232,000 during the 2014/2015 period. The project was delayed as a result of design and consent complexities associated with the site. The balance of the budget is carried over into the 2015/2016 financial year. Development is programmed to commence on 5 August 2015 with build expected to be completed by end of October 2015.
Manage Council enterprises, including forestry, campgrounds, aerodromes and ports		<p>Expenditure for the year totalled:</p> <p>Ports: \$446,000 – operational costs including Port Tarakohe commercial wharf securitisation, Health and Safety work, Port Manager's office upgrade, installation of a weighbridge.</p> <p>Commercial Property \$435,000 – operational costs at various commercial sites including building maintenance of Mapua wharf and tidy-up of groyne removal related costs at Motueka.</p> <p>Campgrounds \$824,000 – operational costs including coastal protection works on sites at Collingwood and Pohara.</p> <p>Forestry \$1,455,000 – operational costs of 2,700 ha forestry plantation including sustainable replanting programme. Trading profits increased reserves by \$713,000 during the year.</p>

## COUNCIL ENTERPRISES AND PROPERTY

Property Management Services	Property management expenses of \$595,000 (which includes \$20,000 loss on sale of assets) and \$626,000 being the costs of managing Council operational properties (Council offices and libraries).
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2013/2014 Long Term Plan Budget \$	2013/2014 Actual \$	Council Enterprises and Property	2014/2015 Actual \$	2014/2015 Long Term Plan Budget \$	2014/2015 Annual Plan Budget \$	% of Annual Plan Budget
		<b>SOURCES OF OPERATING FUNDING</b>				
502,886	351,123	General rates, uniform annual general charges, rates penalties	341,669	500,981	341,669	100%
-	-	Targeted rates		-	-	-
-	-	Subsidies and grants for operating purposes		-	-	-
-	586,194	Fees and charges	610,690	-	638,303	96%
810,891	788,462	Internal charges and overheads recovered	810,022	823,520	807,522	100%
3,117,696	2,632,900	Local authorities fuel tax, fines, infringement fees, and other receipts	2,901,568	3,074,125	2,677,965	108%
4,431,473	4,358,679	<b>TOTAL OPERATING FUNDING</b>	4,663,949	4,398,626	4,465,459	104%
		<b>APPLICATIONS OF OPERATING FUNDING</b>				
2,813,023	2,635,447	Payments to staff and suppliers	2,810,425	2,735,372	2,943,318	95%
331,884	313,100	Finance costs	351,692	322,288	339,082	104%
521,382	619,824	Internal charges and overheads applied	318,278	577,554	331,734	96%
-	-	Other operating funding applications	-	-	-	-
3,666,289	3,568,371	<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	3,480,395	3,635,214	3,614,134	96%
765,184	790,308	<b>SURPLUS (DEFICIT) OF OPERATING FUNDING</b>	1,183,554	763,412	851,325	139%
		<b>SOURCES OF CAPITAL FUNDING</b>				
-	4,700	Subsidies and grants for capital expenditure	136,402	-	-	-
-	-	Development and financial contributions	-	-	-	-
(327,948)	(369,213)	Increase (decrease) in debt	(934,350)	(322,142)	296,186	-315%
500,000	343,915	Gross proceeds from sale of assets	-	-	-	-
-	-	Lump sum contributions	-	-	-	-
172,052	(20,598)	<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	(797,948)	(322,142)	296,186	-269%
		<b>APPLICATIONS OF CAPITAL FUNDING</b>				
		Capital expenditure				
26,910	1,560	- to meet additional demand	-	27,798	-	-
2,691	40,721	- to improve the level of service	83,011	-	535,000	16%
55,973	70,711	- to replace existing assets	35,461	91,178	211,358	17%
851,662	656,718	Increase (decrease) in reserves	267,134	322,294	401,153	67%
-	-	Increase (decrease) in investments	-	-	-	-
937,236	769,710	<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	385,606	441,270	1,147,511	34%
(765,184)	(790,308)	<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING</b>	(1,183,554)	(763,412)	(851,325)	139%
-	-	<b>FUNDING BALANCE</b>	-	-	-	-

### Comment

#### Council Enterprise and Property

Capital Expenditure is less than budget as the earthquake strengthening work did not proceed as planned. The subsidies and grants for capital expenditure relate to carbon credits earned on the forestry estate being recorded at fair value.



## Financial Statements Introduction

- 1 The **Statement of Comprehensive Revenue and Expense** (page 126) summarises all revenue received including that from rates, the significant activities and Council's associates and joint ventures.  
  
From the total of this revenue is deducted the gross cost of services brought forward from the individual activities, together with expenditure not related to any of the significant activities.  
  
Comprehensive revenue and expense also summarises the change in equity of the Council from transactions and other events and circumstances from non-owner sources. It includes all changes in equity during a period. Therefore, it also includes such items as revaluations of property, plant and equipment.
- 2 The **Balanced Budget Statement of Financial Performance** (page 127). Council is required under the provisions of the LGA 2002 (s.101) to manage its revenues, expenses, assets, liabilities, investments and general dealings prudently and in a manner that promotes the current and future interests of its community. The LGA 2002 (s.100) requires that local authorities "balance the books". This means Council must ensure that each year's projected operating revenues are set at a level sufficient to meet that year's projected operating expenses (break even).
- 3 The **Statement of Financial Position** (page 128) shows the assets and liabilities of the Tasman District Council.
- 4 The **Statement of Cashflows** (page 129) summarises the cashflows for the year ended 30 June 2015.
- 5 The **Statement of Changes in Equity** (page 130) provides a breakdown of the movements in total equity.
- 6 The **Council Funding Impact Statement** (page 131) provides a breakdown of the net cost of services for significant groups of activities of the Council.
- 7 The individual **Funding Impact Statements** of Council's significant activities (pages 30 - 114) record Council's objectives, and achievements for the year ended 30 June 2015, together with the costs associated with the provision of each service.
- 8 The **Financial Statements** should be read in conjunction with the "Notes to the Financial Statements".

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

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

# Statement of Accounting Policies

## REPORTING ENTITY

Tasman District Council (TDC) 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

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

The 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 2015. The financial statements were authorised for issue by Council on 24 September 2015.

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.

These financial statements are the first financial statements presented in accordance with the new PBE accounting standards. The material adjustments arising on transition to the new PBE accounting standards are explained in note 39.

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

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

### *Standards and interpretation issued and not yet adopted*

In May 2013, the External Reporting Board issued a new suite of PBE accounting standards for application by public sector entities for reporting periods beginning on or after 1 July 2014. The Council has applied these standards in preparing the 30 June 2015 financial statements.

In October 2014, the PBE suite of accounting standards was updated to incorporate requirements and

guidance for the not-for-profit sector. These updated standards apply to PBEs with reporting periods beginning on or after 1 April 2015. The Council will apply these updated standards in preparing its 30 June 2016 financial statements. The Council expects that there will be minimal or no change in applying these updated accounting standards.

## Joint Ventures

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. Council recognises its interest in a jointly controlled entities using proportionate consolidation. The application of proportionate consolidation means that the statement of financial position of the Council includes its share of the assets that it controls jointly and its share of the liabilities for which it is jointly responsible. The statement of comprehensive revenue and expense of the Council includes its share of the revenue and expenses of the jointly controlled entities.

The entities disclosed below are treated as joint ventures.

**Nelson Regional Sewerage Business Unit (NRSBU).** Council has a 50% interest in this entity. The most recent unaudited financial statements (June 2015) have been used to determine Council's interest.

### **Nelson Tasman Combined Civil Defence Organisation (NTCCDO).**

Council has a 50% interest in this entity. The most recent unaudited financial statements (June 2015) have been used to determine Council's interest.

## Associate

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

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

Where the Council transacts with an associate, surpluses or deficits are eliminated to the extent of the Council's interest in the associate.

Dilution gains or losses arising from investments in associates are recognised in the surplus or deficit. The investment in the associate is carried at cost in the Council's parent entity financial statements.

#### i) **Port Nelson Ltd**

Council was vested a 50% shareholding in this entity.

To arrive at a fair value the most recent audited statement of financial position (June 2015) has been equity accounted.

#### ii) **Nelson Airport Ltd**

Council has a 50% shareholding in this Company.

To arrive at a fair value, the most recent audited statement of financial position (June 2015) has been equity accounted.

#### iii) **Tasman Bays Heritage Trust**

Council has significant influence over the trust as it has the ability to appoint trustees. Council has equity accounted for 50% of this entity.

To arrive at a fair value the most recent unaudited statement of financial position (June 2015) has been equity accounted.

### **Revenue Recognition**

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

The following particular policies apply:

- 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. The 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 the 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.
- Council receives government grants from the New Zealand Transport Agency, which subsidises part of Council's costs in maintaining the local roading infrastructure. New Zealand Transport Agency revenue is recognised on entitlement when

conditions pertaining to eligible expenditure are fulfilled.

- Development contributions and reserve financial contributions are recognised as revenue when the Council provides, or is able to provide, the service that gave rise to the charging of the contribution. Otherwise development contributions and financial contributions are recognised as liabilities until such time as the Council provides, or is able to provide, the service.
- Interest is recognised using the effective interest method.
- Dividends are recognised when the right to receive payment has been established.
- Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as revenue. Assets vested in Council are recognised as revenue when control over the asset is obtained. 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.
- 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.
- Infringements are recognised when the fine is issued.
- 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 date.

### **Borrowing costs**

Borrowing costs are recognised as an expense in the period in which they are incurred.

### **Grant expenditure**

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

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

### **Taxation**

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

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

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

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

## **Leases**

### **Finance leases**

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

is fully depreciated over the shorter of the lease term and its useful life.

### **Operating lease**

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

### **Cash and cash equivalents**

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

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

### **Trade and other receivables**

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

### **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 the Council has transferred substantially all the risks and rewards of ownership.

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

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

are used to determine fair value for the remaining financial instruments.

The four categories of financial assets are:

- Financial assets at fair value through surplus or deficit 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 remeasurement 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.

- **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.

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

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

## **Impairment of financial assets**

At each 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.

### **Accounting for derivative financial instruments and hedging activities**

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

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

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

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

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

### **Non-current assets held for sale**

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

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

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

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

### **Property, plant and equipment**

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

Property, plant and equipment consist of:

**Operational Assets** - These include land, buildings, computers and office equipment, building

improvements, library books, plant, 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 the Council. Each asset type includes all items that are required for the network to function, eg sewer reticulation includes reticulation piping and sewer pump stations.

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

### **Additions**

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

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

#### **i) Roads and Bridges**

These have been categorised as urban/rural, sealed/metalled and valued at fair value using optimised depreciated replacement cost by MWH New Zealand Ltd as at 31 March 2015.

#### **ii) Land under Roads**

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

iii) **Wastewater, Solid Waste, Water Supply, Stormwater, Coastal Assets, and Aerodromes**

Wastewater, solid waste, water supply, stormwater and coastal assets have been valued at optimised depreciated replacement cost by MWH New Zealand Ltd as at 31 March 2015. From 1 July 2008 Council has ceased revaluing its aerodrome assets. These assets are now recorded at deemed cost, being the value at the point the decision was made to cease revaluing.

iv) **River Protection Assets**

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

Stop bank assets were valued for inclusion in Council's financial statement at optimised depreciated replacement cost by MWH New Zealand Ltd as at 31 March 2015.

v) **Port Assets**

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 MWH New Zealand Ltd as at 31 June 2012. The Port assets have not been revalued on the three yearly cycle in order for a specialist valuation to be undertaken.

**Depreciation**

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

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

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

**Infrastructure Assets**

- Bridges 100 years
- Roads 4 – 80 years
  - Formation Not Depreciated
  - Sub-base (sealed) Not Depreciated
  - Basecourse (sealed) 65 - 75 years
  - Surfaces 2 - 50 years

- Car Parks - formation Not Depreciated
- Car Parks –components 8 - 45 years
- Footpaths 5 - 50 years
- Pavement base(unsealed) Not Depreciated
- Drainage 15 - 80 years
- Wastewater
  - Oxidation Ponds Not Depreciated
  - Treatment 9 -100 years
  - Pipe 50 - 80 years
  - Pump Stations 20 - 80 years
- Water
  - Wells and Pumps 10 - 80 years
  - Pipes/Valves/Meters 15 - 80 years
- Stormwater
  - Channel/Detention Dams Not Depreciated
  - Pipe/Manhole/Sumps 80 - 120 years
- Ports and Wharves 7 - 100 years
- Airfields 10 - 80 years
- Refuse 15 - 100 years
- Rivers
  - Stop banks Not Depreciated
  - Rock Protection Not Depreciated
  - Willow Plantings Not Depreciated
  - Gabion Baskets 30 years
  - Railway irons 50 years
  - Outfalls 60 years

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

**Revaluation of Assets**

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

The net revaluation results are credited or debited to other comprehensive 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.

Library Books

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

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

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

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

Adult and technical books	10 years
Children's books	5 years
CD's and Talking books	2 years

#### Furniture and Fittings

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

#### Land and Buildings

At fair value as determined by market-based evidence by an independent valuer. The most recent valuation was performed by QV Valuations and the valuation is effective 30 June 2013.

#### Heritage Assets

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

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

### Intangible assets

#### Software acquisition and development

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

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

#### Carbon credits

Purchased carbon credits are recognised at cost on acquisition. They have an indefinite useful life and are not amortised, but are instead tested for impairment

annually. They are derecognised when they are used to satisfy carbon emission obligations.

#### Easements

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

#### Amortisation

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

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

Computer software 5 years 20%

### Forestry Assets

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

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

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

### Investment property

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

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

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

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

### Impairment of property, plant, and equipment and intangible assets



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

Assets that have a finite useful life are reviewed for indicators of impairment at each balance date. When there is an indicator of impairment, the asset's recoverable amount is estimated. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

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

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount.

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

## **Employee Entitlements**

### ***Short-term benefits***

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

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

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

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

### ***Long-term benefits***

#### ***Long service leave and retirement leave***

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

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

#### ***Presentation of employee entitlements***

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

## **Superannuation schemes**

### ***Defined contribution schemes***

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

## **Provisions**

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

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

### ***Creditors and other payables***

Creditors and other payables are recorded at their face value.

## **Financial guarantee contracts**

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

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

unrecognised, prior to discounting to fair value, is disclosed as a contingent liability. Financial guarantees are subsequently measured at the initial recognition amount less any amortisation, however if Council assesses that it is probable that expenditure will be required to settle a guarantee, then the provision for the guarantee is measured at the present value of the future expenditure.

## **Borrowings**

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

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

## **Equity**

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

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

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

## **Restricted and Council created reserves**

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

## **Asset Revaluation reserve**

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

## **GST**

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

## **Contract Retentions**

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

## **Overheads**

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

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

## **Budget Figures**

The budget figures are those approved by the Council in its Annual Plan 2014-2015. The budget figures are consistent with the accounting policies adopted by the Council for the preparation of the financial statements at the time the budget was prepared.

## **Funding Impact Statements**

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

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

These statements are based on cash transactions prepared on an accrual basis and as such do not include non cash/accounting transactions that are included within the Comprehensive 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.

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**

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

- the physical deterioration and condition of an asset, for example the Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets which are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets;
- estimating any obsolescence or surplus capacity of an asset; and

- estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then Council could be over or under estimating the annual depreciation charge recognised as an expense in the surplus or deficit. To minimise this risk Council's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of the Council's asset management planning activities, which gives Council further assurance over its useful life estimates.

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

### **Critical judgement in applying Council's accounting policies**

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

#### **Classification of property**

Council owns a number of properties which are maintained primarily to provide 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.

Tasman District Council

**Statement of Comprehensive Revenue and Expense**  
For the Year ended 30 June 2015

June 14 Actual \$(000's)		Notes	June 15 Actual \$(000's)	June 15 Budget \$(000's)	% of Budget
	<b>Revenue</b>				
32,368	General rates	2	33,187	33,041	100%
29,956	Targeted rates	2	31,910	32,212	99%
4,512	Development and financial contributions		6,203	2,920	212%
11,169	Subsidies and grants	4	8,728	8,846	99%
13,743	Fees and charges	5	14,462	14,907	97%
11,222	Other revenue	3	19,611	9,551	205%
343	Finance revenue	8	667	264	253%
2,860	Revenue of joint ventures	21	2,755	4,141	67%
5,372	Share of associates surplus/deficit	20	4,149	2,380	174%
111,545	<b>Total Revenue</b>	1	121,672	108,262	112%
	<b>Expenses</b>				
8,149	Finance Costs	8	8,068	10,416	77%
17,264	Employee Benefit Expenses	6	18,964	19,257	98%
21,071	Depreciation	15	21,635	21,569	100%
46,952	Other Expenses	7	48,690	44,768	109%
3,384	Expenditure of joint venture	21	2,899	3,189	91%
96,820	<b>Total Expenses</b>	1	100,256	99,199	101%
14,725	<b>Surplus/(Deficit) before Taxation</b>		21,416	9,063	236%
-	Tax expense	9	-	-	-
14,725	<b>Surplus/(Deficit) after tax</b>	36	21,416	9,063	236%
	<b>Other comprehensive revenue and expense</b>				
-	Gain on asset revaluations	26	34,679	33,463	104%
(1,331)	Asset Impairment Loss		-	-	-
(4)	Movement in NZLG shares value	26	756	-	-
(68)	Impairment investment in associate		-	-	-
(10)	Opening Equity Restatement - JV/Associate		(63)	-	-
600	Other comprehensive Revenue - Associates	20	185	-	-
(813)	<b>Total other comprehensive revenue and expense</b>		35,557	33,463	106%
13,912	<b>Total comprehensive revenue and expense</b>		56,973	42,526	134%

The table shows the actual accounting net position was a surplus of \$21.4 million compared with a budgeted accounting surplus of \$9.1 million. This equates to a surplus or favourable variance of \$12.3 million, and includes such items as; development contributions, vested assets, interest rate swap valuations, and movement in the forestry revaluation.

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

Tasman District Council

**Balanced Budget Statement of Financial Performance**  
For the Year ended 30 June 2015

June 14 Actual \$(000's)		Notes	June 15 Actual \$(000's)	June 15 Budget \$(000's)
111,332	Operating Revenue		121,672	108,262
96,820	Operating Expenditure		100,256	99,199
14,512	<b>Operating Surplus/(Deficit)</b>		21,416	9,063
	<b>less</b>			
4,848	Share of JV & Associates (Net)		4,005	3,332
3,269	Vested Assets		7,172	4,950
6,519	Capital Grants and Subsidies		5,122	4,760
4,512	Development & Financial Contributions		6,203	2,920
2,692	Other Gains/Losses		(1,751)	678
13,782	Principal Repaid (excl JV) through operating revenue - see note below		19,573	10,385
35,622			40,324	27,025
	<b>plus</b>			
21,071	Depreciation not funded		21,635	21,569
2,425	Dividends from Associates		3,075	2,380
23,496			24,710	23,949
<b>2,386</b>	<b>Underlying Operating Surplus</b>		<b>5,802</b>	<b>5,987</b>
(2,386)	Net transfers from reserves and equity		(5,802)	(5,987)
0	Balanced Budget - Operating revenue agrees to operating expenditure		0	0

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

### Explanation of Council's Balanced Budget Requirement

Council is required under the provisions of the LGA 2002 (s.101) to manage its revenues, expenses, assets, liabilities, investments and general dealings prudently and in a manner that promotes the current and future interests of its community. The LGA 2002 (s.100) requires that local authorities "balance the books". This means Council must ensure that each year's projected operating revenues are set at a level sufficient to meet that year's projected operating expenses (break even).

