

PLANTING THE SEEDS FOR TASMAN'S FUTURE

Ka tupu te purapura
ka ora te Aorere

TASMAN'S 10-YEAR PLAN 2021 – 2031

Community Consultation Document



Te Kaunihera o
te tai o Aorere

**SUBMISSIONS CLOSE
SATURDAY 24 APRIL 2021**

You can submit online
at LTP.tasman.govt.nz



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HAVE YOUR SAY

Welcome to Tasman's 10-Year Plan. This is our Long Term Plan (LTP) consultation document that outlines what we propose to do over the next 10 years for our community.

Tell us what you think. We want to hear your views on our big decisions and choices for Tasman's future. Consultation is open from 24 March – 24 April 2021. More information on how to participate can be found on page 51 or at LTP.tasman.govt.nz.

TIMELINE

JUNE 2021
Council confirms
Tasman's
10-Year Plan

1 JULY 2021
Tasman's 10-Year
Plan comes
into effect

MAY 2021

Hearings for submitters who wish to speak. Council considers all the submissions and deliberates

24 MARCH – 24 APRIL 2021

Community consultation
on the big choices

13 MARCH – 12 JUNE 2020

Early public feedback round
(2020 Vision for Tasman –
Whakakitenga Ruamano Rua Tekau)

PLANNING FOR OUR FUTURE

The 10-Year Plan is our most important planning tool for the future. It sets out what the Tasman District Council plans to do over the next decade (2021–2031) to nurture our community’s wellbeing, and how we intend to pay for it.

This document and the supporting material includes detailed information on the activities, services, and projects we will carry out, as well as our funding and financial management. Ultimately, it tells you what your rates may look like for the next 10 years.

Long-term planning is a cycle. Every three years we review the progress we have made, consider the direction the District is growing towards, respond to changes in the environment, and adjust our plans to meet our community’s changing needs.

This Consultation Document outlines the big choices we need to make as we plan for the future. It doesn’t include every project, but provides an overview of the projects and choices that have a significant cost, have high community interest, or have changed since our last Long Term Plan 2018 – 2028.

Kotahi te kakano, he maha nga hua
A tree comes from one seed but bears many fruit

We’ve called the document Planting the Seeds for Tasman’s Future. That’s because the decisions we make now, the seeds we plant, the things we choose to care for and nurture over the next few years, will determine the shape of Tasman District’s future.

As any gardener will know, the more you feed your soil and care for your crop, the more you put in to the process, the greater the eventual rewards. The more input our community provides into this Plan, the better the outcome will be for all of us. Your feedback is important, and will help your elected representatives make their final decisions.



WHAT COUNCIL DOES

Councils provide a wide and varied range of services to their communities. Tasman District Council is one of six unitary councils in Aotearoa, meaning we do the work of both a regional council and a territorial authority. In most other parts of the country, this work is split between two separate councils. The work we do:



INFRASTRUCTURE

Roads, footpaths, cycleways, water pipes and treatment plants



COMMUNITY FACILITIES

Libraries, recreation centres, sports grounds, reserves, parks, environmental restoration work



ENVIRONMENTAL MANAGEMENT

Freshwater, land use, air quality, biodiversity, biosecurity



COMPLIANCE AND ENFORCEMENT

Dogs, parking, noise, air quality, discharges to air, land and water, building and resource consent conditions



STRATEGIC PLANNING FOR THE FUTURE

Zoning, land and infrastructure provision, financial planning, environmental planning



COMMUNITY ENGAGEMENT

Consultation, communication, education

These services and activities all contribute to the environmental, economic, social and cultural wellbeing of Tasman District. These are the seeds we need to nurture for Tasman's future wellbeing and prosperity.

PREPARING THE GROUND

Before starting to write our 10-Year Plan, we asked for your early input via our 2020 Vision for Tasman document. We also needed to align our planning with some of the other important work going on in our region – such as the Tasman Environment Plan review and the Te Tauihu Intergenerational Strategy.

EARLY PUBLIC FEEDBACK 2020 Vision for Tasman: Whakakitenga Ruamano Rua Tekau

Between March and June last year we asked for your initial thoughts on what we should be focusing on over the next 10 years and what was important to you. We received more than 200 submissions, with most supporting the proposed direction for the 10-Year Plan. This process helped us confirm the Vision, Community Outcomes, and Strategic Priorities that have shaped the proposals and big choices in this document.



OUR VISION: Te Whakakitenga

Working together for thriving and resilient Tasman communities

OUR STRATEGIC PRIORITIES: Rautake Matua



A healthy and sustainable natural environment



Strong, resilient and inclusive communities



Enabling positive and sustainable development



Contributing to a diverse society and celebrating our culture and heritage



A high standard of service



TE TAUIHU INTERGENERATIONAL STRATEGY

You may have been involved in or heard about the work to develop a long-term strategy covering the entire Top of the South/Te Taihū, culminating in the adoption of a vision for our communities:

To Be Good Ancestors – Tūpuna Pono.

The strategy was led by Wakatū Incorporation in partnership with us, our two neighbouring councils (Marlborough District and Nelson City), Ngā Iwi o Te Taihū (Ngāti Apa, Ngāti Kuia, Rangitāne, Ngāti Tama, Te Ātiawa, Ngāti Koata,

Ngāti Toa and Ngāti Rārua), Central Government, Nelson Tasman Regional Development Agency, Nelson and Marlborough Chambers of Commerce, business, community, and the Nelson Marlborough Institute of Technology.

We are just one of the organisations working collectively towards the strategy’s vision for our communities to be good ancestors – Tūpuna Pono, leaving a positive legacy for those who come after us and contributing to a purpose higher than our individual wants or needs.

AORERE KI UTA, AORERE KI TAI: Tasman Environment Plan

Alongside our work on Tasman’s 10-Year Plan, we’re also reviewing our existing resource management plans and working towards a new Aorere ki uta, Aorere ki tai – Tasman Environment Plan. It will provide the blueprint for where and how our communities will grow and how we manage natural resources.

Creating this new plan is a big opportunity for Tasman. Through quality policies and rules, we can plan for sustainable development, build greater resilience in the face of our changing climate and natural hazards, enable livelihoods, turn around biodiversity loss, retain productive rural land, and protect and restore waterways.

The Resource Management Act (RMA) reforms may also lead to the Tasman, Nelson and Marlborough resource management plans being combined into a single plan for Te Tau Ihu if the recommendations of the independent panel that reviewed the RMA are implemented by the Government.

The 10-Year Plan and Tasman Environment Plan are different but complementary and the teams working on them are sharing information and themes from public feedback. For more information visit environmentplan.tasman.govt.nz





THE LAY OF THE LAND

As well as preparing the ground, we took stock of other factors that might affect our plans.

COVID-19 PANDEMIC

The restrictions imposed to stop the spread of Covid-19 have affected everyone in a myriad of ways. It has provided us with the impetus for change and to reimagine how we work and live.

Its effects are ongoing and the future is uncertain. Border restrictions have changed the usual flow of travellers and migrant workers into New Zealand and Tasman, with challenging implications for our tourism and primary sectors.

Overall Tasman has fared well, with the economy bouncing back strongly after lockdown and tracking better than other parts of the country. However, some in our community are still being impacted through job losses, business closures, profit downturns and supply chain disruptions.

The Council is committed to continued investment in the District to help fuel the economy and provide employment opportunities. New Government funding opportunities have allowed us to do more work for our community sooner than we could have done otherwise.

0% RATES RISE FOR 2020/2021

In response to the economic pressures on parts of our community, we were able to provide rent relief for some commercial tenants, reduce registration fees for campgrounds and commercial vessels, and increase the frequency of payments to our local suppliers. The Council also set a zero percent rates revenue increase for 2020/2021 (after an allowance for growth).

The reduction in rates was welcomed by many, but created a shortfall in budgets. This was partly recovered through savings and the remainder is included in future rates increases.

GOVERNMENT REFORMS

Our regulatory environment is changing in response to growing community expectations. Central government has introduced new rules and regulations and is continuing to roll out changes to the way we manage our environment and services. These changes include: the Resource Management Act (RMA) reforms, new freshwater regulations, National Policy Statements for Urban Development and Freshwater Management, and Climate Change Response Act. These are designed to enhance and protect our environment and improve community wellbeing. We know that change is required and that we can do better in some areas – but it does come at a cost.

RMA REFORMS

The RMA is to be replaced with three new Acts:- a Natural and Built Environments Act (NBA), a Strategic Planning Act (SPA), and a Climate Change Adaptation Act (CCAA). The impact of the new Acts on Council and its functions are still unknown. Bills covering the NBA and SPA are expected to be introduced to Parliament by the end of 2021, with all three Acts passed by the end of 2022.

We have included \$7.2 million for the development of the Tasman Environment Plan into our LTP budgets over the next 10 years as part of our response to Government reforms and a new regulatory environment.

STIMULUS FUNDING

With the advent of Covid-19, the Government has provided funding to help stimulate the economy. Tasman has been fortunate to receive indicated funding of up to approximately \$36.8 million (including the \$9.78 million three waters grant), and we anticipate there will be more to come.



ACHIEVEMENTS

We last reviewed Tasman's 10-Year Plan in 2018. Here is a summary of some of the progress we have made.

New cycle link from Tākaka to Pōhara

Commenced new Motueka Library

Commenced construction of the Waimea Community Dam

Completed the Riwaka-Kaiteriteri Water Treatment Plant and commenced other upgrades

Initiated Tasman BioStrategy consultation to better coordinate biodiversity and biosecurity work

Commenced water and wastewater trunk main renewals for Māpua

New playgrounds in Mārahau and Golden Bay

Completed Brightwater Town Centre upgrade

Completed Queen Street and Bateup Road improvements

Initiated the Coastal hazards project, including sea level rise risk areas

Initiated integrated catchment management projects including major restoration planting in highly erodible land in Mārahau

