

PROPOSED ANNUAL PLAN



2019/2020

The drought and Civil Defence response to the Pigeon Valley fire have been front and centre of the Council's work over the past month. Many Council staff put aside their usual work to take on leadership, welfare, logistics, planning, operations and public information roles within the Civil Defence Emergency Operations Centre.

Before the fire started on 5 February, we had been in the process of finalising the proposed work programme for the coming year. The key aspects of the Annual Plan for 2019/2020 are outlined below. Planning and preparing for natural hazards and civil defence emergencies will be an important focus for us both this year and in future years.

BALANCING PROGRESS AND AFFORDABILITY

We have been busy planning for the 2019/2020 year to maintain and improve our infrastructure, respond to continued population growth and manage our natural resources.

Major projects we will be progressing include the construction of the Waimea Community Dam, developing the Takaka to Pohara cycle link, upgrading the Brightwater town centre, undertaking flood mitigation planning in Motueka and Riwaka, designing the new Motueka Library, and carrying out flood mitigation works at Neds Creek in Murchison. We will also continue to protect Tasman's precious environment. We intend to complete a biodiversity and biosecurity strategy, to carry out a survey of fish in the Waimea Estuary and assess the effectiveness of the Tasman Resource Management Plan.

The planned increase in rates revenue will be 2.74% (after allowing for growth) with anticipated debt of \$191.4 million by the end of June 2020.

Tasman Mayor, Richard Kempthorne said 'The ongoing impact of the fires and the drought will need to be considered during 2019/2020. In the meantime, we are keeping to our intentions for the year as set out in the Long Term Plan as much as possible. We will continue to keep rates at affordable levels and focus on managing our debt at acceptable levels. At the same time we plan to maintain and improve infrastructure and be responsible guardians of our environment'.

2.74%
PLUS GROWTH 
RATES REVENUE INCREASE

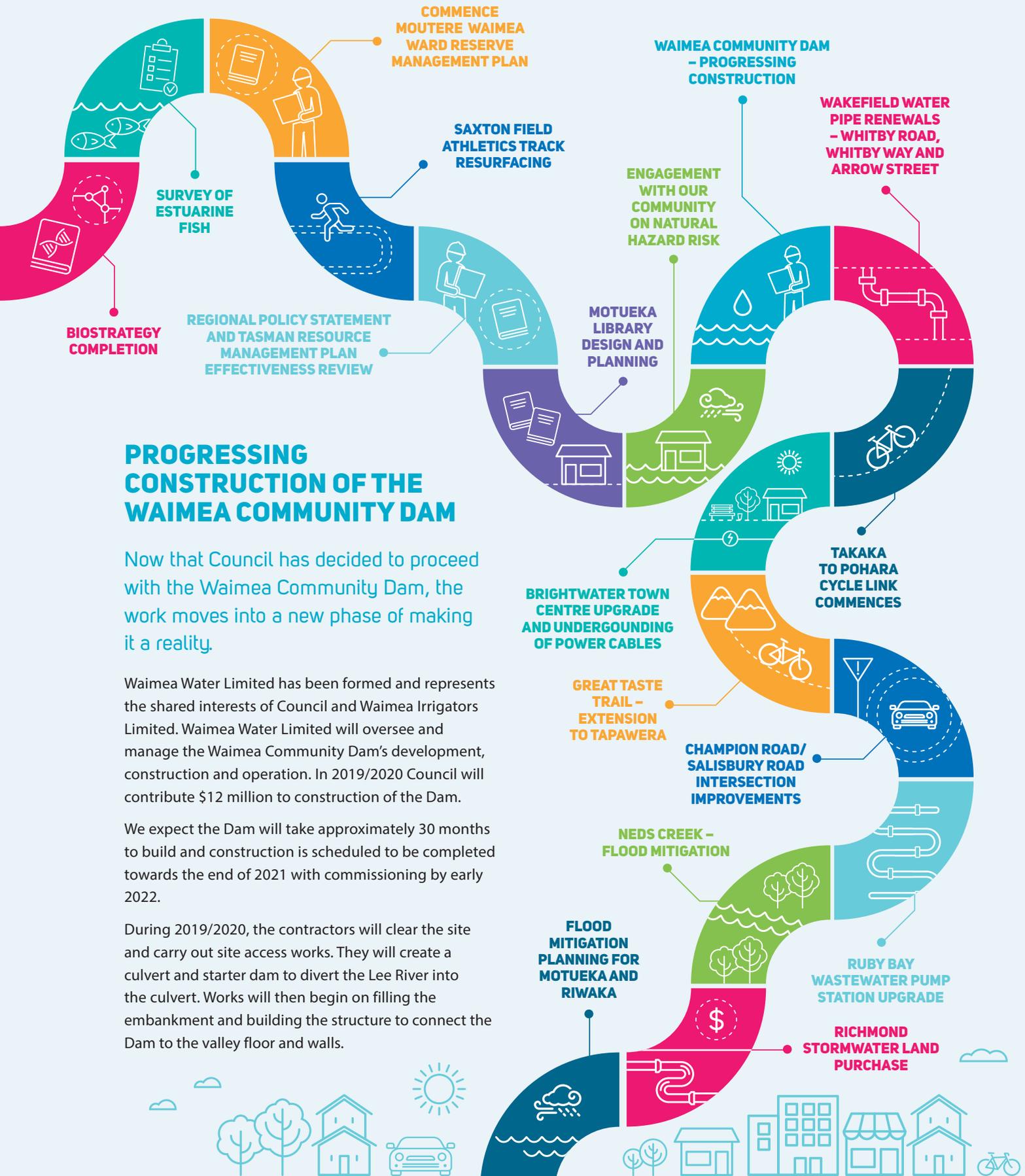
2019/2020 ★ **5th** ★
WILL BE THE CONSECUTIVE YEAR
IN WHICH OUR RATES INCREASE IS BELOW OUR 3% CAP