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

Tasman District Council

**Statement of Financial Position**  
As at 30 June 2015

June 14 Actual \$(000's)		Notes	June 15 Actual \$(000's)	June 15 Budget \$(000's)
	<b>CURRENT ASSETS</b>			
4,026	Cash and cash equivalents	10	3,202	1,422
13,048	Trade and other receivables	11	15,190	11,594
1,391	Other financial assets	13	1,491	1,692
980	Non current assets held for resale	14	288	1,866
19,445			20,171	16,574
	<b>CURRENT LIABILITIES</b>			
12,195	Trade and other payables	22	13,534	11,589
1,728	Employee Benefit Liabilities	24	2,029	1,671
-	Derivative Financial Instruments	12	54	-
8,103	Current portion of borrowings	25	6,002	12,930
22,026			21,619	26,190
(2,581)	<b>WORKING CAPITAL</b>		(1,448)	(9,616)
	<b>NON CURRENT ASSETS</b>			
90,952	Investments in associates	20	92,213	88,098
4,287	Other financial assets	13	5,101	3,790
1,022	Intangible Assets	16	1,043	915
-	Trade & other receivables	11	0	31
20,108	Forestry Assets	18	26,789	21,533
1,300	Investment property	19	1,770	1,850
1,227,295	Property, plant and equipment	15	1,279,724	1,295,070
1,344,964			1,406,640	1,411,287
	<b>NON CURRENT LIABILITIES</b>			
140,933	Term borrowings	25	139,009	158,965
299	Derivative Financial Instruments	12	8,075	3,197
606	Employee benefit liabilities	24	532	545
1,146	Provisions	23	1,204	1,041
142,984			148,820	163,748
1,199,399	<b>TOTAL NET ASSETS</b>		1,256,372	1,237,922
	<b>EQUITY</b>			
514,451	Accumulated equity	27	534,647	517,904
15,943	Reserve funds	28	18,467	17,104
669,005	Revaluation reserves	26	703,258	702,914
1,199,399	<b>TOTAL EQUITY</b>		1,256,372	1,237,922

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

Tasman District Council

**Statement of Cashflows**  
For the Year ended 30 June 2015

June 14 Actual \$(000's)		Notes	June 15 Actual \$(000's)	June 15 Budget \$(000's)
	<b>Cashflow From Operating Activities</b>			
	Cash was Provided From:			
36,765	Fees and charges		36,763	29,862
63,552	Rates revenue, excluding targete water supply rates		64,746	65,134
3,038	Dividends received		2,350	2,546
352	Interest received		602	264
	Net GST received			573
103,707			104,461	98,379
	Cash was Disbursed To:			
(66,806)	Payments to suppliers & employees		(60,650)	(65,309)
(8,001)	Interest paid		(8,563)	(10,397)
163	Net GST paid		(218)	
(74,644)			(69,431)	(75,706)
<b>29,063</b>	<b>Net Cashflow From Operating</b>	29	<b>35,030</b>	<b>22,673</b>
	<b>Cashflow From Investing Activities</b>			
	Cash was Provided From:			
1,470	Proceeds from sale of assets		1,617	-
5,139	Proceeds from sale of investments		221	-
6,609			1,838	-
	Cash was Disbursed To:			
(22,955)	Purchase of assets		(33,295)	(49,672)
(1,464)	Purchase of investments		(372)	(504)
(24,419)			(33,667)	(50,176)
<b>(17,810)</b>	<b>Net Cashflow From Investing</b>		<b>(31,829)</b>	<b>(50,176)</b>
	<b>Cashflow From Financing Activities</b>			
	Cash was Provided From:			
8,277	Loans raised		6,025	38,071
	Cash was Disbursed To:			
(17,256)	Loan principal repayments		(10,050)	(12,870)
<b>(8,979)</b>	<b>Net Cashflow From Financing</b>		<b>(4,025)</b>	<b>25,201</b>
<b>2,274</b>	<b>Total Net Cashflows</b>		<b>(824)</b>	<b>(2,302)</b>
1,752	Opening Cash Held		4,026	3,724
<b>4,026</b>	<b>Closing Cash Balance</b>		<b>3,202</b>	<b>1,422</b>
	<b>Represented By:</b>			
4,026	Cash and cash equivalents		3,202	1,422
<b>4,026</b>			<b>3,202</b>	<b>1,422</b>

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

Tasman District Council

**Statement of Changes in Equity**  
For the Year ended 30 June 2015

June 14 Actual \$(000's)		Notes	June 15 Actual \$ (000's)	June 15 Budget \$ (000's)
1,185,487	Equity at the start of the year		1,199,399	1,195,396
13,912	Total comprehensive revenue and expense		56,973	42,526
1,199,399	Equity at the end of the year		1,256,372	1,237,922

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



Tasman District Council

**Council Funding Impact Statement**  
For the Year ended 30 June 2015

2013/2014 Annual Plan Budget \$	2013/2014 Actual \$	Funding Impact Statement	2014/2015 Actual \$	2014/2015 Long Term Plan Budget \$	2014/2015 Annual Plan Budget \$	% of Annual Plan Budget
		<b>SOURCES OF OPERATING FUNDING</b>				
32,337	32,216	General rates, uniform annual general charges, rates penalties	33,301	34,540	33,298	100%
24,244	29,536	Targeted rates	32,088	26,060	31,822	101%
3,772	4,437	Subsidies and grants for operating purposes	3,606	3,764	4,086	88%
6,191	15,208	Fees and charges	14,542	7,183	16,003	91%
2,721	2,881	Interest and dividends from investments	3,065	2,917	2,810	109%
		Local authorities fuel tax, fines, infringement fees, and other receipts				
21,109	5,008		5,961	22,625	6,910	86%
90,374	89,286	<b>TOTAL OPERATING FUNDING</b>	92,563	97,089	94,929	95%
		<b>APPLICATIONS OF OPERATING FUNDING</b>				
67,554	65,576	Payments to staff and suppliers	60,524	71,563	68,636	88%
9,074	8,278	Finance costs	8,071	10,659	9,995	81%
-	-	Other operating funding applications	-	-	-	-
76,628	73,854	<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	68,595	82,222	78,631	83%
13,746	15,432	<b>SURPLUS (DEFICIT) OF OPERATING FUNDING</b>	23,968	14,867	16,298	147%
		<b>SOURCES OF CAPITAL FUNDING</b>				
4,234	6,519	Subsidies and grants for capital expenditure	5,122	4,694	4,760	108%
3,152	4,512	Development and financial contributions	6,252	2,971	2,920	214%
12,301	(8,893)	Increase (decrease) in debt	(4,026)	16,577	8,734	-46%
1,250	2,890	Gross proceeds from sale of assets	116	500	85	136%
-	-	Lump sum contributions	17	-	-	-
20,937	5,028	<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	7,481	24,742	16,499	30%
		<b>APPLICATIONS OF CAPITAL FUNDING</b>				
		Capital expenditure				
1,984	3,790	- to meet additional demand	3,423	3,096	3,461	99%
19,509	8,256	- to improve the level of service	22,161	23,887	16,293	136%
12,040	12,344	- to replace existing assets	8,731	12,443	11,380	77%
1,150	(281)	Increase (decrease) in reserves	(3,772)	183	1,663	-227%
-	(3,649)	Increase (decrease) in investments	906	-	-	-
34,683	20,460	<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	31,449	39,609	32,797	96%
(13,746)	(15,432)	<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING</b>	(23,968)	(14,867)	(16,298)	147%
-	-	<b>FUNDING BALANCE</b>	-	-	-	0%

**Note:** Due to the reclassification of targeted rates, fees and charges and other receipts under the new PBE standards the Annual Plan budgets have been adjusted. No adjustments have been made for the Long Term Plan budgets.

The Council has early adopted The Local Government (Financial Reporting and Prudence) Regulation 2014 requirements for the format of the Council FISs. Therefore the annual plan and long term plan presentation have been updated into include the targeted rates for water supply in the targeted rates line. The previous regulation required targeted rates from water supply to be included in the fees and charges line.

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

**Tasman District Council**

**Statement of Commitments**

**As at 30 June 2015**

**Contractual Commitments**

These are commitments for which a formal contract has been entered at 30 June 2015.

<b>2013/2014</b>		<b>2014/2015</b>
<b>\$(000's)</b>		<b>\$(000's)</b>
4,892	Utilities Maintenance	10,037
-	Stormwater	1,366
6,584	Road Maintenance	8,169
5,416	Refuse Operations	20,331
10,262	Water Supply Maintenance	1,295
921	Wastewater Reticulation Maintenance	190
1,516	River Maintenance	1,914
489	Parks and Reserves Programmed Maintenance	462
584	Richmond Aquatic Centre	92
<u>8,515</u>	Parks and Reserves	<u>6,386</u>
<u>39,179</u>		<u>50,242</u>

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 on inflation.

**Operating leases as lessee**

Council leases property, plant and equipment in the normal course of its business. The majority of these leases have a non-cancellable term of 24 months. The future aggregate minimum lease payments to be made under non-cancellable operating leases are as follows:

**Non Cancellable Operating Lease Commitments**

<b>2013/2014</b>		<b>2014/2015</b>
<b>\$(000's)</b>		<b>\$(000's)</b>
8	No later than one year	8
8	Later than one year, not later than two years	2
<u>2</u>	Later than two years, not later than five years	-
<u>18</u>		<u>10</u>

## Statement of Contingent Assets and Liabilities

As at 30 June 2015

### a) Guarantees

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

2013/2014		2014/2015
\$		\$
<u>20,000</u>	Motueka Promotions Association	<u>20,000</u>
<u>20,000</u>		<u>20,000</u>

This is in the form of a guarantee for the loan to Westpac. The probability of liability is considered remote and hence no estimate of possible liability has been made. The value of guarantees disclosed as contingent liabilities reflects Council's assessment of the undiscounted portion of financial guarantees that are not recognised in the statement of financial position.

### b) Guarantee – New Zealand Local Government Funding Agency Limited

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

Tasman District Council is one of 30 local authority shareholders and 11 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 2015, NZLGFA had borrowings totalling \$4.998 billion (2014: \$3.886 billion).

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

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

### c) Other Contingent Liabilities

Council has contingent liabilities of \$Nil (30 June 2014 \$Nil). Council has no contingent claims against other parties (30 June 2014 Nil).

Six active claims have been lodged with the Weathertight Homes Resolution Service (WHRS) as at 30 June 2015 (June 2014: six active claims). These claims relate to weather tightness issues of homes in the Tasman District and name Tasman District Council as well as other parties. It is not certain whether all of these claims are valid. Council is unable to assess its exposure to the claims lodged with the WHRS and has not allowed for any contingent liabilities relating to this. RiskPool from 1 July 2009 is no longer providing coverage for leaky homes. Council has provided for no contingent liability claims in 2015 (2014: Nil).

Council is a signatory to the Government's leaky homes package, which may expose Council to up to 25% of any settlement costs.

The Council is also exposed to potential future claims which have not yet been advised until the statutory limitation period expires. The amount of potential future claims are not able to be reliably measured and is therefore unquantifiable. Claims must be made within 10 years of construction or alteration of the dwelling in order for the claim to be eligible under the Weathertight Homes Resolution Services (WHRS) Act 2006, but other statutory limitation periods could also affect claims.

RiskPool provides public liability and professional indemnity insurance for its members. The Council is a member of RiskPool. The Trust Deed of RiskPool provides that, if there is shortfall (whereby claims exceed contributions of members and reinsurance recoveries) in any Fund year, then the Board may make a call on members for that fund year. The Council received a notice during July 2012 for a call for additional contributions in respect of the 2002/2003 and 2003/2004 Fund years as those funds are exhibiting deficits due to the “leaky building” issue. This notice also highlighted that it is possible that further calls could be made in the future. A liability will be recognised for the future calls when there is more certainty over the amount of the calls.

Council is aware of two claims brought against Council. The first claim relates to an Environment Court ruling against Council with orders made. Council’s maximum exposure to this second claim is approximately \$750,000, of which \$383,044 has already been paid. Further proceedings were initiated in the Nelson High Court in April 2014.

The second claim relates to the sinking of a yacht and its valuation. It is too early to estimate the outcome and effect on Council. Council is covered by insurance with an excess of \$5,000.

Council is required to undertake seismic assessments of its buildings under its Earthquake Prone Buildings Policy prepared under the Building Act 2004. These assessments are in two parts, firstly Initial Evaluation Procedures (IEPs) are made and if the results show that a building may be earthquake prone, then a further Detailed Engineering Assessment (DEA) is made. The assessments undertaken to date only cover some of the Council’s community buildings. There are a number of other buildings where initial or detailed assessments have yet to be completed. These buildings will need assessments within five years, if the proposed changes to the Building Act go through. The Golden Bay Service Centre has been vacated as it is considered unsafe and the value of the building has been written down to \$Nil. Decisions have been made as part of the Long Term Plan 2015-2025 process as to whether to strengthen any buildings or whether any buildings under standard will be demolished if necessary. Currently five buildings have been assessed as high priorities for upgrade and have been incorporated into capital works budgets for 2015/2016.

#### **d) Other Contingent Assets**

A Council owned building in Takaka was destroyed by fire in October 2010. Council has received the insurance proceeds from the indemnity value of this building. Council will receive an additional \$145,300 from its insurance policy if this building is rebuilt, or a rebuild is undertaken at an alternative location. Council has awarded a contract in July 2015 for a rebuild at an alternative location, and has informed our insurers.

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

#### **e) Associates Contingent Liabilities and Contingent Assets**

The Calwell Slipway basin, which has been fully impaired, contains contaminated seabed sediments. Port Nelson has title to this area of seabed. While the marine engineering and vessel coating industries in and around the slipway area are now controlled, the historical contamination still persists in the sediments. The ongoing sedimentation of the basin now requires dredging to allow for the ongoing operation of the slipway. Port Nelson, together with the Nelson City Council, continues to seek certainty around the quantification of any liability associated with the eventual remediation works.

During 2013 Port Nelson, together with the Nelson City Council, obtained funding from the Ministry for the Environment (MFE) to undertake Remediation Planning (Phase Three) work to establish a preferred approach for remediation of the contaminated sediments. The work required under Phase Three was completed during the 2014 financial year.

During the 2015 financial year Port Nelson and MFE signed a letter of intent that proposes the commencement of remediation in the 2017 financial year. Prior to remediation occurring (Phase Four), further remedial planning work is required in Phase Three to confirm the feasibility of the suggested remedial option, develop cost estimates and apply for resource consent. Port Nelson obtained further funding from MFE in June 2015 to carry out this additional remedial planning. That work will occur in the 2016 financial year.

## Notes to the Financial Statements

For the year ended 30 June 2015

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<b>2013/14 Note 1</b>	<b>2014/15</b>
<b>\$(000's) Summary revenue and expenditure for groups of activities</b>	<b>\$(000's)</b>
<b>Revenue</b>	
9,115 Environmental Management	10,172
4,716 Public Health and Safety	4,843
21,322 Roding and Footpaths	20,090
1,297 Coastal Assets	1,919
9,529 Water	10,007
10,969 Wastewater	12,237
3,841 Stormwater	4,705
8,385 Solid Waste	6,976
3,653 Rivers and Flood Protection	3,507
2,489 Lifestyle and Culture	2,556
15,043 Community Facilities and Parks	16,519
4,866 Council Enterprises and Property	11,741
4,738 Governance	3,544
Overhead activities including Treasury, joint ventures and 11,582 associates	12,856
<b>111,545 Total Revenue</b>	<b>121,672</b>

<b>2013/14</b>	<b>2014/15</b>
<b>\$(000's) Expenses</b>	<b>\$(000's)</b>
8,495 Environmental Management	9,246
4,457 Public Health and Safety	4,949
21,876 Roding and Footpaths	19,800
1,865 Coastal Assets	1,392
8,434 Water	9,129
8,505 Wastewater	8,664
4,061 Stormwater	3,303
6,105 Solid Waste	6,268
2,464 Rivers and Flood Protection	2,267
3,029 Lifestyle and Culture	2,522
15,333 Community Facilities and Parks	15,750
4,158 Council Enterprises and Property	3,987
3,737 Governance	3,255
Overhead activities including Treasury, joint ventures and 4,301 associates	9,724
<b>96,820 Total Expenses</b>	<b>100,256</b>

<b>2013/14 Note 2</b>	<b>2014/15</b>
<b>\$(000's) RATES</b>	<b>\$(000's)</b>
32,368 <b>General Rates</b>	33,187
<b>Targeted rates attributable to activities</b>	
350 Environmental Management	371
6 Transportation, Roads & Footpaths	6
135 Coastal Structures	119
7,586 Water Supply	8,005
9,444 Wastewater & Sewerage Disposal	9,728
2,891 Stormwater	3,330
2,000 Solid Waste	2,169
2,971 Flood Protection and River Control Works	2,996
2,735 Community Facilities & Parks	3,322
1,119 Recreation and Cultural Services	1,192
719 Governance	672
29,956	31,910
62,324 Total rates	65,097

The Council is required by the LGFA Guarantee and Indemnity Deed to disclose in its financial statements (or notes) its annual rates revenue. That Deed defines annual rates revenue as an amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating Act) 2002 together with any revenue received by the Council from other local authorities for services provided by that Council for which those other Local Authorities rate. The annual rates revenue of the Council for the year ended 30 June 2015 for the purposes of the LGFA Guarantee and Indemnity Deed disclosure is shown below:

62,324 Rates	65,097
- Lump sum contributions	-
<u>62,324</u>	<u>65,097</u>
62,551 <b>Total rates revenue</b>	65,446
(227) <b>Rates remissions</b>	(349)
<u>62,324 Rates revenue net of remissions</u>	<u>65,097</u>

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

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

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 2014, and will be used by Council as the basis for distributing individual rates obligations for the next three financial years, starting from 1 July 2015.