Released the Nelson-Tasman Regional Pest Management Plan

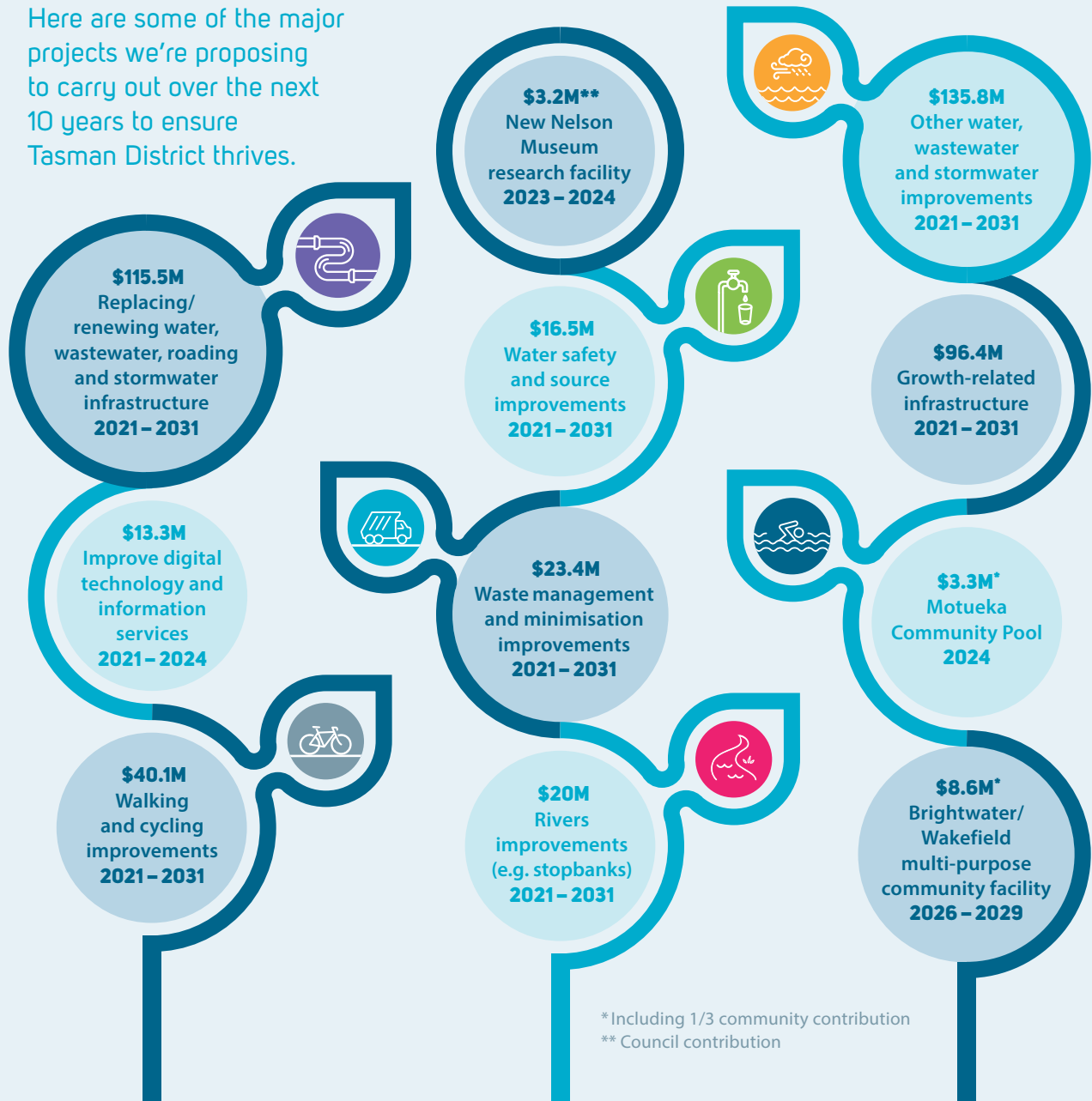


2021 – 2031 AT A GLANCE

Overall, Tasman's 10-Year Plan aims to:

- Ensure there is enough zoned and serviced land available to meet demand for new homes and businesses.
- Respond to climate change through projects, initiatives and adaptive planning.
- Focus on building, renewing and maintaining our infrastructure.
- Fund this by ensuring we apply for Government funding where it is available and increase our borrowing limit to a sensible and prudent level.
- Collect development and financial contributions to pay for the services associated with growth in the District.
- Deliver on priority work programmes – roading, water, wastewater, stormwater, environmental improvements, climate change, recreation and important community spaces and facilities.

Here are some of the major projects we're proposing to carry out over the next 10 years to ensure Tasman District thrives.



*Including 1/3 community contribution

** Council contribution

KEY NUMBERS

OVER THE NEXT 10 YEARS IT WILL COST

\$1.8 BILLION

TO MANAGE AND RUN OUR DISTRICT
(direct operating and capital costs)



WE ARE SETTING OUR
**DEBT CAP AT
\$282 MILLION**

WE ARE LOOKING AT AN ANNUAL
RATES REVENUE INCREASE CAP OF



* PLUS AN ALLOWANCE FOR GROWTH

OVER THE NEXT 10 YEARS

\$58 million will be spent on community projects that make our District a great place to live – like playgrounds, the upkeep of our reserves, a new pool in Motueka, and a new Wakefield/Brightwater Community Centre.

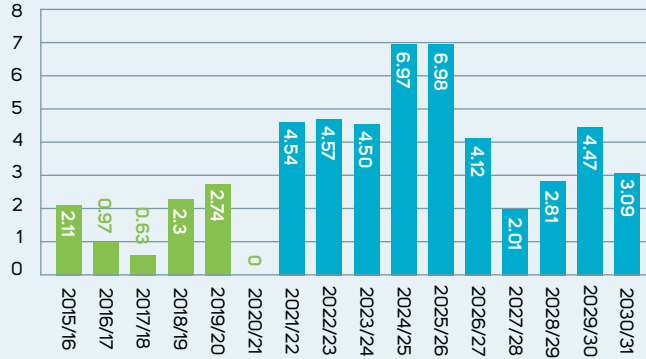
More than **\$124 million** will be spent on growth projects across 10 years that will ensure homes can be built for our people. These costs will be mostly funded by developers rather than ratepayers (via Development and Financial Contributions).

We propose to spend approximately **\$271 million** on maintaining and improving our levels of service.

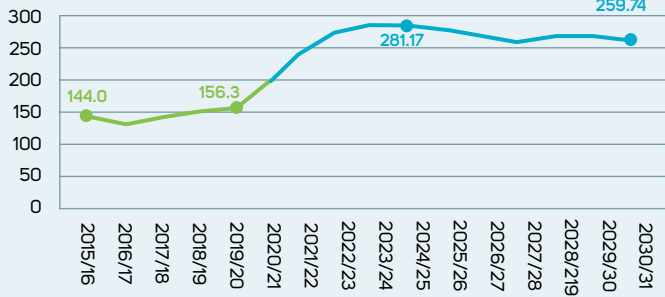
More than **\$225 million** will be spent on renewing our assets, such as replacing old pipes and treatment plants, to ensure they are in good working order and fit for purpose.

We believe it is better for Tasman to increase its net debt and rates increase limits so that we can deliver on the work programmes necessary to keep pace with growth demands, maintaining and renewing infrastructure, meeting our regulatory requirements and community's expectations.

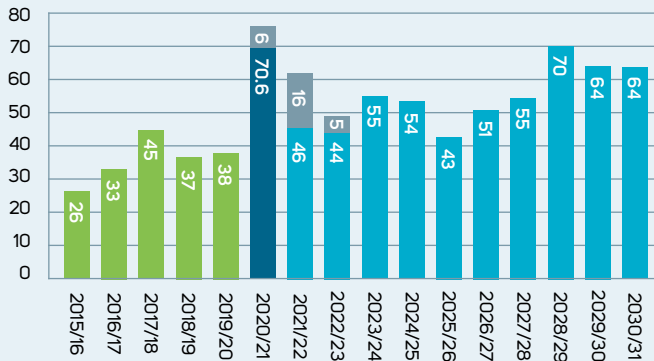
PROPOSED RATES REVENUE INCREASES (%)*



PROPOSED NET DEBT (\$M)



PROPOSED COST OF CAPITAL PROJECTS (\$M)



- Historical
- LTP
- Central Government funded
- Adjusted Annual Plan (incl. carry overs)

*excluding growth



THE BIG CHOICES

In this section we outline some of the key elements of the proposed 10-Year Plan that we would like your feedback on. For each choice, we explain the background to it, our preferred plan of action and the alternatives.

**WE'D LOVE
TO HEAR
WHAT YOU
THINK**

WE WANT TO KNOW

CHOICE 1

Do you support the Council's proposal to provide the necessary infrastructure to meet housing and business demand across the entire District?

CHOICE 2

Do you support the Council's preferred option to share the cost of the irrigators' share of additional Waimea Community Dam costs across affiliated irrigators as well as general ratepayers?

CHOICE 3

Do you support the Councils' proposal to establish a joint parent Company for Nelson Airport and Port Nelson?

CHOICE 4

Do you support the Council's proposed response for adapting and responding to climate change?

CHOICE 1

HOMES FOR OUR COMMUNITY

How we help to ensure there are enough homes in our community.

We know housing availability and affordability are a real concern for our community. We can't solve the affordability problem alone, but along with Government and other agencies, we can be part of the solution. We can do this by ensuring we have the right land zoning and infrastructure (drinking water, wastewater, stormwater and transport) in place to meet forecast demand, and by changing our planning rules to make it easier to build smaller homes at higher densities.

FORECAST DEMAND

We expect our population to keep growing over the next 10 years, meaning we need to make sure there is zoned and serviced land available for at least 7,700 residents, 4,300 homes and 160 business lots.

This is based on a medium-growth scenario. We know the situation may change – especially with Covid-19 border restrictions and the return of New Zealand citizens. We will continue to monitor the situation to make sure our planning information is up to date and that we are adaptable and flexible as demand changes.



**+7,700 MORE
RESIDENTS**



**+4,300
NEW HOMES**



**+160 NEW
BUSINESS LOTS**

THE FUTURE

With the right zoning, services and planning tools in place to meet demand, we should see more homes being built, meaning more housing options for our community, new businesses and employment opportunities, and increased economic activity.

THE CHOICE WE FACE

Where, when and how much land we service is a key decision we need to make. Infrastructure is expensive and keeping rates and debt at a reasonable level is challenging. However, not providing infrastructure for development would worsen housing affordability in Tasman because the gap between supply and demand of housing would steadily grow. It would also mean we wouldn't meet our obligation under central government's National Policy Statement for Urban Development to provide for growth in our urban area.

You can read more about our Future Development Strategy at tasman.govt.nz/link/fds



Do you support the Council's proposal to provide the necessary infrastructure to meet housing and business demand across the entire District?

Our preferred option A

Spend \$124 million over the next 10 years to meet the forecast demand for infrastructure to service development across the whole of Tasman District (based on a medium-growth scenario in line with recent population trends). This will allow both greenfield development and infill housing/ intensification of our towns and suburbs to occur.

This cost to service new growth will be largely met by developers through development and financial contributions – so there is a minor impact on rates. However, it will increase the Council's net debt over the next 10 years as we must borrow the funds needed upfront, using the development contributions once collected to cover the borrowing costs.

Effect on rates: Minor impact

Effect on debt: Increase of \$43 million

Effect on levels of service: ▲ Increase

Alternative option B

Spend \$169 million over the next 10 years to meet the forecast demand for the District as a whole, as well as provide for more growth closer to Motueka.

The extra infrastructure spend of \$45 million would enable development by 2032 of a significant area of land in Lower Moutere Hills, which is earlier than planned under Option A. This area was identified in our Future Development Strategy as a resilient opportunity for Motueka's future growth. The amount of land available in Motueka faces some particular challenges in the future, due to natural hazard risks in the east and a preference to avoid expansion into productive land on Motueka's outskirts.

Providing development opportunities in a range of locations should encourage a sufficient supply of housing and address housing affordability issues. This is particularly important, given a high proportion of Motueka's population are on relatively lower incomes.

However, the infrastructure required to enable greenfield development in Lower Moutere Hills comes at a significant cost.

This option would have a minor impact on rates (being largely funded by developers through development and financial contributions), but would increase the Council's net debt by \$72 million.