\$191.4M 
PROPOSED NET DEBT
AT THE END OF 2019/2020 
BELOW FINANCIAL STRATEGY CAP OF \$200M



FOR OUR COMMUNITY

HERE'S JUST A FEW OF THE PROJECTS WE'RE PLANNING FOR 2019/2020



PROGRESSING CONSTRUCTION OF THE WAIMEA COMMUNITY DAM

Now that Council has decided to proceed with the Waimea Community Dam, the work moves into a new phase of making it a reality.

Waimea Water Limited has been formed and represents the shared interests of Council and Waimea Irrigators Limited. Waimea Water Limited will oversee and manage the Waimea Community Dam's development, construction and operation. In 2019/2020 Council will contribute \$12 million to construction of the Dam.

We expect the Dam will take approximately 30 months to build and construction is scheduled to be completed towards the end of 2021 with commissioning by early 2022.

During 2019/2020, the contractors will clear the site and carry out site access works. They will create a culvert and starter dam to divert the Lee River into the culvert. Works will then begin on filling the embankment and building the structure to connect the Dam to the valley floor and walls.

Overall, we are planning our capital expenditure for 2019/2020 to be \$3.9 million lower than we forecast in the Long Term Plan 2018–2028.

The main driver of this variance is the delay of the Wakefield water treatment plant. Further testing of the raw water from its source is needed to ensure that we design the best treatment system. Construction has been rescheduled to 2020/2021.

For a range of technical and operational reasons we have also altered the timing of the following projects:

- Nelson Regional Sewerage Business Unit (NRSBU). Improvement works have been delayed to 2020/2021 pending resource consent decisions.
- Mapua water trunk main design (Moturoa/Rabbit Island). Design brought forward to commence in 2018/2019 and conclude in 2019/2020, prior to construction in 2020/2021.
- Water pipe renewals in Martin Avenue, Whitby Road and Whitby Way, Wakefield. We have advanced these projects to 2019/2020 so we can carry them out with other pipe renewal work in Arrow Street.

WHERE THE MONEY COMES FROM

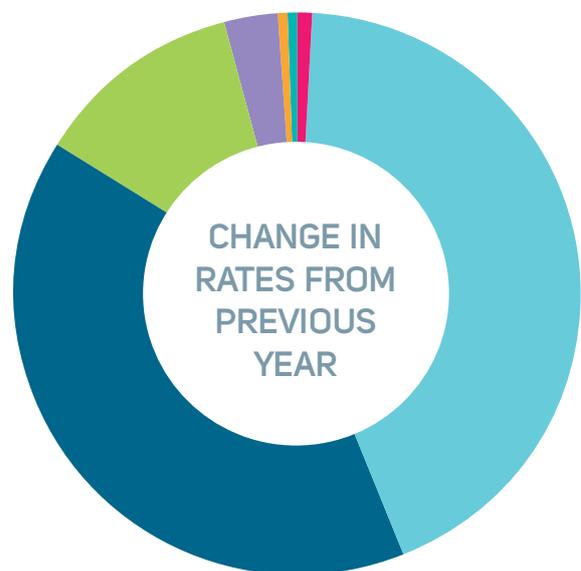
The majority of our income (58%) each year comes from rates. In 2019/2020, we anticipate the other 42% will come from other income streams such as fees and charges, government grants and subsidies.