<b>2013/14 Note 3</b>		<b>2014/15</b>
<b>\$(000's) OTHER REVENUE</b>		<b>\$(000's)</b>
114 Rental revenue from investment properties		80
94 Infringements & fines		90
353 Petrol tax		350
- Bad Debts Recovered		-
113 Dividend revenue		132
2,074 Forestry Harvesting Revenue		2,327
3,269 Vested Assets		7,172
519 Gain on disposal of property plant and equipment		116
40 Insurance recoveries		-
3,029 Unrealised gain on Interest Rate Derivatives		-
- Gain on changes in fair value of forestry assets		6,691
1,617 Other		2,653
<u>11,222</u>		<u>19,611</u>



<b>2013/14 Note 4</b>	<b>2014/15</b>
<b>\$(000's) SUBSIDIES &amp; GRANTS</b>	<b>\$(000's)</b>
9,762 NZ Transport Agency government grants	7,860
989 Government Grants	614
418 Government subsidies	254
<u>11,169</u>	<u>8,728</u>

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

<b>2013/14 Note 5</b>	<b>2014/15</b>
<b>\$(000's) FEES AND CHARGES</b>	<b>\$(000's)</b>
3,191 Building, resource consent, public health and liquor licensing c	3,697
3,891 Landfill/resource recovery centre charges	4,053
3,451 Sales	3,711
2,207 Sundry Fees & Recoveries	1,234
1,003 Other fees and charges	1,767
<u>13,743</u>	<u>14,462</u>

<b>2013/14 Note 6</b>	<b>2014/15</b>
<b>\$(000's) EMPLOYEE BENEFIT EXPENSES</b>	<b>\$(000's)</b>
16,666 Salary & Wages	17,997
716 Kiwisaver/Superannuation Schemes employer contributions	740
(118) Increase/(Decrease) in employee benefit liabilities	227
<u>17,264</u>	<u>18,964</u>

<b>2013/14 Note 7</b>		<b>2014/15</b>
<b>\$(000's) OTHER EXPENSES</b>		<b>\$(000's)</b>
49	Bad debts written off	196
64	Movement in Bad Debts Provision	332
105	Audit fees - Annual Report	109
2	Audit fees - Other	2
-	Audit fees - LTP	88
629	Donations	12
124	Minimum lease payments under operating leases	154
4,520	Consultants	4,310
23,348	Contractors/Maintenance	19,039
410	Loss on changes in fair value of investment property	652
-	Unrealised loss on Interest Rate Derivatives	7,830
257	Loss on changes in fair value of forestry assets	-
189	Loss on disposal of property plant and equipment	76
<u>17,255</u>	Other Expenses	<u>15,890</u>
<u><u>46,952</u></u>		<u><u>48,690</u></u>

<b>2013/14 Note 8</b>		<b>2014/15</b>
<b>\$(000's) FINANCE COSTS</b>		<b>\$(000's)</b>
	<b>Interest expense</b>	
8,056	Interest on borrowings	8,013
-	Interest on finance leases	4
<u>93</u>	Provisions: discount unwinding	<u>51</u>
<u><u>8,149</u></u>	Total finance costs	<u><u>8,068</u></u>

<b>\$(000's) FINANCE REVENUE</b>		<b>\$(000's)</b>
	<b>Interest Revenue</b>	
326	Interest on bank deposits	569
-	Interest on related party loans	83
<u>17</u>	Interest on community loans	<u>15</u>
<u><u>343</u></u>	Total finance costs	<u><u>667</u></u>

<b>2013/14 Note 9</b>	<b>2014/15</b>
<b>\$(000's) TAX</b>	<b>\$(000's)</b>

**Relationship between tax expense & accounting profit**

14,725 Net surplus	21,416
4,123 Prima facie tax at 28%	5,996
(4,062) Loss not previously recognised(tax effect)	(6,014)
(61) Deferred tax adjustment	18
- Tax expense	-

**Components of tax expense**

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

<b>Deferred tax assets/(liabilities)</b>	<b>Property, plant &amp; equipment</b>	<b>Tax losses</b>	<b>Total</b>
Balance at 1 July 2013	(773)	773	-
Charged to surplus or deficit	(61)	61	-
Charged to comprehensive revenue and expense	-	-	-
Balance at 1 July 2014	(834)	834	-
Charged to surplus or deficit	18	(18)	-
Charged to comprehensive revenue and expense	-	-	-
Balance at 1 July 2015	(816)	816	-

A deferred tax asset of \$2,406,257 has not been recognised in relation to tax losses of \$8,593,774 (2014: \$8,084,602) which are available to carry forward and offset against future taxable income.

<b>2013/14 Note 10</b>	<b>2014/15</b>
<b>\$(000's) CASH AND CASH EQUIVALENTS</b>	<b>\$(000's)</b>
4,026 Cash at bank and in hand	3,202
- Short term deposits maturing three months or less from date of acquisition	-
4,026 Total cash and cash equivalents	3,202
Disclosed as:	
4,026 Cash and Cash Equivalents	3,202
- Bank overdrafts	-
4,026	3,202

The carrying value of short-term deposits with maturity dates of three months or less approximates their fair value. Council holds a cash bond of \$35,000 in cash and cash equivalents that is subject to restrictions.

<b>2013/14 Note 11</b>	<b>2014/15</b>
<b>\$(000's) TRADE &amp; OTHER RECEIVABLES</b>	<b>\$(000's)</b>
1,265 Rates receivables	1,292
12,155 Other receivables	14,543
115 Prepayments	173
- Term Receivables (At fair value)	-
13,535	16,008
(487) Less provision for doubtful debts	(818)
13,048	15,190
Comprising	
13,048 Current portion	15,190
- Non Current	-
13,048 Total Trade & Other Receivables	15,190
Total receivables comprise:	
Receivables from non-exchange transactions - this includes outstanding amounts for rates, grants, infringements, and fees	
8,681 and charges that are partly subsidised by rates	10,993
Receivables from exchange transactions - this includes outstanding amounts for commercial sales and fees and	
4,367 charges that have not been subsidised by rates	4,197
13,048	15,190

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

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

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

All receivables greater than 30 days in age are considered to be past due.

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 writeoffs. The Council holds no collateral as security or other credit enhancements over receivables that are either past due or impaired. Movements in the provision for impairment of receivables is as follows:

<b>2013/14</b> <b>\$(000's)</b>	<b>2014/15</b> <b>\$(000's)</b>
423 At 1 July	487
70 Additional provisions made during the year	348
(6) Recoverables written off during period	(17)
<u>487 At 30 June</u>	<u>818</u>

The status of other receivables as at 30 June 2015 and 2014 are detailed as below:

	<b>2015</b>		
	<b>Gross</b>	<b>Impairment</b>	<b>Net</b>
	<b>\$(000's)</b>	<b>\$(000's)</b>	<b>\$(000's)</b>
Current	10,747	(26)	10,721
30-60 days	423	(11)	412
61-90 days	252	(11)	241
90+days	3,121	(770)	2,351
	<u>14,543</u>	<u>(818)</u>	<u>13,725</u>

	<b>2014</b>		
	<b>Gross</b>	<b>Impairment</b>	<b>Net</b>
	<b>\$(000's)</b>	<b>\$(000's)</b>	<b>\$(000's)</b>
Current	8,729	-	8,729
30-60 days	623	-	623
61-90 days	127	-	127
90+days	2,676	(487)	2,189
	<u>12,155</u>	<u>(487)</u>	<u>11,668</u>

<b>\$(000's) DERIVATIVE FINANCIAL INSTRUMENTS</b>	<b>\$(000's)</b>
<u>(299) Interest Rate Swaps</u>	<u>(8,129)</u>
<u>(299) Total derivative financial instruments</u>	<u>(8,129)</u>

Comprising	
- Current portion	(54)
<u>(299) Non Current</u>	<u>(8,075)</u>
<u>(299) Total Trade &amp; Other Receivables</u>	<u>(8,129)</u>

### Fair Value

The fair values of interest rate swaps have been determined using a discounted cash flows valuation technique based on quoted market prices. The inputs into the valuation model are from independently sourced market parameters such as interest rate yield curves.

### Interest Rate Swaps

The notional principal amounts of the outstanding interest rate swap contracts for the Council were \$215.8m of which \$130.78m is 'live' at balance date (2014: \$143.8m of which \$130.8m is 'live' at balance date.) At 30 June 2015, the fixed interest rates of cash flow hedge interest rate swaps vary from 3.22% to 5.895% . [2014: 3.22% to 5.895%]

2013/14 Note 13

2014/15

**\$(000's) OTHER FINANCIAL ASSETS****\$(000's)****Current Portion***Loans and receivables*

165	Current portion of community loans	191
25	Current portion of related party loans	100

*Held to maturity*

1,201	Disaster funds	1,200
-	Other short term deposits with maturities of 4-12 months	-

<u>1,391</u>	<b>Total Current Portion</b>	<u>1,491</u>
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**Non-current portion***Loans and receivables*

288	Community Loans	227
511	Loans to Related Parties	620

*Fair value through comprehensive revenue and expense*

73	Unlisted shares - NZ LG Insurance	79
1,866	Unlisted shares - NZ LG Funding Agency	2,617
1,403	Borrower Notes - NZ LG Funding Agency	1,541

*Held to maturity*

146	Monies administered for organisations	17
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<u>4,287</u>		<u>5,101</u>
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Due to the immaterial size and nature of the Council's investments, the fair value of the unlisted shares in the New Zealand Local Government Insurance Corporation Limited 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 impairment provisions for other financial assets.

The total value of other financial assets that can only be used for a specific purpose is \$1,200,000 (2014: \$1,201,000).

The loan to related parties is at a nil interest rate. (2014: Nil). The fair value of the loan has been determined using cashflows discounted at 5.35%.

Interest rates receivable on community loans range from nil to 7.97%, with an average rate of 5.56% (2014: Nil to 7.5%, with an average rate of 5.71%)

### Community loans

The face value of community loans is \$431,933. (2014: \$495,996)

2013/14 \$(000's)	2014/15 \$(000's)
348 At 1 July	288
- Amount of new loans granted during the year	-
- Fair value adjustment on initial recognition	-
(64) Loans repaid during the year	(65)
- Loans forgiven during the year	-
- Impairment loss recognised during the year	-
4 Unwind of discount	4
<u>288</u>	<u>227</u>

The community loans are to help not-for-profit organisations in the Tasman district to develop or improve new or existing facilities and other major projects. Only organisations with the ability to repay are granted loans.

The fair value of loans at initial recognition has been determined using cashflows discounted at a rate based on the loan recipients assessed financial risk factors.

2013/14 Note 14 \$(000's) PROPERTY HELD FOR RESALE	2014/15 \$(000's)
470 Buildings	63
510 Land	125
- Plant	100
<u>980</u>	<u>288</u>



**Note 15 Property, plant and equipment**

2015	Cost / Revaluation 1 July 2014 \$(000's)	Acc Depn & Impairment 1 July 2014 \$(000's)	*NBV 1 July 2014 \$(000's)	Current Year Additions \$(000's)	Current Year Vested Assets \$(000's)	Current Year Disposal \$(000's)	Current Year Impairment \$(000's)	Current Year Depreciation \$(000's)	Revaluation Surplus \$(000's)	Cost / Revaluation 30 June 2015 \$(000's)	Acc Depn & Impairment 30 June 2015 \$(000's)	*NBV 30 June 2015 \$(000's)
<b>Fixed Assets</b>												
Land	115,011	-	115,011	376	102	(594)	-	-	-	114,895	-	114,895
Buildings	61,215	(3,552)	57,663	1,288	25	(145)	(54)	(3,555)	7	62,336	(7,107)	55,229
Furniture and Fittings	3,427	(2,866)	561	56	-	-	-	(187)	-	3,483	(3,053)	430
Motor Vehicles	3,989	(3,045)	944	296	-	-	-	(287)	-	4,285	(3,332)	953
Plant	2,844	(1,705)	1,139	261	-	(100)	(230)	(164)	6	2,781	(1,869)	912
Office Equipment	6,312	(5,467)	845	248	-	-	-	(307)	-	6,560	(5,774)	786
Library Books	6,131	(4,948)	1,183	278	-	-	-	(283)	-	6,409	(5,231)	1,178
Heritage Assets	1,843	(426)	1,417	-	-	-	-	(35)	-	1,843	(461)	1,382
Finance Lease	71	(58)	13	-	-	-	-	(2)	-	71	(60)	11
	200,843	(22,067)	178,776	2,803	127	(839)	(284)	(4,820)	13	202,663	(26,887)	175,776
<b>Infrastructural Assets</b>												
Roading	511,454	(7,414)	504,040	9,023	2,210	-	-	(7,785)	12,848	522,277	(1,941)	520,336
Bridges	67,833	(1,380)	66,453	1,611	0	-	-	(1,402)	2,157	69,179	(360)	68,819
Land Under Roads	66,629	-	66,629	124	680	-	-	-	-	67,433	-	67,433
Stormwater	117,744	(2,629)	115,115	1,488	2,126	-	41	(1,326)	68	117,837	(325)	117,512
Wastewater	136,410	(5,298)	131,112	4,603	1,209	-	57	(3,059)	1,373	135,857	(562)	135,295
Refuse	7,991	(473)	7,518	1,842	0	(907)	-	(260)	1,893	10,162	(76)	10,086
Water	103,116	(4,863)	98,253	11,606	840	-	15	(2,516)	(658)	108,178	(638)	107,540
Rivers	44,902	(48)	44,854	711	0	-	-	(18)	16,485	62,041	(9)	62,032
Coastal structures	3,771	(206)	3,565	10	0	-	-	(183)	501	4,202	(309)	3,893
Ports	10,531	(413)	10,118	277	0	-	-	(211)	-	10,808	(624)	10,184
Aerodromes	1,329	(467)	862	11	0	-	-	(55)	-	1,340	(522)	818
	1,071,710	(23,191)	1,048,519	31,306	7,065	(907)	113	(16,815)	34,667	1,109,314	(5,366)	1,103,948
<b>Total</b>												
Fixed Assets	200,843	(22,067)	178,776	2,803	127	(839)	(284)	(4,820)	13	202,663	(26,887)	175,776
Infrastructure Assets	1,071,710	(23,191)	1,048,519	31,306	7,065	(907)	113	(16,815)	34,667	1,109,314	(5,366)	1,103,948
	1,272,553	(45,258)	1,227,295	34,109	7,192	(1,746)	(171)	(21,635)	34,680	1,311,977	(32,253)	1,279,724

\* NBV - Net Book value

Included in net book value is work in progress of \$15,491,457. These assets have not been depreciated.

Core Assets

\$000's

	Closing Book Value at 30 June 2015	Assets constructed for the year ending 30 June 2015	Assets transferred for the year ending 30 June 2015	Replacement Cost at 30 June 2015
Treatment Plants	8,172	7,784	0	8,172
Reticulation	99,368	3,822	840	141,817
<b>Water Supply</b>	<b>107,540</b>	<b>11,606</b>	<b>840</b>	<b>149,989</b>
Treatment Plants	6,368	2,781	0	8,979
Reticulation	128,927	1,822	1,209	137,383
<b>Sewerage</b>	<b>135,295</b>	<b>4,603</b>	<b>1,209</b>	<b>146,362</b>
<b>Stormwater Drainage</b>	<b>117,512</b>	<b>1,488</b>	<b>2,126</b>	<b>140,516</b>
<b>Flood Protection and Control Works</b>	<b>62,032</b>	<b>711</b>	<b>0</b>	<b>43,829</b>
<b>Roads and Footpaths</b>	<b>656,588</b>	<b>10,758</b>	<b>2,890</b>	<b>755,027</b>

Work in Progress

	<b>2014/15</b> <b>\$(000's)</b>	<b>2013/14</b> <b>\$(000's)</b>
Roading	-	958
Water	10,535	5,046
Stormwater	922	285
Wastewater	3,122	1,169
Buildings	560	-
Refuse	353	136
	<b>15,492</b>	<b>7,594</b>

2014	Cost / Revaluation 1 July 2013 \$(000's)	Acc Depn & Impairment 1 July 2013 \$(000's)	*NBV 1 July 2013 \$(000's)	Current Year Additions \$(000's)	Current Year Vested Assets \$(000's)	Current Year Disposal \$(000's)	Current Year Impairment \$(000's)	Current Year Depreciation \$(000's)	Revaluation Surplus \$(000's)	Cost / Revaluation 30 June 2014 \$(000's)	Acc Depn & Impairment 30 June 2014 \$(000's)	*NBV 30 June 2014 \$(000's)
<b>Fixed Assets</b>												
Land	113,221	-	113,221	2,685	768	(381)	(1,271)	-	(11)	115,011	-	115,011
Buildings	60,147	-	60,147	1,568	-	(434)	(60)	(3,561)	3	61,215	(3,552)	57,663
Furniture and Fittings	3,285	(2,659)	626	142	-	-	-	(207)	-	3,427	(2,866)	561
Motor Vehicles	3,541	(2,805)	736	463	-	(15)	-	(240)	-	3,989	(3,045)	944
Plant	2,695	(1,544)	1,151	159	-	-	-	(171)	-	2,844	(1,705)	1,139
Office Equipment	5,940	(5,177)	763	372	-	-	-	(290)	-	6,312	(5,467)	845
Library Books	5,822	(4,669)	1,153	309	-	-	-	(279)	-	6,131	(4,948)	1,183
Heritage Assets	1,819	(390)	1,429	24	-	-	-	(36)	-	1,843	(426)	1,417
Finance Lease	58	(55)	3	13	-	-	-	(3)	-	71	(58)	13
	196,528	(17,299)	179,229	5,735	768	(830)	(1,331)	(4,787)	(8)	200,843	(22,067)	178,776
<b>Infrastructural Assets</b>												
Roading	499,580	-	499,580	10,215	809	(19)	869	(7,414)	-	511,454	(7,414)	504,040
Bridges	67,393	-	67,393	440	0	-	-	(1,380)	-	67,833	(1,380)	66,453
Land Under Roads	66,141	-	66,141	250	238	-	-	-	-	66,629	-	66,629
Stormwater	116,202	(1,306)	114,896	816	731	(28)	23	(1,323)	-	117,744	(2,629)	115,115
Wastewater	133,952	(3,063)	130,889	2,465	391	(170)	-	(3,087)	624	136,410	(5,298)	131,112
Refuse	7,745	(231)	7,514	246	0	-	-	(242)	-	7,991	(473)	7,518
Water	99,215	(2,414)	96,801	3,606	327	(61)	29	(2,449)	-	103,116	(4,863)	98,253
Rivers	43,840	(24)	43,816	1,062	0	-	-	(24)	-	44,902	(48)	44,854
Coastal Structures	3,767	(101)	3,666	6	0	(2)	-	(105)	-	3,771	(206)	3,565
Ports	10,511	(208)	10,303	20	0	-	-	(205)	-	10,531	(413)	10,118
Aerodromes	1,323	(412)	911	6	0	-	-	(55)	-	1,329	(467)	862
	1,049,669	(7,759)	1,041,910	19,132	2,496	(280)	921	(16,284)	624	1,071,710	(23,191)	1,048,519
<b>Total</b>												
Fixed Assets	196,528	(17,299)	179,229	5,735	768	(830)	(1,331)	(4,787)	(8)	200,843	(22,067)	178,776
Infrastructure Assets	1,049,669	(7,759)	1,041,910	19,132	2,496	(280)	921	(16,284)	624	1,071,710	(23,191)	1,048,519
	1,246,197	(25,058)	1,221,139	24,867	3,264	(1,110)	(410)	(21,071)	616	1,272,553	(45,258)	1,227,295

\* NBV - Net Book value

Included in net book value is work in progress of \$7,593,992. These assets have not been depreciated.