Effect on rates: Minor impact

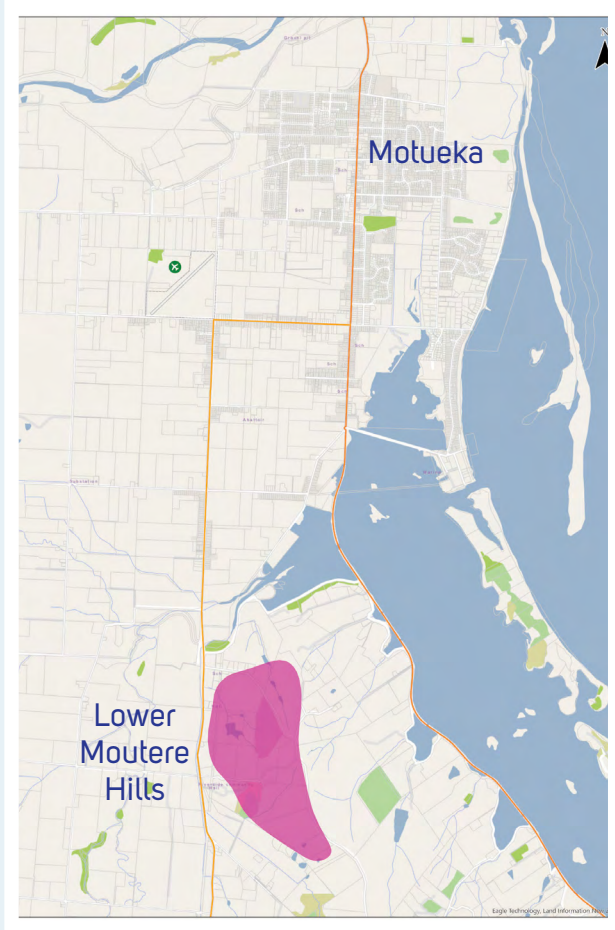
Effect on debt: Increase of \$73 million (\$43 million as per Option A plus \$30 million for the Lower Moutere growth projects).

Effect on levels of service: No impact

WEIGHING UP THE OPTIONS

Under Option A, growth is enabled in Motueka in the first ten years, with Lower Moutere Hills scheduled for the following decade. Council prefers Option A because we expect it will enable enough housing supply to meet demand, while making the best use of available land and planned infrastructure. This approach should also enable the debt associated with planned growth infrastructure in Motueka West to be largely paid off through development contributions, prior to investing in Lower Moutere Hills.

Under Option B, Council's net debt by Year 10 will be greater, and development contributions would also be higher.



Council has considered reducing the programme of growth infrastructure but this wouldn't enable enough land supply to meet our obligations under the National Policy Statement for Urban Development. For this reason, we haven't presented it as a choice for the community.

CHOICE 2

WAIMEA COMMUNITY DAM – ALLOCATION OF ADDITIONAL IRRIGATOR CAPACITY COSTS

The Waimea Community Dam (Dam), currently under construction in the Lee Valley, will provide a secure and sustainable drinking and horticulture water supply for the communities of the Waimea Plains for the next 100 plus years.

It will also improve the health of the river and bring estimated economic benefits to Tasman District of up to \$932 million in its first 25 years.

Since the decision to proceed was finalised in 2018, project costs to build the Dam have risen from the initial estimate of \$104.5 million to \$129.4 million in 2020. On 22 February 2021, Waimea Water Limited (WWL) presented a revised cost estimate range of \$148 million to \$164 million to complete the Dam, with an expected cost of \$158.4 million (excluding provision for future hydro power). The cost estimate is based on the best information currently available and makes some allowance for the cost uncertainty associated with the project. A lot of work has been completed to date and the project is approximately 50% complete. This means WWL has a good understanding of these risks based on what it has experienced so far and how it has responded to unexpected geological conditions. Going forward, most of the work is above ground level reducing the likelihood of geological risks further. However, there is still a risk that

costs could be higher than the estimated range. Key risks are the costs associated with any further Covid-19 related delays, and the scale of work required on unexposed geological features.

We have decided to include a budget in the 10-Year Plan that will provide for a total project cost of \$159 million. This amount covers the expected cost of \$158.4 million and allows for necessary work to provide for a future hydro option. This reflects a total project budget increase of \$54.5 million since 2018.

The \$54.5 million increase is being funded in three ways being:

- \$22 million by way of an interest only loan. This loan will not have any repayments made over the 10 years of the current LTP.
- \$18 million via a 20 year Crown Irrigation Investments Limited (CIIL) interest free loan that is to be refinanced and repaid over 30–40 years.
- The balance of \$14.5 million via a 30 year table loan that attracts both interest and loan repayment costs.

Each of the options presented will have the same funding mix as above and will address how the \$25.2 million of the irrigators' share will be funded in terms of rates. This will increase the debt allocated to irrigators by \$25.2million.

There is an existing formula in place for sharing the costs of the Dam among everyone who will benefit. The beneficiaries include everyone living and running businesses on the Waimea Plains, irrigators who have purchased shares (ensuring water rights) in the Dam or who are benefitting from that water, and the wider Tasman community – everyone benefits from the economic and environmental gains the Dam will provide.

The term ‘irrigator’ in Choice 2 also covers other rural extractive water users who have an ability now or in the future to affiliate a water take consent through Waimea Irrigators Limited (WIL).

To date the costs of the Dam have been apportioned across those who benefit with:

- 49% assigned to irrigators;
- 21% to urban water users; and
- 30% to ratepayers for the environment and public good benefits such as increased jobs, economic gains, and the ability to meet growth demands.

Based on this method, the additional \$54.5 million would be split:

\$26.7 MILLION FOR IRRIGATORS	IRRIGATORS’ SHARE \$26.7 MILLION
\$11.5 MILLION FOR URBAN WATER USERS	COUNCIL’S SHARE \$27.8 MILLION
\$16.3 MILLION FOR RATEPAYERS	

The first \$3 million of additional cost is funded 50% by WIL and 50% by Council. This means Council needs to decide how to collect the balance of the irrigators’ share, being \$25.2 million.

Council is contractually obligated to proceed with construction of the Dam. For that reason, we have not presented an option that doesn’t meet those commitments in this Consultation Document.

THE CHOICE WE FACE – HOW SHOULD THE IRRIGATORS’ SHARE OF THE PROJECT COST INCREASES BE COLLECTED?

This choice asks you how the Council should collect the irrigators’ share of the Dam project cost increases, being \$25.2 million.

We are not consulting on changing our original funding model or looking at alternative ways of paying for the urban water users and environmental public good shares. We have provided further information on page 20 as to what the project cost increases mean for those shares.

All of the options outlined on pages 21 to 25 acknowledge that Council is obliged to incur the debt associated with the increased project costs. The level of debt incurred will not change, regardless of the option selected.

WHAT IS THE TOTAL EFFECT ON RATES OF RECOVERING COUNCIL'S SHARE UNDER THE CURRENT FUNDING MODEL?

For urban water users including Redwood Valley – water rates and charges are used to fund their share.

For the environmental public good share – the **District Wide Rate** and **Zone of Benefit** rate are used.

For urban water users and the environmental public good share:

- The Urban Water supply and Redwood Valley Rural Water supply rates include costs that are associated with the Dam. For a typical urban property that uses 215m³ of water per year, the Dam-related fixed and volumetric charges would increase from \$98 in 2021/2022 to a peak of \$190 in 2023/2024.
- The **District Wide Rate** increases from \$26 per year in 2021/2022 to a maximum of \$56 per year in 2023/2024.
- For those properties in the **Zone of Benefit**, they will pay zone benefit rates peaking at 0.0064 cents per dollar of capital value by 2023/2024. For example, for a property with a value of \$660,000, the rate would be \$42.

For those properties that use a Waimea Irrigators Limited (WIL) affiliated water consent they will pay the District Wide Rate and Zone of Benefit Rate, as well as any of the rates proposed in the following options. In addition, they also pay irrigator charges to WIL and if applicable the Council water rate.

Please note that all rates examples provided on pages 21-25 are indicative, GST inclusive and use the 2020 property valuations which will come into effect from 1 July 2021.



Our preferred option A

A mixture of targeted and District-wide rates.

This preferred option proposes that the cost of the irrigators’ share be spread across properties which are serviced from affiliated consents as well as general ratepayers.

For this option the irrigator capacity share of the \$54.5 million cost increase is \$25.2 million. \$14.6 million of additional spend will be collected using the proposed targeted rate for Waimea Irrigators Limited (WIL) affiliated irrigators with debt servicing costs peaking in Year 3 at \$509,000. The balance of \$10.6 million will be funded by general rates with debt servicing costs peaking in Year 3 at \$147,000.

The proposed targeted rate would be applied to properties with access to water supplied via a water consent affiliated through a shareholding in WIL.

Those properties who would pay the proposed targeted rate are shown on the map – Waimea Community Dam Extractive Use Rating Area (page 22).

This option acknowledges that the Dam’s benefits will contribute to the well-being of all residents in the District – economic, social, cultural and environmental. It also acknowledges that subsidising the irrigators contribution will go some way to addressing the possible affordability issue for some affiliated irrigators. Properties benefiting from an affiliated water consent would pay both rates.

Effect on debt: All options consider how to fund the increased debt of \$54.5 million (see page 18).

Effect on levels of service: No impact.

Effect on rates: The tables on pages 21 and 22 show the proposed impact on the general rate and the new targeted rate.

PROPOSED IMPACT ON THE GENERAL RATE

Property Capital Value	Cents per \$ of Capital Value 2021/2022	Annual Rate 2021/2022	Cents per \$ of Capital Value 2025/2026	Annual Rate 2025/2026
For the Median property value in the District of \$660,000	0.0003	\$2	0.0007	\$5