The rates increase does not apply evenly across all ratepayers due to the mix of general and targeted rates that apply to each property. For some ratepayers the rates increase in 2019/2020 will be lower than 2.74% and for others it will be higher. To check your rates for 2019/2020 go to our rating tool, www.tasman.govt.nz/my-property/rates/search.

The total rates revenue increase for 2019/2020 in this Annual Plan is 0.32% higher than set out in our LTP 2018–2028. The main drivers for this increase are:

- Replenishing the Rivers activity emergency fund that was depleted through activities recovering from ex-cyclones Fehi and Gita.
- Reviewing the Tasman Resource Management Plan (TRMP) and Tasman Regional Policy Statement. This is required to ensure these plans guide the management of Tasman's natural and physical resources.
- Improving our ability to deliver our functions and meet community expectations now and in the future.
- Higher insurance premiums.

FOR 84% OF RATEPAYERS RATES WILL RISE BY LESS THAN \$100



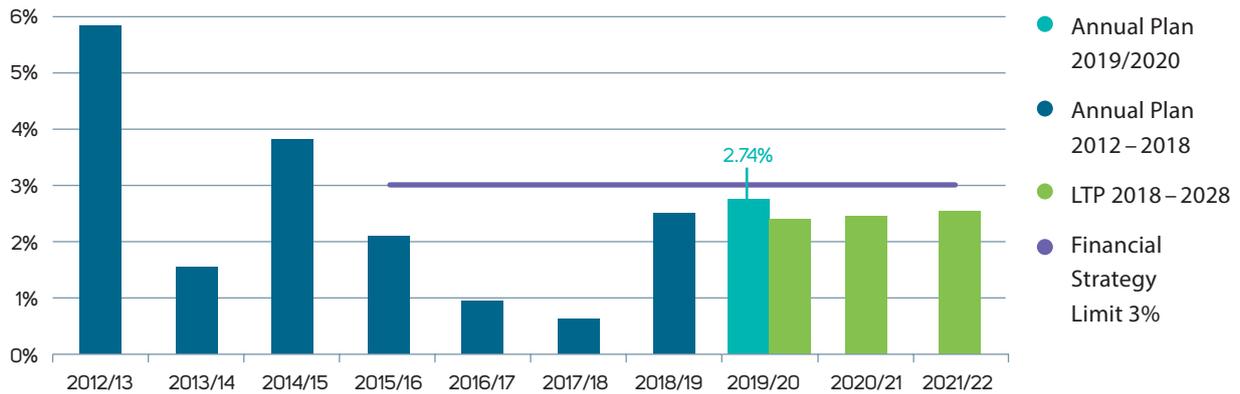
● Decrease ● \$0–\$50 ● \$50–\$100 ● \$100–\$200
● \$200–\$400 ● \$400–\$600 ● More than \$600

Note: figures exclude volumetric water charging which varies depending on water usage.



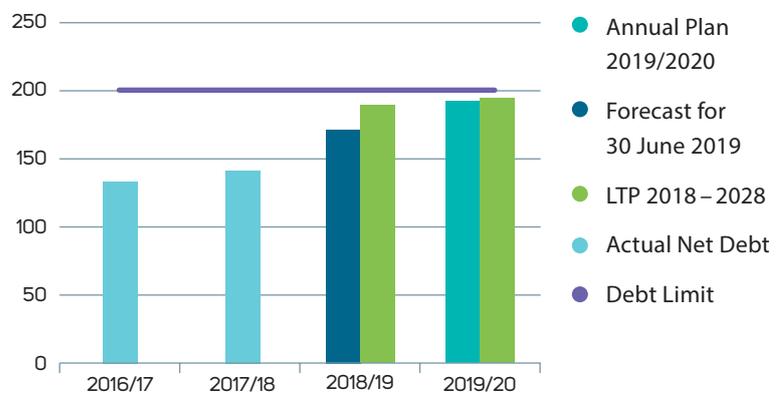
WHERE THE MONEY COMES FROM (CONT.)

BUDGETED RATES INCREASE (EXCLUDES GROWTH)



We use debt to pay for many of our infrastructure and other projects that create assets. This helps spread the costs of the assets across their lifetime.

TOTAL NET DEBT (\$M)



WHERE THE MONEY GOES

CAPITAL EXPENDITURE (TO PURCHASE OR CREATE ASSETS) – \$39.7 MILLION



OPERATIONAL EXPENDITURE* – THE COSTS OF PROVIDING ONGOING SERVICES – \$96.2 MILLION



*Excludes depreciation. **Council Enterprises, Governance etc. Graph totals rounded