## Valuation

### Land (operational, restricted, and infrastructural)

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

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

### Buildings (operational and restricted)

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

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

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

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

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

### Infrastructural asset classes: Roads 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.
- Estimating the replacement cost of the asset. The replacement cost is derived from recent construction contracts in the region for similar assets.
- Estimates of the remaining useful life over which the asset will be depreciated. These estimates can be affected by the local conditions. For example, weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then the Council could be over- or underestimating the annual depreciation charge recognised as an expense in the statement of comprehensive 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 MWH New Zealand Ltd as at 31 March 2015.

Wastewater, solid waste, water supply, stormwater, coastal assets, and river protection assets have been valued at optimised depreciated replacement cost by MWH New Zealand Ltd as at 31 March 2015.

#### 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 MWH New Zealand Ltd as at 30 June 2012.

#### Land under roads

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

#### Library collections

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

#### Airfields

From 1 July 2008 Council has ceased revaluing its airfield assets. These assets are now recorded at deemed cost, being the value at the point the decision was made to cease revaluing. Council has reviewed its policy regarding revaluation of airfield assets, and these assets will be revalued from the 2015/2016 year onwards.

#### **Impairment**

Impairment losses of \$284,000 have been recognised in Other Expenses in the Statement of Comprehensive Revenue and Expense. These relate to the impairment of a building for sale back per a High Court decision, and the impairment of Council's temporary seating.

**Note 16****INTANGIBLE ASSETS**

	<u>Computer Software</u>	<u>Carbon Credits</u>	<u>Total</u>
<b>Cost</b>			
Balance at 1 July 2014	3,286	213	3,499
Additions	211	138	349
Disposals	-	(3)	(3)
Balance at 30 June 2015	<u>3,497</u>	<u>348</u>	<u>3,845</u>
Balance at 1 July 2013	3,021	528	3,549
Additions	265	45	310
Disposals	-	(360)	(360)
Balance at 30 June 2014	<u>3,286</u>	<u>213</u>	<u>3,499</u>
<b>Accumulated amortisation and impairment</b>			
Balance at 1 July 2014	2,477	-	2,477
Amortisation charge	325	-	325
Disposals	-	-	-
Balance at 30 June 2015	<u>2,802</u>	<u>-</u>	<u>2,802</u>
Balance at 1 July 2013	2,106	-	2,106
Amortisation charge	371	-	371
Disposals	-	-	-
Balance at 30 June 2014	<u>2,477</u>	<u>-</u>	<u>2,477</u>
<b>Carrying Amounts</b>			
Balance at 1 July 2013	915	528	1,443
Balance at 30 June and 1 July 2014	<u>809</u>	<u>213</u>	<u>1,022</u>
<b>Balance at 30 June 2015</b>	<u><b>695</b></u>	<u><b>348</b></u>	<u><b>1,043</b></u>

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

**Impairment***Carbon credits*

The 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 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.

2013/14 Note 17 \$(000's)	2014/15 \$(000's)
<b>DEPRECIATION AND AMORTISATION EXPENSE BY GROUP OF ACTIVITY</b>	
240 Environment & planning	231
15,487 Engineering	16,796
4,217 Community Services	3,532
541 Council enterprises	457
<u>33 Governance</u>	<u>32</u>
Total Directly attributable depreciation and amortisation by <u>20,518</u> group of activity	<u>21,048</u>
Depreciation And Amortisation Expense not directly related to <u>553</u> group of activities	<u>587</u>
<b><u>21,071</u> Total depreciation and amortisation expense</b>	<b><u>21,635</u></b>

**Note 18**

**FORESTRY ASSETS**

<b>2013/14</b>		<b>2014/15</b>
<b>\$(000's)</b>		<b>\$(000's)</b>
20,356	Balance at 1 July	20,108
1,886	Gains/(losses) arising from changes attributable to price changes	4,190
(2,134)	Gains/(losses) arising from changes in fair value attributable to physical changes	2,491
20,108		26,789

The Gains/(losses) arising from changes in fair value are unrealised.

TDC owns 2,473 hectares of planted pinus radiata forest, which are at varying stages of maturity ranging from 1 to 30 years. TDC also owns 219 hectares of planted Douglas Fir, and 33 hectares of planted Cupressus Species trees.

Harvesting was centred at Rabbit Island forest. Total harvested volume during the period was 22,498 tonnes. (2014: 19,475 tonnes harvested at Rabbit Island and Borlase forests)

Independent registered valuers PF Olsen and Company Ltd have valued forestry assets as at 30 June 2015. The following valuation assumptions have been adopted in determining the fair value of forestry assets:

A post-tax discount rate of 7% has been used in discounting the present value of expected post-tax cash flows. (2014: A post-tax discount rate of 7% was used)

Notional land rental costs have been included for freehold land

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

All costs and revenues are expressed in current dollar terms.

Log prices represent the average monthly prices for the last three years to 30 June 2015.

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

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



2013/14 Note 19		2014/15
\$(000's) INVESTMENT PROPERTY		\$(000's)
3,460	Balance at 1 July	1,300
	Addition (transfer from property, plant and equipment)	1,122
(1,750)	Sale of investment property	-
(410)	Gain/(loss) on changes in fair value of investment property	(652)
<u>1,300</u>	Balance at 30 June	<u>1,770</u>

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

Note 20 INVESTMENT IN ASSOCIATES	2013/14 Opening Book Value (\$000's)	2014/15 Share of Surplus (\$000's)	2014/15 Dividend Received (\$000's)	Movement in Other comprehensive revenue (\$000's)	2014/15 Impairment of Investment (\$000's)	2014/15 Closing Book Value (\$000's)
Port Nelson Ltd	73,493	3,497	(2,850)	(253)	-	73,887
Nelson Airport Ltd	8,123	783	(225)	-	-	8,681
Tourism Tasman Nelson Ltd	0	-	-	-	-	-
Tasman Bays Heritage Trust Inc	9,336	(131)	-	440	-	9,645
	<u>90,952</u>	<u>4,149</u>	<u>(3,075)</u>	<u>187</u>	<u>-</u>	<u>92,213</u>

	2012/13 Opening Book Value (\$000's)	2013/14 Share of Surplus (\$000's)	2013/14 Dividend Received (\$000's)	2013/14 Movement in Other comprehensive revenue (\$000's)	2013/14 Impairment of Investment (\$000's)	2013/14 Closing Book Value (\$000's)
Port Nelson Ltd	71,659	4,303	(2,100)	(369)	-	73,493
Nelson Airport Ltd	7,685	763	(325)	-	-	8,123
Tourism Tasman Nelson Ltd	66	2	-	-	(68)	0
Tasman Bays Heritage Trust Inc	8,688	304	-	344	-	9,336
	<u>88,098</u>	<u>5,372</u>	<u>(2,425)</u>	<u>(25)</u>	<u>(68)</u>	<u>90,952</u>

In accordance with PBE IPSAS 7, Council discloses on an aggregate basis its share of the following in regard to its associates.

<b>2013/14</b>	<b>2014/15</b>
<b>\$(000's)</b>	<b>\$(000's)</b>
112 Capital Commitments	1,222
- Contingent Liabilities	-
- Contingent Assets	-
5,372 Operating Surpluses	4,149
(25) Other comprehensive revenue and expense	187
1,951 Tax expense attributed to the operating surplus	1,732

#### **Differences in Accounting Policies**

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

#### **Assets**

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

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

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

Under PBE IPSAS 7 Investments in Associates, the investors financial statements shall be prepared using uniform accounting policies for like transactions and events in similar circumstances. In prior years, TDC revalued its airport assets, while Nelson Airport Ltd did not. In line with Council's policy to report assets at their most current revaluation, the runway, taxiways, and apron at Nelson Airport Ltd had been brought into TDC's financial statements at a valuation which had been prepared as at 30 June 2006. Nelson Airport Ltd has not reported this revaluation in their financial statements. Council's portion of this increase in value was recorded in the Asset Revaluation Reserve (Note 26) and resulted in an increase to the revaluation reserve of \$3,001,000.

As neither Nelson Airport Ltd or Nelson City Council revalue their airport assets Tasman District Council decided to change its accounting policy for the airport assets class. These assets have been recognised at deemed cost from 1 July 2008 by Tasman District Council. This policy has been reviewed by Council, and it is proposed that airport assets will be revalued from the 2015/2106 year.

## List of Associates

Name of Entity:	i) Port Nelson Ltd	iii) Tourism Nelson Tasman Ltd
Principal Activity: Ownership: Owner: Control: Balance Date:	Port Operator 50% (2014 50%) Nelson City Council and Tasman District Council Self administered 30 June	Tourism Promotion Nil% (2014 50%) Nelson City Council and Tasman District Council  Self administered 30 June
Name of Entity:	ii) Nelson Airport Ltd	iv) Tasman Bays Heritage Trust Inc
Principal Activity: Ownership: Owner: Control Balance Date:	Airport Operator 50% (2014 50%) Nelson City Council and Tasman District Council Self administered 30 June	Museum Operator 50% (2014 50%) Nelson City Council and Tasman District Council  Self administered 30 June

## Performance Measures

### i) Port Nelson Ltd

measure of performance against objectives	Target	2015	2014	2013	Outcome
Lost Time Injury Frequency Rate	<1.50	2.99	1.64	4.95	Not Achieved
Net Debt / Equity Ratio	<45.0%	14.4%	16.8%	24.2%	Achieved
Dividends Declared	\$4.2m	\$5.7m	\$4.2m	\$4.2m	Achieved
Cargo Throughput (Cargo Tonnes)	2.6m	2.6m	2.7m	2.6m	Achieved
Shipping Tonnes (Gross Registered Tonnes)	8.5m	9.2m	8.6m	7.7m	Achieved
Ships Visits	697	747	786	729	Achieved
Revenue	\$39.0m	\$42.2m	\$43.3m	\$39.6m	Achieved
Return on Average Shareholders' Funds**	4.0%	5.1%	5.2%	5.1%	Achieved
Return on Funds Employed	6.0%	7.1%	7.5%	6.9%	Achieved
Capital Expenditure	\$4.0m	\$3.6m	\$2.0m	\$4.7m	Achieved
Incidents Leading to Pollution of Harbour	Nil	Nil	Nil	Nil	Achieved
Compliance with all Resource Consent Conditions	100%	Full	99%	Full	Achieved
Compliance with NZ Maritime Safety Standards	100%	Full	Full	Full	Achieved

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

\*\* Return on Average Shareholder Funds is based on the Net Surplus earnings figure prior to Other Comprehensive Revenue and Expense.

ii) Nelson Airport Ltd

Increase Economic Returns

Ref	Performance Target	Achievement
1	Achieve Financial Performance Targets.	See Financial Table (below)
2	Increase car parking revenue post completion of the car park redevelopment in line with financial performance targets.	Financial target for Parking Revenue exceeded (up v Budget by 2.7%). The Carpark Redevelopment Project has been re-phased pending confirmation of the basic design and footprint of the redeveloped terminal. Temporary overflow option implemented for carpark 2 has delivered some revenue upside.

Infrastructure Development

Ref	Performance Target	Achievement
3	Complete the construction and commissioning of the new terminal access and car park extension during the 2014/2015 Financial Year.	The Terminal Access Project and Carpark Redevelopment Project have been re-phased pending confirmation of the basic design and the footprint of redeveloped terminal.
4	Review five year forecast, including developments, at least annually.	The Five Year Forecast, including developments, was reviewed in November 2014, January 2015 and again in June 2015.

Business Diversification and Development

Ref	Performance Target	Achievement
5	Exploit opportunities for business diversification and development.	A number of initiatives that will come to fruition during the 2015/2016 year including upgrades to the airport cafe, improved advertising contract terms and expressions of interest received to establish a service station on airport land.

Operations, Safety and Compliance

Ref	Performance Target	Achievement
6	Pass all Civil Aviation Authority certification audits with no findings and fully consider any recommendations.	CAA Audits passed with no findings. Recommendations implemented where practical.
7	Complete essential works (if any) on the terminal as identified in the seismic engineering report.	No essential works identified to be completed in the 2014/2015 year.
8	Facilitate regular airport security meetings to ensure compliance with aviation security requirements.	Regional Security Meeting held annually. Aviation security requirements fully met.
9	Continue to work with the appropriate authorities to ensure an appropriate level of management is achieved in respect of the birdstrike risk in the vicinity of the airport.	Firearms policy revised in coordination with Nelson Police. A new initiative employing remote controlled gas powered bird scaring guns is now operating. Implemented in coordination with Airways.

Strong, Effective Relationships

Ref	Performance Target	Achievement
10	Measure indicators and report on "good employer" Key indicators.	No personal Grievances taken. One senior staff member retired at aged 65 and one other staff member moved from the district.
11	Maintain a safe working environment for employees.	All staff linked to GOSH Safety and Security system. Nil lost time injuries and nil medical treatments.

Environment, Sustainability and Community

Ref	Performance Target	Achievement
12	Facilitate regular meetings of the Nelson Airport Noise Environment Advisory Committee (NANEAC) and provide this Committee with appropriate monitoring data, advice and information.	Regular meetings setup. Monitoring information and data provided to Committee members prior to meeting dates.
13	Comply with The Noise Management Plan noise level requirements.	Fully complied.

## Financial Performance

	Forecast 2014/2015	Actual 2014/2015	Achievement
Gross Revenue	5,233,780	\$5.3m	Target achieved.
Operating Expenditure	3,368,366	\$3.2m	Target achieved. 6% cost reduction
Net Financing Income/(Cost)*	(169,300)	\$80.9k	Target achieved. Retirement of long term debt facility and rescheduling of Capital Expenditure
Profit before Taxation	1,696,114	\$2.2m	Target achieved. 28% above target.
Tax Expense	474,912		
Net Profit	1,221,202	\$1.57m	Target achieved. 28% above target
Dividend	508,544	\$515.5k	Target achieved.
Closing Shareholders Funds	10,833,539	\$11.4m	Target achieved. 4% above target
EBITDA	2,675,314	\$2.74m	Target achieved. 2% above target

\* Net financing cost actual includes \$5.3k Line of Credit Charge related to the long term loan facility retired during the year. This is in line with how the Statement of Intent target was set.

### iii) Tasman Bays Heritage Trust

#### Performance Measures

The 2014/2015 Strategic Plan contained 23 Objectives/KPIs. Council has reported against six.

Performance Target		Result
1. Finalise review of TBHT's long-term operating facilities and needs including exhibitions, storage, collection and research facilities. This is to ensure a strategic basis for effective and visionary museum operations in the long term, to enhance storage and to reduce risk to collections held by the Tasman Bays Heritage Trust.	Achieved	A review was undertaken by Walker and Associates and is known as the Walker report. Strategic priorities were identified and agreed to by the Board. The next step is to operationalise the strategic objectives.
2. Continue to improve the financial position of the Tasman Bays Heritage Trust by maintaining the debt repayment agreed with the Councils and by tight cost control.	Achieved	Current year repayment targets have been met and an increased repayment schedule to councils for the next three years has been agreed. Tight cost control has meant that debt from other sources has been reduced and full repayment of the secured loan is ahead of targets.
3. Increase level of funding support received from sources other than the two councils.	Achieved	We secured grants for various projects in excess of \$90,000 for the year. This is an increase of over \$30,000 from the previous year.
4. To ensure that objectives are	Achieved	Monthly reporting and forecasting is presented and approved at each monthly Board meeting.

achieved within budget		End of year report is subject to audit by Audit NZ and midyear reports are presented to both councils.
5. Allocate resources in order to transfer objects stored in unstable environmental conditions at Founders Historic Park and in containers at the Research Facility to more suitable storage either at the Research Facility or in off-site storage. Report half yearly.	Largely achieved and ongoing	<p>Objects continue to be brought back from Founders Park for rehousing at either the Research Facility (RF) with the bulk of our collection, or the Elms Street off-site store.</p> <p>The containers at RF are mostly used for temporary storage, or as sites for treating objects requiring specialist attention. One of the two containers at RF was emptied of objects this year; objects were inventoried and moved into storage at RF or Elms Street.</p> <p>The Inventory process ensures that all these objects have a collection management database record, and that all known details for each object are recorded along with physical aspects and location details. Objects are also photographed.</p>
6. Use the Visitor Survey as a means of ascertaining levels of Visitor Satisfaction with Services, Exhibitions and Programmes [target 80% or better rate their experience as 8,9,10 on a 10 point scale] and the success of campaigns to attract repeat visits from the regional population. Report six monthly and compare annually with data obtained by NCC surveys and Museums Aotearoa survey.	Achieved	<p>Satisfaction with the Services and Facilities has consistently been in excess of 95% rating at 4 or 5 on the scale. The scale was changed to 1-5 to match the Museums Aotearoa Survey which showed a similar level of satisfaction.</p> <p>Ratings on satisfaction with the Regional History Gallery range from 80% to 90%+. There is a slight variation between locals and visitors with the local respondents rating it very slightly lower but there is no indication of major lack of satisfaction with the offering.</p> <p>Ratings of the exhibitions in the upstairs gallery vary a little depending on what is on offer. There is a wider spread of ratings with even the occasional two out of five suggesting someone did not see the value of the exhibit but overall the satisfaction rating is well above the target of 80% at the four or five level.</p> <p>The data from our internal surveys is triangulated well by the data from the Museums Aotearoa Survey completed for 100 visitors over a one week period in March each year.</p>

**Note 21****INTEREST IN JOINT VENTURE**

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

**Financial performance**

	2014/15 \$(000's)		
	NRSBU	NTCCDO	TOTAL
Net Income	2,525	230	2,755
Net Expenditure	2,570	329	2,899
Net surplus/(deficit)	(45)	(99)	(144)
Includes:			
Depreciation	863	49	912

**Financial Position**

The Council's share of assets and liabilities proportionately consolidated is:	2014/15 \$(000's)		
	NRSBU	NTCCDO	TOTAL
<b>Current Assets</b>			
Cash at Bank	180	271	451
Receivables	230	52	282
	410	323	733
<b>Non Current Assets</b>			
Derivative Financial Instruments	-	-	0
Infrastructure-Wastewater	26,493	-	26,493
Forestry	6	-	6
Freehold Land	1,171	-	1,171
Buildings	108	89	197
Motor Vehicles	-	15	15
Plant & Equipment	10	29	39
Office Furniture and Equipment	-	82	82
	27,788	215	28,003
<b>Current Liabilities</b>			
Trade Creditors	976	3	979
Current Portion of Term Loans	-	-	-
	976	3	979
<b>Non Current Liabilities</b>			
Term Loans	8,000	-	8,000
Net Assets contributed by the Joint Venture	19,222	535	19,757

There were no capital commitments or contingent assets and liabilities as at 30 June 2015. [2014: \$Nil]



Comparative figures for 2013/14 are as follows:

**Financial performance**

	2013/14 \$(000's)		
	NRSBU	NTCCDO	TOTAL
Net Income	2,626	234	2,860
Net Expenditure	3,085	299	3,384
Net surplus/(deficit)	(459)	(65)	(524)
Includes:			
Depreciation	872	50	922

**Financial Position**

	2013/14 \$(000's)		
	NRSBU	NTCCDO	TOTAL
The Council's share of assets and liabilities proportionately consolidated is:			
<b>Current Assets</b>			
Cash at Bank	22	210	232
Receivables	89	1	90
	111	211	322
<b>Non Current Assets</b>			
Infrastructure-Wastewater	26,361	-	26,361
Forestry	16	-	16
Freehold Land	1,171	-	1,171
Buildings	111	90	201
Motor Vehicles	-	25	25
Plant & Equipment	5	38	43
Office Furniture and Equipment	-	98	98
	27,664	251	27,915
<b>Current Liabilities</b>			
Trade Creditors	656	3	659
Current Portion of Term Loans	8,100	-	8,100
	8,756	3	8,759
<b>Non Current Liabilities</b>			
Term Loans	-	-	0
Derivative Financial Instruments	-	-	0
Net Assets contributed by the Joint Venture	19,019	459	19,478

<b>2013/14 Note 22</b>	<b>2014/15</b>
<b>\$(000's) TRADE AND OTHER PAYABLE</b>	<b>\$(000's)</b>
4,320 Trade creditors	5,182
4,986 Sundry accruals	5,754
1,612 Sundry deposits	1,415
1,277 Other	1,183
<u>12,195</u>	<u>13,534</u>
Comprising:	
12,195 Current	13,534
- Non-current	-
<u>12,195</u> Total trade and other payables	<u>13,534</u>
Total payables comprise:	
Payables from non-exchange transactions - this includes outstanding amounts for grants payable, refundable bonds and	
2,323 taxes payable	3,174
9,872 Payables from exchange transactions	10,360
<u>12,195</u>	<u>13,534</u>

<b>2013/14 Note 23</b>	<b>2014/15</b>
<b>\$(000's) PROVISIONS</b>	<b>\$(000's)</b>
<b>Term</b>	<b>Term</b>
1,041 Opening Balance	1,146
114 Change in provision	276
(9) Unwinding of discount	(218)
<u>1,146</u>	<u>1,204</u>

#### **Provision for landfill aftercare costs**

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

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

- The estimated remaining life is 39 years for the Eves Valley landfill. In 2012 the remaining life for Stage Two was reassessed and Stage Two is now estimated to be closed in 2017. The provision has been adjusted for the latest estimated capping and monitoring costs.