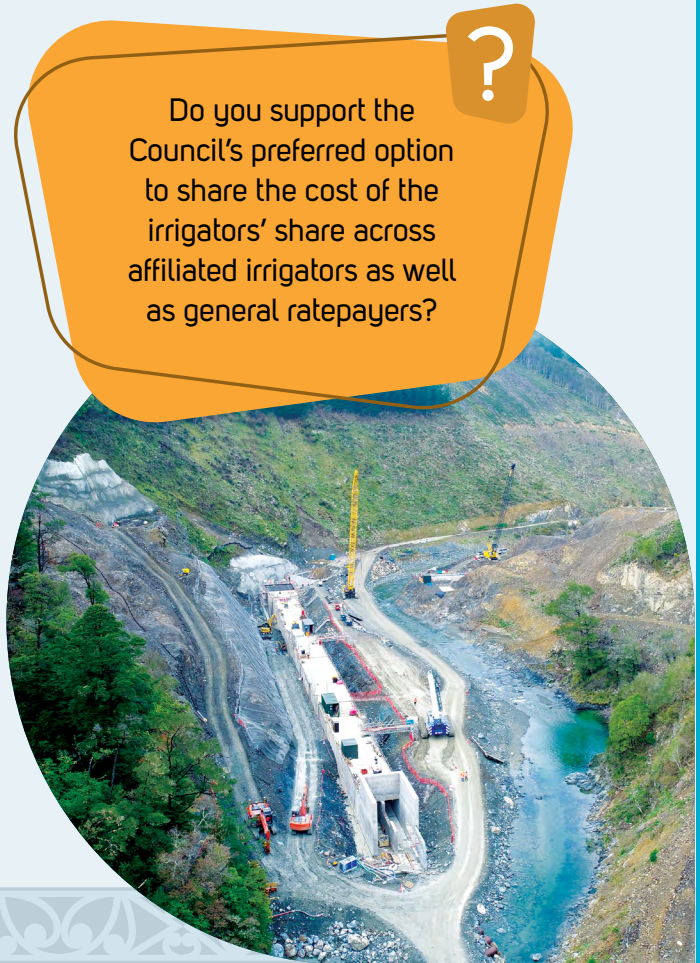
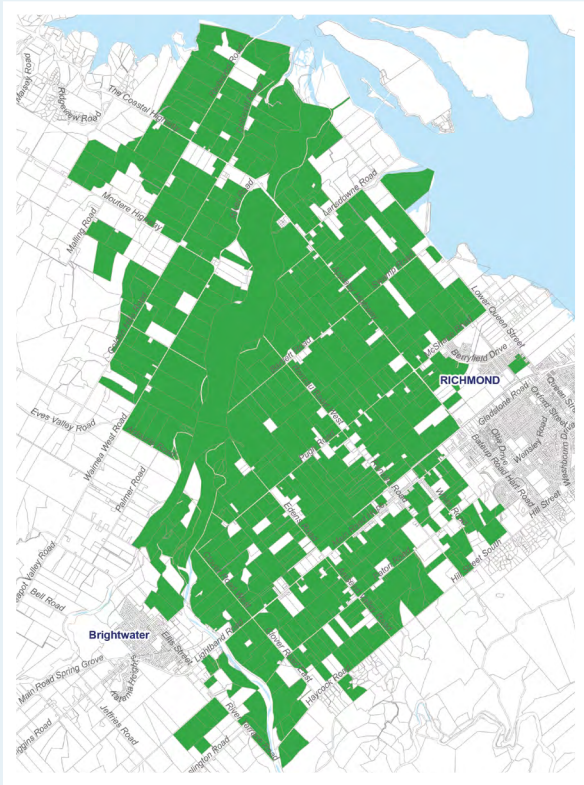
Note: this does not show the full value of the proposed general rate for this 10-Year Plan, only the value relevant to funding the irrigators’ share of the additional Dam costs is shown.

Please see overleaf for the proposed new targeted rate for Option A.

PROPOSED TARGETED RATE FOR WIL AFFILIATED IRRIGATORS

Property Land Value	Type	Cents per \$ of Land Value 2021/2022	Annual Rate 2021/2022	Cents per \$ of Land Value 2025/2026	Annual Rate 2025/2026
\$740,000	Affiliated	0.0343	\$254	0.1684	\$1,246
\$970,000	Affiliated	0.0343	\$333	0.1684	\$1,633
\$1,430,000	Affiliated	0.0343	\$490	0.1684	\$2,408

WAIMEA COMMUNITY DAM EXTRACTIVE USE RATING AREA



Do you support the Council's preferred option to share the cost of the irrigators' share across affiliated irrigators as well as general ratepayers?

Alternative option B

All ratepayers pay a District-wide rate.

An alternative option is the \$25.2 million (the irrigator capacity share of the additional \$54.5 million) will be collected across all ratepayers in the District with debt servicing costs peaking in Year 3 at \$656,000. The amount each ratepayer would contribute could be based on either the capital value of their property **OR** we could use a District-wide fixed charge.

This contribution would be in addition to an increase in:

- the current District-wide and Zone of Benefit rates that fund 30% of the cost of the Dam; and
- the urban water supply rates that fund 21% of the cost of the Dam.

Effect on debt: All options consider how to fund the increased debt of \$54.5 million (see page 18).

Effect on levels of service: No impact.

Effect on rates: The following tables show the impact on rates for both the capital property value and the District-wide fixed charge methods for all properties in the District.

CAPITAL VALUE METHOD

Property Capital Value	Cents per \$ of Capital Value 2021/2022	Annual Rate 2021/2022	Cents per \$ of Capital Value 2025/2026	Annual Rate 2025/2026
For the Median property value in the District of \$660,000	0.0009	\$6	0.0038	\$25

Note: this does not show the full value of the proposed general rate for this 10-Year Plan, only the value relevant to funding the irrigators' share of the additional WCD costs is shown.

DISTRICT-WIDE FIXED CHARGE METHOD

	Annual Rate 2021/2022	Annual Rate 2025/2026
District-wide fixed charge	\$8	\$33

Alternative option C

A targeted rate on all properties in the 'Zone of Affiliation'.

An alternative option is the \$25.2 million (the irrigator capacity share of the additional \$54.5 million) will be collected across all ratepayers within a Zone of Affiliation (Zone). Debt servicing costs will peak in Year 3 at \$656,000. This is a new Zone that includes all those properties that would be able to access water from the Dam. Those properties that would be required to pay the new rate are shown on the map – Zone of Affiliation.

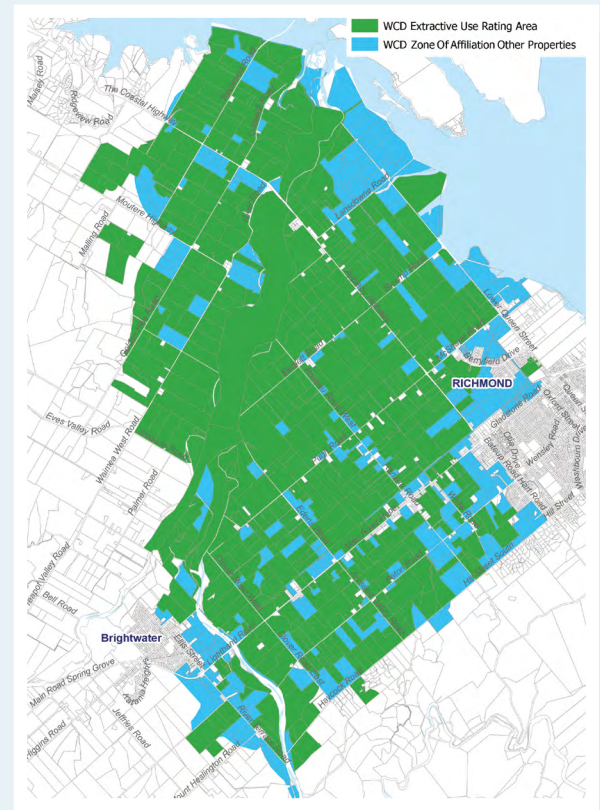
Under this option, the additional irrigators share of \$25.2 million would be shared on a ratio of 5:1 between properties which are serviced through affiliated water consents and the other properties in the Zone. This option recognises that those other properties have the potential to access water and affiliate water consents if they wish to in the future.

Effect on debt: All options consider how to fund the increased debt of \$54.5 million (see page 18).

Effect on levels of service: No impact.

Effect on rates: The following table sets out the effect of the proposed rate for a range of property values for the Zone of Affiliation.

ZONE OF AFFILIATION



PROPERTY LAND VALUE	TYPE	CENTS PER \$ OF LAND VALUE 2021/2022	ANNUAL RATE 2021/2022	CENTS PER \$ OF LAND VALUE 2025/2026	ANNUAL RATE 2025/2026
\$740,000	Affiliated	0.0421	\$312	0.1843	\$1,364
\$970,000	Affiliated	0.0421	\$409	0.1843	\$1,787
\$1,430,000	Affiliated	0.0421	\$602	0.1843	\$2,635
\$690,000	Other property in the Zone of Affiliation	0.0084	\$58	0.0369	\$254

Alternative option D

A new targeted rate solely on irrigators.

An alternative option is the \$25.2 million (the irrigator capacity share of the additional \$54.5 million) will be met in full by WIL affiliated irrigators. Unlike the preferred option A irrigators would pay for the full share of the cost increase of \$25.2 million. Debt servicing costs will peak in Year 3 at \$656,000.

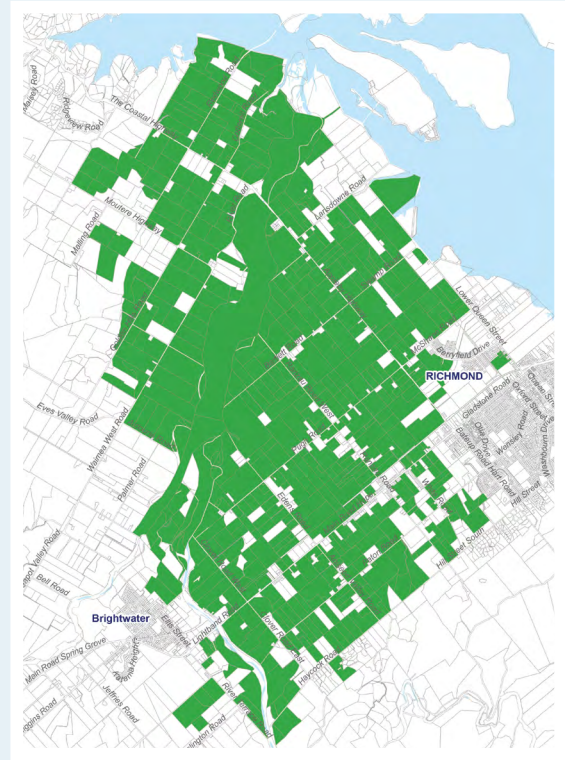
This includes properties with access to water supplied via a water consent affiliated through a shareholding in WIL. To collect the irrigators’ share, a new targeted rate would be applied. Those properties who would pay the new rate are shown on the map – Waimea Community Dam Extractive Use Rating Area.

This option may be unaffordable for some irrigators.

Effect on debt: All options consider how to fund the increased debt of \$54.5 million (see page 18).

Effect on levels of service: No impact.

Effect on rates: The following table sets out the effect of the proposed rate for a range of property values for WIL affiliated irrigators.



PROPERTY LAND VALUE	CENTS PER \$ OF LAND VALUE 2021/2022	ANNUAL RATE 2021/2022	CENTS PER \$ OF LAND VALUE 2025/2026	ANNUAL RATE 2025/2026
\$740,000	0.0477	\$353	0.2085	\$1,543
\$970,000	0.0477	\$462	0.2085	\$2,022
\$1,430,000	0.0477	\$681	0.2085	\$2,981

More information on the Dam funding formula and what it means for everyone’s rates can be found in our draft Funding Impact Statement and Revenue and Financing Policy and consultation information. Head to LTP.tasman.govt.nz for more information.

CHOICE 3

A NEW COMPANY MODEL FOR NELSON AIRPORT AND PORT NELSON

Nelson Airport and Port Nelson provide key gateways to the Nelson Tasman region.

Both are essential partners for many businesses, with most exports leaving the region either by air or sea. Jointly owned by us and Nelson City Council, they are important strategic assets that are vital to the ongoing economic and social wellbeing of our communities.

Together we are jointly proposing to transfer our shareholdings in both Nelson Airport Limited and Port Nelson Limited into a single new company. The company will be set up as an operational holding company, and will be 50% owned by us and 50% owned by Nelson City Council.

The Ministry of Transport will continue to own one share in Nelson Airport, the 'kiwishare'.

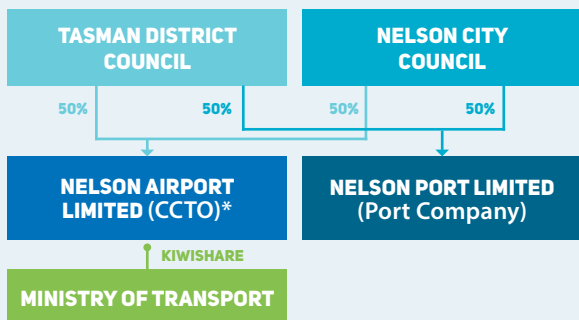
The reason for the proposed change is that there are many positive benefits that would arise from the new structure both to the companies and to the Council shareholders. These include operational efficiencies, cheaper borrowing, tax efficiencies and increased resilience for the two companies. The benefits to the Councils include better governance, debt reduction and increased future dividends. This approach will also help to mitigate some of the risks arising from economic uncertainties.

Council has taken a conservative and prudent approach by not including any financial benefits that would arise from the holding company proposal proceeding in its 10-Year Plan. There is a level of uncertainty as the approval of Nelson City Council along with this Council is required. If the project is approved by shareholders there will also be some delay while any transition occurs and the synergies, funding savings and other benefits are realised.

As part of the business proposal, seven alternative options were considered by both Councils. These were narrowed down to four reasonably practicable options. The preferred option is seen to offer the best value for the Council shareholders, while also keeping risk to an acceptable level. The options not progressed further included: asset transfer; share transfer; and changing the funding mechanism to allow Local Government Funding Agency (LGFA) borrowing through the shareholders.

Any change in the current structure of the companies is conditional on both Councils agreeing to proceed. A final decision will not be made before 30 June 2021, when both Long Term Plan's are due to be adopted.

CURRENT OWNERSHIP MODEL



For more information please see supporting document 'A new company model for Nelson Airport and Port Nelson' at LTP.tasman.govt.nz.

OUR FUTURE

We believe the new structure will bring about a range of operational efficiencies and savings.

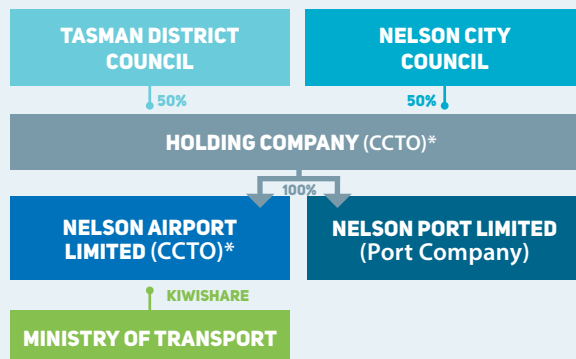
Our preferred option A

To establish a new company for holding the investments in, and overseeing operations of, Nelson Airport and Port Nelson – with Tasman District and Nelson City Councils as equal shareholders.

A single Board of Directors, with the necessary range of skills and expertise to operate both the Airport and the Port, will replace the two existing Boards. Under the proposal one Chief Executive

*Council Controlled Trading Organisation

NEW OWNERSHIP MODEL



This new ownership model applies to the preferred option and also alternative options C and D.



Do you support the Councils' proposal to establish a joint parent Company for Nelson Airport and Port Nelson?

Officer and one Chief Financial Officer will be appointed, removing the current duplication across the two companies. A Chief Operating Officer will also be appointed to Nelson Airport, mirroring the existing role in Port Nelson. All other operational aspects of the Airport and Port will remain as they currently are.

One of the main benefits to Council will be reduced borrowing costs for the Port and the

Airport, as the new Company will be able to access Local Government Funding Agency (LGFA) loan funding directly, and hold its own debt saving an estimated \$900,000 per year. The level of operational savings is estimated between \$592,000 and \$932,000 per year, with synergies including savings in payroll, directors' fees, insurance, IT system and through joint procurement and the sharing of services.

This proposal does not result in any loss or dilution of the either Councils' overall ownership of Nelson Airport and Port Nelson.

This is the Port Nelson company board's preferred option.

Effect on rates: No immediate impact. The new company structure is forecasted to be in a position to increase dividends to shareholders.

Effect on debt: Potential reduction in Council debt levels if, as part of the restructure, there is a release of equity to the shareholders.

Effect on Levels of Service: No impact

Note: The effect on rates, debt and levels of service are the same for all options

Alternative option B

Status quo

We could retain the current structure, with the Port and Airport remaining independent with their own Boards and management team. The funding structure and costs associated with running and managing the

two would remain as they are currently. There would be no operational savings or advantages to either company.

Alternative option C

A new company established as a funding vehicle only.

Under this option we could establish a new Company as a funding vehicle only for the Port and Airport – meaning they could access reduced borrowing costs through the LGFA. All other aspects of the entities would remain the same, meaning there would be little or no direct operational synergies.

This is the Nelson Airport company board's preferred option.

Alternative option D

A new company established as a funding vehicle and shared services arrangement.

As a variation to the alternative option C above, we could establish a new Company to provide a funding vehicle for the Port and Airport and also establish a single Board of Directors with a shared services agreement. Both companies will still have their own CEO's and executive teams. This provides funding benefits, taxation efficiencies and operational synergies, but the value of operational savings is significantly less than the preferred option with an estimated \$167,000 per year compared to \$932,000 per year.

CHOICE 4

RESPONDING TO CLIMATE CHANGE

How can we best prepare our District to adapt as our climate changes?

Our natural environment, our homes, workplaces and the areas we spend our free time are already feeling some of the consequences of our changing climate. We are experiencing more frequent weather extremes and effects, including floods, droughts and fires. We have a large coastline, inhabited by thousands of residents. Adding to the complexity, much of our public infrastructure is built near the coast.

Current risks relating to climate change in Tasman District include: damage to/loss of assets, property, infrastructure and facilities from coastal storm inundation events, sea level rise, flooding and/or wildfire; issues with water supply security; increased wastewater overflows; increased periods of drought; increased biosecurity incursions and impacts on biodiversity.

We don't yet know how quickly climate change will affect our communities, or how severe those effects will be, but legislation, and the (Government's) decision to declare a nationwide climate emergency, has committed New Zealand to taking action now.

The Climate Change Response Act requires us as a Council to reduce our carbon emissions and prepare for and adapt to the effects of climate change. We intend to continue managing our commercial forests as a way of partially offsetting our emissions.

Through our 10-Year Plan, we intend to increase the resilience of our infrastructure against sea level rise and extreme weather events. The Tasman Climate Action Plan (2019) charts a path for contributing to the reduction of greenhouse gas emissions, building our resilience and adapting to our changing environment.

Many of the activities planned to help us adapt to, and mitigate the effects of climate change are things that we would be doing as part of our business as usual – such as tree planting, waste reduction programmes and new cycle paths. Our Climate Action Plan collates all these actions together into one plan, and also identifies several new initiatives.

As part of developing our Tasman Environment Plan under the Resource Management Act, we're working on a project to involve our Tasman Bay/Te Tai o Aorere and Golden Bay/Mohua communities in planning for how we can best respond to sea level rise and coastal hazards.

A range of business as usual expenditures across our 10-Year Plan are likely to have positive impacts on climate change, including:

- \$9.3 million for waste management and minimisation initiatives (paid for via government levy).
- \$38 million for active transport (Council contribution \$18.6 million).
- \$14.9 million for public transport (Council contribution \$7.3 million).
- \$10.1 million for tree planting to help store carbon (Council contribution of \$9 million).
- Work to identify the vulnerability of critical infrastructure to natural hazards and climate change.
- Continue the Coastal Management project looking at long-term adaptive planning for sea level rise and coastal hazards.
- Investigate options for a more agile response to biosecurity and pest management issues.
- Continue to manage and own our commercial forestry with a current worth of \$47.1 million.

We also propose to suspend contributions to the Emergency Fund for the next four years to soften the rates impacts of our upcoming work programme. However, we will make sure we have enough “debt headroom” that we can borrow extra money if we need to in the event of an emergency.

We have also received significant Government funding to help us implement our climate change response projects, so the full cost does not fall solely on Tasman residents. Government funding amounts to \$37.3 million (Waka Kotahi/NZTA \$27 million) over the next 10 years, with Council's contribution being \$37 million.

To find out more about our climate response, visit tasman.govt.nz/link/climate-response.

OUR FUTURE

Our communities are sustainable, resilient and involved in adaptive planning processes to respond to the effects of a changing climate.

THE CHOICE WE FACE

Where to spend our time, effort and funds to best prepare the Tasman community for the likely effects of climate change and mitigate our greenhouse gas emissions is a key decision we need to make.



Do you support the Council's proposed response for adapting and responding to climate change?

Our preferred option A

Affordable level of investment spread over the next 10 years.

Over the next 10 years, in addition to the business as usual expenditures outlined above, we plan to invest in a number of new initiatives to implement our Climate Action Plan, including:

- \$0.3 million for monitoring Council's greenhouse gas emissions and reduction planning.
- \$0.6 million for energy efficiency and renewable energy initiatives for Council buildings.
- \$1.2 million for energy efficiency initiatives in Water Supply and Wastewater.

Effect on rates: For every \$1 million spent on operating costs associated with climate change increases rates by about 1.3%

Effect on debt: Every \$1 million spent on capital projects adds \$1 million to debt (assuming Council funds).

Effect on levels of service: ▲ Increase.

Alternative option B

Higher investment in the short term.

This option would see us investing more on climate change actions during the next 10 years. In addition to the investment in our Preferred Choice A, this would allow us to:

- Advance active transport initiatives (e.g. earlier installation of protected cycleways, earlier creation of more cycle friendly town centres, earlier creation of slow speed residential areas) by spending an additional \$37.4 million (Council contribution \$18.3 million).
- Support the local Warmer Homes programme (\$150,000 per year, unleashing \$1.35 million in Energy Efficiency & Conservation Authority (EECA) funding and enabling the insulation of 500 homes).
- Continue our contributions to the Emergency Fund in Years 1 to 4 of the 10-Year Plan of approximately \$1.6 million per year.

This option means a higher investment in the short term, but a more proactive response to climate change to meet the needs of our community. It may also mean that investment in later years could reduce. There will be an impact on debt levels to allow the additional programmes and contributions to proceed. If Waka Kotahi/NZTA does not provide the expected funding contribution to the active transport initiatives, the full cost would fall on Tasman residents, or the initiatives will not proceed.

Effect on rates: In Year 1, the increased costs are \$2.1 million, which increases rates by about 2.5%. On average, the increased costs equate to \$1.8 million per annum across the 10 years.

Effect on debt: \$0.6 million (Year 1 of LTP). On average \$1.3 million per annum across the 10 years

Effect on levels of service: ▲ Further increase.



**WHAT ELSE
IS ON THE
HORIZON?**

DIGITAL INNOVATION

The Covid-19 crisis has changed the way we work and do business. During lockdown the Council's Information Services Team stood up some interim solutions to meet many of the technology demands we faced – including remote working for staff and increasing the range of public services we provide online. To ensure these systems and services are enduring and meet both the Council requirements and our communities' expectations, additional investment is required.

Investing in our information technology (IT) will improve the quality, value and transparency of the services we provide and will mean our residents can engage with us in different ways. That investment will also allow us to improve the timeliness and accessibility of information that supports decision making by the Council, communities, Tasman businesses, and individuals.

Over the next five years we are proposing to invest \$13.3 million to improve our information services capability, our IT security and refresh our core applications. We want to provide a consistent, quality experience for residents where our website integrates with our other online services so we can provide more self-service, automated transactions with 24/7 accessibility. We plan to invest in

our data to enable us to share our information more effectively with residents and to increase the range of services we offer. Community wifi connectivity will be available in public spaces across our region and will serve as a gateway to engage with the Council, and as an enabler for future services.