- Council reassessed the estimated remaining life for the Murchison Landfill in the 2007/2008 financial year. It was decided that it was uneconomic to continue operating the Murchison Landfill and it ceased operations in that financial year. A transfer station was constructed at Murchison.

- Estimates of the life have been made by TDC's engineers based on historical volume information.

The cash outflows for landfill post-closure are expected to occur for 40 years after each site has been decommissioned. The long-term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and using a discount rate of 8% for Murchison [2014: 8%] and 8% for Eves Valley [2014: 8%].

The gross provision before discounting is \$3,532,989. (2014: \$2,868,472)

**Note 24**

**EMPLOYEE BENEFIT LIABILITIES**

2013/14 \$(000's)		2014/15 \$(000's)
581	Accrued pay	656
1,008	Annual leave	1,148
310	Retirement gratuities	307
385	Long Service Leave	400
50	Sick leave	50
2,334	<b>Total employee benefit liabilities</b>	2,561
	Comprising:	
1,728	Current	2,029
606	Non-current	532
2,334	<b>Total employee benefit liabilities</b>	2,561

**Key assumptions in measuring retirement and long service leave obligations**

The present value of retirement and long service leave obligations depend on a number of factors that are determined on an actuarial basis. Two key assumptions used in calculating this liability include the discount rate and the salary inflation factor. Any changes in these assumptions will affect the carrying amount of the liability.

Expected future payments are discounted using forward discount rates derived from the yield curve of New Zealand government bonds. The discount rates used have maturities that match, as closely as possible, the estimated future cash outflows. The salary inflation factor has been determined after considering historical salary inflation patterns and after obtaining advice from an independent actuary. A weighted average discount rate of 5.03% (2014 5.03%) and an inflation factor of 2.75% (2014 2.75%) were used.

2013/14 \$(000's)	2013/14 Note 25 \$(000's) BORROWINGS	2014/15 \$(000's)	2014/15 \$(000's)
	a) Security		
	All loans are secured by rates over the rateable properties of the Tasman District Council designated area except the investment property building which is secured by rent.		
	<b>Term</b>		<b>Term</b>
	<b>Current</b>		<b>Current</b>
140,923	8,100 Tasman District Council	139,000	6,000
-	- Joint Venture	-	-
10	3 Finance Lease	9	2
140,933	8,103	139,009	6,002

**b) Refinancing**

TDC manages its borrowings in accordance with its funding and financial policies, which includes a Liability Management policy.

**c) Interest Rates**

Interest rates payable on individual loans range from 3.55% to 4.703% with a weighted average cost of borrowings, including swap rates and bank commitment fees of 5.257% (2014: 3.7% to 4.9675% with a weighted average of 5.522%)

The Council's secured loans are issued at floating rates of interest. For floating rate debt, the interest rate is reset quarterly based on the 90 day bank bill rate plus a margin for credit risk. Due to interest rates on debt resetting to the market rate every three months, the carrying amounts of secured loans approximates their fair value.

TDC 2013/14 \$(000's)	JV 2013/14 \$(000's)	d) Repayable Period of Loans	TDC 2014/15 \$(000's)	JV 2014/15 \$(000's)
8,100	-	Repayable: Within 1 year	6,000	-
19,368	-	Within 1-2 years	6,000	-
121,555	-	Within 2-5 years	63,000	-
-	-	5+ years	70,000	-
140,923	-	Non Current Portion	139,000	-
149,023	-	Total Loans	145,000	-

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 one facility expiring in June 2016 and, as such the full \$6 million drawn under this facility is classified as a current liability. This is despite an expectation that this facility will be renegotiated and extended within the 12 month period.

2013/14 e) Finance Lease \$(000's)	Repayable:	2014/15 \$(000's)
3	Within 1 year	2
3	Within 1-2 years	9
7	Within 2-5 years	0
<u>10</u>		<u>9</u>
<u>13</u>	Total Finance Leases	<u>11</u>

## Internal Borrowings

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

Group of Activity	Internal Loans			
	Opening Balance	Loans Raised	Loans Repaid	Closing Balance
Environmental Management	1,993,921	-	145,845	1,848,076
Public Health and Safety	242,825	-	49,645	193,180
Roading and Footpaths	32,525,516	5,559,712	2,424,791	35,660,437
Coastal Assets	5,150,062	287,121	577,773	4,859,410
Solid Waste	6,230,013	1,287,215	607,905	6,909,323
Wastewater and Sewage Control	26,604,031	12,156,028	7,719,123	31,040,936
Stormwater	14,572,378	1,369,132	1,270,227	14,671,283
Flood Protection and River Control Works	620,591	140,981	164,785	596,787
Water	23,442,039	9,611,599	2,072,624	30,981,014
Lifestyle and Culture	1,979,373	-	110,778	1,868,595
Community Facilities and Parks	26,068,506	352,291	1,142,007	25,278,790
Council Enterprises and Property	5,490,981	627,103	1,028,016	5,090,068
Governance	1,752,901	-	1,752,901	-
<b>Total Internal Loans</b>	<b>146,673,137</b>	<b>31,391,182</b>	<b>19,066,420</b>	<b>158,997,899</b>

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

2013/14 \$(000's)	Note 26 REVALUATION RESERVE	Inc (Dec) \$(000's)	Transfer to Accumulated Equity \$(000's)	2014/15 \$(000's)
48,506	Port Nelson Limited	(254)	-	48,252
10,687	Nelson Regional Sewerage Business Unit	806	-	11,493
3,001	Nelson Airport Limited	-	-	3,001
12	NZ Local Government Shares	756	-	768
1,796	Tasman Bay Heritage Trust	439	-	2,235
72,512	Land	-	(1,216)	71,296
20,715	Buildings	-	(151)	20,564
338,502	Roads	15,005	-	353,507
151	Aerodromes	-	-	151
9,705	Rivers	16,485	-	26,190
4,498	Coastal Structures and Ports	501	-	4,999
0	Refuse	1,893	-	1,893
44,042	Wastewater	579	-	44,621
71,377	Stormwater	68	-	71,445
43,501	Water	(658)	-	42,843
669,005		35,620	(1,367)	703,258

<b>2013/14 Note 27</b>	<b>2014/15</b>
<b>\$(000's) ACCUMULATED EQUITY</b>	<b>\$(000's)</b>
502,052 <b>Opening balance</b>	514,451
14,512 Surplus	21,416
(3,765) Transfers to reserves	(10,273)
<b>Transfers from</b>	
(289) Opening Assets Restatement	-
(68) Revaluation reserve on disposal of property	1,367
1,806 Reserves	7,749
- Share of Other Comprehensive Revenue - Associates	
(10) Equity Restatement - JV/Associate	(63)
<u>514,238</u>	<u>534,647</u>

<b>2013/14 Note 28</b>	<b>2014/15</b>
<b>\$(000's) RESERVE FUNDS</b>	<b>\$(000's)</b>
13,984 <b>Opening balance</b>	15,943
Transfers to:	
(1,806) Accumulated funds	(7,749)
Transfers from:	
3,765 Accumulated funds	10,273
<u>15,943</u> <b>Closing Balance</b>	<u>18,467</u>
<b>Restricted Funds consist of</b>	
15,943 Other funds	18,467
<u>15,943</u>	<u>18,467</u>

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

Reserve Reporting	Activity to which the fund relates	Opening Balance	Transfer into fund	Transfers out	Closing
		1 July 2014		of fund	Balance 30
		(000's)	(000's)	(000's)	June 2015
		(000's)	(000's)	(000's)	(000's)
Reserve Financial Contributions Reserve	Community Facilities & Parks	3,786	2,906	(1,477)	5,215
Rivers Disaster Fund	Rivers & Flood Protection	745	-	-	745
Rivers Reserve	Rivers & Flood Protection	198	3,686	(3,154)	730
Water Reserve	Water	944	19,755	(17,840)	2,859
Wastewater Reserve	Wastewater	1,603	16,729	(12,836)	5,496
Self Insurance Fund	Overall Council	950	30	(19)	961
Stormwater Reserve	Stormwater	168	6,074	(5,428)	814
Solid Waste Reserve	Solid Waste	877	9,982	(9,575)	1,284
Dog Control Reserve	Public Health & Safety	54	396	(425)	25
Community Facilities Rate Reserve	Community Facilities & Parks	607	3,896	(3,951)	552
Camping Ground Reserve	Council Enterprises & Property	(22)	855	(887)	(54)
Community Housing Reserve	Community Facilities & Parks	56	652	(534)	174
Development Contribution Reserve	Roading & Footpaths, Water, Wastewater, Stormwater	4,644	3,563	(10,333)	(2,126)
General Disaster Fund	Governance	1,333	459	-	1,792
<b>TOTAL</b>		<b>15,943</b>	<b>68,983</b>	<b>(66,459)</b>	<b>18,467</b>

Reserve Reporting	Activity to which the fund relates	Opening Balance 1	Transfer into fund	Transfers out of	Closing
		July 2013		fund	Balance 30
		(000's)	(000's)	(000's)	June 2014
		(000's)	(000's)	(000's)	(000's)
Reserve Financial Contributions Reserve	Community Facilities & Parks	3,192	2,783	(2,189)	3,786
Rivers Disaster Fund	Rivers & Flood Protection	729	16	-	745
Rivers Reserve	Rivers & Flood Protection	(13)	3,631	(3,420)	198
Water Reserve	Water	145	12,396	(11,597)	944
Wastewater Reserve	Wastewater	2,060	12,695	(13,152)	1,603
Self Insurance Fund	Overall Council	919	31	-	950
Stormwater Reserve	Stormwater	(109)	6,067	(5,790)	168
Solid Waste Reserve	Solid Waste	345	8,605	(8,073)	877
Dog Control Reserve	Public Health & Safety	73	400	(419)	54
Community Facilities Rate Reserve	Community Facilities & Parks	534	5,678	(5,605)	607
Camping Ground Reserve	Council Enterprises & Property	(21)	705	(706)	(22)
Community Housing Reserve	Community Facilities & Parks	(20)	617	(541)	56
Development Contribution Reserve	Roading & Footpaths, Water, Wastewater, Stormwater	4,256	2,714	(2,326)	4,644
General Disaster Fund	Governance	1,894	550	(1,111)	1,333
<b>TOTAL</b>		<b>13,984</b>	<b>56,888</b>	<b>(54,929)</b>	<b>15,943</b>

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

### *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.

#### *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 the 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 the Council keeps reserve financial contributions received in four separate accounts (Golden Bay ward, Motueka ward, Moutere/Waimea/Lakes/Murchison wards, Richmond ward). Strict criteria apply to the use of these funds.

#### *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.

*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.

<b>2013/14 Note 29</b>	<b>2014/15</b>
<b>\$(000's) Cash Flow Reconciliation</b>	<b>\$(000's)</b>
14,512 Operating (Surplus)/Deficit	21,416
<i>Add Non Cash Items:</i>	
21,071 Depreciation	21,635
(2,947) Share of associate	(1,041)
(3,269) Vested assets	(7,172)
410 Unrealised loss on investment property	652
248 Revaluation of forestry assets	(6,681)
(3,029) Unrealised Loss/(Gain) on Interest Rate Derivatives	7,830
20 Unwinding of IFRS discounts	(7)
<i>Movements in Working Capital Items:</i>	
2,380 Accounts receivable	(2,702)
(373) Accounts payable	2,418
<i>Other</i>	
105 Movement in Term Provisions	58
(330) Gain (loss) on sale included in Investing Activities	(40)
- Movement in fixed asset related payables	(1,040)
61 Movement in Term Employee entitlements	(74)
31 Movement in Term Debtors	-
163 Net GST	(218)
10 NRSBU Equity Adjustment	(5)
29,063 Net Cash In(Out)flow From Operating Activities	35,030

### Note 30 Related Party Transactions

2013/14 \$(000's)		2014/2015 \$(000's)
	<b>a) Nelson Regional Sewerage Business Unit</b>	
	i) Received from:	
977	Owner Distribution	967
801	ii) Accounts Receivable	-
-	iii) Accounts Payable	407
	<b>b) Tasman Bays Heritage Trust</b>	
	i) Paid to:	
814	Operational Funding	856
	<b>c) Nelson Tasman Combined Civil Defence Organisation</b>	
	i) Paid to:	
347	Operational Funding	339

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 (2014 \$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 Management Team.

#### Key management personnel compensation

	2015 \$000	2014 \$000
<u>Councillors</u>		
Remuneration	632	608
Full-time equivalent members	14	14
<u>Senior Management Team, including the Chief Executive</u>		
Remuneration	1,102	1,129
Full-time equivalent members	5	5
<b>Total key management personnel remuneration</b>	<b>1,734</b>	<b>1,737</b>
<b>Total full-time equivalent members</b>	<b>19</b>	<b>19</b>

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

### 31 Severance Payments

In accordance with Schedule 10, Part 3, Clause 19, Local Government Act 2002, Council declares that there has been one individual severance payment totalling \$29,786 made to employees during this financial year. (2013/2014: \$Nil).

### 32 Remuneration

#### **Chief Executive**

The Chief Executive of Tasman District Council, appointed under Section 42 of the Local Government Act 2002, received total remuneration of \$300,718 during the year ending 30 June 2015. [2014: 296,274]

Council Employees - Head Count

	2015	2014
Total annual remuneration by band for employees as at 30 June		
< \$60,000	113	109
\$60,000 - \$79,999	74	76
\$80,000 - \$99,999	55	49
\$100,000 - \$119,999	9	6
\$120,000 - \$139,999	9	6
\$140,000 - \$219,999	5	6
\$280,000 - \$319,999	1	1
Total employees	<u>266</u>	<u>253</u>

Total remuneration includes non-financial benefits provided to employees.

Total employees include seven fixed term roles [2014: 2 fixed term roles].

At balance date, the Council employed 211 (2014: 197 ) full time employees, with the balance of staff representing 33 full time equivalents employees (2014: 31 full time equivalents). A full-time employee is determined on the basis of a 40-hour working week.

### 33 Financial Instruments

#### 33a Financial Instrument categories

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

2013/14 \$(000's)		2014/15 \$(000's)
<b>FINANCIAL ASSETS</b>		
<b>Loans and receivables</b>		
4,026	Cash and cash equivalents	3,202
12,933	Debtors and other receivables	15,017
Other financial assets:		
453	- community loans	418
511	- loans to related parties	720
17,923	Total Loans and receivables	19,257
<b>Held to maturity</b>		
Other financial assets		
146	- monies held for other organisations	17
1,201	- Council reserve funds held	1,200
1,347	Total Held to maturity	1,217
<b>Fair value through surplus or deficit</b>		
(299)	Derivative financial instruments that are not hedge accounted	(8,129)
(299)	Total Fair value through profit and loss	(8,129)
<b>Fair value through comprehensive revenue and expense</b>		
Other financial assets:		
3,342	- unlisted shares	4,237
3,342	Total Fair value through comprehensive revenue and expense	4,237
<b>FINANCIAL LIABILITIES</b>		
<b>Financial liabilities at amortised cost</b>		
12,195	Creditors and other payables	13,534
Borrowings		
149,023	- secured loans	145,000
161,218	Total financial liabilities at amortised cost	158,534

#### 33b Financial Instruments risks

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

**a) Credit Risk**

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

Council's Treasury Management policy limits the amount of credit exposure to any one financial institution or organisation. Council only invests funds with registered banks that have a Standard and Poor's credit rating of at least A+ for short term and AA – for long-term investments, or building societies.

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

Maximum exposures to credit risk at balance date are:

<b>2013/2014</b>		<b>2014/2015</b>
<b>\$(000's)</b>		<b>\$(000's)</b>
4,026	Cash and cash equivalents	3,202
12,933	Trade and other receivables	15,017
5,678	Other financial assets	6,592
(299)	Derivative financial instruments	(8,129)

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

The credit quality of financial assets:

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

<b>2013/14</b>		<b>2014/15</b>
<b>\$(000's)</b>		<b>\$(000's)</b>
<b>COUNTERPARTIES WITH CREDIT RATINGS</b>		
<b>Cash and cash equivalents</b>		
4,026	AA	3,202
<u>4,026</u>	Total cash and cash equivalents	<u>3,202</u>
<b>Other financial assets held to maturity</b>		
1,347	AA	1,217
<u>1,347</u>	Total financial assets held to maturity	<u>1,217</u>
<b>Derivative financial assets</b>		
(299)	AA	(8,129)
<u>(299)</u>	Total financial assets held to maturity	<u>(8,129)</u>

## COUNTERPARTIES WITHOUT CREDIT RATINGS

### Community loans

453 Existing counterparty with no defaults in the past	418
- Existing counterparty with defaults in the past	-
<u>453 Total Community loans</u>	<u>418</u>

### Loans to related parties

511 Existing counterparty with no defaults in the past	720
- Existing counterparty with defaults in the past	-
<u>511 Total Loans to related parties</u>	<u>720</u>

### Unlisted shares

3,342 Existing counterparty with no defaults in the past	4,237
- Existing counterparty with defaults in the past	-
<u>3,342 Total unlisted shares</u>	<u>4,237</u>

Debtors and other receivables mainly arise from Council's statutory functions, therefore there are no procedures in place to monitor or report the credit quality of debtors and other receivables with reference to internal or external credit ratings. Council has no significant concentrations of credit risk in relation to debtors and other 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. Information about this exposure is explained on page 133.

#### b) Currency Risk

Council has no currency risk as any financial instruments it deals with are all in New Zealand dollars. (2014: Nil).

#### c) Fair Value Interest Rate Risk

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

#### d) Cash Flow Interest Rate Risk

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

Council raises some borrowings at floating rates and swaps them into fixed rates using interest rate swaps in order to manage the cash flow interest rate risk. Such interest rate swaps have the economic effect of converting borrowings at floating rates into fixed rates that are generally lower than

those available if Council borrowed at fixed rates directly. Under the interest rate swaps, Council agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional principal amounts.

**e) Financial Guarantees**

Council has guarantees to various organisations which may subject it to credit risk. Maximum exposure to credit risk at balance date was \$20,000 as detailed in the Statement of Contingent Liabilities. (2014: \$20,000).

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

**f) Price Risk**

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

**g) Liquidity Risk**

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

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

Council has a maximum amount that can be drawn down against its overdraft facility of \$300,000 (2014: \$2,000,000). There are no restrictions on the use of this facility.

Council is exposed to liquidity risk as a guarantor of all of the NZ LGFA's borrowings. This guarantee becomes callable in the event of the LGFA failing to pay its borrowings when they fall due. Information about this exposure is explained on page 133.



*Contractual maturity analysis of financial liabilities, excluding derivatives*

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

2015	Carrying amount	Contractual cash flows	Less than 1 year	1 -2 years	2 + years
	\$(000's)	\$(000's)	\$(000's)	\$(000's)	\$(000's)
Creditors and other payables	13,534	13,534	13,534	-	-
Secured loans	145,000	179,631	13,544	19,150	146,937
Finance Leases	11	16	4	4	8
<b>Total</b>	<b>158,545</b>	<b>193,181</b>	<b>27,082</b>	<b>19,154</b>	<b>146,945</b>

2014	Carrying amount	Contractual cash flows	Less than 1 year	1 -2 years	2 + years
	\$(000's)	\$(000's)	\$(000's)	\$(000's)	\$(000's)
Creditors and other payables	12,195	12,195	12,195	-	-
Secured loans	149,023	185,853	16,127	27,437	142,289
Finance Leases	13	20	4	4	12
<b>Total</b>	<b>161,231</b>	<b>198,068</b>	<b>28,326</b>	<b>27,441</b>	<b>142,301</b>

*Contractual maturity analysis of financial assets, excluding derivatives*

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

2015	Carrying amount	Contractual cash flows	Less than 1 year	1 -2 years	2 + years
	\$(000's)	\$(000's)	\$(000's)	\$(000's)	\$(000's)
Cash and cash equivalents	3,202	3,202	3,202	-	-
Debtors and other receivables	15,017	15,017	15,017	-	-
Other financial assets:					
- community loans	418	462	212	65	185
- loans to related parties	720	1,125	100	100	925
<b>Total</b>	<b>19,357</b>	<b>19,806</b>	<b>18,531</b>	<b>165</b>	<b>1,110</b>

2014	Carrying amount	Contractual cash flows	Less than 1 year	1 -2 years	2 + years
	\$(000's)	\$(000's)	\$(000's)	\$(000's)	\$(000's)
Cash and cash equivalents	4,026	4,026	4,026	-	-
Debtors and other receivables	12,933	12,933	12,933	-	-
Other financial assets:					
- community loans	478	539	216	73	250
- loans to related parties	511	1,150	25	25	1,100
<b>Total</b>	<b>17,948</b>	<b>18,648</b>	<b>17,200</b>	<b>98</b>	<b>1,350</b>

**h) Sensitivity Analysis**

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

	2014/15			
	\$(000's)			
	-100 bps		+100 bps	
	Profit	Other Equity	Profit	Other Equity
<b>Financial Assets</b>				
Cash and cash equivalents	(32)	-	32	-
Community loans	-	-	-	-
Loans to related parties	-	-	-	-
Monies held for other organisations	-	-	-	-
Council reserve funds held	-	-	-	-
Derivative Financial Instruments	(8,606)	-	7,958	-
<b>Financial Liabilities</b>				
Secured loans	1,450	-	(1,450)	-

	2013/14			
	\$(000's)			
	-100 bps		+100 bps	
	Profit	Other Equity	Profit	Other Equity
<b>Financial Assets</b>				
Cash and cash equivalents	(40)	-	-40	-
Community loans	-	-	-	-
Loans to related parties	-	-	-	-
Monies held for other organisations	-	-	-	-
Council reserve funds held	-	-	-	-
Derivative Financial Instruments	(555)	-	5,238	-
<b>Financial Liabilities</b>				
Secured loans	1,490	-	(1,490)	-

Explanation of sensitivity analysis:

1. Cash and cash equivalents include deposits at call on floating rates totalling \$3,202,000 (2014: \$4,026,000). A movement in interest rates of plus or minus 1% has an effect on interest revenue of \$32,020 (2014: \$40,260).
2. Community loans and loans to related parties are at fixed rates for the year. A movement in market interest rates on fixed rate investments does not have an impact because the investments are accounted for at fair value.
3. Monies held for other organisations and Council reserve funds held as deposits are at fixed investment rates. A movement in market interest rates on fixed rate investments does not have an impact because the investments are accounted for at fair value.
4. Council has \$145,000,000 worth of loan at 30 June 2015 at floating rates (2014: \$149,023,000). A movement in interest rates of plus or minus 1% has an effect on interest expense of \$1,450,000 (2014: \$1,490,230).
5. Derivatives – Interest rate swaps. Derivative financial assets not hedge accounted includes interest rate swaps with a fair value totalling (\$8,129,000) (2014: -\$299,000). A movement in interest rates of plus or minus 1% has an effect on the swap value of plus \$7.958m and minus \$8.606m.

### 33c Financial Instruments Fair Value Hierarchy

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

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

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

Financial Instrument Fair Value Hierarchy		Valuation Technique		
		Quoted Market Price	Observable Inputs	Significant Non Observable Inputs
2015	TOTAL \$(000's)	\$(000's)	\$(000's)	\$(000's)
<b>FINANCIAL ASSETS</b>				
<b>Fair value through surplus or deficit</b>				
Derivative financial instruments that are not hedge accounted	(8,129)		(8,129)	-
Total Fair value through profit and loss	(8,129)	-	(8,129)	-
<b>Fair value through comprehensive revenue and expense</b>				
Other financial assets:				
- unlisted shares	4,237			4,237
Total Fair value through comprehensive revenue and expense	4,237	0	0	4,237

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

2014	TOTAL \$(000's)	Valuation Technique		
		Quoted Market Price \$(000's)	Observable Inputs \$(000's)	Significant Non Observable Inputs \$(000's)
<b>FINANCIAL ASSETS</b>				
<b>Fair value through surplus or deficit</b>				
Derivative financial instruments that are not hedge accounted	(299)	-	(299)	-
Total Fair value through profit and loss	(299)	-	(299)	-
<b>Fair value through comprehensive revenue and expense</b>				
Other financial assets:				
- unlisted shares	3,342	0	0	3,342
Total Fair value through comprehensive revenue and expense	3,342	0	0	3,342

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

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

	2015	2014
Balance at 1 July	3,342	2,533
Gain and losses recognised in the surplus or deficit	59	29
Gain and losses recognised in other comprehensive revenue	756	(4)
Purchases	80	784
Sales	-	-
Transfers into level 3	-	-
Transfers out of level 3	-	-
<b>Balance at 30 June</b>	<b>4,237</b>	<b>3,342</b>

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

### 34 Capital management

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

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

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

plans for major classes of assets detailing renewal and maintenance programmes, to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

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

Council has the following Council created reserves:

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

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

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

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

### **35 Urban Portions of the State Highway Network**

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

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

### **36 Significant Variances compared to the Annual Plan**

The Council made a net surplus of \$21.416 million (budgeted surplus of \$9.063 million).

**Explanations for major variations from the budget are as follows:**

<b>Revenue and expenditure</b>	<b>\$(000's)</b>
<b>2014/2015 Annual Plan surplus</b>	9,063
<i>Increases/(reductions)</i>	
Development and financial contributions	3,283
Other revenue	10,060
Share of associates surplus/(deficit)	1,769
Other increases in revenue	(316)
Revenue and expenditure of joint venture	(1,096)
Finance costs	2,348
Other Expenses	(3,922)
Other Expense variance	227
	<hr/>
	12,353
	<hr/>
<b>2015 Annual Report Surplus</b>	<u>21,416</u>

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

Development contributions being \$1,944,000 higher than expected. This is a timing issue dependent on when new subdivisions and building developments are liable for development contributions. Reserve Financial Contributions being \$1,339,000 higher than expected due to an increase in building consents issued over budgeted.

Other revenue are up on budget mainly due to the forestry revaluation gain of \$6,691,000 being \$6,098,000 higher than budgeted due to the inherent difficulties in forecasting market conditions. Vested assets are also up \$2,217,000 on budget.

Share of associates surplus is up on budget due to the associates performing better than expected.

Share of joint venture revenue and expenditure is down on budget after the elimination of intercompany transactions.

Finance costs are down on budget due to market conditions and more active treasury management.

Other expenses are up on budget due to an unrealised loss on revaluation of the interest rate swaps of \$7,830,000. Maintenance expenditure is down \$3,953,000 on budget due to a decrease in maintenance work undertaken.

**Explanations for major variations from the budget are as follows:**

<b>Statement of Financial Position</b>	<b>Actual</b>	<b>Annual Plan</b>	<b>Variance</b>
	<b>\$(000's)</b>	<b>\$(000's)</b>	<b>\$(000's)</b>
The carrying values of the following items vary significantly from those forecast in the LTCCP			
Trade and other payables	13,534	11,589	1,945
Current Portion Of Borrowings	6,002	12,930	(6,928)
Forestry Assets	26,789	21,533	5,256
Property, Plant And Equipment	1,279,724	1,295,070	(15,346)
Term Borrowings	(139,009)	(158,965)	19,956
Derivative Financial Instruments	(8,075)	(3,197)	(4,878)
Accumulated Equity	(534,647)	(517,904)	(16,743)

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

Trade & Other Payables have increased due to sundry accruals being \$2,108,000 higher than budgeted. This is due to Council's decision to refund a portion of water development contribution levies due to a project being deferred long term, electricity invoices being accrued for the year due to billing issues from our supplier, the reallocation of credit balances from receivables, and an interest accrual on borrowings at year end.

Current portion of borrowings are down on budget due to a decrease in forecasted bank loans within the banking facility which was expiring within the next 12 months. This is due to more funding being shifted into the Local Government Funding Agency due to the rates that they were able to offer.

Term borrowings and property, plant and equipment are down on budget due to capital work on major projects being delayed.

Forestry assets are higher than budget due to the forestry revaluation gain of \$6,691,000 being \$6,098,000 higher than budgeted due to the inherent difficulties in forecasting market conditions.

Derivative Financial Instruments are lower than budget from the unrealised loss on revaluation of the interest rate swaps of \$7,830,000 and the inherent difficulties in forecasting market conditions.

Accumulated equity is higher than budgeted due to the surplus for the year and revaluation of infrastructure assets being higher than expected.

### **37 Events Occurring after Balance Date**

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

## 38 Elected Representatives

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

	SALARY	CONSENT HEARINGS	TOTAL COST	DIRECTOR FEES	TOTAL
	\$	\$	\$	\$	\$
KEMPTHORNE R G	125,084	-	125,084	-	125,084
KING T B	42,250	300	42,550	33,746	76,296
BOULLIR M	32,500	760	33,260	-	33,260
BRYANT S G	39,000	1,800	40,800	-	40,800
CANTON P L G	32,500	680	33,180	-	33,180
DOWLER B F	32,500	760	33,260	-	33,260
EDGAR J	39,000	0	39,000	14,696	53,696
ENSOR B	32,500	1,978	34,478	-	34,478
GREENING M J	32,500	0	32,500	-	32,500
HIGGINS M J	32,500	680	33,180	-	33,180
INGLIS J L	32,500	-	32,500	-	32,500
MIRFIN Z	32,500	0	32,500	-	32,500
NORRIS T E	39,000	0	39,000	-	39,000
SANGSTER P	32,500	0	32,500	-	32,500
	<b>576,834</b>	<b>6,958</b>	<b>583,792</b>	<b>48,442</b>	<b>632,234</b>

The Mayor R G Kempthorne has full private use of a vehicle to undertaken his civic duties. The Remuneration Authority values this full private use at \$3,181. (2014: \$3,181).

Deputy Mayor T B King is a Director of Port Nelson Limited and received director fees from Port Nelson of \$33,746 during the year. (2014: \$33,746).

Councillor J Edgar was appointed as Director of Nelson Airport Limited on 5 December 2013. She received director fees from Nelson Airport Limited of \$14,696 during the year. (2014: \$8,263).



## 39 Adjustments to the comparative financial statements

### Adjustments to the comparative year financial statements

The Council has adjusted its comparative year financial statements for the year ended 30 June 2014 due to reclassification adjustments and transition to the new PBE accounting standards.

	Notes	Before adjustments \$000's	Reclassification adjustments \$000's	PBE transition adjustments \$000's	Total
<b>Revenue</b>					
Targeted rates (other than for water supply)	a	23,980	(23,980)		-
Targeted rates for a water supply	a	5,976	(5,976)		-
Targeted rates	a	-	29,956		29,956
Subsidies and grants	e	10,956		213	11,169
Fees and charges	d	-	13,743		13,743
Other revenue	b,d	21,417	(10,195)		11,222
Other gains	b	3,548	(3,548)		-
<b>Expenditure</b>					
Other expenses	c	46,096	856		46,952
Other losses	c	856	(856)		-
<b>Non current assets</b>					
Intangible assets	e	809		213	1,022
<b>Equity</b>					
Accumulated Funds	e	514,238		213	514,451

#### Explanatory Notes:

- a) Targeted rates for water supply have been reclassified from fees and charges to rates. Targeted rates are now required to be included within the rates line under the Local Government (Financial Reporting and Prudence) Regulations 2014.
- b) Gains have been reclassified to other revenue, as the Council has decided no longer to distinguish between gains and other revenue on transition to the new PBE accounting standards.
- c) Losses have been reclassified to other expenses, as the Council has decided no longer to distinguish between losses and other expenses on transition to the new PBE accounting standards.
- d) Revenue has been reclassified to Fees and charges as this revenue category is considered more appropriate under the new PBE accounting standards.
- e) The Council received carbon credits for no consideration when these were allocated by the government under the Emissions Trading Scheme. The Council had accounted for these carbon credits at nil under NZ IFRS (PBE). Under the new PBE accounting standards, carbon credits received for no consideration are required to be accounted for at their fair value at initial recognition. The carbon credits were received during 2012 and 2013 and the Council elected to treat their fair value at 1 July 2013 as deemed cost. The fair value of the carbon credits at 1 July 2013 was \$212,785

## 40 Financial Performance in relation to financial regulations benchmarks

### Annual report disclosure statement for year ending 30 June 2015

#### 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.

Note: The Financial Strategy was a requirement of the 2012-2022 Long Term Plan, and required Council to set limits on a number of benchmarks. As a Financial Strategy was not required prior to this, there were no limits set for the June 2011 to June 2012 years, and therefore, no comparatives have been included in the following graphs for these years.

#### Rates affordability benchmark

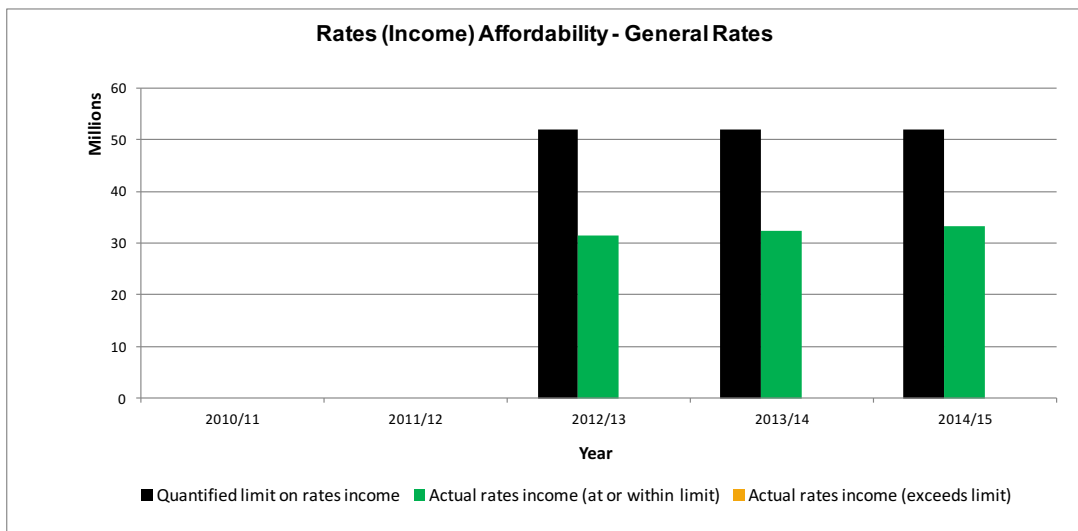
Council meets the rates affordability benchmark if—

- 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*

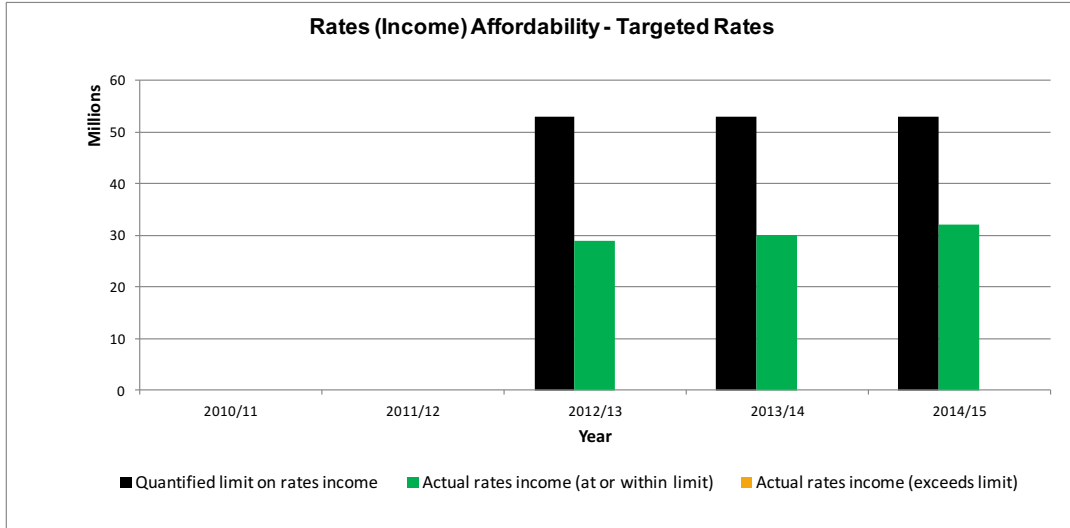
The following graph compares Council's actual general rates revenue with a quantified limit on general rates contained in the financial strategy in Council's Long Term Plan 2012 - 2022.