DRINKING WATER, WASTEWATER AND STORMWATER (THREE WATERS) REFORM

The Government is implementing a package of reforms to the Three Waters regulatory system, including establishing a new drinking water regulator (Taumata Arowai). The aim of the reforms is to recognise the challenges councils face in providing these services and to help support significant public health, environmental, economic and cultural benefits.

As the majority owner of the drinking water, wastewater and stormwater services across Tasman, our challenges include maintaining and building new infrastructure, complying with safety standards and environmental expectations, building resilience to natural hazards and climate change, and supporting growth.

In August 2020, the Government signed a Memorandum of Understanding (MoU) with a number of local authorities, including our Council, to support the improvement in Three Waters service delivery across New Zealand. Under our MoU we have been granted \$9.78 million in funding. The funds have been included in our proposed 10-Year Plan work programme to help pay for drinking water and wastewater projects.

The Government's starting intention for the future of water service delivery is for community-owned multi-regional models. With final decisions yet to be determined, the outcome could have a substantial impact on the Council's roles, structure and finances and how we collect and pay for assets such as the Waimea Community Dam.

We expect to know more in April/May 2021. Any transfer of responsibilities is likely to occur in July 2024.

While the Government is yet to announce further details on the reform programme, the Council anticipates that if the reform programme were to proceed, our interests in the Waimea Community Dam along with the associated debt would likely be transferred to a new water service entity.

Regardless of the eventual outcome, the Tasman community will continue to need drinking water, stormwater, and wastewater services. At this stage on our planning cycle for Tasman's 10-Year Plan, we have assumed that the Council will continue to provide these services. The related work programmes and budgets are included in our Activity Management Plans, Infrastructure Strategy and Financial Strategy.

YOU MIGHT ALSO BE INTERESTED IN...

We're looking at a range of our policies and strategies at the same time as we develop Tasman's 10-Year Plan. Many of these support the 10-Year Plan, so are changing to reflect the priorities and programmes we propose to focus on between 2021 and 2031.

REVENUE AND FINANCING POLICY

Our Revenue and Financing Policy sets out the principles for funding our operating and capital expenditure. We are proposing changes to the policy to reflect changes in how we fund various services and activities. We are proposing to:

1. Combine the three existing facilities rates into two facilities rates.
2. Fund some costs of selected rural water schemes partly through general rates rather than using only targeted rates on users.
3. Fund several parts of activities (where there are multiple year benefits) through debt rather than rates.
4. Enable Reserve Financial Contributions to be used for major renewals.
5. Funding additional irrigator extractive capacity costs for the Dam through a mix of targeted and District-wide rates.

More information on these changes can be found in the Revenue and Financing Policy consultation information and draft Policy see [LTP.tasman.govt.nz](https://ltp.tasman.govt.nz).

RATES REMISSION POLICY

This policy provides for rates relief in certain circumstances. We propose to:

- **Remission of Uniform Charges on Non-Contiguous Rating Units Owned by the Same Owner** – clarify that non-contiguous land is only eligible for rates remission if it has the same owner.
- **Remission of Rates on Low Valued Properties** – increase the threshold value for eligible properties and clarify what we mean by 'isolation strips'.
- **Remission of Rates for Land Occupied by a Dwelling that is Affected by Natural Disaster** – clarify that the remission is only available to dwellings and not to other land uses.
- **Remission of Penalties** – limit eligible applications to those received within 12 months of the penalty being applied.
- **Remission of Rates on Abandoned Land** – make abandoned land that is uneconomic for the Council to sell eligible for a rates remission.

- **Remission of Excess Metered Water Rates** – extend eligibility to non-residential ratepayers in some cases; extend eligibility for leaks anywhere on a ratepayer’s property; and change the remission calculation for a second leak.

For more information see our Rates Remission Policy consultation information and draft Policy see LTP.tasman.govt.nz

DEVELOPMENT AND FINANCIAL CONTRIBUTIONS POLICY

We are proposing to amend our current Development and Financial Contributions Policy. This purpose of the Policy is to allow Council to recover from developers a fair, equitable, and proportionate share of the capital costs of the infrastructure needed to support new development.

Under the draft Policy, we propose to reduce the level of Development Contribution charges in most catchments, with the exception of the Waimea catchment, where it will increase. The changes reflect the amount and cost of growth related infrastructure planned in each of the catchments.

As there is no growth driven stormwater infrastructure planned in Brightwater and Wakefield, we also do not plan to collect stormwater Development Contribution charges in those settlements.

There are a number of other proposed changes to the Policy which can be viewed in the Development and Financial Contributions consultation information and draft Policy LTP.tasman.govt.nz

SCHEDULE OF FEES AND CHARGES 2021/2022

The Council can set a schedule of fees and charges to recover some of the costs associated with its services. We are proposing to amend some of our fees and charges for Year 1 of our 10-Year Plan. A copy of our Draft Schedule is available on our website and open for submissions LTP.tasman.govt.nz

OTHER RATING CHANGES

MOTUEKA FIREFIGHTING RATE INCREASE

The Motueka Firefighting Rate is a fixed charge paid by all properties in Motueka that are able to benefit from Council-supplied water for firefighting. Many of these properties are not connected to the reticulated water supply for household water, but are served by Council’s supply of water for firefighting capability of the reticulated network in the event of a fire on the property.

The smaller number of properties that are reticulated, pay both the Motueka Firefighting Rate and the Motueka Water Supply service charge rate.

However, the current Firefighting Rate does not reflect the true cost of providing firefighting capability, which makes up a significant portion of the total costs of running the reticulated water supply. This means that those connected to the Council's reticulated water supply are paying more than their fair share of the firefighting component of Motueka's water supply.

We propose to progressively increase the rate over the next three years, to more fairly spread the cost of providing firefighting capability across all the properties that benefit from it.

PROPOSED CHANGE TO MOTUEKA FIREFIGHTING RATE*

* inc GST

Current rate (annual)	\$17.88
2021/2022 rate	\$38.45
2022/2023 rate	\$51.83
2023/2024 rate	\$70.62

RUBBISH AND RECYCLING COLLECTION AREAS

We propose a small number of changes (affecting about 70 properties) to the Refuse-Recycling Rating Area, to ensure those who receive kerbside

collection services are rated correctly. These properties owners will be contacted directly.

URBAN STORMWATER RATING AREA

We are also proposing some changes to the area (affecting about 50 properties) that is charged the urban stormwater rate, to better reflect the areas that benefit from the stormwater network. These properties owners will be contacted directly.


MORE INFORMATION

For more detail see our draft Funding Impact Statement – visit LTP.tasman.govt.nz



WHAT ELSE ARE WE PLANNING OVER

Here are some of the infrastructure projects we are proposing to deliver.




\$53.5M

Waimea
Community Dam
Y1-2



\$10.7M

Water Safety
Improvements
Y1-5



\$2.8M

Richmond West
Intersection
Upgrades
Y1




\$6M

Motueka Growth
Wastewater
Infrastructure
Y1-3




\$1M

Motueka
West Water
Reticulation
Y1



\$6M

Motueka
Stopbank
Improvements
Y1



\$2.1M

Māpua Reservoir
Upgrade
Y1



\$0.9M

GB Recreation
Park
Grandstand
Y1-2



\$3.2M

Regional
Museum
Research
Facility
Y3




\$1.6M

Tasman's Great
Taste Trail
Y1




\$6M

Richmond South
Wastewater
Infrastructure
Y1-10



\$3.5M

Network
Improvements
to Eighty-Eight
Valley
Y1-4



\$5.1M

Golden Bay
Network
Upgrades
Y1-6



\$2.5M

District-Wide
On-Road
Cycle lanes
Y1-3



\$10.2M

Richmond
Stormwater Land
Acquisition
Y1-7



\$9.8M

Richmond South
Reservoir &
Water Main
Y1-9



\$20.3M

Richmond South
Stormwater
Improvements
Y1-7



\$2.6M

Mariri RRC* Site
Improvements
Y1-8



\$11.9M

Water Pipe
Capacity
Upgrades
Y1-7




\$3.3M

Motueka
Community
Pool
Y4



\$0.7M

Mārahau
Sea Wall
Y4-5



\$8.8M

Nelson Tasman
Regional Landfills
Y1-10



\$5.2M

Wastewater Pipe
Replacements
Y1-10



\$1.9M

Richmond RRC*
Site Improvements
Y1-10



\$8.1M

New and Renewed
Footpaths
Y1-10




\$3.1M

Emergency
Storage and
Generators
Y1-10




\$15.2M

Unsealed Road
Metalling
Y1-10




\$9.2M

Mechanical
and Electrical
Renewals
Y1-10



\$3.4M

Motueka
Network
Improvements
Y1-9



\$3.3M

Slow Urban Streets
& Greenways
Y1-10

THE NEXT 10 YEARS?

*MRF - Material Recovery Facility
 *RRC - Resource Recovery Centre
 *NRSBU - Nelson Regional Sewage Business Unit



\$2.9M

Sludge Removal & Reuse
Y1-10




\$14M

Rivers X & Y Improvements
Y1-10




\$2.1M

Secondary Flowpath Improvements
Y1-10




\$10.8M

Drainage Renewals
Y1-10



\$57M

Sealed Road Renewal
Y1-10




\$29.8M

NRSBU*
Y1-10



\$1.6M

Stormwater Treatment Improvements
Y1-10



\$15.2M

Water Pipe Replacements
Y1-10



\$1.8M

Richmond Bus Terminus
Y6-7



\$5.3M

RRC* Renewals
Y1-10



\$0.9M

New Boat Access Facility
Y7-8




\$10.3M

Richmond Central Stormwater Improvements
Y5-10



\$2.6M

Māpua Stormwater Improvements
Y4-8




\$34.4M

Waimea Water Network Capacity Upgrades
Y3-10



\$2M

Tākaka Stormwater Improvements
Y7-8



\$14.8M

Richmond Cycleway Primary Route
Y4-9




\$7.1M

MRF* Facility Improvements
Y2-10




\$34.4M

Waimea Water Network Capacity Upgrades
Y3-10




\$6.2M

Town Centre Cycling Improvements
Y5-10




\$24.5M

Waimea Wastewater Network Improvements
Y1-10



\$8.6M

Brightwater / Wakefield Multi-Purpose Community Facility
Y6-8



\$1.8M

District-Wide On-Road Cycle lanes
Y6-10




\$7.4M

Land for New Motueka Wastewater Treatment Plant
Y8




\$3M

Waste Minimisation Infrastructure
Y3-10



\$1.2M

Motueka West Water Reticulation
Y9-10



\$3.6M

McShane Road Upgrade
Y9-10

KEY




\$2.9M

Richmond West Intersection Upgrades
Y10

INVESTING IN OUR INFRASTRUCTURE

Supplying clean water, treating sewage and trade waste, minimising flooding of homes and properties and providing roads and services are some of our core services. These services help to support our Region's economic activity, protect private property and the environment, and support our community's wellbeing. We own and manage \$1.3 billion of infrastructure assets across these activities.