The quantified limit for general rates is \$52m per annum for each year covered by the Long Term Plan.



The following graph 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 2012 - 2022.

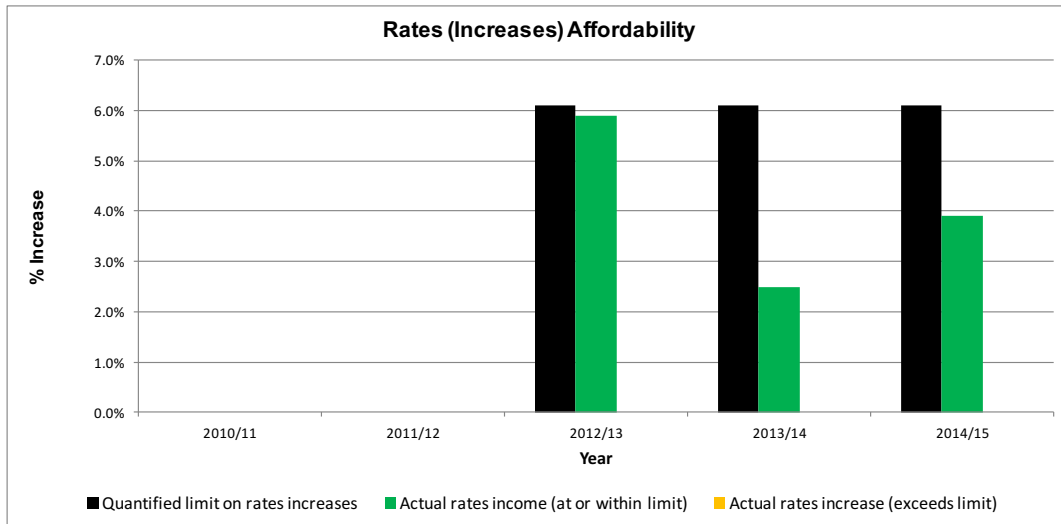
The quantified limit for targeted rates is \$53m per annum for each year covered by the Long Term Plan.



*Rates (increases) affordability*

The following Graph compares Council's actual rate increases with a quantified limit on rates increases included in the Long Term Plan 2012 – 2022.

The quantified limit is 6.10% for all rates for each year covered by the Long Term Plan.



## 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 included in the Long Term Plan 2012-2022. 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 reported are determined based on the prescribed definitions contained in the regulations.

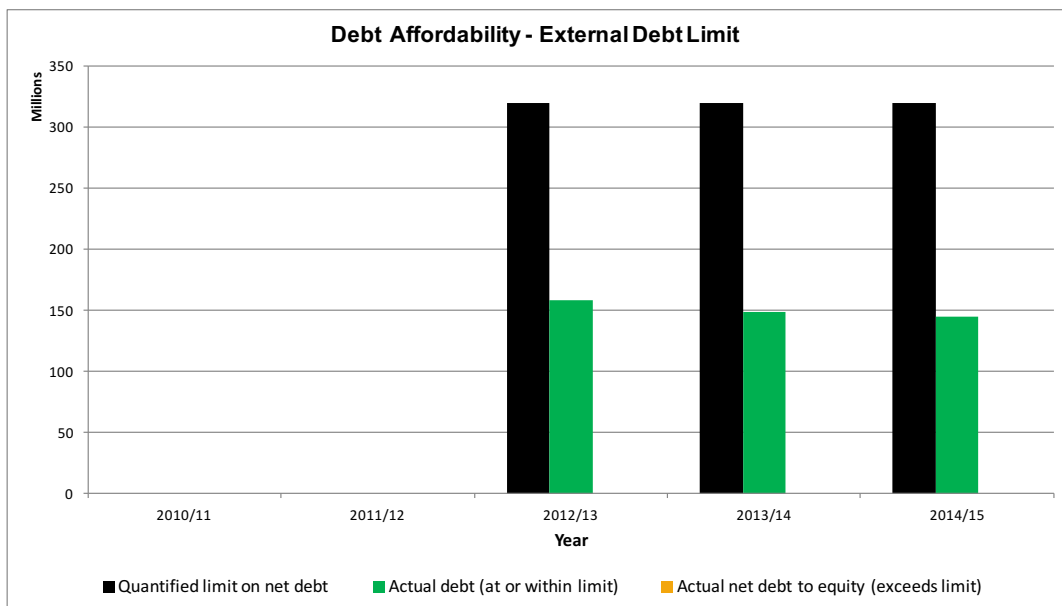
Net external debt is defined in the financial strategy as gross external debt (aggregate borrowings of Council, including any capitalised finance leases, and financial guarantees provided to third parties) less any cash or near cash treasury investments held from time to time. Net external debt is defined as loan funds raised to meet Council activities, but does not include debt of Council's associate organisations or equity 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*

The following graph compares Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included Council's Long Term Plan 2012 – 2022.

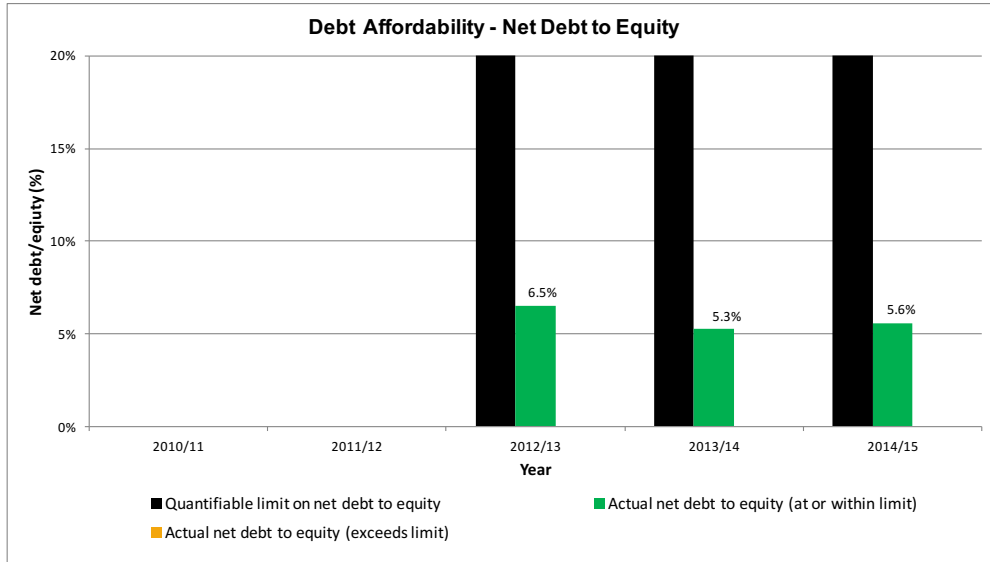
The quantified limit is gross external debt not to exceed \$320 million per annum for each year covered by the Long Term Plan.



*Net Debt to Equity*

The following graph compares Council's actual net debt with a quantified limit on borrowing stated in the financial strategy included in Council's Long Term Plan 2012 – 2022.

The quantified limit is net external debt to not exceed 20% of equity for each year covered by the Long Term Plan.

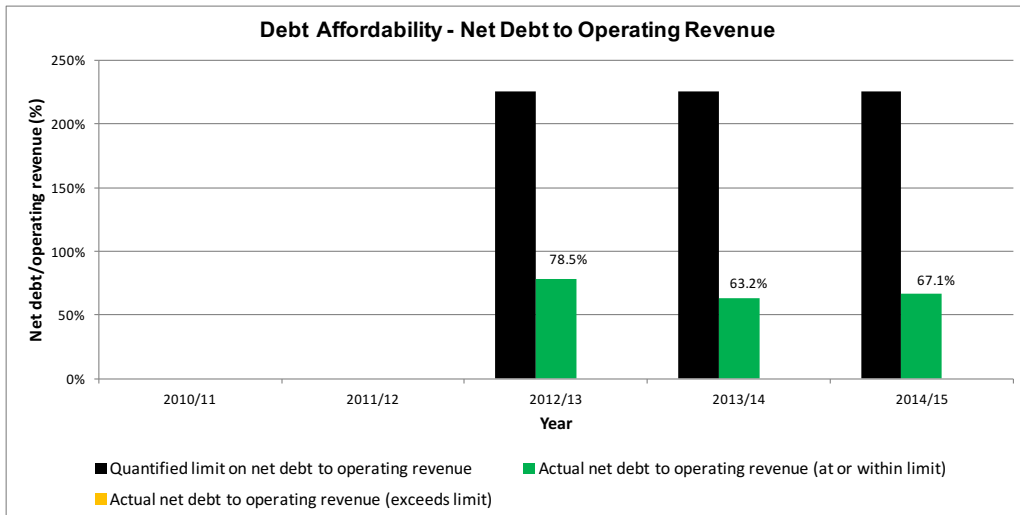


*Net Debt to Total Operating Revenue*

The following graph compares Council's actual net debt with a quantified limit on borrowing stated in the financial strategy included in Council's Long Term Plan 2012 – 2022.

The quantified limit is net external debt to not exceed 225% of total operating revenue.

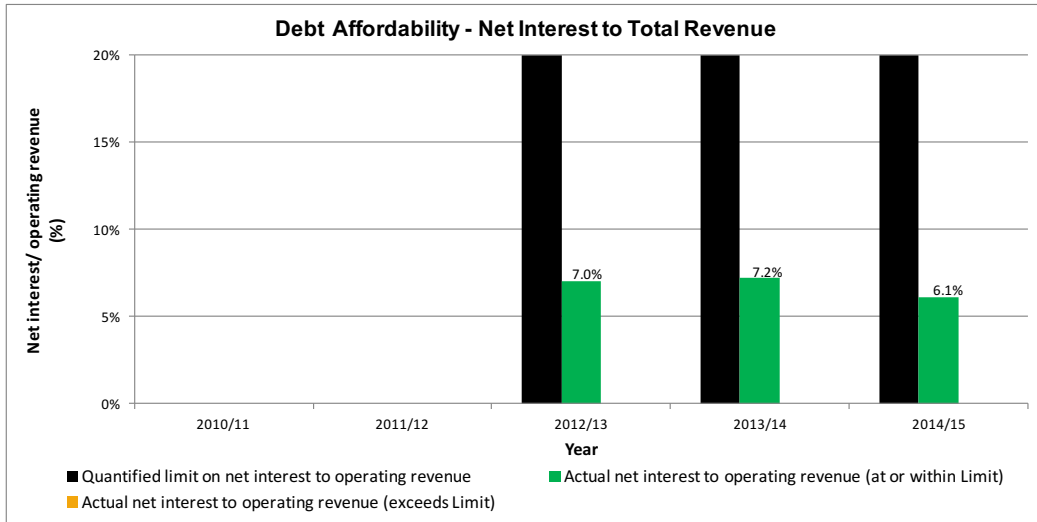
[Total operating revenue is defined in the financial strategy as earnings from rates, government grants and subsidies, user charges, levies, interest, dividends, financial and other revenue, but excludes non government capital contributions, (e.g. developer contributions and vested assets)].



*Net Interest to Total Revenue*

The following graph compares Council's actual net interest expense with a quantified limit on borrowing stated in the financial strategy included in Council's Long Term Plan 2012 – 2022.

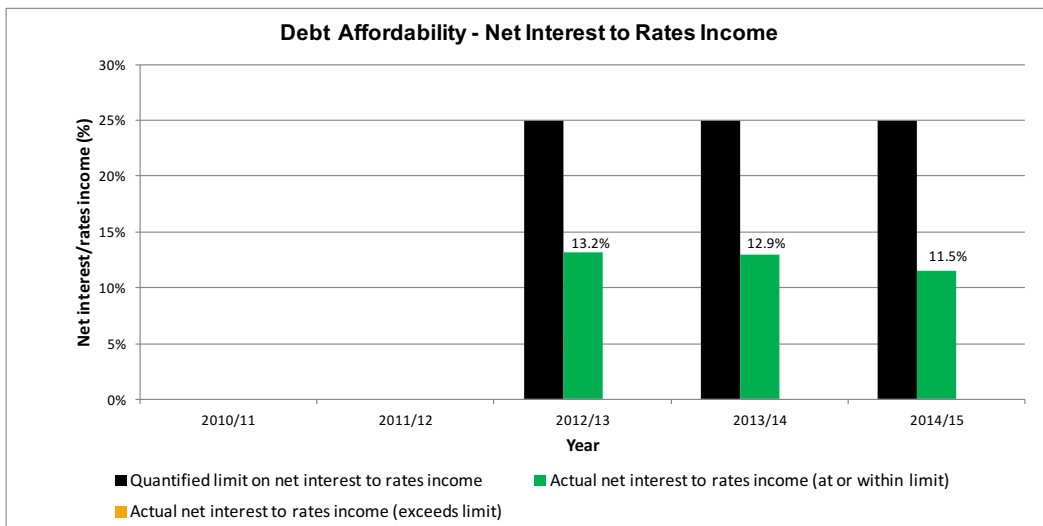
The quantified limit is net interest on external debt to not exceed 20% of total revenue.



*Net Interest to Total Rates Revenue*

The following graph compares Council's actual net interest expense with a quantified limit on borrowing stated in the financial strategy included in Council's Long Term Plan 2012 – 2022.

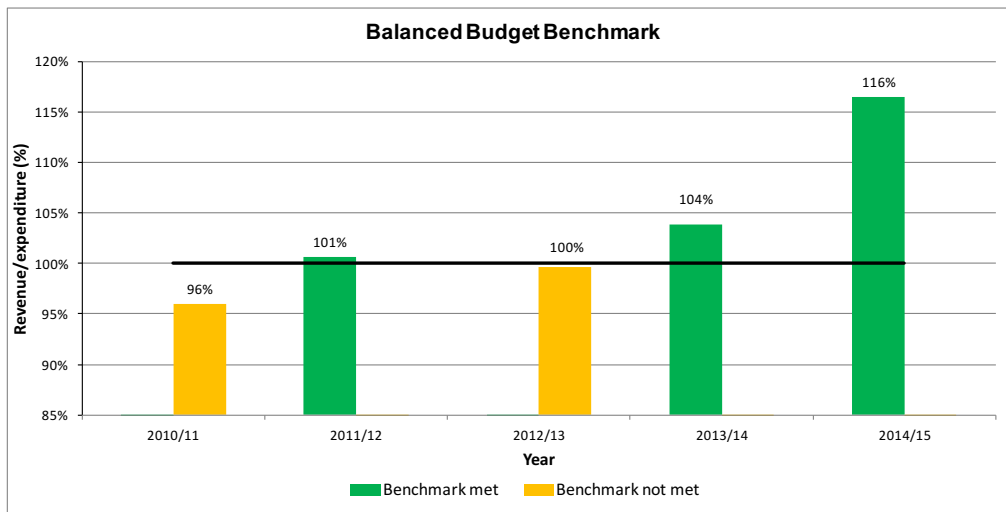
The quantified limit is net interest expense on external debt to not exceed 25% of total rates revenue.



### Balanced budget benchmark

The following graph 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.



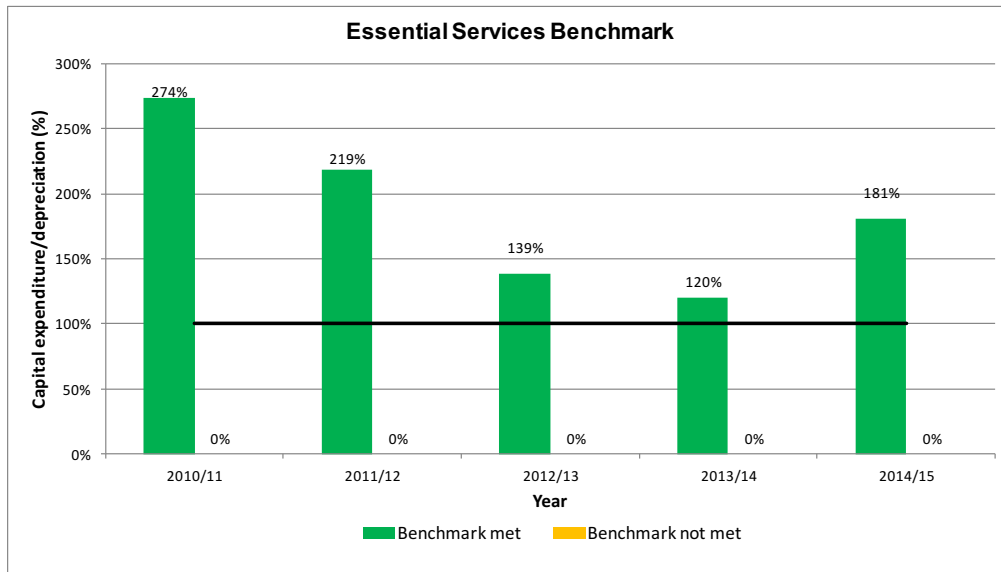
Note: Operating expenses include depreciation. Council decided not to fund depreciation but to fund principal repayments on debt instead, with depreciation being higher than principal repayments. This issue was addressed as part of Council's Long Term Plan 2015 – 2025 with funding of depreciation being phased in over the ten years covered by the plan.

### Essential services benchmark

The following graph 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.

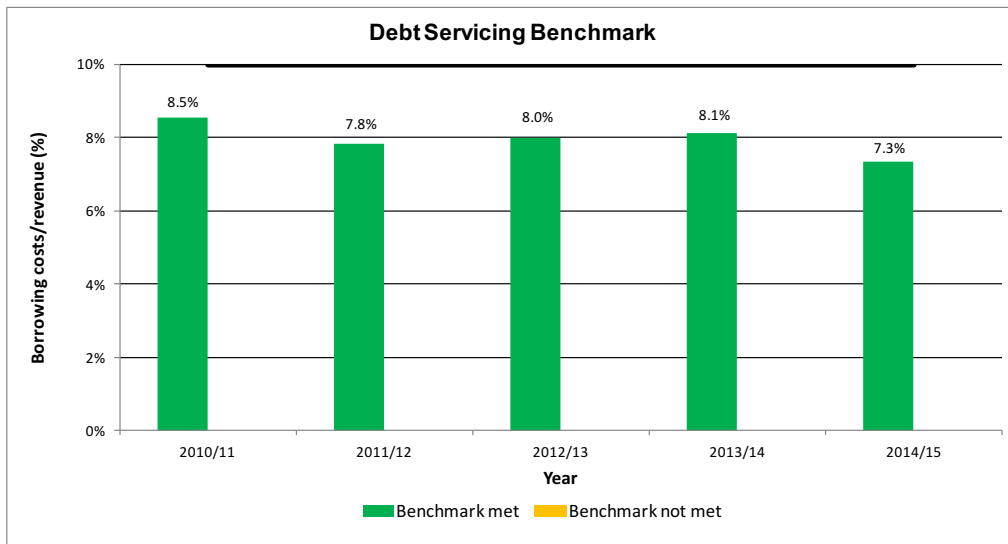
Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services. Capital expenditure excludes vested assets.



### Debt servicing benchmark

The following graph 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 faster 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.

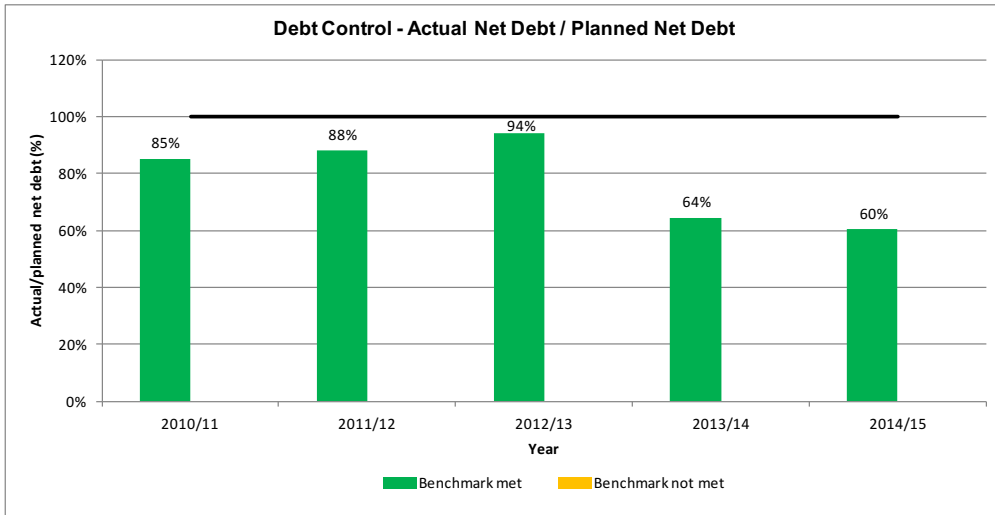




**Debt control benchmark**

The following graph 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).

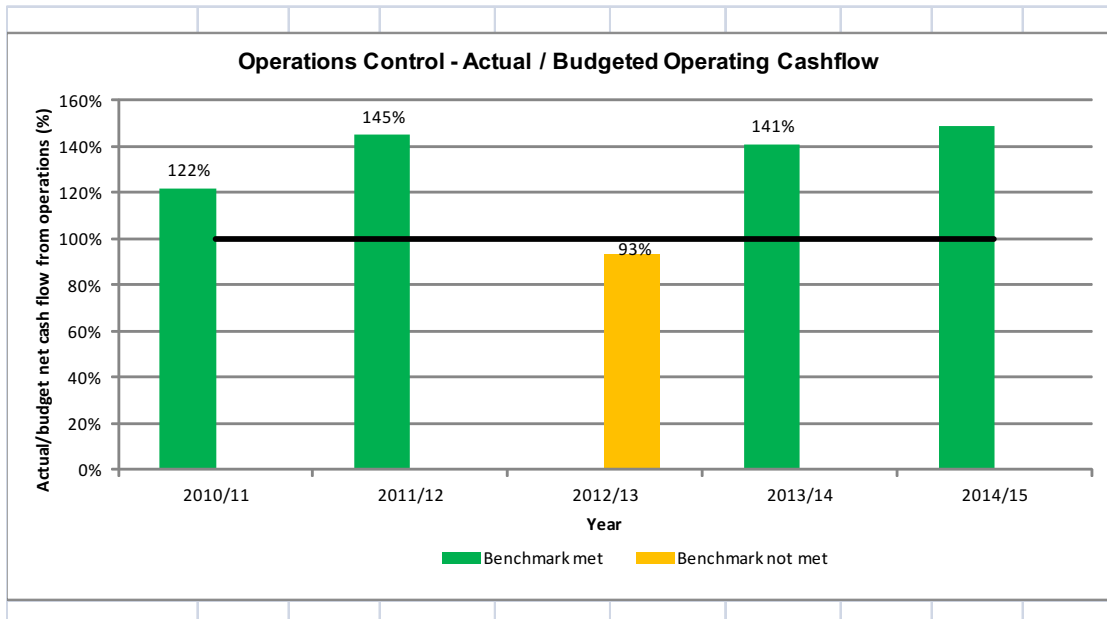
Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



**Operations control benchmark**

This graph displays Council's actual net cash flow from operations as a proportion of its planned net cash flow from operations.

The 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.



## Rating Base and Insurance of Assets

The Local Government Act 2002 was amended 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 2014 (the preceding year as required by the Act).

<b>2014-2015 Rating Unit info as at 30 June 14:</b>			
	Count	Land Value	Capital Value
Non rateable 100%	1,102	421,100,680	462,182,030
Non rateable- services only	232	110,048,000	304,831,000
Total Non rateable	1,334	531,148,680	767,013,030
Rateable	22,262	6,971,449,450	12,528,295,000
<b>TOTAL RATING UNITS</b>	<b>23,596</b>	<b>7,502,598,130</b>	<b>13,295,308,030</b>

### 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 2015.

The cost of the Canterbury 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 \$447,376,000. Repairs to these assets following a significant event are covered 40% through the LAPP fund with a large deductible, with the remaining 60% being funded by Central Government. 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 2015 is \$1,792,000, and the rivers disaster fund is \$745,000.

### Roading and Footpath Assets

These activities have a total book value of \$656,588,000 (including land under roads). For this activity of assets, Council would however receive a minimum of 49% subsidy from the NZTA 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 & Equipment, and other assets

This activity has a total asset book value of \$176,064,000.

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 \$2,000,000 and subsidence of \$2,000,000.

The harbourmaster boat is insured for \$203,000.

### **Vehicles**

This activity has a total asset book value for insurance purposes of \$963,000. 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 2015 is \$980,000 and is now used to cover deductibles, excesses, and small assets not on the material damages schedule.

## Appendix One – Applications Processed

### Environment and Planning Department Applications Processed 1 July 2014 to 30 June 2015

<b>1. Resource Management Act</b>				
Type of Consent	Outcomes 2013/2014		Outcomes 2014/2015	
Land Use	455		519	
Subdivision	116		131	
Title Plans	94		99	
Completion Certificates	104		113	
Certificates of Compliance	7		3	
Water	164		349	
Discharge	108		231	
Coastal	25		17	
Resource Consent Transfers	165		196	
<b>2. Building Act</b>				
Type of Consent	2013/2014		2014/2015	
	No. Issued	Value	No. Issued	Value
Dwelling	263	83.6M	274	93.8M
Commercial	35	15.1M	42	23.3M
Other	974	33.6M	1,155	44.8M
<b>Totals</b>	<b>1,406</b>	<b>\$139.9M</b>	<b>1,471</b>	<b>\$161.9M</b>
<b>3. Licences</b>				
Type	2013/14		2014/15	
	No. of Certificates Issued		No. of Certificates Issued	
Food Premises	311		348	
Hairdressers	43		39	
Camp Grounds	35		34	
Hawkers/Mobile Shops	44		38	
Others	65		52	
Commercial Vessel Operators	33		26	
<b>4. Sale of Liquor</b>				
Type of Licence	2013/14		2014/15	
	No. of Licences Issued		No. of Licences Issued	
Manager's Certificate	313		276	
On and Off Licence	69		74	
Club Licence	4		10	
Special Licence	111		66	
Temporary Authority Order	27		27	
<b>5. Other</b>				
Type	2013/14		2014/15	
Land Information Memoranda	723		701	
Complaints Received	1897		1,860	
Abatement Notices Issued	136		32	
Infringement Notices Issued	50		42	
Enforcement Orders	0		0	
Excessive Noise Direction	147		124	

## Appendix Two – Council’s Committees, Responsibilities and Portfolios

For the year ended 30 June 2015

### Council Standing Committees

There are four standing Committees of Council, each having delegated powers to handle their affairs. All Councillors have membership on these committees.

Mayor Kempthorne is an ex officio member of all committees. Committees normally meet six-weekly.

#### Engineering Services Committee

This Committee has responsibility for roads, bridges, water supplies, sewerage treatment and disposal, refuse collection/disposal and waste minimisation, coastal protection, stormwater collection and disposal, some ports/wharves and boat ramps (excludes Port Taranaki), rivers and waterways and public transport.

This Committee is chaired by Cr T E Norriss.

#### Community Development Committee

This Committee has responsibility for recreation and development, parks and reserves, sports grounds, public halls, elections, libraries, walkways, camping grounds, cemeteries, communications, environmental education, community and cultural facilities, Council grants, Annual and Long Term Plans, public conveniences, community housing and customer services.

This Committee is chaired by Cr J L Edgar.

#### Environment and Planning Committee

This Committee has responsibility for resource management, policy, consents, environmental health, building control, sale of liquor, biosecurity, maritime safety, rural fire, animal control, pest management and Council’s response to climate change, animal control and compliance.

This Committee is chaired by Cr S G Bryant.

#### Corporate Services Committee

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

This Committee is chaired by Cr T B King.

### Council 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 T E Norriss.

#### 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, Managers Certificates for people working in licensed premises.

The Committee is chaired by Cr B Ensor.

## 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 and then make recommendations to their parent committee or full Council. The Mayor is ex officio on all subcommittees.

The current subcommittees are:

### Audit

(reporting to Corporate Services Committee) – Crs M J Higgins (Chair), J L Inglis, P F Sangster, M J Greening, T B King.

### CEO Review

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

### Commercial

(reporting to Corporate Services Committee) – Crs T B King (Chair), B W Ensor plus three appointed members – P G Grover, R N Taylor, A D Dunn

### Community Awards

(reporting to Community Development Committee) – Crs J L Edgar, M L Bouillir.

### Community Grants and Facilities

(reporting to Community Development Committee) – Crs M L Bouillir (Chair), S G Bryant, P L Canton, J L Edgar and T B King.

### Creative Communities

(reporting to Community Development Committee) – Crs M L Bouillir (Chair) and Z S Mirfin, plus community representatives.

### Development Contributions

(reporting to Environment and Planning Committee) – Crs S G Bryant, T E Norriss and B W Ensor.

## Council Representatives and Appointments

### Accessibility for All

Cr J L Edgar.

### Friendly Towns

Richmond representative – Cr Z S Mirfin for Fujimi Machi.

Motueka representative – Cr P L Canton for Kiyosato.

### Golden Bay Aerodrome Committee

Cr P F Sangster.

### Iwi Liaison

Mayor R G Kempthorne, Chief Executive.

### Joint Shareholders

Mayor R G Kempthorne, Crs T B King, S G Bryant, J L Edgar, M J Higgins and T N Norriss

### Local Government New Zealand

#### **Regional Sector Group representatives**

Mayor R G Kempthorne, Chief Executive.

#### **Rural and Provincial Sector representatives**

Cr T B King, Community Development Manager.

### **Zone 5 representatives**

Mayor R G Kempthorne, Chief Executive.

Motueka Aerodrome Committee  
Cr B F Dowler.

Native Habitats Tasman  
Cr B W Ensor.

Nelson Airport Limited  
Council Director Cr J L Edgar.

Nelson Regional Sewerage Business Unit  
Crs B F Dowler and M J Higgins.

Nelson Tasman Business Trust  
Cr M J Higgins.

Nelson-Tasman Cycle Trust Working Group  
Cr J L Edgar.

New Zealand Cycle Trail Incorporated (NZCT Inc.)  
Gillian Wratt – Council representative.

Port Nelson Limited  
Council Director Cr T B King.

Positive Ageing Forum  
Cr J L Edgar.

Regional Funding Forum  
Crs T B King, J L Edgar.

Regional TB Free  
Cr T E Norriss.

Safe at the Top Governance Group  
Cr J L Edgar.

Saxton Field Working Group  
Crs J L Edgar, B W Ensor, M J Greening.

Tasman Bays Heritage Trust Appointments Committee  
Mayor R G Kempthorne, Chief Executive.

Tasman Environmental Trust  
Cr B W Ensor.

Tasman Regional Sports Trust Board  
Mayor R G Kempthorne.

Tasman Youth Council  
Crs P L Canton, M L Bouillir.

Tenders Panel  
Crs J L Edgar, T B King, T E Norriss, Chief Executive.

Waimea Rural Fire Committee  
Cr T B King.

## 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 its community.

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

### Membership of the Golden Bay Community Board:



Carolyn McLellan (Chair)



Leigh Gamby (Deputy Chair)



Alan Blackie



David Gowland



Cr Martine Bouillir



Cr Paul Sangster



### Membership of the Motueka Community Board:



Paul Hawkes (Chair)



Richard Horrell (Deputy Chair)



David Ogilvie



Cliff Satherley



Cr Peter Canton



Cr Jack Inglis



Cr Barry Dowler



## **Appendix Four - Management Staff**

### **Chief Executive Officer**

Lindsay McKenzie

### **Community Development Manager**

Susan Edwards

### **Corporate Services Manager**

Mike Drummond

### **Engineering Services Manager**

Peter Thomson

### **Environment and Planning Manager**

Dennis Bush-King

### **Other**

#### **Bankers**

ASB Bank Ltd  
Queen Street  
Richmond

#### **Solicitors**

Fletcher Vautier Moore  
265a Queen Street, Richmond

#### **Auditors**

Audit New Zealand, on behalf of the Auditor-General

## Appendix Five – Report on Māori Consultation Policy

### Statement on Fostering Māori Participation in Council Decision Making

#### Purpose

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

#### Background

Council is committed to further improving the close working relationship with the District's Māori community. The Council recognises the wealth of special values that the tangata whenua hold for the places, the resources, the history and the long term sustainability of the District. Council further recognises that its activities and services impinge daily on these values and that in order to make appropriate decisions, Council must consider the values of Māori as a special set of community values. Council consults and engages with Māori on a regular basis. In certain cases, these are ongoing processes required by legislation such as the Resource Management Act 1991. Other cases are a way of recognising the spirit of partnership inherent in the Treaty of Waitangi.

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

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

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

There are a number of methods used by Māori and local authorities around New Zealand to improve their relationships. The methods set out below are not exhaustive, but represent some of the steps that Council and iwi and Māori use to include Māori in the decision making processes:

- (a) Committing to regular hui/liaison meetings with iwi and Māori to develop the relationship further and to discuss specific and general issues of relevance to both parties.
- (b) Through hui working with iwi/Māori to identify how to gain input into issues of relevance to iwi and Māori, including the opportunity to be involved in relevant working groups.
- (c) Providing assistance to iwi to prepare iwi Management Plans.
- (d) Appointing a Councillor as a Māori/iwi portfolio holder.
- (e) In conjunction with iwi continue providing some future structured training/familiarisation courses to improve Councillors and staff understanding of iwi perspectives.
- (f) Consulting with iwi on the formation of the Long Term Plan, the Annual Plan and on relevant changes to the Tasman Resources Management Plan.
- (g) Appointing a Council kaumatua to assist the Mayor and Chief Executive.

## **Māori participation in Decision-Making Processes**

As required by Schedule 10, Part 3, Clause 35 of the Local Government Act 2002 Council reports on the process undertaken to provide Māori with opportunities to contribute to decision-making in the Council. Council recognises its obligations to Māori under various enactments, and has in place mechanisms to provide for Māori input into decision-making.

Council acknowledges Manawhenua (Iwi), meaning specifically those people claiming customary and ancestral ties to this land in Tasman District.

Council continues to attend regular liaison meetings with Maori groups in the community, including attendance at the Tiakina Te Taiao and Manawhenua ki Mohua meetings. A Community Board member has been appointed to attend the Manawhenua ki Mohua meetings. The Mayor and Chief Executive attend the Kotahitanga hui with Nelson City Council and iwi chairs. This and other meeting and hui attendances enable discussion on Council's work programmes, service delivery issues and other matters of concern to be identified and fed back into the organisation to be considered and addressed at the appropriate level.

Council also has a formal arrangement with iwi in regard to the review of resource management consent applications and actively works with the various iwi concerned in regard to planning issues.

Iwi have been engaged in freshwater planning through appointments on the Freshwater and Land Advisory Groups (FLAG) for Waimea and Takaka. Iwi have also been included in the planning and decision making stages for the review of the Rabbit Island/Moturoa Management Plan and the partial review of Abel Tasman Foreshore Scenic Reserve Management Plan.

During 2014/2015 we consulted with iwi on the formation of the Long Term Plan and on relevant changes to the Tasman Resources Management Plan. Council provides some support for the development of iwi environmental management plans.

In order to support its work, Council also has within its workforce, policy and liaison expertise to enable it to respond to issues raised by the Māori community.

Council continues to liaise with iwi in regard to enhancing relationships and involvement in appropriate issues.

## Appendix Six - Glossary of Terms

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

### Annual Plan

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

### Annual Report

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

### Activity Management Plans

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

### Associate

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

### Assumptions

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

### Capital Expenditure

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

### Capital Value

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

### Community

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

### Communitrak™ Survey

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

## Community Outcomes

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

## Consultation

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

## Cost of Services

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

## Council-Controlled Organisation

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

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

## Depreciation

Depreciation is a measure 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

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

## Groups of Activities

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

## Revenue

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

## Infrastructure

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

### Infrastructure Assets

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

## Levels of Services

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

## LiDAR (Light Detection and Ranging)

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

## Long Term Plan (LTP)

The Local Government Act 2002 requires Council to adopt a Long Term Plan (LTP). The 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. The LTP was previously called the Long Term Council Community Plan (LTCCP). The LTP referred to in this document is the Long Term Plan 2012-2022.

## Major Goals

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

## Network Infrastructure

See Infrastructure Assets.

## Non-Exchange revenue

A non-exchange transaction is a transaction where the reporting entity receives value from another entity without giving approximately equal value in exchange.

## Operating Costs

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

## Park Check

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

## Performance Targets

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

## Separately Used or Inhabited Parts of a Rating Unit

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

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

### Solid Waste

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

## Stormwater

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

## 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).

## Targeted Rate

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

## Uniform Annual General Charge (UAGC)

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

## Unitary Authority

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

## Wastewater

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

## Yardstick™

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

## 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  
Fax: 03 543 9524  
e-mail: info@tasman.govt.nz

### *Motueka Office*

Street Address: 7 Hickmott Place, Motueka 7120  
Postal Address: P O Box 123, Motueka 7143  
Telephone: 03 528 2022  
Fax: 03 528 9751

### *Golden Bay Office*

Street Address: 78 Commercial Street, Takaka 7110 (Temporary Location: 21 Junction Street, Takaka)  
Postal Address: P O Box 74, Takaka 7142  
Telephone: 03 525 0020  
Fax: 03 525 9972

### *Murchison Office*

Street Address: 92 Fairfax Street, Murchison 7007  
Postal Address: 92 Fairfax Street, Murchison 7007  
Telephone: 03 523 1013  
Fax: 03 523 1012