We have planned to spend \$993 million on these infrastructure services over the next 10 years. We have a large core programme of routine maintenance and renewal work that is required to maintain the network in good condition. Waka Kotahi/NZTA subsidise this cost – by \$134 million.

We also own and maintain other infrastructure that supports our community such as solid waste, libraries, parks and reserves, pools, halls, and Council property and commercial assets.

The Waimea Community Dam is due to be completed by the mid 2022 and filled over the winter of 2022, enabling enough water supply to provide water security for irrigators, and meet the growing needs of our residents and future residents in Richmond, Māpua, Brightwater, Wakefield and other urban areas and rural water schemes along the Waimea Plains.

As a way of stimulating our local economy and addressing priority issues, Central Government has provided a significant amount of grant funding. This funding has allowed us to speed up delivery of some priority water and wastewater projects, and commence work on improving our stopbanks along the Motueka River.

DELIVERY OF OUR CAPITAL WORKS PROGRAMME

Over the past six years, we have been unable to fully deliver our capital works programme. Looking forward, we also have an ambitious programme in place to deliver a number of projects and activities for our community. Historically, projects have been delayed due to difficulties with land purchases, consenting issues, availability of contractors, price increases and emergency events. To account for the inevitable project delays, in this 10-Year Plan we have built in a 10% reduction in several of our budget areas to reduce the risk of over rating.



WHAT ABOUT BEYOND 10 YEARS?

We're also looking beyond 2031 to make sure that our infrastructure will still be providing the levels of service that our community expects and needs.

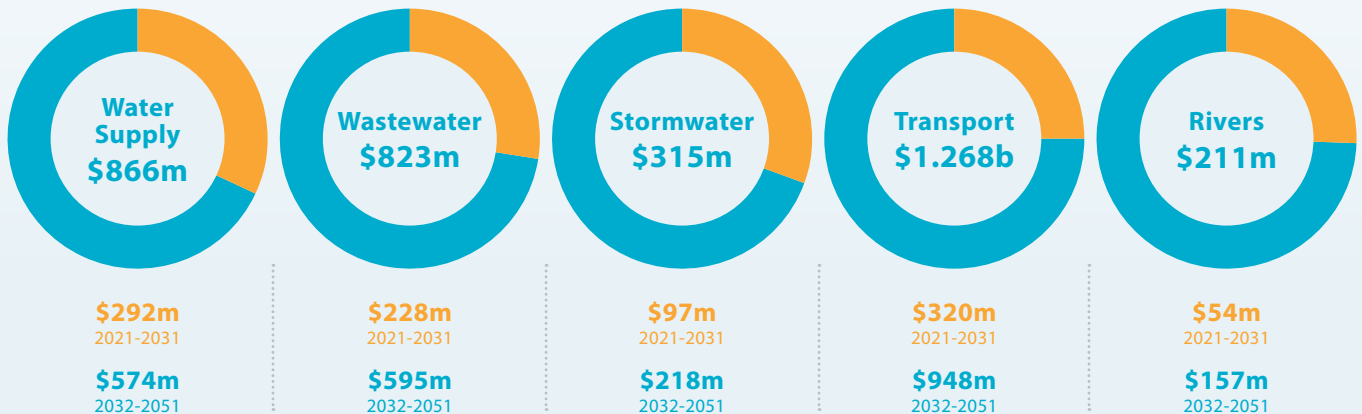
Population trends, a changing climate, improved technology and activity management practices are some of the ways we prepare for the future of our District and plan to make sure our infrastructure continues to be up to standard.

Our growth modelling indicates that we are still experiencing population growth and the demand for housing in Tasman has never been higher. Our future population estimates suggest this growth

will continue for many years to come in all of our key settlements. We have planned upgrades in Motueka, Richmond, Māpua, Brightwater and Wakefield to provide capacity for future homes that will need to connect to Council's water, wastewater, stormwater and transport networks.

For more information see our draft Infrastructure Strategy 2021 – 2051 – [LTP.tasman.govt.nz](https://ltp.tasman.govt.nz)

INVESTING IN OUR INFRASTRUCTURE OVER THE NEXT 30 YEARS



Figures rounded and are total costs - capital and operating (excluding depreciation)

HOW WILL WE PAY FOR IT?

Rates affordability is an important issue for all Tasman residents. Over the past six years the Council has worked hard to keep rates and debt at an affordable level. Looking forward over the next 10 years, we have plenty of projects planned to keep our activities and assets functioning and effective as expected by our community. We will be doing this while ensuring our environment is protected and that rates are kept affordable.

INCREASING THE CAP ON RATES AND DEBT LIMITS IN OUR FINANCIAL STRATEGY

For this 10-year budget, we are proposing to limit the annual rates income increase (excluding growth) to a maximum of 4.54% in Year 1, 4.57% in Year 2, and 4.5% in Years 3 and Years 6 to 10. For Years 4 and 5 (2024/2025 and 2025/2026) we are proposing a maximum annual rates income increase of 7.0%. We also propose to increase the net debt cap to a maximum of \$282 million.

Without this level of increase, we would have to reduce existing levels of service and/or defer/cut some of the planned work projects and programmes.

TAKING A LOOK AT THE NUMBERS FOR THE NEXT 10 YEARS



We are budgeting to spend \$1.8 billion in our District



\$1.1 billion of our overall budget will be funded by rates



Annual rates income increases of 4.5-4.57% over the next 3 years

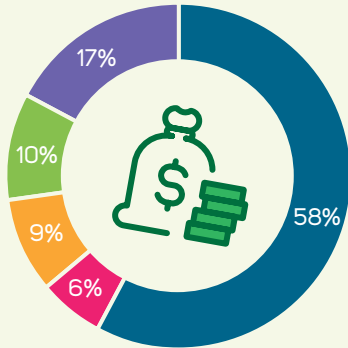


By June 2025 our net debt is expected to peak at \$281.2 million. At this peak we still have capacity to increase our borrowing by up to \$83 million in an emergency and still remain within our agreed treasury ratio limits. The amount we collect in rates over the next 10 years is 60% of our total revenue



WHERE THE MONEY COMES FROM

Over half of our overall budget (\$1.1 billion) is funded by rates. A significant portion comes from other sources such as fees and charges (when someone pays for a council service they use), government subsidies, development and financial contributions and grants.



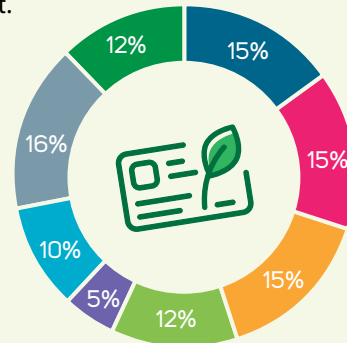
- Rates
- Development and financial contributions
- Subsidies and grants
- Fees and charges
- Other revenue (e.g. dividends, commercial income etc)

* Excludes vested asset income.

WHERE THE MONEY GOES

Over the next 10 years, here's where the money is expected to be spent.

- Environment and Planning
- Community Development
- Water Supply
- Wastewater
- Stormwater
- Waste Management and Minimisation
- Transportation
- Other



EFFECT ON RATES

What does this all mean for your rates? The impact of our plans for the next 10 years, combined with the revaluation of all Tasman District properties that took place in late 2020, will begin to be seen in rates bills coming out after June 2021.

The effect on individual ratepayers can vary a lot depending on your property type, location and the services you receive. The revaluation has had a significant effect on upcoming rates changes, based on land value and capital value because of large variations in the value movement of different property types across Tasman District.

REVALUATION 2020

The revaluation does not change the total amount the Council collects in rates. However, it can affect an individual ratepayer's bill. If your property value has increased by more than the average across the District – your rates are likely to increase; if it is less than the average across the District – your rates may decrease.

If you think of the Council's rates income as a pie, the revaluation does not change the overall size of the pie, but it can change the size of a property owner's slice.

Residential properties increased an average of 22% in the 2020 revaluation, but this varied considerably between townships and between different sections of the property market.

Lower-valued residential properties saw the greatest value increases, which affects the size of rates increases that these properties will experience.

For more information on the revaluation, visit tasman.govt.nz/rates.

OTHER EFFECTS ON RATES

- Waimea Community Dam – new proposed targeted rate on affiliated irrigators and new District-wide funding through the general rate
- Motueka firefighting rate increase
- Urban stormwater rating area changes
- Refuse-Recycling rating area proposed changes

More information can be found in the Revenue and Financing Policy and consultation information at LTP.tasman.govt.nz.

EXAMPLE PROPERTIES

The examples on the following pages provide a general indication of the proposed rates different property types will experience, and include the impact of the 1 October 2020 revaluation. They include the effects on rates of all the preferred options in this Consultation Document and the proposed general rate subsidy for selected rural water schemes.

More property examples and extra detail can be found in our rating examples supporting document and the draft Funding Impact Statement – head to LTP.tasman.govt.nz to read more.



Rates Examples - Commercial/Industrial

TYPE AND LOCATION	2020 CAPITAL VALUE (CV)	WATER SUPPLY	2020/2021 ACTUAL RATES	2021/2022 PROPOSED RATES	% CHANGE
Commercial – High Street, Motueka	\$1.65 million	No metered water	\$7,112	\$6,953	-2.2%
Industrial – Cargill Place, Richmond	\$780,000	Metered water – uses 51m ³	\$3,765	\$3,867	+2.7%
Utility provider	\$83.2 million		\$173,872	\$166,537	-4.2%

RATES EXAMPLES - RESIDENTIAL



MURCHISON

% change for 2021/2022 **+8.5%**

2020 CV: \$265,000

2020/2021 Actual rates: \$2,398

2021/2022 Proposed rates: \$2,601

Metered water – uses 131m³

Weekly increase **\$3.90**



TĀKAKA

% change for 2021/2022 **+7.3%**

2020 CV: \$465,000

2020/2021 Actual rates: \$2,560

2021/2022 Proposed rates: \$2,746

No metered water

Weekly increase **\$3.58**



WAKEFIELD

% change for 2021/2022 **+6.4%**

2020 CV: \$580,000

2020/2021 Actual rates: \$3,448

2021/2022 Proposed rates: \$3,670

Metered water – using 185m³

Weekly increase **\$4.27**



MOTUEKA

% change for 2021/2022 **+3.2%**

2020 CV: \$590,000

2020/2021 Actual rates: \$3,191

2021/2022 Proposed rates: \$3,293

Metered water – uses 87m³

Weekly increase **\$1.96**



BRIGHTWATER

% change for 2021/2022 **+2.9%**

2020 CV: \$610,000
2020/2021 Actual rates: \$3,630
2021/2022 Proposed rates: \$3,735

Metered water – uses 117m³

Weekly increase **\$2.02**



MĀPUA

% change for 2021/2022 **+3.1%**

2020 CV: \$770,000
2020/2021 Actual rates: \$2,335
2021/2022 Proposed rates: \$2,407

No metered water or Council
wastewater connection

Weekly increase **\$1.38**



RICHMOND

% change for 2021/2022 **+3.1%**

2020 CV: \$800,000
2020/2021 Actual rates: \$3,921
2021/2022 Proposed rates: \$4,044

Metered water – uses 103m³

Weekly increase **\$2.37**

Compare your rates on our rates calculator -
tasman.govt.nz/rates-search.



RATES EXAMPLES – RURAL

TYPE AND LOCATION	2020 CAPITAL VALUE (CV)	WATER SUPPLY	2020/2021 ACTUAL RATES	2021/2022 PROPOSED RATES	% CHANGE
Dairy farm – Collingwood-Bainham	\$7.02 million	No metered water	\$20,930	\$16,075	-23.2%
Forestry – Lakes-Murchison	\$1.29 million	No metered water	\$3,065	\$3,347	+9.2%
Horticulture – Richmond	\$1.11 million	Metered water – uses 177m ³ . Not affiliated with Dam	\$3,443	\$3,866	+12.3%
Horticulture – Hope	\$2.69 million	Affiliated with Dam*	\$5,857	\$6,940	+18.5%
Pastoral farm – Wakefield	\$2.81 million	Wai-iti Dam supply	\$10,161	\$9,287	-8.6%
Lifestyle – Hope	\$1.53 million	Affiliated with Dam* Rural water extension to Urban Water Supply. 2m ³ /day restrictor.	\$3,769	\$4,318	+14.6%
Lifestyle – Hope	\$1.06 million	Affiliated with Dam*	\$4,116	\$4,664	+13.3%
Lifestyle – Neudorf	\$530,000	Dovedale Rural Water Supply – 2m ³ /day restrictor	\$3,083	\$3,259	+5.7%
Lifestyle – Wakefield	\$2.37 million	Eighty-Eight Valley Rural Water Supply 3m ³ /day restrictor	\$6,623	\$6,914	+4.4%
Lifestyle – Tasman	\$1.02 million	Rural water extension to Urban Water Supply. 2m ³ /day restrictor	\$4,024	\$4,320	+7.4%
Lifestyle – Bronte	\$1.69 million	Redwood Valley Rural Water Supply. 3m ³ /day restrictor	\$5,591	\$5,971	+6.8%

*Waimea Community Dam affiliated water consent holders

AUDITOR OPINION

I am the Auditor General's appointed auditor for Tasman District Council (the Council). The Local Government Act 2002 (the Act) requires the Council to prepare a consultation document (CD) when developing its Long term Plan. Section 93C of the Act sets out the content requirements of the CD and requires an audit report on the CD. I have done the work for this report using the staff and resources of Audit New Zealand. We completed our report on 18 March 2021.

OPINION

In our opinion:

- the CD provides an effective basis for public participation in the Council's decisions about the proposed content of its 2021-31 Long term Plan, because it:
 - » fairly represents the matters proposed for inclusion in the Long term Plan; and
 - » identifies and explains the main issues and choices facing the Council and district, and the consequences of those choices; and
- the information and assumptions underlying the information in the CD are reasonable.

EMPHASIS OF MATTERS

Without modifying our opinion, we draw attention to the following disclosures.

Uncertainty over the Waimea Community Dam construction costs

Page 18 outlines the revised cost estimate range to complete the Waimea Community Dam. The Council has estimated it would cost \$158.4 million to complete the dam and this cost has been included in the Council's 10-Year plan. There are key project risks with the cost estimate, including Covid 19 related delays and the scale of work required on unexposed geological features. As the Dam is approximately 50% complete and most of the remaining work is above ground level the likelihood of geological risks are reduced.

Page 19 outlines that the Council intends to fund an additional \$25.2 million of the cost to complete the Dam, and describes on pages 20 to 25 the impact that this could have on debt and rates through different funding options.

Uncertainty over three waters reforms

Page 34 outlines the Government's intention to make three waters reform decisions during 2021. The effect that the reforms may have on three waters services provided is currently uncertain because no decisions have been made. The CD was prepared as if these services will continue to be provided by the Council, but future decisions may result in significant changes, which would affect the information on which the CD has been based.

BASIS OF OPINION

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. In meeting the requirements of this standard, we took into account particular elements of the Auditor General's Auditing Standards and the International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information that were consistent with those requirements.

We assessed the evidence the Council has to support the information and disclosures in the CD. To select appropriate procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the CD.

We did not evaluate the security and controls over the publication of the CD.

RESPONSIBILITIES OF THE COUNCIL AND AUDITOR

The Council is responsible for:

- meeting all legal requirements relating to its procedures, decisions, consultation, disclosures, and other actions associated with preparing and publishing the CD and Long term Plan, whether in printed or electronic form;
- having systems and processes in place to provide the supporting information and analysis the Council needs to be able to prepare a CD and Long term Plan that meet the purposes set out in the Act; and
- ensuring that any forecast financial information being presented has been prepared in accordance with generally accepted accounting practice in New Zealand.

We are responsible for reporting on the CD, as required by section 93C of the Act. We do not express an opinion on the merits of any policy content of the CD.

INDEPENDENCE AND QUALITY CONTROL

We have complied with the Auditor General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 issued by the New Zealand Auditing and Assurance Standards Board; and
- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended) issued by the New Zealand Auditing and Assurance Standards Board.

Other than our work in carrying out all legally required external audits, we have no relationship with or interests in the Council or any of its subsidiaries.



John Mackey

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

HAVE YOUR SAY ON TASMAN'S BIG CHOICES

Tell us what you think of our plans for
Tasman's future by 4pm, 24 April 2021

There are many ways for you to provide your views



Talk to us – see page 55 for the list of
events we'll be attending in your neighbourhood



Online – there are lots of options for providing
feedback at LTP.tasman.govt.nz or email LTP@tasman.govt.nz



In writing – complete the submission form and drop it in to any Tasman District Council office
or library, or post it for free to the following address: Tasman District Council, 189 Queen Street,
Private Bag 4, Richmond, Nelson 7050 [Freepost Authority No:172255].



YOUR DETAILS

Name _____

Organisation if applicable _____

Address _____

Email _____

Phone _____

Would you like to speak to your submission at a public hearing? Yes No

If yes, please indicate your preferred location:

Richmond Tue 4 May Tākaka Wed 5 May Richmond Thu 6 May Motueka Fri 7 May Via Zoom

If you would like to speak to your submission, please provide your phone number.

Please note: all submissions including submitters names will be made available to Councillors and to the public on our website and at Council offices and Libraries.

THE BIG CHOICES

Attach extra pages if you need more space to write or go online

CHOICE 1 – HOMES FOR OUR COMMUNITY (SEE PAGE 15)

Do you support the Council’s proposal (option A) to provide the necessary infrastructure to meet housing and business demand across the entire District? Yes No Not sure

If no, do you prefer: The Alternative Option B (Option A plus \$30 million for Lower Moutere growth projects)

Comments: _____

CHOICE 2 - WAIMEA COMMUNITY DAM - ALLOCATION OF ADDITIONAL IRRIGATOR CAPACITY COSTS (SEE PAGE 18)

Do you support the Council’s preferred Option A - a mixture of targeted and District-wide rates Yes No Not sure

If no, do you prefer: Alternative Option B - All ratepayers pay a District-wide rate
 Alternative Option C - A targeted rate on all properties in the new Zone of Affiliation
 Alternative Option D - A new targeted rate solely on irrigators

Comments: _____

CHOICE 3 – A NEW COMPANY MODEL FOR PORT NELSON AND NELSON AIRPORT (SEE PAGE 26)

Do you support the Councils' preferred option A to establish a joint parent Company for Nelson Airport and Port Nelson? Yes No Not sure

If no, do you prefer: Alternative Option B - Status quo
 Alternative Option C - A new company established as a funding vehicle only
 Alternative Option D - A new company established as a funding vehicle and shared services arrangement

Comments: _____

CHOICE 4 – RESPONDING TO CLIMATE CHANGE (SEE PAGE 29)

Do you support the Council's preferred option A for adapting and responding to climate change (Affordable level of investment spread over the next 10 years)? Yes No Not sure

If no, do you prefer: Alternative Option B - Higher investment in the short term

Comments: _____

Along with Tasman's 10-Year Plan we are also consulting on several other documents

PROPOSED REVENUE AND FINANCING POLICY CHANGES

As well as the proposed change in Choice 2, to fund additional irrigator extractive capacity costs for the Dam through a mix of targeted and District-wide rates, there are several other changes proposed to the Revenue and Financing Policy:

Do you have any feedback on the proposed changes and their alternative options?

Comments: _____

PROPOSED RATES REMISSION POLICY CHANGES

The Rates Remission Policy is made up of a series of policies that describe the circumstances in which the Council can provide rates remissions. Council is proposing changes to a number of those policies.

Do you have any feedback on the proposed changes and their alternative options?

Comments: _____

PROPOSED DEVELOPMENT AND FINANCIAL CONTRIBUTIONS POLICY CHANGES

Council is proposing a number of changes to the Development and Financial Contributions Policy.

Do you have any feedback on the proposed changes and their alternative options?

Comments: _____

CHANGES TO SCHEDULE OF FEES AND CHARGES 2021/2022

The Council can set a schedule of fees and charges to recover some costs associated with its services. The Council is proposing to update the Schedule for 2021/2022.

Do you have any feedback on the proposed fees and charges?

Comments: _____

ANY OTHER FEEDBACK?

Topic: _____

Comments: _____

COMMUNITY CONSULTATION CALENDAR

DATE	TIME	MEETING/DROP IN	VENUE
Thu 25 March	7.30 pm	Tasman Area Association	Tasman Church
Sat 27 March	8.00 am – 12.00 pm	Richmond Boot Market	Richmond Baptist Church Carpark
Mon 29 March	7.00 pm	Rotary Richmond	Club Waimea, Richmond
Mon 29 March	7.00 pm	Mārahau/Sandy Bay Ratepayers & Residents Association	Mārahau Fire Hall
Thu 1 April	4.00 pm – 6.00 pm	Drop-in	Richmond Mall
Tue 6 April	7.30 pm	Brightwater Community Association	Brightwater School
Sat 10 April	9.00 am – 1.30 pm	Tākaka Village Market	Tākaka
Mon 12 April	1.15 pm	Murchison & District Community Council	Murchison Sport Recreation & Cultural Centre
	4.00 pm – 6.00 pm	Drop-in	
Mon 12 April	7.15 pm	Māpua & Districts Community Association	Māpua Hall
Tue 13 April	11.00 am	Golden Bay Community Board	Tākaka Service Centre
	12.00 pm – 1.00 pm	Drop-in	
Wed 14 April	7.15 pm	Rotoiti Community Council	Lake Rotoiti Community Hall
Sun 18 April	8.00 am – 1.00 pm	Motueka Sunday Market	Decks Reserve Carpark
Mon 19 April	7.30 pm	Wakefield Community Association	St Johns Worship Centre, Edward St, Wakefield
Tue 20 April	2.30 pm – 3.30 pm	Drop-in	Motueka Service Centre
	5.00 pm	Motueka Community Board	
Tue 20 April	7.00 pm	Tapawera & Districts Community Council	Tapawera Community Centre

Community consultation sessions may need to change if Covid-19 alert levels change.

Please check [LTP.tasman.govt.nz](https://ltp.tasman.govt.nz) for updates.

**IT'S IMPORTANT YOU HAVE YOUR SAY ON THE BIG CHOICES
FOR TASMAN. VISIT LTP.TASMAN.GOV.T.NZ**

**SUBMISSIONS CLOSE
SATURDAY 24 APRIL 2021.**

You can submit online
at LTP.tasman.govt.nz



tasman
district council

Te Kaunihera o
te tai o Aorere